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PROCEEDINGS AND DEBATES OF THE 97th CONGRESS, SECOND SESSION

SENATE—*Monday, May 3, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

"The God of Abraham praise, all praised be His name, Who was and is, and is to be, always the same! The one Eternal God, whose timelessness is clear, The first, the last; beyond all thought, throughout the years!

"He hath eternal life/implanted in our soul; His love shall be our strengthening, while ages roll. Praise to the Living God! All praise be His name, Who was, and is, and is to be, always the same!" Revised version of the Yigdal by Daniel Ben Judah.

Almighty God, we praise Thee, not that Thou dost need our praise but our souls need to worship and adore Thee. Our humanness demands it and suffers when we fail to praise Thee. Our spirits languish and starve when we do not worship Thee. We need Thee, Lord. We need Thy mercy, Thy forgiveness, Thy love, Thy grace.

Search us, O God, and know our hearts! Try us and know our thoughts!

And see if there be any wicked way in us and lead us in the way everlasting!—Psalm 139: 23,24.

Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

KIDNAP POEM

Mr. BAKER. Mr. President, it is only appropriate that after the opening of the 1982 World's Fair in Knoxville, Tenn., this past weekend, our poem today would be authored by a native daughter, Nikki Giovanni, poet extraordinaire, who was born in Knoxville in 1943. The following selection, "Kidnap Poem," has been described as a poet's charm to catch a lover, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

KIDNAP POEM

ever been kidnapped
by a poet
if i were a poet
i'd kidnap you
put you in my phrases and meter
you to jones beach
or maybe coney island
or maybe just to my house
lyric you in lilacs
dash you in the rain
blend into the beach
to complement my see
play the lyre for you
ode you with my love song
anything to win you
wrap you in the red Black green
show you off to mama
yeah if i were a poet i'd
kidnap you

NIKKI GIOVANNI

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, my notes indicate that there are no special orders this morning, is that correct?

The PRESIDENT pro tempore. That is correct.

Mr. BAKER. Mr. President, I ask unanimous consent then that after the recognition of the two leaders under the standing order that there be a brief period for the transaction of routine morning business to extend not beyond the hour of 1:30 p.m. in which Senators may speak for 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, it is the intention of the leadership today to proceed to the consideration of the Department of Defense authorization bill, Calendar Order No. 475, S. 2248, and the budget resolution related thereto, as previously announced.

RECESS FROM 1:30 P.M. UNTIL 4:15 P.M. TODAY

There are meetings, Mr. President, that will involve Senators who have a prime responsibility for the management of this measure that will call them away from the Senate Chamber to meet with the President and representatives of the executive department beginning at 2 o'clock and continuing until approximately 4 o'clock.

While I hate to do so, and while I regret the necessity of doing so, I believe it is the only practical arrangement to provide for the Senate's activity today to recess during that period. Therefore, I ask unanimous consent that the Senate stand in recess automatically without further motion at 1:30 p.m. and continue in recess until the hour of 4:15 p.m. this afternoon.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE KNOXVILLE WORLD'S FAIR

Mr. BAKER. Mr. President, world's fairs just do not come and go, they remain with us in one form or another, forever and ever. I am proud to announce to my colleagues today, that the 1982 World's Fair in Knoxville has officially opened.

The people of Tennessee and of the entire Nation are excited by this global festival. Its theme, "Energy Turns the World," is emblematic of the fair's intention to be not only entertaining but also informative.

The fair was fortunate enough to be opened by President and Mrs. Reagan, who toured the international exposition which will be opened for 184 days

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

and is expected to attract over 11 million people.

The 1982 World's Fair is located in the cradle of American energy development and deployment, surrounded by major hydroelectric facilities, coal-fired plants, and coal reserves vital to America's future, a nascent oil and gas industry, a highly advanced breeder reactor, and the Oak Ridge National Laboratory which has, since its founding 40 years ago, become a world leader in fossil fuels utilization, nuclear energy development, and fusion research.

In addition, two of the cornerstones of America's energy history underpin this year's world's fair: The Tennessee Valley Authority, birthplace of one of the largest electric power systems in the world, and the University of Tennessee, recognized as a leader in energy research with major efforts in the development of advanced electrical generating techniques.

I was most pleased that President and Mrs. Reagan were in attendance for the historic opening of the fair, and I now ask unanimous consent that the text of President Reagan's remarks at the opening ceremonies be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE OPENING OF THE 1982 WORLD'S FAIR

The PRESIDENT. Ladies and gentlemen, your Governor, Senator Baker, your congressmen, members of our Cabinet, and a good friend and a loyal Tennessean, Dinah Shore, it's a special pleasure for me to be here this afternoon in the shadow of the Sunsphere—a symbol of the energy potential, near the banks of the Tennessee River—whose force we have tapped for centuries.

All Americans can be proud of this World's Fair that we open today. For the next six months, we'll be host to representatives of 22 nations—more countries than have participated in any world exposition in more than a decade. Here in Knoxville, in the Tennessee foothills, in the hometown of John Duncan, the home state of my good friends Howard Baker and Lamar Alexander, Robin Beard and Jimmy Quillen, the world will share its knowledge, accomplishments and hopes for tomorrow.

Americans welcome the world to Tennessee.

The technology exhibited here once seemed as fanciful as the extraction of sunbeams from cucumbers in "Gulliver's Travels." But as de Toqueville said, when people live in democracy, enlightenment and freedom, their societies will be marked by scientific genius and discovery.

The countries represented here hold out the hands of friendship and cooperation; let us join them. Inventors of the world share the discoveries of their laboratories, universities, and research centers; let us pool our knowledge, technology, and our dreams. In the days and months ahead, let this spot be the focus of progress, not only in the field of energy, but for the cause of the peace.

The theme of this fair, "Energy Turns the World," is appropriate for this decade, as our nation and many of our allies struggle to produce and use energy efficiently—to provide for our energy security.

We've seen the havoc and felt the pain brought on when vital energy sources outside our influence have been cut off. We've seen our economies manipulated, our industries hamstrung, and our people squeezed between scarcity and inflation.

Together and independently, we've taken steps to make sure that never again will we be so vulnerable. Here in America, in this administration, our national energy policy dictates that one of the government's chief energy roles is to guard against sudden interruptions of energy supplies. In the past, we tried to manage a shortage by interfering with the market process. The results were gas lines, bottlenecks and bureaucracy.

A newly created Department of Energy passed more regulations, hired more bureaucrats, raised taxes and spent much more money and it didn't produce a single drop of oil. In fact, American oil production continued to decline.

Just as in today—and too many other cases, government did not solve the problem—it became the problem. Our administration is determined to press forward for real solutions. Already we have dramatically increased our Strategic Petroleum Reserve. Instead of managing scarcity, we'll help ensure continued supplies from a strategic stockpile, alleviating shortages while permitting the private market to work.

Our stockpile, I'm happy to tell you, is now one of the largest in the world—more than a quarter billion barrels—an amount greater than 135 days' supply of the crude oil we import from the Arab OPEC nations. Last year, this reserve has been stocked with more than twice as much oil as was accumulated in the preceding four years. We will increase it to nearly three times our current supply as a symbol to our allies of our resolve to reduce our vulnerability.

We will ensure that our people and our economy are never again held hostage by the whim of any country or cartel. In the area of conservation, our industries and our citizens have increased energy efficiency and cut back on waste. The amount of goods and services that we produce for each unit of energy went up last year by four and a half percent—the greatest increase in 30 years. For the last several months, our net oil imports have been less than half of their 1977 levels.

But energy is still a great concern. Even with our improved conservation, we consume 16 million barrels of oil a day. Now, let me give you an idea how many 16 million barrels is. Imagine the distance to the moon. If those 16 million barrels were stacked up each day, they'd reach the moon about once a month. We're the world's largest consumer of energy. But we use that energy well.

We are one of the most productive nations in the world. Estimates show that the 25 eastern states and Washington, D.C.—which expends most of its energy shuffling paper—produce about as much in goods and services as the entire Soviet Union. And with only 5 percent of the world's population, we Americans account for more than 21 percent of the world's output.

But we can't afford to be complacent. Our energy appetite means our energy production must be allowed to keep pace. In the last year, our oil production in the lower 48 states ended its decade-long decline. In 1981, America produced nearly 90 percent of the energy that it consumed.

What caused this turn-around? The same principle responsible for most of the prosperity, production and progress in the world today: free enterprise.

Our economic and energy problems were in large part caused by government excesses and quick fixes, not by a basic scarcity of supply. Our principles have not failed us. Too many times, we have failed to live up to our principles.

Since January 1981, when I ordered immediate decontrol of oil, we have removed requirements for more that a million man-hours of energy-related paperwork, eliminated more than 200 energy-related regulations, cut taxes to encourage capital investment, begun to dismantle the Department of Energy and reduced spending nearly $5 billion from the levels proposed by the previous administration. We are unleashing, again, the power of our people and the forces of democratic capitalism.

Skeptics said the decontrol of oil would send prices soaring. But the price of gas at the pumps has been dropping. Gasoline prices, at last, no longer lead inflation but are actually holding it down.

Within a year of decontrol, more than one thousand new drilling rigs began searching for oil and natural gas. Forty percent more successful oil wells were completed in '81 than the year before. In February our oil production was the greatest it's been for the last two years. There is magic in the free marketplace. And it works.

Although oil has been decontrolled, natural gas, the nation's largest source of domestic energy production, remains under price controls. As a result, natural gas wells have increased only 10 percent.

The legislative agenda this year is too crowded to handle the issue of natural gas decontrol. But if America is to provide for her energy security, if we are to continue growing more self-reliant, if we are to free ourselves from foreign pressure, we must press toward the ultimate solution to our energy problems: the decontrol of all of our energy sources, including natural gas, and this we shall do.

Within our boundaries and just off our shores, experts estimate that compared to our current reserves, three times as much oil and gas are yet to be discovered. We're also blessed with a quarter of the free world's coal and uranium resources.

In the last year, America has also greatly increased exports of coal, strengthening our economy and helping our allies lessen their dependence on imported oil.

In 1981, exports from this country of coal reached 110 million tons. That's 20 percent more than the previous year. Coupled with our decreasing oil imports, this meant America's net dependence on foreign energy fell to less than 13 percent. It was nearly 25 percent in 1977.

Though quite small, our use of solar power is expanding. Many people across the country are experimenting with renewable technologies such as wind and geothermal power. The Synthetic Fuels Corporation has also become operational, managing loan guarantees and price supports for some important projects. But heavy reliance on these sources is still in the future. We still have to depend on practical sources available today, such as nuclear power, which now produces more of America's electricity than oil. The Clinch River reactor, which will use new breeder technology, and the Oak Ridge National Laboratory, not far from here, symbolize our commitment to de-

veloping safe nuclear energy and technology to secure our energy future.

Our Secretary of Energy, Jim Edwards, tells the story about the time in his home state of South Carolina he spotted a car bearing a bumper sticker, "Split wood, not atoms." Well, he said he didn't think the fellow driving the car had ever split much wood—especially not a one—enough for a typical family's needs—because it isn't very easy. I can testify to that. But Jim said he wanted to tell him that America must split both atoms and wood. It'll take the use of many technologies to satisfy our future energy demands.

We're pursuing our goal of energy security while still respecting and protecting our environment. The staggering statistics of progress that I've recited today—our growing independence from foreign oil, and our increasing sophistication in using our reserves—reflect American ingenuity at its best.

This progress didn't come about as the result of some government program. It's the result of getting government out of the way.

We're applying the same philosophy to our economy: Restoring incentive, rewarding risk-taking and hard work, encouraging investment and returning more freedom to the marketplace. An economic mess has been piling up for more than 40 years. Our economic recovery program began only six months ago, but already there are visible signs of success.

In the last six months, inflation, which was 12.4 percent, has been running at a rate of only 3.2 percent. And last month the Consumer Price Index, the measure of inflation, actually went down. For the first time in 17 years, not only did goods not get more expensive; they got cheaper.

In the six months since our tax cut took effect, the rate of personal savings has increased. And we've seen recent gains in housing starts, auto sales, and retail sales.

Now, we still have a long way to go before our economy is back in shape. And this recession is causing great pain to too many of our people. But there was a thing called the misery index that was created in the 1976 presidential campaign. It was used against the then incumbent President Ford. And the misery index had been created by adding the rate of inflation and unemployment. And at that time, they were something around 12 percent. And they were used over and over against, as I say, the President in that campaign. In the 1980 campaign, they didn't mention the misery index because it had risen to 20.8 percent. I'm happy to tell you the misery index is now currently 9.8 percent.

Still, there is pressure from many sides to retreat to business as usual. There are still those in leadership positions who would allow government to grow bigger and bigger. Many well-intentioned people suggest that we can't spend less and we must tax more. As the decisions become tougher and the stakes get higher, some people in Washington are throwing up their hands. Their only answer for our energy problems, for our economy, and for virtually any difficulty at all, is more government.

We will continue to press for a bipartisan budget. But the only compromise offered so far has been: If our side agrees to raise taxes, the other side will continue to increase spending.

You know, trying to end the recession or eliminate the deficit by raising taxes is like the Big Orange trying to pull a football game out in the fourth quarter by punting on third down. (Applause.) No government in the history of civilization has ever voluntarily reduced itself in size. But with God's help, this one's going to. (Applause.)

Yes, we had the largest tax cut in history last year but it barely offsets the massive, largest tax increase in history that had been passed in 1977. And yes, we cut the rate of growth in government spending—nearly in half. But if we don't cut spending more and if we don't protect the people's tax cut, we'll see the largest deficit and the highest personal tax burden in American history.

I don't believe that you sent us to Washington to raise your taxes. And I don't think you sent us to Washington just to do what everyone did before us—spend and spend and spend. We don't have a trillion dollar debt because we don't tax enough, we have a trillion dollar debt because we spend too much. (Applause.)

We must balance the budget but history shows it can't be done simply by raising taxes. For that reason, I've asked the Congress to pass as soon as possible a constitutional amendment to require a balanced budget. (Applause.) Then there will be no partisan pointing of fingers, there'll be no refusal to compromise, and there will no longer be any red ink below the bottom line of our budget.

Twenty years of tax and spend policies resulted in 21-percent interest rates, back-to-back years of double-digit inflation, and the unemployment rate that afflicts us today. Retreating to those tired old policies will only bring us more of the same. We plan to hold down spending, reduce taxes and return prosperity. And we think that's the most compassionate program of help for the people that we can possibly produce.

I'm sure that patriots in every country believe that their nation holds the key to world progress. But I have long believed the United States of America and her people have a special destiny. Abraham Lincoln said: "God would never cease to call America to her true service, not only for her sake, but for the sake of the world."

I believe the challenge of this generation of Americans is to turn our country to a different path, to restore it to the principles that made it great, because the free world—indeed western civilization—needs a strong United States.

The community of nations must work together to achieve stability, security and peace. This exposition that we open today is another step toward achieving those goals.

You know, to those who have refused to take part, who are conspicuously absent, who continue to lock their people in misery through isolation and tyranny, we can say to them only: We wish you had come. But we'll make no effort to hide this wealth of ideas. We believe advances in the human condition can only come from open markets, free trading and stiff competition. Men and nations who ignore those forces will be lost to time.

Let the rest of us draw from this exposition a sense of confidence and community. Let us realize that free men and women still have the power to better their lives and raise the standard of living for all mankind. Let us recognize that those things that bind us and keep us strong: our democratic political institutions, our market economic systems, our commitment to liberty and our belief and faith in human dignity. And let us reaffirm our partnership among citizens, among States, and among nations.

What a partnership it was for this community to bring forth this great exposition. Maybe we should all recall that late in the last century, there was a great world exposition. And, at that time, there was a member of our Congress who actually proposed a measure to eliminate the patent office, because, he said, that everything had been invented that needed to be invented or that could be invented. Well, I wouldn't be talking into a microphone today if we'd gone along with that.

As we pool knowledge and resources here in Knoxville, our cooperation will become the keystone of a more peaceful and a stable world.

And now, I'm looking forward to seeing something of this exposition. Thank you all. Have a good time and God bless you. (Applause).

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I am prepared to yield the remainder of my time to any Senator seeking recognition at this point. I see no Senator seeking recognition for that purpose and I offer the time remaining to the distinguished acting minority leader.

Mr. PROXMIRE. I thank the distinguished majority leader. We will not need nor require any time.

Mr. BAKER. Then I yield the time remaining back.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER (Mr. WARNER). The acting minority leader is recognized.

EVACUATION AND RELOCATION IN THE EVENT OF NUCLEAR WAR

Mr. PROXMIRE. Mr. President, once again I call to the attention of the Senate the consequences of so-called surgical nuclear strike by the U.S.S.R. against our nuclear deterrent as estimated by the CATO Institute policy analysis by Katz and Osdoby.

I have previously discussed the effect of such an attack on casualties, medical reaction, food production and the economic system. Today I will discuss the evacuation that such an attack would compel, the relocation and the consequences of such evacuation and relocation.

I quote from the study:

Fallout would be so intense that massive evacuation of the affected areas in the Midwest, South and Farm Belt would be required; relocation would last for weeks, months, and in some cases even years. At least 30 to 40 million people would be forced to leave. However, in a stalemated situation—as "limited" nuclear war is likely to be initially—well over 100 million people, mostly from major urban areas, would either leave spontaneously or be required to leave by government directive. The implications, particularly for the economy, are dramatic. As Fred Ikle, current Undersecretary of Defense for Policy, concluded 25 years ago

not recently but 25 years ago—

"not only nonessential persons but most of the workers will remain evacuated as long after the first nuclear attack as further attacks appear likely." [6] Certainly this would be the case in a limited nuclear war.

If evacuation were to result in a prolonged relocation, divisive social conflicts as well as economic and social dislocation would be likely. Under much more favorable conditions in Great Britain during World War II, relationships between evacuees and their hosts degenerated quickly under the influence of prolonged stress, uncertainty, substantial class and urban-rural differences and inadequate social service resources. This experience was not unique. Japan and Germany in World War II, and even the Netherlands in peacetime, experienced these types of conflicts. Under a limited war scenario in the United States, to absorb the evacuated population the number of people living in a single house

listen to this—

or apartment in the host areas would have to increase six times (from three people to eighteen). It is not hard to imagine the conflict and stress that type of crowding would create. [7] Thus these problems are likely to be much more intractable under the "limited" war scenarios because of insufficient social services and the massive numbers of people involved. In threatened but unaffected metropolitan areas, decisions about who will be evacuated and when could become politically explosive—fraught with fears of one group or another becoming the expendable victims. This is not to mention the problem of deciding when and how to evacuate special populations—prisoners, patients in acute and chronic care facilities, etc.

A SALUTE TO BRUNO BITKER: ONE OF WISCONSIN'S FINEST

Mr. PROXMIRE. Mr. President, on February 17, the Milwaukee Bar Association paid tribute to one of its finest members, Bruno Bitker, saluting him for his services and leadership in this city and State and for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law.

No tribute could be more fitting. Few men have labored so long in the vineyard of public service and been able to make so many contributions.

The career of Bruno Bitker is an inspiration to anyone who aspires to a life of public service.

Since entering public service in 1937, Bruno has served on seven boards and commissions for Milwaukee, in seven different positions for the State of Wisconsin—and several of those positions he held for well over a decade—and has served his nation in nine different capacities on the national and international level.

And he has not been a follower. He has chaired three commissions for Milwaukee, three commissions for the State of Wisconsin and represented the United States abroad on six different occasions.

In his work with the bar association, Bruno has displayed the same type of zeal as chairman of the International Human Rights Committee, the U.S. representative at the first World Conference of Lawyers in Athens in 1963, in Geneva in 1967, in Belgrade in 1971, and the Ivory Coast in 1973. He has also served as a member of the American Society of International Law and its Human Rights Panel and still found time to serve as a lecturer in Marquette University's continuing education program.

He has for many years been the leading expert on the Genocide Convention and has been very helpful to me and my staff in the fight to secure Senate ratification of the Genocide Convention.

Mr. President, Bruno Bitker represents the very finest of a Wisconsin tradition of public service. I am delighted to join the Milwaukee Bar Association, and our entire State, in saluting him.

Mr. President, I ask unanimous consent that the resolution of the Milwaukee Bar Association, outlining Bruno Bitker's career and their commendation be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION—MILWAUKEE BAR ASSOCIATION

Whereas, Bruno Bitker was born in Milwaukee on February 5, 1898, studied at Cornell University, and practiced law in Milwaukee from 1923 onwards, and

Whereas, Bruno Bitker has served his city and state as a member of the Sewerage Commission of Milwaukee from 1931 to 1953; as Special Counsel to the Governor of Wisconsin in 1937; as Counsel for the State Banking Commission in 1938; as Wisconsin State Counsel District Director of the OPA from 1942 to 1944; as Chairman of the State Public Utility Arbitration Board in 1947; as Chairman of the Milwaukee Committee on Living Cost and Food Conservation in 1947; as Chairman of the Milwaukee Commission on Economic Study in 1948; as a member of the Mayor's Commission on Human Relations from 1948 to 1952; as Federal Court Trustee of the Milwaukee Rapid Transit Line from 1950 to 1952; as a member and officer of the Governor's Commission on Human Rights from 1947 to 1956; as Chairman of the Municipal Commission on Mass Transportation in 1954; as Chairman of the Governor's Commission U.N. from 1959 to 1976; and as a member and Chairman of the Wisconsin Advisory Committee to the U.S. Commission on Civil Rights from 1960 to 1971; and

Whereas, Bruno Bitker has represented his country as the U.S. Delegate to the International Conference on Local Governments in Geneva in 1949; as a member of the National Citizens Commission on International Cooperation in 1965; at the U.S. National Commission for UNESCO from 1965 to 1971, on the President's Commission for the Observance of Human Rights Year in 1968 and 1969; as the U.S. Civic Leadership Delegate to Germany in 1964; as the U.S. Representative at the International Conference on Human Rights in Teheran in 1968; as Consultant to the Department of State in 1968 and 1969; as a Delegate at the Human Rights Conference in 1972; and as the U.S. Representative to the U.N. Seminar on Human Rights in Geneva in 1978; and

Whereas, Bruno Bitker has served his community as Trustee for the Adv. Council of the Milwaukee Art Institute from 1957 to 1978; and in recognition of his many achievements has received the Milwaukee Citation for Distinguished Public Service in 1944, the Amity Award in 1950, and the Junior Achievement Award in 1959; and

Whereas, Bruno Bitker has served and represented the legal profession as a member of the Milwaukee, Wisconsin, and American Bar Associations, as Chairman of the International Human Rights Committee of the American Bar Association; as a member and past president of the Federal Bar Assocation in Milwaukee; as a member of the American Society of International Law and its Human Rights Panel; as a member of the World Peace through Law Center in Geneva; as a Lecturer in the Division of Continuing Education at Marquette University in 1961; and as the U.S. Representative at the 1st World Conference of Lawyers in Athens in 1963, in Geneva in 1967, in Belgrade in 1971, and in the Ivory Coast in 1973: Now therefore, be it

Resolved, That the Milwaukee Bar Association honors and bestows recognition upon Bruno Bitker for his services and leadership in this city and state, and for his outstanding contributions to our country and the world in his efforts to bring about universal peace through law.

Dated February 17, 1982.

By:

WAYNE E. BABLER, JR.
President.

Attest:

AARON E. GOODSTEIN,
Secretary.

SAVING TREASURES

Mr. PROXMIRE. Mr. President, the Boston Globe recently published an article entitled, "Harvard Unveils Treasures From a Lost Community" which reports the reopening of the Harvard Semitic Museum. The museum which was closed to the public for 40 years, opens with the only remaining complete collection of ceremonial objects rescued from a European Jewish community.

The collection, called Danzig 1939: Treasures of a Destroyed Community, has a very interesting history.

It takes place in Danzig during the 1930's, when the Nazis were in power. By the end of the decade thousands of members of the Jewish community had emigrated. At that point, realizing the terror that would come to them, the remaining Danzig Jews met for the last time in the great synagogue and voted to sell their combined treasures of ceremonial objects to help finance the emigration of their poor. For this purpose they put together the collection that is being exhibited at the Harvard Semitic Museum.

They sent the crates to New York, agreeing with a group there that if the city of Danzig existed in 15 years, they would ship back the cherished collection. Tragically, the ceremonial objects were never returned.

As we are all aware, the life of Jewish people in Poland during the 1930's went from bad to unbelievable. As the Nazi's actions became more and

more aggressive, the Jewish community began to realize that they were doomed. They began to realize—but it was too late. Many Danzig Jews who tried to escape were placed in concentration camps. When the war broke out there were only 1,000 Jews remaining in Danzig.

Mr. President, these people managed to preserve a part of their culture but not their own lives. Unfortunately they realized too late what was happening.

That is why we need to ratify the Genocide Convention. We cannot afford to be too late in becoming a signatory and strengthening the preventive capacity of this international human rights and criminal treaty.

Mr. President, it is clear that our ratification of the Genocide Convention would put us in a better position to bring our moral influence to bear in specific cases where genocide is alleged. I urge my colleagues to immediately ratify the Genocide Convention.

I yield the floor; I yield back the remainder of the leader's time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

NATO RESOURCE POOL FOR COMMON DEFENSE

(Concurrent resolution submitted by Mr. ROTH, for himself, Mr. GLENN, and Mr. NUNN.)

Mr. ROTH. Mr. President, today Senators GLENN, NUNN, and I are submitting a concurrent resolution calling on the President to propose that the NATO allies finally begin in earnest to pool our vast financial, technological, and industrial resources to provide for the common defense at acceptable costs. The resolution suggests that the President take this proposal with him to the NATO summit in Bonn this June.

The idea of combining the talents, resources, and energies of the free peoples of the West is, of course, not new. It lies at the heart of the original purpose for which NATO itself was formed. But in practice neither NATO as a military organization, nor the defense industries supporting it have functioned as unified and integrated systems.

There is, in short, less to NATO than meets the eye.

On paper, NATO looks impressive. In terms of numbers of people under arms, and total amount spent on defense, the West would appear to be more than adequately strong to meet the threat posed by the Warsaw Pact Forces.

But the statistics hide a grim reality. As a military force, NATO actually functions as a loosely organized collection of 14 separate national defense efforts.

Each member determines what it will buy and when it will buy it. Levels of ammunition and other war reserves, are set independently of total allied requirements. In fact, the NATO Integrated Military Commands commands very little that is integrated.

Consequently, NATO forces are quantitatively uneven and qualitatively inferior to the Warsaw Pact. They have only a limited ability to rearm, repair, reinforce, support, supply or even communicate with one another. One could almost say that NATO equipment is a hodgepodge of custom-built parade pieces.

The NATO defense industrial base is fragmented into wasteful and duplicative national efforts. Each of the 14 NATO nations with armed forces tries to maintain some kind of defense industry, despite gross inefficiencies of scale.

Until recently, that NATO cooperation is largely a facade, seemed to bother few people on either side of the Atlantic. Large numbers of American troops in Western Europe guaranteed that our nuclear might would be engaged on Europe's behalf. Despite continual pressure from the United States to shoulder a larger share of the defense burden, the Europeans—and the Japanese for that matter—were in effect relieved of the necessity to field their own conventional deterrent to Soviet aggression or intimidation.

American nuclear superiority and our visible commitment to European defense also permitted our European allies to adopt defense industry policies that were inspired more by national prestige or domestic economic considerations than by a real desire to contribute to our common defense.

Consequently, our European allies are paying at least one-third less than we are for defense, although their combined economies are larger than our own. In R. & D. alone, our allies would be spending some $10 billion a year more if they were spending a proportionate amount.

In this country, many in the defense establishment still act as if armaments cooperation was merely a rhetorical exercise. They seemed to be blinded by the large favorable trade balance we enjoy in military sales abroad, and perhaps by a belief that so long as were providing the real defense, we have ultimate control over alliance policies.

Mr. President, NATO can no longer afford to live in a make-believe world of giving complacent lipservice to allied cooperation, while its individual members pursue divergent and even conflicting defense policies. The realities of today will not permit it. For as Winston Churchill put it: "You must look at the facts, because the facts look at you."

The first and most important fact we must face is that the relentless Soviet nuclear buildup has called into question the credibility of the American nuclear guarantee. It is this fact above all others—the absence of a clear and credible American nuclear guarantee—that has spawned the intense defense in Western Europe.

For the Europeans, most of the choices are very difficult.

They could build a nuclear deterrent of their own, and risk even more volatile domestic political upheavals.

They could try independently to field a conventional deterrent, despite the enormous costs.

They could self-neutralize and place their faith in Soviet good will.

Or, they could cooperate with the United States to reinvigorate the alliance by combining our resources to give, over the long term, everyone greater security at lower costs. This would mean, however, abandoning old habits and taking broader view of their security needs.

Unless the West Europeans really believe that they would fare better under Soviet guns than have the Polish or Afghan peoples, only the last alternative makes any sense. It is also the only one that makes any sense from our perspective as well.

Which brings me to another fact we must face, however reluctantly. The costs of modern weapons systems and military programs have reached astronomical proportions. New cooperative approaches are absolutely imperative if we are to maintain and adequate defense for the industrial democracies at acceptable costs.

Let me just give a few examples of how defense costs have exploded. According to a recent study by the Heritage Foundation, modern military aircraft cost 25 times more than they did in World War II—even when inflation is factored out. The costs of ships and armored vehicles have increased tenfold. In general, the costs of major weapons systems have been growing in real terms at about 10 percent per year, while the growth rate for all types of military equipment has been about 6 percent annually. Obviously even a 3 percent annual budget increase will not keep pace with rising costs unless something is done.

There are a number of reasons defense cost have skyrocketed. But one of the most important is that too many countries are making the same sorts of things, and there is too much duplication of research and development. In other words, we are not getting the maximum return on our defense dollar investment.

NATO forces today have seven kinds of tanks; and six separate communications systems are under development.

Other equipment is equally nonstandardized. In addition to impairing NATO's fighting ability, this shortsighted and prideful approach means that production runs are too short to sustain output at acceptable costs.

Even in this country we have production lines that are absurdly short. Eight of the 13 production lines building Navy aircraft are turning out fewer than 20 planes a year. Three of these lines will each produce in fiscal year 1983 only six aircraft. This has led to what the Senate Armed Services Committee, under the very able leadership of the distinguished Senator from Texas, Mr. TOWER, has correctly termed "exorbitant unit costs and wasted resources."

The pressure of rising defense costs is causing some countries to drastically cut their defense industrial capabilities. Formerly significant producers of first class military equipment such as Great Britain are progressively leaving the scene. Were it not for sales to the Third World, especially OPEC countries, Britain and France might be virtually out of the modern defense equipment business.

The demise of Western Europe defense industries would not, as some might think, lead to a commensurate increase in the sales of American military equipment to our allies. Rather, it will lead to a progressive decline in total allied military strength as the allies simply procure less and less. Great Britain has already decided to cut its surface fleet drastically because the costs of maintaining shipbuilding capacity are too high. So far as I am aware, Britain has no plans to place orders with any American shipyard to make up the shortfall.

Pooling the West's vastly superior financial, technological and human resources in a meaningful fashion would not magically whisk away all our defense problems. Major reforms are necessary in this country as well. We should abandon our penchant for confusing complexity with effectiveness, and for funding every program dreamed up in some defense think tank. We need to take a close look at the organization and structure of our own Armed Forces. And we badly need to streamline our procurement procedures.

But a more tightly knit NATO system would first of all make a major contribution to bringing down costs over time. Eight years ago, one expert, Thomas C. Callaghan, estimated that removing unnecessary duplication would result in $10 billion in yearly savings. How much would be saved by larger production runs would depend on what requirements NATO identifed. But clearly they would be in the tens of billions of dollars. Competition for defense contracts would be broadened and deepened. New talents and skills would be tapped to assure the best possible results at the least possible costs.

The prospect of lower costs would, in turn, facilitate the creation of a truly effective and credible collective conventional deterrent. Western Europe could be treated as a single geopolitical entity, rather than a collection of separate, national defense problems. NATO forces would become far better integrated through using common and interoperable weapons systems. In short, NATO cohesion would match that of the Warsaw Pact.

Perhaps even more importantly, a decision to pool the West's defense resources would infuse NATO with a restored sense of unity and common purpose. Both the financial burdens and the benefits of jobs, technology, and trade would be shared more equitably. In the past, the Europeans have complained about the one-way street in defense trade, that has favored the United States. On the other hand, we have repeatedly expressed our unhappiness at the unwillingness of the Europeans to bear a larger share of the defense burden.

Mr. President, our resolution would do much to solve both problems. The Europeans would have greater access to our market, but in return they would have to maintain larger and more powerful conventional forces which would be procuring much of its equipment from American producers.

In fact, the larger NATO-wide market would provide American subcontractors in particular with new business opportunities. This is a particularly important point because our defense subcontractor base has been shrinking steadily.

And finally, a NATO-wide defense-industrial system would provide the Soviet Union with a powerful incentive to agree to meaningful arms reductions. Indeed, the currently fragmented and inefficient system has no doubt contributed to the Soviet belief that the so-called correlation of forces has tipped permanently in their favor. Let us disabuse the Soviets of this notion. Let us demonstrate conclusively that our system of democracy and free enterprise cannot only out-perform the Soviet system economically, but can also provide a viable and permanent collective defense.

And, let us also demonstrate that we are not afraid to negotiate, because we are negotiating from strength.

A comprehensive program to restore America's military strength is now in place. It is the core of the NATO alliance system. It is fully sufficient for us to move ahead in seeking negotiations with the Soviets on mutual and verifiable arms reductions, especially on the nuclear level.

But even as the numbers of nuclear weapons are reduced, no responsible democratic government can place its faith in the willingness of the Soviet Union to abide by the rules of good international behavior. NATO conventional forces will become, if anything, even more important. And in strengthening our collective conventional forces we will not only make nuclear war less likely, we will make any war less likely.

But we must begin now to revitalize and rededicate the North Atlantic Alliance.

The past three administrations have attempted to move in the direction of greater cooperation. According to a letter I received last week from Kenneth M. Duberstein, Assistant to the President, there are now in effect 11 bilateral Memoranda of Understanding of reciprocal procurement arrangements. Other steps are also being taken, almost entirely on a bilateral basis.

In agreeing that increasing NATO arms cooperation is a good thing, however, Mr. Duberstein also added that the adminstration hesitates to propose bolder initiatives at the NATO summit until stronger congressional support is evident.

Mr. President, what greater incentive does the Senate need? Our resolution provides a golden opportunity to send a signal to the President that the Congress stands foursquare behind reducing defense costs through greater allied cooperation.

If the President were to go to Europe and, backed by a strong congressional resolution, say, "The United States stands ready to work out the means by which we can together produce more defense at less cost" not only would confidence in U.S. leadership be restored, but NATO as an alliance would be infused with a renewed sense of unity and purpose.

In his 1958 state of the Union message, President Eisenhower stated the case for allied cooperation with unrefutable logic. Ike said,

> It is wasteful in the extreme for friendly allies to consume talent and money in solving problems that their friends have already solved—all because of artifical barriers to sharing. We cannot afford to cut ourselves off from the brilliant talents and minds of scientists in friendly countries. The tasks ahead will be hard enough without handcuffs of our own making.

Mr. President, I urge my colleagues to join us in unlocking those handcuffs. In 1958, the United States enjoyed overwhelming nuclear superiority and a dominant place in the world economy. Twenty-five years later we face an adversary whose military power is beginning to overtake our own, while the economies of Western Europe have reached superpower status.

It is time to drop the "no trespassing" and "keep out" signs from our defense industrial policies. Mercantilism in defense matters is self-defeating. If the industrial democracies are going to

preserve our common values and way of life in the last 20 years of this century we simply must pull together.

Mr. President, I ask unanimous consent that the text of the concurrent resolution be printed in the RECORD.

There being no objection, the text of the concurrent resolution was ordered to be printed in the RECORD, as follows:

S. CON. RES. 88

Expressing the sense of the Congress that the member countries of the North Atlantic Alliance must pool their resources for their common defense.

Whereas, the United States remains firmly committed to cooperating closely with its North Atlantic Treaty Organization (NATO) allies and its other allies in protecting liberty and maintaining world peace;

Whereas, the financial burden of defense of the Free World has reached such proportions that new cooperative approaches among the United States and its NATO allies are required to maintain an adequate collective defense at acceptable costs;

Whereas, although the North Atlantic democracies possess more than half again as many people as the Warsaw Pact countries, and more than twice the gross national product of the Warsaw Pact countries, the loosely organized national defense efforts of the 14 armed nations of the North Atlantic Alliance produce a collection of forces that are qualitatively uneven, quantitatively inferior, and have only a limited ability to rearm, repair, reinforce, support, supply, or even communicate with one another.

Whereas, the need for a credible conventional deterrent in Western Europe has long been recognized in theory but has never been fully addressed in practice, largely because of the existence for many years of American nuclear superiority in Europe;

Whereas, United States nuclear superiority in Europe has now disappeared, leaving European, Canadian and American forces in Western Europe vulnerable to the threat of attack by the overwhelmingly superior conventional forces of the Warsaw Pact countries;

Whereas, a more equitable sharing by member countries of the North Atlantic Treaty Organization of both the burdens and the technological and economic benefits of the common defense would do much to reinvigerate the member countries of NATO with a restored sense of unity and common purpose;

Whereas, the West's wasteful and duplicative defense-industrial system and inadequate collective conventional deterrent to not provide the Soviet Union with incentives to agree to meaningful and mutual arms reductions; and

Whereas, a decision to pool the West's enormous technological, industrial, and economic resources will not only lead to lower defense costs, but will provide a powerful inducement for the Soviet Union to enter into a meaningful arms reduction agreement so that both East and West can devote their energies and resources to peaceful, cooperative pursuits: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the President should propose at the summit meeting of the heads of governments of the member countries of the North Atlantic Treaty Organization (hereafter in this concurrent resolution referred to as "NATO"), scheduled to take place in June 1982 in Bonn, West Germany, that the NATO allies of the United States join the United States in agreeing to—

(A) pool their defense efforts and resources to create, at acceptable costs, a credible, collective conventional force for the defense of the North Atlantic area;

(B) established a cooperative defense-industrial effort within Europe and between Europe and North America that would ultimately reduce the defense costs of the United States and other NATO countries, by providing a larger production base while eliminating unnecessary duplication of defense-industrial efforts;

(C) share, equitably and efficiently, the financial burdens, as well as the economic benefits, including jobs, technology, and trade, of NATO defense; and

(D) begin negotiations promptly to establish the strategies, structures, policies, and programs to give full effect to the agreements described in clauses (A) through (C); and

(2) to assure the NATO allies of the United States that the policy described in paragraph (1) has the full support of the American people, the President should work with the Congress in negotiating the implementing strategies, structures, policies and programs, and should present such agreements with the European members of the Alliance acting on a united and collective basis, and with Canada, to the Congress for approval.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

GEORGE MUSSO'S INDUCTION INTO PRO FOOTBALL'S HALL OF FAME

Mr. DIXON. Mr. President, today I would like to pay tribute to a great athlete and a distinguished Illinoisan, Mr. George Musso, who this summer will be inducted into professional football's Hall of Fame.

Born and raised in Collinsville, Ill., George Musso graduated from James Millikin University in Decatur, Ill., in the class of 1933. I am sure some of my colleagues would be interested in knowing that when Millikin University squared off against Eureka College in 1929, Mr. Musso faced a right guard by the name of Ronald Reagan. Millikin won 40 to 6.

George Musso joined the Chicago Bears in 1933 and achieved the distinction of being selected as team captain in his third year. During his 12 years with the Bears he played both offense and defense though he made his reputation primarily as a defensive middle guard. He was selected as all-NFL guard in 1935, 1937, and 1938 and was a member of four Bear championships: 1933, 1940, 1941, and 1943.

As if his illustrious career in pro football was not sufficient, George Musso went on to distinguish himself as a civic leader in his community; first as sheriff and then as treasurer of Madison County, Ill.

Mr. President, on behalf of all Illinois citizens I would like to extend our warmest congratulations to George Musso for his well-deserved induction into professional football's Hall of Fame and express our deep appreciation for a career of dedication to the world of sports and service to Illinois.

OPPORTUNITIES FOR A POSITIVE POLICY ON CUBA

Mr. PELL. Mr. President, at this moment we seem to be at a crossroads on the issue of peace in Central America and the Caribbean. We can either take advantage of the opportunities presented to work out difficult problems through discussions and negotiations or, it seems, we can be drawn down the path of deeper and dangerous involvement.

The administration's policy toward Cuba, as evidenced by statements and actions of the past weeks, indicates that it has made the decision to reemphasize the hard line on Cuba. The reimposing of Treasury Department regulations which in effect place a ban on travel of U.S. citizens to Cuba, and restatements of the charges that Cuba is sending arms to the Salvadoran guerrillas are the latest steps in this attempt to revitalize a policy that has not worked for over 20 years.

These latest negative moves by the administration fly in the face of the positive opportunities presented by the important initiative of Mexican President Lopez Portillo to encourage talks between the United States and Cuba. It comes at the time of a most-explicit sign of the Cuban Government's desire to discuss issues of contention, including ways to achieve peace in Central America. It is presented when a growing body of learned opinion in this country believes that talks with Cuba are in the best interests of the United States.

The administration, by its own actions, acknowledges that Cuba is a key factor in Central America and the Caribbean. This reasoning should lead to the conclusion that until the United States and Cuba get together to resolve issues, a peaceful resolution to the conflict in Central America is not possible. There have been unclear signs from the administration that discussions with Cuba were on the agenda. It has been revealed that Secretary of State Haig met with the Cuban Vice President in Mexico last November and Gen. Vernon Walters met with President Castro in Havana last month. Recent reactivation of the hard line, however, seems to have overtaken the situation.

At the very highest foreign policy levels, the Cubans have strongly signaled their willingness to cooperate in far-ranging negotiations with the United States which would include discussions of mutual concerns in Central America. Cuba has also signaled its desire to lessen its dependence on the Soviet Union. Last month, a study pre-

pared by the Office of East-West Policy and Planning of the U.S. Department of Commerce, and published by the Joint Economic Committee demonstrated that the U.S. trade embargo has forced Cuba deeper into the Soviet bloc because of the dependency on East European foreign trade. A positive U.S. approach on Cuba could have positive results for all concerned.

This point, and others regarding the issues I raise today, are very well presented in recent articles by Clayton Fritchey, Leslie Gelb, Abraham Lowenthal, Jorge Dominguez, Flora Lewis, Saul Landau, William LeoGrande and a New York Times editorial of April 20. I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 14, 1982]

IT'S TIME TO TALK WITH CUBA

(By Clayton Fritchey)

In the crisis over the Falkland Islands, there is a lesson for the Reagan administration: don't let a dangerous situation deteriorate to the point of explosion. There is also a lesson for Secretary of State Alexander Haig in the exemplary way that Lord Carrington admitted error when, as a point of honor, he resigned as Britain's foreign minister. "I was wrong in the assessment of what they were doing," he said, "and therefore I am responsible." How refreshing it would be if only Haig would admit as much about his dubious assessment that Cuba is to blame for all the unrest and turmoil in Central America and the Caribbean.

Tension with Cuba is nothing new, but we know from experience—the Bay of Pigs and the 1962 missile crisis—what it can lead to. Any new clash with Cuba would be even more dangerous, for Fidel Castro now has a far stronger military establishment, and he is backed by Soviet nuclear power which, unlike 1962, is now a match for the American arsenal. At this point, the Reagan administration could do worse than give some attention to a new study of the Cuban economy by the Joint Economic Committee of Congress, which concludes that the 20-year-old U.S. trade embargo against Cuba is forcing Havana deeper into the Soviet camp. Before its 1959 revolution, Cuba relied on the United States for 75 percent of its imports and 65 percent of its exports, but now, according to the study, the U.S. embargo forces Havana to depend on the Soviet bloc for 75 percent of its foreign trade.

Rep. Henry Reuss (D-Wis.) chairman of the committee, says, "There can't be any solution to the problems in Central America without Cuba, so maybe a good place to start discussions with them would be on lifting our embargo against pharmaceuticals." Moreover, he added, the report confirmed his belief that both Cuba and the United States could benefit now from talks. Fortunately, the Cubans seem to have arrived at the same conclusion.

Only a few days ago a senior Cuban official said his government is now ready for wide-ranging negotiations and agreements on "mutual restraints" with Washington. At the same time he "distanced" Havana from Soviet actions in Poland and Afghanistan. He even went so far as to say that Latin America is not ripe for socialism, and therefore Castro is willing to promote "democratic change" and moderation in the region. Significantly, the Cuban spokesman acknowledged that Havana had in the past provided arms for Nicaragua, as well as "material aid" for El Salvador, but said the supplies had been stopped some months ago.

Since 1959, seven U.S. presidents have tried one way or another—including the attempted assassination of Castro—to bring Cuba to heel, but in spite of these efforts, the Cuban leader continues to flourish. What puzzles many nations that long ago formally recognized Cuba is why so many U.S. presidents, both Democratic and Republican, seem to have a fixation about Cuba, a small island with fewer than 10 million people. As one European diplomat recently put it, "You recognize and do business with all kinds of communist countries, including China, Russia and the Soviet bloc. Why can't you normalize relations with Cuba, which, after all, is hardly a serious threat to a superpower like the U.S.?"

CUBAN CALLS FOR TALKS WITH THE UNITED STATES AND ACCEPTS PART BLAME FOR STRAINS

(By Leslie H. Gelb)

HAVANA, April 4.—A senior Cuban official said this weekend that "until recently" Cuba as well as the United States bore responsibility for the present atmosphere of confrontation, but that his Government was now ready for wide-ranging negotiations and agreements on "mutual restraint" with Washington.

Apparently in an effort to achieve a major breakthrough in Cuban-American relations, the official acknowledged past arms aid to Nicaragua and the Salvadoran guerrillas but also insisted that the supply had ended. He said this applied also to helping others to send arms.

Previously, Cuba had been unwilling to admit or had denied providing arms aid to the Salvadoran guerrillas and had claimed nothing about stopping transshipments of arms to El Salvador or stopping the arms flow to Nicaragua. The official said these activities had stopped within the last few months.

The senior official and others, speaking to a group of scholars and foreign policy experts gathered in Havana over the weekend, did not hide their concern about the possibility of United States use of force against Cuba. They spoke on the condition that they not be named, a practice adopted by many governments in order to provide some element of flexibility in later negotiations.

TALKS APPARENTLY AT STANDSTILL

The senior official indicated that private talks with the Reagan Administration had reached a standstill and that the Cuban position was not adequately understood by the Administration or the American public. The most recent official Cuban-American meeting was last month when Ambassador at Large Vernon A. Walters met with President Fidel Castro in Havana.

The official said that Cuba would not abandon the right to supply arms and support revolutions, as he maintained the Reagan Administration insisted that it do, but claimed that as a practical matter Havana was now exercising self-restraint and was prepared to play "a positive role" in settling disputes and bringing about "democratic change."

He also distanced Havana from actions of the Soviet Union in Afghanistan and Poland. Diplomats here related that a number of points made by the Cuban official had been made privately in recent direct contacts with the Reagan Administration and through intermediaries.

The official stressed at the outset that "we believe we can have serious negotiations with the Reagan Administration" despite evident feelings of mistrust toward the Administration.

He said that Cuba would be willing to negotiate foreign policy questions with the United States "in a multilateral context" without prior normalization of relations. This, he said, included playing "a positive role" in working with other nations to bring about a political soluton in El Salvador. Previously, in public at least, Havana has said that normalization of relations and a lifting of the American economic embargo were necessary before such negotiations could be held.

He asserted that normalization would lead to "restraints" on Cuban as well as American behavior.

SOVIET BOND "UNBREAKABLE"

Perhaps to lay the groundwork for a better dialogue with Washington, the official indicated disapproval of the Soviet presence in Afghanistan and said that the situation in Poland should be resolved by the Polish people themselves. However, he added that the bond between Moscow and Havana was unbreakable.

He also insisted that Moscow itself was not prepared to damage relations with Washington by trying to gain "an asset" in El Salvador.

Several themes ran through the official's presentation and answers to questions.

Cuba feels confident about its own future and beliefs, sees itself playing an important role in promoting world peace and economic development, and with this in mind, is ready for a "relative accommodation" with the United States.

Cuba will not under any circumstances compromise its principles, rights and support for revolution, but it is prepared to negotiate practical, arrangements for mutual restraint to supplement and guarantee political solutions reached by the parties to conflicts themselves.

Latin America as a whole is not ripe for socialism, and President Fidel Castro is therefore willing to promote "democratic change" and moderation in the region.

While Havana will always maintain "socialist solidarity" with Moscow, it pursues an independent foreign policy and does not want to be the "victim" of East-West confrontation.

"Until recently," the offical said, both the United States and Cuba "were acting in a way that was leading to an unavoidable confrontation." He said that was "the first thing to avoid, and it can be avoided."

MISUNDERSTANDING IS NOTED

"We are convinced," he added, "that an important part of the differences results from misunderstanding, perhaps mutual misunderstanding."

He argued that it was wrong to think of everything in terms of global East-West competition and especially wrong to believe that "everything harmful to one side is produced by the other." "We Cubans are victims of that misconception," he said.

Most change, the official maintained, springs from situations of injustice and poverty within countries.

He acknowledged that Cuba had been providing what he called material aid to the Salvadoran guerrillas, but insisted that this

had stopped 14 months ago. And he said that Cuba had also ceased transshipping arms from other countries to the guerrillas in recent months.

He said nothing about continued Cuban training of Nicaraguan forces and Salvadoran guerrillas or about what the Reagan Administration says is Cuba's involvement in the command and control of the Salvadoran guerrillas.

OTHERS SAID TO SUPPLY ARMS

As for Cuban arms aid to Nicaragua, the official insisted that this had stopped several months ago since, he said, the Nicaraguans already had enough arms. He maintained that the Reagan Administration knew who was really supplying the arms, but would not say so. The official also declined to name the suppliers.

"The United States has told us they consider an end to our aid to Salvador as a prerequisite to future normalization of relations," he said. "We do not renounce the right to send arms to the guerrillas in El Salvador, but we have not exercised this right for over a year.

"Cuba cannot permit as a precondition for normalization what the United States understands as Cuban good behavior."

On El Salvador, he maintained that the United States "is not reading between the lines or the lines themselves." The guerrillas' message, he said, was clear: "They are not fighting to establish a socialist regime, although some would like it, and some are Communists. They don't think they can reach Communism now, and they are trying to find a progressive democratic system."

He added that if the United States understood this, "there are wide possibilities to settle other Central American problems" as well.

Cuba, the official said, would not be a direct party to internal negotiations in Central America or Africa, but would participate in a "multilateral context" to help bring about political settlements and abide by the terms of the settlements as long as Washington did so.

"We do support the French and Mexican proposal to propitiate a negotiation between the Salvardoran junta and the guerrilla groups," he said. He seemed to indicate that this would not include the right-wing groups in El Salvador.

In his view, a solution to the Salvadoran situation would make it easier for the United States and Nicaragua and for Nicaragua and Honduras to settle their disputes.

In the meantime, he said, Cuba was also ready for "discussions" with Washington on issues affecting both countries, including American overflights of Cuba, the American base in Guantanamo and settlement of American financial claims against Cuba.

While insisting that the Cuban-Soviet bond was solid, the official responded to a question by saying that his Government was "worried" about the situation in Afghanistan. he said that Cuba had "never given support for what happened there" and had been "consistently working for a political solution."

Other Cuban officials explained that Cuba's vote in the United Nations against condemning the Soviet intervention in Afghanistan was as a matter of political realism. They said they were not about to line up formally against the country that provides Cuba with what State Department specialists estimate is some $3 billion annually in various forms of economic support and millions of dollars in free military equipment.

The senior official called the situation in Poland "a socialist tragedy," then added: We believe the Poles should have the opportunity to solve the problem themselves. The way the Poles are trying is the least tragic way possible without civil war or intervention."

[From the New York Times, Feb. 26, 1981]

ON UNITED STATES-CUBAN TIES

(By Jorge I. Dominguez)

CAMBRIDGE, MASS.—The United States and Cuba are almost certain to be involved in bitter political disputes in coming months. The Reagan Administration, accusing the Cuban Government of interfering in El Salvador's internal affairs, has placed the El Salvador issue at the top of its foreign policy priorities in relations with friends and adversaries. Nonetheless, United States policy must recognize that despite any conflicts with Cuba over El Salvador, or Angola, or Ethiopia, there is an important aspect of the bilateral relationship that should be preserved.

To put it differently: Do Ronald Reagan and Fidel Castro have common interests? They do, and it is essential that both countries enhance their joint gains from their existing relationship, even though they may remain in conflict over their relations with other countries.

Mr. Reagan and Secretary of State Alexander M. Haig Jr. have made it clear that they believe that combating international terrorism is an essential foreign policy goal. The main reason for the decline of one form of terrorism—the hijacking of commercial airliners to Cuba—has been the agreements between the two capitals that have deterred and punished hijackers. Our Government must retain the Cuban Government's trust and collaboration if a hijacking epidemic is not to resume.

Havana very much wants Washington to prevent the launching of terrorist attacks against Cuba from United States soil. If Washington wants to be credible and consistent in its antiterrorism campaign, the Administration should take all possible steps to do so.

The Administration has a major stake in regulating and controlling the flow of people into the United States. The Castro Government opened a harbor last year to allow the emigration of Cuban-Americans' relatives and friends to the States. Havana has signaled that it is ready to open the gates again, even in the absence of formal agreements with Washington. Such agreements must be negotiated, especially since the boats carried people including criminals, who would not ordinarily be admitted under the immigration law. Unrelieved hostility toward Cuba might put the Administration in the uncomfortable position of ordering

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gee? Should the Miami area be asked to absorb another 250,000 Cubans?

The Administration has indicated that the guiding value of its policies toward Latin America is to make the Western Hemisphere a bastion of freedom. It would be contrary to that policy to cut off the possibility of receiving remaining Cuban political prisoners, to prevent Cuban-Americans from visiting their families in Cuba, to prevent United States citizens from traveling to Cuba for cultural, educational or artistic reasons, or for touring, using charter flights departing from United States airports. It would be contrary to such a profession of freedom if visits by Cuban scholars or artists to the United States were prohibited, or if our libraries or scholars could no longer obtain Cuban documents and other publications, or if Cuban films could no longer be exhibited in this country.

Both governments share an aversion to the international drug traffic. Collaboration between their coast guards and the continued exchange of information on the problem would also serve common interests.

The maintenance of professional collaboration between both countries' weather services has served the safety of the peoples of Cuba and of Florida for decades. Hurricane-tracking in the Caribbean must remain insulated from disputes about El Salvador.

The diplomatic and consular "interest sections" established in 1977, whereby United States diplomats are posted in the Swiss Embassy in Havana and a comparable number of Cubans posted in the Czechoslovak Embassy in Washington, have served to clarify disagreements and to cool down disputes in moments of crisis. Our section in Havana has proved invaluable in assisting our citizens in Cuban jails, individuals with both United States and Cuban citizenships, Cuban political prisoners going to the States, and United States tourists.

It might be argued that the two countries have compatible goals in areas of the world where suspicion and hostility prevail: They may share a common interest in a Namibian settlement, in the preservation of existing African borders, even in Gulf Oil's continued oil operations in Angola's Cabinda enclave. Admittedly, these are controversial propositions.

What should not be controversial is the Ronald Reagan and Fidel Castro do have common interests in ensuring that possibilities of cooperation remain, despite the foreseeable deterioration in relations.

WHO'S SCARING WHOM?

(By Flora Lewis)

WASHINGTON, February 17.—Ominous but ambiguous rumbles about what the U.S. might do to Cuba have become a current staple of foreign policy noises from Washington. They are hard to read. Does the Administration have firm intentions? What are they?

The more you dig into this, the less you find. Grant the statements about a new flow of Soviet weapons to Cuba. But Washington's unwillingness to provide hard details is explained alternately as protecting sources and prudently avoiding over-dramatics like President Carter's useless flap about "discovering" a Soviet brigade on the island.

These are contradictory stands. Do they mean things are really getting worse, or that we want to signal Havana and Moscow we'll be very angry if they do? It depends which senior officials you ask.

There is no charge that the 1962 Soviet pledge not to send "offensive" arms to Cuba has been violated, though that is hard to define and is usually interpreted to mean nuclear weapons in this context.

In any case, the Administration does not claim that the warnings have in fact achieved their advertised purpose of stopping "the export of Cuban subversion" to Central America and the Caribbean. But it has no answer to the question of whether the deliberate campaign of "not ruling out" the use of force may be provoking the arms buildup as a defensive reaction. Cuba's policy of aiding rebels isn't likely to change under pressure.

Meanwhile, Fidel Castro has been sending quiet signals that he wants to extend contacts and negotiate with the U.S. Nothing significant happened at the meeting late last year between Secretary of State Haig and Cuba's Vice President beyond the fact of the meeting itself, officials say. Both sides simply repeated their old positions.

But recently Mr. Castro told a Republican Congressman, Hamilton Fish, that he would take back criminals and sick people dumped on the U.S. during the mariel exodus if a face-saving exchange were arranged. And he released four American prisoners.

The signs and gestures have been coldly received in Washington. There is a lot of talk about Cuba but little interest in talking to Cuba. It is taken for granted that Mr. Castro's overtures are a tactical attempt to defuse U.S. antagonism, not a genuine desire to improve relations and ease his country's total dependence on Moscow, as some foreign diplomats think.

Certainly, there is plenty of reason to worry about the future in the Caribbean basin. Ferment is developing through the area. To the extent the U.S. is seen as hostile to urgently needed social change, and to some people that's how it looks, hostility to the U.S. is growing.

A spread of Cuban influence, backed by the Kremlin, would indeed represent a strategic threat. President Reagan will spell out America's promised Caribbean Basin Initiative next week. Drafts are still being revised at the White House, but latest word is that the speech will offer trade incentives and not much aid.

No doubt regional hopes are excessive. The U.S. and the industrial West can't simply cure impoverished, frustrated societies even if they had unlimited funds to offer. The main thing development experts have learned in their trials is how hard it is to speed peaceful change.

But it is the only reliable way to improve regional security in the long run. In the short run, encouragement and sustained hope make all the difference. Forcing people to choose sides in an East-West confrontation that seems irrelevant to their lives is a way to breed enemies.

A Canadian parliamentary commission that studied the area's urgent problems for nearly a year concluded that "potentially the most dangerous threat to security in these regions [is] the growing confrontation between the U.S. and Cuba."

Change in the area is necessary and inevitable, it said. "Any attempt therefore to characterize this process as derived essentially from an alien ideology should be resisted. Moreover, social change in these countries will evolve from a wide range of development models because of their rich and complex histories. It is unrealistic to expect them to blindly imitate the experience of others. Canada should recognize and support such pluralism in Latin America and the Caribbean."

All Canadian parties were represented on the commission. They were saying, in effect, that the U.S. is making a mistake in stressing a Cuban and Communist challenge rather than a human and social challenge.

Why is Washington on such a different tack and what does the Administration hope to achieve with its threats and warnings? The more one looks into the facts, the harder it is to avoid suspicion that the Administration isn't talking foreign affairs at all but domestic politics. The noises seem to be required to still right-wing charges of being "soft on Communists." Intentions are hard to read because they are so vague.

The trouble is that this bombastic domestic dialogue resounds around the world. It is frightening friends. It isn't facing let alone solving real problems.

[From the Los Angeles Times, Apr. 5, 1981]

REAGAN'S BEST WEAPON AGAINST CUBA MAY BE THE THREAT OF PEACE

(By Abraham F. Lowenthal)

Secretary of State Alexander M. Haig, Jr.'s recent statements appear to have brought the United States another step closer toward punitive actions against Fidel Castro's Cuba.

The Reagan Administration, like six U.S. administrations before it, wants to pressure Cuba into changing its foreign policies, particularly its involvement in Central America's civil strife and its military support for the Soviet Union in other parts of the world.

Previous administrations in Washington have tried a gamut of options, ranging from measures just short of war—the Bay of Pigs invasion in 1961, acts of sabotage, and attempts to assassinate Castro himself—to Jimmy Carter's gestures toward rapprochement, which included opening quasi-diplomatic missions in Havana and Washington and permitting the limited resumption of travel and cultural exchange between the two countries.

No administration so far has succeeded, however. Castro still rules in Cuba, without serious challenge. The island's economic organization is still socialist. No compensation, not a cent, has been paid for expropriated U.S. properties. More important, Cuba's ties with the Soviet Union have not been broken. Rather, Cuba's troops have cooperated with Soviet policies in Africa and the Middle East. Worse yet, Cuba has been demonstrating in Central America and the Caribbean—in Nicaragua, El Salvador, Granada and even in Puerto Rico—that it does have some capacity to support the declared enemies of the United States.

The Reagan Administration, anxious to show its skill and strength in the Western Hemisphere, favors renewed and intensified hostility toward Cuba. Tough talk is easy, and is already under way. Tougher actions can be expected to follow; resuming air surveillance over Cuba; expelling Cuba's diplomats from Washington; curbing or ending travel between the two nations, revoking the bilateral fishing agreement and other accords between the two nations; stepped-up propaganda against Cuba, perhaps intensified economic sanctions, and maybe even renewed covert military or para-military operations against Cuba.

The path Washington seems to have started down has been tried before. Experience suggests it will not work. Fidel Castro has not been budged by American bluster, nor by more tangible measures. On the contrary, Washington's previous bursts of hostility may have helped Castro consolidate his hold in Havana and given him a plausible pretext for harsh repression; it may also have strengthened the anti-accommodationist advisers in his circle and reinforced Cuba's links with the Soviet Union.

Faced with this recipe for almost certain frustration, one hopes that President Reagan and his advisers will at least consider alternative ways of accomplishing the desired aim—forcing Cuba to break or at least loosen its close alliance with the Soviet Union. What President Reagan could try, perhaps more effectively than any of his predecessors, would be to create for Fidel Castro some real incentive to distance himself from Moscow. Reagan could do so, not by menacing Cuba with war, but by threatening Cuba with peace.

President Reagan could make it clear to Castro that the United States accepts the consolidation of his government and is willing to extend it conventional diplomatic recognition. He could indicate that we expect to deal with a series of outstanding bilateral issues—including the status of expropriated property and the fate of the U.S. naval station at Guantanamo Bay—in the context of resumed diplomatic exchange and with the prospect of renewed commerce. He could go on to say that his Administration regards the economic and social development of the entire Caribbean basin to be a high priority, fundamentally because long history and present migration trends show the United States that it has an important stake in the health of its closest neighbors.

The President could emphasize that Cuba still obviously suffers from the problems shared by all other Caribbean nations: inadequate access to markets, technology and capital; excessive dependence on primary exports; extreme vulnerability to the vagaries of disease, the weather and international economic fluctuations. Reagan could emphasize the obvious—that the United States has the resources needed to deal with these problems. And he could let Castro know that only two obstacles now bar inviting Cuba to join in an all-out regional effort to confront these basic issues: Cuba's overt foreign military adventures in alliance with the Soviet Union and evidence that Cuba is covertly involving itself militarily in the internal affairs of various Central American nations. The President could affirm that the United States recognizes Cuba's right to have a mutual security relationship with the Soviet Union. He could also reaffirm that the United States wants to remain uninvolved militarily in Central America's civil strife as long as all other external powers stay out. The President could invite Castro, finally, to clarify Cuba's policy on its precise limits on Cuba's interventionism in the Americas and elsewhere.

This dramatic ploy might not succeed in forcing Castro to back away from his alliance with the Soviet Union. Castro's ideological and personal commitments to world revolution should not be underestimated, nor should his confidence that historical trends ultimately favor Cuba's stance.

But neither should one overlook Castro's demonstrated skill at pursuing Cuba's interests, even when they conflict with Moscow's. Nor should we minimize what U.S. recognition and free access to the world economy might mean now for Cuba, particularly if these incentives were offered by a conservative Administration.

At the very least, a U.S. promise of peace would allow Washington to take the initiative, not simply to react to events. And it would let Cuba's people know exactly what its leaders' choices are, thus making Fidel Castro fully responsible for how he responds.

[From the New York Times, Mar. 4, 1982]

WARM UP TO CUBA

(By Saul Landau)

WASHINGTON.—It is time for a new policy toward Cuba.

Washington's hostility toward Fidel Castro's Government has proved not only futile, but dangerous.

One consequence of this policy is that the Cuban Revolution has emerged far stronger

than it was at the beginning, in 1959, and Mr. Castro, once a young guerrilla in the mountains, is now a powerful leader, firmly entrenched. Another result is that Soviet support has became essential for Cuba's survival, and Moscow has gained a friend in the Western Hemisphere.

After 1973, some of the most aggressive features of United States policy toward Cuba were abandoned in favor of a limited thaw. The Nixon and Ford Administrations took small steps, and the Carter Administration lifted travel restrictions in this country for Cuban diplomats, allowed cultural exchanges, and worked out arrangements for American tourism in Cuba and return visits by Cubans. But while both countries set up so-called interest sections—diplomatic offices in other countries' embassies—in each other's capitals, no diplomatic recognition, direct trade, or commerce was permitted.

Ironically, President Carter's "soft" policy allowed the United States, for the first time since the Cuban Revolution, to regain some informal influence in Cuba—other than the destructive influence produced by Washington's aggression. The increased contact during the Carter years encouraged many Cubans to yearn for freedoms denied them, and for more consumer goods. The Carter Administration temporarily dropped cold war rhetoric and began to treat Cuba as a small country that could be influenced by constructive overtures.

But today the United States seems again determined to emphasize the East-West side of a problem that objectively has more to do with North-South relations. And like any true obsession, the United States' preoccupation with Cuban troops in Africa and Cuban aid to revolutionary forces in Central America is both exaggerated and unworthy of a great power.

Much of the developed world recognizes that underdevelopment, and not the Soviet Union, is the cause of third-world misery and instability. That is why many Western European countries, Mexico, Venezuela, and even Brazil have supported Nicaraguan, and why some of these countries even send aid to Cuba. The Swedish, Dutch, Norwegian, and Mexican Governments do not view Cuba as a threat, but as a poor, developing country.

Yet Washington insists that the Cuban Revolution and liberation struggles in other third-world countries are part of the conflict between the United States and the Soviet Union. It is this obsession with the East-West conflict that lies at the heart of the United States' bad relations with Cuba and some other third-world countries.

Our policy, then, has failed. Cuba is not ready to fall apart and Moscow's hold there will probably remain strong—unless the United States takes the initiative in helping Cuba diversify its dependent economic relations. Then Cuba could begin to move closer to currently hostile neighboring countries. There is, of course, no guarantee that this will happen, but after 22 years of failure and frustration it only makes sense for Washington a try a more constructive approach.

In July 1974, Henry A. Kissinger showed how this might work. He sent a secret note—until now virtually unmentioned in any public account—to Fidel Castro, requesting secret talks. Those talks, on a lower level, took place between the fall of 1974 and the fall of 1975, and some steps toward improving relations were made. Then President Castro sent troops to Angola and Mr. Kissinger broke off the talks.

Today, it is time to pick up where Mr. Kissinger left off. We should lift the economic embargo on Cuba, and begin selling food and medical supplies. Since Mr. Castro claims that the embargo is an act of war, we would thus remove the only serious obstacle to re-establishing relations. Then we could begin to discuss Cuban expropriation of United States property, the future of the Navy base at Guantanamo Bay, and even each other's foreign policies—much as such differences are discussed with most other countries. Cubans in the United States want to maintain contact with their families on the island. Businessmen throughout the United States are eager to resume trade. In fact, real barriers to renewed relations are much less heavy than the hostile rhetoric of the past 20 years makes them seem.

The United States' vituperative and vindictive Cuban policy has failed to achieve any positive results. Both commonsense and geography argue against the existing alignment in which the Soviet Union, not the United States, is Cuba's most important partner and ally.

[From Foreign Policy magazine, No. 46, spring 1982]

CUBA POLICY RECYCLED

(By William M. LeoGrande)

For over two decades, Cuba has thwarted U.S. hemispheric policy. Presidents Eisenhower and Kennedy tried to overthrow Cuban Premier Fidel Castro, Presidents Johnson and Nixon tried to break him through economic embargo and covert action, and Presidents Ford and Carter tried to entice him into better behavior with the lure of normalization. All failed. Having resisted the pressures of six presidents, Castro will not be tamed by the seventh.

As unveiled thus far the Reagan administration's policy options hold nothing new or innovative. The rising war of words, the renewed effort to isolate Cuba diplomatically, and the tightening of the economic embargo are sanctions refurbished from the 1960s. Having failed then, they are no more likely to succeed today.

It seems incredible that the United States, with its vast economic and military resources, has never found an effective response to the Cuban challenge. U.S. policy makers have spent the better part of 20 years searching for ways to translate their overwhelming resources into real leverage.

But the unpleasant truth is that Castro's decision to align Cuba with the USSR, which agreed to subsidize Cuba's survival, deprived the United States of its traditional ability to dicate the terms of U.S.-Cuban relations. Until American accepts this reality and adjusts its policies accordingly, successive administrations will continue, as did their predecessors, to search in vain for the magic formula that will make Castro behave.

Relations between the United States and Cuba were strained even before the Soviet Union's patronage made Cuba a focal point of the Cold War. Washington's long and friendly relationship with Fulgencio Batista's dictatorship, the intense nationalism of Castro's revolutionary movement, and Washington's assessment of the new regime as dangerously radical burdened bilateral relations from the outset with deep mutual distrust and suspicion.

These latent tensions became manifest when the United States excoriated the policies of the new Cuban regime: its 1959 agrarian reform, which nationalized substantial holdings of U.S. citizens; its determination to open trade and diplomatic relations with the Soviet bloc; and its willingness to provide sanctuary and assistance to other Latin American revolutionaries. To Washington's objections Cuba offered defiance. The rising spiral of hostile rhetoric took on a dynamic of its own.

Cuba's leaders must also assume a major share of responsibility for the deterioration of relations. But once Washington undertook to strangle the Cuban revolution economically and subvert it militarily, Havana was forced to find a patron willing and able to defend it. The Soviet Union took on this task reluctantly at first, later with relish. Without Soviet assistance, the Cuban economy could not have survived the severing of U.S. ties; without Soviet arms, Cuba's revolution could not have survived U.S. efforts to overthrow it.

During the 1960s Washington held fast to its policy of hostility, organizing paramilitary attacks and recruiting its allies to join the diplomatic and economic embargo on Cuba. Outside the hemisphere, the embargo met with little success, but among Latin American states only Mexico refused to abide by the sanctions imposed in 1964 by the Organization of American States (OAS). Cuba responded to its pariah status by stepping up the export of revolution to its neighbors, even though this policy strained relations with the USSR. To the Soviets, Cuba's strategy was unrealistic as well as detrimental to their objective of fostering peaceful coexistence.

U.S. POLICY COMES FULL CIRCLE

In the early 1970s U.S. policy makers began to reassess relations with Cuba. The policy of hostility had failed to destabilize the Cuban regime and had not noticeably deterred Cuba's export of revolution. At the same time, the advent of détente made Cuban communism seem less malevolent and Cuba's ostracism less rational. One by one, Latin American states began to abandon the sanctions, and Cuba responded by moderating its revolutionary zeal in favor of normal state-to-state relations. The carrot, it appeared, was a better policy lever than the stick. Within the OAS and even within the United States itself, pressures began building to normalize relations with Cuba.

The Ford administration took several initiatives in this direction. It eased the economic embargo for subsidiaries of U.S. firms operating abroad, voted in 1975 to relax the OAS sanctions, and dropped its demand that Cuba sever its relations with the Soviet Union as a precondition for normalization. Shortly thereafter the United States and Cuba began private discussions on the full range of bilateral relations.

The movement toward normalization ended, however, when Cuba deployed—according to Castro—36,000 combat troops in Angola to support the Popular Movement for the Liberation of Angola (MPLA). Washington reacted by denouncing Cuba as a Soviet puppet, threatening a military response to any further Cuban adventures abroad, and making the withdrawal of Cuban troops from Angola a precondition for resuming the normalization process.

By 1977 Cuban troops had begun withdrawing from Angola, and so the incoming Carter administration did not regard them as an insurmountable obstacle to improved relations. The new administration negotiated a fishing agreement with Cuba and resumed discussions on a broad range of bilateral issues. Both Cuba and the United States sought to propel the process forward

by making a series of minor but symbolically important concessions. The United States halted reconnaissance overflights and lifted the ban on travel to Cuba. The Cubans in turn released 4,000 political prisoners, including a number of U.S. citizens. Havana also began a dialogue with leaders of the Cuban exile community, concluding agreements to allow exile visits to Cuba and to permit the reunification of families. These efforts led to the establishment of diplomatic interests sections in both capitals—a move one step short of diplomatic recognition.

Carter's efforts to normalize relations with Cuba, like Ford's, collapsed as a result of Cuba's Africa policy. In 1978 Cuba sent 20,000 combat troops to Ethiopia, coordinating the move much more closely with the USSR than had been the case in Angola. Over the next few years, U.S.-Cuban relations deteriorated dramatically as a result of successive minicrises: the 1978 invasion of Zaire—which the United States accused Cuba of instigating—by Katangan rebels; the deployment to Cuba of Soviet MiG-23 fighter aircraft, which in some configurations are capable of carrying nuclear weapons; the 1979 controversy over the alleged Soviet combat brigade in Cuba; and the 1980 flotilla of Cuban refugees from Mariel.

The Reagan administration has, from the outset, taken a hard line on Cuba, in part because of Cuban assistance to revolutionaries in Central America. The administration has imposed new sanctions, including tightening the economic embargo, and is attempting to re-isolate Cuba within the hemisphere. Administration officials have even warned that the United States is prepared to exercise military options against Cuba unless it halts its arms shipments to the guerrillas in El Salvador. In short, U.S. policy has come full circle. Yet a hard-line policy is no more likely to succeed now than it did 20 years ago.

REALITIES OR WISHFUL THINKING?

Cuba remains, after all, a socialist country in which the economy and polity are organized according to values profoundly different from those prevailing in the United States. These differences translate into sharply conflicting policies across a broad spectrum of international issues. Areas of mutual interest between the United States and Cuba do exist—the anti-hijacking and fishing agreements negotiated in the 1970s were based upon such mutual interests. But in light of the deep differences between the two countries, it would be naive to expect that even under the best of circumstances the opportunities for accord and mutual benefit will ever overshadow the occasions for conflict and competition.

The United States must learn to live with this reality unless it is willing to confront the Soviet Union directly. Neither the sanctions applied during the 1960s nor the enticements offered during the 1970s were sufficient to divert the Cuban government from its program of socialist construction at home and revolutionary solidarity abroad. These bedrock policies can be altered only by changing the basic character of the regime itself or by overthrowing it—both unlikely occurrences.

Despite recent economic hardships in Cuba and their attendant political discord, Castro continues to enjoy broad popular support. Unlike some of its East European counterparts, the Cuban regime has responded to discontent with pragmatic reforms. In the past two years, as in the early 1970s, the regime has modified prevailing economic orthodoxy to stimulate consumer production and has rearranged political institutions to improve elite sensibility to mass opinion. Moreover, whereas Polish nationalism is anti-Russian and tends to erode the legitimacy of a Soviet-linked regime, Cuban nationalism is anti-Yankee and tends to bolster a regime in confrontation with the United States. Thus, with or without the propaganda broadcasts of Radio Marir the U.S. sponsored station scheduled to begin broadcasting to Cuba in 1982—Castro is not likely to face an eruption of mass opposition.

If the Cuban regime is relatively secure from internal upheaval, then only direct, massive military force can change its basic domestic and international orientation. Even in strictly military terms, this option is untenable. Cuba is defended by a well-trained, well-equipped professional army of 100,000 people, an equal number of reservists, and a militia of 500,000. To occupy the island would require the United States to strip every other theater of operations, including Western Europe and the Persian Gulf, of conventional forces.

Moreover, an invasion would provoke an immediate confrontation with the Soviet Union. Not only would an invasion place U.S. troops in combat against the several thousand Soviet military personnel stationed in Cuba, but it would also violate the agreement that ended the 1962 missile crisis, whereby the United States pledged not to attack Cuba in return for the withdrawal of the Soviet missiles. The Soviet Union, therefore, could not ignore an invasion or any other direct military action, such as a blockade or air strikes.

Nor is there any political exchange that America could feasibly offer the Soviets to induce them to abandon their support of Cuba. As U.S.-Cuban rhetorical exchanges have escalated, the Soviets have repreatedly warned that Cuba is, in Soviet President Leonid Brezhenev's words, "an inseparable part of the socialist community." A U.S. invasion of Cuba would imperil world peace as much as would a Soviet invasion of West Berlin.

For Washington, then, the challenge is to abandon the hopeless quest for ways to eliminate U.S.-Cuban conflicts and instead to devise a strategy for managing them. The measure of success will be whether U.S. policy modifies Cuban behavior in ways that advance the interests of the United States. Great expectations in this regard would be illusions, but if the United States bases its policy toward Cuba on realities rather than on wishful thinking, some successes are possible.

OUTSTANDING ISSUES

To design a strategy for managing conflicts with Cuba, the United States must begin to specify the issues in contention and the sorts of Cuban behavior that damage U.S. interests. These issues fall into two categories: strictly bilateral questions between the United States and Cuba, and multilateral issues involving a third country.

Most of the bilateral questions are relatively insignificant. Left over from the deterioration of U.S.-Cuban relations in the 1960s, they could probably be settled if both parties had the will to proceed with negotiations. Compromise would not require either side to relinquish vital interests. The outstanding issues include the ongoing U.S. economic embargo of Cuba, the presence of the U.S. naval base at Guantánamo, U.S. reconnaissance flights over Cuba, immigration, U.S. demands for compensation for property nationalized in 1959-1960, and Cuban counterclaims for damage caused by the embargo and by the Central Intelligence Agency's secret war in the 1960s.

With the exceptions of immigration and compensation, none of these issues involves Cuban actions or potential actions that are or have been damaging to the United States. On the contrary, most involve Cuban demands for a cessation of U.S. activities—the embargo, the occupation of Guantánamo, and the overflights. This imbalance may explain why Cuba has generally been more willing than the United States to enter negotiations over the bilateral issues: Cuba has a good deal more to gain from their successful resolution.

Since the uncontrolled exodus of refugees in 1980, immigration has been the main bilateral issue in which the United States has a significant stake. The flow of tens of thousands of exiles could be resumed at any time, once again making a mockery of U.S. immigration laws and worsening intense social pressures in Florida. For humanitarian reasons and because of the intense emotions of the Cuban-American community, the United States could do little to halt such an inundation.

The Reagan administration claims it has contingency plans to prevent another exodus, but any plans beyond deploying the Coast Guard to halt the boat lift, as the Carter administration tried to do, are difficult to imagine. In fact, it was candidate Reagan who blasted Carter's efforts to bar the refugees; as president, Reagan could expect similar treatment from his political adversaries.

The key conflicts between the United States and Cuba have never been strictly bilateral. Ever since Cuba adopted socialism and sought safety with the Soviet Union, Cuba's partisan position in the Cold War has dictated the terms of U.S.-Cuban relations. Washington has viewed Soviet military assistance to Cuba and Cuban assistance to foreign revolutionaries as threats to the security of both the United States and its allies abroad. As Cuban foreign policy has become increasingly global and more successful, Washington's fear that Cuba acts as the vanguard of Soviet influence in the Third World has become more acute.

Cuba's partnership with the Soviet Union and the potential danger it holds for U.S. interests are real, although the relationship has not always been portrayed realistically. If the Cuban-Soviet partnership lies at the heart of U.S. concerns about Cuba's international behavior, then the U.S. response must be premised on an understanding of that complex partnership and on a realistic assessment of the dangers it poses for U.S. interests.

The Cuban-Soviet military relationship has not constituted a serious direct threat to U.S. security since 1962 when the Soviets attempted to place intermediate-range ballistic missiles in Cuba. The agreement that ended the missile crisis prohibits the Soviet Union from deploying offensive weapons on the island. This agreement was extended in 1970 to encompass Soviet nuclear submarine bases and again in 1979 to cover Soviet ground forces. As long as the agreement remains in force, Cuba can pose little danger to the United States.

At some future time of crisis, of course, the Soviets might abrogate this agreement and use Cuba as a forward naval or air station for Soviet action in the Western Hemisphere. The United States can do little about this possibility now other than plan for that contingency. But the chances of

such a scenario materializing are remote; a Soviet military initiative in the Western Hemisphere makes little strategic or geopolitical sense. Even if the USSR intended simply to divert U.S. forces from other theaters of operation, a credible threat would divert Soviet forces as well and would bring U.S. retaliation against Cuba, by far the most militarily exposed member of the Soviet bloc.

The Soviet Union is not likely to initiate a superpower confrontation under such unfavorable circumstances for such small stakes. Nevertheless, a confrontation could develop if the United States abrogated the missile crisis agreement, as Ford threatened to do because of Cuban policy in Africa and as Reagan threatens to do over Cuban policy in Central America. A naval blockade or air strike against Cuba would force a Soviet response—if not in Cuba, then elsewhere in the world. Another obvious Soviet option would be to upgrade the Soviet military posture in Cuba in ways currently prohibited. Cuba could then pose a direct security threat once more to the United States.

OTHER CUBAS?

In the absence of such a threat, the United States has been preoccupied with Cuba's Third World initiatives, in Angola, Ethiopia, Central America, and the Non-Aligned Movement. Washington has interpreted Cuba's actions—whether diplomatic, economic, or military—as gambits in the Cold War, aimed as much at advancing Soviet interests as Cuban ones. The extreme version of this interpretation reduces the Cubans to mindless proxies of the USSR with no autonomy or interests of their own.

Such a view is not supported by the historical record. Despite the support Cuba has received from the Soviet Union, relations between the two have been complex and volatile. During the late 1960s Cuban leaders openly criticized the Soviet Union for sacrificing proletarian internationalism on the altar of peaceful coexistence. Cuba cited the willingness of the Soviets to do business with rightist regimes in Latin America, their capitalist trade relations with the Third World, and their inadequate defense of North Vietnam. The Cubans, in contrast, sought to create a new revolutionary international at the 1966 Tricontinental Conference in Havana and to forge a militant third force with Vietnam and North Korea within the socialist camp.

Such differences, however, have diminished since 1970. Cuban and Soviet world views now correspond closely, making possible a variety of cooperative ventures abroad—in Angola, Ethiopia, and South Yemen. If this partnership remains intact, most Cuban foreign policy successes will have the effect, intended or not, of advancing Soviet interests. But the sharp disagreements of the past should demonstrate that the current Cuban-Soviet partnership is neither inevitable nor interminable.

Even in the 1970s there have been significant discrepancies between Cuban and Soviet policies. In Angola Cuban troops helped the late President Agostinno Neto's moderate faction of the MPLA defeat the 1977 coup attempt by Nito Alves's pro-Soviet faction. In Ethiopia Cuba has refused to send its troops into combat against Eritrean rebels. Instead, it called for a negotiated settlement despite the Soviet Union's initial preference for a military solution to the insurgency.

The most important difference between current Cuban and Soviet foreign policies concerns the quest for a new international economic order. As the 1979-1982 leader of the Non-Aligned Movement and a self-described member of the Third World, Cuba has long been in the forefront of demands for change in the international economic system—including advocating that all developed countries, capatalist and socialist alike, expand development assistance to the Third World. Castro's speech before the 1979 U.N. General Assembly on behalf of the nonaligned countries explicitly called on the socialist states to contribute their share of the burden. The Soviet position on the new international economic order has been unenthusiastic at best.

Other Cuban foreign policy initiatives seem to be of little concern to the Soviet Union, among them Cuban policy in the Caribbean region. Although the Soviets have now, as far as is known, tried to restrain Cuban behavior, they have shown remarkably little enthusiam for creating other Cubas in the region. The Soviet Union has refused to underwrite the expenses of socialist construction in such countries as Jamaica under former Prime Minister Michael Manley, or Nicaragua. Even the Salvadoran Communist party's modest request for arms was met with reluctance in Moscow. The Soviet economy can ill afford to finance any more Cubas in the Caribbean, especially because they would provide only a marginal strategic gain over the existing partnership with Cuba itself. Indeed, the next major disagreement between Cuba and the Soviet Union could come over Soviet unwillingness to shore up a faltering Nicaraguan economy.

HOSTILITY OR ENGAGEMENT?

As U.S. policy makers seek to formulate responses to Cuba's international activism, they must look beyond the Manichaean rhetoric about Cuban puppets and mercenaries. Cuban-Soviet agreement and cooperation varies from region to region. For the United States to assume that Cuban behavior comes at Soviet behest is foolish and dangerous.

It is equally dangerous to determine U.S. policy toward regional conflicts by looking at Cuba's posture rather than the realities of the conflicts themselves. Current U.S. policy in Central America, for example, is hostage to Washington's animosity toward Cuba. Washington cites Cuban assistance to revolutionary movements in the region as evidence that Cuba created these movements and that therefore their leaders are implacable enemies of the United States. The idea that these insurgencies may be authentically indigenous and that there may be no solution to the region's crises without the insurgents' participation is lost in the cacophony of anti-Cuban rhetoric. Washington ignores the real source of insurgency in Centreal America—decades of economic inequality and political oppression.

Indeed, Central America offers a perfect example of what has been wrong with U.S. responses to Cuban initiatives abroad. By treating Cuba as the source of Central America's problems, the United States loses sight of regional dynamics, focusing only on the East-West dimension of local conflicts. The United States would respond more effectively to Cuban inniatives by focusing on the regional conflicts themselves, seeking solutions that deprive Cuba of political advantage. As Angola and Ethoipia demonstrate, Cuba's opportunities for major gains are greatest when regional conflicts erupt in violence and become internationalized. When negotiations resolve conficts, as they did in Zimbabwe, Cuba—and the Soviet Union—are prevented from extending their influence through military aid.

As they contemplate how best to manage the conflicts between the United States and Cuba, U.S. policy makers face a choice between two broad sets of policy options. A policy of graduated hostility, on the one hand, is a coercive strategy aimed at forcing Cuba to cease activities objectionable to the United States by punishing Cuba for undertaking them. At the heart of this strategy lies the premise that no significant improvement in America's relations with Cuba should be undertaken until it fundamentally alters its foreign policy.

A strategy of gradual engagement, on the other hand, seeks to induce changes in Cuban behavior by positive reinforcement. This strategy is based on the premise that an improvement in U.S.-Cuban relations could serve U.S. interests even if Cuba did not change its basic foreign policy positions. This strategy does not, however, rule out such change as a long-term objective of U.S. policy. To embark on this strategy, the United States would have to make a decision to offer inducements to Cuba and, if they are met with a positive response to follow them with additional inducements. The United States can, of course, introduce some punitive measures into an overall strategy of engagement. What is critical is the decision to test the possibility of improving relations.

The specific components of the strategy of hostility range from a relatively passive stance of malign neglect to active policies of diplomatic isolation, economic embargo, paramilitary attack, or even direct military assault. During the 1960s U.S.-Cuba policy sought to overthrow Castro or, failing that, to raise the cost to Cuba of pursuing a socialist path of development in partnership with the USSR. By making the survival of the Cuban revolution as difficult as possible, the United States hoped to deter other Latin American countries from following the Cuban model.

Washington achieved some success. The sanctions did damage the Cuban economy and force Havana to divert vast resources from economic development to national defense. Cuba's subsequent economic difficulties and it dependence on the USSR are by no means enviable. And in at least two instances—Angola and Nicaragua—revolutionary governments, despite an ideological affinity with socialism, have tried to maintain mixed economies and good relations with the West in the hope of avoiding Cuba's difficulties. Ironically, the Cubans themselves have apparently encouraged these governments in this course.

But if the United States succeeded in making Cuba a negative example, it failed to overthrow the Cuban revolution. Moreover, the overall effect of the sanctions on bilateral relations was not salutary. The full range of sanctions, excluding only direct military attack, failed to modify Cuban behavior in ways favorable to the United States and actually seemed to make Havana more belligerent. And although the policy of isolating Cuba from Latin American countries and the other Western states damaged the Cuban economy, it also forced the Cubans to rely more heavily on the USSR for economic and military aid Thus, the central problem as perceived by Washington—Cuba's relationship with USSR—was exacerbated.

If the Reagan administration is indeed intent upon returning to the strategy of hostility, it will encounter the same prob-

lems with this strategy the existed in the 1960s, without the attendant benefits. No one can now expect diplomatic and economic isolation to endange the Castro regime's survival. Cuba today is much less economically dependent on the West than it was 20 years ago.

In fact, the effect of graduated hostility might be precisely the opposite of its intended purpose. Cuba's most assertive international posture came in the late 1960s—the period of exporting revolution—when U.S.-Cuban relations were at their worst. Moreover, Cuba can now strike back in ways that it could not before; Castro could unleash Cuban troops in Africa—in Zaire, Somalia, or Namibia—or Cuban refugees from Mariel.

On balance, a strategy of graduated hostility offers so little leverage that this strategy is unlikely to alter Cuba's foreign policy except perhaps for the worse. It promises no more than a continuation of the status quo in both U.S.-Cuban relations and, more important, in Cuban-Soviet relations.

In contrast, a strategy of gradual engagement advocates the progressive establishment of links between the United States and Cuba to enhance the ability of U.S. policy makers to exert leverage on Cuban behavior in the future. There is some historical precedent for such a strategy in the Ford and Carter administrations' efforts to begin normalizing relations. Cuban involvement in Angola and Ethiopia, however, clearly demonstrated that Cuba was unwilling to make major foreign policy concessions in exchange for normal relations with the United States. This fact has become the principal argument against a policy of engagement.

But this argument has force only if the main justification for a U.S. policy of engagement is the prospect that Cuba will give up its entire foreign policy—its relationship with the Soviet Union and its support for friendly governments and revolutionary movements abroad—in exchange for relatively minor concessions by the United States. Such unrealistic expectations are precisely why U.S.-Cuban relations have been stalemated for so long.

A strategy of gradual engagement would entail seeking out the most pliant issues for both Cuba and the United States and negotiating agreements with balanced concessions from each side. Negotiations no doubt cannot resolve some issues in isolation, and the two countries will have to examine those issues as part of a broader package. But more important for success would be the U.S. acknowledgment that compromise must be mutual.

In the short term such a policy has a number of advantages. The United States and Cuba could resolve most of their bilateral issues, leading to economic and diplomatic relations that would give Washington at least some leverage on other issues. The United States could probably persuade Cuba to mitigate its denunciations of Washington in such international forums as the Non-Aligned Movement and the United Nations. More significant, a less confrontational relationship would diminish the credibility of Cuba's efforts to build its prestige in the Third World on the image of an embattled David confronting the Goliath of U.S. imperialism. In addition, an improvement in U.S.-Cuban relations would eliminate Cuba as a potential flashpoint of superpower confrontation. Improved relations might also begin to free U.S. policy makers from the tendency to react reflexively against every Cuban initiative abroad, regardless of the circumstances.

In the long term a policy of gradual engagement would allow Cuba to reduce its military and economic dependence on the Soviet Union. As long as U.S. hostility persists, Cuba's ties with the Soviets remain essential to Cuban national security. The Cuban-Soviet relationship will not, however, wither away in short order. Cuban soldiers have been trained with Soviet arms, and Cuban factories are filled with Soviet equipment. Soviet economic and military assistance to Cuba is indispensable, and no Western nation would be prepared to assume these burdens, even if the Cubans were looking for a new patron.

Nevertheless, Castro has always been one of the most nationalistic leaders in the socialist bloc. Whenever circumstances have allowed, he has tried to reduce Cuba's dependence on the Soviet Union, especially by attempting to create a Cuban constituency in the Third World. This strategy is not so different from that pursued by Yugoslavia, although Cuba's non-alignment is less neutral. If Cuba is to have any prospect of striking out on a more independent course, it must have the economic and military breathing space to modify its relationship with the Soviet Union. Only the United States can create that opportunity by moving away from the policy of hostility, which leaves Cuba no option but to hold fast to its Soviet patron. For years the United States has sought to encourage East Eurpoean states to distance themselves, however slightly, from the Soviet Union, and several—Romania, Hungary, and Poland—have done so. Surely the prospects for such a development are greater in the case of Cuba, despite its reliance on Soviet aid, than they are in Eastern Europe.

A realistic assessment of the advantages to the United States of pursuing a strategy of gradual engagement with Cuba shows that limited gains, particularly on bilateral issues, are fairly certain, whereas major gains, such as changing Cuban foreign policy significantly or rupturing Cuba's partnership with the Soviet Union, are at best long-term possibilities. Such gains may not be impressive, but they are nevertheless superior to the results achieved over the past two decades by a policy of hostility.

[From the New York Times, Apr. 20, 1982]

THE PUFFS FROM HAVANA'S CIGAR

First, the hard-nosed interpretation of Cuba's unexpected pitch for better relations with the United States: It's a trick and a trap. Fidel Castro doesn't really mean it when his agents express a desire to "talk" with Washington, admit to having smuggled arms to Central America and disapprove of the Soviet interventions in Poland and Afghanistan.

All this is being said insistently to selected but not only "friendly" Americans. Still, Mr. Castro isn't saying it himself, and these overtures may be just a concession to a hard-pressed Soviet Union that is tired of lavishing $3 billion a year to maintain the Cubans. Or it could be a trap, so the United States can again be shown up as a hostile oppressor of a little country. Twice before, in 1974 and 1977, Mr. Castro encouraged hopes of a limited accommodation—hopes that foundered when he sent new armies to serve Soviet policy interests in Africa.

Yet a different reading is also possible. Cuba may at last have wearied of its dependence on the Kremlin and developed a genuine taste for its professed nonalignment. Logically, it should be willing to talk to Washington about its export and encouragement of Latin insurgencies, its still-growing collection of Soviet arms, its refusal to take back criminals and deranged refugees that it cynically dumped into American-bound boats two years ago.

And if it wants to talk, then what? Then by all means keep talking—as the Reagan Administration has been doing since Secretary of State Haig met in Mexico last December with Cuba's Vice President. In March it sent to Havana the crustiest of negotiators, Gen. Vernon Walters, a former deputy director of the C.I.A. And when Mr. Haig gets off the Falklands shuttle, he ought himself to spell out what he expects of the Cubans if these approaches are to bear fruit.

Cuba is not a China or Yugoslavia breaking openly from the Soviet camp. The Cubans say their ties with Moscow are not negotiable. There probably are clear limits to how far Cuba could now go in any deal with Washington. But that is no reason for the United States not to hold out an opportunity for some realignment.

It has long been American policy to give every Communist nation a chance to improve relations with the West, to make the world safer for pluralism and to soften the rigidities of bloc diplomacy. Indeed, Americans have worked hard to break through iron and bamboo curtains to promote their values in other estranged societies. It never made sense to seal off Cuba.

The inconsistency is rooted in American domestic politics. Six Presidents have failed to fashion an effective Cuban policy based on isolation, direct assault or economic sanctions. Cuba has been hostile, provocative and repressive, a military adventurer in Africa and an abettor of revolution in the Caribbean. But sooner or later it will discover that it has not thereby served its own highest interests.

President Reagan has the conservative credentials to test the chances for reopening serious dealings with Cuba. Indeed, Havana's receptivity may be partly due to the Reagan Administration's threats of dealing with revoluntary challenges "at the source." If changing circumstances have opened a narrow path for negotiations, by all means it should be explored.

THE EXECUTIVE CALENDAR

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, there are certain nominations which are cleared for action on the Executive Calendar on this side of the aisle.

May I state to the distinguished acting minority leader that I am prepared on this side to proceed to the consideration of two nominations to the Board of the U.S. Synthetic Fuels Corporation at 12:30. They are Samuel Kenric Lessey, Jr., and Robert W. Gambino, that would be under the following terms and conditions: A debate limitation of 10 minutes to be assigned to the control of the distinguished chairman of the Energy Committee (Mr. MCCLURE), 10 minutes to the control of the minority leader or his designee, and 10 minutes to the control of the distinguished Senator from Wisconsin, the acting minority leader, with the further understanding, Mr.

President, that if a rollcall vote is asked for, and I do not anticipate that, that vote will occur tomorrow. The votes will be back to back if there are rollcall votes in both cases, and the vote will occur immediately after the time designated for the transaction of routine morning business.

If this is generally agreeable with the minority leader I am prepared to put that request at this time.

Mr. PROXMIRE. Mr. President, that is agreeable to this side.

Mr. BAKER. I thank the acting minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering nominations on the Executive Calendar under the U.S. Synthetic Fuels Corporation title, to wit, the nomination of Samuel Kenric Lessey, Jr., and Robert S. Gambino; that time for debate on these nominations be controlled as follows: 10 minutes under the control of the distinguished chairman of the Committee on Energy, Mr. McCLURE; 10 minutes under the control of the minority leader or his designee; and 10 minutes under control of the distinguished Senator from Wisconsin, Mr. PROXMIRE; that at the conclusion of that time or the yielding back thereof, the Senate proceed to vote back-to-back on the confirmation of these two nominees; and that, following the conclusion of the vote, any motions to reconsider the vote and tabling motion and the notification to the President that the Senate has given its consent be undertaken without further action by the Senate; and that the Senate immediately thereafter return to legislative session.

I further ask unanimous consent that if rollcall votes are ordered on either or both of these nominations, they not occur today, that they go over until tomorrow to occur back to back, if votes are ordered on both, those votes to occur immediately after the close of the period to be provided for the transaction of routine morning business on tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BAKER. Mr. President, the distinguished chairman of the Committee on Energy is on his way to the floor and has not yet arrived. I ask unanimous consent that it may be in order that I may suggest the absence of a quorum without its being charged against the time required in this unanimous-consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. SYNTHETIC FUELS CORPORATION

NOMINATION OF SAMUEL KENRIC LESSEY, JR., OF NEW HAMPSHIRE, TO BE INSPECTOR GENERAL, AND NOMINATION OF ROBERT W. GAMBINO, OF VIRGINIA, TO BE DEPUTY INSPECTOR GENERAL

Mr. McCLURE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is an executive session to consider the nominations of Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years, and the nomination of Mr. Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

Mr. McCLURE. Mr. President, I thank the Chair.

NOMINATION OF SAMUEL K. LESSEY, JR.

Mr. McCLURE. Mr. President, on April 21, the Committee on Energy and Natural Resources favorably reported the nomination of Samuel K. Lessey to be Inspector General of the U.S. Synthetic Fuels Corporation. The vote was 19 to 0. The committee's vote followed a nomination hearing held on April 16.

The Synthetic Fuels Corporation can best be described as a special purpose Federal entity. It was established on June 30, 1980, by the enactment of the Energy Security Act. It was declared operational by President Reagan on February 9, 1982. The purpose of the Corporation is to provide sufficient financial incentives to private industry to develop a synthetic fuel production capability in the United States. The primary incentive is contingent Federal financing, such as purchase and price guarantees as well as loan guarantees, rather than outright Federal cost sharing.

Mr. President, when Congress created the Synthetic Fuels Corporation, the goal was to demonstrate, as soon as possible, the practicality of commercial production of synthetic fuels in the United States. That objective is an important part of our national energy policy. When we have demonstrated the ability to produce synthetic fuels in commercial quantities, we will have reduced our vulnerability to an oil import disruption, and we will have substantially added to our national security.

The Synthetic Fuels Corporation has powers and duties that are expressly set forth in the Energy Security Act. In accordance with the intent of Congress, the powers of the Corporation can be exercised only in conjunction with its authorized activities, and the activities of the Corporation are strictly limited by the provisions of the statute. Thus, one of the primary functions of the Inspector General and the Deputy Inspector General is to insure that the Corporation complies with these statutory limitations. Both nominees for those positions have made a commitment to the Congress in their hearing to insure the close enforcement of those limitations. We will expect their diligent fulfillment of that commitment. In addition, of course, the Inspector General must perform the traditional I.G. functions, such as audits, investigations, and inspections. It is the responsibility of the Inspector General to detect and prevent any fraud and abuse in the programs of the Corporation, and to insure that the Corporation is operated efficiently.

The duties and responsibilities of the Inspector General and his Deputy are specified, in considerable detail, in section 122 of the Energy Security Act. This underscores the importance of the role of these officers in the operations of the Corporation.

Mr. President, the nominee for Inspector General, Samuel K. Lessey, Jr., has over 17 years of experience in the investment banking business. He has monitored and examined the financial affairs and managements of major corporations in many industries. Mr. Lessey's work as a financial analyst has provided him with a background that it directly applicable to the financial assistance role of the Synthetic Fuels Corporation.

In addition, Mr. Lessey's military experience includes the leadership of a management implementation team which examined the entire structure of the Air Force Reserve. The team then implemented a reorganization that resulted in greatly improved efficienty, readiness, and mission responsiveness while eliminating more than 10 percent of the management overhead. Mr. Lessey is a 1945 graduate of the U.S. Military Academy, and he holds the rank of brigadier general in the Air Force Reserve. He has an LL.B. from Harvard Law School and an M.B.A. from Harvard Business School.

In his testimony before the committee, Mr. Lessey presented his views on the basic purpose of the Synthetic Fuels Corporation and why the role of the Inspector General is critical to the Corporation's successful operation. He stated:

> The Energy Security Act is no less than a step-by-step guide to this nation's full utilization of those resources which we have been blessed with in great abundance. I believe that the proper development and careful utilization of these resources can effectively build a bridge to the renewable energy supplies of the future.

The mechanism created to accomplish this goal is the Synthetic Fuels Corporation. The Corporation is narrowly defined by statute and has funds available to it that have been authorized and appropriated without fiscal year limitation. The job that is required is a big one and it must be done right. If the Synthetic Fuels Corporation strays off-course, becomes involved in activities not specifically within the authorities created by its statutory parameters, the credibility of this enterprise will be put in jeopardy.

That is why the role of the Inspector General is so critical. Congress created the office of Inspector General, I believe, to guarantee that the Corporation would be held accountable to the Congress which authorized it and the taxpayers who fund it. It is imperative, I believe, that the Synthetic Fuels Corporation operate efficiently and effectively.

Mr. Lessey also explained the importance of the Inspector General's immediate involvement in the Corporation's operations. He stated:

I am anxious to get started. I have spent the past several months studying the operations and procedures of the Corporation. Most of projects are large and require long lead times before they are constructed and operating. As a result, I intend to have the office of the Inspector General fully involved now, as the first group of Phase II projects begins its negotiations. The potential for fraud, abuse and bad management must be eliminated at the front end of these projects, not after the damage has been done and the only recourse is to leave the government and the taxpayer "holding the bag."

Mr. President, Mr. Lessey has fully complied with the committee's rules, which require the filing of a detailed information statement and the submittal of a financial disclosure report. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of Samuel K. Lessey, Jr., for the position of Inspector General of the U.S. Synthetic Fuels Corporation.

NOMINATION OF ROBERT W. GAMBINO

Mr. President, on April 21, the Committee on Energy and Natural Resources, by a vote of 19 to 0, reported the nomination of Robert W. Gambino to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation. Mr. Gambino's nomination hearing was held on April 16. He has fully complied with the committee's rules requiring submittal of a financial disclosure report and a detailed information statement. I am prepared to recommend Mr. Gambino's confirmation and strongly endorse his qualifications and unquestioned integrity for this important post.

In his testimony before the committee, Mr. Gambino related his background and professional experience to the responsibilities he will have as Deputy Inspector General. He stated:

As to my personal mission as Deputy Inspector General, I am convinced that the tasks to which I have been assigned in the past provide sufficient training and expertise for me to fill this most important position. I have been engaged in intelligence, investigative and security activities for many years. For more than twenty years, I served in the Central Intelligence Agency assigned to collection, operational and support components. My experience includes service in every facet of these organizations from junior officer to office director. I have conducted investigations and managed a variety of special investigative, security and operational support programs specifically designed to the unusual needs of the intelligence community.

While Director of Security CIA, I was responsible for all the investigative and security activities undertaken by the CIA, I was responsible for all the investigative and security activities undertaken by the CIA on a worldwide basis. I managed a large, dispersed office with many unique and independent authorities. In addition, I have been a participant in large national projects involving the private sector, military and civilian government agencies. As part of this effort, I directed the design and implementation of special programmatic audit programs.

This overall exposure will enable me to effectively assist the Inspector General in implementing his program, and provides me with the depth of background necessary to carry out the duties of the Inspector General during his absence or temporary incapacity.

Mr. Gambino also provided the committee with his views of the commitment he would undertake as Deputy Inspector General, and the responsibilities of the Inspector General's Office. He stated:

I believe that there must be a substantial commitment to the position for which I am being considered. It is a seven-year term, spanning presidential elections and the tenure of office of all the members of the original Board of Directors except the Chairman. While the corporation goes about the business of encouraging the development of a private, economically viable synthetic fuels industry, it will be my job to ensure that this task is performed with the utmost efficiency, honesty and integrity. My job will be to impartially review the facts, without regard to political parties, personalities or ideological persuasion. The Inspector General is the statutory link between the Congress and the corporation. He serves both without bias or prejudice but with candor, objectivity and independence. It's a tall order; it's a big job, but I would not be sitting here if I did not believe I can do the job and do it effectively.

Since the Synthetic Fuels Corporation is a quasi-governmental organization, and not subject to all the rules and regulations of the more prosaic federal agencies, the Inspector General's office takes on a special importance in the success or failure of the corporation. It is the office which must remind the corporation to be specific and precise when it comes to matters of law, and thoughtful, insightful and cautious when it comes to matters of judgment. It is the Inspector General's Office which must admonish the corporation to do efficient, effective and professional work in a way which will maintain high confidence and credibility with the Congress, the President and the citizens of our country.

Mr. President, on behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nomination of Robert W. Gambino for the position of Deputy Inspector General of the U.S. Synthetic Fuels Corporation.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I do not intend to delay the nominations of Mr. Lessey and Mr. Gambino to be Inspector General and Deputy Inspector General of the Synthetic Fuels Corporation, but I do think that other Senators should be aware of the arrangements the Corporation made to employ these men while they are awaiting nomination and confirmation.

The Corporation hired Mr. Lessey, the nominee for Inspector General, as a consultant on September 21 of last year. He was paid $300 a day. The Corporation asked him to prepare "an organizational framework and interim operational capability for the Office of Inspector General." He was to be the Inspector General, mind you.

Mr. Gambino was hired on January 11, 1982, and was to assist Mr. Lessey. He was paid $285 a day. Executive agencies, in contrast to this quasi-public corporation, can pay consultants, and they were consultants, no more that $192 a day.

Mr. President, while these nominees were extremely well paid, they were apparently underworked. During the months of September, October, and November, the taxpayers paid Mr. Lessey for those 3 months approximately $9,000.

In early December, Mr. Lessey sent a handwritten note to the Acting Inspector General requesting information about the Inspector General's Office and the Corporation. He received that information on December 7. Two months passed, during which Mr. Lessey was paid another $11,000. During early February, Lessey requested a formal briefing from the Acting Inspector General.

In mid-March, after Mr. Lessey and Mr. Gambino had been paid over $35,000 total, the Corporation reported, "No instructions have been issued by either of them * * * with respect to their work of planning the new office and preparing for duties in the event of Senate confirmation, no reports have been submitted to the Corporation."

The Corporation argues that by employing the nominees as consultants, they were able to "hit the ground running" and that "this approach is good management." Had the Corporation hired these two men within the past 3 weeks and sent them through a rigorous schedule of briefings, I might agree. But to employ one man for 7 months and another for 3 while receiving no reports and paying them hun-

dreds of dollars a day is not good management. It strikes me that the Corporation wanted to employ these two men and did so without regard to efficiency or effectiveness.

Mr. President, I am concerned with this arrangement because the Office of the Inspector General and the Synthetic Fuels Corporation is particularly powerful. That Corporation is a quasi-public agency. It has an unusual financial arrangement with the Federal Government involving, as a matter of fact, billions of dollars. It can dispense lucrative favors to private firms. Under these circumstances, the Inspector General must be independent and hardnosed, especially about waste. As they say, "he ought to be mean as a junkyard dog." He ought to be in a position where he can pursue any kind of action that is fraudulent or wasteful and would do so.

But the arrangement these two men have made with the Corporation makes me wonder about their independence. Walter Sickert once wrote: "Nothing knits man to man like the frequent passage from hand to hand of cash."

These nominees have had a sweetheart consulting contract with the Corporation, and I wonder, Will they bite the hand that fed them?

Mr. President, I might point out, incidentally, that Mr. Lessey owns stock in Hercules and Exxon, and Mobil, and that ownership certainly would raise question about any employee of the Synthetic Fuels Corporation but particularly an inspector general.

I would like to ask the chairman of the committee, Senator McCLURE, these questions: First, how can a consultant develop an organizational framework and interim operational capability for an inspector general's office by waiting 4 months before formally meeting with the Acting Inspector General?

Mr. McCLURE. Will the Senator yield?

Mr. PROXMIRE. Yes.

Mr. McCLURE. Mr. President, I think the Senator is correct, that the period of time in which they were involved under these consulting contracts is an unusually long period of time. I, too, would have preferred that the Inspector General be named and confirmed at an earlier date and with less time. As the Senator will recall, however, there was considerable delay in getting the Synthetic Fuels Corporation fully functional through the confirmation of all of the board members.

As a matter of fact, although the Corporation was designated as a functional corporation, we still do not have two of the Board members named, because those names have not been submitted to us. So there has been a time lapse, and I suspect part of the product of the time lapse here was similar to the time lapse in getting the Board of Directors in place.

The Synthetic Fuels Corporation is a unique corporation. It is a very important one and, as the Senator knows, has a great deal of money at its disposal—under very unusual circumstances, I might add. They have much more latitude to act without the usual restrictions imposed upon governmental organizations.

But I suppose under those circumstances it makes some sense to ask that the man who will be the Inspector General look at the organizational structure, look at the work that may be performed and do an awful lot of his own work independent of those who are already doing that work.

I am not sure that I can characterize what the Board of Directors and the President of the Corporation may have had in mind in permitting this to exist as long as it did. But if the Senator will remember, the Corporation got off to a rocky start in the sense that the President of the United States, Mr. Carter, appointed a President and a Board even though he knew that Board would not be confirmed. There were some very strong political overtones, both as to the nature of the Board and the timing of the appointments, and very strong feelings by many people outside the Government that the new Board coming in would be equally tinged with politics. I think it has been wise that they moved relatively slowly.

Mr. PROXMIRE. As I understand it, the Acting Inspector General, Mr. Seltzer, was also a consultant at $300 a day; so why did they need two?

Mr. McCLURE. I cannot tell the Senator why they needed two, but it was apparently not the opinion of the Board of Directors and of the Corporation executives that the Acting IG would be the permanent one. It is a Presidential nomination, and until that nomination had been made, they were not in position to assume that either one would have the permanent nomination. They needed to have somebody who was sitting in that chair doing that job, doing the work that needed to be done. I can only characterize their actions as probably coming from that particular point of view.

Mr. PROXMIRE. One of the things that bothers me—I am not talking about Mr. Seltzer, but I am talking about Mr. Gambino and Mr. Lessey—Mr. Lessey, of course, being the Inspector General—what did these two nominees do during the months they were employed? They were receiving $300 and $285 a day. What did they do during that period of time?

Mr. McCLURE. I think they have done a great deal of work. I cannot tell the Senator on a day-to-day basis what they have done, but we have looked at their activities in general and heard their testimony, and the members of the committee asked questions of them about what was done. The Senator will remember that the SFC was not declared operational until February 9, but it was essential that the permament IG become immediately involved in its operations following that date and his Senate confirmation.

I think there are a number of things that need to be said about what has been done. Much of their activity has consisted of meetings, and I can just give the Senator a log of what Mr. Lessey's meetings have included. There have been 40 meetings with the SFC general counsel; there have been 20 meetings with the ethics officer, 60 meetings with the chairman of the Synthetic Fuels Corporation, the president or their executive assistants, and 25 meetings with the Inspector General personnel.

In addition to that, there have been various meetings with project personnel and administrative employees. During this period of time since they came on board, pursuant to this contract, both Mr. Lessey and Mr. Gambino have had to analyze the SFC and the role that they would play as Inspector General and Deputy Inspector General. They have had to look at the Energy Security Act. They have had to go back and review the congressional hearings, because this is a rather unique enterprise on the part of the Government. I think they could not have gone on to do their job if they were not familiar with the legislative background relating to the creation of the Synthetic Fuels Corporation, and with the bylaws of the Corporation, and the corporate records. There was a great deal of questioning of the actions of the original Board of Directors as the new Board came in, and they restructured the executive supervision of the Synthetic Fuels Corporation, There was quite a shift in personnel during that period of time as they tried to mesh the new Chairman and Board's ideas of how to operate the Synthetic Fuels Corporation under the very unique circumstances that this board does occupy. It is not a typical manner of Government organization at all.

It was also necessary during that period of time that Mr. Lessey and Mr. Gambino analyze both the previous and the changing management structure. They had to look back at the initial solicitations and then recognize that those initial solicitations were under a great deal of scrutiny by the Synthetic Fuels Corporation, and they went back on the street with modifications.

They also during that same period of time were making the additional solicitations for the second round of awards that would be made by the Synthetic Fuels Corporation.

I think it is fair to say, too, that they undoubtedly looked back at the responsibility which they necessarily would have under what the Department of Energy had done in the original awards and the contracts that now became the Synthetic Fuels Corporation's responsibility to administer, the awards that have been made under the old War Production Board type of authority that was merged into the creation of the synthetic fuels program.

So the two nominees had a great deal of work to do in just finding out what this organization had done in the prior year, before they got on board, so that they would know how to look at what was being done on a day-to-day basis.

The Corporation started out with $20 billion to be spent, and more than $10 billion of that remains to be obligated. It has not been spent, but some has been obligated. So they have a large responsibility.

Mr. PROXMIRE. It is a very large responsibility. But the problem I have is this: Why are we bringing this up today? As of now, there are no jobs at all. Their nominations have not been confirmed. They have not been given the responsibility. Yet, since September 1981—about 6 months or more—these men have been paid $300 a day and $285 a day, but they do not even have the job.

I am not going to ask for a rollcall vote, but suppose the Senate decided that their nominations should not be confirmed? They would have been paid $35,000 for nothing.

Again and again, I have seen the President nominate people for Senate confirmation, and I cannot remember any—there may be some cases, but I cannot remember any—in which people have been paid while they were waiting for their nominations to be confirmed. They are paid the day they get the job. They are not paid in advance, particularly if they are Inspectors General.

Mr. McCLURE. We have looked at the very carefully, not just with respect to these but also with respect to the others, and I suggest that the Senator go back and look at the record and refresh his memory, because that is not at all unusual. Whether it is right or wrong, good or bad, it is not unusual. It has been done not only in this administration but also in the Carter administration.

Mr. PROXMIRE. For 6 or 7 months?

Mr. McCLURE. I cannot verify the length of time. I would hate to say that I know what the length of time is, but for substantial periods of time.

The Senator is correct in saying that if we did not now confirm the nominations, we certainly would have reason to question the policy that permitted them to obtain an education and to participate in a function in which they were not going to continue.

Mr. PROXMIRE. JIM MCCLURE is as bright and informed a Member of the Senate as we have. He knows this business inside and out, and his staff man is an expert. I challenge the Senator to cite one case in which an Inspector General nominee had ever before received a payment such as this, in any department.

Mr. McCLURE. I say to the Senator that I do not know of another case in which we have had such a time getting a corporation started as this one. There have been all kinds of delays, and it started at the end of the Carter administration. We have been trying ever since then to get it going. If the complaint is delay, I share that feeling. If the concern is that we have people onboard before their nominations are confirmed, yes; but that is not unusual.

Mr. PROXMIRE. A few days or a week.

Mr. McCLURE. Much longer than that.

Mr. PROXMIRE. And for some other positions, perhaps, but the Inspector General is different. He should be aside and apart from an organization which is paying him.

My next question: Should nominees for sensitive positions, requiring independence, accept consulting contracts from the organization they are supposed to inspect? Is that a conflict?

Mr. McCLURE. Under the normal course of events, if the Senator is talking about a normal consulting contract, of course he is right; but this is not that, and the Senator knows it is not.

This is a situation in which they brought someone onboard—there is going to be an Inspector General—so that he can get to work, pending the selection and the confirmation process. That is what it is. The Inspector General is an employee of the Federal Government, and he lies within a department, whether it is this one or the usual place, and his money comes through that departmental budget.

There is a sense of concern on my part that the Inspector General be as truly independent as the structure and the theory says he should be. I agree with that. But when their budget comes through the same budgetary process, there will always be that question: Is he really independent? His budget is subject to some control of the Department in which he is the Inspector General.

Mr. PROXMIRE. Did the Corporation follow its standard procedures when they hired these two men? I will quote from their requirements: A "specific and well-defined need for expertise not presently available within the corporation." Did they follow that? Was there a request for a proposal made in that connection?

Mr. McCLURE. I think these are appointees. They do not come through the ordinary hiring process, any more than does a Cabinet member. I cannot recall when various Presidents in the past have called for applicants for jobs in the Cabinet.

Mr. PROXIMIRE. We are talking about consultants. These are consultants.

Mr. McCLURE. Again I say to the Senator that this is not the ordinary kind of consultancy, and I think the Senator knows that.

Mr. PROXMIRE. Was this not a sole source? There was no competition.

Mr. McCLURE. I think that in both of these cases, these men had been selected by the White House for these jobs before the consultant contracts were entered into.

Mr. PROXMIRE. So that it was not competitive. Why did not the Corporation follow the standard procedures?

Mr. McCLURE. Because this not a standard consultancy.

Mr. PROXMIRE. Standard consultancy provides some kind of safeguards.

Mr. President, I do not intend to delay this nomination any further. I have indicated that I am not going to ask for a rollcall vote, and I am going to do so, but I am troubled by what has happened here. I hope that, in the future, we can avoid a situation in which consultants are paid thousands of dollars. In this case, they were paid more than $35,000, in total, before they had had 1 day in their position of authority. I believe that is unfortunate. We should do our best to avoid it in the future.

Mr. McCLURE. I say to the Senator from Wisconsin that I appreciate the concern he has stated, and I share with him the determination that the Inspectors General and the Deputy should have not only the appearance of being independent but also actually be independent.

I would have been concerned had these men been selected by the Synthetic Fuels Corporation Board of Directors and the President and hired by them, and then some time later they had been selected, in the selection process, for personnel to be appointed by the White House. It did not happen that way.

The record should indicate that these men were selected for that post based upon their qualifications and their expertise, and they were not placed on consultancy until the selection had been made. It was only the unusual period of the delay between their selection in the White House personnel selection process and this date that has caused the question to arise in terms of the length of time and the compensation.

I agree with the Senator that it is not a method that should be followed

routinely. I agree wholeheartedly with that statement.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I yield back whatever time I may have.

Mr. McCLURE. Mr. President, I move that the nominations be confirmed.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the nomination of Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The nomination was confirmed.

The PRESIDING OFFICER. The question is on agreeing to the nomination of Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The nomination was confirmed.

Mr. McCLURE. Mr. President, I believe that under the previous unanimous-consent request, we already have a direction to notify the President of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. McCLURE. Mr. President, I understand that under the previous unanimous-consent request, the Senate will now return to legislative business.

The PRESIDING OFFICER. The Senator is correct. The Senate will now return to legislative business.

Mr. McCLURE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, in the capacity of a Senator from Virginia, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL 4:15 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until the hour of 4:15 p.m.

Thereupon, at 1:30 p.m., the Senate recessed until 4:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TOWER).

The PRESIDING OFFICER. The Chair, in his capacity as a Senator from the State of Texas, suggests the absence of a quorum.

The clerk will call the role.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABDNOR). Without objection, it is so ordered.

DO WE HAVE A LOCAL OR NATIONAL DEFENSE?

Mr. GOLDWATER. Mr. President, one of the biggest problems that we in Congress face every year is trying to decide between too little and too much in relation to our defense needs. While this problem is equally as bad, if not worse, in the social spending arena, the Defense budget attracts much more interest from a wider variety of people.

Because of this strong interest, those of us who are entrusted with trying to shape a workable defense budget are beseiged with all sorts of strange requests for inclusion in the budget. At first glance, these requests appear odd because of what they are and who is making the request. I ask you, what would you do if a respected individual, who didn't know an afterburner from a hot rock, approached you and requested that the budget include a given quantity of XYZ aircraft? As funny as that may sound, a lot of stranger things have happened on the way to the defense budget. I am sure that I am not alone in saying that I have been badgered and cajoled by constituents, contractors, colleagues and program managers for a piece of the action. While a lot of these requests are legitimate and fit into our defense plans, many of these projects should never have seen the light of day. Some, having seen the light, now deserve to be put in a dark closet.

Unfortunately, we in Congress are as much to blame as anybody in encouraging this type of budget management.

Too often, we have seen Members of Congress who have little interest and less knowledge in defense matters suddenly become authorities on this or that problem. And, why is this? Plain and simple is the fact that a particular weapons system or a major piece of one is going to be built in that person's district. With the prospect of jobs and money being dangled before their eyes, some Members, uncritically, accept these programs as they are depicted by those with vested interests in them. It then becomes an annual struggle to maintain control over the Defense budget since so many programs have acquired congressional "Godfathers."

In order to understand what happens, a quick tour of the life-cycle process of any system may illustrate the problems we face.

The whole thing begins when a perceived threat to our military capabilities suddenly appears on the horizon. At this point, a minor argument usually arises as to whether we should upgrade an existing system with new technology or start a whole new program based on the assumption that better technology is just around the corner. Whichever way the decision goes, the next step is where we begin to see the problems develop.

For it is at this step—the program management step—that an individual weapons system begins to gather supporters.

While the basic concept of program management is sound and one that I support, it can lead directly into the parochialism which forces various programs to hang on long after their useful lives. For it is at this point that a program gains vocal adherents who have a vested interest in it.

The military, the civilian bureaucracy, the contractors and, particularly, Congress, all have their reasons for going ahead with a particular program. It is easy to understand the vested interest of the executive branch agencies and the contractors. It is easy to see that jobs, money and job security are heavily entwined in their thinking. But, the real problem lies here, in Congress.

Too often, it can be said, Congress votes itself regional or local defense programs instead of national defense structure. As an example, I can think of one New England State delegation that, for the most part, would never agree to vote for a strong defense. But, all of a sudden, when a program is proposed to be built in their State, they become immediate experts on our national defense needs. And, yet another example—base closures and consolidations. Why is it that every time the Pentagon sends over a list of proposed closures or consolidation of military posts, they come away emptyhanded, regardless of the fact that these actions would save the United States millions of dollars and make the military more effective and efficient? We in Congress retreat to our parochialism and threaten all sorts of dire consequences if these plans are carried out.

The list of projects which should have never seen the light of day, as well as those which should have been ended after their technological or practical life had ended, would engulf this room. I would suggest that all of us in Congress sit back and take stock of our own personal positions.

Certainly, being politicians, we are susceptible to political pressure from our homes areas. However, the time now has come when the United States has neither the money, the time, nor the capacity to continue the wasteful subsidies of our own narrow interests.

If we are ever to redress the military imbalance, then we in Congress must be willing to turn a deaf ear to the spe-

cial-interest people and begin to vote for, and promote, a truly national defese program.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUDGET ACT WAIVER

Mr. TOWER. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 510, Senate Resolution 360, a resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2248, the Department of Defense authorization bill.

It is my understanding that Mr. PRYOR wishes to speak on the waiver but does not object to our taking it up.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 360) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2248.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. There is 1 hour on the resolution.

Mr. TOWER. Mr. President, how much time does the Senator yield himself?

Mr. PRYOR. At this point, 10 minutes.

Mr. President, today we are beginning to debate perhaps the largest single part of the budget for 1983. We are doing it, in my opinion, in a backward manner. We are starting the debate on the Defense authorization bill which will consume billions of dollars of taxpayer money and we are beginning in a way which is a violation of the Budget Act, not only the letter of the Budget Act but also the spirit of the Budget Act. Only 4 days after the President of the United States has appeared before the American people, following negotiating sessions with Congress relative to a budget compromise, we are violating the plea for restraint that the President has made.

For the life of me, I can see no real reason for bringing up the Defense authorization bill before we bring up the budget resolution. I think it would be the proper and the wisest course for this body to first get together on the budget and establish ceilings on that budget. Then, in the context of looking at the entirety of the budget, we could look at the effect of defense spending upon that budget. I think we would then be following a course of commonsense, a course of discretion, and a course that the taxpayers of this country would certainly applaud.

For example, in the budget authorization bill for the Department of Defense, we are looking at $87 billion in procurement, $24 billion in research, development, testing, and evaluation, $69 billion in operation and maintenance, $144 million in civil defense. Yet, Mr. President, we are bringing up this bill before we have an opportunity to find ceilings, those top figures—or, possibly better said, those bottom figures—on the budget as a whole.

I believe that the people of this country expect Congress to budget before it spends; and here we are, beginning to make a severe impact on the entire budget and we are proceeding in a way that does not represent a commonsense approach to the budgetary crisis in which we find ourselves.

I believe this is a true test of the restraint of Congress. I ask this question: Can we wait to give out these so-called presents to the Pentagon and to the defense contractors until we find out what our budget is actually going to allow us to spend? It is my opinion that we could wait 1 week or 2, or even 3, until the Chairman of the Budget Committee and the members of that committee, as well as other Members of this body, have an opportunity to report a resolution, an action which could take place quickly—perhaps even by the end of the week.

My question is, Why can we not wait until that opportunity, when we can see the implications of the entire budget when it is placed before this body?

The fiscal 1983 budget proposed by the administration, for military matters, is $263 billion in budget authority. That is a $43.3 billion increase. Not all of this increase is included in this particular authorization bill, because this bill does not include military construction and certain other matters. But it does represent a substantial portion of the $800 billion budget proposed in February. Indeed, exclusive of income security programs and interest on the national debt, defense costs represent more than 60 percent of Federal spending proposed in the 1983 budget.

As I have stated, this particular bill contains four major items, four of the major expenditures that this Congress is going to have to face for next year, and yet we find ourselves today attempting to have this bill considered by the Senate before the Budget Committee has brought its budget proposals to us.

My next question is whether there is precedent for bringing the defense authorization bill to the floor before the budget resolution has come forward? The answer is no. There is no precedent except on one former occasion when the budget authority figures used by the Armed Services Committee and the Budget Committee coincided at the same level.

Today, it is my understanding that the Budget Committee and the Armed Services Committee are not together on what is going to be recommended that we spend for military procurement, for military research, development, tests, and evaluation, for operation and maintenance, and for the civil defense of this country.

Mr. President, I think that it is not only unfair to the military, I think it is unfair to the budgetary process for us to come forward at this time and in this manner before the Budget Committee has had an opportunity to present a budget resolution to the Senate. I think that it is very wrong that we would attempt to consider this matter before we see the full impact of what we are about to do.

Mr. President, I think I should just make mention of this, even though I will not raise a point of order, that this bill violates section 402 of the Budget Act and is subject to a point of order unless the Budget Act restrictions are waived. That violation is very simple. It would authorize fiscal 1982 funds and under the act committees must report 1982 authorizations before May 15, 1982.

Why did this violation occur? This violation is occurring because, as the committee report says, the administration did not formally request these funds until March 22, 1982; therefore, the violation is quite simply the result of some delays by the administration.

I realize that only $1.5 billion of this $180 billion bill does violate the Budget Act. Nevertheless, the act is violated and we are being asked to waive this violation.

I think that we should pause, Mr. President, before doing so because if Congress is going to get control of the budget and reduce the deficit, we need to begin, and to begin now, not putting the cart before the horse as we are doing by considering the defense authorization bill before the budget resolution is brought to the floor. We need a budget resolution, and we need it before we act on the $1.5 billion supplemental or the $180 billion fiscal 1983 authorization.

I can also only assume, Mr. President, that later on in the budgetary fight that we are about to begin, we will find certain individuals, perhaps even the chairman of the Budget Committee——

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. PRYOR. Mr. President, I yield myself 3 additional minutes.

The PRESIDING OFFICER. The Senator is recognized for 3 additional minutes.

Mr. PRYOR. Mr. President, we can only assume that we will see later in this process the chairman or some other member of the committee, perhaps even the committee itself, rising to say that supplemental funding requests for domestic programs cannot possibly be funded because they violate the Budget Act.

We are, however, violating the Budget Act at this time on this day, but that is not my main concern.

My main concern is that by bringing this matter to the floor at this time, we will authorize major portions of the entire 1983 appropriations. It is wrong to do that now. We are getting the cart before the horse, and I wish to bring these matters to the attention of the President and my distinguished colleagues.

Mr. President, at this point I yield the floor.

Mr. TOWER. Mr. President, if the Senator from Arkansas is prepared to yield back the remainder of the time in opposition to the waiver, I am prepared to yield my time.

Mr. PRYOR. If I could say to the distinguished chairman, I might wish to reserve the remainder of my time. I do not know whether there are other speakers here. I may wish to conclude depending on what the distinguished chairman has to say.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I yield back the remainder of my time at this point.

Mr. TOWER. Mr. President, I yield back the remainder of the time and move the adoption of the waiver resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 360) was agreed to, as follows:

S. RES. 360

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 2248 as reported by the Committee on Armed Services.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. TOWER. Mr. President, I move the Senate proceed to the consideration of S. 2248, the fiscal year 1983 defense authorization bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause, and insert the following:

That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for procurement in amounts as follows:

ARMY

For the Army: for aircraft, $1,786,914,000; missiles, $2,846,600,000; weapons and tracked combat vehicles, $5,016,285,000; ammunition, $2,733,384,000; and other procurement, $4,564,991,000.

NAVY

For the Navy: for aircraft (including aircraft for the Marine Corps), $11,617,800,000; weapons (including missiles and torpedoes), $3,901,200,000; naval vessels, $18,648,300,000; and other procurement, $3,969,156,000.

MARINE CORPS

For the Marine Corps: for procurement (including ammunition, other weapons and combat vehicles, missiles, communications and electronics, support vehicles, and engineering and other equipment), $2,198,700,000.

AIR FORCE

For the Air Force: for aircraft, $17,792,900,000, of which $186,100,000 is for the United States contribution of its fiscal year 1983 share of the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); missiles, $5,370,800,000; and other procurement, $5,753,100,000.

NATIONAL GUARD AND RESERVE COMPONENTS

For aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, other weapons, and other procurement, as follows:

For the Army National Guard, $50,000,000.

For the Air National Guard, $30,000,000.

For the Army Reserve, $30,000,000.

For the Naval Reserve, $30,000,000.

For the Marine Corps Reserve, $30,000,000.

For the Air Force Reserve, $30,000,000.

The authorization of appropriations for the National Guard and Reserve components contained in this paragraph is in addition to any other funds authorized to be appropriated by this or any other Act.

DEFENSE AGENCIES

For the Defense Agencies: for procurement, $878,184,000.

REQUIREMENTS RELATING TO MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 102. Notwithstanding any other provision of law, no multiyear contract may be entered into for the procurement of—

(1) F-111 weapon navigation computers;

(2) C-2 aircraft;

(3) EA-6B aircraft;

(4) A-6E aircraft;

(5) MULE laser designators;

(6) CH-53E helicopters;

(7) MLRS rocket systems; or

(8) ALQ-136 radio jammers,

until (A) the Secretary of the military department concerned has submitted to the Committees on Armed Services of the Senate and the House of Representatives a written report setting forth the justification for entering into a multiyear contract for the procurement of the equipment concerned, and (B) thirty days have elapsed after the date on which such report is received by such committees.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. Section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100) is amended—

(1) by inserting "and each fiscal year thereafter" after "fiscal year 1982" in the matter before clause (1); and

(2) by striking out "for fiscal year 1982" in clause (3).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL A-10 AIRCRAFT

SEC. 104. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Air Force for fiscal year 1983, or any prior fiscal year, may be obligated after the date of the enactment of this Act for the procurement of any A-10 aircraft in any amount greater than the amount authorized for the procurement of such aircraft in the Depart-

ment of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL AH-64 (APACHE) HELICOPTERS

SEC. 105. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Army in the Department of Defense Appropriation Act, 1982 (Public Law 97-114; 95 Stat. 1565), may be obligated after the date of the enactment of this Act for the procurement of any AH-64 (Apache) helicopters unless the procurement thereof is specifically authorized by legislation enacted after the date of the enactment of this Act.

RESTRICTION ON PROCUREMENT OF TACAMO COMMAND, COMMUNICATIONS, AND CONTROL EQUIPMENT

SEC. 106. None of the funds appropriated pursuant to this Act may be obligated or expended for the procurement of any airborne very low frequency equipment for the TACAMO EC-130Q aircraft until thirty days have elapsed after the date on which the Secretary of Defense has submitted a written report to the Committees on Armed Services of the Senate and the House of Representatives discussing the feasibility of replacing such equipment with modern communication systems consistent with the planned acquisition of replacement aircraft.

CBU-90 ANTIARMOR CLUSTER MUNITION

SEC. 107. None of the funds appropriated pursuant to section 101 of this title may be used for the procurement of the CBU-90 antiarmor cluster munition until after the Secretary of the Air Force certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that procurement of such munition is essential to the Air Force inventory.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $4,455,341,000.

For the Navy (including the Marine Corps), $6,302,898,000.

For the Air Force, $10,745,543,000.

For the Defense Agencies, $2,302,184,000, of which $60,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

REQUIREMENT FOR COMPETITION BETWEEN THE LANTIRN AND FLIR SYSTEMS

SEC. 202. Of the amount authorized to be appropriated in this title for the Air Force, not more than $88,700,000 is authorized for development of the LANTIRN System. However, no funds appropriated pursuant to this title for the Air Force may be obligated or expended for the development of such system until the Secretary of the Air Force submits to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives a written statement certifying that the LANTIRN program has been restructured to provide a competitive demonstration between the current LANTIRN System and a suitably modified version of the Navy's F/A-18 aircraft FLIR System. The Secretary of the Air Force may not enter into any contract for the production of the LANTIRN System until after a competitive demonstration between the LANTIRN System and the suitably modified version of the Navy's F/A-18 aircraft FLIR System has been carried out.

SUBMARINE ADVANCED COMBAT SYSTEM

SEC. 203. Of the funds authorized to be appropriated for the Navy in this title, not more than $85,937,000 is authorized for the Submarine Advanced Combat System research and development program. However, no funds appropriated pursuant to this title may be obligated or expended for the Submarine Advanced Combat System program until the Secretary of the Navy has presented to the Committees on Armed Services of the Senate and the House of Representatives a detailed explanation in writing of how the Department of the Navy plans to proceed with the phased array radar portion (phase III) of the MK-92 Fire Control System upgrade.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States (other than the Coast Guard) and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

(1) For the Army (including the Army Reserve, the Army National Guard, and rifle practice, Army), $18,774,275,000.

(2) For the Navy (including the Naval Reserve and the Marine Corps Reserve), $22,766,500,000.

(3) For the Marine Corps (including the Marine Corps Reserve), $1,525,015,000.

(4) For the Air Force (including the Air Force Reserve and the Air National Guard), $20,094,300,000.

(5) For the Defense Agencies and other activities of the Department of Defense, $5,896,910,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

STATIONING OF E-4 NATIONAL EMERGENCY AIRBORNE COMMAND POST AIRCRAFT

SEC. 302. (a) None of the funds appropriated pursuant to this title may be obligated or expended for the stationing of the E-4 National Emergency Airborne Command Post aircraft, or associated maintenance and logistical support for such aircraft, at Andrews Air Force Base, Camp Springs, Maryland, unless the President certifies to the Congress in writing that the continued deployment of the E-4 National Emergency Airborne Command Post aircraft at Andrews Air Force Base is essential to and supportive of the national security of the United States.

(b) Notwithstanding the prohibition contained in subsection (a), funds appropriated pursuant to an authorization provided in this title for deployment and support of the National Emergency Command Authority's E-4 aircraft shall be available for obligation and expenditure for such deployment and support if (1) an alternative deployment site more than five hundred miles inland from the Atlantic coast has been selected, (2) the chairmen of the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of the selected site, and (3) thirty days have elapsed following the date on which such notification is received by the chairmen of such committees.

NAVY SHIP OVERHAULS

SEC. 303. Of the funds authorized in section 301(a)(2), not more than $2,518,800,000 may be obligated or expended for ship overhauls for the Navy.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 783,800.

(2) The Navy, 564,200.

(3) The Marine Corps, 194,600.

(4) The Air Force, 594,500.

AUTHORITY TO EXCEED END STRENGTH AUTHORIZATION

SEC. 402. (a) Section 138(c)(1)(A) of title 10, United States Code, is amended by adding the following new sentence after the first sentence: "The end strength authorized for any component of the armed forces for any fiscal year may be increased by a number equal to not more than 0.5 per centum of the total end strength authorized for such component for such fiscal year if the Secretary of Defense determines that such increase is needed to maintain a stable personnel force.".

(b) The amendment made by subsection (a) shall apply with respect to end strengths for active-duty personnel authorized for fiscal years beginning after September 30, 1981.

LIMITATION ON NUMBER OF NON-HIGH-SCHOOL GRADUATE RECRUITS

SEC. 403. Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

ACCRUED LEAVE SAVING PROVISION

SEC. 404. A member of the Armed Forces of the United States who was authorized under section 701(f) of title 10, United States Code, to accumulate ninety days' leave during fiscal year 1980 and lost any leave at the end of fiscal year 1981 shall be recredited with such lost leave and may retain leave in excess of sixty days until the end of fiscal year 1982, but in no case may such member accumulate leave in excess of ninety days.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.

(2) The Army Reserve, 258,700.

(3) The Naval Reserve, 105,500.

(4) The Marine Corps Reserve, 38,300.

(5) The Air National Guard of the United States, 101,100.

(6) The Air Force Reserve, 66,000.

(7) The Coast Guard Reserve, 10,700.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the Reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 14,419.

(2) The Army Reserve, 8,251.

(3) The Naval Reserve, 12,038.

(4) The Marine Corps Reserve, 678.

(5) The Air National Guard of the United States, 5,158.

(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 per centum of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) Section 517 of title 10, United States Code, is amended by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56"
	1,351	281	95	
	671	267	40	
	234	170	21"	

(b) The columns with the headings "Army", "Air Force", and "Marine Corps" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force	Marine Corps

(3) The Marine Corps, 20,435.

(4) The Air Force, 48,769.

(5) The Army National Guard of the United States, 18,052.

(6) The Army Reserve, 14,579.

(7) The Naval Reserve, 1,000.

(8) The Marine Corps Reserve, 2,971.

(9) The Air National Guard of the United States, 2,328.

(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, as follows:

(1) The Department of the Army, 378,000.

(2) The Department of the Navy, including the Marine Corps, 320,600.

(3) The Department of the Air Force, 242,800.

(4) Activities and agencies of the Department of Defense (other than the military departments), 83,000.

(b) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.

(2) The Navy, 66,930.

TITLE VIII—ATTACK-RELATED CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1983 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $144,530,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. The third sentence of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$47,000,000" in the second proviso and inserting in lieu thereof "$50,000,000".

TITLE IX—SUPPLEMENTAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 901. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there is hereby authorized to be appropriated to the Navy and the Air Force for fiscal year 1982 for procurement in amounts as follows:

For the Navy: for naval vessels, $263,400,000.

For the Air Force: for aircraft, $219,100,000 and missiles, $5,300,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 902. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, there is hereby authorized to be appropriated to the Air Force for fiscal year 1982 for research, development, test, and evaluation, $16,400,000.

OPERATION AND MAINTENANCE

SEC. 903. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, Army Reserve and Army National Guard, $90,200,000.

For the Navy, Naval Reserve and Marine Corps, $164,600,000.

For the Air Force, Air Force Reserve and Air National Guard, $30,300,000.

For the Defense Agencies and Defense-wide activities, $41,200,000.

INCREASE IN END STRENGTH AUTHORIZATION FOR THE ARMY FOR FISCAL YEAR 1982

SEC. 904. Section 401 of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1104), is amended by striking out "Army, 780,300" and inserting in lieu thereof "Army, 784,400".

TITLE X—ADDITIONAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 1001. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for procurement in amounts as follows:

NAVY

For the Navy: for naval vessels, $123,600,000.

AIR FORCE

For the Air Force: for aircraft (including aircraft for the Air National Guard), $137,800,000 and missiles, $12,000,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 1002. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for research, development, test, and evaluation in amounts as follows:

For the Navy: $53,969,000.

For the Air Force: $73,000,000.

TITLE XI—GENERAL PROVISIONS

SPECIAL DEFENSE ACQUISITION FUND

SEC. 1101. Section 138(g) of title 10, United States Code, is amended—

(1) by striking out "and" after "1982" and inserting in lieu thereof a comma; and

(2) by inserting ", and may not exceed $900,000,000 in fiscal year 1984" after "1983".

INCREASE DOLLAR AMOUNTS FOR REPORTS TO CONGRESS REGARDING TRANSFER OF DEFENSE ARTICLES

SEC. 1102. Section 813 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 133 note) is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 1103. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in any selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, as hereinafter provided in this section, a written report on the unit cost of the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall submit such report to the Secretary concerned not more than seven days after the end of any quarter for which a selected acquisition report is required to be submitted to the Congress containing information on such defense system. The program manager shall include in each such unit cost report—

(A) the total program acquisition unit cost for such major defense system as of the last day of the quarter for which the report is being made; and

(B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted, the current procurement unit cost for such major defense system as of the last day of the quarter for which the report is being made.

(2) If at any time during any quarter for which a unit cost report is required under this section, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which such report is to be submitted, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a unit cost report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each unit cost report submitted for any major defense system pursuant to paragraph (1) or (2) any change from the schedule milestones or system performances with respect to such system reflected in the selected acquisition report used as the base for applying the applicable percentage increase specified in subsection (b) and that is known, expected, or anticipated by such manager.

(b)(1)(A) The Secretary concerned shall determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized for the fiscal year containing the quarter for which the report is submitted has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the total program acquisition unit cost (including any increase for expected inflation) for any such major defense system has increased by more than the amount referred to in subparagraph (A), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which the determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(2)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) the current procurement unit cost of any major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted has increased by more than 15 per centum over the procurement unit cost derived from the selected acquisition report which first included information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost has increased by more than the percentage referred to in subparagraph (A)(i) or that the total program acquisition unit cost (including any increase for expected inflation) has increased by more than the percentage referred to in subparagraph (A)(ii), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the thirty-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the dollar increase in total program acquisition unit cost or procurement unit cost, in both current and constant dollars, and the percentage increase for each;

(B) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(C) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(D) except when the cost increase is due solely to termination or cancellation of the entire program for the major defense system—

(i) the action taken and proposed to be taken to control future cost growth of such system, and

(ii) any changes made in the performance or schedule milestones of such system and the extent to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) the history of the total program acquisition unit cost of such major defense system, including all changes in such unit cost, from the date of the selected acquisition report which first included information on such defense system.

(c)(1)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) in the case of any such system for which procurement funds are authorized for the fiscal year in which the unit cost report is submitted, the current procurement unit cost of such system has increased by more than 25 per centum over the procurement unit cost derived from the selected acquisition report which first included the information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included the information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost of a major defense system referred to in subparagraph (A)(i) has increased by more than the percentage referred to in such subparagraph or that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system referred to in subparagraph (A)(ii) has increased by more than the percentage referred to in such subparagraph, he shall notify the Congress in writing of such determination and the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system and submits a report to the Congress with respect to such system pursuant to subsection (b)(3), no additional funds may be obligated in connection with such system after the end of the sixty-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if—

(A) the cost increase was due solely to termination or cancellation of the entire program for the major defense system; or

(B) the Secretary of Defense submits to the Congress, before the end of the sixty-day period referred to in such paragraph, a written certification stating that—

(i) such system is essential to the national security;

(ii) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(iii) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(iv) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, reduced by the amount of any funds appropriated for such fiscal year for advanced procurement for such system in any year subsequent to such fiscal year and increased by any amount appropriated in years prior to such fiscal year for advanced procurement for such system in such fiscal year, divided by (B) the number of fully configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

REQUIREMENTS RELATING TO THE AWARDING OF SOLE-SOURCE CONTRACTS

SEC. 1104. (a) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2316. Requirements pertaining to the awarding of sole-source contracts

"(a) In this section—

"(1) 'sole-source contract' means a negotiated contract for the purchase of property or services which is entered into or proposed to be entered into by a military department or defense agency after soliciting the purchase of such property or services from only one contractor; and

"(2) 'person' has the same meaning as provided in section 551(2) of title 5.

"(b)(1) The head of a military department or defense agency may not enter into negotiations for the award of a sole-source contract for more than $100,000 unless—

"(A) the head of such department or agency has first published in the Commerce Business Daily a notice that the department or agency intends to negotiate such contract;

"(B) a period of at least thirty days after the date of the first publication of the notice has expired, and all interested responsible persons have been permitted to respond or submit proposals in response to such notice within such period;

"(C) the head of such department or agency has considered all responses submitted within the thirty-day period referred to in clause (B); and

"(D) the head of such department or agency has approved the proposal to negotiate such contract.

"(2) The notice required under paragraph (1)(A) shall include—

"(A) all information pertaining to the contract that would be required to be published if the contract were to be awarded under formal advertising procedures; and

"(B) a statement that any person may respond to the notice within thirty days after the date of the publication of the notice.

"(c) The Secretary of Defense may waive the requirements of subsection (b) in the case of any contract if he determines such action is necessary because of national security reasons.

"(d) The provisions of subsection (b) shall not apply in the case of—

"(1) a classified procurement if the notice required under subsection (b)(1)(A) cannot reasonably be worded to avoid disclosure of classified information;

"(2) a procurement with respect to which disclosure of the Government's interest in the property or service to be purchased would compromise the national security;

"(3) the procurement of utility services (not including the purchase of equipment or supplies);

"(4) the procurement of perishable subsistence and services related thereto, if the head of the military department or defense agency determines that it is impracticable to comply with the thirty-day requirement referred to in subsection (b)(1)(B);

"(5) a procurement with respect to which only foreign sources are to be solicited;

"(6) a procurement from another agency, including a procurement from the Small Business Administration under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

"(7) the procurement of any property or service the price of which is established by law;

"(8) a procurement that is of such urgency that the Government would be seriously injured by the delay involved in complying with the thirty-day requirement referred to in subsection (b)(1)(B);

"(9) the procurement of any property or service the cost of which is to be reimbursed by a foreign country, if the foreign country requires that the property or service be obtained from a particular source;

"(10) a procurement to be awarded as a follow-on contract or a contract for related supplies or services if such follow-on contract or contract for related supplies or services is awarded in connection with a program for the procurement of an end item of a major weapons system for which there was a contract competition evaluated on the basis of price and design factors or price and technical factors;

"(11) the procurement of personal or professional services in an amount less than $500,000, to the extent that a determination is made that only one source can provide the desired service;

"(12) the procurement of construction services if a contractor or group of contractors is already at work on the site at which such services are to be provided and it would not be practicable to allow another contractor or additional contractors to work on the same site;

"(13) procurements to be made by an order placed under an existing contract, but only if the existing contract was awarded after a notice published in the Commerce Business Daily in accordance with subsection (a);

"(14) facilities contracts when the performance required practicably can be obtained only from one source; and

"(15) procurements from nonprofit institutions.

"(e) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 1 of each year, a report on all sole-source contracts of more than $100,000 entered into by each military department and defense agency during the preceding fiscal year. Such

report shall include the number of sole-source contracts entered into during the preceding fiscal year by each such department and agency that were exempt from the requirement of subsection (b) and the total dollar amount of such contracts.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2316. Requirements pertaining to the awarding of sole-source contracts.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to contracts entered into more than sixty days after the date of the enactment of this Act.

REPEAL OF PROHIBITION ON PURCHASE OF ADMINISTRATIVE USE VEHICLES FROM FOREIGN SOURCES

SEC. 1105. Section 783 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1591), is repealed.

PURCHASE OF CHEMICAL WARFARE PROTECTIVE CLOTHING AND ITEMS CONTAINING SPECIALTY METALS FROM FOREIGN SOURCES

SEC. 1106. Section 723 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1582) is amended by inserting after the first colon the following new proviso: *"Provided,* That nothing in this section shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 2351 note):".

PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

SEC. 1107. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used for the purpose of consolidating any of the functions being performed on the date of the enactment of this Act by the Military Traffic Management Command of the Army, the Military Sealift Command of the Navy, or the Military Airlift Command of the Air Force with any function being performed on such date by either or both of the other commands referred to in this subsection.

(b) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives explaining—

(1) any changes proposed or contemplated by the Department of Defense in the management structure or contracting authority of the three commands referred to in subsection (a);

(2) the necessity or desirability of such changes and the effect such changes likely would have on the operational readiness of each of the commands referred to in subsection (a);

(3) the consequences such changes likely would have on the ability of the fleet support elements of the Military Sealift Command of the Navy to be fully integrated and fully supportive of the operating naval fleets;

(4) the effect such proposed or contemplated changes likely would have on the Navy's ability to develop comprehensive shipbuilding, ship repair, and ship maintenance programs;

(5) the effect such proposed or contemplated changes likely would have on the identification and fulfillment of the overland movement and ocean terminal needs of the Army;

(6) the anticipated cost savings, if any, which would result from such changes; and

(7) the relationship that any new transportation organization that may be established by the Department of Defense would have with the Joint Deployment Agency.

The Secretary shall submit such report to the committees not later than March 1, 1983, together with such comments, recommendations, and proposals for legislation as he considers appropriate.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

SEC. 1108. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which have occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security Treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources; and

(2) the continued unwillingness of those countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1983, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1983;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments; and

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western alliances.

(2) The Secretary of Defense shall also submit to the Congress not more than thirty days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (F) of such paragraph.

CRITICAL SKILL NEEDS AND SUPPLIES

SEC. 1109. The Secretary of Defense, in conjunction with the Secretary of Labor, shall conduct a study to determine the level of skilled labor needed and available in the civilian work force to accomplish the programs planned by the Department of Defense for fiscal years 1983 through 1987 and needed and available during a mobilization period. The Secretary shall submit a report on the results of such study, not later than February 15, 1983, to the Committees on Armed Services of the Senate and the House of Representatives. Such report shall include—

(1) an analysis of the expected level of the demand for skilled labor in the civilian work force, by type of skill and by regions of the country, to accomplish defense programs during fiscal years 1983 through 1987 and the expected level of the supply of such labor in the civilian work force available to meet such demand during such fiscal years;

(2) an analysis of the expected level of demand for skilled labor in the civilian work force, by skill and by regions of the country, during a mobilization period and of the ability of the present civilian labor work force to meet such a demand; and

(3) recommendations for programs or legislation to effect any improvements in the level of skilled labor in the civilian work force needed to accomplish defense programs during fiscal years 1983 through 1987 or during a mobilization period.

TECHNOLOGY TRANSFER CONTROL POLICY

SEC. 1110. (a) The Secretary of Defense shall conduct a study of the effectiveness of the technology transfer control policy formulation and related activities of the Department of Defense and shall submit the results of such study to the Congress not later than December 31, 1982, together with such comments and recommendations for such improvements as he considers appropriate. The Secretary shall specifically indicate in such report whether he favors establishing a separate office within the Office of the Secretary of Defense to manage and coordinate technology transfer control policy formulation and related activities within the Department of Defense and shall indicate his reasons for favoring or not favoring,

as the case may be, the establishment of such a separate office. The Secretary shall make available sufficient manpower and fiscal resources from the Office of the Secretary of Defense and the military departments to ensure that the requested study is carried out in a complete and timely manner.

(b) The Secretary of Defense shall also submit to the Congress a written report, not later than February 15 of each fiscal year, recommending the amount of funds to be appropriated to carry out the technology transfer control policy formulation and related activities of the Department of Defense during the next fiscal year. The Secretary shall also include in such report the proposed allocation of the funds requested for such purpose and the number of personnel proposed to be assigned to carry out such activities during such fiscal year.

REPORT ON STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS AND EQUIPMENT

SEC. 1111. Section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 402; 10 U.S.C. 2451 note), is amended by adding at the end thereof the following: "The Secretary shall also include in each such report—

"(1) a description of each existing and planned program of the Department of Defense that supports the development or procurement of a weapon system or other military equipment originally developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States and for which funds have been authorized to be appropriated for the fiscal year in which the report is submitted;

"(2) a summary listing of the amount of funds appropriated for all such existing and planned programs for the fiscal year in which the report is submitted; and

"(3) a summary listing of the amount of funds requested, or proposed to be requested, for all such programs for each of the two fiscal years following the fiscal year for which the report is submitted.

Such report shall also include a description of each weapon system or other military equipment originally developed or procured in the United States and that is being developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States during the fiscal year for which the report is submitted.".

ADMINISTRATION BY THE SECRETARY OF DEFENSE OF SCHOOLS ON MILITARY INSTALLATIONS

SEC. 1112. Notwithstanding the provisions of paragraph (3) of section 505(c) of the Omnibus Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 443), the Secretary of Defense shall be responsible for the conduct of programs carried out with funds of the Department of Defense made available by such section, and the Secretary may not delegate such responsibility outside the Department of Defense.

TEMPORARY INCREASE IN NUMBER OF NAVY OFFICERS THAT MAY SERVE IN GRADES OF ADMIRAL AND VICE ADMIRAL

SEC. 1113. (a) Section 525(b)(2) of title 10, United States Code, is amended by striking out "15 percent" each place it appears and inserting in lieu thereof "17½ percent".

(b) Effective October 1, 1983, section 525(b)(2) of such title is amended by striking out "17½ percent" each place it appears and inserting in lieu thereof "15 percent".

MODIFICATION OF REPORTS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 1114. (a) Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended—

(1) by striking out "Department of Defense personnel" each time it appears and inserting in lieu thereof "Department of Defense civilian personnel"; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Except as provided in subsection (a)(1), subsections (a) through (c) shall not apply to a commercial or industrial type function of the Department of Defense that is being performed by less than fifty Department of Defense civilian personnel.

"(e) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified, reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

"(f) The provisions of this section shall not apply during war or a period of national emergency declared by the President or the Congress.".

(b) The amendments made by subsection (a) shall become effective on October 1, 1982.

MILITARY RECRUITING INFORMATION

SEC. 1115. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Each regulation issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading for section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information".

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to any person who, within ninety days before the date on which such information was requested (1) has made application for enlistment in the armed forces, or (2) has made, in connection with such person's application for enlistment, an application for participation in a program of the armed forces which requires a determination of the trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, citation, or conviction of any person referred to in subsection (a):

"(1) The offense involved.

"(2) The age of the person with respect to whom such information pertains.

"(3) The dates of the arrest, citation, and conviction, if any.

"(4) The place the offense was alleged to have been committed, the place of the arrest, and the court to which the case was assigned.

"(5) The disposition of the case.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COOPERATIVE MILITARY AIRLIFT AGREEMENTS

SEC. 1116. (a) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2213. Cooperative military airlift agreements

"(a) Subject to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into a cooperative military airlift agreement with the government of any allied country for the transportation of the personnel and cargo of the military forces of such country on aircraft operated by or for the military forces of the United States in return for the reciprocal transportation of the personnel and cargo of the military forces of the United States on aircraft operated by or for the military forces of such allied country. Any such agreement shall include the following terms:

"(1) The rate of reimbursement for transportation provided shall be the same for each party which rate shall not be less than the rate charged to military forces of the United States as determined by the Secretary of Defense under section 2208(h) of this title.

"(2) Credits and liabilities accrued as a result of providing or receiving transportation shall be liquidated not less often than once every three months by direct payment to the country which has provided the greater amount of transportation.

"(3) During peacetime, the only military airlift capacity which may be used to provide transportation is that capacity which is not needed to meet the transportation requirements of the military forces of the country providing the transportation and which is not created solely to accommodate the requirements of the military forces of the country receiving the transportation.

"(4) Defense articles purchased by an allied country from the United States under the Arms Export Control Act (22 U.S.C. 2751 et seq.) or from a commercial source under the export controls of the Arms Export Control Act may not be transported (for the purpose of delivery incident to the purchase of the defense articles) to the purchasing allied country on aircraft operated by or for the military forces of the United States except at a rate of reimbursement which is equal to the full cost of transportation of the defense articles, as required by section 21(a)(3) of the Arms Export Control Act (22 U.S.C. 2761(a)(3)).

"(b) The Secretary of Defense may also enter into nonreciprocal military airlift agreements with North Atlantic Treaty Organization subsidiary bodies in the manner provided in subsection (a) and under such terms as the Secretary of Defense considers appropriate.

"(c) Any amount received by the United States as a result of an agreement entered into under this section shall be credited to applicable appropriations, accounts, and funds of the Department of Defense.

"(d) Notwithstanding chapter 138 of this title, military airlift agreements may be entered into only under the authority of this section.

"(e) In this section—

"(1) 'Allied country' means—

"(A) a country which is a member of the North Atlantic Treaty Organization (NATO);

"(B) Australia and New Zealand; and

"(C) any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary bodies' has the meaning given such term by section 2331 of this title.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"§ 2213. Cooperative military airlift agreements.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement, for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriations for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

Mr. TOWER. Mr. President, I ask unanimous consent that, during the consideration of S. 2248, the fiscal year 1983 Department of Defense authorization bill, and during any votes thereon, the following members of the staff of the Committee on Armed Services be granted privileges of the floor:

James F. McGovern, Frank Gaffney, Carl Smith, Michael Donley, Wayne Arny, Ken Johnson, Jim Smith, Chris Cowart, Brenda Hudson, Ann Sauer, Carol Rudolph, and Karen Love.

James Locher, Richard Finn, Anthony Principi, Drew Harker, Jose Martinez, Mark Robinson, Ralph White, Mary Shields, Francis J. Sullivan, Paul Besozzi, David Lyles, Steve Dotson, Pat Renahan, and Jim Dykstra.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, the Defense Department authorization bill before the Senate today, S. 2248, continues the reinvestment in America's security that was begun last year. At that time, a new administration and a new Congress responded to the mandate of the American people by fashioning a defense program that sought to reverse the dangerous trends of the past 20 years. Obviously, the imbalance that has developed between the Western Allies and the Soviet bloc over that length of time cannot be corrected in a single fiscal year. Only a sustained commitment to real growth in our defense investment can restore out Nation's security.

The President's budget request for the categories authorized in S. 2248 is $183.4 billion. To review this proposal, the Armed Services Committee and its subcommittees conducted more than 70 hearings over an 8-week period. After this intensive scrutiny, the committee reported a bill which authorizes $180.2 billion, a net reduction of $3.2 billion from the President's request. That total is allocated among procurement, research and development, operation and maintenance, and civil defense accounts. In addition, S. 2248 prescribes the active-duty, Reserve and National Guard, and civilian personnel strengths of each of the services.

Most of the growth in this defense budget is dedicated to the long-overdue procurement of weapons and other equipment. However, it is important to remember that as late as we are in finally catching up in approving this investment, we will have to wait still longer—too long in my mind—as they gradually appear in the force structure.

Our late start on this lengthy process emphasizes the urgency of getting on with the job of modernizing our Armed Forces. The magnitude of the threat we face should be clear to everyone. A comprehensive intelligence briefing to be presented later—it is my understanding it will be presented tomorrow afternoon—should help to put this authorization bill in perspective: it is part of a larger effort by the United States to defend itself against the growing offensive threat posed by the Soviet Union and its allies. I think it is helpful to keep that simple, basic purpose in mind as we consider this bill.

Before I turn to a brief summary of the mission areas into which the Armed Services Committee has organized its work, I would like to point out three unique features of this bill. First, S. 2248 includes a separate title for the Defense Department supplemental authorization request for fiscal year 1982. The committee recommends a total supplemental authorization of $830.5 million, a net reduction of $621.3 million from the request. Second, S. 2248 provides additional authorization for various programs which had been appropriated more money than they had been authorized in the fiscal year 1982 legislative process. This bill matches the authorization and appropriations level for those programs. Third, S. 2248 authorizes for the first time the ammunition and "other procurement" accounts. By expanding its authorization responsibilities to include these items, the committee has improved its ability to review the readiness and sustainability of U.S. Forces.

Mr. President, I will only briefly describe the committee's specific recommendations. A more detailed presentation will be left to the subcommittee chairmen who had the primary responsibility for reviewing the programs and policies within their mission areas.

TACTICAL WARFARE FORCES

Let me first turn to the actions of the Tactical Warfare Subcommittee.

The committee's assessment of our tactical forces was directed at the procurement of the right weapons in the most efficient manner. As a result of its review, the committee proposes to

terminate the inefficient, low rate of production of the A-6E and the A-10 aircraft while increasing the production rates of the F-15 and F-16.

Cost growth continues to be the single greatest threat to our efforts to modernize our tactical forces. This year the committee recommends a 1-year deferral of production of the Army's AH-64 attack helicopter after a combination of Army and contractor actions increased the unit cost from $11 million to over $16 million per aircraft. Although the committee is satisfied that a legitimate requirement exists for this program, and it is a very fine aircraft, it is not persuaded that the need is so great that it should be funded at any price.

Last year, the committee recommended additional funds to improve the equipment of the Army National Guard. This authorization bill includes a similar set-aside of $200 million to procure weapons and support equipment for the Reserve and Guard components.

STRATEGIC AND THEATER NUCLEAR FORCES

In the area of strategic and theater nuclear forces, the committee continues to support the comprehensive strategic forces modernization effort that was accelerated last year. In particular, S. 2248 recommends the construction of two more Trident submarines and seven B-1B bombers. In addition, several initiatives in the bill reflect the committee's continuing interest in the strategic command, control and communications area.

In a major change to the administration's request, the committee proposed a redirection of the MX missile program to require its deployment in a survivable basing mode as soon as possible. Although funding for research and development on interim silo basing and for actual procurement of nine missiles was denied, the committee did approve the requested R. & D. funding for the MX missile itself so that this development program could proceed on schedule. In light of this decision, the committee added $74 million to retain the Titan II missile force in a safe and reliable status in the inventory.

Another area of special concern this year is the development of a comprehensive program to restore the credibility of the U.S. deterrent to chemical warfare. The chemical preparedness program approved by the committee is designed, first, to deter the Soviet Union from the first use of chemical agents and, second, to encourage the U.S.S.R. to engage in a global and verifiable agreement to eliminate chemical weaponry.

PREPAREDNESS

Based upon the findings of its Preparedness Subcommittee, the committee remains very concerned that recent initiatives in improving the readiness of our Forces be continued in S. 2248 and in future legislation. Although personnel and material readiness have improved, the preparedness of U.S. ground forces still suffers from a basic shortage of major end items. Only marginal improvements in capability are possible as long as the force structure remains underequipped. Accelerated procurement programs and adequate peacetime inventories offer the only sure response to this problem.

The administration's request of $69.4 billion for operation and maintenance in fiscal year 1983 represents an increase of about $7.3 billion, or 12 percent, over the fiscal year 1982 level. The net reduction of $350 million that the committee proposes to this request chiefly results from more favorable pricing assumptions on fuel and the U.S. dollar. Offsetting those savings are substantial additions for real property maintenance and the installation of modifications to Navy aircraft.

SEA POWER AND FORCE PROJECTION

The Sea Power and Force Projection Subcommittee conducted a lengthy review of our country's naval posture. At its conclusion, the subcommittee recommended to the full Armed Services Committee that it endorse the administration's strategy to regain maritime superiority. In order to achieve that ambitious goal, the committee approved the Navy's shipbuilding request for fiscal year 1983. Among the major ships approved for construction or modernization are two nimitz class carriers, three CG-47 class guided missile cruisers, two Los Angeles class attack submarines, and a second battleship.

The authorization of two Nimitz class aircraft carriers not only enhances the national defense and gets the carriers underway much earlier, but saves money as well. When compared with the traditional alternative of procuring one carrier at a time in 1984 and in 1986, the administration's program will deliver each ship 22 months early and will save approximately $754 million. An audit report requested by the committee from the General Accounting Office confirms that these savings in time and money can be achieved.

The authorization bill before us today also clearly directs that the revitalization of our force projection capabilities be continued. Funding levels for various components of force projection have been substantially increased. In addition, the committee made important program recommendations for airlift, amphibious shipping, full medical support for the Rapid Deployment Joint Task Force, and lightweight armored vehicles.

MANPOWER AND PERSONNEL

Requirements for all categories of defense manpower were reviewed by the Manpower and Personnel Subcommittee.

The force structure for which active-duty, civilian, and Reserve and Guard personnel are authorized in S. 2248 consists of 16 Army divisions, 26 Air Force wings, 3 Marine divisions, and 535 battle force ships.

The committee recommends an active-duty end strength of 2,137,100 for fiscal year 1983. This level represents an increase of 29,300 personnel, mostly in combat forces and training support, over the authorization for fiscal year 1982. Selected Reserve strengths are authorized to increase by 54,000 as recruiting and retention continue to improve in those units. The final category of defense manpower, the civilian work force, remains stable in fiscal year 1983 after substantial growth last year.

The committee continues to endorse the contracting-out process as a cost-effective way of performing nonessential Defense Department activities. To streamline the process and save more money, the committee approved a provision which exempts functions staffed entirely by military personnel or by fewer than 50 civilian employees from detailed cost study requirements.

GENERAL PROVISIONS

The committee recommends several general provisions in title XI of this authorization bill.

The committee remains seriously concerned with the continued escalation in the unit costs of some of our major defense systems. Therefore, one of the general provisions requires the Department of Defense to submit a detailed report to Congress whenever the cost of a major weapons system exceeds its baseline cost estimate by more than 15 percent. This recommendation makes permanent a provision initiated by Senator NUNN last year that applied only to fiscal year 1982 appropriations.

Another important provision expresses the sense of Congress that the NATO allies and Japan should increase their contributions to the common defense to levels more commensurate with their economic resources. In addition, the President is encouraged to seek from those allies greater acceptance of international security responsibilities.

CONCLUSION

Mr. President, at the conclusion of my opening statement last year, I pointed out that I fully realized the burden of restoring our Nation's defense in a time of fiscal austerity. I am still very aware of that heavy responsibility. But again, I have to repeat that we simply have no choice. The threat that faces us demands that we endure sacrifices—and they are not heavy sacrifices, Mr. President, but sacrifices we must endure for the common defense.

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. TOWER. Will the distinguished Senator from Mississippi yield to me just a moment?

Mr. STENNIS. I am happy to yield to the Senator.

Mr. TOWER. Mr. President, I wish to thank the Senator from Mississippi for his splendid cooperation in our getting through these some 70 hearings and several days of markup in subcommittee and in full committee, which he was, as usual, most cooperative and lent his very great wisdom and experience to the expeditious fulfillment of the committee's responsibilities.

Mr. STENNIS. Mr. President, I certainly thank the Senator from Texas for his very fine words. It is natural for us to work together. We have been at it a long time. Fortunately, we see most of these major battles very closely alike and we have never had anything except pleasant experiences together about it.

I certainly commend him highly for the very fine way in which he led in putting this bill together. The tremendous volume of work that goes into a bill of this magnitude, Mr. President, can hardly be realized by the public generally or be fully realized even by those of our membership who do not have a chance or the time to really get intimately involved with it. But the very complicated, weighty decisions that have to be made after complicated facts are collected and considered are of tremendous magnitude. Even after the valuable counsel of the civilian and military leadership of the Department of Defense has been weighed and our excellent staff assistance has been given these are still matters of the gravest concern when so much is at stake.

I am always pleased to see a bill come to the floor that is just weighted down, you might say, with efforts—and talented efforts, too—of that kind. This is always true with the membership of the Appropriations Committee, who must review this immense military program, and particularly true in a day when there are such hard, excruciating choices to be made about the money we have available and how much can be judiciously spent to meet the threat facing us.

So I consider it a privilege, of which I never tire of taking advantage, to prepare this bill and present it here on the floor.

Mr. President, proceeding to the very heart of the bill, we have a massive and complex piece of legislation authorizing over $180 billion for procurement, research, operations, and other activities for our Armed Forces. It is part of an overall Department of Defense budget request of some $258 billion, which represents a 13-percent increase, after inflation, over the $214 billion requested last year.

The committee and subcommittees toiled hard over the last 2 months or so—holding 74 hearings in February and March alone—to review the administration's defense programs. Thousands of line items make up this total package, which is the second leg of the administration's proposed $1.6 trillion, 5-year defense program started last year. The volume of work by the committee and staff was prodigious and the result was just as good a bill as was possible under the time available.

This bill is being taken up by the Senate before the overall budget targets have been established this year. That is not the best method and risks making the authorization process irrelevant.

Mr. President, I have always strongly supported the authorization process performed by this committee. I have seen the day when we did not have any requirement for authorization, but the program has grown so much beyond what it was then, that authorization is necessary.

But the Senate needs a bill to debate and settle the major defense and national security issues that the country faces. Therefore, on balance, I believe we should move this bill forward now and put some of these matters behind us. When the budget matters are settled, the defense budget can be adjusted to meet that situation.

The budget matters this year, as last year, are very much at issue and the demand will be far more than the money available. So I would think the budget issue, in one form or another, will be hanging fire in some phase during most of the session, and these bills would have to move along finally as a matter of necessity.

For the longer term, I believe the Congress must look to changing the budget process to better accommodate the important authorization process. The way it is now does not permit adequate linkage to the budget process, does not permit real consideration of the future year's defense programs and budget and subjects the Congress to an enormous workload and confusion of figures by separately, but simultaneously, working on the same matters in the budget process, in the authorization process, and in the appropriations process.

Mr. President, in my comments on last year's Defense authorization bill, I made several general observations about the bill and the administration's defense program, some of which are equally pertinent this year.

First, the ever rising manpower costs caused by an all-volunteer policy and the almost exploding costs of individual weapons systems continue to take a heavy toll in the real strength this defense budget will produce. I have always been for a frugal, make-do, practical approach to military programs. But now, more than ever, there must be frugality. It can only come from a frame of mind of what I will call salami tactics—actively searching out and slicing away at every opportunity any waste, extravagance, or fraud that can be found so that the military establishment is leaner, trimmer, and in fighting shape.

I have been encouraged by the initiatives in this area started by the Department of Defense, but much more must be done.

Frugality is even more essential now for another reason—the state of our economy. Public support for the military and the military budget will evaporate quickly if our military forces do not show real improvement without damaging the health of our economy. These are difficult economic times for many Americans. I believe our citizens recognize the need to maintain a strong defense, but it is their right to expect that capability will be built efficiently, getting the most out of every defense dollar expended.

Mr. President, I think that this big increase in the amount of money to be spent, and the rapidity which is required in spending it, is an additional test, a real test, for the military. If they do not do a good job, and I think they can improve on what they have been doing, in judiciously spending this money, they will pay a rather heavy price for it. It can be taken out of their hands and given to others.

I think it will be done not only in the military departments but in other departments. I believe that after all is said and done, and in fact, I know after all is said and done, that a great deal of our deficit that we have year after year results from the lack of administration of these programs and the proper spending of the money involved.

I am not trying to relate this to any individual member of the Cabinet or to any general indictment of bureaucracies. You do not see me trying to indict them every time anything adverse happens. But I do know that a spirit of indifference and waste has crept in, and, unfortunately, it has reached the point where a dollar just does not buy the value for the taxpayers that it should buy. It does not keep trust fully with the trusteeship with which we are vested in the spending of this money. I know we just have to become more severe, more demanding, in our requirements in this field.

There are many things that Members of Congress are called upon to do, but this is one that they cannot personally attend to—the personal vigilance, followup, and surveillance in a personal way over the expenditure of these funds. That is an Executive function and an Executive responsibility. Those in the executive branch of the Government will have to carry that load. All we can do here is to lay down the fundamental requirements.

We can do more than we are doing in imposing penalties and by withholding money when any particular budget has been injudiciously spent.

Another area of concern with me is whether there will be enough money over the next 5 years to complete the ambitious defense program that the administration has proposed. Even assuming a strong economy and public support, it is becoming more and more doubtful that all of the new programs being discussed and planned are affordable. There just may not be enough money even in the proposed budget over the next 5 years—when the procurement portion of the defense budget alone is projected to rise from $89 to $159 billion—to buy many of the new ships, tanks, missiles, and aircraft now being advocated to strengthen our defense.

I say that, Mr. President, because we hear every year, to some degree, about the capability of the industrial fraternity, the industry of this Nation, to take care of, in a proper way, and at the rapidity requested, these enormous orders.

Indeed, a look at the military force structure currently projected by the Defense Department for the end of the 5-year period confirms the validity of my doubts about the affordability of all these options.

For example, by fiscal year 1986 the administration projects 23 percent more active Air Force attack squadrons than planned previously, but there will be only 1.5 percent more aircraft to fill those planned additional squadrons. Moreover, by fiscal 1986 our arsenal is projected to have quantitatively less on-line ICBM and SLBM launchers, strategic bombers, cruise missiles, and attack submarines than previously planned. So we are not getting much more for our money.

As I noted last year, if the costs of the 50 ongoing major weapons systems plus costs of all other minor procurement items are added to the costs of the MX missile, a second bomber, an airlift aircraft, and the ships to achieve a 600-ship Navy by 1992, then the procurement budget reported by the administration could be some $10 to $20 billion short just in fiscal year 1983. This allows no money for any new major weapons systems to be started—or increased numbers of aircraft, missiles, and tanks beyond those already planned. In fact, the planned procurement of many of these systems focuses on the outyears of this 5-year plan, when budget resources may be even more scarce. The Navy, for example, has never gotten more than 50 percent of the ships it has requested for the outyears of this program. But without approval of these greater numbers of ships, the goal of a 600-ship Navy will not be achieved.

Nothing has happened since last May to fill up this resource shortfall that I cited last year. Indeed, with the current state of the economy, the gap may grow. For I believe it is clear, Mr. President, that there is, to put it mildly, a strong sentiment to reduce this defense budget further—beyond the reductions proposed by the Committee—to assist in shrinking the expected budget deficit. We cannot and should not try to reduce the deficit on the back of our national security needs, but a strong economy is an essential ingredient in a strong defense. Therefore, although the degee of reductions is uncertain, this defense budget will be lowered. And this will mean added strain on the ability of the administration to afford everything it wants to buy.

I think it well that we look at these road signs as we go along this way and that we seriously consider the implications of what we are doing here.

These pressures on the budgetary resources which will be available for defense demand that both the Congress and the Department of Defense carefully prioritize our expenditures. We must put our money in systems and organizations which are the most needed and give us the most for every dollar. Indeed, as part of the Defense Department's announced initiatives to improve the acquisition process it had hoped to help attain the most economic production rates for high-priority systems by canceling or terminating low-priority projects. However, the final report of the Department's own Acquisition Improvement Task Force, dated December 23, 1981, indicates that this initiative has met with only marginal success. And the General Accounting Office, in its recent report, "Defense Budget Increases: How Well Are They Planned and Spent," April 13, 1982, found that "the administration had only limited success in eliminating marginal weapons programs * * * only a few programs were actually out in the fiscal year 1982 procurement and research budgets, with most of the cuts * * * already * * * recommended by the Congress." The Department—and the Congress also—must be willing to cut marginal programs to provide the necessary stability on the higher priority ones; we simply have too many programs to fund efficiently and effectively with available funding.

Getting more for the defense dollar also means making our weapons a part of more effective strategies and tactics. We have to design and employ our weapon systems to expand their likelihood of success. I am pleased to see an attitude developing in the Army toward tactics which will make conventional battles more likely to succeed. The Airland Battle concepts and their progeny recognize the evolving nature of today's modern battlefield and prioritize the use of our new, sophisticated systems toward the optimal means of accomplishing our combat goals. I hope this kind of thinking will be integrated into the combat perspectives of all the military services where applicable.

I remember so well the statements we had 2 or 3 years ago, and on down through last year and this year also, about the problems that we might have in getting these products out on time while maintaining high levels of quality. I think we ought to be fully frank about it in presenting this to our colleagues and to the taxpayers. At the same time, we must make a fight here for what we think will be the amount that will be used, that will be necessary, and that will put us beyond any reasonable chance of being cut short in the years to come.

I have no great doubts now. I have no great concern about any superiority over us in any major field, if the witnesses I have been hearing all these years have been telling us correctly. And I think they have been.

In any event, we all know that for the years ahead we cannot go to sleep. Our alertness must be 100 percent. We cannot take chances and just expect or hope to get by 5, 10, 15, or 20 years.

Mr. President, military personnel has always been a high priority with me. I think that the manpower and womanpower of our military Force is the major source of our strength. We can have the planes, ships, and ground forces. We have the engineering know-how and the technology. But we also must have an abundance of trained personnel capable of handling these instruments and, at the same time, carrying on the spirit, the will, and the overwhelming patriotism—enough of them have it in the old-fashioned style—so we will never be caught short.

Mr. President, we have an unemployment situation now and an economic recession, and they have pushed our personnel structure—temporarily perhaps—toward the high standards needed to maintain and operate our sophisticated equipment. The military services should make the most out of this opportunity to improve the quality of officer and enlisted personnel—both career and first term.

Mr. President, I have seen days in the last few years when, to me, the military was being required to run on tires that probably were what I called flat tires for their personnel. I am proud to see this change. I think it will hold up during times such as we have now but, in the advent of better times in the economy, I think we shall be beset again by our same manpower problems.

It is true that military manpower costs take up a somewhat smaller percentage of the defense budget than they did a few years ago. But this is not due to any effort to control or

reduce such costs. Rather, it reflects the even faster dollar growth in other sectors of the defense budget (for example, procurement and operations and maintenance). Manpower and related costs (for example, recruiting) still consume the lion's share of the fiscal year 1983 defense budget—a projected $101.6 billion, or 40 percent of the $258 billion overall defense program. So, Mr. President, we need to prioritize the expenditure of our manpower dollars also—to point them where they meet our greatest needs.

For example, recruiting and retention in the Military Services are at an all-time high. For the last completed fiscal year, 1981, three of the four active military services exceeded their authorized end strengths. Recruiting continued to improve in fiscal year 1982 over the levels achieved in fiscal year 1981. The Army, which has faced the greatest challenges in attracting adequate numbers of quality recruits, recently announced that it would only accept recruits who were high school graduates. The shortages that do exist are in personnel with certain critical and technical skills at the mid-level noncommissioned officer grades of E–5 to E–7. Congress is going to have to consider whether it is time to go beyond last year's pay raise, which was targeted by grade, to a concept of targeting future pay raises to specific skills. In the current environment, this could be the best buy for our manpower dollar.

Mr. President, these are not just cost matters. They involve the spirit, patriotic motives, and the will to have a unit that is a credit to an organization.

That is what we were so sadly lacking for a few years. Now, we are in better days. But that brings to my mind, too, the enormous cost, the relative percentage cost of carrying on our manpower program. It is such a high percent, even though it is not as high as it was some years ago, but the cost is still very high. I think that is another reason that we should seriously consider moving forward and developing what we can be evolved into a reasonable Selective Service Act that will give the military a better chance to obtain the talent of the type that they need—without a lot of dollars being virtually thrown away trying to train people who are not qualified in these fields.

Mr. President, in my view, one of the best investments to increase our military force capability is in the National Guard and Reserve components. The return on this investment has long been on the plus side of the ledger. The young men and women of the National Guard and Reserves continues the great and inveterate tradition of the citizen-soldier in this country. Reliance on the citizen-soldier to augment a limited standing Armed Force is a concept that is fundamental to the democratic principles of our Nation. And the Guard and Reserve components include some far-thinking, sound, practical idea people. A glance at the findings and recommendations of the recently completed Vista 1999 Study, which takes a long-range look at the future of the Army and Air National Guard, demonstrates the modern thought process which has become the hallmark of our Guard and Reserve leadership.

Investments in the National Guard and Reserve represent the best buy for the dollar to expand conventional force capabilities. In fact, the Guard and Reserves make up the bulk of our combat forces.

Mr. President, I think we continue to neglect investments that could well be made in the National Guard and the Reserve—making them powerful, available, effective units with just a relatively small amount of more money, equipment, and training.

Our Army National Guard—and I am proud of these figures which I would like to repeat—now represents some 46 percent of the total ground combat power of the U.S. Army, as measured by the number of combat division brigades and battalions. It includes 57 percent of the infantry battalions, 50 percent of the artillery battalions, and 43 percent of the armored battalions of our ground forces. The Army Reserve represents 33 percent of the Army's tactical support forces and 100 percent of the training divisions and brigades.

But the allocation of funds in the Defense budget for National Guard and reserve equipment has never reflected this major contribution to our Force structure. That fact continues to be true in fiscal year 1983 as the following table shows:

REGULAR NATIONAL GUARD AND RESERVE BUDGET COMPARED WITH OVERALL DOD BUDGET

	Fiscal year—		
	1981	1982	1983
Total defense budget (billions)	$178.4	$214.1	$257.5
Percent increase	+25	+20	+20
Total National Guard and Reserve budget (billions)	$9.8	$11.7	$13.5
Percent increase	+24	+19	+15
Reserve component share of total DOD budget (percent)	5.5	5.5	5.2
Total DOD procurement budget (billions)	$48.0	$65.7	$89.5
Percent increase	+36	+37	+36
Guard and Reserve procurement budget (billions)	$1.9	$2.3	$2.9
Percent increase	+26	+21	+26
Reserve component share of total DOD procurement budget (percent)	3.9	3.5	3.2

The Guard and Reserves get only 5.2 percent of the total defense budget, a smaller percentage than in fiscal year 1982. In fiscal year 1983, only $3 billion (3.3 percent) of the $89 billion earmarked for procurement is for National Guard and Reserve equipment. This also represents a declining share over fiscal year 1982. The year-to-year percentage increase in Guard and Reserve component procurement funds for the last 3 years has been far less than the increase in the overall defense procurement budget. The end result of this relatively low level of procurement budget attention paid to Guard and Reserve equipment needs has been large shortages in each of the Guard and Reserve components of the common, everyday equipment needed by units for training and preparedness. The shortfall in high-priority items—identified by the Chiefs of these components—is some $2.6 billion.

Last year, the Congress agreed to a $50 million initiative that I instigated to start to redress some of this shortfall—particularly in the Army National Guard. This year I am pleased that the committee has agreed to recommend the second installment for the Army National Guard and some additional resources for each of the other Guard and Reserve components. The package in this year's bill totals $200 million. It is a first step, an initial downpayment to give our Guard and Reserve personnel some items with new paint on them. In my view, this is a sound investment which will pay bountiful returns in terms of our national security.

Mr. President, I must also say a few positive words about the shipbuilding program in this budget. It represents a 100-percent increase in dollar terms over last year—from roughly $8.9 billion to over $18.6 billion. I supported the committee's approval of this program to strengthen our naval forces including the two new aircraft carriers. It sends a strong and needed signal of our resolve to the Soviets, who have been engaged in a major naval force buildup over the last 10 years. The program includes three of the very necessary CG–47 cruisers. It also continues the funding of the LHD–1, a new class of amphibious assault ship. And our sea-based strategic forces continue to be modernized with the acquisition of Trident submarines with longer range, more accurate missiles.

Mr. President, this defense bill is an early step in a 5-year program to strengthen our defenses. There are many more planned steps to follow. We need to take them one by one, considering the overall needs of our Nation. Right now we are in the midst of uncertain economic times. Many are unemployed, interest rates remain high, economic growth is stagnant. We must consider these factors too in deciding what level of defense spending is in the best interests of our Nation. For, as I said before, a weak and reeling economy undermines the quest for a strong defense. Therefore, while I have supported the committee's action on this bill, I recognize that our current economic posture—and returning

it to a more healthy condition—may dictate changes to the program the bill represents. This is flexibility we all must preserve.

Finally, Mr. President, let me say that we have been fortunate to have solid military men in the top jobs of each of the services and the Joint Chiefs of Staff; the nominated replacements on the Joint Chiefs appear to be top notch also. I am highly pleased with the new evidence of hardheaded thinking by our military leaders.

General Jones, now Chairman of the Joint Chiefs of Staff, is a dedicated officer, who has served well indeed through grave years here, when we have had conflicts and problems that required firm purposes and wise decisions. General Meyer has undertaken a refreshing revitalization of the entire U.S. Army doctrine, organization, and equipment. He is a very competent officer, with a very capable mind. Admiral Hayward has led the Navy in difficult times toward new ways to deal with a growing Russian fleet, while operating a worldwide Navy that is proud and ready. General Barrow has continued the indispensibly high standards of discipline and readiness of the Marine Corps, while bringing in new methods of fighting and deploying. General Allen has initiated highly technical changes required by the Air Force, while keeping the basic fighting spirit needed by any military service at the forefront.

The new thinking encouraged by these men will be needed even more in the future as the pressure grows on the defense budget. It is up to them and their successors to design and develop new methods, doctrine, and procedures and equipment—together with the trained personnel—that will provide this country with a strong and adequate defense—inferior to none—with the money that can be made available. Military thinking and planning must be made to take its needed place in leading—not being led by—procurement, and we must learn how to make do and get more out of what is available.

I have observed the duties and responsibilities that go with these positions for a great number of years. The men who serve in them stick to their guns. They carry their load and responsibility, and I commend them highly and thank them warmly for their services.

Mr. President, I welcome—and hope we do have—a good, wholesome debate. I think all the major matters of this bill can be defended, and improvement can be had through discussion, through proposals, and through amendments. That is what our body is for. I have seen comparable bills, not with this much money by comparison, but the subject matter, pass this body within an afternoon. Certainly no more than a day. So I think that a good debate, weighing these matters and reviewing the policies, is very timely indeed. It is important for our people to learn about, not the problems themselves, but what is being done toward trying to solve these problems. Mr. President, I look foreward to the debate here. I am going to be present at all times.

I will have additional time later, and I hope to take part in some of the debate.

Mr. President, I yield the floor.

Mr. GOLDWATER. Mr. President, Senator THURMOND has not returned from the committee meeting, so I will yield myself whatever time I need.

Mr. President, as chairman of the Tactical Warfare Subcommittee, I report on the tactical portions of the fiscal year 1983 defense authorization bill with mixed feelings. I am pleased that this bill will continue the moderization of most of our conventional forces, but at the same time I am disappointed that we were not able to accomplish more. As always, funding constraints—not operational requirements—determined what we could and could not do. While this is inevitable, it is still disappointing—and the more you know about the Soviet threat, the more disappointed you become.

Having studied the growth of the Soviet military over the past several years from two vantage points—the Armed Services Committee and the Select Committee on Intelligence—I find it difficult to believe that there are still those who would oppose our current level of defense spending.

If you believe, as I do, that the primary function of our Armed Forces is to deter conflict, then you must also believe that time is steadily eroding that deterrent value as the Soviets continue to modernize both their strategic and conventional forces at a pace that far exeeds our own. The level of Soviet investment in military hardware is enormous. In short, they are outspending us and out building us.

Consider some of these better known examples. While we produce about 600 tanks a year, the Soviets build 3,000. And while we produce around 300 tactical fighter aircraft each year, the Soviets produce 1,300. In fact, the Soviets build more Mig-23 Floggers in a single year than the United States builds F-14's, F-15's, F-16's, F-18's, A-6's and A-10's all together. That should tell you something about the Soviet commitment to modernizing their armed forces. By the way, at the current production rate of Soviet fighters, they could completely modernize our entire tactical air command every 18 months. It will take us 10 to 12 years to accomplish the same feat.

If we are going to maintain a credible deterrent against Soviet aggression—and against the very real threat of Soviet military blackmail—we must continue to equip our forces with modern, effective hardware. Above all, that hardware must be capable of defeating the threat should deterrence fail and conflict become unavoidable.

The recommendations of the Tactical Warfare Subcommittee reflect these goals. Our recommendations also reflect our determination to achieve these goals in the most efficient manner practical. But unfortunately, we still have a long way to go before we can congratulate ourselves for building weapons efficiently.

Consider, Mr. President, our aircraft production rates. We currently have more than 25 military aircraft production lines in operation and not a single one is producing aircraft at an economical rate. In fact, nearly a dozen of those lines are each producing fewer than 10 aircraft per year. I assure you there is a stiff penalty associated with such inefficiency—and we pay for it—in outrageous unit costs and wasted resources. Those who wish now to reduce our defense spending will only add to that inefficiency.

While the Reagan administration has made significant improvements in weapons production rates compared with those of the previous administration, still more must be accomplished. Several of our recommendations will do just that.

We have recommended closing two production lines—the Air Force's A-10 and the Navy's A-6E for which adequate inventories exist, and we recommend increasing the production rates of F-15's and EA-6B's for which there are inventory shortfalls. We also propose additional long lead funding to increase the future production of F-16's and F/A-18's.

For the Army, we endorse the administration's request for 776 M1 tanks and 600 Bradley fighting vehicles. I am happy to report that the M1 appears to have survived its trial by media and is on its way to becoming the finest tank in the free world.

While generally supporting the Army's modernization effort, we did take exception to the administration's request for 48 AH-64 attack helicopters. We think the cost increase—from $11.2 million to $15 million per aircraft in less than 1 year—is excessive and therefore we recommend that production be deferred 1 year. that delay should enable the Army and the manufacturer to structure a program with greater confidence and less risk, and may even reduce the cost of the helicopter.

Mr. President, that very briefly summarizes the recommendations of the Tactical Warfare Subcommittee.

I am very pleased with the quality of the review each of the subcommittee members devoted to insuring that the expenditures authorized in this bill are both necessary and reasonable.

And I am particularly grateful that this bill represents an honest commitment to national defense and not a vehicle for serving local political interests.

I also want to thank the work of the staff of the subcommittee. They did outstanding work.

I want to thank Senator CANNON, the ranking minority member, who is one of the real strengths on this whole committee, and all the subcommittee members for their genuine interest and hard work.

In closing, Mr. President, I should like to address a few comments to what Senator PRYOR said at the opening of this bill.

I agree with what the Senator is complaining about, that we have gone backwards; when we operated under the budget bill, which has now become the law of the land, we made these authorizations. In fact, we had almost completed the authorization bills by this time. Under the Constitution, the authorization bills would then go the Appropriations Committees to receive their approval or their disapproval.

But today we have to wait for the Budget Committee to hold identical hearings to those that the Armed Services Committee has held this year and every year the Budget Act has been in effect, and then we have to wait for the figure that they give us and repattern our authorization structure into that.

I agree with Senator PRYOR that that is bad, but I do not agree for the same reasons. The Constitution gives the charge of raising money to the House of Representatives, not to this body. I wish we would go back to it; we could authorize and get approval of the money and get rid of this bill in time for the manufacturers to know what they are going to have to spend and for the military to know what they are going to be able to get in equipment.

In answer to the Senator's urging that we wait for the budget to be resolved, Mr. President, if I were a betting man, I would bet we do not have a budget written much before Christmas.

If that is the pattern we are going to follow, and it seems to be, then the manufacturers are not going to know what they are going to be able to spend; the military will not be able to know what they are going to receive.

I do not say that lightly. I say that with full recognition that this is an election year, and there are many people who want to leave the President in his economic goals, but they do not quite have the courage yet. I hope they do not get it, because I think he is on the right track, and I think the American people do, too.

I just want to tell the Senator from Arkansas that, on the whole, I agree with him, but for different reasons.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. TOWER. I recall the statement made by the Senator from Arkansas (Mr. PRYOR) about waiting for the Budget Committee to act. In fact, this committee has waited for 2 weeks. This bill was originally scheduled to come to the floor on April 19. It was reported around the 1st of April. We have been ready to go.

It occurs to me that if we do not get to work on some authorization bills around here—because they are going to start coming in thick and heavy pretty soon—we are going to delay the business of the Senate and will not have served the people of this country very well in the process.

So I endorse what the Senator from Arizona has said about waiting for the budget.

To begin with, not all the military budget is included in this bill. We already have made some savings in this bill and expect to make savings in subsequent bills that come out of the committee. I do not think we will do too much violence to what the Budget Committee seeks to do this year.

Mr. QUAYLE. Mr. President, I want to pay tribute to the extraordinary work that the chairman of the committeee, Senator TOWER, has done on this authorization bill. He is absolutely correct: We have been ready for 2½ to 3 weeks.

As one who serves on the Budget Committee, I am certain that at some time the Budget Committee will have an impact on what the defense authorization figure is going to be, but we cannot wait forever.

I hope my good friend the distinguished Senator from Arizona is wrong, that we will not be here until Christmas, waiting for a budget resolution. But it is an election year, and who knows? We must get on with the process.

Mr. President, during the course of the past few months, the Armed Services Committee has received a series of comprehensive formal and informal briefings on the overall defense posture of our country.

A relentless, decade-long buildup in Soviet forces has been described to us, with significant improvements and additions being made to every element of their armed forces.

Their strategic rocket forces have been transformed from units which deployed relatively vulnerable, relatively inaccurate intercontinental ballistic missiles, whose war-fighting potential was roughly comparable to the U.S. nuclear triad, into a missile force whose strategic capability exceeds comparable U.S. force structures. That unilateral Soviet action, taken during a period where the United States exercised great restraint on upgrading of our nuclear deterrent, has greatly destabilized the international situation and severely complicated forthcoming arms control discussions.

The Soviet Navy has been transformed from a coastal defense force into an offensive force able to implement Soviet policy on a worldwide basis.

The Presiding Officer, the distinguished Senator from Maine (Mr. COHEN), knows what the Soviet Navy has been doing. Equally substantial and equally thought-provoking improvements have been made in all other elements of their armed forces.

One can only speculate on the issue of why the Soviets, during a period which we and the world referred to as "detente", chose to take such provocative actions.

How should the United States respond to these Soviet initiatives?

First, and most important—and I believe the President is on the right track—we should increase the urgency which we attach to the need for arms control and arms reduction discussions. The salvation of the world lies in a reduction in the size of Soviet and United States forces, rather than in an unending series of new weapons, expensively purchased in the interests of obtaining some fractional and perhaps meaningless margin of superiority over the opposing side. However, this reduction shall be mutual, and it must be verifiable.

Second, we must take some positive steps to deter the Soviets from believing that the United States will sit idly by and watch them utilize the decade of the eighties to further enhance their military advantage over us. Were we to do that, our freedom and the freedom of the world would be put at risk. The President ran on a platform which called for dramatic improvements in our overall defense posture. I supported him then and I support him now in his attempts to meet that objective. The defense of the United States remains a very high priority in terms of national need, and the months of briefings that I and others referred to earlier have confirmed that fact. If anything, the problem of our strength vis-a-vis the Soviets is much worse, and in much more need of corrective action, than I had anticipated when I took office some 16 months ago. The Soviet buildup is real, seemingly relentless, and ominous. The United States must clearly increase its expenditures for defense, now and for the next several years. The only open issues are, "by how much?" and "for what strategy?" and "How will we arrive at a compromise defense plan?"

Not only are there ominous signs abroad, but also, there are certainly serious economic problems that we have here at home. The Soviet buildup is sobering and troubling, but so is the

$183 billion deficit projected for 1983 sobering and troubling. There is no doubt, because of the deficits we have the potential to incur, that the build up of U.S. defenses will not be as rapid as many would like to see. It will pursue a more moderate course. It will pursue a more moderate increase in defense spending than originally had been projected.

As one of 100 Members and as one member of the Armed Services Committee, I will be working to try to find the course of action that will provide sufficient deterrence to meet the Soviet threat, that will provide for a strategy compatible with meeting that threat—not only the threat abroad but also the threat we find here at home.

Mr. President, I yield the floor at this time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President; I rise in support of the pending defense authorization bill, S. 2248, which provides recommendations of $180.3 billion for fiscal year 1983.

This bill includes $87.3 billion for procurement, $23.8 billion for research, development, test, and evaluation and $69 billion for operations and maintenance.

The funds authorized in this bill are within a few billion dollars of the total amount recommended in President Reagan's budget. The committee, however, made a number of changes in the President's budget.

It should be noted that this budget is a continuation of the administration's program to modernize and strengthen our strategic and conventional forces. This budget clearly signifies to our allies and our enemies that the United States is committed to a strong defense.

Although this budget falls far short of the defense expenditures expected by the Soviet Union, it should significantly increase our national security. Some of the significant initiatives are as follows:

First, higher rates of procurement that accelerate additions to our inventories at lower unit costs.

Second, $4 billion for the B-1B strategic bomber. These funds are for the procurement of seven planes with an initial operational capability of 1986.

Third, approximately $475 million for National Guard and Reserve initiatives to modernize and strengthen these forces.

Fourth, funds for two *Nimitz*-class aircraft carriers. This authorization will save nearly three-quarters of a billion dollars over authorizing the carriers in separate years.

Fifth, funds for the procurement of 776 M-1 tanks to strengthen and modernize our ground combat forces.

Mr. President, these are but a few of the procurement highlights of this legislation. More important, however, is the sustained effort of force modernization that this budget is an integral part of. The modernization of our Navy, our strategic forces, and ground forces is of critical importance. The United States is a maritime power and control of the sea-lanes is vital to our survival in time of conflict. The goal of 600 ships for our Navy is realistic and represents that sea-power necessary for the United States to protect its interests. The Soviets, who have traditionally been a land-power, currently build surface combatants at a rate of 5 to 1 in comparison to the United States. This illustrates Soviet emphasis on the importance of controlling the seas in time of war.

The United States has not deployed a new intercontinental ballistic missile since Minuteman III. By comparison the Soviets deployed three new ICBM's beginning in the 1970's and have four more in development. The United States is currently developing one new ICBM, which is the MX.

We are currently adding the M-1 tank to our inventory, which will be complemented by the Bradley Fighting Vehicle. Both of these systems provide greater combat firepower and battlefield mobility than anything we currently possess.

The increases made in operations and maintenance funds will help provide for more training that will enhance combat readiness and provide the United States with a more credible deterrent capability.

As the leaders of this Nation we are required to make decisions that are fair, equitable, and for the common good. We should not subject the defense of this great Nation to the quibblings of partisan politics.

The threat is real and growing at an ever-increasing rate. We cannot be paralyzed by complacency or blinded by domestic political considerations. We must proceed with these needed improvements now.

Mr. President, I would like to commend my distinguished colleague from Texas, Chairman JOHN TOWER. He has dedicated himself to an arduous task and has done an outstanding job. He has my support for S. 2248.

Mr. COHEN. Mr. President, I rise in support of the 1983 Department of Defense authorization bill. As chairman of the Sea Power and Force Projection Subcommittee, I would like to describe why it is so important to the safety of our Nation that this defense budget receive full support from the Members.

Sea power and force projection encompass two basic missions:

Gaining and maintaining maritime superiority—the ability to control vital ocean areas of the world when and where necessary.

And projecting U.S. military power ashore—the ability to deploy fighting forces to distant world areas in defense of U.S. interests.

It is clear to even the casual observer that the United States is primarily a maritime power. We are dependent on the oceans for the safe passage of raw materials, energy supplies, and commerce which are necessary to our economy. Consequently, it is necessary that we have the ability to insure the safe passage of our ships, both military and civilian, on the oceans of the world. This mandates that we be able to provide local naval superiority at any time and place we require. This is the key to our ability to deter in peacetime and to prevail in wartime.

Maritime superiority is a firm military requirement for our Nation.

We are involved in a network of some 40 treaty commitments with allies overseas. Two of our fifty States and all of our territories are overseas, as well. But again this year, witnesses before the Armed Services Committee told us that the slim margin of superiority that the U.S. Navy or our allied navies enjoyed over the combined navies of the Soviet Union and its allies has disappeared. As Secretary of the Navy Lehman has correctly stated, "It must be recognized that withdrawal is the only alternative to a major naval force expansion."

In regard to the growing threat this Nation faces, many voices have been heard at many different levels. We must not fall victim to the notion that the questions of war and peace depend only on the decisions which we make or on the actions we take. It is clear that the military power of the Soviet Union continues to grow at an alarming rate. And the invasion of Afghanistan makes it even clearer that they are prepared to invade countries outside that circle which we normally have considered within their area of domination.

Weakness invites aggression. A strong U.S. military is a necessary condition for peace in today's world. It is true that armed strength alone cannot insure the peace, but it is a safe assumption that aggression will grow more frequent, if our essential military strength is eclipsed.

The growing might of the Soviet military must be kept in mind as we consider our own defense expenditures.

It is in this context that I would like to address the areas of seapower and force projection and the administration's budget request.

First let us look at shipbuilding. One of the fundamental problems of the Navy is that we have not built enough ships.

Our Navy is basically organized into battle groups and the reason for this is sound. The hard fact is that local control of the ocean can only be secured if we also control the air above it. Right now, we cannot do this without aircraft. The cheapest way we know to put aircraft in the sky is to base them on large aircraft carriers. Large carriers are survivable and have greater endurance than small, conventionally powered aircraft carriers. Because of their much greater speed, large nuclear powered carriers also have a greater capability for evasion.

The administration proposed that funding authority for two carriers be provided in fiscal year 1983. By funding both carriers this year, instead of funding in the more traditional pattern of one at a time, each carrier will be delivered 22 months earlier, and the Government can achieve a savings of some $754 million.

In addition, this bill provides authorization for a total of 25 ships, of which 18 are new, 6 are conversions, and 1 is a reactivation. Among the specific ships addressed by the Sea Power Subcommittee there were, in addition to the two carriers, two SSN-688 attack submarines, three CG-47 Aegis cruisers, one LSD-41, two FFG-7 frigates, as well as six other support ships.

The six conversions include one aircraft carrier SLEP, the final four conversions of the SL-7 fast logistic ships, and the conversion of an existing hull to a hospital ship. The single reactivation is for the U.S.S. *Iowa*, the second of the planned program that encompasses the reactivation and modernization of all four *Iowa*-class battleships.

Finally, among other things, we approved advanced procurement for a new LHD-1 amphibious assault ship that will be an adaptation of the successful LHA class amphibious assault ship. The LHD-1 will be capable of handling a greater number of AV-8B V/STOL aircraft and the new air cushion landing craft.

In the research and development account, there was a thorough examination of all the individual programs.

The most important R. & D. program is the DDG-X, now referred to as the DDG-51, and its related programs.

The key points of this guided missile destroyer program are that it is the only major new shipbuilding program in the 5-year defense plan, and it is essential if we are to provide for adequate replacements for the older guided missile destroyers and cruisers that will begin reaching the end of their service lives in the next decade and beyond.

However, I am concerned that the Navy is not devoting sufficient resources and management attention to programs that are essential to the success of the DDG-51. In this bill, we addressed several of those programs, and added language directing what we feel are improvements and proper changes in direction. Indeed, it appears that on one antisubmarine weapon program, the Department of Defense has already begun to restructure their plans.

We examined numerous other programs in the process of forming this bill, but I will refrain from going into further details on them now. If there are any questions, I am sure we will be able to touch on them later.

The focus of U.S. force projection plans and programs has centered on the Rapid Deployment Joint Task Force, which is scheduled to be superceded on January 1, 1983, by a separate command for Southwest Asia. The committee fully supported the creation of this new unified command.

The mission of protecting U.S. interests in the Southwest Asia region with military forces can be enhanced by having a single commander who can focus on the security environment and trends of the entire region, including contiguous waters. The geographic boundaries of this command have not yet been determined. The committee believes these boundaries should be defined so as to include the northwest quadrant of the Indian Ocean and Diego Garcia. These contigious waters are an integral part of the region. In addition, Diego Garcia will be the main support base for Southwest Asia.

We were happy to see that U.S. planning is no longer exclusively oriented toward scenarios based on direct Soviet invasion of Southwest Asia. The more likely crises of conflict between regional states and of internal subversion supported by external forces may pose substantially different requirements for U.S. military forces compared to a worst case scenario. We recommended that U.S. planning should emphasize flexible forces that are not overly dependent on access to land facilities.

Only in the last several years has the United States begun to revitalize its force projection capabilities. The authorization request for fiscal year 1983 gives clear direction to this revitalization effort. Funding levels for force projection have been substantially increased. In addition, important program decisions have been made for airlift, amphibious shipping, medical support, and lightweight armored vehicles.

Let me make one final point. Today's news is filled with reports of naval battles in the South Atlantic between Great Britain and Argentina. Britain, you will recall, decided several years ago to reduce its naval strength because of its cost in relation to competing social programs. Now she is putting together many of the ships she has remaining, as well as requisitioning civilian assets to react against an unprovoked and relatively limited aggression that is, unfortunately, 8,000 miles from her shores. Indeed, if the Argentines had waited 1 more year, some of the major ships and aircraft in the British force would have been returned or sold.

The United States has agreed to provide support for Great Britain. By all accounts this support is very important, for without it Britain would be unable to maintain a force around the Falkland Islands for very long.

We are now considering the future of our own naval forces. We must always remember that our future and our success as a nation are tied to the superiority of our own maritime forces over those of our continentially based opponents. Nothing less can suffice. As Winston Churchill said of his country in another time.

> Nothing in the world, nothing that you may think of, or anyone may tell you; no arguments, however specious; no appeals, however seductive, must lead you to abandon that naval supremacy on which the life of our country depends.

His advice has been ignored and his countrymen are now paying the price. I say that it is up to us in this Chamber to insure that we do not make the same mistakes.

SOLAR ENERGY IN CALIFORNIA

Mr. HAYAKAWA. Mr. President, today may be Monday, but for all intents and purposes, it is the fourth anniversary of Sun Day, a time to extol the virtues of solar energy. Coming from a State known for its sunshine, I should like my colleagues to know that the solar proponents in California are not limited to those people who eat granola and soak in hot tubs. In fact, the California utilities which are not traditionally advocates of alternatives lifestyles have found innovative ways to make us of California's most abundant natural resource, the Sun.

For example, Southern California Edison (SCE), which serves more than 8 million people in a 50,000-square-mile area, has initiated a number of solar projects in my State. Currently in the design phase, the Salton Sea Solar Pond upon completion could generate 600 megawatts and displace up to 8 million barrels of oil per year. Based on the solar ponds in Israel, the Salton Sea Solar Pond pumps a hot brine (200° F) from the pond's salty bottom through heat exchangers vaporize a working fluid and drive a turbine generator combination.

Funded by the Department of Energy, the California Energy Commission and SCE, the project is attractive not only because it costs little to operate but also because it is environmentally sound. A commercial scale fa-

cility at the Salton Sea with a 30-year life could be privately constructed at $1,800 per kilowatt of installed capacity, an amount comparable to the cost of coal-fired or nuclear generating systems. In addition to providing energy, the facility is expected to reduce the Salton Sea's saline content which threatens many of the species living in the water. Although solar pond technology has only recently become feasible for large scale energy production, in the future it could be put to agricultural uses such as irrigation pumping, crop drying, and desalination efforts.

SCE, in conjunction with Acurex Solar Corp., also is involved in the world's largest commercial and cost effective solar electric facility. Situated on 90 acres of land near Daggett, Calif., in San Bernardino, the plant will service 6,000 homes and have a peak power of 12 megawatts. Expected to operate in 1983, the facility will be built by Solarex. SCE plans to purchase the electricity from Solarex for a price less than what it would cost to produce the same amount of electricity from fossil fuels. The energy generated will displace approximately 30,000 barrels of oil per year—enough to drive a fleet of 2,000 diesel automobiles 15,000 miles.

Based on research partially funded by the Department of Energy, the project uses parabolic trough collectors which reflect and concentrate the Sun's rays on an linear receiver tube filled with transfer oil. The solar energy heats the oil to almost 600° F. The oil carries the heat to the thermal storage subsystem where the heat is then extracted to produce steam and drive a 12-megawatt turbine generator, producing electric power for SCE's power grid. Although the facility is a $75,000,000 commerical business operation, the project is the direct result of the Federal and State governments incentives encouraging the development of solar facilities.

Mr. President, almost all the solar programs in California are the direct result of Federal tax credits for investments in solar product. A private company called Windfarms Ltd. is working with California utilities to develop wind farms throughout the State. Since wind is caused by the Sun's heat and the rotation of the Earth, by definition wind is a form of solar energy. In Solana County, windfarms and the Pacific Gas & Electric Co. (P.G. & E.) are cooperating in a project calling for 146 windmills to be installed in a 5,000-acre tract. When the 146 windmills go on line in 1989, the wind farm is expected to produce 350,000 kilowatts of power or 1 billion kilowatt hours of electricity a year. This is the equivalent of burning 1.6 million barrels of oil to generate electricity for 150,000 homes in California.

Although the wind is free, installation costs average $2,500 to $3,500 a year for windmills. This compares to $12,000 per kilowatt for a nuclear powerplant, $900 to $1,200 for an oil-fired generator, and $490 to $600 at a coal-fired plant. While wind-power could generate from 10 to 18 percent of this country's electricity needs, the major obstacle is the need for large tracts of land situated near a power grid where the wind blows hard and often enough. In southern California, Windfarms is working with SCE at the San Gorgonio Pass, an area considered to be the best wind region in California. Windfarms leases approximately 10,000 acres of land capable of generating 400 megawatts.

Finally, Mr. Presient, I would like to acknowledge efforts taken by the city of Arcata. Situated 300 miles north of San Francisco under a typically overcast sky, the city is developing a program designed to save residents money and provide jobs. In an area where the unemployment rate has skyrocketed to 19 percent, the city is initiating a municipal solar utility leasing company to reduce utility rates and stimulate private investments in the solar market. For a small fee, the city will list bona fide private solar companies which in turn will lease or sell solar hot water heaters to residents. Because the city guarantees that the solar leasing companies are legitimate, residents are expected to take advantage of the opportunity to save about $4,000 per home in a 10-year period.

Mr. President, once again I stress that like the other solar projects in my State, Arcata's solar utility leasing program depends on the State and Federal tax incentives. On this fourth anniversary of Sun Day when utility rates are rising and this country is making every effort to reduce its dependence on imported oil, I am proud of the innovative steps California has taken to meet its energy needs.

LITIGIOUSNESS

Mr. HAYAKAWA. Mr. President, this past Saturday was Law Day in the United States. I cannot think of a more worthy subject for official recognition. After all, it is law that separates civilization from savagery. It is law that sets the guidelines without which societies would dissolve into anarchy.

But unchecked growth of law can drain a nation's productive strength. There are more lawyers handling more lawsuits today in the United States than in any nation in history. If your dog bites my child, I sue you; and if my tree blocks your view, you sue me. Our intelligent, capable lawyers will cite and recite legal precedents, valuable court time will be spent in the pursuit of equity, and money will be redistributed between our bank accounts. But nothing will actually be produced, and our Nation will suffer as a result.

What does the growth of litigation say about a society? In his book, "The Litigious Society," Jerome Lieberman says, "Litigiousness is not a legal but a social phenomenon. It is born of a breakdown in community, a breakdown that exacerbates and is exacerbated by the growth of law."

Or as an article in the Washingtonian of March 1981 said:

> The legal process is supposed to provide a way for people to settle disputes without resorting to combat, and to provide a set of rules that can be depended on when acceptable human conduct is being determined. That's surely a good thing and a certain amount of it is necessary. But carried to extremes, law can become an invitation to friction rather than the cement of social cohesion.

Mr. President, I am not, of course, advocating a freeze on litigation, nor do I concur with Dick in Henry VI, who said, "The first thing we do, let's kill all the lawyers." If all of our lawyers were to suddenly disappear, this Chamber would be a lonely place indeed.

What I am suggesting is that the United States is in the midst of a law overdose—a circumstance for which Congress is partly to blame. As the Washingtonian article pointed out:

> When Congress passes a law, chances are that it won't do exactly what it was intended to do, and may do a great deal that wasn't intended—but one thing that's sure is that it will make more business for lawyers.

Mr. President, I ask unanimous consent that two articles be printed in the RECORD: "What's a Law Suit?" from the March 18 edition of the Kashu Mainichi; and "Let's Kill All the Lawyers," from the Washingtonian of March 1981.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Kashu Mainichi, Mar. 18]

WHAT'S A LAW SUIT?

TOKYO.—On the morning of Feb. 9, the skies were clear and the weather balmy when a Japan Air Lines DC-8 plunged into Tokyo Bay 300 yards short of the Haneda Airport runway, killing 24 people.

A few days afterward, Yasumoto Takagi, president of Japan Air Lines, embarked on a journey of obligation that in Japan is expected behavior of a top executive whose company is involved in a tragedy such as this.

Takagi visited the families of most of the crash victims, apologizing profusely and paying homage on his knees before the Buddist funeral alters in the homes of the bereaved.

The government is still investigating the crash, but the circumstances could scarcely have been more unusual, and all the evidence so far points to pilot error.

Still Japan Air Lines has not yet been sued by any relatives of the passengers who died in the crash and it is unlikely that the company will be sued.

"If this had happened in the United States," James Weatherly, a spokesman for Japan Air Lines, said, "we probably would

have seen a wave of million dollar suits. But people don't sue * * *".

By contrast, 12 suits have been filed thus far since an Air Florida Boeing 737 jet struck a bridge and crashed into the Potomac River on Jan. 13, seconds after taking off from National Airport in Washington, D.C., killing 78 people.

"This is a nonadversarial, nonlitigious society," observed Tadashi Yamamoto, directior of the Japan Center for International Exchange, a not-for-profit organization in Tokyo. "And I think that is reflected in how a misfortune like this airplane crash is handled."

The reluctance of Japanese to go to court stands in the stark contrast with practices in the West, especially in the United States.

International comparisons of lawsuits are imprecise. But government figures show that in 1979 about 160,000 civil suits were filed in Japan while the comparable total in the United States was several million.

There are about half a million lawyers in the United States, compared with just over 10,000 in Japan, which has half the population of the United States.

That Japan is a relatively suitfree society is general attributed to its cohesive culture, with its heritage of shunning open confrontation.

In his recent book, "The Litigious Society," Jethro Lieberman, a journalist who is a graduate of Harvard Law School, writes: "Litigiousness is not a legal but a social phenomenon. It is born of a breakdown in community, a breakdown that exacerbates and is exacerbated by the growth of law. But until there is a consensus on fundamental principles, the trust that is essential to a self-ordering community cannot be."

To a remarkable degree, the requisite consensus on fundamental principles exists in Japan.

Legal practices and habits also reflect a society's values, according to Carl Green, a Washington lawyer and a senior research fellow at the Harvard Law School specializing in the Japanese legal system. In Japan, Green says, the harmony of community is valued most and people go to court only as a last resort.

In the United States, by contrast, the rights of the individual are given priority and the courtroom is a key forum in which the conflicting claims of individuals are arbitrated. "We would be unhappy with the Japanese system" Green said.

In Japan, liability settlements are typically decided in out-of-court negotiations. For example, the previous serious accident involving a Japan Air Lines plane was on Sept. 27, 1977, when 33 people were killed in a crash in Kuala Lumpur, Malaysia.

In that case no suits were filed. Instead the airline and families of the victims held private consultations to determine the compensation.

These negotiations were handled on a case-by-case basis, with the settlements differing depending on the victim's age, salary and family responsibilities.

At present, and until April 1, there is a liability law applying to plane crashes that sets a maximum of about $140,000 for each victim.

Yet Japan Air Lines has indicated that it will not necessarily limit settlements to that level, even though the accident occurred before April.

"It's all negotiable" Weatherly said. "That's the way things work here."

[From the Washingtonian, March 1981]

Let's Kill All the Lawyers

(By Publius)

Imagine a land where each year thousands of the brightest young men and women soon after their twenty-first birthday are admitted as novices to an elite order. After testing and initiation rites, they go to special seminaries to have their minds altered for three years. Within those walls, they turn aside from thoughts of how goods are produced, or the secrets of physics, or the insights of art, religion, philosophy. Nothing of substance intrudes on their instruction. Instead, they are taught to dispute ingeniously about topics at once mundane and artificial.

When they emerge from this training, they are encouraged to apply the disputatious skills they have acquired to the workaday world. The most clever devise new topics of controversy touching heretofore unexamined daily activities. Many aspire to become rulers. The populace is taxed heavily to keep the brotherhood comfortable and free from life's ordinary annoyances. There are both direct taxes and special fees levied on persons pursuing less arcane lines of activity. In fact, the members of the order are made so comfortable that young people line up and struggle to gain entrance.

This isn't a distant land. It's here in America, especially in Washington, and it's one of the greatest misallocations of resources since the Aztecs sacrificed virgins to the sun god.

I'm talking about lawyers. Others have pointed out the strangeness of a society in which the denizens of courthouse and jailhouse enjoy so much prestige and power. Prophetically, Alexis de Tocqueville, the nineteeth-century French student of America, puzzled about a land in which it seemed all social issues were quickly converted into legal ones. (Should women be drafted? When are abortions appropriate? Is the census unconstitutional? Can Washington restaurants require men to wear jackets and ties?)

Charles Dickens and William S. Gilbert caricatured the English law's tendency to sharpen the mind by narrowing it; it is no different here. Henry Friendly, the distinguished former chief judge of the US Court of Appeals in New York, complained recently about "the law flood"—the elephantiasis of statutes, regulations, administrative decisions, and appellate-court trash, all the product of lawyers—that he says threaten to make law "a kind of mystery whose performance is absorbing to the hierophants but, like the ceremonies at Eleusis, unknowable save to the elect."

My complaint is more modest and less confined. It is not that the system is wrong—simply that it is wasteful.

Item: Productivity in the United States is actually declining; after several years of sputtering, the great engine of our society is in reverse. Why is the hope of the free world becoming a country-sized Chrysler Corporation?

Item: The Washington Post reports that US graduate schools are being filled more and more by foreigners, in part because "American students have been turning away from some basic sciences, at the graduate level especially." Because of this, says the American Institute of Physics, the gaps are now being filled by foreigners.

Item: A first-class midshipman at the US Naval Academy is asked about plans for his naval career. "Actually," he replies, "I'm planning to get out as soon as I can. What I really want is a deferment of active duty so I can go to law school." What course do hundreds of his classmates at Annapolis elect to study? You guessed it: introduction to law.

Item: A harassed high school principal in Northern Virginia confides that hardly any people of talent now enter the teaching profession and that when the older faculty members retire, there will be few teachers of quality left.

Item: An outgoing government lawyer, one of thousands who left town with the Carter administration, says smugly, "The issue is not whether we're going to do well. Presumably, we're going to be very well off."

What bothers me is not just the tediousness of today's legal process, or the overregulation of our lives by lawyers, or the tendency in this country to miscast issues of morality or ethics (Is it right?) as points of law (Is it legal?). My complaint is simply that having so many lawyers costs too much. It costs a great deal in the dollars that lawyers extract from society in payment for their time. But even more important, society pays what the economists call an opportunity cost: For every hundred lawyers who hang out shingles, or rewrite advertising copy at the Federal Trade Commission, or join big firms and go on "document searches," or invent new theories by which to prosecute people for acts that weren't criminal before, we lose a certain number of geneticists and admirals and geologists and presidents of efficient automobile companies.

Lawyers deal in process. They don't have to produce anything useful. They don't have to plan for the future. They deal mostly in rehashing past events in such a way as to distribute wealth from one person to another. They think up new situations and theories for redistribution. When wealth is simply redistributed, society has no net gain. We all incur a cost equal to the value of the resources used in the redistribution, as well as to the useful production the redistributors could have been contributing.

But, you say, much Washington litigation or lobbying has to do with federal regulations, or prosecutions, not damages paid by one client to another. Nevertheless, the effect is nearly the same. Regulations cost money mostly to the regulated; a transfer takes place to the extent the regulation requires expense, and in any event there is a transfer to the lawyers who draft and enforce the rules and to those who are paid to impede them.

When I look around the law office every day, I'm not surprised at the declining productivity figures. It's not that lawyers aren't working; they're working harder than any other group I know of. It's not that they aren't creative; a finer collection of well-trained and ingenious minds you're not likely to meet.

But what are they doing? Drafting complaints against insurance companies. Defending insurance companies against complaints. Suing the Department of Energy or the FCC, or filing a freedom-of-information request. Defending suits brought by the Department of Energy or the EEOC or the SEC. Arguing in court that the tax regulations mean one thing and not another. Trying to persuade a prosecutor not to prosecute. And they are doing all these things exceedingly well. They should—they are the best minds of their generation.

The law began to change some ten or fifteen years ago. It stopped being seen as stuffy and became glamorous. Some say this began when Raymond Burr started playing Perry Mason. Others attribute it simply to that old favorite—money. Legal fees have not lagged behind the inflation rate, and law-school graduates now can start at $35,000 per year in Washington. Others say law caught on when kids in the late 1960's figured out that lawyers could keep them from being drafted and therefore must be pretty powerful people. A benchmark of some sort must have been reached when people started buying books and watching TV shows depicting the miseries of first-year law students.

The trouble is, lawyers don't do much. Sure, they are busy. And sometimes they help people. And there's the old story a distinguished member of the bar told me: His father counseled him, "Son, be a lawyer. Because lawyers deal in trouble and there'll always be plenty of that."

More apropos, however, is the story of the town that had only one lawyer, and he was impoverished for lack of business. But one day another lawyer came to town, and from then on they both did very well. Isn't that Washington? Of every 1,000 Washingtonians, nearly 50 are lawyers—the highest ratio in the world. They keep one another employed.

The law professors at Harvard used to assure the first-year class that lawyers are the grease that lubricates the wheels of society. Nonsense. A few are needed to give advice and draft contracts and protect people from bureaucratic excesses, but much of the time lawyers are the sand in the gearbox. They channel society's resources, as well as their own, into redistributive rather than productive activities.

It's not just the private bar that's to blame. Far from it. The real hell-raisers are in those big stone buildings along Pennsylvania Avenue and in the federal office enclaves scattered throughout the city. That's where the surplus of lawyers has gravitated. How else but as an attorney can a 25-year-old barely out of law school start an investigation or prosecution or suit that, whatever the ultimate decision, can cost individuals and companies infinite distraction, anxiety, and hundreds of thousands of dollars?

Also contributing their share are the "public interest" lawyers, who, with the aid of compliant federal judges and open ended statutes, drafted by other lawyers on congressional staffs, have succeeded beyond anyone's dreams in legalizing our society. We have gradually come to think it's normal that any time you can't succeed in persuading the Congress, you turn to the courts. It has become increasingly clear that if one can but find him, there is a federal judge somewhere who will order nearly anything. When one side goes to court, both sides need lawyers. Ralph Nader may well have done more to enrich the Washington bar than any other individual of our time.

Congress—whose burgeoning staffs are crammed full of lawyers—now enacts so many laws so quickly that its members most often have no idea what they are doing. No one really does. When Congress passes a law, chances are that it won't do exactly what it was intended to do, and may do a great deal that wasn't intended—but one thing that's sure is that it will make more business for lawyers—especially Washington lawyers.

The legal process is supposed to provide a way for people to settle disputes without resorting to combat, and to provide a set of rules that can be depended on when acceptable human conduct is being determined. That's surely a good thing, and a certain amount of it is necessary. But carried to extremes, law can become an invitation to friction rather than the cement of social cohesion.

Although it might seem at first glance that a multitude of lawyers is a sign of heightened civilization, quite the opposite probably is the case. Indeed, Gibbon thought a burgeoning bar had something to do with decline, as newly trained lawyers who "considered reason as the instrument of dispute" went about fomenting lawsuits and found "an inexhaustible supply of business in a great empire already corrupted by the multiplicity of laws, of arts, and of vices." As the ranks of the legal profession swelled, he concluded, it became "a sordid and pernicious trade."

Don't kid yourself that we need all these lawyers in order to have a free society. We need some, but too many may make the society less free, not more. In Great Britain, not exactly a police state, there are about 7 lawyers for every 1,000 citizens. In Japan, not exactly an underdeveloped country, there are fewer than 1 per 1,000. For the United States, however, the figure is about 25. Is the power of our economy, the fairness of our administration of justice, really superior? If so, is that because of the lawyers or in spite of them?

A paradox is at work: There probably cannot be a truly free society without a skilled and independent bar. Yet a surplus of lawyers not only saps a nation's resources but, by making the legal system so voluminous and complex as to be unknowable and unpredictable, also destroys the law itself.

I have a recurring dream. I worry that lawyers may be like atoms and there may be a critical mass toward which we are pushing. I see a Washington in which the laws and lawsuits multiply until the number of lawyers doubles, and then doubles again, and then again. One day I can't take the Metro to Farragut West; the drivers are all studying labor law. I stop to buy a paper from the man who sells the Star; he doesn't notice me because his nose is buried in Prosser on Torts. The coffee machine in the office can't be used because of a temporary restraining order obtaining by the new Bureau of Consumption and Ideology. My secretary tells me she has been advised not talk to me because of the pending class action by secretaries against bosses for failing to provide sufficient study time during law-school finals. I open the newspaper to learn that the last automobile has been made in Detroit. I learn also that a court order has closed down the armed forces for curtailing individual liberties; the article notes that it doesn't really matter because there are no more volunteers except for the Judge Advocate General's Corps.

Do not think I would do away with the profession. A court of law is still the last place on earth where the individual can stand against all the forces of the state and, if he has a good attorney, reasonably hope to prevail. Judges gave us *Brown* v. *Board of Education;* lawyers wrote our Constitution; lawyers have been leaders in public service for 200 years.

But isn't there something better some of those bright kids could do than get their law degrees and join the great litigating mud fight? Couldn't we get along with, say, only 30 lawyers per 1,000 in Washington rather than nearly 50? Let the other 20 invent something at Bell Labs, or paint a picture, or help our moribund space program, or study advanced math, or teach literature, or go to Harvard Business School, or join the Foreign Service, or start a business and learn how to meet a payroll.

The problem is not too many dumb lawyers, but too many smart ones. Competence is a scarce national asset, and one we can't import from the Arabs. We shouldn't waste it. When more of our best young brains begin to prefer producing to litigating, we'll all be better off.

DIPLOMATIC HISTORY OF ARGENTINE-BRITISH NEGOTIATIONS

Mr. HELMS. Mr. President, the crisis in the South Atlantic has grown even more grave over the weekend, as a consequence of the failure of U.S. diplomacy to prevent the use of military force by the British fleet in the southern waters of our Hemisphere.

The presence of the British fleet in the Western Hemisphere, engaged in military operations against one of the principal nations of the hemisphere, has driven a wedge between our NATO allies and our OAS allies. This divisiveness was itself unnecessary and is dangerous to the future security of our Nation. Whether the "tilt" toward Britain announced on Friday, April 30, emboldened the military forces of the British Government is an open question. According to press reports, British forces opened fire on Argentine positions on the Malvinas/Falkland Islands just 12 hours after the statement by Secretary of State Haig.

Those who look back on these tragic events should note that the U.S. Senate, in voting for the Biden resolution on Thursday evening, April 29, sought to show support for U.N. Security Council Resolution 502 of April 3 and hoped for a peaceful resolution of the crisis.

Mr. President, it is now clear that the statement of Secretary Haig has greatly lessened the chances of a peaceful solution.

In this regard, it would be useful to put resolution 502 in the context of its diplomatic history at the United Nations. It should be noted, first of all, that the resolution does not name Argentina as an aggressor state; to do so would have been to repudiate a whole series of U.N. actions dating back to 1965 which recognized Britain's occupation of the islands as a colonial situation which should be resolved peacefully through recognition of Argentina's sovereignty over the islands.

Thus paragraph 1 of resolution 502 demands an immediate cessation of hostilities. This was not directed toward Argentina, but equally toward both parties. The resolution was passed on April 3.

On April 1, the Argentine Ambassador to the U.N., Eduardo Roca, had addressed a letter to the President of the

Security Council informing him of the grave tension which existed between Britain and Argentina as a result of the dispatch in late March of British naval forces to remove forcibly a group of peaceful Argentine civilians working on a salvage project on the South Georgia Islands. The civilians were lawfully in the South Georgias with permits approved in London pursuant to the Argentine-British Joint Statement of July 1, 1971. That statement, in turn, had been the fruit of U.N.-sponsored negotiations.

Mr. President, Britain's disregard of the 1971 agreement, and the threat to use military force—announced by Lord Carrington in the House of Lords—precipitated the Argentine reaction. In the opinion of the Senator from North Carolina, the threat of the use of hostile force by the British in the Western Hemisphere was totally inappropriate and was exactly the sort of danger which President Monroe wisely foresaw.

Mr. President, let me be clear: I deplore the reaction of the Argentines in their preemptive occupation of the islands; yet it is important to realize that it was essentially a reaction to the British threat to use force in violation of bilateral agreements.

Paragraph 2 of resolution 502 calls upon the withdrawal of all Argentine forces. This is directed only at the Argentine forces because on April 3 the Argentine forces were the only forces in the islands. No mention was made of the British because the British forces had not yet been dispatched.

Paragraph 3 calls upon both the Government of Argentine and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations. Argentina announced that it was ready to negotiate, but Britain dispatched military force and went outside the structure of the United Nations, in violation of the Charter of the United Nations, and sought economic sanctions within the European Economic Community.

The Senate, in calling for the implementation of resolution 502, could only be calling for it to be implemented in the context of April 3. So, regardless of how anyone "tilts" in this matter, the fact remains that Britain was actually in violation of resolution 502, particularly paragraph 1, calling for an immediate cessation of hostilities. Argentina was occupying territory which she had regarded as sovereign since 1810 with military force, but was not engaging in hostilities. It was Britain which threatened to use force, and initiated the use of force after the passage of resolution 502.

It might be useful, therefore, to catalog some of the actions leading up to the decision of the U.N. Security Council on April 3.

Mr. President, first I ask unanimous consent that resolution 502 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Second, Mr. President, I ask unanimous consent that resolution 2065 of the U.N. General Assembly of 1965 be printed in the RECORD. This is the fundamental resolution calling for decolonialization and negotiations leading to the recognition of Argentina's sovereignty.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. HELMS. Third, Mr. President, I ask unanimous consent that the Joint Statement of Argentina and Great Britain of July 1, 1971, be printed in the RECORD. This statement, a result of the negotiations called for in resolution 2065, provided for the first time that Argentina would supply mail service, air service, communications, free travel with appropriate documents, exemption from taxes for Argentinians providing services on the islands, and steps to facilitate the transit, work, and residence of persons directly concerned with practical measures to implement the agreement. It was under this agreement that citizens of Argentina obtained permits to travel to South Georgia for salvage operations on the abandoned whaling station.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 3.)

Mr. HELMS. Fourth, Mr. President, I ask unanimous consent that the letter dated August 15, 1973, from the Argentine Ambassador to the U.N. to the Secretary General of the U.N. be printed in the record. This letter detailed the process of the negotiations and reported, for the first time, that the islanders were finally receiving normal services of which they had been deprived by Britain for over 140 years. It is useful to keep this in perspective when we hear about British concerns "for the rights of the islanders," which Britain herself had neglected.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 4.)

Mr. HELMS. Fifth, Mr. President, I ask unanimous consent that U.N. General Assembly resolution of December 14, 1973, be printed in the RECORD. This resolution thanks Argentina for its role in the decolonialization of the islands, and calls upon Britain to come to a speedy solution to the sovereignty issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 5.)

Mr. HELMS. Sixth, Mr. President, I ask unanimous consent that the U.N. General Assembly Resolution of December 1, 1976, be printed in the RECORD. Once again, the resolution thanks Argentina for its cooperation and calls upon Britain to expedite a solution, requesting both countries not to take unilateral steps while the process is underway.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 6.)

Mr. HELMS. Seventh, Mr. President, I ask unanimous consent that the letter of July 27, 1981, of the Argentine Ambassador to the United Nations be printed in the RECORD. In this letter, Argentina asked Britain to expedite the negotiating process, and emphasizes its willingness to provide for the rights and interests of the islanders, taking into account the islanders' way of life and traditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 7.)

Mr. HELMS. Eighth, and last, Mr. President, I ask consent that four letters of the Argentine Ambassador to the United Nations to the President of the Security Council be printed in the RECORD. The letter of April 1, 1982, is one to which I have already referred, pointing out the tension created by the British threat to use military force against the peaceful implementation of the agreement of 1971. The letters of April 9, 12, and 16 address the deepening crisis, and are important to an understanding of that country's position—an understanding, Mr. President, which has received little notice in the U.S. media.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 8.)

EXHIBIT No. 1

U.N. SECURITY COUNCIL RESOLUTION 502, 3 APRIL 1982

The Security Council, recalling the statement made by the President of the Security Council on 2 April 1982 calling on the Governments of Argentina and the United Kingdom to refrain from the use of threat or force in the region of the Falkland Islands (Islas Malvinas),

Deeply disturbed at reports of an invasion on 2 April 1982 by armed forces of Argentina,

Determining that there exists a breach of peace in the region of the Falkland Islands (Islas Malvinas),

1. Demands an immediate cessation of hostilities;

2. Demands and immediate withdrawal of all Argentine forces from the Falkland Islands (Islas Malvinas);

3. Calls on the Government of Argentina and the United Kingdom to seek a diplomatic solution to their differences and to respect fully the purposes and principles of the Charter of the United Nations.

EXHIBIT No. 2

U.N. GENERAL ASSEMBLY RESOLUTION 2065 (XX). QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

The General Assembly,

Having examined the question of the Falkland Islands (Malvinas),

Taking into account the chapters of the reports of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas),[15] and in particular the conclusions and recommendations adopted by the Committee with reference to that Territory,

Considering that its resolution 1514 (XV) of 14 December 1960 was prompted by the cherished aim of bringing to an end everywhere colonialism in all its forms one of which covers the case of the Falkland Islands (Malvinas),

Noting the existence of a dispute between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the said Islands,

1. Invites the Governments of Argentina and the United Kingdom of Great Britain and Northern Island to proceed without delay with the negotiations recommended by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with a view to finding a peaceful solution to the problem, bearing in mind the provisions and objectives of the Charter of the United Nations and of General Assembly resolution 1514 (XV) and the interests of the population of the Falkland Islands (Malvinas);

2. Requests the two Governments to report to the Special Committee and to the General Assembly at its twenty-first session on the results of the negotiations.

139th plenary meeting,
16 December 1965.

EXHIBIT No. 3

JOINT STATEMENT OF ARGENTINA AND GREAT BRITAIN, 1 JULY 1971

Special conversations were continued in Buenos Aires from the 21st until the 30th of June 1971 about communications and movement between the Argentine mainland and the Falkland Islands by delegations of the Government of the United Kingdom of Great Britain and Northern Ireland and of the Argentine Republic, the former including participants from the Islands. The conversations were within the general framework of the negotiations recommended by Resolution No. 2065 (XX) of the General Assembly of the United Nations and in accordance with letters addressed to the Secretary General of the Organization by the Permanent Representatives of both countries on the 21st of November 1969 and the 11th of December 1970.

The delegates concluded that, subject to the approval of their Governments, the following measures should be adopted on the understanding that they may contribute to the process of a definitive solution to the dispute between the two Governments over the Islands which is referred to in Resolution No. 2065 (XX) mentioned above.

1. In order to deal with questions which might arise over the setting up and promotion of communications between the Argentine mainland and the Falkland Islands in both directions, including questions relating to the movement of persons, those which might arise for residents of the Islands while they were on the mainland and those concerning residents of the mainland while they were in the Islands, a special consultative committee should be set up, consisting of representatives of the Argentine Ministry of Foreign Affairs and the British Embassy, with its headquarters in Buenos Aires. The Committee should have its representatives in Port Stanley who would keep it informed.

2. The Argentine Government should issue a document, in the form annexed, to residents of the Falkland Islands irrespective of their nationality who wished to travel to the Argentine mainland, which would allow them free movement within it. A document in the same form issued by the Argentine Government should be the only document needed by residents of the Argentine mainland for journeys to the Falkland Islands.

3. Residents in the Falkland Islands should be exempted by the Argentine Government from all duties, taxes, and any other obligations arising as a result of activities in the Falkland Islands. In addition, residents of the Falkland Islands who go to the Argentine mainland in order to provide services connected with the communications should be exempt from taxes on their salaries and other emoluments which they receive from their British employers. The British Government should make no claims on residents of the Argentine mainland who provide service in the Falkland Islands for activities related to communications for taxes on their salaries and other emoluments which they receive from their Argentine employers.

4. The Argentine Government should take the necessary practical measures so that the normal luggage of residents of the Falkland Islands who travel between the Falkland Islands and the Argentine mainland in either direction should be free from the payment of all duties and taxes. Residents of the Falkland Islands should be exempted from the payment of all Argentine duties and taxes in respect of their luggage, household effects and motor cars passing directly through the Argentine mainland toward the Falkland Islands or going abroad through the Argentine mainland. The British Government should take the necessary measures so that the normal luggage of residents of the Argentine mainland who travel between the Argentine mainland and the Falkland Islands in either direction will be exempted from the payment of all duties and taxes.

5. The Argentine Government should take the necessary measures so that each resident of the Islands who establishes a permanent residence on the Argentine mainland may bring in once only free of all duties and taxes all personal effects, household effects and a motor car. Equally, the British Government should take the necessary measures so that each resident on the Argentine mainland who establishes a permanent residence in the Falkland Islands, may bring in once only free of all duties and taxes all personal effects, household effects and a motor car.

6. The British and Argentine Governments should facilitate in the Falkland Islands and on the Argentine mainland respectively, the transit, residence and work of persons directly concerned with practical measures adopted in order to implement and promote communications and movement.

7. The British Government should take the necessary measures to arrange for a regular shipping service for passengers, cargo and mail between the Falkland Islands and the Argentine mainland.

8. The Argentine Government should take the necessary measures to arrange for a regular service of weekly frequency by air for passengers, cargo and mail between the Argentine mainland and the Falkland Islands.

9. Pending the completion of the airfield at Port Stanley, the Argentine Government should provide a temporary service by amphibian aircraft between the Argentine mainland and the Falkland Islands for passengers, cargo and mail. This service should be reviewed from time to time in the light of progress in the construction of the airfield mentioned above.

10. Both Governments should cooperate over the simplification of administrative practices, regulations and documentation for sea and air transport bearing in mind the need to promote and speed up communications.

11. In order to facilitate the movement of persons born in the Falkland Islands, the Argentine Government should take the necessary measures to exempt them from all obligations related to enlistment and military service. The British Government should declare that in the Falkland Islands no obligations for enlistment for military service exist.

12. Both Governments should study and exchange views on measures to facilitate trade and to permit a greater case of commercial transactions.

13. The British and Argentine Governments should take the necessary measures so that postal, telegraphic and telephone communications in both directions between the Argentine mainland and the Falkland Islands are as effective and expeditious as possible.

14. The tariff for postal, telegraphic and telephone communications in both directions between the Argentine mainland and the Falkland Islands should be at a rate equivalent to the internal rate at the place of origin of the communications.

15. Postage stamps on mail travelling between the Argentine mainland and the Falkland Islands in either direction should be cancelled with a mark referring to this joint statement. Mail bags should be similarly marked.

16. The Argentine Government should be prepared to cooperate in the health, educational, agricultural and technical fields if requested. The Argentine Government should arrange for places to be available in schools on the Argentine mainland for the children of residents of the Falkland Islands and should offer scholarships which should be published from time to time, the number of which should be decided upon in the light of local requirements. Both Governments should continue to exchange views on the matters referred to in this paragraph.

17. Conversations should be continued through the customary diplomatic channels and the next meeting should be held in Port Stanley in 1972.

18. If either Government should decide to terminate the measures referred to above, it should give six months' notice of its decision to the other Government.

Initialled in Buenos Aires on the 1st day of July 1971 by the Heads of the respective delegations.

EXHIBIT No. 4

UNITED NATIONS GENERAL ASSEMBLY

Letter dated 15 August 1973 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General

I have the honour to inform Your Excellency and, through you, the Special Committee and the General Assembly, on the express instructions of my Government and

in fulfilment of the obligation to report under resolution 2065 (XX) of 6 December 1965 and the consensus adopted by the General Assembly on 20 December 1971, concerning the progress of the negotiations with a view to finding a peaceful solution to the dispute concerning sovereignty over the Malvinas Islands.

In this regard, the Argentine Government regrets to report that the negotiations have been virtually paralysed as a result of the attitude adopted by the Government of the United Kingdom.

The joint communiqué of January 1966, signed by the Ministers for Foreign Affairs of both countries, reflected an agreement to "proceed without delay with the negotiations recommended" in the above-mentioned resolution.

As a result of this communiqué, negotiations were held in July and November of that year in London. On 20 December 1966, the first General Assembly consensus concerning the Malvinas Islands urged "both parties to continue with the negotiations so as to find a peaceful solution as soon as possible" and to report to the Special Committee and the General Assembly on the development of the negotiations.

The negotiations continued during 1967, reducing the area of disagreement, and this was reported to the General Assembly, which, on 19 December, adopted a second consensus similar to the first. It was already clear that the subject of the discussion could only be the recognition of Argentine sovereignty over the Islands and their return to the Argentine territorial heritage, in conjunction with the greater readiness shown by my Government to recognize the guarantees and safeguards which would protect the interests of the islanders.

The seemingly substantial progress made in the negotiations made it possible at that time to arrive at a joint formula which would have meant, in August 1968, a practical step forward towards a solution, if the United Kingdom Government had not in the end refused to allow it to materialize.

Since that time, the negotiations on sovereignty have gradually come to a standstill, which persists to date, notwithstanding the efforts made by my Government to revive them.

Nevertheless, the Argentine Republic decided, without losing sight of the ultimate objective of the negotiations and in the desire to promote the well-being of the inhabitants of the Islands, to hold special talks on measures to promote communications between the Argentine mainland and the Islands. As indicated in the letters addressed to the Secretary-General by the Permanent Representatives of both countries on November 21, 1969, the talks were none the less held "within the general framework" of the negotiations provided for by resolution 2065 (XX), which the General Assembly, in its consensuses of 1969 and 1971, urged should be continued so as "to reach, as soon as possible, a definitive solution to the dispute".

As a result of those talks, in 1972 and 1973, the Argentine Government adopted a series of measures which represented significant benefits for the population of the Malvinas Islands. Thus, for example, the weekly service for the air transport of passengers, cargo and mail has finally been arranged between the Argentine mainland and the Malvinas Islands; the Argentine Air Force has constructed an airfield at Port Stanley, which can accommodate fixed-wheel aircraft; the award of scholarships to young people from the Malvinas Islands for study on the Argentine mainland has been continued; commercial transactions with the Islands have been encouraged and effected; regular postal, radio-telegraphic and telephone services have been established; the Argentine State Petroleum Authority has built an aviation fuel storage plant at Port Stanley and supplies other fuels periodically by tanker; tourism has been developed; and evacuation and auxiliary health services have been provided for islanders requiring proper medical and hospital care. All these and other measures have been taken in accordance with the Argentine-United Kingdom joint statement of July 1, 1971.

The last round of special talks on communications was held in November 1972 in Port Stanley. Previously, however, on the proposal of Argentina, provision had been made in the joint statement of October 13, 1972 for the holding of a round of talks in London during the first half of 1973 in compliance with resolution 2065 (XX) and subsequent consensuses of the General Assembly. Meanwhile, the lack of any real progress delayed the submission of information to the United Nations on the course of the negotiations.

At that time, it was becoming increasingly evident that the United Kindgom's position on this question had changed substantially from that which it had taken since contacts had first been established with the Argentine Government early in 1966.

In a number of verbal and written statements made at the highest level, the United Kingdom Government took to maintaining that the round of meetings to be held in 1973 could not be called "negotiations" since in its opinion, they involved only "talks" or "discussions". The Argentine Republic considers that the position now held by the United Kingdom Government is not in conformity with the provisions of resolution 2065 (XX). It should be pointed out in this connexion that the word "negotiations", as a means of reaching a peaceful solution to the dispute concerning sovereignty over the Malvinas Islands, appears in that resolution and in the subsequent consensuses adopted up to 1971, and also in the notes which the Permanent Representatives of both countries addressed to the Secretary-General in 1967, 1968, 1969, 1970, and 1971 to report on the status of the negotiations.

It is obviously the intention of the United Kingdom Government not only to downgrade the negotiations, but also to change their true character, thus contradicting the wording and meaning of concepts which it had previously accepted.

Furthermore, the United Kingdom authorities contend that the question of communications is closely linked with the basic issue and that, consequently, talks on communications are in fact concerned with sovereignty, a view which is of course neither shared nor accepted by the Argentine Government.

This attitude on the part of the United Kingdom Government was demonstrated during the meetings held in London on 26 and 27 April of this year in accordance with the agreement set down in the joint statement of 13 October 1972. On that occasion, the United Kingdom delegation was willing to discuss only the question of the talks. The Argentine delegation made efforts to reactivate the negotiations, which had been postponed since 1968, so as to reaffirm the proposals it had made in 1968 and in March 1969 concerning adequate safeguards and guarantees for the interests of the inhabitants of the Islands until such time as the dispute over sovereignty was resolved by the return of the Islands to the Argentine territorial heritage.

My country has always felt that the negotiations had invariably been conducted in accordance with the letter and the spirit of resolution 2065 (XX), which recognizes the existence of a dispute over sovereignty. As is clear in the joint notes to the United Nations, the parallel talks on communications, while they come within the framework of the fundamental issue, cannot exclude consideration of that issue, particularly since they are not part of the terms of reference established in the resolution.

This was made clear in the statement made by the Permanent Representative of Argentina to the Security Council in Panama on 16 March of this year, in which he said: "The special talks held since 1970 to agree on practical measures for communications and movement between the Argentine mainland and the Islands have, by common agreement, been conducted within the general framework of these negotiations, thus complying with the undertaking to continue efforts to find a final solution to the dispute over sovereignty, bearing in mind the interests of the inhabitants."

As pointed out earlier, the negotiations on the question of sovereignty have for all practical purposes been suspended and now, when it is imperative to resume them, since no further delays or postponements can be tolerated, the United Kingdom is departing from the terms of resolution 2065 (XX) and is not demonstrating the spirit of co-operation which must motivate both parties if they really want to reach an effective solution through negotiation. By adopting this position, the United Kingdom is delaying the process of decolonization.

My Government, which has shown moderation and restraint in this matter on innumerable occasions, despite the legitimate impatience and anxiety felt by the Argentine people concerning the recovery of part of their national territory, firmly insists that there should be no further unwarranted delays in the negotiations, which should be conducted in accordance with the provisions of resolution 2065 (XX). The negative attitude of the United Kingdom Government compels the Government of the Argentine Republic to demand that the negotiations should not be hampered by further delays, and it has therefore become imperative that the Government of the United Kingdom should make an active contribution towards a final settlement of the dispute over sovereignty. To that end the Government of the Argentine Republic calls upon the United Kingdom Government to take measures to continue the negotiations, without further procrastination, within the framework of the above-mentioned resolution and subsequent consensuses, so as to bring about the speedy elimination of this colonial situation. This is a goal which is not only of paramount importance to the Argentine Republic but also to the entire international community, which is keenly aware of the need to put an immediate end to all vestiges of colonialism existing in the world.

My country is convinced that this settlement has already been postponed far too long and it is entitled to ask the United Kingdom to comply with resolution 2065 (XX) under whose authority the talks were initiated and conducted. My Government also reaffirms its determination fully and adequately to guarantee the rights and in-

terests of the people of the Malvinas Islands when these islands are returned to the Argentine Republic.

The Argentine Government feels compelled to make it clear that failure to settle this dispute within a short and reasonable time will necessitate a thorough reappraisal of the policy it has pursued until now, based on good faith and respect for the principles of the Charter and resolutions of the United Nations. The termination of the colonial occupation of the Malvinas Islands, a portion of territory wrested from it by force almost a century and a half ago, is not only a fundamental and abiding objective of Argentine foreign policy but also a responsibility of the United Nations.

I am accordingly obliged to draw the attention of the appropriate United Nations bodies to this matter so that they may adopt suitable decisions.

I should be very grateful if Your Excellency would kindly arrange for this communication to be circulated as a General Assembly document and also transmitted to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.

(Signed) CARLOS ORTIZ DE ROZAS,
Ambassador, Permanent Representative.

EXHIBIT 5

QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

(Date: 14 December 1973; Meeting 2202; Vote: 116-0-14 (recorded); Report: A/9417.)

The General Assembly.

Having examined the question of the Falkland Islands (Malvinas).

Recalling its resolution 1514 (XV) of 14 December 1960 containing the Declaration on the Granting of Independence to Colonial Countries and Peoples.

Recalling also its resolution 2065 (XX) of 16 December 1965, which invites the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to proceed without delay with the negotiations recommended by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples with a view to finding a peaceful solution to the problem of the Falkland Islands (Malvinas), bearing in mind the provisions and objectives of the Charter of the United Nations and of resolution 1514 (XV) and the interests of the population of the Falkland Islands (Malvinas).

Gravely concerned at the fact that eight years have elapsed since the adoption of resolution 2065 (XX) without any substantial progress having been made in the negotiations.

Mindful that resolution 2065 (XX) indicates that the way to put an end to this colonial situation is the peaceful solution of the conflict of sovereignty between the Governments of Argentina and the United Kingdom with regard to the aforementioned islands.

Expressing its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly, to facilitate the process of decolonization and to promote the well-being of the population of the islands.

1. Approves the chapters of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas), and in particular the resolution adopted by that Committee on 21 August 1973 concerning the Territory.

2. Declares the need to accelerate the negotiations between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland called for in General Assembly resolution 2065 (XX) in order to arrive at a peaceful solution of the conflict of sovereignty between them concerning the Falkland Islands (Malvinas).

3. Urges the Governments of Argentina and the United Kingdom, therefore, to proceed without delay with the negotiations, in accordance with the provisions of the relevant General Assembly resolutions, in order to put an end to the colonial situation.

4. Requests both Governments to report to the Secretary-General and to the General Assembly as soon as possible, and not later than at its twenty-ninth session, on the results of the negotiations.

EXHIBIT 6

QUESTION OF THE FALKLAND ISLANDS (MALVINAS)

(Date: 1 December 1976; Hearing: 85; Vote: 102-1-32 (recorded) Report: A/32/362)

The General Assembly.

Having considered the question of the Falkland Islands (Malvinas).

Recalling its resolutions 1514 (XV) of 14 December 1960, 2065 (XX) of 16 December 1965 and 3160 (XXVIII) of 14 December 1973.

Bearing in mind the paragraphs relate to this question contained in the Political Declaration adopted by the Conference of Ministers for Foreign Affairs of Non-Aligned Countries, held at Lima from 25 to 30 August 1975, and in the Political Declaration adopted by the Fifth Conference of Heads of State or Government of Non-Aligned Countries, held at Colombo from 16 to 19 August 1976,

Having regard to the chapter of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas) and, in particular, the conclusions and recommendations adopted by the Committee concerning the Territory;

1. Approves the chapter of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples relating to the Falkland Islands (Malvinas) and, in particular, the conclusions and recommendations adopted by the Committee concerning the Territory;

2. Expresses its gratitude for the continuous efforts made by the Government of Argentina, in accordance with the relevant decisions of the General Assembly to facilitate the process of decolonization and to promote the well-being of the population of the islands;

3. Requests the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland to expedite the negotiations concerning the dispute over sovereignty as requested in General Assembly resolutions 2065 (XX) and 3160 (XXVIII);

4. Calls upon the two parties to refrain from taking decisions that would imply introducing unilateral modifications in the situation while the islands are going through the process recommended in the above-mentioned resolutions;

5. Requests both Governments to report to the Secretary-General and to the General Assembly as soon as possible on the results of the negotiations.

EXHIBIT 7

IMPLEMENTATION OF THE DECLARATION ON THE GRANTING OF INDEPENDENCE TO COLONIAL COUNTRIES AND PEOPLES

(Letter dated 29 July 1981 from the Permanent Representative of Argentina to the United Nations addressed to the Secretary-General)

I have the honour to address you on the subject of the Malvinas Islands.

In that connexion, and in accordance with the instructions received, I am pleased to inform you that the Argentine Government issued the following Declaration to the press on 27 July 1981:

"The Argentine Government has invited the Government of the United Kingdom to expedite resolutely the formal negotiating process aimed at settling once and for all our country's claim to the Malvinas Islands, South Georgia and the South Sandwich Islands.

"That invitation was transmitted in a note sent today to the Ambassador of the United Kingdom of Great Britain and Northern Ireland in Buenos Aires, Mr. Anthony Williams, by the Minister for External Relations and Worship, Dr. Oscar Camilion

"In that regard, the discussions which have taken place since the negotiating process resumed in 1977 have made it possible to become acquainted with the general outline of the respective points of view. Clearly, however, no substantial progress has been made since negotiations were undertaken pursuant to resolution 2065 (XX) of the United Nations General Assembly, on the clearly defined subject of the dispute concerning sovereignty over those archipelagos.

"At the same time, the system of opening up communications, initiated following the Joint Declaration of 1971, has been maintained and expanded by the Argentine Republic within the limits of its possibilities. It should be emphasized that although this system has undoubtedly achieved the objective of improving the living conditions of the population to a highly significant extent, has not achieved the success hoped for with regard to its basic goals of contributing to mutual knowledge and understanding and promoting the success of the negotiations.

"Because of the isolation in which the islanders live, they are largely ignorant of the nature of the Argentine Republic and what occurs in the continental part of its territory. That ignorance has become an obstacle to the progress of the negotiating process, in that the wishes—but not the interests—of the inhabitants of the Malvinas can be invoked as a permanent argument to impede progress. With due respect for the interests of the islanders, Argentina naturally maintains that the discussion concerning sovereignty is the bilateral responsibility of its Government and that of Great Britain, as recognized by the United Nations. In practice, there are no alternatives other than effective Argentine sovereignty over that part of its territory which is currently occupied by the United Kingdom and the maintenance of the present situation, that is, British control of the islands as a colonial dependency.

"In 1981 the latter situation constitutes an anachronism which is as unacceptable as it is indefensible. Furthermore, its continuation constitutes a decisive obstacle to the development of the natural resources of the islands. The economy of the islands is continually deteriorating. The population, which currently consists of about 1,800 inhabitants, is constantly declining, with no possibility of a natural reversal.

"This unjust situation creates a feeling of political and moral frustration among the Argentine people and also leads to an incongruous failure to develop the resources of the islands, which are essential in a world which needs energy and food. The whole situation is highly irrational and no one can seriously contend that the status quo can continue much longer.

"The Argentine Government therefore considers that it has become an unpostponable priority of its foreign policy to expedite resolutely the negotiations on the Malvinas Islands, which should focus on specific objectives.

"The note sent to the United Kingdom stresses the urgent need to solve this problem, which is complex and requires a comprehensive approach in which all aspects must be considered simultaneously. In that regard, the Argentine Government takes the following basic positions:

"1. It reaffirms the traditional position of our country that any realistic negotiations concerning the Malvinas Islands, South Georgia and the South Sandwich Islands must be based on the assumption that the essential feature of any solution is recognition of the sovereignty of Argentina over those archipelagos;

"2. The Argentine Government reiterates its promise to respect the interest of the islanders;

"3. The protection of those interests should take into account the islanders' way of life and traditions;

"4. Within the context of acceptable negotiations, Argentina will continue to provide the islanders with the services it is now supplying, which were initiated in 1971. These services, which are currently provided in various areas of activity and can be expanded, require some sign of British political will to make constructive progress, so that they do not become a sterile exercise as far as a final solution is concerned;

"5. Since these negotiations have been carried out within the framework of United Nations resolutions, the Argentine Republic is prepared to agree that the Organization should provide any guarantees that may be considered desirable in order to provide reliable safeguards for the islanders' interests, should such safeguards be necessary in addition to all those offered by the Argentine legal system and any special statutes that may be negotiated;

"6. With regard to the resources of the islands, Argentina is prepared to devise practical formulas that take into account the interests of those who can benefit from the development of such resources.

"The Argentine Government is determined to continue the negotiations in an extremely realistic spirit and with full confidence that reasonable and feasible solutions can be found. In the same realistic spirit and with the same confidence, the Argentine Government considers that the time has come for these negotiations to become effective. It feels that it cannot continue waiting indefinitely for a solution while there is a failure to negotiate with due seriousness and firm determination to reach an agreement.

"Concerning the national attitude to this matter, on the one hand there is a readiness to negotiate, but on the other there is a conviction that consideration of this question, which affects the territorial integrity and dignity of the nation, cannot be postponed."

I should be grateful if you would have this letter distributed as a document of the General Assembly under item 19 of the provisional agenda and brought to the attention of the Special Committee on Decolonization.

JUAN CARLOS BELTRAMINO,
Permanent Representative of the Argentine Republic to the United Nations.

EXHIBIT 8

LETTER DATED APRIL 1, 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour, on express instructions from my Government and in accordance with the provisions of the Charter of the United Nations, to bring to the attention of the Security Council the situation of grave tension existing between the Argentine Republic and the United Kingdom of Great Britain and Northern Ireland.

On 18 March 1982, workers of Argentine nationality from a private company were transported to the South Georgia Islands by the naval transport vessel *Bahia Buen Suceso*, where they landed with the prior knowledge of the United Kingdom Embassy in Buenos Aires and therefore of the British Government. All this was done in accordance with a valid commercial contract between an Argentine private company and a British private company. The workers were in possession of the document known as a "provisional certificate", the only valid document for travel to the Malvinas, South Georgia and South Sandwich Islands, in accordance with the Argentine-British joint declaration which governs the opening of communications between the mainland territory of Argentina and those islands.

The situation of tension, which is a cause of serious concern to my Government, was created by the following acts: the uncommon presumption of the British Government in disregarding the 1971 declaration so far as the South Georgia Islands are concerned and the documents introduced under it, and the British threat to use force through the dispatch of vessels belonging to its navy. The latter was expressly admitted by the Secretary of State for Foreign Affairs of the United Kingdom in the House of Lords. In his statement of 30 March, Lord Carrington also stated that his Government was considering security measures which could not be publicly disclosed.

The concern which these statements caused my Government was increased by news reports which appeared in the British press and were not denied, to the effect that a number of warships, some of them carrying missiles, and two nuclear submarines had been sent to the South Atlantic because of this dispute.

The conduct of the British Government, which led to the above incidents, combined with a military presence that is unjustified and inimical to the basic principles in which international peace and security rest, is the culmination of a systematic United Kingdom policy aimed at maintaining a position of total disregard for the sovereignty of my country over the Malvinas, South Georgia and South Sandwich Islands, which the Argentine Republic has claimed, always by peaceful means, since their illegal occupation by British military forces in 1833. My Government also wishes to point out that, from the outset, the Argentine Republic has constantly reiterated its incontestable rights over the islands and has maintained its trust in the use of negotiation for a just settlement of the dispute and in the role of the United Nations in putting an end to an unjust and anachronistic colonial situation. To that end, it initiated in 1965, in compliance with resolution 2065 (XX) of the General Assembly of the United Nations, a process of negotiation which has made no progress whatever because of the persistently negative attitude of the British Government and the clearly defined subject matter of which was the dispute concerning sovereignty over these archipelagos.

One of the many efforts of the Argentine Government mentioned above is the proposal made by the representatives of my country to the representatives of the United Kingdom at the meeting held in New York on 26 and 27 February 1982 for the establishment of a system of monthly meetings aimed at settling the dispute concerning those territories, Argentine sovereignty over which has been recognized by the great majority of the States comprising the international community.

That proposal by the Argentine Republic received no response from the United Kingdom Government, thus demonstrating once again its indifference to considering by peaceful means and through negotiation a question which affects the territorial integrity and dignity of the Argentine nation.

I consider it appropriate to place very special emphasis on the fact that the unilateral measures and acts of the British Government have created a situation of grave tension, the continuation of which could eventually endanger the maintenance of international peace and security.

In view of the primary responsibility vested in the Security Council for the maintenance of international peace and security, the Argentine Government considers that the Council should be informed of the development of this situation.

I request that this letter should be circulated urgently as a Security Council document.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 9 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

On the express instructions of my Government, I have the honour to address Your Excellency with the purpose of informing the Security Council that on 8 April the Embassy of Switzerland in Buenos Aires transmitted to the Argentine Government the following communication originating from the British Government:

"From 0400 Greenwich mean time on Monday 12 April 1982, a maritime exclusion zone will be established around the Falkland Islands, the outer limit of this zone is a circle of 200 nautical mile radius from latitude 51 degrees 40 minutes south, 59 degrees 30 minutes west, which is approximately the centre of the Falkland Islands. From the time indicated, any Argentine warships and Argentine naval auxiliaries found within this zone will be treated as hostile and are liable to be attacked by British Forces. This measure is without prejudice to the right of the United Kingdom to take whatever additional measures may be

needed in exercise of its right of self-defence, under article 51 of the United Nations Charter".

The Argentine Government replied to the preceding communication in the following terms:

"The Ministry of Foreign Affairs and Public Worship wishes to refer to the Swiss Embassy's note i.e. (G.B.) 12/82, in which the Embassy informed the Government of the Argentine Republic that from 0400 hours on 12 April 1982 a maritime exclusion zone would be established around the Malvinas Islands, within which any Argentine warships and naval auxiliaries would be treated as hostile and be liable to be attacked by British forces.

"This communication constitutes a notification of blockade—an act expressly defined as aggression in United Nations General Assembly resolution 3314 (XXIX) of 14 December 1974, article 3(c) of which specifies that, regardless of a declaration of war, the blockade of the ports or coasts of a State by the armed forces of another State is an act of aggression.

"The Argentine Republic will exercise the right of self-defence granted to it under Article 51 of the Charter of the United Nations in the face of this and any other act of aggression."

I request that this letter be circulated as a matter of urgency as a document of the Security Council.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 12 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to communicate with you, upon express instructions from my Government, in connexion with Security Council resolution 502 (1982) of 3 April 1982, in order to inform you of the following:

The Government of the Argentine Republic believes that the operative part of the aforementioned resolution constitutes a text which must be considered as a unified whole. Its paragraphs are so interrelated that it is impossible to take action for partial compliance with one paragraph while ignoring its consequences on other aspects of the situation.

Respect for the cessation of hostilities is something to be demanded of both parties. Its violation originates with the United Kingdom, which has already sent a large fleet of war to the zone and initiated a naval blockade of the islands. This fleet also includes nuclear submarines. All of this prompted the submission to this Council of my note of 9 April 1982, circulated as document S/14961.

My Government is prepared to comply with paragraph 2, on condition that the United Kingdom complies fully with the provisions of paragraph 1 and does not attempt to use resolution 502 (1982) as an instrument for justifying a return to the previous colonial situation, disregarding Argentina's sovereign rights and the appeals and resolutions of this Organization urging the end of all colonial situations.

Similarly, the Government of the United Kingdom has unilaterally, outside the framework of the Charter of the United Nations, taken a series of measures which constitute economic aggression, and it has thereby violated the Charter of Economic Rights and Duties of States (General Assembly resolution 3281 (XXIX)). Furthermore, in its eagerness to harm my country, it has induced other States to engage in similar aggression.

The Government of the Argentine Republic also wishes to reaffirm its undertaking to consider with an open and receptive mind the situation of the 1,800 residents of the islands, whose interests Argentina will respect.

The Argentine Government believes in a negotiated diplomatic solution and will exert its best efforts to that end.

I should be grateful if you would have this letter circulated as a matter of urgency as a Security Council document.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

LETTER DATED 16 APRIL 1982 FROM THE PERMANENT REPRESENTATIVE OF ARGENTINA TO THE UNITED NATIONS ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

On express instructions from my Government, I have the honour to communicate with you in order to reaffirm the readiness of the Argentine Republic to comply with resolution 502 (1982), as stated in my earlier communication of 12 April 1982.

The initiation of negotiations with the friendly intercession of the Secretary of State of the United States of America demonstrates our country's determination to find a peaceful solution to the dispute, and consequently the Argentine side cannot be accused of non-compliance.

A few hours after the adoption of resolution 502 (1982), the United Kingdom announced the dispatching of a fleet of war. It later supplemented this measure with the announcement and establishment of a naval blockade and the reinforcing of the armed fleet with new units which include nuclear submarines.

To this is added the United Kingdom's recent communication to the International Civil Aviation Organization, stating that it has declared the air space above the blockade area to be a zone of emergency. To that end, it has invoked article 89 of the Chicago Convention, which provided both for cases of war and for cases of emergency.

These actions are very serious and were taken after the adoption of the Council's resolution. In the face of these actions, it is unreasonable to call on Argentina to comply unilaterally with the aforementioned resolution, thereby placing itself in a state of absolute defencelessness.

The behaviour of the United Kingdom is not coherent: on the one hand, it resorts to the security machinery provided for in the Charter, and on the other hand, it threatens to use force; this attitude harks back to the obsolete concept of punitive expeditions, in a subjective interpretation of international law which was questioned even in the age of the most brutal colonialism.

The measures of self-defence invoked by that country are not applicable to this case; such measures must be reasonable, limited to the need for protection and proportionate to the imminent danger.

It cannot be argued that the measures taken by the United Kingdom are of such a nature. On the contrary, the mobilization of the fleet and the blockade constitute acts of war which endanger international peace and security. At this moment there does not exist, not did there exist previously, any threat to interests which the United Kingdom has a right to protect. The dispute itself can be resolved by peaceful means, as Argentina is prepared to do.

The Security Council has its own methods of ensuring compliance with its decisions, and they do not authorize one side to use armed force to that end. That would imply, in the circumstances, "recolonization" through the use of force, unprecedented in the history of the United Nations.

The United Kingdom is attempting to separate the situation of the South Georgia Islands from that of the Malvinas, disregarding the fact that the two archipelagos are subject to the same agreements, as was expressly established by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples when it dealt with them in a unified manner.

As can be seen from the records of the Security Council, the United Kingdom Government itself admitted its determination to expel by force, if necessary, the Argentine workers employed by a commercial enterprise which had a valid contract to carry on demolition activities at a whaling station in the South Georgia Islands.

The landing of United Kingdom marines in the South Georgia Islands with that ostensible purpose compelled Argentina to take steps in defence of its unarmed nationals.

In the face of the announcement of the dispatching of the fleet, which clearly demonstrated a lack of readiness on the part of the United Kingdom to comply with paragraph 1 of resolution 502 (1982), Argentina had no alternative but to take advantage of the right of self-defence provided for in Article 51 of the Charter in order to protect its nationals in its own territory.

The invocation of the principle of self-determination is merely a political excuse, which has always been used by the United Kingdom, in order to prolong indefinitely the fragmentation of our country's territorial integrity and thus continue to maintain the colonial situation. The United Kingdom was thereby avoiding a final settlement of the dispute, in flagrant violation of the provisions of various resolutions of the United Nations General Assembly.

It is worth while at this point to recall to the Council that the General Assembly has declared that the continuation of colonialism, in any of its forms, is a crime which violates the Charter of the United Nations.

My Government has emphasized to the point of exhaustion its firm and unalterable determination to make no change in the life-style of the islanders and to provide for their welfare. Argentina is a country built by millions of immigrants and has demonstrated that diverse ethnic and cultural groups have developed their customs in the country without restriction.

To mention only one of the numerous declarations which prove the foregoing, it is of interest to quote one of the paragraphs of the communication sent by the Association of British and British-descended Farmers in Argentina to the Prime Minister of the United Kingdom, which states:

"We, British farmers and children of British farmers in Argentina, wish to inform Her Majesty's Government that for years, and in some cases for generations, we have lived and worked happily under Argentina Governments of various political orientation. We have lived in accordance with our traditional British life-style with no hindrance of any kind, and our experience has led us to believe that the inhabitants of the Malvinas have nothing to lose and much to gain by placing themselves under Argentine sovereignty."

It is ironic that the United Kingdom should now manifest so much concern for the fate of the islanders after decades of keeping them second-class citizens who cannot settle freely in Great Britain, in a state of virtual isolation, obstructing normal relations between the islands and the continental Argentine territory.

The self-defense invoked by the United Kingdom can be used only to repel an imminent and grave danger. In the present circumstances the United Kingdom cannot allege that such an imminent and grave danger exists.

Argentina has complied with the Security Council resolution with regard to the cessation of hostilities and has not threatened the United Kingdom with any hostile act. On the contrary, it has repeatedly stated that it accepts a peaceful solution of the dispute and that, to that end, it is prepared to negotiate on any proposal, that does not affect its sovereignty over the territory of the Malvinas, South Georgia and South Sandwich Islands.

I should be grateful if you would have this not circulated as a Security Council document.

EDUARDO A. ROCA,
Ambassador, Permanent Representative.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on April 30, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2373. A bill to change the name of the landing strip at White Sands Missile Range in the State of New Mexico, to "White Sands Space Harbor."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3335. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Morocco; to the Committee on Armed Services.

EC-3336. A communication from the Secretary of Labor transmitting, pursuant to law, a report on exemplary rehabilitation certificates for calendar year 1981; to the Committee on Armed Services.

EC-3337. A communication from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a report on the progress of the Reserve Officers' Training Corps flight instruction program; to the Committee on Armed Services.

EC-3338. A communication from the Director of the Administrative Office of the U.S. Courts transmitting, pursuant to law, a report on activities of the courts under the provisions of the Right to Financial Privacy Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC-3339. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation to authorize appropriations for the improvement of mint facilities; to the Committee on Banking, Housing, and Urban Affairs.

EC-3340. A communication from the Chairman of the Board of Governors of the Federal Reserve System transmitting, pursuant to law, a report on the activities of the Depository Institutions Deregulation Committee; to the Committee on Banking, Housing, and Urban Affairs.

EC-3341. A communication from the General Counsel of the Federal Emergency Management Agency transmitting a draft of proposed legislation to amend certain flood insurance and protection statutes to reflect certain reorgnizational changes; to the Committee on Banking, Housing, and Urban Affairs.

EC-3342. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on State systems of penalties for violations, issuance of special permits for overweight vehicles, and annual State certifications; to the Committee on Commerce, Science, and Transportation.

EC-3343. A communication from the Under Secretary of the Interior transmitting, pursuant to law, a report on the refund of excess royalty payments to certain oil companies in connection with three leases; to the Committee on Energy and Natural Resources.

EC-3344. A communication from the Under Secretary of the Interior transmitting, pursuant to law, a report on the refund of excess royalty payments to Shell Oil Co. in connection with seven leases; to the Committee on Energy and Natural Resources.

EC-3345. A communication from the Federal Inspector transmitting, pursuant to law, the quarterly report for January through March 1982 on the status of the Alaska Natural Gas Transportation System; to the Committee on Energy and Natural Resources.

EC-3346. A communication from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Federal Land Policy and Management Act of 1976, relating to the authority of the Secretary of the Interior to accept volunteer services in aid of the work of the Bureau of Land Management, and for other purposes; to the Committee on Energy and Natural Resources.

EC-3347. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a summary of the "Status of Major Acquisitions as of September 30, 1981: Better Reporting Essential To Controlling Cost Growth;' to the Committee on Governmental Affairs.

EC-3348. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend title 5, United States Code, to limit civil service retirement cost-of-living adjustments, to eliminate wasteful and unnecessary provisions of the civil service retirement system, to improve the administration of that system, and for other purposes; to the Committee on Governmental Affairs.

EC-3349. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Audit of Water Bill Payment Policies and Procedures"; to the Committee on Governmental Affairs.

EC-3350. A communication from the Deputy Director of the Central Intelligence Agency (Administration), transmitting, pursuant to law, a report on a proposed revision of the statement of general routine uses for all CIA records systems; to the Committee on Governmental Affairs.

EC-3351. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Major Acquisitions As Of September 30, 1981: Better Reporting Essential To Controlling Cost Growth"; to the Committee on Governmental Affairs.

EC-3352. A communication from the Chief Justice of the United States, transmitting, pursuant to law, amendments to the Federal Rules of Criminal Procedure; to the Committee on the Judiciary.

EC-3353. A communication from the Assistant Attorney General (Legislative Affairs), transmitting a draft of proposed legislation to amend title V of the Refugee Education Assistance Act of 1980; to the Committtee on Labor and Human Resources.

EC-3354. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the extent to which States have developed and operated State mechanized claims processing and information retrieval systems through October 1, 1981; to the Committee on Labor and Human Resources.

EC-3355. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the training program for special programs staff and leadership personnel; to the Committee on Labor and Human Resources.

EC-3356. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Act to provide for more equitable benefits, to reestablish a waiting period for benefits, to promote the return of disabled workers to employment, and for other purposes; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources, without amendment:

S. 1519. A bill to designate certain wildlife refuge lands (Rept. No. 97-377).

By Mr. HATCH, from the Committee on Labor and Human Resources without amendment:

S.J. Res. 127. Joint resolution to grant official recognition to the international ballet competition.

By Mr. PERCY, from the Committee on Governmental Affairs:

Report to accompany the bill S. 1249, a bill increasing the efficiency of Govern-

ment-wide efforts to collect debts owed the United States, to require the Office of Management and Budget to establish regulations for reporting on debts owed the United Stats, and to provide additional procedures for the collection of debts owed the United States (Rept. No. 97-378).

STAR PRINT

Mr. ROTH. Mr. President, I ask unanimous consent that a star print of Senate Joint Resolution 162 be made to correct an error in the date. The correction is "1911" instead of "1912."

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator will send a corrected copy of the joint resolution to the desk.

DISCHARGE AGREEMENT ON THE VENUE BILL

Mr. TOWER. Mr. President, I ask unanimous consent that if the Committee on the Judiciary has not reported the bill S. 2419 by May 14, 1982, the Committee be considered as having been discharged, and that the bill be placed immediately on the Senate Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOINT REFERRAL OF S. 2227

Mr. TOWER. Mr. President, I ask unanimous consent that S. 2227 be jointly referred to the Committee on Foreign Relations for the purpose of considering all of the bill except section 108(b) and to the Committee on Agriculture, Nutrition, and Forestry, solely for the purpose of considering section 108(b) of the bill.

Further, I ask unanimous consent that if the Committee on Agriculture, Nutrition, and Forestry is unable to consider that portion of the bill within its jurisdiction by May 14, 1982, the committee be discharged from further consideration thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STENNIS:

S. 2468. A bill for the relief of Abel Ochoa; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. SCHMITT and Mr. CANNON):

S. 2469. A bill to amend the Communications Act of 1934 to provide for improved international telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN:

S. 2470 A bill to suspend through July 1, 1983 the requirement that insured unemployment in a State must exceed 120 percent of the average of such unemployment in comparable periods in the 2 previous years in order to trigger "on" an extended benefit program; to the Committee on Finance.

S. 2471. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to retain current provisions relating to the State trigger which are scheduled to change in September 1982; to the Committee on Finance.

S. 2472. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 7 percent; to the Committee on Finance.

S. 2473. A bill to amend the Internal Revenue Code to eliminate the holding period for capital gains and to change the rules for deducting capital losses; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH (for himself, Mr. GLENN and Mr. NUNN):

S. Con. Res. 88. Concurrent resolution expressing the sense of the Congress that the member countries of the North Atlantic Alliance must pool their resources for their common defense; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER (for himself, Mr. SCHMITT, and Mr. CANNON):

S. 2469. A bill to amend the Communications Act of 1934 to provide for improved international telecommunications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

INTERNATIONAL TELECOMMUNICATIONS DEREGULATION ACT OF 1982

Mr. GOLDWATER. Mr. President, the bill I introduce today is entitled the "International Telecommunications Deregulation Act of 1982." Its introduction represents the achievement of a goal I set for the Communications Subcommittee at the beginning of this Congress—to address, for the first time, comprehensive legislation formulating U.S. policy for the provision of international telecommunications.

In the last Congress, several telecommunications bills (S. 611, S. 622, and S. 2827) contained provisions dealing with international telecommunications issues. However, the major focus of those bills was on the policies we were adopting for domestic telecommunications deregulation. In last year's debate on S. 898, the Telecommunications Competition and Deregulation Act of 1981, we made it clear the bill did not address the provision of international telecommunications services. There are express disclaimers in S. 898 to that effect. It was our judgment that a separate bill had to be drafted to stimuate debate on specific international telecommunications policy issues.

Mr. President, the competitive viability of U.S. industry in international markets is becoming an issue of ever-increasing concern. It no longer deserves to be put on the "back burner" by Congress or the executive branch. In fact, the international telecommunications arena should increasingly be the focus of our national attention. New technologies using satellite distribution do not recognize national boundaries and the increasing demand for spectrum from all nations will require the United States to organize itself more effectively for participation in international telecommunications conferences.

This bill makes clear that Commission jurisdiction must encompass marketplace competition in the provision of international telecommunications services, and that technological advances are making possible competition among providers of international telecommunications services. The bill applies only to the provision of those telecommunications transmissions that originate or terminate outside the United States and which have a domestic nexus.

The bill establishes as national policy that U.S. carriers must be afforded an opportunity to compete in foreign markets and that entry barriers to such competition must be reduced. The FCC is given the authority to approve or modify arrangements for the provision of international services if it finds that such an arrangement is inconsistent with its procompetitive policies. It is clear that the FCC has such authority today under the 1934 act. This bill makes the authority more explicit. We expect the Commission to make limited use of this power, recognizing the important role of international comity.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

INTERNATIONAL TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT OF 1982

(1) Findings: Advances in technology are making possible competition among providers of international telecommunications services; competition is a more efficient regulator then government.

(2) Applicability: Act applies to the provision of international telecommunications services—those telecommunications transmissions that originate or terminate outside the United States.

(3) Transition Plan: The bill requires the FCC to establish a plan to carry out the provisions of the Act—carrier and service classification; establishment of an accounting system; and action on petitions related to the formation of separate subsidiaries.

Time periods are specified in the bill for implementation of these requirements.

(4) Degree of Regulation: The FCC is ordered to reduce regulation as competition develops in the provision of services, facilities, or access to or interconnection in foreign markets.

(5) Classification: Within 30 days after enactment, international telecommunications services are classified by the FCC as regulated. Thereafter, the FCC may deregulate services as they become subject to effective competition. Carriers dominant in the provision of international telecommunications facilities or services should be classified as dominant carriers. The Commission will have continuing authority to classify and reclassify carriers, depending upon the services provided and the extent to which the telecommunications facilities they provide are not subject to reasonable competition.

(6) Resale and Shared-Use: Neither resale (the reoffering with or without adding value, by any person for a profit of any telecommunications service which has been obtained from a carrier) Non shared-use (collective use of telecommunications services or facilities with each user paying its pro rata telecommunications-related usage) are subject to FCC regulation.

(7) Interconnection: Any carrier providing a regulated international telecommunications service is required to interconnect with any carrier, facililty, equipment, or private system upon reasonable request and pursuant to non-discriminatory terms and conditions.

(8) Information Filing Requirements: The FCC is given authority to require any carrier providing a regulated international telecommunications service to file information relating to such service. Carriers providing regulated international telecommunications services will also be required to file contracts entered into with foreign telecommunications entities.

(9) Tariffs: International telecommunications carriers providing regulated services will have to file tariffs for the provision of such services. The tariff becomes effective on the date specified by the carrier, but subject to later findings of unlawfulness after a hearing.

(10) Facilities Construction Approval: Any international telecomminications carrier may begin construction of new facilities upon notification to the Commission. Dominant carriers may be required to obtain FCC approval before new construction can begin. Termination of regulated international telecommunications services is subject to FCC approval.

(11) Network Planning: International telecommunications carriers, both regulated and unregulated, are authorized to meet, plan, and coordinate international telecommunications networks and facilities.

(12) International Telecommunications Facilities: The Commission may adopt procedures to assess U.S. carriers' proposals for the construction and utilization of international telecommunications facilities.

(13) Fully Separated Affiliate: Dominant carriers are required to provide all unregulated services through a fully separated affiliate. The FCC shall prescribe accounting rules and procedures to assure that unregulated services are not subsidized by regulated international telecommunications services. The dominant carrier is, therefore, not precluded from offering any telecommunications service. No carrier is precluded from providing any service or facility for the provision of any international telecommunications service.

(14) Equitable Market Access: The FCC is authorized to adopt rules and policies applicable to the entry of foreign carriers that are comparable with terms and conditions applicable to U.S. carriers in foreign markets.

(15) International Telecommunications and Information Task Force: Established in the Executive Branch as the principal coordinating body for the development of U.S. telecommunications or information policies.

(16) Comsat: Comsat is relieved of statutory limitations contained in the Communications Satellite Act of 1962, i.e., Board of Directors, place of incorporation, voting procedures, issuance of stock.

(17) Private Sector Representation: Private sector representatives are exempt from Federal conflict-of-interest requirements when serving on international telecommunications delegations.

Mr. GOLDWATER. Mr. President, we recognize the FCC's inability to unilaterally implement changes in policies, services, facilities, and the structure of the international common carrier industry. International telecommunications facilities are jointly owned, and services are jointly provided by U.S. carriers and foreign correspondents. It is clear, for example, that opening markets to new entry may not be deregulatory. Many services and all facilities subject to this act may not be deregulated in either the near or long term.

FCC policies precluded A.T. & T. from entering nonvoice markets and protected the international record carriers by prohibiting Comsat from offering retail services. These policies limited competition in the international market. Significantly in this bill, such market and service restraints are eliminated.

It is clear that foreign telecommunications entities probably prefer the status quo to changes that are contained in this bill. They seem satisfied with the existing structure—consisting of several established U.S. international record carriers and one predominate U.S. voice carrier. Their policies are a formidable roadblock to new carrier entry.

Under this bill, the FCC Is given explicit tools to leverage regulated international services to encourage other nations to lower their barriers to entry. But the FCC will not be operating in a vacuum. This measure will require the FCC to coordinate its work with other agencies of the Federal Government.

THE INTERNATIONAL TELECOMMUNICATIONS AND INFORMATION TASK FORCE

The major provision in this bill is the formation of a seven-member inter-agency International Telecommunications and Information Task Force. For the last several years, the world has witnessed revoluntary changes in communications technology, global telecommunications policy, and the emergence of a vast array of political, social, and economic problems caused by these technological advances and transformations in the international political order.

While many nations have taken steps to prepare and plan for and control these developments, the U.S. Government, alone among the advanced industrialized nations, lacks a comprehensive, cohesive set of national goals and policies and the institutional structure to deal with these events.

The United States is a world's telecommunications leader in creating new hardware and software, originating and transmitting data, and providing information-based products. Our leadership, however, is gravely endangered by the changes in the world telecommunications environment and by our Government's inability to respond quickly enough to these developments. Telecommunications and information are the basis of this Nation's economic and commercial strength, and failure to enhance and promote these strengths will lead inevitably to the erosion of the political stature of the United States.

One particular area of concern to me is the way the United States prepares for international telecommunications Conferences. Although we have traditionally been in a position to exert leadership on technical issues, in an increasingly political environment our representatives must be able to respond to the political and commercial considerations at these Conferences.

Many U.S. participants in the 1979 World Administrative Radio Conference were satisfied with the results of that Conference. Yet, the most controversial decisions were postponed for consideration in Conferences scheduled throughout the next 10 years. These decisions will have far-reaching implications for the United States. Various executive branch agencies and the Federal Communications Commission are preparing for these Conferences. The task force will insure coordination of these preparations.

Under the recent international trade reorganization legislation, the Commerce Department enjoys broad new authorities in this field. I believe, therefore, that programs aimed at improving the effectiveness of U.S. policies in this area should be a primary responsibility of the Secretary of Commerce, whose organization uniquely blends the capability to deal with government and industry, domestically as well as internationally, Under title II, therefore, the special task force would be chaired by the Secretary of Commerce. In order to insure that our foreign policy, defense, and competition policy interests are appropriately reflected, the Departments of State, Defense, and Justice, and the U.S. Trade Representative, would be made statutory members. By virtue of the expanded oversight opportunities that specific and determinant authorization

of NTIA will facilitate, the committee will be able to insure the efficient and responsive conduct of the task force effort.

The task force will be required to meet on a periodic basis to review and approve all positions, policies, and public statements dealing with U.S. telecommunications and information policy. The task force will insure that there is a consistent position advanced in multiple international forums by the responsible delegations.

Before approval of a public position on international telecommunications and information policies, the task force will consult the advisory committee and solicit the members' views.

The task force will also be responsible for reviewing the various Conferences scheduled by the International Telecommunications Union, Organization for Economic Cooperation and Development, and other international bodies to insure that the responsible agency or agencies have assigned adequate resources and personnel to assure the successful achievement of U.S. interests.

Membership on the delegations of these international Conferences will be coordinated with the task force to insure that affected parties are represented on those delegations.

I expect this bill to provoke extensive debate, both here and in the international community. The Communications Subcommittee will be holding hearings in June to allow it to be the forum for that debate.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "International Telecommunications Deregulation Act of 1982".

TABLE OF CONTENTS

[To be supplied]

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) rapid advances in international telecommunications technologies are making possible increased competition among providers of international telecommunications services; and

(2) competition is a more efficient regulator than Government of the provision of diverse international telecommunications services and, as competition continues to develop, deregulation of international telecommunications carriers and services should occur.

TITLE I—GENERAL

PURPOSES—DERAL COMMUNICATIONS COMMISSION; INTERNATIONAL TELECOMMUNICATIONS

SEC. 101. The Communications Act of 1934, as amended (47 U.S.C. 151), is amended by inserting immediately after title V the following new title:

"TITLE VI—INTERNATIONAL TELECOMMUNICATIONS

"PURPOSES OF TITLE; FEDERAL COMMUNICATIONS COMMISSION

"SEC. 601. For the purpose of making available, so far as possible, to all the people of the United States, rapid and worldwide telecommunications services with adequate facilities at reasonable charges; for the purpose of encouraging competition in the provision of international telecommunications; for the purpose of promoting United States interests abroad; for the purpose of promoting the free flow of information; for the purpose of promoting a strong telecommunications industry responsive to national defense and security needs; for the purpose of encouraging continuing improvement in the use of technologies; for the purpose of promoting the technological leadership of United States telecommunications equipment and service suppliers; and for the purpose of promoting interstate and foreign commerce in telecommunications services, the Commission shall execute and enforce the provisions of this title.

"APPLICATION OF TITLE

"SEC. 602. The provisions of this title shall apply to, and the Commission shall exercise jurisdiction with respect to, international telecommunications, and all transmission of electromagnetic energy by radio, which originates or is received without the United States, and all persons engaged within the United States in such international telecommunications or such transmission of energy by radio.

"DEFINITIONS

"SEC. 603. For the purposes of this title, unless the context otherwise requires, the term—

"(1) 'Affiliate' means any organization or entity which does not provide regulated international telecommunications services (other than a fully separated affiliate) and which is under direct or indirect common ownership or control with another entity, or is owned or controlled by another entity. For the purposes of this paragraph, the terms 'ownership' and 'owned' mean a direct or indirect equity interest (or the equivalent thereof) of more than 50 percent of an entity.

"(2) 'Commission' means the Federal Communications Commission.

"(3) 'Construction permit' or 'permit for construction' means that instrument of authorization required by this title or the rules and regulations of the Commission made pursuant to this title for the construction of a station or the installation of apparatus for the transmission of energy, or communications, or signals by radio, by whatever name the instrument may be designated by the Commission.

"(4) 'Corporation' includes any corporation, joint-stock company, or association.

"(5) 'Dominant carrier' means any telecommunications carrier which is classified as a dominant carrier under section 607(c) of this title. Such term includes—

"(A) any person who owns or controls a dominant carrier to the extent that such entity provides international telecommunications service; and

"(B) any organization and entity (other than a fully separated affiliate) to the extent that such entity provides international telecommunications service.

"(6) 'Foreign telecommunications', 'foreign transmission', or 'international telecommunications service' means telecommunications or transmission from or to any place in the United States to or from a foreign country, or between a station in the United States and mobile station located outside the United States.

"(7) 'Foreign telecommunications carrier', 'foreign information supplier', 'enterprise', 'entity', or 'foreign person' means any telecommunications carrier or enterprise or information supplier or entity of which at least 20 percent of the capital stock or equivalent ownership is owned or controlled by a foreign person or a domestic person acting in behalf of a foreign person.

"(8) 'Information' means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or other symbols.

"(9) 'International telecommunications service' means the offering for hire of international telecommunications facilities, or of telecommunications by means of such facilities.

"(10) 'National Communications System' means a confederation of the telecommunications assets of the agencies and departments of the Federal Government.

"(11) 'Person' includes an individual, partnership, association, joint-stock company, trust, corporation, or any Government agency.

"(12) 'Equitable market access' or 'equitable terms and conditions' means those rights, terms, and conditions established for United States international telecommunications and information services or facilities in foreign markets that are reasonably equivalent to those established for foreign telecommunications and information services or facilities in United States markets. The term 'equitable access' includes rights of access to and establishment in foreign markets.

"(13) 'Regulated telecommunications service' or 'regulated service' means any international telecommunications service designated by the Commission pursuant to this Act and which the Commission determines shall be regulated pursuant to this Act, and any international telecommunications service or facilities not subject to effective competition as determined by the Commission pursuant to sections 607(c) and 624(b) of this title.

"(14) 'Resale' means the reoffering, with or without adding value, by any person for a profit of any international telecommunications service which has been obtained from a carrier.

"(15) 'Sharing' or 'shared use' means the collective use of telecommunications services or facilities with each user paying the telecommunications-related costs associated with subscription to and collective use of the telecommunications services or facilities according to its pro rata usage of such services or facilities.

"(16) 'State' means the several States of the United States and includes the District of Columbia and the territories and possessions of the United States.

"(17) 'Tariff' means a schedule governing any generally applicable charge, characteristic, regulation, or practice associated with a regulated international telecommunications service.

"(18) 'Telecommunications' means the transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information, by means of electromagnetic transmission, with or without benefit of any closed transmission medium, including all instrumentalities, facilities, apparatus, and services (including

the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission.

"(19) 'International telecommunications carrier' or 'carrier' means any person, including any government or independent government entity, which offers any international telecommunications service or facilities used by any person to provide telecommunications services. A person engaged in any nontelecommunications activities, in providing any information service or information software, in producing or marketing equipment, or a person engaged in broadcasting, or in providing any cable service, shall not, insofar as such person is so engaged, be deemed a carrier. The shared use of telecommunications equipment, facilities, or services among Government agencies, or the provision of telecommunications equipment facilities, or services by any Government agency to any other Government agency shall not be sufficient to deem such Government agencies to be a carrier.

"(20) 'Transmission of energy by radio', 'radio transmission of energy', or 'transmission of electromagnetic energy by radio' means the transmission of electromagnetic energy through space without benefit of a closed transmission medium and includes both such transmission and all instrumentalities, facilities, and services incidental to such transmission.

"(21) 'Transmission facilities' or 'telecommunications facilities' means equipment (including wire, cable, microwave, satellite, and fibre-optics) which transmit information by electromagnetic means or which directly support such transmission, but does not include customer-premises equipment.

"(22) 'United States' means the several States and territories, the District of Columbia, and the possessions of the United States.

"FINDINGS/TRANSITION PLAN

"SEC. 604. (a) The Congress hereby finds and declares that—

"(1) the basic goals of this Act continue to be valid, and it is in the public interest to continue efforts to attain these goals;

"(2) a technologically advanced and internationally competitive United States international telecommunications industry is vital to the economic welfare and national security and defense of the United States;

"(3) International telecommunications services which are not subject to effective competition may continue to be regulated by the Commission;

"(4) current and projected public, business, and governmental needs for additional international telecommunications and information services and equipment are highly diverse;

"(5) advances in technology can make possible new and diverse international telecommunications services and equipment previously unavailable to the public and can satisfy specialized consumer needs;

"(6) modern efficient telecommunications services are essential to interstate and foreign commerce;

"(7) decisions of the courts and the Commission have indicated a clear need for congressional guidance;

"(8) increased competition in the supply of telecommunications and information services and equipment and selective deregulation have already produced significant benefits for the telecommunications and information consumer; and

"(9) further competition and deregulation can result in increased benefits to the consumer and additional opportunity to exploit new technologies and should be explicitly encouraged through appropriate statutory policies and guidelines.

"(b) The Commission shall establish a plan to carry out the provisions of this title to foster marketplace competition and to implement deregulation no later than the dates specified therein (or where no date is specified at the earliest practicable date).

"STATEMENT OF POLICY

"SEC. 605. (a) It is the policy of the United States to rely wherever and whenever possible on marketplace competition and on the private sector to provide international telecommunications services, and thereby to reduce and eliminate unnecessary regulation including the regulation of telecommunications facilities used for the provision of international services. Marketplace competition will result in technological innovation, operating efficiencies, and availability of a wide variety of telecommunications technologies that are now or may become available in the future, and will promote the equitable and efficient use of such technologies to provide international telecommunications services. Where effective competition does not now exist, it is the policy of the United States to encourage the development of such competition, and pursuant to an appropriate transition in accordance with this title, to deregulate international telecommunications services while establishing appropriate safeguards to prevent anticompetitive practices, or adverse impact upon the national defense and security or emergency preparedness. Whenever the Commission finds it necessary to regulate international telecommunications services or facilities which are not subject to effective competition, such regulation shall be minimal. Unless the Commission in any particular case shall find otherwise, it shall be presumed that there are no basic technological, operational, or economic factors which would necessarily preclude the provision of any international telecommunications service under conditions of competition. Competition in the provision of telecommunications from foreign persons and their United States affiliates is welcome to the extent that United States persons are permitted equitable access to and the right of establishment in the home markets of those foreign persons who seek access to the United States market.

"(b) The Congress recognizes that the provision of international telecommunications services, and the planning, construction, and ownership of international telecommunications facilities, are necessarily joint undertakings between United States persons and representatives of numerous sovereign nations. Accordingly, the interests of those sovereign nations are to be considered in the implementation of United States policy.

"AUTHORITY OF THE COMMISSION

"SEC. 606. (a) The Commission shall exercise only so much of the powers conferred upon it under this title as is essential to the purposes of this title, and shall revise, reduce, or eliminate any rule or regulation prescribed pursuant to this title with respect to any international telecommunications service or any carrier operating in any market or geographic area as competition develops unless such revision, reduction, or elimination thereof may result in a significant adverse impact upon the national defense and security or emergency preparedness or upon the economic competitiveness and viability of United States suppliers of telecommunications equipment and telecommunications services relative to competing foreign suppliers and their United States affiliates.

"(b) The Commission shall have continuing authority over the provision of regulated international telecommunications services.

"(c) In addition to any other authority which the Commission may exercise under this title, the Commission shall have authority over any dominant carrier and its affiliates (other than any fully separated affiliate) for the purpose of—

"(1) dealing with anticompetitive practices between any fully separated affiliate and the dominant carrier or its affiliates; and

"(2) protecting users of international telecommunications services in connection with dealings between any dominant carrier and its affiliates and any fully separated affiliate.

"(d) Nothing in this title is intended to preclude management personnel of a dominant carrier from directing the operations of any dominant carrier, any affiliates, and any fully separated affiliates, except that costs of such direction shall be properly allocated to any dominant carrier, any affiliates, and any fully separated affiliate.

"(e) Consistent with the purposes of this title, the Commission shall not prevent or limit the use of any technology or improvement in the provision of international telecommunications services.

"(f) The Secretary of Commerce is authorized to collect information on the competitiveness of United States suppliers of telecommunications equipment and services, foreign direct investment in the domestic telecommunications industry, foreign laws and administrative controls on access of United States persons to foreign markets, the degree of equitable access to foreign markets by United States persons, the United States share of global markets, and such other information as the Secretary deems necessary, and shall report any findings to the Congress on a periodic basis.

"CLASSIFICATION OF CARRIERS AND SERVICES

"SEC. 607. (a) Not later than 30 days after the date of enactment of this title, the Commission shall identify, and cause to be published in the Federal Register, a list of those services which are fully subject to regulation by the Commission on the date of enactment of this title.

"(b)(1) The Commission may classify or reclassify as a regulated international telecommunications service any services or facilities where it determines after a hearing that—

"(A) such services or facilities are not subject to effective competition;

"(B) Federal regulation of such services is required to accomplish the purposes of this title; and

"(C) the benefits of such regulation outweigh the costs.

"(2) In making such a determination under paragraph (1) the Commission shall consider—

"(A) the number and size of unaffiliated providers of service or facilities;

"(B) the extent to which service or facilities are available from unaffiliated providers in the relevant geographic area or market;

"(C) the ability of such unaffiliated providers to make such service or facilities readily available at comparable rates, terms, and conditions;

"(D) whether the service or facilities are necessary to the Nation during a state of

public peril or disaster or other national emergency;

"(E) the extent to which United States carriers are accorded fair access to or interconnection in foreign markets in the provision of services or facilities; and

"(F) other indicators of the extent of competition.

"(c) The Commission shall, upon its own motion or upon petition, classify or reclassify as a dominant carrier any carrier which is dominant in the provision of regulated international telecommunications services in a substantial percentage of the total number of markets or submarkets for international telecommunications services and may classify as dominant any foreign telecommunications carrier, or carrier which is owned or controlled by a foreign government.

"(d) The Commission may, upon its own motion or upon petition, reclassify any dominant carrier as an unregulated carrier.

"TRANSITIONAL PROVISIONS OF CERTAIN FACILITIES AND SERVICES

"SEC. 607A. (a) Each international telecommunications service which is being provided on the date of the enactment of this title shall continue to be provided under tariff, on an unbundled basis, for a period of not less than 1 year from such date.

"(b) Not later than 1 year after the date of enactment of this title, the Commission shall determine, after an expedited hearing in which any interested party may join, which of the international telecommunications services described in subsection (a) must continue to be regulated pursuant to subsection 607(b)(1).

"(c)(1) Any international telecommunications service for which the Commission fails to make the determination specified in section 607(b) shall be deregulated.

"(2) Upon its own motion, or upon petition, the Commission shall review at least once every 2 years any determination that any international telecommunications service is to be regulated pursuant to section 607(b). Upon making a determination that a service is subject to effective competition, the Commission shall deregulate such service.

"RESALE OF TELECOMMUNICATIONS SERVICES

"SEC. 608. (a) Except as otherwise provided in this title, the Commission shall not regulate or prohibit the resale or shared use of any international telecommunications service except that the Commission may regulate or restrict the resale of any regulated telecommunications service by a foreign entity to the extent that such resale services offered by United States telecommunications persons are regulated or restricted in the home country of such entity and such regulation or restriction does not provide equitable opportunities for United States persons to participate in the resale market.

"(b) No carrier may establish or enforce any restrictions on the resale or other use of any regulated service provided by such carrier.

"PRESCRIPTION OF CARRIER REQUIREMENTS

"SEC. 609. (a) Consistent with the purposes of this title and the policy of this title, the Commission may—

"(1) prescribe different requirements for different carriers, or

"(2) exempt any person in whole or in part, from the requirements of this title,

if it finds that such different requirement or exemption is consistent with the purposes of this title.

"(b) The Commission shall not have the authority, with respect to carriers (including any fully separated affiliate of a dominant carrier), to impose any requirements which are not specifically provided in this title.

"(c) Any carrier, any officer, representative, or agent of a carrier, or any receiver, trustee, lessee, or agent of either of them, who knowingly fails or neglects to obey any order made under the provisions of this title shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $25,000 for each offense. Every distinct violation shall be a separate offense, and in the case of a continuing violation each day shall be deemed a separate offense.

"INTERCONNECTION

"SEC. 610. (a) In addition to that interconnection required under section 622(a), every telecommunications carrier—

"(1) shall, if a reasonable request is made, establish interconnection of its regulated service—

"(A) with any telecommunications carrier;

"(B) with any telecommunications facility or private telecommunications system; and

"(C) with any customer premise equipment which is owned or leased by a customer of such carrier and which meets such standards as the Commission may establish under this Act;

"(2) may not discriminate in an unreasonable or anticompetitive manner with respect to the charges, terms, and conditions for interconnection of its regulated service; and

"(3) such charges, terms or conditions for interconnection shall be based upon the costs of the regulated service or facilities.

"(b) The Commission shall have authority—

"(1) to specify or to approve the manner, rates, terms, and conditions for the provision by any carrier of regulated international telecommunications services or facilities to other carriers or customers of such carrier;

"(2) to specify or to approve the manner, rates, terms, and conditions of interconnection between the regulated international telecommunications services and facilities of a carrier and—

"(A) any international telecommunications facility or any private international telecommunications system which meets such uniform, minimum, and technical standards as the Commission may establish by rule; and

"(B) any customer-premises equipment which is owned or leased by a customer of such carrier and which meets such standards as the Commission may establish; and

"(3) to prohibit discrimination by carriers in the provision of regulated international telecommunications services.

"(c) Any person who violates any provision of this section or any rule or order promulgated thereunder shall be liable to the United States for an amount not to exceed $250,000.

"PROVISION OF REGULATED SERVICES BY TELECOMMUNICATIONS CARRIERS

"SEC. 611. (a) It shall be the duty of every carrier providing regulated international telecommunications service to furnish such service upon reasonable request therefor; and, in accordance with the orders of the Commission, in cases where the Commission, after opportunity for hearing, finds such action necessary or desirable in the public interest, to establish through routes and charges applicable thereto and the divisions of such charges, and to establish and provide facilities and regulations for operating such through routes.

"(b) Telecommunications carriers engaged in providing regulated international telecommunications service shall establish just, reasonable, and nondiscriminatory tariffs for and in connection with such service, and any such tariff that is unjust or unreasonable, or that results in any unjust or unreasonable discrimination, preference, or advantage with respect to any person (including any fully separated affiliate), class of persons, or locality for or in connection with like international telecommunications services is hereby declared to be unlawful.

"INFORMATION ON TELECOMMUNICATIONS CHARGES AND PRACTICES

"SEC. 612. (a) Within such reasonable time as the Commission shall prescribe, every carrier shall file with the Commission, publish, and make available for public inspection tariffs for regulated international telecommunications services and showing the practices and regulations affecting such charges. Such tariffs shall contain such other information, and be kept open for public inspection in such places, as the Commission may by regulation require. Each such schedule shall give notice of its effective date, and each such carrier shall furnish such tariffs to each of its interconnecting carriers.

"(b)(1) Unless otherwise provided by or under authority of this Act, no carrier shall engage or participate in regulated international telecommunications services unless tariffs have been filed and published in accordance with the provisions of this title and with the regulations made thereunder.

"(2) No carrier shall—

"(A) charge, demand, collect, or receive a greater, lesser, or different compensation for any regulated international telecommunications service or for any service in connection therewith than the charges specified in the tariff then in effect;

"(B) refund or remit by any means or device any portion of the charges so specified; or

"(C) extend to any person any privileges or facilities, or employ or enforce any regulations or practices affecting such charges, except as specified in such tariff.

"TARIFFS

"SEC. 613. (a) Each carrier providing a regulated international telecommunications service shall file a new or revised tariff for such service pursuant to this section.

"(b) Subject to the provisions of subsection (c) of this section, tariffs filed pursuant to this section, including a revised tariff, shall take effect on the effective date specified in such filing, unless the Commission for good cause shall specify, by rule or order in any particular case, a longer period not to exceed 30 days.

"(c) The Commission shall give public notice of the filing of such new or revised tariff within 15 days of such filing. Any party in interest may file with the Commission, within such reasonable time as the Commission shall specify, but in no event later than 30 days from the date of such notice, a petition for hearing concerning the lawfulness of such tariff, which petition shall set forth specific allegations of fact sufficient to show that the petitioner is a party in interest and that the tariff constitutes a prima facie violation of the provisions of this title. The petitioner shall serve

a copy of such petition upon such carrier, which carrier shall have the opportunity to reply within a reasonable period of time as specified by the Commission. Not later than 30 days from the time for filing such reply, the Commission, on the basis of the tariff and pleadings filed or on the basis of other information within the knowledge of the Commission, shall either grant or deny such petition. Whenever the Commission shall grant such a petition it shall hold a hearing concerning those issues raised in the petition which the Commission determines are substantial and material questions relating to such violation. Upon completion of such hearing, the Commission shall either accept, accept with conditions, or reject such tariff, and shall make findings of fact and conclusions of law with respect to the allegations set forth in the petition.

"COPIES OF CONTRACTS TO BE FILED

"SEC. 614. (a) All contracts, agreements, or arrangements related to any regulated international telecommunications service shall be filed with the Commission.

"(b) The Commission shall have authority to require the filing of any other contracts, agreements, or arrangements of any carrier providing a regulated international telecommunications service and shall have authority to exempt any such carrier from submitting copies of contracts, agreements, or arrangements as the Commission may determine.

"(c) The Commission shall have authority to vacate or modify any contract, agreement, or arrangement related to any regulated international telecommunications service filed with the Commission under this section, if the Commission determines that such contract, agreement, or arrangement is not consistent with the purposes of this title, or such contract, agreement, or arrangement unjustly or unreasonably discriminates against any carrier.

"VALUATION OF CARRIER PROPERTY

"SEC. 615. (a) After opportunity for hearing, the Commission, where necessary for the proper administration of this title, may make an evaluation, as of such date as the Commission may designate, of all or of any part of the property owned or used by any carrier for the provision of any regulated international telecommunications service.

"(b) The Commission may at any time require any such carrier to file with the Commission an inventory of all or of any part of the property owned or used by said carrier, which inventory shall show the units of said property classified in such detail, and in such manner, as the Commission shall direct, and shall show the estimated cost of reproduction new of said units, and their reproduction cost new less depreciation, as of such date as the Commission may direct; and such carrier shall file such inventory within such reasonable time as the Commission by order shall require.

"(c) The Commission may at any time require any carrier offering a regulated international telecommunications service under this Act to file with the Commission a statement showing the original cost at the time of dedication to telecommunication use of all or of any part of the property owned or used by such carrier. For the showing of such original cost said property shall be classified, and the original cost shall be defined, in such manner as the Commission may prescribe; and if any part of such cost cannot be determined from accounting or other records, the portion of the property for which such cost cannot be determined shall be reported to the Commission; and, if the Commission shall so direct, the original cost thereof shall be estimated in such manner as the Commission may prescribe. If the carrier owning the property at the time such original cost is reported shall have paid more or less than the original cost to acquire the same, the amount of such cost of acquisition, and any facts which the Commission may require in connection therewith, shall be reported with such original cost. The report made by a carrier under this subsection shall show the source or sources from which the original cost reported was obtained, and such other information as to the manner in which the report was prepared, as the Commission shall require.

"(d) The Commission shall keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of carriers used in the provision of regulated international telecommunications services, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of carrier properties.

"(e) For the purpose of enabling the Commission to make a valuation of any of the property of any such carrier, or to find the original cost of such property, or to find any other facts concerning the same which are required for use by the Commission, it shall be the duty of each such carrier to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda whenever and wherever requested by any such duly authorized agent, and to cooperate with and aid the Commission in the work of making any such valuation or finding in such manner and to such extent as the Commission may require and direct, and all rules and regulations made by the Commission for the purpose of administering this section shall have the full force and effect of law. Unless otherwise ordered by the Commission, with the reasons therefor, the records and data of the Commission shall be open to the inspection and examination of the public. The Commission, in making any such valuation, shall be free to adopt any method of valuation which shall be lawful.

"NOTICE AND APPROVAL OF FACILITIES CONSTRUCTION, ACQUISITION, OR OPERATION

"SEC. 616. (a) Subject to subsection (b), upon notification to the Commission, any person may—

"(1) undertake the construction of any new international transmission facilities or of any extension thereof;

"(2) acquire or operate any such facility or extension thereof; or

"(3) engage in international telecommunications over or by means of such new facility or extension.

"(b)(1) The Commission may, by rule or order, require a dominant carrier to obtain from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, extension, acquisition, operation, or use of any new or extended international telecommunications transmission facility, other than switching facilities.

"(2) Nothing in this section shall be construed to permit the Commission to require a certificate or other authorization from the Commission for any installation, replacement, or other changes in plant, operation, or equipment, other than new construction, which will not impair the adequacy or quality of service provided.

"(3) The Commission may, upon application, authorize in whole or in part a long-term facilities construction plan for a dominant carrier. Upon authorization of such plan such carrier may not be required to obtain separate certification under paragraph (1) of this subsection for each element of such plan. The Commission may condition any authorization upon appropriate safeguards and submission to the Commission of periodic reports in such form and containing such information as the Commission may require in order to monitor the implementation and operation of such plan.

"(4) The Commission may by rule or order require that a carrier providing a regulated international telecommunications service may not discontinue, reduce, or impair regulated international telecommunications service to a community or part of a community unless it obtains from the Commission a certificate that the present or future public convenience will be served by the discontinuance, reduction, or impairment of regulated international telecommunications services.

"(c) Upon receipt of any notification or application under the provisions of subsections (a) and (b), the Commission shall cause notice thereof to be given to the Secretary of Defense, the Secretary of State (with respect to notifications or applications involving service to foreign points), and the Secretary of Commerce.

"(d) The Commission shall have the power to issue a certificate for the facilities or plan for which application was made; to refuse to issue a certificate; to issue a certificate for a portion or portions of a facility or plan, or extension thereof, or discontinuance, reduction, or impairment of service, described in the application. The Commission may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. After issuance of such certificate a carrier may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with the construction, extension, acquisition, operation, or discontinuance, reduction, or impairment of service authorized thereby. Any construction, extension, acquisition, operation, discontinuance, reduction, or impairment of service contrary to the provisions of this section may be enjoined by any court of competent jurisdiction.

"(e) The Commission may, upon appropriate request, authorize temporary or emergency augmentation of facilities or services or discontinuance, reduction, or impairment of facilities or services without regard to the provisions of this section.

"(f)(1) Any dominant carrier, and any other carrier, if the Commission shall so order, shall maintain and file with the Commission a description of the operational protocols and technical interface requirements for connection with or use of any regulated international telecommunications services, and report regularly to the Commission—

"(A) any material change relating to such protocols, or interface requirements which has been adopted or implemented, or which

is required by the specific design or development of any service, facility, or equipment including any information or technical requirements relating to the capacity of services, facilities, or equipment to function effectively and efficiently if connected to any regulated international telecommunications service or facility furnished by a dominant carrier;

"(B) summaries of construction programs or activities intended to maintain, extend, or expand the regulated international telecommunications services or facilities if such information affects the interconnection of service offerings of competing carriers or persons seeking interconnection with such services or facilities of such carrier; and

"(C) such additional information relating to any regulated international telecommunications services, the disclosure of which the Commission determines to be necessary on its own initiative or in response to a petition submitted by any interested person.

"(2) In any case in which a submission to the Commission is required under paragraph (1), any person may obtain the information which is the subject of such submission upon reasonable request and payment of reasonable copying and processing fees, unless the Commission after consultation with the Secretary of State, the Secretary of Defense, and the Secretary of Commerce, determines that the furnishing of such information would be detrimental to the national defense and security or to the emergency preparedness of the Nation or the technological or economic competitiveness of the United States telecommunications industry or is otherwise inconsistent with this title. In the case where one or more of the Secretaries cited above object to the public release of such information, the Commission may not make such material available without the approval of the President. In any case where the public release of such information is withheld (whether because of a determination of the Commission or because the Commission has not received the approval of the President), each Secretary cited above who has advised against or objected to the release of such information shall provide the appropriate committees of the Congress with the reasons for the advice or objection not later than 10 days after the advice has been given to the Commission or the objection has been filed with the Commission.

"(3) The Commission shall prescribe procedures to implement this subsection not later than 180 days after the date of enactment of this title.

"(g) Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of subsection (e) (relating to the extension of facilities) shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $2,500 for each day during which such refusal or neglect continues.

"INTERNATIONAL TELECOMMUNICATIONS FACILITIES

"SEC. 617. (a)(1) The Commission may prescribe appropriate procedures to assess United States carriers' proposals for the construction and utilization of international telecommunications facilities.

"(2) In assessing United States carriers' proposals, the Commission shall in consultation with affected United States carriers, including persons seeking to participate in ownership and operation of international telecommunications facilities, and appropriate Federal agencies develop guidelines to aid the planning process consistent with the purposes of this title.

"(b) At any time during the development of such guidelines or during the planning process, the Commission or any Commissioners may meet to exchange information with representatives of foreign telecommunications entities responsible for facilities planning in their home countries, except that—

"(1) proper notice shall be given to all interested parties prior to any such meeting and such parties shall be given an opportunity to comment on the subjects to be discussed;

"(2) to the maximum extent feasible any meetings with such representatives shall be public, and a report of such proceedings shall be made part of the public record; and

"(3) any data the Commission obtained during such meetings and used by the Commission in developing any plan must be disclosed. In any such decision, the Commission must explain the manner in which such data was used.

"(c) Nothing in this section shall be construed to exempt any carrier from the antitrust laws.

"REPORTS BY CARRIERS; CONTENTS AND REQUIREMENTS GENERALLY

"SEC. 618. (a) The Commission is authorized to require annual reports from all carriers providing services subject to this title, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. The Commission shall require only such reports as are necessary to perform its duties under this title.

"(b) Such reports shall be for a twelve-month period as the Commission shall designate and shall be filed with the Commission at its office in Washington, District of Columbia, within three months after the close of the year for which the report is made, unless additional time is granted in any case by the Commission; and if any person subject to the provisions of this section shall fail to make and file said annual reports within the time above specified, or within the time extended by the Commission, for making and filing the same, or shall fail to make a specific answer to any question authorized by the provisions of this section within thirty days from the time it is lawfully required so to do, such person shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $2,500 for each and every day it shall continue to be in default with respect thereto. The Commission may by general or special orders require any such carriers to file monthly reports of earnings and expenses and to file periodical or special reports concerning any matters with respect to which the Commission is authorized or required by law to act. If any such carrier shall fail to make and file any such periodical or special report within the time fixed by the Commission, it shall be subject to the forfeitures above provided.

"RECORDS AND ACCOUNTS

"SEC. 619. (a)(1) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers in their provision of regulated international telecommunications services subject to this title, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys.

"(2) Not later than the first anniversary of the date of enactment of this title, the Commission shall prescribe, and within the period prescribed by the Commission all carriers providing regulated international telecommunications services shall comply with, guidelines of general applicability relating to accounts, records, and memoranda which shall be designed at a minimum to accomplish a complete and proper allocation of all revenues and costs, including joint and common costs, costs incurred by affiliates other than fully separated affiliates, and any costs incurred before such date of enactment between regulated equipment and services and unregulated equipment and services. The Commission may require any carrier offering regulated international telecommunications services to establish and maintain such other separate accounts and supporting records and memoranda as the Commission determines necessary to carry out the purposes of this title.

"(b)(1) The Commission shall establish and prescribe—

"(A) the classes of property used by any carrier for the provision of regulated international telecommunications services which are subject to the regulatory authority of the Commission under this title; and

"(B) the methods by which investments in such classes of property may be recovered.

"(2) The methods specified in paragraph (1)(B) may include capital recovery schedules or percentage depreciation schedules. Such methods shall—

"(A) provide for the full recovery of any unrecovered amount of invested capital not later than the end of the remaining life of the property involved;

"(B) permit capital recovery and depreciation at rates comparable to those used by unregulated entities providing competitive services;

"(C) permit not more than the full amount of invested capital to be recovered;

"(D) for property used by a carrier in providing regulated international telecommunications services, include, as an allowable operating expense for ratemaking purposes, depreciation computed under any accelerated methods selected by such regulated carrier which are consistent with the capital recovery schedules or percentage depreciation schedules established and prescribed by the Commission, except that (i) the initial selection shall apply only to property placed in service on or after the first day of the first calendar year which begins after the date of the enactment of the International Telecommunications Deregulation Act of 1982; and (ii) any subsequent changes in such selection shall apply only to property placed in service on or after the date of such selection unless the carrier obtains the permission of the Commission to change such selection as to any other property; and

"(E) for property already in service on the first day of the first calendar year which begins after the date of the enactment of this title, include as an allowable operating expense for ratemaking purposes such amounts as may be necessary to recover all embedded invested capital through the use of the remaining life method of capital recovery or some other reasonable method approved by the Commission.

"(3) Any determination of the remaining life of property under paragraph (2) shall take into consideration competition, changes in technology, and remaining economic life.

"(c) The Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers, and the provisions of this section respecting the preservation and destruction of books, papers, and documents shall apply thereto. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry and the Commission may suspend a charge or credit pending submission of proof by such person. Any provision of law prohibiting the disclosure of the contents of messages or communications shall not be deemed to prohibit the disclosure of any matter in accordance with the provisions of this section.

"(d) In case of failure or refusal on the part of any such carrier to keep such accounts, records, and memoranda on the books and in the manner prescribed by the Commission, or to submit such accounts, records, memoranda, documents, papers, and correspondence as are kept to the inspection of the Commission or any of its authorized agents, such carrier shall forfeit to the United States an amount assessed by the Commission in accordance with the procedure established in paragraph (2) and paragraph (3)(A) of section 503(b), which shall not exceed $100,000 for each day of the continuance of each such offense.

"(e) Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions pertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than $10,000 nor more than $100,000 or imprisonment for a term of not less than one year nor more than three years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.

"(f) No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

"(g) After the Commission has prescribed the forms and manner of keeping of accounts, records, and memoranda to be kept by any person as herein provided, it shall be unlawful for such person to keep any other accounts, records, or memoranda than those so prescribed or such as may be approved by the Commission or to keep the accounts in any other manner than that prescribed or approved by the Commission. Notice of alterations by the Commission in the required manner or form of keeping accounts shall be given to such persons by the Commission at least six months before the same are to take effect. The Commission shall have due regard to the different sizes of carriers in prescribing forms or guidelines under this section.

"(h) The Commission may prescribe different requirements under this section for different carriers if it deems such action consistent with the public interest.

"FULLY SEPARATED AFFILIATE

"SEC. 620. (a) A fully separated affiliate of a dominant carrier shall—

"(1) have no more than one member of its governing board who is a member of the governing board or officer or employee of such dominant carrier or any other affiliate of such dominant carrier;

"(2) have no officers or employees in common with any such dominant carrier or any other affiliate of such dominant carrier;

"(3) have not less than five individuals serving on its governing board of which not more than 50 percent of whom are employees or officers of the fully separated affiliate which percentage shall also include any individual specified in subsection (a)(1); and

"(4) maintain books, records, and accounts separate from any such dominant carrier or any affiliate of such dominant carrier which identify all transactions with such dominant carrier or any affiliate of such dominant carrier and prepare financial statements which are in compliance with Federal financial reporting requirements (including filing such annual reports as may be required by the Securities and Exchange Commission, if the fully separated affiliate were a publicly held corporation) for publicly held corporations and file such statements with the Commission and make such statements available for public inspection.

"(b)(1) A fully separated affiliate may conduct business with respect to the transfer of goods, services, and facilities with its dominant carrier: *Provided*, That such business is conducted on a fully auditable and compensatory basis.

"(2) The conduct of business between a dominant carrier and a fully separated affiliate shall be pursuant to contract and shall be reported to the Commission under such rules as the Commission determines necessary. The Commission shall make such contracts, or portions of contracts, available for public inspection to the extent necessary to ensure proper enforcement of this section.

"(c) The conduct of business by any dominant carrier or any affiliate of the dominant carrier with any fully separated affiliate shall be carried out in the same manner as such business is conducted between such carrier or affiliate and any nonaffiliate. The conduct of business between a dominant carrier or any affiliate of the dominant carrier and any fully separated affiliate shall not be based upon, or include, any preference or discrimination arising out of affiliation.

"(d) Not later than 45 days after the date of enactment of this title, the Commission shall establish procedures for the expeditious consideration of petitions filed under this section. Such regulations shall provide that final action on any such petition shall be taken by the Commission not later than 180 days after filing.

"(e) The provisions of subsections (b) and (c) shall not apply to the provision of telecommunications facilities, services, or customer-premises equipment during times of public peril, disaster, or national emergency.

"(f) The Commission may request information from the dominant carrier or any of its affiliates, or the fully separated affiliate regarding the conduct of business between the fully separated affiliate and the dominant carrier or any affiliate in order to properly enforce the provisions of this section.

"(g) All administrative or other general expenses provided by the dominant carrier on behalf of any affiliate or fully separated affiliate shall be provided only on a fully auditable and compensatory basis, and each affiliate and fully separated affiliate shall reimburse a dominant carrier for a pro rata share of the common administrative and general expenses of such carrier.

"(h) Any person (other than an individual) who violates any provision of this section or any rule, regulation, or order promulgated thereunder shall be fined not more than $1,000,000 for each such violation.

"(i) Nothing in this section shall be construed to permit cross-subsidization or any other anticompetitive conduct by a dominant carrier.

"ARRANGEMENTS RELATING TO THE TRANSITION TO FULL SEPARATION

"SEC. 621. (a) The provisions of this section and section 620 shall apply in any case in which a dominant carrier and its affiliates engage in the provision of unregulated international telecommunications facilities and services. Nothing in this section shall prohibit or otherwise restrict any dominant carrier, affiliate, or fully separated affiliate from exercising its independent, prudent business judgment in connection with business conducted with nonaffiliates.

"(b) A dominant carrier shall submit a plan to demonstrate that the dominant carrier and any affiliate have an accounting system which ensures a complete separation between the provision of regulated and unregulated services.

"(c) The provisions of this section shall not apply to the provision of telecommunications facilities, services, or customer-premises equipment during times of public peril, disaster, or national emergency.

"PROTECTION AND RESTORATION OF ESSENTIAL TELECOMMUNICATIONS

"SEC. 622. (a) The President shall have authority to require appropriate Federal departments and agencies, and any telecommunications carrier subject to the provisions of this title, to develop and establish arrangements for such mutual backup, restoration, and interconnection of international telecommunications facilities or services as may be necessary to avert public peril or disaster or to ensure the continuity of telecommunications essential to the national defense and security and the prompt restoration of any such telecommunications which may be interrupted by the failure or disruption of the facilities of any one or more such carriers.

"(b) The President shall have authority to require any carrier subject to the provisions of this title or fully separated affiliate to furnish international telecommunications services or facilities or customer-premises equipment to any Federal agency if the President determines that—

"(1) the provision of such services or facilities or customer-premises equipment is necessary and appropriate to promote the national defense and security or the emergency preparedness of the Nation; and

"(2)(A) there is a threat of war with a foreign nation, the Nation is at war with a for-

eign nation, or there exists a state of public peril or disaster or other national emergency; or

"(B) in order to provide for the national defense or security or the emergency preparedness of the Nation, there is an immediate need for such services and facilities or customer-premises equipment, and such need cannot be met through reliance upon any other source of supply.

"(c) The President shall coordinate any Government program for enhancing the survivability of facilities used to provide international communications and protection against unauthorized interception of international telecommunications traffic, insuring, where appropriate, the availability of such programs to all telecommunications carriers willing and able to participate in such programs.

"(d) The Chairman of the Commission shall designate one of the Commissioners to serve as the 'National Security-Emergency Preparedness Commissioner' who shall be the Commission's representative to the President regarding national defense and security and emergency preparedness matters.

"(e) The President shall appoint an advisory council of not to exceed 15 members to examine the structure, policy, and needs of Federal telecommunications management for national security and emergency preparedness under deregulation and to ensure that the United States shall have a technologically advanced and economically viable telecommunications industry for the purposes of the national defense and economic advancement.

"CUSTOMER-PREMISES EQUIPMENT

"SEC. 623. (a) Except as provided in this title, neither the Commission nor any State shall regulate the production, marketing, or other provision of customer-premises equipment used for international telecommunications services.

"(b)(1) The Commission may establish and enforce such minimum uniform technical standards for customer-premises equipment used for international telecommunications purposes as are necessary to prevent technical or operational harm to carrier facilities and to promote national defense and emergency preparedness of the Nation.

"(2) The Commission may establish requirements relating to labeling of customer-premises equipment used for international telecommunications services to indicate the country of origin and to provide such other consumer information as the Commission determines will be of significant interest.

"(3) The Commission may establish model technical standards for customer-premises equipment that would provide internal means for effective and beneficial coupling to hearing aids. Such standards shall not be binding upon any carrier or manufacturer of customer-premises equipment.

"(4) The Commission is authorized to deny certification of any customer-premises equipment of which more than one-half of the value added was manufactured in a country or countries which are determined in accordance with section 624 to be a country or countries which do not extend equitable market access to United States telecommunications equipment manufacturers. Such denial of certification shall not include customer-premises equipment from foreign countries which are in the process of extending equitable market access to United States telecommunications equipment manufacturers or are engaged in substantive negotiations to extend such access.

"EQUITABLE MARKET ACCESS

"SEC. 624. (a) For the purpose of ensuring fair and equitable treatment of United States telecommunications enterprises seeking access to foreign markets, the Commission shall have authority to conduct inquiries and establish policies, rules, regulations, and requirements applicable to the entry of foreign carriers or foreign persons supplying telecommunications or information services or facilities into domestic United States telecommunications markets upon terms and conditions which are comparable to the terms and conditions under which United States persons are permitted entry into—

"(1) the foreign nation in which the operations of such foreign persons offering telecommunications or information services or facilities is based; and

"(2) the foreign nation under the laws of which such foreign telecommunications or information services or facilities are established.

No other provision of this Act shall be construed to limit or otherwise restrict the authority of the Commission established in this section.

"(b) The Commission shall adopt such rules, regulations, policies, requirements, and procedures, and may impose such restrictions upon foreign persons supplying telecommunications or information services or facilities as it determines to be necessary or appropriate to carry out the provisions of this subsection and to carry out its determinations under this subsection. Prior to exercise of any powers granted under this subsection, the Commission shall consult and coordinate with the International Task Force on Telecommunications and Information, established pursuant to title II of this Act, to assess the probable impact of any proposed exercise of such powers upon United States commercial and governmental interests, foreign policy, and international comity. The Commission may solicit the views of any private United States entities likely to be affected by such a proposed implementation of powers.

"APPLICABILITY OF TITLE

"SEC. 625. The provisions of this title shall be applicable only to telecommunications services which are designed to originate or terminate outside the United States. Except to the extent otherwise provided in this title and by the International Telecommunications Deregulation Act of 1982, the provisions of the Communications Act of 1934 which, immediately prior to the date of the enactment of the International Telecommunications Deregulation Act of 1982, were applicable to telecommunications services which are designed to originate or terminate outside the United States, including facilities used in connection therewith, shall continue to be applicable to such services and facilities.".

TITLE II—INTERNATIONAL TELECOMMUNICATIONS

SHORT TITLE

SEC. 201. This title may be cited as the "International Telecommunications and Information Coordination Act of 1982".

FINDINGS AND PURPOSE

SEC. 202. (a) The Congress finds that—

(1) the United States telecommunications and information industries make an important contribution to international commerce and are vital to the economy of the United States;

(2) although many governments of the world have recognized the strategic importance of their telecommunications and information industries and have developed policies to promote those industries, the United States has no coordinated international telecommunications and information policies;

(3) the authority and responsibility to develop such policies is divided among Federal agencies on a conflicting and often confusing basis; and

(4) the United States must have an effective mechanism for the development of telecommunications and information policies. The mechanism must coordinate within the Federal Government and between the Federal Government and the private sector.

(b) The Congress declares that it is the policy of the United States—

(1) to maintain and promote a viable, strong, and technologically competitive telecommunications industry;

(2) to encourage and assist the open and fair provision of telecommunications and information goods and services in international commerce;

(3) to ensure the preservation and enhancement of the principles of the free flow of telecommunications services and information throughout the world;

(4) to ensure the equitable treatment of United States and foreign enterprises in all international markets of telecommunications and information goods and services; and

(5) to ensure the effective coordination and representation of United States interests in international forums.

ESTABLISHMENT OF THE TASK FORCE

SEC. 203. (a) There is established in the executive branch an International Telecommunications and Information Task Force (hereinafter in this title referred to as the "Task Force"). The Task Force shall be the principal coordinating body for the development of United States telecommunications and information policies.

(b) The membership of the Task Force shall consist of—

(1) the Secretary of Commerce, the Secretary of State, the Secretary of Defense, the Attorney General, the United States Trade Representative, the Chairman of the Federal Communications Commission, the Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs, and the Director of the International Communications Agency; and

(2) the members of the Task Force designated in paragraph (1) may appoint a representative to serve in their place. The representative shall be an official of a rank no lower than that of Assistant Secretary or its statutory equivalent. In the case of the Federal Communications Commission, the Chairman may designate another Commissioner and the Director of the International Communications Agency may designate the Deputy Director of that agency. In the event that the Secretary of Commerce designates a representative, it shall be the Assistant for Communications and Information.

(c) The Chairman of the Task Force shall be the Secretary of Commerce and the Vice Chairman shall be the Secretary of State.

(d) Whenever the Task Force considers matters that affect the interests of Federal agencies not represented on the Task Force, the Chairman may invite the heads of such agencies to designate representatives to participate in the relevant deliberations of the Task Force.

(e) Members of the Task Force shall serve without additional compensation, but shall be reimbursed for actual and necessary expenses, including travel expenses, incurred by them in carrying out the duties of the Task Force.

(f) The Task Force shall terminate upon the expiration of the 36-month period following the date of the enactment of this title, except that the President may, at any time during the 6-month period preceding the expiration of the term of authority of the Task Force, extend the existence of the Task Force for a period of not more than 3 years. Any extension shall be made by Executive order. If the President chooses not to extend the Task Force, he shall, by Executive order, assign the responsibilities and authorities of the Task Force to one department or agency.

POWERS OF THE TASK FORCE

SEC. 204. (a) The Task Force shall develop consistent and comprehensive United States international telecommunications and information policies and shall advise the President with respect to those policies. In order to avoid duplicative and conflicting policies among Federal agencies, and to assure the greatest possible cooperation among such agencies, the Task Force shall—

(1) coordinate the policies of all Federal agencies involving international telecommunications and information;

(2) review all significant policy determinations of Federal agencies, and all proposed statements of United States policy by such agencies, relating to international telecommunications and information, and approve, disapprove, or modify any such policy, determination, or proposed statement where necessary;

(3) conduct a comprehensive study of the long range telecommunications and information goals of the United States, the specific telecommunications and information policies necessary to promote those goals and the strategies that will ensure that the United States achieves them; and

(4) conduct a review of the structures, procedures, and mechanisms which are utilized by the United States to develop telecommunications and information policy.

The Task Force shall make recommendations to appropriate Federal agencies in accordance with the findings of this review. Those recommendations shall also be provided to the President and the appropriate Committees of the Congress.

(b) The provisions of subsection (a)(2) shall not apply to any action or determination of an independent regulatory agency made pursuant to the rulemaking or adjudicatory procedures set forth in section 553, 554, 556, or 557 of title 5, United States Code, or pursuant to comparable statutory rulemaking or adjudicatory procedures.

(c) The Task Force shall make recommendations and reports to the President and the Congress on a regular basis.

TRANSFER OF FUNCTIONS

SEC. 205. (a) All functions vested in the Secretary of State by section 5-201 of Executive Order 12046 of March 27, 1978, to the extent that they relate to the determination of policies and positions, are transferred to the Task Force.

(b) All functions vested in the Secretary of Commerce by section 2-404 of Executive Order 12046 of March 27, 1978, to the extent that they relate to the determination and coordination of plans and policies, and, to the extent its provisions relate to international telecommunications and information, by section 2-501 of Executive Order 12046 of March 27, 1978, are transferred to the Task Force.

(c) All functions vested in the Director of the International Communications Agency by section 6 of Executive Order 12048 of March 27, 1978, to the extent that its provisions relate to responsibility for advising the President, are transferred to the Task Force.

ADMINISTRATIVE POWERS

SEC. 206. (a) For the purpose of carrying out its functions under this Act, the Task Force may—

(1) utilize those services, personnel, and facilities of the Department of State, the Department of Commerce, the International Communications Agency, and the United States Trade Representative, that are used for international telecommunications and information activities;

(2) utilize, with their consent, the services, personnel, and facilities of any other Federal agency; and

(3) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

(b) The Secretary of Commerce and the Secretary of State shall designate such employees as are necessary to serve as staff to the Task Force. The Secretary of Commerce shall designate a director for the staff of the Task Force.

ADVISORY COMMITTEE

SEC. 207. (a) The Task Force shall establish an Advisory Committee on International Telecommunications and Information (hereinafter in this title referred to as the "Committee") to provide overall policy guidance to the Task Force with respect to the functions of the Task Force. The Committee shall be composed of not more than thirty individuals and shall include representatives of labor, manufacturers of telecommunications, information, data processing equipment, other affected manufacturers, providers of telecommunications, information, and data processing services, other affected service industries, financial institutions, journalists, broadcasters, consumer interests, the legal profession, users of telecommunications services and equipment, and small business.

(b) The members of the Committee shall designate a Chairman and a Vice Chairman, who shall preside at meetings in the absence of the Chairman.

(c) The Committee shall meet at the call of the Chairman to provide policy advice, technical advice and information, and advice on other factors relevant to the activities of the Task Force. A meeting of the Committee shall be held at least once each calendar quarter.

(d) The Task Force shall, before approving under this Act any statement of new United States policy relating to international telecommunications and information, consult with the Committee for the purpose of obtaining the views of the Committee on the effect of the proposed submission on the social and economic interests of the United States.

(e) The Task Force shall make available to the Committee such staff, information, personnel, and administrative services and assistance as may reasonably be required to carry out the activities of the Committee.

(f) The Task Force shall adopt procedures for consulting with and obtaining information and advice from the Committee on a continuing and timely basis. Such consultation shall include the provision of information to the Committee as to (1) significant issues and developments, and (2) overall objectives and positions of the United States with respect to the development of telecommunications and information policies. The Task Force shall not be bound by the advice or recommendations of the Committee but the Task Force shall inform the Committee of failures to accept such advice or recommendations. The Task Force shall submit an annual report to the appropriate committees of the Congress on consultations with the Committee, issues involved in such consultations, and the reasons for not accepting any advice or recommendations of the Committee.

TITLE III—MISCELLANEOUS

TRANSITION OF COMMISSION AUTHORITY

SEC. 301. All orders, determinations, rules, regulations, permits, contracts, certificates, and privileges, which, pursuant to the provisions of titles II and III of the Communications Act of 1934, as amended—

(1) have been issued, made, granted, or allowed to become effective by the Federal Communications Commission; and

(2) were in effect prior to the enactment of this Act,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Commission, by any court of competent jurisdiction, or by operation of law.

INTERNATIONAL TELECOMMUNICATIONS

SEC. 302. (a) The provisions of this Act, and the amendments made thereby, shall apply only to the provision of international telecommunications services or facilities. For the purposes of this section, the term—

(1) "international telecommunications services" shall have the same meaning as that provided in section 603(6) of the Communications Act of 1934, and

(2) "international telecommunications facilities" means those facilities intended for the provision of international telecommunications services.

(b) A foreign telecommunications carrier or foreign information supplier or enterprise or entity or foreign person shall have the same meaning as that provided in section 603(7) of the Communications Act of 1934.

INTERNATIONAL ECONOMIC COMPETITION EVALUATION

SEC. 303. The Department of Commerce, to the extent feasible, shall analyze and quantify the effect of any significant rule or order of the Commission on international competition and the viability of the United States telecommunications industry, including, but not limited to, the effect of the action on the ability of United States industry to compete domestically and abroad. In addition, the analysis shall consider whether such action will delay the introduction of new equipment and services, inhibit the cooperation of the United States entities in competing jointly for foreign or domestic business, impose delays on United States firms, provide an advantage to foreign telecommunications carriers or suppliers of information or adversely affect research and development by United States industry.

COMMUNICATIONS SATELLITE ACT OF 1962

SEC. 304. (a) Section 303(a) of the Communications Satellite Act of 1962, as amended, is amended by striking all except the last three sentences of section 303(a) and substituting therefor the words "The corporation

shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however,* That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section.".

(b) Paragraph (8) of subsection (c) of section 201 of the Communications Satellite Act of 1962, as amended (47 U.S.C. 721(c)(8)), is repealed.

(c) Section 301 of the Communications Satellite Act of 1962, as amended (47 U.S.C. 731), is amended by deleting "to the District of Columbia Business Corporation Act" and inserting in lieu thereof "to the laws governing corporations in the jurisdiction within the United States in which it is incorporated".

(d) Section 303(a) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 733(a)), is amended to read as follows:

"(a) The corporation shall have a board of directors who shall be elected annually by the stockholders. All board members shall be citizens of the United States, and one board member shall be elected annually by the board to serve as chairman: *Provided, however,* That effective one year after this Act takes effect no directors incumbent shall be eligible to hold office as members of the board unless elected in accordance with this section. The articles of incorporation of the corporation shall provide for cumulative voting and, in the manner prescribed by the laws governing corporations in the jurisdiction in which the corporation is incorporated, may be amended, altered, changed, or repealed by a vote of the outstanding shares of the voting capital stock of the corporation owned by stockholders who are communications common carriers and by stockholders who are not communications common carriers, voting together, if such vote complies with all other requirements of this chapter and of the articles of incorporation of the corporation with respect to the amendment, alteration, change, or repeal of such articles. The corporation may adopt such bylaws as shall, notwithstanding the provisions of the law of any State or of the District of Columbia, provide for the continued ability of the board to transact business under such circumstances of national emergency as the President of the United States, or the officer designated by him, may determine, after February 18, 1969, would not permit a prompt meeting of a majority of the board to transact business.".

(e) Section 304(a) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 734(a)), is amended by inserting immediately before "without" the following: "with or".

(f) Section 304(e) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 734(e)), is amended to read as follows:

"(g) Any record holder of the stock of the corporation, without regard to the percentage of stock so held, shall have the right to examine, in person, or by agent or attorney, at any reasonable time or times, for any proper purpose, the corporation's record of shareholders and to make extracts therefrom.".

(h) Section 305(c) of the Communications Satellite Act of 1962, as amended (47 U.S.C. 735(c)), is amended to read as follows:

"(c) To carry out the foregoing purposes, the corporation shall have the usual powers conferred upon a stock corporation by the laws of the jurisdiction in which it is incorporated.".

(i) Section 201(c)(7) of the Communications Satellite Act of 1962 is amended to read:

(7) grant appropriate authorization for the construction and operation of each satellite terminal station to: the corporation; one or more authorized carriers; the corporation and one or more such carriers jointly; or to persons other than the corporation or authorized carriers, as will best serve the public interest, convenience and necessity.

(j) Section 103(13) of the Communications Satellite Act of 1962 is amended to read:

(13) the terms "authorized user" and "authorized entity" means a user or entity, other than an authorized carrier, which has been authorized by the Commission to obtain channels of communications in the communications satellite directly from the corporation.

(k) Section 201(c)(12) of the Communications Satellite Act of 1962 is amended to read:

(12) authorize users and entities other than authorized carriers to acquire channels of communications in the communications satellite system directly from the corporation whenever the Commission finds such acquisition will serve the public interest.

DEPUTY ASSISTANT SECRETARY OF STATE

SEC. 305. (a) There shall be within the Department of State a "Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs". The Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs shall be appointed by the President, with the advice and consent of the Senate, and shall serve at the pleasure of the President and shall have the rank of Ambassador. Such Deputy Assistant Secretary shall perform such duties as shall be prescribed by the Secretary of State, including the formulation and implementation of policy regarding foreign economic matters in the area of transportation and telecommunications, and advising the Secretary of State with respect thereto.

(b) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"Deputy Assistant Secretary of State for Transportation and Telecommunications Affairs.".

CONFERENCES ON INTERNATIONAL TELECOMMUNICATIONS

SEC. 306. (a) In order to ensure the effective representation of United State policy, when selecting delegations to conferences involving international telecommunications matters, the Secretary of State shall, where appropriate, select—

(1) representatives of affected agencies of the Government of the United States upon recommendation by any such agency; and

(2) representatives from the private sector.

(b) The provisions of sections 202, 203, 205, 207, and 209 of title 18, United States Code, shall not apply to representatives from the private sector on a delegation of the United States to an international telecommunications conference or meeting who are specifically designated to represent the interests of the United States at such conference or meeting, with respect to a particular matter.

(c) All such representatives shall maintain on file with the Department of State any financial disclosure report which may be required for special Government employees.

(d) For the purpose of this section, international telecommunications conferences and meetings involving international telecommunications matters shall include conferences and meetings of the International Telecommunication Union (ITU), the International Consultative Committees for Radio and for Telegraph and Telephone (CCIR and CCITT), the Organization for Economic Cooperation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Telecommunications Satellite Organization (INTELSAT), and the International Maritime Satellite Organization (INMARSAT).

REDESIGNATION OF TITLE VI OF THE COMMUNICATIONS ACT OF 1934

SEC. 307. The provisions of title VI of the Communications Act of 1934 as such title existed on the date immediately preceding the date of the enactment of this Act are hereby redesignated as title VII and sections 601 through 609 thereof are redesignated as sections 701 through 709, respectively.

By Mr. MOYNIHAN:

S. 2470. A bill to suspend through July 1, 1983, the requirement that insured unemployment in a State must exceed 120 percent of the average of such unemployment in comparable periods in the 2 previous years in order to trigger "on" an extended benefit period; to the Committee on Finance.

S. 2471. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to retain current provisions relating to the State trigger which are scheduled to change in September 1982; to the Committee on Finance.

S. 2472. A bill to amend the Federal-State Extended Unemployment Compensation Act of 1970 to provide that extended benefits will be payable in any State in which the rate of regular unemployment equals or exceeds 7 percent; to the Committee on Finance.

LEGISLATION TO AMEND THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT

● Mr. MOYNIHAN. Mr. President, today I am introducing three bills to amend the Federal-State Extended Unemployment Compensation Act of 1970. Indeed, technical problems have arisen in the administration of this law which have very serious consequences for the workers who have lost their jobs in the course of our current recession.

This act provides the legal mechanism—or so-called trigger as it has come to be known—whereby unemployed workers in a State become eligible for 13 additional weeks of extended unemployment compensation (EB) after 26 weeks of regular unemployment benefits (UI). The law requires States not only to have high unemployment to be eligible for EB, but also to have higher unemployment, compared to the State's average unemployment over the past 2 years.

At the time Congress enacted this legislation, however, no one anticipated that there would occur back-to-

back recessions, the likes of which we are currently experiencing. Indeed, until now there has not been a back-to-back recession since 1918. The law as it is written, then, would now require a State not only to have high unemployment but also a level of unemployment that is higher than the level which existed during the 1980 recession.

The case of my own State of New York is a striking example. Although we have an 8.6 percent unemployment rate—and a rate as high as 14.3 percent in parts of the State such as Buffalo—New York has not yet triggered "on" to extended benefits. We meet the trigger level, but our insured unemployment rate is not 20 percent higher than the average rate over the past 2 years, as the law requires. In the last 3 years, New York employers have paid over $251 million in unemployment tax to the Federal Unemployment Compensation Account, while workers in the State have drawn only $55 million in extended benefits, a difference of $196 million.

This is certainly not what Congress intended, and as long as the law is not changed, the unemployed workers in my State and in other States will be penalized unintentionally and surely unjustly. My bill would waive the 20-percent requirement until July of next year.

The second of these bills would repeal increases in the trigger levels that were accepted by this body during last year's reconciliation debate and that are scheduled to take effect on September 25, 1982. At a time of record unemployment it is simply wrong to cut off even more unemployed workers across this country from receiving extended unemployment benefits. Were these changes to go into effect today, 10 States would automatically trigger off their eligibility for these benefits.

The third bill of this package would eliminate the use of a State's insured unemployment rate—or IUR—for determining eligibility for extended benefits, and would instead permit a State to trigger on to extended benefits when its seasonably adjusted unemployment rate reaches 7 percent. This is a compasion bill to H.R. 6048 introduced by the distinguished Congressman JOHN J. LAFALCE on April 1, 1982.

It is important to understand, although it is a highly technical issue, that the IUR does not accurately reflect the actual level of unemployment in a State. To the contrary, the IUR represents only those persons who are currently collecting unemployment insurance as a percentage of the total labor force of the State. In effect, the IUR fails to count those people who have exhausted their regular benefits and are still looking for work—the very people who most need additional weeks of assistance.

All the more inaccurate is the IUR as an index of unemployment in a State during periods of recession. If workers in a State have been out of work for a long period of time, which is most often the case in a recession, these workers will exhaust their unemployment compensation and will no longer be counted in the calculation of the IUR. In effect, over time such a State will have a low IUR, even though the State has a high real unemployment rate.

In New York State, for example, the difference between our average IUR in 1981 (3.4 percent) compared with our average real unemployment rate in 1981 (7.6 percent) was 4.2 percentage points, a difference of such magnitude that it even exceeds the legal 4 percent IUR trigger level.

This disparity between State insured unemployment rates and real unemployment rates will only increase over time. It is crucial, therefore, that this harsh, inaccurate measure a State's economy be replaced with a true calculation of a State's real unemployment rate. Only then will the eligibility rules for determining who collects extended unemployment benefits not only be equitable, but help those unemployed workers most in need of assistance.

I call on this body to address the immediate needs of those now unemployed and to enact these bills to amend our Nation's extended unemployment benefits program.●

By Mr. MOYNIHAN:

S. 2473. A bill to amend the Internal Revenue Code to eliminate the holding period for capital gains and to change the rules for deducting capital losses; to the Committee on Finance.

ELIMINATION OF HOLDING PERIOD FOR CAPITAL GAINS

● Mr. MOYNIHAN. Mr. President, I am introducing a bill today to eliminate the holding period for capital gains. Current law requires that an investment be held for more than a year before the investor qualifies for lower tax rates on his profits from the investment.

The holding period has not always been a year. As recently as 1976, it was 6 months. In the General Explanation of the Tax Reform Act of 1976, the staff of the Joint Committee on Taxation observes that Congress increased the holding period to a year in two stages after 1976 because it felt the 6-month holding period was inappropriately short.

Said the joint committee:

(It was) argued that there should be special tax treatment for gains on assets held for investment but not on those held for speculative profit. The underlying concept is that a person who holds an asset for only a short time is primarily interested in obtaining quick gains from short-term market fluctuations . . .

Also, Congress did not view the special, capital gains rates as an incentive for investment, but as a remedy for the so-called bunching problem. The problem: It would be unfair to tax an individual in a single year at progressive rates on a profit that was earned over many years. For example, the man who sells his house. He has a huge profit in 1 year. This propels him into the highest tax bracket. The Government would take half his profit in taxes when, perhaps, it ought to take less.

Said the joint committee:

The six-month holding period cannot be justified by the unfairness that results from (the so-called 'bunching' problem). This argument clearly suggests a holding period of one year . . .

Nevertheless, Congress has experimented with many different holding periods over the years. The holding period has been as long as 10 years. As short as 6 months. I ask unanimous consent, Mr. President, that a table showing the holding periods in effect since 1922 be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—HISTORY OF THE CAPITAL GAINS HOLDING PERIOD

Year(s)	Holding period
1922–33	2 years.
1934–37	Four different holding periods, ranging in length from 1 to 10 years.
1938–41	Two different holding periods: 18 months and 2 years.
1942–76	6 months.
1977	9 months.
1978–present	1 year.

Mr. MOYNIHAN. Mr. President, the best policy is to have no holding period at all—for two reasons. The first is economics. A powerful case exists for leaving investors free to move their capital about in search of the highest return. The need to hold an investment for a specific length of time in order to receive preferential tax treatment introduces a nonmarket factor into the decisionmaking processes of investors. Ideally, an investor puts his capital into assets, firms, and industries where capital is used most efficiently and the return to the investor is maximized. But an investor may be reluctant to shift his funds to a more productive use if he is waiting to take advantage of long-term capital gains rates on his current investment. In this way, the capital markets are distorted. Capital is used in a relatively inefficient manner.

Evidence of this type of distortion can be seen in another table, which I would also like to have included in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—GROSS GAINS ON CORPORATE STOCK TRANSACTIONS BY LENGTH OF TIME HELD, 1973

[In millions of dollars]

Holding period	All returns
Months:	
Under 1	163.5
1 to 2	114.9
2 to 3	106.6
3 to 4	75.6
4 to 5	67.9
5 to 6	44.9
6 to 7	153.4
7 to 8	132.7
8 to 9	99.4
9 to 10	96.2
10 to 11	53.1
11 to 12	60.6

Mr. MOYNIHAN. Mr. President, the table shows that in 1973, individuals tended to postpone transactions until their capital gains achieved long-term status: 6 months in 1973. This is the most recent year for which such data is available. The Treasury has just finished gathering similar data for 1977, but is has not yet been made public.

A holding period of any length produces distortion. Eliminate the holding period and there would be an improvement in the liquidity and efficiency of the capital markets. The result: higher productivity. More output.

It's interesting to note that most other countries with special capital gains taxes do not require that an investment be held for any particular period of time. Three countries have no holding period: Canada, Great Britain, and France. In four countries, capital gains simply are not taxed at all: Japan, the Netherlands, Belgium, and Italy.

The trouble with the argument that a holding period is needed to discourage speculation is that it is impossible in most instances to distingush "speculation" from "arbitrage." The two acts are frequently the same. One term is of opprobrium. The other is the name for a vital activity. Arbitrage is the means by which prices in different markets are brought into line. What is speculation to one man is often arbitrage to the economist.

The second reason for eliminating the holding period is that it would simplify the tax laws. My bill would repeal three sections of the Tax Code. It would shorten another 52 sections.

No longer would there be a distinction between short- and long-term capital gains and losses. This helps. No need in future to net one's short-term gain against long-term loss, and long-term gain against short-term loss. No need to fuss with overcomplicated rules for carrying forward capital losses. Or with carrying back losses from regulated futures contracts.

Profits on commodity contracts would no longer be taxed as if 40 percent of the profits were from short-term investments and the other 60 percent from long-term investments.

Also, tax shelters aimed at converting short-term gain into long-term gain would disappear. No need for them. The tax laws would be measurably simpler.

I have one more point to mention. In addition to eliminating the holding period, my bill changes the rule that half of an investor's long-term loss may be deducted from ordinary income. In future, only 40 percent of the loss could be deducted.

This makes sense. Only 40 percent of a capital gain is taxed. Therefore, only 40 percent of the loss should be deductible. It is also a way of cutting the revenue loss to the Treasury.

The Joint Tax Committee says a "preliminary" estimate of the cost of eliminating the holding period is $400 million a year. That is a static estimate. Not very much time was spent on preparing it. It does not include any "feedback"—economic growth that would result from the elimination of the holding period—which would tend to reduce the revenue loss. Nor does it take into account the change in the fraction of a capital loss that may be deducted from ordinary income.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2473

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. REMOVAL OF THE HOLDING PERIOD REQUIREMENT FOR CAPITAL ASSETS.—Section 1222 (defining terms relating to capital gains and losses) is amended to read as follows:

"SEC. 1222. OTHER TERMS RELATING TO CAPITAL GAINS AND LOSSES.—For purposes of this subtitle—

"(1) CAPITAL GAIN.—The term 'capital gain' means gain from the sale or exchange of a capital asset, if and to the extent that such gain is taken into account in computing gross income.

"(2) CAPITAL LOSS.—The term 'capital loss' means loss from the sale or exchange of a capital asset, if and to the extent that such loss is taken into account in computing taxable income.

"(3) NET CAPITAL GAIN.—The term 'net capital gain' means the excess of the capital gains for the taxable year over the capital losses for such taxable year.

"(4) NET CAPITAL LOSS.—The term 'net capital loss' means the excess of the capital losses for the taxable year over the capital gains for such taxable year.".

SEC. 3. REMOVAL OF THE HOLDING PERIOD REQUIREMENT FOR PROPERTY USED IN A TRADE OR BUSINESS.—

(a) GENERAL RULE.—Subsection (a) of section 1231 (relating to property used in the trade or business and involuntary conversions) is amended by striking out "held for more than 1 year" each place it appears.

(b) DEFINITION OF PROPERTY USED IN THE TRADE OR BUSINESS.—

(1) Paragraphs (1) and (4) of section 1231(b) are each amended by striking out "held for more than 1 year" each place it appears.

(2) Paragraph (3) of section 1231(b) is amended—

(A) by striking out ", and held by him for 24 months or more from the date of acquisition," and

(B) by striking out ", and held by him for 12 months or more from the date of acquisition."

SEC. 4. CHANGE IN THE TREATMENT OF CAPITAL LOSSES.—

(a) AMENDMENT OF SECTION 1211.—Subparagraph (C) of section 1211(b)(1) (relating to limits on capital losses) is amended to read as follows:

"(C) 40 percent of the net capital loss for the taxable year.".

(b) AMENDMENTS OF SECTION 1212.—

(1) Paragraph (1) of section 1212(a) (relating to capital loss carrybacks and carryovers to corporations) is amended by striking out "and shall be treated as a short-term capital loss in each such taxable year.".

(2) Subsection (b) of section 1212 (relating to capital loss carrybacks and carryovers of other taxpayers) is amended to read as follows:

"(b) OTHER TAXPAYERS.—If a taxpayer other than a corporation has a net capital loss for any taxable year, the excess of such loss over 2.5 times the amount allowed for the taxable year under subparagraph (A), (B), or (C) of section 1211(b)(1) shall be treated as a capital loss in the succeeding taxable year.".

(3) Paragraph (1) of section 1212(c) (relating to carryback of losses from regulated futures contracts) is amended to read as follows:

"(1) IN GENERAL.—If a taxpayer (other than a corporation) has a net commodity futures loss for the taxable year and elects to have this subsection apply to such taxable year, the amount of such net commodity futures loss shall be a carryback to each of the 3 taxable years preceding the loss year.".

(4) Subparagraph (A) of section 1212(c)(6) is amended to read as follows:

"(A) CARRYFORWARD AMOUNT REDUCED BY AMOUNT USED AS CARRYBACK.—For purposes of applying subsection (b)(1), if any portion of the net commodity futures loss for any taxable year is allowed as a carryback under paragraph (1) to any preceding taxable year, such amount shall be treated as a capital gain the loss year.".

(5) Subparagraph (B) of section 1212(c)(6) is amended by striking out "short-term or long-term".

SEC. 5. CONFORMING AMENDMENTS.—

(1) The following sections are amended by striking out "long-term": section 57(e)(2) (defining timber preference income), section 62(3) (defining adjusted gross income), section 80(c)(2) (relating to restoration of value of certain securities), section 170(e)(1)(A) (relating to certain contributions of ordinary income and capital gain property), section 172(d)(2)(B) (relating to the net operating loss deduction), section 233(1) (relating to cross references), section 593(b)(2)(E)(iv) (relating to reserves for losses on loans), section 1247(c)(2) and (d) (relating to the election by foreign investment companies to distribute income currently), and section

1378(c)(3)(B) (relating to the tax imposed on certain capital gains).

(2) Subparagraph (B) of section 163(d)(3) (relating to limits on interest on investment indebtedness) is amended by inserting "and" after the comma at the end of clause (i), striking out clause (ii), and redesignating clause (iii) as clause (ii).

(3) Subparagraph (B) of section 166(d)(1) (relating to nonbusiness debts) is amended by striking out "held not more than 1 year".

(4) Section 246 (relating to rules applying to deductions for dividends received) is amended by striking out ", and (C) paragraph (4) of section 1223 shall not apply".

(5) Paragraph (2) of section 333(e) (relating to the election as to recognition of gain in certain liquidations) is amended by striking out "short-term or long-term capital gain, as the case may be" and inserting in lieu thereof "capital gain".

(6) Section 341 (relating to collapsible corporations) is amended by striking out "held for more than one year" in subsection (a) and striking out "section 1223 shall apply, but" in subsection (b)(3).

(7) Paragraph (2) of section 402(a) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held for more than 6 months [9 months for taxable years beginning in 1977; 1 year for taxable years beginning after December 31, 1977]".

(8) Subparagraph (L) of section 402(e)(4) (relating to taxability of beneficiary of employees' trust) is amended by striking out "held for more than 1 year".

(9) Paragraph (2) of section 403(a) (relating to taxation of employee annuities) is amended by striking out "held for more than 1 year".

(10) Section 483(f) (relating to interest on certain deferred payments) is amended by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4).

(11) Paragraph (2) of section 582(c) (relating to bad debts, losses, and gains with respect to securities held by financial institutions) is amended by striking out "net long-term", "net short-term" and "held for more than 1 year".

(12) Subsection (c) of section 584 (relating to income of participants in common trust funds) is amended to read as follows:

"(c) INCOME OF PARTICIPANTS IN FUND.—

"(1) INCLUSIONS IN TAXABLE INCOME.—Each participant in the common trust fund in computing its taxable income shall include, whether or not distributed and whether or not distributable—

"(A) as part of its gains and losses from sales or exchanges or capital assets, its proportionate share of the gains and losses of the common trust fund from sales or exchanges of capital assets;

"(B) its proportionate share of the ordinary taxable income or the ordinary net loss of the common trust fund, computed as provided in subsection (d).".

(13) Subsection (a) of section 631 (relating to gain or loss in the case of timber, coal, or domestic iron ore) is amended by striking out "(providing he has owned such timber or has held such contract right for a period of more than 1 year)".

(14) Subsection (b) of section 631 is amended by striking out "held for more than 1 year before such disposal".

(15) Subsection (c) of section 631 is amended by striking out ", held for more than 1 year before such disposal".

(16) Paragraphs (3) and (4) of section 642(c) (relating to the deduction for amounts paid or permanently set aside for a charitable purpose) is amended by striking out "held for more than 1 year".

(17) Subsection (a) of section 702 (relating to income and credits of partners) is amended by striking out "held for not more than one year, (2) gains and losses from sales or exchanges of capital assets held for more than 1 year".

(18) Subsection (b) of section 735 (relating to holding period for distributed property) is amended by striking out ", as determined under section 1223,".

(19) Paragraph (4) of section 801(g) (defining life insurance company) is amended to read as follows:

"(4) INVESTMENT YIELD.—For purposes of this part, the policy and other contract liability requirements, and the life insurance company's share of investment yield, shall be separately computed—

"(A) with respect to the items separately accounted for in accordance with paragraph (3), and

"(B) excluding the items taken into account under subparagraph (A).".

(20) Subsection (b) of section 804 (relating to taxable investment income) is amended by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2).

(21) Subparagraph (A) of section 817(a)(1) (relating to rules for certain gains and losses) is amended by striking out ", held for more than 1 year" in both places it appears.

(22) Subparagraph (A) of section 817(b)(2) is amended by striking out ", determined with reference to section 1223".

(23) Subparagraph (b) of section 852(b)(3) (relating to taxation of regulated investment companies and their shareholders) is amended by striking out "held for more than 1 year".

(24) Paragraph (4) of section 852(b) is amended by striking out "long-term" in both places it appears.

(25) Paragraph (4) of section 856(c) (relating to real estate investment trusts) is amended by striking out subparagraph (A) and redesignating paragraphs (B) and (C) as (A) and (B) respectively.

(26) Subparagraph (B) of section 857(b)(3) (relating to the method of taxing real estate investment trusts) is amended by striking out "held for more than 1 year".

(27) Paragraph (5) of section 857(b) is amended by striking out "long-term capital gain; and short-term capital gain to the extent of any short-term capital loss" and inserting in lieu thereof "capital gain".

(28) Paragraph (7) of section 857(b) is amended by striking out "long-term" and "held for more than 1 year".

(29) Subparagraph (b) of section 871(a)(1) (relating to the tax on nonresident alien individuals) is amended by striking out "and gains on transfers described in section 1235 made on or before October 4, 1966".

(30) Subsection (h) of section 1023 (relating to carryover basis for certain property acquired from a decedent) is amended by striking out "as determined under section 1223; except that" and inserting in lieu thereof a semicolon.

(31) Subsection (h) of section 1033 (relating to to involuntary conversions) is amended by striking out paragraph (1) and redesignating paragraphs (2), (3) and (4) as (1), (2) and (3) respectively.

(32) Subsection (f) of section 1034 (relating to tenant-stockholder in a cooperative housing corporation) is amended by striking out ", section 1016 (relating to adjustments to basis), and section 1223 (relating to holding period)" and inserting in lieu thereof "and section 1016 (relating to adjustments to basis)".

(33) Subsection (b) of section 1092 (relating to straddles) is amended by striking out "and of subsections (b) and (d) of section 1233".

(34) Section 1223 (relating to holding period for property) is repealed.

(35) Paragraph (2) of section 1232(a) (relating to bonds and other evidences of indebtedness) is amended by striking out "held by the taxpayer for more than one year," and "held for more than one year" every place they appear.

(36) Subparagraph (A) of section 1232(a)(4) is amended by striking out "held less than 1 year".

(37) Section 1233 (relating to gains and losses from short sales) is repealed.

(38) Subparagraph (C) of section 1234(a)(3) (relating to options to buy or sell) is amended to read as follows:

"(C) a loss attributable to a failure to exercise an option to sell property at a fixed price acquired on the same day on which the property identified as intended to be used in exercising such option is acquired and which, if exercised, is exercised through the sale of the property so identified. If the option is not exercised, the cost of the option shall be added to the basis of the property with which the option is identified. This paragraph shall apply only to options acquired after August 16, 1954.".

(39) Paragraph (1) of section 1234(b) is amended by striking out "held not more than one year".

(40) Section 1235 (relating to sale or exchange of patents) is repealed.

(41) Subsection (a) of section 1246 (relating to gain on foreign investment company stock) is amended by striking out paragraph (4).

(42) Section 1246 is amended by striking out "(determined under section 1223)" in subsections (c) and (d).

(43) Subsection (i) of section 1247 (relating to election by foreign investment companies to distribute income currently) is repealed.

(44) Section 1248 (relating to gain from certain sales or exchanges of stock in certain foreign corporations) is amended by striking out "and has been held for more than one year" and "held for more than one year".

(45) Paragraph (3) of section 1248(g) is amended by striking out ", or" at the end of subparagraph (B), inserting in lieu thereof a period, and striking out subparagraph (C).

(46) Subsection (e) of section 1250 (relating to gains from dispositions of certain depreciable reality) is amended to read as follows:

"(e) HOLDING PERIOD.—For purposes of determining the applicable percentage under this section, the holding period shall be determined according to the following rules:".

(47) Subsection (a) of section 1256 (relating to regulated futures contracts) is amended by inserting "and" after the comma at the end of paragraph (2), striking out paragraph (3), and redesignating paragraph (4) as paragraph (3).

(48) Paragraph (1) of section 1375(a) (relating to special rules for distributions of electing small business corporations) is amended by striking out "long-term".

(49) Subsection (b) of section 1441 (relating to withholding of tax on nonresident aliens) is amended by striking out "transfers described in section 1235" and inserting in lieu thereof "certain transfers of patents and patent rights".

(50) Subparagraph (b) of section 4942(e)(2) (relating to taxes on failure to

distribute income) is amended to read as follows:

"(B) capital gains and losses from the sale or other disposition of property shall not be taken into account;".

SEC. 6. EFFECTIVE DATE.—The amendments made by this Act shall apply to taxable years beginning after the date of enactment.●

ADDITIONAL COSPONSORS

S. 1215

At the request of Mr. PROXMIRE, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 2158

At the request of Mr. DANFORTH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2158, a bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions, relating to driving while intoxicated; to establish a national driver register, and for other purposes.

S. 2297

At the request of Mr. HATCH, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2297, a bill to amend title II, United States Code, to improve the protection for shopping centers and their tenants under the Bankruptcy Code.

S. 2300

At the request of Mr. FORD, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2369

At the request of Mr. DOLE, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2386

At the request of Mr. SASSER, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2386, a bill to provide for the establishment of a system to collect data on the geographic distribution of Federal funds.

S. 2407

At the request of Mr. PROXMIRE, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of S. 2407, a bill to repeal provisions of law providing for salary adjustments for Members of Congress, to assure that Members are not exempt from requirements for justification of income tax deductions, and to provide that legislation increasing Member's compensation, Federal income tax benefits, or limitations on outside earnings is considered separately from other legislation, is adopted only by a recorded vote, and does not take effect until the start of the Congress following the Congress in which approved.

S. 2459

At the request of Mr. RANDOLPH, the Senator from Washington (Mr. GORTON), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. HATCH, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Georgia (Mr. NUNN), the Senator from Arizona (Mr. GOLDWATER), the Senator from Nevada (Mr. CANNON), the Senator from Hawaii (Mr. INOUYE), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. SPECTER, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of Senate Concurrent Resolution 81, a concurrent resolution to express the sense of the Congress that the President should promptly hold a summit with leaders of the Soviet Union to reduce the risks of nuclear war and to seek control and reduction of nuclear weapons.

SENATE RESOLUTION 367

At the request of Mrs. HAWKINS, the Senator from New Jersey (Mr. BRADLEY), the Senator from Nebraska (Mr. ZORINSKY), the Senator from Washington (Mr. GORTON), the Senator from California (Mr. CRANSTON), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Resolution 367, a resolution expressing the sense of the Senate with respect to recognition of the Red Shield of David of the Magen David Adom by the International Committee on the Red Cross.

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Committee on the Budget will resume its deliberation on a fiscal year 1983 budget at 9:30 a.m., Tuesday, May 4, in 6202 Dirksen Senate Office Building.

The schedule for markup of a new budget is as follows:

Tuesday, 9:30 a.m, to 12 noon, 2 to 6 p.m., room 6202, Dirksen;

Wednesday, 9:30 a.m, to 12 noon, 2 to 6 p.m., 7 to 10 p.m., room 6202, Dirksen;

Thursday, 9:30 a.m.–12 noon, 2 to 6 p.m., 7 to 10 p.m., room 6202, Dirksen;

Friday, 9:30 a.m. until conclusion of markup.

For further information, contact Nancy Moore of the Senate Budget Committee at 224–4129.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Monday, May 3, at 3 p.m., to hold a hearing on the nomination of Gregory Newell to be Assistant Secretary of State for International Organizations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE PROPOSED CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET

● Mr. TSONGAS. Mr. President, I would like to share with my colleagues an editorial which appeared in the New York Times today regarding the proposed constitutional amendment to balance the budget. I believe the article outlines the flaws of freezing into the Constitution an economic formula for all time.

The article follows:

LEADERS, NOT LAWS, BALANCE BUDGETS

(We've tried the carrot and it failed. With the stick of a balanced budget amendment, we can stop the Government's squandering, overtaxing ways and save our economy.—PRESIDENT REAGAN.)

As political camouflage, Mr. Reagan's enthusiastic endorsement of a constitutional amendment requiring a balanced budget made sense. The message seemed to be, forget that it was he himself who has insisted on enormous permanent tax cuts before making proportionate spending cuts. Forget that in February it was he who said that the resulting deficits "will not jeopardize the economic recovery." Forget, too, that he dismissed Senator Hollings' February initiative for a freeze on most spending. That was before the prospect of a 12-digit deficit became a giant political liability.

As the means to "save our economy," the amendment is a fraud.

The version Mr. Reagan apparently wants is so riddled with escape hatches that it would have little disciplinary effect on the budget process. And if tougher language were substituted, thus creating a truly effective check on deficit spending by the Government, great economic damage might result.

The proposed amendment that has won informal White House approval was written last year by the Senate Judiciary Committee. It would require a balanced budget in each fiscal year, but would allow a three-fifth's majority in Congress to override the requirement. It would also require Congress to limit the growth of spending to the rate of growth in the economy, though a simple majority of Congress could shelve that rule.

Wouldn't Congress rather vote for those overrides than enforce balance on the backs of veterans or Social Security pensions or farmers? Most likely it would. But creating a set of constitutional ties that really bind could lead to disaster.

In spite of what the President says, there is no sound economic logic for the Federal Government "to do what each of us does with our own family budgets—spend no more than we can afford." Government deficits can provide a cushion of purchasing power that limits the loss of output and employment recessions.

The current recession is, arguably, the worst since 1937. Unemployment nationwide is at or near record highs. If an effective balanced-budget amendment had been in effect since the recession bagan last year, however, it would have forced Congress to reduce spending or raise taxes by more than $100 billion. That would have wiped out millions more jobs.

Everyone agrees that the Federal Government's flexibility to spend more than it taxes is a permanent invitation to special interests to grab a piece of the action. But far more important than this drawback is the way that flexibility actually functions to cushion cycles in economic activity.

The truth is that there is no magic bullet for fiscal responsibility. To check waste in government takes high-quality leadership—something neither Mr. Reagan nor Congress is currently providing.●

THE DOWNRIVER COMMUNITY CONFERENCE JOB CENTER

● Mr. RIEGLE. Mr. President, the Downriver Community Conference Job Center is a unique and highly effective job retraining center. Its growth and success if truly phenomenal, and it can serve as a model for other programs around the Nation. I have worked closely with this fine organization and have seen firsthand the benefits it has brought to the Downriver area. The D.C.C. not only offers services, but it also offers hope for the people of Michigan that the present economic conditions will take a favorable turn.

I ask that an article by Pat Henegar which appeared in the Lincoln Parker of Lincoln Park, Mich., describing the successes of the D.C.C. be printed in the RECORD.

WHY IS DCC'S JOB CENTER SUCCESSFUL?

(By Pat Henegar)

WYANDOTTE.—There are other efforts being made to return the unemployed to the active work force, but none as comprehensive as the Downriver Community Conference Job Center at 140 Superior.

Here, under one roof, are retraining classes, skills workshops, business assistance and aid for the families of the unemployed—a variety of services which combine to make this "the only center of its kind anywhere," according to those who administer the programs.

And, according to the participants in one workshop, "These people (the center staff) are doing one helluva job for us!"

The DCC, a cooperative organization of the governments of 15 (currently) Downriver cities and townships, first got into the job training business on a limited basis in 1979 when programs were set up through the Wayne County Comprehensive Employment and Training Act (CETA), explained Richard Buss, the center's business assistance manager.

The concept of the extensive retraining program, he said, was born in the summer of 1980 when the mayors of Ecorse and Wyandotte came to the DCC for help in dealing with the problems of plant closings in their cities: Dana Corp. in Ecorse and the BASF South Works in Wyandotte.

In response, the DCC formed the Downriver employment task force, made up of business people, local government officials, representatives of organizations and unions. The task force put together a plan for retraining and re-employment, termed the "economic readjustment project," that was the basis for an application to the U.S. Department of Labor for grant money.

A $1.2 million grant was approved as a national demonstration project to be initiated on Oct. 1, 1980. A year later, the labor department awarded the DCC a $4.8 million planned expansion grant.

"This is the only publicly, federally funded retraining program in the county," according to DCC director Dewitt Henry, who pointed out that there were 700 new enrollees in the retraining program just in the past month.

One of the first steps in the DCC's approach to Downriver's unemployment situation was the establishment in June 1980 of a "hot line" to assist telephone callers find help for those problems related to being unemployed. The "hot line" was started without extra funding. Buss said, since it was staffed with CETA workers.

According to Nancy Nagle, supervisor of the "hot line," the service is currently averaging 55 to 95 calls a day during the hours it is staffed, 8:30 a.m. to 5 p.m. The workers have an extensive file containing about 3,000 cards listing agencies, organizations, special programs and other sources of aid. Local newspapers are read regularly to keep the files up to date and possibly locate new sources.

A unique service of the "hot line," Nagle said, is the Health Care Referral Network which offers free or low cost medical treatment to unemployed. Started with seven physicians last July, the program now lists 51 volunteer physicians and has the cooperation of all seven Downriver hospitals, Nagle said. Pre-employment physical exams are also provided. The Wayne County Medical Society was "a great help" in setting up the program, Nagle added.

Other areas in which the "hot line" commonly helps, according to Nagle, include referring people to the proper place for energy assistance; acting as advocate in case of trouble with other agencies; referring to various types of counseling, or to the DCC's substance abuse program; and finding sources for emergency clothing or food needs. In the latter case, Nagle said local churches have been particulary helpful with their food banks.

Calls for emergency shelter, she said, are a big problem. While the "hot line" workers can sometimes find temporary shelter for people in an emergency situation, the area has no public housing and if people have lost their home of been evicted, there is really no where to refer them.

The major retraining program that was funded by the federal government as a demonstration project, according to Buss, is limited to persons who have lost their jobs from a specific company's closing. The initial grant was for those who had been employed with Dana and BASF.

The second grant will assist people who have lost jobs because of the closing of Ford Motor Company's Michigan Casting Center in Flat Rock and Firestone Steel Products Co. in Riverview. Some persons laid off from Pennwalt Corp. in Wyandotte will be included in the new program for comparison purposes, Buss said. The idea is to compare the situation of workers who have been laid off, possibly indefinitely, with those who have lost their jobs because of a plant closing.

In addition to the major program, there are CETA funds to assist anyone laid off within the last six months. However, Buss pointed out that this is the last year of CETA as it is currently funded.

CETA, or some other form of job retraining, is currently being considered by the Congress, the business assistance manager said, and Job Center director Freda Rutherford was in Washington last week testifying before a Senate labor subcommittee on job retraining. Center personnel were also asked to review proposed legislation in terms of what other funds are also available for economically disadvantaged persons who can best learn a skill in an on the job situation. This program pays half their salary during the training period up to a maximum of 44 weeks.

One aspect of retraining is classes set up by the center which are concentrated nearly full time training in highly skilled categories. These generally run from 18 to 39 weeks.

In other cases, persons with suitable skills and background interested in a good career area are enrolled in a community college or trade or proprietary school. The aim here, center personnel explained, is to develop marketable skills in one year, targeting toward an associate's degree. Occasionally a person might be enrolled in a four-year college, especially if a year or less is all that would be required for them to complete work toward a degree.

The center also holds job seeking skills workshops aimed at reinforcing unemployed persons' confidence, and providing them with such skills as resume writing and effective interviewing.

While unemployed persons are learning new skills, their families are getting reinforcement through a spouse support program.

The spouse, a staff member commented, is often "trying to hold everything together"—take some of the pressure off the unemployed person, explain to the kids why there isn't money for a special treat, put off the bill collectors.

Through the spouse support program they have an opportunity to express their feelings, which have often been held in; to take advantage of support services, and learn job seeking skills themselves. Nutritional information on low-cost meals and a coupon exchange are also part of the spouse program.

The latest addition to 140 Superior is the Downriver Business Center, a business assistance project aimed at creating jobs by assisting small- to medium-sized firms in bidding on government contracts.

The focal point of the business center, which is headed by Buss, is a microfilm viewer-printer attached to a computer page search device. Stored in this room on microfilm are 1.6 million pages of government specifications and drawings—the specifications for 71,000 different federal military items. Provided by a commercial lease service costing $4,400 per year, according to Buss, the information is updated every two weeks.

Also available in the center are manufacturers' catalogs and price lists, used to help a prospective bidder locate component parts or prepare a price quotation, and a General Service Administration (GSA) supply schedule, which lists makers of products and prices which have been approved for government purchasing.

The recently-initiated job assistance program has already won the attention of the state of Michigan, and was mentioned last week in Gov. William Milliken's State of the State address, Buss said.

Representatives of the governor's office have also met with DCC officials to ask them to expand the business assistance project statewide, or at least to more of southeast Michigan. At a meeting last week, the DCC voted to extend the service to the entire tri-county area, Wayne, Oakland and Macomb counties, with the provision of state funds to cover the expansion.

According to Henry, negotiations for state funds are now underway.

The first step in the business assistance program, according to Buss, is to determine what a company does and where they fit into the government procurement picture. Do they have a product the government buys? Are they qualified to do government business? Or, can the center educate them to become qualified?

The center has forms available for companies wishing to be on a bid notification list or wishing to obtain bid forms. Buss said the resources of the center can save a prospective bidder one month's time in paperwork alone.

Center personnel can help interpret a bid description and its codes and terms; can explain inspection, packaging and shipping requirements. They can obtain the bid history of a particular contract—who won it the last time, what was the bid price, and can the prospective bidder be competitive? The staff would also help the company correctly fill out bid package forms.

The only charges to a company being assisted by the program would be to cover the cost of copying documents or a nominal fee for putting on a specialized seminar. Otherwise, the program is completely funded by grant monies.

"The real reason we're doing this," Buss said, "is that when we get enough successful bidders it should create new jobs, and then we'll talk to them about their employment needs and our retrained workers."

Thus the center becomes a three-pronged attack on unemployment—retraining workers and helping them develop new job skills, giving support service to the unemployed and their families, and assisting business to create new jobs.●

SOLAR DAY

● Mr. CHAFEE. Mr. President, I am happy to join with the other Members of Congress who are joining in the celebration of Solar Day and demonstrating their support for energy conservation and renewable energy programs.

Now more than ever we need to strengthen our commitment to promoting efficient energy use and developing alternative sources of energy such as solar, wind, and hydropower. My efforts to achieve those goals have been targeted in three specific areas.

The first area is the energy investment tax credits. I have opposed the elimination of the business and home energy tax credit. Additionally, I have supported inclusion of wood-burning stoves in the energy tax credit. This change is particularly important to residents of my home State of Rhode Island where the use of wood as a home heating fuel increased by 30 percent from 1977 to 1980. The energy tax credit is also essential to the development of solar energy in this country.

The second area that I believe to be of vital importance, particularly to New England, is the low-income weatherization program. Last year, I successfully opposed the administration's proposal to eliminate the weatherization program. I intend to continue that fight this year. Nearly one-third of the eligible homes in Rhode Island have been insulated as a result of the program. This has produced a savings of 18 cents per dollar of energy costs.

The third area is the energy conservation and renewable fuels budget itself. The administration's fiscal year 1983 budget sharply accelerates cuts in the conservation and renewable energy programs.

For example, the budget proposes a 74 percent reduction in solar energy funds. I am committed to an overall reduction in the level of Federal spending, but I do not believe that the reductions in energy conservation and renewable fuels programs are equitable, particularly in light of the fact that the funding for these programs was cut by over half in fiscal year 1982.

These are the areas where I have focused my efforts to promote efficient energy use and develop safe alternative energy sources. A great deal of work remains to be done, and my commitment remains strong.●

A LABEL THAT CROSSES THE LIMITS

● Mr. LEVIN. Mr. President, some of my colleagues may recall that several weeks ago Esquire magazine ran a cover story on a group they identified as "neoliberals." I recall reading that article and being pleased for those colleagues featured in it, particularly Senator BRADLEY and Senator HART, whose smiling visages graced the cover art and whose names and ideas were exposed to the reading public in the pages of that article.

But now, Mr. President, now I have some concerns. In the current edition of the Columbia Journalism Review, C. T. Hanson has done an expose of that Esquire article seeking to discover why it excluded so many Members of Congress from inclusion in the neoliberal club. In that article they make reference to the fact that by virtue of my public policy predilections, I ought to have been a member of the club. But C. T. Hanson goes on to provide a rationale for my exclusion from the Esquire list. He comments that "a possible explanation is that LEVIN is disheveled, balding, plump, perhaps the worst dressed man in the Senate, and anything but glamorous."

My initial reaction, Mr. President, was profound fear—not for my political future but for my financial solvency. When my wife sees this, I thought, she will be out getting me hair transplants, putting me in exercise courses and buying me new suits. Such additional financial burdens would virtually destroy me.

But as I read on in the article, hope for my fiscal future was renewed because in the same paragraph describing me in such scurrilous terms came the following analysis suggesting that because Esquire's criteria for inclusion in the neoliberal club required good looks, "the unglamorous young Democratic Senators JOE BIDEN and CHRIS DODD did not make the list." JOE BIDEN and CHRIS DODD unglamorous? Why Mr. President, if that is the label that is applied to them, I am delighted that it is applied to me as well.

Mr. President, I know that those of us in public life have to be subjected to public scrutiny and, at times, scurrilous attacks. But this article has passed the point of tolerence. Besides the snide sartorial comments addressed to me and the invidious lumping of Senators BIDEN and DODD with me under the rubric of "nonglamorous," this article goes on to suggest a possible link between WILLIAM PROXMIRE, JOHN GLENN, and Jimmy Carter. It also makes the virtually libelous mistake of suggesting that those in the Esquire "neoliberal club" are separated from those of us not in the club by virtue of the fact that they are "sexy."

Plump, balding, disheveled—even worst dressed—I can accept with some degree of serenity. But nonsexy. Mr. President, there are limits to what any man in public life ought to be asked to stand for—and this crosses those limits. Or at least I hope it does, and my wife assures me that it does. Of course, in that regard, maybe I cannot trust her judgment—after all, she picks out my clothes.●

REDUCING THE WELFARE BURDEN

● Mr. WALLOP. Mr. President, last week I introduced S. 2437, a proposal which is intended to focus our attention on one of the most serious problems in our welfare system. I am referring to the situation where a family with two able-bodied parents is receiving public assistance. The reason they qualify for public assistance is that one parent, usually the father, has deserted the family. The AFDC program, which was originally intended to aid families with a deceased or disabled father, has become a major source of support for deserted families. About 80 percent of AFDC cases involve a family with an absent parent.

In our attempts to reform welfare, we have virtually ignored the absent parent. An effort has been undertaken to collect child support, and a tax refund intercept program for parents owing child support has just begun. But, we are barely scratching the surface. S. 2437 would expand our efforts to bring the absent parent back into the process of meeting the cost of maintaining their family.

Margaret McCrory recently published an article in the Washington Post which discusses the problem of child support and possible solutions. Basically, her answer is similar to that already proposed in my bill, S. 2437. Another article appeared in today's Post which describes a Census Bureau study of the family based on the 1980 census. The number of single-parent families has grown dramatically, from 9 percent of the population in 1960 to 20 percent of the population today. The article states, "Single parenthood contributes massively toward poverty and dependency on welfare." I ask that the articles be printed in the RECORD at this point.

The articles follow:

IF YOU ASK ME: CHILD-SUPPORT THE PAYROLL WAY

(By Margaret McCrory)

There's a new American hero in Divorce Court—the father who fights tooth and nail for the custody of his children. We, the people, are captivated by the new phenomenon: working father accepting the day-to-day responsibility for the care of his children as his wife walks off with her new lover or pursues a career.

It warms the heart, this show of courage. It makes good script, for the TV soaps and the new rush of movies about families in divorce.

But in real life, the scenario doesn't play that way.

Only rarely does a wife and mother walk out of the house and abandon her children. She stays, and when she stays, she pays—heavily. The Census Bureau says that 19 percent of all families in this country are single-parent, and that 90 percent of those are headed by women. Which means, as we all know, that it's women in those cases who are picking up most of the family tab.

The "mother dilemma," which has been with us now for some years, prompted the State of Wisconsin in 1977 to pass a revolutionary new law requiring the deduction of child support from the wages of errant fathers. The law gathered support after women's organizations proved that the payment of child support in that state was only a sometime-occurrence.

Wisconsin is not alone. Across the United States, according to the Census Bureau, less than half of the 3.4 million women who are supposed to receive child support do so regularly. Of the $6.9 billion due from fathers in 1978, only $4.5 billion was ever paid.

The Wisconsin law requires employers to withhold child-support payments each pay period, as they do Social Security payments and income taxes. The amounts withheld are sent directly to the wife. The procedure is included in every divorce decree in Wisconsin, even when the parties arrive at a settlement privately.

Absent parents (fathers or mothers) may keep the child-support matter private, if they choose. All that's required is payment of amount due, regularly and on time. Once there's a default, the process is automatic. The employer is notified and the payments are deducted routinely. The employer, who is reimbursed for extra bookkeeping expenses, is forbidden to fire the employe because of the added trouble.

Wisconsin's initiative has prompted New Jersey to pass a similar law, and momentum is growing for other states to follow suit. The American Bar Association endorsed the concept in 1974.

"I can report only success. It's a fair law," says Milwaukee lawyer Leonard Loeb, chairman-elect of the Family Law Section of the American Bar Association. "It's a needed law, and I recommend it highly. No woman should be forced to go back into court to get the child support that's already due her. Lawyers have better things to do with their talents, or should have."

Today's divorced mother is not lounging around reading novels and popping bonbons into her mouth. She's probably supporting herself and her family. The child-support payroll deduction appears to be an idea whose time has come.

The current recession may accelerate the process. The job market is tightening, and more working mothers are losing their jobs. As the New Federalism forces local jurisdictions to review entitlement programs, it becomes clear that men whose former wives go on welfare—because they are not receiving child support—are shifting their burden of family responsibility to the taxpayer. The new law permitting the IRS to treat a delinquent child-support payment as if it were a delinquent tax bill indicates a recognition of that fact by Congress.

The District of Columbia should consider wage-deduction legislation for child support. And Maryland and Virginia too.

SINGLE-PARENT FAMILIES RISE DRAMATICALLY

(By Spencer Rich)

One of five children under 18 in America today lives in a one-parent family, and for blacks the proportion is about one in two, according to new Census Bureau reports.

The reports, derived from the 1980 decennial census and other surveys, show that of about 63 million children, 12.6 million are living with one parent only, usually the mother.

The current figures contrast sharply with 1960, when only 9 percent of children lived in single-parent households. In that year, 93 percent of white children and 75 percent of black children lived in two-parent homes.

The increase in single-parent families is one of the most striking social developments of the past generation. About 19 percent of families with children (over double that for black families) are now headed by a single parent.

Single parenthood contributes massively toward poverty and dependency on welfare. The 1980 census shows that while the proportion of American families living in poverty in 1979 was 9.6 percent, it was 40 percent for families with children headed by single women, or 2.3 million of 5.9 million such households.

Another survey shows that for white single-parent families, the poverty rate was 36 percent in 1980, for black families of this type it was 56 percent and for Hispanic-origin families almost 57 percent. In 1979, the median income of families with children headed by single black women was only $6,610, or one-third the $19,961 figure for all U.S. families.

These reports mirror profound changes in the American family in recent decades.

There has been a drop in the proportion of Americans living in traditional "mom-and-pop" families, a sharp rise in divorces and in births to unmarried women, especially black women, a huge jump in one-parent families, and an increase in the number of women in the labor force. There have also been increases in the number of black-white married couples (only 166,000, but triple 1970), and in unmarried couples living together (1.6 million in 1980).

In 1960, 84 percent of the population lived in households headed by a married couple (including remarried ones), consisting of parents, children and other relatives.

By 1970, the proportion of Americans living in these "mom-and-pop" households had dropped to 82 percent, and in 1980, to 73.5 percent.

The marriage rate (including remarriages) was 10.3 per 1,000 population in 1910 and was estimated at 10.6 in 1981. But divorce has increased enormously. In 1910 it was only 0.9 per 1,000 population, reached 2.2 in 1960, 3.5 in 1970 and now is about 5.3 per 1,000.

The past generation has also witnessed a sharp rise in births to unmarried women, including the "explosion" of teen-age pregnancies. In 1950, 1.7 percent of children born to white women were born out of wedlock; the figure was 16.8 percent for non-white women. By 1979, the figure for whites had reached 9.4 percent, and for non-white 48.8 percent; for black women alone the 1979 out-of-wedlock rate was 55 percent.

In 1940, according to Census Bureau figures, the proportion of families with children headed by single women among blacks was 18 percent of all such families; by 1970 it was about 30 percent, and today about 42 percent.

Among white female-headed families with children the figure was 8.3 percent in 1970 and 12.6 percent today, a big rise even though starting from a smaller base than blacks. The overall figure for single-parent families today is 19 percent.

All these phenomena have increased enormously the proportion of children living with one parent, from 9 percent in 1960 to 20 percent today. By 1990, 25 percent is projected.

Broken down by race the figures are startling: 75 percent of black children lived in two-parent households in 1960; today, only 42.7 percent. Another 46 percent live in one-parent households and the rest with other relatives or in other living arrangements.

In 1960, 93 percent of white children under 18 were living in a two-parent household. By 1981, the figure had dropped to 82.3 percent. Another 15.5 percent were in one-parent families and the remainder were with other relatives or in other living arrangements.

The sexual revolution and the rapid entry of women into the labor force (in 1940 a quarter of the women were in the labor force, today it is 52 percent) are often cited as reasons for some of these trends.

But there is disagreement among experts on why the figures on illegitimacy and one-parent families are higher for blacks then whites.

Some observers say that low earnings, lack of economic security and relatively high unemployment among black men, as compared to white men, probably discourage marriage by teen-age girls who become pregnant and thus contribute to the high illegitimacy and one-parent family rates.

"The males have little economic future; they can't count on a good income," said Herrington Bryce, president of the National Policy Institute. As a result, marriage is often economically unappealing and impractical and the woman bears the baby alone.

Robert B. Hill, former director of research of the National Urban League and now a senior research associate at the Bureau of Social Science Research, also cited economic difficulties of black men, particularly during the 1970s, when some of the social changes have become the most evident.

Several recessionary periods created extremely high unemployment during the 1970s for many blacks in urban areas, Hill said. Harsh conditions, he said, make it more likely that there will be family breakup when there is personal strife.

But he also said there is something about moving out of the rural environment of the South into the nation's big cities that leads to family breakup and instability, and blacks made that move rapidly and are now more urbanized than whites.

In 1940, half the nation's blacks lived in urban areas compared with three-fifths of the whites. But by 1970, 81 percent of the blacks and only 72 percent of the whites did, and most blacks lived in central cities while a high proportion of the whites lived in the surrounding surburbs.

The earlier era of farm life made for more stability and the male was the breadwinner, he said. But that stability and that role was often lost in the labor market conditions of the central cities.●

TUITION TAX CREDITS

● Mr. HART. Mr. President, President Reagan's proposal to provide tuition tax credits for families who send their children to private elementary of secondary schools is unacceptable from several policy perspectives. It is fiscally irresponsible economic policy. It is unfair and perhaps unconstitutional public policy and it is unwise educational policy.

Tuition tax credits are bad economic policy because they represent a hugh revenue loss at a time when we are cutting one important program after another in an effort to balance the Federal budget.

The administration admitted recently that its original deficit estimates are wrong and that Federal deficit in fiscal year 1982 and fiscal year 1983 will exceed $100 billion even if the spending reductions and tax increases in their budget are passed by Congress. Tuition tax credits would increase the deficit by at least another $5 billion in the years ahead.

Tuition tax credits divert shrinking Federal dollars from public education to private educational institutions. The administration's fiscal year 1983 budget reduces spending by more a billion dollars for the very successful title I program. This program was designed to provide remedial and compensatory instruction in reading and math for educationally disadvantaged children living in low-income areas. And, if the President gets his request, some 2.5 million needy children will be eliminated from the title I program in the fiscal year 1983–84 school year.

It is ironic and discouraging that the administration would seek to cut a strong, effective public education program like title I by approximately the same amount in lost revenues under a tuition tax credit plan.

A tuition tax credit plan is also bad public policy. First of all, considering the Federal Government now provides less than $200 per pupil support for public education, a tuition tax credit of $500 per pupil would in effect provide twice the amount of Federal support given public school students to those in private schools.

The philosophy of American education is undermined by aiding private schools more than public schools.

Second, tuition tax credits require all taxpayers involuntarily to pay twice for education. If parents use a private school, that is a voluntary choice. But if they get tax subsidies for it, then it is other taxpayers who have to pay twice. They have to pay once for the public schools and again through the subsidy for the private one. That is unvoluntary and unfair.

Third, tuition tax credits would result in increased Federal regulation of private schools. Before the credits could be given for private school tuition, the Federal Government would be required to judge the legitimacy of a school that benefits from the credit. Eventually, the Federal Government would have to set criteria for a qualifying school. This would be an unprecedented interference in private education.

This administration has called for less Federal involvement in education by reducing spending for education programs and by proposing block grants. Ironically, tuition tax credits increase Federal involvement and regulation.

Fourth, a tuition tax credit plan raises serious constitutional questions; 90 percent of private schools are church related. And there is a long, well-established line of Supreme Court cases striking down legislation which either directly or indirectly advance religion and challenges the constitutional guarantee of separation of church and state.

Finally, a tuition tax credit plan is poor educational policy for two important reasons.

First, the loss of revenues resulting from this subsidy would surely force Congress to cut back on other existing education programs. The Congress has already approved extreme budget reductions in a variety of education programs. Further reductions would prove devastating especially to those citizens that are truly needy.

Second, tax credits, by allowing special benefits through taxes for wealthier families could undermine the support of public schools through an unfair and unwise competition. Elite private schools and disadvantaged public schools will increasingly create a separate and unequal dual education system in the United States.

While diversity in education is important, the Federal Goverment's first priority should be to insure the vitality of its public educational institutions. Everyone benefits, either directly or indirectly, from a strong public school system.

Mr. President, tuition tax credits for private education are bad economic policy and bad education policy. It is especially bad when the President is jeopardizing the future of public education by proposing drastic reductions in funding for Federal aid, but increasing Federal funding for expensive subsidies for private schools.

I would like to call to the attention of my colleagues three excellent editorials in opposition to tuition tax credits from the Wall Street Journal, the New York Times, and the Washington Post. I ask the articles be printed in the RECORD at this point.

The editorials follow:

[From the Wall Street Journal]

TUITION CREDIT CONFLICTS

Most of the objections to tuition tax credits for parents who send their children to private schools had been thought of long before President Reagan put his weight behind the idea last week. The issue has been around for years and questions of constitutionality, damage to the public schools, etc., have been well ventilated in public debate.

We find many of those objections less than impressive. Granting a tax credit to someone who might happen to send his child to a church-related school hardly constitutes an establishment of religion. Knocking $500 off a tuition bill, which the President's plan would scale up to by 1985, is not going to put the public schools out of business.

Indeed we find some of the counterarguments more persuasive. The fact that so many parents are willing to support private schools with their tuition payments at the same time they are paying taxes to support public suggests a broad dissatisfaction with the public schools. Many no doubt think that public education has become too divorced from widely shared values to be suitable for educating children who will someday have the responsibility for holding their communities and their society together. They would argue that there is indeed a public purpose to be served in encouraging alternative forms of education. They would further argue that tax credits are not only easy to administer but far less subject to constitutional challenge than, say, direct subsidies to private schools.

Nonetheless, we are not in favor of tuition tax credits. In broad terms, we have often objected here to the efforts politicians are constantly making to warp the tax system in ways that will serve some social or political purpose. More specifically, this particular warp the President has in mind runs entirely counter to his other efforts to rid the tax system of some of its social and economic biases and to thus restore incentives for work effort and advancement.

The tuition tax credit would be what economists call a non-marginal tax cut. It would provide a rebate for those taxpayers who meet certain criteria, but it would not change the tax rate on the next additional dollar anyone earned. Thus it provides no new incentives in the economy. Indeed, the phasing out of the credit at high incomes provides disincentives. The loss of this benefit would increase marginal rates in the $50,000 to $75,000 income ranges in a small but symbolic way.

This may seem like a small issue to those eager to work themselves into a lather over the great historical issue of separation of church and state. But issues have changed over the last 200 years, and today the central one is getting the economy moving. The President has a program for this problem, but its logic is undercut by his tuition tax credit proposal. The tax system ought to be structured not to aid this or that worthy cause, but to reward productive effort.

[From the Washington Post]

SUBSIDIZING PRIVATE SCHOOLS

The tuition tax credit, a bad idea that President Reagan now reportedly intends to revive, has a certain melancholy perfection to it. This tax credit is bad law, for it probably would infringe the Constitution. It is bad economics, for it would create another large tax subsidy and add to the budget deficit. It is bad public policy, for it is an assault on the public school that, for most American families, is a center of community life.

What's to be said in behalf of the tuition tax credit? Not much, except that many parents with children in private or parochial schools would like the federal government to help pay their tuition. Mr. Reagan is apparently about to propose contributing $500 per child through the simple device of letting the parents take that much off their income tax payments—with the inevitable cash pay-out to those whose taxes aren't that high.

When people are unsatisfied with public services, they have an unchallenged right to set up their own parallel services privately. If you don't want to use the city swimming pools, you can build your own. But you aren't entitled to public funds to help you pay for it. If you think that the police protection is inadequate, you can hire your own watchman. But you can't reasonably ask for tax money to pay him. The same rule applies to schools.

It applies with special force to those schools that have been established for religious purposes, to provide children with a kind of education that the public schools must not offer. A tax credit of $500 is a direct payment to a parent, just like a check for $500 from the Treasury. A federal payment to a parent to provide religious training for a child raises an issue on which the First Amendment is pretty clear.

The cost of this subsidy would be something over $2 billion a year. By an illuminating coincidence, that is just about the amount by which Mr. Reagan has proposed to cut federal spending on education next year. With the tuition tax credit, he would alter his budget significantly. It would mean that he was no longer cutting federal funds for education. He would only cut spending on public schools, and on aid to college students. Instead, he would swing those billions of dollars to support of the private schools. Aside from any other aspect of this unhappy venture, is there anyone in Congress who thinks that Mr. Reagan and his budget have $2 billion to spare for this purpose?

But there is much more at stake here than money. The tuition tax credit would be a powerful subsidy, encouraging private schools and eroding the public ones. Whatever their shortcomings and exasperations, the public schools are among the most valuable and productive of this country's institutions. They are central to the way the country works. They are the places where most Americans learn the meaning of opportunity, equality and democracy. To the extent that the Reagan administration weakens the public schools, it will have weakened—inadvertently but inevitably—the values for which it stands.

Mr. Reagan has not yet publicly committed himself to a campaign to get this tuition tax credit through Congress. He still has time to reconsider.

[From the New York Times]

PRIVATE SCHOOL AID IS STILL A BAD IDEA

Perhaps to pacify a consitituency that is angered by cuts in college aid, President Reagan is about to propose tuition tax credits for the parents of private school children. The idea is awful and the timing is worse. Financing private and parochial schools through tax subsidies endangers public education and diverts Federal funds from worthier projects.

The contemplated credit against Federal taxes would go to parents with children in any nonpublic school. Although the details of the Reagan plan are not yet known, it would in three years authorize a credit of up to $500 a child, at a total cost of $1.5 billion. An income ceiling would limit the benefit to families burdened by tutition.

The Administration contends that such credits would foster educational choice. Poor public education, it is said, is not the fault of parents who withdraw their children; they should not bear the costs of private school unaided. Besides, it is argued, stiffer competition will shake up moribund public schools systems. As New York's Senator Daniel Patrick Moynihan says in favor of credits, "We do not build and maintain strong and vibrant public schools by turning them into educational monopolies."

But there's nothing fair about a competition if one contender starts out ahead. Nonpublic schools already have an edge because they admit whom they please and expel troublemakers or slow learners. Public schools must take all who enroll and find it hard to throw anyone out.

Then, too, Mr. Reagan's tax subsidies would presumably flow also to schools organized by fanatic cults and blatant racists. Does he really mean to tap the Treasury on their behalf?

Senator Moynihan says tax credits are not meant to supplant Federal aid for public schools. Yet when coupled with White House plans to halve compensatory education aid for the public schools, that would be precisely the effect this year.

For a time, the threat of tax credits served to jolt public education out of its lethargy. In New York and other places, public schools now show encouraging signs of improvement. Tuition credits would jeopardize that fragile recovery and undermine the principle that government should finance education that is available to all.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Ms. Margo Carlisle, of the Senate Republican Conference staff, to participate in a workshop sponsored by a foreign educational organization, the Friedrich-Ebert-Siftung (Foundation), in Bonn, West Germany, on May 3-5, 1982.

The committee has determined that participation by Ms. Carlisle in the program in West Germany, at the expense of Friedrich-Ebert-Siftung (Foundation), is in the interests of the Senate and the United States.●

ANTI-SEMITISM

● Mr. MOYNIHAN. Mr. President, members of the Senate will recall receiving in the mail during January a package containing several blatantly, repugnantly anti-Semitic tracts. Anonymously sent, the kits contained a book called "Anti-Zion," and another entitled "The Six Million Reconsidered." The latter is a cruelly absurd

treatise which purports to prove that the Holocaust never happened—that 6 million Jews were not murdered by the Nazis during World War II.

This mailing would not be remarkable—Senators receive a great deal of assorted nonsense in the mail every day, in addition to important and useful letters from their constituents—but for the fact that the mailing has been indentified as having originated with a Pakistani-based organization which is closely identified with the Government of Saudi Arabia.

I have recently received a brief report, prepared by the factfinding department of the Anti-Defamation League of B'nai B'rith, which summarizes the connections. It has been made available to me by Mr. Irwin Suall, director of the fact-finding department.

The report speaks for itself. The information it contains is important, and new, as far as I know.

For the benefit of Senators, and for the information of the general public, I ask that the text of the report to which I have referred be printed in the RECORD at this point.

The report follows:

ANTI-DEFAMATION LEAGUE OF B'NAI B'RITH—SPECIAL REPORT—MARCH 25, 1982

Members of the U.S. Senate were the recipients recently of packages from Pakistan containing anti-Semitic books. The mailing bore no return address nor did it in any other way identify the sender of the hate materials.

The books received by the Senators were "Anti-Zion," a compendium of anti-Jewish writings compiled by William Grimstad, an American neo-Nazi and Ku Klux Klan propagandist, and "The Six Million Reconsidered," an anonymous volume dedicated to the proposition that the Nazi Holocaust against European Jewry never happened. (Grimstad was actually the author of this book also.)

Investigation by the Anti-Defamation League's Fact-Finding Department reveals that the source of the mailing was a Pakistan-based international Muslim organization, the World Muslim Congress, which receives funding from, and is closely identified with, Saudi Arabia's ruling establishment. The president of the World Muslim Congress, Dr. Ma'ruf al-Dawalibi, lives in Riyadh and is a Royal Advisor to King Khaled. Dawalibi has stated that "the Arabs would prefer a thousandfold to become a Soviet Republic than a prey to World Jewry."

Another Saudi connection is financial. The Congress' largest and most reliable source of income is a Saudi-based Islamic organization, the World Muslim League, P.O. Box 537, Mecca, Saudi Arabia. The League was created in 1962 through a Saudi government grant as the principal instrument of Saudi Arabia's policy of centralizing Islamic institutions under Saudi auspices. Besides rendering financial support to the World Muslim Congress, the League funds a long list of Islamic centers, mosques, universities and associations outside Saudi Arabia.

In addition to its intimate connection with the Saudi monarchy, the World Muslim Congress enjoys consultative status as a Category I Non-Governmental Organization (NGO) in the United Nations Economic and Social Council (ECOSOC)—the highest such classification—and maintains a permanent representative to the United Nations. The Congress' NGO office to the UN in New York is located in the World Muslim League offices at 300 East 44 Street. The League is also accredited as an NGO to the UN.

The World Muslim Congress, P.O. Box 5030, Karachi 2, Pakistan, was founded in 1949 in Karachi. Its first president, who held the post for two decades, was the late Mufti of Jerusalem, Hajj Amin al-Hussayni. Hussayni, who led violent Arab resistance to Jewish immigration to Palestine in the 1930s and 1940s, worked for an Axis victory in World War II, during which he lived in Berlin and made broadcasts to the Middle East urging Arab alignment with Nazi Germany. He was also instrumental in organizing a Yugoslavian Muslim SS division which fought alongside the Germans.

The Secretary-General of the Congress from its inception, who still holds the post, has been a Pakistani, Inamullah Khan.

Following Hajj Amin Hussaynia's death in 1974, his successor as president of the Congress was Dr. Ma'ruf al-Dawalibi, a former Prime Minister of Syria, who upon his political demise in that country in the mid-60s moved to Saudi Arabia where he became a legal advisor to the Saudi royal family. Dawalibi had earlier been a close associate of Hajj Amin al-Hussaynia and has continued to serve as president of the Congress to this day. His services have recently been loaned by King Khaled to Pakistan's Prime Minister Zia ul-Haq for the drafting of Islamic legislation, as part of Pakistan's current Islamicization process.

The author of the books mailed to the Senators, William Grimstad, registered with the U.S. Department of Justice in 1978 as a paid foreign agent for Saudi Arabia. He submitted a declaration that he had been paid $20,000 by the Saudis "in appreciation for my 1976 book 'Anti-Zion' and intended for use in similar humanitarian educational projects." After ADL learned of the registration and caused it to be exposed in the press, Grimstad changed his mind, declaring that it was all a misunderstanding; it wasn't the Saudis who had paid him the $20,000 he claimed, but some anonymous donor whose identity he did not know. Grimstad had earlier been managing editor of White Power, the official publication of the neo-Nazi National Socialist White Peoples Party. An earlier edition of "Anti-Zion" was published in 1973 in Washington, D.C. by the Aryan Press, under the title "The Jews on Trial." A later edition of the book was published by Noontide Press in Los Angeles, a publishing house controlled by Willis Carto, the controlling figure in Liberty Lobby, a Washington-based far-right anti-Semitic organization.

The second book received by the Senators, "The Six Million Reconsidered" was originally published with no author listed, by the Historical Review Press in England. Subsequent advertisements for the book in various U.S. and British hate publications identified Grimstad as the author. The book was originally printed by a British right-wing extremist, Anthony Hancock, of Brighton, who has been linked with various British neo-fascists, including the National Front and the League of St. George. His printing company specializes in the publication of anti-Semitic and neo-Nazi literature. A subsequent edition of "The Six Million Reconsidered" was published in the United States by Noontide Press.

The editions of the two books which were sent to members of the U.S. Senate were reprints, smaller in size and cheaper in quality than the British and American publications. The mailing was sent to the district offices of the Senators. A similar mailing by the World Muslim Congress was received in the summer of 1981 by members of Parliament in the United Kingdom.●

BOY SCOUTS HONOR GLENN SPIES, OF AURORA, COLO.

● Mr. ARMSTRONG. Mr. President, Glenn Spies, 19, of Aurora, Colo., was honored at ceremonies on Tuesday, April 27, for his attempt to save the life of a policewoman attacked by an assailant. Glenn was recognized by the Boy Scouts of America with their Honor Medal for Lifesaving with crossed palms.

The recognition is the rarest award of any type presented by the Boy Scouts of America. It is the second to be given in the United States this year and is the first to go to a Coloradan in 3 years.

"Spies' attempt to assist the officer exemplified the Scouting tradition of selfless service," asserted the National Court of Honor in approving the award. The young man is a member of Explorer Post 24, chartered to the Aurora Police Department, and at the time of the incident was employed as a park aide by the city.

According to Scout officials, Spies was driving near the 1500 block of Moline Street in Aurora about 1 a.m. last June 27 when he saw police officer Debra Sue Corr, 26, being assaulted. Police officials say she was attempting to arrest a suspect for an alleged traffic violation. Spies made a U-turn and attempted to assist the officer.

During the struggle, the assailant shot and killed the officer with her handgun. He then turned and fired on Spies, critically injuring him in the spine as he sought to interrupt the attack on the woman.

The Honor Medal for Lifesaving is awarded to about 25 persons a year, both youth and adult, who "demonstrate unusual heroism in saving or attempting to save life at the risk of their own." Only rarely is it given with crossed palms, recognizing "extraordinary skill or resourcefulness" at the extreme risk of one's own life.●

SENATOR WEICKER RECEIVES DISTINGUISHED SERVICE AWARD FROM ASHA

● Mr. LAXALT. Mr. President, for over a half century, the American Speech-Language-Hearing Association has been at the forefront of research, education, and rehabilitation on behalf of millions of individuals who suffer from communicative disorders. From its modest beginnings in 1925 as an organization consisting of a hand-

ful of persons concerned with disorders of human communication, to its present status as an internationally recognized association with over 36,000 members, the American Speech-Language-Hearing Association has provided leadership for professionals devoted to the diagnosis and treatment of speech, language, and hearing disorders.

Among the estimated 22 million Americans with communicative disorders are 3 million school-age children with speech and language impairments, and nearly 7 million elderly citizens with hearing losses.

Many people at every age level are able to lead fuller and more productive lives as a result of the special education and rehabilitative services provided to them by qualified speech-language pathologists and audiologists in schools, hospitals, clinics, rehabilitation agencies, private practices, and other settings throughout the country.

As an educational and scientific professional membership organization, ASHA, as it is know, has set strong standards for the qualifications of practitioners, of training programs, and of clinical facilities. At the dedication of its new building last year, the Secretary of Education, Terrel H. Bell said:

> You've made great progress in raising the standards of clinical competency for professionals providing services to the public—all kinds of service. As a result of your work, the speech and hearing impaired have highly qualified professionals to assess and treat their needs. Your accomplishments are numerous.
>
> You have enlarged the body of knowledge about communicative disorders. You have developed comprehensive programs and procedures. You have supported generously basic research and scientific study related to your field.

Many Members of the Senate know ASHA through their advocacy efforts. Many Senators—over half in fact—have worked with ASHA to produce televison public service announcements in which we urged citizens in our States to seek appropriate services for their communicative disorders. The American Speech-Language-Hearing Association has played an important role in advocating public policies affecting the handicapped. The association has spoken out forcefully for the rights of handicapped children to an appropriate education, for research on the causes and effects of handicapping conditions, for the rights of handicapped adults to vote and be free of architectural barriers, for employment opportunities, and for the rights of older persons and the poor to receive those health services that will allow them to use these marvelous attributes of speech, language, and hearing, and be uniquely human.

This year ASHA has awarded its highest honor, the Distinguished Service Award, to our colleague Senator LOWELL WEICKER, chairman of the Subcommittee on the Handicapped. The other Member of the Senate to receive this prestigious award recently is Senator CHARLES PERCY. The citation to Senator WEICKER reads:

DISTINGUISHED SERVICE AWARD RESOLUTION FOR SENATOR LOWELL P. WEICKER, JR.

Whereas LOWELL P. WEICKER, JR., of Connecticut, has, during the past 13 years of service in the U.S. House of Representatives and the U.S. Senate, demonstrated a sincere awareness and active commitment to the needs and problems of handicapped people in his state and throughout the nation, and

Whereas Senator WEICKER has put political concerns aside in his tireless efforts to promote and protect the rights and opportunities of all American citizens, and

Whereas his leadership on the Senate Committee on Labor and Human Resources and as Chairman of the Subcommittee on the Handicapped has contributed to the continued viability of the Education of All Handicapped Children Act of 1975, the Rehabilitation Act of 1973, and other laws that are vital to the well-being of handicapped children and adults, and,

Whereas, his commitments and legislative accomplishments have had and will continue to have a profound and positive impact on the delivery, quality, and availability social education and rehabilitative services: Therefore be it

Resolved, That the American Speech-Language-Hearing Association commend the Honorable Lowell P. Weicker, Jr., for his intense dedication to the rights of all citizens and his ceaseless efforts to improve the lives of millions of handicapped persons by granting him its Distinguished Service Award in Government.

I believe we all share in congratulating Senator WEICKER on this outstanding recognition.

Mr. WEICKER. Mr. President, I wish to thank my distinguished colleague for his remarks. I am indeed proud to receive this award from ASHA. I am especially pleased at the consistent, firm, and effective support ASHA has demonstrated for individuals with communicative disorders. This last year they have been successful in working with Congress to maintain the Federal-State program for the education of handicapped children (Public Law 94-142) and with the administration in having the Occupational Safety and Health Administration issue a reasonable regulation to protect the hearing of millions of workers in industry.

I am sure that all who wish to improve the lives of handicapped individuals—particularly those who cannot communicate—will find the members, leaders, and staff of ASHA, headed by Frank T. Spahr, Ph. D., executive director, true and effective allies.●

WESTERN ENERGY AND NATURAL RESOURCES

● Mr. HART. Mr. President, last weekend Senator BAUCUS and I participated in a Western Energy and Resource Policy Conference sponsored by the Center for National Policy in Denver. The Conference brought together leaders and decisionmakers from the Rocky Mountain States to debate the special issues facing this fast-growing and resource-rich region as it becomes increasingly important to the rest of the country.

The West faces difficult choices in its dual role as a critical national energy supplier, and a preserve for the Nation's natural heritage. Striking a balance between national and regional interests in the development of Western resources is an extremely difficult task. Senator BAUCUS' remarks to the Policy Conference offer the kind of fresh thinking and optimism needed to confront this challenge. I recommend his remarks to other Senators, and request they be printed in the RECORD at this point.

The remarks follow:

AWAY FROM IDEOLOGY

(By Senator MAX BAUCUS)

Today, I'd like to talk about the future, and how we think about it.

Our Nation is presently reevaluating the role of Government. The Center for National Policy is especially important in that effort. We certainly need both fresh thoughts and new policies.

Yet we often forget the distinction between policies and Government. Politics is adversarial. It involves a free trade in ideas. Political parties compete in the National Marketplace. There are winners and losers.

Government cannot be divorced from politics, yet too often we fall victim to adversarial thinking. We lapse into the terminology of sports, and even war.

The press tends to encourage this. The world is divided into teams. Instead of uniforms, we have labels to identify the players. The teams do battle. Often we have a final score. Form simplifies substance.

So Democrats and Republicans "jockey for position". The President and Congress "put their cards on the table". The Pentagon launches a "preemptive strike" on the defense budget.

Ideas must fit into the box scores. Otherwise they get lost in the shuffle. The debate is dominated by narrow interest groups, or rigid ideologies. Theological certainty replaces idea-based government.

Instead of ideology, we should think of policies of ideas. Ideas that are neither liberal nor conservative, neither monetarist nor Marxist. And, we should think about translating ideas into actions.

Fifteen years ago, a Frenchman wrote a book about American success. He called it "The American Challenge." It's relevant today.

He marveled at the creativity of American management.

He envied the excellence of our products. He admired our methods of thinking ahead. He respected our understanding of the power of ideas.

He rejoiced in our expansion of human potential, through education, and training.

He knew that the wealth of nations depended on thought, creativity, and action.

He said: "Modern power is based on the capacity for innovation, which is research, and the capacity to transform inventions into finished products, which is technology."

He was talking about human capital. The capital of ideas. Thinking ahead. Creativity. Excellence.

These are the important concepts in today's world economy. New technologies are emerging. Foreign competition is increasing. The energy crisis poses new dangers and new opportunities.

The old answers, the old ideologies, just won't do. Our minds must look ahead, and not be frozen in the past.

I'm talking primarily about attitude. Call it American ingenuity. Call it idealism without illusions. It's a common thread in American history.

Take our Nation's Constitution. The Founding Fathers created something new. They wanted a constitution that would last. They were thinking ahead, looking forward. They talked—but they also acted. They disagreed—but they compromised. They got the job done.

Take the Marshall Plan. President Truman had learned the lesson of history. He understood the mistakes made after World War I. He vowed it would not happen again.

President Truman decided to rebuild Europe. To regain stability through prosperity. It was a generous act by a great power. It was visionary, and, it was in our national interest. It charted a new path, and it worked.

Take the space program. President Kennedy wanted to move into a New Frontier. Government, business and labor were mobilized. Resources were allocated. Goals were defined. National purpose was rallied. Being an American was a statement of principle and pride.

The Constitution. The Marshall Plan. The space program. Each involved trying something new—experimenting. Each involved a postitive, can-do attitude—confidence. Instead of finding reasons not to act, we acted.

This is the American idea. This is the American challenge. This is the pioneer spirit that built the country. Americans were part of something important, something to care about, something worthy of national commitment.

It's this attitude, more than anything else, that we need today.

Politicians need to think beyond the next election.

Business should think beyond the next quarter's profits.

I'm a member of the Senate Finance Committee. I sit on the Trade Subcommittee, where we spend a lot of time thinking about Japan. And Japan spends a lot of time thinking about the future. They forcefully promote new technologies. They develop foreign markets. They husband capital and save energy. They train workers.

We should do a lot more of these things. Ourselves—particularly in the development of energy.

For thousands of years, agricultural society used little energy—mostly renewable. For hundreds of years, industrial society used more energy—mostly non-renewable.

Today we stand at a crossroads. Information industries are growing dramatically. Alternative energies are becoming more practical. Foresight is more important than ever.

And foresight means we don't depend on Middle East stability. We don't cut conservation. We don't neglect alternative energies.

But look at the proposed 1983 budget:

Conservation research: Down almost 90 percent.

Conservation grants: Down 98 percent. The remaining 2 percent is to phase out the other programs.

Conservation involves research, investment, marketing and incentives. Yet research and grants are to be cut, and incentives are under attack.

This is the wrong policy, reflecting the wrong attitude, sending the wrong message.

The same is true of alternative energies. They are needed, and they are coming. But look again at the proposed budget:

Total energy research: Down almost 75 percent.

Fossil fuels: Down almost 75 percent.

Coal: Down over 80 percent.

Nenewable energies: Down almost 75 percent.

Solar research: Down over 70 percent.

Photovoltaic cells: Down over 60 percent.

What's left in the energy budget? Nuclear power. Fission alone would take almost half of the 1983 research budget.

This blend is unbalanced and unwise. It neglects conservation, alternative energies, and the strategic petroleum reserve. It neglects the future.

Not all nations are moving in this direction. Japan isn't. A good example is photovoltaics, a promising new technology.

Three years ago we spent twice as much as Japan. Since then they have increased their commitment while we have reduced ours.

If the proposed 1983 budget passes, Japan could be spending twice as much as we are in real dollars. History could repeat itself, and we'll have Japan flooding us again.

I don't want that to happen. I want the United states—not Japan—to be the Saudi Arabia of new energy sources.

But again—we have to invest. Look to the future. Think ahead.

This is true throughout the economy. We can act to become more competitive—and save energy in the process. New cars can be more efficient than the older ones they replace. New machinery can increase productivity and save energy as well.

And let's invest in people. Nearly one in 10 workers is unemployed. But many industries need skilled labor. We should match the workers to the work. We could fill jobs that industry needs, and workers want.

We are falling short in the sciences. Japan is now producing twice as many engineers as we are, per capita. Doctorates are down. Compare the number of U.S. doctorates today to the 1970's:

Physics and astronomy: down over 40 percent.

Chemistry: down over 30 percent.

Engineering: down almost 30 percent.

Math and computer science: down almost 30 percent.

And, many of those who graduate are foreign. They return home to compete against American firms.

We can restore educational leadership. We can graduate the people our economy needs. And as we invest in people—we invest in ideas. America should continue to be the research center of the world. We still are, but we cannot afford to retreat.

Certainly—we can't do everything at once. Programs cost money, and money is limited. We have to find savings everywhere. Including taxes. Including defense.

But ultimately—even here—we return to attitude.

The attitude of business. The wisdom to move away from short-term obsession. The foresight to look ahead. The good sense to invest in the future.

The attitude of labor. The wisdom to avoid seeing management as a mortal enemy—a wisdom, I add—that must be mutual. The foresight to master the new tools of the modern economy.

The attitude of Government. The wisdom to move away from rigidity, to know that old answers don't solve new problems. The courage to lead and the foresight to know where to lead.

Despite our short term problems, the future holds unlimited potential. My father is a rancher. He is an old fashioned man of the land. I am a lawyer, a public servant, I hope. My son is five years old. What will he become?

Maybe he'll build solar energy houses or develop computers that reduce energy waste or perform experiments on orbitting satellites.

It is our job to give him the choice. To pioneer new energy sources that he will enjoy. To protect the envrionment that he will inherit.

What's missing from our national dialogue is a sense of wonder. Scott Fitzgerald described it in "The Great Gatsby." He imagined how the first explorers felt when they laid eyes on America. The awe they must have felt, about the dangers ahead, about the adventûre they had begun.

Today we get lost in budgetary details. We haggle too much.

Our generation could decide whether the world survives the nuclear danger. Whether cancer is cured. Whether energy is bountiful in the foreseeable future more than enough for wonder.

The American challenge is to rise above narrow thinking and to look ahead. If we do, we can accomplish anything. So long as we do it together, and do it now.●

LAWSUIT FILED AGAINST ADMINISTRATION TO PROTECT THE OSCEOLA NATIONAL FOREST

● Mr. CHILES. Mr. President, today, along with the State of Florida, I am bringing legal challenge to the actions by the Department of the Interior and the Department of Agriculture concerning the management and continued protection of the Osceola National Forest. Joining me in this lawsuit are the Florida Audubon Society, the Florida Defenders of the Environment, and the Florida Wildlife Federation as well as the Environmental Defense Fund, Inc., the National Wildlife Federation, and the National Resources Defense Council, Inc.

The lawsuit we are filing today represents but one of a series of efforts by elected officials, public interest groups, and individual citizens to prevent the Osceola from being permanently changed through strip mining activity. The threat of phosphate mining in this popular, valuable Florida forest has been hanging over the head of Floridians for over 10 years now.

Until recently, our persistent efforts have been successful in holding off the issuance of leases. Last year, however, the new administration indicated its intention to move forward in the proc-

essing of pending lease applications. This announcement brought to the forefront the very real possibility that the people of Florida might soon see draglines and slime ponds in the Osceola National Forest.

Public outcry has been loud and strong against strip mining in the forest. There is total unanimity in Florida's congressional delegation that phosphate mining should not take place in the Osceola.

In spite of unified public opinion against such action, the Department of Interior and the Department of Agriculture have proceeded full steam ahead in processing the pending lease applications. In so doing I feel these public officials have violated the public's interest and certain actions clearly warrant judicial review.

I view this lawsuit as being complementary to the efforts underway in Congress to reach a legislative solution to the threat of mining in the forest.

The Florida congressional delegation is 100 percent behind legislation to prohibit mining in the Osceola National Forest. Thanks to the dedicated efforts of Congressman DON FUQUA, the House of Representatives has passed such a bill. I have introduced legislation in the Senate, and a hearing was held on April 1 to review the phosphate mining issue. I am very pleased that the Senate subcommittee chairman, Senator MALCOLM WALLOP, has given some encouragement. The subcommittee appears willing to address the issue and I certainly intend to continue working with the committee and the members of the delegation to develop a legislative solution to the problem of possible mining in the Osceola. While I am hopeful of a legislative solution, I feel the legal challenges encompassed in this lawsuit are both timely and necessary.

The litigation is timely because none of the mining companies involved have yet shown they are entitled to a lease. The Department of the Interior is currently in the process of making this determination—a decision which will be based on whether the mining companies can meet the lease terms and conditions drawn up by the Department of Agriculture. These stipulations developed by the Department are seriously deficient in adequately protecting the resource values of the forest.

This lawsuit points to the failure of the Department of Agriculture to develop strong and protection lease terms, the Department's disregard of recommendations from other Federal and State agencies as to the impact of the proposed mining, and the Department's reliance on unproven technology to restore the hardwood forest systems and the critical wetlands after mining.

The Osceola National Forest was established primarily for the purposes of timber management and wetland protection. It is also invaluable for recreational use. In approving these stipulations the Department of Agriculture has failed to meet its statutory responsibility to insure that these lands will continue to be used for these important purposes.

Not only is the litigation timely, but it is also necessary if we are to reserve all available options in protecting the forest. As I have mentioned before, I am all for seeking a legislative solution to this problem. However, we cannot predict if our efforts will be successful, and we must be ready to take advantage of any means we have to prevent the issuance of mining leases in the Osceola.

The Department of the Interior and the Department of Agriculture have testified against legislation to prohibit mining in the Osceola Forest. In a report to the Senate committee on the proposed legislation, the Secretary of Agriculture said, "We believe it is not necessary or desirable to withdraw the Osceola National Forest from phosphate leasing."

Although I want to be optimistic that the Senate committee will work with members of the Florida delegation to try and come up with a legislative proposal to protect the forest, we cannot assume that any decision reached by the committee will be approved by the Senate and ultimately signed off on by the President. I will certainly not give up on this approach. However, in the absence of a legislative solution, I feel we must take every possible step to prevent the issuance of leases in the forest.

I have, and will continue trying to convince the Department of the Interior and the Department of Agriculture on the merits of preventing phosphate mining in the Osceola National Forest. I have sponsored, and will continue to pursue, legislation to protect the forest. This lawsuit is one more step in a series of efforts designed to insure the continued protection and use of our important Osceola forest.

Mr. President, I ask that the statements made at the press conference this morning by the Florida Wildlife Federation and the Florida Defenders and the Environment, Inc., be printed at this point in the RECORD.

The statements follow:

STATEMENT OF JOHN C. JONES, EXECUTIVE DIRECTOR, FLORIDA WILDLIFE FEDERATION

In keeping with a long standing policy opposing phosphate leases on the Osceola National Forest, the Board of Directors of the Florida Wildlife Federation, agreed to join suit with the National Wildlife Federation, the Environmental Defense Fund and other Florida conservation organizations in opposing issuance of phosphate mining leases in the Osceola National Forest.

The basic grounds for our objection to the leases arise from the concerns about the permanent deleterious impacts such mining will have on the water and wildlife of the forest. The mining will also interfere with economically valuable and long cherished public recreational uses.

The FWF believes that the damage from the mining clearly outweigh any benefits to the public and that the leases should be vigorously opposed in all available forums.

STATEMENT OF THE FLORIDA DEFENDERS OF THE ENVIRONMENT, INC.

Florida Defenders of the Environment (FDE) today announces that it is joining Senator LAWTON CHILES, the Environmental Defense Fund, the Natural Resources Defense Council, and other national and state conservation organizations in a suit to temporarily and permanently enjoin the U.S. Department of the Interior and the U.S. Department of Agriculture from actions to process and grant preference right leases for phosphate strip mining in the Osceola National Forest.

The suit is being filed today in the United States District Court for the Middle District of Florida in Jacksonville by Joseph W. Landers, Jr., Attorney for the Plaintiffs, James T. B. Tripp, attorney for the Environmental Defense Fund, and Thomas D. Lustig, Attorney for the National Wildlife Federation.

Defendants are James G. Watt, Secretary of the Interior; John R. Block, Secretary of Agriculture; and other officials responsible for processing the leases, or managing the national forests for the purposes for which they were acquired.

Florida Defenders of the Environment has opposed phosphate mining in the Osceola Forest since 1974 when, after analysis of the Final Environmental Statement (FES) by our environmental specialists, we identified unacceptable impacts to the forested wetlands and other ecosystems of the Forests, and to the Suwannee River watershed. Furthermore, with more than adequate phosphate reserves and resources available on private land, our economists found no economic justification to sacrifice the long term, sustained yield timber revenues for a short term private profit. When the supplement to the FES was published in 1979, we reiterated our objection to the mining, citing again the impacts to the Forest ecosystems and the Suwannee River and the lack of economic necessity to mine. We agreed with the suggestion of the U.S. Environmental Protection Agency that it was clearly in the public interest to consider the phosphate in the Osceola as a stategic reserve, to be mined only when private sources were depleted.

More recently, FDE has supported the bills in the U.S. Congress which would prohibit mining in the Osceola. In the hearings of U.S. Representative DON FUQUA's bill H.R. 9, we expressed our concerns about the Suwannee River watershed, the loss of wildlife habitat and timber production, the preemption of public recreation uses, and especially the uncertainties surrounding restoration of all these multiple use functions after mining. We noted even less economic justification for mining in the face of a glut of phosphate on the market and the lay-offs in the industry in Florida. (Last week Occidental Chemical Company closed its Swift Creek Mine and laid off about 10 percent of its workers. Occidental mines is in Hamilton county across the river from the Forest.)

During the past few months, we have supported the efforts of Senator CHILES and the State of Florida to force the Department of the Interior and the Department of

Agriculture to protect and maintain the outstanding natural resources of the Osceola National Forest as they prepared to issue the preference right leases claimed by four mining companies. We have been amazed and disheartened by the Reagan Administration's complete disregard for the desires of the citizens of Florida as expressed by Senator CHILES, Senator PAULA HAWKINS, Representative FUQUA and all the other Florida Congressmen, Governor Bob Graham, Attorney General Jim Smith, all the other Cabinet members, the State Legislature, state and regional agencies, local governments, and many organizations and individual citizens.

FDE believes that the stipulations developed by the U.S. Forest Service and accepted by the Department of the Interior as the basis to protect the public interest in the Osceola National Forest are grossly deficient. We believe that their use in the lease application review process violates the laws that are meant to protect public land for the use of citizens. We believe that Senator CHILES, the State of Florida, and the public interest organizations have exhausted all other possibilities for relief, and therefore we join in this suit to stop the issuance of leases to mine in the Osceola National Forest.

Florida Defenders of the Environment, Inc., is a statewide organization of 500 scientists, economists, attorneys, and other professionals concerned about threats to the quality of Florida's environment, whose volunteer activities are supported by 2000 contributing members. Attorney for the Plaintiffs, Joseph W. Landers, Jr., former Secretary of the Department of Environmental Regulation, is a Trustee of FDE. Trustee Helen Hood, Chairman of the Public Lands Committee, will coordinate expert witnesses and provide liaison with the other plaintiffs.

Environmental Defense Fund, Inc. (EDF) is a nationwide public interest organization dedicated to protecting and improving environmental quality and public health and improving the management of natural resources. EDF and FDE have had a long and successful association in legal action to stop the construction of the Cross Florida Barge Canal. Indeed, FDE's name was chosen to reverse the initials of the Environmental Defense Fund. James T. B. Tripp, Attorney for EDF, has a special interest in the protection of wetlands ecosystems, one of the major issues in the suit.

National Resources Defense Council, Inc. (NRDC) is dedicated to the preservation, enhancement and defense of natural resources in the United States. In carrying out these objectives, NRDC has a national program to ensure sound management of national forests and, at the request of FDE, has entered the suit as an appropriate action to further that goal.

An Osceola Fact Sheet is attached.

SOME USEFUL FACTS

Forest, total, 157,200 acres; prospecting permits, 52,000 acres; workable deposits, 28,000 acres.

Applicants: Pittsburg and Midway Coal Mining Co., 19,000 acres; Monsanto Chemical Products Co., 18,900 acres; Kerr McGee Chemical Corp., 7,694 acres; Global Exploration & Development Corp., 6,551 acres.

[Note: Acres approximate.]

Authorities: A. Mineral Leasing Act of 1920, 30 U.S.C. Sec. 181 et seq.; B. Mineral Leasing Act of 1947 for Acquired Lands, 30 U.S.C. Sec. 351-359; 40 acres public domain subject to A; remainder subject to B.

Total estimated reserves: 120 million tons, removed at the rate of 750-1000 tons/yr for 30 yrs.

Total water use: 200,000,000 gals/day. Approximately 90 percent recovered and recycled; 10 percent made up from deep wells.

Land use: Approximately ⅓ of mined area left as permanent water surface provided overburden is distributed to maximize land surface.

Slime ponds: Slimes would be retained in ponds on mined-out private lands west of the Forest. They would occupy an area of 10,000-12,000 acres.

Description of Environment: The Osceola National Forest is a mosaic of pine flatwoods, cypress swamps, and creek swamps. The forested wetland areas and hardwood hammock serve to protect watersheds of the Suwannee and St. Mary's Rivers. They are valuable wildlife habitat for hunting and fishing and for survival of a number of endangered and threatened species.

National Forest Land Use Policies: The Osceola National Forest is managed by the Forest Service, USDA, under the principle of Multiple Use and Sustained Yield. Forest resources are wildlife, recreation, forage, timber, water, and minerals.

All but 40 acres of public domain land were acquired under the Weeks Law of 1911 which authorized the purchase of land for timber production and watershed protection. The Multiple Use—Sustained Yield Act of 1960 confirmed longstanding Forest Service policy to administer the National Forests for outdoor recreation, range, timber, watershed, and wildlife. The National Environmental Policy Act of 1969 declared a national policy to encourage productive and enjoyable harmony between man and his environment.

Reclamation Policies:

A. Goal: Restoration of existing resource and reestablishment of its multiple use.

B. Management objectives: Sustained timber and forage production, wildlife and watershed management, and recreation by reestablishing, as nearly as possible, the same type of plant and aquatic communities with the same interspersion of community types, i.e., pine flatwoods, cypress swamps, creek swamps and lakes, as is now present. Emphasis would be on maximum land surface rather than lakes.●

ORDER FOR RECESS UNTIL 11:30 A.M. TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR BAUCUS ON TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that after the recognition of the two leaders tomorrow Senator BAUCUS be recognized for a special order to speak for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M. TOMORROW

Mr. TOWER. Mr. President, I ask unanimous consent that, pursuant to the previous consent agreement, the Senate stand in recess until 11:30 a.m. tomorrow.

There being no objection, the Senate, at 5:48 p.m., recessed until tomorrow, Tuesday, May 4, 1982, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate, May 3, 1982:

DEPARTMENT OF STATE

Robert Anderson, of the District of Columbia, a Career Member of the Senior Foreign Service, class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominican Republic.

WORLD HEALTH ORGANIZATION

Edward N. Brandt, Jr., of Texas, to be Representative of the United States on the Executive Board of the World Health Organization, vice Dr. S. Paul Ehrlich, Jr.

DEPARTMENT OF JUSTICE

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years (reappointment).

IN THE COAST GUARD

The following-named Reserve officers of the Coast Guard to be permanent commissioned officers in the grades indicated:

Lieutenant commander

Samuel E. Burton
Thomas F. Murphy, Jr.
Mark P. Troseth

Lieutenant

Roger P. Bowers
Jane R. Ditto
John R. Hannon
Randolph C. Helland
John M. Holmes
Mark E. Ives
Beverly G. Kelley
John D. Kercher
Eugene O'Dell
William R. Shilland, Jr.

Lieutenant junior grade

Robert L. Abair
David J. Ackerman
Willard R. Adams
James M. Anderson
John S. Anevski
David G. Atkinson
Gary L. Bagaas
Richard G. Barch
Thomas E. Bell
Thomas G. Berstene
Robert L. Beziat
William M. Biggar
Patrick L. Blair
Thomas J. Blancett
Charles D. Brantley
Michael J. Brennan
David S. Brimblecom
Jospeh A. Broom
Michael T. Brown
Richard A. Brundrett
John S. Burhoe
Terry I. Burton
William L. Carey
James Z. Carter
Eric J. Challain
Danny M. Clark
Joseph J. Coccia
Bonita G. Coe
John B. Crites
Ernesto de Armas
Eldo K. Delong, Jr.
James C. Disbrow
Kathleen M. Donohoe
Gary E. Dunn
John D. Dwyer
Timothy G. Eastman
Steven P. Eddy
Gary S. Ellis
Roy Ellis
Michael L. Emge
Marc A. Fiorini
Brian P. Flanagan
Thomas H. Gardiner
Richard M. Gaudiosi
Steven B. Gerken
Ernest A. Gibson III
Timothy K. Gibson
Richard E. Gingras
Stephen P. Glenn
Nicholas E. Grasselli
Theodore R. Harrington
Patrick A. Harris
Edward H. Hotard
David M. Illuminate
James R. Iversen, Jr.
Liston A. Jackson

Paul V. Karna
Jeffrey K. Karonis
Michael D. Kearney
Benjamin R. Keck
John J. Kelly
Jack A. Kemerer
Stephen R. Kenney
Roy C. Kisling
Michael E. Kistner
Robert L. Kohlhoff
Stanley J. Lander
Robert C. Lorigan
Richard N. Mac Ewan
William G. Mac Farlane
Timothy J. Martin
Douglas T. McCaffrey
John S. McDonald
James H. McDowell
John J. McGrail
James C. Milbury
James A. Miller
Michael A. Monteith
William M. Moore
Brent D. Morris
Michael D. Morse
Paul S. Neeld
William C. Nielsen
John C. Noreus
John T. O'Brien
Francis X. O'Byrne, Jr.
Joseph J. Ocken
John P. O'Connor
Gary E. Odom
Michael Omatsu
Mike D. Osmun
Curtis J. Ott
C. R. Pastene
David C. Paxton
James A. Petersen
James J. Potdevin
Linwood A. Quinn
Charles J. Reedy
Wayne J. Roberts
John W. Robertson
Susan L. Rogers
George A. Russell, Jr.
Joseph J. Saboe
Hugh F. Sage
Brian M. Salerno
Ronald P. Sanctuary
Jonathan D. Sarubbi
Christopher M. Scarborough
Kenneth E. Scholz
Benedict J. Scott
Alfred W. Seidel
Ray L. Shultz
Joseph S. Simpson
Gary M. Smith
Kevin B. Smith
Lawrence E. Solberg
Joann F. Spangenberg
Phillip L. Stephenson
Gary J. Stock
Joseph R. Sybille
Francis T. Tabata
Thomas A. Tansey
Carl D. Thomas
Donald B. Thompson
Kenneth G. Thysell
Paul J. Tikkanen
Patrick C. Twiss
Richard Van Lear
Arnold J. Van Ruitenbeek
Thomas S. Vasilou
Sarah E. Walsh
James A. Waterbury
Benjamin A. Watson
William J. Wetzel
Mark S. Zecca

The following regular officer of the Coast Guard to be appointed in the Coast Guard Reserve in the grade of commander.

James B. Ellis II

IN THE ARMY

Gen. John A. Wickham, Jr., xxx-xx-xxxx xxx-... Army of the United States (major general, U.S. Army), under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of Section 531, Title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Sorensen, Walter S., xxx-xx-xxxx
Stibrik, Richard A., xxx-xx-xxxx

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with secton 533, title 10, United States Code.

MEDICAL CORPS

Morden, Catherine T., xxx-xx-xxxx
Newland, Guy N., xxx-xx-xxxx
Powell, Alton W., III, xxx-xx-xxxx
Riddles, Lawrence M., xxx-xx-xxxx
San Diego, Armando G., xxx-xx-xxxx
Scales, David K., xxx-xx-xxxx
Sharp, Gary H., xxx-xx-xxxx
Winget, Deborah A., xxx-xx-xxxx
Wong, Marshall L., xxx-xx-xxxx
Wyatt, Rhonda A., xxx-xx-xxxx
Ziaya, Paul A., xxx-xx-xxxx

DENTAL CORPS

Bakke, Joseph C., xxx-xx-xxxx
Burgoyne, Donald A., xxx-xx-xxxx
Calhoun, Richard L., xxx-xx-xxxx
Collins, David C., xxx-xx-xxxx

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Mishkin, David, xxx-xx-xxxx
Osborne, James G., xxx-xx-xxxx
Pare, Norman. G., xxx-xx-xxxx
Plainer, Truman D., xxx-xx-xxxx
Smith, Robert L., xxx-xx-xxxx

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officers Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be lieutenant colonel

Charlesworth, Ernest N., xxx-xx-xxxx
Dean, Linda O., xxx-xx-xxxx
Tilton, Frederick E., xxx-xx-xxxx

To be major

Andersen, Clare Z., xxx-xx-xxxx
Dehmer, Gregory J., xxx-xx-xxxx
Henry, David H., xxx-xx-xxxx
King, Halifax C., xxx-xx-xxxx
Wickler, W. Laurence, xxx-xx-xxxx

BIOMEDICAL SCIENCE CORPS

To be major

Egerton, Charles P., xxx-xx-xxxx

JUDGE ADVOCATE CORPS

To be lieutenant colonel

Fries, Ralph R., xxx-xx-xxxx

To be major

Schwetje, Fred K., xxx-xx-xxxx

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy, under the provisoins of section 9333(b), title 10, United States Code.

Reddel, Carl W., xxx-xx-xxxx

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Ivandick, Woodrow M., xxx-xx-xxxx
Johnson, Darlene R., xxx-xx-xxxx
Joyner, Stephen E., xxx-xx-xxxx

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with section 533, title 10, United States Code.

MEDICAL CORPS

Adams, Robert R., xxx-xx-xxxx
Batki, Dara, xxx-xx-xxxx
Bisson, Roger U., xxx-xx-xxxx
Bitner, Alan F., xxx-xx-xxxx
Boyer, Franklin, Jr., xxx-xx-xxxx
Cavazos, Daniel R., xxx-xx-xxxx
Cole, Peter M., xxx-xx-xxxx
Collins, Gary J., xxx-xx-xxxx
Chambers, Steven L., xxx-xx-xxxx
Deering, Karen C. H., xxx-xx-xxxx
Ellis, Jay S., Jr., xxx-xx-xxxx

DENTAL CORPS

Raybeck, Gerald E., xxx-xx-xxxx
Steele, Richard H., xxx-xx-xxxx
Stuckey, Dennis P., xxx-xx-xxxx

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be colonel

O'Malley, Edward P., xxx-xx-xxxx

To be lieutenant colonel

Albright, Bruce W., xxx-xx-xxxx
Barrs, David M., xxx-xx-xxxx
Cox, Rex A., xxx-xx-xxxx
Dudas-Gyorki, George, xxx-xx-xxxx

The following person for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Barnett, Jim C., Jr., xxx-xx-xxxx

The following officer for promotion in the Air Force Reserve, under the provision of sections 1552 and 8371, title 10, United States Code (non-EAD).

JUDGE ADVOCATE

To be colonel

Bergen, Joseph B., xxx-xx-xxxx

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

To be colonel

McDonald, Kurt C., xxx-xx-xxxx
Ralston, Joseph W., xxx-xx-xxxx
Warner, Norris E., xxx-xx-xxxx

To be lieutenant colonel

Foringer, Harold F., xxx-xx-xxxx
Hardy, Tristam M., xxx-xx-xxxx
Heck, Frederick B., II, xxx-xx-xxxx
Hopper, Earl P., Jr., xxx-xx-xxxx
Jefferson, James M., xxx-xx-xxxx
Lloyd, Theodore A., Jr., xxx-xx-xxxx

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy, under the provisions of section 9333(b), title 10, United States Code.

Flemming, Kenneth H., xxx-xx-xxxx

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Behnke, Patrick J., xxx-xx-xxxx
Cheshire, Leham F., II, xxx-xx-xxxx

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with grades and dates of rank to be determined by the Secretary of the Air Force in accordance with section 533, title 10, United States Code.

MEDICAL CORPS

Ethier, David B., xxx-xx-xxxx
Garrison, Thomas E., xxx-xx-xxxx
Germann, William J., xxx-xx-xxxx
Hatton, Craig T., xxx-xx-xxxx
Johnson, George P., xxx-xx-xxxx
Kaylor, Kenneth L., xxx-xx-xxxx
Lakier, Philip A., xxx-xx-xxxx
Martinson, Lindsey S., xxx-xx-xxxx
Meissner, Frank W., xxx-xx-xxxx
Milbourn, John M., xxx-xx-xxxx

DENTAL CORPS

Hardy, Patrick G., xxx-xx-xxxx
Julius, John L., xxx-xx-xxxx
Molsberry, Bill H., xxx-xx-xxxx
Pillsbury, James S., xxx-xx-xxxx

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Forrest, Peter E. C., xxx-xx-xxxx
Ganley, John A., xxx-xx-xxxx
Grossman, Perry, xxx-xx-xxxx
Kronberg, Gregory M., xxx-xx-xxxx
Letard, Francis X. Jr., xxx-xx-xxxx
Lobritz, Richard W., xxx-xx-xxxx

The following-named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Office Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

MacNevin, Charles H., xxx-xx-xxxx
Martin, Fred W., xxx-xx-xxxx
Murphy, Dennis P., xxx-xx-xxxx
Smith, Jerry P., xxx-xx-xxxx
Wimmer, Carl J., xxx-xx-xxxx

To be major

Burggrae, Larry W., xxx-xx-xxxx
Greene, John F., xxx-xx-xxxx
Rosenberg, Maury, xxx-xx-xxxx
Sturm, William J., xxx-xx-xxxx

The following Air Force officer for appointment as a permanent professor, U.S. Air Force Academy under the provisions of section 9333(b), title 10, United States Code.

Swint, David O., xxx-xx-xxxx

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force under the provisions of section 531, title 10, United States Code, with grades and dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

Abraham, Randal G., xxx-xx-xxxx
Acero George E., xxx-xx-xxxx
Adams Regina J., xxx-xx-xxxx
Adrian Lyman A., xxx-xx-xxxx
Agee Bruce E., xxx-xx-xxxx
Agnew Harold R., xxx-xx-xxxx
Albright Ernest L., xxx-xx-xxxx
Albright James A., xxx-xx-xxxx
Aldrich David M., xxx-xx-xxxx
Alexander Michael S., xxx-xx-xxxx
Alfter Francis J., xxx-xx-xxxx
Alkove Linda D., xxx-xx-xxxx
Allen Newton D., xxx-xx-xxxx
Allen Steven G., xxx-xx-xxxx
Allman William P., xxx-xx-xxxx
Almquist Mark E., xxx-xx-xxxx
Altman Jerry C., xxx-xx-xxxx
Ames David B., xxx-xx-xxxx
Ammons Audrey A., xxx-xx-xxxx
Andersen Mark E., xxx-xx-xxxx
Anderson Diane M., xxx-xx-xxxx
Anderson Mary L., xxx-xx-xxxx
Anderson Paul, xxx-xx-xxxx
Anderson Scott D., xxx-xx-xxxx
Andringa Wanda G., xxx-xx-xxxx
Andrus Dixie M., xxx-xx-xxxx
Anible Floyd R., xxx-xx-xxxx
Ankrom Derrick D., xxx-xx-xxxx
Armstrong Blane A., xxx-xx-xxxx
Armstrong Harold L., Jr., xxx-xx-xxxx
Armstrong James D., xxx-xx-xxxx
Armstrong John L., xxx-xx-xxxx
Arnold Charles W., xxx-xx-xxxx
Arnold Daniel E., xxx-xx-xxxx
Arnold Dennis K., xxx-xx-xxxx
Arnold Larry J., xxx-xx-xxxx
Arnold Wade B., xxx-xx-xxxx
Arrington Samuel D., Jr., xxx-xx-xxxx
Arsuaga Jorge E., xxx-xx-xxxx
Arth Michael L., xxx-xx-xxxx
Artis Craston M., xxx-xx-xxxx
Asbridge, Aimee A., xxx-xx-xxxx
Ascani, David, xxx-xx-xxxx
Atkinson, Karen S., xxx-xx-xxxx
Atkinson, Patricia M., xxx-xx-xxxx
Atkinson, Robert W., xxx-xx-xxxx
Ault, Jeffrey, xxx-xx-xxxx
Autry , David A., xxx-xx-xxxx
Avinger, Charles R., xxx-xx-xxxx
Ayers, John W., xxx-xx-xxxx
Baareman, Randy S., xxx-xx-xxxx
Bachus, Kathleen A., xxx-xx-xxxx
Badgett, Maria L, xxx-xx-xxxx
Bair, Timothy C., xxx-xx-xxxx
Baker, Danial R., xxx-xx-xxxx
Baldetti, Peter J., xxx-xx-xxxx
Baldwin, Curt K., xxx-xx-xxxx
Balmer, Dale R., xxx-xx-xxxx
Baltes, Dorothy L., xxx-xx-xxxx
Bancroft, Jonathan E., xxx-xx-xxxx
Bankston, Kenneth E., xxx-xx-xxxx
Barbaro, Gary P., xxx-xx-xxxx
Barber, Michael K., xxx-xx-xxxx
Barber, Richard A., xxx-xx-xxxx
Barbieri, John R., xxx-xx-xxxx
Barham, Henry E., Jr., xxx-xx-xxxx
Barksdale, George G., Jr., xxx-xx-xxxx
Barnby, Lee M., xxx-xx-xxxx
Barnes, Dale R., xxx-xx-xxxx
Barnett, Roy D., xxx-xx-xxxx
Baronet, James R., xxx-xx-xxxx
Barry, James H., xxx-xx-xxxx
Bastine, Michael J., xxx-xx-xxxx
Bates, Frederick R., II, xxx-xx-xxxx
Bates, Patrick E., xxx-xx-xxxx
Bauer, Steven R., xxx-xx-xxxx
Baughman, Ronald E., xxx-xx-xxxx
Baxt, Jonathan S., xxx-xx-xxxx
Baxter, Randall, xxx-xx-xxxx
Bean, Richard, Allen, xxx-xx-xxxx
Beattie, Regina A., xxx-xx-xxxx
Beck, George E., Jr., xxx-xx-xxxx
Bednarek, Michael H., xxx-xx-xxxx
Behring, James A., xxx-xx-xxxx
Beihl, William L., II, xxx-xx-xxxx
Belcher, James W., xxx-xx-xxxx
Bell, James H., xxx-xx-xxxx
Bell, Michael L., xxx-xx-xxxx
Belt, James S., xxx-xx-xxxx
Belzil, Michael J., xxx-xx-xxxx
Bengtson, John W., xxx-xx-xxxx
Bennett, John A., Jr., xxx-xx-xxxx
Benoit, Richard N., xxx-xx-xxxx
Bensinger, Richard B., xxx-xx-xxxx
Benson, Charles L., Jr., xxx-xx-xxxx
Benson, Leonard F., xxx-xx-xxxx
Berlin, Lawrence W., xxx-xx-xxxx
Berning, Kevin A., xxx-xx-xxxx
Bess, Donna J., xxx-xx-xxxx
Best, Thomas M., xxx-xx-xxxx
Beuerlein, Christine E., xxx-xx-xxxx
Beyer, Gary M., xxx-xx-xxxx
Bicket, John S., xxx-xx-xxxx
Bild, Norman A., xxx-xx-xxxx
Billig, Thomas A., xxx-xx-xxxx
Bilyeu, Keith F., xxx-xx-xxxx
Bird, David F. Jr., xxx-xx-xxxx
Birdsong, Angela K., xxx-xx-xxxx
Bisbal, Wanda, E., xxx-xx-xxxx
Bishop, Jeffrey Edward, xxx-xx-xxxx
Bishop, Jonathan M., xxx-xx-xxxx
Bishop, William L., xxx-xx-xxxx
Black, Elizabeth W., xxx-xx-xxxx
Black, William C., xxx-xx-xxxx
Blake, Martin C. Jr., xxx-xx-xxxx
Blake, Oliver W., xxx-xx-xxxx
Blanks, Donald W., xxx-xx-xxxx
Blaszkiewicz, Gary C., xxx-xx-xxxx
Blethen, Brett D., xxx-xx-xxxx
Blevins, Kathi C., xxx-xx-xxxx
Blickley, Ronald R., xxx-xx-xxxx
Bloebaum, Paul R., xxx-xx-xxxx
Bodnar, Richard L. Jr., xxx-xx-xxxx
Bohne, Ronald D., xxx-xx-xxxx
Bollinger, Robert A., xxx-xx-xxxx
Bonnette, Michael B., xxx-xx-xxxx
Borja, Joseph C., xxx-xx-xxxx
Bormuth, Larry L., xxx-xx-xxxx
Boschee, Donald R., xxx-xx-xxxx
Boulware, Gary W., xxx-xx-xxxx
Bovey, Laddy F., xxx-xx-xxxx
Bowker, Vince R., xxx-xx-xxxx
Bowman, Donald K., xxx-xx-xxxx
Boyd, Michele C., xxx-xx-xxxx
Boyer, James A., xxx-xx-xxxx
Bozarth, Gary D., xxx-xx-xxxx
Bradley, John A., xxx-xx-xxxx
Bradley, William P., III, xxx-xx-xxxx
Branchini, Michael J., xxx-xx-xxxx
Branco, Allen G. Jr., xxx-xx-xxxx
Branning, Phillip C., xxx-xx-xxxx
Braswell, James G., xxx-xx-xxxx
Braud, Richard K., xxx-xx-xxxx
Braun, Jeffrey J., xxx-xx-xxxx
Braun, Richard W., xxx-xx-xxxx
Braymer, Charles D., xxx-xx-xxxx
Breffeilh, Richard A., xxx-xx-xxxx
Bresciani, Michael T., xxx-xx-xxxx
Brewster, Scott C., xxx-xx-xxxx
Brick, Jonathan M., xxx-xx-xxxx
Brickley, Roger D., xxx-xx-xxxx
Brickman, Richard A., xxx-xx-xxxx
Brighton, John W., xxx-xx-xxxx
Briscoe, Naomi C., xxx-xx-xxxx
Brittain, Charles D., xxx-xx-xxxx
Brock, Maurice T., xxx-xx-xxxx
Brockman, Leslie W., xxx-xx-xxxx
Brodale, Gayle I., xxx-xx-xxxx
Brooks, Wyman, xxx-xx-xxxx
Brophy, James D., II, xxx-xx-xxxx
Brose, Sandra A., xxx-xx-xxxx
Bross, Steven F., xxx-xx-xxxx
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Westrich, Keith G., xxx-xx-xxxx
Wetherington, Russell S., xxx-xx-xxxx
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White, David B., xxx-xx-xxxx
White, Harley D., xxx-xx-xxxx
White, Hildery P., Jr., xxx-xx-xxxx
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Willis, Janice R., xxx-xx-xxxx
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Wingo, Paul R., xxx-xx-xxxx
Wise, Dale R., xxx-xx-xxxx
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Wolfe, Dale A., xxx-xx-xxxx
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Wolfenbarger, William C., xxx-xx-xxxx
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Youngblood, Warren L., xxx-xx-xxxx
Youngclaus Daniel A., xxx-xx-xxxx
Zager, Bernard E., xxx-xx-xxxx
Zenishek, Steven G., xxx-xx-xxxx

IN THE NAVY

The following-named Naval Reserve Officers Training Corps candidates to be appointed permanent ensign in the line or staff corps of the U.S. Navy, subject to qualification therefor as provided by law:

Frampton, Brent S. Taylor, William C., II
Spring, Theresa L.

The following-named Naval Reserve officers for permanent appointment in the line or staff corps of the U.S. Navy in the permanent grade of ensign, subject to qualification therefor as provided by law:

Allard, John M. Burkey, Paul F.
Bank, Baynes W. de Veer, Donald H.

Dickey, David D.
Edsall, Eric E.
Griffin, William T.
Harper, Donald L., Jr.
Hart, Charles G.
Hayden, Michael F.
Johnson, Kevin C.
Kilchenmann, Mark A.
Larsen, William H.
Lotzar, Roy K.
Lucey, Kevin E.
Manikowske, Thomas W.
May, Robert B.
McCampbell, Robert T.
Meeder, Brad P.
Minehart, Peter J.
Moon, Peter M.
Ohnigian, Steven P.
Plucker, Donald C.
Rallo, Joseph C.
Rogers, Stephen V.
Schlickenmeyer, Daniel W.
Steen, William H.
Stuart, David C.
Tousignant, Peter M.
VanGameren, Niels W.
Walter, Delburn M.
Wilkes, Michael R.

Umbert Hart, medical college graduate, to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

Harvard E. Isaak, medical college graduate, to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law.

The following-named ex U.S. Navy officers to be appointed permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

Hand, John J.
Thomas, Ronnie D.

IN THE MARINE CORPS

The following-named officers of the Marine Corps for permanent appointment to the grade of major under provisions of title 10, United States Code, section 624, subject to qualification therefor as provided by law:

Acree, Clifford M., xxx-...
Adams, James H., xxx-...
Adams, Mark W., xxx-...
Adams, Michael L., xxx-...
Ahiers, Mitchel N., Sr., xxx-...
Ailshire, John W., xxx-...
Albritton, Mark E., xxx-...
Aldridge, Michael E., xxx-...
Allison, Karen A., xxx-...
Auzenne, Joseph L., xxx-...
Avery, Allan P., xxx-...
Baca, Ruben, xxx-...
Baggs, Winston E., xxx-...
Bailey, Donald L., xxx-...
Baker, Neal A., III, xxx-...
Bamford, Reno C., II, xxx-...
Bann, William M., xxx-...
Banner, Gerald A., xxx-...
Barnes, Larry B., xxx-...
Barr, Richard G., xxx-...
Barrow, Theodore H., xxx-...
Barry, Richard M., xxx-...
Barton, John E., xxx-...
Bartzer, Richard K., xxx-...
Bass, Floyd L., Jr., xxx-...
Beames, Paul A., xxx-...
Beaton, Kenneth E., xxx-...
Beauchamp, Bill R., xxx-...
Behal, Eugene F., xxx-...
Bennett, Mark E., xxx-...
Bess, Richard P., Jr., xxx-...
Blackiston, Dallas O., II, xxx-...
Blair, James G., xxx-...
Blankenship, Bruce L., xxx-...
Blankenship, Wayne F., xxx-...
Blice, Anthony, D., xxx-...
Bostek, James E., xxx-...
Bott, Carl R., xxx-...
Boyd, John C., xxx-...
Boyer, Larry M., xxx-...
Bradley, Gary R., xxx-...
Brasington, Boyce A., Jr., xxx-...
Bridges, Michael C., xxx-...
Brizendine, John A., III, xxx-...
Broussard, Allen D., xxx-...
Brown, George M., xxx-...
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Brown, Jerry L., xxx-...
Buchanan, Lawrence E., xxx-...
Burgess, David S., xxx-...
Burnette, Edwin A., xxx-...
Burns, John M., xxx-...
Burzak, Jay E., xxx-...
Byrem, Jimmie M., xxx-...
Cade, Ervin E., xxx-...
Cain, Lee R., Jr., xxx-...
Cajohn, Michael, xxx-...
Caldwell, John, xxx-...
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Cannon, Paul B., xxx-...
Canode, Michael E., xxx-...
Carreon, Phillip K., xxx-...
Carrigan, Charles R., xxx-...
Carroll, Michael E., xxx-...
Chavazos, Ezequiel, Jr., xxx-...
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Cooper, Michael G., xxx-...
Coovert, Paul H., xxx-...
Corwin, Tony L., xxx-...
Cowen, Glenn B., xxx-...
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Crowley, Craig C., xxx-...
Culler, William S., xxx-...
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Davis, Christophe A., xxx-...
Davis, Dequincey A., xxx-...
Dean, David R., xxx-...
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McLyman, Edward P., xxx-...
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CONFIRMATIONS

Executive nominations confirmed by the Senate May 3, 1982:

U.S. SYNTHETIC FUELS CORPORATION

Samuel Kenric Lessey, Jr., of New Hampshire, to be Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

Robert W. Gambino, of Virginia, to be Deputy Inspector General of the U.S. Synthetic Fuels Corporation for a term of 7 years.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 3, 1982:

The nomination of General John A. Wickham, Jr., xxx-xx-xxxx Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code section 601, to be reassigned as Vice Chief of Staff, U.S. Army, a position of importance and responsibility designated by the President under subsection (a) of section 601, which was sent to the Senate on April 19, 1982.

HOUSE OF REPRESENTATIVES—*Monday, May 3, 1982*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. BEVILL).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
April 29, 1982.

I hereby designate the Honorable TOM BEVILL to act as Speaker pro tempore on Monday, May 3, 1982.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Sing aloud to God our strength: shout for joy to the God of Jacob.—Psalm 81: 1.

We raise our voices in supplication to You, O God, that You would heal our broken world and restore us in the paths of peace. Teach us to use our talents as stewards of righteousness and as heralds of justice that we may do Your work on Earth as it is in heaven. Grant wisdom to those to whom decisions are given that they may seek peace and pursue it, strengthened always by Your mighty hand and by the power of Your spirit. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 189. An act for the relief of Marlon Dolon Opelt;

S. 198. An act for the relief of James G. Reese;

S. 222. An act for the relief of Lydia Delos Santos Colcol;

S. 224. An act for the relief of Isoo Kojima;

S. 275. An act for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife;

S. 521. An act for the relief of Benjamin Bane;

S. 854. An act to promote the orderly conduct of international relations by facilitating the operation of foreign missions in the United States, thereby promoting the secure and efficient operation of U.S. missions abroad;

S. 1048. An act for the relief of Braun Green;

S. 1092. An act for the relief of Luis Monzon;

S. 1330. An act for the relief of Jose Garcia-Nunez and Maura Nunez de Garcia, his wife;

S. 1331. An act for the relief of Florence Louise Barry;

S. 1364. An act for the relief of Jose Ramon Beltron Aivenda Ostler;

S. 1494. An act for the relief of Pandelis Perdikis;

S. 1523. An act for the relief of Stephen Hassan Abdul;

S. 1569. An act for the relief of Professor Ramarao Inguva, his wife Bhagya Lakshmi Inguva, and their son Srinivas Inguva;

S. 1611. An act to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes;

S. 1781. An act for the relief of Ezekiel Trail Clemons;

S. 2271. An act to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983, and for other purposes;

S. 2272. An act to enhance the transfer of technical information to industry, business, and the general public by amending the act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes;

S. 2273. An act to amend section 7 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7706) to extend authorizations for appropriations, and for other purposes; and

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

THE ALASKA NATURAL GAS PIPELINE

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, last Thursday, when we were last in session, I took the floor of the House in order to announce that the Alaska natural gas pipeline matter was once again in the news. At that time I indicated that on Friday, April 30, there would be a meeting of the sponsors of the project in Salt Lake City, Utah. The purpose of the meeting was to discuss just where they were at that point and what they might do in the foreseeable future.

On that occasion I made two predictions: One, I said that the sponsors would probably put the project on blocks for 2 years; and, second, that it was likely that they would also seek the assistance of the Congress and the President to get a Government bailout, because up to this point they have not been able to get the financing for the project. Although all of the reports are not in, Mr. Speaker, I think, unfortunately, that my predictions were correct on both counts. That is why I introduced, last Thursday, a joint resolution which would spell out very clearly that the Congress of the United States is opposed to a Government bailout of the Alaska natural gas pipeline.

THE CURRENT BUDGET IMPASSE

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, I rise today to urge this House to expedite consideration of the fiscal year 1983 budget. Over the weekend I talked directly to many business leaders in Washington State who expressed deep concern over the current budget impasse.

Washington State has a 13-percent unemployment rate and things are getting worse.

This Congress must act expeditiously and courageously in order to restore economic confidence in the country.

The fiscal year 1983 budget resolution must prove to worried financial

markets that Congress will reduce the large deficits predicted for fiscal years 1983, 1984, and 1985. Only then will interest rates come down.

Time is running out, Mr. Speaker. We cannot and must not delay resolution of this extraordinary problem.

The President's fiscal year 1983 budget does not come to grips with the deficit problem. It is time for all responsible parties to stop political posturing and settle down to the job of producing a budget that will restore economic confidence.

I pledge my personal effort to produce a positive result in a timely fashion.

THE CRISIS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. GUNDERSON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GUNDERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. GUNDERSON. Mr. Speaker, agriculture in this country is facing extreme dire difficulties at the present time in almost all commodities and in all sections of the country. The purpose, then, of this special order is to discuss that present agricultural crisis we are facing, how we got into the situation we are presently in, exactly what should be done, is being done, and where we go from here in trying to solve the future in providing a positive future for agriculture.

The U.S. Department of Agriculture recently projected a $16 billion net income for agriculture in 1982. Adjusted, this represents the lowest real net income ever recorded for agriculture. It represents a reduced income level for the third consecutive year in a row. Unfortunately, 1982 is not an aberration. It is rather consistent with what has been a 10-year trend of production and technology exceeding the domestic and world demand for our agricultural goods. Farm debt in this country has doubled in the last 5 years. The real value of our farm assets has declined in the last 2 years. And yet we are, in 1982, facing continued surplus commodities and low prices for the remainder of this calendar year.

The need, then, for discussion, I think, is obvious. That is the reason for this special order.

At this time I yield to the cosponsor of this special order, the distinguished gentleman from Kansas (Mr. ROBERTS).

Mr. ROBERTS of Kansas. I thank the gentleman for yielding.

Mr. Speaker, I am very pleased to join with my friend and colleague, the gentleman from Wisconsin (Mr. GUNDERSON) to join in this special order and to talk about the problems we are experiencing in farm country and the future of agriculture and what we can do to find answers to these problems.

First, let me say that we are in the most serious farm price, cash flow, and credit crisis in farm country in the High Plains since the Great Depression. I am talking about our ever-increasing interest rates and production costs, the price over a 4-year period and the fact now that our land values are starting to level off.

The blunt fact about the matter is that farmers cannot tighten their belts and make it through the several lean crop years as they did in the depression. It used to be that the most important farm policy was how on Earth we were going to get the next generation of farmers on board. The question now is whether the current generation can hang on and survive this crop year. It is that serious.

I want to emphasize that the farmers' plight, in my view, at least, does not stem from current policy or the farm bill of 1981 exclusively. It does stem from a series of things that have happened over the past several years. We have had a unique problem in High Plains wheat country ever since 1977 with prices far below the cost of production.

In my view, in 1976, if we have to point the finger of blame, I think President Ford could have put on a mandated set-aside, and our problems would not be so serious as they are today. And, of course, we have the embargo of 1980 under the previous administration, and that has been like shattered glass; there are chapters to play out on that, and we are now witnessing those final chapters.

We have had extremely high interest rates, outrageous interest rates, and the increase in production costs. We have had energy costs, stemming from the policy of the OPEC nations and a misguided energy policy in past administrations here in Washington, with all sorts of controls and regulations that the farmer simply could not keep up with. We have had consumer boycotts. We have had consumer activists within the USDA. We even had the World Council of Churches speaking to a cheap food policy. We have had everybody here in Washington thinking of the grain as their grain instead of the farmers' grain.

All of this has contributed to the problems we are experiencing. And, yes, under this administration there have been problems as well. We have had in effect, in fact, a market-oriented farm policy without a real market. While our goal today is not really to place blame for the present farm problems on any one person, any one party, or any administration, our aim is to discuss what is being done and, more importantly, what should be done to deal with the economic situation confronting the man whose job it is to produce food and fiber for this Nation and a very troubled and hungry world.

Mr. Speaker, at this point I yield to my friend and colleague, and I would like to make a statement later on in regard to export policy.

Mr. GUNDERSON. Mr. Speaker, I appreciate the gentleman's remarks, and I certainly concur with him.

Perhaps the remarks were put best by a famous author that I think many of us have read, Charles Dickens, when he wrote in the "Tale of Two Cities":

> It was the best of times; it was the worst of times. We had everything before us; we had nothing before us.

I think that, in an objective fashion, is exactly what we face in agriculture in this country today.

We mentioned earlier some of the difficult financial conditions we find at the present time. Let us go on then, and take a look at those problems. Let us take a look at some of the things we need to do in dealing with those commodities, and also some of the various proposals coming from the USDA.

At this time I yield to my distinguished colleague, the gentleman from Wisconsin (Mr. ROTH).

Mr. ROTH. I thank the gentleman for yielding.

Mr. Speaker, I would like to extend my thanks to my colleague, the gentleman from Wisconsin (Mr. GUNDERSON) and the gentleman from Kansas (Mr. ROBERTS) for having this special order. I think it is very appropriate.

Mr. Speaker, as I see it, the American farmer, in truth, the men and women in American agriculture, are the most unappreciated people in this country today. I think that is most unfortunate. But there is change coming in agriculture. I think those of us who speak for agriculture have to take a look at the future, at present and developing trends. That is why I again compliment the gentleman for having this special order. I think it is important that we bring these views, not only to the Congress but to the American people.

From the dawn of history to the year 1800, the world's population grew to 1 billion people. In 1930, only 130 years after that, we had 2 billion people on this planet. In 1960, in only 30 years, we had 3 billion. And in 1980, a mere 20 years later, we had 4 billion people. In only 18 years from the present we are going to have 6.2 billion people on this planet.

Where is the food going to come from to take care of these people? For

every two people you see on the planet today, in only 18 years you will see three. This is going to cause tremendous social, economic, and political upheaval. We must comprehend the meaning of rapid population growth.

Of the 173 countries on this planet, only 8 can produce food consistently for export, and those are the United States, Australia, New Zealand, South Africa, Canada, France, and Thailand. Only 8 out of 173.

Thus, I think it is very important for us to start praising the American farmer and to back up the American farmer rather than always criticizing him. I draw my colleagues' attention to a Reader's Digest article, "Food, American's Secret Weapon." I would like to have my colleagues and the American people read this article because it is a real eye opener. Here are people who are thinking about the future and what the farmer means to America's future.

Now, what have we in the Congress done for the farmer? Precious little. In fact, most recently, when the farm bill came before Congress, I asked the Rules Committee to allow us to add an amendment to restrict casein imports. As all of you know, last year some 152 million pounds of casein were imported into this country. This is in direct competition to our dairy farmers. I think if we are going to be fair to our dairy farmers, we have to do something about casein imports which materially interfere with domestic agricultural policy.

Like many of you, I don't feel that we should do away with casein imports totally; but at least cut back to about 50 percent, so that we would only have about half of the nonfat dry milk in storage that we have today.

On the one hand, we say that the farmers are producing too much; on the other hand, we in the Congress allow unlimited imports which are in direct competition to our dairy farmers. So I think it is very important for us to be evenhanded, to say, "Yes, if we have a surplus, it is then also incumbent upon us to make sure that we do something about imports that contribute to that surplus."

□ 1215

Now, I invite people to sign on my legislation to cut casein imports in half.

We have an old adage in the State of Wisconsin, that my good friend and colleague from Wisconsin, knows well. It says that talk is cheap, but it costs money to buy whisky.

Here in the Congress we always employ a good deal of rhetoric when it comes to the farm issue, but we have got to put our shoulder to the wheel and start the changes that are so necessary to a successful agricultural policy.

We also have to act promptly on exports. Of the 173 countries in the world today, 72 of those countries have per capita calorie supplies of below adequate nutrition; 72. There is tremendous need for U.S. agricultural products and I think it is high time that we in the Congress start taking a long, hard look at our trade policies—import and export.

For example, in dairy alone last year, we exported $251 million worth of dairy products. Do you know how much we took into this country, so prolific in dairy production? We had imports three times that amount. We had $619 million worth of imports.

Now is that being fair to our dairy farmer? I do not think so.

Recently I was invited to Harvard University to debate some of the Japanese involved in trade, and they were most blunt in saying, "Yes, we have nontariff trade barriers." I think it is about time that we in the Congress tell the people who are negotiating trade to look at nontariff trade barriers and consider the effects of these barriers on U.S. producers before entering into trade agreements.

I think that we in Congress can do something about these problems. I do not think we have been doing enough in the past to rectify these inequities. However, I think that this special order is a step in the right direction.

I compliment the gentlemen again for opening discussion on these vital issues. We must remember not to bite the hand that feeds us.

Mr. GUNDERSON. I thank my colleague from Wisconsin for his remarks and commend him for those particular concerns.

As he knows, I join with him in the particular battle that we face in the dairy situation in our home State.

At this time I yield to our distinguished colleague, the gentleman from New York (Mr. WORTLEY).

Mr. WORTLEY. I thank the gentleman for yielding.

Mr. Speaker, in 1726, Jonathan Swift, the great English satirist, published "Gulliver's Travels," a favorite of both children and adults. It was intended as a satire on the human race. He made fun of people in high places. One of this most notable quotes related to agriculture:

> He gave it for his opinion, that whoever could make two ears of corn or two blades of grass to grow upon a spot where only one grew before, would deserve better of mankind, and do more essential service to his country than the whole race of politicians put together.

Obviously Mr. Swift did not know anything of Washington, D.C., but some days I wonder if he did not have ability to see into the future when he wrote those words.

The challenge of Jonathan Swift has been met by the American farmer. Horses were first substituted for hand power and then tractors for horses. With increasing demands for food through rising populations and increases in consumer demands at home and abroad, the American farmer has always come through.

Agriculture is the world's most basic enterprise. It is America's No. 1 industry. Most all of our food, much of our clothing and many of the materials needed to make other products come from agriculture.

The 48 contiguous States of the United States have a total land area of about 1 billion acres. Of this, almost 365 million are currently used for agriculture.

American agriculture during the past 200 years has been hailed as the best, the most productive and the most successful in the world. The United States is blessed with both fertility of soil and fertility of climate. One of the most remarkable features of American agriculture is a two to fourfold increase in productivity over the last 40 years. This has been achieved with no increase in cropland.

The fertility of climite and soil, coupled with human freedom, brightened with free enterprise, and a catalyzed by the hearts of an energetic, free and imaginative people has created through research the miracle of miracles—an abundant agriculture the likes of which the world has never known. This is our heritage.

One farmer in 1980 produced enough food for himself and 65 other people—47 at home and 28 abroad. This compares with 29 people in 1970 and only 11 people 40 years ago.

The amount of disposable income the average American consumer spends for food stabilized in the 1980's at about 16.5 percent. This compares with about 65 percent for developing countries, 30 percent for the Soviet Union and about 26 percent for the countries of the European Economic Community.

This remarkable achievement, unequaled any place on Earth, can be attributed in part to better management, more timely operations and more productive equipment. Mechanization in American agriculture has enabled farmers to carry out their field work and have time left for farm management activities.

I wish that there were no trouble spots for American agriculture. Unfortunately, this is not the case. Several major concerns confront American farmers.

Inflation, always an enemy of us all, is no kinder to the farmer. Rising interest rates have also hit the farmer hard, as he depends heavily on short-term credit.

The situation for the farmer in these areas is beginning to improve. The general inflation rate is declining rapidly. This is leading to a lower rate

of increase in prices paid by farmers for production items and family living. Short-term interest rates, while still high by historical standards, have fallen from their peak levels last summer. For the farmer these improvements are significant, but this trend must continue to reduce the Federal deficit.

Despite these encouraging economic signs, we cannot ignore the current plight of the farmer. This administration has been particularly sensitive to the farmer's current situation and his future.

In the area of export, the administration is taking an aggressive lead in marketing our agricultural products. The most important single step has been the removal of the partial embargo on export sales to the U.S.S.R. This has freed U.S. producers and has allowed our exports to compete once again in a huge market.

The Department of Agriculture has sent sales teams to 14 countries. These trips have significantly added to expanded U.S. markets abroad. The Department has also made great strides in trying to get other countries to remove trade barriers to our agriculture products.

In a time of tight credit, the Farmers Home Administration has remained sensitive to the farmers' credit needs and problems. Recently, it has allowed farmers to defer loan payments when the situation warrants. The FmHA also has gone to great strides to improve its services. In my own congressional district, the administrator has reported that recent organizational changes have allowed him to better service loans and improve the handling of new loans.

A problem particularly sensitive to me has been the current plight of the dairy farmer, who represents a large part of my district. The dairy farmer has long been the victim of fluctuating Government policy. The policy has led to increased production for a product that currently has a stable demand. This administration is taking the lead to try to bring about a stop to the stop and go Government policy in the dairy industry. A solution is still not at hand, but is closer to coming about than any time in the last 50 years.

Stability is what this administration is all about for the farmer. For the first time an administration is trying to bring about long-term stability in agriculture. It has shown this attitude consistently in legislation. In the area of exports, it has ended the use of the embargo of farm products as a diplomatic tool. It has passed tax provisions that will keep the family farm from disappearing from our way of life. It has passed additional tax provisions that allow the farmer to buy large farm equipment at a fixed price. Again and again, the administration's bench mark in agriculture has been to bring about stability.

Not all the problems have been corrected, but for the first time the problems of the American farmer are being addressed with the long term in mind and with a policy that reflects a consistent approach with a very definite goal.

The future of the American farmer, his prosperity and security lies in our commitment in the Congress to join the administration in its goal to bring about stability. We must put an end to runaway Government spending and erratic policies which ignore the problems of the farmer.

The 1980's have not been easy for farmers, or for most Americans, but I am confident that good times will return. An improved national economy is closer than many editorial writers and television commentaries would have us believe.

Our commitment in the Congress should be one that reflects our willingness to enter into a partnership with the farmer in working to bring about the stability he requires and deserves.

Mr. GUNDERSON. I thank the gentleman. I certainly appreciate those remarks.

At this time, Mr. Speaker, I yield to my colleague from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. I thank the gentleman from Wisconsin for yielding, and I commend him for taking the initiative through a special order for those who have concerns about agricultural conditions in our districts and in the Nation to say a few words on this subject and to offer some suggestions.

I would also like to extend that commendation to the gentleman from Kansas (Mr. ROBERTS), who was also involved in arranging for this special order.

The reason is obvious to all people who come from those parts of the country where agriculture is a very dominant economic force. Conditions in agriculture today are extremely depressed.

Those of us who come from the Great Plains area, or the Western Corn Belt in particular, are beset with a wide disparity of problems because our costs of production are so high. We inherited years of problems that are today coming to the attention of the Nation.

I am pleased that finally we see some good examples of discussions on this subject in some of our major national newspapers like the New York Times and the Washington Post.

Of course, high interest rates are accentuating problems for small business families and for farmers around the country.

There are a few things that I think perhaps we should say about the kind of conditions brought on by recent grain embargoes. On the trade front, the disastrous grain embargo has been lifted and a 1-year extension of the long-term agreement on grain sales with the Soviet Union has been secured.

We have already sold the Soviet Union 14 million metric tons under the extension, with additional sales likely yet this year. Efforts continue to begin negotiations on a new long-term agreement for future years.

These suggestions, coupled with changes by this administration in agricultural trade, which were issued on March 22, are helping to restore and expand upon the markets which have been lost due to foreign-policy decisions of previous administration, both Republican and Democrat.

This is not a partisan issue. The problems on the farm front are so severe that they must not be regarded as partisan issues.

On another front, something very interesting is happening here this year with respect to a subject called trade reciprocity. Many bills have been introduced requiring that the President take reciprocal action against those nations which are not treating us fairly when it comes to dealing with trade issues. We are not only talking about embargoes, we are not talking strictly about tariff barriers. Oftentimes, the most damaging things that are done to impact trade of this country are nontariff barriers. I thought it was important enough that we bring this matter to the attention of the Congress that I introduced a bill several weeks ago relating specifically to nontariff barriers which affect agricultural products. Many of my colleagues here who are participating today are cosponsors of that legislation.

In my examination of trade legislation, I noted that many trade reciprocity bills addressed themselves to industrial products. It was my concern, as I am sure it is the concern of many people who represent rural America, that the nontariff barriers which affect agricultural goods not be forgotten when we next engage in these multiyear, multinational trade negotiations again.

My bill addresses such agricultural commodities as red meat, citrus fruits, and rice, where in fact the Japanese are treating us very unfairly.

We are this fall or early this winter beginning another series of multilateral trade negotiations. I think it is imperative that all of us in Congress become active in assuring that we bring to the attention of this administration our concern that these nontariff barriers be brought down.

Today, argicultural products produce $43.3 billion worth of America's exports. It is an amount that must grow. We have the capacity to make it grow in this country because of the productivity of our agricultural sector.

We simply must go to the bargaining table with a much more coherent and hard line policy than we have in the past.

I also would like to say a word to my colleagues who happen to be here, who are from that part of the country that I represent, the Great Plains and the western Corn Belt areas.

I think that the recent occurrences in this Congress relating to the budget reconciliation process and the passage of the 1981 farm bill make it very clear to all of us, looking at the voting demographics, that we must do a better job of organizing ourselves to stand up for those things that we think are important to the Great Plains and the western Corn Belt, an area you might call the Prairie States.

It is imperative because of our small number of votes in the House that we do organize ourselves in that respect.

The Congressman from Kansas, Mr. DAN GLICKMAN, and I, have put forth such a proposal and many of my colleagues have already joined us in this effort. I thank them for their support.

We will be looking for additional activities that are important to the agricultural, water, and transportation sectors that affect those States in the center of the country.

Again, I would like to thank the gentleman from Wisconsin for taking the initiative in calling for this special order. I would particularly like to associate myself with the gentleman's remarks and with the remarks of the gentleman from Kansas (Mr. ROBERTS), because I think they are right on target.

Mr. GUNDERSON. Mr. Speaker, I certainly thank the gentleman for his remarks.

I think there are two things that the gentleman has said that I would like to particularly associate myself with. First of all, the process. We in the rural areas have to be more aggressive in that area, and second, on the legislation dealing with international trade. I suspect most Members of this body and most people in this country believe in free enterprise and a free market system. Anybody who believes one exists in agriculture today does not understand agriculture. We need to do everything we can to make that occur.

□ 1230

Mr. Speaker, at this time I yield to our distinguished colleague, the ranking member of the Budget Committee, the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, first of all, I would like to take this opportunity to commend the gentleman from Wisconsin (Mr. GUNDERSON) and the gentleman from Kansas (Mr. ROBERTS) for taking this special order today so that the House will have a chance to objectively review and discuss the current American farm economy.

Clearly, Mr. Speaker, as the present recession bottoms out, all segments of the American economy are suffering. The economic situation currently confronting our farmers is particularly difficult—prices are low and returns are not nearly as good as we would like them.

Rest assured, however, this Congress should not sit idly by and let the "backbone" of the American economy go under. Positive actions should be taken and will be taken by both the Congress and the Department of Agriculture to help our farmers through this very difficult time.

The implementation of the President's economic recovery program has, indeed, profoundly affected the rate of inflation. In fact, last month we experienced actual deflation for the first time in 17 years.

For most farmers who have experienced the adverse effects that runaway inflation has caused their operations in the last 4 years, this is the best economic news they could receive. As so many others have noted, no combination of Federal farm programs can do as much for young and family farmers as a controlled inflation rate. Even though the inflation rate has dropped substantially, interest rates have not dropped accordingly. Deficit spending must come to an end to permit these rates to drop.

An important part of the economic recovery program is the Economic Recovery Tax Act passed by Congress last summer. This landmark legislation contained many revisions in the Tax Code of benefit to American farmers.

In the area of estate taxes alone, the Congress enacted an unlimited marital deduction and increased the unified credit to $600,000 in 1987. This will permit most farm estates to pass without Federal taxation.

By contrast, the recent revenue proposals of the Democrats in our budget negotiations would place an even greater tax burden on the American farmer. For example, the Democrats have proposed increasing the social security withholding tax on farmers to 13.4 percent. That is a 50-percent increase over the present level.

The administration is also making every effort to reestablish America's position in the world marketplace as a reliable trading partner. The President's action in lifting the Russian grain embargo was a definite stimulus for farmer's exports. Additionally, the USDA and Secretary Block have placed a high priority on developing new markets for American agricultural products.

And this is just the beginning. We must now add onto these decisive initial actions to guarantee the economic recovery of American agriculture.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks and concur wholeheartedly.

At this time I would like to yield to a distinguished colleague of ours on the Committee on Agriculture, the gentleman from Washington (Mr. MORRISON).

Mr. MORRISON. Mr. Speaker, I thank the gentleman for yielding and applaud his leadership in this special order to point out some of the problems those of us in agriculture are facing in this Nation.

Mr. Speaker, no one today is painting a rosy picture for the agriculture industry—we all know this is an extremely difficult period for our farmers, but this situation did not appear overnight.

The first of many blows to agriculture was the Carter administration imposed wheat embargo in January 1980. Farm prices declined and the marketing system including elevators, railways, and exporters was disrupted.

According to both private and Government estimates, billions of dollars in output and services were lost, jobs were gone and the taxpayers had to shell out more than $2 billion to help soften the blow. The Soviet embargo was bad for our farmers, bad for the economy and not that bad for the Soviets who increased grain imports from other sources.

The 1981 farm bill contains a provision which puts a prohibitive price tab on a selective agricultural embargo which would be costly enough to make future Presidents think twice about taking action similar to that of 1980.

Instead of embargoing our agricultural products, we must prioritize our agricultural export policy which is what President Reagan has done. In the past 8 years our stop and go export actions have weakened our reputation as a reliable supplier and the administration's newly announced long-term policy on farm exports should help stabilize the agriculture export market. Three essential requirements are featured in the policy:

First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices. High prices signal market oriented farmers to produce more and they will if allowed to compete freely in export markets.

Second, farm exports will not be used as an instrument of foreign policy, except in extreme situations and as part of a broader embargo.

Third, world markets will be freed of trade barriers and unfair trade practices. Under the leadership of Secretary Block and Trade Representative Brock this objective has been pursued aggressively and I commend their efforts thus far.

The other point which I would like to touch upon is the grain elevator

bankruptcy reform legislation, or more accurately, the lack of it.

During the period from 1974 to 1981, approximately 130 bankruptcy proceedings involving commodity warehouses were filed in 22 States. These bankruptcies have posed special and unique problems for farmers. The legal delays involved in these bankruptcy proceedings can mean economic disaster since future operations depend upon the ability of the producer to sell this year's crop at the opportune time. The real victim of elevator bankruptcies is the commodity producer.

The Federal Government has allowed the bankruptcy laws of this land deny the farmers the products of his work. All he asks is the protection of his rights of ownership of this product.

The distinguished chairman of the Courts Subcommittee, Senator DOLE, and my colleague and friend on the House Agriculture Committee, BILL EMERSON, have introduced legislation which will give the farmer deserved and welcome relief in solving the problems experienced by farmers when elevators go bankrupt.

Passage of the bill would go a long way to prove our Government can be of assistance to the farmer and not an obstacle.

It is difficult to tell my constituents why this legislation is being bottled up in the House Judiciary Committee when they are on the verge of losing what has been their entire lives for the past 30 years.

I, for one, would like to know what I am to tell my good farmers when they ask why we cannot get this bill to the House floor for action.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks. If there is one thing that I would hope we gain out of this special order today, it is that somehow or other Government is not going to continue to be an adversary to agriculture, but rather a partner in working with probably the most productive work force we have in this country to provide food, not only for our own people, but for the entire world.

At this time I yield to our distinguished colleague, the gentleman from Indiana (Mr. COATS).

Mr. COATS. I thank the gentleman for yielding and commend the gentleman from Wisconsin, as well as the gentleman from Kansas, for taking this special order to highlight what is a very important issue, not only to our farmers, but to this entire Nation and to the world.

As the gentleman knows, and all the gentlemen know, we are the breadbasket of the world. We have been feeding the world.

Perhaps the best bargain in the world today is food, done so because of the productivity, the improvements in productivity, and the hard work of the American farmer through the years.

I have the good fortune of having an agriculture advisory committee in my district that I meet with regularly, as well as having conducted dozens of farm meetings throughout various communities and counties in my district and the good advice, the suggestions and criticism that I have received from these people who work in the agricultural sector has done a great deal to develop my understanding of the farm situation, suggestions for dealing with that, and there is no doubt that today there is trouble down on the farm. We have had in past years policies which have encouraged overproduction and discouraged selling and use of that production. There have been disastrous bans on exports and disastrous imports that we are still feeling the adverse effects from.

I am happy that the Reagan administration in recognizing the downside of the past export embargo policies have reversed that and the farm bill provides much greater protection for our farmers from future embargoes.

We need, I think, to bring an awareness to the American people that some of these policies are shortsighted and that in the long run the American farmer and the American economy and the world's people suffer from these things.

What are the solutions? Well, the farmers that I talk to have some very commonsense ideas as to what to do about this; yet we all realize down at the lower level, at the bottom end, the bottom line of this entire situation is that only higher prices can ultimately bring about the return on farm income, return on net income that farmers need in order to be a viable economic part of this community.

So we have to I think be fair with the American people, to demonstrate to them what a bargain farm prices are, demonstrate to them why higher farm prices are necessary, not only for the economic health of our American farmers, but also for the economic health of this country.

That is a good long-term solution. What do we do in the meantime?

Farmers in Indiana have proposed a number of alternatives. They have suggested what has become known as the Indiana plan, which is a mandatory reduction of farm acreage and farm production in order to bring our supply and demand more in line. This plan would require a referendum among all farmers. It would be a self-imposed situation whereby the farmers themselves would vote as to whether or not they would agree to a reduction in crop supply. If they did so agree, then there would be a mandatory imposition of that supply.

This is currently under study by the Department of Agriculture. I have worked with the gentlemen from that Department and they are reviewing this to see what impact this would have economically, not only on our farmers, but on our economy.

In the meantime, the Department, as you know, has come out with a voluntary acreage reduction program. I am happy to report that the farmers in Indiana have enthusiastically supported that. We have had a signup of a total of 69.1 percent of our total acres that are signed up for the program. In terms of feed grain, 72.7 percent of our farmers have endorsed the program.

□ 1245

Certification will come down the line a little bit. We will find out what those true numbers are. But it shows, I think, a willingness, a voluntary willingness on the part of farmers in Indiana and across this country to recognize the problem, and to take steps on their own to help solve the problem.

Yet through it all, I think that we need to understand that not only do the farmers here have a responsibility, but also the Nation has a responsibility to the farmers, and that we must have policies which encourage exports, we must have funds available for supplying available loans and credit to those countries that want to buy our products. We have embassies and farm export operations throughout the world which vigorously promote farm exports and promote the surplus that we provide.

We must also have policies here which are honest and fair with the American people, and will demonstrate to them that if we are to continue as the No. 1 producer of crops in this country, we have to give the farmer an adequate return on his investment. Certainly reducing the deficit, bringing down interest rates, will in the short term assist our farmers.

Efforts we have taken in the energy area have reduced costs to farmers this year. We have done a number of things. A number of additional things can be done.

But most important, I think, is to bring an awareness to the problem, to make the American people aware of the situation that our farmers face and to do all we can here as Members of Congress to promote those policies that will bring about health in agriculture, a healthy situation, and that ultimately will make for a healthy America.

I thank the gentleman for allowing me the time to bring a little bit of insight from Indiana farmers as to the problem and would be happy to yield back whatever remaining time I have.

Mr. GUNDERSON. I certainly thank the gentleman for his remarks and commend him.

Whether it be the feed grain area such as the gentleman represents, or

many of the other commodities, the Indiana plan presents a philosophical question that we have to resolve here in this Congress and in this country; that is, are we all going to share in reducing our surpluses or are we going to ask a few people to carry the total brunt through depressed prices.

I commend the gentleman and his farmers, and will work with them in any way we can with those programs.

Mr. COATS. I appreciate the gentleman's remarks. I think his suggestion that we ought to open the debate on this subject is a very valid one. It is a question we ought to pursue and pursue vigorously and quickly.

I am happy to report that the Department of Agriculture has agreed to investigate this matter thoroughly and report and work with us. So I also would be happy to work with the gentleman in pursuing this, I think, very, very important question as to how we must direct farm policy and how do we equitably and fairly spread the burden across the entire sector without imposing it on a few.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. I yield to my distinguished colleague from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Mr. Speaker, I first of all commend the gentleman and the distinguished gentleman from Kansas for using this special order to help point out that there is, indeed, a major problem down on the farm that we bear a great deal of responsibility for in this body, in this town, and that we should be attempting to resolve as quickly as possible so that that most productive sector of our society can get back on its feet.

There would be some who would suggest that one of the problems is that the Government has itself caused this problem by reducing the amount of spending in the agricultural area. I think that it is important to note to those who would make such a suggestion that we are spending in the agricultural area about the same amount of money, almost exactly the same amount of money, that we spent in 1965, which was about midway through the Great Society, which I don't think anybody would contend was one of the lower spending eras in American political affairs.

But it is well to note that there has been a drastic shift in how that money gets spent since 1965. Instead of the money going directly to the farmer and helping the farmer in his productive efforts, we have had a drastic shift of that money toward the social welfare area. For instance, the food stamp program, which comes under Agriculture, has increased by over 30,000 percent since that period of time.

So that many of those who suggest the problem is the Government is not spending enough just refuse to see that what spending is out there is going perhaps in the wrong direction, and is not really getting us the kind of help that we need down on the farm to keep productive activity alive.

Second, there is an awful lot of talk that interest problems are at the base of what is happening in the agricultural area, and I don't think there is any doubt that. The farmer, faced with the kind of high interest situation that we have in the country today, finds himself unable to compete, unable to buy the things that he needs in order to become more productive. And I don't think there is any doubt but what those high interest rates have resulted from high deficits, and we have had that pointed out on several occasions today.

I think, though, it is also important to note that the problem with those high deficits is that we spend too much money around here, and that if we look at what the majority of the Agriculture Committee has reported to the Budget Committee for its spending for next year, instead of holding the line at the President's budget figures, the committee, in terms of outlays, proposed between a 15- and 20-percent increase over and above what the President had suggested as a spending figure in agriculture, which I said is about even to where we were in 1965.

So we still have that problem, that many of the people around here are still willing to spend big bucks and increase those deficits, which then causes high interest.

Finally, I think it needs to be pointed out that much of the problem that we have on the farm today came about as a result of high taxes. The farmers in this country were faced with major taxation problems. While they were very, very productive, much of that productive ability was being sapped by the kinds of taxes that were imposed upon them. And many of the people who come to this floor and suggest that one of the things we ought to do to solve our economic problems is repeal the tax bill that we passed last year cannot be friends of the farmer, because there was much on that tax bill that went directly to aid the farmer. There were accelerated depreciation, which aids the farmer, change in capital gains provisions, changes in inheritance tax provisions, which is one of the main things which will help keep the family farm alive.

A lot of those things were in that bill which were a direct help to the family farmer in this country, and I think that it is important to recognize that anybody who suggests that repeal of that act would somehow be of benefit to the total economy is not looking at the benefit of the farmer.

I think it is also well to note that some of the people who have been suggesting that this administration is in part responsible for the plight of the family farmer have ignored the fact that when they put forth some of their budget proposals in the recent negotiations, one of the ideas they put forward was a major increase in self-employment taxes and social security. That would have a direct impact on farmers. It would have a major impact on the ability of farmers to finance their own operations in the coming years. Such a suggestion is antifarmer, not profarmer.

And I think that when we look at the kinds of provisions that this adminstration is backing in terms of tax cuts, and the kinds of provisions that have traditionally been sponsored by our opponents on the other side of the aisle in terms of taxes, we will find that this administration has done a great deal to help the farmer, and that is a kind of benefit which will accrue to the farmer in the years to come.

I thank the gentleman for yielding this time, and also for his special order. Hopefully it will help put some focus on not only what the plight of the farmer is today, but some of the things that need to be done in order to improve the condition down on the farm.

Mr. GUNDERSON. I thank the gentleman for his remarks. I particularly commend him for his remarks regarding the Tax Act that we passed last year. Without question, the farmer probably benefits more from that tax program than any other sector of the American population. The long-term ability to transfer that farm from one generation to another must remain a part of the laws of this land, and I certainly commend him for those remarks.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. GUNDERSON. At this time I would be happy to yield to the distinguished ranking member of the Cotton, Rice, and Sugar Subcommittee, the gentleman from California (Mr. THOMAS).

Mr. THOMAS. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to congratulate the gentleman from Wisconsin, and my colleague, as well, on the Agriculture Committee, the gentleman from Kansas (Mr. ROBERTS).

Most of the speakers today represent what I would call traditional agriculture, Great Plains agriculture, as the Member from Nebraska indicated. As a matter of fact, if anyone spends any time in the Agriculture Committee room in the Longworth Building, they will find that the light fixtures are decorated with ears of corn and stalks of wheat, and that grain has traditionally been the focal point in

terms of American agriculture, and rightly so. We have been and will continue to be the bread basket of the world.

But coming from California, and representing a district that emphasizes cotton and specialty crops, I do want to spend just a few minutes talking about what I think the direction of American agriculture is taking, and that is more and more the direction that the specialty crop folk have had to take from the very beginning, and that is, they got into the production of agriculture in large part after the Great Depression. They were not the recipients of Government programs to assist them in direct subsidy forms. In the 1981 farm bill, I think this administration took a gigantic step more in the direction of the type of agriculture and farming that I am most familiar with, and that is farmers in our area have always felt that the profit for the farmer is to come from the marketplace, and the marketplace is to be defined as the world, and that the role of the Government, if any, in the area of agriculture is to make sure that the American farmer has the ability to sell his product in that marketplace defined as the world.

For a few minutes, I would like to share my concern with not some of the particular problems that we have of the moment, given the economy of this country and, indeed, the economy worldwide in crop productions, but rather the general direction that the United States has taken in previous administrations that have partly been corrected in this administration, but still would be improved upon, and that is, I think, we have to admit that it is a cold, cruel world out there, and that no one is going to give us anything for nothing, and that all of us, I think, continue to advocate free trade. Give us an opportunity, given the products that we have, if it is in fact a free trade arrangement, the American farmer will outproduce, based upon quantity and quality, anyplace else in the world.

But as the gentleman from Wisconsin rightly pointed out, it is not a free trade world. It is not even a fair trade world. In terms of the two major agricultural product recipients in the world today, the European Community and the Pacific rim nations, we have a continual series of problems.

Now, in the short time that I have been in Congress, just two terms, for example, in the U.S. Trade Representative position alone, a crucially important one in dealing with other nations, as our chief trade negotiator and spokesman we have had three in just the two terms that I have been in Congress. The current one, Bill Brock, has done an excellent job in terms of indicating a direction that this administration is taking, and that is one of continuity.

In the two terms that I have been in Congress, we have had two Presidents, swinging the pendulum from a specific commodity grain embargo to a removal of that embargo, and a promise of no product specificity embargo again. These kinds of swings make it very difficult for us to establish long-term trading relationships.

In the European Community, our largest trading partner, we think about grains and grain-related products; for example, corn gluten feed, which is a significant dollar amount, almost $500 million traded last year with the European Community. One of the opportunities for such a high volume of trade with the European Community with corn gluten feed is because of the subsidy programs within the European Community itself, and that we are able to send this corn gluten feed into the European Community at about 20 percent less than the European Community farmers can buy their own grains grown in their own countries, because of the common agricultural policy.

We are able to have zero duty on that particular product because of the Kennedy round of the general agreement on tariffs and trade the last time. Tremendous pressure of the European Community to do something about that zero duty.

But we forget about a lot of other specialty crops. Just one example, grown in my area, in fact, exclusively grown in California, almonds. Our almond trade with the European Community is $250 million, half of the corn gluten feed trade. With an extremely high tariff, we are able to succeed in those markets only because of the ability to raise the almonds at a very, very low cost and the high quality that we produce.

On the Pacific Basin, we have already had two congressional hearings over the subject of United States-Korean rice sales. We happen to be the No. 1 supplier of rice to Korea, and we have opportunities for additional markets in the area if we can be a reliable supplier. One of the difficulties we have is that with the State Department attempting to push foreign policy, the Department of Agriculture interested in moving American products, and the U.S. Trade Representatives and their concerns, our governmental approach is fragmented. Even with the will to open up these markets for the American farmer, our inability to allow, for example, the Department of Agriculture to speak, rather than the Department of State, has caused us great problems.

There are a number of nations in the Pacific Basin—Australia, for example—that are coming right in behind the United States and promising long-term, reliable supplier positions which at one time had been the American position.

Let us underscore the fact that it is a cold, cruel world out there. The markets we have are not necessarily the markets we are going to be able to maintain unless we provide the products, the credit, and the proper atmosphere for trade.

□ 1300

Japan is a tremendous opportunity for specialty products, but we have to have the Department of State, the Department of Agriculture, the U.S. Trade Representative, speaking with one voice, making it clear to the nation of Japan that we are no longer going to compartmentalize agricultural products with other trade areas. Every other nation in this world lays all its trade areas with other nations out on the table and examines their opportunities for penetrating markets, looking at it as a whole.

It seems the United States is the only nation that ignores the total trade picture and focuses item by item, general area by general area.

We are at a tremendous disadvantage, No. 1, because we have no continuity in terms of the administration, we have no continuity in terms of the concept and role. One of the things I think we have to do as we weather this short-term economic difficulty is to understand that if we are going to continue the kind of agriculture and trade in the world we have today we, No. 1, as the gentleman from Washington indicated, have to be reliable trading partners, but we also have to have a government which is willing to talk across the board in terms of trade arrangements.

As I mentioned, in terms of the European Community on the corn gluten feed, they are examining other tariff areas in which they continue to move, very heavy politics, trying to protect the markets.

What we are trying to do is open up these countries, and we have to understand that the pressure has to come from all possible angles for the United States to maintain its traditional markets, and to continue to persuade countries around the world that all benefit when it is moving in the direction of free trade.

I thank the gentleman from Wisconsin for yielding, and I understand the difficulties in the high plain, but for the agribusinessman today who faces questions of money, questions of government, but most of all, faces questions of trying to maintain markets, we have to understand that it is a very complex, very complicated world we live in. There are no simple solutions, but by working together we can certainly resolve some of the problems and barriers facing the American farmer today.

Mr. GUNDERSON. I certainly thank the gentleman for his leader-

ship not only on the floor today, but in the committee as ranking minority member of the subcommittee, focusing on cotton, rice, and sugar.

Mr. Speaker, at this time I would like to yield to our distinguished friend from the State of Nebraska (Mrs. SMITH).

Mrs. SMITH of Nebraska. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, we all know that agriculture is in poor shape right now—depressed commodity prices due to record supplies, dampened export demand due to worldwide recession and increased value of the dollar on foreign exchanges, and high interest rates that are putting the squeeze on all industries depending on large amounts of capital.

This situation is not new. We, from rural areas, have been telling of rural recession for 3 years now, and our early concern demonstrates that a general economic recession can be predicted whenever the farm economy declines.

My own close watch on the farm economy tells me that better times may be on their way. Hog and cattle prices are above last year's levels, with positive profit margins for the first time in quite a while. Although grain prices are still below cost of production, they have showed upward movement from mid-March even in the face of record stocks. This tells me that our farm programs must be helping and that export demand may be on the upswing.

Some of these positive signs can be attributed to cyclical trends and market forces. But policies and programs of the President and the Secretary of Agriculture, however, have had considerable influence on the positive signs that are starting to appear.

Of particular interest to family farmers and ranchers in my rural Nebraska district are the estate- and gift-tax reforms contained in the President's tax legislation of 1981.

As a candidate, speaking in the Midwest, President Reagan said that he felt the devastating effects of estate taxes on family farms and ranches was not worth the revenue they raised for the Federal Government. He told agriculture that he would do what he could to lift this burden from our shoulders. Carrying through on that promise, as he has on almost every other campaign promise, the President included sweeping estate and gift-tax reform in his tax recommendations to Congress. These provisions, very similar to my own legislation, were enacted by Congress and are having a positive effect for family farmers in this country.

During his campaign, the President also said that he felt the embargo was unfair to farmers and that if he were elected, the embargo would be lifted. Even though some of his closest advisors asked that he continue the embargo for foreign-policy reasons, the President followed through on his promise to farmers and lifted the embargo. In addition, he has stated recently that he would never single out agriculture for embargos and has agreed to resume consultations with the U.S.S.R. on our present grain agreement.

Exporting, another area of vital importance to agriculture, registering roughly a tenfold increase in value in the past two decades and more than doubling in volume, has never been pursued harder than by this administration.

Secretary Block and Under Secretary Lodwick have formed producer-government trade teams that have traveled to 14 countries trying to open markets and sell U.S. farm products. Funding for market development and industry cooperative export programs has increased in real terms under this administration.

This country is finally standing up to competitors who engage in unfair trade practices. Subsidized exports dumped on the world market and attempts to violate duty-free status of U.S. exports such as corn gluten by the European Economic Community are being challenged in every way available. Trade barriers imposed by one of our best agricultural trade partners, Japan, are targets for negotiated removal.

As ranking minority member of the House Subcommittee on Agriculture Appropriations, I am very familiar with what is being spent on agricultural programs. In 1981, total Government outlays for loans and direct payments to agricultural producers increased from $11.4 billion in 1980 to $15.9 billion in 1981.

Of course, 1982 spending figures are not in yet because of the flexible nature of commodity support programs, but because of such poor commodity prices, Government spending for price support programs, alone, may reach $10 billion.

The President's 1983 agriculture budget, now being reviewed by my distinguished chairman, Mr. WHITTEN, and our subcommittee, contains some increases and some decreases. However, I feel it important to point out increases in such areas as research and education, up $45 million; market development for exports, up $39 million; and FmHA farm operating loans, up $135 million.

As a result of Mr. Reagan's successful fight against inflation, overall 1982 farm production costs are expected to rise only 3 to 5 percent. This would be the smallest increase since 1968.

Mr. Speaker, our farm economy is in its worst shape since the Depression, but I am optimistic that most producers, with the help of good government policy on all fronts, will endure this unprofitable period and share in the economic upturn that the administration's policies are designed to bring about.

THE STATE OF AGRICULTURE IN THE UNITED STATES TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. ROBERTS) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ROBERTS of Kansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. ROBERTS of Kansas. Mr. Speaker, I do not expect to take the full time.

Mr. Speaker, I would like to thank again my good friend and colleague from Wisconsin (Mr. GUNDERSON) for helping to sponsor this special order to discuss the problems we are having in farm country today.

There is some talk about an emergency farm bill in this body, and the fact that we still have commodity prices way below the cost of production, as has been pointed out many times today. The House Agriculture Committee will doubtlessly hold hearings on this emergency legislation. I plan to take part in those hearings and to suggest several different things that I think we can do on an immediate basis, to answer the problem. But, I do not think the answer lies in more farm subsidy program payments. The farmers in my country tell me over and over again that what they want is price. They do not want to rely on the Federal Government for farm program supports, more especially when almost every other Government program is experiencing a cutback.

In terms of getting a price, the primary thing over the short term to accomplish this is to get our export policy cracking, to fulfull the goal of this administration, to get a reasonable price from the marketplace. I would like to reflect a little bit on that export policy. But, before I do, I want to address one other concern that I have. There have been those in this body who have stated that the President is simply not aware of the seriousness of the situation in farm country. From my personal standpoint I do not believe that this is the case. I think the President is very much aware of the situation. He mentioned the tremendous impact that interest rates are continuing to have, on those

individual farmers, in his budget message just several days ago. Last year, when the freshman Republican class was invited to meet with the President at breakfast, I personally visited with the President regarding the situation in farm country, and I said:

Mr. President, we still are experiencing a price and cash flow and a real credit crunch to the extent that young farmers are simply not able to stay in business.

He acknowledged that fact. He then again addressed this in a personal meeting when we were discussing the farm bill in a recent bipartisan meeting.

I said:

Mr. President, with all due respect to your farm policy, you cannot have a market-oriented farm policy without a market; that in my district, where we grow more wheat than any state, we do not have a price.

He shared my concern. He shared my frustration, and just over a month ago, he spoke to that very problem.

What we are trying to do here, as of today, is to focus on what can be done to alleviate these problems. We can announce the 1983 farm program details, and they are under consideration right now, in time for individual producers to go ahead and to certify with the 1982 program. And, if we get that kind of consideration we will get more acreage out of production, and we can see prices increase. We will not do it if we delay the 1983 program as we did in 1982. I must point out that the 1982 set-aside program, or what is now called the reduced acreage program, was announced months late, and dollars short. We can make up for that by announcing the 1983 program as soon as possible, and I have it on good authority, in working with members of the U.S. Department of Agriculture and Jack Block's team, that will happen.

Second, we can fund the export revolving fund, the CCC, export revolving fund, and in the Budget Subcommittee of the House Agriculture Committee we took those steps. We are really trying to piece together a shattered U.S. export policy due to previous embargoes, and I am not just trying to single out the Carter administration. The same thing happened under the Ford administration, the same thing happened under former President Nixon's administration.

I want to stress the value of exports not only to our farmers in western Kansas, but to the Nation as a whole. In our country, we have to export one-third of our crop because, as I said, we grow more wheat in the big first district than any other State, but this has a national impact. Until recently, we did not have a comprehensive study of the impact of the embargo that was placed on U.S. sales to the Soviet Union on this country—not on the Soviet Union, but on this country. It had not been available.

Several months ago John Snittker Associates, a Washington-based agriculture firm that does a lot of consultation, made a study for the Corn Growers Association, and they released an analysis of the 1980 grain embargo and the impact upon our own economy and every American citizen in this Nation. Outside the farm sector, back in 1980 the reduced value of inland transportation as a result of the embargo cost this country $175 million. The reduced value of ocean shipping cost us $365 million. Balance of payments losses to this country were $2.5 billion. And, it cost Uncle Sam $1.5 billion for acquiring the grain. We got back into the grain business, and we did not need to do that. The additional cost to the Government was $1 billion for interest, storage, and handling. Then, we had to make target price payments to wheat producers of $375 million. Most important the embargo cost all Americans $11.4 billion in overall national output; 310,000 jobs; $3.1 billion in personal income.

Now, if we continue that kind of policy, if we continue using agriculture and the farmer as a foreign policy whipping boy, you can multiply those figures by 3, and you are talking about a million jobs when we are experiencing very high joblessness; and you are talking about $33 billion in national input. We cannot afford to go down that road again.

In terms of our own foreign policy, the United States became a residual supplier of farm products. I can assure you that the bloom is off the lily in farm country when we talk about exports. It is not a four letter word, but until we get the proof of the pudding, until we get honored contracts, until we get sales, until we get a price at the country elevator, this is a policy that has yet to bear total fruition.

The stakes are enormous. Agriculture is the tail that wags the dog. If we can get agriculture healthy the country will improve. However, agriculture is sick now, and that is part of the problem.

As a result, over a month ago, on March 23, the President announced what has become the Reagan doctrine in regard to major policy address on U.S. trade and farm export policy.

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The President, in effect, put a stop to the mistaken and the very counterproductive business of singling out agriculture and the farmer as a foreign policy weapon.

I should emphasize that this President and this administration is not entirely blameless, in my personal opinion, on this topic. When the Soviet declared martial law in Poland we responded with a possible threat of a trade sanction.

I do not know what that did for the Polish worker, and I do not know what that did in making the Soviet Union sit up and take notice. But I can tell my colleagues what it did at the county elevator in western Kansas. It dropped the price 50 cents. What we had was a de facto embargo. What we had was symbolism.

However, the President has now spoken to that. He has spelled out his policy very clearly:

First, no restrictions will be imposed on the exportation of farm products because of rising prices here at home. We are not going to pit the consumer against the farmer in this country with any future domestic embargo.

Second, farm exports will not be used as an instrument of foreign policy unless our national security is threatened and agriculture will no longer be singled out.

Third, world markets must be freed of trade barriers and unfair trade practices.

At this point, Mr. Speaker, I ask unanimous consent to insert in the RECORD at this time the full text of the remarks by the President to the agriculture editors and representatives of March 22, 1982, which in detail outlines the Reagan doctrine.

The material referred to follows:

REMARKS BY THE PRESIDENT TO THE AGRICULTURE EDITORS AND REPRESENTATIVES, MARCH 22, 1982

We are delighted to have you for these briefings and I've been looking forward to meeting you personally. Now I can say I have met the one group that hears as many complaints as I do. I think it was Thomas Jefferson who said farmers are God's chosen people. But nowadays they must be asking—chosen for what?

I have always thought that when we Americans can get up in the morning and see eggs, bacon, toast and milk on the table, we should give thanks that American farmers are survivors. They are the real miracle workers of the modern world—keepers of an incredible system based on faith, freedom and hard work, that feeds us and sustains millions of the world's hungry as well.

I am told that in 1820, a farm worker produced enough food products for himself and three other people. By 1920, he produced enough for eight people. And now, that number he feeds has risen to 77.

Agriculture has also become one of our biggest employers: The meal ticket for millions of workers, from farm suppliers, bankers, hired hands, all the way through the system to supermarket clerks. In 1981, the $28 billion agricultural trade surplus offset almost half of our petroleum deficit. In fact, our agricultural exports account for about 40 percent of the world's total agricultural trade and one-fifth of America's merchandise export earnings.

This bounty from our Nation's farms has been a little too easy for us to take for granted. We have never really had nationwide food shortages; our share of income spent for food is among the lowest of any nation, and our farmers keep on increasing their productivity.

I believe our Administration is lucky to have an Illinois farmer named Jack Block

who never lets me or any member of our Cabinet forget our farmers. Through your group, I would like to thank the farmers of America for so strongly supporting our Economic Recovery Plan. You know, our plan is a little like farming. You prepare the ground, plant the seeds, tend the field and weed it, and then hope the harvest will bring a bumper crop—in this case for the American economy.

As a part-time rancher myself, I share an appreciation for this system—the chance to own your own land, work it by the sweat of your brow and take risk for profits.

So often we forget the risks they are taking. A drought or a terrible storm is usually little more than a temporary inconvenience for city dwellers; for farmers it can mean a whole year's work and investment wiped out. I remember when Ezra Taft Benson was Secretary of Agriculture under Eisenhower; he was making a tour of farm areas and in one he was assailed by one particular farmer who would not stop complaining. The Secretary took a look at some papers one of his aides handed him and said, "Now, wait a minute. You didn't have it all that bad. You had 29 inches of rain this past year." And the fellow said, "Yes, I remember the night it happened."

Right now, many of our farmers must be wondering if the sky has not fallen. I know this is an extremely difficult period for them. U.S. agriculture is in its third straight year of economic recession.

A vicious cost/price squeeze, high interest rates and uncertain markets have combined to erode many farmers' confidence and hopes for prosperity. The tragedy is that much of this misery did not have to happen.

I believe the first body blow to agriculture fell in January 1980, when contracts for the sale of our farm products to the Soviet Union were blocked in retaliation for its invasion of Afghanistan. The impact was immediate and severe: Farm prices declined and our entire agricultural marketing system—elevators, barge lines, railways, millers, exporters—was disrupted.

According to both private and government estimates, billions of dollars in output and services were lost, thousands of jobs were lost, and taxpayers immediately had to shell out more than $2 billion to help soften the blow. Other countries did not hesitate to increase their production and displace U.S. sales. No one knows for sure what the ultimate impact of that ill-advised embargo will be because such actions affect trade patterns for years.

It is also worth noting that the Soviets are still in Afghanistan, suppressing an innocent people who yearn to be free. And while the Soviets experienced some economic problems, that predicted cutback in their meat production never materialized as a result of our action. By increasing grain imports from other sources, by seeking out meat imports from other countries, and by expanding the use of substitute feeds, the Soviets were able to maintain their meat inventories.

Don't get me wrong. There may come a day when our national security is threatened and the issue of an embargo is raised again. In that case, I would not hesitate to declare such an embargo if it was part of a complete boycott and if we could have the cooperation of other nations so that we wouldn't end up hurting ourselves with no harm done to those we were trying to influence.

The bottom line is that the Soviet embargo was bad for our farmers: Bad for our economy, but not that bad for the aggressors we were supposedly going to punish.

On top of the Soviet embargo, farmers were hard hit by the policies of the late 1970's that led to soaring inflation and interest rates. Inflation went from 4.8 percent in 1976 to 12.4 percent in 1980, and during that period interest rates shot all the way up from 6.5 percent to 21.5 percent.

The farmer, like any other small businessman, lives or dies on his ability to sustain an adequate cash flow. When that cash flow is reduced to a trickle by high inflation and interest rates, the farmer sometimes has no option but to shut down his operation.

Add to all this the recent bumper crops and we understand why the cost/price squeeze is so bad and threatens to strangle the vitality from American agriculture. Prices received by farmers have gone up five percent since 1979. Prices paid by farmers have gone up by 20 percent, four times as much, in this period.

One other problem I did not mention is that excellent weather overseas has created a large, worldwide surplus. The one exception, of course, is the Soviet Union. You know, I can hardly remember a year when Soviet harvests were not victimized by bad weather. And I've seen a lot of harvest seasons, as I am constantly being reminded.

I am determined to do everything I can to help our farmers get out of their terrible bind. I have listened, asked questions and probed for answers. I think we know what needs to be done to get agriculture back on track.

And one of the first things is make the federal government get its own house in order, so we can reduce its claim on our national resources and end its interference with the marketplace. That's what our economic recovery program is all about, and let me say again, how grateful we have been to receive the strong support of the farm community.

In our first 12 months, we have cut nearly in half the growth in federal spending. The inflation rate has dropped to 8.9 percent, and since October 1, it's running about 4.1 percent.

Last year's drop in inflation means that an American family of four earning the median income of about $24,000 had $754 more in purchasing power than if inflation had not come down. Prime interest rates were 21½ percent at the end of 1980. We have got them down about five percentage points. They are still much too high, but if everyone stiffens their spine and does what still needs to be done on spending, we will bring those interest rates down more.

The growth in regulations has been cut by a third. Personal and business taxes have been reduced to stimulate savings, investment, work effort and productivity. The provision for accelerated depreciation will benefit many small enterprises in agriculture. The 25 percent personal rate reduction helps the small firms that pay their taxes by personal rates, not corporate rates, and this is another reason why that personal tax cut must be protected.

One of the features of our tax program that I am most proud of addresses a special problem for farmers and family-owned businesses. It is not right that widows and children must lose, just to pay Uncle Sam, what generations of love and toil created. So the estate tax exemption will increase to $600,000 by 1987, and of even greater help, there will be no estate tax for a surviving spouse—the widower or widow.

We know that the federal government also has an important role to play, as partner to the farm community. I think the gist of that role is to help the farmer do what he cannot do on his own—promote basic research, seek out new markets, counter any unfair trade practices of our trading partners, provide a measure of protection from erratic weather and natural disasters, and create the proper environment so the forces of supply and demand can more efficiently allocate resources.

We are fully committed to do this. We have increased the Fiscal Year 1983 budget for agricultural research by nearly three percent above the inflation rate. We have expanded the Federal Crop Insurance Program. We proposed a $4 million increase in U.S.D.A.'s market development program and recommended that the level of agricultural export credit guarantees be maintained at the highest level in history, $2.5 billion. We ended the previous Administration's Soviet embargo, and withstood pressures to impose agricultural trade sanctions during the Polish crisis.

We have also set out a blueprint to challenge unfair agricultural trade practices by Japan and the European Economic Community. We are challenging in the G.A.T.T., the European Community's open-ended use of exports subsidies on certain agricultural products, where we feel they have gained an inequitable share of world trade as a result of those subsidies. We are pressing the Japanese to remove non-tariff trade barriers that prevent us from fully benefitting from our comparative advantage in agricultural production. A U.S.-Japan working party will meet in Washington the week of April 12th, to discuss the G.A.T.T. consistency of Japan's agricultural quotas with a view toward liberalizing those restrictions.

In the past eight years, our stop-and-go export actions have weakened our reputation as a reliable supplier. If we are to take full advantage of our agricultural resources, we must establish a clear policy for the benefit of our farmers, those who market our crops and those who buy our commodities at home and abroad.

For this reason, I am presenting today our long-term policy on farm exports. The agriculture export policy of the United States will insure three essential priorities:

First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices. Farm prices go up and farm prices go down. High prices signal market-oriented farmers to produce more, and they will, if we allow them to compete freely in export markets. This is best for everyone, from farmer to consumer.

Second, farm exports, as I have already indicated, will not be used as an instrument of foreign policy except in extreme situations and as part of a broader embargo. Agricultural commodities are fungible; that is, they are easily interchanged for the same commodity from other nations. For this reason the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action.

Third, world markets must be freed of trade barriers and unfair trade practices. We must continue to pursue this objective aggressively. World economic health will be improved and strengthened by freer agricultural trade. Our great agricultural system must be turned loose to benefit not only Americans but people throughout the entire world.

I announce this policy with a great sense of pride—pride in the accomplishments of U.S. farm families. Adherence to this policy

will bring them deserved benefits, add to the prosperity of all Americans and enhance the cause of peace throughout the world.

During the first year of our Administration I think we have turned an historic corner. We are ending the destructive inflation and financial disorder of the 1970's. We are restoring incentives for personal enterprise. And we have begun to dismantle the regulatory straitjacket and reverse the dangerous erosion of our military strength.

Our recovery program was passed too late to avert the present painful slump, brought about by past pump-priming and those 21½ percent interest rates.

There is no quick fix for the economy or for our farmers. Weather will still be a major factor in determining when prices make a recovery. Some farmers will not make it through this difficult period of readjustment, but the vast majority will. And they are going to discover a better environment to conduct their business and realize a meaningful profit.

I am not going to turn my back on the farmers of America and undo all the good we have begun to put in place. If we stay on course and shun retreat we will bring prosperity back to our farmers and the Nation's economy.

Mr. ROBERTS of Kansas. At this point I yield to my colleague from Wisconsin (Mr. GUNDERSON), who I understand has some additional points to make.

Mr. GUNDERSON. I certainly thank my distinguished colleague for yielding, and let me begin by commending him not only for what he has just said, but as one who came to this Congress in the same class as he did and has had the honor and privilege of serving with him on the Agriculture Committee, I want him to know that I and a lot of other members of the committee look to the gentleman for his leadership and experience in this area, and appreciate it very much.

Perhaps I can take just a few minutes and try to summarize or put into perspective everything that has been said this afternoon on agriculture, hopefully in an objective way. Certainly there is no question that we have a problem in agriculture. We have heard this for the past hour and a half in our discussions.

You probably have asked the same question that I have asked myself in the past—how can agriculture survive in this country?

Despite the financial difficulties that have been mentioned earlier, the farm sector has survived in this country really for four reasons.

First of all, productivity gains. Agriculture is probably the most productive sector in the American economy.

Second, expanding exports. In 1950 we exported 9 million metric tons of American food products. In 1970 we exported 127 million metric tons. In just 20 years we had a phenomenal increase in our agricultural exports.

Third, inflation. One of the few benefits of inflation is that it has provided us with a gradual increase in the land values. Accordingly, inflation permitted farmers to go into those local banks and rewrite that credit portfolio in times of depressed prices. They were not getting rich in real dollars, but they were able to survive year after year because of inflation.

Finally, in some sectors of our agricultural commodities we have had decent prices and decent price support programs in the past.

All of this occurred, then, during a time of increased gross revenues to each individual or to most individual farmers in this country. However, we also witnessed something else, not just a change in the revenue picture, but also the change in the structure of agriculture in this country.

In 1940 we had 30.5 million people living on our farms in this country. In 1970, only 30 years later, not only did we not have 30 million, we had only 2.7 million people, and the average size of that individual farm had more than doubled. So we had seen a major change in this area.

The challenge of today, however, is very different from agriculture in the 1930's and the 1940's when we first witnessed the inauguration of farm legislation and farm support programs in this Congress.

Today our commodity support programs are determined not only by what we would like to call agricultural policy, but, unfortunately, they are also determined by budgetary policy as we have begun to realize the effect of budget on our economy as a whole.

Second, at a time of world hunger, there is not a world demand for our food. The fact is that in 1982 we are expecting about a 3-percent decrease in the value of the exports that our agricultural sector sends abroad, even though the total amount of exports will increase over 1981.

Likewise, we are witnessing major surpluses in almost every other commodity—wheat, feedgrains, dairy, and many others.

As a matter of fact, this year we are going to lose in cash receipts in terms of those commodities. We will see a decline, the first decline we have seen in cash for our agricultural commodities since 1975.

How is this going to occur? Lifestock may have a slight increase, but all indications are that the other crops are probably going to find their receipts decreasing in 1982 due to the surplus commodities and declining prices.

The major uncertainty we face then as we deal with these commodities today is where do we go from here; what is going to happen in the short term?

I think two particular items are going to affect that. One is how we can dispose of the present surplus and, second, what happens in the 1982 production year.

So many factors can affect that in a positive or negative way, and it is too soon to tell what is going to happen. Certainly some factors that could again depress our country's agricultural economy are: First, a continued weak national economy; second, continued high interest rates; third, a bountiful crop that could simply add to our further depressed prices; and fourth, world demand.

There is not only a recession or economic trouble in America, I would say to my colleagues, there is economic trouble the world over that is greatly affecting the demand for our agricultural products in this country.

On the positive side, if we can get our economy turned around, if we can get the world economy turned around, if we can get interest rates turned around in this country, somehow or another we are going to be able to change the American agricultural economy as well.

When one looks at those factors, then it should become clear to each and every one of us that, while we would like to stand here today and only talk about agricultural policy and only talk about commodity support programs, we cannot separate ourselves from the real world of the economic conditions and the budgetary dilemma that we all face here in this Congress.

I remember a year ago I stood on this same floor as we were considering the budget resolution. As a matter of fact, it was a year ago to the day tomorrow that I took the well in the floor of the House and spoke about the Gramm-Latta budget. At that time we were considering why we in rural America had to take a good look at that budget, not only because it put some constraints on some of the commodities, which none of us liked, but on the other side, I quoted on agricultural economist from the University of Wisconsin, Mr. Robert Lunning, who talked about that average Wisconsin dairy herd of 40 cows, and that young farmer building the land that would be included in the support of that 40-cow dairy herd. He estimated that in 1981 dollars that would cost about $280,000.

Then he took that young couple's little boy who was just in kindergarten in 1982 and following him through his primary and secondary school, and assuming, like most people in agriculture today, that one needs a great deal of knowledge and expertise to become involved, that he would go on to the university and take an agricultural short course. Then in 1995 he would want to buy mom and dad's farm. Based not on the 18-percent inflation rate we experienced in this country 2 years ago, but on a 10-percent annualized inflation rate, that young fellow would not pay $280,000 for that farm in 1995. Rather, he would be required to pay $1,063,000.

I think it becomes patently clear to all of us that there are no Government support programs that could allow the family farm to survive in even a 10-percent inflation rate economy.

Certainly we have looked at it time and time again in this country as to the impact and the cost of these products in terms of inflation, and unless we can get that under control and into some shape in 1982, we are actually looking at the first decrease in the cost of production for agriculture since 1968. We are looking at something between a 3-percent and 5-percent increase in costs, which is just a major, major change in what we have experienced previously. So we have begun some positive things in certain areas.

Yet, I think as we look at that whole budget we must look at some of the other areas, and an area that concerns us today is high interest rates.

The fact is we in this country cannot continue to live beyond our means. The fact that we are now spending over $100 billion a year of our Government's dollars to pay the interest on the national debt, and that is dollars that the gentleman from Kansas and my farmers cannot borrow, or that they have to compete with the Federal Government on borrowing, and the impact of that on the interest rates in this country.

In 1982 we are looking at an increase in the cost of interest rates as a part of the total cost of production for American agriculture.

Just 2 years ago it was only 12 percent. In 1982 we are looking at a 15 percent of the cost of production for the American farm family as a result of high interest rates.

Why? No. 1, because of the rapidly increasing interest rates themselves. No. 2, because of the large increases in farm debt.

So somehow or another we have to continue to keep that focused on the economy and its impact on agriculture. Despite the economic difficulties, I think we would be remiss if we stood here today and we did not take a look very quickly at some of the very positive things that have happened in the last 15 months in this Congress and in this city as we have tried to work with American agriculture.

One is major changes in tax policy and the inheritance taxes and the impact of that and of the transferring of that farm from one generation to another. Inflation, and the fact that we are looking at now, many economists are telling us we are looking at 5 consecutive years of inflation under 8 percent, and what that is going to mean to the farmers' cost of production and the cost of that farmer's transferring it from one generation to another is just very positive.

In terms of exports, despite the difficulties we have experienced over the past, we have a President that says no longer are we going to isolate agriculture and use it as the only tool of conducting American foreign policy. We are not going to impose embargoes only on agriculture in the future. That lesson down the road is just going to bear us return upon return in dollars that I really am not sure the corn growers or any of us could estimate and say 10, 20 years down the road the impact of that.

Certainly the gentleman from Kansas recognizes the difficulties we faced on our agricultural committee as we had to deal with those budget constraints. Yet I think we did something very worthwhile last year over the long term, and that is the commitment we made to conservation.

We all recognized for every bushel of corn we grow in this country we are looking at something like two bushels of soil that we are washing down the road. We all recognize that 60 percent of the Nation's croplands, 75 percent of the Nation's grazing lands need additional conservation attendance. We put the language in place.

We did not have the money in 1981. We had to make that difficult choice of do we take those limited resources and focus them on productive agriculture, and put the complementary and supportive means in place so that when the economy turns around we can put that emphasis on conservation.

So we have recognized the need for conservation.

We have also recognized the need for the economic climate, and I would suggest that perhaps we have also recognized that not only for the long term, but for the short term as well.

As I look at 1982, and as I look at the remaining decade of the 1980's, I think there are a number of things that need to be done and the agenda is rather long and large for those of us concerned about agriculture in this country.

First of all, the economy is all too obvious. Second, in terms of the structure of the agriculture, we made some great starts in that area in the tax policy. But we have a lot less to do in terms of our farm support programs, directing them to the people they were originally intended to support, that being family productive agriculture in this country.

Third, I would be remiss if, coming from my own area in the dairy area, I did not mention just briefly the troubles, the dilemmas we are facing. Last year we made an effort. We tried to reduce the price support program. The fact is that the result of that was just what many of us thought it was going to be. When you reduce the price, it only forces that farmer on the short term to increase production, because he needs to bring in additional revenue to meet his costs of production.

We are now in the terrible situation in this country where we are looking at the need above and beyond the farm bill of at least an additional $400 million in 1982 and $1.2 billion in 1983, additional appropriations for the dairy price support program above and beyond what was included in that farm bill last year.

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You know and I know we cannot afford that. We ought not be busting the budget for the dairy price support program, for the wheats, for the feed grains, for rice, for sugar, for cotton, for agriculture, any more than we ought to bust it for defense or for social services or for education or for health care or for transportation or any other sector of the American economy.

We all must learn to live within our budgets, and we must come up with new and innovative ways to do that. I would call to the attention of all my colleagues the particular proposals that I have introduced in the dairy area and that many of my other colleagues, such as the gentleman from Vermont (Mr. JEFFORDS), have also introduced, dealing with the dairy price support surplus, dealing with it in a way that lives within the budget, actually reduces the cost of the program to the Federal Government over that projected in the farm bill that we passed last year, and yet at the same time providing an increase in gross revenues to the average dairy farmer in this country.

Likewise, in terms of the grain prices, I suspect if I could work with the gentleman from Kansas and others who have similar concerns, if we could increase prices for our grains and our wheat, we would find a domino effect in so many other areas of agriculture, dairy, the livestock industry, and certainly agriculture as a whole, in terms of world trade. We have seen some of the short-term corrections that were needed in terms of the use of embargoes. We need to now continue the aggressive export expansion, and I certainly have to join those who have commended our Secretary of Agriculture, our trade negotiator in this area. And fifth, and perhaps the most important, the area of conservation. Over the long term, we cannot forget that.

The short-term agenda has been much, it has been inclusive, much has been done. Yet the long-term agenda includes many other programs that are equally positive. The major concern that we need to look at in this country at the present time is to take short-term needs, in terms of interest rates, in terms of credit, in terms of the economy, in terms of our support

prices. If we can combine some short-term corrections to those areas with the many long-term policies we have already put into place, I suspect that the future of agriculture in this country for generations to come will be one of the most prosperous sectors not only of our economy, but one of the most bountiful ways in which we can work to feed not only a hungry nation but a hungry world.

I thank the gentleman for his work. Mr. Speaker, I would be remiss, before I yield back my time, if I did not commend and thank the Speaker for his cooperation in this special order today.

Mr. ROBERTS of Kansas. I thank the gentleman.

Mr. Speaker, I want to again stress the value that I hold to the gentleman's personal contributions within the House Agriculture Committee and his leadership and his concern, not only for his dairy producers, but for all of us who are involved in agriculture—and that is really every citizen in this country.

I was recently on a 60 noncounty seat tour of some small towns in my district. I have 57 counties in what is called the Big First District of Kansas. We are actually, in district size, larger than the State of Pennsylvania. In town after town—and, by the way, if it had a post office or if it had a cafe or if it had a country elevator or if it had a church, we stopped there. And their message was the same: Does Washington really understand the seriousness of the problem that we are experiencing in farm country? And I know we do, on the House Agriculture Committee. I know the people who have taken part in this special order recognize that problem. And that was the intent of this entire special order, to focus on answers. We are going through a tough time.

It is rather ironic, it seems to me, that we are now being "discovered" once again in a rather quaint fashion by the New York Times and the Washington Post and Newsweek, and all of our national news publications. It always seems they discover us when we have some blowing dust and they ask, "Are you returning to the dust bowl days?" And they send a team of reporters out. I do not know why they do not send somebody out when we are doing something right, which we do every day in terms of producing food and fiber for this country.

I can make the case that my district and many more like it in farm country are hurting as much or more than other districts throughout the country. I am talking about producers, not nonproducers. It is this crop year that will make a difference between staying in business or going out of business. I am talking about diversified and established producers.

We have a real crossroads. We can go down the road to a market-oriented farm policy, where the farmer, hopefully, gets a reasonable price, that goal we have been searching for, it seems, year after year after year, in considering many farm bills. We can get it from the marketplace or we can go back to a Government-controlled agriculture.

We have heard a lot about the Indiana plan. Actually, we could call it the Texas plan, we could call it the South Carolina plan, we could call it the Kansas plan. It simply means that farmers tell us, "I would rather make something on 75 percent of my production as opposed to nothing on 100 percent, and we call for a farmer referendum to mandate that the farmer set aside that acreage."

However, I do not want the taxpayer to subsidize producers, and the farmer does not want that either. So we really have a choice, and once again we must become the principal supplier of farm products for this very troubled and hungry world.

What is being done? I can report to you with optimism and with confidence that, within the USDA at the present time, the USDA is sending joint Government-industry sales teams to countries that offer good potential for our markets. Five teams have already gone to 14 countries, in Africa, Latin America, and Asia. And Secretary Block has made three market expansion trips. An agreement has been reached with China for U.S. wheat and feed grains and soybeans market development, and we are groing to open several field offices in that regard. Some credit guarantees were increased for Brazil, and a Public Law 480 agreement was concluded in Morocco, meeting the credit needs to stimulate sales of U.S. wheat. The volume of U.S. wheat exports this year is expected to reach about 49 million tons, about 7 million more than last year. So Secretary Block is committed to that goal. We must again become a reliable supplier of food and fiber for the world.

Let me emphasize this is not just a parochial interest. Such issues as an abundant supply of food to allow the U.S. consumer to continue to spend a very low percentage of his disposable income dollar for food, such issues as feeding the hungry of the world, even world peace—hang in the balance.

There was a study done by an economist from Oklahoma State University about a year and a half ago, and he said at that time that if current projections and economic conditions continue, by the year 2000 over one-half of our Nation's food supply would be produced by 50,000 or fewer farmers—50,000 by the year 2000. If you think we have problems now, if these trends do not turn around and we do not get profit back in agriculture, think of what will happen. There are 72,000 farmers in Kansas alone. So the issues are indeed national in scope and international in scope.

I think the secret to this, again, is farm income. A reference was made by my colleague, the gentleman from Wisconsin, on the value of farm income. I remember back in the early 1970's, when we had all sorts of rural development bills being talked about in this body: grants and loans. And then we had some price improvement, especially in wheat country, and in 1973 and 1974 we say prices making some progress to parity levels. And do you know what happened? We reversed the outflow of young people, the outmigration of young people from our rural areas to the cities where they took jobs of young people in the cities. All of the Federal programs combined did not do one nickel's worth as good as one dollar increase in farm income. That shall be and is the goal of this administration.

At this point, Mr. Speaker, I also wish to second the comments made by my colleague, and I thank the Speaker for his patience. I yield back the balance of my time.

● Mr. HANSEN of Idaho. Mr. Speaker, those of us directly involved in the agricultural sector know that this Nation's farm economy is in worse condition than it has been for a number of years. We must examine the reason for this situation in order to attempt to find a solution.

The simplest explanation is that farm prices are down and the cost of producing is up. This is the result of high interest rates, high inflation rates, and other high operating costs in contrast to low prices and disrupted markets. Farmers are producing more and getting less.

The 4 years of Jimmy Carter's administration saw taxes rise, interest rates move from less than 7 to 21.5 percent, and inflation go up from 5 to 13 percent, with surges even higher. In addition, agriculture embargoes and an export-disrupting foreign policy brought depressed agricultural markets.

In an effort to correct this, the Reagan administration, in a comparatively short time in office, has significantly reduced inflation and taxes, while enacting a monumental fiscal reform program—and those frustrating high interest rates have now dropped to 15 to 16 percent with signs pointing to a continued downward trend.

Overseas reaction to an end to the grain embargo and an expanded export program is encouraging and promises to accentuate the already critical position agricultural exports play in our total balance of payments position. The Reagan administration has said it will continue to pursue an aggressive foreign marketing policy

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which will hopefully substantially increase the Nation's exports by 1984.

Patience and responsible efforts in dealing with our economics and marketing problems are obviously the way out of our plight. Early results are most encouraging and we must not become discouraged when 40 years of mismanagement are not totally corrected in only a few months.

Mr. Speaker, we must continue to do everything possible to help resolve the problems of agriculture while we still have people who are willing to invest in the business of agriculture, which is the real backbone of the Nation's economy and which basically provides the standard of living we have all come to expect.●

● Mr. FINDLEY. Mr. Speaker, the people of this country should commend the farmers who work each day and take the risks that are necessary to assure us that we will have enough to eat each day.

Agriculture is our largest industry. On January 1, 1981, agriculture's assets stood at almost $1.1 trillion. That is equal to about 88 percent of the capital assets of all manufacturing corporations in the United States.

Agriculture provides jobs for about 20 million people. Farming itself uses 3.7 million workers—as many as the combined payrolls of transportation, the steel industry, and the automobile industry. In addition, agriculture requires the services of 15 to 16 million people to store, transport, process, and merchandise the output of this Nation's farms. That is approximately one out of every five jobs in private enterprise.

Each year, farmers spend about $131 billion for goods and services to produce crops and livestock. They pay about $3.5 billion in farm real estate taxes, $606 million in personal property taxes, $3.8 billion in Federal and State income taxes, and about $344 million in sales taxes.

Today, some farmers are in trouble. Almost all face reduced income. Interest rates are still too high, and crop and livestock prices are too low. Our trading partners are restricting access to their markets and subsidizing their exports to cut into our market share. The recession is putting a crimp in our efforts to restore prosperity, because funds that are badly needed to meet operating expenses and to modernize equipment must be channeled to help an unacceptably high number of unemployed workers.

This Nation must act decisively to meet these challenges. We must put our people back to work in order to reduce the deficit and restore prosperity. To do this, we have to find markets for our products.

The Reagan administration is trying to do just that. While some of my colleagues bemoan the economic problems that confront us and call for huge increases in Federal farm aid, the Secretary of Agriculture has traveled throughout the world seeking new and expanded markets for our farm products.

The Special Representative for Trade Negotiations is aggressively testing the General Agreement on Tariffs and Trade to see whether we can rely on it to knock down trade barriers.

The President has lifted the embargo imposed on Soviet grain purchases by President Carter. Remember that I recently placed in the CONGRESSIONAL RECORD a study conducted for the National Corn Growers Association. That study showed that the embargo cost this Nation $11.4 billion in overall national output, 310,000 jobs and $3.1 billion in lost personal income. That's a mighty high price for an embargo that did not work.

I hope you also remember that President Reagan recently established a policy under which farm product sales will not be suspended, except as part of a total trade embargo, and with the cooperation of our major trading partners.

Today, the farmer's biggest enemy is inflation. Inflation drives production costs—including interest rates—above manageable levels. It reduces the value of his savings. It fuels land price escalation, making it harder for young people to get started in farming. And it undermines everyone's faith in our Nation.

We got into this problem following the policies advocated by those who think we can keep everyone happy by forcing Federal money into the system. Now, as we face the difficulties associated with the President's program, many people would like to turn back; to take the "easier" road. But we all know that the road we were on was rough and getting rougher. We knew this road would not be easy. I think this is the right road to prosperity, and I urge my colleagues not to abandon it to return to the failed policies of the past.

Thank you.●

● Mr. EVANS of Iowa. Mr. Speaker, today with many of my colleagues focusing attention on the situation in rural America, both on our farms and in our small towns, it is timely for us to take a look at ourselves—at what Congress is failing to do which could go a long way toward alleviating the uncertain economic condition faced by rural Americans.

We easily focus attention on what others can and probably should do to help improve the quality of life around us, but it is we, in Congress, who have the responsibility to act. Too often, in my view, the legislative branch waits for the Executive to propose action to meet a challenge or correct a deficiency. But it is we, in Congress, who need to be more bold and original in addressing the needs of our constituents.

To me and to my constituents, it is disappointing that so little action has been taken by this 2d session of the 97th Congress. We have cast fewer than 60 record votes this entire legislative year, and that includes votes on procedural matters. We hold short sessions when, indeed, we hold any session at all. We seem unable to address the real needs of the Nation. And the foot-dragging is not due to a lack of original ideas. In virtually every area of need for farm families and those who live in rural communities and towns, there exists in our committees good, reasonable legislation which should be acted upon. If the Democratic majority in the House continues to refuse to act on the problems and needs of rural America, they will face the wrath of a major segment of our Nation.

Farm and smalltown families expect to put in an honest day's work for their pay and they expect their elected officials to do the same. As we take an accounting of the economic strains on rural America, we should remember that many opportunities for legislative solutions have already been drafted and put before Congress. But without an interest on the part of the majority party and action by its Members, we can make no progress.

Handwringing over the budget should be reserved for those who serve on that vital committee. All other Members of the House need not merely stand and wait for action on Federal spending. We need action now on productive legislative proposals dealing with the farm problem—proposals we have in abundance.

I think it wise that we review some of the issues before us and the legislative proposals already drafted which await House action to deal with those issues.

Tax incentives for soil conservation.—The Ways and Means Committee has legislation bottled up which would provide much needed incentives to farmers to encourage the practice of sound conservation measures. H.R. 2515 would provide a 10-percent investment tax credit for expenditures on soil and water conservation measures. H.R. 5724 provides a tax exemption for loans taken out by farmers to construct soil conservation terraces and for drainage equipment for these terraces. H.R. 5814 would allow a tax exemption to farmers on money borrowed to purchase soil conservation tillage equipment. These are just a few examples of the type of conservation legislation needed by our farmers. The management and use of our productive soils and waters will determine the long-term quality and productivity of the Nation's land. The costs of conservation measures cannot be readily

recovered in the marketplace, and this places an unfair burden on private producers who provide a public benefit and often lose money in the process.

Rural development initiatives.—H.R. 6009, the Enterprise Zone Act proposed by Representatives KEMP and GARCIA and supported by the administration, calls for a combination of Federal, State, county, and local incentives for businesses which would locate or expand commercial activity in locations which suffer from chronic loss of population, high unemployment, or below average income levels. Metropolitan areas as small as 4,000 population and nonrural statistical areas over 2,500 population would be eligible. H.R. 5137, the Rock Island-Milwaukee Railroads Amendments Act, establishes a procedure to expedite the sale and liquidation of the property of a bankrupt railroad. The transfer of the lines of the Rock Island in Iowa to new owners would provide new jobs for workers and restore service over lines serving major grain-producing areas.

Acid rain.—The Clean Air Act is a major piece of legislation which is deficient in an area of prime importance to farmers—crop yield reduction. The adverse effects of acid rain on corn, wheat, and soybeans is undeniable and has been confirmed by studies done by the Office of Technology Assessment. Unfortunately, although three separate bills concerning acid rain have been introduced, not one has been incorporated into the proposed Clean Air Act being considered by the Energy and Commerce Committee. This is irresponsible and will only transfer additional costs to the farmer and cause him to suffer needless loss of agriculture productivity.

Expanding exports.—The agricultural producers of this Nation face a cost-price squeeze on farm commodities that is having a serious effect on farm income. Farmers are still feeling the effects of the 1980 embargo imposed by the Carter administration. It is vital that the sagging farm economy be bolstered, and expanded exports of agricultural commodities offer the greatest promise of raising farm prices. With this goal in mind, I have introduced legislation aimed at encouraging the export of agricultural products. H.R. 4510 is a bill to restore authority for the Export-Import Bank to finance U.S. agricultural export sales abroad. This authority was available and used until 1977 when President Carter repealed the use of these funds. This bill is one avenue of assistance. In addition, H.R. 5489 proposes to reinstate the barter program which operated in the 1960's in which the Commodity Credit Corporation exchanged CCC-owned agricultural commodities for strategic materials stockpiled by the General Services Administration. This barter program was suspended in the 1970's. It should be reactivated and expanded to include barter of agricultural products for oil for the natural petroleum reserve and barter through commercial channels. USDA estimates that for every additional $1 billion of U.S. agricultural products exported, 35,000 jobs are created, and $3,360,000,000 finds its way into the pockets of our Nation's farmers. With this in mind, I believe we must follow-up on a provision Congress adopted as part of the 1981 farm bill, the agricultural export credit revolving fund. The fund needs a one-time appropriation from this Congress which would be repaid many times over through reduced deficiency payments and additional jobs.

Elevator bankruptcies.—For over a year, farmers have been asking this Congress to recognize the plight of farmers who suffer devastating effects from the bankruptcy of grain warehouses where their property is stored. Farmers want us to take action to protect them from the unique hardships and uncertainty incurred. Under current law, when a grain warehouse files bankruptcy, farmers are faced with months of uncertainty and probable loss of property which was stored there in good faith. In the past year, a number of bills to aid these producers have been introduced, but no laws have evolved. Legislation easily passed the Senate, but efforts here in the House have been stalled in committee. It is time to move these bills out of committee and put them into law.

Mr. Speaker, I have mentioned only a few of the proposals before the House which would help rural America. And I ask you, sir, and the leadership of your party, to stop dragging your feet and to take action on these proposals.●

● Mr. SKEEN. Mr. Speaker, we did not get into this situation overnight. It took years to develop. But naturally we expect someone to fix it overnight. That is the way we are. The American people have those kinds of expectations, and that is one of the things that has made this country great.

Through the seventies, there was enormous growth in Federal programs, and especially in the late seventies, Congress authorized a tremendous amount of additional Federal lending. This began to put the Government heavily into the credit market.

All this was not so obvious when it was being done. It was not at all clear to many what the consequences might be. Of course, there were a few voices of gloom and doom, but they were easily brushed aside.

Then, one morning, we woke up with double-digit inflation and interest rates at nearly 21 percent.

We had a Federal budget that was growing at the rate of 17 percent a year.

We had a Federal debt that was going through the ceiling.

We had federally sponsored borrowing that nearly doubled between 1977 and 1981.

We had Federal credit demands that accounted for 35 percent of all funds raised in U.S. credit markets in fiscal 1981.

It was as though suddenly we got presented with the bill.

When Congress was doing all these good things with Federal tax dollars, and it was a question of paying now or later, later seemed more convenient.

Well, this is "later," and the chickens have come home to roost.

It could not come at a worse time for agriculture. The Soviet embargo under the last administration weakened prices for the long term, and seriously undermined our export position for the future by encouraging greater production in other countries that wanted to supply the Soviet market.

Record grain crops have pushed prices down still further, and the combination of low farm prices and high interest rates is putting many producers under severe financial strain.

Unfortunately, there are no easy answers. More credit is not generally a good solution because in most cases with individual producers, it is part of the problem. Trying to generate a cash flow large enough to meet interest costs has become more and more difficult for many.

There is not enough money in the Federal Treasury to raise farm income substantially through commodity programs, and that would not help the livestock industry. Besides, with the reductions that are being made in other Federal programs, it is unlikely that either the Congress or the administration would go along with that.

As a result of steps the administration and the Congress have already taken, we have seen a substantial decline in the rate of inflation. The Consumer Price Index grew at a rate of 12.5 percent from the fourth quarter of 1979 to the fourth quarter of 1980. It was down to 9.5 percent in 1981, and now it is running just over 7 percent.

The growth of the Federal budget has been reduced from 17 percent in fiscal 1980 to 14 percent in 1981, and will likely be just over 10 percent in 1982.

The most important thing we can do right now is to meet the challenge of the fiscal 1983 budget in a responsible way. If we can do that, there will be some hope for further reductions in interest rates, which will help agriculture and all other segments of the economy.

Mr. Speaker, the problems we are facing now have been a long time building and the solutions are going to continue to be painful for all of us. The coming days will be critical ones

for agriculture and the Nation. It is vital that we get our priorities in order in this body so that we can deal with the situation in a way that will send a strong, positive signal to the economy and the American people.●

● Mr. HAGEDORN. Mr. Speaker, I could not be in more agreement with my colleagues concerning the severity of the financial straits of our Nation's farmers. There is no question that agriculture is undergoing a severe economic situation.

However, I do not believe we can solve our long-term economic problems by imposing short-term quick-fix solutions. For example, raising the loan rates for wheat, feedgrains, and other major commodities has always been promoted as a quick solution, particularly during depressed conditions. The principle of price supports is to provide a safety net to avoid economic disaster, not to encourage excess production. In the long run, setting high loan rates will result in an artificial economy that would serve only to aggravate the current supply-demand situation, not to mention the tremendous costs to the Government.

Government payments to divert land from production is another form of quick fix. USDA has instituted the voluntary reduced acreage program and signup is now complete. The producer response has been quite favorable. They have enrolled almost four-fifths of their base acreage. Instead of direct payments, farmers are offered operating capital in the form of loans and target price protection. I believe that most farmers will actually participate in the program. If they do not, we will be faced with continued depressed commodity prices, a shortage of storage space, large deficiency payments, and huge inventories of grain financed by the Government. Supply management is the key to solving our economic dilemma.

The same problem is evident in our dairy price support program. Milk production continues to set records and Government purchases of dairy products are expected to reach an unprecedented level this marketing year. As a result, the Congress will be forced to reexamine the whole concept of the dairy program.

I can sympathize with dairy producers. Cow and replacement heifers are at near or record numbers. Feedgrain and cull cow prices are low and few outside opportunities exist at present. Domestic and foreign demand for dairy products is near the saturation point. Nonetheless, we must implement some form of supply management or jeopardize the price support program and the dairy industry itself. Several of the proposals now before Congress contain such supply management concepts.

The livestock sector has shown some recovery in recent months. Choice fed steer prices have increased more than 15 percent since January; barrow and gilt prices have risen 25 percent during the same period. Why? Because the livestock industry has been making adjustments to bring supply in line with demand. Hog producers have cut back production plans in order to operate at profitable levels. It is precisely this kind of adjustment that is necessary to put agriculture back on its feet.

Our responsibility, as Members of Congress, should be to foster the philosophy of reliance on the marketplace to sustain farm income and not place the burden on the U.S. Treasury. To that end, we need to seek new export markets and continue to be a reliable supplier to our existing ones. We need to better utilize the existing export credit programs, implement the CCC revolving credit fund that was mandated under the 1981 Farm Act and explore other concepts that will enhance trade expansion. I am working with the administration to develop a program to provide an outlet for wheat and feedgrains to qualified customers over and above current threshold levels with concessionary financing terms. We must shift our emphasis by allocating funds into these export programs rather than into CCC price support programs.

Of course, we will have to address the specific trade problems that we have encountered in exporting agricultural commodities. This administration has taken an aggressive stance in bringing our trading partners into line on fair trade issues. I believe it is time that the Congress make it perfectly clear to our competitors that we will not tolerate unfair intrusion into our markets with tariff and nontariff barriers.

Most important, the Congress has a responsibility to come to grips with the current stalemate of the budget. We cannot expect any sector of the economy, particularly agriculture, to recover in the near future, if we cannot reach a compromise on the budget. The Federal Reserve will not even consider modifying their tight monetary policy nor will the banking and business community react favorably with lower interest rates and increased productivity until we address this issue. It is time to put our economic house in order, not exacerbate it by quick infusions of money that will only put us in a larger deficit situation and ultimately devastate our economy.●

● Mr. TAYLOR. Mr. Speaker, undoubtedly one of the best things that has happened to the farmers of this Nation in a long time, was the passage of the Economic Recovery Tax Act of 1981, which brought about major revisions in the estate and gift tax laws.

I do not know anyone connected with agriculture in any way who is not concerned about the preservation of the family farm; however, our antiquated estate laws have made it virtually impossible, if not extremely expensive, to leave the property to a spouse, son, or daughter, because of the increased tax liability on farms that have been affected by rising land values and farm expansion.

I do not intend to go into all of the details at this time; they are pretty well known. However, it is worth noting some of the important features of the law which include:

An increase in the estate and gift tax unified credit that will be phased in over 6 years and will allow $600,000 to be transferred tax free in 1987 and later; a reduction in the highest marginal estate and gift tax rates; an unlimited marital deduction; a relaxation of the requirements under the installment payment provisions for estate taxes due; and a general relaxing of the qualifying requirements for the special use valuation law which allows farmland to be valued at its use value, rather than at its fair market value for estate tax purposes.

The best way in the world to preserve the family is to make certain that the farm can stay within the family. By getting Government out of the way where inheritance is concerned, we have taken a major step.

This is just one more example of where the Economic Recovery Tax Act of 1981 was not a rich against the poor law, but rather a law that seeks to ease the tax burden the Federal Government has placed on the farmers of this Nation that has discouraged the transfer of farmland from generation to generation.●

● Mr. WAMPLER. Mr. Speaker, in title XIV of the 1977 and 1981 farm bills, the Congress sought to halt decades of decline in Federal funding and emphasis on research and education in the food and agricultural sciences.

It is no secret why America leads the world in the production of food, fiber, and forest products. The effort to put our country in that leadership role began as far back as 1862 when our Government entered into a longstanding commitment to endorse and support public expenditures at State land-grant colleges and universities for agricultural research and education programs for the extension of technical knowledge from the science laboratories to the user farmers and ranchers of this Nation. This effort also included as well programs that enhanced the living conditions and standards for farm and rural people and people throughout our country. This commitment reached its climax in 1939 when approximately 39 percent of all Federal research and development funds were allocated to agricultural research and education. Unfortunately, by 1975, funds for agricultural research and education had sunk to approximately

2 percent of the Federal R. & D. budget. Fortunately for the American farmer and consumer, these earlier efforts paid such rich dividends that our Nation gained the capability to produce a cornucopia of food, fiber, and forest products far outstripping the capabilities of our competitors. Moreover, our agriculture industry, with only about 3 percent of the Nation's labor force as farmers, produces such an abundance of food and fiber that our own people enjoy the best quality diet purchased with a smaller percent of disposable income of any people in the world in the history of man. This remarkable feat has been made possible through extensive technological developments adopted by our farm producers and processors. These developments and adoptions have as their basis the research and educational institutions, our land-grant colleges, and the 1890 institutions across the Nation.

Agriculture is one bright spot for America in the world marketplace. While our Nation is blessed with natural resources necessary for extensive agricultural production as well as a favorable climate in much of the Nation, the might and importance of the industry are dependent on other factors, primarily past technological development. We must continue to develop new technology if we are to maintain our world market position. Two decades ago, most Americans held the notion that products made in Japan were cheap handmade trinkets with little durability. What a change has taken place! Where in the world will similar changes take place to enable farm producers to out-compete American producers? Only if we maintain a commitment to those factors that have enabled the American agricultural industry to grow in magnitude and importance will we maintain our ability to sell significant amounts of our production to the world and pay for the vast qualities of raw products we must import from other nations to fuel and feed our own industries and provide jobs for American labor. And only by selling to the world market can we share in meeting the needs of hungry undernourished people of the world.

It is known that the worldwide demand for food and fiber will increase throughout the rest of this century. It is anticipated that people of the world will seek a better quality diet which will include more animal products. In other areas of the world, there have been examples of dramatic improvements in agricultural production. India, long riddled with famine, is now producing enough wheat to meet most of its domestic needs. This is a direct result of U.S. wheat research, advanced by Normand Borlaug at CIMMYT in Mexico, and subsequently adapted in India. Similarly, rice production in Asia has significantly increased as a result of research at the (International Rice Research Institute in the Philippines. We, in this Nation, have experienced approximately a twofold increase in crop yields since 1940, largely a result of technology initiated over a century ago. We know that there are substantial dividends for investments in technological developments in future agricultural production.

Some have said that the importance of agriculture is equal to, if not greater than, that of our national defense system. In regards to maintaining a strong competitive agriculture, the Soviet Union and People's Republic of China are placing the highest priority on food production research with emphasis not only on output, but on stable production from year to year. We feel that the future of America can be no better than the future of the agricultural industry. It is within the national interest to provide public support for agricultural research and education.

While we know there will be demand for farm products, we should not take for granted the possibility that American agriculture will fill that demand without competition. In most recent years, productivity on American farms has been plateauing. Some of the reasons for this plateauing are soil erosion, reduced soil organic matter, soil compaction, chemical residues, more less productive land in production, increased pressure on prime land for nonfarm uses, fewer options for water, fertilizer and pesticides, increased regulatory constraints, and decreased support for agricultural research and extension in real dollars. This plateauing is not the result of not having any remaining potential to realize from continued research and education.

While approximately half of the agricultural reseach in the United States is funded with private funds, we do not feel the Nation should rely more heavily on this funding source. Furthermore, many necessary projects would never be undertaken were we to rely on private initiative.

Funding of food and agricultural research involves the expense of having "things" ready to go when research is required. Being prepared demands maintenance and replacement of research tools: flocks, herds, barns, feed, milking parlors, machinery, field stations, land, orchards, crops, irrigation equipment, and greenhouses. We see a need for consistent formula funding of the Hatch Act, as these funds are the basis for maintaining research systems.

Benefits to farmers from research which reduces the cost of producing food, fiber, and forest products spill across county and State lines when we develop improved technology. Early acceptors and implementors benefit, but in the long run, the true benefactor is the American consumer. Research benefits everyone in the supermarkets. Therefore, it is appropriate to maintain significant Federal funding.

Federal funds provide an element of Federal influence. This influence is in the form of coordination of efforts and results in minimizing duplications. Federal involvement also provides for upward and outward movement of information. The USDA Science and Education agencies—ARS, CSRS and Extension—are examples of effective Federal agencies. Further, CSRS and Extension which manage Federal/State partnership research and education programs are Federal agencies with relatively limited staffs that provide valuable coordination points for these programs.

The next generation of researchers and teachers and demonstrators have some exciting opportunities. The results of their efforts can be even more dramatic than the results of the past. Researchers can keep American agriculture great with greater photosynthetic efficiency, improved biological nitrogen fixation, genetic improvement and cell fusion techniques, greater resistance to competing biological systems, more efficiency in nutrient uptake and conversion, reduction in losses from nitrification and denitrification, greater resistance to environmental stresses, and identification of hormonal systems and mechanisms, to mention but a few areas.

Chemically synthesized nitrogen fertilizer represents the largest single industrial input into agricultural production. One-third of the fossile fuel energy consumed in food production is for this use. Each pound of synthetic nitrogen fertilizer requires an input of 30 cubic feet of natural gas. When applied to the land, much of this fertilizer can be lost to leaching by rain or to volitalization to the air. The amount lost will depend on variance in the weather. Consider the significance of research that could result in a crop such as corn fixing nitrogen from the air.

Solar energy is clean, renewable, and nonpolluting. Agriculture is the only major industry that directly depends on solar energy; we farm the Sun. Plants are literally biological Sun traps, and we ought to invest more of our resources to learn more about this magical process.

We recognize and agree with the need to reduce Government spending. We also recognize the dramatic returns available from investments in agricultural research and educational. We are convinced that the commitment should be increased and that the Federal partner must participate in the increases. We hope that the future will have increases even more exten-

sive than those proposed by the administration in this year's budget.

Mr. Speaker, I am proud to report that the President and the Secretary of Agriculture are both in full support of the need for maintaining our leadership role in American agriculture now and into the future. In this regard, it is important to note that the only element of the fiscal year 1983 agriculture budget that received an increase was the research and education program. Moreover, I have been informed by Secretary Block himself, that an outstanding scientist and leader in American agriculture for the position of Assistant Secretary of Agriculture for Research and Education has been recommended to the President for nomination to the Senate for confirmation, further committing this administration to a strong agricultural research and education program to maintain and enhance our future role as the leader of the world in food, fiber, and forestry production at prices both beneficial to our farmers and ranchers and consumers both here at home and abroad.●

● Mr. BAILEY of Missouri. Mr. Speaker, imagine going to the grocery store and finding California oranges selling for $1 apiece, pork chops going for $10 a pound, and beef steak selling for $16 a pound. These are the prices of American food at grocery stores in Japan. Such outrageously high prices keep the Japanese consumer from buying and the American farmer from selling. As a result, the U.S. trade deficit with Japan is $15 billion.

This enormous trade gap is a sore spot with me and any thinking farmer. America's best hope for improving our trade balance is in increasing agricultural export markets. That is a lot easier said than done though, because the Japanese Government is working hard to limit its food imports from the United States.

Japan depends on the United States for its food supply. Our exports make up half the food the Japanese eat. More cropland is used in America to feed Japan than is farmed in Japan; our farmers devote 1 acre in every 20 to supplying the island nation.

Japanese consumers want more American products. At a recent American agriculture show, held in Tokyo, Japanese consumers stood in line for hours to buy American beef at American prices. The same imported beef purchased at a Japanese grocery would have cost eight times as much.

Publicly, the Japanese Government says it is easing trade restrictions on agricultural products. It recently increased the beef import quota from 100,000 tons to 135,000 tons, and some quotas were relaxed on high quality American beef. But private shenanigans offset any effect the public efforts have.

The United States can deliver beef to Japan at less than $2 per pound—including transportation costs. By the time the beef shows up on grocer's shelves it is $16 per pound. Japanese farmers have put heavy political pressure on the Government to keep that price high and to keep consumers buying Japanese products. There is no use easing quotas when very few can afford to buy the product.

Unfair markups like this keep us from reaching our full export potential in Japan. It is unfair to our farmers because they are by far the world's most efficient producers of food. It is unfair to our auto industry because we do not use the same tactics to keep foreign cars priced out of American markets. And it is unfair according to the basic rules of free trade—nations should trade among themselves so that everyone benefits equally.

While watching the evening news recently, I saw Japanese farmers marching in the streets. They were protesting the slightly relaxed beef quotas. Japanese farmers say they produce quality foodstuffs. However, they cannot do it as efficiently and as inexpensively as we can. That is what the price difference is all about.

Those protesting farmers seem to forget that Japan's current prosperity is due largely to its vast export markets. If they hope to continue prospering as a nation, they will have to continue playing the trade game. And, if they hope to continue having virtually unrestricted export markets in the United States then we must get equal treatment in their markets. The trade game must be played fairly.●

● Mr. JEFFORDS. Mr. Speaker, I rise to commend the Farmers Home Administration for its work with borrowers during this period of financial strife. It is clear to me that FmHA is going "the extra mile" with the borrower who has the ability and shows a desire to continue making payments but is temporarily unable to do so because of circumstances beyond the borrower's control.

I am concerned over public policy changes which are being suggested by some of my colleagues. These changes deal with the repayment of Farmers Home Administration loans. The first requires FmHA to grant a loan repayment deferral to any borrower who meets certain minimal conditions and who requests a deferral. The second provision would impose an across-the-board moratorium on all FmHA foreclosures in any State where FmHA forecloses on 1 percent of its borrowers.

There are several reasons why a board moratorium and deferral policy should be opposed:

FmHA serves only about 10 percent of all farmers. Any type of deferral or moratorium would put the overwhelming majority of the farmers—90 percent—at a severe disadvantage since they would have to continue repaying their loans.

A mandatory deferral would cause the loss of payments that the large majority of borrowers can and are prepared to make, and disrupt operations of the loan revolving fund. Money collected is loaned again from this fund. If collections are stopped, the fund can be sustained only by use of Treasury funds obtained through public borrowing—a procedure that increases the public debt.

The Secretary already has discretionary authority to establish moratoriums on repayment of loans when he deems such action is necessary and in the best interests of all concerned.

Adoption of this amendment could cost USDA $1½ to 3 billion annually if the moratorium were triggered on a widespread scale; in addition, the orderly financial management of the revolving fund programs would be disrupted.

FmHA generally forecloses only when there is no reasonable chance for the borrower to continue a viable operation. It has never been, and certainly is not now, a policy of FmHA to engage in large-scale foreclosure efforts.

Current FmHA policy sets a high priority on counseling its borrowers on a case-by-case basis. This case-by-case basis is the only equitable way to deal with borrowers. To lump individual problems together and treat them en bloc would invite program abuses on the part of borrowers who might be able to repay their loans but would choose not to do so.

Farmers Home Administration needs to have the option to foreclose and not grant a deferral when such action is justified; to be required to do otherwise would not be prudent program administration, and would create havoc in the agency's loan and accounting departments.

Farmers Home Administration has pledged to us—in testimony and in writing—to work closely with each individual borrower experiencing problems, and to implement a wide range of discretionary tools to deal with each producer's specific and unique credit problems.

Deferral would not deal with the problem faced by borrowers who are long delinquent—with loan payments overdue by more than 2 years. They might be able to stay in business another year by relying on off-farm income or selling some of their assets at depressed prices. However, they face poor intermediate-term prospects in paying off their debts and in their efforts to become viable producers.

Deferral could result in an increased demand for FmHA loans, especially operating loans, because borrowers would not have to repay them until

the fall of 1983 under some of the bills introduced. Demand would be further heightened if the loans were also interest-free in the interim. Commercial and Farm Credit System lenders as a result would likely steer their riskier borrowers to FmHA, which is required to serve borrowers not eligible for credit elsewhere.

Deferral would likely stop the graduation process of FmHA borrowers to other lenders.

There may be a temptation to respond to an emotional appeal for a board moratorium and deferral. However, I ask my colleagues to resist such a temptation as it is bad public policy.●

● Mr. RAILSBACK. Mr. Speaker, farmer Maurice Sinclair of Montrose, Iowa, stated in an April 23 Wall Street Journal article that, "You can't make a living at the coffee shop bitching about hard times. Cycles are cycles, and you keep farming till they turn."

We could well heed the Iowa farmer's advice. With mounting concern about the impact of our farm economy's uneven decline, we in Congress can either spend our time passing the blame around for agriculture's economic woes or we can push for serious consideration of legislation that will help the farmer sell his commodities.

I know few would dispute that farm income has been under pressure from record harvests, sluggish world demand and a strong U.S. dollar, and high interest rates. Farmers who have gambled on the continued rise in land prices and the rate of inflation, or those who have proven to be inefficient managers, now find themselves in a precarious financial position.

A balanced perspective cannot, however, ignore the marked improvement in hog and cattle prices, the solid financial condition of most dairy farmers, or the cushion off-farm incomes provide more than two-thirds of U.S. farmers. According to the Wall Street Journal article that I cited, "Most farmers, the experts say, will survive the recession in good shape."

While agriculture's 1981 trade surplus of nearly $27 billion offset almost half of our country's petroleum deficit, other gains beneficial to farmers were being recorded in 1981. Congress passed important tax reductions and estate tax reforms proposed by President Reagan. The President's Task Force on Regulatory Reform reported a significant reduction in the output of burdensome and costly Federal regulations. A dramatic reduction in the rate of inflation, which has sent the cost of production skyrocketing, has also been achieved since the President took office.

To the credit of Agriculture Secretary John Block, Congress, working under severe budget constraints, passed major farm legislation, and the President signed a 4-year farm bill that maintains essential income protection programs while moving farming toward a greater market-oriented approach. Secretary Block was also the driving force behind the President's decision to lift the 1980 selective grain embargo, an embargo that cost this country an estimated $11.4 billion in overall output, 310,000 jobs, and $3.1 billion in lost personal income. I know all farmers welcomed President Reagan's pledge not to single out farm commodities in future foreign policy disputes.

As the economic viability of our farm sector has increasingly become a function of world markets, our need to provide greater market access for our products and enhance our competitive posture in the world has grown. Secretary Block and others in the administration are making progress in an effort to reduce Japanese and European Community trade barriers to our farm products. Secretary Block has also indicated his concern about the need to increase U.S. farm exports by personally leading export trade missions to foreign markets.

The House Judiciary Committee has begun final consideration of legislation that would encourage the formation of export trading companies, which would provide farmers and businesses with the marketing and financial expertise to promote our exports abroad. A University of Illinois professor has produced a study that indicates this bill could increase U.S. exports by 10 percent and create about 12,700 new jobs in Illinois alone.

The export trading company bill, the Grain Elevator Bankruptcy Act, which would give farmers a priority position in the disposition of a bankrupt elevator's assets, and Representative FINDLEY's bill to appropriate $500 million for the Agricultural Export Credit Revolving Fund, all supported by the administation, are examples of constructive and reasonable efforts to assist agriculture. These bills, Mr. Speaker, deserve our serious consideration.●

● Mr. BUTLER. Mr. Speaker, economic uncertainties have been a way of life for the American farmer for many years. For a variety of reasons, these have become increasingly acute in recent years and have nothing to do with the policies of the Reagan administration. All of you, I am sure, will recall that the recent tractor descent by farmers on Washington took place under another administration at a time when both Houses of Congress, as well, were controlled by the other party.

For the most part, the problems of the American farmer have been a long time in the making. In part they are structural and are tied to policies peculiar to agriculture. But the problems of the American farmer are also tied to the state of the general economy and are made worse by the same plagues that beset industry and commerce: continued high interest, the previous high rate of inflation, the effects of over regulation on productivity, the availability of capital to expand and of loan money to finance an adequate cash flow. Well, the Republican Party did not get us in this economic mess; it was Democratic policies and Democratic leadership that did it. Now Republican policies and leadership are beginning to address these problems and I am confident that we will be successful. Just last month, inflation dropped to its lowest level in 17 years and interest rates are down from a high of 21.5 percent in 1980 to 16.5 percent as of April 1982. In addition, progress is also being made on problems peculiar to the farmer, such as exports.

Fundamental to the future success of the American farmer is finding new markets for his products. Increasingly, this has been accomplished by expanding exports to both developing and developed countries; in fact, in the past 10 years, agricultural exports have increased 450 percent.

Agricultural exports to Japan have contributed to this growth. However, Japanese trade barriers have artificially restricted the market for American agricultural products, exacerbating our trade imbalance with Japan and fueling public sentiment that the United States adopt reciprocal measures.

In January of this year, I traveled to Japan as a participant in the United States—Japan parliamentary exchange program. I am satisfied that the Japanese Government does understand our concerns and is sincere in its desire to respond to them. While we certainly have a long way to go on this road, already, trade talks with Japan have resulted in the liberalizing of 36 nontariff barriers affecting agriculture and there are positive signs of additional movement on these matters. For example, after a series of meetings and consultations, Japan has agreed to meet next October—6 months ahead of schedule—to negotiate the removal of quotas on beef and citrus products. In addition, after several years of trying, the Government has finally gotten the Japanese Government to agree to focus on the legality of their agricultural quotas in terms of the GATT.

While trade barriers have been the focus of debate for improving agricultural exports to Japan, new cooperative programs between our countries has further expanded Japanese markets. For example, the U.S. Feed Grain Council has worked closely with Japanese livestock producers for more efficient production of high quality Japanese beef. This has created a rapidly growing market for American

corn and by the end of the decade, corn trade with Japan should be substantially higher than that of today. Taken in concert with the easing of trade restrictions, such cooperative programs should contribute significantly to the growth of exports to Japan.

The problems facing the American farmer can be overcome. Admittedly, improving the conditions of American trade with Japan is only a small part of a large program which must be undertaken to restore the vitality of the American agricultural sector; nonetheless, it cannot be overlooked, and I am confident the administration's prudent and determined course will benefit the American farmer while strengthening our relations with Japan.●

● Mr. STANGELAND. Mr. Speaker, first of all, I want to commend my freshman colleagues on the House Agriculture Committee for calling this special order to discuss and review the condition of the American farm economy. The gentleman from Kansas and the gentleman from Wisconsin have repeatedly shown their deep commitment to the American farmer and, in a short time, have established themselves as two of the strongest advocates our farmers have in Congress.

There is no question that the entire agriculture sector has been hard hit. Incredibly low commodity prices, coupled with high interest rates, are responsible for the serious condition currently facing our farmers. Internal U.S. Department of Agriculture projections indicate that the agriculture community could be facing an unprecedented third straight year of declining net farm income.

Although interest rates have declined somewhat from the 20.5-percent prime rate that existed when President Reagan first took office, they are still too high. If the financial markets begin to perceive the dramatic progress that has been made on inflation is permanent, and if the Federal deficit is reduced, then interest rates will surely decline.

However, it is our responsibility to make the difficult cuts in spending, as well as to close those existing tax loopholes which have been abused, in order to lower the deficit and pave the way for lower interest rates for our agricultural community. We, in Congress, must not shy away from the hard choices that must be made to get interest rates down and keep them down.

In the short term, efforts to hike up commodity prices by expanding farm product exports have been hindered by suspicions abroad that the United States cannot be depended upon as a reliable supplier. Past embargoes—by administrations from both political parties—are responsible for this perception and our farmers are the ones who have been forced to suffer, and who continue to suffer, as a result of these misguided actions.

The farmers in my congressional district have no doubts about the devastating short-term and long-term consequences that the Soviet-grain embargo caused and it was particularly encouraging to hear President Reagan's recent comment that "the embargo of 1980 was totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action."

Since the embargo was lifted by President Reagan, United States sales to the Soviet Union have totaled more than 15 million tons of wheat and corn. In addition, the recent announcement that United States and Soviet grain teams will hold consultations under terms of the U.S.-U.S.S.R. grains agreement later this month, is another indication that the administration is reestablishing this important market for the benefit of our domestic producers.

Our farmers have been, and always will be, the backbone of this Nation's economy. We must continue to strive for, and implement, sound programs and policies that will restore the economic health of our agricultural sector and increase the net return of the individual farmer.

Again, I commend my distinguished colleagues for reserving this time to discuss the current condition of American agriculture.●

● Mr. HOPKINS. Mr. Speaker, I am pleased that my colleagues on the Agriculture Committee have requested and received an opportunity to share with our other colleagues some of the high points in the agricultural situation in our country. Since I am the ranking Republican member on the Tobacco Subcommittee, I would like to focus my remarks on that area.

Several worthwhile changes have occurred during the past 16 months with respect to the operation of the tobacco program. The changes have, for the most part, been embraced by tobacco farmers who welcome the opportunity to support the President's programs, while seeking to improve a program so vital to their economic well-being.

One such opportunity presented itself during consideration of the Omnibus Budget Reconciliation Act of 1981. The administration proposed the assessment and collection of user fees for certain Government services. One such service is tobacco grading. Heretofore, the inspection, certification, and establishment of standards for tobacco has been provided free of charge to tobacco producers. As a result of action taken last year, fees were charged for this service. Tobacco farmers, at least in my district, responded to this attempt at cutting Government spending with widespread support, and the implementation of the new program will result in savings of about $8 million annually to America's taxpayers.

During consideration of the 1981 farm bill, as you know, an amendment was adopted that mandates that the tobacco price support and production adjustment program be operated at no-net cost to the taxpayers, except for incidental administrative expenses. Now, as most of my colleagues will remember from discussions during the debate on the tobacco amendment, the tobacco program is the least expensive of all of the major commodity programs. So cheap, in fact, that in fiscal year 1981, more loans were repaid than were made, representing a net receipt, not outlay, of $51 million. No other commodity program can boast of such a record. But, nevertheless, Congress has mandated that the program operate at no-net cost. To accomplish this, the Subcommittee on Tobacco and Peanuts has held a series of hearings throughout the tobacco-producing regions of our country to receive suggestions on how to best operate the program at no-net cost while maintaining its effectiveness—attempting to insure tobacco farmers of a fair return on their investments of labor and money while providing both domestic and foreign markets with adequate supplies of high quality tobacco at competitive prices—not an easy task, I assure you. We have received volumes of testimony, and are in the process of developing legislation to be considered shortly. Let me be quick to say that tobacco is not a partisan issue—any changes in the tobacco program will be made through a bipartisan effort. I look forward to working with my able subcommittee chairman to affect these changes.

Another amendment was adopted during consideration of the farm bill that improved the efficiency and preserved the integrity of the tobacco program. That amendment addressed the problems associated with the production of nonquota tobacco, the kinds of tobacco produced by farmers who have chosen not to participate in the price support and production restriction program, in areas where quota tobacco, tobacco controlled by these programs, is grown. That amendment imposes strict penalties on farmers who grow nonquota tobacco in quota regions, thereby discouraging a practice that could have caused additional expense in the operation of the program.

That section of the farm bill was challenged in court by some farmers who sought to continue this double-dipping, and I am pleased to say that the case was dismissed by a judge in North Carolina.

So, when you hear about how bad things are going in the agricultural sector of our country, people will not

be talking about tobacco. Things are not perfect, but we are working on it.●

● Mr. CORCORAN. Mr. Speaker, during the 16 months that the Reagan administration has been in Washington, our farm exports markets have been strengthened significantly by such measures as boosting farm commodity export promotion groups, attacking foreign trade barriers to U.S. farm exports, sending trade teams around the world, and organizing a coordinated Federal farm export policy which included the U.S. Departments of Agriculture, State, and Commerce. Another policy shift which has proven to be highly effective has been the termination of the Carter-emplaced Soviet grain embargo of 1980.

President Reagan ended the embargo soon after he took office, and later said that "the embargo of 1980 was almost totally ineffective, yet it caused great economic hardship to U.S. agriculture. We will not repeat such action." He further noted, "Farm exports will not be used as an instrument of foreign policy except in extreme situations and as a part of a broader embargo." Since the cessation of this embargo, American shipments to the Soviet Union have totaled more than 15 million tons in wheat and corn alone.

Last year farmers sold nearly $44 billion worth of agricultural products to customers overseas. This figure, which is one-third of our total agricultural production and generates more than one-fourth of American farm income, acts as a catalyst to the rest of our economy because it creates a vast amount of economic activity in off-farm businesses. For example, for every dollar of agricultural exports, another $1.05 is produced in areas such as transportation, financing, warehousing, and production of supplies to farmers. The total impact of last year's record crop exports was over $88 billion and produced more than 630,000 off-farm jobs.

In order to continue this phenomenal growth, without being bogged down by an inefficient embargo, I introduced H.R. 6073, the Export Administration Act Amendments of 1982 on April 5, which would act to repair further our damaged reputation as a reliable trade partner in foreign markets. My bill would prohibit the imposition of an embargo on exports unless the President has declared war or a national emergency, and delays the applicability of certain such embargoes to preexisting contracts for a period of 6 months after they are emplaced. Furthermore, export curbs could not persist when the state of war or national emergency has come to an end. I have received enthusiastic support for this bill in my district and feel that its expeditious passage is essential to the continued success of our export markets.●

● Mr. ROGERS. Mr. Speaker, I rise today to join with my colleagues in applauding the administration's efforts on behalf of the American farmer.

I would like to commend my distinguished colleagues from Wisconsin and Kansas for their efforts to set the public record straight on this administration's agricultural policies. Because despite all the rhetoric and mud-slinging, the fact remains that this administration is firmly committed to the American farmer. And the fact remains that this is the first administration in years to take the economic action which our farmers so badly need.

Mr. Speaker, if we were to find a man drowning in the ocean, it would not be enough to toss him a life preserver. Sooner or later, we would have to pull him out of the water.

Mr. Speaker, if we were to discover a man calling for help from a burning building, it would not be enough to shout words of encouragement and to toss him an oxygen mask. Sooner or later we would have to help him out of the building and put out the flames.

Mr. Speaker, for years now, our farmers have come to us, telling us that they will be ruined by the high interest rates and the soaring costs of production. Between the soaring costs of operation and interest rates and the low commodity prices, they are being squeezed nearly out of existence. It is no longer enough to throw Federal dollars at the problem or to fill the Halls of the Congress with sympathetic rhetoric. The need of the hour is to haul them out of the drowning waves of outrageous interest and inflation rates.

And it is for these reasons that I applaud the administration for having the courage to tackle these problems. They will not lend themselves to easy, overnight solutions. But they are the only way we can stabilize our Nation's economy so farmers can again make the sound business decisions they need to make in order to run their farms. And we are already beginning to see strong, positive results.

First and foremost, the administration is coming to grips with inflation. Just a little over a year ago, inflation peaked at 16.5 percent. But through its hardnosed policy, this administration has pulled inflation down to below 5 percent. This has increased the buying power of every single farmer, so that when they go to the store, they will be able to buy more seed or more fertilizer with each dollar they have worked so hard to earn.

And this means lower costs of operation. Overall, farm production expenses are expected to rise by only 3-5 percent during 1982. This would be the smallest increase in farm expenses since 1968. And energy costs are coming into line. As a matter of fact, fuel prices have actually declined during the first quarter of 1982. And this means more dollars in the wallets of farmers who have to feed and clothe their families.

And the administration is making great strides in combating the interest rates. Now do not get me wrong. Interest rates are still unacceptably high. But this administration's budget cutting policies are beginning to work and the prime rate has fallen from 20.5 percent to 16.5 percent.

There is still a long way to go. I have seen the grim forecasts for farm income. And good farmers in my own district have told me that they are wondering whether they will be able to stay in operation for another year.

But the fact remains that their main problems are economic. And until we resolve these economic problems, these problems that are the result of years of reckless Government spending, our farmers will never have the economic stability which they need so badly. And the administration's policies are already succeeding in stabilizing our Nation's economy.

There are some people who are fooled by rhetoric, and short-term, flashy solutions. But the man who is drowning knows when he has been left to fend for himself in the ocean. The man who is caught in a burning building knows when the flames get too hot. And the farmers who are being utterly destroyed by the old economic and reckless spending policies will know if we desert them and fail to strangle the soaring inflation and interest rates which threaten them so badly.

Our country cannot get by without the family farm. Our country's entire economy was built on the foundation of prosperous family farms which have proven strong enough to feed our entire Nation. We cannot risk eroding this sound foundation. We cannot risk a continued policy of reckless Government spending with the devastating interest and inflation rates it causes.

This administration has had the courage to make the difficult decisions to reduce Federal spending. This is the only way we can reduce the deficit and clamp down on interest and inflation rates. I applaud the administration for their courage and I urge my colleagues in the House to stand with the administration in building on their policy of fiscal responsibility. This is the only hope our farmers have for the economic stability they need so badly.●

● Mr. GOODLING. Mr. Speaker, lately it has been said that the present administration has not been a friend to the farm community, that they have done little, if anything, to benefit the farmer and his family.

Well, Mr. Speaker, I disagree. Although I feel that there are still many initiatives which we can take to keep our agricultural industry the best in

the world and to preserve the traditional family farm, I feel that the record shows that the administration has established itself as being supportive of U.S. agriculture.

For example, the general inflation rate has been declining. This means that the overall cost to the farmer for supplies and other items necessary to run his farm is increasing at a slower rate.

In addition, prices have been on the increase since March. From mid-March to late April, cash corn prices have gained about 10 cents a bushel, wheat has gained about a nickel a bushel, and soybeans have moved up about 30 cents a bushel.

Further, an added marketing option was provided to farmers holding 1980 and 1981 Commodity Credit Corporation (CCC) commodity loans. By giving farmers an opportunity to extend these loans, they will not be forced to sell when the loans come due.

The USDA, under the present administration, is establishing a demonstration project tht will convert about 4 million bushels of low quality corn owned by the Commodity Credit Corporation into fuel grade alcohol. This project will investigate new market outlets for CCC-owned corn that might otherwise spoil.

Major changes in the estate and gift tax laws—made with the interests of farmers in mind—were contained in the Economic Recovery Tax Act of 1981. These changes reduced the impact of estate and gift taxes on the farm industry and facilitated the transfer of farmland from generation to generation, thereby preserving the family farm.

The administration has also done much to spur the growth in U.S. agricultural trade. Approximately 1 year ago, President Reagan lifted the partial embargo on export sales to the Soviet Union. Since that time, sales to the Soviet Union have totaled more than 15 million tons of wheat and corn, 708,000 tons of soybeans, and lesser amounts of other agricultural products.

The administration has also been negotiating with Japan in order to liberalize access to Japan's market for both industrial and agricultural products.

In another step to increase sales abroad, the Department of Agriculture has sent joint Government-industry sales teams to countries that have good market growth potential, placing emphasis on grains and soybeans. As of this time, five teams have gone to 14 countries in Africa, Latin America, and Asia. In fact, Secretary Block himself has made three market expansion trips.

Mr. Speaker, these are but a few examples of the contributions the present administration has made toward maintaining a strong agricultural industry in our country. This is definitely a positive trend, and one which I am hopeful will be continued in the future.

As the representative of a portion of Pennsylvania which has a reputation for its thriving farm community, I look forward to future cooperative efforts with the administration and with my colleagues in the Congress, to insure that additional steps are taken to preserve the family farm and maintain a healthy, prosperous agricultural community.●

THE NEED FOR A BALANCED BUDGET CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WALKER) is recognized for 15 minutes.

Mr. WALKER. Mr. Speaker, last week the President of the United States took the budget battle to the American people. The President in a speech to the American people attempted to lay out very clearly what the problems were that we face and how we should go about resolving those particular problems. He put the focus on something very important, I think. His focus was on the need to slow down the growth in Government spending that has taken place over the last several years. Government spending has been growing at unprecedented rates, at far too high rates, and it has caused economic dislocation across the board.

What the President said is that Congress and the administration need to begin the process of disciplining themselves. We need to have the kind of discipline within the spending process which allows us to eventually arrive at a balanced budget. He also indicated that he felt that, for the long term, there was a need to make certain that that discipline is defined as best we can in the fundamental law of the land. In other words, the Constitution should be amended to assure that we do not go on the kind of spending sprees in the future that we have gone on in the past.

I think it is interesting to note that, if you take a look at the budget today, the current services budget of the Federal Government is indeed balanced. The receipts of the Federal Government can pay for the obligations that we have, except for one thing, and that is the interest payments. We cannot pay the interest. Why? Because we spent too much in the past. We cannot afford to go on that kind of a spending spree again, and the President is saying that we need a constitutional amendment in order to assure that indeed this Government does operate on a balanced budget.

Now, I think that we have had an opportunity for some time around here to do exactly what the President recommended. We have spent several weeks around here doing nothing of substance. We could have brought that constitutional amendment, which has the endorsement of nearly a majority of this House. As a matter of fact, if you take all of the constitutional amendments that have been introduced in regard to a balanced budget, I am sure you would find that majority of the Members of this House have endorsed in some kind of a way a balanced budget amendment to the Constitution. Yet, we spend weeks around here doing nothing. We could have brought such an amendment to the floor. We could have it our right now, in the process of being approved by the States. Instead, we have not done anything. The President has defined it, though, as something that is a priority, something that needs to get done now.

I heard it discussed by news commentators and by several people from this body and the other body, commenting on it, that, really, the Presisent kind of copped out by suggesting a balanced budget amendment to the Constitution because this is something that can only take place by 1986 or 1987 and that what we really need is action right now.

Well, I agree that we need action right now, and the action right now should include the action on the constitutional amendment. I think it is imperative that, given the President's decision to define this as a priority, this Congress should do the same thing. And we ought to begin the process right now of not waiting until 1986 and 1987, but getting something passed in this body right now that can get out to the States and get approved so that we have that kind of mandate on us in as near a term as possible.

So, therefore, Mr. Speaker, the reason for this special order is to put the House basically on notice that I have resolved personally, at least, and I think I will be joined by a number of my colleagues, to make available or to take all available legislative and parliamentary opportunities available to us to get this House moving on the consideration of a constitutional amendment. And over the next several days and several weeks I intend to do specifically that. I intend to use everything in my power to try to make certain that we have a vote on the constitutional amendment as early as possible. This will be a test. It is going to be a test of whether or not we are only willing to talk about balanced budgets or whether or not we are really willing to do something about balanced budgets. Over the next several weeks we will have a chance to see.

I thank the Chair for his indulgence.

THE COST OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, there is increasingly a reluctance by Congress to provide itself with the resources it must have in order to be an effective institution. Consequently, we leave ourselves with inadequate resources, and then wonder why it is that the legislative branch seems unable to exert leadership even in times like these, when the Nation cries out for direction.

Those who really understand the congressional budget understand that it consists of much more than salaries for our staff—that it encompasses agencies like the General Accounting Office and the Copyright Office and the Library of Congress itself. These agencies serve far more than the Congress, but they, and the Printing Office, are included in the congressional budget.

Those who shrink from adequate pay for the Congress, those who deny adequate pay for civil servants, and those who deny Congress the tools to do its work with, contribute to the problems of the Congress, and thence to the country as well. The Congress, so often accused of being profligate, in fact is less generous to itself than it is to the President's personal office. It is time to set the record straight, as I have in the following newspaper article:

[From the San Antonio Light, May 2, 1982]

THE REAL COSTS

(By U.S. Representative Henry B. Gonzalez)

It will probably cost about $1.4 billion to run the legislative branch of the federal government this year.

Before you get mad, bear in mind that the legislative branch is much more than you see on the evening news.

Also, its total costs are only about one-tenth of the amount of money appropriated to the president each year. The amount of money used by the legislative branch in a year would not be enough to sustain the Pentagon for more than four or five hours a week.

The biggest headline grabber is, of course, congressional pay. As it turns out, the pay allocated to all the congressmen and all the senators is only about half as much as the cost of postage to send out congressional mail.

Congressmen get letters, tons of letters, and people expect to get replies. The postage bill, at $75 million this year, is nearly twice as much as the sum of congressional salaries.

Next to congressional salaries, the size and expense of congressional staffs is a favorite target of critics. Altogether, the committee staffs of the House and Senate are paid about $90 million a year.

That's a lot of money, but is still less than half the salaries paid out to the staff of the General Accounting Office, an agency that everybody values and approves.

The eagle-eyed accountants of the GAO, by the way, are employees paid out of congressional expenses. The GAO is, in fact, the independent auditor of the Congress, and it's free to investigate everything from the inventory of the congressional stationery shop to the reasons for the cost overruns of the M-1 tank.

Congressional committee staffs, for all the criticism, are pitifully small compared with the enormous scale of their responsibility. My own housing subcommittee staff consists of 10 people—six professionals and four clerks.

These people must draft laws, review mind-numbing regulations, comb through complex budgets and oversee the operation of dozens of programs that cost $30 billion a year to run. These 10 staffers have direct responsibility for the oversight of executive agencies that employ 24,000 people.

I'd say that those who charge that congressional committees are overstaffed just haven't seen the kind of workload these people must deal with.

A big chunk of the legislative branch appropriation goes to cover the expenses of the Library of Congress; it is the premier research library that, among other things, operates the Copyright Office.

Another of its services provides special materials to the blind and handicapped—an operation that alone equals the total cost of congressional salaries.

The Government Printing Office is an arm of the Congress—a fact that few people realize. The GPO, as it is popularly known, is the biggest publishing house in the nation. Aside from producing the daily Congressional Record and the Federal Register, the GPO prints your income tax form, and it also prints all the books, pamphlets, brochures and stationery of the federal government.

Much of the cost of running the GPO is recovered through charges levied on the agencies that use its services; still, the budget charges Congress $130 million to run the Printing Office.

If the cost of the Library of Congress, the Government Printing Office and the General Accounting Office were taken out of the legislative branch account, the true cost of running actual legislative operations would be more accurately seen.

These agencies require $600 million a year, all charged to the Congress. Additionally, services like the Tax Court, the Office of Technology Assessment and the Copyright Tribunal are charged to the accounts of Congress.

Take all those away, and the actual legislative operations of the legislative branch of the federal government actually consume far less than half the budget total charged to congressional accounts.

There's no getting around it: Congress does cost a great deal of money to run. The Capitol complex has to be heated and lighted—an operation that costs $24 million a year. (Congress has its own heat and power plant.)

The millions of visitors to the Capitol must have the service of guides, and this costs $724,000 a year.

It costs about $2.4 million a year to keep up the expansive grounds of the Capitol—but this is much less than the $3.8 million it costs to keep up the White House. (The cost of landscaping at the White House is additional; it's not charged to the president's accounts, but instead to the National Park Service.)

The great bulk of legislative branch expenses has little to do with the actual business of writing laws. The majority of Congress' money goes to the upkeep of its grand old buildings, the provision of services to the general public, the pay of guards, gardeners and guides and such essentials as heat, light and postage stamps.

Even though the pay of congressmen amounts to two-tenths of 1 percent of the whole legislative branch budget, it accounts for 99.8 percent of the controversy.

Ironically, Congress, so often charged with being profligate, is in reality a penny-pincher. The funds appropriated to Congress will actually shrink by $100 million next year.

Meanwhile, that tight-fisted Ronald Reagan is asking for an increase of $450 million in funds appropriated to his office, including a substantial increase for his own Office of Management and Budget.

The congressional counterpart of the president's budget office is only half the size of the Reagan operation, and its figures, are consistently better. The people who are negotiating a budget compromise this week decided to use the congressional data and throw out the Reagan data, which is seen as even less accurate this year than it was last year.

Guess which budget office will get the increased budget. Right—the president's version, the one that has the most notoriously inaccurate books in town.●

AMERICANS CONTINUE THEIR STRONG SUPPORT FOR ANNUNZIO'S OLYMPIC COIN BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the two pieces of legislation before this Congress designed to commemorate the 1984 summer Olympics and raise money for our athletes through the sale of commemorative coins take radically different approaches to this issue. My bill, H.R. 6158, calls for the minting of three coins to be sold directly to the public by the mint. The other proposal, H.R. 6058, calls for the minting of numerous coins to be sold to the public through private marketers. The public must wholeheartedly support whichever plan we ultimately adopt in order for it to be a success. With this in mind, I call your attention to some of the many letters I have received from Americans from all over the country.

Mr. Daniel Gerlach of Lapeer, Mich., writes:

This letter is in regards to your fight against the Olympic coinage. Keep it up.

I am a collector and there is no way I could buy all of the Olympic coins as it is proposed. . . .

I can't afford it.

What I think would be better is one silver half dollar or dollar coin in proof or uncirculated condition selling for $10 to $25 each. Handled by the Bureau of the Mint. I would buy 3 or 4 of each. One for me and the rest for my kids.

My budget for coins is about 3 to 4 hundred dollars a year. So you see if the Olympic coinage proposals go through as is, there is NO way I will buy any.

Mr. Gerlach's concern over the prohibitive cost of the coins called for in H.R. 6058 is echoed by Mr. C. E. Jones of Orange Park, Fla.:

I am a simple man who does not like ripoffs. All the proposed bills except yours sound to me like 24 carat phony schemes.

I would buy one or more of the 90% silver dollar coins you proposed to mint for the Olympic Games. I would not nor could I afford any contained in the other bills.

I hope you are able to stop the give-away schemes that I have read in various publications. No way should the coining or sale of U.S. coins be turned over to a private company. I don't like the smell of a give-away proposal in the other proposed bills. I like the bill you are proposing.

Mr. Herman Johnson, Jr., of Keokuk, Iowa, agrees:

I strongly support your position of fewer coins and government handling of the Olympic Coin Program. Profits should go directly to the athletes and the U.S. Treasury, and not into the pockets of private entrepreneurs.

And from Mr. Gabor Kincses of West Alexandria, Ohio:

I fully support your position on the Olympic Coinage. I agree that fewer coins and also the Government handling of the Program is necessary instead of the Group that is trying to get it and line their pockets with the money. I hope and pray that you can swing the deal. So that it will serve all the people instead of just a few.

Mr. Kincses' objection to the private marketing of Olympic commemorative coins is repeated by Mr. Charles Henderson of Chevy Chase, Md.:

Among the many proposals concerning authorization to mint coins commemorating the 1984 Olympics, yours is the most reasonable.

I wish to express support for your efforts to keep the number of coins issued to a minimum and to have the Treasury Department market the coins, rather than having their marketing turned over to Occidental Petroleum, Lazard Freres, Franklin Mint, or any other non-government entity.

If enacted, your proposal would be the best way to provide funds for the Olympic program and to insure an honest method of marketing and distribution.

Please let me ask that you continue your efforts in this regard.

I hope that my representative and senators will support your proposal, and I shall ask them to do so by copy of this letter.

Mr. Paul Meyer of Chillicothe, Ohio, writes:

I support your position of fewer than 25 Olympic coins. . . . I also support your position of letting the government handle the program. I truly think it's unthinkable of letting Lazard Freres and Occidental Petroleum be in charge. These lobbyists against you have got to be stopped. How can the U.S. Mint even consider such nonsense?

These views are shared by Mr. Douglas Bryner of Nevada, Iowa:

This letter concerns the proposed commemorative Olympic coins. I would hate to see the distribution of these coins put into the hands of some outside group or business. The coins should be sold by the Mint directly to the public with any profit going back to the U.S. Treasury.

Also, I feel that 2 or 3 coins would generate more interest and more revenue for the U.S. Olympic team than a long expensive series of coins.

As you can see, the same themes run through all of these letters. These Americans raise many of the same issues regarding the various Olympic coin bills that I have raised. They overwhelmingly support the idea of striking official commemorative coins to raise money for our athletes. So do I. They would like to see a program that is reasonably sized and priced. So would I. And finally, they object to the private marketing of Olympic commemorative coins and call on the U.S. Government to manage this entire effort. Should we refuse them? I think not.●

MAJORITY OF HOUSE MEMBERS COSPONSOR RESOLUTION AGAINST "BACK-DOOR" DECONTROL OF NATURAL GAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

● Mr. DINGELL. Mr. Speaker, I am today reintroducing House Resolution 371, expressing the sense of the House that there should be no accelerated decontrol of natural gas prices through administrative action by the Federal Energy Regulatory Commission (FERC). I am happy to report that more than half of the Members of the House—a total of 226 from both sides of the aisle—have joined in cosponsoring this resolution. The text of House Resolution 371 follows:

H. RES. 371

Whereas accelerated decontrol of natural gas prices at the wellhead would have a drastic effect on the the Nation's economy, deepening the current recession and increasing inflation;

Whereas such decontrol would result in the loss of hundreds of thousands of jobs;

Whereas such decontrol would cost consumers tens of billions of dollars, with a disproportionate impact on the elderly and others on fixed incomes; and

Whereas such decontrol would adversely affect major sectors of the economy, including agriculture, public services, and small business: Now, therefore be it

Resolved, That it is the sense of the House of Representatives that the Federal Energy Regulatory Commission should take no action to accelerate the decontrol of wellhead gas prices.

Last Wednesday, April 28, FERC's members voted to issue a notice of inquiry to review natural gas markets. The proposal that was approved on Wednesday, April 28 is more modest than earlier proposals that had been suggested, and will include broader assessments of economic effects than Chairman BUTLER had previously advocated.

Nevertheless, I remain extremely concerned about the Commission's activities, and intend to be very watchful of FERC in the coming months. I have several major concerns: first, that the Commission act only within its statutory authority; second, that it conduct field and Washington, D.C., hearings in order to develop a sufficient evidentiary record upon which to base any future decision in a reasonable and responsible fashion; and third, that the Commissioners, themselves, pay heed to all the information gathered in the course of this notice of inquiry.

For the information of my colleagues, I would like at this point to insert in the RECORD the text of the press release issued yesterday by the FERC:

COMMISSION ISSUES NOTICE OF INQUIRY ON NATURAL GAS MARKETS

The Federal Energy Regulatory Commission today voted to issue a Notice of Inquiry to determine whether serious economic distortions may be evolving in today's natural gas markets. The Commission's action is essentially a fact finding mission to determine whether there is, or will be, among other things, a market ordering problem which could affect natural gas supplies in certain parts of the country and also cause certain consumers to pay more for gas than other consumers. It is also directed at determining other types of potential dislocation such as levels of inflation and the impact increased gas prices would have on the economy.

These distortions appear to stem from the planned partial decontrol of natural gas wellhead prices in 1985 under the Natural Gas Policy Act of 1978 (NGPA) and a different economic environment than was predicted when the NGPA was enacted.

The comment period will extend for 120 days from date of issuance. A determination will then be made as to whether to proceed with a proposed rulemaking or refer the collected data to the Congress for its use and consideration.

The Commission may determine that no such action is either necessary or in the public interest. If the Commission determines that some action is necessary, it will consider its options at a future date.

The purpose of today's Commission action is merely to assemble a range of facts to help evaluate the current and prospective inequities in the natural gas market.●

THE NATIONAL FOREST MANAGEMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WEAVER) is recognized for 5 minutes.

● Mr. WEAVER. Mr. Speaker, in 1976, Congress passed the National Forest Management Act to provide comprehensive land management planning, based upon a sound technical and ecological data base, that would guarantee sustained yields of all national forest resources in perpetuity.

It took 3 long years of painstaking research, analysis, and debate, relying upon extensive public participation and the expertise of an independent committee of resource specialists to develop comprehensive regulations for

implementing the act. Now, after a brief 60-day public comment period, the Department of Agriculture is prepared to dramatically revise these regulations in a way that seriously threatens the ability to manage our forests—as required by law—on a sustained yield basis in perpetuity.

In a letter cosigned by four of my colleagues in the House and Senator DALE BUMPERS, an original sponsor of the act in the Senate, we asked Agriculture Secretary John Block to: First, extend the public comment period on the regulations for at least 180 days; second, designate a committee of scientists to review the proposed changes and advise the Secretary of their effects; third, conduct formal hearings around the country to give citizens a greater opportunity to voice their concerns; and fourth, publish the final regulatory changes and comments in a supplement to the 1979 environmental impact statement that accompanied the original NFMA regulations. The letter goes on to fully explain the need for each point.

I would like to insert a copy of that letter in the RECORD. In addition, I would like to insert a copy of the editorial that appeared in the March 17, 1982, Chicago Tribune chastizing this shortsighted proposal. The material follows:

SUBCOMMITTEE ON FORESTS,
FAMILY FARMS, AND ENERGY,
Washington, D.C., April 21, 1982.

Hon. JOHN R. BLOCK,
Secretary, Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: The substantial revisions recently proposed to the National Forests Management Act (NFMA) regulations have generated widespread citizen concern. Since their publication and a subsequent Forests Subcommittee hearing, Members of Congress and the Forest Service have received an enormous volume of individual written comments opposing many of the proposed changes. These expressions of dismay come from throughout the country and attest to the significance and controversial nature of these revisions.

It is plainly apparent that a far greater public review of these proposals should be provided. Therefore, we strongly request that you extend for not less than 180 days the public comment period prior to publication of these regulations in final form. Pursuant to Section 6(h)(1) of the NFMA, we also request that you formally designate a Committee of Scientists so that it may advise you on the effects of these regulatory revisions. Third, formal public hearings should be conducted by the Department of Agriculture in various regions of the country in order to provide a greater opportunity for citizens to register their concerns. Finally, we request that the final regulatory changes and comments be published in the form of a Supplement to the Environmental Impact Statement that accompanied the original regulations in 1979.

The existing regulations were painstakingly developed over a three year period by a special Committee of Scientists established by the NFMA. The proposed revisions demand extremely careful consideration in order to fully assess their implications. Yet the interested public was allowed only 60 days to comment upon the detailed and significant technical changes envisioned. Any changes in the judiciously drafted and fully debated original regulations should be made only after the most thorough public review. This kind of review was not possible given the limited comment period allowed.

Such an extension is especially important in light of the severe criticism voiced during a recent Congressional hearing on the proposed revisions. In testimony before the House Forests Subcommittee, a substantial number of witnesses expressed their belief that the new regulations would have far greater effects than the Forest Service's stated intentions of mere regulatory simplification and clarification. In fact, it is the opinion of many that the revisions severely strained, if not violated, several provisions of the National Forest Management Act. An extension would give you sufficient time to register all of these serious concerns so that they could be fully accommodated in the final regulations.

Further, as part of this more extensive solicitation of comments, it is of extreme importance that you take advantage of the advice of a designated Committee on Scientists regarding these revisions. The original regulations were drawn up by such a committee of resource professionals, and it is unclear why you did not seek a similar committee's reactions. This oversight is especially puzzling, since Congress specifically provided that the Secretary should exercise this useful and prudent option.

The convening of formal Agriculture Department hearings is essential to assure the active citizen participation explicitly called for in the NFMA. Many individuals are, indeed, taking part in the forest planning process. It is important that great care be taken during the process of any regulatory change not to discourage such participation. Consistent with the Forest Service's desire for active public involvement, the Department should make concerted efforts to seek the widest possible citizen comments on these revisions.

Finally, the Subcommittee hearing record and other public comments indicate that these revisions are perceived by many as a "major federal action having a significant impact on the human environment." The initial regulations were understood by the Department to have an effect of this magnitude. Therefore, as required by the National Environmental Policy Act, an Environmental Impact Statement was published along with the final (1979) regulations.

The proposed revisions certainly include significant changes from the original, otherwise, there would be little reason for the Department to pursue them. If adopted, they will undoubtedly influence major decisions regarding resource management on national forests throughout the country. Therefore, the publication of any final regulatory changes and comments should be in the form of a Supplement to the EIS that accompanied the adoption of the original regulations. If for no other reason, this should be done to avoid administrative or legal challenges to the implementation of the revised regulations on the grounds that such a supplement is lacking.

Further, there is no overriding urgency to implement the proposed revisions. Adequate regulations governing forest management are already in place. They are easily superior to those that guided the Forest Service prior to the passage of the NFMA in 1976. They are adequate for the current forest planning process, and can be used until the need to implement new regulations is clearly established.

More importantly, initial plans made under the NFMA are only partially completed. There has not been sufficient time to fully gauge the adequacy and the effectiveness of the original regulations in implementing the Act, or see the completion of even one of the 120 national forest plans. Rapid implementation of all the proposed revisions could result in significant additional expense for the Forest Service's land management planning effort, as well as jeopardize the progress of uncompleted regional and forest plans.

In addition, the existing regulations are not a constraint on the economic vitality of the timber industry or any other commercial entity dependent upon resources provided by the national forests. They certainly cannot be blamed for reducing the availability of timber, either now or in the immediate future. The existing record-high volume of national forest timber under contract for harvest totals over 34 billion board feet. This is equal to well over a three year supply. The problems confronting the timber industry are far more closely related to high interest rates for new housing, and the consequent lack of demand for timber and wood products, rather than any regulatory constraint.

As the Resources Planning Act and the National Forest Management Act made clear, forest management must be undertaken in a very long-term context. Rash or uninformed decisions made today may not demonstrate their effects for years to come. At that point, of course, it may well be too late to rectify them. Our nation's foresters must manage all the resources under their jurisdiction for sustained yield, now and in perpetuity. Management decisions must be made extremely conservatively since they will affect the sustainability of a multitude of resources, including a timber crop that can be harvested from a given parcel of forest land only once every 80 to 100 years. Any revisions in the regulations governing the management of these resources must be drafted to fully reflect these long-term considerations.

It will be well worth the Department's time and effort to take the utmost care in determining the final form of its proposed revisions. Any changes made in the manner of implementation of the NFMA should be made with extreme caution, and only after the most extensive possible solicitation and review of comments from scientists, resources professionals, and the concerned public. The extended and more formal review that this request entails will allow your Department to keep faith with the spirit of public involvement required by the National Forest Management Act.

Sincerely,

JIM WEAVER,
DALE BUMPERS,
BERKLEY BEDELL,
GEORGE E. BROWN, Jr.,
THOMAS A. DASCHLE,
LEON PANETTA,
Members of Congress.

[From the Chicago Tribune, Mar. 17, 1982]

A HUNDRED ACRES OF REDWOODS

The Reagan administration has proposed new "forest management" regulations for national forest land that can best be described with one word:

"Timberrrrrrr!"

Drawn up in part by a former lumber industry executive now serving "the public" in the Agriculture Department, the proposal would "simplify" the National Forest Management Act of 1976, which was intended to protect wildlife and the wilderness and also to prevent overcutting.

The changes would permit the government to sell timber for logging at a rate faster than the trees could be replaced. Loggers now operating in privately-owned forests have been cutting at up to three times the rate allowed on public lands, and a denuding of American forest lands has been the result.

The Reagan plan would also enable the administration to increase cuttings at its own discretion and to bulldoze logging roads all through the forests—at taxpayers' considerable expense and even though no lumbering firm has any immediate plans for such widescale logging. These roads would disqualify these lands for future wilderness designation.

The environmental reasons for opposing the Reagan plan are compelling, but there is the even more obvious argument that it simply isn't needed.

The plan would increase the amount of timber that could be taken from public forests by 1.3 billion board feet, or about 10 percent, next year. Yet there is now a backlog of 34 billion board feet of timber sold to loggers but not cut because the depressed housing industry has no need for it and won't for some time.

The administration's urgency in pushing the plan may derive simply from an attitude, as expressed by Reagan confidant and "kitchen cabinet" member Justin Dart, when he recently told the Los Angeles Times, "I'm for preservation. I say we should preserve the redwoods, sure, maybe 100 acres of them, just the way God made them, to show the kids."

There's another word for this proposal: "No."●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. AUCOIN) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

(The following Members (at the request of Mr. ROEMER) to revise and extend their remarks and include extraneous material:)

Mr. DINGELL, for 5 minutes, today.

Mr. WEAVER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. THOMAS) and to include extraneous matter:)

Mr. GINGRICH.

Mr. CORCORAN.

Mr. EVANS of Delaware.

(The following Members (at the request of Mr. AUCOIN) and to include extraneous matter:)

Mr. NEAL.

Mr. ASPIN.

Mr. MOFFETT.

Mr. FROST.

Mr. HUBBARD.

Mr. LEHMAN.

Ms. OAKAR.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ROSENTHAL in 10 instances.

Mrs. BOUQUARD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

(The following Members (at the request of Mr. ROEMER) and to include extraneous matter:)

Mr. BRINKLEY.

Mr. GEJDENSON.

Mr. HEFTEL.

Mr. HOYER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 189. An act for the relief of Marlon Dolon Opelt; to the Committee on the Judiciary.

S. 198. An act for the relief of James G. Reese; to the Committee on the Judiciary.

S. 222. An act for the relief of Lydia Delos Santos Colcol; to the Committee on the Judiciary.

S. 224. An act for the relief of Isoo Kojima; to the Committee on the Judiciary.

S. 275. An act for the relief of Dante Soriano Loo and Rhodora Guerrero Loo, his wife; to the Committee on the Judiciary.

S. 521. An act for the relief of Benjamin Bane; to the Committee on the Judiciary.

S. 1048. An act for the relief of Braun Green; to the Committee on the Judiciary.

S. 1092. An act for the relief of Luis Monzon; to the Committee on the Judiciary.

S. 1330. An act for the relief of Jose Garcia-Nunez and Maura Nunez de Garcia, his wife; to the Committee on the Judiciary.

S. 1331. An act for the relief of Florence Louise Barry; to the Committee on the Judiciary.

S. 1364. An act for the relief of Jose Ramon Beltron Aivenda Ostler; to the Committee on the Judiciary.

S. 1494. An act for the relief of Pandelis Perdikis; to the Committee on the Judiciary.

S. 1523. An act for the relief of Stephen Hassan Abdul; to the Committee on the Judiciary.

S. 1569. An act for the relief of Prof. Ramarao Inguva, his wife Bhagya Lakshmi Inguva, and their son Srinivas Inguva, to the Committee on the Judiciary.

S. 1781. An act for the relief of Ezekiel Trail Clemons; to the Committee on the Judiciary.

S. 2272. An act to enhance the transfer of technical information to industry, business, and the general public by amending the Act of September 9, 1950 (15 U.S.C. 1151 et seq.) to establish a Technical Information Clearinghouse Fund, and for other purposes; to the Committee on Energy and Commerce.

ADJOURNMENT

Mr. ROEMER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 46 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 4, 1982, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3826. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for a Department of Defense military retirement and disability fund, and for other purposes; to the Committee on Armed Services.

3827. A letter from the Deputy Director, Legislative Liaison, Department of the Air Force, transmitting the annual report for fiscal year 1981, and fiscal year 1982 through March 31 on the progress of the Air Force Reserve Officers' Training Corps flight training program, pursuant to 10 U.S.C. 2110(b); to the Committee on Armed Services.

3828. A letter from the Assistant Secretary of the Air Force (Research, Development Logistics), transmitting notice of conversion to contractor performance of base information transfer center at Wright Patterson Air Force Base, pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3829. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of conversion to contractor performance of the refuse collection and disposal at Fort McPherson, Ga., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3830. A letter from the District of Columbia Auditor, transmitting an audit water bill payment policies and procedures, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3831. A letter from the Secretary of Education, transmitting proposed final regulations for the supplemental funds program for cooperative education; to the Committee on Education and Labor.

3832. A letter from the Secretary of Education, transmitting the proposed family contribution schedules for the guaranteed student loan family program for 1982-83, pursuant to section 428(a)(2)(E)(iv) of the Higher Education Act of 1965, as amended; to the Committee on Education and Labor.

3833. A letter from the Secretary of Health and Human Services, transmitting a report on the extent of development and implementation of mechanized claims processing and information retrieval systems, pursuant to section 1903(r)(6)(3) of the Social Security Act, as amended; to the Committee on Energy and Commerce.

3834. A letter from the Acting Director, Defense Security Assistance Agency, trans-

mitting notice of the Department of the Air Force's proposed lease of defense articles to the Government of Pakistan, pursuant to section 62(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3835. A letter from the Acting Director, Defense Security Assistance Agency, transmitting Presidential Determination No. 82-11, March 19, 1982, concerning the lease of defense articles to the Government of New Zealand and Presidential Determination No. 82-13, April 23, 1982, concerning the lease of defense articles to the Government of Portugal, pursuant to public law; to the Committee on Foreign Affairs.

3836. A letter from the Deputy Director for Administration, Central Intelligence Agency, transmitting notice of a proposed revision of the Agency's system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3837. A letter from the Deputy Assistant Secretary of Defense (Comptroller-Administration), transmitting notice of a proposed new records system for the Department of the Air Force, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3838. A letter from the Secretary of the Interior, transmitting the annual report for fiscal year 1981 on the Government's helium program, pursuant to section 16 of Public Law 86-777; to the Committee on Interior and Insular Affairs.

3839. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting drafts of three proposed bills for the reform of the Federal procurement process; jointly, to the Committees on Government Operations and Armed Services.

3840. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's efforts to provide housing to unaccompanied enlisted personnel (PLRD-82-59, April 30, 1982); jointly, to the Committees on Government Operations and Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAWKINS (for himself, Mr. PERKINS, Mr. JEFFORDS, Mr. CLAY, Mr. WEISS, Mr. CORRADA, AND Mr. WASHINGTON):

H.R. 6250. A bill to provide employment opportunities to long-term unemployed individuals in high-unemployment areas, and for other purposes; to the Committee on Education and Labor.

By Mr. BENNETT:

H.R. 6251. A bill to make multipurpose senior centers available to handicapped or disabled individuals who have not attained 60 years of age; to the Committee on Education and Labor.

H.R. 6252. A bill to provide for payment of certain insurance benefits to certain protected employees of the Consolidated Rail Corporation to insure that such employees were not disadvantaged between April 1 and September 30, 1976; to the Committee on Energy and Commerce.

By Mr. BOLAND (for himself, Mr. CONTE, and Mr. MINETA):

H.R. 6253. A bill to provide for the appointment of Nancy Hanks as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Ms. FERRARO (for herself, Mr. MOLINARI, and Mr. GREEN):

H.R. 6254. A bill to amend title 3, United States Code, to clarify the function of the U.S. Secret Service Uniformed Division with respect to certain foreign diplomatic missions in the United States, and for other purposes; to the Committee on Public Works and Transportation.

By Mrs. SMITH of Nebraska:

H.R. 6255. A bill to amend the Commodity Credit Corporation Charter Act to require the Secretary of Agriculture to make loans, or guarantee loans made, to certain grain growers for grain storage facilities; to the Committee on Agriculture.

By Mr. HEFTEL (for himself and Mr. AKAKA):

H.J. Res. 472. Joint resolution to designate January 28, 1983, as "Native American Day"; to the Committee on Post Office and Civil Service.

By Mr. HUNTER:

H. Con Res. 325. Concurrent resolution expressing the sense of the Congress that the Government of Japan should assume a greater share of the defense of Japan and should pay for the construction, equipping, and operation of a U.S. Navy aircraft carrier battle group; to the Committee on Foreign Affairs.

By Mr. FARY:

H. Res. 447. Resolution declaring the sense of the House with respect to the railroad retirement system; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII,

367. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Pennsylvania, relative to the railroad retirement and unemployment insurance programs; to the Committee on Energy and Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 116: Mr. WRIGHT and Mr. CLAUSEN.

H.R. 375: Mr. BINGHAM and Mr. FAZIO.

H.R. 2007: Mr. CONTE, Mr. COURTER, Mr. DAUB, Mr. DE LA GARZA, Mr. FASCELL, Mr. FAZIO, Mr. JEFFORDS, Mr. OTTINGER, and Mr. RAHALL.

H.R. 4449: Mr. GOODLING.

H.R. 4509: Mr. BEARD.

H.R. 4562: Mr. DE LUGO.

H.R. 5004: Mr. GINGRICH.

H.R. 5114: Mr. OBERSTAR.

H.R. 5312: Mr. MARRIOTT.

H.R. 5600: Mr. ALBOSTA, Mr. BAILEY of Pennsylvania, Mr. BEARD, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. CAMPBELL, Mr. COURTER, Mr. DE LUGO, Mr. DENARDIS, Mr. DORNAN of California, Mr. EVANS of Georgia, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. GUARINI, Mr. HARTNETT, Mr. HUTTO, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAGOMARSINO, Mr. LONG of Maryland, Mr. LOWERY of California, Mr. LUNGREN, Mr. MCCLOSKEY, Mr. MCEWEN, Mr. MARLENEE, Mr. MARTIN of New York, Mr. MAVROULES, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MURPHY, Mr. SILJANDER, Mr. SIMON, Mr. SKELTON, Mr. STARK, Mr. TRAXLER, Mr. TRIBLE, and Mr. WILSON.

H.R. 5617: Mr. DOUGHERTY, Mr. WILSON, Mr. WON PAT, Mr. LENT, Mr. BIAGGI, Mr. HOWARD, Mr. FORD of Tennessee, Mr. DYSON, Mr. DAVIS, Mrs. SNOWE, Mr. EVANS of Delaware, and Mr. ANDERSON.

H.R. 5666: Mr. SIMON.

H.R. 5786: Mr. EMERY, Mr. FORSYTHE, Mr. HYDE, Mr. CORCORAN, Mr. STOKES, Mr. GIBBONS, Mr. WEISS, Mr. JOHN L. BURTON, Mr. FRENZEL, and Mr. EDGAR.

H.R. 5828: Mr. YATES.

H.R. 5834: Mr. ROE, Mr. DIXON, Mr. HUBBARD, Mr. BLILEY, Mr. WAMPLER, Mr. FUQUA, Mr. SEIBERLING, Mr. FRANK, Mr. MATTOX, Mr. HENDON, and Mrs. HECKLER.

H.R. 5896: Mr. WEAVER, Mr. LOWRY of Washington, Mr. MCKINNEY, and Mr. MINETA.

H.R. 6170: Mr. ALBOSTA, Mr. SAVAGE, Mr. SUNIA, Mr. OBERSTAR, Mr. EDGAR, Mr. RAHALL, and Mrs. KENNELLY.

H.R. 6213: Mr. STENHOLM and Mr. GRAMM.

H.J. Res. 151: Mr. ROYBAL, Mr. HANCE, Mr. HOLLENBECK, Mr. MCEWEN, Mr. GIBBONS, Mr. HAMMERSCHMIDT, Mr. STATON of West Virginia, Mr. FINDLEY, Mr. FUQUA, Mr. YOUNG of Missouri, Mr. LONG of Maryland, and Mr. ROGERS.

H.J. Res. 365: Mr. SWIFT.

H.J. Res. 459: Mr. EDWARDS of California, Mr. MARRIOTT, Mr. FROST, Mr. LANTOS, Mr. FOLEY, Mr. DERWINSKI, Mr. BURGENER, Mr. SIMON, Mrs. KENNELLY, Mr. EDWARDS of Oklahoma, Mr. HAMMERSCHMIDT, Mr. KEMP, Mr. MCDADE, Mr. MOORE, Mr. PRITCHARD, Mr. SNYDER, and Mr. WILLIAMS of Ohio.

H. Res. 371: Mr. ALBOSTA, Mr. ANDERSON, Mr. ASPIN, Mr. ATKINSON, Mr. BEREUTER, Mr. BIAGGI, Mr. BONER of Tennessee, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. COUGHLIN, Mr. DAVIS, Mr. DENARDIS, Mr. DICKS, Mr. DONNELLY, Mr. DUNCAN, Mr. DYSON, Mr. ERDAHL, Mr. EVANS of Georgia, Mr. EVANS of Indiana, Mr. FASCELL, Mr. FAUNTROY, Mr. FOWLER, Mr. FRENZEL, Mr. GARCIA, Mr. GILMAN, Mr. GREEN, Mr. GRISHAM, Mr. HAGEDORN, Mr. HAMILTON, Mr. HAWKINS, Mrs. HECKLER, Mr. HEFNER, Mr. HILLIS, Mrs. HOLT, Mr. HORTON, Mr. JEFFORDS, Mr. LATTA, Mr. LEHMAN, Mr. LOWRY, of Washington, Mr. LUJAN, Mr. LUKEN, Mr. MARTIN of New York, Mr. MCDONALD, Mr. MCEWEN, Mr. MCGRATH, Ms. MIKULSKI, Mr. MOLINARI, Mr. NATCHER, Mr. NELLIGAN, Mr. NICHOLS, Mr. OBEY, Mr. OXLEY, Mr. PEPPER, Mr. PRICE, Mr. PRITCHARD, Mr. REGULA, Mr. REUSS, Mr. ROYBAL, Mr. RUSSO, Mr. SCHEUER, Mr. SENSENBRENNER, Mr. SHAMANSKY, Mr. SMITH of New Jersey, Mr. SNYDER, Mr. STANGELAND, Mr. STOKES, Mr. TAUKE, Mr. UDALL, Mr. WEBER of Minnesota, Mr. WEISS, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. WINN, Mr. WYLIE, Mr. YATRON, and Mr. ZABLOCKI.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

416. By the SPEAKER: Petition of San Diego District 25, California Federation of Women's Clubs, La Mesa, Calif., relative to the Blitz amendment; to the Committee on Education and Labor.

417. Also, petition of Mr. W. A. J. Semerjibashian, Kreuzlingen, Switzerland, relative to financial compensation; to the Committee on the Judiciary.

418. Also, petition of the city of Clio, Mich., relative to H.R. 5133; jointly, to the Committees on Energy and Commerce and Ways and Means.

EXTENSIONS OF REMARKS

NUCLEAR FREEZE

HON. LES ASPIN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. ASPIN. Mr. Speaker, it is quite remarkable how public attitudes on arms control have changed swiftly. We had worked out in 1979 a very complicated—perhaps too complicated—but a very complicated SALT agreement. That agreement was very carefully looked at by all of the specialists. It was looked at by the generals, examined by experts in the academic world, looked at by officials, examined from all sides, and when it was presented to the public, the reaction was generally very blah.

Now here we are a couple of years later, and scribbled on the back of an envelope is the idea to freeze everything where it is now, and, as one, the American public is rising up and saying, "Let's charge."

Basically speaking, to most people nuclear weapons are so horrible and nuclear war so difficult to comprehend that the first reaction is to block them out entirely, to hope that somehow it is all going to go away. If something breaks through that shell and forces people to confront the horror of nuclear weapons, the reaction is likely to be a jump to active involvement—petition drives, meetings and protests, organizations, teach-ins, and other things. People can jump from one state to the other with hardly a pause in between. I think that is what has happened. The current administration deserves a great deal of the credit—or blame—what with its casual discussion about nuclear weapons and civil defense. As a result, people have been forced to confront the issue. The result is the freeze.

I think that the freeze has a lot of political value in terms of getting a constituency going in favor of arms control. From that standpoint, it is a very good idea. Personally, I would have a different approach than a freeze as an opening negotiating position with the Soviet Union. I think as a negotiating position it has some problems, but as a political movement, it has a great deal of merit.

Let me just state some of the problems that I see with it in terms of a negotiating position.

First, it would simply be one more jolting change in our negotiating stance. We already have an A for lack of consistency; let us not try for an A plus.

Where once we had a nonpartisan foreign policy, we have now made arms control the most partisan of foreign policy issues. Ford negotiated the Vladivostok accords. He did a good job. We should have ratified Vladivostok. But, no, along came Jimmy Carter saying he could do better. The ceilings on weapons were too high, he said. Chuck Vladivostok, and I will work out a better deal. So we chucked Vladivostok, and years later Carter came up with SALT II. It was a good package. But, then, Ronald Reagan came along saying he could do a better job. The ceilings in SALT II were too high, he said. Chuck SALT II, and I will work out a better deal.

The freeze people are now agreeing with Ronald Reagan's wish to chuck SALT II and pursue the better deal. But why? SALT I, Vladivostok, SALT II—each is of limited duration. None was designed as the final word. Each was designed as a stepping stone, an earnest of good intentions to prepare the ground for broader arms control measures. An important step in this continuing process would be to ratify SALT II so we could move on to SALT III (or START I, or whatever acronym).

The second problem with the freeze concept has already been pointed out—correctly for a change—by President Reagan. A freeze clamps down on the strategic issues that make Kremlin planners sweat, but it does not address those issues that make American planners sweat. To have any hope of negotiating successfully, each side must have something the other would like to get at. Otherwise, there is no incentive to make a deal.

We are worried that the huge numbers of Soviet MIRV'd missiles or their inventory of very large missiles could successfully wipe our our land-based ICBM's in a first strike. We want reductions in either or both of those categories. The freeze simply leaves those threatening missiles in place.

On the other hand, what worries the Soviets is what we are preparing to do. We are working on a new Trident D5 sea-based missile that will make their land-based missiles vulnerable. Third, we are developing sea-launched cruise missiles, and fourth, we are working on the Pershing II missile, which could be launched from Europe to hit Soviet targets in a matter of minutes. The Russians want to get at all four of these weapons. For us to get what we want, we need both a freeze and reductions. For the Soviets to get what they want, all they need is a freeze. At that point, there is no incentive for them to talk about reductions.

The third problem with the freeze proposal is that two moves away in this chess game we are presented with nothing but bad alternatives; we can give up either our knight or our bishop. Either way we get rooked. The freeze is proposed as an open-ended policy to last until reductions are agreed upon. The Soviets will have every incentive to hold religiously to the freeze while stonewalling on the reduction talks. Any proposal to drop the freeze will be seen by freeze advocates as a step backward and perceived around the world as American perfidy—while the Soviets sit quietly at the negotiating table behind their Cheshire grins. We will be forced either to stick with the freeze and its disadvantages or to play the role of ogre and resume the arms race. Neither is to our benefit. Neither advances the cause of arms control.

So, for those three reasons. I really have some questions whether a freeze is the best negotiating position we can lead with. As I say, I am so happy to see some political interest in the arms control areas and some political interest in reducing nuclear weapons, that I think there is a lot of good to be said for the public discussion of a freeze. It is just as a negotiating position I would prefer to see us go with SALT II.

Here we are with SALT II. What in the name of God is wrong with SALT II? It is looking better and better every day. At the time SALT II was rejected, it was rejected because something better was held out as being possible. The people who did not like SALT II said it allowed the Soviets to have 308 large ICBM's, and we should have the same, or they should not have them at all.

The people who objected to the provision on the Backfire bomber said that there was not enough of a provision on the Backfire bomber. We did not have enough assurances that the Backfire could not be used for intercontinental weaponry. They objected to the provision on the telemetry. They objected to lots of things.

The problem was that we were looking at SALT II versus some idealized treaty, and under those circumstances SALT II did not look so good.

So we have not ratified SALT II. SALT II is sitting out there as an alternative, but the alternative to SALT II is now nothing, and SALT II looks pretty good.

The interesting thing about SALT II is that we have been following everything in it. If we look at the Reagan defense budget, big as it is, there is not

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

one single weapon that we are proposing or have started or anything that is inconsistent with SALT II. Everything that Ronald Reagan wants to do and the Pentagon wants to do, we could do under SALT II.

We are following SALT II; we are following it precisely. So why not ratify it? The only thing that we are not getting is that if we did ratify SALT II, the Soviets would have to dismantle about 10 percent of their most threatening weapons. That is a reduction in arms. And reductions are what both the freeze advocates and the Reagan White House have declared as their goal.

We are following the SALT II numerical restrictions right now. Every time we build a new missile submarine, we dismantle an old one. The Russians are doing the same thing; every time they build a new missile sub, they dismantle an old one. The only provision that has not been put into effect—and which will not go into effect until and unless there is a ratified treaty—is the one that would limit the total number of strategic delivery vehicles (missile launchers and heavy bombers) to 2,250 on each side. Under that provision, the Soviets would have to get rid of more than 250 of their missiles or bombers. The United States is already under the ceiling.

SALT II also forbids either side from developing and deploying more than one new type of ICBM; that is one new type after ratification. That would put a real brake on the arms race.

The Reagan people ought to like SALT II. After all, Reagan's 5-year defense plan looks as if it were drafted with ratification of SALT II in mind.

Freeze advocates may find some drawbacks to SALT II. Granted. There are drawbacks to any policy one can think of. But SALT II has two key advantages over a freeze. First, it goes beyond a freeze and provides for reductions. Second, it has already been worked out with the Russians. It has been signed and sealed. Unlike the freeze proposal, we do not have to invest time negotiating the fine print with Moscow.

The classic definition of "arms control" comes from Tom Shelling, who is a professor at Harvard, and he said that arms control is really three different things. It is, first of all, reducing the cost of preparing for war; second, reducing the probability of war breaking out; and third, reducing the damage should war break out.

There are in essence now, on the left of the political spectrum—or maybe it is now so complicated that the left and the right are all mixed up together—two different groups forming that are interested in the nuclear issues. One we would define as the "peace group." The peace group is interested essentially in the first and third items in Shelling's triad. They are mostly interested in reducing the cost of preparing for war and reducing the damage should war break out. They are talking about reducing numbers of warheads, reducing numbers of nuclear weapons, and reducing the amount of nuclear damage and the amount of money being spent on nuclear weapons.

The second group is made up of people we might call the arms control community. They are in academia; they are in think tanks around the country; they are in arms control and disarmament agencies, and they spend a lot of time studying this issue and analyzing it. They are not the citizen soldiers we find in the peace movement; they are people who are professionals, people who have spent their lives studying the subject.

They have always and consistently focused on the second issue, which is preventing nuclear war from breaking out, reducing the probability of nuclear war breaking out. And that is a real split. There is a real split in the ranks because there are things that we can do that will help achieve one of those goals which is inconsistent with the others, and in a sense reducing the number of nuclear weapons is one of those.

The real arms control community is not so interested in reducing the number of weapons. What they are interested in is stability so that if there is a crisis somewhere, people's fingers do not start itching toward that button. They are trying to determine how to get agreements that prevent that. That is why the centerpiece of the ABM system was to reduce the vulnerability, the susceptibility and the likelihood of war breaking out.

But what we have now, I think, is a real split between the peace group and the arms control community, and there is a danger here that this thing might cause some kind of rift in the antinuclear movement, because what we have on the one side is the peace groups who are very much interested in reducing the number of warheads. You go to their rallies and you go to their meetings and you hear them say that the whole thing has been a farce, that arms control is just arms management, it does not reduce anything. We have gone on for years and nothing has happened. What we need is something simple like a freeze followed by a reduction, something that everybody can understand.

The arms control people would say the effort has not been a farce. They say, look at the ABM. Arms control has contributed to the ABM. Yes, the number of warheads have increased on all sides. The cost of weapons has increased on all sides. But we have had about 40 years since nuclear weapons were used in Japan in World War II. That is not a small achievement.

The real central purpose of all this is to reduce the probability of nuclear war breaking out. I think at some point this whole thing may come down to a choice between which way we are going to go. Are we going to go in the direction of reducing cost and reducing damage by reducing numbers of warheads, or are we going to go in another direction, that of increasing stability and reducing the probability of nuclear war breaking out?

The people who are promoting the freeze, the people who are involved in "ground zero," and the other citizen groups have started educating the people. From that we will be able to have an electorate that is a lot more interested in the subject and a lot more informed.●

DONALD F. O'MALLEY: TESTIMONY TO A LABOR LEADER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Ms. OAKAR. Mr. Speaker, our labor unions have helped to provide the American worker with the highest standard of living in the world. The organized might of the working man and woman have provided them with the clout to back up their best interests. A crucial component has been the labor leader.

I would like to pay tribute today to one of those labor leaders, Donald F. O'Malley, who retired this year as president of the Communication Workers of America Local 4304 in Cleveland.

Don is a lifelong Clevelander. He was born there on February 11, 1932, and grew up on the West Side. He served his country in the U.S. Army 1950–52 where he was an honor guard at the Tomb of the Unknown Soldier. In April 1952, he began his 30-year employment with the Ohio Bell Telephone Co. He soon became active in union activities, becoming a steward in his work area, representing fellow employees with grievances and resolving on-the-job problems. He also walked the picket line when that became necessary and acted as strike director for his work area. He rose to the position of chief steward, then in 1971 became vice president of CWA Local 4304, and in 1973 he became president. He was also elected to represent his fellow workers at national conventions.

Don O'Malley is an example of the kind of dedicated union leader this country has depended on to bring benefits of organization to the rank-and-file workers. Don has always worked in an honest, intelligent manner to better the lives of people he works with and in the communities where he

has lived. He is a sensitive and mannerly person and a solid citizen.

On Friday, May 7, 1982, Don's friends will hold a testimonial dinner for him. I join them in wishing him and his wife, Hilda, all the best in the coming years and congratulations on his accomplishments.●

ONE YOUNG MAN'S BRIGHT IDEA MAKES THE IDEAS OF A NATION TAKE SHAPE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. GINGRICH. Mr. Speaker, one young man had the idea that a small computer could be used in the home or in a small business. He then set out to prove he was right when we began to make and sell his Apple computers.

Because of the dream and determination of this one young man, Steven Jobs, families and small businesses all over this country and even the world are plugging into the computer age. These computers are not much bigger than a typewriter with a television sitting on top, but they are as powerful as the first computers built which would have taken as much room as a whole house.

Because of this man, the computerized home is bringing new freedoms to the generation of the information age. The freedom to work and learn at home.

I want to share with you his story as it was reported in Time magazine, February 15, 1982. This is a story of determination like the same determination that has made this country what it is.

His story follows:

[From Time, Feb. 15, 1982]

THE SEEDS OF SUCCESS

Engineers and designers at the headquarters of Apple Computer Inc. in Cupertino, Calif., are accustomed to seeing a slender figure saunter past their offices wearing frayed jeans, suede boots and a cowboy shirt. The boyish-looking fellow with the stringy mustache is Steven Jobs, Apple's chairman of the board. At 26, Jobs heads a company that six years ago was located in a bedroom and garage of his parents' house, but this year, it is expected to have sales of $600 million.

Like so many new entrepreneurs, Jobs is a child of California's Silicon Valley. As a student at Homestead High School in Los Altos during the early 1970s, he was fascinated by technology. After school, he attended lectures at Hewlett-Packard, the big electronic firm. One day he boldly called William Hewlett, the president, to ask for some equipment for a machine he was building. Impressed, Hewlett gave it to him and helped arrange summer employment.

One of Jobs' best friends at the time was Stephen Wozniak. Pooling their talents, the two Steves built and sold so-called blue boxes, which were illegal electronic attachments for telephones that allowed users to make long-distance calls for free. On one occasion, Wozniak called the Vatican and pretending to be Henry Kissinger, asked for Pope Paul VI. As Wozniak tells the story, the Pontiff was summoned, and Vatican officials caught on to the ruse only after a bishop came on the line to act as translator.

In 1972, Jobs entered Oregon's Reed College, but he left two years later to ease his family's financial hardships. He then took a job designing video games at Atari. Wozniak, meanwhile, had dropped out of Berkeley to become a designer at Hewlett-Packard. After hours, Wozniak worked hard building a small, easy-to-use computer. In 1976 he succeeded. The pint-size machine was smaller than a portable typewriter, but it could do the feats of much larger computers.

To Wozniak, the new machine was simply a gadget to show his fellow computer buffs. Jobs, in contrast, saw the commercial potential of the machine that could help families do their personal finance or small businesses control inventories, and he urged that they form a company to market the computer. The two raised $1,300 to open a makeshift production line by selling Jobs' Volkswagen Micro Bus and Wozniak's Hewlett-Packard scientific calculator. Jobs, recalling a pleasant summer that he spent working in the orchards of Oregon, christened the new computer Apple.

To build the company, Jobs adroitly tapped the network of support services that has made Silicon Valley such a fertile place for fledging businesses. Says he: "We didn't know what the hell we were doing, but we were very careful observers and learned quickly." Jobs pestered Regis McKenna, the area's premier public relations specialist, to take on Apple as a client. After refusing twice, McKenna finally agreed. For advice on how to raise money, Jobs consulted both McKenna and Nolan Bushnell, his former boss at Atari. They suggested that he call Don Valentine, an investor who frequently puts money into new firms. When Valentine came around to inspect the new computer, he found Jobs wearing cutoff jeans and sandals while sporting shoulder-length hair and a Ho Chi Minh beard. Valentine later asked McKenna: "Why did you send me this renegade from the human race?"

Valentine mentioned the company to A. C. Markkula, 40, a former marketing manager at Intel, a computer-chip manufacturer. When Markkula offered his expertise and $250,000 of his own money, Jobs and Wozniak made him an equal partner. Markkula helped arrange a credit line with the Bank of America and persuaded two venture capital firms to invest in Apple.

From the start, the Apple team did almost everything right. First they redesigned the prototype into a trime, spiffy model called Apple II. Jobs insisted that the cases for the keyboard and video display be made of light, attractive plastic instead of metal. They also wrote clear, concise instruction manuals that made the machine easy for consumers to use. Sales surged from $2.7 million in 1977 to $200 million in 1980.

The rapid growth, however, was hard to control. In the words of Markkula, the problem was "to keep the race car on the track." The introduction in 1980 of Apple III, a more powerful version of its predecessor, was a fiasco. The new machines, plagued by production snafus, were full of bugs and had to be withdrawn from the market. Early last year some 40 employees were fired, and the project manager of Apple III resigned. Since then, Apple's growing pains have eased. Sales of a retooled Apple III have improved, and those of the less expensive Apple II Plus, which is available for $1,530, total 15,000 a month.

Overseeing Apple's growth has kept Jobs too busy to spend the millions he earned when the company went public 14 months ago. He took a few days off last year to go backpacking in Yosmite National Park. Except for some Japanese woodprints and a Maxfield Parrish painting, his unpretentious Tudor-style home in Las Altos Hills is largely bare because he has not decided how to furnish it. As an executive, Jobs has sometimes been petulant and harsh on subordinates. Admits he: "I've got to learn to keep my feelings private."

Apple has now come to a critical juncture. The company, which last year garnered 23 percent of the $2.2 billion worldwide market in personal computers, has to fight off a host of aggressive competitors. Tandy Corp.'s Radio Shack, with its 8,400 retail outlets, has captured an equal 23 percent of sales. Xerox has a new entry that its engineers call the "worm" because they claim that it can eat an Apple. Most important, mighty IBM has joined the fray with its first personal computer.

Apple plans to outpace the competition by maintaining an innovative edge. Spending on research and development has increased from $3.6 million in 1979 to $21 million last year. The company is currently modifying the Apple II to reduce manufacturing costs and this summer will introduce a less expensive version called the Super II. It is also preparing to unveil early next year a new machine that already has the computer world abuzz. Code-named Lisa, after one of Jobs' exgirlfriends, it is both more powerful and easier to use than Apple III.

In addition to developing new products, Apple will have to prove that it has the management talents needed in a firm that this year will join the ranks of the Fortune 500. Though Wozniak remains a major shareholder, he has dropped out of company affairs and returned to Berkeley to finish his studies. Markkula plans to retire within two years to spend more time with his family. Jobs, who had the vision to build one of America's foremost companies from a hobbyist's toy, must show that he has the foresight and ability to guide a major corporation.●

DORMAN COLLINS—AN "INVOLVED CITIZEN" WHOSE WORK GOES ON

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. BRINKLEY. Mr. Speaker, on the night of Wednesday, March 31, 1982, our Nation lost one of its most precious assets, an involved citizen. To quote an editorial which appeared in the Columbus Enquirer on April 5, "Dorman Collins was a man who believed in getting involved."

Born on August 9, 1920, in Houston County, Ala., Dorman Collins had lived in Columbus, Ga. for 42 years. He belonged to Edgewood Baptist Church and was a founder and past

president of the Muscogee County Bruce Wilder Chapter of the Muscular Dystrophy Association. He was also founder of the Fulton-DeKalb County Muscular Dystrophy Association.

In 1957, he was Columbus Elk of the Year and in 1964 he received the Columbus Sertoma Club's Service to Mankind Award. In 1965, he was awarded the Georgia District and the Sertoma International Service to Mankind Awards. He was also a charter member of the Muscogee County Exchange Club.

A registered sanitarian with the Georgia Department of Agriculture, Dorman was named man of the year in 1965 by the Georgia Department of Agriculture and received Outstanding Sanitarian Awards from the State of Georgia in 1971 and 1972.

Most recently, Dorman Collins had devoted much of his time to leading a grassroots drive to help correct the social security benefit disparity known as the notch problem. In that effort, as in so many of this previous endeavors, he proved beyond doubt that one person can still make a big difference. For example, Dorman's work brought the notch problem into a clearer perspective for me, and the resulting legislation has now been cosponsored by over 60 of our colleagues.

What makes all this even more impressive is the fact that Dorman Collins had a spirit so strong that he responded to personal difficulties by working harder than ever to help others. For instance, the fact that his son, Jerry, was a victim of muscular dystrophy motivated Dorman's work with the MDA, and his leadership on the notch problem came despite the fact that he lost his larynx to cancer surgery in 1979.

Like Dorman's wife, Esther, and the other members of his family, we find in the legacy he left us much to console the sense of grief we feel over his loss. The truth is that Dorman Collins would not want us to devote much time to the sadness we feel over his death. Instead, he would want us to rededicate ourselves to the work which gave his life such a special meaning, the work of forgetting our own problems and helping others with theirs.

In that spirit, Mr. Speaker, I met last weekend with Mrs. Linda Joyce Parker, also of Columbus, who had worked closely with Dorman and has now decided with other members of the Concerned Citizens Committee to Remove the Notch Problem From Social Security to continue the endeavor he began. Her dedication to helping others is in the finest tradition of good citizenship, and it is my hope that a hearing may soon be scheduled to confirm the extent of the notch problem and consider possible remedies, Without doubt, that is the kind of tribute for which Dorman Collins would be most grateful.●

SOLIDARITY SUNDAY

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. ROSENTHAL. Mr. Speaker, on May 2, 1982—Solidarity Sunday—thousands of Americans joined together to march in support of the 500,000 Jews who today remain trapped inside Russia. This day, which has traditionally been set aside as a reminder to the world community of the continuing persecution of the Jewish citizens in the Soviet Union, was especially important because of the extreme deterioration of conditions under which Soviet Jews have been forced to live.

It has been more than 6 years now since the signatories of the Helsinki accords came together in Finland. Yet the Soviet Union has chosen to ignore the promises it made at that time.

Ironically, the third largest center for Jews in the world allows no Hebrew books or Bibles. The Soviets have virtually banned all religious and cultural activities by Jews. These practices do not comply with the "Respect for Human Rights and Fundamental Freedoms" section of the Helsinki agreement which promises "to recognize and respect the freedom of an individual to profess and practice, alone or in a community with others, religion or belief in accordance with the dictates of his own conscience."

There has also been an upsurge in the number of prisoners of conscience imprisoned either for actions related to their religious activities or the usual trumped-up charges of treason or espionage that are often used as excuses to lock up Soviet Jews. The trials provided for those arrested are a farce. Proper counsel is never provided, verdicts handed down often in less than 5 minutes. Innocent people receive up to 13 years of hard labor or are forced into exile without the benefit of defending themselves at a fair trial. This defies the very intent of the Helsinki accords "to respect the right of national minorities to equality before the law, afford them the full opportunity for the actual enjoyment of human rights and fundamental freedoms."

Not only is there rampant repression within the Soviet Union, but the alternatives for deliverance from it are limited at best. It is now nearly impossible for most Jews to obtain exit visas. Only those with "first" relatives in Israel can apply, and even some of these requests have been denied. The "first" relative rule has been made stricter, now applying only to immediate family members—a direct violation of Soviet domestic law and certainly of the principles embodied in the accords under the "Reunification of Families" provision which binds the Soviet Union "to deal in a positive and humanitarian spirit with members of their family * * * and to deal with applications in this field as expeditiously as possible." Unless the Soviet Union can justify 5- to 10-year waiting periods as expeditious, it has not abided by these principles either.

Anti-Semitic propaganda, decreased emigration figures to all-time lows, great numbers of Prisoners of Conscience: These are the facts of life for Soviet Jews today, a drastic worsening of the human rights situation.

How many more agreements will the Soviet Union be quick to sign, then act as if they were nonexistent? This travesty of justice cannot be overlooked by the United States. Those who wish to leave the Soviet Union need American help. Those who wish to remain deserve to live in peace and be permitted to practice their beliefs. It is our duty to insure that the Soviet Union does "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all without distinction as to race, sex, language, or religion", for this was the intention of the accords signed in August 1975.●

THE FIRST GENOCIDE OF THE 20TH CENTURY

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1982

● Mr. PASHAYAN. Mr. Speaker, although April 24 is commemorated as Martyr's Day by the world's Armenian community, I should like to underscore the fact that the Armenian community does not condone, and in most cases is abhorred by, the wave of terrorism against Turkish diplomats throughout the free world.

Armenian history is replete with tragedy, and the events begun on April 24, 1915, were acts of genocide.

The tragedy that befell Kemal Arikan in Los Angeles in January was an act of terrorism.

These events are unacceptable to civilized people everywhere. They should be, indeed they must be, acknowledged for what they were.●

TEXT OF HOUSE JOINT RESOLUTION 467 RELATING TO ALASKA NATURAL GAS PIPELINE

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. CORCORAN. Mr. Speaker, on Thursday, April 29, I introduced

House Joint Resolution 467, a resolution relating to the Alaska natural gas pipeline. House Joint Resolution 467 was jointly referred to the House Committees on Energy and Commerce and Interior and Insular Affairs. To become effective, joint resolutions require adoption by both Houses of the Congress and approval by the President in the same way that bills become effective. Once enacted, joint resolutions are binding and have the force of law.

Mr. Speaker, for the benefit of our colleagues, I would like to insert in the RECORD the text of House Joint Resolution 467.

Text of House Joint Resolution 467 follows:

Joint resolution to establish an expiration date for the waiver of laws granted for the Alaska Natural Gas Transportation System, and to bar Federal loans, loan guarantees, or other financial assistance for that system

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

Whereas the Alaskan Northwest Natural Gas Transportation Company (hereinafter in this resolution referred to as the "sponsors") received from the Carter Administration and the Ninety-fifth Congress the sole right to develop the approved natural gas pipeline system from Alaska into the continental United States, having made assurances they would privately finance the pipeline system;

Whereas the sponsors were unable to obtain such financing and requested the Reagan Administration to propose a waiver of laws permitting the sponsors to bill consumers for the pipeline system before completion or even if the system is never completed;

Whereas, after the sponsors had made assurances that they would not require any further Federal assistance, the waiver of laws was adopted by the Ninety-seventh Congress on December 10, 1981, and approved by the President on December 15, 1981;

Whereas the adoption of the waiver of laws fulfilled any commitment of the Government of the United States to the Government of Canada regarding the pipeline system;

Whereas, even with the granting of the waiver of laws, the sponsors have been unable to finance the pipeline system;

Whereas the sponsors will indefinitely retain the sole right to develop the pipeliine system and place natural gas consumers at risk for the costs of the system unless some deadline is established: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America is Congress assembled, That—

(1) the joint resolution entitled "Joint resolution to approve the President's recommendation for a waiver of law pursuant to the Alaska Natural Gas Transportation Act of 1976" approved December 15, 1981, (Public Law 97-93; 95 Stat. 1204) shall cease to be effective December 15, 1983, unless the Federal Energy Regulatory Commission issues, on or before December 15, 1983, a final certificate of public convenience and necessity for the approved transportation system; and

(2) on and after the date of the approval of this joint resolution, no loan, loan guarantee, or other financial assistance from the United States or any agency or instrumentality of the United States may be made for the approved transportation system or any part thereof.●

NATIVE AMERICAN DAY

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HEFTEL. Mr. Speaker, I am honored to introduce a joint resolution today with my distinguished colleague from Hawaii, Mr. AKAKA, to designate January 28, 1983, as "Native American Day." This resolution calls on all Americans to reflect upon the contributions Native Americans have made to our culture and to mark the occasion with ceremonies and activities which reinforce the pride which we all have in those first Americans.

The Native Americans are a link to our cultural past. We, in Hawaii, have been greatly influenced by our unique ethnic origins and are particularly proud of our heritage. Many Americans are probably not even aware of the role our indigenous populations played in our Nation's development. By setting aside a day to reflect on past accomplishments of Native Americans, we, as a nation, will benefit. In gaining new insights into our past, we will learn more about ourselves as Americans. The very essence of the American way is rooted in the lasting contribution of our Native Americans, a proud people who joined with an immigrant population to forge a united, pluralistic Nation, the envy of every society on Earth. We must never lose sight of our Nation's roots. Hopefully, Native American Day will raise the consciousness of the American people to look back to their humble beginnings and to look to America's future with pride and with optimism.

I am pleased to note that companion legislation, introduced by Senators INOUYE and MATSUNAGA and 26 other Senators, has already been approved by the Senate. I hope my colleagues in the House will join with me in cosponsoring this resolution to pay tribute to our Native citizens and to honor the American spirit. The resolution follows:

H.J. RES. 472

Joint resolution to designate January 28, 1983, as "Native American Day"

Whereas Native Americans have made important contributions to the cultural and social history of the Nation; and

Whereas Native Americans are now assuming a greater role in the economic life of the Nation; and

Whereas it is appropriate to extend recognition to Native Americans for their achievements as citizens of the Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That January 28, 1983, is hereby designated as "Native American Day". The President is authorized and requested to issue a proclamation calling upon all Government agencies and people of the United States to observe the day with appropriate programs, ceremonies, and activities.●

THE 3D OF MAY POLISH CONSTITUTION

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. EVANS of Delaware. Mr. Speaker, today is the celebration of the Polish Constitution Day of 1791. It is a time when all Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty.

As Americans, we share the same dedication to these principles, and feel especially close to the Polish people on this day when they commemorate the Constitution of 1791, a day when this freedom-loving people saw their cherished dream of independence and freedom realized.

We have a special responsibility to the people of Poland, because they are so closely linked with us. Americans of Polish ancestry have contributed so much to the freedom we now enjoy. I think especially of Gen. Casimir Pulaski, who made the ultimate sacrifice and gave his life in the battle for American independence and liberty.

One of the most important things we can do in this dark hour of Polish history is to keep open their link to the free world to let them know we care. I am speaking of the Voice of America and Radio Free Europe, vital links of communication threatened by unprecedented jamming by the Soviets. We must do all that is necessary to keep that vital link open. Very shortly, we will consider legislation to fund these critical broadcasts, and I urge my colleagues to join me in support of this effort to provide increased funds for the Voice of America.

With our support and our prayers, no dictatorship and no totalitarian regime can ever suppress the human spirit of the people of Poland, people who so fiercely embrace the principles of liberty and freedom.●

CROSSROADS OF THE ECONOMY

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HUBBARD. Mr. Speaker, one of the major challenges facing this

Nation is overcoming this recession and putting the Nation back on the right economic track. Mr. Joe Douglas Pride, senior vice president of Providence State Bank in Providence Ky., has some definite ideas about the role of Congress in solving these problems. I believe Mr. Pride's letter is one which should be shared with my colleagues and I wish to do so at this time:

DEAR SIR: We of the United States are poised near the crossroads of our economy. Conflicting messages are being received from the economy. Bond markets and interest rate futures are lower, while signaling higher inflation, and gold and silver are lower, signaling lower inflation. These powerful and opposite economic forces are coming to a boil.

The budget reflects a $100-plus billion deficit indicating Congress' intent to spend more than it has. Two alternatives are easy, yet both are counterproductive. First, the Treasury can fund by borrowing from the private sector, forcing interest rates higher and discouraging recovery, or the Fed can fund by printing, thus creating inflation.

Now, I watch the congressional scene and realize shortsightedness is easily created by short term economic pain and personal interest, but the crossroads have been reached.

President Reagan clearly intends to give his plan a chance and continues to resist nearly all political pressures. His efforts are those for improvement. The congressional efforts of freezing, spending, etc., have nothing to offer other than a negative impact. The Fed has openly demonstrated its reluctance to foster inflation by printing money and the effect of the Treasury's borrowing is already well known.

The future of our economy and our people could well rest more in the hands of you and our Congress than ever before. Your strength and conviction to correct our problem is at hand. Positive action will return us to propsperity. Fiscal control and restraint is a prerequisite.

Thank you,

JOE DOUGLAS PRIDE,
Senior Vice President.●

A MESSAGE FROM THE PEOPLE OF HONDURAS

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. LEHMAN. Mr. Speaker, because I do not believe there is a military solution for the problem in Central America, I want to insert in the CONGRESSIONAL RECORD some findings and words of advice from a friend who recently visited that part of the world.

As she states, our country must again become the champion of peace, freedom, and human rights and shed the image of arms merchant to the world.

Mrs. Marilyn Hall is a member of the Potter's House Community of the Church of the Savior. She has been working with Cambodian refugees in the United States, and is on the staff of the Committee on Education and Labor. A portion of her report follows:

HOPE AND DESPAIR IN HONDURAS

(By Marilyn Smith Hall)

Late in March I left for Honduras with a group of three friends from the Church of the Savior in Washington, D.C., with the purpose of listening to the concerns of the people there, and learning as much as we could about that country. We traveled over a wide area—from Tegucigalpa to Copan—speaking with many people, including a businessman who had settled in Honduras after escaping from Nazi Germany as a young man, a young woman journalist from a leading newspaper, a government official, a coordinator for the refugee camps, several farmers and their families, a nun who worked in Central America for many years, townspeople in areas where we stayed, and Guatemalan refugees in a camp near the border.

Honduras is the second poorest nation in the western hemisphere, and all of those we spoke with were concerned about this. I am convinced after our trip that many people of good-will, including some in our Embassy there as well as in the Peace Corps (which is very active in Honduras), would like to see things change for the better in Honduras, and many of them are working toward this end. But it seems that our military intervention, our strong emphasis on arms and force to achieve our goals, is self defeating, opposed to our ideals of self-government and nonintervention, and helps to turn the tide toward violence and oppression rather than toward solutions achieved by law through the democratic process. In our talks with our Honduran friends, their concern about this was confirmed many times. In reference to the threat of Communism, one Honduran women suggested that the best weapon against this is people who are not hungry, and who have access to jobs and to health services. My own observations in Honduras lead me to believe she is right. If we really believe in self-determination and the ability of each individual to make his or her own choices, would not a more courageous and prudent role for us to play in Central America be to place our emphasis on the development of human resources and potential rather than on warfare?

Perhaps a case in point is Guatemala. While we were in Honduras we also visited a Guatemalan refugee camp. I have been to Guatemala twice in the past six years, and am aware through these visits that the Guatemalan military government has been notorious for its acts of oppression and violence among the Indian peoples there, who comprise approximately 60 percent of the population. We in the United States have given support to that regime, and in fact through the efforts of the C.I.A. were responsible for the coup in 1954 which led to the rule of the military regime. While we have been protecting our interests in this very strategic and potentially rich country, the oppressed Indian peoples of Guatemala, under threat of annihilation, have come to a crossroads where very terrible choices have had to be made: should they remain in their country, which they love, when if they do they are under the threat of death by their government? If they leave, where are they going to go? If they stay, how are they going to defend themselves? Many of them have seen terrible things happen to their friends or their relatives. Some have survived attacks on whole villages. Many are very angry, and emotionally scarred by what has happened.

The people we saw in the camps chose to leave under threat of violence. They are not happy living in the confines of a refugee camp, but they are doing the best they can. They are growing vegetables, making tables and beds for their families, and everybody has a job. The women take care of the children, the meals and the clothes, and men take turns in a nightly crew which guards the camp because they fear the invasion of Guatemalan soldiers. The recent change in the Guatemalan leadership in the military government has not taken away their fear nor affected their lives. They cannot foresee going back to Guatemala anytime soon because they are afraid the new government is really the same as the old government which has brought them such horror and injustice.

These, too, are people who want to live in peace with their neighbors, just like the Hondurans we spoke with before them. They want to go back to their country, till their fields, and live among their families and friends. One hopes that the new leadership can effect peaceful change so that this can happen, but for now many of the Indians can only see the new leaders as "wolves from the same hill." It will take a long time to convince them otherwise. During another part of our journey, I met a person who made me believe that there are people in Guatemala who are seeking constructive change: he was a Guatemalan, a former student, who has studied outside of his country. He was not an Indian, but rather from a family of some means. He described how unjust the society in Guatemala had been to the Indians; he wanted it to be different. He has been asked to join the guerrillas because of his concerns, but he just didn't feel that was the right approach. He was not very flattering in his description of the United States, referring to our country as "The Empire". Everything in the United States is done for the good of "The Empire," he said, not for other countries or people.

I was sad my new friend had such a bad opinion of our country, but was touched by his compassion for his fellow Guatemalans as well as his willingness to share his concerns with me. He told me something of what he had experienced in his country, stories of fraud and oppression, some of which I'd heard before—but seldom from a person with his particular background. He, too, like the refugees, just wanted to live in peace in his country. He, too, was uncertain about the new leadership, whether it could really effect needed change. "You know," he said finally, "I could be killed if I said these things in Guatemala."

I knew he was right, and I was grateful to find him—and so many others in our travels in Honduras—who still have courage, vision, and hope despite many odds, maybe enough to make a difference. At the same time, I must believe that not all of our citizens here are without compassion, and that it is probably true that, if North Americans really knew how desolate life is in so many other areas of the world, they would not rest until there is freedom from poverty and oppression for everyone.●

ONE MILLION SAFE HOURS AT AIR PRODUCTS & CHEMICALS

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HOYER. Mr. Speaker, recently I had the opportunity of touring the Air Products & Chemicals, Inc., industrial gases facility in Bladensburg, Md. Needless to say it was an extremely interesting experience. The facility is the regional distribution point for industrial and specialty gases used in hospitals, in food processing and storage, in construction, and in electronics manufacturing.

The Bladensburg facility is part of the Air Products complex located in Maryland. The corporation has a chemical manufacturing plant in Elkton, a distribution center in Salisbury, and an industrial gases production plant adjacent to the steel mills in Sparrows Point. In the new Fortune directory of the 500 largest U.S. industrial corporations, Air Products jumped to 228th in sales compared to 242d last year.

As you can see, Air Products is a thriving business, with vital commitments to its employees and to the community in which it is located. More than $1.5 million will be donated this year to organizations concerned with education, health and welfare, youth development, civic improvement, culture, and the arts. Half of the company's financial donations will go to colleges and universities. The other half will be distributed in the communities where Air Products has plants and offices.

Handling chemicals such as oxygen, nitrogen, argon, polyvinyl acetate emulsions, and specialty medical gases can be a difficult and hazardous job. The company has established an emergency response program to react swiftly to any gases or chemical accident in the vicinity of a company facility, even if its personnel or products are not involved.

I am happy to report to you, Mr. Speaker, that this program has not been needed in recent months at the Bladensburg plant. On April 19, at 1:30 p.m., the Bladensburg Air Products distribution facility observed 1 million man-hours without an accident. This is indeed a laudable record and I commend the employees of the company for their commitment to safety.

Undoubtedly the experience of Air Products can serve as a model for other industrial enterprises. I am proud of the men and women who work at the Bladensburg facility, and I am equally proud to be able to represent them in Congress.●

CONGRESSMAN FROST RELEASES PERSONAL FINANCIAL STATEMENTS FOR 1981

HON. MARTIN FROST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. FROST. Mr. Speaker, I am inserting in the CONGRESSIONAL RECORD a balance sheet and income statement for my wife, Valerie, and me for the year 1981.

Because the required financial disclosure of the House does not go into much detail, I am voluntarily providing this additional information.

The financial statement follows:

Balance Sheet: Martin and Valerie Frost as of 31 December 1981

Assets:	
House and lot, 1910 Kessler Parkway, Dallas, Tex	$85,000.00
House and lot, 8508 Riverside Road, Alexandria, Va	100,000.00
Home furnishings and other personal effects	10,000.00
Savings, Wright Patman Federal Credit Union	4,467.00
Checking account	2,474.29
Retirement—U.S. Congress	13,939.47
Subtotal	215,880.76
Automobiles:	
1979 Chevrolet Chevette	4,000.00
1976 Ford Grenada	2,500.00
1971 AMC Gremlin	100.00
Subtotal	6,600.00
Stocks and bonds:	
4 shares IBM	227.52
12 shares Ensearch	303.00
U.S. savings bonds	300.00
Subtotal	830.52
Total assets	223,311.28
Liabilities:	
Mortgages:	
Trinity Mortgage Co. of Dallas (Dallas residence)	32,995.00
National Homes Acceptance Corp. (Alexandria residence)	73,306.00
Subtotal	106,301.00
Installment loans:	
Wright Patman Federal Credit Union	2,000.00
Oak Cliff Bank (Automobile)	1,760.50
Open charge accounts (balances)	1,000.00
Subtotal	4,760.50
Total liabilities	111,061.50
Net worth:	
Total assets	223,311.28
Total liabilities	111,061.50
Total net worth	112,249.78

●

CUTOFF OF COLLEGE SOCIAL SECURITY BENEFITS

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. MOFFETT. Mr. Speaker, Saturday, May 1, marks the beginning of one of the most mean spirited cuts imposed by the Reagan administration—the 3-year phaseout of all college social security benefits. This program began in 1965 and provided an average of $250 a month toward postsecondary education for the children of workers who either became disabled or who lost their lives while working. It was instituted in recognition of the fact that families with an absent wage earner were much less likely to be able to provide a college education for their children.

The college social security benefits also provided much needed support to the children of servicemen and women who were killed or disabled while defending the Nation. These benefits were promised, for example, to families of those sent to Vietnam. The literature given to these families explicitly listed college social security benefits as one of the compensations that children would be guaranteed if their parents were killed or disabled while in the Armed Forces.

Yet both of these solemn promises—to the children of workers who paid into the social security system and to the children of Armed Forces personnel—will be violated starting May 1, 1982. After May 1, the college social security program will be phased out over a 3-year period. For children of deceased workers and Vietnam veterans who have not yet reached college age, there will never be any benefits. For young men and women who are already in college, benefits will be cut by 25 percent a year for 3 years, with benefits eliminated entirely during May through August, whether or not the student is attending summer classes. By May 1, 1985, there will no longer be a college social security benefits program.

This program is being brought to an end because the Reagan administration won this cut as part of its fiscal year 1982 budget. It is just one more example of the inequities of that budget, which allocated $1.6 trillion to the Pentagon over 5 years, which effectively reduced the corporate income tax to near zero, which targeted tax relief to the needy earning over $200,000 a year, and which cut vital social service programs by $36 billion in just 1 year. The college benefits currently go to approximately 650,000 students, and cost about $2.2 billion a year. The administration claimed that

these cuts would be painless because it would increase the moneys going to the Pell grant program for college study.

Yet that promise was a false one from the start. The administration also requested massive slashes in the Pell grant moneys, from $2.6 billion in fiscal year 1981 down to $2.3 billion in fiscal year 1982, to a mere $1.4 billion in fiscal year 1983. When inflation is taken into account, these represent a cut of more than 50 percent in moneys available through the Pell program. If we add in the $2.2 billion cut that the elimination of the social security program represents, we are looking at total cuts of at least $3.4 billion.

The elimination of the college social security benefits disproportionately hits those least able to afford postsecondary education. Studies have shown that the children who receive these benefits are generally from low-income, blue-collar families. The median income of the households benefiting from these funds is barely two-thirds of the U.S. average. This is hardly surprising, since blue-collar workers are far more likely to be injured or killed while working than are white-collar workers.

In sum, Mr. Speaker, the elimination of this program by the Reaganites is an unjustifiable violation of promises made to the affected families. It continues the Reagan program of cutting our investment in the future of America's young people, while squandering tens of billions of dollars on unneeded and outmoded flashy weapons systems. May 1, 1982, is a new blackmark in the annals of the Reagan administration, and in the commitment of this Nation to its working people and to those who gave their lives in its defense.●

A DIFFERENT VIEW OF THE SOVIET UNION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for April 1982 into the CONGRESSIONAL RECORD:

A DIFFERENT VIEW OF THE SOVIET UNION

There are two ways of looking at the Soviet Union. The more familiar view emphasizes Moscow's attainment of status as a global power and its successes in building up its military might and in creating the second largest economy in the world. The other view, set forth in the following paragraphs, sees the Soviet Union in some of the darkest days of its 60-year history.

The Soviet Union faces many domestic and international problems which are imposing ever greater constraints on Soviet behavior:

SUCCESSION

The Soviet Union may soon undergo a crisis of succession. President Leonid Brezhnev is ailing and aged, and it is hard to see how he can effectively run the Soviet Union for long. He must shortly relinquish control, but when he does his country will enter a period of disturbing instability. His most probable immediate successors are also old, so a prolonged struggle for power is likely. It is remarkable that the second greatest power in the world, operating as it does under a system of government which vests enormous authority in one man, has not yet worked out a way to transfer authority smoothly from one leader to the next.

ECONOMY

The Soviet economy is an elaborately planned mess, a mix of ample human and natural resources together with mismanagement and corruption. The economic system discourages initiative and innovation as it encourages waste and inefficiency. Average growth in the early 1970's was four percent per year, but the rate has declined since 1976 and in 1979 and 1980 it averaged only 1.1 percent annually. The industrial sector is stagnating, infrastructure is inadequate, transportation bottlenecks abound, and the shortage of skilled labor has reached crisis proportions. There are shortfalls in the production of such key industrial commodities as steel, coal, construction materials, and chemicals. The Soviet Union is having a serious cash flow problem with the currencies used in international trade. Its technology lags, its oil reserves are dropping, and its debt to the West, now $100 billion, could reach $150 billion by 1985. In short, the Soviet economic system simply does not work well. Centralized economic planning increasingly conflicts with the need for modern economic management. Soviet leaders are clearly confronted with their most severe economic problems since World War II.

STANDARD OF LIVING

The extent of this economic failure is reflected in the bleak lifestyle of the typical Soviet citizen. He copes with shortages of everything, waits in line hours each day for food and other necessities, and lives in crowded, substandard housing. The Soviet standard of living is already the lowest among the world's major industrial nations, and the chance for improvement is not good. The 1981-1985 "plan" places a lower priority on consumption than on defense and heavy industry. Little progress is anticipated with respect to the quality of life, the suitability of housing, and the production of consumer durables of passable quality.

AGRICULTURE

Soviet agriculture is unreliable. Three bad harvests in succession have seriously hurt the nation. Soviet leaders admit that much of the $500 million invested in agriculture in the last 15 years has been wasted. They cannot explain why up to one quarter of the annual harvest never gets to processing centers. They cannot explain why people are not properly fed in a land of such potential abundance.

ETHNIC DIVERSITY

The Soviet Union is the fifth largest Moslem country in the world. That fact is starting to send shivers through the Soviet government. The population of 43 million Moslems is growing much faster than the Russian population (which now constitutes a mere 52 percent of the citizenry of the Soviet Union), and the Moslem people cherish their own identity and traditions. Their awakening nationalism competes with Russian nationalism. Over the next decade, the composition of Soviet society will change as ethnic non-Russians begin to outnumber ethnic Russians. New racial and cultural conflicts will arise. For example, the increasing number of ethnic non-Russians in the Red Army (now more than half) has already raised questions about the army's effectiveness under Russian command.

SOCIAL PROBLEMS

Social problems such as alcoholism, juvenile delinquency, and corruption are on the rise in the Soviet Union. They are of real concern to the general public and the Soviet leadership at least in part because they signal the existence of a genuine, deep-seated malaise in Soviet society.

MARXIST IDEOLOGY

Although its trappings are everywhere, Marxist ideology has lost much of whatever attractiveness it may have once had in the Soviet Union. It is often difficult to find Soviet citizens who really believe in Marxist principles. Few dare challenge it openly for fear of reprisal, but the plain fact is that there is massive indifference to Marxist ideology in the Soviet Union today. Soviet leaders preserve their authority less by appeal to ideology than by appeal to patriotism (and, when necessary, by use of force). They claim to be the keepers of a great revolutionary tradition, but they are, in fact, among the most inflexible, backward-looking rulers in the world.

INTERNATIONAL AFFAIRS

This Soviet Union does not have a single ally who is at once reliable and powerful. It is surrounded by several unfriendly and unpredictable neighbors. The Soviet Union sees restiveness among its allies and surges of Third World nationalism which threaten its international appeal. Its reputation in the nonaligned world was seriously compromised after the invasion of Afghanistan. Despite its close ties to Angola, Ethiopia, and Libya, the Soviet Union has uneasy relations with several critical states in Africa and the Middle East, including Nigeria, Kenya, and Egypt.

The great question being debated by the experts is whether these problems will lead to prudence or adventurism in the Soviet Union's conduct of its foreign affairs.●

WOULD WAR WITH GAS MEANS HOLOCAUST?

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 3, 1982

● Mr. GEJDENSON. Mr. Speaker, in light of the ongoing debate surrounding the administration's proposals to renew the production of lethal binary chemical weapons, I would like to share with my colleagues an article that appeared in yesterday's New York Times entitled, "Would War With Gas Mean Holocaust?".

The article reads as follows:

[From the New York Times, May 2, 1982]

WOULD WAR WITH GAS MEAN HOLOCAUST?

(By Richard Halloran and Caroline Rand Herron)

QUESTION. Do we need more, better or any chemical munitions, and why now?

Mr. MESELSON. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the Army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General FULWYLER. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. MESELSON. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General FULWYLER. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. MESELSON. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General FULWYLER. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand diferent types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

QUESTION. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General FULWYLER. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until in the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. MESELSON. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General FULWYLER. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. MESELSON. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General FULWYLER. You do not have access to——

Mr. MESELSON. Yes, I do. I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General FULWYLER. Still, I have concern about you making statements concerning the status of our stockplie, when I believe, Professor, you do not have timely information.

Mr. MESELSON. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of minitions are deteriorating at such a rate that in a few years we won't have any?

General FULWYLER. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

QUESTION. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. MESELSON. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General FULWYLER. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. MESELSON. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General FULWYLER. That's correct, you're not shipping both at the same time. In the interest of safety, we would not plan to ship them on the same aircraft.

Mr. MESELSON. Then there's not twice as many.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to prewarn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This under mines the deterrent to war itself.

General FULWYLER. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. MESELSON. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General FULWYLER. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. MESELSON. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

QUESTION. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General FULWYLER. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. MESELSON. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communique with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALIATION BOOMERANG

General FULWYLER. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. MESELSON. I strongly disagree. If we could imagine the war happening in New Jersey——

General FULWYLER. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. MESELSON. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General FULWYLER. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. MESELSON. Yes, but I think that chemicals can bring that on.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 4, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 5

9:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on naval shipbuilding and overhauls.
1318 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Alcohol, Drug Abuse, and Mental Health Administration, Office of the Assistant Secretary for Health, and the Health Resources Administration, Department of Health and Human Services.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues and new budget authority.
6202 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nominations of Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant, and Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be Vice Commandant, each for the U.S. Coast Guard.
235 Russell Building

Foreign Relations
To resume hearings on East-West relations, focusing on the Pacific.
4221 Dirksen Building

* Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

* Governmental Affairs
Intergovernmental Relations Subcommittee
To hold oversight hearings on the implementation of Federal block grants.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 2314, authorizing funds for fiscal years 1983, 1984, and 1985 for farm and rural development loan programs of the Farmers Home Administration.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for programs of the Resource Conservation and Recovery Act, Marine Protection, Research and Sanctuaries Act, Federal Water Pollution Control Act, and the Endangered Species Act.
4200 Dirksen Building

Judiciary
Criminal Law Subcommittee
To resume hearings on proposals providing for a ban on the manufacture or sale of nonsporting handguns, mandatory sentences for the use of a firearm in committing a felony, and a preclearance procedure for the sale or transfer of any handgun.
2228 Dirksen Building

Veterans' Affairs
To hold hearings on a Veterans' Administration proposal to decentralize certain medical automated data processing facilities.
412 Russell Building

Select on Intelligence
To hold closed hearings on intelligence matters.
S-407, Capitol

1:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Human Development Services, Office of Community Services, and certain health and human services programs, Department of Health and Human Services; and for elementary and secondary education programs, bilingual education program, and the impact aid program, Department of Education.
1318 Dirksen Building

2:00 p.m.
Appropriations
To continue open and closed hearings on proposed budget estimates for fiscal year 1983 for chemical warfare weapons programs of the Department of Defense.
1114 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
Business meeting to continue markup of proposed legislation authorizing funds for programs of the Resource Conservation and Recovery Act, Marine Protection, Research and Sanctuaries Act, Federal Water Pollution Control Act, and the Endangered Species Act.
4200 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

Judiciary
To hold hearings on pending nominations
2228 Dirksen Building

Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

7:00 p.m.
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MAY 6

9:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on airlift requirements.
1224 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Fish and Wildlife Service, Department of the Interior, and the Institute of Museum Services.
1318 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 604 and S. 2355, bills providing adequate telephone service to persons with impaired hearing.
235 Russell Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for education programs for the handicapped, rehabilitation services, vocational and adult education, higher education, and the National Institute of Education, Department of Education.
1114 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Supreme Court, Architect of the Capitol (care of U.S. Supreme Court Building), U.S. International Trade Commission, Federal Maritime Commission, and the Marine Mammal Commission.
S-146, Capitol

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2361, authorizing funds for housing, community, and neighborhood development programs, and S. 2453, authorizing funds for fiscal years 1983, 1984, and 1985 for rural housing programs.
5302 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

*Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Agency Administration Subcommittee
Business meeting, to markup S. 1483, making the U.S. Government liable for damages to residents and participants arising from the fallout from certain atmospheric tests, establishing an advisory panel to study the adverse health effects, and transferring from the Department of Energy, all functions relating to research on the health effects of radiation to the Department of Health and Human Services.
2228 Dirksen Building

Select on Indian Affairs
Business meeting, to consider pending calendar business.
6226 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Soil and Water Conservation Subcommittee
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold joint hearings on S. 1825, prohibiting the Federal price support program to be used to subsidize crops grown on certain lands in the western part of the United States which have not been cultivated in the past ten years.
324 Russell Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, and the U.S. Tax Court of the Judicial Branch.
1223 Dirksen Building

Energy and Natural Resources
To hold hearings in S. 2332, extending until July 1, 1983, the expiration date of section 252, of the Energy Policy and Conservation Act, which provides a limited antitrust defense for U.S. oil companies participating in the international energy program.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (P.L. 95-95).
4200 Dirksen Building

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on U.S. strategies to address increased opium production in the Golden Triangle.
4221 Dirksen Building

Foreign Relations
International Economic Policy Subcommittee
To hold hearings on the concerns of American children for other children in foreign countries.
1202 Dirksen Building

11:00 a.m.
*Labor and Human Resources
Business meeting, to mark up S. 2365, authorizing funds for fiscal years 1983 and 1984 for the National Institute on Drug Abuse and the National Institute on Alcohol Abuse and Alcoholism.
4232 Dirksen Building

1:30 p.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for student financial assistance, libraries/special institutions, civil rights, women's educational equity, and related agencies.
1114 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of State, focusing on antiterrorism, Bureau for International Narcotic Matters, and migration and refugee assistance.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the U.S. Postal Service.
1223 Dirksen Building

Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

Environment and Public Works
To hold hearings on the nomination of James K. Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission.
4200 Dirksen Building

Finance
International Trade Subcommittee
To resume hearings on S. 2094 and related proposals, establishing the concept of reciprocity of market access as an objective for U.S. trade policy where American products are competitive.
2221 Dirksen Building

2:30 p.m.
*Judiciary
Immigration and Refugee Policy Subcommittee
Business meeting, to markup S. 2222, revising and reforming U.S. immigration laws.
2228 Dirksen Building

7:00 p.m.
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building

MAY 7

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
Savings, Pensions and Investment Policy Subcommittee
To hold joint hearings on S. 2214, providing for incentives to increase the rate of personal savings and investment by increasing the percentage of tax exempt net interest income to 25 percent, making dividend income eligible for the 25 percent exemption, changing the enactment date to one year earlier, and eliminating the deductibility of consumer interest expense (with certain exceptions) on a gradual basis; to be followed by the Subcommittee on Taxation and Debt Management holding hearings on S. 2281, proposed Technology Education Act, and S. 1928, proposed M.D.L. 235 Settlement Discounts Tax Act of 1981.
2221 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1114 Dirksen Building
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1877, S. 1908, S. 1909 and S. 1941, bills providing for the reinstatement and validation of certain U.S. oil and gas leases, S. 2095, directing the Secretary of the Interior to issue a certain oil and gas lease, and S. 2146, extending the lease terms of various Federal oil and gas leases.
3110 Dirksen Building
Joint Economic
To hold hearings on the employment/unemployment situation for the month of April.
2128 Rayburn Building

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for environmental research and development programs; and other pending business.
4200 Dirksen Building
Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine adverse drug reactions from immunization, Federal efforts in preventive medicine, and characteristics of certain diseases.
4232 Dirksen Building

MAY 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for activities of the Secretary of the Senate, Sergeant at Arms, Architect of the Capitol, and the Congressional Budget Office.
S-128, Capitol

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1929, establishing an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
235 Russell Building
Energy and Natural Resources
To hold hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.
3110 Dirksen Building
Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

11:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

1:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the General Accounting Office, and the Government Printing Office.
S-128, Capitol

MAY 11

8:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.
1114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building
*Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Judiciary.
S-146, Capitol
Foreign Relations
To hold hearings on nuclear arms reduction proposals.
4221 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the implementation of block grants.
357 Russell Building
Labor and Human Resources
To hold oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (local 154).
4232 Dirksen Building
*Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the extended family.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Institute of Building Sciences, Federal Home Loan Bank Board, and National Credit Union Administration.
1224 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building
Armed Services
To hear and consider the nomination of Gen. John W. Vessey, Jr., Army of the United States (major general, U.S. Army), to be Chairman of the Joint Chiefs of Staff.
1202 Dirksen Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on Latin America regional, Asia regional, Africa regional, and the Sahel development programs.
1223 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for programs which fall within the jurisdiction of the subcommittee, receiving testimony from public witnesses.
1318 Dirksen Building

MAY 12

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2367 and S. 2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation.
5302 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.
4232 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

*Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds, and Office of Management and Budget Circular A-98, relating thereto.
3302 Dirksen Building

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (local 154).
4232 Dirksen Building

Small Business
Business meeting, to consider pending calendar business.
424 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

Governmental Affairs
Congressional Operations and Oversight Subcommittee
To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.
3302 Dirksen Building

*Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.
5302 Dirksen Building

1:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

*Judiciary
To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.
2228 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.
1223 Dirksen Building

Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

MAY 14

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.
S-128, Capitol

10:00 a.m.
Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 18

9:00 a.m.
Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building

9:30 a.m.
Labor and Human Resources
To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.
1224 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a Member of the Interstate Commerce Commission.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on Federal property management and disposal.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
1223 Dirksen Building

MAY 19

9:30 a.m.
*Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal

year 1986 for the safe drinking water program.
4200 Dirksen Building

Select on Indian Affairs
To continue oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

MAY 20

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.
235 Russell Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.
3302 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

MAY 21

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.
235 Russell Building

Energy and Natural Resources
Energy Regulations Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
Business meeting, to mark up certain nuclear arms reduction proposals.
4221 Dirksen Building

MAY 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

MAY 27

10:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans Affairs
To hold hearings to receive American Legion legislative recommendation for fiscal year 1983.
318 Russell Building

CANCELLATIONS

MAY 4

9:30 a.m.
Labor and Human Resources
To hold oversight hearings on the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

MAY 10

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold oversight hearings to review Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

SENATE—*Tuesday, May 4, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 11:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Gracious God, Creator, Sustainer, Consummator of history, give to leadership of the Nation the will to unity and peace. We are familiar with the age-old strategy of an enemy to divide and destroy. Forbid Lord that our leadership should inadvertently capitulate to such transparent tactics at such a critical time in domestic and foreign affairs. Strengthen them against all the personal and institutional pressures which would divide and conquer.

May the breath of God warm hearts and cool emotions and may we remember with gratitude that we are one, we are not enemies however great the differences. We thank Thee for our manifold diversity which is the glory of our unity. Help us to remember the Biblical insight which says: "We are not contending against flesh and blood, but against the principalities, against the powers, against the world rulers of this present darkness, against the spiritual hosts of wickedness in the heavenly places." (Ephesians 6: 12, RVS.)

Gracious Lord of love, keep us from seeing an enemy in each other and grant grace that will turn discord into harmony and out of struggle bring a symphony of truth and righteousness and justice. We beseech Thee earnestly in the name of the Prince of Peace. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, this morning after the recognition of the two leaders under the standing order, there is a special order in favor of Senator BAUCUS to be followed then by a period for the transaction of routine morning business.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. President, I now ask unanimous consent that after the execution of the special order in favor of Senator BAUCUS there be a period for the transaction of routine morning business to extend not past the hour of 12 noon in which Senators may speak for not more than 2 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS AT 12 NOON

Mr. BAKER. Mr. President, at 12 noon the Senate will recess, if a further unanimous-consent agreement that I will propound shortly is agreed to by the Senate, in order to accommodate the requirement of Senators that they attend caucuses or at least a caucus off the Senate floor.

CLOSED SESSION

It is anticipated and provided for in the order, which I will later state, that the recess will extend from 12 o'clock noon until 2 p.m. At 2 p.m., if that agreement is entered into, Mr. President, the Senate will go into an executive session for the purpose of hearing certain statements made of a sensitive nature which will be only for Senators and certain very limited staff who are cleared for covert briefing.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

After the time for the executive session, if the same is provided for, the Senate will resume legislative session and continue debate on the Department of Defense authorization bill.

I understand the unanimous-consent request that I wish to put has not yet been fully cleared on both sides and I will withhold putting it for the time being.

THE FALKLAND ISLANDS CONFLICT—AN EXPRESSION OF SYMPATHY AND HOPE

Mr. BAKER. Mr. President, yesterday, we received news of a serious and major escalation in the conflict between Great Britain and Argentina by the sinking of an Argentine cruiser with heavy loss of life.

All of us, I am sure, wish to express our sympathy to the survivors of the lost crewmen of the Argentine cruiser and to express our collective hope that caution and restraint will stay the hand on both sides and avoid further bloodshed.

The United States remains ready to serve in the role of mediator and peace seeker in our continuing effort to avoid further hostilities and conflict.

COMMENDATIONS ON PROPOSED EXTENSION OF THE VOTING RIGHTS ACT

Mr. BAKER. Mr. President, yesterday Americans witnessed politics, and the art of political compromise at its best. Confronted with an array of complexities, amendments, and positions, a bipartisan coalition of Senators emerged, after months of negotiations, with a workable and broadly based blueprint for extending the Voting Rights Act of 1965. Moreover, they brought forth a proposal which was immediately endorsed by President Reagan for his administration.

It is my hope that yesterday's achievement will serve as a symbol of optimism and faith; difficulties can be worked out, many times despite apparent odds. What will distinguish this Congress from others in recent years, will be its ability to forge these compromises and act on the imperative measures which now confront us.

I want to take this opportunity to thank Senator DOLE and Senator THURMOND. Their ability to work together, with the help of Senator MATHIAS, Senator GRASSLEY, Senator KENNEDY, and Senator DECONCINI, has paved the way for the full Senate to act from a responsible approach to prevent this historic legislation from expiring. I am informed that many of my colleagues are prepared to add their names to the list of those favoring this compromise, and I am pleased that the proposal has received the support of many civil rights groups, including the NAACP and the Leadership Conference on Civil Rights.

The architects of yesterday's agreement have every right to be proud of their efforts, and I look forward, Mr. President, to early Senate action on this measure to be brought to the floor for the attention of the full Senate as soon as it is available and to be acted on as promptly as it is possible to do.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no need for the remainder of my time under the standing order, and I am prepared now to yield to any Senator

seeking time from the time remaining to me.

Mr. PROXMIRE. Mr. President, will the majority leader yield me 3 minutes?

Mr. BAKER. Yes, I yield 3 minutes to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished majority leader.

SUMMARY—LIFE AFTER A NUCLEAR ATTACK

Mr. PROXMIRE. Mr. President, today I summarize the series of reports I have put in the RECORD over the past week or so from the study of the CATO Institute policy analysis of the social and economic effects of a limited nuclear attack on the United States; that is an attack designed to take out as much of our deterrent as the Soviets could take out with a first strike.

The study by Katz and Osdoby summarizes these consequences as follows:

Life would be severely disrupted. The medical care system would be overburdened, providing intensive treatment to fallout victims resulting in degraded regular, acute, chronic or preventive care. Support systems such as insurance and medical records would likely be in chaos, or at best in serious disarray with some drugs in short supply. Food production and distribution systems, as well as the banking system, would be severely disrupted.

Judging from previous experience, survivors are likely to feel threatened and disoriented. Massive urban evacuation and prolonged relocation could provoke social tension, severely taxing limited social services. Choices to be made regarding evacuation and future aid to rebuild the post-attack economy could become politically explosive.

Effects would extend beyond the United States. Industrial and food exports would decrease, or cease, tilting the balance of payments, destabilizing the dollar, and ultimately affecting other currencies. Countries dependent on the United States for food would probably experience shortages and face domestic political problems as a result. The international situation would likely be unstable.

ISRAEL WOLNERMAN

Mr. PROXMIRE. Mr. President, Israel Wolnerman is one of several hundred Holocaust survivors in the Milwaukee area. The Wisconsin Jewish Chronicle recently interviewed him.

Activism in the Milwaukee Jewish community helps him live with his memories of the Holocaust. President of the New Americans Club, an organization of Holocaust survivors, Wolnerman speaks on the Holocaust to college classes and organizations. According to the Chronicle, Mr. Wolnerman feels compelled to speak because "life testimony is more powerful than just something read in a book."

In 1939, when the Nazis invaded Poland, Israel Wolnerman was 18. They asked each family in his community to "volunteer" a family member for government service. He and his brother, who also "volunteered," were shipped to Germany to work on the autobahn. Israel Wolnerman spent the next 5 years in 10 slave labor and concentration camps.

Typhus finally separated Israel Wolnerman from his brother. When a group of prisoners sent east to Russia to modify the railroad tracks caught typhus, the survivors were sent back to the camp. Israel's brother caught this disease while nurturing the survivors. He was then sent to a quarantine camp, where, after surviving the disease, he died of infections caught from a filthy, infested straw mattress.

After the war, Israel was totally alone. He never saw his three sisters again. He married, taught in Munich for a while, and eventually moved to the United States and settled in Milwaukee. He says of his adjustment:

. . . there is a pain all the time, and it never leaves you. It's a dull pain, but it's continually there. I don't think there's a survivor alive today without it.

Mr. President, Israel Wolnerman is a tribute to the human spirit. How can we pay tribute to him, as well as to the other victims of the Holocaust? By ratifying the Genocide Treaty, which declares genocide of a religious, racial, ethnical, or national group an international crime. What more could we possibly do for victims of genocide—past, present, and future—than ratify this treaty?

I thank the majority leader.

ORDER OF PROCEDURE

Mr. PROXMIRE. Speaking for the minority leader, I ask that his time be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I reserve the remainder of my time until such time as the minority leader may choose to utilize the privilege just granted by the Chair.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Now, Mr. President, I understand the distinguished Senator from Montana has a special order in his favor for not to exceed 15 minutes.

RECOGNITION OF SENATOR BAUCUS

The PRESIDING OFFICER. Under the previous order, the Senator from Montana is recognized for not to exceed 15 minutes.

THE ATTORNEY GENERAL MUST SPEAK OUT AGAINST COURT-STRIPPING

Mr. BAUCUS. Mr. President, for 18 months, Congress has engaged in an extended debate on the constitutionality and wisdom of congressional attempts to strip the Federal courts of jurisdiction over constitutional issues. One of the most unfortunate aspects of that debate has been the unwillingness of the Attorney General and the Department of Justice to take a public position on the court-stripping bills.

In May 1979, the Senate adopted an amendment to a Supreme Court jurisdiction bill that would have eliminated Supreme Court and lower Federal court jurisdiction over the issue of school prayer. Following that vote, the House Judiciary Committee's Subcommittee on Courts, Civil Liberties, and the Administration of Justice held extensive hearings on the issue. At that time, John Harmon, of the Justice Department's Office of Legal Counsel, presented the administration's views that the proposal was both unconstitutional and represented unsound public policy.

The identical provision is currently pending on the Senate calendar in the form of S. 1742. On March 23 of this year, at a public hearing of the Senate Judiciary Committee on the Department of Justice's budget for fiscal year 1983, I asked Attorney General William French Smith for the Department's views on S. 1742. He stated the Department had no position on the bill. He asked me to send him a letter requesting the Department's position, and I did so the following day.

Mr. President, I regret to inform the Senate that not only has the Attorney General failed to respond to my letter of March 24, but more important, the Department has continued to duck the issue of court-stripping. I consider such evasion unacceptable. The Attorney General and the Department of Justice have a duty to uphold and enforce the Constitution. Any responsible view of that duty would include a commitment to advise the Congress not to engage in conduct that would be unconstitutional or defies the spirit of the Constitution.

It is interesting, Mr. President, that the present Attorney General has had no problem speaking out against activist judges. He has had no problem speaking out against affirmative action or busing or voting rights legislation. I am not criticizing his statements on these issues—I welcome them. And although I do not always share his views, they are part of a necessary national dialog.

But why, Mr. President, does the Attorney General continue to refuse to speak out on court-stripping? Why does he fail to involve himself in this national debate of fundamental constitutional principles? Why?

I suspect it is because he does not want to offend or alienate supporters of the President who favor these proposals. It is easier for the President

and the Attorney General to avoid political controversy by remaining silent. However, their silence can be interpreted as tacit approval of these proposals. That would be most unfortunate. The Attorney General should set the record straight and speak out directly on the court-stripping bills.

The Attorney General's silence is even more disturbing in light of a letter that was sent by former officials of the Department of Justice to the leadership of the Senate just last week. In that letter, a bipartisan group of former high officials of the Department urged the Senate to oppose the legislation stripping all Federal courts of its jurisdiction over voluntary prayer issues. In that letter, former Attorneys General Nicholas deB. Katzenbach, Elliot L. Richardson, and Benjamin R. Civiletti, and former officials Carla A. Hills, Harold R. Tyler, Jr., and Erwin N. Griswold declared that, in their view, such legislation was "unconstitutional" and that "the judicial system in the United States would be improperly and needlessly impaired" by its passage.

This letter underscores the fact that court-stripping is not a partisan issue. When the American College of Trial Lawyers criticize the court-stripping bills earlier this year, they aptly noted:

> This issue should not divide Conservatives and Liberals or Democrats and Republicans. Nor should it divide those who support or disagree with one or another constitutional decision of the Supreme Court.

And Senator BARRY GOLDWATER has observed:

> In my view, the Supreme Court has erred. But we should not meet judicial excesses with legislative excesses. Whether or not Congress possesses the power of curbing judicial authority, we should not invoke it. As sure as the Sun will rise over the Arizona desert, the precedent will return to oppress those who would weaken the courts. If there is no independent tribunal to check legislative or executive action, all the written guarantees of rights in the world would amount to nothing.

Mr. President, as Senator GOLDWATER points out, the court-stripping bills represent a threat to the Constitution of the highest magnitude. This is not an issue where short-term political considerations should override our respect for fundamental constitutional principles. This is not a time for the Attorney General to hide behind procedural excuses. It is a time for the Attorney General to speak out boldly and clearly against the court-stripping proposals. I urge him to do so.

Mr. President, I ask unanimous consent that a copy of the letter to the Senate leadership in opposition to the legislation eliminating Federal court jurisdiction over voluntary prayer and a copy of my, as yet unanswered, letter to Attorney General William French Smith be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

APRIL 29, 1982.

Hon. GEORGE BUSH,
President, U.S. Senate, Washington, D.C.
Hon. HOWARD H. BAKER, Jr.,
Majority Leader of the Senate, Washington, D.C.
Hon. ROBERT C. BYRD,
Minority Leader of the Senate, Washington, D.C.
Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.
Hon. JOSEPH R. BIDEN, Jr.,
Ranking Minority Member, Committee on the Judiciary, U.S. Senate, Washington, D.C.

SIRS: As former officials of the United States Department of Justice, we are deeply concerned that the judicial system in the United States would be improperly and needlessly impaired by passage of S. 481, which would eliminate all federal court jurisdiction to determine the constitutionality of state laws relating to voluntary prayer in public schools and buildings. Before voting on S. 481, we urge you to consider the reasons why Congress has never before pursued such a legislative course.

The Supreme Court of the United States was vested with the authority to render constitutional interpretations binding on the Congress, the Executive Branch and the fifty states. If the Members of Congress disagree with the wisdom of the Supreme Court's construction of any constitutional provision, such as the terms of the First Amendment governing the establishment and free exercise of religion, Article V of the Constitution provides Congress with the means to initiate a change in the law by amendment. To circumvent Article V by withdrawing all federal court jurisdiction would undermine the separate roles of Congress and the judiciary and destroy the uniform interpretation of federal constitutional rights in the fifty states.

We may differ among ourselves as to the correctness of the Supreme Court's decisions concerning school prayer, but we are unanimous in our judgment that S. 481 is unconstitutional. We therefore urge you to oppose S. 481.

Very truly yours,

BENJAMIN R. CIVILETTI.
ERWIN N. GRISWOLD.
NICHOLAS DEB. KATZENBACH.
ELLIOT L. RICHARDSON.
HAROLD R. TAYLOR, JR.

MARCH 24, 1982.

Hon. WILLIAM FRENCH SMITH,
Attorney General, U.S. Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: At yesterday's Judiciary Committee hearings on the budget for the Department of Justice, we discussed the bills pending before the Senate which would withdraw the jurisdiction of the Supreme Court over federal constitutional issues. In response to your suggestion, I am formally requesting the Department of Justice views on S. 1742.

This legislation, if enacted, would remove Supreme Court and lower federal court jurisdiction over the issue of prayer in the schools. An identical provision passed the Senate in April of 1979 by a vote of 51 to 40. Following that vote, the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice held hearings on the provision and the Justice Department testified in opposition on July 29, 1980.

I understand that the Department cannot comment on every bill that is introduced in the Congress. However, in some circumstances, legislation does not proceed through the subcommittee and committee process. In the case of S. 1742, the bill was placed directly onto the Senate calendar under a rarely used Senate rule. Every indication is that we will have a vote in the Senate on S. 1742 within the next two months without the benefit of subcommittee or committee hearings or mark-ups. Therefore, I would appreciate receiving your comments within the next several weeks if the full Senate is to have the benefit of the Department's views before consideration of the bill.

I would like the Department of Justice to evaluate two significant aspects of this bill. The first is whether S. 1742 represents a constitutional exercise of Congress' authority to control the appellate jurisdiction of the United States Supreme Court. Does the Department believe that the Congress can constitutionally withdraw the Supreme Court's jurisdiction over the school prayer issue overturning the effect of the Supreme Court's school prayer decisions?

Additionally, it is equally important for the Senate to have the views of the Department on whether S. 1742 represents responsible public policy. Even if the Department comes to the conclusion that the Congress can from a technical standpoint pass legislation which removes Supreme Court appellate jurisdiction over a constitutional matter, what is the Department's view as to whether such legislation is wise and represents a sound Congressional approach toward management of the federal judiciary?

I very much appreciate your consideration of this request. I trust that you will be able to respond within the next 30 days so that we can avoid the unfortunate circumstance of having the Senate vote on such a significant constitutional matter without the benefit of the Department's views.

Thank you so much for doing what you can to expedite this request. I look forward to hearing from you.

With best personal regards, I am
Sincerely,

MAX BAUCUS.

Mr. BAUCUS. Mr. President, I yield back the remainder of my time.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, is there an order now for a period for the transaction of routine morning business?

The PRESIDING OFFICER. There is.

Mr. BAKER. May I inquire of the minority leader if he would prefer to claim his time under the standing order, or go forward with morning business at this point?

Mr. ROBERT C. BYRD. Mr. President, I yield back the time that was reserved to me under the standing order.

Mr. BAKER. Mr. President, I yield back any of my time remaining under the standing order.

89-059 O-85-5 (Pt. 7)

Mr. ROBERT C. BYRD. I thank the distinguished majority leader for his consideration.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

UNANIMOUS-CONSENT AGREEMENT—CLOSED SESSION

Mr. BAKER. Mr. President, I spoke earlier of a unanimous-consent request which I would propose later. I am prepared now to do that. It is my understanding that the request I am about to make has been cleared on both sides and I shall state the request now for the consideration of the minority leader and other Senators.

Mr. President, I ask unanimous consent that the Senate stand in recess today from 12 noon until 2 p.m. and that, upon the reconvening of the Senate at that hour, the Chair direct the clerk to call the roll to determine the presence of a quorum.

I further ask unanimous consent that, upon the ascertaining of the presence of a quorum, the Senate immediately go into closed session with the floor cleared of all Senate personnel save for those having code word clearance which are on the accompanying list which I shall send to the desk. I further ask unanimous consent that, during the closed session, no business of any kind be transacted, and that the time be equally under the control of the majority or minority leader or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I send to the desk a list of personnel who are contemplated in this agreement. This is also submitted for the consideration of the minority leader and has been mutually agreed upon, I believe. It should become an integral part of the agreement which has just been entered into.

The PRESIDING OFFICER. The clerk will read the names.

The legislative clerk read as follows:

The following individuals shall be granted privilege of the floor today during the classified briefing on the Soviet threat:

COMMITTEE ON ARMED SERVICES

Rhett B. Dawson, Francis J. Sullivan, and James C. Smith.

DEFENSE INTELLIGENCE AGENCY

Mr. John Hughes, Mr. James Miller, and Capt. Ed Cummings.

ALDERSON REPORTING CO., INC.

Mr. Albert J. LaFrance.

COMMITTEE ON FOREIGN RELATIONS

Hans Binnendijk, Bob Bell, and Bill Ashworth.

SELECT COMMITTEE ON INTELLIGENCE

Robert R. Simmons, Abram N. Shulsky, and Angelo Codevilla.

SENATE LEADERSHIP

George Murphy and Mike Epstein.

Further—The Secretary of the Senate, William F. Hildenbrand and the Senate Sergeant at Arms, Howard S. Liebengood.

Mr. BAKER. I thank the Chair.

ORDER FOR REPORTER TO RECORD CLOSED SESSION

Mr. BAKER. Mr. President, I further ask unanimous consent that Mr. Albert LaFrance, who is a reporter with appropriate clearances and listed on the paper just read to the clerk, be authorized to take down, by stenographic notation, verbatim, the proceedings of the closed session. At the conclusion of the closed session, the stenotype paper and related material will be hand carried to the Senate National Security Office, where the proceeding will be transcribed.

I also ask unanimous consent that the transcript of the remarks of each Senator who participated in the debate be made available to such Senator in the Senate National Security Office for revision of his remarks. When this process is completed, the classified transcript shall be stored in a secure vault in such office where other closed session transcripts are maintained.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I believe we have 7 more minutes, approximately, for the transaction of routine morning business before the Chair will automatically recess the Senate until 2 o'clock under the provisions of the order just entered into.

Mr. President, for the information of Senators, although the secret session will start at 2 p.m., the Chamber will be cleared and the room will be locked at 12 noon in order to permit the appropriate authorities to conduct their operations in preparation for a secure briefing.

Mr. President, I yield the floor.

Mr. President, I see no Senators seeking recognition. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Chair, acting in his capacity as the Senator from New Hampshire, asks unanimous consent that the quorum call be rescinded.

Without objection, it is so ordered.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 2 p.m.

Whereupon, at 12 noon, the Senate recessed until 2 p.m.

The Senate reassembled at 2 p.m. when called to order by the Presiding Officer (Mr. LUGAR).

CALL OF THE ROLL

The PRESIDING OFFICER. Under the previous order, the clerk will call the roll to establish a quorum.

The assistant legislative clerk called the roll and the following Senators entered the Chamber and answered to their names:

[Quorum No. 32 Leg.]

Abdnor	Garn	Mattingly
Baker	Goldwater	McClure
Brady	Gorton	Pryor
Byrd, Harry F., Jr.	Hatfield	Rudman
	Helms	Symms
Chafee	Inouye	Tower
Danforth	Lugar	Warner

The PRESIDING OFFICER. A quorum is not present.

The clerk will call the names of the absent Senators.

The assistant legislative clerk resumed the call of the roll and the following Senators entered the Chamber and answered to their names:

Andrews	Exon	Murkowski
Armstrong	Ford	Nickles
Baucus	Glenn	Nunn
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hawkins	Percy
Boschwitz	Hayakawa	Pressler
Bradley	Heinz	Quayle
Bumpers	Hollings	Randolph
Byrd, Robert C.	Humphrey	Riegle
Chiles	Jackson	Roth
Cochran	Jepsen	Sarbanes
Cohen	Kassebaum	Sasser
Cranston	Kasten	Schmitt
D'Amato	Laxalt	Specter
DeConcini	Leahy	Stafford
Denton	Levin	Stennis
Dixon	Long	Thurmond
Dole	Mathias	Tsongas
Domenici	Melcher	Wallop
Durenberger	Metzenbaum	Weicker
East	Mitchell	Zorinsky

Mr. BAKER. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

I also announce that the Senator from Alaska (Mr. STEVENS) is absent due to death in the family.

Mr. CRANSTON. I announce that the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Missouri (Mr. EAGLETON), the Senator from Alabama (Mr. HEFLIN), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York (Mr. MOYNIHAN), and the Senator from Wisconsin (Mr. PROXMIRE), are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The majority leader is recognized.

CLOSED SESSION

Mr. BAKER. Mr. President, under the order previously entered, the Senate will now automatically go into executive session. Before that occurs, I ask that the Chair instruct the clerk to read the relevant portions of rule XXIX in respect to the responsibility of Members and officers for the handling of secret material.

The PRESIDING OFFICER. The clerk will read rule XXIX, paragraph 5.

The legislative clerk read as follows:

Standing Rules of the Senate:
Rule XXIX, Executive Sessions,
Paragraph 5:

Any Senator or officer of the Senate who shall disclose the secret or confidential business or proceedings of the Senate shall be liable, if a Senator, to suffer expulsion from the body; and if an officer, to dismissal from the service of the Senate, and to punishment for contempt.

Mr. BAKER. Mr. President, I wish to state that, in addition to the penalties prescribed by rule XXIX of the Standing Rules of the Senate, any person, whether or not an employee of the Senate is subject under the inherent power of the Senate, to citation for contempt of the Senate, and to prosecution therefor for the disclosure of materials relevant to rule XXIX.

Mr. President, I ask that the Senate Chamber be cleared of all those except Senators, the two officers of the Senate and those persons enumerated in the unanimous-consent request.

The PRESIDING OFFICER. The Chamber will be cleared.

(At 2:16 p.m., the doors of the Chamber were closed.)

LEGISLATIVE SESSION

(At 4:49 p.m., pursuant to motion by Mr. BAKER, the Senate resumed its open legislative session; and upon further motion by Mr. BAKER the Senate recessed until 5 p.m., at which time the Senate reassembled, when called to order by the Presiding officer, Mr. COHEN.)

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I am pleased to rise in support of the fiscal year 1983 defense authorization bill as reported by the Armed Services Committee under the able leadership of the distinguished Senator from Texas. While the chairman and the ranking member of the committee, the distinguished Senator from Mississippi, deserve special credit for establishing and maintaining a schedule which allowed the committee to consider and act on this legislation in an expeditious, thorough manner, I believe that the spirit of bipartisanship and cooperation that was maintained throughout our deliberations by all members of the subcommittee, as well as when gathered in full committee, and staff merit the Senate's commendation.

I shall take just a few moments to describe some of the more significant actions in this bill which were taken at the initiative of the Strategic and Theater Nuclear Forces Subcommittee, of which I have the honor to be chairman. Let me address first programs in the strategic area.

The bill before the Senate today is, on balance, in furtherance of President Reagan's comprehensive program for restoring the credibility and effectiveness of our deterrent strategic nuclear triad. The committee is supportive of the urgent requirement to render our defensive nuclear weapon systems less vulnerable to—and indeed, less inviting of—a Soviet preemptive attack.

The specific actions we have taken are as follows: In recommending the authorization of the $4.6 billion requested to develop and produce the B-1 bomber, the committee has advocated once again the improvement of our bomber forces—both in terms of improved base escape and enhanced penetration of Soviet air defenses. The Senate and the full Congress in fiscal year 1982 endorsed this program overwhelmingly. The committee's action on this legislation is in keeping with last year's mandate. The ability of the air-breathing leg of the triad to operate more successfully against ever-improving Soviet air defenses is also enhanced by this bill through the authorization of $900 million for an air-launched cruise missile program.

Similarly, the Armed Services Committee has recommended approval of the President's requests associated with the continued upgrading of our sea-based strategic deterrent. Authorization is included in this legislation for the construction of two *Ohio*-class ballistic missile submarines, the procurement of Trident I (C-4) missiles, continued research and development on Trident II (D-5) missiles, and the development and production of sea-launched cruise missiles. Taken together, these initiatives will do much to insure that our sea-based deterrent force will continue to be a survivable and credible deterrent for the foreseeable future.

The fiscal year 1983 defense authorization bill also contains some $2.8 billion requested by the administration for the continued upgrading of our strategic command, control, and communications system. I am pleased to say that, subsequent to adoption by the Senate of the Armed Services Committee's fiscal year 1982 defense bill, which contained large sums for its own initiatives in this area, the administration undertook, as part of its comprehensive strategic force modernization program, a thorough revamping of our strategic C^3 systems. Of course, the ability of our C^3 assets to survive an initial attack and to perform reliably their respective command, control, and communications missions in support of the strategic nuclear forces, is essential to the ability of those forces to carry out their required tasks.

Let me turn now to a brief discussion of the land-based leg of our nuclear triad. There has been some possible misunderstanding in Congress and elsewhere about the intent and purposes involved in the decision by the Armed Services Committee to recommend the restructuring of the MX basing program. I rephrase that by stating as the basing part of the overall MX program. The decision to eliminate the interim deployment of this weapon system in Minuteman silos was not taken lightly nor was it intended to suggest a lack of support for the MX land-based leg of the triad. Rather the committee urged that the program for developing and deploying a more survivable basing system for the missile part of the MX system be accelerated so as to achieve an initial operational capability of the MX in such a system at the earliest possible opportunity. The committee has also recommended that the funds requested for initiation of production of the MX missile be deferred without prejudice in order to bring such production into line with what is anticipated to be the first availability of a more survivable basing mode.

I expect that the administration will respond favorably to the call for restructuring the MX basing program. Should an effective and survivable basing system be devised and proposed by the administration for the MX missile, I am fully prepared to come before the subcommittee, the full committee, and the Senate and seek support for an aggressive approach to procurement and deployment of this highly important segment of the overall MX weapon system.

Two other actions in the ICBM area are worthy of note at this point.

First, the committee recommended the retention of the Titan II missile force in the active inventory through fiscal year 1983, a logical consequence of our decision to delete funds for the interim proposed MX basing system. The committee recommends this step in view of that decision to require a restructuring in the overall MX program which would result in a probable delay of this missile's initial operational capability as a total system; $80 million was added to the bill for the purpose of maintaining the Titans in a safe and reliable condition through fiscal year 1983, and I believe that these funds are a sound investment in light of our present strategic position.

Second, the Armed Services Committee has agreed with the decision made by the Department of Defense to equip the MX missile with the advanced ballastic reentry vehicle system. The Strategic and Theater Nuclear Forces Subcommittee held a special hearing on this proposal. It was the committee's judgment that the additional capabilities represented by this advanced system justified the startup costs requested by the administration. These included an ability to provide roughly equivalent yields to the MK-12A reentry vehicle it will replace while permitting significant savings in terms of special nuclear materials comsumption. Alternatively, the ABRV, as it is commonly known, provides the option for vastly increased yields without requiring system redesign. These features seem to be highly desirable in a reentry vehicle and warhead system intended to optimize the effectiveness of the MX missile.

Turning now to committee initiatives outside the strategic forces area, I call to my colleagues' attention the decision of the Armed Services Committee to approve President Reagan's program for chemical preparedness. This program consists of a commitment to achieve a negotiated chemical disarmament agreement with the Soviet Union, an aggressive plan for providing defensive equipment and clothing to our forces, a plan for safely disposing of obsolete and hazardous chemical munitions, and a request for funds to replace these weapons with modern, safe binary systems. These measures are intended to reduce significantly the danger of chemical warfare and promote the prospects for achieving the verifiable, global ban on such weapons which we all seek. Having reviewed personally, at great length, the considerations which require the United States to engage in a program for restoring the credibility of its chemical deterrent, I feel it is imperative that we get on with this program with all deliberate speed. I urge my colleagues to support the committee's and the President's actions in this area.

Finally a few words are in order on civil defense. The Reagan administration sought $252 million in attack-related civil defense in fiscal year 1983. This figure represented an increase in real terms of 84 percent over fiscal year 1982. This increased funding level formed an important part of the President's commitment to revitalizing our strategic offensive and defensive capabilities. Personally, and I speak only for myself, I strongly endorse the President's initiative in this area and recognize the important contribution that an effective and reliable civil defense program could make to the enhancement of strategic stability. It was a step forward, in my judgment for the President to recommend this additional spending. It was not in any sense a complete and final program, but some movement from where we had been for years of basically at minimal levels of spending.

I am also keenly aware of the very substantial disparity that exists between the United States and the Soviet expenditures on civil defense. However, in the committee markup, although I espoused and recommended vigorously the President's program, a majority of those present prevailed in reducing that program to a lower level of spending.

The majority of the committee regarded the increased outlays in civil defense preparedness requested by the administration to be high under present circumstances. The unprecedented increase in civil defense activities, the budgetary constraints under which the committee is operating, and is likely to operate in future weeks, and lingering concerns about the effectiveness of any civil defense program requiring strategic warning and crisis relocation caused the Armed Services Committee to recommend a reduction of $107.8 million in the President's program, for a new total of $145.3 million. I note that the committee stated its intention, "to consider carefully in the months ahead the program advocated by the administration" and expressed its openness to "the possibility of increasing the fiscal year 1984 civil defense program if it can be satisfied that the proposed initiatives are sound and cost effective."

Mr. President, these actions are, in my opinion, highly important steps, consistent on balance with a comprehensive and overdue program for revitalizing our strategic deterrent. I believe them also to be fully consistent with our efforts to achieve a sound and verifiable arms reduction treaty with the Soviet Union. I am pleased to have been associated with the committee's deliberations in these matters and look forward to the upcoming debate on this legislation for an opportunity to discuss our actions at greater length with my colleagues.

Therefore, I urge at this time careful attention from all of our colleagues to this very important segment of the defense program and, hopefully, ultimately the support of all present.

Mr. President, I now yield the floor to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. DENTON. Mr. President, let me associate myself with the remarks about and compliments to our chairman expressed by the distinguished Senator from Virginia, who is also the former Secretary of the Navy under whom I was honored and privileged to serve.

I would like to deal with a consideration regarding this authorization bill that I feel might otherwise be overlooked.

Mr. President. As we begin consideration of S. 2248, the fiscal year 1983 Department of Defense authorization bill, each of us is especially aware of the ongoing efforts to achieve a comprehensive budget compromise. Although I remain hopeful that such a compromise can be reached within the framework of the President's economic program, I believe it is imperative that we maintain a proper sense of perspective as we consider the legislation now before us.

The Preamble to the Constitution charges us in the Federal Government to:

> . . . establish Justice, insure domestic Tranquility, Provide for the common defense, Promote the general welfare, and secure the blessings of Liberty to ourselves and our posterity . . .

Our constitutional mandate does not require us to provide for the general welfare. Nor does it allow us simply to promote the common defense. This fundamental understanding of our collective responsibility is essential to a sustained effort to assure our security, and to the proper orientation for beginning consideration of this bill.

S. 2248, reported from the Armed Services Committee after extensive analysis, deliberation, and debate, reflects a commitment to funding levels necessary to effect a start toward offsetting, over a period of years, the defense imbalance that resulted from the fiscal neglect of our security requirements over the past decade. A crucial element in preserving this commitment is maintaining an understanding in the Congress and the electorate of all that is involved in assuring national security.

We must recognize that our economic health depends on an America secure in its freedom and capable of defending it. Put succinctly, the single indispensable social service that a government must provide for its citizens is national security: The capacity to defend effectively the Nation, its values, and its way of life. Without national security there is no capacity to promote the general welfare, or to provide benefits to any citizen.

We are all justifiably concerned about our economy and the need to reduce a burgeoning Federal deficit, but those who propose solutions based on decreased levels of security have overlooked the reality that our military strength, and how is is perceived by other nations, directly affects our economy, and has done so, to our detriment, for the past 15 years or more.

When we are seen as strong, and determined in our strength, our allies are eager to trade with us. We find ready access to resources and markets throughout the world. Our adversaries find little opportunity to expand the

sphere of politico-economic influence and control. Because sustained politico-economic relations with us are crucial to other nations, we have economic leverage that is effective and can replace successfully other, more drastic, measures in times of crisis.

On the other hand, when we are seen as weak, or lacking in resolve, our allies begin to look elsewhere for economic benefit and for strategic leadership. Our European friends orient pipelines, based on pipedreams, to the East. We find ourselves unable to muster broad-based support for opposition to and sanctions against the adventuristic policies of our adversaries, their surrogates, and their puppets.

Our failure to provide adequately for our defense over the past decade has most assuredly taken its economic and political toll. Whole blocks of the world are being denied to us, as is the case in Indochina, Afghanistan, the Horn of Africa, and even parts of Central America. When we lose access to the resources and markets of those countries, we and they lose the mutual benefits of increased trade and diplomacy.

The expenditures planned for defense are seen by too many Americans in precisely the opposite perspective. They think that spending for defense is a detriment to our economic prospects. That is short-range, 1 year, deficit oriented illogic—not long-range commonsense. We must stop playing checkers, and start playing chess, in the deadly games of survival and well-being.

Mr. President, the fiscal year 1983 defense authorization bill, as reported by the Armed Services Committee, represents an objective, bipartisan assessment or our security requirements. The committee, under the leadership of the Senator from Texas, did not "rubberstamp" the administration's request. The committee authorized figure of $180.3 billion for fiscal year 1983 is $3.2 billion under the administration's request. Perhaps more important than the actual authorization cuts are the areas where these cost savings were achieved. No portion of the President's proposal was considered sacrosanct. The elimination of certain marginal programs, and the curtailing of near-term expenditures in some essential programs until doctrinal or production problems have been satisfactorily resolved, are indicative of a bipartisan committee resolve to demand and insure the effective and efficient use of Federal tax dollars.

The authorization levels contained in S. 2248 are necessary to our security, based on both near-term and long-term analysis. The stark reality we must face is that neither this defense budget, nor the 5-year defense plan of which it is part, will provide the United States with clear-cut military superiority—clear-cut military superiority we enjoyed from after World War II until the late 1960's. What the fiscal year 1983 defense authorization bill provides for, and what this body must insure, at the minimum, is a level of security that has been tenuously termed an "acceptable risk."

We must recognize clearly that efforts to reduce the level of authorizations recommended by the Armed Services Committee will affect directly and adversely the security of our Nation. Those, unfortunately, are the hard facts, and as Winston Churchill said: "You must look at the facts, because the facts look at you."

Mr. President, I implore my colleagues on both sides of the aisle to join with me, with the distinguished chairman of the Armed Services Committee, Senator TOWER, and with many others who have spent so much time analyzing the data and testimony provided by our professional military experts, in supporting this fiscal year 1983 defense authorization bill.

Our margin for error is perilously thin.

I yield the floor to the distinguished chairman of the Armed Services Committee, the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I do not know of any others present who want to make opening statements. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 902

(Subsequently numbered amendment No. 1397.)

(Purpose: To express the sense of the Congress recommending a summit meeting on reducing the risk of the occurrence of nuclear war)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER), for himself and Mr. DIXON proposes an unprinted amendment numbered 902.

At the end of the bill add the following:

SEC. . (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

Mr. SPECTER. Mr. President, I send an amendment to the desk on behalf of myself and the distinguished Senator from Illinois (Mr. DIXON) as principal sponsors.

The purpose of the amendment is to link with this Department of Defense authorization bill the sense or recommendation of this body and ultimately, the Congress, that the President of the United States move to convene a summit meeting on the subject of nuclear arms control and strategic arms reductions. This summit meeting would be in accordance with the campaign statements made by President Reagan when he was a candidate and would be in accordance with a number of the declarations which have been made by spokesmen for the White House.

It may or may not be necessary, as a causative factor, for the Senate and the Congress to act on this matter, as it may be something which would follow in due course. But at a time when this body, and ultimately the Congress, is being called upon to consider the very enormous expenses of this Department of Defense authorization bill, in my judgment it is appropriate to link such an affirmative vote, which I think will be forthcoming, with our sense that there ought to be, contemporaneously, efforts made to limit and reduce nuclear weapons.

In the Washington Post today, Mr. President, there is a statement attributed to Mr. Larry Speakes, the White House Press Secretary: "There are

currently no specific plans or preparations for such a meeting," referring to a summit meeting.

I wrote to the President on April 14 of this year as follows:

DEAR MR. PRESIDENT: I respectfully suggest that you act now to initiate a full-scale summit meeting with the Soviet leaders in order to reduce the risk of nuclear war and stop the escalation of the arms race.

In my view, such negotiations can only be successfully started with your personal leadership.

Leadership on lesser issues can safely be left to others. Indeed, resolution of all the other national issues will not suffice if the momentum toward nuclear war is not reversed. There is simply no more important issue facing the world today.

The meeting you announced you are seeking with President Brezhnev at the United Nations in June would provide a good start. This initial meeting could be followed by further direct talks later this summer, or at the earliest practical time.

With current world tensions higher than anytime since the Cuban missile crisis, talks involving only Ambassadors and Generals would inevitably be too cautious and too slow. Once the basic framework for an agreement has been established, other officials and technical experts can negotiate the details necessary to conclude and implement an agreement.

Just as President Nixon was the one person who could advocate recognizing Red China, given apprehensions about Red China and his unassailable record of anti-communism, you possess the unique leadership capability and credibility to make meaningful progress on this issue.

The dangers of nuclear war will increase with delay. In fact, the risk of inaction may already have surpassed the risks inherent in initiating negotiations on nuclear arms. Crisis communications, strategic stability and arms reductions head the agenda which must be addressed now.

Negotiations now would be timely and could be productive. The Soviets have seen our determination to respond to their build-up of strategic nuclear weapons systems in actions taken last year to go forward with the B-1 bomber and MX missile. There is much evidence that our present nuclear deterrent is still strong, sure, and sufficient. Therefore, we are able to negotiate from a position of substantial strength, if not superiority.

Whatever increases in vulnerability may occur later in the decade, our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industry, cities, and military bases to deter a Soviet pre-emptive strike. I am convinced that we have such strength based on my recent meetings with officials at the Strategic Air Command Headquarters and bases in North Dakota and California.

In any event, our 33 nuclear missile submarines will remain invulnerable for the next two decades. Each submarine can deliver greater destructive power than all the bombs dropped on Germany in World War II. From discussions with Navy officials last Saturday at the Fleet Ballistic Missile base in Charleston, South Carolina, I am convinced that these submarines, which carry nearly 5,000 warheads, (each more powerful than the Hiroshima Bomb) could deliver them with sufficient accuracy to devastate the Soviet Union. Therefore, this one leg of the strategic triad alone seems a sufficient deterrent against Soviet strategic attack.

I hope you will personally review these matters.

I believe that once you have studied the pertinent facts and arguments, your unique personal capabilities will enable you to succeed where no one else has in moving the world away from the threat of nuclear holocaust.

Sincerely,

ARLEN SPECTER.

On April 19, 1982, I introduced Senate Concurrent Resolution 81 urging a summit meeting to reduce the risks of nuclear war, which is essentially the same amendment which I forwarded to the desk a few moments ago. At that time, the distinguished Senator from Illinois, Senator DIXON, became a principal cosponsor with me on that resolution.

On April 19, 1982, I wrote to Secretary of State Alexander Haig. At this time I ask unanimous consent that a copy of that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D.C., April 19, 1982.

Hon. ALEXANDER M. HAIG, Jr.,
Secretary of State,
Washington, D.C.

DEAR AL: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

ARLEN SPECTER.

Mr. SPECTER. Similarly, I wrote to the Honorable Casper Weinberger, Secretary of Defense, on April 19, 1982. I ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 19, 1982.

Hon. CASPAR W. WEINBERGER,
Secretary of Defense,
Washington, D.C.

DEAR CAP: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

ARLEN SPECTER.

Mr. SPECTER. Similarly, on April 19, 1982, I wrote to the Honorable Willian P. Clark, Assistant to the President for National Security Affairs. I also ask unanimous consent that that letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 19, 1982.

Hon. WILLIAM P. CLARK,
Assistant to the President for National Security Affairs, the White House, Washington, D.C.

DEAR BILL: I have today introduced a Sense of the Senate Resolution calling on President Reagan to take the lead in convening a summit meeting with Soviet President Brezhnev on nuclear arms reduction.

With this letter I am enclosing:

1. The resolution;
2. My floor speech in support of the resolution;
3. My letter to President Reagan dated today; and
4. My letter to President Reagan dated April 14, 1982.

Sincerely,

ARLEN SPECTER.

Mr. SPECTER. On April 19, I advised the distinguished Senator from Illinois (Mr. PERCY) of the introduction of that resolution. I similarly advised the distinguished Senator from Texas (Mr. TOWER), the chairman of the Armed Services Committee. And I subsequently advised the majority leader (Mr. BAKER) of my intention to offer this amendment at the time of the consideration of the Department of Defense authorization bill. I similarly advised the distinguished Senator from Texas (Mr. TOWER) of that intention.

By letter dated April 28, 1982, I received a reply from the Honorable Alexander M. Haig, Jr., Secretary of State, as follows:

THE SECRETARY OF STATE,
Washington, April 28, 1982.

Hon. ARLEN SPECTER,
U.S. Senate.

DEAR ARLEN: Thank you for sending the text of your Sense of the Senate Resolution calling for a summit meeting on nuclear arms reduction.

The President and I fully share your concern about the danger of nuclear war. A meeting with President Brezhnev can contribute to reducing that danger, and President Reagan has expressed his desire to meet with the Soviet leader in June in the context of the United Nations Special Session on Disarmament. Even though President Brezhnev responded by suggesting a meeting in the fall, President Reagan hopes that it will still be possible to meet in June as he proposed.

We recognize, however, that ensuring peace is not the work of a single meeting. Peace requires the determination to maintain a balance of power. It requires detailed preparation and patient negotiation. It requires restraint in foreign policy. We intend to meet these standards. The problem we face has been Soviet unwillingness to match our restraint.

The President is committed to achieving meaningful reductions in nuclear arms. Preparations for strategic arms negotiations are now in their final stages, and we expect to begin talks with the Soviets as soon as conditions permit. Negotiations on intermediate-range nuclear forces took place between November 1981 and March of this

year, and they will reconvene on May 20. We are also discussing important arms control issues in the Mutual and Balanced Force Reduction talks, the United Nations Committee on Disarmament, and the Standing Consultative Commission established under the SALT I agreements. We hope that this ongoing dialogue will succeed in achieving genuine arms reductions and in lessening the risk of war.

No one is more concerned than the President about the danger of nuclear conflict or more determined to prevent it. You can be sure that he will do his part in this effort in which all of us—at both ends of Pennsylvania Avenue—are engaged.

With warm regards,

Sincerely,

ALEXANDER M. HAIG, JR.

In the news reports earlier referred to, Mr. President, there is a suggestion that the summit be linked to Soviet behavior, and, as previously noted, a statement made by the White House Press Secretary Larry Speakes, that there are currently no specific plans or preparations for such a meeting.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from today's Washington Post.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SUMMIT LINKED TO SOVIET BEHAVIOR, REAGAN AIDE SAYS

(By Lou Cannon)

White House officials said yesterday that any summit meeting this year between President Reagan and Soviet President Leonid Brezhnev depends, in effect, on the behavior of the Russians.

"President Reagan has made it clear that our longstanding criteria for a formal summit meeting remain in place, that is it would have to be first, carefully prepared; second, it would have to be justified by the overall state of our relations at the time; and, third, hold reasonable prospects for positive results," deputy White House press secretary Larry Speakes said in a prepared statement "There are currently no specific plans or preparations for such a meeting."

Speakes was responding to a report in the The Washington Post yesterday that Reagan will accept Brezhnev's invitation for a "well prepared" summit this October, a statement that was not specifically denied by the deputy press secretary.

But Speakes emphasized that the president still wants to meet Brezhnev in New York City this June where Reagan will go to address a United Nations disarmament conference.

During a meeting with reporters in the Oval Office on April 4, Reagan urged Brezhnev to attend this meeting and suggested that the two of them meet while he was there. The 75-year-old Brezhnev, who is in ill health, rejected the offer two weeks later and called instead for the October summit in Europe.

Though Soviet leaders have many times expressed their interest in a genuine summit, there is no sign that they took the Reagan offer to meet in New York seriously. Even Reagan administration officials admit that it would be difficult to prepare for a June meeting in New York, especially since Reagan will spend the first part of the month on a long-planned trip to Europe.

An administration official said yesterday, however, that the president "liked the idea" of the New York meeting and wanted it known that he didn't consider the Soviet rejection to be final.

Speakes said yesterday that the president had not formally invited Brezhnev for the New York meeting. He said this would be done if Brezhnev accepted the U.N. invitation to attend the disarmament conference.

The imponderable in the behind-the-scenes maneuvering about the summit is Brezhnev's health. Administration officials privately acknowledge they don't know whether he would be able to withstand the rigors of either a trip to New York or an October summit in a neutral European country.

Administration officials also stressed the necessity of being "well-prepared" for any summit, a point that also has been made by the Soviets. This would seem to argue against any June meeting in favor of a later full-scale summit.

Both Austria and Ireland have been mentioned in discussions in the administration as possible sites for the prospective summit meeting.

Mr. SPECTER. It is my recommendation that efforts toward a summit ought to proceed forthwith, and such a summit meeting ought to be held at the earliest possible moment. It is my view that while Soviet behavior in the broader sense is, of course, critical, and obviously determinative of the success of any such summit talks, that there not be a linkage to any specific kind of Soviet conduct.

It is easy to find a reason at any time why such talks should not be held, and the reasons may have some very substantial weight.

The efforts on the SALT II ratification were thrown off by the Soviet invasion of Afghanistan. Doubtless, that was a good reason for reassessing the sincerity of the Soviet Union and reassessing the advisability of ratification of SALT II.

The efforts at arms reduction talks were similarly stymied in December 1981 as a result of the action by the Polish Government in imposing martial law and the background action of the Soviet Union.

It is my view, however, that while the conduct of the Soviet Union in such respects certainly must be considered and is a critical factor in determining the long-range success of any such summit talks, that we must proceed to talk and have such discussions notwithstanding such individual incidents.

Mr. President, on April 17, in one of his 5-minute radio addresses, President Reagan cast some doubt of his intention to have an early summit meeting when he said that the United States would not be ready for arms talks until we were stronger. With that statement, Mr. President, I respectfully disagree. Starting to talk and continuing to acquire strength are not mutually exclusive. Just as we should not wait to become stronger, we should not wait to talk. The efforts which we are beginning in our deliberations here today on a Department of Defense authorization bill are of vital importance. In that April 17 speech, the President said:

> If steps are not taken to modernize our defenses, the United States will progressively lose the ability to deter the Soviet Union from employing force and threats of force against us and against our allies.

Mr. President, with that statement, I agree. Last year, I joined with an overwhelming Senate majority in voting for the B-1 bomber, the MX missile, and the President's strengthened overall military budget.

While there must continue to be a close analysis of military spending, like all Government spending, after deliberations on the Department of Defense authorization bill, I am prepared to support the President's call for stronger defense. The President has also recognized that a great deterrent force without projected arms reduction is insufficient. Last year, he proposed a bold plan for eliminating theater nuclear weapons from Europe. In the April 17 speech, he said:

> For those who protest nuclear war, I can only say that I am with you.

The support for the protests against nuclear war will certainly be met by the summit talks which this amendment calls for.

In the April 17 speech, Mr. President, President Reagan further questioned the advisability of summit talks until we had achieved parity.

President Reagan said that there would be no winner in a nuclear war. When one nation has sufficient nuclear force to destroy the other nation, there is no such thing as superiority, even though one nation may have a larger arsenal. The debate on superiority or parity belongs to the eras between the dinosaurs and conventional warfare. In the nuclear age, all nations are inferior, as that term is realistically defined to mean that any nation is subject to destruction by the force of another nation.

The Soviet Union is inferior to the United States, the United States is inferior to the Soviet Union, and it may not be long, as that term is now defined, before both superpowers, the United States and the Soviet Union, will be inferior to the likes of Iraq or Libya.

It is, in my judgment, not a sufficient answer to say that we shall await parity before talks are initiated or before there are summit talks between President Reagan and President Brezhnev. It is questionable what parity means. It is even more questionable when any such parity can be obtained.

Mr. President, in the partnership between the executive and legislative branches, it is, of course, appropriate for the Senate to take extensive advice from the executive, as we have, on how much to authorize for fiscal year

1983 expenditures for national defense in the Department of Defense authorization bill. It is my thought that it is appropriate, in turn, for the U.S. Senate to offer its advice to the executive branch on the need for prospective treaties for arms control.

Mr. TOWER. Will the Senator yield at that point?

Mr. SPECTER. Yes, I yield.

Mr. TOWER. Have there been any hearings on the Senator's amendment?

Mr. SPECTER. There have not been, Mr. President.

Mr. TOWER. Does the administration support that amendment?

Mr. SPECTER. I have had no response to my letter of April 14.

Mr. TOWER. Mr. President, I believe that I can say that the administration does not. It seems to me, Mr. President, that if we are going to do business on negotiating arms reduction, we should not try to force some initiative on the President without giving the administration an opportunity to be heard. It occurs to me that the Senator from Pennsylvania wants to force the President to abandon his timetable and substitute snap judgment on the Senate floor for the President's judgment, without even having a hearing.

It also occurs to me that this is not the proper bill to put this on. I disagree with what is suggested by the Senator from Pennsylvania, that the United States is responsible for the arms race in the first place. The Soviet Union, in my view, is responsible, not the United States.

Mr. SPECTER. Mr. President, the Sentor from Texas must have misunderstood me if he thought there was any suggestion in what I said that the United States was responsible for the arms race, because I said no such thing.

Mr. TOWER. Then may I ask a question?

Mr. SPECTER. Just a minute, Mr. President. I have the floor and I propose to respond to the questions the Senator has asked. Then I shall be glad to yield for an additional question.

Mr. TOWER. Very well, Mr. President.

Mr. SPECTER. Mr. President, it is my view that to state that it is the Senate's view that there should be a summit talk is not to dictate in any sense of the word to the executive branch. We are being called upon to vote on a very extensive Department of Defense authorization here. It has very extensive expenditures on nuclear weapons. It seems to me appropriate at the time that we undertake that consideration that we should have—obviously, we have the right to say whatever we choose—but it would be appropriate in that context for us to say to the executive branch that, while we support it on these requests for defense authorization for nuclear weapons, at the same time, we believe that summit talks ought to proceed and ought to proceed promptly.

This is a matter which has attracted considerable national and international attention since the 1980 campaign. There have been comments made about such summit talks. There have been disclaimers on such summit talks. There have been statements that we shall await parity, which might take many years, even more. So in this context, it is an appropriate thing for us to give our opinion.

Mr. TOWER. Is the Senator aware that President Reagan proposed a summit in June and Brezhnev refused? Now the Senator is insisting that the President crawl to Brezhnev again and ask for an immediate summit. It seems to me the Senator's resolution would be better advised if it were addressed to President Brezhnev, asking him to respond in a timely fashion to the many invitations extended by the President of the United States.

Why would the Senator from Pennsylvania insist on bypassing or subordinating the criteria the President has established? That is, that such a summit be carefully prepared, that it be justified by the overall relationship between the two countries and that it hold out some promise of a positive result? The President has already expressed his decision to go to such a conference. It seems to me this is a slap at the President and a vote of no confidence in the President.

Mr. SPECTER. Mr. President, it is, in my view, a misinterpretation and an attempt to make an inflammatory statement as to what I have proposed to characterize it in those terms. There is every legitimate opportunity for appropriate comment from a Senator, or from the Senate in a resolution of this sort to make a suggestion on a matter of this kind. When the Senator from Texas refers to the criteria, it is my view that there has been adequate time for such careful preparation or there still could be between the present date and the time such a summit would be held.

The second criteria, that there would have to be justifications by the overall state of our relations at the time, at least in my judgment, is within the ambit of realism. And, third, that there should be reasonable prospects for positive results again is a criteria which in my judgment is realistically met.

But in my view, further delays are not justified and it is within the range of responsibility and appropriate conduct of this body to express its own opinion to the President on these subjects in this context which is respectful, which is suggestive, which is not in any way, shape or form a slight.

Mr. WARNER. Mr. President, I thought the Senator yielded.

Mr. SPECTER. I will be glad to yield for a question. I did not yield the floor.

Mr. WARNER. I did not wish to interrupt the distinguished Senator from Pennsylvania. I heard a pause in his voice. I will wait until I can address the Senator's resolution.

Mr. SPECTER. Overall, Mr. President, this amendment is being offered in the context of a most respectful suggestion to President Reagan. It is not being offered precipitously here this afternoon. It is offered after a great deal of thought and after a letter, as previously delineated, of April 14 of this year, after the introduction of the resolution on April 19, after sending the resolution and my floor statement to the Secretary of State, the Secretary of Defense, and the National Security Adviser.

So that the matter has been thought through with some care, and in my view a most appropriate consideration at a time when we are being called upon to make the very material commitments that this Department of Defense authorization bill calls for.

I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, if I may, I inquire of the managers of the bill and other Senators how much longer they wish to proceed tonight.

There are commitments that have to be fulfilled away from the Capitol, and I had planned to recess at about 6 o'clock this evening.

Mr. PERCY. I would take less than that time.

Mr. BAKER. On the bill?

Mr. PERCY. On this amendment. I need about 3 or 4 minutes to respond to Senator SPECTER and that would be all I would need.

Mr. WARNER. Three.

Mr. BAKER. Very good. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I have a great deal of respect for what Senator SPECTER is attempting to do here in focusing attention on a problem that we face as a nation and that we face as humanity. When you have two buttons in the world, one in Moscow and one in Washington and two men with the power to press them and they have not met, then they ought to meet and talk about the most important single subject that has faced mankind, whether we are going to move in a direction where we might exterminate ourselves.

I have long felt that this meeting should be held. As the Senator knows, I have publicly called for an early summit meeting. I have talked to the administration about this on any

number of occasions for the past year. So I concur with the principle that is being espoused.

In response to a question raised by the distinguished chairman of the Armed Services Committee as to whether hearings have been held, there was a negative response from the Senator from Pennsylvania. Ten separate resolutions have now been put in on arms control. All 10 resolutions have been referred to the Foreign Relations Committee. The Senator's resolution, which is one of these 10 resolutions, is before the committee. We have a series of four hearings on the resolutions scheduled and two hearings have already been held. I believe the staff has discussed with the Senator from Pennsylvania his testifying on his resolution, though in the judgment of the Senator from Illinois this question is now a moot question in that Senator BAKER and I, when we met with Secretary Haig a couple weeks ago, talked with him about it. The President has subsequently decided that a call for a summit was in order, and he made that call and asked for a meeting in June.

The Soviets have come back and asked for a meeting in October some place in Europe rather than in New York. I saw Ambassador Dobrynin, the distinguished envoy from the Soviet Union, on Friday and talked with him about some of the subjects that may be discussed at such a summit, though I am not setting an agenda for it. I just wanted to express a viewpoint and to learn their views about the feasibility of a summit meeting. I believe the President has responded very positively to the idea behind the Senator's amendment. The committee is going to be acting on all of the resolutions before it, and we hope to agree on a resolution that would embrace many of the ideas that have been introduced.

If during debate on this bill we accept or have a vote on one arms control amendment, then nine other Senators who have similar amendments, including the Senator from Illinois, would wonder why we should not vote on their resolutions. They do not belong on this bill. This is not the right bill to put them on. Such resolutions are properly referred to the Foreign Relations Committee, and a resolution will come out of the Foreign Relations Committee. We cordially invite the distinguished Senator from Pennsylvania to work with us in committee, but we do hope that he would withdraw his amendment so it would not establish a precedent for nine other resolutions to be debated and voted on over here, which would really take an interminable length of time, because this a very complex subject. I yield the floor.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Is the Senator from Texas willing for me to put us in morning business now so that we can conclude the day's activities? I will yield the floor if he wishes to proceed.

UP AMENDMENT 903

(Subsequently numbered amendment No. 1398.)

Mr. TOWER. Mr. President, I send to the desk an amendment to the amendment of the Senator from Pennsylvania and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated: the bill clerk read as follows:

Delete subparagraph (b) and substitute therefor:

(b) it is the sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I was about to inquire if we could go into morning business, and I was beaten to the punch, but I am going to renew that request. If any Member wishes to debate the pending question, which I gather now is a second-degree amendment to the Specter amendment, I, of course, will accommodate them. But I announced earlier that we would close at about 6 o'clock, and I prefer to put us in morning business at this time so that we can do that.

Mr. TOWER. Mr. President, I have no objection.

Mr. BAKER. I thank the Senator from Pennsylvania and the Senator from Texas.

Mr. WARNER. Mr. President, I will forebear the remarks I was desiring to offer tonight.

Mr. BAKER. I am grateful.

Mr. SPECTER. I have no objection. We can continue on this matter in the morning as well.

Mr. BAKER. I thank all Senators.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I suggest an absence of a quorum.

The PRESIDING OFFICER (Mr. RUDMAN). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are a number of routine items that might be disposed of this evening, but I will not do that, in deference to the commitment of many Senators to attend an event that will start in less than 30 minutes and is off Capitol Hill.

There are two matters I should like to do, and I hope both are agreeable to the distinguished minority leader and other Senators.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, not to extend past 6:05 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CLEAN AIR WEEK

Mr. BAKER. Mr. President, I sent to the desk a joint resolution on behalf of the distinguished Senator from Vermont (Mr. STAFFORD), for himself and for other Senators.

The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (Senate Joint Resolution 195) designating the week of May 2, 1982 through May 9, 1982, as "National Clean Air Week."

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of this resolution.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. There is no objection.

The PRESIDING OFFICER. Without objection, the resolution will be considered as having been read the second time at length, and the Senate will proceed to its consideration.

The Senate proceeded to consider the joint resolution, which was submitted on behalf of the following Senators: Mr. STAFFORD, Mr. BAKER, Mr. THURMOND, Mr. RANDOLPH, Mr. CHAFEE, Mr. MITCHELL, Mr. GORTON, Mr. BAUCUS, Mr. TSONGAS, Mr. DANFORTH, Mr. ABDNOR, Mr. DECONCINI, Mr. FORD, Mr. EAGLETON, Mr. LUGAR, Mr. RUDMAN, Mr. WEICKER, Mr. SARBANES, Mr. MURKOWSKI, Mr. SASSER, Mr. PELL, Mr. D'AMATO, Mr. MATHIAS, Mr. QUAYLE, Mr. JACKSON, Mr. EXON, Mr. DURENBERGER, Mr. ROTH, Mr. CHILES, Mr. PRYOR, Mr. MATSUNAGA, Mr. DIXON, Mr. CRANSTON, Mr. BUMPERS, and Mr. ROBERT C. BYRD.

Mr. STAFFORD. Mr. President, despite a decade of progress toward clean air, for the 70 million Americans most at risk—principally the young, the elderly, and the infirm—whether the air will be fit to breathe remains a day-to-day proposition.

This is National Clean Air Week, proclaimed by the American Lung Association. In Washington and throughout the United States, chapters of the Lung Association will be celebrating

how far we have come in controlling air pollution.

But this is also time to look forward to a largely incomplete and formidable task. Although we made substantial gains, much remains to be done. For example—

According to Lung Association estimates, as of August 31, 1981, 620 U.S. counties with a population in excess of 154 million people had air quality which failed to meet Federal health standards.

The air in most of the Eastern United States, the larger cities in the Midwest, and about one-half of California continues to have oxidant—a pollutant caused in part by automotive exhaust gases—levels which are unhealthy.

In the industrial Midwest, large powerplants produce only 17 percent of the Nation's coal-fired electricity, but about 45 percent of the sulphur dioxide, a colorless gas created by burning coal. This sulfur dioxide produces acid rain, which is rapidly emerging as an environmental problem of enormous proportions because it kills lakes and streams in the Northeast and upper Midwest.

Although dozens of cities have made great progress toward controlling carbon monoxide—almost 90 percent of which is produced by autos—our ability to retain this momentum depends on keeping tough exhaust controls and local inspection and maintenance programs to assure that cars are running correctly.

This is a time when air pollution laws are under attack by powerful interests who wish to blame those laws for the plight of the steel, auto, utility, and other domestic industries. Respected commentators and analysts, including the Congressional Budget Office, the Brookings Institution, and the National Commission on Air Quality have repeatedly rejected these contentions. A recent Brookings Institution report, for example, called the Clean Air Act "little more than an irritant" in the context of the national economy.

"Environmental policy has been the whipping boy for other social ills," the Brookings report concluded.

Despite these and similar findings and despite the strong public support for our air pollution laws, the possibility for substantial weakening remains real. That is in part because too few realize the enormity of the stakes in this debate.

The Clean Air Act is frequently described by its industrial critics as protecting only a tiny segment of the population. An examination of the facts tells us that we should count those protected by the law in the tens of millions, not the tens of thousands which some would have us believe.

For four common pollutants, for example, the following groups are at risk, and I ask unanimous that a table containing this information be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pollutant	Sensitive population	Number of persons in sensitive population	Percent of total United States	Health effects
Ozone	Asthmatics and others with reactive airways	6,000,000 to 10,000,000	3 to 5 percent	Irritates mucous membranes of respiratory system, causing coughing, choking, impaired lung function, reduced resistance to colds and serious diseases such as pneumonia; can aggravate chronic heart disease, asthma, bronchitis, emphysema.
Carbon monoxide	Those with known or suspected coronary heart disease.	5,500,000	5 percent of adult population	Interferes with blood's ability to absorb oxygen, thus impairing perception and thinking, slowing reflexes and causing drowsiness, unconsciousness and death. CO inhaled by pregnant women may threaten the unborn child's growth and mental development. Long-term exposure is suspected of aggravating arteriosclerosis and vascular disease.
	Those with atherosclerosis	700,000	0.34 percent	Do.
	Those who die from sudden cardiac arrest	400,000 per year	0.20 percent	Do.
Lead	Children less than 5 yr. of age	20,000,000 total in United States; 12,000,000 in urban areas; 5,000,000 in center cities.	8 percent of total population	Affects blood-forming, reproductive, nervous and kidney systems; can accumulate in bone and other tissues, posing a health hazard even after exposure has ended. Children are particularly susceptible, and behavioral abnormalities including hyperactivity and decreased learning ability have recently been demonstrated.
Particulates	Children, asthmatics, obligatory mouth breathers, and those with genetic susceptibility to lung disease.	Approximately 50,000,000	20 percent	Can carry heavy metals and cancer-causing organic compounds into the deepest most senstive parts of the lung; with SO_x can increase incidence and severity of respiratory diseases.

Mr. STAFFORD. Mr. President, numbers, however, do not tell the full story. Only after listening to a tearful mother describe how she can tell the concentration of pollution by the labored breathing of her asthmatic 3-year-old daughter can you understand the importance of these laws to Americans.

The truth is that Americans have made a legal and moral commitment to strong air pollution laws for the sake of protecting themselves. All of the facts indicate that these laws bear at most a minor relationship to health of domestic industry. But even if they did, the laws constitute a decision by the American people that some values are too precious to be placed on the auction block of the marketplace.

Some day the time may come when that fundamental decision is reexamined and, perhaps, set aside. But for the time being we have laws which say that life and its quality are more important than dollars in our society.

It is celebrations such as National Clean Air Week which remind us not only of the decision, but the very real stakes in terms of life and health.

So as the local and State chapters convene their meetings, this is one U.S. Senator who salutes them with their own words: "It's a matter of life and breath."

The joint resolution (S.J. Res. 195) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 195

Whereas the air quality of the United States is an invaluable natural resource and heritage;

Whereas the attainment and maintenance of clean air standards is important to the health of the citizens of the United States, particularly the young, the elderly, and the infirm;

Whereas the maintenance of clean air is a valuable part of the quality of life of the citizens of the United States; and,

Whereas the United States and its citizens are committed to attainment and maintenance of clean air: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week", and calling upon the people of the United States to observe the week with appropriate programs, ceremonies and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there is one other item I have not yet had an opportunity to discuss with the distinguished minority leader, but there is one item on today's Executive Calendar that I should like to consider by unanimous consent, if he is agreeable, and that is item No. 737, under "Department of Justice," on page 3, the

nomination of William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma.

Mr. ROBERT C. BYRD. Mr. President, there is no objection to the confirmation of that nomination.

Mr. BAKER. I thank the minority leader. I am sure the Senators from Oklahoma thank him as well.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The bill clerk read the nomination of William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

The PRESIDING OFFICER. Without objection, the nomination is considerd and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

AMBASSADOR RICHARD GARDNER ON THE FUTURE OF THE UNITED NATIONS

Mr. CRANSTON. Mr. President, a thoughtful and clear analysis of the U.S. interests in the United Nations was recently offered to our House colleagues by a distinguished American, Richard Gardner. Ambassador Gardner carefully examines, in his testimony, the clear U.S. national interest in the growth of the United Nations system. Gardner quotes then Ambassador Adlai Stevenson on this essential point:

In the second half of the twentieth century, the U.N. is a plain necessity, a primitive but essential beginning of a system of world order. It is not a substitute for a strong defense, for a strong Atlantic Community, for alliances, or for bilateral, nation-to-nation diplomacy. But it is indispensable as one of the mutually reinforcing instruments of peaceful change in a world that is bound to change and had better do it in peace.

Mr. President, I commend Ambassador Gardner's testimony to my colleagues' attention and ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

PREPARED STATEMENT OF RICHARD N. GARDNER

My name is Richard N. Gardner. I hold the Henry L. Moses chair of Law and International Organization at Columbia University. I recently returned to teaching after four years as U.S. Ambassador to Italy. I have been asssociated with the United Nations for over twenty years in such capacities as Deputy Assistant Secretary of State for International Organization Affairs from 1961 to 1965, as a Senior Advisor to the U.S. delegation to the UN from 1965 to 1967, and as the U.S. member and Rapporteur of the Group of High Level Experts appointed by the Secretary-General on the restructuring of the UN in 1975. During my recent term as U.S. Ambassador to Italy, I was responsible for supervising U.S. participation in the Food and Agriculture Organization and other UN food agencies based in Rome.

I wish to thank you for this opportunity to testify on U.S. policy toward the United Nations. The United Nations is a controversial subject. A larger portion of the American public is unhappy about what goes on there. UN members often behave irresponsibly. Many are implacably hostile to Israel. Many use the UN to make demagogic speeches with one-sided economic demands on the industrialized countries. Many demonstrate a double standard on human rights. Some of the votes in the General Assembly are deeply offensive to us and aggravate international tensions.

I have always argued that we should look at the UN in unsentimental, practical terms, as an instrument of U.S. foreign policy. The central question is—does our participation in the United Nations serve our national interest? In answering this question, I believe we should bear in mind the following considerations:

First, we should distinguish between the difficulties we are facing that are caused by the policies of UN members and the difficulties that are due to the United Nations as an organization. If a majority of UN members disagree with our foreign policy—in the Middle East, in Southern Africa, on so-called North-South economic issues—that is not the fault of the United Nations. It may reflect divergencies between the interest of the UN members and those of the United States—or possibly misperceptions of national interest on their side or on ours—but the fault cannot be laid at the door of the UN as an organization.

Second, we should distinguish between UN rhetoric, as expressed in the General Assembly and some of its organs, and UN operations of a peacekeeping, economic, or humanitarian character. The rhetoric may be offensive—even, as in the case of the Zionism-equals-racism resolution—obscene. It represents a "letting off of steam", sometimes harmful, sometimes therapeutic in the sense that it enables governments to avoid resort to disruptive actions outside the UN which would have a much more dangerous effect on peace and security than their speeches and votes in the General Assembly. But it is the UN's operations—its mediators and men in blue helmets in world trouble spots, its work in helping countries grow food, limit population growth, protect the environment, find new sources of energy, alleviate mass poverty, cope with refugees—that make by far the most practical difference in terms of the national interest of our country.

Third, it is only when we consider the UN's operations as well as the UN's rhetoric, it is only when we consider what is actually done in the real world by the UN as well as the words that are spoken at the UN, that we are able to make a realistic balance sheet of the pluses and minuses for our country. Let's consider a few examples. When Henry Kissinger sought a cease-fire and disengagement of forces between Israel and Syria and Israel and Egypt after the 1973 war, he quickly found that he needed the United Nations. Had there been no men in blue helmets available, no UN Disengagement Observer Force (UNDOF), Henry Kissinger, with all his diplomatic agility, could not have succeeded. More recently, when Ambassador Philip Habib sought to arrange a cease-fire in Lebanon, he needed the UN to secure the agreement of the PLO, since U.S. policy would not permit him to negotiate with that organization. That cease-fire has been maintained ever since—to be sure, with less than complete success—by other men in blue helmets known as UNIFIL. If it were not for the UN force in Cyprus and the ongoing mediation effort of the UN, war between Greece and Turkey would be much more likely. And there would be no prospect for a peaceful resolution of the problem of Namibia were it not for the peace effort being pursued through the United Nations and the prospect that UN troops could eventually supervise the transition to independence.

The above are practical examples in the field of peace and security. In the non-political area, which accounts for ninety percent of the UN budget and the vast majority of UN activities, the case is just as clear. The International Monetary Fund, the World Bank, and the General Agreement on Tariffs and Trade, to take only the most obvious examples, have provided vitally needed negotiating forums, indispensable rules of the game, and (in the case of the first two organizations) significant financial resources to cope with the world's most serious economic problems. The World Bank Group is making available well over ten billion dollars a year on projects which serve U.S. interests as well as those of the developing countries concerned. The value of the World Bank Group is not only that for every one dollar supplied by the U.S. for the World Bank Group's concessional lending at least three dollars are made available by others; it resides in the fact that these international institutions are in many cases better able politically to bring about those domestic reforms and policy changes that are indispensable to assure that the money is effectively used. The same point can be made with respect to the UN Development Program, the United Nations Children's Fund and the UN Funds for Population and Environment.

I am not saying that the United Nations should be free from criticism. Having been associated with the world organization in one way or another for over twenty years, I could provide a long list of UN failures and weaknesses which need to be remedied. Nor would I disagree with those who say that the UN has in some cases "made things

worse". My central point, however, is that when we look at the activities of the United Nations as a whole, the evidence leads us to the unavoidable conclusion that the advantages of the UN to our national interest outweigh the disadvantages.

To form a mature judgment about the United Nations, we must look at the entire record and ask the question: What is the alternative? For example:

Would the Communists have fared better or worse in their efforts to divert the independence movement into a Communist mould—the supreme opportunity for them to extend their power—if the United Nations had not existed?

Would the North Atlantic countries have had greater or fewer resources for communicating effectively with the less developed countries after their independence, if the United Nations had not existed?

Would the prospects of peace have been better or worse—in the Middle East, in Cyprus, in Kashmir, in the Congo, in Southern Africa—if there had been no United Nations during the past thirty years?

I believe that the answers to these questions are clear.

The remedy for our present complaints about the UN is not to downgrade our participation but to upgrade it. This would mean, among other things:

Developing a coherent government-wide position on just what we want from the UN and how we propose to achieve it;

Staffing our UN Mission, the State Department's Bureau of International Organization Affairs, and delegations to multilateral conferences with men and women of outstanding professional qualifications and experience in multilateral diplomacy;

Much greater use of our diplomatic strength in world capitals in support of UN positions we believe in;

Prudent increases, rather than meat-axe reductions, in our participation in UN programs financed by voluntary contributions that serve our own as well as the general interest;

A more imaginative approach to the "world economic bargain" that needs to be struck with the developing countries;

And a serious search for reforms in UN procedures and decision-making of the kind outlined in my article entitled "The Hard Road to World Order", in Foreign Affairs, April 1974. With your permission, the relevant portions of that article will be submitted for the record at the conclusion of this statement.

For much too long, our national foreign policy debate has posed "balance of power politics" and "world order politics" as incompatible alternatives. In fact, what we need is both. We need a strong national defense to resist Soviet threats to ourselves and our allies. We also need a strong United Nations system to help us avoid war and to advance the economic and social condition of mankind. This central point has been made by many people, but perhaps never so well as by Adlai Stevenson. As he put it, while Ambassador to the United Nations, back in 1964:

"In the second half of the twentieth century, the U.N. is a plain necessity, a primitive but essential beginning of a system of world order. It is not a substitute for a strong defense, for a strong Atlantic Community, for alliances, or for bilateral, nation-to-nation diplomacy. But it is indispensable as one of the mutually reinforcing instruments of peaceful change in a world that is bound to change and had better do it in peace."

That summary of the U.S. national interest in the U.N. seems to me as valid today as it was nearly twenty years ago.

RESTORE FUNDS TO EPA SO IT CAN DO THE JOB

Mr. PELL. Mr. President, I have asked to be added as a cosponsor of Senate Resolution 359, which expresses the sense of the Senate that President Reagan should submit a new fiscal year 1983 budget that adequately reflects the agency's expanded responsibilities.

The Reagan administration has proposed cuts in EPA's budget that are, in my view, shortsighted and dangerous. We cannot put smoke back in the stack or hazardous waste back in the drum. Every delay becomes more costly to the taxpayer and increases the risks we are taking with the health of our citizens.

EPA's operating budget has declined from $1,353 million in fiscal year 1981 to the administration's current request of $961.4 million for fiscal year 1983, with even more reductions contemplated in subsequent years. This shrinking funding has been accompanied by a rapidly increasing workload of major responsibilities mandated by Congress.

These increased responsibilities in protecting the environment, safety, and health of our citizens were mandated under the Clean Water Act, the Federal Water Pollution Act, the Federal Insecticide, Fungicide, and Rodenticide Act, the Marine Protection, Research, and Sanctuaries Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Toxic Substances Control Act, and the Comprehensive Environmental Response, Compensation, and Liability Act.

Congress has given EPA the responsibility for our Nation's major attacks on the pollution that threatens our health—the contamination of our air and water, and even the contamination of the ground itself, by our chemicals and wastes.

The entire operating budget for EPA is roughly one-tenth the cost of building and preparing to defend a single new aircraft carrier, but the Reagan administration wants two more carriers and a lot less EPA. We already have 13 carriers—large, slow-moving targets—and a rapidly sinking EPA.

While the military defense budget is growing bloated, our environmental defense budget is shrinking dangerously. The Reagan administration has proposed cuts totaling 39 percent in EPA's operating budget since 1981. Those cuts go beyond any fat, they cut away essential muscles and scrape the bone.

Those who would weaken or repeal our environmental laws, developed painstakingly over more than the past decade for the protection of our citizens, may be afraid to try a frontal assault but they should not be permitted to succeed through the back door of the budget process.

PAPERWORK REDUCTION

Mr. HATCH. Mr. President, in his campaign, President Reagan promised to reduce the excessive amount of burdensome regulations imposed on the economy thwarting the best of our Nation's resources. While the administration has begun this long-overdue effort to eliminate these excesses of big government, much more remains to be done. I am confident that the administration will continue to make every effort to identify the useless regulations and eliminate them.

However, not all of the troops in battle against the overabundance of Federal paperwork and redtape are drawn from the ranks of Government bureaucrats themselves. There are some independent efforts made to reduce the Federal requirements on the private sector.

On such individual is Alvin L. Hoffman, publisher of Construction Economics, a Washington-based publication which has been saying for several years that salvation from the often unnecessary Federal paperwork imposed on business and industries will have to come from non-Government sources. Hoffman has organized several paperwork reduction and regulatory reform conferences and now is thinking of another one in a few months, which will assess just what the Reagan administration is doing to solve the problem.

Mr. President, I ask unanimous consent that the following editorial be placed in the RECORD which describes the outstanding efforts of one individual in helping the President achieve his goal of reducing the excessive paperwork and overregulation placed on businesses.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Indianapolis News, Sat., Feb. 20, 1982]

MAN WHO FIGHTS BACK

Not all the troops in the battle against the overabundance of Federal paperwork and red tape are drawn from the ranks of government bureaucrats themselves.

There are some independent efforts being made to reduce the Federal requirements on the private sector. Complying with those paperwork regulations only adds to productivity costs and keeps inflation on the rise, those outside the government point out.

Alvin L. Hoffman, publisher of Construction Economics, a Washingon-based publication, has been writing for several years that "salvation" from the often unnecessary Federal paperwork imposed on businesses and industries will have to come from nongovernment sources.

Hoffman has organized several paperwork reduction and regulatory reform confer-

ences and now is thinking of another one in a few months to assess just what the Reagan administration is doing to solve the problem.

He has pointed out that one of President Reagan's campaign promises to Americans was "to get the government off your backs." It's time for an evaluation, the publisher says.

In getting persons outside government interested in reducing red tape, he says:

"Few association executives, chairmen or elected officers need to be reminded of the burden that a growing blizzard of government inspired paperwork is placing not only on their associations but on their members. Few executives and few members haven't had occasion to complain about this paperwork burden over the past few years. Some of the complaints have been extremely bitter, some have been factual, some have reached few ears outside of the associations."

He believes more businessmen should take their paperwork headaches directly to the heads of government agencies that require the compliance rather than just moaning among themselves about the expense and often unnecessary red tape.

But don't gripe, he advises business and labor leaders, just for the sake of griping. He adds:

"In order (1) to be heard, and (2) to get something done, the complaints can't be simply complaints. They must be backed by solid facts, real examples of problems, estimates of costs that can be supported . . . It is not enough to just view with alarm.'"

Hoffman believes associations that represent businesses and industries would be well advised to carry the ball on reporting paperwork excesses to officials of various Federal agencies.

"They are in daily contact with their own industries and are certainly aware of the problems posed for their members by the excessive paperwork demands of all levels of governments, able to arrive at logical answers and suggestions," he suggests.

How serious is this "blizzard" of Federal paperwork and over-regulation? Hoffman answers:

"The problem is enormous. It is costly. It is probably a major contributor to the inflationary spiral all businesses and all taxpaying citizens are facing today. Answers and reductions can make a tremendous difference."

He quotes figures from various economists who estimate the annual cost to general industry for compliance with these paperwork requirements runs somewhere between $28 billion and $100 billion a year.

Hoffman's campaign against paperwork and regulation is on a rather modest scale in his Construction Economics and the seminars he's organized on the subject.

Some business and labor leaders remember him though, as one of the first men outside the oil industry who was predicting back in 1972 that this nation was facing a critical oil shortage and eventual energy crisis.

MESSAGES FROM THE HOUSE

At 11:39 a.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker appoints Mr. YOUNG of Florida a conferee in the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4) entitled "An Act to amend the National Security Act of 1947 to prohibit the unauthorized disclosure of information identifying certain U.S. intelligence officers, agents, informants, and sources," vice Mr. Ashbrook, deceased.

The message also announced that pursuant to the provisions of section 4(b) of Public Law 94-201, the Speaker appoints Doctor Jeanne Guillemin of Cambridge, Mass., from private life, to the Board of Trustees of the American Folklife Center in the Library of Congress for a term ending March 3, 1988.

ENROLLED BILLS SIGNED

At 5:27 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3357. A communication from the Comptroller General of the United States transmitting, pursuant to law, notice of an agreement for the provision of access to certain records at the Drug Enforcement Administration of the Department of Justice; jointly, pursuant to the order of January 30, 1975, to the Committee on Appropriations, the Committee on the Budget, and the Committee on Governmental Affairs.

EC-3358. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Egypt; to the Committee on Armed Services.

EC-3359. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, notice of a decision made to convert the storage and warehousing activity at Fort Leavenworth, Kans., to performance under contract; to the Committee on Armed Services.

EC-3360. A communication from the Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, notice of a decision made to convert the keypunch function at the Public Works Center, San Diego, Calif., to performance under contract; to the Committee on Armed Services.

EC-3361. A communication from the Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a proposed foreign military sale to Israel; to the Committee on Armed Services.

EC-3362. A communication from the Acting Assistant Secretary of the Air Force for Research, Development, and Logistics transmitting, pursuant to law, notice of a decision made to convert the transient aircraft services function at Barksdale Air Force Base, La. to performance under contract; to the Committee on Armed Services.

EC-3363. A communication from the Assistant Secretary of the Air Force for Research, Development, and Logistics transmitting, pursuant to law, a report on a decision made to convert the base information transfer center function at Wright-Patterson Air Force Base to performance under contract; to the Committee on Armed Services.

EC-3364. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, notice of Presidential determinations to lease UH-1H Helicopters to New Zealand and the lease of one TA-7C aircraft (less engine) to Portugal; to the Committee on Armed Services.

EC-3365. A communication from the President of the United States transmitting, pursuant to law, certain conclusions and recommendations relative to certain new and proposed combat ships; to the Committee on Armed Services.

EC-3366. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "DOD's Unaccompanied Enlisted Personnel Housing—Better Living Conditions and Reduced Costs Possible"; to the Committee on Armed Services.

EC-3367. A communication from the Acting Comptroller of the Currency transmitting, pursuant to law, the annual report on the Consumer Activities of the Comptroller of the Currency for calendar year 1981; to the Committee on Commerce, Science, and Transportation.

EC-3368. A communication from the Chief of the Washington Office of the U.S. Forest Service transmitting, pursuant to law, notice that certain legal descriptions and maps of 14 wildernesses in Alaska have been transmitted directly to the chairman of the Senate Committee on Energy and Natural Resources; to the Committee on Energy and Natural Resources.

EC-3369. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "State Energy Conservation Program Needs Reassessing"; to the Committee on Energy and Natural Resources.

EC-3370. A communication from the Secretary of Energy transmitting, pursuant to law, a report on the size of the Strategic Petroleum Reserve; to the Committee on Energy and Natural Resources.

EC-3371. A communication from the Commissioner of the Bureau of Reclamation transmitting, pursuant to law, a report on construction of modifications to Lahontan Dam, Newlands project, Nevada; to the Committee on Energy and Natural Resources.

EC-3372. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on actions being taken to prevent payments being made under title II of the Social Security Act to deceased individuals; to the Committee on Finance.

EC-3373. A communication from the Comptroller General of the United States transmitting, pursuant to law, a summary report entitled "Removing Tiering From the Revenue Sharing Formula Would Eliminate

Payment Inequities to Local Governments; to the Committee on Finance.

EC-3374. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Discontinuing Social Security's Currently Insured Benefit Provision Would Save Millions and Eliminate Inequities"; to the Committee on Finance.

EC-3375. A communication from the Director of the Office of Legislative Affairs of the Agency for International Development transmitting, pursuant to law, the report of the Minority Resource Center for fiscal year 1981; to the Committee on Foreign Relations.

EC-3376. A communication from the Acting Director of the National Park Service transmitting, pursuant to law, a report covering the disposal of surplus Federal real property for parks and recreation purposes for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3377. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3378. A communication from the Executive Vice President and Chief Administrative Officer of the Federal Home Loan Mortgage Corporation, transmitting, pursuant to law, the annual report for the Federal Home Loan Mortgage Corporation Employees' Pension Trust for calendar year 1980; to the Committee on Governmental Affairs.

EC-3380. A communication from the Assistant Secretary of the Treasury (Administration), transmitting, pursuant to law, a proposed new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3381. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the annual report of the Corporation on compliance with the Government in the Sunshine Act for calendar year 1981; to the Committee on Governmental Affairs.

EC-3382. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Status of Major Acquisitions As of September 30, 1981: Better Reporting Essential To Controlling Cost Growth"; to the Committee on Governmental Affairs.

EC-3383. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the annual report on depository activities for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3384. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a copy of the annual report of the Advisory Neighborhood Commission for fiscal year 1981; to the Committee on Governmental Affairs.

EC-3385. A communication from the Chairman of the District of Columbia Council transmitting, pursuant to law, a copy of an act of the Council, D.C. Act 4-179; to the Committee on Governmental Affairs.

EC-3386. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on April 6, 1982; to the Committee on Governmental Affairs.

EC-3387. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on March 23, 1982; to the Committee on Governmental Affairs.

EC-3388. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3389. A communication from the Chairperson of the National Advisory Council on Indian Education, transmitting, pursuant to law, the annual report of the Council entitled "Indian Education: America's Unpaid Debt", dated June 1982; to the Select Committee on Indian Affairs.

EC-3390. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report of the Director on applications for court orders made to Federal and State judges to permit the interception of wire or oral communications during calendar year 1981; to the Committee on the Judiciary.

EC-3391. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act during calendar year 1981; to the Committee on the Judiciary.

EC-3392. A communication from the Chairman of the National Transportation Safety Board, Transmitting, pursuant to law, the annual report on the administration of the Freedom of Information Act for calendar year 1981; to the Committee on the Judiciary.

EC-3393. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Cooperative Education; to the Committee on Labor and Human Resources.

EC-3394. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the National Health Service Corps Scholarship Program for fiscal year 1981; to the Committee on Labor and Human Resources.

EC-3395. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Supplemental Funds Program for Cooperative Education; to the Committee on Labor and Human Resources.

EC-3396. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive program management plan for activities under the Ocean Thermal Energy Conversion Research, Development, and Demonstration Act; to the Committee on Energy and Natural Resources.

EC-3397. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, revised estimates of the President's fiscal year 1983 budget; to the Committee on the Budget.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Evan L. Hultman, of Iowa, to be U.S. Attorney for the Northern District of Iowa for the term of 4 years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 2474. A bill to amend the Internal Revenue Code of 1954 to expand the credit for university research; to the Committee on Finance.

S. 2475. A bill to amend the Internal Revenue Code of 1954 to expand the deduction for contributions of research equipment and service contracts to universities; to the Committee on Finance.

S. 2476. A bill to amend the Internal Revenue Code of 1954 to allow a credit for skilled occupation training; to the Committee Finance.

By Mr. GARN (for himself, Mr. McCLURE, Mr. LAXALT, Mr. HATCH, Mr. SYMMS, Mr. BURDICK, and Mr. GOLDWATER):

S. 2477. A bill to amend certain provisions of title I of the Clean Air Act; to the Committee on Environment and Public Work.

By Mrs. HAWKINS:

S. 2478. A bill to amend the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SYMMS (for himself, Mr. BENTSEN, Mr. BOREN, Mr. COHEN, Mr. HELMS, Mr. JEPSEN, Mr. JOHNSTON, Mr. MATHIAS, Mr. MATTINGLY, Mr. McCLURE, Mr. NUNN, and Mr. ZORINSKY):

S. 2479. A bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes; to the Committee on Finance.

By Mr. HAYAKAWA:

S. 2480. A bill to amend the Food Stamp Act of 1977; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. TOWER:

S. 2481. A bill to provide for the reinstatement and validation of United States oil and gas lease number W 61985; to the Committee on Energy and Natural Resources.

By Mr. HELMS (by request):

S. 2482. A bill to repeal that paragraph of the Act of March 4, 1913, that designates 10 percent of all National Forest receipts for the construction of roads and trails on the national forests (37 Stat. 843, as amended; 16 U.S.C. 501); to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIEGLE (for himself, Mr. CRANSTON and Mr. DODD):

S. 2483. A bill to limit certain authorities under the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. QUAYLE (for himself and Mr. TSONGAS):

S. 2484. A bill to amend the Agricultural Act of 1949 to repeal the price support program for the 1982 through 1985 crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GOLDWATER (for himself, Mr. GARN, and Mr. JACKSON):

S.J. Res. 194. Joint resolution to provide for the appointment of Nancy Hanks as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

By Mr. BAKER (for Mr. STAFFORD) (for himself, Mr. THURMOND, Mr. RANDOLPH, Mr. CHAFEE, Mr. MITCHELL, Mr. GORTON, Mr. BAUCUS, Mr. TSONGAS, Mr. DANFORTH, Mr. ABDNOR, Mr. DECONCINI, Mr. FORD, Mr. EAGLETON, Mr. LUGAR, Mr. RUDMAN, Mr. WEICKER, Mr. SARBANES, Mr. MURKOWSKI, Mr. SASSER, Mr. PELL, Mr. D'AMATO, Mr. MATHIAS, Mr. QUAYLE, Mr. JACKSON, Mr. EXON, Mr. DURENBERGER, Mr. ROTH, Mr. CHILES, Mr. PRYOR, Mr. MATSUNAGA, Mr. DIXON, Mr. CRANSTON, Mr. BUMPERS, and Mr. ROBERT C. BYRD):

S.J. Res. 195. Joint resolution designating the week of May 2, 1982 through May 9, 1982 as "National Clean Air Week"; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GLENN (for himself, Mr. TSONGAS, Mr. SARBANES, Mr. BIDEN, Mr. RIEGLE, Mr. MOYNIHAN, Mr. CANNON, Mr. LUGAR, Mr. BRADLEY, Mr. EXON, Mr. MELCHER, Mr. KENNEDY, Mr. HEFLIN, Mr. LEAHY, Mr. ZORINSKY, and Mr. JACKSON):

S. Con. Res. 89. Concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 2474. A bill to amend the Internal Revenue Code of 1954 to expand the credit for university research; to the Committee on Finance.

S. 2475. A bill to amend the Internal Revenue Code of 1954 to expand the deduction for contributions of research equipment and service contracts to universities; to the Committee on Finance.

S. 2476. A bill to amend the Internal Revenue Code of 1954 to allow a credit for skilled occupation training; to the Committee on Finance.

CRITICAL SKILLS DEVELOPMENT LEGISLATION

Mr. BENTSEN. Mr. President, I rise to introduce three bills designed to address a fundamental challenge confronting our economy—the looming shortage of skilled men and women able to operate the increasingly complicated devices being used across our Nation to produce goods and services. Almost 10 years ago, I established the capital formation caucus here in the Senate to explore the roots of our Nation's sagging productivity performance. That new concern attracted very little attention back then and, consequently, very little progress was made back in the early 1970's in attacking our productivity problem.

SAGGING PRODUCTIVITY

That lack of attention and action has haunted us many times over since then. Throughout the decade of the seventies, our Nation's productivity performance was dismal. In 3 of the last 4 years, in fact, it has actually declined. And, in that fourth year, it fell three of the four quarters.

Our trading competitors have not permitted their productivity to sag. On the contrary, they have used their rising productivity to rapidly expand market shares around the globe at our expense. Indeed, for the past decade, both Japan and Germany have consistently scored annual productivity gains four to six times greater than our own, and now threaten to supplant us as the world's productivity leader.

Our soggy productivity is largely responsible for our great difficulty in slowing inflation without adding to unemployment. With low or no productivity growth, any increase in wages or other input costs translates directly into higher prices. In fact, the tragic and seemingly unending recession afflicting our Nation today has its roots in our inability in recent years to score rapid productivity gains which would have been directly translated into less inflation. In my book, rising productivity is a far better solution to inflation than rising bankruptcies and unemployment lines.

SAVINGS AND INVESTMENT

Let me hasten to say, Mr. President, that Congress has not stood idly by while productivity repeatedly plunged into the red. Indeed, the Economic Recovery Tax Act passed last year will be looked upon in the future as a path-breaking event—one which reoriented our Nation toward balanced macroeconomic policies capable of tackling our productivity dilemma. The savings, investment, and R. & D. incentives in the ERTA will result in a substantial boost in the rate of capital formation in the United States as interest rates subside and the recession bottoms out. We will see a sharp rise in the quantity of capital goods available at the workbench. And, that will markedly boost the productivity of men, women, and youths at that workbench just as it has in Japan and Germany.

The heavy rate of capital formation in recent years in Japan and Germany has permitted those nations to renew their entire industrial base once a decade, or at about twice the turnover rate here. It is unrealistic to see our plodding rate of investment in new plant and equipment double to match their rate, but it is not at all unrealistic to see our rate of investment rise some 20 percent or 30 percent by 1985 as a result of the ERTA.

LAGGING HUMAN CAPITAL INVESTMENT

The incentives for increased savings and plant and equipment investment in ERTA were long overdue. But, they will not solve our productivity problem alone. Perhaps equally important to the quantity and quality of capital goods in the productivity growth process is the skills and knowledge brought by working men and women themselves to the workbench. Our Nation has long acknowledged that reality and has devoted substantial resources to the education and training of all our citizens, but with a major focus on youths. The use of national resources for such enrichment is viewed correctly as an investment in our future—just as the acquisition of new drill presses or computers is viewed by firms as an investment in their own future.

Our Nation's investment in human capital is in danger of falling behind the rapid evolution of technology being applied at the workbench. Indeed, if Department of Labor projections of labor demand, supply, and training capacity are to be believed, our Nation faces a shortfall of at least 2.5 million skilled workers this decade—a shortfall largely due to the burgeoning application of electronics to the plant and office. You will recall, Mr. President, that I explored implications of this prospective shortage in a series of seven speeches before this body last fall.

A shortfall of skilled men and women of this magnitude would be rectified in normal times with great difficulty. Employers would expand their already large commitment to on-the-job training and our Nation's schools, colleges, and vocational education institutions would expand. But the decade of the 1980's will not see a traditional expansion in the work force—an expansion from which youths can be drawn for training in these new technical skills. Indeed, with the demise of the baby boom and arrival of the baby bust generation this decade, the United States faces the prospect of increasingly tight labor markets and skill shortages as this decade progresses if robust economic growth is reattained. In fact, even a spotty growth record during the 1980's—similar to that scored in the past decade, for example—will see unemployment fall and remain at 5 percent or less by 1990—putting substantial pressure on employers to even find able and willing workers.

This demographic reality is not subject to Federal policy prescriptions involving greater work force participation by youths or women. Two out of three new labor market entrants this decade are already projected to be women. Even that remarkable statistic, however, is overshadowed by the reality that the number of youths turning 16 will decline every year

during the latter half of this decade. By 1990, there will only be three youths age 16 for every four today.

These demographic changes are striking and will magnify any skilled labor shortage. They point up the wisdom, as well, of broadening the target population groups being trained with Federal resources in our country. With the passing of the baby boom generation into their twenties and thirties, the pool of workers willing and available for training or retraining has changed, as well. This aging of our population and our declining labor force growth will force us to broaden the target age groups for training programs beyond just youths—as has already occurred in other developed economies experiencing the same demographic changes. Japan, West Germany, Sweden, and England, for example, all maintain substantial labor retraining programs for experienced or mature workers. Indeed, we are virtually at the bottom of the list in terms of resources devoted to retraining workers, just as we are in productivity growth.

A NATIONAL HUMAN CAPITAL PROGRAM

The aging of our work force, the shrinking number of youths entering the work force, the prospective shortages of skilled labor, and the rapid turnover in technology needed at the workplace all point toward the need for a broadening and a new direction in our Nation's labor training policy toward the training and retraining of men and women of all ages in increasing complex job skills. Before outlining parameters for this new direction in the development of our human capital, let me clarify why any Federal presence in this process is needed.

I do not doubt that most shortages of particular labor skills will be eliminated over time by the market process. Indeed, I feel very strongly that the free market is the best allocator of resources. Yet, it is not always a quick process, especially when labor occupations involving years of training are involved. Occupational shortages are initially reflected in above average salaries. More scarce Ph. D. computer experts and electrical engineers will be trained, for example, but only after a long time and only after their wages are bid up quite high. The public sector can grease that labor market process by providing information and encouraging occupational growth before the market itself would react noticeably. In the meantime, both the quality of those filling the short-handed occupations is higher—thereby helping productivity and foreign trade—and their wages are not bid up extraordinarily high—thereby slowing the wage/price spiral and inflation.

How best can this broadening of our national labor policy be pursued? A critical preliminary step is to identify actual or prospective areas of skill labor shortages. There are a few areas now where undisputable and glaring shortages exist, including faculty at our engineering colleges and universities. Once other shortages are identified, what parameters should be followed to eliminate them in the most cost-effective fashion possible?

First, extensive use of the existing labor training infrastructure, including schools, colleges, cooperative education systems, and vocational education institutions, must be made.

Second, in light of our enormous deficit overhang, a major expansion in Federal spending should not occur.

Third, training in the needed specialized job skills should be coordinated and supervised to meet employer demands, and should feature both on-the-job and classroom training.

Fourth, the retraining of experienced workers as well as training of new workers and youths should be emphasized.

With these parameters in mind, I have crafted three bills designed: First, to provide immediate assistance to deal with the acknowledged shortage of skilled technical and professional engineering faculty in the United States; second, to deal with the grim state of equipment available for technical educations generally; and third, to mobilize public resources to identify and eliminate shortages in specific skilled occupations.

SCIENTIFIC RESEARCH AND EDUCATION ACT

Mr. President, my first bill is designed to provide a carefully targeted solution to what is a serious and growing national problem: The debilitating shortage of faculty and graduate students at our engineering schools. My colleagues are aware of the giant strides made by Japan in carving out markets abroad at our expense. Less well understood are the complex forces at work responsible for their success. Price competitiveness is one facet. But increasingly, our international marketers are encountering Japanese items which are at least as advanced technically and qualitatively as those made anywhere else in the world. Indeed, in some technical product lines, Japanese technology is the cutting edge.

This technological expertise has not been developed by accident. It is the explicit result of an aggressive Japanese national policy to upgrade their society's technical base by stressing engineering undergraduate education—a policy which sees Japan, with only half our population, produce substantially more electrical engineers, for example, than we do. Dr. F. Karl Willenbrock, who is Cecil H. Green Professor of Engineering at Dallas' Southern Methodist University, testified before the Joint Economic Committee last year on behalf of the American Electronics Association. He noted that Japan produces 163 engineering graduates per million population and the Soviets 260 per million, while we produce only 67 per million, down even from the 88 per million rate scored here as recently as 1970. As a result, Japan graduates 4,000 more bachelor degree electronic engineers annually than we do. The number and quality of engineers we produce will have a major and long-term impact on our Nation's ability to conduct R. & D., to retain world markets, and, above all, to boost productivity. In turn, it will have a dramatic impact on the growth in real per capita income and efforts to trim unemployment while holding inflation and interest rates down. And, in light of our need to strengthen the defense sector, the urgency to insure that adequate numbers of engineers are being graduated from our some 280 engineering colleges has never been greater.

The private sector reflects this urgency. Private employers, for example, contend they will need as many as 50,000 new computer and electrical engineers in 1985 alone while only some 15,000 are graduated annually now. The American Electronics Association has projected a demand for 199,000 new electrical and computer science engineers over the 1980–85 period—almost three times higher than the number being graduated in that same period. Including the impact of retirements and deaths, well over 35,000 engineering slots will go unfilled each year through 1985 in this Nation. Our building engineering schools would need to triple enrollment overnight to meet this demand—a very unlikely event and one which would scarcely dent the 6:1 lead enjoyed by the Soviets today in the number of college graduates majoring in technical areas.

These demand shortfall projections are enormous. Yet, the surge in R. & D. in these fields and in the number of firms able to carve out market shares and new products suggest these estimates may prove accurate or even be low. Hewlett-Packard, for example, derived three-quarters of its sales in 1980 from products not even available 5 years earlier. And the pace of competition is quickening daily.

ENGINEERING FACULTY SHORTAGES

The rising demand and salaries of engineers has sparked a resurgence in student interest in engineering. It is the second most favored career choice now of high school seniors. Undergraduate engineering enrollment is rising 7 to 8 percent a year and doubled during the 1970's, placing substantial pressure on both engineering faculty and teaching equipment. Yet, despite the anticipated decline in overall college enrollments as the baby boom enters their twenties, engineering schools have not even been able to keep pace with surging student demand. Indeed, at least 10 percent, or

2,000, engineering faculty slots sit empty nationwide according to the American Electronics Association, with computer-related faculty vacancies as high as 50 percent at some universities.

The cause of these faculty shortages is straightforward. Engineering colleges and universities cannot compete for graduate engineers with private industry. They are last in the salary sweepstakes and are falling further behind each academic year. Ten years ago, for example, about one-half of the new Stanford University engineering Ph. D.'s chose teaching. Last year, a scant 24 percent did.

The result of limited faculty is a winnowing process among engineering school applicants not unlike that with our medical schools. Georgia Tech can accept only 1,700 of the 7,000 applications it receives. Students must score in the very high 97th percentile on entrance exams to gain admission to the University of Illinois engineering program at Champaign-Urbana. An incredible 20 percent of all undergraduates at the University of California (San Diego) are engineering students now, and economics writer Robert Samuelson reported recently that due to overcrowding, some students can only get computer time there in the wee hours of the morning. San Jose State has 1,000 students holding in other curricula waiting like birds of prey for an engineering school slot to open up.

Engineering schools do not have the flexibility to meet this surging demand for two reasons:

Difficulty in stretching tight budgets to meet the soaring salaries being offered graduate-level engineers when total college enrollment is declining and tenured faculty in other disciplines must be retained; and

Difficulty in providing adequate equipment for the training of rising student engineer populations.

FACULTY ASSISTANCE

My first bill, the Scientific Research and Education Act, is designed to deal with the first problem—the immediate faculty shortage—and enable our engineering colleges and universities to digest the surging demand for student slots. My bill encourages the private sector to both directly supplement faculty salaries and to temporarily lend faculty caliber engineers to engineering schools. Such payments will become eligible for the current R. & D. tax credit. These are the quickest, most effective, and most cost-effective steps our Nation can take to ease the engineering faculty shortage.

GRADUATE STUDENT ASSISTANCE

Filling the current faculty gap is an immediate requirement. But a longer term solution is needed, as well. Engineering faculty are drawn from the national pool of specialists with engineering graduate degrees. That pool has been shrinking noticeably as promising engineering bachelor graduates from every engineering school increasingly flock to high paying industry jobs. Data from the American Association of Engineering Societies, for example, show that the number of masters degrees awarded in electrical engineering was down 12 percent in 1980 compared to 1970. The number of Ph. D. degrees in that field was off an incredible 40 percent.

Even these alarming numbers underestimate the decline, however. U.S. engineering schools have truly become world universities. In 1980, over 46 percent of their engineering graduate students were foreign students, many of whom will not work or teach here upon graduation. An unbelievable 66 percent of the Ph.D.'s awarded in electrical engineering during 1980 were to foreign students. These students are certainly welcomed here, particularly since their school spaces are not sought by our own college graduates. Yet, many will or must return home abroad upon graduation, further depleting our national stock of engineers qualified to teach.

The University of California at Davis evaluated the impact of the grim engineering graduate student picture in light of expanding engineering school enrollments. Their study concluded that a net shortage of about 500 faculty slots a year will exist throughout this entire decade. Adding the current faculty shortage of 2,000 slots means a net minimum engineering faculty shortage in the 1980's of some 6,000 to 7,000 highly trained men and women—comparable to one-third of our Nation's existing faculty pool.

Private industry is reacting to the shortage of graduate engineering students. The U.S. Semiconductor Industry Association, for example, is budgeting up to $6 million this year, and perhaps double that next year, for university engineering research and assistance to graduate students. Despite such efforts, the engineering faculty shortage will become worse. Bounties are being offered now by firms for the referral of possible engineering employees even though we are in the midst of our most severe postwar recession with industry operating at less than 72 percent of capacity. And, it takes little imagination to picture the drain from our engineering faculties and graduate classes which will accompany any return to robust economic growth and the looming defense buildup.

To increase engineering graduate student enrollment, therefore, my bill will encourage the private sector to directly supplement graduate student assistantships by making any such supplemental payments eligibile for the R. & D. tax credit. Eligibility is extended to supplements, as well, for engineering or other technical faculty at our Nation's 2-year and other postsecondary institutions of learning.

R. & D. ASSISTANCE

My first bill, the Scientific Research and Education Act, expands the incentives provided by the current R. & D. credit in two additional ways. These steps are designed to finish the process initiated by the Economic Recovery Tax Act toward a fundamental rejuvenation of our Nation's R. & D. base. Total spending in the United States for R. & D. by industry, government, and universities declined from a peak of 3 percent of GNP in 1964 to 2.3 percent in 1979. Since there is a considerable link between R. & D. and longrun productivity growth through the introduction of new products or new production processes, this trend holds some of the answers for our dismal productivity performance over the last decade.

The slowdown in R. & D. spending in the United States is compounded by the fact that many of our trading partners have increased their own commitment of resources to the development of new technologies, as table I shows. Furthermore, a much greater portion of R. & D. spending in the United States is devoted to defense than in other countries. And, the share of industry R. & D. spending for basic research has fallen almost by half since the mid-1960's to a shockingly low 3.6 percent, with 75 percent of every research dollar in industry now going to product development.

Mr. President, I ask unanimous consent that the table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—RESEARCH AND DEVELOPMENT EXPENDITURES IN LEADING INDUSTRIAL COUNTRIES AS A PERCENT OF GROSS NATIONAL PRODUCT, 1963–77

	1963	1967	1973	1977
United States	2.9	2.9	2.3	2.3
Canada	.9	1.3	1.1	1.0
France	1.6	2.1	1.8	1.8
Germany	1.4	2.0	2.3	2.3
Japan	1.4	1.5	1.9	[1] 1.9
United Kingdom	[2] 2.3	2.3	[3] 2.1	NA
U.S.S.R	2.8	2.9	3.7	3.5

[1] 1976.
[2] 1964.
[3] 1975.

Source: National Science Foundation, "Science Indicators 1978," p. 140. From Congressional Budget Office. "The Productivity Problem: Alternatives for Action." January 1981, p. 71.

Mr. BENTSEN. Mr. President, the deterioration in our R. & D. base and the meek Federal reaction is perhaps best signified by the tentative decision by 17 prominent U.S. computer and electronics firms to join forces in pursuing basic research. That industry heavyweights are examining this unprecedented step in the face of possible antitrust implications is a measure

of the sorry state of basic R. & D. in our Nation.

My first bill would encourage a greater allocation of private-sector resources to basic R. & D.—which is more typically done by universities than private firms—by broadening the R. & D. tax credit for university research. Under present law, that 25-percent credit can be applied against only 65 percent of eligible R. & D. payments to universities by private entities. My bill eliminates that 65-percent cap which was originally imposed to reflect the share of R. & D. budget in universities typically devoted to schoolwide overhead. This cap is not appropriate. R. & D. contracts between universities and private entities provide little if any significant reimbursement for indirect university costs. And payments to supplement faculty and graduate student salaries as provided in my bill cannot contain an indirect component.

My second expansion of the R. & D. credit involves elimination of the present requirement that amounts paid to universities for either basic research or education to be taken into account by the paying corporation in subsequent years in determining the amount of incremental R. & D. expenditures eligible for the R. & D. credit in that future year. The effect of this ratchet provision is to make the R. & D. credit on amounts paid to universities a full credit of 25 percent of the amount paid—for companies increasing their overall R. & D. expenditures.

Mr. President, I ask unanimous consent for a factsheet and for the Scientific Research and Education Act to appear at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Scientific Research and Education Act."

SEC. 2. EXPANSION OF CREDIT FOR UNIVERSITY RESEARCH AND RELATED ACTIVITIES.

Subsection (e) of Section 44F of the Internal Revenue Code of 1954 is amended to read as follows:

"(e) CREDIT AVAILABLE WITH RESPECT TO CERTAIN BASIC RESEARCH OR EDUCATION EXPENDITURES BY COLLEGES, UNIVERSITIES AND CERTAIN RESEARCH ORGANIZATIONS.—

"(1) IN GENERAL.—Any amount paid or incurred by a corporation to any qualified organization for basic research or scientific education to be performed by such organization shall be treated as contract research expenses. The preceding sentence shall apply only if the amount is paid or incurred pursuant to a written agreement between the corporation and the qualified organization.

"(2) NOT INCLUDED IN BASE YEAR EXPENSES.—For purposes of determining the amount of the credit allowed under this section for any taxable year, any amount treated as contract research expenses under paragraph (1) shall not be included in the qualified research expenses for any year in the base period.

"(3) QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' means—

"(A) any educational organization which is described in section 170(b)(1)(A)(ii) and which is an institution of higher education (as defined in section 3304(f)) and

"(B) any other organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a),

"(ii) is not a private foundation, and

"(iii) is organized and operated primarily to conduct scientific research, or

"(iv) is a post-secondary or adult education organization which grants a one- or two-year certificate and has occupational specific programs.

"(4) BASIC RESEARCH.—The term 'basic research' means any original investigation for the advancement of scientific knowledge not having a specific commercial objective.

"(5) SCIENTIFIC EDUCATION.—The term 'scientific education' means the teaching of engineering and the physical and biological sciences to individuals attending an institution described in paragraph (3)(A).

"(6) LIMITATION ON SCIENTIFIC EDUCATION AMOUNTS.—Any amount paid or incurred by a corporation for scientific education shall be treated as contract research expenses only to the extent such amounts are used by the recipient for the payment of wages (within the meaning of Section 3401(a)) to any individual directly engaged in providing such scientific education.

"(7) SPECIAL RULES FOR GRANTS TO CERTAIN RESEARCH FUNDS.—

"(A) IN GENERAL.—For purposes of this subsection, a qualified fund shall be treated as a qualified organization and the requirements of paragraph (1) that the basic research be performed by the qualified organization shall not apply.

"(B) QUALIFIED FUND.—For purposes of subparagraph (A), the term 'qualified fund' means any organization which—

"(i) is described in section 501(c)(3) and exempt from tax under section 501(a) and is not a private foundation,

"(ii) is established and maintained by an organization established before July 10, 1981, which meets the requirements of clause (i);

"(iii) is organized and operated exclusively for purposes of making grants pursuant to written research agreements to organizations described in paragraph (3)(A) for purposes of basic research, and

"(iv) makes an election under this paragraph.

"(C) EFFECT OF ELECTION.—

"(i) IN GENERAL.—Any organization which makes an election under this paragraph shall be treated as a private foundation for purposes of this title (other than section 4940, relating to excise tax based on investment income).

"(ii) ELECTION REVOCABLE ONLY WITH CONSENT.—An election under this paragraph, once made, may be revoked only with the consent of the Secretary.

"(8) CERTAIN CORPORATIONS NOT ELIGIBLE.—For purposes of this subsection, the term 'corporation' shall not include—

"(A) an electing small business corporation (as defined in section 1371(b)),

"(B) a personal holding company (as defined in section 542), and

"(C) a service organization (as defined in section 414(m)(3))."

SEC. 3. EFFECTIVE DATE.

The amendments made by Section 2 shall apply to amounts paid or incurred in taxable years beginning after December 31, 1981.

[Fact Sheet]

THE SCIENTIFIC RESEARCH AND EDUCATION ACT

A. Scientific Education: The bill expands eligibility for the present 25 percent R. & D. tax credit to cover:

(1) Payments to universities and 2- and 4-year colleges which are used by them to pay faculty salaries and graduate student assistantships in engineering and the biological and physical sciences; and

(2) Salaries paid to engineers who are lent by firms to join the faculty at universities and 2- and 4-year colleges.

B. Scientific Research: The bill expands the present 25 percent R. & D. credit by:

(1) Permitting it to apply to the full amount of payments for basic university research and for education, rather than just 65 percent of such amounts under current law; and

(2) Eliminating the present requirement that amounts paid to universities for either basic research or education must be taken into account by the paying corporation in subsequent years in determining the incremental R. & D. expenditures eligible for the R. & D. credit in that future year. This will make the R. & D. credit a full 25 percent of the amount paid (for companies increasing their overall R. & D. expenditures).

SCIENTIFIC AND TECHNICAL EQUIPMENT ACT

Mr. BENTSEN. Mr. President, I noted a moment ago that the second hurdle in the path of our engineering schools is the outdated state of their teaching equipment. The technical and scientific training they provide is only as good as the equipment, from computers to electronic microscopes, they use.

The second bill I am introducing today, the Scientific and Technical Equipment Act, is designed to upgrade the technical equipment used in engineering schools and in all elementary, secondary, and postsecondary education institutions, as well. The dangers posed by outdated scientific and technical education hardware is perhaps greatest in our engineering schools. Access there to the most contemporary equipment is critical both to our national efforts to boost R. & D. and to maintain technological competitiveness in foreign markets.

But the use of outdated technical equipment in the classroom extends throughout our entire education system. And its impact at the high school and college level—particularly for vocational education students in technical occupations such as computer programing—has had a direct and chilling effect on productivity. Vocational education programs have a proven record of success.

Recent data covering individuals who completed a secondary level vocational education in 1978–79 found them to have a sharply lower unemployment rate, for example, than their

contemporaries. In the year following completion of their programs, their unemployment rate averaged 9.7 percent, far below the 16.5 percent rate for recent high school graduates not in college. The unemployment rate for adults who completed a vocational program was a low 4.7 percent.

EQUIPMENT SHORTAGES

Despite their successes, vocational education schools as well as colleges and universities are under increasing pressure to provide timely and sophisticated training in skills needed for our increasingly complex plants and offices. Yet, their ability to provide that training is in question. This problem is not new. Repeated references were made on the issue of outdated equipment, for example, during both the 1976 and 1981 reauthorization of the 1963 Vocational Education Act. Media coverage of the issue in trade, engineering, academic, technical, and business journals has been extensive.

The results of a survey by the American Vocational Association in the spring of 1981 reveals in stark detail the dated status of equipment used in our training and education entities. Some 227 schools participated in the survey. Over half were not using computer-assisted design or manufacturing technology in their curriculums. Almost 20 percent had no fiber optics technology available for students. And 74 percent had not acquired robotic or laser technology equipment. In the technical area generally, 44 percent of their tools and equipment were over 10 years old. In the technical and industrial curriculums, 52 percent of the tools and equipment were over 10 years old.

It may not be appropriate to use the term "crisis" in describing the state of equipment and devices used by schools, colleges, universities, and other education entities today. It is indisputable, however, that few if any can afford to acquire the bewildering variety of increasingly expensive, specialized, and complex machinery and equipment which is and will be used to produce goods and services.

They need help in maintaining the relevance of their education equipment in order to maximize the skills brought by graduates to the workbench and to the research laboratory. This is a particularly acute problem for the electronics sector where new generations of hardware appear almost annually.

A computer-assisted design system commonly used throughout American industry cost universities at least $300,000 now. Even acquiring a simple robot and the associated hardware to teach their maintenance and repair to vocational education students runs a minimum of $130,000.

My Scientific and Technical Equipment Act is designed to close the education equipment gap. This act will provide scientific and technical hardware fabricators and users with a charitable tax deduction for scientific and technical equipment donated to any school, college, vocational education institution, or university for education purposes. To insure that this incentive is effective, donations made under this provision will be valued for tax purposes at their current market value rather than production cost.

To insure that this bill results in education entities receiving the most relevant training equipment, only equipment 3 years or newer will be eligible for the deduction. And, to insure that the diversion of Federal resources by this act is minimized, firms seeking deductions must provide a certification from the education entities receiving donated equipment that they are utilizing the equipment.

SERVICE CONTRACT DONATIONS

My bill will encourage the increased donation of service contracts on sophisticated computers and other scientific and technical equipment, as well. Most of the sophisticated equipment needed in school and university classrooms and laboratories requires frequent servicing. This servicing often can only be done by representatives of the manufacturing company and is generally a relatively high-cost activity of that company. In some cases, costs run exceptionally high. Ohio State University, for example, estimated that it would cost $450,000 annually to maintain a proposed installation of $3 million worth of modern design equipment.

In most cases, the costs are less, but still far too rich for educational budgets. In addition, situations have arisen when computers and other sophisticated equipment would have been donated to universities had they been able to make the necessary payments on accompanying service contracts. In these and other cases, the donating corporations concluded that they could not afford to provide their services without some compensation. And the equipment was not donated.

Under current law, only the out-of-pocket costs of service contracts can be deducted now as a charitable donation. My bill will improve that incentive by permitting a deduction of up to 150 percent of such costs when service contracts are donated to educational institutions.

EQUIPMENT SHARING TAX CREDIT

Relatively few schools, colleges, vocational education schools, and universities can afford to acquire any new hardware for training, much less maintain an update inventory of enormously expensive and increasingly specialized high technology equipment.

Yet, some innovative approaches are being taken to permit students to receive training on conventional state-of-the-art equipment without requiring institutions to purchase it.

For example, the Austin Community College, located in my State capital, has developed an innovative approach to this problem in conjunction with the Bausch and Lomb Corp. Bausch and Lomb permits the Austin Community College to utilize some $260,000 worth of high technology equipment for classes conducted right at the Bausch and Lomb plant. This maximizes the use of Bausch and Lomb's hardware and permits the Austin Community College to provide the most advanced training available anywhere in the United States to its students in computer graphics.

Both Bausch and Lomb and the Austin Community College deserve congratulations for utilizing this equipment-sharing concept. It is an excellent one, and my bill will encourage the broader application of this innovative and clever approach to skill training by providing up to a 10-percent annual tax credit on shared equipment. Firms will receive the credit based on that portion of their scientific and technical equipment shared with an educational entity.

I am optimistic that my Scientific and Technical Equipment Act will result in a surge of offers by hardware fabricators and other firms to donate or share their latest production equipment with education and training entities. Indeed, I hope it will result in a complete restructuring of the way such firms do business.

Under my bill, these firms will be encouraged to donate hardware as a key component of their marketing strategy, thereby immeasurably improving the skills being brought to the workplace in the future by youths, men, and women everywhere.

Mr. President, I ask unanimous consent for a brief factsheet and the Scientific and Technical Equipment Act to appear at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE. This Act may be cited as the "Scientific and Technical Equipment Act."

SEC. 2. EXPANSION OF DEDUCTION FOR CONTRIBUTION OF SCIENTIFIC PROPERTY.—Subsection (e) of Section 170 of the Internal Revenue Code of 1954 (relating to deductions for charitable, etc. contributions and gifts) is amended by striking paragraph (4) and inserting in lieu thereof the following:

"(4) SPECIAL RULE FOR CONTRIBUTIONS OF SCIENTIFIC PROPERTY USED FOR RESEARCH AND EDUCATION.—

"(A) LIMIT ON REDUCTION.—In the case of a qualified research and education contribution, the reduction under paragraph (1)(A) shall not apply.

"(B) QUALIFIED RESEARCH AND EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term 'qualified research and education contribution' means a charitable contribution by a corporation of tangible personal property which is described in paragraph (1) of Section 1221 or which is property used in the trade or business (as defined in Section 1231(b)), but only if—

"(i) the contribution is to an educational organization which is described in subsection (b)(1)(a)(ii) of this section, to an institution of higher education (as defined in section 3304(f)), or to a post-secondary or adult education organization which grants a one- or two-year certificate and has occupational specific programs,

"(ii) the property is scientific or technical equipment or apparatus substantially all of the use of which by the donee is for research and experimentation (within the meaning of section 174), or for research or educational training, in the United States in physical or biological sciences or in engineering,

"(iii) except as permitted under regulations prescribed by the Secretary, the contribution is made not later than three years (or two years in the case of property described in Section 1221(1)) after the date construction of the property is substantially completed or the property is first placed in service,

"(iv) the value of the property contributed exceeds $250,

"(v) the property is not transferred by the donee in exchange for money, other property, or services, and

"(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clause (ii).

"(C) CORPORATION.—For purposes of this paragraph, the term 'corporation' shall not include—

"(i) an electing small business corporation (as defined in section 1371(b)),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a service organization (as defined in section 414(m)(3))."

SEC. 3. DEDUCTIONS FOR CONTRIBUTIONS OF SERVICE CONTRACTS.—Section 170 of the Internal Revenue Code of 1954 (relating to deductions for charitable contributions and gifts) is amended by redesignating subsection (j) and subsection (k) and by inserting after subsection (i) the following:

"(j) CONTRIBUTION OF CERTAIN SERVICE CONTRACTS.—Notwithstanding any other provision of this section, there shall be allowed as a deduction under subsection (a) the value of services provided under any standard service contract entered into by a taxpayer and a qualified organization in connection with any qualified research and education contribution (within the meaning of paragraph (4)(B) of subsection (3)); *Provided, however,* That the deduction under this subsection shall not exceed one hundred fifty percent of the costs of the taxpayer in providing such services. For purposes of this subsection, a 'standard service contract' is any contract for services normally made available by the taxpayer to its customers in connection with the sale or lease of tangible personal property. The value of such a contract shall be determined by the amount normally paid (whether or not separately stated) by customers for such services."

SEC. 4. CREDIT FOR EQUIPMENT SHARING.—Part IV of subchapter A of chapter I of the Internal Revenue Code of 1954 is amended by inserting after section 44G the following:

"SEC. 44H. CREDIT FOR SHARING SCIENTIFIC AND TECHNICAL EQUIPMENT.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 10 percent of the qualified costs of scientific and technical equipment for that year.

"(b) QUALIFIED COSTS.—

"1. IN GENERAL.—For purposes of this section the term 'qualified costs' for any taxable year with respect to any item of scientific or technical equipment means an amount equal to the taxpayer's unadjusted basis in that item of equipment multiplied by the ratio of the time the equipment is used in scientific education by a qualified organization in that year compared to the total time that equipment is used by the taxpayer in that year.

"2. SCIENTIFIC EDUCATION.—For purposes of this subsection the term 'scientific education' is defined as set forth in section 44F(e)(5).

"3. QUALIFIED ORGANIZATION.—For purposes of this subsection, the term 'qualified organization' is defined as set forth in section 44F(e)(3).

"(c) LIMITATION BASED ON AMOUNT OF TAX.—

"1. LIABILITY FOR TAX.—The credit allowed by subsection (a) for any taxable year shall not exceed the amount of the tax imposed by this chapter reduced by the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43. For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"2. CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided by paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

(i) a research credit carryback to each of the 3 taxable years preceding the unused credit year, and

(ii) a research credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before July 1, 1981, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other 17 taxable years to the extent that, because of the limitation contained in subparagraph (b), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided by paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year."

SEC. 5. EFFECTIVE DATE.—The amendments made by sections 2, 3, and 4 shall apply to charitable contributions made after the date of enactment of this Act.

FACTSHEET

THE SCIENTIFIC AND TECHNICAL EQUIPMENT ACT

A. Donation of Scientific and Technical Equipment: The bill expands Section 170, charitable equipment donation deduction provisions:

(1) To cover scientific and technical equipment donated to elementary and secondary schools and two-year colleges rather than just universities under current law;

(2) To cover scientific and technical equipment used for education teaching rather than just research and research teaching under current law;

(3) To cover the donation of used scientific and technical equipment which constitutes a trade or business asset in the donor's hand, if no more than three years old, rather than just (new) equipment which is inventory in the donor's hand under current law;

(4) To permit a deduction on new donated equipment at fair market value rather than at the cost of manufacture plus one-half of the difference between that cost and the fair market value of the equipment under current law;

(5) To permit a deduction on new donated equipment at fair market value rather than at fair market value less depreciation recapture under current law; and

(6) To permit a deduction for the donation of service contracts at up to 150 percent of the donor's out-of-pocket cost rather than at 100 percent of the donor's out-of-pocket cost under current law.

Special Rule: Each equipment donation must have a fair market unit value exceeding $250.

B. Tax Credit for Sharing Scientific and Technical Equipment: The bill established a tax credit of up to 10 percent on the value of equipment owned by a taxpayer but shared for educational purposes with a school, college, or university. The actual credit will be based on the proportion of time the equipment is used for education.

THE SKILLED LABOR TRAINING ACT

Mr. BENTSEN. Mr. President, my third bill is designed to prevent shortages from developing in occupations which require substantial periods of training. It establishes a system to constantly monitor the demand and supply of workers for all skilled occupations. And, it permits the targeting of Federal fiscal incentives for the training by employers and vocational training institutions of workers in those skilled occupations experiencing actual or prospective shortages.

The Skilled Labor Training Act is designed to fill a gap, a large gap I believe, in our Nation's approach to labor market developments. Creating mechanisms, as I propose in my first two bills, to provide contemporary equipment and to ease our engineering

faculty shortage are necessary steps to deal with immediate skilled labor trouble areas. But a more enduring step is needed, as well, one designed to insure that technical paraprofessionals and professionals are being trained in adequate numbers to prevent skill labor bottlenecks developing. My third bill will permit our Nation to take that step, one already taken I might add by Japan and Great Britain, among other international competitors.

SKILLED LABOR SHORTAGES

Mr. President, with almost 10 million men and women looking for work without success, some find it difficult to believe that we face skilled labor shortfalls. Yet, we can look at the Sunday newspapers to see that large numbers of skilled job openings exist. In addition, there are credible projections by various industries regarding labor shortages which they anticipate to occur once a robust recovery is well underway. For example, Dr. Willenbrock, whose testimony I noted earlier, cited a survey of American Electronics Association members which caused quite a stir at the Joint Economic Committee hearing. The survey revealed that the demand for key electronics and computer technicians—generally men and women with 2 years or less of college—far outstrips available supply. Over a 100-percent growth in just the next 5 years was projected for paraprofessionals in these two fields. In addition, a recent survey by the National Tooling and Machining Association, presented to the Joint Economic Committee on November 3, 1981, found that a substantial shortage of machinists will soon exist. Indeed, the survey turned up a current shortage of 60,000 skilled workers now, with a projected 250,000 additional machinists being demanded by firms in this counting through 1985. The anticipated defense buildup will increase the demand for machinists by some 8 percent just this year—and the largest buildup is still ahead of us. In fact, long before the scope of the current prospective defense buildup was known, the House Committee on Armed Services in 1980 said:

It is clear that the shortages of machinists and other skilled laboreres are contributing factors which adversely affect the ability of the sub-tier base of firms to respond rapidly to significant increases in defense production demand.

Looming in the background of all discussions of prospective machinist shortages is the reality that the average age of our 300,000 machinists is 58. Essentially one-half of them will be retiring in the next 7 years, guaranteeing a substantial shortage even if renewed economic growth or a defense buildup does not occur.

DESCRIPTION OF LEGISLATION

My third bill, the Skilled Labor Training Act, will provide a tax credit for a portion of the wages paid eligible trainees by employers in certain shorthanded skilled occupations. The credit is equal to 50 percent of the first $6,000 in wages paid during the first year of training, and 25 percent of the first $6,000 in wages paid during the second year. The detailed components of my proposed skilled tax credit are:

First. The Department of Labor will develop and maintain a list of skilled occupations facing an actual or prospective labor shortage.

Second. The skilled tax credit will be available only for workers receiving training in those skilled occupations found to be facing labor shortages.

Third. The skilled tax credit will be available for both adults and youths participating in approved training programs of 6 months or longer in duration.

Fourth. To minimize revenue losses, the skilled tax credit will be available only on the increase in eligible workers being trained by an employer over the number being trained in the 1981 base period.

Fifth. Employers will have flexibility to select who, where, and how training will occur, and can provide it on-the-job and in conjunction with classroom work at community colleges, postsecondary vocational institutes, and colleges or universities. Approved training for which the skilled tax credit can be claimed by employers includes: apprenticeship programs; employer-designed or employer-union designed programs combining on-the-job and classroom training; cooperative education programs for youths; programs designed by vocational education institutions which combine on-the-job and classroom training.

Mr. President, let me stress a number of points regarding the program which I propose to establish with this bill.

First, it will direct national resources explicitly to spur the training of scarce skills needed for the future.

Second, it is designed in a cost-effective fashion to minimize the use of Federal resources; the skilled tax credit will be available only in a targeted fasnion where conventional private and public training resources are found to be inadequate to supply needed skills.

Third, it opens the door to training in scarce skills to all ages, including workers in declining industries who seek retraining.

Fourth, it stresses on-the-job training by the private sector and vocational institutions in the design and implementation of skill training programs.

Fifth, the skilled tax credit will be available to employers only to the extent they increase their training activities above the 1981 base period.

Sixth, it will build on the success of apprenticeship programs and will encourage unions and employers to expand their joint efforts to provide training which combines on-the-job with classroom experience.

In short, the proposed skilled tax credit is a targeted, precise incentive designed to spark increased private-sector, on-the-job training of skills in short supply. In combination with my first two bills, it will provide a broad, cost-effective, and sturdy foundation for a national skilled labor policy for the 1980's and beyond, a long overdue supplement to existing labor programs targeted at youth training.

I ask unanimous consent for a brief factsheet and the Skilled Labor Training Act to appear in the RECORD at this point in my remarks.

There being no objection, the bill and factsheet were ordered to be printed in the RECORD, as follows:

S. 2476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Skilled Labor Training Act".

SEC. 2. SKILLED TRAINING TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable against tax) is amended by inserting after section 44G the following new section:

"SEC. 44H. SKILLED TRAINING TAX CREDIT.

"(a) IN GENERAL.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) 50 percent of the aggregate qualified first-year wages paid or incurred by the taxpayer to qualified trainees during such taxable year, and

"(2) 25 percent of the aggregate qualified second-year wages paid or incurred by the taxpayer to qualified trainees during such taxable year.

"(b) LIMITATION BASED ON AMOUNT OF TAX.—

(1) LIABILITY FOR TAX.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the credit allowed by subsection (a) for any taxable year shall not exceed 90 percent of the excess of—

"(i) the amount of the tax imposed by this chapter, over

"(ii) the sum of the credits allowable under a section of this part having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

For purposes of the preceding sentence, the term 'tax imposed by this chapter' shall not include any tax treated as not imposed by this chapter under the last sentence of section 53(a).

"(B) SPECIAL RULE FOR PASSTHROUGH OF CREDIT.—In the case of an individual who—

"(i) owns an interest in an unincorporated trade or business,

"(ii) is a partner in a partnership,

"(iii) is a beneficiary of an estate or trust, or

"(iv) is a shareholder in an electing small business corporation (within the meaning of section 1371(b)),

the credit allowed by subsection (a) for any taxable year shall not exceed the lesser of the amount determined under subparagraph (A) for the taxable year or an amount

(separately computed with respect to such person's interest in such trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in such trade or business or entity.

"(2) CARRYBACK AND CARRYOVER OF UNUSED CREDIT.—

"(A) ALLOWANCE OF CREDIT.—If the amount of the credit determined under this section for any taxable year exceeds the limitation provided under paragraph (1) for such taxable year (hereinafter in this paragraph referred to as the 'unused credit year'), such excess shall be—

"(i) a skilled training credit carryback to each of the 3 taxable years preceding the unused credit year, and

"(ii) a skilled training credit carryover to each of the 15 taxable years following the unused credit year,

and shall be added to the amount allowable as a credit by this section for such years. If any portion of such excess is a carryback to a taxable year beginning before January 1, 1982, this section shall be deemed to have been in effect for such taxable year for purposes of allowing such carryback as a credit under this section. The entire amount of the unused credit for an unused credit year shall be carried to the earliest of the 18 taxable years to which (by reason of clauses (i) and (ii)) such credit may be carried, and then to each of the other taxable years to the extent that, because of the limitation contained in subparagraph (B), such unused credit may not be added for a prior taxable year to which such unused credit may be carried.

"(B) LIMITATION.—The amount of the unused credit which may be added under subparagraph (A) for any preceding or succeeding taxable year shall not exceed the amount by which the limitation provided under paragraph (1) for such taxable year exceeds the sum of—

"(i) the credit allowable under this section for such taxable year, and

"(ii) the amounts which, by reason of this paragraph, are added to the amount allowable for such taxable year and which are attributable to taxable years preceding the unused credit year.

"(c) DEFINITIONS.—For purposes of this section—

"(1) WAGES.—The term 'wages' has the meaning given to such term by section 3306(b) (determined without regard to any dollar limitation contained in such section), but does not include any amount paid or incurred by the taxpayer to an individual with respect to whom the taxpayer claims a credit under section 44B.

"(2) QUALIFIED FIRST-YEAR WAGES.—The term 'qualified first-year wages' means the first $6,000 of wages paid or incurred by the taxpayer to a qualified trainee for services rendered by such trainee during the one-year period beginning on the day such trainee begins to work for the taxpayer.

"(3) QUALIFIED SECOND-YEAR WAGES.—The term 'qualified second-year wages' means the first $6,000 of wages paid or incurred by the taxpayer to a qualified trainee for services rendered by such trainee during the one-year period beginning on the day after the end of the one-year period described in paragraph (2).

"(4) QUALIFIED TRAINEE.—

"(A) IN GENERAL.—The term 'qualified trainee' means any eligible employee designated by the taxpayer for the taxable year in such manner and at such time as the Secretary shall by regulation prescribe.

"(B) LIMITATION ON DESIGNATIONS.—The number of eligible employees who may be designated as qualified trainees under subparagraph (A) for any taxable year shall not exceed the excess, if any, of—

"(i) the number of eligible employees of the taxpayer for such taxable year, over

"(ii) the number of eligible employees of the taxpayer for the taxable year beginning in 1981.

"(5) ELIGIBLE EMPLOYEES.—The term 'eligible employee' means an employee of the taxpayer who participates during the taxable year in an approved training program that trains such employee for a skilled occupation in which the Secretary of Labor has determined that there is a substantial shortage of workers.

"(6) SKILLED OCCUPATION.—The term 'skilled occupation' means an occupation for which a normal training program is at least six months and for which a college degree is not normally a prerequisite.

"(7) SUBSTANTIAL SHORTAGE.—There is a substantial shortage of workers with respect to a skilled occupation if the Secretary of Labor determines that the sum of the number of trained workers and the number of persons in training programs in such occupation is less than 80 percent of the anticipated demand for workers in such occupation for the five-year period beginning on the first day of the first month after the determination is made.

"(8) APPROVED TRAINING PROGRAMS.—The term 'approved training program' means—

"(A) any State or federally registered apprenticeship program,

"(B) any employer-designed program or employer-union designed program which meets such minimum requirements with respect to supervised on-the-job experience and classroom instruction as the Secretary of Labor shall by regulations prescribe,

"(C) any cooperative education programs of work and study (within the meaning of the Vocational Education Act of 1963 (20 U.S.C. 2301 et seq.), as amended),

"(D) any training program designated by the Secretary of Labor, which—

"(i) is carried out under the supervision of an accredited public or private secondary or postsecondary vocational education institution, and

"(ii) combines instruction by such institution and on-the-job training, or

"(E) such other programs as the Secretary of Labor shall designate.

"(9) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) Determination of shortage.—The Secretary of Labor shall annually make a determination of whether there is a substantial shortage in each skilled occupation.

"(2) REQUESTS FOR OCCUPATION DESIGNATION.—Under regulations prescribed by the Secretary, any employer, in conjunction with his State employment service, may request the Secretary to designate an occupation as a skilled occupation in which there is a substantial shortage of workers.

"(3) AGGREGATION OF QUALIFIED WAGES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the wages giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such trade or business shall be its proportionate share of the wages giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(4) ALLOCATIONS.—

"(A) PASSTHROUGH IN THE CASE OF SUBCHAPTER S CORPORATIONS, ETC.—Under regulations prescribed by the Secretary, rules similar to the rules of subsections (d) and (e) of section 52 shall apply.

"(B) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(e) DENIAL OF DOUBLE BENEFIT.—No deduction or credit shall be allowed under any other provision of this chapter with respect to any amount for which a credit is allowed under subsection (a).".

(b) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 44G the following new item:

"SEC. 44H. SKILLED TRAINING TAX CREDIT.".

(2) Section 6096(b) of such Code (relating to designation of income tax payments to Presidential Election Campaign Fund) is amended by striking out "and 44G" and inserting in lieu thereof "44G, and 44H".

(3) Subparagraph (A) of section 55(c)(4) of the Internal Revenue Code of 1954 (relating to credits) is amended by inserting "44H(b)(1)," before "53(b)".

(4) Subsection (c) of section 381 of such Code (relating to items of the distributor or transferor corporation) is amended by adding at the end thereof the following new paragraph:

"(30) CREDIT UNDER SECTION 44H.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and section 44H, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of section 44H in respect of the distributor or transferor corporation.".

(5) Section 383 of such Code (relating to special limitations on unused investment credits, work incentive program credits, new employee credits, alcohol fuel credits, foreign taxes, and capital losses), as in effect for taxable years beginning with and after the first taxable year to which the amendments made by the Tax Reform Act of 1976 apply, is amended—

(A) by inserting "to any unused credit of the corporation under section 44H(b)," after "44G(b)(2),", and

(B) by inserting "SKILLED TRAINING CREDITS," after "EMPLOYEE STOCK

OWNERSHIP CREDITS," in the section heading.

(6) Section 383 of such Code (as in effect on the day before the date of the enactment of the Tax Reform Act of 1976) is amended—

(A) by inserting "to any unused credit of the corporation which could otherwise be carried forward under section 44H(b)(2)," after "44G(b)(2),", and

(B) by inserting "SKILLED TRAINING CREDITS," after "EMPLOYEE STOCK OWNERSHIP CREDITS," in the section heading.

(7) The table of sections for part V of subchapter C of chapter 1 is amended by inserting "skilled training credits," after "employee stock ownership credits," in the item relating to section 383.

(8) Subparagraph (C) of section 6511(d)(4) of such Code (defining credit carryback) is amended by striking out "and employee stock ownership credit carryback" and inserting in lieu thereof "employee stock ownership credit carryback, and skilled training credit carryback".

(9) Section 6411 of such Code (relating to quick refunds in respect of tentative carryback adjustments) is amended—

(A) by striking out, "or unused employee stock ownership credit" each place it appears and inserting in lieu thereof "unused employee stock ownership credit, or unused skilled training credit";

(B) by inserting ", by a skilled training credit carryback provided by section 44H (b)(2)" after "by an employee stock ownership credit carryback provided in section 44G (b)(2)," in the first sentence of subsection (a);

(C) by striking out "or an employee stock ownership credit carryback from" each place it appears and inserting in lieu thereof "an employee stock ownership credit carryback, or a skilled training credit carryback from"; and

(D) by striking out "research and experimental credit carryback)" in the second sentence of subsection (a) and inserting in lieu thereof "research and experimental credit carryback, or, in the case of a skilled training credit carryback, to an investment credit carryback, a new employee credit carryback, a research and experimental credit carryback, or an employee stock ownership credit carryback)".

SEC. 3. EFFECTIVE DATE.

The Amendments made by this Act shall apply to wages paid or incurred with respect to individuals hired on or after the date of enactment of this Act in taxable years beginning after December 31, 1981.

[Factsheet]

THE SKILLED LABOR TRAINING ACT

This bill creates a tax credit on a portion of the salary paid to employees participating in a skill training program.

A. The credit is 50 percent of the first $6,000 in salary of the employee for the first year of training, and 25 percent of the first $6,000 in salary for the second year.

B. Eligibility for the tax credit requires that the employee be:

(1) Participating in a training program which normally lasts at least six months;

(2) Receiving training in an occupation which the Secretary of Labor has designated as experiencing a substantial shortage of workers; and

(3) Participating in either—

An apprenticeship program;

A cooperative education program;

An employer-designed or employer-union designed training program of on-the-job experience and classroom work; or

A training program designed by a vocational education institution combining on-the-job experience and classroom work.

By Mr. GARN (for himself, Mr. MCCLURE, Mr. LAXALT, Mr. HATCH, Mr. SYMMS, Mr. BURDICK, and Mr. GOLDWATER):

S. 2477. A bill to amend certain provisions of title I of the Clean Air Act; to the Committee on Environment and Public Works.

CLEAN AIR ACT AMENDMENTS OF 1982

Mr. GARN. Mr. President, today, together with several of my colleagues, I am introducing a set of alternative amendments to the Clean Air Act. These amendments, I believe, will allow moderate growth in those parts of the country like the West where growth remains a desirable goal. These amendments will continue to maintain air quality at levels the public expects us to achieve.

Many proponents of clean air legislation argue that because support for clean air is strong, any attempt by Congress to change the Clean Air Act must be construed as a weakening of the act. Mr. President, this type of argument does not serve a constructive purpose—every one of us wants to breath clean air. Certainly the progress in improving air quality over the past 10 to 15 years has not proven to be so efficient or effective as to preclude the Congress from achieving our national clean air objectives another way.

The current law as interpreted by the courts and the environmental regulators stifles growth opportunities, is a burden on the States who try to administer it and costs companies and ultimately consumers hundreds of millions of dollars in unnecessary regulatory costs in order to comply. The legislation I am offering proposes to keep the health protecting national ambient air quality standards intact. It streamlines the regulations which have limited growth and clarifies that moderate development is compatible with our clean air objectives.

Mr. President, the vast majority of the people of the West, including Utah, want to be able to use their talents to invent, develop, or manufacture new products and commodities to help improve this country's standard of living. Utahans, for example, will support rational, clean air laws that make sense and clean up the air. They do not, however, support laws which may inhibit development because a Federal bureaucrat arbitrarily thinks smoke from a new manufacturing plant may be visible 100 miles away from a national park. Utahans do not support clean air laws that make them pay hundreds of millions of dollars in additional utility rates all in an effort to subsidize eastern coal markets. They will not support clean air laws which cause companies to give up legitimate development plans because EPA permitting requirements are so cumbersome and costly as to eliminate the opportunity for a company to survive. Finally the people of my State will not support a Clean Air Act that seems to have as its major underlying objective the goal of penalizing polluters rather than encouraging the installation of modern, efficient, low-polluting plants and machinery.

I trust that as debate continues on this important issue this year, those of us in this body might elevate our discussion away from the clean air versus dirty air debate to a rational discussion of providing incentives and opportunities for industry, small and large—to develop clean, low-polluting facilities and job opportunities for our people who need them.

Mr. President, I ask unanimous consent that a summary of the legislation be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF AMENDMENTS

SECTION 110—STATE IMPLEMENTATION PLANS

Streamlines process for SIP revisions by allowing revisions to be automatically approved unless disapproved by EPA within 120 days.

Revises construction moratorium language to prohibit procedural defects in a SIP revision from being the basis of such moratorium.

SIP plan approval is no longer conditioned upon program for periodic inspection and testing of motor vehicles.

Ten year grandfather provision for sources in nonattainment areas which meet all act requirements to be free of further control requirements during that time.

SECTION 111—NEW SOURCE PERFORMANCE STANDARDS

Percent reduction requirement for new sources is eliminated.

SECTION 119—PRIMARY NON-FERROUS SMELTERS

Non-ferrous smelters are allowed to curtail operations on a temporary basis (not more than 5% of any year) as a way of complying with air quality standards through intermittent controls.

The termination date for primary non-ferrous smelter orders is extended five years to January 1, 1988 and 1993, respectively.

EPA is required to establish new regulations on what constitutes good engineering practice for stock height credits in mountainous terrain where no other plant siting options are available, and weather inversions pose compliance problems not faced by plants in non-mountainous terrain.

SECTION 160—PREVENTION OF SIGNIFICANT DETERIORATION

Small technical amendment making PSD protection dependent upon actual or potential adverse effects to the public health and welfare, rather than to "any" such effect.

SECTION 162—INITIAL CLASSIFICATIONS

Mandatory Class II areas are retained, but States may opt out of mandatory Class II areas if the State finds such designation to be unreasonable. (Bill retains Class I areas)

Gives States 18 months from date of enactment of the Act to reevaluate all existing non-mandatory Class II areas and provides that if such areas are not reaffirmed as non-mandatory Class II areas, that they will become unclassified, but still subject to National Ambient Air Quality Standards. (NAAQS)

SECTION 163—INCREMENTS AND CEILINGS

Short term increments for Class I and II areas are eliminated, and Class III is abolished.

Fugitive dust must no longer be included in the PSD increment consumption count.

SECTION 164—AREA REDESIGNATION

Established a mechanism whereby states may redesignate as either Class I or II areas, any new national monuments, national primitive areas, national preserves, national recreation areas, national wild and scenic rivers, national wildlife refuges, national lakeshores or national seashores, national parks, and wilderness areas exceeding 10,000 acres in size. Existing Class I areas are not affected.

SECTION 165—PRE-CONSTRUCTION REQUIREMENTS

Major emitting facilities subject to PSD review are redefined to be those facilities which will emit 500 tons or more per year of particulates, or 1,000 tons or more per year of sulfur dioxide.

Process for PSD permit application speeded up by requiring permitting authority to notify applicant within two months whether or not permit application is complete, or whether additional information is required.

Modifies the air quality related values test, which is the affirmative responsibility of the Federal Land Manager in a Class I area, to require adverse impacts upon such valued be "significant."

Increases State authority in the permit process relating to Class I areas and shortens permit application time.

One year pre-construction modeling and monitoring requirement is deleted.

State's role in permit variance authority for facilities wishing to locate near a Class I area is redefined. States may override the Federal Land Manager's disapproval of a permit if such action is in the public interest and will not have a significant adverse effect upon the air quality-related values of the area.

SECTION 166—OTHER POLLUTANTS

Technical amendment to cure vagueness in the language allowing EPA to more effectively administer the Act.

SECTION 169—DEFINITIONS

Modifies the definition of "major emitting facility" presently subject to PSD review by disallowing EPA to require a facility to undergo full PSD review for de minimus changes in its emissions. Such de minimus control is presently exercised by EPA through the practice of requiring reviews based on the "potential to emit" any pollutant. The amendment would eliminate this term and impose PSD requirements when one of the stationary sources in the 28 categories set out by EPA increases emissions, the net effect of which would increase by one hundred tons per year or more any air pollutant. Any other sources that undergo a modification, the net effect of which is to increase emissions by two hundred and fifty tons per year or more of any pollutant, are also subject to this provision.

SECTION 169A—VISIBILITY PROTECTION FOR CLASS I AREAS

Visibility protection limited to Class I areas.

The standard of protection of visibility in Class I areas is redefined to mean any "significant" impairment of visibility in mandatory Class I Federal areas.

The term visibility impairment in the definition section has been amended to exclude integral vistas. However, as redefined the term still includes reduction in visual range and atmospheric discoloration within a Class I area.

SECTION 302—DEFINITIONS

Best available control technology is redefined in a manner which would allow alternate methods of control to constitute such technology on a case-by-case basis. Sources which do not emit more than 500 tons per year of regulated air pollutants defines "best available control technology" as new source performance standards. States, however, are given authority to impose a more stringent best available control technology than the one set out in this amendment if they choose.

Mr. HATCH. Mr. President, I have deep appreciation for all of the many hours and hard work of the Committee on Environment and Public Works in the effort to come up with consensus amendments to the Clean Air Act. Unfortunately, I cannot accept what has been done and I do not feel the bill, working its way through the committee, can be an appropriate vehicle for further amendment. For this reason, I cosponsor the bill this date with my distinguished colleagues, Senator GARN, Senator MCCLURE, and Senator LAXALT, to make appropriate and required amendments to the Clean Air Act.

I resent and take strong exception to those who undoubtedly will characterize this bill as a "dirty air" bill, or who attack my cosponsors and me as being unconcerned with the environment or public health. I am extremely concerned about the environment. I am extremely concerned about public health problems. Most public health programs are designed to protect the public from specific, or a specific set of, health conditions. Clean water programs to chlorinate drinking water are specifically directed against identifiable waterborne diseases. Their effect is easly indentifiable.

The Clean Air Act is not specific. It merely establishes ambient air quality standards to protect the general health and welfare. At what cost? I am not specifically talking about monetary cost but possible public health cost. It is submitted that an inverse relationship exists between health status and socioeconomic status. As socioeconomic status decreases, the incidence of health problems increases. Without jobs or with reduced income, the ability to purchase food for adequate nutrition is reduced; the ability to obtain proper medical attention is reduced, and even the ability to provide adequate heat, clothing, and shelter is reduced.

Today we face a depressed economy. Unemployment is high. Socioeconomic stress has been increasing and public health must be suffering. Unreasonable and unspecific requirements under the Clean Air Act make the problems worse by increasing the cost of providing goods and services.

Who bears the cost to clean up the air? It is fundamental that the cost is not borne by industry as many would claim. Industry does not have a secret source of funds. Industry has no private printing press to print money. Industry must recover its costs and obtain its profits from the consumer or it must, of necessity, go out of business.

The cost is borne by the taxpayers in increased taxes and the consumer of goods and services in increased costs. How much this cost of clean air contributes to illness is no more speculative than the question of the "protection" the Clean Air Act affords. It is not impossible that there may actually be a net loss to public health in today's depressed economy from some Clean Air Act provisions.

As I said before, I am not opposed to clean air but I insist that we must have an appropriate balance. The bill being introduced today addresses this balance, and I urge you to carefully study it. The American public can and will take only so much. Clean air is important. It is as important to me as to anyone else, but so is the economic viability of the State of Utah and this country. I am besieged by letters from constituents who cannot understand and who cannot pay the higher cost for vital electricity resulting from expensive scrubbers mandated by the percentage-reduction requirements under the existing Clean Air Act.

This is but one example of many. What are we trying to prove? Proper amendments to the Clean Air Act are desirable and necessary to remove unreasonable requirements doing little, if any, good but which are creating unacceptable and unreasonable hardships on millions of Americans. I urge support of this bill.

● Mr. LAXALT. Mr. President, I am pleased to be able to join with my distinguished colleague, Senator GARN, in introducing commonsense legislation to amend the Clean Air Act. Like my friend from Utah, I sincerely believe that this legislation is both timely and necessary.

Frankly, I do not believe that any of us are against clean air. However, I believe that flexibility and commonsense must be exercised in our pursuit of air quality goals. We must take all possible actions to remove unwarranted obstacles hindering exploration, production, and use of our domestic resources and make every effort to revitalize key domestic industries by removing or modifying excessive regulatory con-

trols that now exist in this area. The fact of the matter is, many of the relevant pollution standards strike a poor balance between environmental and other economic goals.

Mr. President, there will be those who will try to insist that the issue here is clean air versus dirty air. Nothing could be further from the truth. The issue is whether we have the foresight and the initiative to attack the problem of air pollution and at the same time, revitalize our economy and remove unwarranted regulatory constraints from our domestic industry. Simply put, the issue is not clean air versus dirty air, but rather jobs and prosperity versus unemployment and excessive regulation. Regulatory reform is a linchpin of President Reagan's economic recovery package and, I believe, that this effort demands a swift reexamination of the Clean Air Act.

A clear example of unnecessary regulation that contributes nothing to clean air can be found in the indirect source regulations problem. This is a classic case of regulation creating a legal snarl which prevents economic development and which provides no benefit to the public. Actually, we in Congress believe that we had dealt with this matter in the 1977 amendments to the Clean Air Act. Not true. This problem continues to plaque the development and operation of real estate facilities in a number of States.

In the 1977 amendments to the act, Congress provided that EPA should not require the States to include indirect source regulations (ISR's) in their State implementation plans. ISR's involve preconstruction reviews to determine the potential effects on air quality of motor vehicle traffic attracted to facilities.

Because 14 States, including my own State of Nevada, had included indirect source regulations in their State implementation plans in good faith response to an EPA requirement that they do so, the 1977 amendments included a special withdrawal provision allowing States to modify or withdraw indirect source regulations from their State implementation plans without going through the normal process of amending their plans.

In reliance on the special withdrawal provision, a number of the States which had indirect source regulations as part of their State implementation plans asked EPA for approval of the modification or withdrawal of their indirect source regulations, and ceased issuing permits under their regulations.

On December 6, 1979, the second circuit court of appeals overruled EPA's approval of Connecticut's modification of its ISR program and interpreted the special withdrawal provision as requiring any State which modified or withdrew its indirect source regulation to concurrently demonstrate compliance with all the applicable requirements of section 110 of the act, *Manchester Environmental Coalition* v. *Environmental Protection Agency,* 612 F.2d 45 (2d Cir. 1979).

Until such time, the ISR program would remain part of the SIP, with the attendant private enforcement remedies for failure to comply with the ISR. In two of the six States where the problem existed, including Nevada, cases were brought successfully to halt the construction or opening of projects which were required to obtain indirect source permits under regulations which remained part of the State implementation plan, but which were not being enforced.

EPA has approved the withdrawal of indirect source review programs in a number of States on the basis that the nonattainment plans were approved and did not contain the indirect source review program. Some of these withdrawal approvals were based on nonattainment plans which were conditionally approved. However, the approvals of the withdrawal of the indirect source review programs were not conditional.

On February 20, 1981, the second circuit court of appeals was petitioned for review of EPA's approval of the withdrawal of the Connecticut ISR program on the basis that the conditional nature of EPA's approval of the nonattainment plan meant, by definition, that the plan does not fully meet all of the requirements necessary for the withdrawal of the indirect source regulation. The case was argued before the second circuit on September 23, 1981.

On February 1, 1982, the U.S. Court of Appeals for the Second Circuit upheld the Environmental Protection Agency's (EPA) approval of the partial withdrawal of the indirect source review (IRS) regulations from Connecticut's State implementation plan (SIP) *Connecticut Fund for the Enviornment* v. *Environmental Protection Agency,* docket No. 81-4025, slip opinion No. 52 (February 3, 1982). While this decision ended the 4-year battle over Connecticut's ISR program modification, the terms of this decision and of the 1979 decision by the same court, *Manchester Environmental Coalition* v. *EPA,* 612 F.2d 56 (2d Cir. 1979), leave some remaining uncertainty as to the status of other States such as Nevada which have attempted or may attempt to withdraw ISR regulations from their approved SIP's.

Mr. President, to eliminate this problem, the legislation we have introduced amends the Clean Air Act to provide that any State may withdraw an indirect source review program from the applicable State implementation plan, at any time, without restriction. Under this amendment, the State's decision to withdraw is sufficient by itself, to revise the State implementation plan and does not require any subsequent action by EPA.

In addition to the expedited process, the amendment would provide for adequate notice of the revision to EPA and the public.

Another problem that our legislation addresses is the plight of our domestic nonferrous smelting industry which has been devasted in world competition by unreasonable and nonproductive environmental controls.

Mr. President, in the 1977 amendments to the act, Congress recognized the importance and uniqueness of the copper smelting industry by enacting section 119. Section 119 enables primary nonferrous smelters, upon demonstration of economic hardship, to employ supplementary as well as continuous control to meet national ambient air quality standards (NAAQS) until January 1, 1988, by obtaining two nonferrous smelter orders (NSO). As a condition for the second NSO, the smelter must agree to a compliance schedule to use only continuous controls after January 1, 1988, to meet EPA emission requirements, provided the Administrator determines that adequately demonstrated technology is available.

The legislation that we have introduced would amend section 119 in three important ways. First, nonferrous smelters would be allowed to curtail operations on a temporary basis as a way of complying with air quality standards through intermittent controls. In addition, the termination date for nonferrous smelter orders would be extended 5 years to 1988 and 1993, respectively. Finally, EPA would be required to establish new regulations on what constitutes good engineering practice for stack height credits in mountainous terrain where no other plant siting options are available, and weather inversions pose compliance not faced by plants in nonmountainous terrain.

Mr. President, these amendments are critical to the survival of the domestic smelting industry and will not result in any environmental damage. The fact is that American nonferrous smelters are, for the most part, currently meeting NAAQS and this has been accomplished by substantial investment. Between 1970 and 1978 the U.S. copper industry spent $1.1 billion for air pollution control devices. During that period, SO_2 emissions from copper smelters dropped from 11.6 percent to 5.7 percent of the total industrial SO_2 emissions.

This tremendous investment has put the industry in a difficult position in the world community market where the foreign competition is often government subsidized. The bottom line being that American companies are

unable to pass on nonproductive investments in their product prices. If this industry is shouldered with additional nonproductive investments for clean air requirements the result will almost certainly be a number of U.S. smelter shutdowns resulting in concentrates going overseas for smelting. This would result in an increased dependency on foreign smelters and refineries for nonferrous finished metals such as copper, lead, and zinc and by-products like silver and gold.

During the past 10 years, this country has averaged 90 percent in terms of total copper and copper alloy self-sufficiency. This self-sufficiency will decline radically if additional smelters are forced to close. Currently, there are very few nonferrous smelters left in this country and almost all are located in remote areas of the Western United States where they are often the predominate employers. Smelter shutdowns will have a significant adverse effect on unemployment in these western communities.

Mr. President, the final aspect of our bill that I would like to call my colleagues attention to is the elimination of the percent reduction requirement for new sources under section 111 of the act.

This issue, known best by its shorthand name as the "scrubber" issue, represents to me the greatest single purely economic boondoggle that we attempt to address. If the average western utility user knew of the impact that this requirement has on his monthly utility bill, he or she would be as outraged as I have been after giving the matter some scrutiny.

Mr. President, current law requires a 70 to 90 percent SO_2 removal rate for new coal-fired powerplants by requiring the installation of expensive scrubbing devices on these plants. When EPA promulgated the original new source performance standards for coal-fired plants in 1971, the rules allowed new units to meet a maximum SO_2 emmission rate of 1.2 pounds per million Btu's of heat by the use of low-sulfur coal alone, or by add-on flue gas scrubbers. Most western coal can be burned in compliance with the 1.2 pound emmission level while most eastern coal cannot.

Naturally enough, west-to-east coal shipments increased sharply after the 1971 rules went into effect. In order to meet the NSPS, eastern utilities began contracting for low-sulfur western coal. The result was that by 1977 eastern utilities consumed 25 million more tons of western coal than they did in 1970.

In 1977, as a result of the efforts of a bizarre coalition of environmentalists and eastern coal interests, Congress mandated that flue gas scrubbers be installed on all new fossil-fueled powerplants. The background of this legislative achievement is outlined in a recently published book by Bruce Ackerman and William Hassler entitled "Clean Coal/Dirty Air or How the Clean Air Act Became a Multibillion Dollar Bail-Out for High Sulfur Coal Producers and What Should Be Done About It." I recommend this book to all my colleagues as we begin the debate on the Clean Air Act.

Mr. President, we should be proud of the progress we have made in reducing air pollution in this country. I for one, want to continue that progress and I believe we can. However, I firmly believe that we can do so without economic bailouts like the percent-reduction requirement and without unnecessarily injuring key domestic industries and stifling growth. The bill we have introduced today meets those goals.●

By Mrs. HAWKINS:

S. 2478. A bill to amend the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

OUTLAWING THE USE AND SALE OF METHAQUALONE

● Mrs. HAWKINS. Mr. President, except for marihuana, methaqualone is the most abused drug among teenagers and young adults in the United States. Today, I am introducing legislation which outlaws the use and sale of this hazardous narcotic.

Outlawing methaqualone will not inconvenience legitimate users. First marketed in the United States in 1965, methaqualone was developed to relieve insomnia. It was soon discovered, however, that its effectiveness is limited; after 2 weeks of use, the body develops a resistance to its sleep-inducing effects. As a result, medical associations stopped recommending it for treatment of insomnia. Furthermore, methaqualone is considered to be a addictive drug. Other, less dangerous therapeutic products are therefore used to treat insomnia. Nevertheless, a few clinics in major metropolitan areas now treat stress almost exclusively by prescribing this powerful, addictive central nervous system depressant. For example, about 80 to 90 percent of all prescriptions for methaqualone in New York State last year origninated in one stress clinic. And, during a 13-month period, one Miami stress clinic doled out 6,941 methaqualone prescriptions at $100 each—for an income of $694,100. Usually these clinics are owned by drug entrepreneurs who have hired physicians willing to circumvent Federal law for a price.

My legislation removes methaqualone from the market by amending the Controlled Substances Act to raise it from a schedule II controlled substance to a schedule I. This change will effect a ban on the sale and use of this hazardous narcotic. It assures that stress clinics will no longer reap windfall profits by trafficking in methaqualone.

Mr. President, the need for this legislation is increasingly urgent. Nationally, emergency methaqualone abuse in 1980 brought nearly 6,000 into hospital emergency rooms. We can expect this figure to be higher in 1982 unless Congress acts because more people are abusing methaqualone. The National Institute on Drug Abuse reports that use by seniors in high school grew from 8 percent in 1975 to nearly 11 percent in 1981.

Statistics released by the Dade County, Fla., Medical Examiner's Department indicated that 66 deaths last year in Dade County alone were related to methaqualone use. This is more than the previous 4 years combined.

Additionally, this bill addresses the shocking problem of methaqualone related pharmacy theft. Recently, the Eckart Drug Co. has announced that many of the robberies at its 1,209 pharmacies in 15 States are committed by people seeking methaqualone.

As Senators, we have a responsibility to take action against methaqualone abuse, its associated accident deaths, and related pharmacy theft. I believe we should follow the examples set by the States of Florida and Georgia by outlawing the use of this dangerous narcotic. I invite my colleagues to join me in this effort to reduce youth drug abuse and its associated violent crime.●

By Mr. SYMMS (for himself, Mr. BENTSEN, Mr. BOREN, Mr. COHEN, Mr. HELMS, Mr. JEPSEN, Mr. JOHNSTON, Mr. MATHIAS, Mr. MATTINGLY, Mr. MCCLURE, Mr. NUNN, and Mr. ZORINSKY):

S. 2479. A bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes; to the Committee on Finance.

SECTION 6166 TECHNICAL REVISION ACT OF 1982

Mr. SYMMS. Mr. President, today I am introducing legislation, along with some of my colleagues, which will correct technical deficiencies in section 6166 and the redemption rules under section 303.

Section 6166 of the Internal Revenue Code permits an executor to extend the time of payment of the estate tax attributable to closely held business interests, including farms. The deferral provision, which was implemented by Congress in 1958, does not reduce taxes but only extends the period of payment for estates that qualify as being illiquid.

Often when Congress passes tax legislation, it unfortunately cannot foresee all of the technical problems that might arise from the passage of a par-

ticular provision. As a result, technical revisions are normally necessary so that the full intent of Congress can be implemented with the greatest possible ease.

As presently written, section 6166 contains a number of intricate rules that frequently operate as traps for the unwary and cause many deserving estates to lose the relief extended by the statute because of inadvertent errors.

The purpose of the legislation being introduced today is to make only technical, clarifying changes in the law, not to change past or present policy on section 6166.

A tremendous amount of effort has been made to review this section of the Internal Revenue Code. Last year, a Task Force on Technical Revision of Section 6166 was formed to lend their expertise in recommending the needed technical revisions so that the full intent of Congress could be executed.

The following law firms and accounting firms from throughout the country are members of the Task Force on Technical Revision of Section 6166. Listed beside each firm is the name of the person who is principally involved with section 6166 and related matters:

Arthur Andersen & Co., Sam Murray.
Baker & Botts, J. Thomas Eubank.
Cox, Castle & Nicholson, Jeffrey Lapota.
Deloitte, Haskins & Sells, Alexander Zakupowsky.
Dow, Lohnes & Albertson, Bernard J. Long, Jr.
Ernst & Whinney, Herbert J. Lerner.
Frank, Bernstein, Conaway & Goldman, Shale D. Stiller.
Giordano, Halleran & Crahay, John A. Aiello.
Gordon, Feinblatt, Rothman, Hoffberger & Hollander, Marc P. Blum.
Greenebaum Doll & McDonald, Martin S. Weinberg.
Hogan & Hartson, Sara-Ann Determan.
Jones, Walker, Waechter, Poitevent, Carrère & Denègre, Edward B. Benjamin, Jr.
Katten, Muchin, Zavis, Pearl & Galler, Sheldon I. Banoff.
Lidell, Sapp, Zivley, Brown & LaBoon, Walter Zivley.
Nelson & Harding, Senator Carl Curtis.
Peat, Marwick, Mitchell & Co. Gilbert Bloom.
Sills Beck Cummis Radin & Tischman, Herbert L. Zuckerman.
Prince, Yeates & Geldzahler, David S. Geldzahler.
Shea & Gould, James C. Heinhold.
Silverstein and Mullens, Ronald D. Abramson.
Sutherland, Asbill & Brennan, Mac Asbill, Jr.
Vinson & Elkins, Marvin K. Collie.

SPECIFIC PROPOSALS FOR TECHNICAL REVISION OF SECTION 6166

The Economic Recovery Tax Act of 1981 made a number of significant changes in the availability and operation of section 6166.[1] Although, section 6166 continues to be plagued by numerous technical deficiencies, it is a valuable provision which should be preserved.[2] In order to remedy these technical deficiencies, the Task Force on Technical Revision of Section 6166 suggests the following specific legislative proposals.

A. NECESSITY FOR JUDICIAL REVIEW

An overriding problem in this entire area is the fact that any dispute which arises under section 6166 cannot be resolved in court, thereby making the Revenue Service the sole arbiter of all controversies. This unintended imbalance between the taxpayer and the Revenue Service needs to be remedied at the earliest possible time through the creation of a judicial forum for the resolution of all qualification and acceleration disputes arising under Section 6166.[3]

The declaratory judgment provision contained in the House-passed version of the Economic Recovery Tax Act of 1981 can serve as a model for legislation. However, decisions of the Tax Court should be reviewable by the circuit courts, as is the case with all other decisions of the Tax Court. Sufficient statutory safeguards are available to penalize taxpayers whose appeals from the Tax Court to the circuit courts are instituted or maintained merely for delay or where the appeals are frivolous or groundless.[4] Moreover, in order to appeal to a circuit court, the taxpayer must pay the amount of tax in dispute at the outset of the appeal or comply with the complex and expensive bonding procedures which are very rarely utilized.[5] Accordingly, the task force endorses S. 1733 because it would provide a reviewable Tax Court judicial forum.

B. CLARIFICATION OF STATUS OF CORPORATE AND PARTNERSHIP HOLDING COMPANIES

In order to reflect present business practices which oftentimes utilize corporate and partnership holding company structures, section 6166 should be clarified to permit a decedent to own either a direct or indirect interest in a corporation or partnership carrying on a trade or business. In other words, if a decedent's interest is in a holding company and the holding company owns a subsidiary which is engaged in a trade or business, the decedent's estate should have the benefits of section 6166, assuming that other requirements of the section are met.[6]

There is no justifiable reason for the International Revenue Code to exclude partnership and corporate holding companies from the benefits of section 6166. The congressional purpose underlying section 6166—to provide a long-term payout to estates with liquidity problems in order to prevent a forced sale to larger publicly owned companies—should apply equally to holding companies and to entities without corporate or partnership subsidiaries.[7]

C. CLOSELY HELD BUSINESS INTEREST SHOULD INCLUDE INDEBTEDNESS

Section 6166 should be amended to permit indebtedness to qualify for deferral benefits if the decedent's equity interest in the partnership or corporation, standing alone, would constitue a closely held business interest for purposes of section 6166. Section 6166 should not contain a bias in favor of equity over indebtedness.

In addition, section 6166 should be amended to enable buy outs to occur prior to the death of one of the owners, if such person has been an owner for at least 1 year prior to the buy out.[8] Thus, a note receivable from a corporation or partnership would be eligible for the deferral privilege if the note, at the time of the decedent's death, represents 20 percent or more of the total value of the business[9] or the corporation or partnership has 25 or fewer owners.

D. INDIVIDUALS ENGAGED IN OIL AND GAS BUSINESS AS SOLE PROPRIETORS

Under the vast sweep of section 3797(a)(2) of the Internal Revenue Code of 1939, coownership and operation of oil and gas leases was held to be a partnership for Federal tax purposes. This was true even though each co-owner marketed his own share of the production and hence there was no joint profit. (I.T. 3930, 1948-2 C.B. 126; I.T. 3948, 1949-1 C.B. 161; Bentex Oil Corp., 20 T.C. 565 (1953))

In the Internal Revenue Code of 1954, Congress recognized that to require a partnership for general income tax purposes was inconvenient for the Internal Revenue Service and unjust to the taxpayer. Hence, after reiterating the same broad definition of partnership in section 7701, Congress permitted in section 761 an election out of the partnership category for such types of partnerships. The election, however, is only for purposes of subchapter K, dealing with partners and partnerships under chapter 1 of subtitle A; this subtitle concerns only income taxation.

Section 6166, however, is part of subchapter B of chapter 62 of subtitle F dealing with procedure and administration of the Internal Revenue Code. Therefore, in its use of the term "partnership," section 6166 is controlled by the definition in section 7701 without any provision for election out of the partnership category. (*Bryant* v. *Commissioner*, 339 F.2d 800 (5th Cir., 1968); Unpublished Letter Ruling No. 8042011, July 1, 1980)

The unjustness of the resulting situation is readily apparent to those operating today in the oil and gas business. Section 6166 permits the installment payment of Federal estate taxes if, among other qualifications, the decedent's interest in a single closely held business exceeds 35 percent of the adjusted gross estate. If a decedent has

Footnotes at end of article.

an interest in more than one closely held business and each such interest is 20 percent or more of the total value of such business, then such interests may be aggregated in reaching the 35-percent plateau. While the Internal Revenue Service has long recognized that operating and developing interests in oil and gas leases is a business (Rev. Rul. 61-55, 1961-1 C.B. 713), recently it became the position of the Internal Revenue Service that each coowned oil and gas lease is a separate and distinct partnership; hence, the decedent must have a 20-percent or greater interest in the total value of such partnership business, that is, each oil and gas lease in which he has an interest for the requisite aggregation. (Unpublished Letter Ruling No. 8042011, July 1, 1980)

As a practical matter this eliminates most individual oil and gas operators from utilization of the relief of section 6166. With the present-day costs of oil and gas exploration and development, most individuals cannot take, or retain, 20 percent of each lease for exploration. Even if one could, such percentage aggregation requirement is especially difficult to meet when modern methods of conservation, such as unitization, are required. For example, if an individual has 25 percent in value of a producing lease to maintain qualification for the aggregation threshold, he would have to resist a unitization that potentially requires his interest in the unitized leasehold to be reduced to a small percentage, such as 2 or 3 percent, a not uncommon situation.

The fair solution to this inequitable and undesirable result is to treat all coownership of oil and gas leases as being one business for the purposes of section 6166, just as was done consistently in practice prior to 1980. The requisite business type of ownership is assured by the reference to the ability to elect out of the partnership category for purposes of such partnership under section 761(a)(2). Thus, this ability to elect out is not present in a limited partnership. It is only present when one has a direct operating ability and liability. Accordingly, the proposed amendment would not benefit syndicated oil and gas tax shelters. Moreover, the proprietorship still must satisfy the other statutory requirements of section 6166, including the trade or business test, before it can be classified as an interest in a closely held business.

E. THE "POOL OF CAPITAL" DOCTRINE

All over the country there are independent persons who make their living by locating, identifying, or acquiring mineral rights or leases on behalf of or for sale to others who will attempt to explore and develop such properties. Typically, these independent professionals receive for their services, or for their interest in minerals, an overriding royalty interest, net profits interest, or other nonoperating interest in the minerals which have been located, identified, or acquired, plus in some cases reimbursement of the out-of-pocket costs. At death they typically hold a substantial number of such interests in various mineral properties, each much smaller than 20 percent of the total leasehold interest. Although these numerous small interests are nonoperating interests, they represent the business assets of the decedent and the value of these interests reflect in part the personal efforts of these individuals.

The facts surrounding these independent professionals are unique for two reasons. First, in the natural resources field, and in oil and gas in particular, there is the "pool of capital" doctrine which runs counter to the general rule that the receipt of an interest in property for services is taxable. A contributor to the pool of capital whose contribution of materials, services, or a mineral interest, enables a particular well to be drilled; that is, enables the capital to be provided to drill that particular well, receives an interest in the well and its acreage without recognition of income because Congress and the Internal Revenue Service have long recognized that such contributions are necessary in order to have the natural resources developed.

Second, all or virtually all of the independent professional's profit from his business comes from these property interests received as a result of his contributions to the pool of capital, so that he is indeed only in the business of providing services or mineral interests as contributions to pools of capital. By contrast, attorneys, real estate brokers, and others who provide services are usually remunerated for their services in cash, and only take interests in particular transactions from time to time and as incidental to their normal business of deriving cash profits for their services.

Taken together, these interests of a professional represent a closely held business, and their heirs should be entitled to the benefits of section 6166 despite the fact that each business asset, taken separately, is a nonoperating interest.

F. ASSETS LEASED TO CLOSELY HELD BUSINESS

Under present law, if a decedent directly or indirectly owns assets which are leased to a closely held business and the lease can be characterized as a net lease, the leased assets do not qualify for purposes of section 6166. However, if those assets were owned directly by the closely held business, section 6166 would be available with respect to them.

Section 6166 should apply to the assets used by the closely held business whether such assets are directly owned by that business or leased to the business by a partner or stockholder.[10] Accordingly, corrective legislation should provide that assets directly or indirectly owned by the decedent that are leased to a closely held business should qualify for purposes of section 6166 if such assets are used by the closely held business in carrying on a trade or business, throughout the 1-year period ending on the date of the decedent's death, and the decedent's stock or partnership interest in such closely held business qualifies for purposes of section 6166.[11]

By contrast, where money or other property is contributed or loaned to a closely held business but is not used in carrying on the trade or business during the 1-year period prior to death, section 6166 should not be available with respect to such money or other property.

G. ELIMINATION OF DISTINCTION BETWEEN CAPITAL AND PROFITS INTEREST IN A PARTNERSHIP

Under present law, if a partnership has more than 15 partners, determined by taking into account all of the attribution rules, the decedent must own 20 percent or more of the total capital interest in such partnership in order to qualify for section 6166. There are several reasons to amend section 6166(b)(1)(B)(i) to eliminate the distinction between an interest in partnership capital and an interest in partnership profits.

First, if the partnership has 15 or fewer partners, the decedent's partnership interest can qualify even if such interest is limited to partnership profits. Second, for purposes of the aggregation rule in section 6166(c), the decedent must own 20 percent or more of the total value of each business without regard to whether the decedent's partnership interest relates to capital or profits. Finally, numerous sections of the Revenue Code provide for attribution between a partner and a partnership where the partner owns a prescribed interest in either partnership profits or partnership capital.[12]

H. ELIMINATION OF DISTINCTION BETWEEN VOTING AND NONVOTING STOCK

Under present law, if a corporation has more than 15 shareholders, determined by applying all of the attribution rules, the decedent must own 20 percent or more in value of the voting stock of such corporation in order to qualify for section 6166. There are several reasons section 6166(b)(1)(C)(i) should be amended to eliminate the distinction between voting and nonvoting stock.

First, if the corporation has 15 or fewer shareholders, the decedent's stock interest can qualify even if such interest is comprised solely of nonvoting stock. Second, for purposes of the aggregation rule in section 6166(c), the decedent must own 20 percent or more of the total value of each business without regard to whether the decedent's stock is voting or nonvoting. Finally, several provisions of the Reve-

nue Code provide for attribution between a shareholder and a corporation where the shareholder owns a certain minimum percentage of the value of the outstanding stock including both voting and nonvoting stock.[13]

I. COORDINATION WITH SUBCHAPTER S PROVISIONS

In order to preserve the historic relationship between the subchapter S provisions and the estate tax deferral provisions, dating back to 1958, a decedent's interest in a corporation should qualify under section 6166 if such entity has 25 or fewer stockholders.[14] In order to achieve additional coordination between the two provisions, the spousal attribution rules in section 6166(b)(2)(B) and section 6166(c) should be revised to eliminate the common ownership requirement and to include estates of deceased spouses.

J. SIMPLIFICATION OF ATTRIBUTION RULES

Under present law, in determining whether the 15-person numerical test is satisfied, three complex and at times overlapping attribution rules are applicable: spousal, family and entity. By contrast, in determining whether the percentage ownership test is satisfied, the executor can elect to apply these attribution rules, but only by giving up the 4-percent interest rate and the 5-year interest only provisions. In the case of a husband and wife where one of the spouses is the decedent, both spousal and family attribution would be applicable, although spousal attribution is limited to situations in which the closely held business interest is jointly or commonly owned. Finally, attribution does not extend to estates of family members.

Present law should be amended to combine the spousal and family attribution rules into a single provision applicable, without any penalties, to both the percentage and numerical qualification tests. In addition, in order to preserve the current interaction between family and spousal attribution, the definition of family should be amended to include spouses of an owner's brothers and sisters as well as spouses of such owner's lineal descendants. Finally, estates of family members should be included for purposes of attribution.

K. EXPANSION OF AGGREGATION RULE TO INCLUDE NUMERICAL TEST

Aggregation under section 6166(c) should be permitted for each of the decedent's interests which satisfy either the numerical or percentage qualification tests. Since modern business practices often favor the creation of multiple entities, section 6166 should not impose a stiffer requirement in the case of two or more entities, but, at the same time, provide a more lenient qualification standard where the decedent dies owning a single closely held business interest.[15] In effect, all closely held business interests qualifying under section 6166(b)(1) should be eligible for aggregation.

However, in order to assure that section 6166 is not available to estates which are comprised of a multitude of small interests, aggregation only should be available if each interest equals 5 percent or more of the adjusted gross estate, except that interests which are sole proprietorships or which meet the percentage tests would be eligible for aggregation in all events as under present law.

L. EXPANSION OF ACCELERATION EXCEPTIONS

Since buy-out agreements often are an essential element in the continuation of a closely held business after the death of one of the owners, section 6166 should be amended to permit an estate to sell its stock or partnership interest to the company or an existing owner or employee[16] in exchange for a note without resulting in acceleration. The American Bar Association has recommended a similar change.[17]

Second, the acceleration exception for section 303 redemptions should be expanded to permit the proceeds of such redemption to be used for any of the purposes enumerated in section 303(a). Under current law, a section 303 redemption can include amounts sufficient to cover Federal and State death taxes, interest on such death taxes, and funeral and administration expenses under section 2053, whereas section 6166(g)(1)(B) is limited to Federal estate taxes. In addition, corrective legislation should provide that for redemptions occurring during the 5-year interest only period, such proceeds must be utilized for the enumerated purposes by the end of such period; for redemptions occurring after such period, the proceeds must be so utilized within 1 year of the redemption.

Third, the acceleration exception for section 303 redemptions should be expanded to provide equivalent treatment for partnerships and proprietorships. There is no justification for permitting an estate to receive funds from a closely held corporation to pay enumerated expenses without causing acceleration, but to deny that right to partnerships and proprietorships. Acceleration is not justified in either case because the estate must pay such expenses (or reimburse itself) with the funds it receives from the closely held business. This exception also should be expanded to apply to the extent amounts are received from the business for the designated purposes, whether by way of dividends, redemption proceeds, or principal payments on indebtedness which qualifies as a closely held business interest. However, interest on such indebtedness would not be counted for acceleration purposes. In addition, this exception should be available whether the funds received reimburse the estate for the designated purposes or such funds are used for the designated purposes within prescribed time periods after the funds are received.

Fourth, the acceleration exception in section 6166(g)(1)(C) should be expanded to include all reorganizations under section 368 if the stock received by the decedent's estate (or heirs) would have qualified as a closely held business interest if owned by the decedent on the date of his death. In effect, closely held businesses should be allowed to be acquired in tax-free transactions by unrelated closely held businesses without causing acceleration.[18]

For similar reasons, a disposition of a closely held business interest should not result in acceleration to the extent no gain is recognized pursuant to the like kind exchange provisions of section 1031 or the involuntary conversion provisions of section 1033.

Finally, the acceleration exception for subsequent death-related transfers should be amended to repeal the family limitation. When the original decedent dies, section 6166 is available whether or not the decedent leaves any portion of the estate to nonfamily members. However, on the death of an heir of the original decedent, the acceleration exception only is available if the subsequent transferee is a member of the transferor's family. There are many situations in which business associates—including employees—and charitable organizations are beneficiaries of an estate. In effect, under present law, an heir of the original decedent is penalized if the closely held business interest is left, in whole or in part, to such business colleagues or charitable organizations. The goal of section 6166—to preserve closely held businesses after the death of one of the owners—is enhanced if such owner is free to determine the beneficiaries of the business interest. The task force supports S. 1734 because it repeals the family limitation.

M. SOLUTION TO INTEREST AS AN ADMINISTRATION EXPENSE

An extremely complicated situation is presented because interest throughout the 14-year period is deductible as an administration expense under section 2053. However, according to the Revenue Service, a deduction can only be claimed when the interest is actually paid or accrued. One method of eliminating the complex procedures prescribed by the Revenue Service, while retaining the economic benefit of the deduction, would be to amend section 2053 to exclude interest as a deduction but to reduce the interest rate by 50 percent to compensate for such elimination.[19]

The task force recommends that the interest attributable to the section 6166 deferral period should continue to be deductible as an administration expense under section 2053. The inter-

est rate would be fixed for the entire deferral period, geared to the then prevailing yield on Treasury obligations of comparable maturity. All of the interest attributable to the payout period, including interest imposed by a State, would be deductible when the estate tax return was filed. In the event an estate terminated the deferral privilege prematurely, one recalculation procedure would be required at that time; otherwise no recalculations would be necessary. This approach preserves the legal principles presently operating, but drastically simplifies the current situation by eliminating the now complex and prolonged administrative procedures.

N. EFFECTIVE DATES

The proposed legislative changes described in sections B, C, D, E, F, G, H, I, J, and K, all of which relate to changes in qualification requirements under section 6166, would apply to estates of decedents dying after December 31, 1981.

The changes in the acceleration rules, section L, would apply to dispositions and withdrawals made after December 31, 1981, even if the election under section 6166 or section 6166A applied to decedents dying before January 1, 1982.

The provisions relating to judicial review, section A, generally would apply to estates of decedents dying after December 31, 1981, except that controversies involving dispositions and withdrawals made after December 31, 1981 would be subject to judicial review even if the election under section 6166 or section 6166A applied to decedents dying before January 1, 1982.

Finally, the proposed change involving the deductibility of interest as an administration expense, section M, generally would apply to decedents dying after December 31, 1981. However, in order to eliminate the complex procedures prescribed by the Revenue Service with respect to the deductibility of interest for decedents dying before January 1, 1982, a transitional rule would permit such estates to elect to utilize the new interest deduction provision for the post-1981 term of the section 6166 or section 6166A payout period.

FOOTNOTES

[1] Unless otherwise indicated, all references are to the Internal Revenue Code of 1954, as amended, and the Treasury Regulations promulgated thereunder.

[2] A recent report by the Comptroller General of the United States recommended that section 6166 should be utilized exclusively if a tax preference for farm estates is to be preserved. "Special Estate Tax Provisions For Farmers Should Be Simplified To Achieve Fair Distribution of Benefits." General Accounting Office, September 30, 1981.

[3] Congress acted expeditiously in an analogous situation involving the jurisdiction of the Tax Court. See Public Law 96-596, "Chapter 42 Second Tier Tax Correction Act of 1980."

[4] Section 7482(c)(4); 28 U.S.C. section 1912; Rule 38 of the Federal Rules of Appellate Procedure. In addition, the Internal Revenue Service could impose penalties pursuant to section 6653 in the event an underpayment of taxes was due to negligence, intentional disregard of rules and regulations (but without intent to defraud), or fraud. The underpayment would be equal to the total amount of taxes which the taxpayer defers in the case of a qualification dispute and the unpaid balance of deferred taxes in the case of an acceleration dispute.

[5] Section 7485(a); rule 192 and forms 9-12 of the Rules of Practice and Procedure of the United Tax Court. By comparison, prior to the time the Tax Court reaches its decision, the taxpayer must continue to make installment payments under section 6166.

[6] Thus, there would be a disposition for acceleration purposes where the estate disposed of the stock in the holding company or the holding company disposed of the stock of the active subsidiary.

[7] This proposal would not expand or contract the investment asset exception contained in the regulations (Treas. Regs. § 20.6166A-2(c)); the exception would not apply at the holding company level but would apply at the active subsidiary level. However, the exception would be modified, as described in section F, to deny its application to capital contributions which are not used by the partnership or corporation in carrying on the trade or business of such entity.

[8] To prevent deathbed transactions, the indebtedness would have to have been in existence for at least 1 year prior to death or the date of the buyout. In addition, under the acceleration provisions, the note would no longer qualify as a closely held business interest as follows: (i) at such time as the stock or partner relationship was completely terminated; (ii) at such time as the note became readily tradeable within the meaning of section 453(f)(5); or (iii) at such time as the closely held business was acquired by a corporation, such corporation assumed or guaranteed the note, and the stock of such corporation was readily tradeable.

[9] The total value of the business would be determined by treating the note as a liability of the corporation or partnership.

[10] This result already prevails under section 2032A, where special use valuation is available for assets leased to a related partnership or corporation carrying on a trade or business. See section 2032A(g) and Unpublished Letter Ruling No. 8206009 (May 21, 1980).

[11] Thus, under the acceleration provisions, the leased assets would no longer qualify as a closely held business interest at such time as the stock or partner relationship was terminated.

[12] See sections 318(a)(2)(A) and (3)(A); 554(a) (1) and (2); 707(b) (1) and (2); 1239(c)(1)(B); and 1563(e)(2).

[13] See sections 267(b)(2); 318(a)(2)(C) and (3)(C); 554(a)(1); 1239(c)(1)(A); and 1563(e)(4).

[14] If this change is made, a corresponding change in the numerical test for partnerships would be necessary. In addition, if the permitted number of shareholders for a subchapter S corporation is increased to 35 as recently proposed by S. 2350 and H.R. 6055, similar changes should be made to section 6166.

[15] The numerical qualification test contains safeguards (specifically in the entity attribution rule) to assure that the total number of direct and indirect owners of a corporation or partnership are taken into account. Accordingly, no additional safeguards are needed in this area when the aggregation rule is expanded to include the numerical qualification test.

[16] An existing owner or employee would be defined as a person who was an owner or employee during the period beginning 1 year prior to the decedent's death and ending on the date of the buyout. In addition, in order to assure that the decedent has a continuing relationship to the closely held business, a note received pursuant to a "cross purchase" agreement only would qualify for the acceleration exception if the business guaranteed the note.

[17] If a closely held business is acquired by a corporation after the buyout agreement is implemented, such corporation assumes or guarantees the buyout note, and the stock of such corporation is readily tradeable, acceleration then would be proper. Acceleration also would occur if the buyout note itself becomes readily tradeable for any reason within the meaning of section 453(f)(5). With respect to a predeath buyout arrangement as well as indebtedness combined with the appropriate equity position, acceleration also should apply in the same circumstances.

[18] Section 303(c) applies to all reorganizations. (See Treas. Reg. § 1.303-2(d)). Moreover, section 303 was amended by section 422(b) of the Economic Recovery Tax Act of 1981 (Public Law 97-34) in order to coordinate those provisions with section 6166. H.R. Rep. No. 201, 97th Cong., 1st Sess. 181 (1981).

[19] The executor could retain the option to treat the interest expense as an income tax deduction, in which event the interest rate would not be reduced because the interest still would be deductible for income tax purposes. Alternatively, no income or estate tax deduction could be available and the reduced interest rate therefore would be mandatory.

By Mr. HELMS (by request):

S. 2482. A bill to repeal that paragraph of the act of March 4, 1913, that designates 10 percent of all national forest receipts for the construction of roads and trails on the national forests (37 Stat. 843, as amended; 16 U.S.C. 501); to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL FOREST LEGISLATION

● Mr. HELMS. Mr. President, at the request of the Secretary of Agriculture, John Block, I introduce a bill to repeal that paragraph of the act of March 4, 1913 (16 U.S.C. 501), that requires the 10 percent of all moneys received from activities on the national forests during each fiscal year shall be available for construction and maintenance of roads and trails on national forests in those States from which the receipts were derived.

To make these funds available they still must be appropriated; this requires that an estimate be made of the anticipated national forest receipts 2 years in advance of the fiscal year that they will be received. This estimate then must be included as a part of the overall appropriation process. Since, it is difficult to predict receipts with the needed degree of accuracy for budget purposes a road construction program partially dependent on these funds may be adversely affected when estimates exceed actual receipts. Supplemental appropriations may become necessary to maintain the originally budgeted program level.

It is the belief of the Secretary of Agriculture that the purpose of the paragraph in the 1913 act would be better served if the forest road construction program were financed entirely through the appropriations process, and the earmarking of national forest receipts for this purpose eliminated.

Mr. President, I ask unanimous consent that the transmittal letter from the Secretary of Agriculture as well as the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, D.C., March 19, 1982.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith, for the consideration of Congress, is a draft bill "To repeal that paragraph of the

Act of March 4, 1913, as amended, that designates 10 percent of all National Forest receipts for the construction of roads and trails on the National Forests (37 Stat. 843)."

The Department of Agriculture recommends introduction and enactment of the draft bill.

The proposed legislation would repeal a paragraph of the Act of March 4, 1913 (37 Stat. 843, as amended; 16 U.S.C. 501). This paragraph requires that 10 percent of all moneys received from activities on the National Forests during each fiscal year shall be available for construction and maintenance of roads and trails on National Forests in those States from which the receipts were derived.

To make these funds available they still must be appropriated. This requires that an estimate be made of the anticipated National Forest receipts 2 years in advance of the fiscal year that they will be received. This estimate then must be included as a part of the overall appropriation process. It is difficult to predict receipts with the needed degree of accuracy for budget purposes. A road construction program partially dependent on these funds may be adversely affected when estimates exceed actual receipts. Supplemental appropriations may become necessary to maintain the orginally budgeted program level. The bulk of the National Forest road construction program appears in the Forest Service budget under two other items: (1) an annual appropriation for forest road construction; and (2) a permanent appropriation from a working fund for timber purchaser roads constructed by the Forest Service. As a practical budgetary procedure, the 10 percent road fund is merged with the first item.

We believe that the purpose of the paragraph in the 1913 Act would be better served if the forest road construction program were financed entirely through the appropriation process, and the earmarking of National Forest receipts for this purpose eliminated.

The proposed legislation would not require additional budget outlays by the Federal Government. Its enactment would have no significant effect upon the quality of the human environment.

The Office of Management and Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the Administration's program.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely,

JOHN R. BLOCK, *Secretary.*

S. 2482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to insure that the construction of roads and trails on the lands of the National Forests proceed in an orderly and efficient manner, that paragraph of the Act of March 4, 1913, as amended, requiring that 10 percent of all moneys received from the national forests during each fiscal year shall be available for the construction and maintenance of roads and trails within the National Forests in States from which such proceeds are derived (37 Stat. 843, as amended; 16 U.S.C. 501), is hereby repealed.●

By Mr. RIEGLE (for himself, Mr. CRANSTON, and Mr. DODD):

S. 2483. A bill to limit certain authorities under the National Housing Act; to the Committee on Banking, Housing, and Urban Affairs.

MORTGAGE PROTECTION LEGISLATION

● Mr. RIEGLE. Mr. President, I am today introducing legislation to protect the FHA mortgage insurance and GNMA mortgage backed securities (MBS) programs from the administration's proposed reductions in their commitment ceilings. These reductions would be ill-timed and ill-advised during this deep housing crisis. My legislation would maintain these programs during the next fiscal year at the levels approved for fiscal year 1982.

The FHA insurance and GNMA-MBS programs have been extremely important to the Nation's homebuyers and housing industry for many years. They have provided more open access to mortgage credit and to homeownership. They have contributed substantially over the last 40 years to the steady growth in the proportion of homeowners. Together, these programs have been invaluable in making us the best housed country in the world.

The FHA insurance programs are particularly important for moderate to middle income people and for first time homebuyers. They assure a reliable source of fixed rate financing with low downpayment requirements.

The GNMA-MBS program guarantees securities backed by pools of mortgages, which lenders issue to raise additional funds for mortgage lending.

Mr. President, it should be noted that both of these programs accomplish their purposes without cost to the Federal Treasury. Their costs are fully financed by user fees. Private institutions and private investment funds carry out program activities. In fact, the Government Accounting Office asserts that the FHA insurance programs reduce Federal borrowing in the private markets because the fees for the programs paid into the FHA insurance fund are invested in U.S. Treasury instruments.

The administration plans to reduce the FHA mortgage insurance commitment ceiling to $35 billion in fiscal year 1983 from the fiscal year 1982 level of $40 billion, while the GNMA-MBS would be cut back to $38.4 billion in commitments for fiscal year 1983 compared to $68.25 billion in fiscal year 1982.

The administration's proposals could not have come at a worse time. With the housing industry reeling from high interest rates, and housing markets closed to all but a few, the administration's proposals would restrict the availability of favorable mortgage financing even further. These proposed reductions signal to the housing industry and to the home buying public that the administration has decided to let the housing industry continue to flounder and housing markets to remain closed.

My legislation would retain the fiscal year 1982 commitment levels. I want to emphasize that these are insurance commitment levels, not Federal expenditures. This bill would also require the Secretary to notify the Congress when the commitment ceilings are approached, to give Congress ample time to raise them if conditions warrant.

The FHA and GNMA insurance programs are essential to the recovery of the housing industry. Emergency housing legislation to stimulate housing production, recently adopted by the Senate Banking Committee, is expected to boost production by as much as 50 percent above the current level. That will create heavy additional demand for FHA insured mortgages and for the GNMA-MBS program. The recovery we hope will follow this stimulus will require still more FHA financing. The administration's ceilings are insufficient to accommodate the stimulus program and sustain a broader recovery.

The higher ceilings that would be authorized by my bill are needed to maintain Federal support for homeownership and better housing conditions. They are needed to meet the growing demands for housing from the increasing number of people who are reaching home buying age and forming families.

Mr. President, my legislation would help assure that adequate home financing will become available. I urge its adoption.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2483

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 306(g) of the National Housing Act is amended by adding at the end thereof the following:

"(3) During fiscal year 1983, the Association may not enter into commitments to issue guarantees under this subsection in an aggregate amount in excess of $68,250,000,000.".

(b) Section 531 of the National Housing Act is amended—

(1) by inserting "(a)" after "Sec. 531"; and

(2) by adding at the end thereof the following:

"(b) During fiscal year 1983, the Secretary may not enter into commitments to insure loans and mortgages under this Act with an aggregate principal amount in excess of $40,000,000,000.".

(c) The Secretary shall notify Congress whenever the cumulative fiscal year commitments issued under the Federal Housing Administration mortgage insurance programs or the Government National Mortgage Association Mortgage-Backed Security

program exceed a pro rata share of the total year-to-date commitment authority during any quarter of the fiscal year. However, no limitation is imposed, by virtue of this section, on the cumulative quarterly commitments authorized to be issued by the Federal Housing Administration or the Government National Mortgage Association, except pursuant to the total commitment limitations imposed by the Appropriations Act. This notification shall be made within thirty days after the end of any quarter affected by this provision.●

By Mr. QUAYLE (for himself and Mr. TSONGAS):

S. 2484. A bill to amend the Agricultural Act of 1949 to repeal the price support program for the 1982 through 1985 crops of sugar; to the Committee on Agriculture, Nutrition, and Forestry.

REPEAL OF SUGAR PROGRAM

Mr. QUAYLE. Mr. President, just 8 months ago, Mr. TSONGAS and I proposed an amendment to the 1981 farm bill to eliminate the sugar program. At that time we argued that the sugar program would raise the consumer price of sugar, expose the U.S. Treasury to unneeded outlays, and disrupt our foreign policy in the Caribbean. Unfortunately, our warnings were not heeded and the sugar program is now law. Unfortunately for consumers, taxpayers, and our trading partners, our warnings are now coming true. Mr. President, there was never a pressing economic or social need for the sugar program. Now that the program is threatening to raise sugar prices even higher, to add to Federal deficits, and to disrupt our relations with Latin America, I believe the time has come to recognize our mistake. Mr. TSONGAS and I are introducing a bill to repeal the sugar price program altogether.

Mr. President, the USDA and the administration are now considering imposing quotas on imported sugar. They have been forced into this corner because the world price of sugar has dropped to 9 cents per pound, and they can no longer keep the price of imported sugar high enough to prevent eventual forfeitures of sugar to the CCC. Import duties are at their maximum of 2.8 cents, and import fees are limited to one-half the ad valorem price, currently amounting to a little over 4 cents per pound. According to USDA calculations, sugar prices must be kept above 19 cents per pound in order to avoid purchases by the CCC. This support price simply cannot be maintained in the current world market conditions. Furthermore, analysts are projecting another bumper crop this year—which will keep world prices low. One reason for the overproduction is that the 4-year price support program encourages marginal producers to grow. So it appears that unless quotas are imposed we face the prospect of the U.S. Government making huge purchases of sugar. The CCC has already placed over 600,000 tons of sugar under loan since the program was inaugurated early this year. It would be pure guesswork to estimate the extent of eventual losses to the Treasury if sugar were forfeited, but it is a certainty that the Federal budget cannot tolerate further deficit spending.

Mr. President, even without imposing quotas on imports, the sugar program has had a tremendous impact on consumers. Each 1 cent increase in the price of sugar costs the American consumer about $300 million. The import duties and fees now in effect will thus cost Americans well over $2 billion this year alone. If quotas are imposed, prices will increase another 3 cents a pound, translating into an additional $1 billion price increase. At a time when recession, unemployment, and high interest rates have imposed austerity on all Americans, such needless and inflationary price increases are intolerable.

Mr. President, the use of import quotas to protect American sugar growers also presents an extremely serious threat to our international trading system and to our relations with the Central and South American nations which are among our major suppliers of sugar. In times of recession in the world economy, there is always a tendency to protect domestic producers against foreign competition. The current recession is no exception to this rule. American producers of both agricultural commodities and manufactured goods have seen their markets eroded by the increasing value of the dollar in exchange markets, by decreased demand, and by foreign subsidies of domestic products. Although we must be firm in protecting American interests against unfair competition, I believe our guiding principle should be the preservation of the free trade system which has been painstakingly developed over the past 40 years. I do not think I need to remind anyone that the United States has a huge balance of trade in agricultural products. Last year our surplus amounted to over $23 billion.

Mr. President, in the past few months the United States has been forced to exert a good deal of pressure on the European Economic Community and on Japan to keep them from imposing new restrictions on imports of American agricultural products. We have consistently upheld the principles of free trade and scrupulous adherence to the General Agreement on Tariffs and Trade. Mr. President, the use of import quotas on sugar would clearly contradict these principles and undermine our negotiating position. How can we ask the EEC and Japan to open their markets while we are closing ours? Although the legal status of import quotas is cloudy, it is possible that they are a violation of GATT. It is clear, however, that import quotas on sugar would violate the spirit of GATT and other international trade arrangements such as those under the International Sugar Organization.

In addition to undermining the free trade system, the use of quotas would do serious damage to our relations with sugar exporting nations. Mr. President, this administration and this Congress have devoted a great deal of effort and resources to improving relations with Central and South American countries. A major part of this effort, which is symbolized by the Caribbean Basin initiative, is designed to help stabilize the precarious economies of these nations.

In October 1981, the U.S. State Department made the following comments on the effect of the sugar program on our relations with Caribbean Basin nations:

> The answer to your inquiry is simple—the effect would be severe. The Administration is firmly committed to establishing a Caribbean Basin development program designed to reverse the economic and political decline of those countries. Improved economic and social conditions are crucial to their political stability and ability to resist subversion. A sugar program would undercut the President's commitment. . . . The Caribbean Basin would not be the only affected region. The U.S. is the world's largest sugar importer; thus, sugar support legislation would have major implications for other sugar exporting countries of strategic and economic importance to the U.S., including Brazil, the Philippines, Argentina, Thailand and Australia.

The sugar program alone damages the economies of our trading partners by encouraging marginal producers in the United States, by encouraging the market penetration of lower-priced sweetener substitutes, and thus reducing both the quantity and the price of foreign sugar. Many Caribbean Basin countries are highly dependent on their currency earnings from sugar. Sugar represents 40 to 50 percent of exports from the Dominican Republic, 30 percent from Guyana, 27 percent from Barbados, and 16 percent from Panama. The sugar industry in the Dominican Republic sells 98 percent of its $500 million crop to the United States, provides 85,000 jobs, and indirectly employs 500,000 of the nation's 5 million citizens.

The use of import quotas will only exacerbate the problems caused by the sugar program in the delicate economies of Caribbean Basin countries. Many of these nations have already expressed their concern about the impact of quotas on employment and economic growth in their countries. Quotas would also affect the economies of Brazil, Australia, Argentina, the Philippines, Thailand, Guatemala, Swaziland, and Colombia.

Mr. President, we cannot allow the sugar program to undermine the President's Caribbean Basin initiative. We cannot allow the sugar program to

cause economic disruption in the Caribbean. We cannot allow the sugar program to threaten the international trading system which is so beneficial to American agriculture. We cannot allow the sugar program to add to the Federal deficit. Most importantly, we cannot continue to punish the American consumer by raising the price of sugar even further. I call on my colleagues to support the principles of free trade and free market prices by eliminating the costly and counterproductive sugar program.

● Mr. TSONGAS. Mr. President, I join my colleague, Senator QUAYLE, in introducing a bill that would repeal the sugar price support system, title IX of the Agriculture and Food Act of 1981. Last year on September 17, Senator QUAYLE and I sponsored an amendment that would have deleted the sugar provisions from the so-called farm bill. That amendment did not pass and, unfortunately, the strong objections we had to that legislation have recently proved warranted.

We were concerned a year ago that a continued and chronic drop in the world price of sugar could force the Government to purchase thousands of tons of forfeited sugar from farmers at guaranteed price. The price of sugar has dropped 30 percent since January 1. Now the price is about 9 cents a pound and the farm bill guarantees farmers a price of 16.75 cents a pound. The complex fee schedule governing imported sugar is no longer sufficient to protect domestically produced sugar and the administration is exploring alternatives.

Last September, we warned that sinking prices migh spur the administration toward the kind of protectionist measures that would hurt consumers and impair our relations with other sugar producing nations.

Now, in fact, the administration is considering strict import quotas on foreign sugar. If those quotas are imposed, the cost of sugar and products that require sugar, will certainly increase. The loser will be the consumer. And our relations with the other sugar producing nations, many of them close allies, will surely suffer. These nations account for half the sugar consumed in this country.

Mr. President, when I spoke against this provision last September, the world price of sugar was averaging 14 cents a pound. A new price support program for sugar was unappealing at a time when drastic budget cuts were being made in the programs that serve the poor.

Now that sugar is averaging 9 cents a pound and we are facing budget deficits approaching $200 billion, price supports for sugar are even less appealing to me. If we do not repeal title IX of the Agriculture and Food Act of 1981, the Government's choices are bleak. By the administration's own estimates, loan forfeitures could result in budget hemorrhage this year of $200 million. If instead we impose import quotas and force consumers to pay as much as $1 billion a year more for sugar, we will anger several of our allies.

Mr. President, price supports for sugar were a bad idea last September. They are a bad idea now. We can avoid the costly mistakes of this statute by repealing this section of the agriculture bill immediately. It is the practical thing to do. It is the ethical thing to do. It is the cost-effective thing to do.

I urge my colleagues to join us in this effort and to join us at once. Not to do so is to perpetuate a lamentable and unnecessary cost to the Government and to the consumer.●

By Mr. STAFFORD (for himself, Mr. BAKER, Mr. THURMOND, Mr. RANDOLPH, Mr. CHAFEE, Mr. MITCHELL, Mr. GORTON, Mr. BAUCUS, Mr. TSONGAS, Mr. DANFORTH, Mr. ABDNOR, Mr. DECONCINI, Mr. FORD, Mr. EAGLETON, Mr. LUGAR, Mr. RUDMAN, Mr. WEICKER, Mr. SARBANES, Mr. MURKOWSKI, Mr. SASSER, Mr. PELL, Mr. D'AMATO, Mr. MATHIAS, Mr. QUAYLE, Mr. JACKSON, Mr. EXON, Mr. DURENBERGER, Mr. ROTH, Mr. CHILES, Mr. PRYOR, Mr. MATSUNAGA, Mr. DIXON, Mr. CRANSTON, Mr. BUMPERS, and Mr. ROBERT C. BYRD):

S.J. Res. 195. Joint resolution designating the week of May 2 through May 9, 1982, as "National Clean Air Week"; considered and passed.

(The remarks of Mr. STAFFORD on this legislation appear elsewhere in today's RECORD.)

ADDITIONAL COSPONSORS

S. 1215

At the request of Mr. PROXMIRE, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1444

At the request of Mr. THURMOND, the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1444, a bill to authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use, and for other purposes.

S. 1691

At the request of Mrs. HAWKINS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 1691, a bill to amend the Federal Reserve Act with respect to the terms of the Board of Governors of the Federal Reserve System, and for other purposes.

S. 2147

At the request of Mr. DECONCINI, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 2147, a bill to require amendment of the Internal Revenue Code of 1954 to provide a simple income tax with low marginal rates and to require the Secretary of the Treasury to propose legislation to establish such an income tax.

S. 2174

At the request of Mr. THURMOND, the Senator from Minnesota (Mr. BOSCHWITZ) was added as a cosponsor of S. 2174, a bill to recognize the organization known as American ex-prisoners of war.

S. 2270

At the request of Mr. LUGAR, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2270, a bill to amend section II of the Social Security Act to provide generally that benefits thereunder may be paid to aliens only after they have been lawfully admitted to the United States for permanent residence, and to impose further restriction on the right of any alien in a foreign country to receive such benefits.

S. 2335

At the request of Mr. WEICKER, the Senator from Florida (Mr. CHILES), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 2335, a bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption.

S. 2356

At the request of Mr. HART, the Senator from Hawaii (Mr. INOUYE), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 2356, a bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high technology products, and for other purposes.

S. 2362

At the request of Mr. ARMSTRONG, the Senator from Utah (Mr. GARN) was added as a cosponsor of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S.2372

At the request of Mr. HATFIELD, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 2372, a bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

S. 2455

At the request of Mr. HEINZ, the Senator from Tennessee (Mr. SASSER),

and the Senator from Missouri (Mr. DANFORTH) were added as cosponsors of S. 2455, a bill to extend the targeted jobs tax credit.

SENATE JOINT RESOLUTION 175

At the request of Mr. KASTEN, the Senator from Alaska (Mr. STEVENS), the Senator from Hawaii (Mr. INOUYE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from North Dakota (Mr. BURDICK), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Michigan (Mr. LEVIN), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. PRESSLER, the Senator from Georgia (Mr. MATTINGLY) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE CONCURRENT RESOLUTION 81

At the request of Mr. SPECTER, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Concurrent Resolution 81, a concurrent resolution to express the sense of the Congress that the President should promptly hold a summit with leaders of the Soviet Union to reduce the risks of nuclear war and to seek control and reduction of nuclear weapons.

SENATE CONCURRENT RESOLUTION 82

At the request of Mrs. HAWKINS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Concurrent Resolution 82, a concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

SENATE RESOLUTION 262

At the request of Mr. LEAHY, the Senator from Missouri (Mr. EAGLETON), the Senator from Nebraska (Mr. ZORINSKY), the Senator from North Dakota (Mr. BURDICK), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Nebraska (Mr. EXON) were added as cosponsors of Senate Resolution 262, a resolution to express the sense of the U.S. Senate support for energy conservation programs.

SENATE RESOLUTION 270

At the request of Mr. HUDDLESTON, the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of Senate Resolution 270, a resolution relating to the "Great Friendship Run."

SENATE RESOLUTION 340

At the request of Mr. ROBERT C. BYRD, the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of the Senate Resolution 340, a resolution to express the sense of the Senate that no action be taken to terminate or otherwise weaken the community service employment program under title V of the Older Americans Act of 1965.

SENATE CONCURRENT RESOLUTION 89—CONCURRENT RESOLUTION RELATIVE TO ARSON RESEARCH AND TRAINING

Mr. GLENN (for himself, Mr. TSONGAS, Mr. SARBANES, Mr. BIDEN, Mr. RIEGLE, Mr. MOYNIHAN, Mr. CANNON, Mr. LUGAR, Mr. BRADLEY, Mr. EXON, Mr. MELCHER, Mr. KENNEDY, Mr. HEFLIN, Mr. LEAHY, Mr. ZORINSKY, and Mr. JACKSON) submitted the following concurrent resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. CON. RES. 89

Whereas the United States Fire Administration was established in 1974 to reduce significantly the unacceptable high rate of death, injury and property loss in the United States within the next generation;

Whereas annually fire claims nearly eight thousand lives in the United States and injures another three hundred thousand Americans and constitutes a major burden affecting interstate commerce;

Whereas annually arson claims nearly one thousand lives in the United States and injures ten thousand Americans.

Whereas the anti-arson and fire safety programs of the United States Fire Administration are vital components to a national program of arson and fire prevention, detection and control; and

Whereas the United States Fire Administration must continue to reinforce and support the arson and fire prevention, detection, training and control activities of state and local governments; Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring) that it is the sense of the Congress that the United States Fire Administration should continue its arson research and training mission and its assistance to the anti-arson and fire safety efforts of states and localities; and be it further

Resolved That Congress continue support of the United States Fire Administration, as recommended in the report of the National Commission on Fire Prevention and Control entitled "America Burning", and most recently affirmed by the Joint Council of the National Fire Service Organizations on March 1, 1982.

Mr. GLENN. Mr. President, I am submitting a concurrent resolution today which will express the sense of the Congress that the U.S. Fire Administration should continue its arson research and training mission and its assistance to the antiarson and fire safety efforts of States and localities. Unfortunately, the administration's proposal to "zero fund" the agency makes it necessary for me to submit this resolution.

I thank my colleagues who have cosponsored the resolution, as well as those who have offered their support, and I invite other Senators to join us in support of this measure. I am pleased that a similar resolution, House Concurrent Resolution 288, has been submitted in the House of Representatives and has been favorably reported by the House Committee on Science and Technology.

The aim of the resolution is also supported by the Joint Council of the National Fire Service Organizations, the International Association of Fire Fighters, the International Association of Fire Chiefs and the National Volunteer Fire Council. These organizations strongly oppose the administration's proposal. On March 1, 1982, the Joint Council of the National Fire Service Organizations adopted the following resolution:

That the Joint Council strongly supports the continued funding of the United States Fire Administration in fiscal year 1983 at a minimum level of 8.5 million dollars. Further, that all member organizations of the Joint Council mount an immediate campaign to convey this strong support to the fire service, the Congress, the officials of the Federal Emergency Management Agency and the Administration.

Arson in the United States:

Represents the highest rate of arson in the world;

Has become this Nation's fastest growing crime, quadrupling in the last 10 years and increasing tenfold in dollar losses;

Represents 25 percent of all fires and also 25 percent of your fire insurance premiums;

Kills 1,000 people annually;

Injures as many as 10,000 more;

Causes direct property losses of at least $1.3 billion; and

Results in indirect losses estimated at up to $15 billion.

Each year, fire in the United States: kills 8,000 people, injures as many as 300,000 persons, causes direct property losses in excess of $5 billion, and results in indirect losses estimated at $21 billion.

The Fire Administration was created in an effort to reduce the country's fire death toll and devastating losses to property. The Fire Administration was given a mandate to develop a national strategy to combat arson, including antiarson research and training assistance to States and localities in arson prevention, detection and control, see Public Law 95-422, 1978.

The Fire Administration has been very successful in fulfilling its antiarson role, especially in its research activities. Under the agency's technical assistance program, as many as 300 State and local task forces have been established, including the Las Vegas-Clark County Task Force which

helped to solve within 24 hours the highly publicized Hilton Hotel arson fire.

In the area of research, the agency developed the arson information management system (AIMS). This system is used to identify arson early warning patterns so that intervention strategies can be designed and implemented. For example, In Phoenix, Ariz., AIMS was successfully utilized to help apprehend and convict an arsonist who was responsible for 29 arson fires and $2.5 million in losses. AIMS was also utilized in Boston, Mass., to help apprehend and convict a ring of 33 arsonists.

The agency established a juvenile fire setter counseling program which operates in 48 communities in 19 States. Juveniles are responsible for approximately half of the incendiary fires in this country. The counseling programs in Bolingbrook, Ill., and Upper Arlington, a suburb of Columbus, Ohio, illustrate the success of the program in reducing recidivism. After counseling, 107 out of 110 juveniles apprehended for setting fires in Bolingbrook set no more fires. In the Upper Arlington program, which is located in my home State, 349 out of 360 juvenile fire setters set no more fires after receiving counseling.

The agency has also established a number of other successful antiarson programs, including the arson resource center, which published the "Arson Control Guide for Volunteer Fire Departments" and the "Arson Resource Exchange Bulletin," and the "Arson Shield" Outreach training program of the National Fire Academy. In addition, the Fire Administration has developed many successful fire safety programs in such areas as public education assistance, firefighter safety, residential sprinklers, smoke detectors, fire emergency and medical services and major fire investigations.

From its fiscal year 1981 budget of $11.5 million, funding for the Fire Administration has been effectively reduced to approximately $4 million for the current fiscal year. This includes a reduction in the agency's arson prevention and control budget from $656,000 in fiscal year 1981 to $170,000 for the current fiscal year. Of course, for fiscal year 1983, the proposed funding level is zero.

On April 21, 1982, the Committee on Governmental Affairs held a hearing on the proposed reorganization of the Fire Administration. The Director of the Federal Emergency Management Agency, Louis O. Giuffrida, as well as representatives from the previously mentioned fire service organizations, testified at the hearing. I had the opportunity to participate in this hearing, which was chaired by my distinguished colleague, Senator ROTH.

I came away from the hearing more convinced than ever that the zero funding proposal is shortsighted and unsound.

First, the proposal circumvents the requirements of the law, the Fire Prevention and Control Act of 1974, as amended, expressed the clear intent of Congress to have a Fire Administration with a separate and distinct identity and mission. Instead of proposing legislation to eliminate the statutory authority for the Fire Administration or to reorganize it, the proposal to "zero fund" the agency is an attempt to end run this requirement. Such an attempt is tantamount to eliminating the agency and therefore thwarts the will of the people and Congress which created the agency. The proposal would also circumvent the normal procedures that are followed in connection with plans to reorganize a Federal agency.

Second, the proposal would undermine the effectiveness of the programs of the Fire Administration. The programs that would survive under the proposal would be fragmented and scattered among various Federal agencies. For example, the training and education programs would be shifted to the National Fire Academy and the National Bureau of Standards would perform basic research on fire protection.

No one Federal agency would take over the agency's antiarson programs, and many programs would be lost. In fact, in his testimony at the April 21 hearing on behalf of the Administration, Mr. Giuffrida contended that:

> Solutions to the arson problem can be addressed by the introduction of low-cost computer support.

This contention is totally lacking in foundation and is contrary to testimony and evidence which has been brought out in many congressional hearings conducted over a span of several years, some of which I personally chaired. The contention also evidences a lack of understanding and appreciation of the magnitude and complexity of the arson problem.

The proposal would also abandon the Fire Administration's role of coordinating Federal antiarson and fire safety efforts. In his testimony before the Committee on Appropriations, Subcommittee on HUD-Independent Agencies, on April 1, 1982, Mr. Giuffrida stated that:

> The U.S. Fire Administration will no longer play a coordinating role in the Nation's fire prevention and control programs.

In the past, the agency provided the Federal focus to coordinate a national strategy to combat arson. The administration now proposes to shift the Federal fire focus to the Fire Academy. In light of the above, it is unclear as to exactly what this proposal means. In any event, the Fire Academy does not have the expertise, organizational structure or budget to take on any significant functions beyond education and training. Unlike the Fire Administration, the academy would not have an administrator who could exercise the independence and leadership that was mandated by the 1974 act. The academy is simply a training facility located 75 miles outside of Washington, D.C. Moreover, its budget was reduced by 12 percent in fiscal year 1982.

Third, the justification for the proposal is specious.

The administration contends that its proposal will help reduce the size and costs of multiple Federal agencies involved in State and local programs. To appreciate the folly of this contention, one needs only to compare the fiscal year 1982 budget of the Fire Administration with FEMA's fiscal year 1983 budget request of nearly $1 billion in outlays. The meager $8 million budget of the Fire Administration pales in comparison to this staggering sum. Rather than reducing its size, the administration has proposed an increase in FEMA's budget of $141.6 million in outlays and of 207 permanent positions. The Fire Administration has a mere 35 staff positions. Further, the agency's fiscal year 1982 arson prevention and control budget was only $170,000.

A large portion of the increase, $119.1 million, would go to civil defense, under which the nuclear attack preparedness program is funded. I am concerned that the administration may be trading off a successful, ongoing program to save lives in order to prepare for a remote contingency in the hope of surviving the unthinkable.

In the April 21 hearing, Mr. Giuffrida suggested that cost savings could be attained through the implementation of better management procedures at the Fire Academy. However, he was unable to provide any details or information to support this contention, nor could he explain why such cost saving measures could not be implemented within the fire administration.

Finally, the administration's proposal is based on the notion that arson and fire safety is the responsibility of the States and localities. During the April 1 hearing before the Appropriations Subcommittee, Mr. Giuffrida stated that:

> The Federal Assistance formerly provided by the U.S. Fire Administration should be replaced by State and local government, the private sector and fire service organizations.

While arson and fire safety are State and local problems, the willingness of the administration to abandon its responsibility to assist them ignores two salient facts. First, State and localities are ill-equipped to deal with these problems, especially the crime of arson. This point was stressed in the April 21 hearing by the fire service witnesses and has been made over and over again during the last several

years. Second, although successful, the Fire Administration has not met its goal to reduce by one-half the Nation's loss of life from unwarranted fire and to achieve significant reductions in property and nonfatal human injury due to fire. In his testimony at the April 21 hearing, Harold A. Schaitberger, the representative of the International Association of Fire Fighters, stated that:

We think it quite facetious to suggest that the American fire problem has been corrected to the point to justify the elimination of the U.S. Fire Administration and the essential Federal fire program it represents.

Mr. President, I hope that the Committee on Commerce, Science, and Transportation, to which this resolution will be referred, will give the resolution prompt consideration. I also hope that the Committee on Governmental Affairs and the Committee on Appropriations and its Subcommittee on HUD-Independent Agencies will take a hard look at the administration's proposal and help us to continue the antiarson and fire safety programs of the Fire Administration.

I ask unanimous consent that the testimony of Chief E. Stanley Hawkins, president of the International Association of Fire Chiefs, before the Senate Governmental Affairs Committee on April 21, 1982, be included in the RECORD.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

TESTIMONY BEFORE THE SENATE GOVERNMENT AFFAIRS COMMITTEE ON REORGANIZATION OF THE U.S. FIRE ADMINISTRATION

Mr. Chairman, my name is E. Stanley Hawkins, Fire Chief of Tulsa, Oklahoma and President of the International Association of Fire Chiefs (IAFC). I appear before you today representing the nation's fire chiefs, both career and volunteer, who are responsible for directing local governments' fire prevention and control activities, emergency medical service, and emergency response to natural and man-made hazards.

Organized in 1873, the International Association of Fire Chiefs has long recognized that the fire problem can overwhelm the capabilities of local fire departments. The history of tragic fires and disasters has convinced our members that a collective and cooperative effort on the part of local, state and federal governments is necessary to combat the fire problem as well as other disasters.

Mr. Chairman, the nation's fire chiefs, the entire fire service community and the U.S. Congress have worked for many years to create and maintain a federal focus on the nation's fire problem. Yet, today we are faced with the elimination of the fire administration.

The President's fiscal 1983 budget message addressed the U.S. Fire Administration. It stated: "The goal of this program has been to reduce by 50% the nation's loss of life from unwanted fire and to achieve significant reductions in property and nonfatal human injury due to fire by the year 2000. This program has improved the cost-effectiveness of the various fire protection services. Due to the significant decrease in loss of life and property due to fire and the increased efforts of the private sector, this program will be discontinued in 1983. However, the efforts of the National Fire Academy will continue to provide training to state and local fire officers and officials."

I do not believe that a significant decrease in life and property losses has, in fact, occurred. Indeed, the significant indirect losses associated with fire will continue to have a negative impact on our nation's economic recovery by putting individuals out of work and reducing the tax base.

And, I do not believe that the private sector will pick up the important programmatic, research and development, and data collection activities conducted by the U.S. Fire Administration.

The following summary of the 1980 National Fire Experience Survey conducted by the National Fire Protection Association (NFPA) and supported by the U.S. Fire Administration paints a grim picture of the national fire problem: 6,505 civilians were killed as a result of fires in the United States; 30,200 civilians were injured as a result of fire in the United States; 770 civilians died as a result of incendiary fires; 134 fire fighters were killed in the line of duty; fires across the United States accounted for an estimated $6,254,000,000 in property loss; Property loss in residential fires alone accounted for an estimated $3,042,000,000 damage; indirect losses from fire accounted for an estimated $15,000,000,000; and fire departments across the United States attended 2,988,000 fires.

I believe that the nation's fire problem continues to be serious and deserves federal involvement. I believe the following points are appropriate for a federal fire focus.

The nation's fire problem demands a separate and indentifiable agency within the federal government which will commit its total resources to assisting the existing fire protection community to serve the public needs and interest on a day-to-day basis.

The public interest can be served best only if fire is recognized as a continually occurring problem. The day-to-day aspect of this problem, its magnitude and its effects are vastly different from the problem of intermittent disaster.

It is essential that a national focus on fire not only be maintained and strengthened, but that it not be diffused or subordinated to the disaster aspects of any new agency.

The National Fire Academy must not be subordinated to any other part of the agency's programs. The fire programs should receive the highest degree of priority, in keeping with the continuing magnitude of the fire problem and the large continually operating constituency of approximately two million fire service personnel. These persons include fire personnel, thousands of building officials, architects, engineers and hundreds of educators who teach the fire sciences. Through the academy and its system, new and transferrable technology, results of research and sound practices would be spread nationwide.

The fire technology programs must be continued with concentration on solving current problems. An example of a project of vital importance and promise that has already been initiated is the development of the "protective envelope" for fire fighters.

The national fire focus must deal directly with, and be responsive to, the state and local fire protection community. Regionalization of this fire focus will decrease its ability to deal with the daily fire protection needs in a cost-effective manner.

There is a potential decrease of emphasis on fire safety and prevention with respect to the small fire incident which could occur in a major disaster-oriented agency. It must be recognized fully that it is the home that is cumulatively the most dangerous to human life. Residential fires claim more than 6,000 persons annually. These fires are not spectacular and often property losses are low. Nevertheless, it is the homeowner and individual family that suffers most and more often from fire. Private residences are at the heart of the fire problem. The priorities needed here are vastly different from those required for a potential hurricane. These priorities must be kept in proper perspective.

Full recognition should be given to the fact that in any disaster there is always an immediate involvement of the fire service, even when fire is not involved directly. The fire service of the United States has two million members which are capable of immediate mobilization. They also constitute the nation's primary rescue service. For these reasons, the role of the fire service must be preserved.

Since the creation of the U.S. Fire Administration, the IAFC has enjoyed the opportunity to work closely with the fire administration and the national fire academy. This relationship has been one of mutual support for the benefit of the fire service. We believe it is essential that dialogue be maintained between the fire service and the U.S. Fire Administration and FEMA.

The members of the IAFC, therefore, believe that the U.S. Fire Administration and the National Fire Academy should remain a major and distinct element within the Federal Emergency Management Agency. We feel that a strong organizational relationship is necessary between the Federal Emergency Management Agency and the U.S. Fire Administration to mitigate the fire problem effectively. We feel that the U.S. Fire Administration should be funded to assist and supplement local efforts for fire prevention and control. The U.S. Fire Administration must assist the fire service by providing technical and financial assistance to help us do our job more effectively, but not act as a supervisory or controlling federal agency intruding into the affairs of local government.

The U.S. Fire Administration has developed many programs that are of assistance to fire departments. A few of these programs are: National fire incident reporting system (NFIRS); fire department manning study; municipal fire insurance; major fire investigations; fire in the U.S. data; in-depth fire investigations; residential sprinklers; smoke detectors—technology evaluation; code administration and enforcement program; fire fighter safety and health; automatic remote residential alarm systems (ARRAS); Federal and industrial applications; interagency coordination; National Bureau of Standards; arson prevention and control; public education assistance; emergency medical services; smoke detector; emergency responder; fire and emergency service master planning; operation Dixieland; and hazardous materials.

The IAFC has been engaged for many years in activities to define clearly the legitimate federal role in local fire protection and disaster response. During the 1960s, the members of the IAFC adopted resolutions approving civil defense plans for the fire service; supported creation of a division of fire technology in the Commerce Department and federal fire spokesman; supported

federal funds for fire research and staff and command schools; and, supported civil defense proposals for national nuclear fire leadership training.

In the area of federal legislation, the IAFC was active in the passage of the Fire Research and Safety Act of 1968 which established the National Commission on Fire Prevention and Control; supported passage of the Federal Fire Protection and Control Act of 1974; participated in the selection of the National Fire Academy site in Emmitsburg, Maryland; supported the transfer of the United States Fire Administration to the Federal Emergency Management Agency; and continuously engaged in efforts to secure adequate funding for the United States Fire Administration.

From this perspective of involvement with federal programs, the membership of the IAFC is convinced that the United States Fire Administration and the National Fire Academy have made significant progress in addressing the national fire problem. The IAFC supports the existing U.S. Fire Administration programs and any effort to reduce these programs is unacceptable to the members of the IAFC.

In 1978, our former president, Chief John L. Swindle, appeared before this committee to support President Carter's Reorganization Plan No. 3. At that time, and I might add, after long and deliberate negotiations within the fire service and with Carter administration staff members, the members of the International Association of fire Chiefs supported the reorganization effort because we felt it would benefit the fire service. This conclusion was based on the following reasons:

1. To provide a separate and identifiable federal agency which would commit its total resources to assist state and local fire protection efforts in dealing with the nation's fire problem.

2. To assure that the national focus on fire would be strengthened and not diffused or subordinated to disaster-related activities.

3. To assure that the agency would be responsive to, and deal directly with, the state and local fire protection community.

4. To establish a National Fire Academy and related system to provide direct assistance to state, local and college fire training and educational programs; and, a quality outreach program to the fire community.

5. To assure that the agency would maintain emphasis on fire safety and prevention.

6. To assure that fire research and technology would concentrate on current fire problems.

7. To assure that the agency would not have regulatory capabilities with the power to intervene in the affairs of state and local government.

8. To assure that the agency would preserve the role of the fire service and would continue the dialogue with the fire service in matters of mutual concern.

Mr. Chairman, in working with the President's Reorganization Project Team, we were assured that the transition of the fire program to the new agency would in no way inhibit the integrity, focus, mission and effectiveness, or the authorities and responsibilities of the fire administration as identified in Public Law 93-498. I believe that your committee expressed similar concerns and received the same assurance. With this in mind, the International Association of Fire Chiefs fully endorsed and supported the proposed reorganization plan.

In early 1981, Chief Jack Lee, then chairman of the Joint Council of National Fire Service Organizations (JCNFSO), developed a position paper regarding the relationship between the fire service community and the Federal Emergency Management Agency. I believe that several points are worth mentioning again: "Fire prevention and control is accepted as a local responsibility. The U.S. Fire Administration (USFA) was created by Congress at the urging of the American fire service to provide a critical, coordinating, cost effective linkage among all federal, state, local and private agencies and organizations responsible for fire prevention and control. This is still, and should continue to be, the primary function of the USFA."

Typically, the fire service is the first public agency trained to respond and mitigate natural and man-made disasters. Because of this, the Joint Council of National Fire Service Organizations recognized and endorsed the USFA as the primary agency in the Federal Emergency Management Agency (FEMA) responsible for the coordination of all federal resources for comprehensive emergency planning, response and control.

In taking this position, the Council did so with the firm resolve that the principles and objectives listed below would be maintained.

1. The Carter Administration would support FEMA, the USFA and the National Fire Academy.

2. The Administration would assure the continued integrity, focus and effectiveness of the fire program authorized in Public Law 93-498.

3. The Administration would maintain The USFA's authorities, responsibilities and organizational structure pursuant to Public Law 93-498 and the President's Reorganization Plan No. 3 of 1978.

4. All authorities, responsibilities, programs and funding commitments of the USFA remain a distinct component within FEMA.

5. The USFA's primary responsibility be to carry out all aspects of the Fire Prevention and Control Act of 1974 and that it be directed by an Administrator for Fire at an Executive IV level, reporting directly to the Director of FEMA.

6. All authorities and functions of the USFA be assigned to the USFA Administrator, other than such normally centralized support functions as administrative and computer services, legal affairs, accounting, finances and payroll.

7. Funding authorizations for the USFA continue to be committed solely for its use.

8. The continuation of the National Fire Academy's focus on professional development for fire service personnel and others engaged in comprehensive emergency planning pursuant to Public Law 93-498. The Joint Council considered the National Fire Academy an essential component of the U.S. Fire Administration's mission. Further, the Council considered it imperative that the campus at Emmitsburg, Maryland, continue to be identified as the National Fire Academy under the direction of the fire administration.

Recently, comprehensive emergency management and emergency first responder have become part of the vocabulary of emergency organizations and FEMA. But the reality of comprehensive emergency management and emergency first responders are not new to the fire service. The nation's fire service historically has been the first to respond to emergency situations threatening life or property, including technological or natural disasters, and the consequences of terrorism. Therefore, the nation's fire service, serving as an emergency first responder, is the primary operational constituency of the Federal Emergency Management Agency, as well as the U.S. Fire Administration.

With the President's interest in civil defense and crisis relocation planning, I believe that it is in the best interest of the nation to have a well-organized and operationally efficient fire service. The nation's fire departments have the organization, training, personnel, equipment and communications systems to respond to large-scale disasters. When an emergency incident occurs, large or small, the fire service is called upon to handle the emergency response.

It seems, therefore, somewhat inconsistent for the administration to call for increased efforts in civil defense, and, at the same time, call for the elimination of the fire administration. Clearly, the fire service and the U.S. Fire Administration have a significant role to play in the response and recovery from a natural or nuclear disaster.

With our involvement over the years in the establishment of the U.S. Fire Administration under Public Law 93-498 and the creation of the Federal Emergency Management Agency under PRP No. 3 of 1978, two points are clear: The intent of the U.S. Congress was to have a U.S. Fire Administration and National Fire Academy with their own identity and mission and the nation's fire service, approximately 1.5-2 million persons, supported the establishment and maintenance of the U.S. Fire Administration and the National Fire Academy.

Now it appears that individuals in the current administration who have little or no experience in fire protection and emergency services have decided to use the budget as a tool, and the fiscal crisis as an excuse, to override the clear intent of Congress and a very large fire service community.

On May 4, 1973, the National Commission on Fire Prevention and Control released its report America Burning. This report was based on approximately two years of effort by fire service professionals, college professors, the media and members of Congress. I believe that findings are still valid and the recommendations sound. This important work should *NOT* be overlooked during the debate to restore funding for the U.S. Fire Administration. Certainly, the fire problem is as severe now, if not worse, than at the time of this publication.

Mr. Chairman, the members of the International Association of Fire Chiefs urge your committee to seek restoration of funding for the U.S. Fire Administration and to assure adequate funding for the National Fire Academy.

Thank you.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1397

(Ordered to be printed.)

Mr. SPECTER (for himself and Mr. DIXON) proposed an amendment to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development,

test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1398

(Ordered to be printed.)

Mr. TOWER proposed an amendment to the amendment (No. 1397) proposed by Mr. SPECTER (for himself and Mr. DIXON) to the bill S. 2248, supra.

NOTICE OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT AND SUBCOMMITTEE ON SAVINGS, PENSIONS, AND INVESTMENT POLICY

Mr. PACKWOOD. Mr. President, the Subcommittee on Taxation and Debt Management and the Subcommittee on Savings, Pensions, and Investment Policy of the Senate Finance Committee will hold a joint hearing on Friday, May 7, 1982, at 9 a.m. to consider S. 2214. Immediately following the joint hearing, the Subcommittee on Taxation and Debt Management will hold a hearing on S. 2281 and S. 1928.

The purpose of this statement is to briefly explain the issues raised by the bills scheduled. This may help in charting the progress of tax legislation before the Taxation Subcommittee. It also helps assure greater public awareness of tax amendments coming before hearings.

A synopsis of the bills scheduled follows:

S. 2214, the Savings and Investment Incentives Act, introduced by Senators SCHMITT, PACKWOOD, SYMMS, GRASSLEY, and MATTINGLY would phase out over 4 years the interest-paid deduction for consumer credit. Interest paid on consumer credit would not include investment interest and interest paid on home mortgages, auto loans, higher education loans, or indebtedness incurred in carrying on a trade or business. The percentage of tax exempt net interest income would be expanded from 15 percent to 25 percent. Dividend income would also become eligible for the 25 percent exemption. The effective date is July 1, 1982.

S. 2281, the Technical Education Act, introduced by Senator DANFORTH, would provide that contributions of technological equipment to primary and secondary schools would be treated the same as contributions of scientific equipment for research and experimentation to colleges. The bill would also provide for a temporary raising of the maximum allowable charitable contribution from 10 percent to 30 percent of a corporation's taxable income.

This bill would benefit Apple Computer, Inc. and other manufacturers with adequate production capacity or inventories to make large contributions of inventory in a single tax year.

S. 1928, the M.D.L. 235 Settlement Discounts Tax Act, introduced by Senators DANFORTH and HARRY F. BYRD, JR., would exclude from income amounts attributable to discounts of price reductions provided under agreements settling litigation involving the Westinghouse Electric Corp.'s contracts to supply uranium to 39 utilities.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations, Committee on Governmental Affairs, has scheduled an oversight hearing on Block Grant Implementation.

The hearing will be conducted at 9:30 a.m. on May 5 in room 4232 Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, room 507 Carroll Arms Building, Washington, D.C. 20510

For further information on the hearing, you may contact Jimmie Powell of the subcommittee staff at 224-4718.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to hold a closed hearing on classified intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 5, to hold a closed meeting to receive a briefing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 5, at 2 p.m., to continue its markup of authorizations for the Endangered Species Act; the Resource Conservation and Recovery Act; the Marine Protection, Research and Sanctuaries Act; and the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Federal Expenditures, Research, and Rules, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 5, to consider proposed legislation on the uniform Federal procurement Systems.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Wednesday, May 5, at 9:30 a.m., to hold an oversight hearing on block grant implementation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CRIMINAL LAW

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Criminal Law, of the Judiciary Committee, be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to discuss the gun control issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Wednesday, May 5, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Thursday, May 6, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Agriculture Committee be authorized to meet during the session of the Senate at 10 a.m. on Wednesday, May 5, to hold a full committee markup on S. 2314, a bill to authorize funding levels for loan programs administered by the Farmer's Home Administration; to

consider S. 2351, a bill to implement the International Carriage of Perishable Foodstuffs Treaty; and to consider amending the food for peace program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE COMPETITION IN CONTRACTING ACT

● Mr. COHEN. Mr. President, in February, I introduced the Competition in Contracting Act of 1982 (S. 2127), which would provide new procedures to expand the use of competition in Government contracting and impose greater restrictions on the awarding of noncompetitive contracts. I am pleased to have Senators ROTH, LEVIN, MITCHELL, and PROXMIRE as cosponsors of this legislation.

I shall bring to the attention of my colleagues some recent reports, including a new General Accounting Office report entitled, "Less Sole-Source, More Competition Needed on Federal Civil Agencies' Contracting," which emphasize the need for more competition in Government contracting.

The Federal Government spends almost one-fifth of its total annual budget on the direct purchase of goods and services from the private sector. In fiscal 1981, these contracts totaled over $134 billion. Despite the emphasis in the procurement statutes on competition through formal advertising, more than half of the contracts awarded by Government agencies are negotiated noncompetitively.

Although competition may not be available for some Government contracts, GAO found that many sole-source contracts could have been competed. According to its April 1982 report, which examined six civil agencies' sole-source contract awards totaling $538.1 million, competition was feasible on an estimated 40 percent of the awards. Similarly, a July 1981 GAO report entitled, "DOD Loses Many Competitive Procurement Opportunities," found that the Defense department failed to obtain available competition in awarding $289 million in the fiscal 1979 contracts sampled by the GAO.

The underlying reasons provided by GAO for this over reliance on sole-source contracts apply to DOD and civilian procurements. The GAO reports found that contracting officers in the departments and agencies under review were guilty of poor procurement planning and failed to follow proper contracting procedures.

Inadequate planning was a recurring issue at the "hurry-up spending" hearings held in the 96th Congress before the Senate Governmental Affairs Subcommittee on Oversight of Government Management. The subcommittee found that sole-source contracts often mask what are procrastinated policy decisions. The subcommittee also found, as did GAO, that contracting officers in the Defense Department and the civil agencies often made little, if any, effort to conduct market research—that is, publicize notices of prospective awards in the Commerce Business Daily (CBD)—before awarding sole-source contracts.

Since the hearings, the subcommittee has received two new Inspector General reports from the Departments of Agriculture (USDA) and Energy (DOE) on fiscal 1980 hurry-up spending. The USDA report found that time pressures at yearend curtailed competitive contracting in many cases. The Inspector General criticized procurement officials for using the justification of expiring funds in order to eliminate or shortcut phases in the procurement process—especially obtaining competition. According to the USDA report, 37 procurements totaling approximately $8 million were awarded at yearend through an abbreviated procurement process.

The DOE report found that yearend spending, coupled with compressed leadtimes for processing, led to a generally rushed atmosphere in which contracts were inadequately reviewed and insufficiently competed. Of those DOE procurements in which competition was feasible, only 59 percent were awarded competitively in fiscal 1980, a decline from 82 percent in fiscal 1979.

GAO's recommendations for improving competition in Government contracting, as set forth in the April 1982 report, are incorporated into S. 2127. First, GAO recommends that criteria must be met to justify sole-source procurement. Our legislation would reduce the proportion of noncompetitive contracts by shifting the emphasis from having to justify negotiated contracts, as is the practice in the present statutes, to having to justify noncompetitive contracts. These new restrictions will help insure that Government agencies award sole-source contracts only when they are truly warranted.

GAO's second recommendation would require a market search—which includes a preaward notice in CBD—for competitive sources before approving a sole-source justification, unless specified conditions are met. As a further check on unnecessary sole-source contracting, S. 2127 would require that agencies, once they have determined that a noncompetitive contract is justified, make one last attempt to obtain competition through a procurement notice. In the event that a contracting officer knows of only one source for a particular goods or service, the procurement notice flushes out the marketplace to find other potential competitors. The legislation also provides for the necessary exceptions to the procurement notice requirement.

The third major GAO recommendation would require a written justification for each sole-source award over $10,000 to document the facts and circumstances of the contract. S. 2127 requires executive agencies to establish and maintain an identifiable file or list of all noncompetitive procurements, by fiscal year, which designates the contractor, the articles obtained, the dollar value, the justification for using noncompetitive procedures, and the name of the contracting officer for each procurement.

In light of this new evidence, I am particularly pleased that the Governmental Affairs Subcommittee on Federal Expenditures, chaired by Senator DANFORTH, has scheduled a series of hearings this month to consider legislative proposals, including the Competition in Contracting Act, to improve Government contracting procedures. S. 2127 sets forth a workable solution to the sole-source problem, and I urge my colleagues to support this important legislation.●

VOTING RIGHTS ACT

● Mr. CHILES. Mr. President, on April 24 of this year, the U.S. Catholic Conference convened the Southern Regional Voting Rights Conference, in Orlando, Fla. This conference was held to bring before the public eye the important issues surrounding the Voting Rights Act.

Mr. President, I submit for the RECORD the text of my address to the delegates at the Southern Regional Voting Rights Conference.

The address follows:

ADDRESS OF SENATOR LAWTON CHILES TO THE SOUTHERN REGIONAL VOTING RIGHTS CONFERENCE

I am honored to be here this afternoon and to speak before the Southern Regional Voting Rights Conference.

Let me thank you for the thoughtfulness of your invitation to speak about a subject that is of grave concern to all of us here in this room, as well as to millions of other Americans. Of course, I'm referring to the proposed legislation extending the Voting Rights Act.

I think it's essential that we have these kind of public sessions to explore the real issues surrounding the Act, and to rally support for the Act. I applaud the U.S. Catholic Conference for having taken the initiative to bring the Voting Rights Act before the public eye. Minority citizens just don't have the resources to publicize this cause—the cause for equality in the electoral process.

That kind of publicity is so important these days. We've almost hit the point where lobbying has become the 4th branch of our government. There are political action committees, and industry lobby groups, and single-issue lobbying organizations, and all of these groups have a lot to say about what bills are passed or defeated. This is the case at the State level, and the pressure is even greater at the Federal level. And in this flurry of lobbying activity, it is

easy to see how the interests of the poor and the defenseless could get trampled upon. You people here today are to be commended for the work you have done to make the cries of the poor and the disadvantaged and the forgotten something more than just faint voices crying out in the wilderness.

And I think those cries for justice and human dignity must be heard. The United States must be responsive to the needs of those not able to stand up for themselves. So again, let me commend the U.S. Catholic Conference and all other religious and morally-conscious groups for safeguarding the compassion of our society, and, as this Conference does, for preserving the integrity of our democracy.

It is said that the Constitution of the United States is color blind. That it neither knows nor tolerates classes among citizens. But we know all too well that the principles of our country do not always translate into the practices of our country. You can look at history and see the constant struggle America has fought to bring together principle and practice. That struggle has never been easy, and many needed reforms in our system of government have come only after protracted and bitter battles. But as time has passed, our democracy has steadily evolved into the highest and most civil form of government ever known to mankind. But the process of assuring the benefits of the Constitution to each and every citizen is a continuing battle.

None of us can claim to be free unless all of us are. And freedom comes only when the Constitutional rights granted each and every citizen are fully protected and can be freely exercised.

We are presently at a crucial juncture in the evolution of the right to vote in America. This crossroad at which we stand is monumental because it represents the last impediment in each and every adult citizen's free exercise of the franchise. We all know that the right to vote freely for the candidate of one's choice is the cornerstone of a democratic society. And as the Supreme Court pointed out in 1964 in the historic Reynolds against Sims case, any restrictions on that right strike at the heart of representative government. The Court summarized what 200 years of our democracy has made quite clear: the right to vote is fundamental because it is preservative of all rights.

This is the case because our sovereignty itself is conditioned on the belief that government is of the people, by the people, and for the people. No right is more precious in a free country than that of having a voice in the election of those who make the laws under which we all must live. All of the other freedoms and rights due a citizen are meaningless and, in fact, illusory, if the right to vote in inhibited or abridged. The Supreme Court doesn't need to tell us that. The President doesn't need to tell us that. And Congress doesn't need to tell us that. Our Constitution tells us that.

We look at history and we see that the right to vote has been laden with restrictions. Every attempt to free up the right to vote has involved a bitter, and sometimes bloody battle. The Fifteenth Amendment to the Constitution was adopted so that the right to vote would not be abridged or denied to black men. The Nineteenth Amendment was adopted so that right to vote would not be denied to women. This meant that now the right to vote was no longer a privilege of a select few, but was a right accorded to each male and female citizen of any race or color or creed.

However, it is not enough just to give men rights. They have to be able to use those rights. If they can't then the act of granting them rights is just a cruel hoax and nothing more. And so a struggle has ensued since the mid 19th century to remove the restrictions on the exercise of voting rights. This State can be proud that one of its representatives, Senator Spessard Holland, fought courageously for 18 years and finally succeeded in getting the Twenty-fourth Amendment passed. That amendment prohibited the poll tax, a device which was effectively undermining black participation at the polls.

But there were other problems besides poll taxes. A wall stood between registered voters and unregistered voters, and many States were not going to let that wall crumble without a fight. Statutes and ordinances were passed that looked innocent, but in application ended up denying blacks the chance to vote. There were literacy tests—some given orally, that were being used to prevent black participation in elections. There were property requirements and registration requirements. In some States, a black person had to have a white person come to registration desks to vouch for the black person's identity. Blacks in other States were required to give a reasonable interpretation of the State constitution. For example, the question that was asked black registrants in Virginia was "what clauses of the present Virginia Constitution were derived from the Magna Carta?" One black, when asked that question, responded, "I don't know, unless it was the clause that said no negro can vote in this Commonwealth." And the sum total of all of this was that blacks, although having the right to vote, were not voting. Some couldn't meet the registration requirements. Others realized that their voting in the face of all this prejudice would be futile.

And while civil rights bills were enacted in the late 1950's and early 1960's, they provided only judicial remedy which, while helpful, was relief too little, too late. Blacks were not enjoying first-class citizenship, because their voice in their government was being muffled. The mainspring of our representative government, the right of all citizens to participate on an equal basis in the government under which they live, was running dry. The bloodshed at Selma in 1965 pointed to the awful fact that once again, principle and practices were far apart.

The Voting Rights Act thus came into being to bridge that gap. And it was an immediate success story. From 1965 to 1967, the number of blacks registered to vote in seven Southern States almost doubled, from 29.3 percent to 51.1 percent of those eligible. In the next 10 years, over a million more blacks in the south registered to vote. And under its protection, blacks continue to register and vote in record number.

One cannot question the importance this historic piece of civil rights legislation has had in the evolution of our democracy. As I stand here before you today, I share with you my firm conviction that if our democracy is going to continue to be a rising and not a setting sun, then the Voting Rights Act must be extended. It must be extended until the last trace of discrimination in the electoral process is wiped away, no matter where it may lie or how it got there. I long for the day when there is no need for the Voting Rights Act. But that day simply has not yet come.

Minority citizens now have the right to vote. Great progress has been made to remove the restrictions on that right. But we must go further. We must make sure that their vote, once cast, is not diluted or debased. The Fourteenth Amendment to the Constitution guarantees that one man's vote be given the same weight as another man's vote. Blacks and other minorities must be allowed to participate in the affairs of government so that elected officials will be mindful of their interests. As President Kennedy once said, "In a free society, those with the power to govern are necessarily responsive to those with the right to vote."

Well, we have witnessed the wisdom of those words. The black voter has become an important political force in our political process, and our representative government has become a more democratic body because of it. In Florida, for example, the number of elected black officials has risen from 15 in 1965 to over 125 today. But even better, the Act and its aftermath have promoted a spirit of participation among blacks that is helping make elected officials truly responsive to all of their constituents. That is a democracy evolving into an even higher form of civil stewardship, and that process must continue.

Since I am a cosponsor of the extension of the Voting Rights Act, I have heard from many people on both sides of the issue. I will admit there has been a good bit of opposition to the Voting Rights Act, both back in 1965 and up to this day. The organizers of this Conference know this better than anyone. But when you look back at the development of the right to vote, you will see that there was stiff opposition at every turn. You can go all the way back to the days of the king, to when the nobles forced him to allow them to participate. That's back at Runnymede, and the Magna Carta. Then people who possessed freehold interests in land were brought into the governing process. And then all white men were allowed to vote. And then black men, and then women were allowed to vote. At each stage when the right to vote was considered for expansion, there was strong opposition. The opponents' arguments were at times very persuasive, and these people had no doubts about the issue. They felt they were right. Well, we can look back at history and see that they weren't right. We can look back and see that our country's government has been enriched each time the right to vote has been extended to new classes of people. The Voting Rights Act perfects our political process by ensuring that every citizen's vote counts as much as the next. The Voting Rights Act unites the people of this country by ensuring full participation in the electoral process.

I think the foundations of the democratic process were laid by bringing more and more people into the governing process. If we believe the majority of people, properly informed, will make the right decision, why should we want to exclude any citizen? Until there are no more barriers to full participation in the electoral process for minority citizens, this country will need the Voting Rights Act. I am committed to that principle, and I will stay committed to that principle as long as I am in office. When the clerk of the Senate calls the roll on Senate bill 1992 to extend the coverage of the Voting Rights Act, I will respond, without hesitation, with a resounding yea.●

POSSIBLE STRATEGIES FOR IMPROVING OUR NAVAL FORCES

● Mr. TOWER. Mr. President, as we today proceed with consideration of this authorization bill for fiscal year 1983, we will hear considerable rhetoric about possible strategies for improving our naval forces. A central issue will likely involve the need for additional *Nimitz*-class carriers.

Mr. President, there is a lesson in the requirements for force projection to be learned from the unfolding crisis in the Falkland Islands. Surely those of us responsible for the provision of adequate defense capability must see and understand the constraints which are imposed by neglected modernization needs.

The need for adequate naval capability is the subject of two editorial page articles in today's Wall Street Journal. The articles should be required reading for all of us entering upon debate on the subject of defense procurement.

Mr. President, I ask that these two articles, entitled "Ruling the Waves" and "Could the U.S. Sealift Handle a Crisis?" be included in the RECORD.

The articles follow:

[From the Wall Street Journal, May 4, 1982]

RULING THE WAVES

It's an opportune coincidence that the Senate this week is taking up the administration's Defense Authorization Bill at the same time that the British Navy is engaged in a fight with Argentina. The Falkland Islands episode is a classic example of the need to maintain strong general purposes forces, even in this nuclear-weapons age, and illustrates the danger of letting your conventional military capabilities languish.

There are significant ironies in Britain's attempt to retake those small, sheep-herding islands in the South Atlantic. The British are giving a splendid account of themselves, yet the wonder is that there should be any sort of contest between Britian's Navy and Argentina's. Because of years of retrenchment in defense spending, the United Kingdom finds projecting its power a chancy proposition against even a third-rate aggressor.

The British sent two small aircraft carriers, one of which has already been sold to Australia. These carriers, armed with jump-jets of limited range, cannot adequately protect themselves against land-based aircraft and are carefully staying east of the Falklands and out of range of planes flown from the Argentine mainland. The great mystery of the engagement is why the Argentines didn't extend the runway of the Falklands airport to base fighters there; this obvious step would have vastly multiplied the British difficulties. And when the British wanted to take out the airfield, they had to call on an aging Vulcan bomber, scheduled to be retired in six months. If the Argentines had waited longer, there would have been only one carrier and no Vulcans.

Even more to the point, if you have adequate forces, you often don't have to use them. Back in the 1960s, the British Navy had five large-deck carriers, and found no need to deal with military attacks on far-flung vestiges of empire. Former British Prime Minister James Callaghan said in an ABC interview Sunday that in 1977 Argentina also threatened to take the islands, but was forced to back down; in 1977 the Royal Navy was far stronger than today. Indeed, it can scarcely be mere coincidence that the Argentine invasion followed on the heels of Mrs. Thatcher's decision to cut the navy, retaining expensive nuclear-missile submarines but reducing the general purpose fleet by half.

On Capitol Hill this week, the Senate will consider whether to follow the British example. In the defense authorization debate, Sen. Gary Hart will offer his well publicized amendment to "streamline" the Navy. This means scuttling the two large-deck carriers the administration proposed, and substituting carriers like the ones the British are sailing off the Falklands.

The real issue in the big-carrier versus small-carrier debate is precisely that illustrated in the Falklands. If you plan ever to operate against land-based aircraft, you need the big carriers. The small carriers aren't in any event small enough to hide from modern target acquisition, and can't survive attacks by Soviet cruise missiles or Backfire bombers.

On the other hand, the Nimitz-class carriers are the Navy's least sinkable ships. These vessels are protected by six concentric rings of defenses, including F-14 fighters, surface-to-air missiles and radar-controlled guns that can put up a "wall of steel" to stop incoming missiles or aircraft. Moreover, the ships are so large and well-armored they can take a hit and continue to operate in battle. In 1969, for instance, an explosion equivalent to six Soviet anti-ship missiles wrecked the flight deck of the Enterprise, but flights were able to resume in a few hours. The larger ships also have greater redundancy in case some catapults, elevators or arresting wires are knocked out.

The Falklands affair is a timely reminder in many ways. A nuclear deterrent does not eliminate the need for strong conventional forces; Britain does not find its Polaris submarines particularly helpful. Conventional forces are needed to deter smaller conflicts, as a strong Royal Navy once deterred invasion of the Falklands. When conflict does erupt, you are likely to have to send carriers to face land-based aircraft. Unless you are lucky enough to have your objective just out of air range or have foes that neglect their runways, you are going to need the real aircraft carriers the administration has proposed.

[From the Wall Street Journal, May 4, 1982]

COULD THE U.S. SEALIFT HANDLE A CRISIS?

(By Daniel S. Mariaschin)

Just as one thought we'd entered the space age, the Falklands crisis has awakened us to the important role naval forces still play in strategic conflicts. Sea power—which includes the vital component of carrier-based aircraft—allows a nation to project its forces and influence to those areas essential to its interests. The USSR has recognized this and has acted accordingly. It has embarked over the last decade on an aggressive program of lining up bases and friendly allies—big and small—along vital sea routes while at the same time modernizing its own naval forces.

In this context, the Falkland Islands conflict underscores the severe problems the U.S. military would confront if faced with a similar situation in the Persian Gulf or some other distant point.

The extended lines of communication for British forces—8,000 nautical miles—have tested the Royal Navy's ability to project men and materiel great distances, for what may be a lengthy period of time in the event of a prolonged blockade of the Falklands.

Though well-trained and well-armed, the Royal Navy is but a shell (or "hull") of its former self. The number of surface vessels in its fleet has shrunk drastically in recent years and in the process, its sealift capability has also been reduced. In organizing the flotilla for action in the Falklands, the British have relied heavily on the merchant marine, bringing into service over two dozen vessels for use as supply ships, minesweepers and for transporting heavy weapons such as tanks and even Harrier jump jets. The luxury liner Canberra was pressed into service in the first few days of the crisis to carry a force of over 2,000 Royal Marines and paratroopers. Yesterday, the giant liner QE2 was requisitioned.

LONG SEA ROUTES

How would the U.S. fare under similar circumstances? Potential trouble spots abound far from our shores. Unlike the Soviet Union, which either borders on, or has established naval facilities in close proximity to possible areas of confrontation, the U.S. must project its forces over long sea routes.

Creating a Rapid Deployment Force, composed of units from the Army, Navy, Air Force and Marine Corps to respond quickly to crises abroad is a strategic plus for the U.S. in the eyes of Pentagon military planners. But a Rapid Deployment Force, to be truly effective, must have the back-up ability to be resupplied and the knowledge that reinforcements are on the way.

The establishment of U.S. military "facilities" in such places as Somalia, Kenya and Oman are an important step toward establishing an American resupply and refueling presence in the Persian Gulf and Southwest Asian regions. But Somalia and Kenya are a significant distance from potential Middle East theaters of conflict. And potential instability in those countries, along with Third-World political sensitivities there, create serious doubts about the long-term value of these sites as jumping-off points or resupply stations for U.S. troops in the event of an emergency. The closest we come to a permanent base is on the vulnerable Diego Garcia atoll, 2,500 nautical miles from the Straits of Hormuz—still too far for an effective immediate response to hostilities.

Indeed, every international crisis to which the U.S. would have to respond would require us to move troops, materiel and fuel by sea: the North Atlantic, South Atlantic, southern Africa, the Caribbean, the Pacific and the aforementioned Persian Gulf. The Soviets, recognizing our disadvantage in this regard, are already doing their best to extend their influence to key maritime "choke points":

A series of Cuban-backed revolutions in Central America threatens the Panama Canal and Caribbean area, through which moves shipping vital to our economy. The Soviet naval presence in Cuba is substantial and poses an on-going threat to shipping lanes.

The same advantageous Soviet positioning holds on either side of the Cape route around southern Africa—through Soviet surrogates (and refueling and resupply rights) in Angola in the South Atlantic and in Mozambique in the Indian Ocean. The Cape route, through which passes the bulk of Western Europe's oil and the West's

supply of strategic metals and minerals, has been further threatened by Soviet backing for the Southwest Africa People's Organization (SWAPO), which seeks to take power in Namibia, thus giving the USSR a naval window on the South Atlantic.

In Northern Europe, the Soviets have built a mobile, well-armed Baltic Fleet, with an amphibious capability geared to a takeover of the strategic Kiel and Mecklenberg Bays, and the neutralization of NATO allies Demark and Norway.

Other choke points haven't been ignored by the Soviets. Their naval presence in South Yemen affords access to the Bab el Mandeb Straits at the mouth of the Red Sea and proximity to the Straits of Hormuz. A Soviet naval base on the Dahlak Islands off Ethiopia puts the USSR a short hop from the Saudi mainland.

This has all been accompanied by a major build-up of Soviet naval power. Traditionally the Russian fleet has been a mechanism for defending the homeland. Today it is capable of projecting power and forces at great distances. Technologically, the Soviet Navy has entered the age of sophisticated warfare; aircraft carriers are joining a fleet that includes dozens of nuclear powered and armed submarines.

There is no logical reason for the USSR to develop a naval force of this size. Its allies and lines of communication to most potential theaters of confrontation with the West are overland. No reason other than to position itself to interdict U.S. use of the world's sea lanes and our ability to defend both our allies and our national interests.

Responding to this challenge, the Reagan administration has proposed increasing our fleet from its present strength of 450 vessels to 600. Two new aircraft carriers—bringing the total to 15—hundreds of new fighter planes and other advanced items are being requested in the new budget. Proponents of the budget maintain that as our defense needs have changed in going from a one-and-a-half war strategy to the possibility of firefights in any number of trouble spots, the Navy ought to be prepared for any eventuality.

In that case, and with the Falklands situation in mind, it is imperative that our sealift capability be bolstered. With the precipitous decline of the merchant marine, the Navy has but a limited number of vessels on which to rely in an emergency for supply and transport assignments. Naval officials estimate that some 90% of our cargo during wartime will go by sea, yet the Maritime Sealift Command (which has 60 ships under its control) can call upon only half as many merchant ships as it did only 15 years ago during the Vietnam war and but a sixth of the number available in the Korean war.

A NATO agreement would free up to 400 European cargo ships for U.S. use during hostilities in Europe. But that arrangement is of no use if trouble breaks out elsewhere.

Many of the ships in the National Defense Reserve Fleet are of World War II vintage and would take two to three months to prepare for deployment. There are 27 newer ships in a category called the Ready Reserve Force that the Navy and the Maritime Administration maintain could be ready in five to 10 days. But these ships are equal in number to those needed by the British in the first two weeks of the Falklands crisis. Problems in the Persian Gulf would surely require additional vessels—quickly.

PREPOSITIONING SHIPS

One way around this problem is the use of prepositioning ships which carry food, equipment and fuel that can "marry up" with troops from the Rapid Deployment Force. Thirteen ships of the type are already in the Indian Ocean for use by a U.S. Marine brigade and other military units. Other ships of this type are on order by the Navy. In the absence of U.S. bases in strategic areas, the prepositioning ship is a necessity, but is by no means a substitute for a permanent U.S. presence. The return of a strong U.S. merchant marine would add significantly to our abilities but that is for the long term.

In the meantime, the U.S. is playing catch-up and the hour is late. Until our airlift capability drastically improves, we'll depend on the seas to move men and arms. As the Falklands have taught us, we can't be prepared enough. Placing a priority on our sealift capability must be a national imperative.●

ENERGY RESEARCH

● Mr. LEAHY. Mr. President, on December 10, 1981, Chairman HATFIELD and I joined in a letter to all Senators asking that they cosponsor a sense-of-the-Senate resolution reaffirming the commitment of the Senate to support Federal programs which increase energy efficiency through research and development, information programs, and the weatherization of the homes of low-income citizens.

We took that step because press reports indicated that the administration would present an energy conservation budget for 1983 which would be just 7 percent of the funds appropriated by Congress for 1982. In the Department of Energy Organization Act, the Energy Conservation and Policy Act, the Energy Conservation and Production Act and in the Department of Energy authorization enacted as part of the first concurrent budget resolution, Congress mandated that there be a strong and effective Federal energy conservation program.

Congress established this policy because our energy security requires reduction of oil imports from the Middle East. Congress also determined that the very large potential for energy conservation would not be realized without Federal programs which provide weatherization assistance for those without adequate financial resources, information programs for homeowners and small businesses who lack sufficient information to respond effectively to higher prices, and research and development which would otherwise not be financed by the private sector. We were concerned that the level of funding proposed by the administration cannot fund viable programs which will achieve these objectives.

We were also concerned that, by requesting funding for energy conservation which is far below the levels Congress is certain to support, the administration would force reductions in the Department of Energy fossil energy program and other essential programs at the Department of the Interior.

The conviction that Federal energy conservation efforts are essential was so widely held that, just 5 days later, we introduced the resolution with the support of a third of the Senate. Those Senators cosponsoring this resolution represented the entire political spectrum in both parties. Unfortunately, the President chose to ignore that strong bipartisan statement of support for these essential energy conservation programs. The budget presented was exactly as the press had reported it. Energy conservation programs were cut over 90 percent.

Many of my colleagues held back from cosponsoring the resolution initially because they wanted to give the administration a chance to state its case.

We have now had a half-dozen hearings in both the House and the Senate on the fiscal year 1983 energy conservation budget.

I questioned Secretary of Energy Edwards closely before the Interior Subcommittee of the Senate Appropriations Committee on why the administration had decided to destroy these cost-effective energy conservation programs.

I pointed out to him that his own board of independent expert advisers—the Energy Research Advisory Board—had proposed increasing energy conservation programs—not cutting them by 90 percent. He shrugged and responded that he does not always take his advisers' advice.

I read him letters from elderly Vermonters—not bureaucrats or contractors—testifying to the effectiveness of the home energy audit program. He said he was not even familiar with the program.

Frankly, I was appalled. And I know that a number of my colleagues on both sides of the aisle have had similar experiences in questioning Secretary Edwards and Assistant Secretary Trible.

Thus, it is no coincidence that today I am proud to announce that a majority of the U.S. Senate has cosponsored this resolution. The administration has been completely unable to justify these budget cuts. The majority cosponsorship of this resolution means that the administration has completely failed to make its case and that the Senate will reject its efforts to abolish our national energy conservation efforts.

I have attached to my statement the names of new cosponsors in addition to those original cosponsors and those added on March 10, 1982. I ask that the names be printed in the RECORD.

I look forward to working with my colleagues to translate the commitment represented by this resolution into an effective, aggressive national energy conservation program at the Department of Energy.

The names follow:

COSPONSORS—S. RES. 262

Senators: Leahy, Hatfield, Huddleston, Jackson, Stafford, Percy, Cohen, Durenberger, Bumpers, Rudman.

Tsongas, Chafee, Bradley, D'Amato, Levin, Gorton, Dodd, Heinz, Kennedy, Mitchell.

Pell, Baucus, Ford, Melcher, Stennis, Inouye, Cranston, Sarbanes, Biden, Pryor.

Weicker, Wallop, Hart, Riegle, Moynihan, Matsunaga, Sasser, Metzenbaum, Randolph, Dixon.

Hollings, Boschwitz, Proxmire, Glenn, Specter, Byrd (W. Va.), DeConcini.

New cosponsors: Exon, Eagleton, Zorinsky, Burdick, Kasten.●

EXXON PULLOUT A BLOW TO SYNFUELS INDUSTRY

● Mr. HUDDLESTON. Mr. President, over the weekend, we saw a striking example of the hazards of a purely economic approach to energy policy. The pullout of Exxon from the Colony oil shale project is a serious blow to the synfuels industry and is, I fear, symptomatic of the problems currently afflicting major synthetic fuels endeavors. High interest rates, falling oil prices and the loss of the sense of urgency for energy independence have all combined to make synthetic fuels ventures less attractive for the short term.

Exxon withdrew from the Colony project not because of technical difficulties, not because the extraction of oil would not work, but simply because it no longer believed it could sell the shale oil produced at an acceptable price. This is a perfectly understandable decision for Exxon to make. But it is a tragic decision for our country.

This country needs synthetic fuels and the energy independence they can bring us. Our continued dependence on foreign oil remains a drain on our economy and a serious threat to our national security. Our sources of oil are no more stable than they were when the Arab oil embargo was imposed almost 10 years ago, and our economy is no more prepared to withstand the shocks that a future oil interruption would bring.

Yet, the Reagan administration, through their actions, tells us that oil imports are no longer a problem. President Reagan's budget proposes to terminate a multitude of synthetic fuels projects and take fossil energy funding down to closeout levels. A handful of others in Congress would go even further and abolish the Synthetic Fuels Corporation—the only remaining vehicle for substantial Government assistance to synthetic fuels development. If this country needs synthetic fuels, they say, let the private sector develop them.

Unfortunately, however, there are overriding factors involved that private industry is not likely to consider. We cannot expect private industry to factor into their investment decisions the costs of continued oil dependence in terms of unemployment, inflation, and diminished national security. But these are factors that responsible Government has to consider.

Government should also consider the substantial contribution to economic growth that can be gained through synthetic fuels development. In testimony before the Senate Finance Committee, Michael S. Koleda, President of the National Council on Synthetic Fuels Production, submitted a summary developed by the Fluor Corp. on the economic growth induced by the construction and operation of a synthetic fuels plant.

The summary lists the resource requirements—labor, materials, and equipment—for a 50,000-barrel-per-day plant. It provides estimates of the number of technical and construction personnel require to design, engineer, build and operate the plant, as well as a listing of the materials and equipment which go into its construction. The summary addresses only those demands directly associated with the plant itself. It does not include additional personnel or material requirements necessary for the supporting infrastructure.

As Mr. Koleda pointed out, when viewed from the perspective of the depressed home and domestic automobile industries these requirements become significant:

The steel requirements for a single synthetic fuels plant represent the equivalent of 270,000 automobiles or nearly 5 percent of total 1981 United States production. To put it another way, this is equal to about twice the steel production lost in 1981 due to the decline in U.S. automobile production.

The concrete and lumber requirements for a single synthetic fuels plant represent the equivalent of enough new homes to make up nearly 10 percent of the decline in new housing starts in 1980 and 1981.

We still need Government support for energy technologies where the costs and risks of commercial demonstration are higher than private industry will or is able to pay. I am convinced of that, the Exxon decision bolsters my conviction, and the administration has offered no proof to the contrary.

I ask that the Fluor Corp.'s summary and the article "Exxon Pullout a Blow to Synfuels Industry," by Martha M. Hamilton in the May 4 Washington Post be included in the RECORD.

The material follows:

Resource requirements for a single commercial synthetic fuels plants[1]

Labor:	
Peak home office engineering	2,000
Peak construction	15,000
Operating	2,400
Materials:	
Rebar (pounds)	[2] 55,000,000
Structural steel (tons)	[2] 80,000
Plate Steel (for vessels and tanks) (tons)	[2] 150,000
Concrete (cubic yards)	[3] 475,000
Pipe (tons)	30,000
Wire (feet)	[4] 20,000,000
Lumber (board feet)	[5] 250,000,000
Equipment items:	
Reactors, columns, and drums	1,300
Heat exchangers	1,300
Fired heaters, boilers, and flares	50
Compressors and generators	100
Pumps	1,600
Material handling equipment	1,300
Total major equipment items	5,650

[1] Approximately 50,000 barrel per day of liquid fuels from coal.
[2] Enough steel to build 270,000 automobiles.
[3] Enough concrete to build 12,000 homes.
[4] 4,000 miles of wire.
[5] Enough lumber to build 17,000 homes.

[From the Washington Post, May 4, 1982]

EXXON PULLOUT A BLOW TO SYNFUELS INDUSTRY

(By Martha M. Hamilton)

The synthetic fuels industry—once a major front in the energy independence effort—was struck a crippling blow over the weekend by Exxon's decision to pull out of the Colony Oil Shale project.

Only two years ago in a radically different world of lower construction costs and higher oil prices, a more optimistic Exxon spent $300 million to buy Atlantic Richfield Co's 60 percent interest in the massive Colorado project, designed to produce petroleum products from oil-bearing rock.

And only two months ago, Exxon chief executive officer Clifford C. Garvin Jr. told a meeting of securities analysts that the company's interest in shale oil "remains particularly strong." But Exxon dropped out Sunday because it no longer believed it could sell the shale oil products at an acceptable price. Exxon is obliged to buy the 40 percent share of the project held by its partner, Tosco Corp., for $380 million.

Besides killing off the centerpiece of the nation's synfuels effort, the Exxon decision was a crystal clear sign of how fast the energy verities of the recent past have been stood on their heads.

Where once oil prices appeared to be headed into the stratosphere, they are instead declining. Where profits threatened to embarrass oil company officials, their firms are now sustaining modest losses. Where drilling was fast and furious, rigs are now being abandoned in some areas. Where once thousands turned out to greet the dawn of Sun Day and at the promise of solar energy era, the faithful gathered yesterday in a more subdued mood to attack cutbacks in the solar budget.

Only a few skirmishes are still being fought in the battle for energy independence once deemed the moral equivalent of war.

Synfuels is just one example of how things have changed. Less than two years ago, Congress passed the Energy Security Act of 1980, creating the U.S. Synthetic Fuels Corp. and launching what was to be "public-private cooperation at a scale un-

matched in peace time," as an industry leader put it.

"We believe that a synthetic fuels industry is vital to the economic and defense well-being of our nation, and we will continue to encourage the private sector to proceed with their plans to develop such an industry," Edward Noble, the chairman of the SFC said yesterday, sounding the old battle cry. Two of three pilot plants aided by the synfuels program, the Great Plains coal gasification project in North Dakota and the only remaining oil shale project, Union Oil's shale project at Parachute Creek, Colo., are still intact.

Noble and congressional supporters of the synthetic fuels industry said the Exxon decision underlines the need for an entity such as the SFC to support synfuels projects when economic incentives fade away. But analysts said that the demise of the Exxon-Tosco project will mean more difficulties in finding private financial backing for the five synthetic fuel projects now contending to federal support.

"This really casts further doubt on the viability of synthetic fuels to make any real contribution to our immediate energy needs," said Robert L. Roach, director of the Environmental Policy Institute, a group that has been critical of projects supported by the SFC.

The death of the Tosco project followed a series of other developments that underline how concerns about replacing the nation's dependence on oil have become less urgent.

Last week, the sponsors of the proposed Alaska natural gas pipeline announced that the $43 billion project would be delayed for two years because of their failure to line up the needed financing.

In the same week, the $11 billion Alsands project in Canada bit the dust when financing could not be worked out. That project had been designed to produce oil from huge tar sands deposits in Alberta.

The oil crisis has been replaced with an oil glut that has sent prices falling dramatically. Official sales prices of internationally traded oil have fallen from $34.18 on Jan. 1, 1982 to $33.34 at the end of April and spot prices have been running $4 to $5 a barrel below contract prices. Although there are signs that the drop in prices may be at an end, many forecasters expect prices to stabilize rather than to head back up.

In response to that decline in prices, the frantic rush to find new oil sources has abated somewhat; the number of drilling rigs operating in the United States as of late March was down 20 percent from the number operating three months before. The number of active seismic exploration crews in the United States, a figure that predicts future drilling activity, has also declined each month since last September.

Still another major change is the shift, at least in rhetoric, away from government engineering of the nation's energy policies to a hands off policy accompanied by deep cuts in federal funding for new energy techologies. Solar energy supporters said yesterday that the Reagan administration has undermined solar by plans to cut the solar budget 88 percent.

"The only gain I know of that the White House has not dismantled is the solar collectors on the White House," said Solar Lobby director Richard Munson.

In the background of this shift are voices warning that the energy situation could turn again without notice, leaving the nation facing another energy crisis.

"I'm not at all comfortable with the perception that there is no problem and we can all relax because it's all gone away. I don't think it has," said Senate Energy and Natural Resouces Chairman James A. McClure (R-Idaho). McClure has hammered away at the need for preparedness in a advance of another supply crisis and been a supporter of syntheitc fuels development. "Sometime we're going to again face the fact of the vulnerability of the United States to a supply that is too much based on imported oil."

"What's good for Exxon is not necessarily what's good for the country," House Majority Leader Rep. James C. Wright Jr. (D-Tex.) said yesterday. "Exxon may not need synthetic fuels production, but the country does if it is to be protected from future supply interruptions."

DR. DAVID B. COOKE, JR.

● Mr. HELMS. Mr. President, a distinguished North Carolinian, Dr. David B. Cooke, Jr., died last month following a remarkable career that was cut distressingly short by his death.

The Durham Academy of Medicine, Dentistry, and Pharmacy adopted a resolution on April 24 which was a tribute to the service rendered by Dr. Cooke.

Mr. President, I ask that the text of this resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas Dr. David Bennett Cooke, Jr. faithfully administered to the medical needs of the Durham Black Community in accordance with the "Oath of Maimonides"—". . . Thy eternal providence has appointed me to watch over the life and health of Thy creatures . . . ",

Whereas Through his unselfish service rendered to those in need, Dr. David Bennett Cooke, Jr., did fulfill an essential order of the "Oath of Hippocrates"—"I will use that regimen which according to my ability and judgment shall be for the welfare of the sick,"

Whereas Dr. David Bennett Cooke, Jr.'s devotion to the welfare of people even in the face of his own illness epitomized the writings of another "Beloved Physician"—Luke who noted, "We are unprofitable servants: we have done that which was our duty to do" (Luke 17:10),

Whereas Dr. David Bennett Cooke, Jr. dutifully provided leadership and service to his community, his colleagues and his family via his example and his good works which have been felt by all of those whose lives he touched in birth, in sickness, in health, in joy and in sorrow through his unwavering commitment which was felt at Lincoln Hospital, shared with the Durham Academy of Medicine, Dentistry and Pharmacy, and will be missed by all of those who knew him: Now, therefore, be it

Resolved, That the membership of the Durham Academy of Medicine, Dentistry and Pharmacy recognizes by this resolution to his family and members of the Durham Community, the silent martyrs of our people such as David Bennett Cooke, Jr., M.D. whose daily efforts enhance the lives of all people; and be it further

Resolved, That the example of Dr. David Bennett Cooke, Jr. shall be cited for other physicians and students of medicine in the records of our organization, the Old North State Medical Society, the National Medical Association and the American Medical Association; and be it further

Resolved, That copies of this resolution shall be sent to the Durham City Council, the North Carolina State Legislature, and the United States' Congressional Record for entry of this outstanding American onto the rolls of those who have fulfilled a promise and served us well.●

KOREA AND THE UNITED STATES

Mr. KENNEDY. Mr. President, 1982 marks the 100th anniversary—a century of friendship between the people of the United States and the people of Korea. Through this century our two nations have developed deep mutual respect and admiration for each other.

During the long period of harsh Japanese rule in Korea, Koreans saw American missionaries share the hardships of the time. During the Korean war, Koreans saw Americans dying to protect the freedom of Korea. In the 1960's the United States spoke out against the abuses of Syngman Rhee and later our Government opposed the coup by Gen. Park Chung Hee. Donald Ranard, writing recently in the New York Times, recalled "the South Korean public's warm reaction to our identification with their aspirations for democratic rule."

It is a great tragedy of our time that this "warm" feeling and the "feeling of trust and kinship," which Mr. Ranard recalls, is rapidly dissipating as a result of insensitive policies and action in Washington. Despite extensive U.S assistance and support of the Republic of Korea our Government has all too often sat back silently as one military regime after another instituted repressive measures and undertook brutal attacks against its own people. Democratic principles have been corrupted to such an extent that the Korean Government's claims of democratic progress are widely perceived to be the farce that they are. Worst of all the most fundamental of human rights have been compromised, and Koreans today do not enjoy the freedoms for which America stands in its Bill of Rights and for which Americans fought and died in the Korean war.

The voices from Washington that once spoke out so forcefully for democracy and the rights of life, liberty and the pursuit of happiness are now scarcely heard. Vice President BUSH, in his speech recently before the Korean National Assembly, made only passing reference to democracy in Korea but he implicitly noted the problem saying that the United States supported President Chun's philosophy of "a new era * * * (with) a freer, more abundant, and democratic society."

But the Vice President did not note that since President Chun made his remarks in Washington 1 year ago, there has been negligible progress in

this direction. Indeed, there is no reference in the Vice President's speech to the continued detention of political figures, the imprisonment under harsh conditions of political and human rights leaders, the deprecation of political, press, and labor freedoms, and the Government's ongoing repression of individual liberties and human rights.

Mr. President, I continue to believe that the Republic of Korea can and should become a model of democracy and freedom in Northeast Asia. It should stand in bold contrast to the totalitarianism and brutal repression in North Korea—where at least 105,000 people are reported to be held in forced labor camps for ideological reasons. Therefore, I urge the administration to consider carefully our historic position in Korea as a defender of democracy and human rights and to reorient our policies to strongly encourage our South Korean friends and allies to restore democracy and full respect for human rights and freedoms.

I ask to have printed in the RECORD the April 26 article by Donald L. Ranard entitled "In South Korea, Smoke of Anti-Americanism," and an April 11 article by Henry Scott Stokes also appearing in the New York Times.

The articles follow:

IN SOUTH KOREA, SMOKE OF ANTI-AMERICANISM

(By Donald L. Ranard)

WASHINGTON.—For years as Pentagon spokesmen sought to justify defense budgets on Capitol Hill, they would point with pride to South Korea as the one country ever ready to accept American troops. Now with the burning of the American Cultural Center in Pusan on March 18, the United States is confronted with anti-Americanism unparalled in the 100 years since if opened diplomatic relations with Korea.

The tragedy is that this bitter display of anger has occurred in the Asian country where Americans have been most widely admired and respected. Hardships shared by American missionaries during the long, harsh Japanese occupation earned for them an affection that still continues. American troops' sacrifices during the Korean War added to that strong feeling of trust and kinship. During the student uprising against President Syngman Rhee in April 1960, young Koreans went out of their way to protect Americans and their property. They were responding to the American Embassy's sensitive call for "a settlement of justifiable grievances toward which the demonstrations are directed." In an unusual action, that same embassy's leaders a year later publicly opposed Gen. Park Chung Hee's coup. I was a member of the staff, and still recall the South Korean public's warm reaction to our identification with their aspirations for democratic rule.

Today, a new generation of Koreans sees America through increasingly critical eyes—understandably. Eighteen years of support for the late General Park's rule, and equally lavish assistance to his successor, Gen. Chun Doo Hwan, has eroded America's image. However much the Reagan Administration seeks to justify General Chun's 1981 visit to Washington as part of a deal to save the opposition leader Kim Dae Jung from execution, it was the first of many signs of tolerance of repressive government that young Koreans noted.

Not that there was all that much substance in the Carter Administration's human rights policy toward South Korea, laudable though it was toward other countries. The State Department's reluctance to seek prompt progress toward democratic reform after the assassination of Mr. Park in October 1979, and its unwillingness to intervene in the butchery accompanying civil rebellion in Kwangju in May 1980, left a legacy of distrust and suspicion. More recently, Washington's continuing reliance on quiet diplomacy to reverse the unjust sentencing of Kim Dae Jung for alleged sedition, in contrast to its forceful all-out public outcry and sanctions against Poland, does little to dispel South Koreans' skepticism about American evenhandedness.

The status of human rights in South Korea is no better today than in December 1979 when General Chun unlawfully took over. According to the North American Coalition for Human Rights in Korea, the recent large-scale amnesty left most political prisoners in jail. Professors and journalists are still being dismissed over issues of academic and press freedom, and college students continue to be expelled because of opposition to the Government.

Now that Washington is urging Seoul to increase its contribution to the living standards of American troops in South Korea, the State Department might well pause to think about where our policies are leading. Washington's concern for the welfare of our forces in South Korea, in contrast to our silence regarding South Koreans' rights, will come to be seen as yet another example of callous American self-interest. Already there is a growing feeling among Korean intellectuals and students that our military is there more to protect our investments and trade (South Korea is the America's No. 11 trading partner) than to defend their freedom.

The inevitable result, anti-Americanism, is also looming elsewhere in the Pacific. "It was not so long ago that American arms were seen as something noble and liberating by Filipinos," says a letter from a prominent church leader in the Philippines to one in America. "For us then, the American soldier was a civilized, trusted warrior—our liberator! Our youth no longer see America in a liberating role but as one who arms our soldiers to kill their fellow Filipinos."

Washington will err badly if it ascribes the arson in Pusan to Communist motivations as Seoul now seeks to do. South Korean dissidents are not "spoiled brats," as our Ambassador, Richard L. Walker, is reported to have said. We should try to understand what they are trying to tell us. Then we might begin to adjust our policies to reflect the traditions and values of freedom that once brought us much great respect from our Korean friends.

NORTH KOREA IS SAID TO HOLD 105,000

(By Henry Scott Stokes)

SEOUL, SOUTH KOREA, April 10.—South Korean Intelligence officials say at least 105,000 North Koreans are being held in camps for ideological offenders.

The existence of the camps, long suspected by intelligence officials, was disclosed in recent interviews here with three North Korean defectors and with high-ranking officials of the South Korean Agency for National Security Planning, formerly the Korean Central Intelligence Agency.

Until recently, the intelligence officials said, it was difficult to check the existence of the camps. But now, with the aid of the defectors from North Korea, and with information that is believed to derive from American aerial reconnaissance, eight major camps for political offenders have been located, according to experts in Seoul, in addition to 25 separate conventional prisons for ordinary criminals.

South Korea also has forced labor camps, which Seoul officials said held more than 3,200 people late last year. However, according to political dissidents, only a minority of the internees are political prisoners.

APRIL CELEBRATION SET

The disclosures about the camps come as North Korea prepares huge celebrations to mark the 70th birthday of its leader, Kim Il Sung, next Thursday. Intelligence officials here insisted that they were not trying to overshadow that event. The disclosures, they said, followed years of efforts to confirm the presence of the camps.

In an interview at the national security agency's headquarters in Seoul, a high official said: "Our hope is that by showing the truth about North Korea, including the camps, we will broaden international knowledge about society there, paving a way for reunification in the long run."

American officials here declined to confirm the camps' existence, saying they had "no knowledge" of aerial photos of the facilities. But diplomats here believe that such places exist and are used to bolster President Kim's authority. He has ruled North Korea since it was founded in 1948.

The three defectors are Kim Yong Joon, who fled to the South in January; Kang Hyung Soon, who left North Korea in 1979, and Shin Young Man, a former North Korean agent in Japan who defected there in 1977. They told of their experiences at a joint interview at a Seoul hotel.

Mr. Kim, 30 years old, said that he had repaired farm implements in Onsung County, in North Hamgyong Province, near the Chinese border. He said that several times in 1978 he entered a large camp there for political offenders to repair equipment during a government campaign to "reclaim" lost land. Intelligence officials said that the camp was the largest of the eight and probably held about 27,000 people.

Mr. Kim said that he had first become aware of the camp in 1962, when as a teenager he explored the vicinity to search for tree bark to make string. "There were high fences, notices saying 'keep out' and 'danger,'" he said. "Everyone in the locality knew about the place. It was no secret that it held 'ideological criminals.'"

Intelligence officials said at a separate briefing that a second camp, holding about 20,000 prisoners, was in nearby Hoeryon County. They said other camps were in Kyongson County, which is also in North Hamgyong Province, with 15,000 prisoners; at Yodongmyon in South Hamgyong Province, with 13,000 captives, and in Chongpyong County in the same province, with 10,000 prisoners. Two camps in North Pyongyang Province hold 5,000 and 15,000 prisoners and a third in Chagang Province holds an undetermined number, according to the officials.

105,000 PRISONERS "MINIMUM"

"About 105,000 is the minimum figure we came with up for the total in the camps," said a high official in charge of North

Korean affairs at the security agency, "but there may be more and there may be other camps. We can't be sure yet."

None of the three defectors interviewed had been held in a camp. But Mr. Shin, 57, said that he was taken to Chuulli in North Hamgyong Province on a tour in the spring of 1972 to see a camp, shortly before he was smuggled into Japan as an agent. He said the visit was apparently a warning of what could happen if he failed in his mission.

Mr. Shin said that he got a close look at prisoners and buildings at the Chuulli camp.

FORMER AGENT IN NORTH KOREA

"They were not normal homes but wretched huts, half cave and half home," he said. "It was early spring, a bit cold. The people's clothes were really ragged, with flesh showing through the holes. They were very pallid, scrawny and miserable."

He said he had left his wife and six children in North Korea and presumed that they were now interned in a camp. "When I think about them I want to cry," he said, breaking into tears.

Mr. Kang, 26, said he had been trained as an agent of the North Korean State Political Security Department and had been responsible for tracking down people suspected of holding views contrary to the principles of the North Korean Workers Party. He said he had studied at the political security department of Kim Il Sung University in Pyongyang, the North Korean capital.●

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders of not to exceed 15 minutes each: Senators LEAHY, EAGLETON, RANDOLPH, WALLOP, and SPECTER, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I also ask unanimous consent that on tomorrow, the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), be granted a special order of not to exceed 15 minutes. That is the sixth of a sequence of special orders.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. I ask unanimous consent, Mr. President, that after the execution of the special orders there be a period for the transaction of routine morning business to extend not past 11:30 a.m., in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow the Senate will convene at 9:30 a.m., pursuant to an order for recess today. After the recognition of the two leaders under the standing order, six Senators will be recognized on special orders of not to exceed 15 minutes each.

After the execution of the special orders, there will be a brief period for the transaction of routine morning business, not to extend past 11:30 a.m., in which Senators may speak for not more than 5 minutes each.

At the expiration of the time for the transaction of routine morning business, the Senate will resume consideration of the pending business, that is to say, S. 2248, the Department of Defense authorization bill, on which a second-degree amendment offered by the Senator from Texas to the Specter amendment will be the pending question.

Mr. President, tomorrow will be a regular day, absent extraordinary circumstances, and the Senate will not be asked to stay past approximately 6 p.m. Senators are reminded, however, that Thursday is our regular late evening, and I do anticipate a late session on Thursday.

If this bill is not finished by Thursday evening, the Senate will be in session on Friday.

I reiterate: If we do not finish the Department of Defense authorization bill on Thursday evening, the Senate will be in session on Friday of this week.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is not further business to be transacted by the Senate this evening, I move, in accordance with the order previously entered, that the Senate now stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to; and at 6:07 p.m., the Senate recessed until tomorrow, Wednesday, May 5, 1982, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate May 4, 1982:

DEPARTMENT OF JUSTICE

William S. Price, of Oklahoma, to be U.S. attorney for the western district of Oklahoma for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Tuesday, May 4, 1982*

The House met at 12 o'clock noon.

The Very Reverend Mathias Doyle, president, St. Bonaventure University, St. Bonaventure, N.Y., offered the following prayer:

Let us pray.

We, the followers of Francis of Assisi and your coworkers in struggling for a better society, send greetings and peace and this message.

Keep a clear eye toward life's end. Do not forget your purpose and destiny as God's creature. What you are in His sight is what you are and nothing more. Do not let worldly cares and anxieties or the pressures of office blot out the divine life within you or the voice of God's Spirit guiding you in your great task of leading humanity to wholeness. If you open yourself to God and His plan printed deeply in your heart, God will open himself to you.

Remember that when you leave this Earth, you can take with you nothing that you have received—fading symbols of honor, trappings of power—only what you have given: A full heart enriched by honest service, love, sacrifice, and courage.

Embrace the God of us all and His Word wherever it surfaces. Imitate His preference for the poor and the powerless. Enter into His plan of liberating all peoples from everything that oppresses them and obstructs their development as human beings. Do not grow tired of working for peace among all people.

Help remove unjust social structures and patterns of exploitation. Uphold the rights and dignity of the human person. Foster the creation of a society where human life is cherished and where all peoples of the planet can enjoy its gifts, which God created for all, in a spirit of love and justice and equality. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE VERY REVEREND MATHIAS DOYLE, OFM

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, it is my great delight to welcome my friend and constituent, Rev. Mathias Doyle, who is the 17th president of St. Bonaventure University, the only Franciscan university in North America, to our Chamber today to act as visiting chaplain. He has taught political science. He is an alumnus of Notre Dame and Siena College. Under his aegis St. Bonaventure has developed a new field of study called peace studies. This is particularly appropriate for the Franciscan friars, because they have long been devoted to maintaining peace throughout the world.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. LUNDINE. I yield to our only alumnus of St. Bonaventure University, the distinguished gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Speaker, as the only Member of the House who is an alumnus of St. Bonaventure University, I wish to welcome the words of my colleague, the gentleman from New York, and to join with him in welcoming Father Mathias here and to say through him to Father Mathias how much I appreciate the wonderful years that I had, on this, the 30th anniversary of my graduation from St. Bonaventure, and to thank him, the fellow clergy and the professors who gave me 4 years of such valued leadership, as they are continuing to do to this day.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

REMEDIOS R. ALCUDIA, CHRISTOPHER, EZRA, VERMILLION, AND PERISTELLO ALCUDIA

The Clerk called the bill (H.R. 1547) for the relief of Remedios R. Alcudia, Christopher, Ezra, Vermillion, and Peristello Alcudia.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

LASZLO REVESZ

The Clerk called the bill (H.R. 1352) for the relief of Laszlo Revesz.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SHINJI ONIKI

The Clerk called the bill (H.R. 1826) for the relief of Shinji Oniki.

There being no objection, the Clerk read the bill, as follows:

H.R. 1826

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Shinji Oniki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under section 203(a) of the Immigration and Nationality Act or, if applicable, from the total number of such visas and entries which are made available to such natives under section 202(e) of such Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JENNIFER FERRER

The Clerk called the bill (H.R. 1830) for the relief of Jennifer Ferrer.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

CONGRESS SHOULD REJECT EDUCATION CUTS

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, yesterday Secretary of Education Bell said the administration was being too generous with student aid, and he charged that many of us who are traveling around the country were merely misleading students into thinking they had a problem.

Mr. Speaker, let us look at the facts very briefly.

Under guaranteed student loan programs, the administration is cutting $1.5 billion, and eliminating all graduate students; under the Pell grant program they are cutting $800 million; under the supplemental opportunity grant program, they are eliminating all the money; under the national direct student loan program, they are eliminating all the money; under the student incentive program, they are eliminating all the money; under work study, they are eliminating $150 million.

Mr. Speaker, I think not only do myself and the majority of the Members of this Congress have reason to be, as he said, near hysterical, student and college leaders all over this country share that opinion. Let us do something about it and reject the administration education cuts.

EXPRESSION OF THANKS TO JAPAN FOR OFFERING TO TREAT AMERICAN VETERAN

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. Mr. Speaker, I take this occasion to express my thanks to the nation of Japan for agreeing yesterday to offer treatment for one of my constituents, John Smitherman, who was the victim of two atomic bomb blast tests near Bikini Atoll when he was stationed on the U.S.S. *Allen M. Sumner.* Immediately after the two tests in which John participated, he began experiencing symptoms which have now resulted in the amputation of both his legs, and his left hand is now swollen to five times the normal size. Medical evidence indicates that it is indeed related to his intense exposure. The Veterans' Administration has refused to give him compensation. The National Naval Medical Center has refused to give him treatment. But the Radiation Research Foundation in Hiroshima, Japan, agreed yesterday to provide treatment to this American veteran, and I would like to thank Japan for doing so.

RATIFICATION OF SALT II

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, today Congressmen LEACH and ASPIN and I will introduce a House joint resolution ratifying SALT II as an executive agreement by majority vote of both Houses. I urge all my colleagues to cosponsor this resolution, which should be as noncontroversial as apple pie.

Whatever arguments were offered against SALT II in 1979 and 1980 have evaporated under the test of time. Those who once described it as "fatally flawed" are now in power in the executive branch, and they are observing SALT II to the letter and hoping the Russians continue to do the same.

The arguments for SALT II are overwhelming. I will cite only a few: It will limit the number of ICBM warheads the Russians can throw at us; it will make rapid silo reload impossible; it will force the Soviets to retire a block of strategic weapons capable of killing 67 million Americans; it will recover some of the prestige we are now losing in Europe and around the world; it will make it easier to move on to more comprehensive arms control.

SALT II is the only strategic arms control package that is completely negotiated, signed, and ready to go. Let us stop messing around and get on with it.

HEAR US: NUCLEAR WAR HURTS TOO MUCH

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, this week, throughout the city of Washington, billboards will be appearing on street corners and on rooftops proclaiming the imminent danger of nuclear war. The message contained in those billboards is very simple. They say, "Hear us. Nuclear war hurts too much."

These billboards have been erected in Washington by hundreds of my constituents from Kalamazoo, Mich. Paid for by concerned congregations of faith, by professional societies, by community organizations and by families throughout Kalamazoo. The billboards send an urgent message from the grassroots of American politics to those who occupy these Halls of Congress and to the occupant in the White House.

The billboards hope to convey the message that something must be done to address the growing problem of the world's destabilizing nuclear arsenal. In erecting these billboards, the people of Kalamazoo have accomplished two things. First, they have shown us that the public is once again far ahead of the politicians in their understanding of the urgent need to do something about the nuclear arms race; and, second, they have sent us an urgent and timely warning that we must heed: Simply, that nuclear war hurts too much.

Mr. Speaker, the time for a nuclear freeze is now.

THE LATE HONORABLE LEO W. O'BRIEN

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STRATTON. Mr. Speaker, I take this time to advise the House that our former colleague, the Honorable Leo W. O'Brien, from Albany, N.Y., a Member of this House from 1951 to 1966, passed away in Albany last night.

Leo O'Brien was one of the most respected Members of this Chamber. When he served here he had been a distinguished newspaperman in Albany for many years, covering Governor Roosevelt, Governor Lehman, and Governor Dewey. He came here as a Congressman after he had received wide recognition as a television commentator in Schenectady. In this body Leo O'Brien achieved what is a rare distinction, being referred to as a "Congressman's Congressman." Leo O'Brien was one of the few people in the House at the time who, when he rose to make remarks from the well, was actually listened to by his colleagues. That, as we all know, does not happen too frequently. But Leo O'Brien's colleagues knew that when he spoke, he spoke from knowledge and commonsense.

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my distinguished friend, the gentleman from New York.

Mr. ADDABBO. I thank the gentleman for yielding.

Mr. Speaker, I join the gentleman in this moment of remembrance of a great legislator, a great American, a great journalist.

I was privileged, when I first came here in 1960, to have an office adjoining Leo, and he was a great inspiration to me and a great mentor in those days. We will revere his great memory.

Mr. STRATTON. I thank the gentleman from New York (Mr. ADDABBO) for his comments.

Mr. Speaker, as you yourself will remember, Leo O'Brien's greatest legislative achievement here was his fathering the two most recent States of the Union, Alaska and Hawaii. Congressman O'Brien chaired the subcommittee which put the enabling legislation through the Congress in both cases. It is an accomplishment which few Members, if any, can match.

We will miss Leo O'Brien's good commonsense, and to his widow Mabel and his family we extend our deepest sympathy.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the life, character, and public service of the late Honorable Leo W. O'Brien.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL TELECOMMUNICATIONS POLICY

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, once again I feel compelled to rise in opposition to a misguided effort to update our national telecommunications policy. I label the effort misguided because the more I read through the bill, the more convinced I am that the guiding principle in drafting the measure was to design legislation that would severely handicap A.T. & T. and the Bell System.

For more than 10 years the Bell System has stood ready to offer the public advanced mobile phone service. It is a service that is sorely needed. It is a service that is much in demand. It is a service that is a product of Bell System technology. Following a protracted proceeding, the FCC last December established ground rules for cellular communications systems. Under those rules, two cellular systems would be permitted per market—one allocated to wireline telephone carriers, one for radio common carriers.

H.R. 5158, the Telecommunications Act of 1982, would prohibit the FCC from giving preference to wireline carriers for cellular radio. The local Bell telephone companies, whose future viability has been so much an issue since terms of the A.T. & T.-Justice Department agreement were announced, could conceivably be barred by the bill from the mobile phone market. Rather than being granted an allocation that is a natural extension of the provision of local telephone service, the local telephone companies would be forced into a "crapshoot" to decide who can and cannot service the mobile telephone market. That despite the fact that except for the Bell System only Japan has demonstrated the technological capability necessary to serve the cellular communications market.

In the name of competition, proponents of H.R. 5158 seek to deny local Bell companies a market it has long been ready to serve and which would enhance its future viability. And at the same time, those proponents delay public availability of a service that has already been delayed too long.

Mr. Speaker, while previous congressional attempts to revise the Nation's communications policy have been characterized as "Bell bills," I think the correct characterization for this piece of legislation is "bad bill." We should await the final resolution of telecommunications issues currently before the court, then set out to revise the communications laws in a fair-handed way.

LEGISLATION DESIGNED TO HELP MAXIMIZE USE OF FARM PROGRAM

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SMITH of Nebraska. Mr. Speaker, I have introduced legislation designed to help maximize use of our farm program. This new legislation, H.R. 6255, mandates that the Secretary of Agriculture make direct or guaranteed loans to producers who demonstrate need for additional grain storage space.

Agriculture commodity prices are so low that last year's crop has not moved into the marketing channels yet. USDA's April 1 grain stocks report shows that corn onhand totals a record high of 129 million metric tons, up 27 percent from last year. Wheat stocks are shown at 1.55 billion bushels, up 17 percent from last year. The United States has a grain glut that makes the much-heralded oil glut look trivial in comparison.

USDA and industry figures show strong indications that an additional 500 million bushels of grain could enter into the 3-year, farmer-held reserve program. The reserve program, designed to hold grain off the market during depressed times, has had a stabilizing effect on our wheat markets even in the face of increased stocks.

Our problem is that facilities for storing this abundant grain supply are very limited. Many commercial elevators in the Midwest are full to capacity or are not receiving reserve grain so as to have room for the oncoming wheat crop. Also, onfarm storage is jammed with last year's crop. Traditionally the USDA/ASCS program helped to finance construction of additional storage. Now the program has been administratively cut off.

I want to emphasize at this point that the farm storage facility loan program, be it direct or guaranteed loans, will not result in any additional outlays and may in fact save on Government price-support payments. The direct loans are paid back at the cost of money to the Government plus a servicing fee, and guaranteed loans would be negotiated between commercial lenders and the borrower on the commercial lenders' terms. I also want to say that the default rate on these loans is less than 1 percent.

H.R. 6255 increases the aggregate amount of producers' outstanding facility loan balance from $50,000 in 1 year to $100,000 in 2 years—using 2 years' crop production as the basis for eligibility. My bill also increases the loan term from 5 years to 7 years so as to utilize leasing arrangements in conjunction with a loan or loan guarantee.

Mr. Speaker, this is not a handout. Producers pay loans back with interest, and guarantees do not require any Treasury outlay with the farm program signup certain to exceed 80 percent, use of the 3-year grain reserve program is sure to be heavy. Farmers need proper tools in order to use the reserve program to protect their prices and to become less dependent upon volatile international markets. Help me reinstate the farm storage facility loan program by cosponsoring H.R. 6255.

□ 1215

THE ONLY SENSIBLE BUDGET COURSE

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, last summer, Congress passed the largest tax cut in American history. Not surprisingly, this tax relief package was welcomed by an American public which was sick and tired of being overtaxed and which was continually disgusted at the prospect of paying for more and more ill-conceived and mismanaged Government programs.

Now, less than a year later, we are hearing cries from the Democrats to repeal this tax relief measure. Drawing on years of New Deal economic experience, the Democrats would have us do away with the tax cuts and return to a policy of higher levels of Federal spending. The Democrats would have us abandon President Reagan's program—before it has really had a chance to take effect—and instead, would substitute the tried and untrue policy of tax, tax, tax, spend, spend, spend.

Well, Mr. Speaker, this sort of policy has not worked in the last 30 years and it will not work in the next 30. The American people are no longer willing to give the Federal Government free run of their wallets.

If we really want to revitalize the economy, if we really want to lower interest rates, then we must further reduce Federal spending while retaining the tax cuts. This is the only sensible course which has been offered.

A BASIC PHILOSOPHICAL DIFFERENCE ON THE BUDGET

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS. Mr. Speaker, last week the President went the extra mile in an effort to overcome the budget stalemate. Following the budget compro-

mise falling apart, the Speaker put his finger on the fundamental problem involved. He said the difficulty was a basic philosophical difference between the Speaker and the Democratic leadership and the Reagan administration. Nothing could be more important for the American public to understand than that.

Indeed, the leadership of this House is entirely out of touch with not just the Reagan administration, but the American public, Democratic and Republican alike, for it was Americans last year, Democrats and Republicans, who called for a reduction in Government spending, who called for fewer taxes and called for a new leadership on the part of America.

The fundamental problem is the agenda called Tip-O'Nomics, which is business as usual. Fundamentally, that means more taxes, more spending, and less defense.

Tip O'Nomics 1983–85

[As revealed in current budget negotiations; billions of dollars]

More taxes:	
Increased revenues sought by:	
Democrats	145
Republicans	110
More spending:	
Changes in nonmilitary spending sought by:	
Democrats	26.1
Republicans	−6.9
Less defense:	
Cuts in military growth sought by:	
Democrats	33
Republicans	23

Today I am asking for a special order tomorrow to ask each of you to join with me to discuss in detail the policies of Tip-O'Nomics, so that the American public can truly understand the difference between the leadership of this House and their concern about our future.

AMERICAN AGRICULTURE

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, the American economy is currently in a very dangerous situation, and the agriculture sector is definitely no exception. Being a farmer and rancher, I can recognize the challenges facing the family-size operator.

However, I cannot believe the American farmer wants a huge bailout from the Federal Government. What the American farmers wants is reasonable interest rates, the opportunity to compete in an equitable way with the world markets, and a Congress which will get a handle on the budget and their continuing spending policies of the last 20 years.

Even with the negative factors existing in 1982, there are many positive aspects. For a moment, let us compare the situation of just a year ago. A year ago, the prime interest rate was at 20.5 percent. Today it is 16 percent—still too high, but down. What does this mean to the farmer? It means that if he borrows $100,000 for operating capital, it will cost him $4,000 to $5,000 less in expenses this year.

A year ago, inflation was running well over 10 percent per year. The rate is less than 5 percent for 1982. The farmer's imputs for such items as fertilizer and fuel are down. For the first time in many years, farmers will not have to plan into their operating budget an additional 10 to 15 percent over the 1981 budget to cover the increasing costs of farming.

I realize there are a number of farmers in financial straits and that some of them will not be farming this year or next. But, I cannot think for a minute that the American farmers want huge Federal subsidies, massive deficits, or Government handouts to alleviate the short-term problems.

Farmers, along with a large proportion of the American public, said via the ballot box in 1980: "We wanted less Government and less spending." I am not convinced the situation has changed in 1982.

What farmers and others are saying is that we need a stable monetary and fiscal policy with expanded markets for our products. Mr. Speaker, if this Congress will act with courage, I believe these objectives can be achieved.

DEDICATION OF PERRY PERCEPTION PARK

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, this past weekend I participated in a unique dedication that is worthy of special attention.

Thanks to 7 years of dedicated efforts by three women's groups in Stark County, Ohio, a lovely park for the handicapped became a part of a caring community in the 16th District.

Because the Perry Women's Club, Richville Woman's Club, and Perry Junior Woman's Club cared, this barrier-free facility on the shores of Sippo Lake will stand as a living and growing testimony to the handicapped that they live in a community that is concerned for their welfare and interested in their happiness.

A special tribute is due Marilyn Simpson who was the sparkplug that motivated club members, their families, service clubs, and community volunteers to give of their time, money, and labor to make Perry Perception Park a reality.

Mr. Speaker, this project is an excellent example of voluntarism at its best, as called for by President Reagan.

A FREEZE ON FEDERAL SPENDING

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, 3 months ago this week I circulated a "Dear Colleague" recommending that all Federal spending be frozen at the 1982 level. It was an idea that I hoped would help build a concensus behind a workable and fair budget proposal.

Three months have passed since then and various other avenues for budget negotiation have been exhausted. Once again, Mr. Speaker, I would like to recommend that Congress consider an across-the-board freeze on Federal spending for two reasons:

First, it is fair. A freeze on spending would treat everyone equally.

Second, a freeze on Federal spending is politically possible because this Congress has already agreed to the fiscal year 1982 budget levels.

It is time to end the partisan strife and to provide the leadership that Americans deserve and must have for our economy to survive and prosper.

I ask your support for a budget freeze.

THE PLIGHT OF INDOCHINESE REFUGEES AND CUBAN-HAITIAN ENTRANTS

(Mr. LOWRY of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWRY of Washington. Mr. Speaker, almost immediately 130,000 people in this country who are Indochinese refugees and Cuban-Haitian entrants are going to be cut off from any cash and medical support. It is an emergency of the most dire situation. These 130,000 people have no other program to go to. They are not eligible for two-parent AFDC because they are in States that do not have two-parent AFDC.

They are not eligible for general assistance, because they are in States that do not have general assistance.

We are going to see in the next month 130,000 people, who are people like Mung tribesmen and Ming tribesmen, who fought with us in Cambodia and Laos, who have been here for over 18 months, but not 36 months, and have all their support cut off.

We have an urgent emergency appropriations bill coming before this House. I do not know how the leadership of this House can bring up an urgent emergency appropriations bill and have these people in the most dire straits you can ever imagine not have that addressed.

I hope that we will find the compassion to do something about that. I urge this House to include emergency

assistance for the people noted here in the urgent supplemental appropriations bill scheduled for floor action this week.

ANDRE BARTHOLO EUBANKS

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 1681) for the relief of Andre Bartholo Eubanks, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "101(b)(1)(F)" and insert "101(b)(1)(E)".

Page 1, lines 8 and 9, strike out ", pursuant to section 204 of the Act".

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Kentucky?

Mr. WOLF. Mr. Speaker, reserving the right to object, may I ask, Has this been cleared with the minority?

Mr. MAZZOLI. Mr. Speaker, if the gentleman will yield, it has been cleared with the minority. It is a very simple change. The Senate amendment permits a petition to be filed by the parents of this young 5-year-old child in order to enable him to become a permanent resident-alien and it conforms to current changes, recent changes, made in the regulations of the Immigration and Naturalization Act; but we have cleared this with the minority.

Mr. WOLF. Mr. Speaker, I thank the gentleman for his response, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

A motion to reconsider was laid on the table.

NORTHERN PACIFIC HALIBUT ACT OF 1982

Mr. BREAUX. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be discharged from further consideration of the Senate bill (S. 2244) to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

Mr. FORSYTHE. Mr. Speaker, reserving the right to object, I do so to enable my chairman to explain the procedure in which we are involved here.

Mr. BREAUX. Mr. Speaker, will the gentleman yield?

Mr. FORSYTHE. I yield to the gentleman from Louisiana.

Mr. BREAUX. Mr. Speaker, the purpose of the bill before us, S. 2244, is to amend existing U.S. law so that it will conform with the agreements made between the United States and Canada concerning the halibut fishery of the Northern Pacific Ocean and Bering Sea.

The North Pacific Halibut Fishery exists predominantly on the Continental Shelf off the coasts of Washington, British Columbia, and Alaska. The halibut itself is a slow growing and maturing fish, attaining great age and size. As a result of the biology of the species, a level of fishing effort even slightly above that which would achieve the maximum sustainable yield will result in a yield far lower than the maximum. Furthermore, the demand for, and the value of, the halibut has continually encouraged increased effort in this fishery. As a result, the fishery has a history of over exploitation culminating in a present yield of one-third of historical levels and an open season of approximately 2 weeks.

In 1923, the North Pacific Halibut Fishery first came under United States-Canadian joint management authority as a result of a bilateral treaty. This convention was amended in 1931, 1937, and 1953. The principal objective of the 1953 convention was to jointly manage, via the International Pacific Halibut Commission, the halibut resource for the purpose of developing the halibut stocks to those levels which would achieve and maintain the maximum sustainable yield from the fishery.

Following the passage of the Fishery Conservation and Management Act (FCMA) in 1976, the United States was required to reevaluate its participation in the 1953 convention. Section 202(b) of the FCMA requires the Secretary of State, in cooperation with the Secretary of Commerce, to initiate the renegotiation or termination of those existing treaties which relate to fisheries in the fishery conservation zone (FCZ) and which, in any manner, are inconsistent with the purposes, policies or provisions of the act. Pursuant to this reevaluation, a number of inconsistencies between the 1953 convention and the FCMA were discovered due to FCMA requirements: First, that foreign fishing vessels have U.S. permits on board while in the U.S. FCZ; second, that foreign fishing vessels be subject to the enforcement authority of the United States in the FCZ; and third, that fisheries resources under the exclusive jurisdiction of the United States be managed to achieve and maintain the optimum yield from each fishery. Nevertheless, it was recognized that there were benefits to be gained from continued cooperation between the United States and Canada in research and management of the halibut resource. Furthermore, accommodations were necessary to secure a new agreement with Canada for the continuation of a sound halibut management program and these included provisions which were not entirely consistent with the terms of Governing International Fishery Agreements (GIFA's) as defined in the FCMA. Therefore, in 1979, the United States and Canada ratified the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea.

In July 1981 the State Department submitted draft legislation implementing the new agreement. In November 1981, Congressmen JONES, SNYDER, FORSYTHE, and myself introduced a modified bill, H.R. 5074; and in March, the Senate Commerce Committee reported a similar bill, S. 2244. The Senate bill, introduced and amended by Mr. PACKWOOD, was passed by the Senate on April 22, 1982. Each of the bills:

Provide for the United States to be represented on the International Pacific Halibut Commission by three Commissioners appointed by the President;

Provide that the Secretary of State may accept regulatory recommendations made by the Commission;

Give the Secretary of Commerce general responsibility to carry out the terms of the convention and to implement necessary regulations. Such regulations, applicable to nationals or vessels of the United States, may be in addition to regulations adopted by the Commission, but may not be in conflict with them. To allow for the possibility that limited entry may be imposed on U.S. vessels in the halibut fishery, the act allows such privileges to be allocated between various U.S. fishermen, but requires that any such allocation be consistent with the standards specified in the FCMA;

Make it unlawful for any person subject to the jurisdiction of the United States to violate any provisions of the convention or the act;

Prohibit any foreign fishing vessel from engaging in fishing for halibut in the U.S. FCZ unless such fishing is authorized by the convention;

Provide for civil and criminal penalties for violations;

Provide for enforcement of the act by the Secretary of Commerce and the Commandant of the Coast Guard;

Authorize the appropriation of such sums as may be necessary to carry out the convention and the act; and

Repeal the Northern Pacific Halibut Act of 1937, as amended.

The Senate version differs from H.R. 5074 in some minor detailed as-

pects. These changes to the House bill appear, in all respects, to be positive and constructive. Of particular note, however, is the Senate provision which provides an important exemption from a limited entry scheme, if one is to be instituted, for Alaskan Natives fishing for halibut in the Bering Sea north of 56 degrees latitude. The rationale for this exemption is that these fishermen, particularly those on the Pribilof Islands, have traditionally relied on a subsistence halibut fishery. Because their catches are never recorded, they would not be eligible to fish for halibut under a limited entry scheme based on criteria which considers historical catch. These fishermen have only very recently begun to catch halibut commercially and desire to develop an industry from which they can better support themselves economically. Historically, these fishermen have been greatly dependent on Federal economic aid. The U.S. delegation to the International Pacific Halibut Commission has recommended that the North Pacific Fishery Management Council (NPFMC) allow these fishermen a 3-year grace period from any limited entry scheme so that they might have the opportunity to develop a commercial halibut fishery. The Canadians, the NPFMC, and the Governor of Alaska all support this concept. Other commercial halibut fishermen have voiced no opposition. The Subcommittee on Fisheries and Wildlife Conservation, which I chair, finds that this provision is entirely acceptable and strongly endorses the favorable consideration of this bill. It is important that we act today so that the North Pacific Fishery Management Council will have the ability to exercise its management authority prior to the start of the 1982 halibut season on May 11. With regard to this, it should be perfectly clear that the proposed legislation does not institute, endorse or oppose, a limited entry system or any other management option available to the Council.

Mr. FORSYTHE. Mr. Speaker, I thank the gentleman for his explanation, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Northern Pacific Halibut Act of 1982".

SEC. 2. As used in this Act the term:

(a) "Convention" means the Convention between the United States of America and Canada for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa, Canada on March 2, 1953, as amended by the Protocol Amending the Convention, signed at Washington March 29, 1979, and includes the regulations promulgated thereunder.

(b) "Commission" means the International Pacific Halibut Commission provided for by article III of the Convention.

(c) "Fishery conservation zone" means the fishery conservation zone of the United States established by section 101 of the Magnuson Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801 et seq.).

(d) "Convention waters" means the maritime areas off the west coast of the United States and Canada described in article I of the Convention.

(e) "Halibut" means fish of the species Hippoglossus stenolepis inhabiting Convention waters.

(f) "Fishing vessel" means—

(1) any vessel engaged in catching fish in Convention waters or in processing or transporting fish loaded in Convention waters;

(2) any vessel outfitted to engage in any activity described in paragraph 1; or

(3) any vessel in normal support of any vessel described in paragraph (1) or (2).

(g) "Secretary" means the Secretary of Commerce.

SEC. 3. (a) The United States shall be represented on the Commission by three United States Commissioners to be appointed by the President and to serve at his pleasure. The Commissioners shall receive no compensation for their services as Commissioners. Each United States Commissioner shall be appointed for a term of office not to exceed 2 years, but is eligible for reappointment. Any United States Commissioner may be appointed for a term of less than 2 years if such appointment is necessary to ensure that the terms of office of not more than two Commissioners will expire in any 1 year. A vacancy among the United States Commissioners shall be filled by the President in the manner in which the original appointment was made, but any Commissioner appointed to fill a vacancy occurring before the expiration of the term for which the Commissioner's predecessor was appointed shall be appointed only for the remainder of such term. Of the Commissioners—

(1) one shall be an official of the National Oceanic and Atmospheric Administration; and

(2) two shall be knowledgeable or experienced concerning the Northern Pacific halibut fishery; of these, one shall be a resident of Alaska and the other shall be a nonresident of Alaska. Of the three commissioners described in paragraphs (1) and (2), one shall be a voting member of the North Pacific Fishery Management Council.

(3) Commissioners shall not be considered Federal employees except for the purposes of injury compensation or tort claims liability as provided in section 8101 of title 5, United States Code, et seq. and section 2671 of title 28, United States Code, et seq. Section 3(a) shall take effect on the 90th day after the date of enactment of the Act.

(b) The Secretary of State, in consultation with the Secretary, may designate from time to time alternate United States Commissioners to the Commission. An Alternate United States Commissioner may exercise, at any meeting of the Commission, all powers and duties of a United States Commissioner in the absence of a duly designated Commissioner for whatever reason. The number of such alternate United States Commissioners that may be designated for any such meeting shall be limited to the number of authorized United States Commissioners that will not be present.

SEC. 4. The Secretary of State, with the concurrence of the Secretary, may accept or reject, on behalf of the United States, recommendations made by the Commission in accordance with article III of the Convention and paragraphs 14 and 15 of the annex to the Convention.

SEC. 5. (a) The Secretary shall have general responsibility to carry out the Convention and this Act.

(b) In fulfilling this responsibility, the Secretary—

(1) shall, in consultation with the Secretary of the department in which the Coast Guard is operating, adopt such regulations as may be necessary to carry out the purposes and objectives of the Convention and this Act; and

(2) may, with the concurrence of the Secretary of State, cooperate with the duly authorized officials of the Government of Canada.

(c) The Regional Fishery Management Council having authority for the geographic area concerned may develop regulations governing the United States portion of Convention waters, including limited access regulations, applicable to nationals or vessels of the United States, or both, which are in addition to, and not in conflict with regulations adopted by the Commission. Such regulations shall only be implemented with the approval of the Secretary, shall not discriminate between residents of different States, and shall be consistent with the limited entry criteria set forth in section 303 (b)(6) of the Magnuson Fishery Conservation and Management Act. If it becomes necessary to allocate or assign halibut fishing privileges among various United States fishermen, such allocation shall be fair and equitable to all such fishermen, based upon the rights and obligations in existing Federal law, reasonably calculated to promote conservation, and carried out in such manner that no particular individual, corporation, or other entity acquires an excessive share of the halibut fishing privileges: *Provided,* That the Regional Council may provide for the rural coastal villages of Alaska the opportunity to establish a commercial halibut fishery in areas in the Bering Sea to the north of 56 degrees north latitude during a three year development period.

SEC. 6. Any agency of the Federal Government is authorized upon request of the Commission, to cooperate in the conduct of scientific and other programs, and to furnish on a reimbursable basis, facilities and personnel for the purposes of assisting the Commission in carrying out its duties under the Convention. Such agency may accept reimbursement from the Commission.

SEC. 7. It is unlawful—

(a) for any person subject to the jurisdiction of the United States—

(1) to violate any provision of the Convention, this Act or any regulation adopted under this Act;

(2) to refuse to permit any enforcement officer to board a fishing vessel subject to such person's control for purposes of conducting any search or inspection in connection with the enforcement of the Convention, this Act or any regulation adopted under this Act;

(3) to forcibly assault, resist, oppose, impede, intimidate or interfere with any enforcement officer in the conduct of any search or inspection described in paragraph (2);

(4) to resist a lawful arrest or detention for any act prohibited by this section;

(5) to ship, transport, offer for sale, sell, purchase, import, export or have custody, control or possession of, any fish taken or retained in violation of the Convention, this Act, or any regulation adopted under this Act; or

(6) to interfere with, delay or prevent, by any means, the apprehension, arrest or detention of another person, knowing that such person has committed any act prohibited by this section.

(b) for any foreign fishing vessel, and for the owner or operator of any foreign fishing vessel, to engage in fishing for halibut in the fishery conservation zone, unless such fishing is authorized by, and conducted in accordance with the Convention, this Act and regulations adopted under this Act.

SEC. 8. (a) Any person who is found by the Secretary, after notice and opportunity for a hearing in accordance with section 554 of title 5, United States Code, to have committed an act prohibited by section 7 shall be liable to the United States for a civil penalty. The amount of the civil penalty shall not exceed $25,000 for each violation. Each day of a continuing violation shall constitute a separate offense. The amount of such civil penalty shall be assessed by the Secretary, or his designee, by written notice. In determining the amount of such penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violation, the degree of culpability, and history of prior offenses, ability to pay, and such other matters as justice may require.

(b) Any person against whom a civil penalty is assessed under subsection (a) may obtain review thereof in the appropriate court of the United States by filing a notice of appeal in such court within 30 days from the date of such order and by simultaneously sending a copy of such notice by certified mail to the Secretary and the Attorney General. The Secretary shall promptly file in such court a certified copy of the record upon which such violation was found or such penalty imposed, in accordance with rules prescribed pursuant to section 2112 of title 28, United States Code. The findings and order of the Secretary shall be set aside by such court if they are not found to be supported by substantial evidence, as provided in section 706(2) of title 5, United States Code.

(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General of the United States, who shall recover the amount assessed in any appropriate district court of the United States. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(d) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which is subject to imposition or which has been imposed under this section.

SEC. 9. (a) A person is guilty of any offense if he commits an act prohibited by section 7(a) (2), (3), (4), or (6); or section 7(b).

(b) Any offense described in subsection (a) is punishable by a fine of not more than $50,000 or imprisonment for not more than 6 months, or both; except that if in the commission of any offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this Act, or places any such officer in fear of imminent bodily injury the offense is punishable by a fine of not more than $100,000, or imprisonment for not more than 10 years or both.

(c) There is Federal jurisdiction over any offense described in this section.

SEC. 10. (a) Any fishing vessel (including its fishing gear, furniture, appurtenances, stores, and cargo) used, and any fish taken or retained, in any manner, in connection with or as a result of the commission of any act prohibited by section 7 shall be subject to forfeiture to the United States. All or part of such vessel may, and all such fish shall, be forfeited to the United States pursuant to a civil proceeding under this section.

(b) Any district court of the United States shall have jurisdiction, upon application by the Attorney General on behalf of the United States, to order any forfeiture authorized under subsection (a) and any action provided for under subsection (d).

(c) If a judgment is entered for the United States in a civil forfeiture proceeding under this section, the Attorney General may seize any property or other interest declared forfeited to the United States, which has not previously been seized pursuant to this Act or for which security has not previously been obtained under subsection (d). The provisions of the customs laws relating to—

(1) the disposition of forfeited property;

(2) the proceeds from the sale of forfeited property;

(3) the remission or mitigation of forfeitures; and

(4) the compromise of claims;

shall apply to any forfeiture ordered, and to any case in which forfeiture is alleged to be authorized, under this section, unless such provisions are inconsistent with the purposes, policy, and provisions of this Act. The duties and powers imposed upon the Commissioner of Customs or other persons under such provisions shall, with respect to this Act, be performed by officers or other persons designated for such purpose by the Secretary.

(d)(1) Any officer authorized to serve any process in rem which is issued by a court having jurisdiction under section 11(d) shall—

(A) stay the execution of such process; or

(B) discharge any fish seized pursuant to such process;

upon the receipt of a satisfactory bond or other security from any person claiming such property. Such bond or other security shall be conditioned upon such person delivering such property to the appropriate court upon order therefor, without any impairment of its value, or paying the monetary value of such property pursuant to an order of such court. Judgment shall be recoverable on such bond or other security against both the principal and any sureties in the event that any condition thereof is breached, as determined by such court.

(2) Any fish seized pursuant to this Act may be disposed of pursuant to the order of a court of competent jurisdiction or, if perishable, in a manner prescribed by regulations of the Secretary or the Secretary of the department in which the Coast Guard is operating.

(e) For purposes of this section, it shall be a rebuttable presumption that all fish found on board a fishing vessel which is seized in connection with an act prohibited by section 7 were taken or retained in violation of the Convention and this Act.

SEC. 11. (a) The Convention, this Act, and any regulation adopted under this Act, shall be enforced by the Secretary and the Secretary of the department in which the Coast Guard is operating. Such Secretaries may, by agreement, on a reimbursable basis or otherwise, utilize the personnel, services, equipment (including aircraft and vessels), and facilities of any other Federal agency, and of any State agency, in the performance of such duties.

(b) Any officer who is authorized by the Secretary, the Secretary of the department in which the Coast Guard is operating, or the head of any Federal or State agency which has entered into an agreement with such Secretaries under subsection (a) to enforce the Convention, this Act or any regulation adopted under this Act may—

(1) with or without a warrant or other process—

(A) arrest any person, if he has reasonable cause to believe that such person has committed an act prohibited by section 7;

(B) board, and search or inspect, any fishing vessel which is subject to this Act;

(C) at reasonable times enter, and search or inspect, shoreside facilities in which fish taken subject to this Act are processed, packed or held;

(D) seize any fishing vessel (together with its fishing gear, furniture, appurtenances, stores, and cargo) used or employed in, or with respect to which it reasonably appears that such vessel was used or employed in, an act prohibited by section 7;

(E) seize any fish (wherever found) taken or retained in the course of an act prohibited by section 7, or the proceeds of the sale of such fish; and

(F) seize any other evidence related to an act prohibited by section 7;

(2) execute any warrant or other process issued by any court of competent jurisdiction; and

(3) exercise any other lawful authority.

(c) If any officer authorized to enforce this Act (as provided for in this section) finds that a fishing vessel is operating or has been operated in the commission of an act prohibited by section 7, such officer may, in accordance with regulations issued jointly by the Secretary and the Secertary of the department in which the Coast Guard is operating, issue a citation to the owner or operator of such vessel in lieu of proceeding under subsection (b). If a permit has been issued pursuant to this Act for such vessel, such officer shall note the issuance of any citation under this subsection, including the date thereof and the reason therefor, on the permit. The Secretary shall maintain a record of all citations issued pursuant to this subsection.

(d) The district courts of the United States shall have exclusive jurisdiction over any case or controversy arising under this Act. Any such court may, at any time—

(1) enter restraining orders or prohibitions;

(2) issue warrants, process in rem or other process;

(3) prescribe and accept satisfactory bonds or other security; and

(4) take such other actions as are in the interest of justice.

(e) When requested by the appropriate authorities of Canada, officers or employees of the Coast Guard, the National Oceanic and Atmospheric Administration or any other agency of the United States may be directed to attend as a witness, and to produce such available records and files or duly certified copies thereof as may be necessary for the

prosecution in Canada of any violation of the Convention or any Canadian law relating to the enforcement thereof.

(f)(1) In cooperation with such other agencies as may be appropriate, the Secretary may conduct or cause to be conducted such law enforcement investigations as are deemed necessary to carry out the purposes of this Act.

(2) For the purpose of all investigations which, in the opinion of the Secretary, are necessary and proper for the enforcement of this Act, the Secretary or any officer designated by him is empowered to administer oaths and affirmations, subpena witnesses, take evidence, and require the production of any books, papers, or other documents which the Secretary deems relevant or material to the inquiry. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place or hearing.

(3) Process of the Secretary may be served by anyone duly authorized by him either—

(A) by delivering a copy thereof to the individual to be served, or to a member of the partnership to be served, or the President, Secretary, or other executive officer or a director of the corporation to be served; or the agent designated for service of process;

(B) by leaving a copy thereof at the residence or the principal office or place of business of such individual, partnership, or corporation; or

(C) by mailing a copy thereof by registered or certified mail addressed to such individual, partnership, or corporation at his or its residence or principal office or place of business. The verified return by the individual so serving such complaint, order, or other process setting forth the manner of service shall be proof of same, and the returned post office receipt for such complaint, order, or other process mailed by registered or certified mail shall be proof of the service of the same.

SEC. 12. There is hereby authorized to be appropriated for fiscal year 1983 and beyond, such sums as may be necessary for carrying out the Convention and this Act, including—

(a) necessary travel expenses of the United States Commissioners or alternate Commissioners; and

(b) the United States share of the joint expenses of the Commission: *Provided*, That the Commissioners shall not, with respect to commitments concerning the United States share of the joint expenses of the Commission, be subject to section 262(b) of title 22, United States Code, insofar as it limits the authority of United States representatives to international organizations with respect to such commitments.

SEC. 13. There are hereby authorized to be appropriated such sums as may be necessary for the Secretary of State to provide for fiscal year 1983 and beyond, by contract, grant, or otherwise, facilities for office and any other necessary space for the Commission. Such facilities shall be located on or near the campus of the University of Washington in the State of Washington and shall be provided without regard to the cost-sharing provisions in the Convention.

SEC. 14. The Northern Pacific Halibut Act of 1937, as amended (50 Stat. 325, 67 Stat. 494, 79 Stat. 902), is repealed as of the ninetieth day after the date of enactment of this Act.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordererd, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 5, 1982.

DEBT COLLECTION ACT OF 1982

Mr. ROSTENKOWSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4613) to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States, as amended.

The Clerk read as follows:

H.R. 4613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Debt Collection Act of 1982"

SEC. 2. SCREENING POTENTIAL DEBTORS.

(a) DISCLOSURE TO FEDERAL LENDING AGENCY THAT APPLICANT HAS TAX DELINQUENT ACCOUNT.—Paragraph (3) of section 6103(l) of the Internal Revenue Code of 1954 is amended to read as follows:

"(3) DISCLOSURE THAT APPLICANT FOR FEDERAL LOAN HAS TAX DELINQUENT ACCOUNT.—

"(A) IN GENERAL.—Upon written request, the Secretary may disclose to the head of the Federal agency administering any included Federal loan program whether or not an applicant for a loan under such program has a tax delinquent account.

"(B) RESTRICTION OF DISCLOSURE.—Any disclosure under subparagraph (A) shall be made only for the purpose of and to the extent necessary in, determining the creditworthiness of the applicant for the loan in question.

"(C) INCLUDED FEDERAL LOAN PROGRAM DEFINED.—For purposes of this paragraph, the term 'included Federal loan program' means any program—

"(i) under which the United States or a Federal agency makes, guarantees, or insures loans, and

"(ii) with respect to which there is in effect a determination by the Director of the Office of Management and Budget (which has been published in the Federal Register) that the application of this paragraph to such program will substantially prevent or reduce future delinquencies under such program."

(b) REQUIREMENT THAT APPLICANT FURNISH TAXPAYER IDENTIFYING NUMBER.—

(1) IN GENERAL.—Each Federal agency administering an included Federal loan program shall require any person applying for a loan under such program to furnish such person's taxpayer identifying number.

(2) DEFINITIONS.—For purposes of this subsection—

(A) INCLUDED FEDERAL LOAN PROGRAM.—The term "included Federal loan program" has the meaning given to such term by subparagraph (C) of section 6103(l)(3) of the Internal Revenue Code of 1954.

(B) TAXPAYER INDENTIFYING NUMBER.—The term "taxpayer identifying number" has the meaning given to such term by section 6109 of such Code.

(c) TECHNICAL AMENDMENTS.—

(1) Clause (i) of section 6103(p)(3)(C) of such Code is amended by striking out "(l)(3) or (6)" and inserting in lieu thereof "(l)(6)".

(2) Paragraph (4) of section 6103(p) of such Code is amended—

(A) by striking out "(l)(1), (2)," in the matter preceding subparagraph (A) and inserting in lieu thereof "(l)(1), (2), (3),",

(B) by striking out "(l)(3), (6)," and inserting in lieu thereof "(l)(6),", and

(C) by striking out "(l) (1), (2), or (5), or (o)(1), the commission described in subsection (l)(3)" in subparagraph (F)(ii) and inserting in lieu thereof "(l) (1), (2), (3), or (5), or (o)(1),".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of loan applications made after September 30, 1982.

SEC. 3. DISCLOSURE OF MAILING ADDRESS TO THIRD PARTIES FOR PURPOSES OF COLLECTING FEDERAL CLAIMS.

(a) GENERAL RULE.—Paragraph (2) of section 6103(m) of the Internal Revenue Code of 1954 (relating to disclosure of taxpayer identity information for purposes of collecting Federal claims) is amended to read as follows:

"(2) FEDERAL CLAIMS.—Upon written request by the head of any Federal agency, the Secretary may disclose the mailing address of a taxpayer for use only by officers, employees, or agents of such agency for the purpose of locating such taxpayer in order to collect or compromise a Federal claim against such taxpayer in accordance with section 3 of the Federal Claims Collection Act of 1966."

(b) SAFEGUARDS.—Paragraph (4) of section 6103(p) of such Code (relating to safeguards) is amended by adding at the end thereof the following new sentence: "In the case of any agency which receives any mailing address under subsection(m) (2) or (4) and which discloses any such mailing address to any agent, this paragraph shall apply to such agency and each such agent (except that, in the case of an agent, any report to the Secretary or other action with respect to the Secretary shall be made or taken through such agency)."

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (3) of section 6103(a) of such Code is amended by striking out "subsection (m)(4)(B)" and inserting in lieu thereof "paragraph (2) or (4)(B) of subsection (m)".

(2) Paragraph (2) of section 7213(a) of such Code (relating to unauthorized disclosure of information) is amended by striking out "(m)(4)" and inserting in lieu thereof "(m) (2) or (4)".

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 20 minutes, and the gentleman from

New York (Mr. CONABLE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

GENERAL LEAVE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 4613, presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentlemen from Illinois?

There was no objection.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4613, the Debt Collection Act of 1982, is intended to increase the efficiency of Government-wide efforts to collect debts owed to the United States and to improve the procedures for the collection of those debts. This bill as favorably reported by the Committee on Ways and Means is essentially the same as the bill previously introduced by Mr. CONABLE last year. However, the committee agreed to several changes which clarify certain provisions of the original bill and which extend certain procedural safeguards.

The amount of overdue and uncollected debts owed to the Federal Government is quite substantial. According to the administration, an estimated $218 billion was owed to the Government on September 30, 1981. Of that amount, an estimated $33 billion was either delinquent or in default, and over $1 billion in bad debts are being written off annually.

Mr. Speaker, I share many of the concerns expressed by the administration in the area of Federal debt collection. I agree that existing tools should be refined in order to better enable Federal agencies to reduce the magnitude of delinquent debts owed to them. The bill contains two provisions intended to accomplish that purpose. These provisions deal with the screening of potential debtors and the disclosure of taxpayers' mailing addresses to Federal agencies and their agents for purposes of collecting Federal claims.

SCREENING POTENTIAL DEBTORS

The bill generally permits the head of a Federal agency to ask the Internal Revenue Service whether or not an applicant for a Federal loan has a tax delinquent account. This procedure will be available to agencies that administer loan programs with respect to which the Office of Management and Budget has determined that the disclosure of this information will substantially prevent or reduce future program delinquencies.

The committee determined that this disclosure should be made only when an individual has a tax delinquent account because it is at that point that the taxpayer has a fixed and certain amount of tax liability and has been provided adequate notice of that liability. In the case of individual taxpayers, a tax delinquent account generally is established if a taxpayer does not pay tax within 4 or 5 months after assessments and after four notices have been sent.

USE OF TAXPAYER IDENTIFYING NUMBERS

Federal agencies administering these designated loan programs may require a loan applicant to furnish his taxpayer identifying number. (For an individual, this is the social security number.) This will better enable the agency to verify the identify of the loan applicant and will facilitate the agency's efforts to determine from the IRS whether the loan applicant has a tax delinquent account. Further, it will enable the agency to obtain a current address from the IRS should it need to do so in the future to collect a delinquent debt.

DISCLOSURE OF TAXPAYERS' MAILING ADDRESSES TO AGENTS OF FEDERAL AGENCIES

Finally, the bill permits the IRS to disclose taxpayers' mailing addresses to Federal agencies and their agents only for Federal debt collection purposes. This will allow Federal agencies to use agents in a more effective manner. The bill subjects any unauthorized redisclosure by these personnel to present law penalties and requires Federal agencies and their agents to fully safeguard the addresses disclosed.

Mr. Speaker, I urge immediate passage of H.R. 4613.

□ 1230

Mr. CONABLE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I also rise in support of H.R. 4613, the Debt Collection Act of 1982. I thank my friend and leader from Illinois (Mr. ROSTENKOWSKI) for having moved this measure. It is very similar to one that I sponsored last year, and I think the clarifications he has put in the bill in changing it are entirely appropriate.

The bill is an important part of a legislative package designed to facilitate the collection of at least a half a billion dollars annually which is owed to the Federal Government. Equally important, this legislation will facilitate development of a Federal management procedure to manage programs with as little waste and slippage as possible. It is astonishing to me, the sloppiness in the past of our handling of overdue debts owed the Government. In some cases, they simply do not maintain accounts receivable, and it is very difficult to find out how much was owed.

This legislation was developed as a result of a lengthy bipartisan project going back several years. In 1978, a series of GAO reports indicated that improvements were needed in recording, billing, and collecting accounts receivable. The next year, the Senate Appropriations Committee held a special hearing to review ways Federal agencies could improve their debt collection practices. In response to the issues raised by the GAO and the Senate hearings, in March 1979, OMB required each agency to review its procedures for collecting accounts receivable. Later that year, the OMB financial priorities program was established, and debt collection was targeted as one of the nine key financial improvement areas.

These OMB reviews showed that the debt collection problems were both complex and serious, and that an in-depth, thorough, agency-by-agency review of credit management and debt collection practices was needed. This review was undertaken, and a lengthy report on debt collection was issued by OMB in January 1981, which called for a number of changes, including legislation of the type before us today.

H.R. 4613 in its present form makes three modest changes in current law which will help Federal agencies to do a better job in administering programs which involved potential indebtedness.

First, the bill permits heads of Federal agencies to screen applicants for Federal loans to determine whether they have a tax delinquent account, to determine whether the applicants are creditworthy.

Second, the bill would permit Federal agencies that administer certain Federal loan programs to require applicants to furnish their taxpayer identifying numbers. These numbers usually are the applicant's social security numbers. This provision will enable agencies to verify applicant's identities and will help later if it becomes necessary, to locate individuals to deal with indebtedness.

Under present law, heads of agencies may get IRS mailing addresses of taxpayers for use in collecting or compromising Federal claims. The bill would permit the agency heads to redisclose IRS addresses to agents who have contracted to do the actual work of collecting delinquent accounts. It is the committee's understanding that when these addresses are disclosed to a consumer reporting agency, the disclosure will be made only for the purpose of allowing the preparation of a commercial credit report on the taxpayer for use by the Federal agency trying to collect the debt.

The bill provides that the stringent safeguards and penalties that now apply to the information contained on tax returns will also apply to IRS mailing addresses.

At the end of last year, over $200 billion in debt was outstanding. I must say that I do not have any great confidence in our management when I hear the range was somewhere between $218 billion and $239 billion, but there

is agreement that there was at least $33 billion delinquent.

Now, Mr. Speaker, just as all taxpayers are going to be interested in paying their taxes only if they are actually assured that their fellow taxpayers pay their taxes, so nobody is going to want to pay back the Federal Government for a past due debt unless they are sure that we have a rigid and fair and enforcible process available under our procedures. I must say that a lot of this benefit is going to be derived from management changes and not from this legislation. However, the legislation makes a modest addition to the opportunities for collection that the Government needs.

To the extent that millions of dollars can be collected which are owed to the Federal Government, amounts which are not in dispute, some pressure on the budget can be relieved. This bill will help accomplish that purpose, and I urge its passage.

Mr. JEFFORDS. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Speaker, I certainly want to commend the gentleman from New York and the committee for the excellent work they have done on this bill. It is a significant step forward. As the gentleman knows, I have been working in this area. I think there is still a lot to be done, but I think this is a great step forward at a time when we really need to bring this kind of management to bear. I want to associate myself with the remarks of the gentleman.

Mr. Speaker, improved Federal Government debt collection is an issue that I have been interested in for a long time. Consideration of this legislation before us today could not be more timely, for it is an important piece of a debt collection package which can help us bring the record projected deficits for this year and next down to acceptable levels.

The magnitude of the Federal Government's outstanding debt problem is astounding. Of the $218 billion owed to Uncle Sam, $33 billion is delinquent or in default at agencies and departments across the full breadth of the Government. This figure comprises more than $20 billion in unpaid taxes and at least $9 billion in overdue loans and other debts. Another $8 billion is in some form of rescheduled status because of borrowers' inability to pay. Over $1 billion in bad debts are being written off each year, and it is estimated that an additional $8 billion will be written off over the next several years.

In fiscal year 1979, the delinquency rate in 5 of the 10 leading Federal lending agencies ranged from 60 percent to an astonishing 97 percent. For example, at the end of fiscal 1979, $1.4 billion in receivables was delinquent at the Department of Agriculture, $2.2 billion at the Department of Education, and $1.9 billion at the Department of Health and Human Services.

In fiscal 1979, the Federal Government wrote off $1.5 billion as uncollectible bad debts. The cost to the American taxpayer of carrying defaulted debt is staggering—roughly $3 billion annually. Unless Congress acts expeditiously to end this debt forgiveness spree, uncollectibles stand to grow by leaps and bounds with larger Federal budgets.

Perhaps the most critical aspect of this mounting debt problem is Government indifference. Loan program directors have been the last of the big-time spenders, almost solely concerned with lobbying for increased appropriations and disbursing money, and assigning a very low priority to repayment enforcement. As former Comptroller General Elmer Staats has said, agency heads have been operating on the principle that "It is more fun to give money away than to take it back."

Public awareness of waste, fraud, and abuse in Washington is growing, and we will be held accountable if corrective measures are not put into place. Candidate Ronald Reagan made this issue a familiar one on the campaign trail. The General Accounting Office (GAO) has released a spate of reports over the years categorizing the vast numbers of ways the Government has been squandering taxpayer money. And certainly waste and improved administration of programs has been focused on as part of the revolutionary changes we have seen in the budget process recently. With worthwhile social programs cut back sharply and with more spending curtailments in the offing, Members have been asking themselves, and rightly so, if waste should not be eliminated before the well whetted budget ax cuts too deeply in programs for the needy.

I believe the Congress is making headway on this front. The House passed H.R. 2811 on May 18, 1981. This legislation provides one very useful tool in the battle for efficacious Federal collection of outstanding debts. Referral of the names of delinquent debtors to credit bureaus is extremely cost effective. It will insure that those who consider reneging on their commitments to the United States know that they run the risk of being denied credit cards and loans. In New Jersey, where the condition of all student loans is made known to credit bureaus, student defaults have been relatively low.

Certainly the administration is to be commended for zeroing in on debt collection as part of its second round of spending and revenue proposals. H.R. 4613 brings to the House floor a major component of the administration's debt collection plan. Under this bill Federal departments and agencies would be required to get taxpayer identification numbers from applicants for credit under certain Federal loan programs. It allows the Internal Revenue Service (IRS) to disclose to other Federal agencies whether a Federal loan applicant has a delinquent tax account. Finally, it would permit the IRS to disclose mailing addresses of taxpayers to agents, as well as the officers and employees, of Federal agencies for use in tracking down taxpayers who owe Uncle Sam money.

It should be noted that H.R. 4613 was amended by Chairman ROSTENKOWSKI during markup, and that some of the substitute language is not as strong as the original. For example, the Rostenkowski substitute limits the requirement to get taxpayer identification numbers from loan applicants to Federal loan programs under which the United States makes, guarantees or insures loans. Not included are income assistance, food stamp, and other benefit programs where there is a possibility of overpayments and duplicate and erroneous payments. Moreover, the original Conable language required furnishing of social security numbers rather than taxpayer identifying numbers. In most instances, these numbers are one and the same, but some Federal loan programs, such as the repatriation loan program, are focused on Americans not likely to have taxpayer identification numbers.

Further, the amended section of H.R. 4613 concerning the screening of potential debtors is limited to tax delinquent accounts (TDA's). TDA's represent only 72 percent of all outstanding tax liabilities. Roughly $5.7 billion in unpaid taxes is excluded from screening. The original Conable bill would have allowed disclosure of all $20.5 billion in outstanding and overdue taxes.

Overall, this is a good bill, and I am hopeful that where stronger language is needed, it can be inserted in conference with the Senate.

It should be noted that several other pieces of a sound debt collection improvement plan need to be put in place. The Judiciary Committee has pending before it bills dealing with service of summons, protection of Federal debt collectors, statutes of limitations, and interest and penalties on nontax debts. The Post Office and Civil Service Committee will be tackling a salary offset or garnishment bill.

Finally, I would like to turn briefly to my own bill, H.R. 2543, the Debt Collection Improvement Act of 1981. This legislation currently has 97 cosponsors and has much in common with all the other measures I have heretofore mentioned. Title I is similar to H.R. 2811, passed by the House, and title II has been largely implemented by the U.S. Office of Education.

But, most importantly, I think, my bill addresses a debt collection procedure which other measures sidestep, and this procedure could prove to be the most effective of all debt collection tools. In short, the Debt Collection Improvement Act would permit the referral of defaulted Federal loans to the IRS for offsetting against tax refunds, as a last resort collection effort.

This is a controversial concept. The IRS has traditionally opposed it as a distraction from its mission of sound tax administration. The Ways and Means Committee has opposed it on the grounds that it might adversely affect compliance among taxpayers, and that it would require additional IRS funding at a time when all Federal agencies are being required to cut back operations as part of the overall effort to reduce Federal spending.

I do not argue that the IRS would not need additional staff to perform this function, and my bill provides for that. But the principle point is that the additional revenues that would accrue to the Treasury as a result of offset collection would more than pay for these new staff positions. This was the conclusion of a 1979 GAO report.

The Service is gaining experience in this area as a result of changes made in the budget reconciliation bill relating to collection of delinquent child support payments, and I do not think the transition to a broader offset program would be overly difficult.

Moreover, I do not think the American people will react negatively to the proposal if it is explained to them. It will be clear that refunds will be withheld only from individuals who are past due in their payments to the Federal Government, and who have resisted all other Government collection efforts, which have been exhausted. In other words, we are going after persons who have violated their repayment pledges and are, as a result, costing the honest taxpayer money. Clearly, this is not an unreasonable approach, especially when due process safeguards are provided, and my bill provides them.

The GAO report, FGMSD-79-19, "The Government Can Collect Many Delinquent Debts by Keeping Federal Tax Refunds as Offsets," was released on March 9, 1979. The study concluded that many Government claims currently being written off because they are not large enough to warrant recovery through legal action or other conventional methods could be efficiently collected by:

Transferring the uncollectible receivable balances to IRS for matching against subsequent tax refunds. In cases where an individual or firm owes the Government money, the applicable tax refund would be reduced by this amount.

In order to evaluate the feasibility of offsets, GAO provided the IRS with data on 613 outstanding Government receivables valued at $431,309. The IRS determined that $153,583, or 36 percent, could be collected through tax refund offsets within 2 years' time, and that additional amounts could be recovered in subsequent years.

Of the $153,583, $98,932 was from joint returns. GAO recognized that the IRS can offset individual debts against joint returns only to the extent that the debtor in question has an interest in the refund. However, in most cases, the debtor will have a significant interest in the joint refund.

GAO pointed out in its report that the Federal Government's right to collect delinquent debts through tax refund offsets is strongly supported by statutes and court decisions, and that offsets would not result in the illegal disclosure of any individual tax return data.

Accordingly, I hope the House will take a long and careful look at tax refund offsets as an extremely effective debt collection tool. Using GAO's figures, we could expect to take in more than a third of the $33 billion delinquent or in default, or more than $11 billion, in the 2 years after implementation of an offset program. Five and one half billion dollars a year is not a bad return.

Perhaps, if the child support collection program proves an inadequate basis for a fully reasoned evaluation of offsetting, we would want to move to a pilot program. But clearly, this is a plan that will greatly assist us in closing the budget gap in the near term and in balancing the Federal budget.

In closing, Mr. Speaker, I want to commend the gentleman from New York (Mr. CONABLE) for his yeoman's work on this important legislation, and the chairman of the committee, Mr. ROSTENKOWSKI, for bringing it to the floor. I urge the House to suspend the rules and pass H.R. 4613.

Thank you very much, Mr. Speaker.

Mr. CONABLE. I thank the gentleman very much.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I am happy to have the opportunity to rise in support of H.R. 4613, the Debt Collection Act of 1982.

This act is part of a comprehensive debt collection proposal submitted to the Congress by the President. One element, H.R. 2811, which would facilitate the reporting of delinquent Federal debts to credit bureaus, was reported out of the Government Operations Committee and passed by the House on May 18 of last year. A major part of this comprehensive proposal has now been reported by the Ways and Means Committee and is before us for consideration today.

This legislation, if passed, will assist Government agencies in their debt collection efforts, by requiring debtors to provide their taxpayer's identification number when applying for Federal credit and by allowing IRS to provide addresses to other Federal agencies in attempting to find delinquent debtors. This legislation should help prevent the accumulation of delinquent debt by providing agencies with the information needed to keep track of their debtors.

The Ways and Means Committee, under the leadership of its chairman, Mr. ROSTENKOWSKI, and its ranking Republican, Mr. CONABLE is to be commended for its consideration and action on this legislation.

Mr. Speaker, as I mentioned earlier, this is part of a comprehensive package of legislation that the House must act on to give the President the authority he needs to collect debts owed to the Federal Government. It is my hope that the Congress will soon complete action on the entire package so that the Government can accelerate its efforts to collect delinquent debts.

When the President submitted his budget proposals for fiscal 1983, he noted that, as of September 30, 1981, there was an estimated $33 billion owed to the Government which was either delinquent or in default. Over $1 billion in bad debts are, according to the President, being written off each year.

We cannot continue to allow these debts to go unpaid. This legislation and the other pieces of legislation related to it will give the President the tools he needs to obtain moneys rightfully owed the Government.

Mr. Speaker, this bill before us is important, and I urge its adoption.

Mr. CONABLE. I thank the gentleman. I know he has made contributions to the operation of the Government through the Government Operations Committee, and I think his effort is a valuable one.

Mr. Speaker, I now yield 5 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, our Federal Government is the world's largest and most generous lender. After studying several GAO reports, the President's debt collection project, and having some personal knowledge of this subject, I am convinced that Uncle Sam is also the world's most careless lender. Therefore, I rise in strong support of H.R. 4613, a bill to improve the efficiency of Federal debt collection. Let me hasten to add that this has been a bipartisan effort all the way. The Judiciary Committee has been assigned another portion of this debt collection package, and I am sure that we will respond in the same spirit.

Roughly, $214 billion is owed the Federal Government today. Of that

amount, $33 billion is delinquent. Interest liability to the Federal Government in carrying this delinquent debt is more than $5 billion a year. I remind my colleagues that it is not millions we are talking about, but billions. These mind-boggling sums increase the tax burden, enlarge the Federal deficit and put upward pressure on interest rates.

Collection efforts on the part of most agencies is a virtual bureaucratic nightmare. Ironically, Federal law acts as a roadblock to meaningful attempts at collection. This is compounded by a growing relaxed attitude toward the moral obligation to repay one's just debts, particularly when the Federal Government is the creditor.

Under current law, the Federal Government does not have available to it the collection tools now granted to creditors in the private sector. Presently, Federal agencies cannot notify credit bureaus for failure to pay just debts; they cannot use private sector collection expertise; they fail even to impose interest penalties for late payment. Federal agencies are unable to institute policies and procedures that are part of normal efficient private business practices.

Delinquency is actually encouraged under the present system. What incentive is there to pay when a debtor can take the money he would otherwise return to the Federal Government and invest it at prevailing interest rates without any interest penalty from the Government? Clever financial advisors have encouraged such strategies. Moreover, a debtor does not have to worry about his credit rating for failure to pay; and if he avoids payment for 6 years, the statute of limitations gets him off the hook altogether. Word is out that Uncle Sam is a soft touch. More borrowers scoff at the notion that one has a moral obligation to pay one's just debts. On almost anybody's list the duty to repay the Federal Government gets the lowest priority.

This legislation, Mr. Speaker, is not directed at poor people. Any professional debt collector will tell you that the poor simply do not have the money, and efforts to collect are not economically feasible. Even partial recoveries are usually not worth the effort or time. On the other hand, this bill is directed at the middle class and persons in the upper socioeconomic brackets who deliberately avoid the payment of their just debts owed to the Government.

This legislation, then, paves the way for establishing an efficient and manageable system of accounts receivable, yet keeping all the elements of privacy protection and due process for the borrower. Such collection efforts are still subject to the Fair Credit Reporting Act, Fair Debt Collection Practices Act, and the Privacy Act, as well as all relevant State and local laws. Finally, the Federal agency officer responsible will still have summary authority to negotiate, compromise, litigate, or discharge a debt.

Mr. Speaker, let us put Federal efforts to collect just debts on an equal footing with private sector efforts, and firmly support H.R. 4613 and its companion legislation assigned to other committees. I urge my colleagues to support H.R. 4613 today and to vote for all the companion bills when they come to the floor.

Mr. Speaker, let me just remind the Members that in October I had asked the chairman of the subcommittee in the Judiciary Committee that the companion bill, H.R. 4614, would get an early hearing. It has not yet been heard, but I am hopeful that the action we are taking today will also encourage the Judiciary Committee to act. I urge my colleagues to support H.R. 4613 today, and then vote for all the companion bills when they come to the floor later on.

Mr. CONABLE. Mr. Speaker, I yield myself an additional 2 minutes.

I would like to thank the gentleman from Illinois for his comments, and to note what he said about the companion piece, H.R. 4614. I think his support of the measure now before us is significant, and I trust that the Judiciary Committee will move. Although it is a modest bill, it is part of the link that would help us deal with overdue collections owed the Federal Government.

Mr. McCLORY. Mr. Speaker, if the gentleman will yield, what it would do would be to permit, for one thing, the Federal agencies to engage private commercial agencies which have an expertise in this field, and to utilize the private sector talent we have, and likewise, would make other changes which can facilitate the processing and the litigation enabling the Federal Government to secure a better result in proceedings against those who wilfully and knowingly avoid paying their debts to the Federal Government.

Mr. CONABLE. I thank the gentleman for his clarification, and say that with appropriate safeguards certain measures should go forward.

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I would like to add in closing, Mr. Speaker, that thanks should be given to the gentleman from Vermont (Mr. JEFFORDS) for his interest in this measure and for the lining up of cosponsors and the generation of the interest that has brought us to this moment of passage.

Mr. JEFFORDS. Mr. Speaker, I thank the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. STRATTON). The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 4613, as amended.

The question was taken.

Mr. ROSTENKOWSKI. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

EXPRESSING SENSE OF THE CONGRESS ON OCCASION OF CENTENNIAL OF ESTABLISHMENT OF DIPLOMATIC RELATIONS BETWEEN THE UNITED STATES AND KOREA

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 84) expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 84

Whereas this treaty provided for the formal opening of diplomatic relations between the two countries;

Whereas the American and Korean people have during the past century strengthened the cultural, commercial, and security bonds that unite them;

Whereas Americans sacrificed their lives in assisting the Korean people to defend their freedom against aggression and Koreans fought side by side with Americans in Vietnam; and

Whereas dedication to the principles of freedom and democracy is the basis of the continued strength and friendship of the United States and Korea: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby—

(1) considers the one-hundredth anniversary of the establishment of diplomatic relations between the United States and Korea as an occasion of special historic significance; and

(2) communicates to the National Assembly of the Republic of Korea and to the people of Korea the wishes of the United States Congress and the American people for a peaceful and prosperous future.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of Senate Concurrent Resolution 84, expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

The concurrent resolution now under consideration simply recognizes the fact that this coming May 22, 1982, will mark the 100th anniversary of the establishment of formal diplomatic relations between the United States and the Republic of Korea. The resolution which passed the Senate last Thursday states the sense of Congress that this centennial is an occasion of special historic significance and communicates to Korea the wishes of the American Congress and people for a peaceful and prosperous future.

The treaty signed between the United States and the "Kingdom of Chosen"—the name for Korea in the last century—was signed May 22, 1882 and holds particular historic significance since it was the first international treaty negotiated by the Koreans and set a standard for subsequent treaties Korea negotiated with other nations. The treaty therefore played a role in furthering Korean independence. It established trade and diplomatic relations which have prospered in the subsequent years. Trade relations have grown to the degree that today Korea can be counted among the top 10 trading partners of the United States.

Nor can we forget the importance of United States-Korean relations in preserving Korean independence and promoting peace and security in Northeast Asia. Koreans and Americans have fought together and died together on battlefields in defense against aggression.

In the original treaty of 1882, article I stated that there shall be "perpetual peace and friendship" between the United States and Korea. It is appropriate that this May—100 years after those words were written—we recall and reaffirm this noble commitment and goal as we look ahead to the next hundreds of years of friendly and productive relations.

Mr. Speaker, I urge the adoption of Senate Concurrent Resolution 84.

Mr. Speaker, I yield one-half of my time to the gentleman from Michigan (Mr. BROOMFIELD).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BROOMFIELD) is recognized for 30 minutes.

Mr. BROOMFIELD. Mr. Speaker, I thank the chairman of our Committee on Foreign Affairs, the gentleman from Wisconsin (Mr. ZABLOCKI), for yielding me this time, and I join him in support of this resolution (S. Con. Res. 84) expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea. Our two people have had a long history of cooperation and goodwill. Our ties have been tested in war, and have been found solid and true. Thousands of Americans fought side-by-side with Korean patriots against Communist aggression in the 1950's, and Korean soldiers assisted our own efforts years later in Vietnam.

In times of peace, trade between the two of us has flourished, and exchanges of culture, art, science, and education have further solidified our bond.

Today, our commitment to an independent and free Korea is as strong as ever. As we mark this centennial in our relations, I am optimistic that our past cooperation and achievements will serve to guide us wisely in the future, and that our two peoples will maintain a sense of friendship that will last another 100 years.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding, and I want to join also in support of this Senate concurrent resolution and to commend the President and other officials of the Government of Korea on maintaining solid relations with our country.

The Vice President of the United States was recently in Korea to extend greetings and good wishes on behalf of our Nation, and I believe that an official delegation of representatives from this Nation, including the gentleman who now occupies the Speaker's chair, the gentleman from New York (Mr. STRATTON), will be visiting Korea on May 22 as part of the official party extending congratulations and our cordial good wishes to the representatives of the Korean Government.

Mr. Speaker, this is an occasion for rejoicing, it seems to me, and for taking note of the long and cordial relations that have existed between our two countries.

Mr. Speaker, from a purely personal standpoint I have enjoyed close relations with many Members of the Korean Parliament. These relations have developed during official visits to Korea and at numerous conferences of the Inter-Parliamentary Union—an organization of parliamentary representatives of which both of our governments are longtime and active members. In expressing congratulations to our friends in Korea and in rejoicing that we have benefited from 100 years of cordial diplomatic relations, I rise in support of this concurrent resolution (S. Con. Res. 84).

Mr. BROOMFIELD. Mr. Speaker, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the Senate concurrent resolution.

The previous question was ordered.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate concurrent resolution just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SENSE OF THE HOUSE WITH RESPECT TO THE FALKLAND ISLANDS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 441) with respect to the Falkland Islands, as amended.

The Clerk read as follows:

H. RES. 441

Whereas international law and the charter of the United Nations call for the peaceful settlement of international conflicts;

Whereas in defiance of this principle, Argentina has invaded and occupied the Falkland Islands;

Whereas the United Nations Security Council has called for the immediate cessation of hostilities, the immediate withdrawal of the Argentinian forces, and a diplomatic solution to the differences between the two countries;

Whereas Great Britain is a loyal ally that has stood by the United States during the Iranian hostage crisis and numerous other disputes;

Whereas the outbreak of hostilities between Britain and Argentina has adverse consequences for the peace and stability of both the hemisphere and the world;

Whereas the United States has undertaken an exhaustive good faith effort to mediate the conflict; and

Whereas this effort has not yet succeeded in reaching an agreement to end the conflict: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) in compliance with United Nations Security Council Resolution 502, Argentina should withdraw its forces from the Falkland Islands; and

(2) if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its efforts to uphold the rule of law.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 441, as amended, a resolution regarding the Falkland Islands.

Let me explain that one clause in the committee reported resolution was placed out of order, so the amendment at the desk reorders the resolved clause in order to clarify the policy recommendations. At the outset, I commend my colleague, Mr. SOLARZ, for his initiative in introducing the resolution.

The purpose of House Resolution 441 is direct and simple. In keeping with U.N. Security Council Resolution 502, it declares that Argentina should withdraw its forces from the Falkland Islands. It further stipulates that if efforts fail to resolve the dispute peacefully, the United States should provide full diplomatic support to Great Britain.

The tragic controversy over the Falkland/Malvinas Islands places the United States in an unenviable position. We find ourselves caught between the interests of Great Britain, one of our closest and oldest allies, and Argentina, a major nation in Latin America. Jeopardized in the process are important U.S. foreign policy achievements in Latin America made since the signing of the Panama Canal Treaties.

Through the untiring efforts of Secretary of State Haig the United States has offered its good offices to resolve the dispute. We have responsibly and impartially pursued every reasonable option.

Despite those efforts, the crisis is close to erupting into a full-scale war. We have tried negotiations. We have tried mediation. It is now time for Congress to declare itself full square behind international law and against the use of force to resolve international disputes. That is the position recommended last Thursday by the Foreign Affairs Committee and the position announced by Secretary Haig on Friday.

Mr. Speaker, Great Britain is a staunch ally of the United States. It has approached this crisis with restraint. It is incumbent on the House to declare that Argentina's seizure of the Falkland Islands was illegal. That is what House Resolution 441 does. It simply calls upon the United States to offer diplomatic support to Great Britain.

It is also important to emphasize what the resolution does not do. Above all, and I stress this fact, it is not intended to suggest or imply that the United States should become directly involved in any military activity concerning the dispute.

With those clarifications and stated purposes clearly established and understood, I reiterate my support for House Resolution 441.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support House Resolution 441, believing that since negotiations have been unsuccessful, it is our obligation to support the United Kingdom against the Argentine invasion of the Falkland Islands. While discussions were underway, with the United States acting as an intermediary, it was appropriate, and indeed vital, that we maintained our role as an honest broker. Our role was undertaken with the endorsement of the United Kingdom and the acceptance of Argentina. To have gone beyond our U.N. Security Council vote against the invasion and occupation of the Falklands by Argentina, would have been counterproductive in our role as mediator and would have jeopardized the talks from the start. I commend President Reagan and Secretary Haig for their diligent efforts to forestall further conflict between the parties.

But the time has come for a clear statement of our position and for an acknowledgment of our belief that aggression must never be rewarded. Since Argentina has refused to modify its rigid position that sovereignty of the Falklands is not subject to discussion, we must stand beside the United Kingdom in this ordeal.

The Argentine invasion was contrary to accepted international law and in violation of the United Nations Charter. The nature of their action has earned them condemnation from the family of nations. On the other hand, Great Britain's efforts to seek a peaceful compromise to the conflict have won the respect of all civilized people.

We must be clear on the issues. We are not discussing the respective historic claims of the United Kingdom and Argentina over the Falkland Islands. The issues concern the use of force to settle disputes and the right of self-determination for the people of the Falklands. The Argentine invasion must not be condoned. The unprovoked attack on British territory was a flagrant violation of Argentina's international obligations. They must be held accountable. Failure to do so would legitimize similar actions in a host of international disputes, many of them in Latin America, but others in the Middle East, Asia, and Africa. The second point concerns the self-determination of the people residing in the Falklands. Surely their interests are central to the matter. They have previously rejected a change of sovereignty from the United Kingdom to Argentina, and I believe that their political wishes must be respected and supported.

I support this resolution and encourage my colleagues to do likewise. The issue is one of principle. To falter in defense of the principles involved, is to risk future conflicts and the loss of allies worldwide.

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Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Speaker, I want to take this opportunity to thank the distinguished chairman of the Foreign Affairs Committee, the gentleman from Wisconsin (Mr. ZABLOCKI) not only for his kind words about my own role in bringing this resolution before the House, but for the strong support which he gave it both in committee and on the floor.

I also want to extend my appreciation to the distinguished ranking minority member of the committee, the gentleman from Michigan (Mr. BROOMFIELD) for his willingness to have us consider this resolution in the Foreign Affairs Committee last week, and for the strong support he has just expressed for it on the floor today.

I think all of us recognize that it would have been impossible for the United States to serve both as a mediator and as a cheerleader at one and the same time with respect to this conflict. So long as it appeared as if there might be a possibility of achieving a peaceful resolution of the conflict between Great Britain and Argentina over the Falkland Islands, there was everything to be said for the effort which was undertaken by Secretary Haig, supported by President Reagan, to see if a way could be found to negotiate the differences between these two countries so as to avoid the outbreak of hostilities in the South Atlantic.

Now that those efforts appear to have reached a dead end, however, the time has clearly come for us to reaffirm our support for Great Britain in this dispute.

There is, after all, a very important principle at stake here, and that is the extent to which international disputes should be resolved by peaceful rather than by violent means. The effort on the part of Argentina to occupy the Falkland Islands represents a clear breach of that very important international principle. And I think all of us would agree that the preservation of that principle will bear significantly

on our hopes for the preservation of peace throughout the world.

Consequently, it seems to me we really had no alternative but to make it very clear that if and when negotiations failed that we should provide Great Britain with our full diplomatic support at this critical moment.

As the chairman and distinguished ranking minority members of the committee have pointed out, this resolution does not address the issue of sovereignty. That is a matter on which both countries have differing interpretations and very strongly held feelings. But whatever their views on the issue of sovereignty may be, there is and can be no justification for a resort to force as a way of resolving the differences between them.

Above and beyond the issue immediately involved here, however, is the whole question of our relationship to the countries involved. It seemed to the great majority of those of us on the Foreign Affairs Committee that given the support which we have received from Great Britain in a whole series of international crises, from World War II through the hostage crisis in Iran, that the very least we could do was to stand by our British friends at this very difficult moment for them.

By comparison, from World War II through the hostage crisis in Iran, we frequently have received only grudging support at the very best from Argentina, and we have often met with their outright opposition.

In addition, I do not think it is at all irrelevant that we have in Great Britain a democracy which shares our values and beliefs in the same principles upon which our own Republic was founded, whereas in Argentina we have a military dictatorship based on principles which are antithetical to our own.

Finally, I think there was also a widespread feeling on the part of the members of our committee that it was important for us to demonstrate that we stand beside our friends when they need us, in the same sense that we have asked them to stand beside us when we needed them.

So this resolution is designed to make it clear that we believe Argentina should comply with Security Council Resolution 502 calling for the withdrawal of their forces from the Falkland Islands and, failing that, that the United States should provide Great Britain with its full diplomatic support.

I think the adoption of this resolution in our committee last week was very helpful in sending a signal to the British people that they could, at the end of the day, count on the United States to support them. Its adoption today will further reinforce the policy of our own administration, as stated by Secretary Haig a few days ago, which I think very forthrightly put us on the side of the British.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to my very good friend, the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I want to commend the gentleman for sponsoring this resolution and for the excellent statement he has just made.

There is no doubt, and there should not at any time have been any doubt, but what in a crisis like this the United States would side with Great Britain, our oldest and our most faithful ally, and the mother country of our democracy, particularly when they are engaged in an effort to repel an armed aggression that has been condemned by the United Nations Security Council and the aggression itself was committed by a military dictatorship whose Nazi trappings are repugnant to any freedom-loving country.

I must say, however, I would hope we could move beyond this and move to a more affirmative resolution of this problem.

I realize that support for Great Britain is very important in making it clear that Argentina's aggression is not going to be tolerated by the United States. But it seems to me that we ought to try to figure out some way to resolve this without any further loss of life.

The gentleman from New York (Mr. BINGHAM), I understand, has drafted a resolution, and I was happy to help in putting it together, which would urge both Britain and Argentina to withdraw their forces from the Falklands and submit the question of sovereignty over the Falkland Islands to the World Court. That way nobody loses face because they are agreeing to abide by the law, it gives time for passions to cool by postponing the sovereignty issue, and it enables the Court itself to resolve that question, which is the proper forum to do so.

Mr. SOLARZ. I thank the gentleman not only for the support he has expressed for the resolution, but for his very creative suggestion as a way of resolving this dispute.

I think this is an appropriate issue for reference to the International Court of Justice and hopefully that might provide a basis through which Great Britain and Argentina could cease hostilities and permit the differences between them to be resolved through this process of international adjudication.

I would simply add that, as the former Foreign Secretary of Great Britain, the Right Honorable Gentleman, Mr. David Owens, said on the floor of the House of Commons a short while ago, as between the fire brigade and the fire, there can be no neutrality. In this case, it is quite clear which country is the fire brigade and which country set the fire. I am glad that the United States has at last made its position clear on this dispute.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I rise in support of this resolution. I would like to commend the gentleman from New York (Mr. SOLARZ) for bringing the resolution to the floor, as well as our distinguished chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) and our ranking minority member, the gentleman from Michigan (Mr. BROOMFIELD) for giving us the opportunity to express ourselves with regard to the Falkland Islands dispute.

Mr. Speaker, I would first like to express my full support and commendation for the manner in which President Reagan and Secretary of State Haig have responded to this most serious crisis. By agreeing to act as an honest broker, the administration left no stone unturned in its tireless effort to find a peaceful solution. Now that those efforts have been rejected by Argentina, the United States has no choice but to stand firmly beside our historic ally, the United Kingdom and against aggression.

The United States has not nor should it take sides on the historic sovereignty claims involved over the Falkland Islands. The issue before us is one of aggression and the use of force to settle such disputes and the right of self-determination for the islands' inhabitants. The Argentine invasion must not be allowed to succeed. Such an unprovoked attack is clearly a violation of international law and, if left unchallenged, would legitimize and encourage similar responses elsewhere.

The resolution before us supports United Nations Security Council Resolution 502, that calls upon Argentina to withdraw its forces. Furthermore, it indicates that if efforts to resolve the conflict through peaceful means fail, that the United States should provide full diplomatic support to Great Britain in its efforts to uphold the rule of law.

The issue is clear. Argentina cannot be rewarded for aggression. I, therefore, support House Resolution 441 and urge my colleagues to join in that support.

Mr. ZABLOCKI. Mr. Speaker, I yield 4 minutes to the gentleman from Texas, Mr. KIKI DE LA GARZA.

Mr. DE LA GARZA. Mr. Speaker, it is regrettable, of course, that we find ourselves in a situation where two of our friends have come to the unyielding position that they had to resort to arms. I think that all of us regret very much that there is armed warfare anyplace in the world, friend or foe, and especially those of us who have children of military age, and we wonder if we were to be involved what the situa-

tion would be—or if what we do have today could link us to an eventual involvement.

So, without taking any sides on the issue, but, rather, to be eminently fair, which I think is the responsibility of our institution, the gentleman from New York, my distinguished colleague and chairman of the subcommittee, said he did not mention, or did not want to interfere with, the actual case of jurisdiction of the territory and I think that we would be derelict if we were not to voice some opinion as to why the issue came, regrettably, to the situation in which we find it today.

I read a statement which was submitted to the special committee on the situation by the Representative of Argentina, Dr. Jose Maria Ruda, which gives some explanation as to the reason and the cause why Argentina felt that they had a right to this territory.

Without making any attempt at judging the right or the wrong, I think that it would be proper for us to insert this in the RECORD so that all Members may be apprised as to why the move was taken by Argentina.

The statement referred to follows:

MALVINAS ISLANDS

(Statement by the Representative of Argentina, His Excellency Dr. Jose Maria Ruda, before the Subcommittee III of the Special Committee on the situation with regard to the implementation of the declaration on the granting of independence to colonial countries and peoples, New York, Sept. 9, 1964).

Mr. President: The Argentine Delegation must first thank the members of this Sub-Committee III for vouchsafing us the opportunity of making known our position regarding the problem of the Malvinas Islands.

We come to this Sub-Committee to reaffirm again the irrenounceable and imprescriptible rights of the Argentine Republic, to the Malvinas Islands. The Malvinas are a part of the Territory of Argentina, illegally occupied by Great Britain since 1833, following upon an act of force which deprived our country of the possession of the Archipelago. Thereupon, Great Britain then imposed a colonial regime on the area.

Since that time, since 1833, the Argentine Republic has required redress for this outrage suffered, from Great Britain. In the course of these 131 years, we have never consented—and will never consent—to have part of our national territory wrested from us by an illegal and untenable act.

We come to this Sub-Committee to restate our rights to the Malvinas to the International Community, strengthened as we are by the will and the unanimous feelings of the Argentine people, and by a sound and unbroken position of protest at the outrage maintained by all Argentine Governments that have succeeded one another since 1833.

Our intention is to persuade the International community that the islands in question are an integral part of Argentine territory and that Great Britain's moral and legal duty is to restore them to their true owner, thereby setting the principle of the sovereignty and territorial integrity of states on a sure footing of peaceful international relations. This will fulfill the generous purposes implicit in Resolution 1514 (XV), and thus a long-awaited act of justice will have been rendered.

England is today the possessor of the Malvinas Islands, solely thanks to an arbitrary and unilateral acts of force. The Argentine authorities settled in the Island were expelled by the British fleet. Legally speaking, this act of force cannot generate nor create any right, and, politically speaking, the events of 1833 were only another aspect of the imperialist policies that the European powers developed for America, Africa and Asia during the XIXth Century. The Malvinas may, perhaps, be considered one of the most outstanding symbols of this fortunately outmoded policy. Under the threats of its guns, the British fleet evicted a peaceful and active Argentine population that was exercising the legitimate rights that the Argentine Republic possessed as the Heir of Spain.

Prior to 1833, the English had never effectively possessed *the totality of the Malvinas Archipelago.* In 1766, they merely founded a fort of Port Egmont on one islet called Saunders Isle. In 1774, they voluntarily abandoned it and only 59 years later they appeared, in order to oust violently the Argentine population and thus set up their sole claim.

But the history of the Malvinas does not begin in 1833—nor even in 1765. Quite the contrary, these islands were the concern of the Chancelleries of Europe many years earlier, and a number of diplomatic incidents had taken place in the XVIIIth Century that touched upon them.

In order to gauge the illegality of the British act of 1833, the previous events have to be examined—events that are not recounted in document A/AC.109/L.98/Add. 2, which this Sub-Committee had before it, but which surely prove the wantonness of the act committed in 1833.

We shall not go into a study of the question of the discoverer of the Malvinas Islands. Documentation published at the time shows conclusively that the Islands were discovered by Spanish navigators. In Spanish maps and charts of the beginning of the XVIth Century, the Islands already appeared. The first map is that of Pedro Reinel (1522-23) which shows an archipelago situated on the parallel 53°55' latitude South. Then there is the work of Diego Rivero, Principal Cartographer to Charles V who inserted the islands in the Castiglione (1526-27), Salviati (1526-27) and Rivero (1527) maps and also in two charts of 1529. Then come the Maps of Yslario de Santa Cruz of 1541, the Planisphere of Sebastian Gaboto of 1544, the Map of Diego Gutierrez of 1561 and that of Bartolome Olives of 1562 among others. It is to Esteban Gomez, of the Expedition of Magallanes in 1520, that the discovery of the archipelago must be attributed. The area was also sailed by Simon de Alcazaba in 1534 and Alonso de Camargo in 1540. All these were pilots of Spanish ships, sailing towards the Straits of Magellan, also discovered by Spain and one of the bases for its claims over the islands as being adjacent to the said straits. Sarmiento de Gamboa, in 1580, took symbolic possession of the Straits in keeping with the usage of the times, and in 1584, founded a settlement.

The Dutch navigator, Sebald de Weert, in his log book for 24 January 1600, stated that he had sighted the Islands. The British contend that in 1592 John Davis, and in 1594 Richard Hawkins had discovered the Archipelago, but the truth of the matter is that the English cartography of the period does not show the islands, nor does there exist any proof that will substantiate the hypothetical discoveries.

Basically, until the middle of the XVIIIth Century, knowledge of the existence of the Islands was not certain in London, and at times they were confused with some imaginary Islands called The Pepys, which shows the degree of ignorance of the period. It was then, in 1748, that on the suggestion of Admiral Anson, England decided to send an expedition to "discover" and settle the Malvinas and Pepys Islands. Great Britain consulted Spain and in view of the latter's objections, desisted from the plan. I should like to quote here the instructions received by the British Representative regarding the communication to be made to the Spanish Court in Madrid: "Since there is no intention of making settlement in any of the afore-mentioned islands and since His Majesty's corvettes wish neither to make nor touch any part of the Spanish coast, His Majesty fails to understand how this project can in any way cause objections from Madrid". The first matter that was aired in this original diplomatic skirmish over the islands was whether the British had any right to enter the regions.

The acts of consultation of 1749, addressed to the Spanish Court, are a clear proof of England's recognition of the rights of Spain over the islands and the coasts of South America, in areas where British ships could neither sail nor trade, much less give themselves to occupation.

We shall not mention the rights granted to Spain by virtue of the Papal Bulls *Inter Coetera and Dudum si Quidem* or of their validity erga omnes, nor the Treaty of Tordesillas between Spain and Portugal, in our defense of the position that we have stated, but we shall speak of the treaties between England and Spain.

The Peace Treaty of 1604 between Spain and England, returned matters and rights to the *Status quo ante bellum* nullyfying anything that might have been obtained prior to the signature, including the so-called English discovery. Later, in the Treaty of Madrid of 1670, it was agreed that Great Britain would retain all the lands, islands, colonies and dominions she possessed in America; but this recognition of British sovereignty in North America was accompanied by a counter-recognition, whereby in another clause it was stated that "the subjects of Great Britain would not direct their trade to, nor sail in, ports or places which His Catholic Majesty possesses in the abovementioned Indies, nor will they trade with them". Furthermore, the Treaty of Madrid of 1713 established that "His Britannic Majesty has agreed to issue the most stringent prohibitions and threatened with the most strict penalties, so that no subject or ship of the English Nation shall dare to sail to the Southern Sea nor traffic in any other part of the Spanish Indies". This provision which prohibited sailing and trading by Great Britain in areas not open to traffic at the end of the XVIIth Century was again ratified in 1713 in the Treaty of Utrecht.

Therefore, in 1749, when Great Britain tried to send the first expedition, she could not have considered the Malvinas Islands *res unlius,* and therefore open to appropriation.

In February 1764 there occurred the first essay at colonisation and then it was by a French sailor, Louis Antoine de Bougainville, who founded Port Louis in the Eastern Malvina in the name of the King of France.

Spain considered this settlement an encroachment of her rights and started negotiations with Paris to obtain handing-over of the French settlement. England then dispatched a clandestine expedition which in 1766 founded Port Egmont on Saunders Island, which is near Western Malvina, close to a place that Bougainville had christened Port de la Croisade.

In the meantime, Spain formally protested to the French Government and her rights of dominion were recognized. King Louis XV ordered Bougainville to hand over Port Louis on the compensatory payment of all expenses incurred in. The transfer was solemnly performed in a ceremony held on 1 April 1767 in Port Louis itself, thus recognizing the legal rights of the Spanish Crown to these Islands. Previously, the Government had issued a Royal Bill dated 4 October 1766 which declared the Islands to be dependencies of the Captaincy General of Buenos Aires, and Don Felipe Ruiz Puente was designated Governor. The Spanish were thus left in possession of the Port, whose name was changed to Port Soledad with Spanish settlers about and a military establishment located.

On Saunders Isle, however, there was still the small British garrison of Port Egmont which had been set up in 1766. At the time of the transfer of Port Louis by France to Spain, the British had been silent and made no reservations regarding their presumed sovereignty. Once here difficulties with France were solved, Spain turned her attention to Port Egmont, and the British garrison was evicted from Saunders Isle by the Spanish forces of the Rio de la Plata Fleet under the command of the Governor of Buenos Aires, Buccarelli, on 10 June 1770. Spain had thus reacted clearly and categorically in the face of both intruders and ensured respect for her sovereign rights, since the French had withdrawn after diplomatic pressure and the British after force had been exercised. Britian, however, felt that her honour had been impugned by the use of force against Port Egmont and presented a claim at the Court of Madrid.

The diplomatic negotiations—in which France also participated, were long and involved and a solution was finally arrived at on 22 Janaury 1771. Spain's ambassador to London, Prince de Masserano, declared that his Sovereign "disapproves the aforementioned violent enterprise and binds himself to reestablish matters as they were prior to the episode", adding that "the restoration to His Britannic Majesty of the Port and Fort called Egmont, cannot and must not in any way affect the question of prior sovereign rights over the Malvinas Islands". This declaration was accepted by the Government of His Britannic Majesty on the same day, and under Lord Rochfort's signature, it was stated that His Britannic Majesty would consider the declaration of the Prince of Masserano, with the entrie fulfilment of the agreement by His Catholic Majesty as adequate redress for the affront done to the Crown of Great Britain. From this diplomatic act, there stands out, first and outmost, the *acceptance* of the Spanish declaration, an acceptance which does not contain any rejection of the express reservation on the part of Spain, regarding sovereignty over the Islands. Great Britain's silence in the light of such an express, and written, reservation, can only be interpreted in its true form, namely, as an acceptance which, furthermore, is borne out by the original title of the British document, which is not called a "Counter-Declaration", as Lord Palmerston called it in 1834, but "Acceptance", according to the Official Edition of the State Papers of 1771.

We must also point out that in all the documentation covering these diplomatic negotiations, and in all the final papers, mention is only made of the restoration of Port Egmont to the *status quo ante*, but not of the Malvinas Islands in general, which latter area, however, was clearly included in the express declaration regarding Spanish sovereignty. Furthermore, while the negotiations were taking place, and uninterruptedly after it was restored by France, Port Soledad was occupied by the Spanish without Great Britain's making the slightest move nor reservation. What is more, as can be seen in the papers covering the restoration of Port Egmont, it is specified that the United Kingdom receives it from hands of the "Commissioner General of His Catholic Majesty in Port Soledad". Both owners found themselves face to face and respected one another for three years, but those whose rights were more legitimate had to prevail.

On May 22, 1774, the English voluntarily abandoned Saunders Isle, which at the time the British called Falkland Island (in the singular). The English, on leaving the Island, left behind a metal plate reading:—"BE IT KNOWN TO ALL NATIONS THAT FALKLAND's ISLAND WITH THIS PORT . . .". And we must point out that Falkland's Island is mentioned in the possessive singular, which, linked to the British acceptance of the fact of the Spanish possession of Puerto Soledad, proves that the English claims were limited—during their stay in Port Egmont—exclusively to this settlement and not to the entire archipelago.

Fifty-nine years were to elapse before the English returned to the Malvinas and the only title they were able to show in 1833 was this metal plate which had been removed by the Spanish and taken to Buenos Aires. Great Britain's astounding claim in 1833 was based on a presumed possession in the form of a metal plate, which was contrary to international law of the period which required, as proof and condition of dominion, effective possession.

We do not wish to go into the discussion that has lured so many scholars, namely the existence of a secret pact between the British and Spanish Crowns regarding the honourable redress in the form of the restoration of Port Egmont, and its subsequent abandonment by the British, but the English silence on the Spanish reservation regarding the Malvinas Islands is significant, as is also the fact that the British quitted these Islands almost immediately on the Spanish transfer. The truth of the matter Mr. Chairman, what we can be sure of, is that the British only stayed in the island for three years after the return of Port Egmont and that they did not go back until 1833. Fifty-nine years elapsed, during which, with no protest whatever from Great Britain, the islands remained in the possession of Spain first, and then of Argentina, which Governments exercised all prerogatives not only in Port Soledad, but in the entire Archipelago and the neighbouring seas, with the consent of the British Crown.

Spain exercised all sorts of acts of dominion over the Malvinas Islands until the Revolution of May 1810, which was the beginning of Argentine independence.

In 1776 she created the Vice-Royalty of the Rio de la Plata, including the abovementioned islands which belonged to the Governorship of Buenos Aires—and England said nothing.

In 1777, all buildings and installations of Port Egmont were razed in order to avoid awakening the cupidity of ships flying other flags—and England still said nothing.

The Spanish Government named numerous and successive Governors of the Islands between 1774 and 1811 who exercised uninterrupted authority over them and their neighbouring seas—and still England said nothing.

England's silence over the Malvinas between 1774 and 1829 confirms her recognition of Spanish rights and her desire not to return to the Archipelago.

Not only did Spain exercise effective possession between 1774 and 1811, but Great Britain did not bring to bear any rights over Port Egmont in the different instruments dated around the end of the XVIIIth Century and dealing with territorial questions, although she had complete and public knowledge of the sovereign occupation of the Archipelago by Spain. Thus, in the 1783 Peace Treaty of Versailles, at the end of the North American War of Independence, there was a ratification of the previous stipulations of 1670, 1713 and others that prohibited the English from sailing in the Southern Seas. Even further, the conflict that was motivated by England's trying to found a settlement on Nootka Sound, on the West Coast of Canada, led to the signing of the Saint Lawrence Convention of 1790. This agreement granted freedom of navigation to the British in the Pacific on three conditions: The First, that this navigation would not be a pretext for illegal trading with Spanish dominions, it being prohibited within "ten maritime leagues from any coasts already occupied by Spain"; and second, that there be free trade between the settlements founded in the North Pacific since 1789 and those subsequently to be set up, and finally, article 7 of the convention established that "It has also been agreed, regarding both the Eastern and Western coasts of South America, and its adjacent Islands, that the respective subjects shall in the future make no settlements in those parts of the coasts situated South of the said coasts and of the adjacent islands already occupied by Spain".

This agreement did away with the contention that there were closed seas on the East or West coasts of America. But the British right to establish colonies was only recognized regarding the coasts of North America; with regard to other areas, the Spanish Crown only acknowledged mere fishing rights, and the parties bound themselves not to establish new colonies in the South Atlantic or Pacific, and what existed would remain in status quo. This was precisely the interpretation given by Great Britain to the Nootka Sound Convention signed after the incident on the Canadian frontier in 1826 between Great Britain and the United States.

When, in the 1790 Convention, Great Britain recognized the status quo existing in the South of America, she was thereby giving the definitive legal proof of her lack of grounds upon which to base her claims to set up settlements of any permanence in the Malvinas. It is, by the same token, one of the grounds for the Argentine claims over the islands of the South. The English had no right to people the South of the coasts or Islands already occupied by Spain, that is to say, including the South of the Malvinas and of Puerto Deseado in the Patagonia. Regarding the Malvinas themselves, there had been a renunciation of any rights England might have contended, for the commitment was not to settle any place already oc-

cupied by Spain, aside from not sailing within 10 leagues of the coast.

In one word, gentlemen, after Great Britain's voluntary abandonment of Port Egmont in 1774, Spain was left as unchallenged and unchallengeable Mistress of the Malvinas Islands, and as such, she exercised absolute sovereignty over them, she occupied them, she designated authorities of them, without the slightest protest on the part of Great Britain. International instruments of the nature of those I have just cited were signed, which even reaffirmed Spain's rights, and these were the rights that the Argentine Republic inherited in 1810.

The process of Argentine independence was a long and painful one. Its armies travelled over half of America, helping in the independence of the sister countries, and this struggle was carried on without outside help and at the cost of great sacrifices. Yet, in 1820, the Government of the Argentine Republic sent the frigate "Heroina" to the Malvinas. Don David Jewett, commanding the ship, notified vessels in Malvinas waters of the Argentine laws regulating sealing and fishing in the area and informed them that trespassers would be sent to Buenos Aires to stand trial. Furthermore, in a solemn ceremony, he took formal possession of the islands that belonged to Argentina as the Heir of Spain. There was no opposition to the statement of Argentine rights over the archipelago, nor was any claim raised against it, despite the fact that the communication was published in newspapers in the United States and elsewhere.

In 1823 the Government of Buenos Aires designated Don Pablo Areguati Governor of the Malvinas Islands.

That same year, the government granted lands and also the rights of exploitation of wild cattle on the islands and of fishing on the Western Malvina, to Don Jorge Pacheco and Don Luis Vernet. An expedition took out the supplies needed for the new settlement, but it only prospered partially, due to climatic conditions which were unfavourable. In January 1826, the concessionies again sent groups of families and these managed to remain.

The colonizing enterprise in the archipelago gained ground in the course of subsequent expeditions which took men, supplies and animals to Port Soledad.

In 1828, a decree was signed granting Vernet concessions in Eastern Malvina and, in its desires to encourage the economic development of the archipelago, the Government of Buenos Aires declared the settlement exempt from all taxes excepting those required to ensure the upkeep of the local authorities.

At no time did England object to the Argentine settlement of the Malvinas, despite the fact that extremely important legal acts had taken place between the two countries, such as the signing of the Treaty of Friendship, Trade and Navigation of February 1825. This instrument does not contain any British reservation whatever on Malvinas Islands, and despite the action of the Commander of the "Heroina" in 1820 and other acts that the Government had carried out and authorized touching the Islands.

The settlement established under the protection of laws of the Government of Buenos Aires had prospered and was in good condition in 1829.

This being the case, on 10 June of that same year, 1829, the Government of Buenos Aires created the Political and Military Commandancy of the Malvinas Islands, located in Port Soledad, and whose competence included all the islands adjacent to Cape Horn on the Atlantic side. The same Mr. Luis Vernet was named Commandant.

It was then, in the heyday of the expansionist eagerness of Great Britain, that the English interest in the Archipelago was awakened, an interest that was nothing but the renewal of its old aspirations of possessing lands in the South Atlantic. That had been the intention that had led Great Britain to invade Buenos Aires in both 1806 and 1807, being violently repulsed by the population both times. She has also occupied the Cape of Good Hope on the southernmost tip of Africa in 1806 and which served as a spearhead for later expansion. In 1815 she took Saint Helena and in 1816 the Isle of Tristan da Cunha.

The expansionist ambitions in the South Atlantic were again resumed by the British Admiralty, which hungered for a naval station on the strategic route, via Cape Horn, to Australia and the South Pacific, where Britain's aspirations had to compete with another European power.

Commercial interests linked with the fishing wealth also moved her and these were all tied in with her strategic desires to own a base in the South Atlantic.

Impelled by these interests, Great Britain decided to protest against the establishment of the Political and Military Commandancy. On 10 November 1829 she made her claim, stating that the Argentine Government had assumed "an authority that is incompatible with the Sovereign Rights of His Britannic Majesty over the Islands".

Here, a brief parenthesis should be made in order to recall some of the salient facts. In 1776, England had clandestinely founded a fort and a port of Egmont on the Isle of Sounders. In 1770, the English were forced out by the Spanish fleet. In 1771 they again occupied Port Egmont, following upon reparation offered by Spain, with the corresponding reservation of sovereignty. In 1774, three years after the transfer, the British voluntarily abandoned Port Egmont and from then on, from 1772 until 1829, for over half a century, they made neither protest nor claims on the Spanish and later Argentine occupations. The truth of the matter is that during all that time, Great Britain was not interested in the Malvinas, and she only became so and turned her eyes to them when they played a part in her plans of imperial expansion. The archipelago assumed great importance for colonial navigation.

There are, in point of fact, two situations, that are independent of one another, namely a) The XVIIIth Century incident that ended for Great Britain with her withdrawal from the Islands, and b) a totally new situation, in 1829, determined by strategic factors connected with her access to her possessions in the Pacific which were threatened at the time and her fishing and sealing interests.

But it was not only the British ambitions and interests that came into play. The United States also showed an interest in protecting the sealing activities of her nationals, off the Malvinas coasts. When Vernet endeavoured to implement Argentine legislation relating to fishing, and held up three North American vessels, another powerful country came into the picture.

On May 31, 1831 the North American Corvette Lexington appeared before Port Soledad—she flew the French flag and carried signals asking for pilots and headed for the wharf. Thus the American sailors managed to land, destroyed the settlement and committed other acts of violence. The reason for this act was the rejection by the Argentine Government of a claim by the North American Consul whereby he sought the immediate return of one of the still detained fishing vessels. He also wanted the Politico-Military Commandant of the Malvinas to stop any intervention in the activities of the United States citizens in the area. The Lexington incident provoked a diplomatic clash between Argentina and the United States, which wound up with a virtual breaking off of diplomatic relations between the two countries.

During his stay in Buenos Aires, the representative of the United States established close relationship with the Chargé d'Affaires of Great Britain and their talks, which are documented in the correspondence published by their respective countries, shows that at a given moment, the interests of these two powerful states united in order to oust a young and weak country from the Malvinas Islands.

In 1832, for the third time, Argentina returned to settle in Puerto Soledad, and a new Civil and Military Governor was designated.

But the British die was cast: the British Admiralty instructed Captain Onslow to set sail for the Malvinas, and on January 3, 1833, the corvette Clio appeared off Puerto Soledad. A small Argentine vessel, the Sarandi was riding at anchor. The English captain insisted that the Argentine detachment withdraw. The difference in numbers allowed of no possible fight and added to that was the element of surprise.

The Argentine leader replied to the order by saying that "he held Great Britain responsible for the outrage and the violation of the respect due to the Republic, and its rights that were being assaulted by force—as blind as it was irresponsible" and added that "he was withdrawing, but that he refused to lower his flag".

The British thereupon lowered the Argenine flag and by force, occupied Port Soledad. Thus, by plunder, another chapter of colonial history was written. Almost all the Argentine inhabitants of the islands were then evicted.

On January 3, 1833, almost 60 years after the voluntary withdrawal of 1774, the British committed the act of force in Port Soledad in the Island of Eastern Malvina. In a place where they had never been. Any by the next year, they had occupied the entire Archipelago.

What I have just described is an act that is simple and easy to understand. In 1833, Great Britain, having no right on her side, could only resort to force in order to occupy the Islands. And the situation has not changed since that time: Force is still the cornerstone of Britain's presence in the Archipelago.

At the beginning of this statement we said that this act of force, this arbitrary and unilateral act was never and shall never be consented to by the Argentine Republic, and we added that it cannot generate nor create any rights for Great Britain.

But the Argentine reaction was not long in coming. The population of Buenos Aires gave vent to its indignation at the incident and in the Islands themselves, the rest of the settlers who resisted the invaders, were taken and sent to London for trial under different pretexts and never returned. On January 15, the Government protested to the British Chargé d'Affaires in Buenos Aires, who replied that he lacked instruc-

tions. On the 22nd January the protest was reiterated and the English Minister renewed his passive stand. In the meantime, the Minister Manuel V. Maza notified the American Foreign Offices of the events in a circular. The reply of Brazil is worthy of mention, for that country instructed its Minister in Great Britain to offer to his Argentine colleague in London "the most frank and diligent cooperation to ensure success to his endeavours". Bolivia also replied that she would be among the first countries "to seek reparations for such a dire outrage".

On 24 April 1833, the Argentine representative in London, Don Manuel Moreno, on instruction from Buenos Aires, presented a note of protest to His Britannic Majesty's Government, which he reiterated on June 17, in a lengthy and documented protest memorandum. Viscount Palmerston replied on 8 January 1834 contending that the rights of Great Britain "were based on the original discovery and subsequent occupation of the said Islands", arguments which Moreno rejected on 29 December 1834.

Since then, whenever possible, the Argentine Republic has repeated its protests at the act of force and illegal occupation.

Gentlemen: The Argentine Republic was a recently independent country, lacking in the material means of the great powers of the period, yet it reacted with determination at the outrage suffered. Protests were raised a few days after the plunder of Port Soledad. Taking into account the distances and the difficulties through which the country was going, more speed could not have been expected. The outrage caused a wave of indignation all over the country and that feeling of protest still imbues the Argentines today.

Mr. Chairman, in the course of the last 131 years, we have never ceased to clamour to the deaf ears of Great Britain for the restoration of the Islands which are ours. Today, a new hope is offered the Argentine Republic, a hope we may find the understanding and the support of the United Nations, one of whose noblest purposes is to end the colonial era all over the world.

The colonialist policies of that period have an outstanding example in the case of the Malvinas Islands.

At that time, advantage was taken of a country that was in the throes of organization and struggling, as are many new countries in Africa and Asia today, to achieve political and economic progress.

We defended ourselves on the strength of our dignity and of law, but we had no means to offer resistance. Our friends, the new nations of Latin America, also in the midst of their own formation, could only tender us their moral support for they shared our material weakness. Nor was there, then, an international forum to which we might carry our complaint and the European Concert was apportioning the world and its spheres of influence according to its own interests. It was not the age of justice—it was the age when the Great Powers used force and Great Britain acted in the Malvinas in keeping with the habits of the day.

According to Lord Palmerston's note, Great Britain contended in 1834 that "the discovery and subsequent occupation" constituted the source of her rights, and added that these rights were given an additional sanction by the fact that Spain had restored the Port of Egmont to Great Britain in 1771.

As far as the discovery is concerned, we have seen that if anyone first sighted the Malvinas, it was the Spanish navigators. Apart from the historical facts, the legal problem must be examined in the light of the moment when the problem was born and we must bear in mind the fact that since the end of the XVIth Century, international law provided that for the acquisition of *res nulius* territories, occupation was necessary, and it prevailed over discovery which only offers preliminary and precarious rights and titles. This title—called inchoate title—had to be affirmed by means of effective occupation; in the XVIIIth Century neither discovery nor fictitious or symbolic occupation sufficed.

Regarding occupation, it can in no way be termed, firstly, "subsequent" to discovery since the first English sailor who is supposed to have sighted the Islands, according to the British themselves was Davis in 1592, and it was only 174 years later, that is, in 1766 that the English settled in Port Egmont. The presence of the English, challenged by the Spanish, was only in a location called Port Egmont, and lasted between 1766 and 1774, with the protests of Spain and the resulting events and voluntary abandonment. The first effective occupation was that of France in 1764, which recognized the rights of Spain, restoring the settlement to her, whereby the effective Spanish occupation antedates the British presence. The latter continued during the eight years when the English were in Port Egmont and afterwards. It has been correctly stated that the English occupation only showed negative facets: it was illegal—since it violated existing treaties; it was clandestine, that is, it was kept secret until the Spanish found out about it; it was belated, because it took place after the effective occupation of the French who handed it over to Spain; it was challenged, because Spain resisted it and made an express reservation in its regard; it was partial, because it only applied to Port Egmont whilst Spain possessed Port Soledad and the entire Archipelago; it was fleeting, for it only lasted eight years; it was precarious, for after 1774 it was no more. On the other hand, while the Spanish occupation preceded the English, it coexisted with it without disturbance and outlasted the abandonment by England. The 1833 British arguments only serve to cloak a clear fact: the use of arms against a new nation that possessed the Islands by virtue of its rights as the Heir to Spain, rights which were unchallengeable.

Gentlemen, in one hundred and thirty three years, we have been unable to evict Great Britain from the position into which she entrenched herself by force. But times have changed and today we are witnessing the twilight of colonialism, which is why British presence in the islands is an anachronism and must be eliminated. The days are gone forever when a young nation lacks voice and decision in international affairs. In the course of its entire history, my country has opposed this way of handling international relations, and we have constantly given proof of our sense of responsibility and our willingness to settle our international disputes peacefully. Almost the entire length of the Argentine frontiers were established by arbitration, without our even having resorted to violence to settle territorial problems.

Furthermore, in 1933, in the VIIth American International Conference in Montevideo, the American States set forth a fundamental doctrine of American law when they stated that "The Contracting States set forth as a definitive norm of conduct their specific obligation not to recognize territorial acquisitions or special advantages obtained by force, whether this be by the use of arms, by threatening diplomatic representations or by any other coercive measures. The territory of States is inviolable and cannot be the object of military occupation or of other measures of force imposed by another State, whether it be directly or indirectly, for any reason or even of a temporary nature".

Convinced of this, we signed the Charter of the United Nations in 1945 not only as a peace-keeping machinery and to ensure international peace and security, but also as a system whereby to find just solutions to international problems, and especially those that emanated from the colonial system. Even at the San Francisco Conference, the Argentine made an express reservation regarding our country's rights over the Malvinas Islands.

From the inception of this Organization, Argentina was well aware of the importance of Art. 73e of the Charter. As soon as ever Great Britain began to supply information on the Malvinas, the Argentine Republic informed the United Nations—as it had so often in the past—of its rights of sovereignty over the territory. And thus, through the General Assembly, Argentina yearly reminded the organization of its rights, and stated that the information supplied by the United Kingdom on the Malvinas Islands, the Georgias and the South Sandwich in no way affected Argentine sovereignty over these territories, that the occupation by Britain was due to an act of force, never accepted by the Argentine Government and that it reaffirms its imprescriptible and inalienable rights. At the same time, in the Organization of American States, my country has advocated an end to colonial situations in America.

The Xth Inter-American Conference of Caracas in 1954 adopted Resolution 96 on Colonies and Territories occupied in America, and declared "that it is the will of the peoples of America that an end be put to colonialism maintained against the will of the peoples and also the occupation of territories". It proclaimed also "the solidarity of the American Republics with the just claims of the Peoples of America regarding territories occupied by extra-continental countries", and, finally, it repudiated "the use of force in the perpetuation of colonial systems and the occupation of territories in America".

After 1955, the United Nations was renewed by the admission of new Members, especially of those that emerged from the process of de-colonization imposed on the European powers by the new political structure of the world. Thus, a new perspective was created in our over one-hundred-year-old claim for the Islands.

When in 1960, with our support, there was adopted the now historic Resolution 1514 (XV), "Declaration on the Granting of Independence to Colonial Countries and Peoples", the process of decolonization all over the world took on a new impetus.

Clearly, clamly and constructively, our country supported and will support this process of decolonization which is taking place today with the help of the United Nations. We ourselves being a product of a similar process of independence—which we achieved by our own means—we are consistent with our historical tradition and determined supporters of the elimination of the colonial system. Thus, we wholeheartedly voted in favour of the additional resolutions

to 1514(XV), that is, Resolutions 1654 (XVI), 1810(XVII) and 1956(XVIII).

Today, this Sub-Committee III of the Committee of 24 is to take up the question of the Malvinas Islands.

The Malvinas Islands are in a different situation from that of the classical colonial case. De facto and de jure, they belonged to the Argentine Republic in 1833 and were governed by Argentine authorities and occupied by Argentine settlers. These authorities and these settlers were evicted by violence and not allowed to remain in the territory. On the contrary, there were replaced, during those 131 years of usurpation, by a colonial administration and a population of British origin. Today the population amounts to 2172 souls, and it is periodically renewed to a large extent by means of a constant turn-over: thus in 1962, 411 persons left and 268 arrived; in 1961, 326 left and 244 arrived; in 1960, it was 292 that left and 224 who arrived. This shows that it is basically a temporary population that occupies the land and one that cannot be used by the colonial power in order to claim the right to apply the principle of self-determination.

Our Government holds, and has thus stated it to successive General Assemblies that this principle of self-determination of peoples, as set forth in Article 1, paragraph 2 of the Charter, must, in these exceptional cases, be taken in the light of the circumstances which condition its exercise.

Therefore, we consider that the principle of self-determination would be ill-applied in cases where part of the territory of an independent state has been wrested—against the will of its inhabitants—by an act of force, by a third State, as is the case in the Malvinas Islands, without there being any subsequent international agreement to validate the *de facto* situation and where, on the contrary, the aggrieved state has constantly protested the situation. These facts are specifically aggrevated when the existing population has been ousted by this act of force and fluctuating groups of nationals of the occupying power supplanted them.

Furthermore, the indiscriminate application of the principle of self-determination to a territory so sparsely populated by nationals of the colonial power, would place the fate of this territory in the hands of the power that has settled there by force, thus violating the most elementary rules of international law and morality.

The basic principle of self-determination should not be used in order to transform an illegal possession into full sovereignty under the mantle of protection which would be given by the United Nations.

This strict interpretation of the principle of self-determination is specifically based upon Resolution 1514(XV), whose main aim should not be forgotten, namely: to end colonialism in all its forms.

After recognizing the principle of self-determination, the Preamble of that Resolution states that the people of the world "ardently desire the end of colonialism in all its manifestations". It also adds that "all peoples have an inalienable right to complete freedom, the exercise of their sovereignty and the integrity of their national territory".

Article 2 of the Declaration reaffirms the principle whereby "All peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development".

But this article is conditioned by article 6, for it clearly states that "Any attempt aimed at the partial or total disruption of the national unity and the territorial integrity of a country is incompatible with the purposes and principles of the Charter of the United Nations". In its article 7, while reaffirming the above, it goes on to state that "All States shall observe faithfully and strictly the provisions of the Charter of the United Nations, the Universal Declaration of Human Rights and the present Declaration on the basis of equality, non-interference in the internal affairs of all States, and respect for the sovereign rights of all peoples and their territorial integrity".

The purposes of the Resolution—as its wording makes manifest—is quite in keeping with the true interpretation of the principle of self-determination insofar as the Malvinas Islands are concerned. Colonialism in all its manifestations must be brought to an end; national unity and territorial integrity must be respected in the implementation of the Declaration. It shall not be used to justify the outrages perpetrated in the past against newly independent countries.

Resolution 1654 (XVI), pursuant to which this Special Committee was established, stresses this fact when in its Preamble it states the deep concern on the part of the Assembly that "contrary to the provisions of paragraph 6 of the Declaration, acts aimed at the partial or total disruption of national unity and territorial integrity are still being carried out in certain countries in the process of decolonization".

The American Regional Organization adopted a resolution at its Xth Foreign Ministers' Conference setting forth "the need for extra-continental countries having colonies in the territories of America, speedily to conclude the measures defined according to the terms of the Charter of the United Nations in order to allow the respective peoples fully to exercise their right to self-determination, in order once and for all to eliminate colonialism from America". But bearing particularly in mind the situation of states whose territorial unity and integrity are affected by foreign occupation, this same resolution went on to state that it "does not refer to territories under litigation or the subject of claims between extra-continental countries and some countries of the hemisphere". This resolution was also transmitted to the United Nations.

The future of these islands, separated from the Argentine Republic, would be both illogical and unreal. Geographically they are close to our Patagonian coasts, they enjoy the same climate and have a similar economy to our own south-lands. They are part of our own continental shelf, which, by International Law and since the Geneva Conventions of 1958, belongs in all rights to the coastal State.

Their economic development on stable basis is linked to that of the Argentine Republic with which they at present have neither communication nor direct maritime trade because of the prevailing situation.

Furthermore, if we carefully analyze the same document submitted by the Secretariat of the United Nations on the strength exclusively of the information supplied by the British, we note how the colonial system manifests itself in the economic side of the life of the Islands. Ownership of the land is virtually in the hands of the Falkland Islands Company Limited, among whose Board of Directors—located in London—figure members of the British Parliament. This Company—which we have no compunction in labelling monopolistic—owns 1,230,000 acres of the best land, in outright freehold, and on them three hundred thousand sheep graze. The next largest landowner is the British Crown with 56,500 acres. The company, and its subsidiaries, control all the export and import trade. It also holds the wool monopoly which is the main source of wealth of the Islands.

British domination of the Malvinas Islands is not only contrary to the Charter of the United Nations, but it also creates a sterile situation in a territory which could enjoy a greater economic boom if linked to its natural and legal owners. Proof positive of this is the fact that the statistics for 1912 show that there were 2,295 inhabitants in the Malvinas Islands and that since that time the population has remained stagnant. According to a census taken on 18 March 1962, 2,172 souls live in the Islands. It is the only human family in America that instead of increasing, shrinks.

Gentlemen: the United Kingdom has no right to continue in the Islands, nor does the spirit of our day allow of it.

In concluding this statement, may I sum up the view of the Argentine Government, which reflects the feelings of its entire people:

1. The Argentine Republic decidedly claims the restoration of its territorial integrity by means of the return of the Malvinas, South Georgias and South Sandwich Islands which were wrested from her by force by the United Kingdom. This is the only solution that justice prescribes. Respectful of fundamental human rights and of the obligations flowing from the Charter of the United Nations, the Argentine Republic will bear well in mind the welfare and the material interests of the present inhabitants of the Malvinas Islands. Together with men of all races and creeds the world over, under the protection of the guarantees granted by our constitution, they will be able to integrate themselves in the life of the Nation.

2. The Argentine Republic, however, will not agree to having the principle of self-determination vitiated by seeing it applied in order to consolidate situations flowing from colonial anachronisms, to the detriment of its legitimate rights of sovereignty over the Islands.

The outrage of 1833 entitles us to require the United Kingdom to consider this dispute realistically and with the required farsightedness; thus will Great Britain have again applied its undisputed political wisdom.

In the Atlantic Charter, on 14 August 1941, Churchill and Roosevelt both declared that they wished to see restored to nations their sovereign rights and their independence to the people who had lost their rights by force.

I can assure you, gentlemen, that Latin America is determinedly united in its decision to wipe out the last vestiges of colonialism that still exist in the Hemisphere.

Thank you, Mr. Chairman.

Mr. DE LA GARZA. I think it is very often the case that sometimes we do not understand historical aggrievements of people that last for hundreds of years, dealing with pride and dignity of a people and of a nation. Many of the areas of this country have suffered through that. I use as an example, the fact that in the beginning of President Kennedy's term as President, we reinstated the discussion related to a part of Mexico called El Chamizal. The course of the river, the

Rio Grande changed, and a part of Mexico was left on the U.S. side.

□ 1315

After the case had gone to arbitration, we just neglected the decision of the arbitration board. But thanks to President Kennedy and to President Johnson, the country of the United States exercised its prerogative to return the jurisdiction to Mexico and I wish that other countries of the world would do likewise and follow our example and do equity and justice to historical wrongs of ages past. Mr. Speaker, it is our responsibility to see that justice is done to all concerned.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. LEACH), a member of the committee.

Mr. LEACH of Iowa. Mr. Speaker, I rise in support of the important resolution before us today.

It is imperative that the Congress make clear that the American people stand united behind Great Britain in the tragic struggle developing over the Falkland Islands. We all hoped that armed conflict could be avoided. Secretary Haig's skillful and energetic effort to facilitate a peaceful settlement is to be commended. That effort probably required a certain degree of evenhandedness. Now that Argentine intransigence has made it clear that such an approach will not work, the administration's decision to come out in full diplomatic support of Britain is entirely appropriate.

The views of a distinguished Member of the other body notwithstanding, the notion that the United States had any real choice but to back Great Britain in this dispute is dangerously superficial. Regardless of the validity of competing claims of sovereignty, Argentina by seizing the islands by force has marked itself as the clear aggressor in this case. The United States had no choice but to make it absolutely clear that the use of force to solve international territorial disputes will not be tolerated.

There are other profoundly important reasons for offering full diplomatic support to Great Britain. In terms of right and wrong, American foreign policy will seldom go astray if it is premised on support for the principle of self-determination. As John Stuart Mill once said:

> One hardly knows what any division of the human race should be free to do if not to determine with which of the various collective bodies they choose to associate.

At issue in the Falklands is not decolonialism but recolonialism. The principle at stake is whether small numbers of people in small places in the world can determine their own destiny. Argentina's claims to sovereignty over the Falklands are historical in nature, dating most recently to 1833. These claims thus predate the entry of California to the Union and carry dubious legal validity today. The main test of international law to be applied on the sovereignty issue is not that of historicism but that of self-determination. It is the British who have assured the 1,800 people of the islands that through a plebiscite they may determine their own destiny. It is the Argentine military junta which through the use of force is denying this prospect.

Finally, strict considerations of national interest dictate that we support Britain in this struggle. Solidarity in the Western Hemisphere is important, but in a strategic sense it cannot be compared to the vital need for solidarity with the most steadfast member of NATO, our premier security alliance.

The aforementioned Member of the other body, in casting the sole vote against a resolution similar to the one we are now considering, asserted that we have a vital need for the support of the Argentine junta in preventing the spread of Communist influence in Central America. This is hogwash. That we must rely in any significant way upon military dictatorships of the type now in power in Argentina to help preserve democracy in El Salvador or elsewhere shows the bankruptcy of our policy in Central America. Too often that policy seems to be premised upon the profoundly mistaken notion that it is possible to fight Communist totalitarianism with equally despotic regimes of another stripe.

It would be tragic if a dispute in a remote corner of the South Atlantic provoked by a corrupt regime with flagging domestic popularity should lead to severe strains in our most crucial collective security system embracing the North Atlantic. The longstanding bonds of mutual support that linked us in World War I and World War II with Britain simply cannot be jeopardized for a military government like that in power in Argentina.

For all of these reasons, it is profoundly important that we approve this resolution demonstrating solidarity with Great Britain. The sanctions against Argentina announced by the administration last Friday coupled with offers of materiel support to Britain should make it clear to Argentina's leaders that refusal to withdraw their invasion forces from the Falklands is a policy that will lead only to international isolation and bloodshed.

If the Argentines nonetheless persist in their intransigence, it may be necessary to consider going beyond the measures announced to date and to join Great Britain and her European and Commonwealth allies by curtailing Argentine exports to the United States. Economic sanctions are an imperfect response to political problems, but solidarity with our allies may demand no less of us if this crisis continues. If we cannot support our closest ally with minimal economic sanctions on an issue in which international law is so profoundly on Britain's side, our European allies will inevitably ask whether we can be depended upon in a NATO security context.

We all hope that further bloodshed can be averted. If Argentina persists in its present course, however, Great Britain deserves our full diplomatic support, as called for in the resolution. For reasons of right, reasons of alliance, and reasons of heritage, we must be a United States behind a United Kingdom.

Finally, Mr. Speaker, issues of right and judgment aside, there are certain lessons for our Government and the world community in this conflict.

First, much as it may be desirable, it is not always possible to fence sit on important issues of the day even when choosing sides in a no-win proposition.

In this case the prides and prestige of leaders in two governments are at stake and it is not inconceivable that after the initial outpouring of patriotic concerns, the preparations to use force on both sides will inevitably lead to actions that may in the final measure prove to be liabilities for both governments. Internal support for both governments may be jeopardized and that two governments friendly to the United States—albeit, one a democracy and one a rightist military dictatorship—may fall. Whether or not this occurs, the liabilities of the Falklands crisis to America are very great, especially as they relate to our hemispheric relations. It cannot be stressed enough that our peculiarly American heritage and relations with our neighbors to the South will and are being stretched to a profound degree because of our carefully considered tilt to Great Britain: Neverthless, a pro-British stance is the only appropriate position for America to take. Much as we might have preferred not to take a stand, we have no choice except to do so. As Dante wrote:

> The hottest circles of hell are reserved for those who in a time of moral crisis maintain their neutrality.

Second, despite our preception that Britain's international legal position is sound, there are concerns in America about the appropriateness of levels of response. Clearly there has seldom been a more unnecessary war, and friends of Britain and Argentina urge today those tactics of restraint which hold the greatest prospect for a negotiated settlement. Here, the oft-quoted advice of the British military strategist Liddell Hart is relevant:

> Keep strong, if possible. In any case, keep cool. Have unlimited patience. Never corner an opponent, and always assist him to save his face. Put yourself in his shoes—so as to see things through his eyes. Avoid self-righteousness like the devil—nothing is so self-blinding.

Third, there are lessons for the United States and Britain about a foreign policy disproportionately premised on arms sales. Ironically, our closest ally is being opposed by weapons systems supplied to the Argentine military by ourselves and by the British. Perhaps the world would be a safer place if foreign aid programs were more oriented to economic than arms assistance.

Fourth, the conflict over the Falklands underlines the lack of adequate institutions available for conflict resolution in the world. The U.N. in New York and the International Court of Justice in The Hague would appear to be the logical places where differences between these two great countries should be brought. Yet, neither of these institutions were prepared to act immediately—partly because there was not a joint British-Argentine desire to submit to neutral third-party arbitration, partly because a number of countries in the world, including the United States, have been conducting a foreign policy having the effect of undercutting rather than building up respect for international institutions. It is ironic that today we want the U.N. to play a greater role in this truly important dispute involving questions of international law and rights of the seas, but that just last week the United States culminated a year and a half of negative diplomacy by voting "no" on a Law of the Sea Treaty which would have bolstered international law on two-thirds of the Earth's surface, including the South Atlantic. It is also ironic that while we are turning more toward unilateral diplomacy, we are seeking in this crisis international interventions for peace.

Somehow the world has to understand that beyond the immediacy of this dispute is the problem it underlines: How to resolve conflicts without resort to force. Clearly, new policies of all the great and lesser powers of the world are demanded.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. ROTH), a member of the Committee on Foreign Affairs.

Mr. ROTH. Mr. Speaker, first of all, I want to join with my colleagues in commending Secretary Haig for his exceptional efforts. He worked long and hard to avert war in the South Atlantic. He did his utmost to mediate in an honest and fair manner.

In regard, however, to the specific resolution which we are debating today, I have serious reservations. When this resolution was considered last week by the Foreign Affairs Committee, I spoke against it. At that time, I felt that the resolution was premature. I did not believe that the United States should be coming out in favor of one side or the other, for to do so undercut Secretary Haig's role as an impartial, unbiased mediator.

Since our debate in committee last week, the situation has changed. Secretary Haig, after exhausting every possible alternative, gave up his attempt to mediate this dispute. Subsequently, President Reagan announced that henceforth American support would be given to the British.

In committee, I have frequently argued that in foreign affairs, politics must stop at the water's edge. I feel that Congress must stand behind the President once he has enunciated a specific foreign policy, and in this case, although I admit some reluctance, I again stand with the President.

That being said, I do feel that I should take this opportunity to state my own opinion. In this case, it is my view that no matter what happens, the United States is going to come out the loser.

Our Nation has a long history of close ties with Great Britain. We have fought together in two world wars to preserve a democratic way of life in the face of aggression. Since 1945, Britain has stood by the United States in our unending struggle to resist the imperialistic and expansionistic activities of the Soviet Union.

During the past 30 years, the United States has not been as close to the governments which have ruled in Argentina as we have been with the governments of Britain. The people of Argentina have suffered under innumerable repressive regimes, from which the United States has quite justifiably tried to distance itself. In recent years, however, the situation in Argentina has begun to change for the better. We have witnessed some liberalization in that nation. Our hopes have been that these trends will continue, leading to an eventual institution of a democratic and free government in that nation. I sincerely hope that this resolution—and our support for Great Britain—will not be misunderstood by the people of Argentina. I hope that they will recognize that our action is not directed against the people of Argentina but is intended to demonstrate our firm support for the rule of law and the right of peoples to determine for themselves the type of government under which they desire to live.

I also think that it is important for us to remember that the United States is part of the Western Hemisphere. Ever since the administration of President Roosevelt, our Nation has made a determined effort to try and live as a good neighbor with our fellow nations of this hemisphere. I therefore hope that the nations of Latin America will not misunderstand the message which we are trying to convey through this resolution. We are not returning to a 19th-century type of prointerventionist policy. We have not abandoned our longstanding committment to the Monroe Doctrine. We are not acting in support of colonialism.

In conclusion, Mr. Speaker, I would like to end my remarks by stating my firm conviction that from this war in the South Atlantic, all of the parties are going to lose, but the United States is going to lose the most of all. No matter what happens, America is going to lose a valuable friend. By passage of this resolution, I think that it is clear which friend that that is going to be. I truly regret that this type of situation—through no fault of our own—has arisen. I again commend Secretary Haig for what he tried to do, and wish every success to those third parties who have now taken up the quest of trying to bring peace once more to the South Atlantic.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman for Arizona (Mr. RUDD).

Mr. RUDD. Mr. Speaker, I stand in strong opposition to this amendment, a measure that I perceive as doing nothing to lessen the hostilities now occurring at the Falkland Islands.

I would just like to review for a minute this resolution on the floor, which I strongly oppose.

Argentina did have a prior claim to the islands and needs them as a wedge and anchor for its other claims in offshore areas from its own country.

Might makes right, I suppose, as it has in past centuries. When the British Imperial Fleet established itself at the Falklands in 1833, it did so with a just need in the British eyes because they needed to protect naval passage and commerce around the Horn and around South America. That was understandable. But that situation, that need does not exist now.

The British no longer need that passage and those sealanes' protection. And they do not have the strength to do it anyway unless they rely on the United States.

We see from time to time some of the colonies of the British Empire around the world where their generals sit as advisers to the governments that have been installed. Yet, Britain does not have the strength nor the ability to provide the means for defense for those countries. They simply call upon the United States to pick their chestnuts out of the fire, to defend them.

The reason our Nation is pulling their chestnuts out of the fire is because the Imperial British Navy once had a large colonial empire to pay its bills. But it no longer has that. Now England expects us—the United States of America—to pay for what was once its own responsibility.

And maybe that is understandable because it was pointed out that Britain is a mother country—in a sense—because we have many descendants from America. But then, we have many de-

scendants from other countries all over the world as well.

The truth of the matter is that Britain did have information that the Argentines felt strongly about the questions of sovereignty of the islands; that they intended to do something about it a month or so before the incident occurred. And Britain certainly knew about these strong feelings months and years prior to that. Great Britain has released numerous colonies and overseas holdings because they no longer have the wherewithal to retain them. The Malvinas, or Falklands, are a burden to Britain and the effort to negotiate their release to Argentina should have been made long ago.

Effort after effort was made by Argentina to do something about this situation and the British ignored it. It is now known that Argentina intended to establish its claim to the islands by going in at least a month before they actually did, as I pointed out. The British still did nothing. Whether the United States had this information or not—we still did nothing. Great Britain, knowing that Argentina intended to establish its dominion over the Falklands after long unsuccessful efforts to negotiate an arrangement by Argentina and after rebuffs from Great Britain, simply waited for Argentina to move. Then Britain declared that a war-like effort had been started to obtain world sympathy and sympathy of the United States. Britain simply retaliated with a true war-like effort such as sinking the cruiser *General Belgrano.* That sinking took place outside Britain's declared safety zone making it almost impossible for true negotiations to continue.

This action has caused great concern around the world because we as allies and friends are wasting our largess and resources when we should be concentrating them against our common enemy—the Soviet Union.

But we are not doing that. Now we are being asked by Britain to use our resources against a friend and in their behalf.

The Argentines have a sound basis for what they did. They do need this anchor to protect their own interests, not only in Latin America, but against Britain which no longer needs the territory.

The point of the matter is just this: I have talked to other leaders and people in positions of responsibility in and out of Latin America who have indicated to me that Latin American countries are going to stand by Argentina. That puts us in a position of supporting Great Britain against all of the nations of Latin America. We really need the support and understanding of these nations—in our hemisphere.

I have talked with responsible officials and heads of state throughout this hemisphere. I have advised them to put a halt to this attitude of "Anglo against Latin" and their reference to us being the "colossus of the north." We are brothers in the Western Hemisphere, we must stick together, for if we do not we will all be separately destroyed. With the cause for concern in Latin America—in Central America and in the Caribbean—where we are asking these countries for greater support—and they want to do that, they want to reestablish friendly ties—we are doing ourselves a tremendous disservice by getting involved in this tragedy.

Instead we should be taking a stronger stance toward bringing these two countries back together to solve the problem at hand.

The American and entire hemispheric future is at stake here, and should not be underestimated. I strongly urge my colleagues to oppose this resolution, and instead urge continuation of our Nation's strenuous efforts to bring resolve to this dispute, to urge the heads of state in Argentina and London to see reason and settle this affair.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, I do not object to the specific language of the resolution, nor do I object to the intent of the introducer, as I understand it. But I regret the fact that the resolution is offered, because I think it is unnecessary and that, unfortunately, it will be misconstrued by Latin Americans in this hemisphere.

I certainly want to commend the administration and Secretary Haig for the negotiating role that they played. It was crucial. It is important. It is a role we should play. I find it difficult to come up here and add my lonely words in this debate because they may in fact be misconstrued.

The British have been staunch allies. They have approached this situation with restraint. Indeed, we all hope that we do not have any increased hostilities beyond what has already happened. On the other hand, we have Argentina. The South Americans themselves frequently say because Argentina has flirted with fascism, because it has repression in its government, that they are the least lovable of their South American neighbors. And my personal sympathies indeed are with the British, with the United Kingdom, in this respect. More importantly, international law is, in my judgment, on their side. But I am very much afraid that the Latin Americans, as the gentleman from Arizona has said, will see this as something more than what is offered in the resolution itself. They have always thought that we are preponderantly oriented toward Europe, that we are preponderantly oriented toward Anglos. And this, I am afraid, will send the wrong message.

If my words here can help clarify that point, that this should not be taken beyond what we are dealing within the resolution specifically, that there are no hidden messages in it, then perhaps my words are worth something here today. I think that this country has to realize that, increasingly, the future of the United States is going to be tied to the Western Hemisphere and that we must bend over backwards to try to build good relationships with the Latin Americans. I am not sure that this resolution is headed in that direction. I do hope that we have some clarification by my comments and others, as we proceed here today.

□ 1330

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I rise to express my opposition to House Resolution 441. Taking sides in the dispute over the Falkland Islands does not serve America's interest and can lead to more involvement and great danger.

Mr. Speaker, in the Falkland Islands, America's foreign policy has once again gotten tangled in its own conflicting commitments. The NATO alliance commits us to the defense of Great Britain, and the Rio Treaty commits us to defending Argentina. These treaty commitments demonstrate so clearly how entangling alliances work to the detriment of the people of the United States. Fulfilling treaty obligations becomes impossible and the prime responsibility of defending our people becomes secondary to foreign involvements.

Thanks to NATO, we spend well over $100 billion per year subsidizing the defenses of wealthy Europeans. Our relations with Argentina have been more restrained, but we have still managed to help them finance the purchase of $200 million in military hardware over the last 30 years. The Argentine submarine disabled off South Georgia is American, and their only aircraft carrier is also American. The cruiser disabled is also American.

I have spoken to the people in my district. They say: "stay out of this conflict, it's none of our business." But there are those in the State Department who have suggested setting up a Sinai-style U.S. peacekeeping force. This would be sheer folly, putting American boys between two warring factions, both using our weapons, is a sure-fire way of getting some of them killed, and of guaranteeing an ongoing, costly, foreign commitment.

It is time we scrapped the foreign policy of treaties and interventionism, and began concentrating on the sorry state of our own defenses.

Our foreign policy should be that of nonintervention and armed neutrality. Grover Cleveland understood this when he said:

It is the policy of peace suitable to our interests. It is the policy of neutrality, rejecting any share in foreign brawls and ambitions on other continents, and repelling their intrusion here. It is the policy of Monroe and of Washington and Jefferson: Peace, commerce, and honest friendship with all nations; entangling alliances with none.

We should disapprove this resolution not because doing so would be best for Argentina but because doing so would be best for America.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time.

Mr. ZABLOCKI. Mr. Speaker, I yield the remaining 3 minutes of my time to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, I support this resolution. The issue is aggression. Aggression is wrong. The United States should not be on the side of aggression. I think the resolution reflects that perhaps this crisis in the Falkland Islands will cause us to reflect on our ability both as a member of the nations of the world and as the strongest Nation in the world to resolve potentially devastating world conflicts in a way that avoids violence, particularly in the nuclear age that we are currently in.

It seems to me, Mr. Speaker, that now is the time for us in America to develop an institution which trains people in conflict mediation techniques in a worldwide sense that will add to the power of the United States, add to our military powers, in a way so as to prevent these conflicts from happening.

Along with 110 other Members of this House I introduced legislation to establish an Academy of Peace and Conflict Resolution which would have as its basic purpose the ability to train people, to give skills to people, to resolving conflicts throughout the rest of the world without resorting to violence.

Gen. Omar Bradley once said, "We know much about waging war, but very little about waging peace."

It seems to me that we have two nations in this world in a scenario that looks a bit like the mouse that roared that could eventually involve this world in a major worldwide confrontation. Both of these nations either have or have the potential to have nuclear weapons. There must be some additional way for our Nation to help to resolve these kinds of problems before they erupt into a worldwide crisis.

I think Secretary Haig has done a pretty good job in trying to mediate the crisis. But it looks to me institutionally we in America can lead the way through the world in not only having the strongest defense in the world but having the strongest peacemaking capability of the world, and that would be to have an Academy of Peace that could show the rest of the world that we Americans are not only interested in having the best airplanes, the best missiles and the best ships in the world, but also the best peacemaking capability in the world.

● Mr. GOLDWATER. Mr. Speaker, I rise today in support of House Resolution 441, which calls upon Argentina to withdraw from the Falkland Islands in compliance with the U.N. Security Council Resolution 502 of April 3. The tragic situation in the South Atlantic is a no-win situation for everyone involved, the United States included.

At the outset I want to commend our Secretary of State, Hon. Alexander Haig, for his efforts to resolve the conflict between Great Britain and Argentina over the Falkland Islands' sovereignty in a peaceful and diplomatic fashion. He has exhibited rare diligence during this time of international tension.

I also would like to say that I strongly support the administration's decision to side with Britain in this continuing dispute over Argentina's summary occupation of the islands. Most Western nations are in agreement that Argentina seriously overstepped herself by invading the islands a month ago. In spite of the recent Organization of American States' resolution, I think there may even be substantial unacknowledged South American recognition that Argentina's action was hostile, unwarranted, and, in reality, a thinly disguised means of distracting attention from the tottering Argentine economy and rising dissatisfaction with the Galtieri regime.

Britain is our staunchest ally. In large part, our roots are her roots. Our two nations' commonality of language, experience, and purpose are unique. In many ways, we owe Great Britain for our democratic freedoms and way of life. In a substantially different context, we owe Argentina the loyalty we would extend any of our Western Hemisphere allies and, because of her firmly anti-Communist and anti-Marxist stance, probably preferential treatment. This is the quandary in which we now find ourselves. As we all know, the Inter-American Treaty of Reciprocal Assistance—commonly known as the Rio Treaty—which commits us as a signatory to defend Argentina against aggression from without the North and South American Continents, complicates this situation even further.

However, one fact remains indisputably clear. Argentina invaded the islands with no notice or expression of intent. I can see no compelling reason why we should side with an aggressor nation in this type of dispute. To me, the terms of the Rio Treaty do not bind us in this situation. British defense of colonial possessions against overt aggression does not constitute "outside aggression" as outlined in the treaty. Again, Britain is the United States' closest ally. I believe that diplomatic and moral commitment requires us to side with our British allies in, first, pursuing every avenue for a negotiated settlement to this crisis; and second, providing full diplomatic support in Great Britain's attempt to regain control of the Falklands.●

● Mr. MOFFETT. Mr. Speaker, I am pleased that Congress is at last acting to show its support for Great Britain and her efforts to beat back Argentine aggression in the Falklands Islands. By passing this resolution, House Resolution 441, we can make a strong statement to Britain, Argentina, and the world that we will not turn our backs on outrageous violations of international law.

There is no doubt in my mind that Argentine Dictator Leopoldo Galtieri made a grave miscalculation in assuming that the British—and the world—would stand idly by while the Argentine Army invaded the Falklands. This campaign of "liberation" from British colonial rule would, if allowed, subject the 1,800 Falklanders to the brutal, tyrannical rule of the Galtieri regime. Further, it would set a dangerous precedent which could effect border disputes between Venezuela and Guyana, Guatemala, and Belize, and other Latin American nations. Most importantly, however, the Argentine move was highly illegal. Such disregard for international law should not be permitted, as long as the civilized world can act to uphold the law.

The future of the war over the Falkland Islands is now uncertain. The possibility of Soviet support for Argentina—one of her closest trading partners in the West—looms ominously on the horizon. Nevertheless, I applaud the Reagan administration for alining with the side of justice and international law in the Falklands dispute, and I urge the Congress to follow suit by passing House Resolution 441.●

● Mr. BIAGGI. Mr. Speaker, I rise with some reservations about this pending resolution. My strongest concern is that with the passage of this resolution we are all but abandoning the position that this matter can still be resolved diplomatically.

Secretary of State Haig in my judgment embarked upon a most sensible course of action with his so-called shuttle diplomacy between London and Buenos Aires. His objective was to demonstrate in dramatic fashion that the United States was prepared to assume the role of an honest broker.

The Haig initiative has not succeeded yet—but neither has it been a total failure. There is no reason why the outbreak of hostilities should be the cause of the United States to abandon

the Haig initiative or any other effort to bring about a peaceful resolution.

House Resolution 441 removes the United States from the "honest broker" category. It calls for Argentina to withdraw its forces from the Falkland Islands and that the United States should provide "diplomatic support to Great Britain in the event of armed conflict." I challenge both of those provisions especially the latter. If we are to provide diplomatic support it should be for both sides to achieve a political and peaceful solution before this crisis escalates into a full scale global conflict.

I would prefer to see this body debate and vote for a resolution which would call for an end to all hostilities and would also call upon the United Nations to seize the diplomatic initiative which was so effectively begun by Secretary Haig.

There is wrong on both sides in this dispute. Aggression does not need to be fed with more aggression. I call upon my colleagues in the House to support the peaceful diplomatic approach. This will not be our course if we pass this resolution today.

Based on early indications—Great Britain is in the superior position militarily. Yet as in the case of Northern Ireland—nothing will be accomplished with a mere military victory. If the issue of the future sovereignty of the Falklands is to be resolved—it must be done through painstaking negotiations under the auspices of the United Nations not by virtue of which side has more brawn and bravado.

Almost 20 years ago Congress adopted another seemingly innocuous resolution such as the one before us today. That was the Gulf of Tonkin resolution which historians point to as the catalyst which immersed our Nation in the losing tragedy of Vietnam. It is sometimes said that history repeats itself. As it concerns the Falkland Islands and this resolution let us hope this adage is wrong.●

● Mr. DAN DANIEL. Mr. Speaker, events of the past few days have made more convincing than ever the rightness of the position we have taken with respect to the Falkland Islands. To have done otherwise would fly in the face of all we have believed and professed since World War II.

Argentine aggression had to be challenged and it has been done without rancor and with firmness. The United Kingdom has responded with well-ordered action that has always left open the door to further negotiation—once the Argentine troops are withdrawn from the Falklands.

This series of events has occurred since the issuance of my weekly newsletter last week, but I wish to request permission to place this at this point in the RECORD, because it states my firm conviction that U.S. policy had to come down on the side of morality and I am pleased that it did.

The article follows:

CAPITOL COMMENTS

When most people learned of the Argentine invasion of the Falkland Islands, the first reaction was disbelief; it was just incredible that Argentina would risk war by such action.

The second reaction was puzzlement, followed by a trip to the World Atlas. Few people knew, up until a month ago, where the Falkland Islands were, and even fewer cared. This latter attitude is one we are all well advised to abandon.

For this group of islands, where the sheep outnumber the people by better than 360-to-1, may find its way into the history books for reasons vastly different from its past role as provisioner to sailing vessels and present one as provider of meat and fiber to a more advanced world.

Why should we care about what happens in the Falklands? There are a number of reasons—economic, political, and military.

Should fighting in that area become intensified and prolonged, it could well drag into it other nations of Latin America. In point of fact, when the UN Security Council adopted a pro-British resolution by a 10-1 vote on April 3, only Panama sided with Argentina. In the event Panama escalates its support and closes the Canal—an action which could well be taken, now that we have given up the Canal—this would divert around Cape Horn most shipping which had previously traveled that route. Nor is the Canal immune to closure by a guerrilla attack.

Then there is the matter of the effect of British involvement in the South Atlantic on its other military commitments. The British fleet plays a major role in NATO's North Atlantic defense and its equipment and manpower resources, already stretched thin, would be even further degraded. The United Kingdom is also a contributor to the Western naval presence in the Indian Ocean.

The Argentine action, regardless of its outcome, has already set a dangerous precedent. This is by no means the only place in the world where more than one nation claims sovereignty over some parcel of land. In Latin America, Chile and Argentina have quarreled for years over ownership of three islands off the tip of South America. Bolivia and Chile continue to dispute certain territory which separates them.

Finally, depending on too many factors to explore here and now, there is always the possibility, in today's perilous world, that the Soviet Union will see an opportunity to fish once more in troubled waters. After all, the sealanes of the South Atlantic carry the bulk of the strategic materials upon which our economy depends.

What should the role of the United States be? First, to the fullest extent and as long as practicable, we should serve as intermediator between the parties. A negotiated solution would be preferable to everyone to a military solution, and both parties at present welcome the United States in this effort.

Secondly, if negotiations fail, we should offer to the United Kingdom our moral support in the community of nations, and if the need be should follow the lead of the European Community by imposing economic sanctions. The British have not asked for military support, and so long as the engagement remains between the principals, there is no reason why they should.

The Administration has taken a statesman-like position in its efforts to settle peacefully the Falkland Islands dispute, and I pray that these efforts will be fruitful.

In the event diplomacy fails, we have a moral obligation to support the United Kingdom, our friend and ally of longstanding.

Hopefully, we will not shirk our responsibility.●

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI) that the House suspend the rules and agree to the resolution, House Resolution 441, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 441, as amended, with respect to the Falkland/Malvinas Islands.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF S. 146, AUTHORIZING INTERIOR SECRETARY TO ASSIST IN PRESERVATION OF HISTORIC CAMDEN, S.C.

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 97-498) on the resolution (H. Res. 448) providing for the consideration of the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5539, AMENDING AND SUPPLEMENTING RECLAMATION LAWS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 97-499) on the resolution (H. Res. 449) providing for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, which was referred to the House Calendar and ordered to be printed.

EXPRESSING SENSE OF THE HOUSE OF REPRESENTATIVES WITH RESPECT TO UNJUST IMPRISONMENT OF BENEDICT SCOTT BY THE SOVIET UNION

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 200), expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by the Government of the Soviet Union.

The Clerk read as follows:

H. RES. 200

Whereas Benedict Scott (Vytautas Skuodis) was born on March 21, 1929, in Chicago, Illinois, and is by right of birth a citizen of the United States;

Whereas Benedict Scott and his parents emigrated in 1930 from the United States to the independent Republic of Lithuania, which in June 1940 was illegally invaded and forcibly annexed by the Soviet Union;

Whereas Benedict Scott is a highly respected scientist who has served on the faculty of the University of Vilnius as a lecturer in hydrology and geological engineering, and who was a founder of an environmental protection group in Lithuania;

Whereas Benedict Scott, who has been an astute observer of the injustices in Soviet life and of the anti-Lithuanian policies of the Government of the Soviet Union, fully supported the work of the Lithuanian national and religious movements by writing a manuscript entitled "Spiritual Genocide in Lithuania", by assisting in the work of the Catholic Committee for the Defense of Believers' Rights in Lithuania, and by joining the Lithuanian Helsinki Group;

Whereas in a letter to President Jimmy Carter, dated November 28, 1979, Benedict Scott states that he considers himself a citizen of the United States, and assured the President that he remains committed to the defense of human rights and the principles of the United States and Lithuania;

Whereas Benedict Scott was arrested in his home on January 9, 1980, tried, and sentenced on December 22, 1980, to seven years in a hard labor camp and five years in internal exile for alleged anti-Soviet agitation and propaganda, a sentence that he is currently serving in a Soviet prison camp in Mordovian A.S.S.R., in the Soviet Union;

Whereas on June 15, 1981, Benedict Scott began a hunger strike to protest violations of human rights and spiritual genocide by Soviet authorities;

Whereas the United States has never recognized the illegal occupation and forced annexation of Lithuania by the Soviet Union;

Whereas it is the responsibility of the United States to protect, defend, and support its citizens who are illegally held captive by foreign governments, as it has recently done with respect to Americans held by the Governments of Vietnam and the Islamic Republic of Iran; and

Whereas the Congress has repeatedly expressed its support for the right of self-determination for Lithuania: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the President of the United States should—

(1) express to the Government of the Soviet Union the deep concern and opposition of the United States with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by such Government; and

(2) take every appropriate action to secure the release from prison of this American citizen and the emigration of Benedict Scott and his family from the Soviet Union to a country of their choice.

SEC. 2. The Clerk of the House shall transmit copies of this resolution to the President of the United States, the Secretary of State of the United States, the United States Ambassador to the United Nations, the Chairman of the Presidium of the Supreme Soviet, the Soviet Ambassador to the United States, Benedict Scott and his family (or an appropriate representative), and the Lithuanian Helsinki Group.

The SPEAKER pro tempore (Mr. GLICKMAN). Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House is today considering five resolutions relating to human rights in the Soviet Union which the Subcommittee on Human Rights and International Organizations considered in February and the full Committee on Foreign Affairs considered on April 1.

Mr. Speaker, I ask unanimous consent, that, just for explanation purposes, all five resolutions be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BONKER. Mr. Speaker, I would like to thank the chairman of the full Foreign Affairs Committee, the gentleman from Wisconsin, Mr. CLEMENT ZABLOCKI, for his timely consideration of these important resolutions. I would also thank the ranking minority member of the subcommittee on Human Rights and International Organizations, the gentleman from Iowa, Mr. JIM LEACH, for his continued support on this and other human rights issues.

Four of the five resolutions we are considering today identify specific human rights cases, and call upon the Soviet Union to take action in each instance. The fifth resolution is a general statement of concern about Soviet violations of human rights in the Ukraine.

House Resolution 200, sponsored by the gentleman from Pennsylvania (Mr. DOUGHERTY) expresses the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union.

Mr. Speaker, we have a second resolution, (H. Con. Res. 205) sponsored by the gentleman from New Jersey (Mr. DWYER) which expresses the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine.

A third resolution sponsored by our colleague, the gentleman from Illinois (Mr. DERWINSKI), House Concurrent Resolution 218, expresses the sense of the Congress with repect to the imprisonment and treatment by the Soviet Union of Mart Niklus.

A fourth resolution sponsored by the gentleman from New York (Mr. GREEN), House Joint Resolution 230, expresses the sense of the Congress that the U.S.S.R. should allow Dr. Semyon Gluzman and his family to emigrate to Israel.

And finally, Mr. Speaker, House Resolution 269, sponsored by the gentleman from New Jersey (Mr. SMITH), expresses the sense of the Congress that the U.S.S.R. should grant Yuli Kosharovsky the right to emigrate from the Soviet Union to Israel.

Each of these resolutions is a reminder of continued Soviet violations of their obligations under the universal declaration on human rights and the Helsinki Final Act. Passage of these resolutions is an opportunity for those who can speak freely in the United States to make representation on behalf of those who are silenced in the Soviet Union.

The Committee on Foreign Affairs has received executive branch comments on each of the resolutions, which found them to be entirely consistent with the administration's policy in each instance.

Mr. Speaker, I would like to notify the House of Representatives at this time that the subcommittee working in concert with the chairman of the full Foreign Affairs Committee will be looking at ways in which we can expedite action on these resolutions in the future.

The subcommittee has been overwhelmed with a number of resolutions concerning specific human rights cases, all of which have obvious merits. However, we will have to devise a more efficient procedure in which both the subcommittee and the full committee, as well as the full House, can take up consideration and action on these various resolutions.

So hopefully by the opening of the next session of Congress we will have an established proper procedure which we can follow in the future.

Mr. Speaker, I especially urge my colleagues to vote favorably on the five resolutions that have been presented.

Mr. LEACH of Iowa. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to express my appreciation to the gentleman from Washington (Mr. BONKER) for his leadership on the entire range of human rights issues, but particularly

to express my appreciation for his cooperation on these five resolutions, four of which are principally sponsored by members of the minority.

Mr. Speaker, I rise first in support of House Concurrent Resolution 200, a resolution expressing the sense of the House with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union.

Today, Benedict Scott is serving a 7-year sentence in a hard labor camp in the Soviet Union for alleged anti-Soviet agitation and propaganda. However, unlike so many others who have suffered the same harsh and unjust fate, Benedict Scott has claim to U.S. citizenship. After being born in the United States, he went, with his parents, to live in Lithuania. There, he became a highly respected hydrologist and a strong supporter of Lithuanian national and religious movements, becoming in 1979, a member of the Lithuanian Helsinki Group.

The resolution before us today calls on the President of the United States to express to the Soviet authorities our opposition to their imprisonment of Benedict Scott and to seek his release so that he and his family may emigrate to a country of their choice.

I am pleased to note the administration has assured us that the operative sections of House Resolution 200 are "consistent with U.S. policy." The administration has also reaffirmed that the United States regards "Mr. Scott as a U.S. citizen by reason of his birth in the United States." U.S. officials have sought and been refused consular access to Mr. Scott, in spite of the rights guaranteed to Mr. Scott, as a U.S. citizen, under the U.S.-U.S.S.R. Consular Convention.

Mr. Speaker, I urge my colleagues to give this resolution their unanimous and bipartisan support.

Mr. Speaker, I further rise in support of House Concurrent Resolution 205, a resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine. This resolution would call on the President to proclaim November 9, 1982, as a day honoring the Ukrainian Helsinki Group.

The State Department has reported that "virtually the entire membership of the Ukrainian Helsinki Monitoring Group has been unjustly subjected to harassment, false arrest, imprisonment, exile or psychiatric incarceration." The administration has consistently deplored such Soviet policies in the international forum at Madrid as well as through diplomatic channels. The adoption of the resolution before us would thrust new weight behind such ongoing efforts by the United States to press Soviet authorities to respect the human rights of the people of the Ukraine. Soviet repression, especially as demonstrated against Helsinki Group members, raises serious doubts about the validity and credibility of international commitments made by the Soviet Union and thus contributes to overall East-West tension.

Mr. Speaker, I urge my colleagues to give this resolution their full support as a demonstration to Soviet authorities of the solidarity of the people of the United States with the courageous freedom-loving people of the Ukraine.

Mr. Speaker, I further rise in support of House Concurrent Resolution 218, a resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Soviet Government of Mart Niklus. As the ranking minority member of the Subcommittee on Human Rights and as a cosponsor of this resolution, I want to pay special tribute to the gentleman from Illinois (Mr. DERWINSKI) for introducing this legislation and for bringing to the attention of the Members of this House the plight of Mart Niklus, an Estonian zoologist and biologist, who has suffered much for his principled and tireless advocacy of human rights. Unfortunately, the gentleman from Illinois is in the hospital at this moment and cannot be on the floor to speak personally on behalf of his resolution. His statement, however, is being submitted in writing for the record.

House Concurrent Resolution 218 calls on the administration to continue to express U.S. opposition to Mart Niklus' imprisonment and to urge Soviet authorities to give him medical care, release him, and permit him to emigrate to Sweden.

The State Department has informed us that this resolution is "totally consistent with the aim and tenor of U.S. policy with regard to Soviet violations of human rights in the Baltic countries." Last July, at the Madrid Conference, the head of the U.S. delegation, Max Kampelman, raised the case of Mart Niklus as one of the prime examples of Soviet noncompliance with the spirit of Helsinki.

Mr. Speaker, the passage of this resolution will make profoundly clear to Soviet authorities that the United States will never turn a blind eye to such violations of human rights. I urge the adoption of the resolution.

Mr. Speaker, I further rise in support of House Joint Resolution 230, calling on the Soviet Union to release Dr. Gluzman from prison and permit him and his family to emigrate to Israel. I want to thank the chairman of the Subcommittee on Human Rights and the chairman of the Foreign Affairs Committee for expediting consideration of this resolution and also to thank the gentleman from New York (Mr. GREEN) for introducing this legislation and for his diligent and tireless efforts on behalf of Dr. Gluzman and his family. No doubt the Gluzmans derive much moral sustenance from the knowledge that efforts on their behalf are being expended by those in the West, like Mr. GREEN who keep their memory alive.

Dr. Gluzman, a physician with impressive psychiatric training and a national reputation in the Soviet Union, refused to cooperate with the KGB in certifying human rights advocates as mentally ill and subsequently was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator. He has nearly completed his formal sentence and we are hopeful that the Soviets, after releasing him, will then permit him and his family to leave the Soviet Union. In recognition of the talent and courage of this man, the American Psychiatric Association, in May 1980, awarded Dr. Gluzman the APA's highest honor, the title of Distinguished Fellowship. It is tragic that the Soviet authorities refuse to similarly acknowledge the courage and talent of one of their own citizens.

I am pleased to note that the administration has assured us that the operative section of the resolution is "wholly consistent with present U.S. policy." The Department of State has also stated:

> We deplore the imprisonment of this brave man for his efforts on behalf of those incarcerated in Soviet mental institutions for political rather than psychological reasons . . . H.J. Res. 230 may serve to reaffirm to the Soviet Government the deep concern of all branches of the U.S. Government for these basic rights and for those whose rights are being violated.

Mr. Speaker, this is a critical time for Dr. Gluzman and his family as we await his release and subsequent decisions on their right emigrate. I urge the unanimous support of this House for the adoption of House Joint Resolution 230 as a clear and unmistakable signal to the Soviet authorities that we are undivided in our support for Dr. Gluzman and his family.

Mr. Speaker, finally I rise in support of House Resolution 269, a resolution calling upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his family to Israel.

Again, I want to thank the chairman of the Subcommittee on Human Rights and the chairman of the Foreign Affairs Committee for moving quickly on this resolution. The gentleman from New Jersey (Mr. SMITH) also deserves recognition for his steady leadership in this House on issues of human rights in the Soviet Union.

The resolution before us calls on the Soviet authorities to respect various international human rights agreements and to permit the Kosharovsky family to emigrate to Israel. This action becomes all the more urgent in light of the dramatic cutbacks over recent months in the number of Jews permitted to leave the Soviet Union. In Yuli Kosharovsky's case, even his

basic right of freedom of religion has been violated by Soviet threats of imprisonment if he—as one of Moscow's leading Hebrew teachers—continues to teach.

Mr. Speaker, I urge my colleagues to give this measure their strong support.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. LEACH of Iowa. I yield to the gentleman from Ohio.

(By unanimous consent, Mr. WYLIE was allowed to speak out of order.)

FEDERAL BUDGET IMPASSE

Mr. WYLIE. Mr. Speaker, since President Reagan made his address to the Nation on Thursday evening concerning the Federal budget, I have received many messages from my constituents. The vast majority of these messages urge Congress to lay aside partisan interests and work with the administration in shaping a budget compromise that will control the growth of Federal spending, continue the policy of tax relief, and reduce the projected deficits which have kept interest rates at exorbitant levels. Their views—which I share—are expressed succinctly in an editorial, entitled "Federal Budget Impasse," which appeared in today's Columbus Citizen-Journal. So that my colleagues may consider this viewpoint, I am submitting the text of the editorial for the RECORD:

FEDERAL BUDGET IMPASSE

It remains to be seen whether Americans will respond to President Reagan's plea to make their voices heard in support of his budget program, as they did last year. The Democrats are betting they won't.

A nationwide poll taken shortly before the breakdown in talks between the president and Democratic leaders reported that those polled backed Congress by 58 percent to 35 percent and wanted Reagan to drop his policy of cuts in taxes and social spending.

We find that disturbing. The Democrats' so-called compromise budget is largely a return to the inflationary higher spending, higher taxing, perpetual deficit budgets of the past that brought our economy to its distressed state.

President Reagan went more that halfway to meet the Democrats. But they rejected his offer to cut $60 billion in non-defense spending over the next three years and refused to split the $35-billion difference between his proposal and theirs.

If they had accepted this offer, the federal deficit in 1985 would have come down to $44 billion instead of ballooning to $233 billion, as projected, the president said.

We are leery of those numbers. But a compromise would have started a declining trend in the deficits and would have encouraged the financial markets to begin lowering the interest rates that are strangling our economy.

The Democrats also rejected Reagan's bid to delay for three months his third-year 10 percent tax cut, scheduled for July 1983, in exchange for a similar delay in Social Security cost of living increases.

It was a huge concession on Reagan's part; and it would have cost the Democrats nothing since inflation is coming down so fast any cost of living increase next year may be minimal.

The public should demand that Congress reach a budget compromise with the administration.

If the confusion and uncertainty continue into the summer, the recession the country is struggling to whip could become worse. If it does, irresponsible congressmen would bear considerable blame.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time on the specific resolutions before us.

Mr. BONKER. Mr. Speaker, I yield 2 minutes to the sponsor of the resolution (H. Con. Res. 205), the gentleman from New Jersey (Mr. DWYER).

Mr. DWYER. Mr. Speaker, I am proud to be the sponsor of this resolution and I would like to take this opportunity to thank the chairman of the subcommittee, the gentleman from Washington (Mr. BONKER) and the ranking minority member, the gentleman from Iowa (Mr. LEACH), and the resolution's 76 cosponsors for their help in bringing this measure to the floor of the House.

House Concurrent Resolution 205 pays tribute to those members of the Ukrainian Helsinki Monitoring Group, who, despite unrelenting attempts by the Soviets to silence them, refuse to give in.

In fact, their numbers have grown since those 10 Ukrainians first met more than 5 years ago to organize their opposition to Soviet repression and denial of their basic rights.

The Soviets do not like to be reminded of their Helsinki promises and have, not surprisingly, been fierce in their persecution of the Helsinki monitors through systematic harassment, imprisonment, and exile.

Yet in the face of all this oppression, these Ukrainian dissidents are still getting their message across, sustained by the support of their fellow countrymen.

With passage of House Concurrent Resolution 205, we can signal our support for the Ukrainian struggle for justice and focus world attention on Soviet noncompliance with the Helsinki accords.

The Ukrainian Helsinki Monitoring Group poses a constant compelling threat to Soviet totalitarianism. The United States should support them in their courageous efforts.

Mr. BONKER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

□ 1345

Mr. PEYSER. Mr. Speaker, first of all, I want to thank the gentleman from Washington for bringing this resolution to the floor and appreciate this opportunity to talk briefly on it.

In a very allied way, Mr. Speaker, what I am going to discuss in these few minutes is the problem being created by the Soviet Union dealing with a young man named Walter Polovchak, who is presently in the United States and under the protection of the U.S. Government. This 14-year-old Ukrainian boy has chosen to stay in our country for very specific reasons. These reasons relate to religious freedom that he can enjoy here, that he has been denied in the Soviet Union, the ability to carry out a life that is free under an educational system that is affording him opportunities to choose studies of his own accord and being free, Mr. Speaker, from the frankly inhumane treatment that would be facing him if he should be returned to the Soviet Union.

The United States has granted asylum to this individual at this time. The Justice Department has issued a departure control order that will prevent him from being taken from this country without his express permission as long as he has opportunities left before the Federal courts.

Mr. Speaker, the reason I have asked for this time is that this young man is in a very unique situation in that his father who had returned to the Soviet Union has now come back to this country to testify that this young man should be forced to return because the situations in the Soviet Union, as his father put it, were so much better than they are in the United States and that the opportunities for him there are so great.

Well, Mr. Speaker, we know what the facts are. We know what this very resolution speaks of is the inhumane treatment and the problems of those who are in the Soviet Union.

So I have asked, Mr. Speaker, at this time, to again highlight the case of this young man, Walter Polovchak, who is truly seeking to establish a life in the free world as an American and I am proud of the actions that our Government has taken to this time.

I trust that if need be in the future we will continue our resolve in protecting this young man and keeping him here in the United States.

Mr. LEACH of Iowa. Mr. Speaker, I yield such time as he may consume, to the gentleman from New York (Mr. GREEN), who is the chief sponsor of the resolution regarding Dr. Semyon Gluzman.

Mr. GREEN. Mr. Speaker, I thank the gentleman from Iowa for yielding and I would also like to thank him for his leadership and also thank the gentleman from Washington (Mr. BONKER) for his leadership in bringing this resolution (H.J. Res. 230) to the House floor.

The case of Dr. Semyon Gluzman, Mr. Speaker, is both one that is unusual in some respects and all too usual in other respects. The usual aspect of it, of course, is that Dr. Gluzman, for reasons which in this country we would consider a perfectly normal expression of human freedom, has been sentenced to 7 years in prison, that prison term now completed, and 3 years in in-

ternal exile, that term ending 1 week from today, on May 11. He has been denied, at least to this point, the opportunity to emigrate to Israel as he wishes, to join relatives there. This, of course, is in violation of the Helsinki agreements. This, as I say, is an all too usual occurrence in the Soviet Union. What I think is unusual about Dr. Gluzman's case is that although Dr. Gluzman is Jewish, the activities which originally led him into the coils of the KGB did not relate to the cause of the Jewish dissidents in the Soviet Union, but rather occurred because Dr. Gluzman, who is a psychiatrist, refused to cooperate with the KGB in providing psychiatric testimony against non-Jewish Ukrainian Nationalists whom the KGB wished to incarcerate in mental institutions.

I think this shows the range of human rights concerns in the Soviet Union, and the fact that this is not just a Jewish problem, but is a problem of many groups within the Soviet Union who seek the self-expression that is denied them by a dictatorial Soviet regime.

For this reason, I wish to express my appreciation to my 84 colleagues who have joined me in sponsoring this resolution and to urge that the House adopt this resolution.

Mr. Speaker, I have a more lengthy statement concerning Dr. Gluzman, and ask that it be included in the RECORD at this point.

Mr. Speaker, thank you for the opportunity to speak today in support of Soviet Prisoner of Conscience Dr. Semyon Gluzman's wish to emigrate with his family to Israel.

I would first like to thank the more than 80 Members who cosponsored and lent their strong support to House Joint Resolution 230. My thanks also go to the Foreign Affairs Subcommittee on Human Rights and International Organizations and its distinguished chairman, the gentleman from Washington (Mr. BONKER), for their speedy consideration of this most urgent case. I also deeply appreciate the full committee's expeditious passage of this resolution.

I introduced similar legislation in both the 95th and 96th Congresses, and feel that I have come to know Dr. Gluzman personally over the years. As my "adopted" Prisoner of Conscience, Dr. Gluzman has been to me a model of personal dignity and courage. I am honored to have the opportunity to play a part in working toward his freedom by introducing legislation calling attention to his plight and aiding his release and emigration with his family to Israel.

Dr. Gluzman's case goes back to October 19, 1972, when he was found guilty of "anti-Soviet agitation and propaganda" and sentenced to 7 years in a labor camp and 3 years in exile. A trained and talented psychiatrist, Gluzman was tried because he refused to cooperate with the KGB in branding dissidents as psychotics and wrote an article contesting the official diagnosis of leading dissident Gen. Pyotr Grigorenko as insane. Dr. Gluzman's sentence will expire this month, which makes consideration of this resolution all the more imperative.

The cause of Gluzman's imprisonment was his unwillingness to betray his personal and professional code of ethics. Born to a family of doctors in the Ukraine, Gluzman studied psychiatry and medicine at the Kiev Medical Institute and graduated from there in 1968. After a few years in practice, he was offered a very good position at the Dniepropetrovsk Special Psychiatric Hospital. He refused the post because he knew political prisoners there received treatment as a form of punishment, saying, "Psychiatry is a branch of medicine and not of penal law." In 1971, he wrote "A Forensic-Psychiatric Diagnosis in the Case of Grigorenko in Absentia," which charged that General Grigorenko's confinement in a mental institution was only because of his beliefs, not because he was insane, as the Soviet authorities claimed. The general was released, thanks in large part to Gluzman's efforts, the same year that the doctor was imprisoned. Gluzman also wrote several samizdat articles condemning the Soviets' psychiatric abuses. For these crimes, Gluzman was arrested in May of 1972, tried in an empty classroom, and sentenced to 7 years of hard labor and 3 years in exile.

Throughout his imprisonment, Dr. Gluzman has continued his profession and human rights activism. Vladimir Bukovsky coauthored a book for dissidents advising them how to avoid classification as psychotic. In 1978, Dr. Gluzman wrote an article in the psychiatric state of many Prisoners of Conscience, which he calls "Fear of Freedom." This article was published this January in the American Journal of Psychiatry. Concern for Dr. Gluzman in the medical community is high. Two years ago, at the annual meeting of the American Psychiatric Association, he was awarded the APA's highest honor, the title of Distinguished Fellowship. Several thousand psychiatrists, mental health workers and physicians have signed protest petitions on his behalf, and continue to press his cause at every opportunity.

While in prison, Dr. Gluzman strictly refused to recant, and led several hunger strikes to protest prison camp conditions. He led a month-long fast in May 1974, which ended in his being put into solitary confinement in a punishment cell. During the time he was in the cell, his ailing father traveled 2,000 miles from Kiev to see him, and was turned away. In the fall of that year, Semyon Gluzman wrote to his parents, apparently responding to their suggestion that he recant. He wrote:

> . . . When the temperature was minus 58 degrees Fahrenheit, I was forced to lie down in the snow at night, guarded by a German shepherd straining at the leash, "just in case"? This is the basis of my values. Therefore, there will be no compromise. Would you . . . conscientious and honest people, and doctors, have approved of such a recantation? No you would not have. . . . I am happy, despite everything I have to endure. I say this even though declaring a hunger-strike is the only means available to me and my comrades . . . for demonstrating our human dignity to all the thugs around us.

In this letter, Gluzman expresses moral and physical courage that represent one of the human spirit's finer moments.

As I pointed out earlier, Gluzman is due to be released this month, so that the timing for consideration of this resolution is critical. His personal circumstances also make our swift action necessary. Recently, Dr. Gluzman spoke on the telephone with one of his most active advocates in the United States, Dr. Margrit Wreschner Rustow of New York City. Dr. Gluzman reported that KGB agents had told him that he would never be allowed to leave the country. In the past, it has been an unwritten tradition that once a dissident serves a sentence, he or she is allowed to emigrate. However, this general rule has not held recently. For example, Ida Nudel was recently released from exile and allowed to return to Moscow, but she has been told by officials at the Ministry of Internal Affairs that her emigration to Israel is unlikely. This is probably part of the disturbing trend of increasing harassment of the Soviet Jewish community and plummeting rates of emigration.

Another major complicating circumstance is the fact that the former husband of Dr. Gluzman's wife is challenging her custody of their child. The argument on which his challenge rests is that Irina Gluzman married a dissident, and is therefore unfit to care for a child. Though this is patently false, a civil suit of this nature could prevent the Gluzmans' departure from the U.S.S.R. We must see to it that this family is not broken up by Soviet human rights abuses.

I am pleased that the timing of this bill coincides with Dr. Gluzman's scheduled release. Despite the KGB's threats, we must insure that Dr. Gluzman is released and permitted to emigrate with his family to Israel. Our unanimous outrage over the Soviets' treatment of this brave man and his family must reach the Soviets and persuade them that the U.S. Government will not countenance their abuse.

Mr. Speaker, thank you for allowing me to speak out on Dr. Gluzman's behalf. I hope all my colleagues will join me in supporting this brave man

and his right under international law to emigrate with his family to Israel.

Mr. LEACH of Iowa. Mr. Speaker, I yield 7 minutes to the gentleman from New Jersey (Mr. SMITH) to talk about the resolution referring to Yuli Kosharovsky, which he has introduced.

Mr. SMITH of New Jersey. Mr. Speaker, despite our problems, we in the United States are very fortunate. Fortunate because we possess a multitude of rights—civil, political, and religious—that we often take for granted. We practice our religion freely. We say what we want. We do not fear a knock at the door in the middle of the night.

Over the past 6 months, emigration of Jews from the Soviet Union has virtually ceased. Since the Soviets began an effective form of emigration over 10 years ago, more than 250,000 Jews have left the Soviet Union with Israeli visas. The emigration of Jews reached its peak in 1979 when 51,000 were granted exit visas. Thus, the sharp decline in recent months represents a tragic low in Jewish emigration.

It is most unfortunate, Mr. Speaker, that the Soviet authorities have once again adopted a very comprehensive and restrictive policy in regard to Jewish families who wish to emigrate to Israel, either to gain religious freedom, or merely to be reunited with their families. This policy has included the harassment of applicants by the Soviets.

Mr. Speaker, there are many Jews who wish to leave the Soviet Union; some estimate the number to be in the hundreds of thousands. Today we discuss the plight of just one of these individuals, my friend Yuli Kosharovsy.

Mr. Speaker, when I introduced House Resolution 269 in November, I did so after hearing about Yuli from two of my constituents: Mr. Ernestine Urken and Rabbi Gary Charlestein. Then, in January of this year, I travelled to the Soviet Union, where I met Yuli and his young family. Like myself, Yuli has a wife and small children. But unlike me, Yuli is not free to speak or live his life as he chooses. While in the Soviet Union, I developed a close personal friendship with Yuli Kosharovsky. My wife Marie and I pray for him daily.

Mr. Speaker, President Andrew Jackson once declared, "One man, with right on his side, is a majority." I believe that sums up Yuli Kosharovsky.

The facts of his case are plain and stark:

Yuli Kosharovsky is one of the leading and most well-known figures in the large Jewish community in the Soviet Union. As a teacher of Hebrew and Jewish culture in Moscow, he has been the constant target of harassment by the KGB and other Soviet officials.

Mr. Speaker, Yuli is one of the most remarkable men I have ever had the opportunity to meet. He is devoted to his wife and children, his community, and his religion. He is devoted to the basic fundamental principles of freedom of thought, conscience, religion, and emigration that he believes he is entitled to as a human being.

Although he lives in constant fear, Mr. Speaker, Yuli Kosharovsky does not live afraid. The terror of KGB interrogations have become an unwelcomed norm in his lifestyle. He has, however, learned to cope with their harassment.

During one of the meetings I had with Yuli and his family in their small Moscow apartment, I showed them some pictures I had brought along with me from New Jersey. Yuli came across the picture of myself with President Reagan and Vice President BUSH. He eagerly asked me if he could have it. When I gave it to him, he proudly placed the picture on top of his bookcase. Then Yuli said, "The next time the KGB comes, this will be the first thing they'll take."

Mr. Speaker, despite the fact that the Soviets have treated Yuli harshly and have inflicted great pain and hardship upon both he and his family, Yuli does not—I repeat, does not engage in tirades against the Soviets. In Moscow, I talked with Yuli for hours, and found a man who was gentle yet firm, loving, forgiving, and in no way given to acrimonious outbursts. His personal discipline and compassion for his oppressor makes his plight all the more compelling.

This, then Mr. Speaker, is Yuli Kosharovsky. A brave, courageous man who has quietly fought the Soviet Government for over a decade in his attempt to gain emigration to Israel for himself and his family, where he can practice the faith of his choice freely and without fear of harassment.

But, Mr. Speaker, challenging the Soviet Government is not an easy thing to do when you are a Jew in Moscow. Since Yuli first applied for emigration in April of 1971, he has not had an easy time.

Soon after applying for his exit visa, Yuli began to experience a series of problems which, unfortunately, continue through today. He lost his job as a radio electronics engineer, and has been forced to take on odd jobs to support his family.

Yet Yuli remains proud, Mr. Speaker, and he will not accept charity from his friends, both in the Soviet Union and abroad. And his struggle continues.

On occasion, he has been placed under "House Arrest," spent time in jail on trumped-up charges, and taken away from his family without being given any type of explanation.

Mr. Speaker, over the past 11 years, Yuli has had his home searched on many occasions, and such searches have increased over the past months. He has had his books and religious materials confiscated, and his family suffer through harassment.

Mr. Speaker, by any reckoning, Yuli Kosharovsky and his family have been the victims of a premediated policy of persecution—a policy aimed at demoralizing the Kosharovsky family, at preventing this family from practicing their religious beliefs.

This sort of persecution is completely unacceptable. It is abhorent to the principles of international law which the Soviet Union has been a signatory to: the United Nations Declaration on Human Rights, the Helsinki final act, and to the Soviet's own constitution.

Mr. Speaker, we cannot be silent in this matter. As President Abraham Lincoln said: "To sin by silence when they should protest makes cowards of men."

I want to thank and applaud 96 of my colleagues who took the initiative to cosponsor my resolution. It shows that we are concerned, and it shows Yuli that we care.

The passage of this resolution will send a message to the Soviet leaders. Each time we speak out, each time we express our opinion, we insure that the Soviets know—and know only too well—that religious persecution is unacceptable to us.

Like Moses in the Book of Exodus, Mr. Speaker, passage of House Resolution 269 proclaims, "You shall surely let this people go."

Yuli Kosharovsky, although one of many, is a very special person. And he is not asking for all that much—just freedom. Every human being deserves at least that much.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Speaker, once again in this House we are raising our voices to call attention to human rights violations in the Soviet Union.

I want to commend the various gentlemen for their excellent efforts in presenting these several resolutions on behalf of freedom of emigration for Prisoners of Conscience in the Soviet Union.

As the chief cosponsor of House Resolution 269, I was early involved in the individual effort on behalf of Yuli Kosharovsky; but this is just one effort. We must be aware that daily there are any number of Yuli Kosharovskys, Benedict Scotts, Mart Nikluses, and Semyon Gluzmans. Americans are not the only ones who desire liberty. Just as we enjoy the freedoms of this country, so do those who desire to emigrate from the Soviet Union to escape oppression.

As an original member of the 97th class on Soviet Jewry, I believe that we must impress upon the Soviet oppressors that we will not stand mute while men wait in jail who have the right to

be free under the Soviet Constitution and the Helsinki accords.

It is our responsibility to tell the story for those who cannot speak for themselves.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF).

Mr. WOLF. Mr. Speaker, I rise in strong support of all these resolutions. I would like to speak specifically on House Resolution 269.

I have been extremely impressed with hard work that the gentleman from New Jersey (Mr. SMITH) has done, the time that he spent and the effort that he made on this cause which I think is very, very important. I just want to take the opportunity to commend the gentleman from New Jersey (Mr. SMITH) for the effort he has made.

Mr. Speaker, Yuli Kosharovsky is one of hundreds of thousands of Jews who wish to emigrate from the Soviet Union, but who are unable to.

As one of Moscow's leading Hebrew teachers, Yuli has fought the Soviet Government to protect the right of freedom—a right guaranteed to Yuli by the Soviet's participation as a signatory to the United Nations Declaration on Human Rights, the Helsinki Declaration, and the Constitution of the Soviet Union. These rights have been denied to Yuli Kosharovsky.

Yuli Kosharovsky is under constant fear and harassment by the KGB and other Soviet officials. Since he was first refused the right to emigrate to Israel 11 years ago, he has been arrested on several occasions, placed under "house arrest," and has had his apartment searched and his religious materials confiscated.

Mr. Speaker, I commend my colleague from New Jersey, CHRIS SMITH, for his help in aiding Yuli Kosharovsky. I commend him for traveling to the Soviet Union to meet Yuli personally, and for his leadership, determination and skill in promoting global human rights.

Mr. LEACH of Iowa. Mr. Speaker, I yield 2 minutes to the gentleman from Nebraska (Mr. DAUB).

□ 1400

Mr. DAUB. Mr. Speaker, I thank my colleague, the gentleman from Iowa, (Mr. LEACH) for this 2 minutes.

I, too, want to rise and just speak briefly with respect to House Resolution 269, and to commend my colleague, the gentleman from New Jersey, CHRIS SMITH, for his diligent effort on behalf of the case of Yuli Kosharovsky and his family.

Mr. Speaker, the case of Yuli Kosharovsky and his family is but one example of the continued abuse of human rights in the Soviet Union. Abuses that have gone on for so long and are so comprehensive in nature that there exists in many countries a kind of apathy to them. The nature of the human condition is such that we often find it easier to react to a single, isolated case of abuse than to a systematic denial of basic human rights.

Moreover, there is a tendency to treat the abuses that occur in the Soviet Union less contemptuously because they are conducted by a great power. In smaller, less influential countries similar or lesser abuses are often the cause of great indignation and action by lovers of freedom. This is a sorry and inexcusable state of affairs that I and I know others in this body deplore and it is our obligation to shed light as well as the Nation's and the world's attention on the situation in the Soviet Union.

The incandescent bravery of Mr. Kosharovsky and others like him stands as an example of the sacrifices necessary to seek freedom in many parts of the world. Their examples are all the more striking when viewed in the context of their environment. They seek freedom in the most sophisticated and advanced totalitarian nation in the history of the world. A country where freedom and its adherents are sought out and extinguished to a degree and an ability unknown in previous centuries.

It is a testimony to the faith and spirit of Mr. Kosharovsky that he has prevailed to this point. And he has prevailed. No amount of harassment, economic deprivation or other punishment wielded by the Soviet State can deny the fact that he stands today in the hearts and minds of free men and women as a survivor. One whose beliefs are invulnerable to the power of the modern tyrannical state.

A man once remarked that freedom was so strong, that its roots were so deep that even if the influence of the Soviet State covered the world like a blanket of concrete that 1 day soon thereafter a blade of grass would grow up through a crack in the concrete of tyranny.

Mr. Speaker, thankfully we have not yet reached the day where the influence of the Soviet State covers this world. But the example of Mr. Kosharovsky demonstrates that freedom is not extinguishable regardless of the power directed at it. That eventually it will prevail if for no other reason than its spirit is infinite and the resolve of the tyrant is not.

Let us take this occasion here today to draw light to the case of Mr. Kosharovsky in the hopes that that light will provide nourishment to him and others. But let it also remind those of us who serve in this House that it is this Nation that stands between the free world and those who would seek to destroy it. What we say and do here today and in the days to come will have much to do with the final victory of one side.

Thankfully the example of Mr. Kosharovsky brings to our attention the seriousness of our challenge. In the years to come we may look back and see that it was his plight and that of other Soviet citizens that helped the West to steel itself against the Soviet threat. In the final chapter of this great struggle we may just find that his efforts accomplished far more than was evident at the time. We may find instead that the Kosharovskys brought about the awareness and the resolve that allowed freedom to triumph.

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of the five human rights resolutions before the House today:

House Resolution 200, expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union;

House Concurrent Resolution 205, expressing the sense of Congress with respect to violations of human rights by the Soviet Union in the Ukraine, as amended;

House Concurrent Resolution 218, expressing the sense of Congress with respect to the treatment by the Government of the Soviet Union of Mart Niklus, as amended;

House Joint Resolution 230, imploring the U.S.S.R. to allow Dr. Semyon Gluzman and family to emigrate to Israel; and

House Resolution 269, calling upon the U.S.S.R. to permit the emigration of Yuli Kosharovsky and his immediate family to Israel, as amended.

The five resolutions now before us present further examples of the Soviet Union's violations of human rights of its citizens. Four of the measures highlight the cases of specific individuals confronted by particularly egregious violations of their fundamental rights. The other resolution addresses the abridgement of the rights of the Ukrainian people by the Soviets and urges recognition of a special day honoring that group.

The first of the resolutions (House Resolution 200) details the plight of Benedict Scott, an American-born person, who as a child emigrated with his parents to Lithuania, before that land was illegally annexed by the Soviet Union. Scott, a highly respected scientist, is presently incarcerated in a Soviet prison camp for dissident activities supporting Lithuanian national and religious groups. In a 1979 letter to President Carter, Benedict Scott wrote that he considers himself to be a U.S. citizen, and that he remains committed to human rights principles. House Resolution 200, urges the Soviet Union to release Scott and enable him and his family to emigrate.

The next resolution (House Concurrent Resolution 205) concerns the human rights violations of Ukrainian

citizens who are continually persecutcd and imprisoned by the Soviets. The resolutions calls for the release of the incarcerated Ukrainians and calls for proclaiming November 9, 1982, as a day to honor the sixth anniversary of the establishment of the Ukrainian public group to promote the implementation of the Helsinki accords.

Third is House Concurrent Resolution 218, regarding the situation of Mart Niklus, renowned biologist, zoologist, and language teacher barred from professional activities, because of his efforts to champion the cause of the Baltic nations. The Baltic human rights has endured abusive treatment by the Soviets for 22 years. Niklus has been denied permission to emigrate to Sweden, and is currently languishing in a Soviet labor camp, in need of medical attention.

The focus of House Joint Resolution 230 is on Dr. Semyon Gluzman, a prominent psychiatrist who refused to bend to KGB pressures to certify human rights proponents as mentally ill. Dr. Gluzman who is now serving a prison sentence, would like to join relatives in Israel, with his family.

The final resolution (House Resolution 269) deals with the case of Yuli Kosharovsky, an electronics engineer fired from his job because of an expressed desire to emigrate to Israel. Subsequently, Kosharovsky began conducting Hebrew classes for other similarly unemployed electronics engineers, and has now been threatened by the KGB for these activities. The resolution urges that he too be released and that he and his family be permitted to emigrate to Israel.

Three of the resolutions—House Concurrent Resolution 205, House Concurrent Resolution 218, and House Resolution 269—have technical amendments which were approved by the Foreign Affairs Committee when it agreed unanimously to report the five resolutions, on April 1. I urge the adoption of all five of the aforementioned resolutions.

Mr. Speaker, there is an additional, related matter which I would like to address. Lately, there has been some criticism about the number of human rights resolutions brought before the House this year. As a practical matter, the Foreign Affairs Committee is presently seeking a means by which similar measures would be considered under a more consolidated system, in the future. Proposals are currently being considered which will streamline procedures and will soon be worked out amongst the Subcommittees and the full committee. One possibility might be to have a single day each year on which such measures would be voted on in the House. A new procedure will likely be implemented at the beginning of the next Congress.

Mr. Speaker, I urge the adoption of House Resolution 200; House Concurrent Resolution 205, as amended; House Concurrent Resolution 218, as amended; House Joint Resolution 230; and House Resolution 269, as amended.●

● Mr. BROOMFIELD. Mr. Speaker, I support House Resolution 200, expressing the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott (Vytautas Skuodis) by the Government of the Soviet Union.

Benedict Scott is a U.S. citizen by birth, and as such, is entitled to emigrate from the Soviet Union to a country of his choice. His illegal imprisonment by Soviet authorities is contrary to international law, and in violation to the Helsinki Final Act. Not only have the Soviets violated Benedict Scott's personal rights, but they have done so in territory which is not part of the Soviet Union—namely Lithuania. Lithuania was illegally invaded by the Soviet Union in June 1940, and remains illegally occupied by the Soviet Union today.

I join with my colleagues in demanding Benedict Scott's release from Soviet prison and the Soviet Government's acknowledgment of his right to emigrate.●

● Mr. GOLDWATER. Mr. Speaker, Congress repeatedly has expressed its firm opposition to the Soviet Union's chronic denial of basic human rights to many of its citizens. In line with our great concern, I rise in support of the resolutions before us today.

It is clear that the intents of the 1975 Helsinki Final Act and other human rights accords, to which the Soviet Union is signatory, were to allow freer movement of families across Soviet borders and a greater respect for its citizens' basic freedoms. However, as we well know, Soviet Jews and dissidents have little or no chance of emigrating and are threatened, persecuted and imprisoned for the religious or political beliefs. Benedict Scott, Mart Niklus, Dr. Semyon Gluzman, Yuli Kosharovsky, and many other dissidents like them, are but a few examples of individuals imprisoned for expressing anti-Soviet beliefs or, in some cases, imprisoned for simply observing the tenets of their religion. In any case, the families of these dissidents, labeled "refuseniks," are not free to emigrate and escape this political injustice. For these individuals and the many others who share in this suffering, we must continue to urge the Soviet Union to honor their international commitments with respect to human rights.●

● Ms. FERRARO. Mr. Speaker, Benedict Scott, or Vytautas Skuodis, is an American citizen who embodies the finest ideals of American citizenship. His efforts on behalf of human rights in his adopted homeland of Lithuania are in the finest tradition of defense of individual freedoms.

Predictably, the Soviet Union responded to Benedict Scott's protests against the gross injustices of Soviet policy in Lithuania by arresting him. Scott was sentenced to 7 years in a hard labor camp and 5 years in internal exile on charges of anti-Soviet agitation and propaganda. He was sentenced in December 1980 and is currently serving his sentence in a Soviet prison camp.

Benedict Scott's only "crime" was to expect the Soviet Government to live up to its obligations under the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords). His activities in supporting the work of Lithuanian national and religious movements by assisting the Catholic Committee for the Defense of Believers' Rights in Lithuania and in joining the Lithuanian Helsinki Group can only be regarded as crimes in a system that has no respect for truth and freedom.

I strongly support House Resolution 200, which expresses the sense of the House that the President should inform the Soviet Government of the opposition of the United States to the unjust imprisonment of Benedict Scott, and that the President should take every appropriate action to secure the release from prison of this American citizen so he will be allowed to emigrate to the country of his choice.

Mr. Speaker, I would also like to take this opportunity to express my support for House Concurrent Resolution 205, which expresses the sense of the House of Representatives in opposition to human rights violations in the Ukraine.

On August 1, 1975, the Soviet Union joined 34 other countries in signing the Final Act of the Conference on Security and Cooperation in Europe in Helsinki, commonly known as the Helsinki accords. To monitor Soviet compliance with the Helsinki accords, a group calling itself the Ukrainian Public Group To Promote the Implementation of the Helsinki accords was born.

The Ukrainian Public Group has, in the 5 years plus that it has existed, solidly documented a continuous record of Soviet violations not only of the Helsinki accords, but also of the Soviet Constitution, the United Nations Charter, and the Universal Declaration of Human Rights.

The Soviet response to efforts of the Ukrainian citizens who are lawfully engaged in asking their government for protection of human rights in the Ukraine has been flagrant persecution and frequent imprisonment.

This resolution, proclaims November 9, 1981, the fifth anniversary of the establishment of the Ukrainian Public Group, as a day honoring that group, and calls on the Soviet Union to re-

lease the jailed members of the group and to cease its persecution of human rights champions in the Ukraine. It is critically important that we in the United States continue to express our solidarity with the effort for individual freedom in the Ukraine, and I am proud to be a part of that effort.

We also are considering today two resolutions, House Concurrent Resolution 218 and House Joint Resolution 230, calling on the Soviet Union to permit the emigration of two men who have been leaders in the fight for an end to Soviet oppression.

Mart Niklus is an Estonian scientist who has been denied permission to work in his profession as a biologist and zoologist and has been dismissed from his job as a language teacher because of his attempts to promote Soviet compliance with the Helsinki accords in Estonia and all the Baltic countries.

For 22 years Mart Niklus has been harassed by Soviet authorities. During that time he has been arrested numerous times, most recently in January 1981 when he was sentenced to 10 years imprisonment for writing and circulating materials related to the trial of the chairman of the Lithuanian Helsinki group. Among his "crimes" was the fact that he had listened to the Voice of America.

House Concurrent Resolution 218 calls on the President to urge the Soviet Government to release Mart Niklus from prison and provide him with proper medical care, as he has fallen into ill health while in prison. The resolution further demands that the Soviets allow Mart Niklus emigrate to Sweden, which they have repeatedly refused to allow him to do.

Perhaps most importantly, the resolution calls on the President to inform the Soviet Government that it will be U.S. policy in evaluating its relations with other countries, to take into account the extent to which such countries honor their commitments under international law, especially with regard to human rights. We must take all appropriate actions to let the Soviets know we will not acquiesce in further violations of the human rights of peoples in countries the Soviets have illegally occupied or in the Soviet Union itself.

The second resolution calling upon the Soviets to allow a champion of human rights to emigrate to the land of his choice deals with Dr. Semyon Gluzman. Doctor Gluzman's "crime" was his refusal to cooperate with the KGB in certifying human rights advocates as mentally ill, which is a standard KGB tactic in dealing with political prisoners.

While the KGB certainly was able to find other doctors to cooperate in their dirty work, their inability to force Doctor Gluzman to assist them was particularly damaging because of his widespread reputation as an outstanding psychiatric doctor.

For his adherence, Doctor Gluzman has been rewarded in typical Soviet fashion. He was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator, found guilty, and sentenced to 7 years in prison and 3 years in internal exile.

House Joint Resolution 230 calls upon the Soviets to release Doctor Gluzman from prison and to grant him and his family to emigrate to Israel, where he has relatives who have invited him.

The final measure I would like to comment on is House Resolution 269, which I have cosponsored. House Resolution 269 calls upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his immediate family to Israel.

In just one more example of what has become an all too familiar story, Yuli Kosharovsky lost his job as a radio electronics engineer when his employers found out his wish to emigrate to Israel. Since 1975, Kosharovsky has taught a seminar for unemployed engineers—all of whom are unemployed only because of their desire to leave the Soviet Union for Israel. He has continued the seminars in the face of KGB threats of imprisonment, and he is also one of Moscow's leading teachers of Hebrew.

As a result of his teaching activities, the KGB recently raided the Kosharovsky home, confiscating Yuli's typewriter and teaching materials.

The Kosharovsky family now lives in constant fear of further and more severe attacks by the KGB. I urge all my colleagues to support House Resolution 269, which puts the House on record in support of the freedom of the Kosharovsky family to emigrate, and calls upon the Soviet Union to cease its persecution of individuals seeking to emigrate, and to cease its denial of basic religious, civil, and human rights to Soviet Jews.●

● Mr. DERWINSKI. Mr. Speaker, I join in expressing my support for House Resolution 200, which condemns the unjust imprisonment of Benedict Scott, an American citizen, sentenced to hard labor by Soviet authorities.

Benedict Scott, also known by his Lithuanian name Vytautas Skoudis, was born the son of Peter Scott Skoudis and Elizabeth Markevicius on March 21, 1929 in Chicago, Ill., birth certificate number 13870. He was also baptized at Our Lady of Vilna Church, 2327 West 23d Place, Chicago, Ill., all of which is fully documented. In the 1930's Scott returned to Lithuania; however, following the aftermath of World War II and the illegal Soviet occupation of Lithuania, Scott had been denied his U.S. citizenship.

Skoudis, a geologist, was arrested in January 1980, for working with the Catholic Committee for the Defense of Believer's Rights in Lithuania, and for expressing his protest of the illegal Soviet occupation of Lithuania. He is now serving a 7 year sentence since December 1980, in a remote Soviet prison camp in Mordovskaja, U.S.S.R.

As a member of the Lithuanian Helsinki Group, Skoudis appealed to Soviet authorities for full implementation of human rights guaranteed by the Soviet constitution; however, this appeal was denied. Skoudis was then dismissed from his faculty post at Vilnus University for supposed "amoral conduct." Finally, this was followed by his full arrest in 1980, and then sentencing to 7 years of hard labor for anti-Soviet agitation and propaganda.

This blatant and callous manner used by the Soviets to repress religious beliefs and human rights guaranteed by their nonfunctioning constitution is just another example of the massive failings of communism in the U.S.S.R. The Soviets' complete disregard of Skoudis' American citizenship show clearly the unwillingness of the Soviets to deal honestly within the framework of the Helsinki accords and will only make a mockery of any further negotiations involving false promises to individual rights.

It is time to call the bluff of the Soviet Union and put an end to their excellent propaganda, which is openly exposed by the number of imprisoned dissidents like Benedict Scott serving sentences throughout Siberia.

I regret that a recent accident keeps me from being on the floor today.●

● Mr. FISH. Mr. Speaker, when a U.S. citizen is held against his will in a foreign country, it is our duty and responsibility to do our utmost to seek his release. In the case of Benedict Scott, the subject of House Resolution 200, we in the Congress should demand that this American citizen be permitted to return to his homeland.

Benedict Scott, an American born of Lithuanian parents in 1929, was 1 year old when his family moved to Lithuania in 1930. Ten years later, Lithuania was invaded and occupied by the Soviet Union. The United States has always refused to recognize this illegal annexation. Each year, Members of Congress, on Lithuanian Independence Day, strongly condemn the Soviet attack on Lithuania.

Benedict Scott has been active in the movement for religious freedom and independence in Lithuania for many years. As a scientist, geologist, and teacher at the University of Vilnius, Scott became a leader on behalf of basic rights in Lithuania. For his actions, the Soviet authorities arrested him and charged him with anti-Soviet agitation and propaganda. Benedict Scott is now in prison, serving 7 years hard labor.

Mr. Speaker, I am outraged at this treatment of an American citizen. The Soviet Union is a party to several international accords which guarantee basic rights such as free emigration, civil, and political rights. Surely one of these most basic rights is the freedom to return to the land of one's birth. The persecution, harassment, conviction, and sentencing of Benedict Scott makes a mockery of the Soviet Union's signature on the universal declaration of human rights and the international covenant on civil and political rights.

All of our voices must be raised in protest of this mistreatment of one of this country's citizens. I will continue to speak out on behalf of Benedict Scott until he is released from prison. As a member of the Ad Hoc Committee on the Baltic States and the Ukraine, I am committed to human rights in Lithuania and the return to that country of its proud and noble heritage. The release of Benedict Scott would be a positive step in that direction.●

● Mr. SMITH of New Jersey. Mr. Speaker, once again we find ourselves dealing with the tragic situation that exists in the Baltic States and the Ukraine, tragedy brought about by Soviet occupation and ruthless domination of these nations.

Neither the Ukraine nor the nations of Latvia, Lithuania, and Estonia ever voted—in a free election—to join the Soviet Union. Each of these four countries established its independence when the Russian Empire collapsed in 1917. Despite promises to the contrary Moscow subverted Ukrainian independence by internal revolt and direct invasion, so that in 1920 the Ukraine was totally absorbed into the new Communist state. The Baltic States kept their freedom until 1940, when Stalin annexed them as part of his infamous bargain with Hitler.

Murder, deportations, torture, and imprisonment have been the fate of the Ukrainian and Baltic peoples. The native cultures and religion have been savagely assaulted. Efforts have been made—are being made, at this time—to totally destroy the character of these countries, to demolish their national identity.

It is even worse when we contemplate the fact that Benedict Scott, an American citizen, is being held in a Soviet prison, and that our officials in the Soviet Union are not even allowed to see him. Mr. Scott is still an American national, though he has not lived in this country since he was a child, and under clearly defined international law our Embassy staff has the right and duty to assist him. I have always held that we must protect the legitimate rights of our fellow countrymen in all parts of the world, because citizenship is the most precious right our free society possesses. With this feeling in mind I support the passage of House Resolution 200, and I urge our State Department to do everything possible to assist Benedict Scott.

We are also considering House Concurrent Resolution 205, dealing with Soviet violations of human rights in the Ukraine. For six decades and more the Soviets have attacked the rights of the Ukrainian people. As exponents of the rights of all nations to live in peace under governments of their free choice, we Americans have a duty to protest whenever there is a violation of this great principle of self-determination. The Ukraine is a glaring example of the violation of fundamental human rights. Again and again we should proclaim to the entire world our friendship for the enslaved Ukrainians, and again and again we should assert this belief: Someday, the Ukraine will be free.

Finally, we are considering House Concurrent Resolution 218 protesting the arrest and inhumane treatment accorded Estonian human rights activist Mart Niklus. Last year we of this House also protested what has been done to this man, consigned to a slave labor camp. The treatment of Mart Niklus is a microcosm of the treatment accorded the Estonian nation by the Soviet authorities.

I expect the House to act quickly and unanimously in passing these resolutions. We can do no less. For our shining example of freedom and liberty must illumine the globe, must reach out in the gloom of dictators and totalitarians to reassure all the peoples of the world that we are a true friend to them.

Mr. Speaker, I have spoken on these matters before. I will speak again. I believe no one can be silent in the face of massive violations of human liberty. The entire Soviet state—the total Soviet system—is the greatest existing negation of all that we stand for and believe. We should protest this now—we should continue to protest this until the force of liberty asserts itself throughout all the lands of the Soviet Union, until freedom has been won by all the peoples of the Soviet Union.

With our protests, we show ourselves again to be the heirs of the founders of this great Nation, who intended us to be an example to the world.●

● Mr. BIAGGI. Mr. Speaker, I rise in full support of the pending resolution expressing the concern of the House of Representatives about the imprisonment of Benedict Scott and urging his safe release and safe emigration.

It is regrettable that there is even a need for these types of resolutions for all they seek are rights which should and are granted by most civilized governments. The Benedict Scott case is a classic illustration of how the Soviet Union operates. Benedict Scott is a U.S. citizen who emigrated from the United States to Lithuania in 1930. In recent years he had become an outspoken supporter of human rights in Lithuania which is under Soviet control. Soviet policy in simplest fashion is he who disagrees is imprisoned and so it has been for Benedict Scott since 1980.

The Soviet Union has regressed in its commitment to basic human rights which only began to surface with their signature of the Helsinki accords in 1975. Today life in the Soviet Union is as harsh as ever. Emigration among Soviet Jews is at a record low. Internal debate and dissent on almost any topic has been silenced. The uncertainties within the Soviet Government caused by the precarious health of President Brezhnev has created great apprehension within and outside of the U.S.S.R.

Resolutions of this type are vital in reaffirming this Congress commitment to the preservation of basic human rights around the world. For us to ignore the problems people face in the Soviet Union is to sanction these activities. This we should not and must not do for fear that the Soviets will only make life that much more miserable for people such as Benedict Scott.●

● Mr. CORRADA. Mr. Speaker, I rise in support of House Resolution 200, a resolution expressing the concern of the House of Representatives about the imprisonment of Benedict Scott.

Mr. Scott is a U.S. citizen who has lived in Lithuania since 1950. He was imprisoned in December 1980 for his activities on behalf of Lithuanian human rights.

I urge my colleagues to unanimously approve this resolution so that our strong voice of concern is recorded on behalf of the Lithuanian people.●

● Mr. DOUGHERTY. Mr. Speaker, I am very pleased today that the House of Representatives is considering House Resolution 200, as well as several other human rights measures. It clearly shows that the concern in the U.S. Congress for human rights violations in the Soviet Union will continue unabated.

As many of you may already know, House Resolution 200 expresses the sense of the House of Representatives with respect to the unjust imprisonment of Benedict Scott by the Government of the Soviet Union. Benedict Scott, also known as Vytautas Skuodis, was born in the United States in 1929 and moved to Lithuania with his family 1 year later. Unfortunately, Lithuania was invaded and annexed by the Soviet Union in 1940 with the Skuodis family still present there. Skuodis went on to become an expert in the fields of hydrogeology and geological engineering. He also found himself increasingly involved with Lithuanian human rights.

In November of 1979, the home of Skuodis was searched and several damaging writings were discovered by security police. These writings detailed

what Skuodis called the "spiritual genocide" taking place throughout the state. During the months of November and December, he joined the Lithuanian Helsinki Group, was interrogated at length by police, sent a human rights letter to President Brezhnev, lost his faculty position at the university, and sent a very important letter to then-President Jimmy Carter. The letter to Carter stated his intention to "always remain faithful to the principles of the defense of human rights, by the same token defending the honor of the land of my birth, the United States of America." Vytautas Skuodis was then arrested in January of 1980.

The State Department has said that since his arrest, U.S. officials in Moscow have requested visits with Skuodis because of his American citizenship. Each request has been denied. Today, Vytautas Skuodis still suffers in a strict regimen camp, serving a 7-year sentence that is to be followed by 5 years of internal exile.

Now it is up to the House of Representatives to help this man and his family. Last July, my colleague BRIAN DONNELLY and myself sent a letter to President Brezhnev in support of Mr. Skuodis, in our capacity as cochairmen of the Ad Hoc Congressional Committee on the Baltic States and Ukraine. The letter was cosigned by 42 Members of Congress. In it, we protested the imprisonment of Skuodis, and asked for his release on the grounds of common decency. It appears common decency did not appeal to Mr. Brezhnev, for Skuodis was not released.

In August, the Commission on Security and Cooperation in Europe held a hearing and covered the Skuodis case. A representative from the State Department reiterated our Government's position that Mr. Skuodis has done nothing to relinquish his U.S. citizenship. The Commission heard how American delegates to the Madrid Conference on Security and Cooperation in Europe raised the issue with the Soviet Union, but to no avail. It certainly was reassuring, however, to see our Government's concern for this man.

As a matter of fact, the State Department sent Chairman ZABLOCKI its official comments on House Resolution 200 in September. I was pleased to hear they found the operative portions of the measure consistent with U.S. policy. The request for Presidential action would, in their words:

> Underscore the seriousness with which the U.S. Government views the circumstances of Mr. Scott's arrest, the validity of his claim to U.S. citizenship, and the improper behavior of Soviet authorities in denying consular access to Mr. Scott.

Later in September, the full Senate passed S. 198, which is similar to House Resolution 200. It was approved by a voice vote on the 22d of that month, indicating the noncontroversial nature of the measure. As I mentioned earlier, any further action on this matter is up to the House of Representatives. I ask for your support of House Resolution 200 today so that Congress can send this measure to the President.●

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Resolution 200.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the resolution, House Resolution 200.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO VIOLATIONS OF HUMAN RIGHTS BY THE SOVIET UNION IN THE UKRAINE

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 205) expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine, as amended.

The Clerk read as follows:

H. CON. RES. 205

Whereas on August 1, 1975, the Soviet Union and thirty-four other countries, including the United States and Canada, signed the Final Act of the Conference on Security and Cooperation in Europe in Helsinki, Finland;

Whereas the Final Act raised the expectations of Soviet citizens of greater observance by the Soviet Union of human rights, and in order to monitor that observance, the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords was formed on November 9, 1976, in Kiev, the Ukraine;

Whereas it is well documented that the Soviet Union continues to violate the human rights provisions of the Helsinki accords, as well as the Soviet Constitution, the United Nations Charter, and the Universal Declaration of Human Rights, by denying to the citizens of the Ukraine rights of national identity and basic human rights in every walk of life;

Whereas the Soviet Union flagrantly persecutes and imprisons the citizens of the Ukraine who are lawfully engaged in asking their government for the institution of national and human rights in the Ukraine; and

Whereas the continued violations by the Soviet Union of human rights, and in particular its persecution of the members of the Ukrainian Helsinki Monitoring Group, are factors that contribute to tensions between the East and West and create doubts about the validity of the international commitments of the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should—

(1) proclaim November 9, 1982, the sixth anniversary of the establishment of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords, as a day honoring that group; and

(2) ask the Soviet Union to release the incarcerated members of the Ukrainian Helsinki Monitoring Group, and to cease the persecution and the imprisonment of those citizens in the Ukraine asking for the institution of national, civil, and individual rights in accordance with the Soviet Constitution, the United Nations Charter, the Universal Declaration of Human Rights, and the Helsinki accords.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. BROOMFIELD. Mr. Speaker, I support House Concurrent Resolution 205, expressing the sense of Congress with respect to violations of human rights by the Soviet Union in the Ukraine.

By signing the Helsinki Final Act in 1975, the Soviet Union made a pledge to allow the free expression of human rights within its territory. Since that time, the Soviets have flagrantly and consistently violated their commitment. Rather than fostering human rights, the Soviets have imprisoned those that have monitored such activity. The Soviets have not relaxed their totalitarian regulations, as they are obligated to do under the agreement, and they have continued to pursue the same oppressive tactics that have been the mainstay of Soviet communism since the Bolshevik Revolution.

I proudly join with my colleagues in supporting this resolution. We must hold the Soviet Union accountable for its behavior, and we must drive home the message that we fully expect the Soviet Union to abide by its international obligations. We will accept no double standards.

And above all, we shall challenge those who believe that governments are beyond the law. It is the people who have the rights. Government authority is derived only from the consent of the governed.●

● Mr. CORRADA. Mr. Speaker, the Soviet Union's continued violation of its citizens' human rights is a matter of concern to all freedom-loving people.

This resolution expresses the concern of the Congress over the continued violations of human rights by the Soviet Union in the Ukraine. It asks the Soviet authorities to cease their persecution of Ukrainian citizens seeking their rights under the Helsinski accords. This resolution also asks the President to commemorate on November 9, 1982, the sixth anniversary of the establishment of the Ukrainian Public Group to promote the implementation of the Helsinski accords.

I urge my colleagues to unanimously approve this resolution encouraging the Ukrainian people and reminding them that they are not alone in their struggle.●

● Mr. DERWINSKI. Mr. Speaker, I support House Concurrent Resolution 205, expressing the sense of Congress in the case of Soviet violation of human freedoms in the Ukraine.

Ukrainians, as much as any people in the world, cherish freedom and understand the meaning of its loss. This is possibly so because freedom has been denied to them through so much of their history. In this century the people of the Ukraine have suffered under both Communist and Nazi tyranny. They continue to yearn for freedom as they bear the burden of totalitarianism under the rule of the Kremlin.

Yet the Ukrainian national spirit and the love of freedom remain so strong that the Soviet rulers of this captive nation are unable to completely conquer them; the Ukrainian people are determined to retain their cultural and national identity. Their quest for freedom is still alive although it suffers untold hardship.

The Ukraine is the largest national territory in the Soviet bloc, other than Russia itself. It has rich agricultural lands and abundant industrial assets.

Moreover, the Ukrainian people have a distinct language and literature and deep religious convictions. It is for these reasons that the Soviet leaders have striven so greatly to break the famed Ukrainian national spirit. They are the most numerous of the non-Russian peoples within the U.S.S.R.

The Kremlin's policies in the Ukraine includes both civil and religious persecution. Among other crimes it has inflicted on the Ukraine, the Soviets have attempted to physically destroy the Ukrainian Christian churches. The Ukrainian Orthodox and Catholic Churches have been repressed and almost totally crushed.

The Soviet repression in a nation of more than 45 million persons clearly violates the most basic human freedoms. We must do whatever we can to focus American and world opinion on this fact; raise it in international fora; emphasize its consequences; and provide some small uplift to the spirit of the valiant Ukrainian people and their hope for the future.

I regret that a recent accident keeps me from the floor today.●

● Mr. BIAGGI. Mr. Speaker, I rise to express my wholehearted support for House Concurrent Resolution 205 expressing congressional concern about continued violations of human rights by the Soviet Union in the Ukraine.

Once again this Congress must convey its opposition to the continuing practices of the Soviet Union in depriving their citizens and those of their satellites in Eastern Europe of the basic human rights and dignities which so many other millions of people in the world routinely enjoy. These include the right to emigrate, freedom of religion, of assembly, of speech, and the like.

Another key element of this resolution which I fully support is the provision which calls on the President to commemorate the establishment of the Ukrainian Public Group To Promote the Implementation of the Helsinki Accords scheduled for November 9, 1982. This group has been in the forefront of the struggle to get the Soviet Union to respect the rights of the people of the Ukraine to those provisions contained in the Helsinki accords.

The passage of this resolution today will show our solidarity with the brave people of the Ukraine who refuse to submit to the oppression of communism. It will also be a signal to the Ukrainian-American community of this Nation that we will never waver in our commitment to fighting communism wherever it exists.●

● Mr. FISH. Mr. Speaker, the Helsinki accords represent an international recognition of the importance of basic rights for all citizens of the signatory countries. The Soviet Union signed in Helsinki the Final Act on Security and Cooperation in Europe, and since then has refused to live up to its provisions.

Every one of the resolutions being considered by the House of Representatives today stems from the violation of the Helsinki accords by the Soviet Government. Perhaps none is more representative of the U.S.S.R.'s failure to abide by its agreement at Helsinki than House Concurrent Resolution 205.

This resolution condemns Soviet violations of human rights in the Ukraine. The suffering of the Ukrainian people at the hands of the Soviet Government has since the Bolshevik victory in 1920 been of enormous consequences. The Ukrainian people have been denied their right to freedom, justice, and self-determination. They remain fiercely independent and have taken many courageous steps toward regaining their cultural and political autonomy.

Among the bold actions taken by Ukrainian citizens was the founding of the Helsinki Monitoring Group in 1976. These individuals, most of whom are today serving terms in prison or exile, decided to promote compliance by the Soviet Government with the humanitarian provisions of the Helsinki Final Act. Groups in many Soviet Republics were formed, but the fate of the Ukrainian Monitoring Group stands out as a willful and active violation of the Helsinki accords.

It is ironic, but not surprising, that those persons who sought information on violations of the Helsinki accords themselves became the victims of Soviet persecution. A few examples of the fates of some of the founders of the Helsinki Monitoring Group demonstrate the clear plan of the Soviet Government to ignore the terms of the Final Act.

On November 9, 1976, 10 repressed and persecuted Ukrainians wrote a declaration announcing the founding of the public group to promote the implementation of the Helsinki accords. The group leader, Mykola Rudenko, along with Oleksiy Thyky, were arrested within 3 months. Soon after, the youngest members of the group, Myroslav Marynovych and Mykola Matusevych, were also arrested. On July 1, 1977, Rudenko was sentenced to 7 years and Thyky to 10 years in strict regimen prison camp. Both received 5 years internal exile. On March 29, 1978, Marynovych and Matusevych received 7 years in prison and 5 in internal exile. All four were convicted of "anti-Soviet agitation and propaganda." A fifth member, Levko Lukyanenko, received a sentence of 10 years in special regimen camp and 5 years internal exile on July 20, 1978.

Ukrainians who have joined the Helsinki Monitoring Group since 1976 have been singled out for repeated questioning of their activities, and have suffered continuous harassment in their human rights efforts. One founding member, Oksana Meshko, survived the Beria concentration camp in 1955, and at the age of 77, is undergoing repeated, lengthy interrogation sessions for her membership in the Ukrainian Monitoring Group. Her heart condition led to the need for emergency treatment at one of these grueling sessions.

Mr. Speaker, House Concurrent Resolution 205 commemorates the fifth anniversary of the founding of the Helsinki Monitoring Group. As its members continue to suffer at the hands of Soviet authorities in their attempts to lead the fight for human rights in the Ukraine, I pledge my support for these brave people.

As a member of the Ad Hoc Committee on the Baltic States and the Ukraine, I believe the Congress must make every effort to seek the release of the imprisoned members of the Helsinki Monitoring Group and the reestablishment of an independent Ukraine.●

Mr. BONKER. Mr. Speaker, the discussion has already occurred on the resolution before the House, so I have no further requests for time.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 205), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

EXPRESSING SENSE OF THE CONGRESS WITH RESPECT TO TREATMENT BY THE SOVIET UNION OF MART NIKLUS

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 218) expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes, as amended.

The Clerk read as follows:

H. CON. RES. 218

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all individuals the right to freedom of thought, conscience, and religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords) commits the signatory countries to respect individual rights and fundamental freedoms, in particular to "deal in a positive and humanitarian spirit" with the applications of persons wishing to emigrate to rejoin relatives;

Whereas the Soviet Union signed the Helsinki accords and has ratified the International Covenant on Civil and Political Rights;

Whereas Mart Niklus, and Estonian scientist, has not been permitted to work in his profession as a biologist and zoologist and has been dismissed from his job as a language teacher because of his attempts to promote in the Baltic countries Soviet compliance with the Helsinki accords;

Whereas Mart Niklus has been harassed by Soviet Authorities for twenty-two years, arrested numerous times, imprisoned, and refused permission to emigrate to Sweden;

Whereas in January 1981, Mart Niklus was sentenced to imprisonment for ten years for writing and circulating materials related to, among other things, the Molotov-Ribbentrop Pact and the trial of the chairman of the Lithuanian Helsinki Group and others, and for listening to the Voice of America;

Whereas Mart Niklus is a prominent scientist and linguist, a translator of scientific works and a writer, and is a leading Baltic human rights activist; and

Whereas Mart Niklus is in ill health in a special regime labor camp and is in need of immediate medical attention: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) continue to express at every suitable opportunity and in the strongest terms the opposition of the United States Government to the imprisonment and treatment of Mart Niklus; and

(2) urge the Government of the Soviet Union to—

(A) release Mart Niklus from imprisonment and provide him with proper medical care, and

(B) permit Mart Niklus to emigrate to Sweden to join a relative there in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(3) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Clerk of the House shall transmit a copy of this concurrent resolution to the President with the request that he further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was not objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. BROOMFIELD. Mr. Speaker, I support House Concurrent Resolution 218, expressing the sense of the Congress with respect to the imprisonment and treatment by the Soviet Union of Mart Niklus.

Mr. Niklus is an Estonian scientist and human rights supporter who has been imprisoned by Soviet authorities for defending the activities of groups engaged in monitoring Soviet compliance with the Helsinki Final Act. Mr. Niklus is in ill health and requires immediate medical attention. Not only should he be granted such care, but he should be allowed to emigrate from the Soviet Union in accordance with the Helsinki Final Act.

Soviet repression against Mr. Niklus is in violation of international law and the solemn obligations agreed upon by the Soviet Government.

By supporting this resolution, the Congress is reminding the Soviet Union that the world is watching their activities and will hold them accountable for their illegal actions.●

● Mr. CORRADA. Mr. Speaker, this resolution expresses the support of the Congress on behalf of the release of Mart Niklus from a Soviet prison and in his being allowed to emigrate to Sweden.

Mr. Niklus, a scientist and human rights activist, began a 10-year prison sentence in January 1981. He has also been imprisoned intermittently by Soviet authorities for 22 years.

I urge the Soviet authorities to release Mr. Niklus from prison and allow him to emigrate to freedom in Sweden. I ask my colleagues to join me in this effort.●

● Mr. DERWINSKI. Mr. Speaker, House Concurrent Resolution 218 is a measure intended to help a prisoner of conscience in the Soviet Union. This resolution protests Soviet mistreatment of Mart Niklus, an Estonian human rights leader.

Mart Niklus has been harassed by Soviet authorities for 22 years, arrested numerous times, imprisoned, and refused permission to emigrate. A scientist, he has not been permitted to work in his profession and has been dismissed from his job as a language teacher because of his attempts to promote in the Baltic countries Soviet compliance with the Helsinki accords.

Niklus was sentenced to 10 years in prison, well over a year ago, for writing and circulating materials related to, among other things, the Molotov-Ribbentrop Pact and the trial of human rights activists, and for listening to the Voice of America. A prominent scientist and linguist, he is a leading Baltic human rights advocate. In ill health in a special regime labor camp, Niklus is in need of immediate medical attention.

The Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all individuals the right to freedom of thought, conscience, and religion, plus the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate. Moreover, the Final Act of the Conference on Security and Cooperation in Europe (the Helsinki accords) commits the signatory countries to respect individual rights and fundamental freedoms.

The resolution expresses the sense of the Congress that the Government "continue to express at every suitable opportunity and in the strongest terms the opposition of the U.S. Government to the imprisonment and treatment of Niklus." It urges his release from prison, proper medical care, and permission to emigrate to Sweden to join a relative. It is also the purpose

of the resolution that the Government of the Soviet Union be informed that the United States in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

I urge that you join me and my many cosponsors in passing House Concurrent Resolution 218.

I also request unanimous consent to place in the RECORD an appeal from Elfriede Niklus, Mart Niklus' mother, on behalf of her son.

SAVE MY SON

(By Elfriede Niklus)

The following appeal for Mart Niklus, written by his mother, Elfriede Niklus, appeared in Freedom Appeals (publication of the Center for Appeals for Freedom, Freedom House), Issue No. 11, September-October 1981. It was transmitted by the Council and the Relief Centre for Estonian Prisoners of Conscience, located in Stockholm, Sweden. The appeal was translated by Juta Ristsoo and was dated April 11, 1981. It is excerpted below:

I appeal to you in despair from this land of troubles—Soviet-occupied Estonia—with a prayer to help save the life of our son, the dissident Mart Niklus. On orders from Moscow, Niklus received an illegal and undeserved sentence of ten years in a special regime labor camp, plus five years of internal exile, from the Estonian Supreme Court in Tallinn on January 8, 1981. This is essentially a disguised death sentence, because our government fears dissidents and does not discriminate in choosing weapons against them.

In making this decision, the Supreme Court declared that Mart Niklus is a repeat offender who is extremely dangerous to the Soviet regime, because of the following accusations:

1. Mart Niklus interprets the 1975 Helsinki Accords in his own way and acts in an anti-Soviet manner.

2. He uses his knowledge of foreign languages to listen to foreign broadcasts and communicate with foreigners by telephone and mail.

3. His friend and sympathizer has been Academician Andrei Sakharov, even before Dr. Sakharov was exiled to Gorky.

4. His favorite authors are Alexander Solzhenitsyn and the world-famous scholar Nikolai Vavilov, who was brutally and illegally executed in 1943 in Saratov by the NKVD [secret police, now called the KGB] and was posthumously rehabilitated.

5. He dared sign his name to the Baltic Appeal which demanded that the independence of the Baltic States be restored by nullifying the Molotov-Ribbentrop Pact and removing Russian troops and the Russian administration from Estonia.

6. He dared write a protest on the occasion of the Soviet occupation of Afghanistan and to send it to Moscow.

7. He favored a boycott of the Moscow Olympics.

8. All this conforms Mart Niklus's irreconcilable incompatibility with Moscow's occupation of Estonia. He discussed his opinion with compatriots and influenced them to have anti-Soviet sentiments, which result in unpleasant disturbances against the prevailing order.

On January 26, Niklus was sent in poor health on a long trip from Tallinn through Leningrad to the East. When we asked the transit commander if Mart could be left behind this time because of his illness, and be placed in an interim hospital for treatment, the commander told us he could make no changes. Consequently, Niklus, exhausted from illness and his hunger strike, was stuffed into a railroad car. His condition became so serious on the way that in the beginning of February, he was hospitalized in Leningrad. The news came from Mart that on February 10, he had been in Sverdlovsk. From there he started being shuffled back and forth by railroad, without any sort of medical attention or help, between camps 36 and 35, between Perm and Tyumen. He was threatened with being sent further and further away (until he "dies by himself"). None of the camps in this area want to accept a sick person, and certainly not a person that has to be put in the hospital for treatment. On February 12, the commander of the special-regime labor camp in Perm notified that Mart Niklus had reached his destination: Perm Labor Camp No. 36.

On March 17, Mart Niklus wrote about the lack of medical treatment and about his generally ill feeling, because of his continuing hunger strike. He asked everyone who learns of his situation to appeal to world public opinion to rebuke the executioners and reveal the disguised death sentences that they have given to unfortunate and helpless prisoners. This is important, because here in our country no lawyer, no appeal will sway those programmed by Moscow: who is not with us, we will destroy. We will not kill them. But we will torture them until the anti-Soviet type of person dies by himself. In order to receive some information about my son's condition, we have continually sent appeals and telegrams, but to this day, they have remained unanswered and have only worsened our forebodings.

Mart was forced to seek legal help from far away, because those at home, worried about their careers, would have nothing to do with his quest for justice. Vaht and Laus did not want to take father's appeal at all to be forwarded to Kabin, since it contained unpleasant statements, like the one about Investigator Eerik Vallimae, who, on the day of Mart's arrest had said to him on the way to prison: "These doors will never open to you again!" There was also KGB Captain Ants Otsa's declaration: "We can do whatever we want." The appeal, nevertheless, did remain on Kabin's desk. But this appeal for Mart to be released and allowed to leave the Soviet Union will hardly be fulfilled, because the conspiracy has decided that Mart must "die by himself," without anyone being charged with his death. It is a form of poorly concealed terror.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Concurrent Resolution 218.

Mr. LEACH of Iowa. Mr. Speaker, I have no further requests for time on House Resolution 218, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 218), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

IMPLORING U.S.S.R. TO ALLOW DR. SEMYON GLUZMAN AND FAMILY TO EMIGRATE TO ISRAEL

Mr. BONKER. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 230) imploring the Union of Soviet Socialist Republics to allow Dr. Semyon Gluzman and his family to emigrate to Israel.

The Clerk read as follows:

H.J. RES. 230

Whereas the reputation of Doctor Semyon Gluzman as a physician of outstanding psychiatric medical ability spread throughout the Soviet Union to the consternation of Soviet leaders;

Whereas Doctor Gluzman refused to cooperate with the KGB in certifying human rights advocates as mentally ill;

Whereas, subsequently, the doctor was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator and found guilty and sentenced to prison for seven years, to be followed by three years in exile on October 19, 1972;

Whereas Doctor Gluzman's family received an invitation to join relatives in Israel; and

Whereas, for humanitarian and medical reasons, Doctor Semyon Gluzman should be freed from exile and allowed to emigrate with his family to the State of Israel; Now therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That President Leonid Brezhnev of the Union of Soviet Socialist Republics authorize the immediate release of Doctor Semyon Gluzman from exile and grant permission for him and his family to emigrate to Israel; and be it further

Resolved, That a copy of this resolution be forwarded to the Secretary of State of the United States of America for conveyance to President Leonid Brezhnev of the Union of Soviet Socialist Republics.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. CORRADA. Mr. Speaker, this resolution urges Soviet authorities to allow Dr. Semyon Gluzman to emigrate with his family to Israel.

Dr. Gluzman, a noted physician, has been imprisoned because of his refusal to cooperate with the KGB in certifying human rights advocates as mentally ill. In so doing, Dr. Gluzman virtually assured that he would in turn be punished for upholding the sacred trust of his patients. In 1972, Dr. Gluzman was sentenced to prison term of 7

years to be followed by 3 years in exile.

I ask my colleagues to join me in urging the Soviet Union to allow Dr. Gluzman and his family to emigrate to Israel.●

● Mr. DERWINSKI. Mr. Speaker, it is especially important for us in the Congress to make public appeals to the Soviet Union so that they are aware of the concern that we have for the fundamental freedoms of thought, conscience, religions, and political beliefs, which they ignore.

In this regard, I wish to express my support for House Joint Resolution 230 and House Resolution 269, which show our interest in Dr. Semyon Gluzman and in Yuli Kosharovsky, and in their efforts to emigrate to Israel.

Dr. Semyon Gluzman and his family greatly desire to leave the Soviet Union to live in Israel. Dr. Gluzman, an outstanding psychiatrist, refused to cooperate with the KGB in certifying human rights advocates as mentally ill.

He was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator. He has been imprisoned since 1972 for a 10-year term, but Dr. Gluzman remains incarcerated and his family continues to be denied an exit visa.

Yuli Kosharovsky lost his job as a radio electronics engineer because of his desire to leave the Soviet Union for Israel. His family has been the constant target of harassment; and Yuli and his wife have been denied employment opportunities.

In both cases, the Soviet authorities have violated the United Nations International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, the Charter of the United Nations, and the Universal Declaration of Human Rights.

It is my hope that our support of these two important resolutions will strenghten the U.S. resolve to assist the thousands of Soviet Jews, who like Dr. Semyon Gluzman and Yuli Kosharovsky, have been illegally denied their right to emigrate to Israel and remain separated from their friends and families by political boundaries. Attention must continue to be directed to the inequities of the Soviet emigration system so as to improve the conditions of Dr. Gluzman and Mr. Kosharovsky, and the many other Jewish refuseniks who are subjected to constant harassment and unfounded criminal charges.

Therefore, although I could not be on the floor today because of a recent accident, I pledge my support for these two resolutions.●

● Mr. FISH. Mr. Speaker, many Soviet Jewish prisoners of conscience have withstood harassment, persecution, and imprisonment for standing up for their beliefs and for setting an inspirational example for others to follow. This is most evident in the case of Dr. Semyon Gluzman, a distinguished Soviet psychiatrist who stood up to the KGB over 10 years ago by refusing to cooperate with them by declaring that human rights activists were mentally ill.

Dr. Gluzman demonstrated extraordinary courage and conviction both before and after his arrest and imprisonment. He wrote a manual for other dissidents to help them object to being classified as mentally disturbed which was distributed despite his being in jail. Dr. Gluzman has continued his active protest of Soviet human rights policies over his 7 years of imprisonment and his 3 years of exile by going on hunger strikes on behalf of fellow prisoners, and by withstanding numerous occasions of solitary confinement.

Like many Soviet citizens who seek to exercise their basic rights to emigrate, Dr. Gluzman has been denied the opportunity to practice his profession. The medical community of the United States has nonetheless recognized his skill as a psychiatrist, and in May of 1980 Dr. Gluzman was awarded the American Psychiatric Assocation's highest honor, the title of distinguished fellowship. It would be a rewarding experience for everyone concerned with Dr. Gluzman's plight for him to be released and receive this award in person.

Dr. Gluzman should be released this year. His family has already received an invitation to join relatives in Israel. President Brezhnev should permit Dr. Gluzman to emigrate with his family immediately upon his release from exile. Our work will not be complete until Dr. Gluzman is free to live and practice his profession without fear of persecution.

I congratulate my good friend, the gentleman from New York (Mr. GREEN) for sponsoring this important resolution. I also thank the Committee on Foreign Affairs for bringing House Joint Resolution 230 to the floor to allow Members the opportunity to express their support for Dr. Semyon Gluzman.●

● Mr. BROOMFIELD. Mr. Speaker, I support House Joint Resolution 230 imploring the Soviet Union to allow Dr. Semyon Gluzman and his family to emigrate to Israel. Dr. Gluzman is a leading medical physician and has been persecuted because he has refused to cooperate with the KGB in certifying human rights advocates as mentally ill.

Once again the Soviet Union is disregarding its international obligations, including the Helsinki Final Act. We cannot allow the Soviets to play a double standard in the human rights field. We must hold them accountable for their illegal actions.

The Soviets should immediately release Dr. Gluzman and allow him and his family to emigrate.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on House Joint Resolution 230.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time on House Joint Resolution 230, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and pass the joint resolution, House Joint Resolution 230.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

CALLING UPON THE U.S.S.R. TO PERMIT EMIGRATION OF YULI KOSHAROVSKY AND HIS IMMEDIATE FAMILY TO ISRAEL

Mr. BONKER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 269) calling upon the Union of Soviet Socialist Republics to permit the emigration of Yuli Kosharovsky and his immediate family to Israel, as amended.

The Clerk read as follows:

H. RES. 269

Whereas Yuli Kosharovsky lost his job as a radio electronics engineer when his employers found out his wish to emigrate to Israel, forcing him to support his family by taking odd jobs since April of 1971; and

Whereas Yuli Kosharovsky is one of Moscow's leading Hebrew teachers, having a regular class of over thirty students, and since 1975, has been teaching a seminar for unemployed engineers—unemployed only because of their desire to leave the Soviet Union for Israel; and

Whereas Yuli Kosharovsky has been threatened with imprisonment by the KGB if he continued to conduct these seminars, which he courageously has, and

Whereas Yuli Kosharovsky's wife, Inna Kosharovsky, studied mathematics at Moscow State University, but has been unable to find a job within here field because of her wish to emigrate; and

Whereas Yuli Kosharovsky's fourteen-year-old son, Mikhail Kosharovsky, has been the constant target of bullying by his classmates, being called dirty Jew by them on several occasions; and

Whereas Yuli Kosharovsky and his family have been the constant target of harassment by their community; and

Whereas the situation of Yuli Kosharovsky is becoming rapidly more severe after the recent raid on the Kosharovsky home by KGB officials, in which Yuli Kosharovsky's typewriter and teaching materials were confiscated; and

Whereas there is a significant difference between dissidents and Jewish activists in the Soviet Union, as dissidents are people who are trying to change the internal structure of the Soviet Union, whereas the Jewish activists are only trying to leave the Soviet Union; and

Whereas the rights of freedom of thought, conscience, expression of religion, and emigration are guaranteed to all Soviet citizens, including the Soviet Jews, under the Soviet Constitution; and

Whereas the persecution of Yuli Kosharovsky and his family also violates the rights of freedom of thought, conscience, expression of religion, and emigration which the Soviet Union has committed itself to observe under various international instruments, including the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Declaration on the Elimination of Religious Intolerance; and

Whereas Yuli Kosharovsky and his family continue to live in the Soviet Union in constant fear of their lives: Now, therefore, be it

Resolved, That the House of Representatives hereby condemns the treatment of Yuli Kosharovsky and his immediate family by the Government of the Soviet Union.

SEC. 2. It is the sense of the House that—

(1) the President of the United States should express to the Government of the Soviet Union the deep concern and opposition of the United States with respect to the refusal to permit the emigration of Yuli Kosharovsky and his family to Israel;

(2) the Government of the Soviet Union should comply with its obligations under the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the Constitution of the Union of Soviet Socialist Republics, by permitting Yuli Kosharovsky, his wife, Inna, and their son Mikhail, to emigrate to Israel; and

(3) the Government of the Soviet Union should immediately cease its persecution of individuals seeking to emigrate from the Soviet Union, and its denial on basic religious, civil, and human rights to the Jews living in the Soviet Union.

SEC. 3. The Clerk of the House shall transmit copies of this resolution to the Soviet Ambassador to the United States, to the Chairman of the Presidium of the Supreme Soviet, and to Mr. Yuli Kosharovsky.

AMENDMENTS TO HOUSE RESOLUTION 269

Beginning on page 2, strike out the seventh and eighth paragraphs on that page and insert in lieu thereof the following:

Whereas the rights of freedom of thought, conscience, expression of religion, and emigration are guaranteed to all Soviet citizens, including the Soviet Jews, under the Soviet Constitution; and

Whereas the persecution of Yuli Kosharovsky and his family also violates the rights of freedom of thought, conscience, expression of religion, and emigration which the Soviet Union has committed itself to observe under various international instruments, including the International Covenant on Civil and Political Rights, the Final Act of the Conference on Security and Cooperation in Europe, and the Declaration on the Elimination of Religious Intolerance; and

Page 3, line 11, strike out "commitments under the United Nations" and insert in lieu thereof "obligations under the"; and in line 14, strike out "the Charter of the United Nations,".

The SPEAKER pro tempore. Is a second demanded?

Mr. LEACH of Iowa. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. BONKER) will be recognized for 20 minutes, and the gentleman from Iowa (Mr. LEACH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. BONKER).

● Mr. BARNES. Mr. Speaker, I am pleased to have the opportunity today to support House Resolution 269, introduced in the House on behalf of Yuli Kosharovsky and his family.Yuli Kosharovsky, a radio electronics engineer and one of Moscow's leading Hebrew teachers, has been a Soviet refusenik for 11 years. He and his family continue to wait for the Soviet authorities to honor their human and constitutional right to emigrate. Yuli Kosharovsky and his wife, Inna, have been unable to find work in their professional fields and Soviet authorities have tethered the life of the Kosharovskys' teenage son, Mikhail. For all these years the Kosharovskys have lived with the systematic harassment of the KGB and, most recently, a search of their home during which Soviet authorities confiscated all Hebrew and English materials, including personal letters.

The Kosharovskys have lived with the condemnation of their government, they have endured the painful life of being ostracized and restricted in their own homeland, and, in pursuit of freedom, they have found oppression. They know the hard truth that the Soviet freedoms they seek exist in Soviet and internationally recognized legal documents, but not in the living world.

Soviet authorities, after 11 years, must finally do what is right. They must recognize the Kosharovskys' right to emigrate and give them the freedom to leave the Soviet Union for Israel.

The world protests the Soviet Government's increasingly restrictive emigration policy. The dwindling numbers of Soviet Jews allowed to emigrate is a testimony to the ferocity with which Soviet authorities insist on a policy of injustice.

The Soviet Government must heed the protests of the free world. In the United States, we value the principles of freedom of religion, of thought and conscience—we live by them and for them. The Soviet Government claims that it also honors these principles, but it has failed to demonstrate that claim in the case of Yuli Kosharovsky and his family, and thousands of others. Yuli Kosharovsky, admired "teacher of teachers," has waited long enough. House Resolution 269 expresses the sense of the Congress that the Soviet Union permit the Kosharovskys to emigrate to Israel and that the Soviet Government cease its intolerable practice of systematic persecution and denial of basic rights to Soviet Jews.

Today, we call upon the Soviet Union to free the Kosharovsky family—the inviolability of human rights and the universal cause of freedom demand it.●

● Mr. CORRADA. Mr. Speaker, it is a telling sign of the repression that exists in the Soviet Union that they punish its citizens that seek a better life by emigrating to another country. The Soviet authorities think that by harassing and ostracizing its citizens that wish to emigrate, they will deter others from requesting exit visas. However, this tactic has not worked.

Yuli Kosharovsky, a leading Hebrew teacher in Moscow, was fired from his job as a radio electronics engineer when he applied to emigrate to Israel. Since then, Mr. Kosharovsky and his family have been victimized by the KGB.

I urge my colleagues to join me in calling upon the Soviet Union to immediately cease its persecution of individuals seeking to emigrate and to halt its denial of religious, civil and human rights to Soviet Jews.●

● Mr. FISH. Mr. Speaker, I join my colleagues today in support of House Resolution 269. This important resolution calls upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his family to Israel.

The history of Yuli Kosharovsky's efforts to emigrate echo those of many Soviet Jews. In 1971, Yuli lost his job as a radio electronics engineer after his employers learned of his desire to emigrate to Israel. His wife, Inna, has been unable to find employment in her field, mathematics, following her studies at Moscow State University. As Viktor Brailovsky held seminars for refusniks who held jobs as scientists, so has Yuli Kosharovsky held seminars in his home for unemployed engineers who wish to emigrate. Yuli has also been teaching Hebrew in an attempt to continue the traditions of Jewish faith and culture in the Soviet Union. For this, his home has been searched, he has been constantly harassed, and his books and typewriter have been confiscated.

Mr. Speaker, I am afraid that Yuli Kosharovsky's fate has been foreshadowed by the internal exile of Viktor Brailovsky last year. We cannot be silent when the ultimate decision on Yuli's fate is being made. In order to prevent further persecution of Yuli Kosharovsky and his family, I join in condemning the treatment of Yuli Kosharovsky and demand that the Soviet Union permit his family to emigrate to Israel.

Although no formal charges have been brought against Yuli, there is every reason to believe Soviet authorities will take action, perhaps in the near future. It is imperative that Soviet President Brezhnev and those responsible for the Soviet Union's outrageous emigration policies know of the concern of the many Members of Congress who support the Kosharovsky family.

I congratulate my colleagues, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Ohio (Mr. WEBER) for sponsoring House Resolution 269, and I thank the Committee on Foreign Affairs for bringing this vital resolution to the floor.

Let us all hope that the passage of House Resolution 269 and our continuing vigilance on behalf of Yuli Kosharovsky and his family enable them to leave the Soviet Union and live free from persecution and fear in Israel.●

● Mr. BROOMFIELD. Mr. Speaker, House Resolution 269, calling upon the Soviet Union to permit the emigration of Yuli Kosharovsky and his immediate family to Israel.

Mr. Kosharovsky has committed no crime in the Soviet Union. Yet he and his family are constantly harassed by Soviet authorities for merely wanting to leave the Soviet Union and to practice his Jewish faith. The Soviet Government has denied him the right to emigrate, they have denied him the right to continue working in the Soviet Union, and they have confiscated his property.

The Soviet action against Mr. Kosharovsky and his family is contrary to the Soviet Government's obligations under the Helsinki Final Act, the Universal Declaration of Human Rights, and the United Nations Covenant on Civil and Political Rights.

I strongly endorse this resolution. It is vitally important for all those under Communist oppression that the Soviet Union be made to adhere to its commitments.●

● Mr. McCOLLUM. Mr. Speaker, I rise in support of House Resolution 269 to express my desire that the Soviet Union cease the harassment of Yuli Kosharovsky and his family and allow them to emigrate to Israel. Government officials in the Soviet Union have made it clear that they disapprove of Yuli's teaching of Hebrew and of his desire to leave the U.S.S.R. To me, that is reason enough to allow the Kosharovsky family to continue their life in a country which welcomes them, their religion and their profession.

I commend Congressman CHRIS SMITH for bringing the plight of this individual and his family to national attention and urge the adoption of this humanitarian effort.●

Mr. BONKER. Mr. Speaker, I have no further requests for time on the resolution before the House.

Mr. LEACH of Iowa. Mr. Speaker, I also have no further requests for time on the resolution, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. BONKER) that the House suspend the rules and pass the resolution (H. Res. 269), as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BONKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on all five resolutions just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

WHO BEGAN THE CRISIS IN AGRICULTURE?

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, we are here today discussing the current crisis in agriculture. Lest we forget, I would like to take a moment to raise a few simple facts.

Farmers today are suffering under the outrageous interest rates created by years of deficit spending; interest rates that struck a crescendo under the Carter administration.

Only under this administration are we seeing a concerted effort to bring under control the haphazard deficit spending which brought on this economic crisis.

Farmers today have yet to recover from the effects of the grain embargo; again, brought on by the Carter administration.

Only under the current administration have we seen increased efforts to restore normalcy to foreign trade.

Under previous administrations we saw bumper crops and no concerted effort to balance production with consumption.

Only under this administration have we seen the implementation of a voluntary acreage reduction program, with, may I remind you, record signup rates of over 80 percent.

Ladies and gentlemen, I suggest that you study the record before pointing fingers. No, all is not well in the heartland of America. But finally, the problems are being addressed in a positive and comprehensive way.

REQUEST FOR PERMISSION TO DISCHARGE COMMITTEE ON THE JUDICIARY FROM FURTHER CONSIDERATION OF HOUSE JOINT RESOLUTION 350 AND FOR RESOLUTION TO BE REPORTED TO THE FLOOR WITHIN 10 LEGISLATIVE DAYS

Mr. WALKER. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from all further consideration of the resolution (H.J. Res. 350) and the bill be reported to the floor for consideration within 10 legislative days.

The SPEAKER pro tempore. The Chair declines to recognize the gentleman for that purpose at this point.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WALKER. Mr. Speaker, is this not a similar kind of request to the one that was used some weeks ago in order to pass the doubling of the pay on outside earnings for a Member of Congress?

The SPEAKER pro tempore. The gentleman must state a parliamentary inquiry. The gentleman has just been advised that the Chair will not exercise his discretion to recognize the gentleman at this point.

Mr. WALKER. I am propounding a parliamentary inquiry as to whether or not the procedure being used by the gentleman is not a legitimate procedure, given the fact that it is similar to a procedure used to double the outside earnings of Members of Congress in a time just previous to this, about 2 months ago?

The SPEAKER pro tempore. The Chair feels bound by the policy enunciated by the Speaker last year, and will not entertain a unanimous-consent request to bring up such a measure without an assurance of agreement between the majority and minority leadership and the committee concerned, and the Chair is not aware of any such arrangement having been made. So the Chair will not entertain such a request at this time.

Mr. WALKER. I thank the Chair.

ORDER OF BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. JONES) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent to precede the special orders of the House heretofore scheduled and to begin the special order proceedings today with my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CRUSADE OF PEACEFUL OUTRAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 1 hour.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, amid all the bad news about the farm economy, one man has become a symbol of the despair that farmers feel. That man is Wayne Cryts of Missouri, who defies court orders to protect his property and was ordered to jail in Russellville, Ark.

Cryts has said, with his actions, by taking his grain from an elevator when that grain was considered the asset of the elevator in a bankruptcy case last year, and by refusing to tell the court last week who helped him remove that grain, what many farmers are feeling throughout America and across this great land today: that the circumstances facing farmers are frightening and uncertain, and that the future is grim.

I respect the strength of this man's conviction. Cryts' imprisonment is a symbol that the farmers are beginning what one newspaper has called "a crusade of peaceful outrage."

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It is sad that this man's personal sacrifice will be that which will awaken many to the hard times facing our farmers today. Just today, the rural electric cooperatives met in the Halls of Congress, and one of the pamphlets that they are handing out to Members and to interested citizens is entitled, "Hard Times in Rural America."

We are exploring many of the issues relating to the farm economy today. Limited time does not permit us to discuss each and every problem that need to be addressed. I mentioned Mr. Cryts as an illustration of the multitude of problems facing the agricultural community. In every aspect of the agricultural scene there is a difference this year—in the grim, tight-lipped expressions of farmers as they watch expensive farm machinery pulverizing the Earth for planting. Fear of the future is found on their faces, and the faces of the farm community as well as all others outside the agricultural sector who realize the significance of what they are seeing.

Most writeoff 1982 as a year in which they will be lucky to hold their own. The farmer has always played against high odds of the weather and of other circumstances, but this year the odds are greater, stacked against them by the administration's policies that are keeping interest rates high, therefore, increasing the cost of production and choking off exports by an overvaluation of the dollar, which prices U.S. farm products out of the world market.

Farm income, when adjusted to inflation, is currently at its lowest level since 1932. The U.S. Department of Agriculture estimates 1981 receipts at $147.7 billion, 4.6 percent above 1980. But, production expenses were estimated at 8.5 higher than 1980. Over the past decade, farm production costs have risen on the average about 2½ times, compared with an average increase in farm prices received for products of about 2⅓ times.

The outlook for this year is that it will be worse than any single year since the Great Depression. The good news is that some production costs are expected to moderate. The bad news is that since cash receipts are flat, even a modest increase will leave farm income lower.

Net farm income is expected to fall to $14 billion in 1982, according to a Snittker Associates study.

As a further indication of the ills of the farm economy, let me point out that 1980 and 1981 were the first years since 1933 and 1934 that there were back to back years when production costs were more than the farmer earned.

The administration continues to predict economic recovery. Economists say it will not come or will be short lived if interest rates remain high. The farmer has no control over an economy that is stagnant because of the effects of high interest rates. The administration does.

The major driving force behind the high interest rates is the current policy mix of extremely high and rising deficits and a very tight money policy.

I will go into some avenues of correction to control interest rates later, but first let me mention some of the current situations facing farmers and the subsequent impact that high interest rates are having.

Surplus crop supplies, depressed commodity prices, and ballooning Federal deficits prompted the USDA in January to request that farmers voluntarily restrict 1982 plantings of feed grains, wheat, cotton, and—for the first time—rice.

Good weather and other incentives to produce grain have resulted in 1981-82 world grain being up over year ago levels. Last fall the increase in planting did not seem excessive because beginning reserves were low. Reduced crops elsewhere in the world provoked optimism for exports.

Since the harvest, however, market prices for grain have reflected pessimism rather than optimism. Why?

First. The persistence of high interest rates has caused the cost of holding grain to escalate. If the farmer cannot sell the crop and pay off his loan, interest costs build. Because of this buyers are delaying purchases until needed for use—and the producer is the one stuck with footing the bill for storage.

Second. Also storage costs are being transferred to the U.S. farmer by our traditional buyers who are having storage problems of their own due to the glut on the market.

An example is the current situation with South Korea. Korea has not honored its commitment to buy 500,000 metric tons of rice this crop year and is forcing the American farmer and American taxpayer to pick up the tab for storage, which by all rights it should be paying.

Third. There are other factors hurting our export trade: Economic problems in Poland have affected the ability of other Eastern European countries to obtain credit to finance grain imports and the U.S. dollar has remained strong throughout much of the 1981-82 marketing year, making U.S. grain relatively expensive for importers, Chase Econometrics reports in its annual U.S. Food and Agriculture Forecast and Analysis.

Total meat and poultry production rose 1.5 percent in 1981, a rate of increase which was too great to support livestock prices at 1980 levels in the face of weak consumer demand and inflating farm to retail marketing margins.

Declining producer prices combined with sharply higher feed costs to cause livestock producers the most severe loss situation since the grain price runups of 1973-74, Chase Econometrics reports.

Losses have been so unremitting that the inventory of cattle on feed was at its lowest in January of 1982 since 1975. the cattle industry risks entering into a liquidation and hog producers have cut herds by 9 percent. There is not a viable option of borrowing to sustain operations until the situation improves. Interest rates are too high.

Despite and outlook for sharply lowered feed prices in 1982, the continuing recession will make it another very difficult year for livestock producers as the recession limits prices, profits, and cash receipts.

Large supplies of farm commodities and weak demand due to world recession will constrain any significant ad-

vance in farm prices and farm income in 1982. Under these circumstances, even ebbing inflation will cause farm income to fall again in 1982 unless action is taken to stem high-interest rates and to stimulate exportation.

Total farm cash receipts are expected to approximate $144 billion this year, less than 1 percent above 1981. Not only will total 1982 cash receipts fall in constant dollars, but even a small advance in production expenses will result in further decline in current net income, analysts for Chase Econometrics say.

Every 1-percent increase in production expenses—and remember production costs have risen 8.5 percent already in 1981—will result in a decline of $1.5 billion in net farm income. In addition to the 8.5-percent increase in production costs for 1981, another increase of 3 to 4 percent is expected in 1982. Realized net income is forecast by USDA to fall to $14 billion this year, the lowest since the Depression.

The farmer is not sitting comfortably in the White House trying out new economic theory. He is the bottom line. He knows firsthand the results of high-interest rates—skyrocketing farm debt, increased farm sales, liquidations of assets to pay off loans, bankruptcies and foreclosures.

The old saying "he bought the farm" is taking on almost a literal correlation to the figurative allusion to death. The farm, as we know it, is approaching a death due to a bad case of Reaganitis.

Interest rates are so high many farmers cannot repay their debts. Here is what has happened:

The national rate of delinquency on Farmers Home Administration loans was placed at 58 percent in a January quarterly report of the FmHA. It has since been revised downwardly to 33 percent to include payments made in the month of January, but that still reflects a significant increase over the figure of 24 percent delinquent during the same time period a year earlier.

The delinquency rate is as high as 80 percent in Texas. In Arkansas it stands at 64 percent.

The USDA estimated the Nation's 2.4 million farmers were $194.5 billion in debt on January 1, 1982—that was more than double the debt of 1975.

Into 1982 farmers were taking advantage of increasing land values to underwrite debt, but they now face greater and greater debt as a result. Farmers are unable, in many instances, to sell their crops because of the oversupply situation. They, therefore, cannot repay their loans and get out from under high interest costs.

In 5 months time, from the beginning of the fiscal year to the end of February, the FmHA recorded 1,315 voluntary liquidations; 1,315 farmers grew discouraged with their farming and got out in just 5 months time. In the entire year of 1980, only 127 voluntary liquidations were recorded. Some of the increase in the figures is due to a change in the recording system and to the increased volume of loans, but the actual increase in voluntary liquidations is still astounding.

During the same 5 months, the FmHA foreclosed on 543 farmers. In all of 1980 the FmHA foreclosed on only 133 farmers. Again, some of the difference is due to a new recording method, but FmHA statisticians agree there has been a substantial rise in the number of foreclosures.

Farm debt has more than tripled between 1965 and 1980, going from $53.6 billion to $174.5 billion, USDA figures show. It rose to $175 billion in 1981 and is rapidly approaching $200 billion now.

It is said that farmers live poor and die rich. Well, there was a time when land values were rising at or above the rate of inflation and that conclusion could have been supported.

Now farmland values are static and in some cases in decline. The ongressional Research Service reported in 1981 that the real returns to farming in the past decade have been about half in the form of real capital gains on land and equipment rather than crops and livestock.

It is obvious, then, that during this period farmers have not had adequate cash income from livestock and crops to meet all their needs. In order to continue, they have cashed in on the land values by borrowing against the equity in their land. The practice of refinancing and borrowing against the equity in land have come to an end. In 1980, land values failed to keep up with inflation for the first time.

The result is that the huge farm debt built up in the past decade cannot be amortized by the overwhelming majority of farmers at today's farm prices and interest rates.

In the last 2 years high interest rates and low farm income have combined to cause the most severe reduction in farm equity, when adjusted for inflation, since 1940.

The continuing increase in the cost of production and low commodity prices, combined with finally stabilized farm real estate values and high interest rates have lead to a serious deterioration in cash flow in the farm sector.

Agriculture is in the midst of a transition unlike anything we have seen during this last half century. Because it is such a capital intensive economic activity, its vulnerability to today's high interest rates has created a ballooning debt.

If farmland prices begin to tumble under the pressures of the Reagan administration and the economic pressure cooker, the huge debt will drag thousands of farmers down. The interest on farm mortgages today consumes about 19 percent of the income from farm crops.

Donald Wilkinson, Governor of the Farm Credit Administration, calculates that every 1 percent increase in interest rates lowers net farm income by 10 percent.

The Farmers Home Administration has increasingly come to supplant the role of commercial banks in farm lending. FmHA's share of farm debt has increased more than fourfold since 1977. At the same time, small rural banks have stopped financing agricultural production. The financial crunch of low prices and high interest, reinforced by weather-related disasters in many areas, has put an unprecedented number of farmers on the brink of bankruptcy. It is the link of high farm debt and high interest rates which promises to wreck agriculture.

Because interest rates and farm debt are the central core problems facing the farmer, efforts to reduce interest rates must be the central theme of any recovery program. Interest expenses now account for 11 percent of total farm production costs, up from 10 percent last year.

Interest rates, as they continue to push production costs up, also make the holding of inventory more and more expensive. Farmers who could hold their grain off the market in hopes of higher prices later now cannot economically do so because the interest costs which accumulate far exceed any possible appreciation in the value of the crop. The same phenomenon is true for dealers, exporters, and foreign buyers as well. They cannot afford to keep their money tied up in owning or storing grain. As a result their needs are filled on a piecemeal basis and this further depresses prices.

Interest rates are being kept high as a result of the huge deficits, not due to the rate of inflation. Because agriculture is so capital intensive, farmers have no choice but to borrow, whatever the cost, if they are to make a crop. While businesses may have the luxury of borrowing only to finance expansion or acquisition, farmers must borrow to operate on a daily basis and to feed their families. The stark reality is that the FmHA is helping to feed thousands of farm families who may be unable to repay their indebtedness under current conditions.

The New York Times recently made a statement that places the responsibility for economic policy, including monetary policy, were it properly belongs—on the President and not on the Federal Reserve Board. The Times article makes this point:

> During the last half-century there has been no single instance in which the Federal Reserve policy has long been at odds with the wishes of the administration.

Some farmers are under the mistaken impression that the solution to the problem is simple for Congress—legislate lower interest rates and increase farm prices. Interest rates can be affected by congressional action, but the situation now is that Congress is being blocked from dealing with that problem by President Reagan and the Federal Reserve Board.

Legislation may be enacted which will affect farm prices, but those measures must have the total balance of the economic picture in mind.

There are two basic options for Congress to consider in bringing aid to the farmer. One of the two options is two sided. This is the supply/demand issue. Congress can pass legislation that has the effect of reducing supply or increasing demand. The Department of Agriculture has approached the problem from the reduction of supply angle by its call for the voluntary set aside program announced this year.

The other side of the issue is to increase demand and that involves strengthening the export market. It is this approach that the U.S. Government has neglected. The future of agriculture lies in the development of foreign trade. The one most pressing need is stimulating foreign trade is better enforcement of trade agreements on the part of the U.S. State Department and U.S. Department of Agriculture. I will give more attention to this point—which I believe is a major one—later on.

For now, let me return to the second option available to Congress to affect the farm economy situation. That option is to take action to bring down the high interest rates, which are having the single most devastating effect on farm income.

I have introduced a bill that would require the President to meet with the directors of the Federal Reserve Board to develop monetary policy that will bring down the interest rate.

What I am proposing is a beginning point. A change in monetary policy alone will not bring down interest rates. But that action combined with a reduction in the deficit will bring results.

That brings me to the second front of the administration's resistance to efforts to do something about high interest rates. Mr. Reagan, who espoused the balanced budget so eloquently as a candidate, has proposed to give us the biggest deficits ever. His projection at the beginning of the year was that the 1982 deficit would be 91.5 billion. Last week administration officials confirmed it will be more like $180 billion.

In 1984, the year Mr. Reagan was to balance the budget, the administration now says the deficit will be $215 billion. Even those who initially supported Mr. Reagan's economic theories are having second thoughts about the leadership he is offering. The Business Roundtable recently told the President that deficits still matter and that the President's budget leaves deficits so high there is no way to prevent increasing interest rates.

And without interest rates dropping, the Business Roundtable said, there will be no reasonable recovery in the economy before the fourth quarter.

Mr. President, the fourth quarter is too late for farmers and farm communities.

Despite all the voices telling the President to compromise—voices that the President once listened to—he remained inflexible on key budget negotiation items. There was some speculation during the budget discussions that the President was bluffing in order to get as much of his program as he could. He was not bluffing. He was inflexible.

The President did not have a lack of proposals to choose from. The proposals for reducing the deficit have been numerous and each new idea was rejected almost as soon as it was offered.

Last year I proposed to delay the tax cuts until the budget was balanced in H.R. 4523. This year that idea is one of many championed even by Republicans.

When the House was debating the budget in May 1981, I offered an alternative to the Reagan budget. During the debate on the budget, it was clear to me that the President's tax cut plan would produce huge revenue losses leading to record deficits. I proposed a plan to balance the Federal budget after fiscal 1984. My amendment would have enacted the President's proposed tax cut, but would have delayed its effect without increasing spending until the budget was balanced.

The amendment lacked support then. But my theory that the tax cut plan would lead to record deficits was confirmed when the spokesman for the President in discussions with congressional leaders acknowledged that the prospect of projected deficits over the next 3 years are as follows:

	Billion
1983	$182
1984	216
1985	233
Total	631

ESTIMATED BUDGET EFFECTS OF H.R. 4523

[In billions of dollars]

	Fiscal year—				
	1982	1983	1984	1985	1986
Projected outlays	720.0	753.1	[1] 797.1	[1] 844.0	912.0
Projected receipts—current law	654.9	698.1	[1] 748.1	[1] 811.1	859.9
Estimated deficit	−65.1	−55.0	−49.0	32.9	−52.1
Estimated budget effects of H.R. 4523 on the deficit	−65.1	−30.8	+1.9	([2])	([2])

[1] Projected outlays as reflected in 1982 Budget Revisions, OMB, March 1981.

[2] Deficit/surplus projections for fiscal years 1985 and 1986 cannot be estimated due to changed economic assumptions occasioned by the effects of the deferral.

Source: Congressional Budget Office, using OMB projections for outlays and receipts with CBO economic assumptions.

Perhaps the urgency of the situation is not clear to the President. Perhaps Mr. Reagan does not know that projections for farm income are so disheartening that Secretary Block has discontinued publication of them.

Even though Secretary Block has stopped printing the department's monthly farm income forecasts, we know that USDA envisions a substantial drop in farm income.

So what information does President Reagan and Secretary Block offer the farmer? Last month Reagan told farm editors weather will still be a major factor in determining when prices will make a turnaround.

Block has acknowledged that bad weather in the 1982 crop year may be the quickest antidote for farmers facing the fourth consecutive year of falling income.

Some who do not understand the complexities of agribusiness maintain that our farmers overproduce and cause prices for their commodities to go down and are, in essence, the root of their own problem.

The situation is not so simple.

This country's 1981 agricultural trade surplus of roughly $27 billion offset almost half the country's petroleum deficit.

It is not only a moral obligation farmers have to produce food and fiber to export to those countries which do not produce enough for their own population, but it is also an obligation of support for the Nation's economy.

The American economy is in a crisis today which is unprecedented in the post-World War II era. The administration's economic program, dominated by monetarism or high interest rates, has shoved the American farm economy into deep depression and is choking off any prospect of overall economic recovery.

Tight monetary policies here and abroad are weakening many national economies, particularly our own. Weakened economies produce greater political pressure for economic practices damaging to world trade including our critical agricultural trade. There is a danger that the gains of expanded trade and international commerce which many of us in Congress have fought for will be lost to greater protectionism.

There is also a danger that thousands of farmers will be forced into bankruptcy by low farm prices, high interest rates and high debts. While the administration seems vaguely aware of the problem, the economic policies of the President and political decisions made by the Government are making solutions more difficult.

At the same time, the threats to our own export industries are rising, due

largely to increased use of export subsidies by our competitors in Europe and in Japan and by the failure of countries such as Korea to honor commitments to mitigate damage to U.S. farmers. It is critical that we address these threats to our vital agricultural trade sector.

U.S. farm exports have expanded tenfold in value in the past two decades and have doubled in volume. In the 1970's alone, more than one-quarter of a billion people were born and the various nations of the world have increased their efforts to improve the diets of their citizens.

One result of population increases and economic growth around the world has been a dramatic increase in the world's food demands. The farmers of America have been producing to meet that demand. They have captured almost 80 percent of the world's trade in corn, more than 90 percent of the world's trade in soybeans, and more than 40 percent of the world's trade in wheat, and 25 percent of the world's trade in rice. U.S. farm exports rose in value from under $10 billion to more than $40 billion between 1970 and 1980 (USDA/FAS, the U.S. Agricultural Trade Book).

Nonetheless, our farmers who depend so heavily on exports to produce the price levels adequate to allow them to continue face the hostile action of foreign competitors, foreign governments, and in too many cases, the damaging actions of their own government. The result is that today, the farm economy is threatened by a disaster which is largely the product of governmental policies, not of the farmer's making.

I see the farmer's problems vis a vis international trade as follows:

One, our allies and trading partners often depart from the commitments they have made to the United States, in effect discriminating against U.S. producers and exporters and costing them millions of dollars annually.

Two, the U.S. Government, or at least departments within the Government, often fail to recognize the need to protect our farmers by demanding strict adherence to the rules and obligations of international trade.

These factors, plus the administration's program of high interest rates, which make our exports more expensive, due to the overvaluation of the dollar in foreign exchange, are basic underlying causes of the farm malaise. Vigorous defense of the agricultural trade interests of Americans and more realistic economic policies to lower interest rates are essential. The administration's program is failing on all accounts.

Another concern I have is that, despite the farmer's success in investing and producing for world markets, the rest of the American economy has not. The result for a decade has been continuing trade deficits which measure the difference between what we sell and what we buy. These deficits have increased so dramatically to a point that deficits of trade up to $30 billion annually have become commonplace and apparently acceptable.

Deficits of trade, like budget deficits, accumulate and have serious economic effects that our people have experienced in the form of inflation. They also measure the transfer of wealth from the United States to other countries, thus contributing to the relative decline in our standard of living. We have not taken measures to reduce the deficits and we are now paying the price.

Inflation factors into both production and consumption in ways that the economists do not fully understand. This explains part of the difficulty that governments have in controlling the money supply and containing inflation without creating a massive recession, as we now have.

For instance, in the farm economy, inflation has continually eroded the benefits of expanded agricultural production continually driving production costs up faster than farm gate prices paid to farmers. I draw your attention to this graph which shows the widening gap between prices paid and prices received by the farmer. Now that this condition has been linked to the monitaristic policies of the current administration, as it has for almost 2 years, the combination has been deadly for agriculture.

The resulting structure of farm debt which has accumulated, pushed ever higher by low prices and high production costs, can be broken by larger exports of the farm surpluses now accumulating and by aggressive measures on the part of the Government to protect U.S. agricultural trade interests. Instead, the administration has chosen to break farmers through high interest rates.

The success of U.S. export efforts depends in large part on the United States and its allies maintaining the integrity of international trade agreements both multilateral and bilateral. I refer to such agreements as the General Agreement on Tariffs and Trade (GATT), the subsidies code negotiated in the Tokyo round of multilateral trade negotiations, the bilateral trade agreements we have with the U.S.S.R. and China, and special commitments to mitigate damage to U.S. farmers, such as the Korean commitment to purchase 1981 crop U.S. rice. I will return to these in a few minutes.

The major implications of the situation are clear. For our economy to prosper we must do a better job at foreign trade in order to maintain our market shares and prevent the contraction of world trade due to the world recession and foreign protectionism. Our Government must adopt and pursue policies which help, rather than harm, the farmer. U.S. agriculture is one industry which has done a good job and has produced a positive trade balance for the past decade. Our agricultural exports have surged dramatically since 1970 and reached a total of 163 million tons in 1981 worth $43 billion (USDA/FAS). U.S. farm exports have now captured a commanding share of world trade in certain key commodities, particularly corn, wheat, rice, and soybeans.

Farm exports are expected to drop to $42 billion in dollar value this year from the $43 billion in 1981.

We cannot be complacent about this. Even as U.S. farm exports have increased, our overall trade picture has remained bleak. The cumulative effect of trade deficits during the past 10 years has been extremely destructive to our economy and has been felt by the public in the form of inflation. The U.S. merchandise trade deficit, calculated on a balance of payments basis, was almost $26 billion in 1980 and almost $28 billion in 1981. Comparable trade deficits are projected for 1982. Cumulative trade deficits in the last 5 years are equivalent in size to the projected Federal deficit for fiscal year 1983. Add to this the projected end of the growth for agricultural exports and I think you will see the magnitude of the problem.

Our trading partners have not been inactive during this period. They have clearly outpaced us in industrial trade and they are aggressively challenging our agricultural trade predominance. We cannot rest on the achievements of the past or assume that our competitors will stand still. The tremendous investments by farmers, agribusinessmen and exporters in expanding to serve a world market will require more vigorous action by the Government of the United States in the face of unfair trade practices by our competitors which threaten those investments.

More must be done to insure that we protect our farm products from unfair trade practices by our competitors. Recent administrations, including this one have been remiss in this regard. Some of the current trade disputes involving agriculture dramatically indicate this.

The common agricultural policy (CAP) has been in existence throughout the 25-year history of the EEC. However, it has never been more burdensome than now for those who must pay for the distortions of trade it produces. Nor has it ever been more threatening to the future growth of agricultural exports by the United

States than now. The primary reason for the renewed threat from the EEC is the huge surplus of various agricultural commodities which has been built up by the high price supports of the CAP. We must challenge the increasing use of export subsidies by the EEC to move those surpluses into third country markets to the disadvantage of U.S. exports. In particular, U.S. exports of wheat, wheat flour, and frozen poultry are now threatened by the aggressive use of export subsidies by the EC. As those subsidized exports have crowded American suppliers out of our traditional markets, ever larger surpluses have built up in the United States, depressing prices even more here. EC export subsidies on wheat and flour sales have cost U.S. wheat producers at least 50 cents per bushel, which has added $400 million to the cost of the wheat price support program (New York Times, March 28, 1982, "U.S. and European Farmers at War Again").

The administration has stated its determination to challenge EC export subsidies through the procedures of GATT, the General Agreement on Tariffs and Trade.

I appreciate the administration's apparent conviction, which has been stated on numerous occasions by Ambassador Brock and Secretary Block, but more vigorous action must be taken. Mechanisms exist which can and should be used, including the GATT subsidies code which was negotiated as part of the Tokyo round of trade talks in 1979.

The administration should vigorously push complaints which have been filed against the EC by the U.S. flour and poultry industries under section 301 of the Trade Act of 1974. These complaints, now under study by the U.S. Trade Representative, clearly indicate that the United States has lost market shares to EC export subsidy practices.

If these measures using traditional GATT procedures prove to be unsatisfactory the United States must consider the tactic of fighting fire with fire. We have not used export subsidies for a decade or more, but the 1981 farm bill does authorize export subsidies to counter dumping of subsidized agricultural commodities by our competitors. Of course, this would be an expensive countermeasure and should be considered only as a last resort. However, the administration should not shrink from retaliation if all else fails. The gravity of the threat from growing exports by the EC, using subsidies, requires that we not exclude any available weapon.

Congress already has before it other legislative remedies that deserve serious consideration as a means of establishing reciprocity in trade where it is currently lacking.

U.S. newspapers reported a couple of weekends ago that Japanese farmers protested Vice President Bush's arrival in Japan and the demands by the United States for greater access to Japanese markets. Conversely, our American farmers have been particularly quiet, despite the widespread use of unfair trade practices by the Japanese against U.S. agricultural interests, particularly in view of the harm done to one group—the U.S. rice farmer. The American rice farmer has suffered. The American rice farmer has paid the price for the failure of the U.S. Government to insist that our trade partners meet their commitments.

In view of our major trade imbalance with Japan and in view of the serious damage done by the Japanese to the U.S. rice industry, I am not at all sympathetic to the complaints of Japanese farmers. The stalling tactics of the Japanese against greater access for U.S. citrus, beef, tobacco, plywood, are totally unsatisfactory.

In fact, there are 22 quotas on various agricultural imports in Japan. These effectively protect Japanese farmers from foreign competition. These quotas, combined with absurdly high price supports, produce conditions that have led to vast overproduction of rice in Japan.

Let me briefly describe what Japan and Korea have done to the U.S. rice industry and to U.S. rice farmers, many of whom are my constituents.

Japan supports its rice farmers at prices four to five times higher than the world market price. In 1979, Japanese rice farmers were paid $1,500 per ton for rice that sold on the world market for $300 to $400 per ton. The result was that there was a 7-million-metric-ton surplus of rice on hand in Japan by 1979.

When Japan began a program in 1979 to reduce this surplus by dumping it into world markets at subsidized prices, Korea turned to Japan for rice. Korea had historically been a market for U.S. rice exports, beginning with Public Law 480 and eventually evolving into a commercial market. U.S. taxpayers and U.S. rice farmers had invested billions of dollars in producing rice and in making it available to Korea over the years.

Yet, these two good friends and allies got together on the sale and purchase of up to 2 million tons of subsidized rice for delivery in 1981 and 1982, displacing an equal amount of American rice that could have gone to Korea.

The result has been a disaster of immense consequences for the U.S. rice industry. There is enough blame to go around among the three countries involved, Japan for producing the rice and dumping it, Korea for purchasing it and for delaying in purchasing 500,000 tons of U.S. rice from the 1981 crop as partial mitigation for the damage, and the U.S. Government for acquiescing in the sale of the rice to Korea, despite the GATT subsidies code and the obligation to protect U.S. interests.

The situation was the subject of recent hearings before the Agriculture Committee's Subcommittee on Cotton, Rice and Sugar. I also raised this issue with Secretary Haig when he appeared before the Appropriations Subcommittee on State, Justice, and Commerce. I would like to include correspondence regarding this issue in the RECORD.

The bottom line for our rice producers is that they have lost at least $400 million on the 1981 crop production. Korea still has not bought all of the 500,000 tons of rice and the marketing year ends in July. The U.S. Treasury has paid out $22 million in deficiency payments on the 1981 crop and faces the prospect of paying out $100 million on the 1982 crop.

All of this could have been avoided by more vigorous defense of rice farmers by the U.S. Government, particularly the State Department.

Let me quote from a letter sent by Don Tilton, a constituent of mine who is a farmer:

> While the government is typically the last place a farmer wants to turn to for help, they are precisely the culprits who created these contracts and commitments between producers, governments and world markets. They've stimulated and nurtured this thing for their own internal political gain. Now it's time for them to respond to the concerns of their producers at home and hold up their end of this contract.

I have always believed the good Lord helps those who help themselves. It is ridiculous to await bad weather, as Mr. Reagan and Mr. Block are content to do, to correct some of the problems facing the farmer.

This administration is asking us to let the livelihood of our farmers—and our farm communities—hang in the balance of the weather. "When Farmers are Hurting, Small Towns Feel the Pain," was a recent headline in the New York Times. It illustrates how pervasive the current farm economy problem is.

The article follows:

[From the New York Times, Apr. 11, 1982]

WHEN FARMERS ARE HURTING, SMALL TOWNS FEEL THE PAIN

(By Seth S. King)

JEFFERSON, IOWA.—As the farmers in Greene County go, so goes the town of Jefferson. And as the agricultural recession deepens, so does the gloom in this once-prosperous central Iowa community that sits among some of the most productive land in the world.

Carbon copies of Jefferson (population 5,000) may be found in every farm state in the union. There is the familiar courthouse in the central square surrounded by small businesses, the primary retail outlets for the county. There are two full-service banks, farm implement and automobile dealers, a seed and fertilizer dealer, and six small industries, five of which make farm equip-

ment and supplies and are thus dependent on the farmers.

A BUMPER CROP OF DEBTS

After last summer's wheat and corn crops broke all records, grain storage facilities all over the Middle West and South filled up. Exports, which make the difference between profit and loss for grain farmers, have lagged and farm prices for everything except hogs have been sliding downward for the past eight months.

With interest rate still at painful levels, Greene County's farmers are deeply in debt and having difficulty borrowing anything more. They are buying only what they must have to live and plant another crop, and the small businesses that supply them are feeling the recession even more than are many of their farmers.

The numbers for Jefferson and Greene County illustrate that squeeze. Today, the dollar value of the county's corn and soybeans is about $13.8 million less that it was at this time last year. This means that the 12,000 or so people who live in the county and shop in Jefferson each have $1,150 less to spend.

In normally bustling times about 450 workers have been carried on the payrolls of Jefferson's small plants. Since Mid-December the total has been only 250. The unemployment insurance rolls for Greene County have increased by 147 percent over a year ago.

The story is much the same in farm communities throughout the country. In Moultrie, Ga., for instance, the gross from local business activity has dropped 10 percent in a year and so far only one new tractor had been sold to a farmer in Colquitt County this spring. In the largely rural Seventh Congressional District of northwest Minnesota, the unemployment rate was higher than the national rate (currently 9 percent) for the first time since the end of World War II.

In Hutchinson, Kan., a larger wheat and feed grain processing center, the Cessna Fluid Power Division, a unit of the Cessna Aircraft Company that makes hydraulic parts for farm machinery, has had to furlough 1,400 workers from its normal work force of 2,800. A recent survey by The Des Moines Register and Tribune showed that during the past 12 months one out of every five households in this state had been struck by unemployment.

SKID-PROOF NO MORE

Although there are no special designations for farm trading centers, their merchants would be included among the 26,800 businesses that Dunn and Bradstreet expects will fail during 1982, the highest number since the late days of the 1960–61 recession, when 17,075 went under. Kansas has suffered the largest increase in business failures, up 92 percent from last year.

Such troubled times are unfamiliar to most of these communities. During the last deep recession in 1974 and 1975, industrial areas of the nation suffered most of all. Grain exports were at record high levels and wheat and corn sold for twice today's prices; there was no recession down on the farm.

"Until this winter, we thought we were recession-proof," said Roger Rinderknecht, president of Jefferson's Brinton State Bank, "We're finding out today that we aren't. Only two small enterprises in Jefferson have actually closed shop. But since the beginning of winter the local banks have had to call in five farmer loans. Mr. Rinderknecht noted that this was only a small fraction of the total number of farms in Greene County. But he said there were many other farms where the debt against the land was more than $1,500 an acre.

"That's really something to worry about," he said "There is nothing we can see to indicate any big improvement in grain prices. We're having to charge even our best customers 17.5 to 18 percent interest. That means a lot of farmers are on mighty thin edges."

In addition to contributing to the slowdown in farmer buying, high interest rates were also hurting small merchants, most of whom must take out short-term loans to maintain their inventories.

Sales volume at Durlam and Durlam Clothiers, Jefferson's largest, has been almost as high as before, though farmer customers were buying about a third less than usual, David Durlam, the manager, said.

"Our biggest problem is the cost of doing business," he added. "We not only have to pay those high interest rates, but we've had the worst winter that I can ever remember. Our utility bills have more than doubled."

Jefferson's businessmen aren't sure about whom to blame. This has been Ronald Reagan country, and many Jeffersonians would prefer not to fault him. They know that the sharp drop in farm prices was caused by phenomenally large crops and a drop in exports. Like the leading economists, they can't agree on what is holding up the interest rates, and most of them are frightened at the prospects of massive Federal deficits.

But most disturbing of all, said Doug McDermott, president of the Home State Bank, was the prospect of no improvement in small-town economies for at least a year and maybe longer. "With as much grain as we've got in these elevators there's not much chance of the kind of rise in farm prices we need," he said. "And so much of the money in banks in this area is tied up in high interest certificates of deposits that we can't see the interest rates falling very far any time soon in the farm areas, even if they drop some in the city banks.

Although there are not special designations for farm trading centers, their merchants would be among the 28,600 businesses that Dun & Bradstreet expect will fail in 1982, the highest number of such business failures since the 1960–61 recession.

Mr. Reagan and Mr. Block are telling these people to—look to the weather for relief.

There are few Members in this Congress that understand the plight of the farmer more than our distinguished majority leader from Texas, who represents farmers in that great State, and whose concern for the plight of the farmer has been demonstrated time and time again as he has debated the issues and represented their interests in the U.S. Congress. I see that he stands now and seeks recognition in order to address this important issue, and I yield to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I commend the distinguished gentleman from Arkansas, the deputy whip, for his vision in having taken this special order in order tc call attention to the plight of America's farmers.

The situation of America's farms is a crisis. While some of us represent essentially city districts, the well-being of our constituents is inseparable from that of American agriculture. William Jennings Bryan once said:

> If you were to destroy the cities and leave the farms, the cities would spring up again like new. But, destroy the farms, and grass will grow in the streets of every city in America.

Those who have talked with me, and their numbers are legion, representing the farm community of my own and other States, tell me that they cannot remember a time since the depths of the Great Depression when the farmers' plight was a more desperate one. Caught in a vise between low crop prices and insufferably high interest rates, many farmers have reached the point where they are just inches away from having their homes and their farms foreclosed. In fact, we have had a greater rate of foreclosures in these last few weeks than this country has suffered at any time since the Great Depression.

Many farmers have come to me to tell me that they live on land which, for a couple of generations, has been debt free until the last 2 or 3 years. Now, it is mortgaged to the hilt.

In addition to the problems described by the gentleman from Arkansas, this year for the first time in a great many, land prices themselves have failed to keep pace with the cost of money. The farmer who has been borrowing against the hope of a good year, no longer is able to do that in many cases. The local banker who has been accepting the escalation in land values as justification for extending credit to that smitten farm family now has reached a point where he can no longer justify it. I am told that the Farmers Home Administration administrators have been told to foreclose on a great many farm loans.

Each time that happens, each time a farm gate swings closed on rusty hinges, another family goes out to join the swelling ranks of unemployed in this country, and by that little degree the dream of the family farm in this country suffers another death. And so, I associate myself with the remarks of my friend from Arkansas, the distinguished deputy whip of the House. He deserves our commendation for the leadership he demonstrates in bringing to our attention the truly desperate plight of the American farmer, particularly the family farmer. We must seek all ways possible in which we can arrest this crisis before its proportions become irreversible.

Mr. ALEXANDER. I thank the majority leader, and I yield now to the distinguished gentleman from Massa-

chusetts (Mr. O'NEILL), the Speaker of the House.

Mr. O'NEILL. Mr. Speaker, I thank the gentleman.

I want to congratulate Mr. ALEXANDER and those who are concerned with this special order today. There has not been anything like the plight of the American farmer since the Great Depression.

I represent Boston and the urban Boston area. A few years ago, I went to South Dakota for 5 days and I took one of my sons with me. The urban Congressman visits the farm. We stayed in a different farmhouse every night. We came to appreciate the trials, the problems and hard work the farmer faces every day—up before daybreak and working until after sundown—and all he has at the end, for the most part, is the equity in his land.

I doubt if America truly appreciates the family farmer. JIM WRIGHT was speaking about statements that have been made concerning the farmer. I can recall 30 years ago, when I first came to Congress, in a debate on agricultural matters, John McCormick said, "As goes the economy of the American farmer, so goes the economy of America."

I looked into the statement. Massachusetts is a great candy manufacturing State, and about 50 percent of the candy that was manufactured in Massachusetts went on to the farmlands and to the farmers in America. We are great rope manufacturers. I found that next to the trucker, the farmer uses more rope than any other group. We produce wire and I found that the farmer uses more of our product of wire than any other group. And so this section of the Nation does impact fundamentally on the economy of the rest of the Nation.

My heart goes out to the farmer.

I thank the gentleman. I hope we can work together here in the Congress to respond to their plight.

Mr. ALEXANDER. I thank the gentleman from Massachusetts.

Mr. Speaker, I yield to the gentleman from Texas (Mr. DE LA GARZA), chairman of the House Agriculture Committee.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman from Arkansas and congratulate him for his effort in organizing this session this afternoon, and all of the other Members who will address this very critical issue in our country. I specifically wish to commend and thank very much the Speaker for his interest; the majority leader for his interest in assisting us and trying to bring the plight of rural America to the attention which it merits at this time.

I want to be brief, Mr. Speaker, but I do want to say at the outset that we may disagree on the number of things in this House, but I think there is one point on which all of us, regardless of party, can agree; many farmers are in trouble today.

Mr. Speaker, we, the American people, are the best fed people in the world. We, the American people, get all of what we consume at the table at home, for less of our disposable income than is spent by any other people in the world, perhaps in the history of the world. Perhaps the one exception would be a very small subsist- ance area.

We provide this great service, Mr. Speaker, for two reasons: One, is that our farmers have the capability, the technical capability, and the personal resistance to withstand failure and loss and acts of God and interference from government—and to doggedly go on and produce. The world is not buying our manufactured goods. It is not buying our calculators or radios or televisions or cars. People abroad are buying primarily what we produce on farms. That is the only area in which we, the great, powerful United States of America, now compete with other nations in the world—only in what that farmer produces.

I know that people out there in urban America have problems of income specifically at this time, but those problems are compounded for the farmer many times when you, the people of the United States, buy in the supermarkets or in the grocery stores something which the newspaper advertises as a bargain for you today.

You do that without realizing many times that the bargain which allows you to feed your family for less of your disposable income than almost any other people in the world, is because the farmer sold it for less than it cost him to produce it.

So when they talk about subsidies, the biggest provider of subsidies for the American people is the American farmer who produces and delivers to the marketplace, many times below the cost of production.

Many of these farmers, as I said, are in trouble today.

This does not mean that all farmers are going broke. There have been some welcome trends in some areas. For example, the price of hogs and cattle today is up from the depressed levels of the past, and I am glad to see that some producers are finally reporting profits again. In my own home district, we have many fine, efficient producers of fruits and vegetables—and while they have been hit by high interest rates and rising costs, they have not suffered as much from the continuing price depression which has hit grains and some other products.

Even in the depressed segments of agriculture, there are some farmers who bought their land before the explosion of recent years in land and interest costs and production costs—and these farmers are not suffering as much as many others.

But for a great many farmers, in many parts of the country, the last 2 years have been disasters, and the best forecasts we can get indicate that this year may be worse.

According to USDA estimates, net farm income—figured without inventory adjustment—was $27.4 billion in 1979. Preliminary estimates indicate the figure was down to $21.9 billion in 1980 and down again to about $19 billion in 1981.

As far as 1982 is concerned, I cannot tell you anything official. As many Members know, the Agriculture Department has eliminated the preliminary income forecasts which it normally makes at this time of the year. The Department tells us that information available at this point in the year is too sketchy and subject to change to permit a sound projection. So there will be no 1982 forecast from the USDA until September.

Unofficially, however, experts at the USDA are predicting that net farm income this year will be down to somewhere between $14 and $18 billion. One respected private economic forecasting service, Chase Econometrics, is predicting a net income level of $15.5 billion for this year.

The seriousness of the decline in farm income is made more apparent when these estimates are adjusted for inflation. In constant (1967) dollars, realized net farm income fell to $6.3 billion in 1981, compared with $11 billion in 1979 and an average of $10.2 billion in the 3 years prior to 1981. Based on unofficial USDA estimates, 1982 net farm income in constant dollars would range between $5 and $6 billion.

The adjusted figures for 1981 and 1982 represent the lowest level of net farm income in constant dollars since 1932. They are $1 to $2 billion lower than the estimate for farm income in 1977, the last major crisis year for agriculture.

The farm income situation in 1977 and 1978 was serious enough to encourge thousands of farmers to descend on Washington, D.C., in tractorcades. By all accounts, the crisis affecting agriculture in some areas is even more serious today.

As far as USDA is concerned, all they will say on the record about 1982 is that things look bad. Here is the statement which the USDA has just published in the April issue of its Agricultural Outlook summary:

> Farmers' net cash income will likely remain at a reduced level for the third consecutive year. With gains in cash receipts being drained away by increasing cash expenses in the past few years, farmers have had to adjust to declining net cash incomes. They have taken on more debt and delayed purchases of capital items. This slowdown

has also hurt farm machinery dealers and manufacturers, and other input suppliers.

I am sorry that we have to look to economists outside the Government for estimates on what is happening in American agriculture. We have all heard charges that while USDA says it cut out farm income forecasts because information at this time of year is too uncertain, the real reason is that USDA does not want to publicize some very discouraging figures.

Maybe it is time to get at the facts in this matter. Last week, I joined Mr. SIMON of Illinois in introducing H.R. 6177, a bill which would require the USDA to return to its traditional practice of publishing farm income estimates on a monthly basis.

We intend to hold hearings on this bill in the Committee on Agriculture as soon as practical. The USDA can give us their explanation, in detail, for abandoning farm income forecasts and we can hear from independent experts and others who are qualified to talk about the problems of making and using farm income forecasts. That way, we can lay out all the facts and make an informed decision on whether to direct the USDA to restore the traditional forecasts.

There is no disagreement, as I said, that 1982 will be a year of economic stress for many American farmers. If we can agree on that, I think we should be able to agree that we should be doing everything practical to help farmers pull themselves out of the economic ditch. That includes doing something about an export credit revolving fund, which this Congress authorized but which the administration will not yet help us to fund.

Action on farm exports is important to American farmers because prices for many of our major commodities are tied closely to conditions in export markets. More than 1 out of every 4 acres of corn we plant is grown for the overseas market. More than 1 out of every 2 acres of wheat, soybeans, cotton, and rice is produced for export. What that means is that we need a strong overseas market if we expect American farmers to get decent returns on high-volume production. And the export market this year has been lagging for several reasons.

One problem is that with American supplies as big as they are, many of our foreign customers are buying on a hand-to-mouth basis. They are letting the United States carry their inventories for them.

Another problem is the fact that the dollar has strengthened this year in relation to many foreign currencies. As a result, every bushel of wheat, corn, or soybeans becomes more expensive to the foreign buyer—even without any price change in dollars. And with the whole world economy sluggish, the effect of what amounts to higher costs for importers has been to take another bite out of our prospective sales.

The net result is that USDA is forecasting that the value of farm exports may decline slightly this year. Even with a small decline, our export business is a tremendous asset to agriculture and the national economy. But any decline under today's conditions in agriculture is bad news for farm income.

Now I want to touch briefly on another set of problems which are of great importance to agriculture.

Today's economic problems are serious. But they are not the only issues that concern American agriculture and its future.

We do not see many screaming headlines about the problems of science and regulation. Partly this is because the news media tends to report the things that happen—and in the field of science and regulation, the real problem too often is something that does not happen.

If a combination of redtape and excess regulation discourages the development and marketing of some useful new animal health product, it is usually not news. No television crew is going to take pictures of a product that is not being made and used. But the lack of that new product may be more important than a lot of things that do happen. It may be responsible for keeping production costs higher than they need to be, and it may be responsible for keeping food supplies more expensive than they need to be.

In recent years this problem has been creeping up on American agriculture. The reasons are not hard to find. The Government, and in some cases the Congress, has been concentrating during recent years on safety—and there is nothing wrong with that. Nobody wants to run unnecessary risks with the health of the American public. But somehow, in the concentration on safety, we seem to have forgotten that we must also have some balance. We must somehow make it possible for researchers to develop and bring into use the products we need to keep agriculture growing.

Let me give you one example. Last year, I am told, 15 new animal health products were approved in Great Britain—a country which also puts great stress on protecting health. Do you know how many new animal health products were approved last year in this country for livestock use? The answer is: Just one.

What is happening in the animal health field is also a matter of concern in other areas.

There is no simple and easy answer to these problems. We must continue to make sure that we do not permit any needless danger to public health. But within that framework, we should be looking for effective ways to bring scientific judgment and modern technology to bear in our regulatory programs. We should keep in mind that Government policy should not only promote safety—it should also promote efforts to bring our people an expanding supply of food at a reasonable cost.

Also, Mr. Speaker, we should remember that research in all of the areas of agriculture is one of the most important of all the responsibilities facing our Government, our land grant universities, and the many other public and private research agencies.

We know that population here and around the world is going to continue to grow in the years and decades ahead. We know that this will force us to find better ways to produce more food without destroying our natural resource base. These are, in the long run, questions of life and death. The only place these questions can be answered is in the scientific laboratory and the agricultural experiment station. No matter what else we do in farm policy, we must maintain an effective research program.

In conclusion, Mr. Speaker, let me say that no situation has cried out for our attention since the Great Depression as much as the plight of rural America.

We cannot, we must not, fail our people.

Mr. Speaker, I very respectfully disagree with those who insist that there is a free market for agricultural products. There is not. The closest thing to a free market existed up to 1929 and it was this which led to bringing down farmers—and with them the entire Nation—into depression.

Mr. Speaker, this could happen again, and even though the number of farmers is now small in comparison to the total population, it is estimated that at least 30 to 35 million people would be brought down if we have an economic collapse of our farm sector. Can the Nation, can the world, sustain such a loss? I submit to you that we cannot. Those of us who speak here today do so because we sincerely think that our actions can prevent this eventual disaster.

I do not know what we can do. We still have to address the issues, but certainly we cannot as a responsible Congress sit here and do nothing except to say that "things will be better, the marketplace will respond." That is a fallacy which was proven wrong in the crash of 1929. We cannot stand by and say that things will be right. A few farmers who have withstood that blow will hang in there, but there are those who need our assistance.

Mr. Speaker, it is for that reason that I join with the gentleman from Arkansas (Mr. ALEXANDER) and with others who will be here today. We cannot and we must not fail rural

America when it needs us the most, and that is now.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ALEXANDER. Mr. Speaker. I thank the gentleman from Texas (Mr. DE LA GARZA) for his contribution.

● Mr JONES of Tennessee. Mr. Speaker, U.S. agriculture is in a highly depressed state and this is especially true in my home State of Tennessee. The latest USDA statistics paint a very grim picture. Estimated net farm income in this country in 1980 was about $20 billion. USDA's preliminary estimate for 1981 is $23 billion, but that small increase is extremely deceptive because it was due to an inventory buildup. On a cash basis, net farm income actually fell between 1980 and 1981. In short, the farm earnings picture for 1980 and 1981 was extremely depressed—in real terms, the lowest since the Great Depression. Sadly, there is no realistic prospect for an agricultural recovery in 1982. Indeed, many people are now forecasting net farm income to dip below $14 billion this year. If it does, today's farm crisis will become tomorrow's farm nightmare.

In my own State of Tennessee, net farm income declined by 75 percent from 1979 to 1980, from $373 million to $93 million. Although crop yields recovered in 1981, prices declined such that gross farm income fell slightly, while production expenses continued on a steep upward spiral.

Tennessee's most important farm products are soybeans and cattle. Tennessee farmers received an average price of $7.88 per bushel for their 1980 soybean crop. At the end of 1981, soybeans were selling for only $6.08 per bushel. Our farmers sold beef cattle in 1980 for an average price of $52 per hundredweight. Last month, they were receiving just over $45 per hundredweight.

While prices received for farm products are dropping, the American farmer's cost of production continues to increase at a startling pace. Especially dramatic is the rise in the farmer's cost of credit, which now constitutes 13 percent of his total production costs. Country bankers in January 1974 charged about 12 percent in interest for production loans; 7 years later, it was 17 percent, an increase of 42 percent. Interest rates charged by the institutions of the cooperative farm credit system have also increased. Interest rates charged by Federal land banks in the fourth farm credit district, which comprises the States of Tennessee, Kentucky, Ohio, and Indiana, increased from 9 percent in December 1975 to 11.75 percent in December 1981. While still below the rates charged by commercial banks, current land bank rates are now 30.6 percent higher than they were 7 years ago.

Accompanying this rise in interest rates is the increase in the amount of total farm debt. Total farm debt grew by an estimated $20 billion during 1981, to $194.7 billion, an increase of 11.5 percent for the year. If the pace of new debt assumption is maintained, total farm debt outstanding will exceed $200 billion this year. This is a dramatic increase in total farm debt. As recently as January 1, 1976, total farm debt was approximately $90 billion. So American farmers are now paying substantially more in interest to pay off an increasing amount of farm debt.

It is sometimes said that, while farm debt has increased in recent years, agriculture's aggregate debt-to-asset ratio is only 17 percent, which is low when compared to other industries. Unfortunately, this 17-percent figure does not provide a true indication of the state many farmers find themselves in today. The ratio of total debt-to-farm income this year will probably exceed 13 to 1, compared to a ratio of less than 3 to 1 in 1973. What is more, the debt-to-asset ratio of the 500,000 to 600,000 commercial farmers with annual sales in excess of $40,000 is estimated to be almost double that of agriculture as a whole; and many commercial farmers have debt-to-asset ratios that are quadruple the national average.

The severe economic stress being experienced by U.S. farmers today is starting to show up more and more in the credit quality of the American agricultural lending institutions. Take, for example, the credit quality of the cooperative farm credit system. These institutions are well known in the financial community for maintaining credit quality at an exceptionally high level. Today, the overall credit quality of farm credit institutions remains good, but there are significant signs of deterioration. In the production credit system, there has been a steady and significant deterioration in credit quality since 1979. From 1979 to 1981, the amount of problem PCA loans increased from about $1.7 billion to nearly $3 billion. The amount of vulnerable loans jumped from $68 to $178 million in the same period, and the amount of loss loans more than tripled from $29 million to $95 million. In the fourth farm credit district alone, the amount of loss loans increased during the 3-year period from $14.5 million to $44.7 million. Unless there is an unexpected and major improvement in economic conditions, there will be an unprecedented increase in problem, vulnerable, and loss loans this year and an even more dramatic increase in 1983.

During this session of Congress, my Agriculture Subcommittee on Conservation, Credit, and Rural Development held 4 days of oversight hearings during which we heard from USDA officials and literally dozens of agricultural producers and agribusinessmen about the lending and servicing policies of the Farmers Home Administration. These hearings have been extremely useful in helping to understand the problems now facing the borrowers in FmHA's loan programs as the number of delinquencies and foreclosures have grown to shocking proportions in the past year.

By the same token, I believe our hearings have gone a long way toward a better understanding of the difficult problems facing the Farmers Home Administration as it has seen the quality of its credit portfolio deteriorate over the past couple of years. While I believe the subcommittee's hearings have contributed greatly to dispelling some of the worst horror stories about the actions of the FmHA, we have also uncovered several disturbing new policies in this administration which would seem to indicate that the agency is not employing all its best efforts to work with all its borrowers to find roads out of this difficult period.

To me, one of the most disturbing elements of President Reagan's new budget request is the apparent lack of any acknowledgment that a crisis truly exists in American agriculture today. For example, when you look at the budget request for the agricultural credit insurance fund, you will find that the 1983 request is less than one-half of the actual loan obligations in 1981. This is largely due to two factors: The 1983 budget calls for a cap on the authorization for natural disaster loans, and it does not provide for an extension of the economic emergency loan program. It is beyond me to understand how anyone can propose a reduction in FmHA loan authority of more than 50 percent over the past 2 years when it should be apparent to everybody that our credit situation is measurably worse today than in 1981.

What can be done in this time of crisis for American agriculture? The private and public sector can play important roles by continuing to provide service to their borrowers. If the borrower experiencing stress is a good manager of a fundamentally sound operation, the lender should be prepared to go the extra mile and display forbearance in dealing with him. This is especially true of the farm credit system, which has a long and proud history of service to American agriculture. My plea is that the farm credit system should continue to go the extra mile in dealing with its farmer members. In the past, PCA's and FLB's have stood by farmers so long as there was a reasonable chance of recovery from distressed circumstances. It is of crucial importance that these cooperative lending institutions, and all other commercial lenders, as well as the

Farmers Home Administration, use all the tools available to assist producers who are experiencing temporary difficulties. All lenders committed to American agriculture must employ prudent forbearance in these troubled times.

Mr. Speaker, the American family farmer is today facing the worst economic situation in recent history. Net farm income has dropped drastically, and is reaching the levels that farmers faced during the Great Depression.

Many farmers are unable to obtain operating loans, or any other kind of credit; nor have they been able to pay off last year's debts. Many farmers have already gone broke, or are about to go broke.

I did not support the 1981 farm bill because it was a woefully inadequate bill which will not protect our Nation's farmers against farm disasters. What we need is an emergency farm program, and we need it now.

One of the brighter spots in recent years has been the enactment of the Federal Crop Insurance Act of 1980. In my opinion, this is one of our better programs for disaster protection for our Nation's farmers.

However, I will reject any attempts to make the crop insurance program a cure-all for all that is lacking in the present administration's farm program. The crop insurance program may be an adequate substitute for the disaster payments program, but it is not an adequate substitute for all of the excellent farm programs that have been enacted since the Great Depression. Crop insurance is a workable program for the protection of our Nation's farmers against droughts, hail, and other natural disasters.

I know there are many problems with the crop insurance program. The premiums are too high, and the yields are too low for some farmers to get adequate coverage. Moreover, in the current depressed state of the farm economy, many farmers cannot afford to pay any premium for crop insurance.

While many farmers cannot afford it, they should have some kind of crop insurance policy. The simple fact is, most farmers cannot afford a drought or hail loss. Even with a good crop, farmers lose money because of low commodity prices. An uninsured drought loss would put many farmers out of business. The crop insurance policy can be used as loan collateral. This feature alone can help justify otherwise difficult credit requests. If the farmer carries multiperil crop insurance equal to outstanding short-term debts, crop losses would not prevent repayment of the loan.

While the portion of the premium that the farmer must pay is high in some parts of the country, that premium has about a 30-percent Federal subsidy built in. In addition, the entire portion the farmer pays is deductible for tax purposes. Crop insurance can help to give year-to-year income stability that most farmers want and need. And, the multiperil crop insurance program can help to return some predictability to farming.

I am aware that the private insurance sector did not get geared-up as fast as it could have to play its role in delivering the program in 1981. This was due to several factors, not the least of which was change in administration which came almost immediately after the passage of the 1980 act. Naturally, there were new policies to be initiated by the new officials in charge of the program, and there was a settling-in period before the various delivery systems were fully on track.

Further uncertainty has been created by the recent reorganization and change in personnel at the Federal Crop Insurance Corporation. I hope these changes prove to be good ones. I am willing to support the administration as long as it demonstrates that it will make the program work for farmers. I believe the Federal Crop Insurance Corporation deserves a chance to get this program online. But I will resist any efforts to make the crop insurance program an answer to the need for the Reagan administration to provide real relief to the Nation's farmers. While the crop insurance program is an effective financial management tool for the farmer, it does not hold the solution to every possible financial problem that the farmer is experiencing today.

I have high hopes for the Federal crop insurance program, but it has to be a program that insures farmers against natural disasters at a cost they can afford. I believe that the law we enacted in 1980 gives the administration adequate tools to do the job for the Nation's farmers.

My agriculture Subcommittee on Conservation, Credit, and Rural Development will continue to look very closely at the program to see that it does work, and that it serves the farmer. Congress designed the Federal Crop Insurance Act of 1980 to be a farmer program—not an insurance industry program. It is this standard that we will plan to hold the administration to.●

Mr. ALEXANDER. Mr. Speaker, I now yield to the chairman of the Committee on Appropriations and the chairman of the Agriculture Subcommittee of the Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, may I thank my neighbor and colleague from across the river, the gentleman from Arkansas (Mr. ALEXANDER). I have the district just across the Mississippi River from him. We have common problems, and I am mighty glad to see him take this special order. I also want to thank our Speaker, our majority leader, the chairman of our Agriculture Committee, the gentleman from Tennessee (Mr. JONES), as well as others, in calling this problem to the attention of the Members.

As the Members know, I have been chairman of the Agriculture Subcommittee of the Appropriations Committee for many, many years, and I have an advantage over many people. I would not call it a "great depression," I would call it a "terrible depression." When I was a 21-year-old youngster in the Mississippi Legislature, I was on the Ways and Means Committee, and we did everything in the world we could to help. You could drive 100 miles in any direction of my hometown and you would not find anybody who owned his land; it had been lost to the insurance companies or to the Government or to somebody else. The same thing was true throughout the United States.

What I see in the United States and what is going on around us today is so similar to what preceded the Depression that it is frightening.

As chairman of the Appropriations Committee, I have done what I could. In law we learn that sometimes there is a right without a remedy, but in my experience in Congress I think we should not only point out what is wrong but offer a remedy. I hope that my colleagues who are here will listen to this and that those who are not here will read it.

Let me tell the Members what the hearings before our committee on which we have spent weeks and weeks each year show. These are facts that must be faced up to if we are going to correct this situation and protect the national economy.

As to the American farmer, these are facts that we need to realize, as shown by our official records.

FACTS WE MUST FACE UP TO

American farmers are more than $200 billion in debt. Interest rates range from 15 to 20 percent. The number of those engaged in agriculture is less than 4 percent, freeing the other 96 percent to do other things that are essential to our way of life, including processing of agricultural commodities.

According to official figures, the minimum investment required to establish a family-sized farm ranges from $400,000 for a winter wheat farm up to $1,000,000 for a cotton-soybean farm.

Agriculture as an industry is bigger than the auto, steel, and housing industries combined. Agriculture is the biggest industry and employer in our country, and the farmer is in the worst trouble since the Depression.

Since 1945, after World War II, the farmer's share of the consumer dollar has dropped from 51 percent to 31 per-

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cent last year while, of course, labor and industry's share has increased from 49 to 69 percent for the same period.

How has the farmer made it? By volume, which depends on exporting the production from 2 out of every 5 acres. And yet the 1981 farm bill restricts exports. For if we do not offer competitively either pricewise or creditwise, we do not sell, as proved by history.

Our greatest danger today is foreclosure of farm loans, which depresses the value of farmland and farm equipment. The Federal Government has largely held up foreclosure of Farmers Home loans. However, the Government has no control over foreclosure by the Production Credit Associations or private lenders. The value of collateral to support the $200 billion indebtedness is reduced by forced sales which could leave many, many farmers in a bankrupt situation next year.

Thus we must relate the farmer's prices to his cost, see that volume and price exceed cost, and that he maintains foreign markets.

We must remove restrictions on the Commodity Credit Corporation so it can use its existing authority to make loans and to sell or barter competitively in world markets. I have introduced today a bill which would lift these restrictions on our ability to sell or barter competitively and assure farmers that they will receive enough to cover their cost with a reasonable profit.

I will read my bill:

H.J. RES. 473

Whereas, agricultural exports are essential to the well-being of the American economy; and whereas, farm income, which is at the lowest level in 50 years, is dependent upon exports; and whereas, restrictions on exports deprive the American economy of needed foreign exchange and the farmer of reasonable prices, including his profit:

Be it Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, any and all restrictions on the use of export or other authorities granted under the Charter of the Commodity Credit Corporation are hereby removed, and the Secretary of Agriculture shall increase target price and loan rates to more nearly reflect normal cost of production with a reasonable expectation of profit.

An increase in farm prices will hardly be noticed in prices to the consumer, but an increase is essential if we are to avoid farm bankruptcies on a tremendous scale.

Let us remember that if the farmer goes down, the rest of us, whatever our business, goes down, too.

With the United States pleading for world support, we need to supply food to a hungry world for what it can pay instead of paying our farmers not to produce. If we produce beyond domestic needs, we must not hold such production off world markets and away from those in need. Too often we provide guns when we should provide food.

What we really need is to have the history of the last Depression be required reading by all Government officials, and certainly by those who deal with agriculture, so that we may prevent a reoccurrence of what happened before. Truly this is a case of an ounce of prevention being worth a pound of cure.

H.R. 6157

Mr. Speaker, I would like to digress for a moment, because what I have to say is related here. On April 26 this year, a few days ago, I introduced H.R. 6157 dealing with the housing industry and dealing with our overall economic situation, and I would like to read pertinent parts of that bill. May I say that I also wrote to the General Accounting Office and asked for a study of the points I made.

The bill reads:

For an additional amount to conduct a thorough analysis of existing Federal policies, and their effect on home construction and other building, and to submit plans to revive the Nation's housing industry and the logging of timber and the lumber industry, and thus contribute to the overall economic recovery, $1,000,000.

In addition to that, I also provide in this bill that they make a study of the Nation's monetary and fiscal policies, "including those of the Federal Reserve System, and submit plans designed to lower interest rates, devoting special attention to the effect of the Federal Reserve System's restrictive monetary policies on present and future economic growth, $1,000,000."

So, Mr. Speaker, what I am doing here is, I have introduced a resolution today to help the farmer. I have also asked the General Accounting Office to help in these other two areas, and I have the supplemental bill pending. So I say that this is not a right without a cure or without a remedy. We are faced with a serious situation, and now is the time to get busy on it and prevent a repetition of what ruined this country for 10 years after the crash of 1929.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Mississippi (Mr. WHITTEN).

● Mr. KASTENMEIER. Mr. Speaker, as incredible as it may seem in this enlightened day and age, top officials of the U.S. Department of Agriculture have apparently launched a campaign to try and convince leaders of rural electric systems and consumers that the level of interest rates they pay on their loans is of little consequence.

They are telling rural audiences that the impact of high interest rates is minimal on operating costs and electric rates, though studies by rural electric cooperatives themselves show the impact is devastating, accounting for as much as 50 percent of overall operating costs to rural electric systems. Now mind you, these officials are making these statements at the same time President Reagan is decrying high interest as a bugaboo of his economic program. I wish the administration and its spokesmen would get their position straight.

One has to wonder what the motive is of the USDA crowd in taking the position, insofar as the REA loan program is concerned, that it is virtually a patriotic duty of REA borrowers to pay higher interest rates for their capital requirements—especially when it is already an established fact that they pay the highest interest rates overall of any segment of the utility industry.

Are they that far out of touch with rural America? Or is it simply a tactic, their latest ploy in what has become a relentless effort on the administration's part to weaken and eventually destroy the rural electrification program—a program that pays its way and more in every sense of the word?

Mr. Speaker, Douglas E. Eikelman, manager of the Columbus Rural Electric Cooperative of Columbus, Wis., in my congressional district, wrote to the REA's Charles Weaver, Director of Electric Loans and Management Division, on April 12, 1982. He set forth in precise terms what the impact of high interest rates means to his cooperative. His letter to Mr. Weaver follows:

DEAR MR. WEAVER: This letter is in response to R.E.A.'s proposal to change or revise the loan criteria. We are totally opposed to any revision of the loan criteria that will increase the percentage of outside financing and increase the interest rates on that portion of the R.E.A. loans. The criteria for determining the basis for a concurrent loan does not reflect the cooperative's ability to provide high quality electric service to the members at rates that are within a reasonable range of competitiveness.

It is totally unreasonable to assume that an increase in the interest rate will have little or no effect on the financial position of the cooperative and ultimately on the rates paid by the members. The following is an analysis of the budget presented to the Board of Directors of this cooperative for 1982:

		Percent of revenue
Total revenue	$2,341,800	100.0
Purchased power	1,412,500	60.3
Depreciation	162,350	6.9
Interest	190,570	8.2
Taxes	74,810	3.2
Other operating expense	495,830	21.2
Margins	5,740	.2
		100.0

Needless to say, it was necessary to increase the rates to provide an acceptable margin level. The point is, however, that any increase in the interest rates will reduce the 21.2 percent of revenue that is available to pay the operations, maintenance, member services, billing and general administration expenses.

This all comes at a time when energy sales are decreasing rather than increasing and larger expenditures are required to rebuild the system due primarily to the fact that our first section of line was energized in 1937. It is now necessary to replace the original poles and other equipment at 1982 prices.

This proposed change also comes at a time when the cost of wholesale power purchased by this cooperative is projected to increase 80.8 percent by 1987 or only five years in the future.

These are not easy times for the small rural electric system and the question is how many dollars are available to operate the system after deducting the non-controllable expenses including wholesale power, interest, depreciation, and taxes. In our case, that figure is 21.2¢ out of every revenue dollar to pay all of the operating expenses and in most cases, we have very little control over the future trends of operating expenses.

We believe that the rural systems more than accept their share of the responsibility to reduce the dependence on the availability of loan funds and from the Federal Government by agreeing to an extensive freeze on the level of loan funds from both the insured and guaranteed programs during the past several years.

It is a truism that the overall economy of this nation is determined largely by the strength or weakness of the agricultural economy. A strong agricultural economy will build and maintain a strong nation and world economy. We now have a depressed farm economy. A dependable supply of electric energy at rates farmers can afford to pay will help rebuild and maintain a strong agricultural and rural economy.

Sincerely,

D. E. EIKELMAN,
Manager.●

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I want to commend the gentleman from Arkansas (Mr. ALEXANDER) for bringing this matter up and for helping to point out how serious this situation is.

I just want to make a few comments to supplement what the gentleman from Arkansas (Mr. ALEXANDER), the gentleman from Mississippi (Mr. WHITTEN), and others have already said.

Ordinarily when some industry gets into trouble, or some group gets into trouble, they usually say, "Well, they are not efficient" or "they haven't increased their productivity enough." Here we are talking about the group of people in the United States that has increased their productivity more than any other group there is. Part of their problem indeed is because their productivity has increased so greatly that they have been able to produce so much more than we can find markets for readily enough.

In addition to that, some always say this: The usual excuse is, "Well, their labor costs are too high." Here we are talking about people whose labor is their own labor primarily. So that cannot be used as an excuse. Here are people who work more than 40 hours a week. They work long hours. They have great productivity. They are trying to earn a living with their own labor, and still they face some problems at the present time that are very serious, and they are producing those basic commodities which are so important to the United States.

In addition to that, I do want to mention that other things seem to be running against agriculture at the present time. We have mergers and acquisitions going on in industry. The processors that buy the products are able to combine together and to get some leverage, and at the very time when we need the leverage the greatest in the agricultural economy, last year the administration's farm bill was passed which reduced the support that they needed at the very time.

The only thing they have got going right now in the grain area is the reserve program which was not dependent upon that law that was passed last year. It was a part of the permanent law. So we have a group here that is very much in need of some sympathetic understanding, as other people are in many instances, but even more so this is a group that is very highly productive and that works very, very hard, and that is providing basic commodities so important to us in earning our export dollars for the United States.

Mr. Speaker, I commend the gentleman from Arkansas (Mr. ALEXANDER) for bringing these matters up at this time.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Iowa (Mr. SMITH).

Mr. GLICKMAN. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Speaker, I want to commend the gentleman from Arkansas (Mr. ALEXANDER) for requesting this special order.

There is no question that agriculture is America's backbone. The last time that backbone was broken was in the 1930's, and the repercussions were devastating. That was the beginning of the Great Depression.

That backbone is now severely fractured, and it needs remedial attention. I think several of us in the House will do something to provide that remedial attention in the next few weeks.

Mr. Speaker, there has been a lot of talk about the farm depression lately. Unfortunately, there have been all too few solutions put forward. The farm bill approved last year certainly will not do the trick. Now, a group of farm State Members have been taking a hard look at that farm bill to see what can be done to improve upon it, to make it workable in these desperate economic times. Tomorrow, the "Farm Repair Bill of 1982" will be introduced. As one of the Members who has worked to fashion this bill, I think it is a good basis for making the needed improvements in a cost-effective manner. It is the beginning of action, instead of just talk about this problem.

The crisis in farm areas is simple. The prices farmers are receiving today are only slightly higher than what they were getting in 1976. Production costs, however, have doubled, and in some cases tripled or quadrupled. Not surprisingly, that has left farmers in the worst cost-price squeeze since the bleak times of the 1930's.

The "farm repair bill" proposes a two-pronged response. First, it aims to curb overproduction. Second, it is designed to spur demand for U.S. farm products abroad. Taken together, those two approaches should give farmers a fighting chance for survival. It does not give them a guarantee, but it does give them a chance. At the same time, the bill is designed to handle the problem in such a way as to reduce costly Federal deficiency payments, thereby reducing outlays of tax dollars.

This crisis in farm areas is terribly destructive both from the perspective of individual farmers and from a national perspective. It could easily cause us to lose a whole generation of farmers in this country. The cost-price squeeze coupled with soaring interest rates are making it extremely difficult for young people to enter farming. At the same time, they are leaving more and more active farmers, many of whom are highly leveraged, with no option but to go out of business. The same conditions are encouraging older farmers to give up and retire.

In fact, farmers today are more concerned about interest rates and possible bankruptcies than they are about weather conditions and crop plans. That is not the kind of environment that is good for them, nor is it good for the Nation.

Agriculture is America's backbone. The last time that backbone broke—in the 1930's—the repercussions were devastating. That was the beginning of the Great Depression in America. That backbone is severely fractured; it needs quick remedial attention. If we do not act decisively to repair the damage that has already been done, we will all need to accept the fact that all Americans will ultimately bear the burden and feel the impact. It will be felt in supermarkets as prices go up and supplies drop. It will be felt in our balance of trade. It will be felt in the financial community as farm loans go unpaid. It will be felt in labor markets as jobs in businesses supporting agriculture disappear.

In short this is not just a problem for rural areas, it is an American problem. I call on all Members of this House—from urban and rural areas

alike—to join together to strengthen our national backbone. The "Farm Repair Act" can help start the process. I hope we do not wait until it is too late.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman from Kansas (Mr. GLICKMAN).

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Indiana.

Mr. SHARP. Mr. Speaker, I applaud the gentleman from Arkansas (Mr. ALEXANDER) for organizing this special order because I think it is critically important that we help the American public, the American media, and our colleagues from the urban areas of this country understand just how serious the problem is this year in agriculture.

We have many of the farmers in my area who have come to see me and others in the various small communities I represent and who tell me the situation is the worst that they can remember, certainly since the Depression.

My concern is that we are particularly going to see a number of our smaller farmers and our younger farmers go under at a time when we really want to be sure that we are bringing new blood into our farming communities.

The problem is very obvious. They face a cost squeeze. Costs are going up while the prices they have been getting for their production have been going down. One of the critical factors, of course, has been the extremely high interest rates that have hit hard this spring as people have tried to refinance and have tried to borrow to get into the fields to plant.

Frankly, I think many of us, the gentleman from Arkansas included, were fighting for things over the last several years that would have warded off some of the situations that we are facing today. We certainly had a budget last year that we were supporting on this side of the aisle that would have meant less deficit this year, and that deficit has been partly responsible for these high interest rates. Certainly many of us have opposed embargoes, whether they come from Democratic or Republican Presidents, and the threat of embargoes that sometimes have the same effect of putting a cloud over the marketplace.

Certainly many of those of us from Indiana were pressing our Farmers Home Administration very heavily to move rapidly on disaster loans, because in our area our farmers were not only faced with the nationwide problem of the cost squeeze but some of them had a disastrous situation last year when the rain kept them out of the fields altogether.

We also were pressing very hard last year—and I am sorry we were not successful—to get a far fairer farm bill for our midwestern farmers, and I am afraid the limitations in that bill are going to show up this fall when the help really will be needed.

But despite the failure of being able to bring about some actions that, I think, would have paid off this year, we can still take action this year, and we must. It is critically important that we bring down that Federal deficit and show that there is going to be progress on that over the next several years so that the interest rates will come down. That is critical to farming, it is critical to automobiles, and it is critical to housing in this country.

□ 1445

Certainly we ought to be putting the funds into a program—it will not take a lot of funds—to help push our exports abroad, export credits.

Third, we have to address this broader and tougher question of what other countries are doing to keep our agricultural products out of their markets and to push their products on to the world market, creating an unfair competitive situation.

Exports of agricultural products have to be recognized beyond the farm community as important to this Nation's economy. They are not only important to the farmers in Indiana and elsewhere in this country, they are important for us to be able to pay for that imported oil, a subject, because of my committee assignments, I spend a lot of time addressing.

We would not be able to pay for this unfortunate dependency on oil if it were not for the fact that we are exporting something, and the most important thing we are exporting is agricultural products.

So I hope that we are going to see action in this assembly very quickly on the budget question to help reduce interest rates, and we are going to see action I hope to see to it that we fund the program of export credits to help push our agricultural products.

Third, we are going to see action by the administration and by the Congress to address the inequities in trade rules internationally which affect agriculture and other things.

The farmers in my area certainly do not ask for or want a free ride. They expect and do work hard. They expect to compete and they do compete. But they certainly do want a fair chance, and where we can we must provide it.

I thank the gentleman.

Mr. ALEXANDER. I thank the gentleman for his participation.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I now yield to the gentleman from North Dakota (Mr. DORGAN).

Mr. DORGAN of North Dakota. I want to thank the gentleman from Arkansas for his leadership in bringing this issue to the floor of the House in this special order.

We had a fellow from North Dakota who was a U.S. Senator for many, many years. His name was Bill Langer. They referred to him affectionately as "Wild Bill" Langer.

Back in the 1930's Bill Langer was Governor of the State of North Dakota, during the depths of the Depression. There were so many farms that were being foreclosed upon by financial institutions that Mr. Langer—then Governor—called out the National Guard and refused to let the banks go in and foreclose on those family farms.

Needless to say, Bill Langer was a political hero of sorts back in those days. He has been dead now for 20 years, and they say there are still some folks who write in his name at election time in North Dakota.

What he did was demonstrate what leadership is needed in times like this when the family farmer faces so many troubles. You need some folks who are willing to stand up and fight and fight hard.

We just came out of a committee hearing this morning over in the Agriculture Committee. We did something that was not as dramatic as surrounding the farms with the National Guard, but we did something that was nonetheless important. We tacked on to the Farmers Home Administration bill a provision that would defer foreclosures on certain kinds of family-sized farms that are not able to make it these days. With this provision, a farmer that has a Farmers Home Administration loan, who has gotten into some real serious trouble, can get help. He is in financial trouble, not because he is a bad farmer or she is a bad farmer, but because of low prices and high interest rates.

To the farmer who has demonstrated good management, and who has gotten in financial straits because of low farm prices and high interest rates, this amendment says, "Wait, let us give that farmer a chance to get over this rough spot, and let us just give him some time."

This is not charity, a handout, or welfare. He would have to pay it back. But let us give him some time.

In a 22-year period, using real dollars, income in the farm sector of this country has decreased 44 percent. Name one industry that can withstand a 44-percent erosion in their revenue without facing near bankruptcy. That is precisely what is happening in the farm economy today.

We have the spectacle of people here in Washington saying what the farmer really needs to do is operate in a free market. That all sounds good. It sounds interesting and it sounds appealing. But the fact is the same administration that suggests the family

farmer out there subject himself or herself to the free market has the Secretary of State hip deep in attempts to interfere with the free market. Alexander Haig seems interested in threatening most anybody who is willing to listen that if you do not behave the way America wants you to believe we are going to cut off your food exports; we are going to suspend negotiations in wheat talks, or we are going to do this or we are going to do that.

The fact is that this administration, through the State Department, is involved in a very detailed way in trying to erode and to injure the free market that they suggest the farmer ought to operate in.

On the other hand, we have the spectacle of the Federal Reserve Board attempting to keep interest rates high month after month. So farmers are beset on the one hand with high interest rate policies of the Federal Reserve Board and, on the other hand, with interruptions to that free market to which Alexander Haig and the others refer. Farmers are told by these same folks, "No, you go ahead and operate in the free market that we created for you."

I am telling my colleagues the family farmers cannot operate in a market like that. As long as this Government wants to claim national security reasons for interrupting the free market flow, and for getting involved in trade, or for saying to the Soviets in the grain talks that we will not export grain when the Soviet Union invaded Poland, then I think the farmers deserves protection by basic price supports so that they have a chance to make it.

Again, we are not talking about a handout, or welfare, or charity. We are talking about basic, minimum price supports that give our farmers a fair price for their food.

Why is it that farm prices decrease and grocery prices increase? That is what has happened in the last 7 years.

It seems to me that both the farmers and the consumers are getting the worst end of the deal—low prices at the farm, high prices at the supermarket. I think it is something that Congress ought to be concerned about.

What are we paying the bill for? The bill certainly is not to restore economic health to the farm community, because we do not have economic health in the farm community. We have some of the most difficult and desperate times out there in the farm community that we have had since the 1930's.

I have a chart that shows what has happened to exports, and I think that demonstrates as clearly as anything we can use as to what has happened to our markets.

Not since pre-1977 have we had a year in which the change in dollar value of total agricultural exports has actually decreased.

I am not suggesting that this is the fault of this administration or a previous administration. I am just saying that unless we have a healthy export market for our products we are not going to have a fair price.

Last year we had one of the most significant harvests in the Northern Hemisphere we have ever had. In order to maintain a price for the product we grow, we have to have good, strong export demand.

Where are the priorities here in Washington? The priorities are not to ship food to people who are hungry. The priorities are to ship tanks to dictators who want them. We passed a foreign aid bill on this floor that represented something like a 30-percent increase over the previous foreign aid bill. The bill included military equipment for the dictators of Pakistan, Sudan, Turkey.

They say that we cannot afford enough money for the Food for Peace program to feed people who are hungry. That is just nonsense. There are 45,000 young children under the age of 5 who today will die because they do not have enough to eat in this world; 45,000 of them will die because they do not have enough to eat. We have a tremendous surplus of agricultural products because we have the most efficient food producing machine that this world has ever seen.

Why can we not get the food from those who produce it to those who need it in a way that gives those who produce it a fair return on their investment?

It is because this country does not seem to have the will to do that, and because this Congress does not seem to have the will to fight to make sure that our farmers get a fair deal.

Just a couple of points. The F-18 Navy fighter plane last year, it was announced, had a $8.2 million cost overrun on the project. Just that cost overrun on that one Navy jet fighter plane project is equal to 7 years' appropriations for the Food for Peace program.

It seems to me that if we took a good look at our foreign aid program, and if we took a look at some of the cost overruns in the military, we could transfer those overruns into the value of export commodities which we grow so abundantly in this country to the people in this world who so desperately need it. We could make a whole lot more friends for this country around the world, and we would also do something very, very good for our agricultural community in helping to create demand around the world for our products.

We have put in place a farm crisis group, and we are trying to make a change in the basic farm program that has been written into the law by the 1981 session. The bill that passed the House, called the farm bill, was a very controversial bill. I voted against it. I make no apologies for that. I did not come to Congress to vote yes on bad legislation. I just did not come to Congress to submit to that sort of thing.

I came here to fight for good legislation for family farmers. We need to improve the farm bill that was passed last year, because it was not enough. I said so then and I say so now, and so do many other Members of this House.

Farmers are not making it under that farm bill; they are just not making it.

More and more and more farmers are holding auction sales today and next week, next month, because they cannot make it. So what do we do about that?

It seems to me we have to put together a task force, as we have done here in the House, to develop an approach that gives us some good legislation, that gives farmers a chance to make it. That is what we are going to introduce and will be discussing here in the House of Representatives in the next couple of weeks.

We have tried very hard to get the attention of the President on farm issues. As Members of this House know, I and my colleague from South Dakota, Congressman DASCHLE, and a number of others, about 42 Members of the House of Representatives, have been asking the President for a meeting on farm issues since January. The President has said he is not able to do that. When asked at a national press conference whether he was willing to meet with farm Members, the President said, "Well, sure. It is just that we apparently have not been able to work out a schedule."

Clearly he had not been appraised of the request of the meeting by 40-some Members of the House.

We continued our request, and then it was determined that the administration's answer was "No," that the answer, in fact, was that they just do not have time down there to meet. They have had time to meet with the gymnastics team from Europe and with the hockey all-star team, but they have not had time to meet with 40 Members of Congress to talk about the crisis facing agriculture in this country today.

I think that really spells out one of our troubles in the House of Representatives and the other body. We cannot pass good, important, and necessary farm legislation unless we have support of this President and this administration. We have got to put pressure on this administration to give us that support.

I would like to just finish by talking about two people I have met recently. One was a 31-year-old farmer. At one of my farm forums in North Dakota, I met a young person who stood 6 feet 4 inches, probably 240 pounds—a big healthy farm fellow. When he stood

up to talk about his farm situation, he had tears running down his cheeks. He told the 125 people who were at that farm forum that he had held his auction the previous month, and he was not able to make it. He said, "We are not people who go out on weekend nights just to have a good time. We stay at home. We work hard. I am a good farmer. I have been working at it for 5 years." He said, "The farm I am involved in is a farm that my grandfather had, the farm that my father had, and I am not able to make it. It is because prices are too low and interest rates are too high, and I am going to have to go out of business, it looks like." And he said, "I will tell you something. If I have to leave that farm, I am going to leave America."

I met another fellow and his wife. The fellow was 29 years old and his wife was 27 years old. They spent 5 years trying to build a family farm, and were up to their neck in debt. They were able to get a hold of a good, small, family farm, buy a few dairy cows and try to make it. What is happening? The Farmers Home Administrtation is saying to them, "Look, we are not going to go with you anymore. You are going to have to sell out." These two are good farmers. I checked with some of the neighbors, and they are good operators. They do not horse around. They do not go to town every night. They work hard. They know farming. They are a good young couple. They are the kind of people that we want on our future family farms in this country.

But today those folks and many farmers like them all across this country are having to post auction sales notices in the local cafes. Those folks are saying that we cannot make it any longer and that somebody is going to foreclose, or somebody told us that "we are not going to go with you for another 6 months." That is the kind of family farmer we are losing. When we lose those kinds of farmers, we lose the investment in America's farming future. If we lose that kind of investment, this country's economy is going to be in serious troubles for years and years to come.

Our task is to find out how we can give those folks a chance, and how we can help them over this trouble spot. If we do not, this country will have lost a very treasured resource.

I want to commend the gentleman and the other folks who are involved in this special order. I think it is critically important.

Mr. ALEXANDER. I thank the gentleman from North Dakota. Before the gentleman leaves I would like to ask him to pick up his chart again so that I may emphasize a point.

I appreciate very much the leadership the gentleman has provided in this Nation and especially in the field of farm policy and addressing the concerns and the plight of the farmer.

As I see the chart the gentleman holds in his right hand, it shows a dramatic decrease in the value of U.S. exports from the previous years, 1981 from 1980, and 1982 from 1981. I know the gentleman is an astute and accomplished economist.

□ 1500

Would you explain the reason for the drop in 1982 as it relates to the administration's economic policy?

Mr. DORGAN of North Dakota. I think there are a number of reasons. No. 1, the revolving export credit fund has not been implemented. Second, and probably most importantly, this country and this world are in a recession. It is in a recession for a couple of reasons. Very simply, our President told us last year that if we passed the tax program and if we passed those spending plans, we were going to unleash a spurt of economic growth that has been unprecedented in our history. The fact is, you cannot have the largest military buildup in the history of this country and at the same time have the deepest tax cut and expect the mathematics to come out to a balanced budget. It does not. At the same time, you have high interest rates that are desired to cause a slowdown in the economy. Well, we have slowed it down. It is not a trick to cool off a car if it is overheated. You just stop it, pull it off the road. It will cool off. That is exactly what has happened to our economy. We have pushed this country and also this world into a recession. And, as a result of that recession, we have a dampening demand for our export products. So you get hit both ways on the farm. No. 1, that recession has caused a tremendous price depression for farm products; No. 2, it is caused partly because the exports, and the demand for exports, the 1970's, stop that growth and begin to recede. We have had a real dollar value decrease in export sales. And we have to get that back. It is not that we do not have money to do these things. God knows we have got enough money around here to give a dramatic increase in foreign aid. We have much of it in military aid. We have got enough money around here to pass tax loopholes so big that you can drive columns of trucks through them. These loopholes reward all the wrong things in this economy, but yet we do not have enough money to provide a farm program that gives basic minimum price supports to the family farmer who grows grain, raises livestock, and who represents the health of this Nation. This is fundamentally wrong.

Mr. ANTHONY. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. ANTHONY. I thank my colleague, the gentleman from Arkansas, for yielding.

I would like to enter into the colloquy at this point. I intend to introduce further remarks into the RECORD as part of this special order, but since the gentleman was talking about the cause for that red line going below, I think there is another factor that is there that is often misinterpreted, and that is, simply, the aggravation of prime interest rates in the United States. When you have high interest rates in the United States, you have not an undervalued dollar, but you have an overvalued dollar. So at a time when the volume of agricultural products is growing, you have our foreign buyers capable of purchasing less in real terms because of the overstated value of the dollar, due to the high interest rates in the United States. So at a time when you can look at a chart and see the volume is going up, the net real return in spendable dollars to the farmer is going down because of this additional cost. That is another reason that we must at all costs get these high interest rates down. It will help the farmer not only in exports, but it will also help him in his cost of production problems. I think the gentleman should be commended for bringing that chart forward so that the public can be educated on an additional factor over and above what we all know when we go to the bank to borrow money, we know it from a personal standpoint. Sometimes we do not know how it tracks through the entire world economy, and the gentleman has very clearly demonstrated that point.

Mr. Speaker, the National Rural Electric Cooperatives are meeting this week and many are in attendance here today. It is particularly appropriate when we discuss the farm economy to remember the great contribution of the REA Cooperatives to the standard of living in rural areas.

With much of our Nation's farm area today in the grip of a serious dollar bind that calls forth dark memories of 1933, and what we then called the "farm-led, farm-fed depression," it is essential that Congress acts to protect the REA loan funds from those who would unwisely cut them.

Net farm income, adjusted for inflation, was a thin $8 billion in 1981, a gloomy reminder of the $6 billion figure we saw in 1933. Farm prices last year were measured at 60 percent of parity, a close parallel to the 59 percent of 1933.

Today's farmers stagger under a burden of debt whose interest costs alone each year soak up nearly a full year's farm income, and this income is expected to drop another 25 percent this year.

As this farm and rural platform for our economy sinks into economic trouble that may well be catastrophic for all of us, we see another move by the administration to choke off the dollars of financing that are absolutely essential for a major source of rural power supply.

The proposed fiscal year 1983 budget offered by the administration would squeeze Rural Electrification Administration loans to their lowest level since 1976. In the electric power sector which historically has been markedly capital intensive, this would strand nearly 1,000 user-owned rural electric cooperatives more than $1 billion short of their anticipated need for borrowed dollars.

This would force these nonprofit systems to the open market for borrowed money—if, indeed, they would find it available to them there—and would build into their already high rates the added costs of increased interest expense.

Mr. Speaker, we simply must not permit added burdens of cost—particularly unnecessary burdens—to be laid on this already struggling rural economy. Increased borrowing costs will mean increased electric rates for rural consumers, igniting one more inflationary expense for 25 million rural people who already pay substantially more for electric service than their urban neighbors.

The Federal Government does not subsidize rural electric systems in their effort to maintain an adequate service for member-owners at reasonably economical rates. The impressive tax benefit subsidies already granted to investor-owned electric utilities suggests that similar support to rural American might well be justified.

I suggest now, however, that we do not add to the grave troubles of our rural population by pushing them toward higher interest costs and oppressive electric bills.

REA loan programs which serve these member-owned systems do not add to the Federal budget, nor do they require added tax dollars from our citizens. They simply represent the people's government helping the people's rural electric service to borrow at reasonably favorable rates.

It never has been enough to claim that this Government is of and by the people. The botton line is that it must be for the people, too.

I urge, Mr. Speaker, that Members of this body hold fast to that fundamental purpose by insisting that we permit no artificial barrier between 25 million rural people and the level of off-budget REA loan funds that will help them to help themselves.

Mr. Speaker, the economy of Arkansas is suffering terribly from the current economic depression in agriculture, forestry, and housing. These industries are the very foundation of the entire State's economy and I have seen no signs of the beginning of a recovery.

The current outlook is for a third consecutive year of very low net farm income, with many farmers certain to go out of business in view of their indebtedness. Many more, perhaps the majority, will be more deeply in debt by the end of this year and their long-term survival will be in doubt.

I am convinced that 1982 will be the most critical year yet for agriculture. Our farmers could begin a recovery leading to prosperity, due to world demand from food and fiber products. Or it could be a year in which more farmers go bankrupt than at any time since the Depression of the 1930's.

In either case, it will not be just farmers who are affected. The jobs and income produced by and from our farms, fields, and forests extend far beyond the basic producer. In my State we have a $20 billion a year economy. According to recent research done by the Arkansas Industrial Research and Extension Center in Little Rock, 20 percent of the State's earned income is a direct result of the agricultural and forestry industries. Any economic stress in these industries shows up immediately in the unemployment statistics and income data. Official unemployment in Arkansas was 12.3 percent in the most recent monthly statistics. However, in many countries where farming and forestry predominate, the unemployment levels exceed 20 percent.

At this critical time, people who are not directly involved in agriculture should reflect on what a great resource we have in our highly productive farm economy. Our farmers feed all Americans and millions more around the world. Because they are producing for a world economy, the current worldwide economic recession affects them more directly in terms of income than most other Americans.

The average American spends only about 16 percent of his income on food, far lower than anywhere else in the world. Yet, the farmer's share of the money spent by consumers has been shrinking for years. On the average, farmers receive only slightly more than 36 cents of each dollar spent on food. Food is the greatest bargain in America but those who produce it face few economic rewards for their labors.

The causes of the farmer's dilemma are many and complex. Cost of production, due to inflation, have run ahead of increases in commodity prices for most of the last decade. After the temporary boom of the early 1970's ended, farm income began to lag. Only in 1979 was there any temporary improvement in farm income.

However, in the last 2 years, the bottom has dropped out of farm income. In 1980, there was a massive drought that totally destroyed crops in my State and many others. In 1981, a good harvest occurred but prices declined each month during the entire year, and farmers again found themselves with little or nothing to show for their efforts. Almost all suffered a net reduction in their equity situation.

I have secured some data prepared by Schnittker Associates, an agricultural consulting firm here in Washington. The 1982 farm income prospects in current dollars and adjusted for inflation are incredibly disastrous. As can be seen, they estimate net farm income in a range of $14 to $16 billion. In terms of purchasing power, 1982 will be the worst year for farmers since 1933. The purchasing power in 1967 dollars may be no more than $5 billion. That is only one-third of the level of 1979, adjusted for inflation.

I ask unanimous consent to place that data in the RECORD.

These statistics are revealing but they do not convey the message as well as that which farmers have been telling me for months. In January and February, I held several meetings with farmers in my district. Their outcry of anguish over low prices, high production costs and high interest rates was unanimous. Almost to a man, they are prepared to reduce production if there is any prospect of receiving a fair price for it.

Many of us tried to persuade the administration last year that the situation was grim in rural America and that a farm bill was needed that provided more assistance to farmers. Our protests fell on deaf ears as the administration's farm proposals were rammed through Congress with few opportunities for compromise.

The result is that there is not adequate protection for farmers at this time of crisis, the worse since the 1930's. An entire generation of farmers and thousands of small communities around the Nation are in peril.

The administration's economic program, brought forward with such fanfare last year, is proving to be a colossal failure. The reduction in demand it has generated, combined with the large harvest last year, has contributed to a high build up of farm commodities and depressed prices.

FARM INCOME

Year	Gross income			Production expenses	Net farm income	
	Total [1]	Cash receipts			Current dollars	1967 dollars
		Livestock	Crops			
1974	98.3	41.4	51.1	72.2	26.1	17.7
1975	100.3	43.0	45.1	75.9	24.5	15.2
1976	101.8	46.1	48.7	83.1	18.7	11.0
1977	108.7	47.6	48.7	90.3	18.4	10.2
1978	127.5	59.2	53.7	101.1	26.5	13.5
1979	151.9	68.5	63.4	119.2	32.7	15.1
1980	150.5	67.4	59.0	130.7	19.9	8.1
1981	164.7	63.8	73.9	141.7	23.0	8.4
1982 (estimate)	158.0	70.0	69.0	143.0	19–26	4.8–5.5

[1] Cash marketing receipts and inventory adjustments plus Government payments, other farm cash income and emergency money furnished by farms.

Source: Schnittker Associates.

SOLUTIONS

The Farmers of America are well aware of the conditions I have cited and that other Members are referring to: They are looking to us for solutions to these problems. We need a program to salvage the American farm economy.

While I do not have all the answers, I do believe that there are areas where we can begin to make changes which will improve the situation. I will now comment on a few.

REDUCE EXCESS OF SUPPLY

In simplest terms, we have an excess of supply over demand for farm commodities. We must reduce the former and increase the latter. We must move more products into domestic and foreign markets. We must remove acreage from production.

The Secretary's acreage reduction program announced in January, is a good start. However, the incentives to reduce production are limited and marginal.

I believe we need to take even more land out of production. This is one recommendation many farmers made to me. However, farmers want to know that their neighbors will reduce as well. A paid diversion program should be announced by the Secretary under the authority of the 1981 farm bill. The price and farm income outlook demand it.

RAISE LOAN AND TARGET LEVELS

The Secretary also has authority under the 1981 farm bill to raise loan levels to provide more realistic support to farm prices. If the Secretary would take more land out of production and get prices up, the reduced supply would prevent more commodities from entering the CCC loan program. Costs to the Government could be kept down while farmers could get a price for their products which could allow them to stay in business.

MAKE MORE LOANS AVAILABLE TO FARMERS AT REDUCED INTEREST RATES

The Democrats in Congress fought hard last year to save the Farmer's Home Administration—FmHA—economic emergency loan program. The administration and the Republicans fought just as hard to kill it.

A standoff or compromise resulted in which the Secretary of Agriculture was authorized to lend up to $600 million to financially hard-pressed farmers, if he chose to do so. Apparently, he does not think there is a need because he has not chosen to do so.

EXPAND AGRICULTURAL EXPORTS

Farmers produce for world markets, but the administration's economic program is strangling farm exports. High interest rates have produced overvaluation of the dollar, making our exports so expensive for foreign buyers that they cannot afford to purchase as much.

In the 1981 farm bill, Congress authorized the creation of an Export Credit Revolving Fund as part of the Commodity Credit Corporation at USDA. The fund could operate to finance the export sale or farm commodities where countries currently lack the ready cash to buy. When they repay those loans, the proceeds or principal and interest could go back into the fund to be used again. I propose that Congress provide funding for this program and I urge the administration to support it.

REDUCE INTEREST RATES

Finally, Mr. Speaker, I will come back to what so many other of my colleagues have mentioned today—high interest rates. While lower interest rates will not necessarily mean higher farm prices, at least the farmer's costs of production would be reduced. Unless the Congress and the administration can resolve the current budget impasse, I fear that interest rates will remain high and their insidious destruction of the American economy, including the farm economy, will continue.

Mr. ALEXANDER. I appreciate the contribution of the gentleman from Arkansas.

Mr. OBERSTAR. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding, and I especially compliment him on organizing this special order. The gentleman is always forward-looking and ahead of the times and on top of the current issues. This is one of the most pressing and urgent current issues facing this Congress and the country, and that is the crisis on the farm.

I heard the gentleman from North Dakota a moment ago refer to town meetings that he has held in his area. I have done the same over the last 4 months, and over and over again you hear from people working in rural America about a farm-led depression, and it is particularly hard hitting when it comes from those oldtimers who have lived through, as farmers, those dark days prior to and through the Depression of the 1930's.

So I rise today to speak on behalf of the farmers in my district who feel that they are on the brink of disaster, that they see little hope for the future. And not only those who are actually in farming, but indeed the entire farm community, those who are in small businesses in rural areas, those who service the farms, those whose businesses depend on agriculture, have asked me to carry a message to the Congress and to the administration; and the message is that which has been repeated here this afternoon by others, that high interest rates, high production costs and low prices to the farmer, and an inadequate—to be very charitable—an inadequate farm bill have put the American farmer in a very poor financial position.

Farmers in our State are going broke at record levels. In Minnesota, 50 percent of farmers holding Farm Home Administration loans, operating loans, are in delinquency. Nationwide, the figure is 58 percent. And they are in delinquency not because they are not good farmers—because they are good farmers. As the gentleman from North Dakota said, they are putting in 17 hours a day, they are working 7 days a week. Some of them are even subsidizing their farms by working in nonfarm employment just so they can keep the farm going, because they want to stay in farming. But their problem is caused by the economy and by this farm bill that we passed last December. An implement dealer summed up the effect of last year's farm bill on the rest of the rural economy with this one statement "Two dollar corn and 20 percent interest rates don't buy tractors."

This year we have been treated to the extraordinary spectacle of a Department of Agriculture that does not want farmers or the public to know how bad things are. The order went out some time ago to stop publishing net farm income figures because they looked so bad. The reason, according to the USDA, is: Well, things are changing, and we do not want these figures to come out at this time. So they are going to publish them later this year. Well, that is sticking your head in the sand.

Net farm income for the first 2 months of this year on an annualized basis will be lower than it was in 1931, at the outset of the Depression. Farmers understand that and they are scared. And that is only the tip of the iceberg. The balance of 1982 will be worse than the first quarter of this year and all of 1981. It is getting to be a little like the Russian economy—not as good as last year, but better than next year.

I have seen some estimates that an additional 120,000 farmers could lose their farms if the recession continues for the balance of 1982. The administration's response? Well, it borders on neglect. The administration's agricultural policy seems to be to tell the farmers that they are getting rich as a result of Government supports, while the Department of Agriculture is telling us that farmers face lean economic prospects through 1982. The overall farm outlook, they said, is not very promising.

The President said, in response to questions about the conditions on rural America, that he is going to do

all he can to help Farmers Home Administration borrowers stay in farming. And yet the administration's 1983 budget indicates that doing all it can to help farmers stay in business means reducing the number of delinquent borrowers in FmHA programs by 20 percent, and forcing them out of farming.

We in Congress have an opportunity and a responsibility to act and to act within the next couple of weeks, because we are right at the outset of planting season. In some areas they are already into it, but in my area of the country, the ice is just off of the lakes and farmers are just being able to get into their land. And now is the time that we have got to act if we mean to stay in the food business and in the export business.

Consumers have to recognize that a prospering American agriculture is in the consumers' best interest. If they complain about food prices now, what are they going to do when they have got only a handful of corporations running America's farms?

I was very pleased to hear the report from the gentleman from North Dakota that action on the deferral of farm home loan foreclosures has been taken by the committee this morning. I think that is an important first step. It is part of a bill, H.R. 5711, which I recently introduced.

I have also introduced additional legislation which will help alleviate the current economic crisis facing rural America. The bill, H.R. 6048, has three major provisions:

First, it sets the Commodity Credit Corporation loan rate for wheat at $4.30 and for corn at $3.10 a bushel. The loan program included in the 1981 farm bill is clearly inadequate. The current wheat support levels are more than $1.50 below the cost of production, while the current corn support levels are approximately $0.50 below the cost of production.

Second, it directs the Secretary of Agriculture immediately upon enactment of this act, to make loans available to farmers under the already authorized economic emergency loan program. The administration has repeatedly refused to release the $600 million available in economic emergency loan funds despite the current credit crisis faced by farmers.

Third, it requires the Secretary of Agriculture during the 1-year period beginning on the date of its enactment, to permit the deferral of the payment of principal and interest on, and foreclosure of, outstanding loans made under laws administered by the FmHA to farmers who are already experiencing temporary economic hardships.

Again, I want to say how pleased I am that the House Agriculture Committee has acted on the deferral proposal—it is absolutely vital to farmers. Failure to enact authority for a moratorium on farm foreclosures will lead to the continuing financial ruin of small family farmers, implement dealers, bankers, and small businessmen who are already carrying the burden of the downturn of the Nation's economy and who will face increasing pressures with the worsening of both the farm and national economy.

Mr. Speaker, the current rural economic crisis should not surprise the Members of this House; they knew or should have known that the 1981 farm bill failed to address the critical economic problems facing American farmers. Members knowingly approved a bad farm bill on the thin excuse that the President would not sign a better one. It is unlikely that the House will soon reconsider and rewrite the entire farm bill.

Farmers cannot wait for Congress to repent and reconsider that law. They need emergency relief, and they need it soon or it will be too late to save thousands of farms from financial collapse.

Mr. Speaker, I believe this legislation represents a solid first step toward bringing some stability to the farming sector of our economy. I urge my colleagues to act favorably and quickly on H.R. 6048.

□ 1510

Mr. ALEXANDER. I thank the gentleman for his contribution and there are many Members here who wish to contribute. I am advised by the timekeeper that my time is about up but the special order will continue under the order permitting the gentleman from North Dakota to proceed for 1 hour following the conclusion of my time.

I think in conclusion what I would like to say is that one point that has been made here today, over and over again by those Members who are participating is illustrated on this graph, that is to my right here, that shows that since 1979, the prices paid by farmers, in the way of cost of production, have consistently risen, whereas the prices received by farmers for their products has fluctuated up and down but has progressively declined during that same period of time, widening the gap between the cost of production and the prices received for products grown and produced by farmers.

It graphically illustrates the information which we have that over the last decade the cost of production has increased for the American farmer by about 2½ times, whereas the prices received for the products produced by the farmers have only increased about 2⅓ times.

Within that differential thousands of farm families have been forced off of the farm and tens of thousands of bankruptcies are pending in the bankruptcy courts of America, and I appreciate very much those of my colleagues who have come here today to press their concern to take action in a positive way that will address the concerns of the American farmer.

CRISIS IN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. DORGAN) is recognized for 60 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, we have a good number of Members who would like to participate and I would like to enter into the RECORD just a couple of statistics. I will be very brief.

I mentioned earlier that in the Agriculture Committee this morning we were talking about FmHA loan deferrals, that is, the proceedings used by the Farmers Home Administration to foreclose on a client or a borrower. Some statistics I used this morning illustrate how serious the situation is.

There is something called an acceleration notice, and I think it means what it says. If you are borrowing money from a bank or from the Farmers Home Administration to be accelerated means what it says—they accelerate the terms of the loan.

I want to provide you with a statistic with respect to the acceleration notice.

A Department of Agriculture spokesman told our committee earlier that there were about 600 acceleration notices sent out from October 1981 to December 1981 by the Farmers Home Administration. Six hundred. That came from Mr. Naylor of USDA, before the full Agriculture Committee.

As of March 31, 1982, there were 2,078 acceleration notices sent out. That is a 250-percent increase between February 1 and March 31 in acceleration notices.

There is another thing called servicing by the Farmers Home Administration, and if I ever get serviced, I guess, in any capacity with respect to creditors, I hope it is not the way the Farmers Home Administration services.

Some of that servicing suggests that if you do not do it their way you have got 3 months or 6 months left on the farm.

We hear these stories all of the time. We had a USDA report, dated March 31, 1982, stating that 5,137 servicing letters were sent out in the month of March. That compares with 2,074 sent out in the month of February. The fact is that we have nearly doubled the number of servicing letters in the month of March from the previous month. All of the statistics that deal with the industry of agriculture and with family farming show that we are headed toward very, very serious trouble. The farmers are in the worst fi-

nancial trouble they have been in since the 1930's. The people who will speak today on this special order will document that crisis step by step.

I would be glad to recognize the gentleman from Texas (Mr. HIGHTOWER).

Mr. HIGHTOWER. Mr. Speaker, I want to express my appreciation to the gentleman from North Dakota for arranging a special order. It comes at a very good time. We are in a very serious crisis in agriculture.

Over the past few days we have heard several speeches on the problems. These are very real problems and they do not affect just the farmers in the rural areas.

I represent 37 counties in northwest Texas, and agriculture is the No. 1 business. But every once in a while someone will say to me, "Congressman, why do you always talk about agriculture?"

Well, I do not always talk about agriculture, but it is very important that those of us who represent the rural areas do speak out because there is a vast number of people that do not think that there is any problem at all and that everything is going along just fine and they are still able to go to the grocery store and get things that they want.

There were two articles in the financial pages of the Washington Post just today dealing with major corporations that are in trouble.

Now these companies have been laying off employees, freezing salaries, changing executives, everything that they can do to keep from going under. A large part of the business of each company described in the news stories today is the manufacture and sale of farm implements. The fact that the farmer cannot make money hurts the entire economy. It hurts the urban areas as well as the rural areas. The small towns that depend on the economics of agriculture are in very serious trouble.

The farmers and ranchers of this country provide the most economical food supply of any country in the world. There are several things that all of us who represent rural areas are very keenly aware of that the American people must consider.

Seventeen percent of each person's income is spent on food. Other countries spend a much higher percentage. Grocery store shelves here stay full with a wide variety of choices of good food. In many countries the shelves are bare. There is no food at any price.

Through research, progressive farming practices, total family involvement in an 18-hour workday, 7 days a week, farm productivity has increased at a very high rate. Lack of productivity is one factor that has caused inflation.

Agricultural exports have provided a positive aspect in our balance-of-payment programs, reaching $45 billion in sales. Over one-third of what we produce goes into world markets.

The farmer is also a consumer. Agriculture spends in the neighborhood of $86 billion each year for goods and services to produce the crops and livestock needed. Agriculture is the Nation's largest industry with assets of over $1 trillion, equal to three-fourths of the capital assets of all manufacturing corporations in this country. As many as 17 million people are employed in some form in the farm and in the supermarket.

The reason I have listed all of these facts is to show again that it is important to every one of our constituents to keep in mind the fact that the farmer, regardless of where he may be in the near small town in Iowa or Illinois, or in the Panhandle of Texas, is in business. Net farm income is at depression levels. It is so bad, as has already been pointed out here today, the U.S. Department of Agriculture has stopped estimating what net farm income will be in 1982.

Farmers are farming every acre of land they can in order to try to stay in business. Farm income was $32 billion in 1979 compared to $14 to $18 billion in 1982. Many will not be in business this summer.

As the gentleman from North Dakota pointed out, many have received notices that they are not going to continue to be financed. There will be around 400 farmers that receive their financing from Farmers Home Administration that have not been able to get funding for 1982 in my congressional district.

Those letters that it was indicated were sent out last fall, several hundred of them went out to farmers in my district.

In January of this year the Farmers Home caseload was 80-percent delinquent in my district. Businesses in towns of my district are hurting just as much as the farmer.

So many times people have commented on the fact, when we talk about a farmer going out of business, there is going to be a certain number of businessmen going out of business, and there are a number of poor operators or people who are negligent and do not handle their business properly. We are not talking about those people. They left farming last year or year before or several years ago. We are talking now about people who are good farmers, who work hard, who have done their very best in every way they know how and are victims of the system.

□ 1520

When the Secretary of Agriculture appeared in Lubbock, Tex., this past winter, he talked about the need for the economy to turn around and for interest rates to go down, and we would certainly say "amen" to that. I agree, but like one farmer said that night, "The interest rate would not bother me if I did not have that principal to worry about."

We have tried to answer all of our problems with exports. It has not worked. We must have the exports, but we must also have a price. It is not to our advantage to work our soil past the point of usefulness. We can get a price if the Federal Government will start doing a better job making sure that the world market is a fair and open marketplace.

I voted against the farm bill as you did last year, because it did not speak to all the farmers real problems. I also voted against it because it is going to be a very expensive bill if there are not some changes made.

The changes that we propose to make very soon will not be budget-busting changes, but changes that will seriously and directly affect the economics of the agriculture producer.

A farm bill does not have to be a budget buster. There has to be the realization that there is a problem. Witnesses before the Agriculture and Related Agencies Subcommittee of the Committee on Appropriations from the U.S. Department of Agriculture have acted like things will get better all by themselves—they will not.

We have even had it suggested that the best thing that could happen for farm prices would be bad weather in other parts of the world. Well, how ridiculous. There are problems in almost every area of agriculture. In addition, we have special problems in almost every area that agriculture and the Federal Government come into contact, crop insurance, cotton grading, and grain inspection, and so forth.

Legislation will be introduced this week, as we have already mentioned, by a group of Congressmen of which I am a part that feel we must make some changes. We each feel that we cannot sit still and watch so vital a part of our national structure go down the drain.

The bill is reasonable. It comes within the budget constraints that are a part of our overall problems. It has been drafted with great care. Look at it with an open mind. Come talk to one of the cosponsors about it. I sincerely believe it will provide some help to the farmer and protect the taxpayer at the same time. The speeches you heard here today make it clear that this problem is shared by all.

You remember the many farmers that filled the Halls of this Capitol in 1978–79. The reason that you do not see them today is that many of them are not farming anymore. They are out of the business.

There is going to be a lot of farmland that will lay idle in my district because there is not anyone that has the money to put in a crop. That

means it will be either June of 1983 or the fall of 1983 before that land will produce a crop. This is a dangerous game.

If we are going to be a strong nation, we must be strong economically as well as in military might. If we fail to protect our source of food and fiber, all of the planes and tanks and military might in the world cannot feed us.

I thank the gentleman again for setting up this special order here this afternoon.

Mr. DORGAN of North Dakota. Well, I thank the gentleman from Texas for those remarks. One of the points that the gentleman made that I think so often is a part of the discussion in this Chamber is what will happen to the consumers costs in the grocery store if we give the farmer a decent price. Well, we have a chart that shows that of the food dollar, farmers receive 39 cents. The value of the farm product and the food dollar is only 39 cents; 61 percent goes somewhere else.

Now, I remember people saying that if we ever get to $5 wheat, a loaf of bread is going to cost $1. Well, we got the $5 wheat. You can buy a loaf of bread for 40 cents.

Then the price of wheat plunged to $3.50 a bushel and now you can find a loaf of bread for $1. The fact is there are wrappers on loaves of bread that are worth more than the wheat in a loaf of bread.

The farmer gets a very small part of the cost of that loaf of bread. We can give the farmers in this country a decent price without injuring the consumers of America. I think it is in the consumers' best interest to see a healthy, vibrant, strong, farm economy that is able to produce good quality food and export it all around the world in addition to taking care of the food needs of the people in this country.

People in this country buy the highest quality food for the lowest percent of the disposable income of any major nation in this world. That is something we all ought to remember.

Mr. Speaker, I yield to the gentleman from Oklahoma (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I would like to thank the gentleman from North Dakota and also the other Members who have been working today to bring a focus of attention on this farm crisis that faces our country.

During the debate on the farm bill a few months ago, many of us expressed our fears of an impending depression in the farm economy. We wanted strong price-support provisions in the farm bill that would help our farmers avert this crisis. Well, we did not get the strong farm bill. At the time it was passed, I said it was a blueprint for disaster and we have not averted the crisis that we all predicted.

Since we did not heed the early warnings, let us see where we are right now. Basically, farmers have been faced with rising production costs and declining crop prices. In 1981 a bumper crop and reduced exports led to a monthly fall in commodity prices, the first time that has happened since the Great Depression. By the end of 1981, crop prices were 13 percent lower than they were in 1980.

At the same time, production costs continued to rise. Farmers have had to pay more for fertilizer, seed, and fuel, and are under pressure due to high interest rates. After a steep climb in 1980, costs rose another 10 percent in 1981.

The parity ratio, which is that ratio between prices received by farmers and prices they pay, is now about 56 percent, the lowest since April of 1933. Prices received by farmers are now 10 percent below 1 year ago, while prices paid by farmers are 4 percent higher that 1 year ago. As a result, farm income is down and farm debt is up.

Net farm income is projected to fall to about $14 billion in 1982. In 1979, it was about $27 billion. That is a 50-percent drop in 3 years.

Farm debt has tripled since 1973. In 1973, each dollar of farm income supported $2 in debt; now each dollar of farm income supports $12 in debt.

That is what we are. Now, what have we done about it?

Well, first, we passed an inadequate farm bill that did not provide enough income support for our farmers. In that farm bill, we left the use of most farm programs up to the discretion of the Secretary of Agriculture.

This administration and this Secretary of Agriculture have chosen not to implement many of these programs. Their solution is to let the economic recovery program solve the farm problems. If the farm community had the time to wait for this economic recovery program to work, which is supposedly right around the corner, I would say fine. They do not have the time to wait, however.

Farmers are facing a severe crisis in my own State of Oklahoma. When I talk to my farmers, they tell me we could have farm bankruptcies running as high as 20 percent this year in Oklahoma. Listen to some of these figures from my State of Oklahoma. Delinquent farm loan numbers are up exceeding the national averages.

Delinquency rates for farm ownership loans are running at 14 percent in Oklahoma, compared to 12 percent nationally.

For operating loans, State delinquencies are 34 percent, compared to a national average of 28 percent.

Our Secretary of Agriculture, Secretary Block, has stated that what we need is to "wean" people away from Federal farm programs. I quote from the Secretary when he said, "like pigs crying * * * they can't stay in the trough forever." This implies to me, a person who has been in agriculture all his life, that only the marginal farmers are going bankrupt. Well, that is not the case in Oklahoma and it is easy to make my point with the following example. A family in my district who have been farming for years, who were named the "Rogers County Farm Family of the Year," that same farm family is no longer in agriculture. They could not afford to farm and they decided to sell. This hard-working, productive farm family is being driven away from the farm because they cannot make a profit. We cannot afford to lose, my friends, these types of individuals in agribusiness.

Now, the Farm Crisis Group has come up with an innovative, constructive method of providing help to our American farmers. To prop up prices, we have decided to control supply rather than face budget problems by raising price supports.

The set-aside provision in this bill will cut back on deficiency payments and probably save money in the long run.

To help promote exports, also to stimulate prices, we have made a statement in support of the use of the export revolving fund.

To help farmers during this depression, we have mandated the use of the economic emergency loan program.

To help stimulate construction of on-farm storage facilities during this storage shortfall, we have set up a guaranteed loan program to supplement the current direct loan program.

Now, Congress made a statement in support of these programs when it authorized them in the farm bill. The Secretary has chosen not to impose these needed programs. We believe the time is now to implement these programs.

Now, this bill is not a panacea for all farm programs. There will be parts of it that you will agree with and there will be parts of it that you will disagree with, but it is a good base for us to start. More than anything, farmers need some light at the end of the tunnel. Right now they are losing hope.

□ 1530

Farmers are a tough breed. They work 7 days a week to make a living, always facing the uncertainty of bad weather and other factors out of their control. All we need is to provide that hope and they will provide all the hard work to make a living as they always have in the past.

I urge my colleagues to support this legislation.

I might close, if I could, with a quote that I have used many times in the 20 years I have been involved in public

speaking as a 4-H'er and a person involved in agribusiness. It is a quote from William Jennings Bryan in his famous "Cross of Gold" speech, and I think it is as applicable today as the day that William Jennings Bryan stated it. It goes like this:

> Destroy our cities and they will spring up again as if by magic. But destroy our farms and the grass will grow in every city in this country.

I commend the gentleman, and I commend my colleagues for their concern.

Too often around here we deal and act out of fear. In the 2 months that I have been involved with this fine group of rural Congressmen, I think we have dealt out of compassion, concern, understanding, and hope. I hope this is the beginning of that hope for the American farmer.

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the contribution the gentleman from Oklahoma has made to this important discussion.

Mr. Speaker, I now yield to another Member from Oklahoma, the gentleman from Oklahoma (Mr. McCURDY).

Mr. McCURDY. I thank the gentleman from North Dakota for using some of his valuable time to yield to me, and I would like to congratulate my colleague from Oklahoma for his fine statement.

Mr. Speaker, I am anxious to join with my colleagues today in discussing the farm crisis because indeed, we are running out of time.

It has become obvious during the current recession that farmers, particularly small- and medium-sized producers, are unable to pass through a period of high interest rates and low returns like other segments of the economy. That is specifically why this Congress must lend more than rhetoric to the immediate problems that threaten the very existence of our farmers.

In my own State of Oklahoma, a recent study showed that big farms are getting bigger, the number of part-time farmers who have to work at other jobs is increasing and the traditional backbone of the State's agriculture—the midsize family farms—are rapidly declining in number.

These trends have accelerated in the last 3 years because of the brutal cost-price squeeze on farmers. The 1981 farm bill, which I voted against, did little to improve the situation. In fact, it may have speeded the demise of many Oklahoma farmers.

However, the most serious threat to farming in Oklahoma remains high interest and production costs. Huge deficits crowd out private credit and keep interest rates at record levels. Farmers are forced to borrow more money, usually against the equity value they have built up in their farms—a value that stays just ahead of inflation.

What results is that more and more of a farm family's income goes to pay debts and there is little left for them to live on.

Whatever this Congress can do in the way of deferring foreclosures on rural Government loans, financing promotion of our agricultural products abroad and ultimately, reducing the Federal budget deficit, will help the farmer survive this critical time.

Mr. Speaker, the mail in my office alone is enough to convince me that several sectors of our economy are in trouble and I do not mean to slight their significance with my comments here today. However, the future of America's food source is not only important to my State's economy—it is crucial to our survival and the survival of the world. That cannot be understated.

Mr. DORGAN of North Dakota. I thank the gentleman from Oklahoma (Mr. McCURDY) for his statement.

Mr. DYSON. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I would be glad to yield to the gentleman from Maryland.

Mr. DYSON. I thank the gentleman from North Dakota for yielding. Both he and the previous speakers have done a commendable job in bringing to our attention the grave situation our farmers are facing today.

Mr. Speaker, we read constantly stories on the front pages of the newspapers, and on the radio, about the condition of the Nation's housing and automobile industries. What is not well known is that agriculture is suffering even more.

Ten years ago net farm income in this country was $28 billion. This year the projected level is expected to fall as low as $13.6 billion, the lowest it has been since the 1930's and the depression.

I had the opportunity recently to speak with a number of farmers in Wicomico County, Maryland, many of whom remember that depression. Some of them told me the situation today for farmers is very much what it was then. They said basically that farmers are just hanging on, just buying time.

Earlier today I listened to our colleague, the gentleman from Arkansas (Mr. ALEXANDER), refer to a brochure which was provided by the National Rural Electric Cooperatives Association, called "Hard Times in Rural America." I commend the gentleman from Arkansas for making reference to this fine brochure and I would like to read a paragraph from this brochure.

They refer to budget cuts to the Rural Electrification Administration. As indicated such cuts could not come at a worse time. Agricultural areas served by REA borrowers are more economically distressed than at any time since 1933. USDA reports that the Farmers Home Administration foreclosed on 2,334 farm loans and recorded an additional 1,270 bankruptcies through November of 1981. Business failures in the rural areas and small towns which are closely tied to a healthy agricultural economy are also increasing rapidly.

Let me give you some brief statistics I received today from our Maryland Farm Bureau.

Farm production costs have more than doubled over the last 10 years. The cost of tractors, has doubled since 1975. In 1975 the approximate cost of a tractor used by a Maryland farmer was about $22,000. In 1982 that price is $45,000. The price of combines has doubled since 1975. In 1975 the approximate cost of a combine was around $40,000. Today, in 1982, that price is about $75,000. The cost of fertilizer has more than doubled. We all know about interest rates. Short-term borrowing which many of our farmers and small businessmen must do is around 16 percent.

On the other hand, when we look at net farm income, for the American farmer, we find that it is about one-half of what it was in the early 1970's.

Corn, in 1975, was $3 a bushel. Today it is $2.50 a bushel. The decline is even more significant when you consider the adjustment for inflation.

I have a chart here I would like to display.

SHARE OF AFTER-TAX INCOME SPENT ON FOOD

	Percent
United States	19
Netherlands	21
Sweden	21
Canada	22
Belgium	23
United Kingdom	23
South Africa	23
Finland	25
France	26
Denmark	28

Source: U.S. Department of Agriculture.

As mentioned the net farm income is on the decline. If we look at the share of after-tax income which is spent on food by the American people, and compare it with all the other industrialized countries listed here, from the Netherlands to South Africa to Denmark, we can see the small percentage which Americans pay. I think this is impressive but we must remember that our farmers are only receiving $2.50 for a bushel of corn which was $3.00 in 1975.

Mr. Speaker, as the gentleman from Minnesota (Mr. OBERSTAR) has indicated, the time to act is now. We must act now to save farming for our Nation and our future.

I thank the gentleman from North Dakota for allowing me this time to speak.

Mr. DORGAN of North Dakota. I thank the gentleman from Maryland for that statement.

Mr. ECKART. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I would be glad to yield to my collegue, the gentleman from Ohio.

Mr. ECKART. Thank you very much.

I applaud the gentleman's concern and consideration is debating this very important issue before the American people today.

Mr. Speaker, ladies and gentlemen of the House, what the farmers of America need is a jobs policy. What the Congress of the United States ought to be giving the highest priority to is creation of jobs.

It might sound funny to mention jobs when we are talking about the problems that the American farmer is facing. But very simply American farmers are consumers. As the American farming industry progresses, so does the rail industry which moves the grain and the feed from the farms, and so does the rail industry in my district. And so the farming industry of this country progresses, so does the river traffic and the barge traffic increase.

Both the rail and the barge traffic have been substantially off and thereby dramatically affected in their net profits the past several years.

Farmers are consumers. They buy trucks, they buy cars, they buy tractors, they buy farm implements, they buy washing machines, they buy dryers, they buy furniture. And yet when the farming income continues to decline, so does the demand for the other products, products that are produced in the major metropolitan areas of this country.

Therefore, as farming income declines, so is the decline of the major industries in the major metropolitan areas further exacerbating a most difficult situation.

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Farmers consume energy. Yes, not only do us in the Northeast and Midwest suffer from exhorbitant energy costs, incremental increases in the cost of gasoline and fuel oil, but farmers have witnessed a dramatic increase in the cost of running their greenhouses, powering their tractors, and taking care of the vast amount of complicated machinery necessary for modern day agricultural development. The cost of energy has crippled the farming industry just as much as it has crippled senior citizens living in the central area.

Of course, interest rates, Mr. Speaker, have been adequately discussed. The same interest rate that has brought about a record number of small business failures, the same interest rate that has decimated the housing industry, the same high interest rate that has decimated the auto industry, that has put thousands of steel workers, thousands of other small business people on the streets, has absolutely crippled the agricultural industry as well.

Coal, energy provision, transportation, manufacturing, and indeed, farming, yes, all integral parts of the recovery of the American economy, and all integral parts which have had the most disastrous results of the face of the misguided Reagan administration policies.

Now, Mr. Speaker, the problems of the farmers are not exclusively limited to the rural areas of this country. The problems of the farmer are the same problems that are felt in urban, central city America, suburban America; indeed yes, from every shore to every shore of this country. In the face of the statistics, the Reagan administration turns a blank face, a deaf ear. Yes, while the auto industry burns, while the farming industry fails, the Reagan administration continues to fiddle.

Mr. Speaker, our farmers need more than misguided wishes and fragile hopes. They need a constructive, compassionate policy that cares. One of the major metropolitan daily newspapers in my district recently published a very, very sincere and well-thought-out article entitled, "Survival Is Harder on Ohio Farm."

This article is an indepth analysis of the plight of Ohio farmers. I will insert this article in the RECORD at this point to further help illustrate to all of my colleagues, and indeed to all Americans throughout the country, that as the plight of the agricultural industry goes, so goes auto workers, so goes steel workers, so goes the building trades. Indeed, we have to quickly recognize that our economy is a fragile one, and indeed all Americans everywhere are deeply touched by what occurs.

I commend the gentleman for his efforts, and I am pleased to be a part of it.

Mr. Speaker, the article from the Plain Dealer of April 20, 1982, follows:

SURVIVAL IS HARDER ON OHIO FARM

(By John Fuller)

Ohio farmers such as Lee Oswalt are sowing seeds of despair, instead of feverishly planting food crops this spring.

"It's getting to a question of survival for many farmers in Ohio," said Oswalt, a Richland County grain and cattle farmer.

A combination of poor crop yields, low prices and rising debts put farmers in a dilemma as they approached planting time.

Many farmers like Oswalt are simply planting less, but many may not plant at all.

Ohio farmers are in their worst financial position in 25 years and possibly since the Great Depression, said C. William Swank, vice president of the Ohio Farm Bureau Federation.

John Stackhouse, director of the Ohio Department of Agriculture, provided a grim outlook:

Farm income last year was estimated at $3.4 billion, a decline of nearly $800,000 from the year before.

As many as 2,000 Ohio farmers—four times the usual number—will either go bankrupt or be forced to sell in the next year.

Nearly a fourth of the farm machinery dealers in the state are expected to close or be sold this year due to lack of sales. A number of grain elevator operations are also in serious trouble.

Farmers nationwide have been in a pinch as prices have dropped on most commodities, particularly corn. Most Midwest states, except Ohio, had bumper corn crops last year.

With less income, many farmers have gone deeper in debt, and these days the interest rates on loans is still steep. Many private and government lenders are much stricter on loaning money to farmers, and some farmers in Ohio and elsewhere are being turned down for credit.

Bad weather in Ohio brought about 96 bushels of corn to the acre last year, compared with the normal 115 bushels per acre.

Corn prices fell last year from $3.50 a bushel to $2.50 a bushel and Ohio farmers had less of it than others in neighboring states to sell.

Oswalt said he would plant 10 percent less corn this year and 15 percent less wheat on his 500-acre farm.

"Many farmers are facing a losing proposition," Oswalt said. "It might cost more to produce the corn than we will get for it."

"We've got some of the best farmers in the country looking seriously at going out of business. Some of them gross several million dollars a year," Swank said.

The slump in Ohio farming could also have two long-term effects that could contribute to higher food prices.

When they are in a slump, farmers plant less the next year or sell their livestock. That often leads to a shortage which can translate to higher consumer prices.

Often when a farm is sold, its new owner may not continue farming. The growing loss of prime cropland has been a serious problem in Ohio, which has lost thousands of acres of prime land in the last decade.

The agricultural area southwest of Columbus hurt most by the bad weather might be where most of the farm closings are expected to occur.

Many farmers had been used to getting extra income by working second jobs at factories. With many of those plants closed or on scaled down operations, those opportunities are drying up.

Farmers are not going to get a lot of help from the state or federal government.

The state is in the midst of a budget crisis of its own and the state agriculture department has cut back a number of programs, some of which help farmers and consumers.

The Reagan administration said it recognized that farmers were in financial trouble, but expected that when the economic recovery got into full swing, farm income would improve.

A top U.S. Agriculture Department official acknowledged last Thursday that farm liquidations were skyrocketing in some areas of the country because of insurmountable debts, severely depressed prices and high interest rates.

Undersecretary of Agriculture Frank Naylor, who oversees USDA's Farmers Home Administration, said that while more farm borrowers than normal were delinquent, the problem was not a national one.

Because of that, Naylor told the Senate Agriculture credit subcommittee that a mandated moratorium on repayment of USDA farm loans would not solve the overall credit problem as some congressmen have proposed and a House Agriculture subcommittee has endorsed.

He said a moratorium on repayment of Farmers Home Administration loans, which account for 10 percent to 15 percent of all farm credit, would be unfair to the vast majority of farm borrowers who repay their loans on time, both to the federal government and commercial creditors.

Overall, Naylor said; the long-term picture for U.S. farmers was strong, noting that half the nation's producers had no debt at all.

He said the FmHA, USDA's credit arm, was working with private lenders to help those farmers who were not in a credit squeeze, but had the capability to continue farming and eventually stabilize their finances.

In Ohio, however, the Farmers Home Administration has been agonizingly slow in getting loans processed for farmers.

Another source of help has been the federal acreage set-aside program in which farmers receive a certain amount of money for not planting 10% of their acreage. The signup for that program ended Friday. Swank said he was encouraging farmers to get into it, advice that the bureau usually only gives reluctantly.

State Rep. Eugene Branstool, D-1, of Utica, is a farmer and said he noticed that even established farmers were in financial trouble.

"No one appears safe," Branstool said. He said he knew of one farmer who sold his beef cattle herd and invested the money in the stock market.

Another farmer in the Columbus area who had no problem getting money last year to finance his spring planting and equipment was turned down this year, Branstool said.

One of the few bright spots this year could be a new grain deal with the Soviet Union, according to Swank. But Swank said farmers feared it could boomerang if the federal government decided to impose another embargo, as it did in 1980 over the Russian invasion of Afghanistan.

Swank said some help should be coming from the government for farmers. "If the government can bail out companies like Lockheed and Chrysler, surely they ought to be able to help the American farmer."

Mr. DORGAN of North Dakota. I thank the gentleman from Ohio for that contribution. I think that he has indicated the relationship of urban America to rural America and the importance of farming to some of the industrial areas of this country.

I think it is important to point out just briefly that this is not a partisan issue. I do not want to lay all of the problems of the American farmer at the doorstep of President Reagan or this administration. I think the farm economy is still staggering from the embargo President Carter put on farm products. I think that is true, but I think it has also been beset with problems because of Alexander Haig. Haig suspends grain talks, uses chicanery in butter sales to New Zealand, and just gets hip deep in all of these negotiations with foreign governments on who we are going to sell agricultural products to.

But the important point is this: The President asked for a chance to govern in this country. He got that chance, and he was elected. The question is, what is the President's policy to deal with the agricultural problems in this country? The answer to that is, the President says through his spokesman that our policy is to plant fence row to fence row and that somehow the free market will take over; somehow that will resolve all of our problems. And, at the same time, we have a Secretary of State who interferes with the export markets, and a Director of the Office of Management and Budget who is crouched off at the side of the Chamber in an anteroom and directs the farm debate on that side of the aisle.

The fact is, people who know about farming are not in control in this administration in dealing with farm problems. That is the difficulty.

I want to underscore one point. It is not that we do not have enough money to deal with farm problems. There is money around here. There was money around here when the administration asked this Congress to pass a foreign aid bill 30 percent above the previous foreign aid bill. This Congress says, "We will pay, we will pay."

There was money when the previous administration asked Congress, "Let us bail out Chrysler." And the people in Washington said, "We will pay."

And then there was money when Poland said, "We cannot pay our debts to the American banks and to the financial institutions of some $70 million interest."

The President says, "We will pay, we will pay."

When it comes to the family farmer and the question of whether that farmer is going to keep that yard light on and keep doing chores, when that farmer needs some time and some help to stay alive economically, those voices are distant and are refusing to say, "We will pay, we will pay."

Paying does not mean charity; it does not mean welfare; it does not mean a giveaway. It simply means that this country will commit ourselves to the kind of farm program that many countries have provided their farmers. Why is it that a tremendous import fee is imposed on a bushel of wheat when it hits the Japanese shores? It is because the Japanese want to protect their farmers and have a farm program that gives their farmers more support then we give our farmers, and that tariff acts as a shock absorber. When a bushel of American wheat hits that shore they have a tariff that is attached to it and it is because Japan cares about its farmers. Why is it they have a tariff in West Germany? It is for the same reason.

The fact is, this country does not deal with its family farmers, the most efficient food producers in the world, in the same way that many other countries deal with theirs. We ought to give our farmers a chance to make it; just a chance to make it, that is all they want.

Mr. HANCE. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I will be happy to yield to the gentleman from Texas.

Mr. HANCE. First of all, Mr. Speaker, I would like to thank the gentleman for his remarks. I think one thing he pointed out was so correct. Many of the colleagues on the other side, and also President Reagan, ran on the policy of, "Let us get the Government off the farmer's back," but the biggest problem is the State Department. They want to get the farmer in a position of, they say, completely free enterprise, and yet the State Department continues to manipulate farm prices and farm policy. If you look at what has happened not only in this administration but in prior administrations, the State Department has had more to do with our farm policy than the Agriculture Department. They have an Asian desk, and an African desk, but I just wish they had an American desk at the State Department that would look after the farmers.

Some of the actions that have been taken in the last couple of years really show the concern has been directed more to other areas instead of looking after the real asset that we have in this country, and that asset comes back to the resources we are able to grow; that our farmers have been able to produce; and they have been able to sell to the world.

We are sitting here in the United States with less than 5 percent of the population. Less than 3 percent of that population is made up of farmers, and that is one of the problems we have. The farmers have done such a good job in producing, they have such small numbers, that really the number of people that represent farming districts is probably less than 80 people in this Congress. So, you come back to how do we solve the problem?

First of all, we have to solve the problem with the help of Members of Congress that represent areas where there are consumers, because the best friend the American consumer has is the American farmer. We have been subsidizing the consumer in this country for the last 20 years. You can go back to 1965 and the farm bill passed then, and every farm bill passed since then is a subsidy of the American consumer. That is fine, but at the same time we have to look after the farming situation and the farmer. Otherwise,

we are going to kill the goose that laid the golden egg.

If you will compare the disposable income that is used to buy food and fiber in this country, about 19 percent, with other countries, you get up as high as 58 percent, but 19 cents out of every dollar in this country is used to buy food. There is no other country that has anything comparable.

We are not going to be able to keep it unless we do something about the crisis we are in. Something the gentleman has been working on, and I appreciate his work, is the farm crisis group that we have organized. This farm crisis group is going to be introducing a new farm bill. The new farm bill will save the Government money. The President wants to try to cut down on deficit spending. He can adopt this farm bill and go with it, and he can save the Government money. It will definitely be a step in the right direction.

The other thing the White House has got to do is call a White House Conference on Agriculture. If the gentleman will recall, last year in the House agriculture bill we passed, I had an amendment that established a White House Conference on Agriculture.

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It went to the Senate, and in the conference committee, the White House conference was deleted from the bill. But later the chairman of the committee, the Agriculture Committee in the other body, plus the chairman in this body, signed a letter to the President asking him to call for a White House Conference on Agriculture, No. 1, to publicize the plight of the American farmer at this time, and, No. 2, to come up with long-range policies so that we can utilize agriculture to the best of our benefit.

I think we are going to have to do these things because you see it and I see it: There are farm sales day in and day out in my district. Over 90 percent of the FmHA loans in my district are delinquent. That tells us that these are farmers who have always made good money until the last 2 or 3 years, and they are just broke now.

One of the best friends I had while I was in high school had a farm sale the other day. It came about after he had gone through a farming year of having 80 bushels an acre of wheat, 9,500 pounds on corn, and almost 2 bales per acre on cotton, and he lacked $114,000 being able to pay off the bank and he is out of farming. I talked to him the day after the farm sale, and he said it was like going to an all-day funeral, "you just sit there and see everything that you worked for for the last 15 years go under."

The biggest problem we have is that we are going to lose those farmers between the ages of the early twenties and the late forties. That is a group that we are not going to replace, because once they get into another business they are not going to come back into farming. So this is a real crisis that is happening in this country, and we are in the middle of a depression.

The reason the United Auto Workers are having so many people who cannot get jobs is that companies like John Deere, International Harvester, Case, and others are not building any more tractors. The manufacturing process is breaking down, and the farmers are not paying any taxes.

For us to ever balance the budget we are going to have to get the farm sector into the situation that they will pay taxes and will be able to spend money and buy equipment. Otherwise we face a real disaster that will be comparable, if not worse, than the one in the 1930's.

Mr. DORGAN of North Dakota. Mr. Speaker, if I can comment on what the gentleman said, I think the gentleman made an important point about the farm crisis. It is important to underscore here to everybody who is concerned about farming that we are not only interested in complaining about the situation facing the farmer today or outlining the deficit situation facing the farmer, but it is incumbent on us to try to figure out what to do about it.

I have been working with the gentleman from South Dakota, the gentleman from Texas, and others. About 15 of us have been working on something called the Farm Crisis Act of 1982. We have been working several weeks, trying to put together something that we think can work to help farm families in this country. It may not be the best thing in the world. It may not pass, but if it does not pass, it will not be because we did not try. We think our responsibility is to try, to try very hard to see if we can improve the situation of the farmer in this country.

The Farm Crisis Act of 1982, which is outlined in this paper, will be described in some detail here during this and subsequent special orders. It is important to suggest that we are not people who are only interested in analyzing the troubles or criticizing someone; what we want to do is to propose some positive solutions to try to get this rural economy back on sound track again.

Mr. HANCE. Mr. Speaker, I think that is exactly right. One thing I would point out is that we are going to fight for this bill all the way. We are going to force it and try to pass it. If we do not, we will try to come up with some other answer.

What we want the people to know and what we want the farmers in this country to know is that we are not giving up, and we do not want them to give up. They face dire circumstances, we know that, and we hope the rest of the Nation will recognize it.

Mr. Speaker, I thank the gentleman from North Dakota (Mr. DORGAN), and I appreciate the efforts of the gentleman from Arkansas (Mr. ALEXANDER) for putting this together.

Mr. DORGAN of North Dakota. Mr. Speaker, the gentleman from Texas (Mr. HANCE) is right. We are going to fight hard to try to improve the situation with the Farm Crisis Act. If this does not work, we will do something else. I would much rather be criticized for trying to do something than for neglecting our responsibility. I think many other Members who come from the Farm Belt feel exactly the same way.

Mr. Speaker, we have a responsibility to push and push hard for improvement these days. We can improve things. We want to deal with these markets, we intend to deal with production problems, and we want to do something to boost the price that the family farmer receives. I think it is very important for us to push and pursue this kind of effort.

The Farm Crisis Act of 1982 will be discussed in some detail by the gentleman from South Dakota and others, so I will not go into it at this point. I think we are embarking in the next few days on a very important venture for the farmers of this country.

Mr. SHAMANSKY. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I yield to the gentleman from Ohio.

Mr. SHAMANSKY. Mr. Speaker, I am glad to have the opportunity to speak today on the state of the agricultural economy, and would like to thank my distinguished colleague from North Dakota for providing that opportunity. I only wish the news were not so bad. The message I am receiving from the farmers in my district is that the farm economy has not been this bad since the Depression of the 1930's.

Let us look at the figures. At the end of 1981, farmers in the United States had $19.9 billion in cash assets against $194.4 billion in outstanding debts. That is more than double the debt of 1975. In the same period, farm expenses have risen from $75.9 billion in 1975 to $141.5 billion in 1981. Net farm income in 1975 stood at $24.5 billion. Last year, it was $22.9 billion.

Net farm income is down for the fifth year in a row. In 1981 the index of prices received by farmers did not rise for a full 12 months—this has not happened since 1933. Agricultural parity is at 56 percent, the lowest since 1933. Initial projections by the U.S. Department of Agriculture for 1982 indicate that net farm income may drop an estimated $4.4 billion to $14.5 billion this year.

In short, costs are up and income is down. As a result, 1980 and 1981 are the first time since 1933 and 1934 that we have had back-to-back years in which the cost of production on the farm is more than the farmer's revenue. The word "depression" is spoken frequently in the farm community these days.

In Ohio, my home State, net farm income dropped over 40 percent between 1979 and 1980. Ohio's net farm income for 1981 is projected to drop at least another $125 million.

Farmers have responded to this difficult situation by borrowing more and more, using their land as collateral. However, now the price on farmland is dropping, and farmers are unable to obtain credit from the banks or the farm credit system. Without credit, the farmer cannot plant in the spring. Bankruptcy is widespread.

From October 1, 1981, to January 31, 1982, the Farmers Home Administration has 871 voluntary liquidations, meaning the farmers sold out to satisfy debts. FHA foreclosed on an additional 421 farms during that 4-month period. During all of 1980, FHA had only 127 voluntary liquidations and 133 foreclosures. The national rate of delinquency on payments on loans from the Farmers Home Administration is now at 58 percent, the highest in memory.

Of course, these failures in the farm economy have a significant impact on the national economy. One farmer raises enough food to feed himself and 67 other people, 1 out of every 3 acres of farm produce is exported. In 1980, farm exports reached $45 billion.

Federal programs exist to help farmers cope with economic adversity. One such program is the economic emergency loan program which provides credit assistance to farmers unable to obtain sufficient credit from normal sources. With the 1981 farm bill, Congress extended the economic emergency loan program through September 1982. The bill did not provide additional funding, but simply extends the authority to make emergency loans to a limit of $600 million.

Though funds are currently available, the Secretary of Agricultue has not released them. On March 18, 1982, I wrote to Secretary Block urging him to release these important funds. His response, that new regulations are being developed, is grossly inadequate.

In Ohio, the problems facing the rural economy have been exacerbated by the unfortunate manner in which the Farmers Home Administration's Ohio office processed rural housing loan applications. Last year, poor FHA administrative practices in Ohio cost the State $9 million in rural housing funds which were turned back to the Federal Government for use in other States. Still more is in jeopardy this year, if the processing of applications for 502 housing funds is not improved. Ohio's FmHA has $92.4 million it can authorize for rural home loans this year, but has obligated only $18.4 million so far.

I have recommended six specific changes in administrative procedures to the director of the Farmers Home Administration Ohio office which should improve the processing procedure and insure that rural housing construction in Ohio receives a much-needed boost.

We in Congress must come to the aid of the ailing farm economy. Funds which are available to help farmers cope with economic adversity must be released. The farm economy is the backbone of the national economy. As such, it deserves our support during these trying economic times.

Mr. DORGAN of North Dakota. Mr. Speaker, I appreciate the contribution the gentleman from Ohio (Mr. SHAMANSKY) has made on these issues.

These are issues that affect not only the rural areas of America but also the urban areas of America, and the participation in this special order and the one preceding it by Members who come not only from the Farm Belt but also from some of the bigger cities of America underscores the fact that this problem is a problem that relates to every sector of this country, and I appreciate this fact.

□ 1600

Mr. SHAMANSKY. I appreciate the fact that the gentleman has noted my district is primarily urban. But we rest on the farm economy. We have learned that from the Depression.

Mr. WILLIAMS of Montana. Mr. Speaker, will the gentleman yield?

Mr. DORGAN of North Dakota. I am happy to yield to the agricultural expert from not the export State of Montana, Congressman WILLIAMS.

Mr. WILLIAMS of Montana. I appreciate the gentleman yielding. There is not enough export and sometimes I think not enough experts from Montana, but I appreciate the gentleman's comments.

The other day I was looking at a major national newspaper and I came across this headline, "Who Will Farm the Land if the Banks Take Over?"

That question was asked in a recent headline in the Christian Science Monitor, and it points up the real and frightening possibility facing this country. Who will farm the land? Who will grow the food? The banks? The Federal Reserve Board?

We are not just facing a farm crisis. I think we are facing a food crisis. Our food producers are the most efficient and productive segment of our industrial economy, but they have reached the end of the road. They have tied a knot. They are hanging on.

However, the men and women on the American farm cannot persevere. They face higher costs of production, staggering debt, lower prices, and an overall decline in their financial health. It may force them off the farm.

Our grocers cannot make milk magically appear on their shelves each morning without someone feeding and milking the cow. Our bakers cannot bake those loaves of bread for our lunchtime sandwiches without someone harvesting the wheat. The steak on your dinner plate tonight would not be there unless the farmer had planned for the calf 3 years earlier.

The American consumer has become conditioned to expect the abundance and diversity of our supermarket shelves. We take for granted the availability of reasonably priced, health-giving food.

But remember, that package of corn flakes started its trip to that supermarket shelf when the farmer planted the seed in his Nebraska cornfield. That Big Mac started its trip when the calf was born in Wyoming and the wheat was planted in Montana.

When the farmers in Nebraska, Wyoming, Montana, and the other great farm States leave the farm, the corn flakes, the Big Macs and all of the other food to which America has become accustomed will become scarce, scarce indeed.

Sometimes, I think all too often, we Americans live with myths, and today we do not like to talk about depressions. But there is a myth about the Great Depression which we ought to discuss. The myth is that the New Deal and F. D. R. saved the banks. The truth is that the New Deal and F. D. R. saved the farmers, and those who live on the land, those who live closest to the land, and they in turn saved the banks.

If today's recession deepens, if it deepens with those who live closest to the land, it will create a black hole, an economic black hole which, like the black hole of the Great Depression, will suck in the bankers, the money merchants, the money markets, and those who live off those who live off the land, and then it will become, as the last Depression, almost irreversible.

So if we are to keep the corn flakes and the Big Macs coming, if we are to prevent the chaos of economic collapse and another depression, we must, we must protect those who live off the land.

I thank the gentleman from North Dakota (Mr. DORGAN) and the gentleman from Arkansas (Mr. ALEXANDER). We appreciate their leadership in this effort to try to draw attention to the great problem that faces those who live off the land today.

I thank the gentleman for his leadership.

Mr. DORGAN. of North Dakota. I want to thank the gentleman from Montana for that statement.

We have had a long and thorough discussion about family farming today and we come from similar parts of the country.

I have had a chance, as I am sure the gentleman has, to fly over the State of North Dakota and parts of the State of Montana at night, and if you look out of the windows of a light airplane you can see more yard lights than you ever believed was possible in our States. They are very sparsely populated States. All those yard lights represent the economic blood vessel that keeps the small towns alive, the towns you come from and the towns that I come from, towns like Regent, N. Dak.

I grew up in a town of 300 people, actually on the outskirts of the town, and that town is kept alive by the yard lights that represent those family farms.

Then I went to graduate school out of State in a State where they have corporate farming. You could go and stand in places in that State and look as far as the eye can see and you can see corporate farms.

In this country there are things like a farmers' Coors Beer, there is the farmers' Tenneco, farmers' Union Carbide, but in my State there is Farmer Olson, Farmer Johnson, or Farmer Christiansen. Down in the south central parts there is Farmer Schmidt, Farmer Schmultz, and Farmer Smythe. Those farmers have yard lights. Those are family farmers, and those are the folks that keep the rural life still alive. Those are the folks that keep the small towns operating and alive and vibrant.

If we lose that kind of farming in this country, we lose something that is more than just a business. We lose a lifestyle.

Somebody is going to own that land and somebody is going to produce on that land. Even if there is an auction sale of a family farm, that land is going to be farmed, and that land will produce.

But the difference is whether that land is producing for a family farmer or a large out-of-State landowner. A large corporate farm producer is a substantial difference for the kind of lifestyle that we both know.

We have not just farm legislation dealing with support prices to be concerned about, but a whole host of rules and regulations and other things that farmers are faced with.

I had a fellow stand up at a town meeting I had a while back who was a farmer. He said:

You know, we went into the grocery store and we bought a chicken.

And he said:

My wife took the chicken home and put it in a pot. She was going to boil it up and boiled that chicken in a pot, and when she got through we didn't know whether we had chicken or chicken soup because the chicken didn't leave the farm with that kind of water in it.

The same is true with the farmer telling me about the quality of the grain that went from the farm to the grain elevator, the exporter, and then was sent to Japan. When it hits the shores of Japan, or China, or some foreign nation that purchases American export agricultural products, a good, clean bushel of grain which has left the farm in North Dakota, in some cases ends up hitting a foreign port with crushed glass, crushed stones, dirt, added to that product.

We have archaic rules and regulations that in some cases are injuring the reputation that this American farmer has for producing a good, quality food product.

Someplace something is happening in between. In the case of grain it is because we have archaic standards for grading that grain and we have an archaic standard for allowing dockage that should not be there in that shippage.

In the case of the chicken, that farmer also talked about ham and said that the ham did not leave the farm that way. The farmer gets buffeted by all sorts of regulations and laws that in many ways injure the family farmer in this country.

All the farmer wants, I think, is a fair chance. If we do not give that farmer a fair chance, as I and some other speakers have said, we are going to injure something far more precious than just an economic unit that the family farmer represents. We are going to injure a way of life that is very, very special to this country.

Mr. WILLIAMS of Montana. I thank the gentleman.

□ 1610

THE FARM ECONOMY

The SPEAKER pro tempore (Mr. ALEXANDER). Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 60 minutes.

Mr. BEDELL. Mr. Speaker, Members of Congress and, more importantly, citizens of this great land of ours: I think it is important for the people of this Nation to know what has happened here in the Congress over the past year, and I would like to start by telling everyone exactly what happened with the farm bill that we passed recently.

After many, many hours of deliberation, the Committee on Agriculture of the House of Representatives came forth with what a number of us thought was a pretty decent farm bill. We passed that farm bill, and then we went to conference with the Senate, to confer with them on a bill which at least many of us thought was not a very good farm bill.

The people should be well aware that that was not a conference between the Representatives representing the House of Representatives and those representing the Senate. That was clearly a conference between those representing the House of Representatives and those representing the present administration. The present administration absolutely insisted all through those negotiations that we should take the worst possible provisions we could, in every case, as we discussed that farm bill.

Their problem was that if we passed the House bill, according to their figures, it would cost some $6 billion more over the period of the total period of the bill, which was a 4-year bill but which actually covered some 5 years.

I was able to get the figures from the Department of Agriculture in regard to their projections of what farm prices would be whether we had the House bill or whether we had the Senate bill. According to their projections, which I pointed out to them, the farm income, just for feed grains, just for corn and other feed grains over the period of that bill, according to their projections would be $9 billion lower under the bill that they were insisting that we accept here in the Congress, and the bill which, through their insistence, did indeed come through and become a law, even though many, many, many of us voted against that legislation.

It is certainly my contention that if we are trying to balance the budget, the loss of revenue which we are going to sustain by passing a weak farm bill is going to greatly exceed the $1½ billion per year that the administration projected that we would save by passing a poor farm bill.

One of the concerns that many of us had had to do with the set-aside provisions in that bill, and now we have the administration very gleeful that we have some 80 percent of the people who have signed up for that set-aside. Well, let me tell you, that 80-percent signup does not mean one darn thing. The situation in that legislation is that anybody can sign up. You are a darn fool if you do not sign up, whether you are going to participate or not. Because if you sign up, and then you have bad weather or poor crops, then you can go ahead and participate in it and, in effect, get free insurance; whereas, at a later date, when farmers have to determine whether or not they are truly going to participate in the program we have a completely different situation.

I have just returned from meeting with my farmers all across my district, and I can tell you what they project for actual participation in my area,

which would be one of the areas where we would normally expect some of the highest participation in such a set-aside program. They project that actual participation will be something on the order of 30 percent rather than 80 percent.

This calls for each farmer to set aside 10 percent of his land. If 30 percent of the farmers participate, that means that we could have a 3-percent reduction in actual farm production, provided they indeed set aside land which was equivalent or better than the average of their farmland. I think it is recognized that that is not going to be the case.

So what we are talking about is a farm set-aside program to try to bring production down into control, in which the amount of land taken out of production will be way, way, way less than the changes that we get according to the weather that we experience.

I spoke to a group this noon about our farm problems, and we had a question-and-answer period. One of the questions that was asked of me was: If you could do two things, what would be the two things that you would propose should be done in order to help our farm economy? And I said: The two things that I would propose would be, first of all, we go back and correct the farm bill that we passed; that we institute a set-aside program which would indeed do something to get our production and usage into balance so we do not build bigger and bigger and bigger surpluses to hold over the heads not only of our farmers but of our whole Nation.

And I told them a second thing I would do does not necessarily have so much to do directly with the farm program but the second thing I would do would be to have the Congress go back and have the courage to address the great big deficits that we face as a result of the President's proposal in regard to tax cuts and budget that we passed this last year. I hope people realize that we are talking about a $180 billion deficit unless we make some changes. And unless we make some definite changes, so we can actually show that those deficits are going to start to decline, then we can tell our farmers that they can look forward to continued high interest rates that are going to continue to be a serious, serious, serious problem throughout all of agriculture.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Speaker, I appreciate the statements which the gentleman has made concerning the cost of production and especially the high interest rates caused by the mounting deficits resulting from the current economic policy.

I had the opportunity to address the question of interest rates during my statement in the first hour of this special order this evening. But there is one matter which I did not have the opportunity to address, which has been referred to today, but which I believe needs some additional emphasis; and that is the matter of export trade.

Our allies and trading partners often depart from their commitments that they have made to the United States, in effect discriminating against U.S. farmers and producers and exporters, and costing them millions of dollars annually.

The U.S. Government, or at least departments within the Government, such as the Department of Agriculture and the Department of State, oftentimes fail to recognize the need to represent our farmers' interests by insisting upon compliance to the rules and regulations of international trade.

I can think of a situation just this year that might be worth using to illustrate this point. The rice farmers of America have a surplus of their product. Last year they produced an abundant rice harvest. One of the commitments that was made by one of our allies, South Korea, to those farmers would purchase up to 500,000 tons of that rice if the departments of our Government would insist upon its compliance. Talks have ensued since last January, and I had occasion myself to meet with His Excellency, the Ambassador of South Korea, Mr. Lew, on February 26, during which I made reference to the rice dumping by Japan in 1980 to Korea. During this dumping situation our Government sat idly by and permitted the Japanese to dump subsidized rice onto the world market, selling that rice to Korea at prices far below the world market, even though both Japan and Korea had agreed to the General Agreements on Tariffs and Trade, they were signators of the Food and Agriculture Organization principles of surplus disposal, and both are parties to the MTN, all three treaties establishing the rules and regulations for international trade.

But our Government does not insist upon the compliance by our trading partners to those rules and regulations and, as a result, our producers, be they farmers, be they auto makers, be they in the electronic business or the steel manufacturing business, get left out in the cold. I think that we are seeing a coalition of dissatisfied American producers in the field of agriculture, in steel, in automobile manufacturing, in electronics, beginning to coalesce together in dissatisfaction of the unfair trade practices that we have observed our trading partners practice during the last number of years.

□ 1620

I brought the matter of failure of compliance by Korea to the attention of our Secretary of State, Mr. Haig, in March, during an executive session, during which I asked the Secretary if he would bring the matter to the attention of the President and to his counterpart in Korea during his visit there in April.

He assured me that he would and I received a letter on April 29, which I will put in the RECORD, to illustrate this point, from Mr. Moore, the Assistant Secretary for Congressional Relations, during which he assured me that proper contacts will be made through proper channels with proper officials.

The letter follows:

DEPARTMENT OF STATE,
Washington, D.C., April 23, 1982.

Hon. WILLIAM V. ALEXANDER, Jr.,
House of Representatives.

DEAR MR. ALEXANDER: During Secretary Haig's appearance before the House Appropriations Subcommittee on March 23, you reviewed your concerns about Korea's rice purchases. Secretary Haig asked me to outline our recent efforts to persuade Korea to purchase and ship its 1981 crop California rice promptly. Acting under fully coordinated instructions our Embassy in Seoul has continued to emphasize the U.S. position with appropriate Korean officials. Officers of the Bureau of East Asian and Pacific Affairs have made similar representations in their regular discussions with Korean Embassy Officers here. Assistant Secretary, John Holdridge, emphasized to Ambassador Lew on April 14 that the rice should be purchased and shipped promptly.

The latest information from Seoul indicates that the Korean National Assembly Rice Review Committee has completed its deliberations and forwarded its recommendations to the Government. The Korean government, is negotiating with a number of U.S. exporters and we expect the contracting process to be completed shortly.

With cordial regards,
Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.

A typical bureaucratize that explains any sort of business as usual by any Department of the Federal Government.

So trying again to bring the attention of the failure of Koreans to live up to their commitment to purchase the 500,000 tons of rice from the United States, I asked the Vice President, GEORGE BUSH, if he would bring the matter to the attention of the South Koreans during his recent visit there and I have a copy of a letter which I signed together with other members of the Export Task Force in the House which I will place in the RECORD:

CONGRESS OF THE UNITED STATES,
April 21, 1982.

Hon. GEORGE BUSH,
Vice President of the United States, The White House, Washington, D.C.

DEAR MR. VICE PRESIDENT: We are informed that you will be making an official State visit to the Republic of Korea this weekend.

This letter is to request that you make a forceful and direct representation to President Chun and other Korean officials regarding the commitment Korea made in 1981 to purchase 500,000 metric tons of U.S. origin rice. This commitment was made as partial mitigation of the harm done to U.S. rice growers by the purchase of almost one million tons of subsidized Japanese rice by Korea in 1980. That rice has suplanted commercial rice exports from the U.S. to Korea for the past two years, doing irreparable damage.

In the fall of 1980, the U.S. provided an emergency exception to the U.S.-Japan rice agreement permitting Japan to sell subsidized rice to Korea. Korea was suffering from a severe rice shortage at that time. In turn, Korea committed itself to purchase 200,000 metric tons of southern rice from the 1980 crop, the balance of the available California rice from the 1980 crop, and 500,000 metric tons of rice from the 1981 crop to be delivered during the 1981-1982 crop year.

There have been numerous delays in fulfilling the last part of that commitment and the 1981 marketing year ends on July 31, 1982. The U.S. Department of Agriculture and the U.S. Department of State have testified that it is the position of the U.S. government that Korea must purchase and ship 500,000 metric tons of U.S. rice by the end of August. The Koreans have agreed with this interpretation.

Nonetheless, despite periodic assurances to the U.S. rice industry, to the U.S. government, and to other interested parties, the Koreans have not fulfilled their commitment. The costs to the U.S. rice farmer in terms of lower prices and to the U.S. taxpayer in terms of costs to the Treasury are staggering. Rice farmers have lost an estimated $400 million this year as a result of this fiasco and are projected to again lose this much or more next year, due to depressed prices. The Treasury paid out $22 million in deficiency payments on the 1981 rice crop and USDA projections indicate that government expenditures may rise to exceed $100 million on the 1982 crop, due to deficiency payments.

We are asking that you intercede with President Chun to end the delays and financial losses to Americans by having the Republic of Korea purchase the rice now and begin shipment. No additional delays can be acceptable.

This single goal, if it can be achieved on a timely basis, will go far to restore the confidence of U.S. rice growers that the U.S. government will act to protect their interests. If the impasse is allowed to continue, it will appear that the U.S. government does not insist on the adherence of foreign governments to their trade agreements and international commitments. The long-term ramifications of that would be disastrous for all Americans.

Sincerely,

OFFICERS OF THE EXPORT TASK FORCE,
DON BONKER,
Chairman.
LES AUCOIN,
First Vice Chairman.
BILL FRENZEL,
Second Vice Chairman.
BILL ALEXANDER,
Secretary.

I come to learn that during the Vice President's visit that the matter was not discussed during his discussions with officials in Korea and that at most the matter of the Korean rice sale may have been discussed at a lower level.

Here is one example of where the sale of a large volume of a product will mean dollars and cents to the American rice farmer, to the producer. However, both the Secretary of State and the Vice President are too busy to attend to this matter because of other matters of pressing concern.

Certainly the Secretary of State has matters of important concern other than trade relations between our country and Korea. Most certainly the Vice President has many things on his agenda. But it seems that the Secretary of State, the Vice President and even the President never have time for trade matters that are important to the producers of this Nation. It makes the difference between winning and losing in the contest of international trade in competing for the international markets, for the international dollar that means so much to our economy or that could mean so much to our economy if our representatives in the highest councils of Government would take it upon themselves to discuss these matters.

Time and time again we see examples of how the Secretary of State, the Vice President, and even the President himself do not have time to deal with such mundane matters that are important to the American farmer, to the steelworker, to the electronic industry, and to the automobile manufacturer.

Mr. BEDELL. I think it should again be pointed out that there are some 42 of us who for literally weeks have been trying to get an appointment with the President of the United States to try to point out to him the magnitude of the farm problem as it exists today and try to simply inform him of the seriousness of the problem.

The President had refused to meet with us.

It is my contention that if you are going to lead a great Nation such as ours, you certainly should at least be open to try to listen to what the problems are and be informed on those problems and it is very, very disappointing to me that we have found that sort of problem existing.

Mr. ALEXANDER. I think the gentleman is entirely correct. It seems as though our policymakers have time for international policy, but they do not have time for international trade.

I am not condemning the State Department, as it is so easy for some Members to do, because I know the difficulties that they have in addressing the important issues that confront them.

But it seems that while they have time to address the matters of policy, they do not have time on their agenda to discuss matters of trade.

It seems that it is condescending for them to grubble in the matters of dollar and cents of trade, of agriculture, of issues that make the economy go. I think this is an attitude that must be changed and I think that discussions of this type during special orders focusing attention on the gravity of the situation in the agricultural community are ways that we can bring attention to those representative of our Government in the Department of State and Agriculture to deal more forcefully with the subject of international trade.

I heard earlier today one of our colleagues, I think it was the gentleman from Texas (Mr. HANCE) refer to the fact that he would like to see an American desk at the Department of State. I have not heard that reference made before. But it illustrates the lack of concern that we observe day after day by representatives of the State Department on matters of agriculture and trade that are so important and vital to the producers of this Nation.

I thank the gentleman from Iowa for yielding to me on this important matter.

Mr. BEDELL. I thank the gentleman. If I might, I would like to point out the graph that we have here clearly shows the situation as far as farm income is concerned. We should point out to everyone that according to a Chase Econometrics study the realized net farm income from farming in current dollars was $27.4 billion in 1979. That dropped to $21.9 billion in 1980. It dropped further to $19 billion in 1981, and the projections at this time for the Department of Agriculture for net farm income for 1982 is from $14 billion to $18 billion, a still further decline in net farm income again this year.

If you take real farm income adjusted for inflation, we find the problem is even worse. We find that we had $11 billion in 1979, dropping to $6.3 billion in 1981, and a projection of between $5 billion and $6 billion in 1982.

That means that from 1979 to 1982 that real farm income in terms of real dollars will have declined by roughly 50 percent. It will be roughly half in 1982 what we had in 1979, a period of only 3 years.

We might ask ourselves why this has occurred? I think there are a great many reasons. One of the problems I think it is agreed has to do with the embargoes we have faced from time to time.

I have served here for some 7½ years and I have lived through two big embargoes, one instituted by President

Ford and one instituted by President Carter. Each time there were great excuses as to why those embargoes were instituted. Again as we came through this Polish crisis the question was whether or not we were going to have another embargo and nobody ever stood up and said, "Don't worry, we won't have an embargo this time." So at least that concern existed among all of our trading partners at that time.

□ 1630

Now we are assured that we will not have an embargo unless it is a very serious situation and unless we embargo everything, not just farm products.

I say to you that if you are a customer that is depending upon the United States for part of your food and want your food, it gives you little solace to say that we are not just going to embargo farm products, we are going to embargo everything else as well if we have an embargo.

I think we need to realize that we have a real job today in reestablishing this great country of ours as a reliable supplier of agricultural products and a reliable supplier of some of the food that the various nations of the world need so urgently.

Some of the other speakers previously have mentioned problems with their farmers. The gentleman from Oklahoma mentioned the fact that one of his farmers who had been a "Farmer of the Year" had to sell out and go out of farming because of the current situation.

The gentleman from Texas gave a similar illustration.

I want to tell you, it is not just Texas and Oklahoma where these problems exist.

It bothered me tremendously as I met with a farming couple in my district who had received honors for the great job they had done in farming and who had been recognized for their great achievements as farmers. They had started with very little, had worked for years and years and had built up not only a decent farm enterprise, but a great reputation as examples of what good farmers should be and they showed me their statement and they showed me very clearly where unless there is a change, they simply are not going to be able to continue to operate as farmers.

The problem they were in was not just the economic problem and the fact that that gentleman at his age is going to have a very difficult time finding other work and providing for his family, the problem goes all the way to the psyche of those people who have been recognized as successful people, contributing to our society and now, not because of the fact they have done anything different, but because of this that you see right here on this graph, that they are probably going to have to say that they are failures now in our society and they are going to have to sell out or declare bankruptcy and are no longer going to be able to continue in this farming operation wherein they have been recognized as some of the most successful farmers of our whole country.

Then I hit those people who say, "Look, you should operate farming just like you do other businesses and you should let those that are qualified and are capable survive and we should have the survival of the fittest with free enterprise," and so on.

I understand that. I have been a businessman myself and I understand how business works, but I would point out one major difference which is frequently missed by some of our people who do not understand farming quite so well and that is when you are in business, whether you are building automobiles or whether you are building washing machines or whatever else it may be, when you find your market decline, you simply reduce your production in order to see that your supply and demand stay somewhere near in balance; but when you are a farmer and you own 160 acres of land and you have a big investment in that land, you have two choices. You can go out and plant your crops on the land or you can sit at home and not plant crops on the land. Those are your two choices. The farmer knows that he has got those overhead costs, that he has got the taxes and he knows very well that if he does not go out and plant his crops on that land and do the best job he possibly can to grow all that he can from that land, he is going to go broke. That is his choice. The other choice is to go out and plant the land and do the best he can with the land that he has.

He does not have that freedom that that manufacturer of washing machines or automobiles or whatever else it may be to simply cutback his production because the demand is not there sufficiently; so the multitude of small family farmers that we have across our country simply are going to do all they can to produce all they can, unless we have some Government program that enables them to work together somehow so that we control that production and so we stop building these mountains of surplus that plague our whole agricultural economy today.

Many of us feel that the farm bill that we passed recently simply was insufficient in its efforts to try to bring about that control. Many of us at this time are trying to write a new change in the farm bill for 1983 that we believe would move forward to try to do that without a heavy drain upon the Treasury; but I hope that all of us will realize that we are not talking just about a farm problem or a problem to farmers. We are talking about the problem for our country. We have seen it in the previous depression that when the farming economy went down, it was not long until all the rest of the economy came along with it.

I hope that everybody realizes that we are already in rural America seeing small business after small business in our small communities have to go out of business simply because of the recession that we face in agriculture. If that recession continues and if it deepens, as it may well happen under current policy and we find that the financial institutions are stuck with a whole lot of bad loans that cannot be repaid, and we find that affecting our financial institutions all across the country, it is not going to be just the farmers that we are going to be talking about that are suffering.

I say to you it is going to be our entire Nation. We can go ahead and we can spend more billions and billions of dollars building more and more bombs and bombers and this sort of thing, but you know, maybe we better be a little concerned about whether we are going to have the type of a society that we really should try so hard to protect, because I submit that unless we spend some of our money and some of our attention in trying to keep a healthy economy, that it makes little sense to try to build more and more bombs to protect it.

Mr. Speaker, I yield to the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Speaker, I thank the gentleman for yielding.

I would first like to commend the gentleman for taking up this special order to discuss the plight of America's farmers.

Obviously, as a representative from New York City, I do not have as much daily contact with the problems of our Nation's farmers as the Members from rural areas have; but I have had some exposure to their problems and I have some observations from the other side of the track.

Last November at the invitation of the Rural Electric Administration and my colleague, the gentleman from South Dakota (Mr. DASCHLE), and I visited South Dakota to learn about REA and how that State's farmers were doing. When I returned, I joined TOM in a special order to discuss my trip.

What I said that day was that I was amazed by the basic similarities of the problems facing the people of South Dakota and the people of Queens. Particularly, I learned, though not at all to my surprise, that interest rates are the killer for family farmers in South Dakota, just as they are for young people attempting to buy a home or open a small business in Queens, New York City.

Just coincidentally, it happened that today one of the REA officials who was very helpful during my stay in

South Dakota, Virgil Herriot, was in Washington and dropped by to say hello. What he had to say amounted to a lot of bad news about South Dakota's economy—it seems that the Reagan economic recovery has so far brought only bad news, along with the high interest rates that the gentleman mentioned before.

One of the points we discussed was the drop in food prices. This past Saturday, I had the privilege of making the Democratic response to President Reagan's Saturday radio address.

One of the points the President made in his address was that he heard from a woman who received social security and who was congratulating him for his program's success in moderating food prices.

In my response, I noted that the biggest factor in keeping food prices from rising was the great weather that led to bumper crops last year, and not any Government policies. Furthermore, I noted that it was those same bumper crops, combined with sky-high interest rates, that were squeezing farm families and forcing them off their farms.

My talk with Virgil today reinforced those arguments. He told me that the only reason consumers are enjoying lower prices at the market today is because there is such a surplus of goods and food in storage. The glut of supply forces prices down as demand diminishes and farmers are unable to get a better price for their crops.

At the same time, farmers cannot borrow from banks because the banks are afraid further good crops will prevent the farmers from making any money. In fact, what Virgil told me was that only farmers who have been around long enough to pay off their mortgages and who have little or no overhead are even surviving.

What is happening to others? Well, they are being forced to sell off part of their land to raise money to keep going and the problem is compounded in terms of its impact on the region's economy, because when the farmer sells his land, he also sells off the equipment he uses on that land and the result then is a glut of used equipment on the market, which makes it more difficult for the farmers selling it, but also puts a severe squeeze on new equipment dealers, who cannot compete with the prices on used equipment. In fact, Virgil told me there are "going-out-of-business" sales every other week at farm equipment dealers in eastern South Dakota. It is amazing how the domino effect has really begun.

Further proof of the dire situation facing many farmers can be found on the pages of the Sioux Falls Sunday newpaper. The President is fond of referring out-of-work Americans to the help wanted ads, even though it has been demonstrated time and time again that those ads are not useful for unskilled or untrained workers.

The news in the Sunday paper in Sioux Falls is that the number of farm auction sales is up to about 70 to 75 a week, compared to a normal rate of 25 to 30 normally. The message is clear, and it is grim: farmers cannot make a go of it and they are forced to sell their farms at auction, and it is not just in South Dakota. Recent reports are that foreclosures on farms in Minnesota are up 300 percent this year over last.

In the face of these desperate conditions, the Reagan administration has responded by cutting programs that benefit farmers. They have accepted the $850 million figure for REA loans as a ceiling rather than a floor; as a result, farmers will be forced to borrow from other sources and pay interest rates of 14 percent and up, rather than 5 percent.

Again, if they are paying more for electricity, they are going to be paying more to run their machinery and that will add to the cost of the production of their crops, which again will create a problem in trying to sell them.

□ 1640

Another administration move is to limit the availability of Federal financing bank funds for generation and transmission of electric power. While FFB financing costs farmers 14 percent, it still saves them several points over financing they would get on their own, if they were able to get any at all.

The most important thing I learned during my trip to South Dakota in November was the interdependency of our Nation's urban and rural sectors. While consumers in Queens want food prices they can afford, they know their long-term interests are not served when farm prices drop so low that farmers are forced out of business and the Nation's food production is concentrated into fewer and fewer hands.

At the same time, I must take issue with some of the views expressed by some of my colleagues during this discussion and the prior special order obtained by our colleague from Arkansas. I especially want to disagree with the idea, embodied in the William Jennings Bryan quote, that we do not need to worry about our cities crumbling, because they will somehow magically rebuild themselves.

As a representative from the greatest city in the world, and one which only 7 years ago was on the verge of bankruptcy, I want to say to all my colleagues from rural America, "don't think you can make it without us." As we face our Nation's economic difficulties, we had better understand that either we are going to make it together or we are going to sink together.

The interdependency I spoke of earlier cannot be demonstrated more clearly than in the area of the production and consumption of food. If farm prices go so low that farmers are forced out of business, consumers do not benefit. But it is equally true that if urban economy is not kept strong, there will be no market for farm products, and everybody loses.

So the message I bring from New York City is this: There is nothing in it for me to worry about the farmers of rural America except a concern for what is necessary for this Nation, and what is important to this Nation is that the economy survive. Maybe there is nothing in it for the farmers of America to worry about the people from New York except that very same thing, that as a Nation we need each other.

We had better recognize each other's problems, and make some effort to help each other or we are all going to be in trouble.

I thank the gentleman for yielding.

Mr. BEDELL. I thank the gentlewoman. I think she has made a very, very compelling point. I am so appreciative that she has come to make that point, and that point clearly is that we are not simply a group of individual special interests, but that we are a nation, a whole nation, and that we better worry as people from agricultural areas about New York City, just as New York City better be concerned about the problems of South Dakota and Iowa and other rural areas.

Our colleague from New York could not have shown her concern any more than to be here for this special order. I know she has been out to the rural area of South Dakota simply to learn for herself about those problems.

I have had two urban Members from the New York City area visit my district so that they might be more aware of it. I have visited the New York City area with another Member of Congress to try to learn about their problems.

I only wish that all the Members of the House would follow the tremendous example the gentlewomen has set, not only by what she has actually done, but by what she has said here as well. And surely all of us better realize that we are one Nation, indivisible, as we say, and that the problems of one area are really the problems of another as well.

I am deeply grateful for the gentlewoman's contribution.

Ms. FERRARO. I thank the gentleman.

Mr. BEDELL. Mr. Speaker, I yield back the balance of my time.

GRAVITY OF FARM SITUATION TODAY

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from South Dakota (Mr. DASCHLE) is recognized for 60 minutes.

Mr. DASCHLE. Mr. Speaker, I do not intend to take the full hour's time, but I have found the colloquy this afternoon to be invaluable.

I believe that is is absolutely essential, as we begin to prepare within this body to correct the tremendous depression we find within the farm economy today, that we make all the Members aware of the gravity of the situation. They must also understand how serious the situation is across the land—not just in feed grains and wheat, not just in livestock, not just in dairy, but in every sector within the farm economy.

It is my understanding that the national news media recognizes how difficult this situation is, and is focusing their attention in many of these areas. I think it is to their credit and certainly at long last to the credit of American agriculture that they are getting the message out.

We have talked about some very grim statistics this afternoon. As we look upon the chart today, I think I would be remiss if I did not add that these statistics, while very grave, they really do not tell the whole story. Those statistics, of course, are the worst that we have seen in perhaps 50 years, in terms of income, in terms of the exodus in farm numbers off the family farm, and in terms of what little price they are getting for the products that they are currently receiving.

I think one of the most graphic demonstrations of how serious the situation is was given to me just this morning. Leroy Schecher is the manager of one of the rural electrics in South Dakota, and his office contracted with the South Dakota Press Association Clipping Bureau for the last 45 days. During that time, the Clipping Bureau was directed to find and to retrieve every one of the auction sales by date within the State of South Dakota during that 45-day period. The Clipping Bureau was then directed to send the clippings of every one of the auctions, the announcements for those auctions, to the Bison Rural Electric Association office, whereby, upon receipt of those clippings, they were put into the form of a scrapbook. I have before the body this scrapbook right now.

They began on March 13, and they ended this project on April 27, 45 days. I have before the body by date each one of those clippings, beginning on March 13, and they are just incredible. This scrapbook contains 320 farm auctions within the State of South Dakota, a State, mind you, that only has 680,000 people, a fourth of which represent our farm population.

Day after day—March 20, Ed and Doris Satterness from Bryant. March 27, Lanny and Valine Hutzebos, the owners of a farm outside of Pipestone. April 13, James and Rose Watenbach, Springfield. April 14, Merlin Adal, Parker. March 22, a land auction outside of the Sioux Falls area by Martin and Eileen Nelson.

All told, this document represents all of the auctions in a 45-day period in South Dakota—March 13 to April 27, 320 farm auctions. That comes to 6.8 farm auctions per day.

So what we find as we look across those statistics is that the human element here is even more dramatic. So many people are being forced off the farm and having to look for a new livelihood. It is all so similar to what the conditions were in the Great Depression of 1929 through 1939.

So the message in agriculture today is depression. It is not a recession, it is not a temporary downswing, but a downright bona fide depression.

I do not think there is another time in the State history of South Dakota where we can point to 320 auctions in a 45-day period.

□ 1650

I think we have to recognize how serious this situation is. I think that if we look to farm income alone, we can demonstrate why this farm auction sale is going on. The impact on agriculture in South Dakota is severe. I think we have to recognize that agriculture, not only in South Dakota but in this land, is the largest industry that this country has—the largest industry. When we find that industry, as we do now, in the depths of a depression, we need not wonder why the ripple effect has had the same impact throughout our economy today.

I think again, as we take out the special orders this afternoon, it would be foolish for us to talk about how serious the situation is without offering some substantive way in which we can bring ourselves out of the depths of this depression. Rhetoric alone is not going to solve the problem. Simply citing statistics or talking about the impact these statistics have on individuals is not going to solve the problem. Rather, I think it is important that we commit ourselves to act. So it is that a number of us in the last couple of months have felt it imperative that we begin to try to make this Congress respond. We want a call to action in response to the great depression we find in agriculture in 1982.

The Farm Crisis Group was organized specifically for that purpose. It represents many of those farm State Congressmen who have recognized for some time the gravity of the situation, and know how imperative it is that the Congress respond as quickly as possible in a very substantive fashion. The Farm Crisis Group has been meeting now for the better part of the last 3 months in an effort to deal with this situation in a substantive way through the legislative process. We have worked day in and day out now for a 3-month period. We have met with farm leaders, met with Members of Congress, met with experts, met with staff, to find a way in which, without breaking the budget, without expanding it beyond the budgetary limitations imposed by this Congress, we can offer some meaningful response, some substantive legislative response to the problem we see here today.

So it is that the Farm Crisis Group, after deliberating now for sometime, has come up with what I think is a far more substantive response, a far more meaningful response, that what was offered to us in the farm bill passed last year. The Farm Crisis Act of 1982 is that response.

The Farm Crisis Group will be introducing this legislation tomorrow, and I believe that we can look to this legislation with great pride. The act shows that we are finally responding to the problems that we have outlined today, as it will offer a comprehensive answer to the problems that we face. First, it will provide a diversion of 5 percent of the acreage now under planting this year. This 5-percent diversion in 1982 would lessen the demands on the Federal budget. It is far cheaper to avoid production of additional units of commodities that are already in surplus supply, than to make payments, price supports, storage or otherwise after the commodities have been produced.

In addition, the effect of reducing supplies will stimulate price, and thus reduce required target price. Because of the late date of the 1982 season, the signup would be open until the end of this certification period. Haying and grazing would also be available to farmers who have already planted. The level of diversion payments would be $1.25 for corn per bushel, $2 for wheat per bushel, $2.20 per hundredweight of rice, and 20 cents per pound for cotton. These would be calculated by taking into account production times the acreage diverted, equal to 5 percent of historically planted acres.

The second provision in our Farm Crisis Act of 1982 would require a nationwide referendum to be held in July, on whether farmers will lay aside 15 percent of their cropland for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 percent of the farmers participating would be required for approval.

If the referendum passed, loan rates would be increased by 10 percent. A failure to comply with the referendum provisions would mean denial of access to farm programs for 3 years. If the referendum, under this legislation should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program

when carryovers reached a certain level. For wheat, if domestic carryovers grew to more than 5 percent of the world wheat utilization, a minimum 15-percent acreage set-aside program would be implemented, and farmers would receive a 5-percent loan increase.

Farmers would also have the option to set aside 30 percent of the previous year's planting in return for a 15-percent increase in the wheat grown. The set-aside acreage would be devoted to haying and grazing.

If feed grains for domestic carryover grew to more than 18 percent of total domestic and export use, a minimum 15-percent set-aside program would be implemented, and farmers would receive a 5-percent loan rate increase.

Farmers would also have the option to set aside 25 percent of the previous year's planting in return for a 10-percent increase in loan rate.

For cotton, if the domestic carryover stock of upland cotton exceeded 4.2 million bales, the Secretary of Agriculture would provide for a minimum of 15 percent set-aside, and farmers would receive an increase of 10 percent on loan rates. Farmers would have the option to set aside 25 percent of their acreage, in which case the loan rate would be increased by 20 percent. One billion dollars would be made available through the agricultural credit revolving fund in a sense of the Congress resolution we include in this legislation. A Government loan guarantee program of up to $250 million in loans for construction of on-the-farm storage facilities would be included, and the use of economic emergency loan programs would be mandated, retaining the current $600 million cap.

We would call for a White House—I will reiterate here—we will call for, through this legislation, a White House Conference on Agriculture, a crisis conference, I might add, to provide a forum for in-depth and long-range examination of the agricultural crisis we face today.

Finally, we are going to direct the Secretary of Agriculture to survey and expedite the bartering of U.S. Government-owned commodities for strategic minerals.

We are facing a crisis, there can be no doubt. We are facing a crisis across the board when it comes to agriculture, and I urge the Congress, I urge the Members of this body, I urge the respective committees who are deeply concerned about the situation we face today to respond to this call to action, to respond by cosponsoring this legislation.

I might add, Mr. Speaker, that this is a bipartisan response. We have had a number of Republicans as well as Democrats who recognize the imperative need to change the current farm policy by joining us in this legislation.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding, and I wish to compliment the gentleman for the forethought and leadership that he has provided in the farm sector of our Nation.

As I reflect upon the debate that ensues today on the so-called battle of the budget, and recall the words of some of the farmers who came to Washington last year during the debate, when the President's proposals on his economic policy were being debated, I would think that the President would be well advised to listen to some of the advice that the farmers offer.

Last year, the farmers were saying that it did not make any sense to cut taxes, which would contribute to a deficit and therefore raise interest rates. This year, we just have figures that have been compiled by the Congressional Budget Office that project a deficit from 1982 through 1985 of $662 billion. Additional data reveals that the cost of the tax cut last year was $471 billion, and if we just add the increases in defense of $314.5 billion, we see very quickly why the President has been unable to fulfull his commitment to balance the budget by fiscal year 1984.

Those words of admonition about the huge deficits first came from the farmers of America who said that it did not make sense to cut taxes, to build up defense, and expect to balance the budget.

□ 1700

They knew the impact of high interest rates on their increased cost of production.

It has been said that the overall gross cost of credit to farmers is about 16 percent, whereas it should be somewhere around 8 or 9 percent. The 6 or 7 percent increase in the interest costs, in the cost of credit, have caused tens of thousands of farmers to operate in the red in 1982 instead of operating at a profit.

I would hope that when the economists at the White House figure out what they are going to do to make a midcourse correction, that they will listen to the admonitions of the farmers who add 2 and 2 and get 4 instead of 22.

I thank the gentleman for yielding.

Mr. DASCHLE. I thank the gentleman from Arkansas for his very succinct comments in that regard.

We have all had our differences with the administration and I think I have been vocally critical of the past administration. But I find total exasperation among farmers. Their only response to the desperate situation they find themselves in this year, their only response from the Secretary of Agriculture, their only response from the administration or the OMB is to wait it out, and that somehow by waiting it out it is all going to get better. The farmers are crying out desperately.

Obviously, the auction sales that I mentioned a moment ago demonstrate the desperate straits that they find themselves in.

As was so eloquently pointed out by the gentleman from New York, we find a direct relationship between the devastation in the economy in urban areas and the economic situation as well. The farmers want to be heard. They want to be heard as quickly and as responsibly as we can provide some kind of a substantive and meaningful program which represents a change in the policy that we have this year.

The gentleman from New York made some mention of the fact that the REA program, too, is feeling the impact of the administration's policy. We had an excellent hearing today regarding just how serious the situation is with rural electrification and the programs that we have in the REA system now.

Mr. Speaker, since its enactment in 1936, the rural electrification program has enjoyed bipartisan support. To me, that fact is powerful testimony of a program that is recognized worldwide as one of the finest examples ever of Government and its people working together to enhance the lives of its citizenry.

Nor has time diminished one iota the need to continue the REA loan program at levels sufficient to meet the requirements of rural electric cooperatives and their consumer-owners. In fact, just the opposite is true. That is why it is disappointing to observe the efforts of the administration, since the day it came into office, to weaken and destroy the rural electrification program. Every recommendation they have made would result in sharply higher operating costs for rural electric systems and consequently in increased electric bills to rural consumers. I must voice my concern over the callous attitude toward rural Americans on the part of those who administer the Federal program at the U.S. Department of Agriculture. You cannot escape this conclusion—particularly if you measure their performance in handling REA loan matters over the past 15 months in office.

I regret to say that their record to date is one of ignoring congressional intent, of imposing new and arbitrary restrictions on borrowers, of preaching to rural electric leaders on what they deem to be their moral responsibility to pay higher interest rates for their loans. And this is at a time when rural electric systems are paying an average rate of interest higher than either the power companies or municipally

owned systems. And also at a time when rural electric consumers are paying an average of 12 percent more for their electricity nationwide than their city cousins.

Fairness does not appear to be a criterion for the USDA's administration of the rural electrification program. Unfortunately, it has been characterized by narrowness of interpretation, foot dragging, even harassment. I offer a case in point involving Grand Electric Cooperative in Bison, S. Dak. This rural electric cooperative serves a very sparsely settled area of my State. As a matter of fact, if you take out the range wells, its consumer density is 0.88 consumers per mile of line.

Early in April, a devastating snow and ice storm swept through the area, wiping out a substantial part of the co-op's system—about 1,300 poles and other equipment were destroyed. Obviously, that system with only 1,918 members is in deep trouble.

In 1981, as you know, Congress amended the REA Act and gave the REA Administrator the authority to make disaster loans at his discretion to rural electric systems at from 2-percent to 5-percent interest. If there ever was a situation in which a co-op qualified for a disaster loan it is this one. And the co-op applied to REA for such a loan a few weeks ago. What they got from REA was the runaround. But this story can be told better by the co-op itself, Mr. Speaker and I would like to read into the record the exchange of letters that has taken place between Grand Electric and REA:

GRAND ELECTRIC COOPERATIVE, INC.,
Bison, S. Dak., April 22, 1982.

Mr. HAROLD V. HUNTER,
Administrator, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. HUNTER: We have your letter of April 16, 1982 denying our request for a Section 12 deferment to join CFC. From your letter, we conclude that your decision was based on the erroneous assumption that the option you outlined for meeting our equity investments in CFC was better for the cooperative than deferment. This is not the case.

When we were informed by REA that we would have to borrow 10 percent of our loan needs from a supplemental lender, we undertook an in-depth analysis with the help of our auditors, CFC and the Bank for Cooperatives to determine which way was best. The conclusion of that study beyond any doubt was that it was best for us to go to CFC and pay the twelve years of delinquent capital term certificates plus interest penalty by means of a deferment of principal payments to REA as provided for in REA Bulletin 20-20.

Since our request for a deferment was made, we have suffered a major spring storm in which we lost 1,300 poles. Other major damage was inflicted on the system including many lines that are out-of-sag and must be resagged, several hundred miles of poles to straighten, broken strands in aluminum conductor which are fraying and causing outages which may require stringing new conductor, pulled anchors, loose guys and so on. Our original estimate of damage was $750,000 and it now looks like it may run considerably higher.

Our last requisition used up all of our remaining distribution loan funds. Actually there was a shortage of loan funds for this purpose of $46,873.

We respectfully renew our request for a deferment of principal payments under Section 12 of the REA Act. This request is in the best interests of the members of our cooperative and we believe it is in accord with the intent of REA Bulletin 20-20.

Sincerely,

LEROY D. SCHECHER,
General Manager.

U.S. DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
Washington, D.C., April 16, 1982.

Mr. LEROY D. SCHECHER,
Manager, Grand Electric Cooperative, Inc., Bison, S. Dak.

DEAR MR. SCHECHER: This is in response to your request for REA approval of a Section 12 deferment of principal repayments on outstanding loans to provide the funding for equity investments in the National Rural Utilities Cooperative Finance Corporation (CFC).

As indicated in REA Bulletin 20-20, deferment of principal repayments will be considered based on need and on the amount and timing of the required commitments to be made to a supplemental lender. Optional payment plans are available from CFC. One option is the payment of the membership fee and the first year CTC requirement, plus premium and late payment interest, and issuance of non-interest bearing notes for subsequent payments. This plan would be more advantageous to the cooperative than using the Section 12 deferment for the full amount of CTC's up front. For this reason, Grand Electric's request for a Section 12 deferment is not approved.

As requested in your letter of March 24, 1982, Mr. William E. Davis, Director, Distribution Systems Division, will be the REA representative participating in the April 22-23 meeting in Dickinson with the cooperatives who may be involved in providing electric service to oil production facilities. He will be accompanied by Mr. Clifford Smith, Operations Field Representative.

Sincerely,

HAROLD V. HUNTER,
Administrator.

GRAND ELECTRIC COOPERATIVE, INC.,
Bison, S. Dak., April 8, 1982.

Mr. ORVEL E. JOHNSON,
Manager, North Central Area—Electric, Rural Electrification Administration, U.S. Department of Agriculture, Washington, D.C.

DEAR MR. JOHNSON: On Tuesday of last week, our system suffered substantial damage from a spring snow and ice storm. In all we lost about 1,300 poles, a number of transformers, conductor, guy wires, anchors and other items. We have all of the farms, ranches and missile sites back on, but do have about 300 poles left to set on range well services. Our estimated cost of damage is $750,000 to $1,000,000.

In 1981 the REA Act, Section 305(b) was amended giving the Administrator the sole discretion to make disaster loans to rural electric systems who suffer a disaster at 2 percent to 5 percent. We believe that we should qualify for a 2 percent loan under this provision and want to know what we need to do to apply. Also what documentation will be necessary.

In discussing this with you last week, you indicated that REA did not feel a disaster loan was necessary because our rates are lower than our neighbors and our power costs are more favorable than some. Along with that, the system is (or was) in good shape and service is good. These conditions exist because of a lot of years of careful planning and hard work. Is it your intent to penalize us for that?

There are other things we feel should be considered. Grand Electric has one of the lowest densities among the rural electric cooperatives. At the end of 1981 we had 1.09 consumers or services per mile of line. That includes 1,354 services to range wells. If we take them out, our density drops to .88 consumers per mile of line. We only have 1.918 members. Our investment per service is $3,820.00, but our investment per member if $7,787.00. When we talk about investment, we really need to do it on a per member basis, since they are the ones that are going to pay the bill.

Our system covers some of the most difficult terrain in the country, spread over almost 10,000 square miles of area. The storm has inflicted a lot of damage to the system that we still have to deal with. As an example, we are having trouble with frays on aluminum conductor. How are we going to detect and correct this situation? Will we have to replace a lot of conductor? These questions are yet to be answered. There is also a lot of conductor out of sag and poles to straighten. These are expensive programs. In the interests of continuity of service, we feel that a system inventory is going to be necessary. The estimated cost of that is $150,000.00. After that we have to go out and do the work at a cost that is impossible to estimate at this point, but it is fair to say that it will be expensive. An important question here is—can the costs of this inventory be capitalized?

There is no doubt that our rates will have to go up substantially because of the storm. By any test, it was a disaster and the members are going to pay for it for a long time to come. We do not believe that tests for deciding whether or not we are eligible for a disaster loan should be based on the past, but rather on the future. The economy is in tough shape in rural America and more so in our area than in others because we have had two years of drought. Perkins County was just yesterday designated as a disaster area for the 1981 crop year. These things all need to be considered.

You indicated last week that REA wanted to include the capital costs of the storm repair in our pending loan application. We do not want to do this, because that is not what the loan is for. The law says that the Administrator has the power to make discretionary loans in cases of disaster. If Grand does not qualify, few, if any would. We do not believe that is what Congress intended.

We are enclosing a copy of a board resolution asking the Grand be considered for a disaster loan. We look forward to hearing from you.

Sincerely,

LEROY D. SCHECHER,
General Manager.

GRAND ELECTRIC COOPERATIVE, INC., BISON, S. DAK.—RESOLUTION

The following is an excerpt from the minutes of the special board meeting held on April 8, 1982:

Be it resolved that the Board of Directors of Grand Electric Cooperative, Inc. does request that the Rural Electrification Administration make a 2 percent disaster loan to our Cooperative under Section 305(b) of the REA Act to cover the capital costs of the ice storm disaster which occurred on March 30, 1982.

Mr. Speaker, as we look across the REA's loan program, as we look across the wheat and feed grain program, as we look across virtually every element within the farm sector today, we are finding a very disturbing sign. This sign is of growing negligence on the part of the administration. It is also a sign of unwillingness on the part of the Department of Agriculture to deal with this situation as it should be dealt with, and to recognize the great depression we find ourselves in in agriculture today.

This is a serious situation that needs more than rhetoric. It is a situation that needs effective and substantive legislative response. It is a situation which I hope this Congress will act upon at the very earliest date. We must insure that we turn this depression around, that we can bring a health and vitality to the American agricultural sector once again, and in so doing help bring about economic recovery throughout the land.

● Mr. COELHO. Mr. Speaker, recently the Secretary of Agriculture was in my congressional district trying to find support for my opponent before the election this November. He spent most of his time speaking out in support of the President's budget cuts at USDA. The Secretary, who is a Midwest hog farmer, said that there is a lot of squealing from the special farm interests that are getting chopped in the budget process. He called for a time of commonsense and boasted that his hired hands on his hog farm could do a better job in Washington than some of the Washington economists. The Secretary offered to have his farmhands exchange places with the Washington economists—so the Government could be straightened out. The problem with that, he pointed out, is that the economists would be wrecking the farms if that exchange happened.

Now, Mr. Speaker, I have been in Washington for about 17 years and I have seen several Secretaries of Agriculture come and go. I have observed one strong Secretary of Agriculture and I have watched many weak Secretaries of Agriculture.

The current economic crisis that has hit hard in American farms across the Nation is not just an imaginary crisis dreamed up by economists. And it is unfortunate that the current Secretary of Agriculture feels that this situation is contrived.

It is apparent to me that this administration's top agricultural official, the Secretary of Agriculture, is unable to comprehend the devastating effect his President's recession has had on this Nation's farm community. It is no wonder that agriculture has a weak voice in this administration. I hope that all hog farmers and other agricultural producers around the country can live through the current economic crunch, until we can get one particular hog farmer back on his farm—for the sake of U.S. agriculture.●

● Mr. LONG of Louisiana. Mr. Speaker, I want to thank my colleagues for setting aside this time to discuss the effect of today's economic conditions on the American farm.

If we do nothing else today, we will have accomplished a great deal by drawing attention to the fact that there is a critical situation developing in American agriculture, and that there are dramatic differences in the ability of today's farmers to cope with the uncertainties that go along with the business of farming.

There are many reasons for the new unpredictability in the farming sector. The structure of agriculture is one factor. There are fewer farmers farming, and they tend to specialize rather than spread the risk over a variety of commodities. Farmers are notoriously a hard-working and productive group. As technology improved and the potential of the acreage increased, farmers grew more dependent on overseas markets to purchase their supply and keep the price at reasonable levels.

The economy in general has a degree of control over farmers that was not foreseen in past years. Inflation has greatly increased the cost of farm inputs, such as equipment, fuel, and fertilizer. As interest rates soared, this added to the cost of farm inputs. A related side effect has been the rise in land values, which dramatically increased the equity of farmers over the past decade and provided the impetus to borrow money to cover the cost of inflated materials and to expand farming operations.

As farmers grew gradually more dependent upon forces which are beyond their control, their vulnerability grew in direct proportion. As a consequence, we stand now at the brink of one of the most critical periods in farm history. People who live in farm communities look at our current national recession as a depression. That is not far from the truth.

Farm income is as low as it has been since the 1930's. While there are those who brush this fact aside with the comment that there are fewer farmers around to share that income, this begs the issue. The fact is that the stability of farm income we enjoyed in the 1950's and 1960's is gone. The 1970's witnessed the most serious swings in farm income since the Second World War. The 1973 high of $33 billion has never been matched, and recently plummeted to $22.9 billion in 1981. Income this year is expected to drop to $16 billion.

Much of this change can be traced to the unpredictability of world markets, which are much more changeable than our own.

I was interested to see a reader of Time's article on the American farmer comment that something must be awry when farmers who used to pray for rain, now pray for plagues and droughts in the world. I don't suppose that reader would feel any more confident to know that many farmers are looking at the British blockade of the Falkland Islands as a break for the grain markets.

But apart from the question of reliable export markets, one of the most alarming new trends sweeping agriculture communities is the growth of the total farm debt. My district is no exception. Over the past few months, Congress has debated the depth and severity of the credit crisis in our agriculture community. Recently the Joint Economic Committee Subcommittee on Agriculture heard from five Secretaries of Agriculture, including the present one. All expressed some degree of concern over the prospect of an increasing farm debt. The present leadership at the Department of Agriculture maintains there are sufficient resources to cover the credit demands of farmers this year, and that there is no danger of mass bankruptcies and foreclosures. In fact, the Secretary currently holds $600 million in emergency economic loans in abeyance because he feels there is no need to release the funds.

But those of us who represent rural districts see another picture. We hear calls of distress from farm implement dealers, from farm suppliers and seed dealers. We see growing unrest among farmers about their ability to sustain the additional debt they need to stay in business. Unlike other businessmen who may delay investment decisions if the economy is weak, farmers must borrow each year to put their crops in the ground.

People are hurting in our rural, agriculture communities. And as we have experienced in the past, their voices get muted in the distance. Everyone knows what devastation inflation and interest rates have brought on the automobile, steel and construction industries. But inflation and interest rates are taking a silent toll, too, around the farms of this country. The difference is that agriculture is the Nation's number one business; the Nation's number one employer; and the strength upon which our country wields its economic and political strength abroad.

Interest rates have a direct relation to total farm income. Were it not for the high rates, farm income would have been substantially greater than it was in 1981. Billions in farm income is shifting from the income side of the

farmers ledger to the payment side because of high interest rates. Last year, USDA estimates that farmers paid as much in interest as they had in total net income.

In my own district, which stretches through central Louisiana, the situation alarms me greatly. Perhaps the difference between the view USDA has, and the picture I have is merely a matter of time. It is true that the local FmHA probably will be able to cover loans needed to keep farmers in my district in business this year. The question is whether farmers will be eligible to borrow it. Borrowers no longer have any borrowing capacity. They have extended themselves to such a degree that they no longer have any equity.

FmHA in my district this year will be making loans just to get the crops in the field. The only security against those loans will be the future crops, since all other equity is already committed. Chances are that FmHA already holds the mortgage on the house and on the land. If a farmer goes out of business, he loses it all. And there is no unemployment compensation for farmers. A conservative estimate of the number of troubled farmers in my district in Louisiana is 40 percent. That is not 40 percent of outstanding loans, that is 40 percent of all farms.

Under current economic conditions, FmHA is no longer able to make loans—other than crop loans—to farmers. If a farmer owes something on a tractor or a cane cutter, he once was eligible for an equipment loan to help out with the payments. Now, with that flexibility gone, we are seeing some real catch-22 situations.

Right now, I am working with a farm family in Avoyelles Parish who is double-cropping to make ends meet. They can secure a loan to put the soybeans in the ground. But they can't get an equipment loan to finish off the last installment loan on the tractor—without which they cannot harvest the beans. What this means to the farmer is devastating. In this case, they will probably have to go out of business. What it means for the farm implement dealers and other farm suppliers who provide economic stability to our small towns is serious, too. Farm implement sales are down between 25 and 50 percent this year. Seed is down about 20 percent, and fertilizer down about 26 percent.

Credit for larger farmers is not easy either. Many banks are not lending, or if they are lending, are insisting farmers sign up for the USDA "reduced acreage" program. Recently the President of the fifth farm credit district estimated that the production credit associations in our regions will turn away 8 percent of their members this year. He estimated that an additional 24 percent of the PCA farmers would be turned away from PCA credit in 1983.

When applications for credit are turned away from PCA's these farmers will look first to the FmHA for credit assistance, and many will be disappointed, FmHA is not only saturated in its loan volume, but has regulations that limit its resources to family-size farms. Most farmers of the size that qualify for PCA credit will not qualify for FmHA credit due to the family farm rule.

This shift in the loan market from PCA's to FmHA has already begun. As economic conditions grow more severe, farmers are forced to compete among each other for scarce credit resources. This competition brings a polarization among different sizes, ages and categories of farmers. That is a hostility I do not want to see develop in my area.

The question is what can be done to alleviate the pressures and create the climate in which agriculture can once again become a profitable enterprise. I believe most people would agree that encouraging the growth of farm indebtedness is not a solution in the long run. If the farmers from my district could be here today, I think they would tell you the key is a fair price which, like all other businesses in the world, they interpret as being the true value of their product, plus a profit. Just how we arrive at that goal is debateable.

But in the short run, we need the emergency legislation now making its way through the House Agriculture Committee. It would allow farmers some time to catch up on delinquent loan payments, and, under certain conditions, allow a moratorium on foreclosures.

In the long term, we need to get our economy under control and get the interest rates back down. Most of all, we need to get the Federal deficit down. Periods of sharp economic downturn undermine the very foundation of American agriculture and threaten both prices farmers can expect for their product as well as their export markets. When deficits run high, the Government is forced to the market to borrow in competition with everyone else. We already know of OMB's proposal to crowd PCA's from the bond market if the competition gets rough. There simply must be a better way than to balance the Federal budget on the backs of the American farmer. I will be doing my best to work with the members of the Agriculture Committee and the farm crisis group to achieve lasting solutions.●

● Mr. DERRICK. Mr. Speaker, I would like to thank my colleagues who have reserved this time today to discuss the crisis in the U.S. farm economy. I would also commend my colleagues who are taking advantage of this special order to debate the plight of the American farmer: For, whether their perspective be urban or rural, the health of the agricultural sector is of paramount concern to all Americans.

Over the last several months, I have met regularly, both in Washington and in South Carolina, with members of the farming community. Most recently, I have met with groups of peach and apple farmers in South Carolina who have been nearly devastated by the freezing temperatures experienced in the Southeast in late March and early April. The Governor of South Carolina has requested that 5 of the 10 counties in my congressional district receive declarations of natural disaster due to the crop losses, in some cases up to 100 percent, experienced by farmers because of the cold weather. And to help indicate the impact of this situation, I would note that the State of South Carolina is the second leading producer of peaches; second only to the State of California.

The problem this year has been freezing temperatures. Last year, 5 of the 10 counties I represent were declared disaster areas because of drought. While the fate of nature is not a phenomenon over which we may exercise control, I offer the foregoing as background so that my colleagues might understand the variety of adverse factors impacting on farmers, and specifically, farmers in the Southeast.

Mr. Speaker, over the last several months, a wide variety of my colleagues from both sides of the aisle and different regions of the Nation have taken to the well of the House to bemoan high interest rates. I understand and sympathize with these expressions of concern. The interest rate levels we have been experiencing have had a devastating impact on our economy, and I can think of only a few domestic industries that rely as heavily on credit as does the agricultural sector. The operation of a farm is intrinsically tied to reasonable and available credit—a tie that has grown increasingly strong with the modernization of farming operations.

Agriculture is now a capital-intensive enterprise. Not only must farmers secure credit for normal farm operations—the only method to conduct annual farming operations—but they must also obtain credit to finance the purchase of capital equipment to keep them competitive. The farmer, therefore, is doubly taxed by high interest rates.

In addition to the drain on farm income caused by high interest rates, low commodity prices over the last several years have dealt a harsh blow to farmers. It is one of the ironies of agricultural economics that when the agricultural sector as a whole has a good year, individual farmers often suffer losses. Increasingly efficient

farming operations produce higher crop yields, which in turn place downward pressures on prices—farmers are caught in the classic cost/price squeeze. In many cases, farm income is simply not covering the costs of production.

Low commodity prices may appear as a boon to consumers, but that would be a shortsighted analysis. Low commodity prices, and their resultant impact on farm income, will eventually force many marginal but efficient farming operations out of business. The links between agricultural producers, processors and consumers must be emphasized and understood. Agricultural producers must earn an income sufficient to cover their production costs and to provide them with a livelihood. And agricultural consumers must continue to be afforded a high quality product at reasonable cost.

Mr. Speaker, the current interest levels have had a profound impact on our Nation, and nowhere is this more evident than in the agricultural community. To attack interest rates, we must address the size of the deficits contained in the budget proposed by the administration. Limiting the size of the deficits in next year's budget, and equally important, showing a decline in future year's deficits is an integral step the Congress must take to improve the economic climate and lower interest rates. It is clear to me that $100 billion deficits each year for the next several years are not acceptable. We must move expeditiously and decisively on the budget, and equity must prevail.

The problems experienced by the farming community relating to commodity prices can be attacked from two ends: Reasonable production controls and the development of new markets. Mr. Speaker, I am presently cosponsoring legislation which would, in effect, make the USDA crop set-aside program a mandatory program. I would urge my colleagues in the House to join in backing this legislation. The voluntary set-aside program announced by Secretary Block came to late to allow many farmers to participate, and because it is a voluntary program, it really lacks the ability to meaningfully affect production.

An equally promising approach to the supply problem is the development of new markets for the sale of U.S. agricultural products, and the greatest potential for new markets lies in exports. New export markets can and must be encouraged—and the Federal Government must understand the profound impact that any disruption in these markets will have on agricultural producers.

Mr. Speaker, I have outlined some of the problems besetting the agricultural sector and some of the steps we can take to address them. Most importantly, we must continue the dialogue we have had today, for as I noted at the opening of my remarks, the health and viability of the agricultural sector is of paramount concern to all Americans.●

● Mr. BOWEN. Mr. Speaker, agriculture is America's biggest industry and our largest employer, responsible for over 23 million jobs in this Nation. Agriculture accounts for approximately 20 percent of America's gross national product and provided this Nation with a $27 billion agricultural balance of trade surplus last year, helping to reduce our overall trade deficit. The American farmer is by far the most efficient in the entire world, producing enough food and fiber for 70 others. In the Soviet Union, by contrast, each farmer produces enough for seven others.

Over the last 20 years U.S. farm productivity has tripled, while, by contrast, nonfarm productivity has increased 1.8 times over the same period. Very sadly, however, America's farmers have not in recent years benefited from this striking increase in productivity, and, in fact, real farm income has fallen far more steeply than nonfarm income, as prices have fallen in the marketplace more rapidly and cost of production had increased more sharply than for other American producers.

This year's worldwide bumper harvest, coupled with high interest rates, a worldwide recession, and the strength of the dollar abroad—with consequently greater export marketing difficulties—have pushed real farm income down to its lowest level since the Great Depression in the 1930's, which, as we are painfully aware had its roots in the farm depression of the 1920's.

In short, Mr. Speaker, this is clearly the worst of times for American agriculture. Unless a dramatic turnaround occurs, I would describe the future of American agriculture in one word—disastrous.

Mr. Speaker, there are many ways in which the plight of the American farmer could be improved. First, in an effort to reduce overproduction and thereby enhance prices, a paid diversion would more effectively restrict acreage than the present voluntary acreage reduction program. It is my belief that acreage reduction is the only effective way to get prices up for farmers, since a sharp escalation of loan levels would stimulate production abroad and damage our markets, and steep increases in target prices would still be subject to payment limitations, so that neither one of these devices could actually create the profits needed by farmers.

For those who say that a return to the allotment system linked with very high parity loan levels would solve the problem, I can only say that we tried that system over a period of many years and despite our best efforts the Government ended up acquiring massive quantities of surplus commodities at great costs to the taxpayers. For these reasons, I believe that other acreage reduction methods are more realistic alternatives for enhancing prices.

Given the composition of the Congress, with almost nine-tenths of the Members of the House representing urban and suburban districts, I see no way that the votes could be found to raise loan levels to a point that would guarantee a profit for farmers.

Accepting the fact that our first goal must be to get prices to a profitable level, our second goal must be to find markets for those products, and this will increasingly be abroad, where more than one-half of our products are now marketed. Consequently, the administration should take all actions necessary to expand exports, such as supporting the export credit revolving fund, providing more extensive use of guaranteed export credits, and expanding the import-export bank from manufactured products to agriculture. Although the Reagan administration seems to be philosophically opposed to Government credit of any kind, guaranteed or otherwise, in the export field we face a situation in which our competitors do not always play the game by our rules, and, in fact, their governments are far more actively involved than ours in promoting the sales of their agricultural products.

One of the major contributions our administration can make is to avoid using agricultural products as tools of foreign policy, through embargoes and threats of embargoes. Saber-rattling about cutoffs of agricultural exports may serve some foreign policy goal, but there is no reason American farmers alone should be asked to make the sacrifice of financing economic sanctions against other nations.

In addition, immediate relief can be provided many of our farmers by releasing the FmHA economic emergency funds which have already been authorized and appropriated to the administration, and the FmHA could place a temporary moratorium on foreclosures during this period of agricultural crisis which has been created by adverse weather and market conditions.

Present legislation already on the statute books gives the administration all the authority it needs to moderate the downward pressure on prices as well as to provide both short-term and long-term assistance to our farmers. Unfortunately, the administration has so far shown little willingness to utilize the authority provided by the Congress.

Mr. Speaker, the farmers of our Nation do not want to be supported by the taxpayers of America. They only

want to make a living in the marketplace, and I believe that if this administration commits itself to achieving a level of prices which will produce an adequate income for our farmers at the same time it provides fair prices for consumers, then we can have a reasonable and stable program which will avoid many of the price fluctuations we have seen which have been a great disservice to both farmers and consumers.●

U.S. SKI ASSOCIATION LOBBYING EFFORT BACKFIRES IN 11TH DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I am deeply proud to represent the 11th District of Illinois because the people of that district are not swayed by high-pressure lobbing tactics, but instead prefer to make up their own minds on the issues.

This is particularly true with regard to the Olympic commemorative coin issue. The people of my district want an Olympic coin program, but they want a program that will turn the profits over to our Olympic athletes. And they want the coins sold directly by the U.S. Mint instead of through a middleman operation that will siphon off a bulk of the profits.

From the letters, phone calls, and telegrams that I have received from people in the 11th District, they overwhelmingly support my legislation which calls for the minting of two silver dollar coins and a $10 gold piece to be offered in proof and uncirculated specimens directly to the public by the U.S. Mint. Ten dollars from each of the silver dollars and $50 from each of the gold coins would be turned over to the U.S. Olympic Committee and the Los Angeles Olympic Organizing Committee.

My constituents strongly oppose another plan which would call for the minting of 17 coins to be sold by private marketers at a cost of about $5,000 a set. The General Accounting Office estimates that for every $25 raised under that proposal, only $5.40 would be turned over to the athletes.

The U.S. Ski Association apparently does not know the residents of the 11th District very well. Recently that organization sent a letter to skiers who live in my district. The letter, signed by Nancy J. Ingalsbee, director of government relations for the U.S. Ski Association, tells skiers in my district that they should contact me asking that I support the private marketing of the coins and forget about my own bill. The letter points out, incorrectly, that my bill uses Government funds, while the rival bill uses public funds. According to the General Accounting Office, my bill would result in no expenditure of Federal funds while the rival bill would result in lost revenue to the taxpayer of $210 million.

The U.S. Ski Association also includes a step-by-step program telling my constituents how they can exert pressure on me.

Perhaps the U.S. Ski Association thought its slick lobbying efforts would dazzle my constituents into a case of snow blindness and get them to ignore the facts, but it has not worked that way.

This week I received a letter from Mr. Thomas Doloughty who lives in my congressional district. Mr. Doloughty is not taken in by the downhill efforts of the Ski Association. In part he writes:

I support your position. . . . The purpose of this letter is to let you know that there are voters in the 11th Congressional District who feel that you're doing the right thing. In an era of budget cuts in every social program, I find it amazing that a private interest group is so worried about supplying money to see what country has the best ski team in the Olympics.

I applaud Mr. Doloughty for his refusal to be misled by a classic snow job. Perhaps if the U.S. Ski Association was willing to tell the truth to my constituents it might get a better response.

Because of its sincerity, I am enclosing as part of my remarks the letter that I received from Mr. Doloughty. I am sure that the constituents of every Member of this House would support my position if they were told the truth. But as long as there are groups such as the U.S. Ski Association which wants to control the minds of its members, it will be very difficult for the truth to win out.

The letter follows:

MAY 3,1982.

DEAR CONGRESSMAN: I would like to let you know I support your position on H.R. 6058, the Olympic Coin Act. I would also like you to know I'm an avid skier and a member of the United States Ski Association which sent the attached letter to me.

In recent weeks the media and private interest groups have attacked your stand on this issue. The purpose of this letter is to let you know that there are voters in the 11th Congressional District who feel that you are doing the right thing.

In an era of budget cuts in every social program I find it amazing that a private interest group is so worried about supplying money to see what country has the best ski team in the Olympics.

Yours respectfully,

THOMAS DOLOUGHTY.●

FERRARO RESPONSE TO REAGAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. COELHO) is recognized for 5 minutes.

● Mr. COELHO. Mr. Speaker, I rise to commend one of our colleagues for displaying qualities in increasingly short supply during this era of the Great Communicator.

On Saturday, the American people witnessed the latest in a long line of artful dodges, as the President eagerly took credit for policies endorsed long before his election, while refusing to accept responsibility for the faults of his own policies.

We can expect the President to continue blaming Congress for the failure of the program he urged on us last year, while at the same time declaring that his program is already working. Fortunately, Mr. Speaker, this great evasion was not unchallenged last Saturday, and we can thank our distinguished colleague from New York for that.

Mr. Speaker, as the gentlelady from New York pointed out last Saturday, the President's assertion that his program is working is a fantasy that flies in the face of the facts. In the absence of forthcoming statements from the administration, I commend to you and all my colleagues her response to the President as a much needed example of the clarity, honesty, and responsibility the American people deserve from their Government.

DEMOCRATIC RESPONSE TO PRESIDENT REAGAN'S RADIO MESSAGE

WASHINGTON, D.C.—Good afternoon, I'm New York Congresswoman Geraldine Ferraro, and I have been asked by the Democratic Party to respond to President Reagan's message today.

The picture of the economy that the President painted in his address is not one I recognize either from my work in Washington or in talking to my constituents. The notion that his economic program is working simply does not jibe with the real numbers.

I'm sure the President is sincere and wants his program to work. We all want a return to economic prosperity. But the notion that things are improving and that recovery is around the corner is a cruel illusion, the image of an oasis held out to millions of Americans lost in an economic desert that is the result of Reaganomics.

The President mentioned several examples of good economic tidings which he said his economic program has brought about.

The President is attempting to take credit for the decline in gasoline prices when that is directly the result of the glut of oil on world markets. Like anything else, when the supply of oil goes up, the price goes down. Unless the President is calling the shots for OPEC, it's hard to understand how he can take credit for lower oil prices.

As for lower food prices, we owe them to good weather and big crops, not to any government policies, and they are the falling prices that are creating great hardship for our nation's farmers.

As for the increase in personal savings the President mentioned, what he failed to tell you is that his budget deficit will force the federal government to borrow enormous sums, which means the increased savings will go to pay off the deficit rather than go for investment and new jobs.

We are in a very serious situation. Despite the President's promises of recovery when Congress passed his economic program last

year, enormous Reagan deficits have kept interest rates high and our economy on the skids.

Unemployment is at its highest rate since World War II with almost ten million Americans out of work—more than at any time since the Great Depression. Mortgage interest rates of 17½ percent are depressing the housing industry and keeping young families from buying their first homes or purchasing a small business. And speaking of small businesses, their plight is equally devastating. 6,205 companies failed during the first 14 weeks of this year, eight months into the so-called Reagan Economic Recovery.

On our nation's farms, the story is the same. Real farm income is at its lowest level since the Depression. Almost half of all Federal farm loans are delinquent, as falling prices and high interest rates squeeze farm families.

These difficulties all stem from high interest rates, and the experts say high interest rates are caused by high federal deficits. The deficit for the current fiscal year will top $100 billion. In 1984, the year the President promised us a balanced budget, the deficit will be $216 billion. Now, the President is trying to escape responsibility for his failure to keep that campaign promise. His enormous tax cuts—and excessive defense spending—have created these deficits. But instead of owning up to that fact, the President is now hiding behind a call for a Constitutional amendment to balance the budget.

The President says his program needs more time, but a train heading over a cliff doesn't need more time, it needs a change of direction.

He believes nobody is truly hurt by his program. He says his cuts in Aid to Families with Dependent Children will only affect the non-needy, but seventy percent of the program's recipients are children.

He says his food stamp cuts will only eliminate fraud and waste, but ninety percent of elderly recipients over the age of 65 will lose part of their benefits.

The President says we must be fair to all our people. And I agree. But if you take a close look at the program and tax cuts enacted last year, families with incomes of less than $10,000 lost $240. Families with incomes of between ten thousand and 20 thousand dollars got a net gain of $220, and families with an income of $80,000 enjoyed a windfall of slightly over $15,000. Now that's just not fair.

As Democrats, we are willing to seek bipartisan solutions to the budget and economic crises. But there are some principles we will not surrender.

We will not trade social security cuts to get tax increases for wealthy Americans and corporations.

We will not force families to remortgage their homes to make up for lost federal student loans.

And we will not go along with an economic program that has put our people out of work while giving tax breaks to the rich and cutting programs that help middle class and poor Americans.

We can solve our problems if we work together * * * if we understand each other's problems. The wealthy few must be concerned about the many who are not wealthy, because if prosperity is not shared, it will soon exist for none.

The Democrats in Congress are united. Urban Members are protesting the Administration's proposed shut-off of emergency loans to farmers. Northeast and Southwest Members have shared concerns over deteriorating big city infrastructures, as New York and Albuquerque, Boston and New Orleans grapple with similar problems. Male members are joining women members in protesting budget cuts that are absolutely unfair to poor and elderly women, and policies that deny working women equal economic opportunities.

Liberals have joined conservatives in seeking to reduce the deficit and balance the budget—but we all agree it is not going to be on the backs of the poor, the elderly, the middle class, workers and students.

The President has asked you to write to Members of Congress in support of his budget policies. I ask you to write to the President with just one message be fair, Mr. President, be fair.●

LEGISLATION TO REDUCE THE OUTRAGEOUS DAIRY PRICE SUPPORT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. FRANK) is recognized for 10 minutes.

● Mr. FRANK. Mr. Speaker, today I am introducing legislation which would scale back the price support level for milk, a program which will cost the American taxpayer an estimated $2.2 billion this year—more then eight times the cost of only 3 years ago and almost 50 percent more than the cost estimated for the program when we passed the farm bill last year.

The problems in the dairy program persist despite the passage of the Agriculture and Food Act of 1981, which reduced the support price over the next 4 years. The conferees for that legislation are to be commended for their attempt to cut back on this bloated program, the support level for which has gotten totally out of control in the prior two farm bills. However, it is clear that further reductions in this program must be made.

Overproduction in the dairy industry continues to be its most pressing problem—a problem which is exacerbated, not controlled, by Federal policy. Currently, milk production for the year is estimated to 135.5 billion pounds, which is an increase of 3 percent over 1981, 5 percent over 1980, and 9 percent over 1979. The total number of cows, and the productivity per cow, have also been growing. At the same time, demand for milk and milk products has remained essentially flat recently. The result is the Federal Government now buys about 10 percent of all milk being produced—an enormous waste of taxpayers money.

Dairy farmers, assured of generous and increasing support prices for the next 3½ years, have simply not moved to cut their production. Unless and until they get the message that Federal Goverment will not continue to subsidize their overproduction, there will be little incentive for them to cut back.

For this reason, I am introducing a bill which would give the Secretary of Agriculture discretion to reduce the support price from $13.10 per hundredweight to $11.10 and to hold it there until September 30, 1985, if he saw the need to do so. The Secretary could also raise the minimum price above $11.10 if conditions warranted; that is, if production and the resulting costs to the Government were substantially reduced. Also repealed are the confusing and, I believe, unrealistic triggering mechanisms in the present dairy program which allow the Secretary to increase the support price as a percentage of parity.

Mr. Speaker, this bill would give the administration the ability and flexibility to reduce this unnecessary and expensive program by sending a clear message to our Nation's dairy farmers that overproduction will no longer be tolerated. At the same time, by maintaining a price support program which can be adjusted, at the Secretary's discretion, to reflect market conditions, we would not be cutting the dairy farmer off from all Federal support. I urge my colleagues, and particularly the members of the Agriculture Committee, to consider this legislation carefully.●

THE EQUITY TAX ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

● Mr. DOWNEY. Mr. Speaker, swift and responsible action is necessary to restore the Nation's economic health and assure that burdens and benefits are shared equitably.

As a vital first step toward economic recovery, balance, and fair shares, I am today proposing a comprehensive package of tax changes and reforms. These measures will undo in large measure the worst inequities of last year's tax legislation and recapture sufficient revenues to fight recession, maintain essential public investments and protections, reduce the deficit, and permit a lowering of interest rates.

It is called Equity Tax Act of 1982.

The Reagan administration's Economic Recovery Tax Act 1981 was an ill conceived hodgepodge of loopholes and giveaways for big business and individuals with high incomes. The great majority of the Nation's taxpayers were shortchanged and the economy severely damaged. The act has not brought about economic recovery, but rapidly deepening recession. It has not generated any of the promised supply-side effects of more jobs, investment, and lower deficits claimed by its proponents. It has failed the most fundamental tests of sound tax policy: to raise adequate revenues to meet na-

tional needs and a fair sharing of the responsibility for financing those needs.

The time has come to redirect the tax structure to meet these tests.

The President's tax program has been given more than ample time, and the evidence of its failure is overwhelming. Most of the big business tax cuts were retroactive to January 1, 1981; key tax cuts for the wealthiest individuals were backdated to June of last year and payroll withholding reductions of 5 percent began in October.

Yet, despite these actual effects and the fact that the Reagan program was geared to expectations we are in the midst of a deep recession that began 6 months after President Reagan took office and has been worsening ever since. There are more than 9.9 million workers unemployed—more jobless Americans than at any time since the Great Depression and even the most optimistic forecasters expect worse.

Towering interest rates have decimated the housing and durable good markets, discouraged investment in plant and equipment, and smothered the ability of households with modest incomes to save. Mortgage rates still hover around the 15 percent they averaged last year, and the prime lending rate, which averaged almost 19 percent in 1981 still remains at an intolerable 16.5 percent—despite the depressed levels of economic activity and price level reduction.

Real gross national product fell nearly 4 percent in the first quarter of this year after declining 4.5 percent in the final quarter of 1981. The Nation's output has shrunk in three of the last five quarters. Industrial output of the Nation's factories, mines, and utilities has fallen in 7 out of the last 8 months. We are now utilizing only 71 percent of our manufacturing capacity.

I am convinced that costs and inequities of the Reagan tax cuts are principal impediments to economic growth and full employment. They have created projected budget deficits far larger than anticipated and are preventing vital reductions in interest rates.

Unless the course of Reaganomics is reversed, the economic and social ills we are currently suffering—ills inflicted by shoestring public budgets financed by unfair tax cuts—could fester and grow into a full-fledged depression.

We must change directions now.

The AFL-CIO Executive Council outlined a comprehensive alternative to the economic policies of the Reagan administration at their Bal Harbour, Fla., meeting earlier this year. That multifaceted proposal included means for dealing with the Reagan recession through job-creating programs, reinvigoration of our industrial base, and methods for relieving the suffering of unemployment victims. The Equity Tax Act, which I am introducing today, incorporates the principal tax policy suggestions of the AFL-CIO which, in my judgment, add up to a reasonable and responsible package of basic tax reforms and measures that will reverse some of the worst aspects of the Reagan program.

A key proposal in my package is to cap the 1982 and 1983 individual tax cuts at $700 per family. This will put back a substantial element of fairness to the tax system. The cap will have little or no effect on most families earning $40,000 or less, and will recoup about $28 billion of badly needed revenues.

I also propose to end the much abused buying selling of excess tax credits through the leasing provisions of ERTA. The leasing provision has already proven itself as a wasteful and inefficient means to deal with troubled firms or industries and other methods must be found.

The revenue loss due to the leasing provisions will reach $7 billion by the end of fiscal 1983, and will cost $8.5 billion annually by 1986. The prime beneficiaries will continue to be large and profitable corporations.

I also propose to reduce the investment tax credit—the single most costly business tax preference—to its former 7-percent level. In view of the depreciation giveaways of the accelerated cost recovery system enacted last August, there is not justification for maintaining this provision, which is costing taxpayers over $7 billion annually.

The Equity Tax Act will enable the Federal Government to put into place the kinds of policies we need to set the economy on the right track. It will help make possible necessary investments in the public infrastructure—highways, bridges, mass transit, railroads, and other facilities—human capital investments through jobs and training programs, revitalization of the housing industry—particularly for low- and moderate-income housing—rebuilding of the Nation's industrial sector, and extension of unemployment insurance benefits to protect the long-term jobless, victimized by recession.

The bill does not pretend to address the full array of problems and side effects embodied in the Economic Recovery Tax Act. It does not, for example, deal directly with the ERTA accelerated depreciation system and take on the full job of replacing ACRS with a system that accurately reflects the cost, usage, and taxability of capital assets. We recognize that the ACRS also creates serious revenue losses in many States and localities that have tax systems that conform to Federal law definitions. Similarly, we are concerned about the problems that might be faced by some troubled firms as a result of ending safe harbor leasing. We will work to resolve issues such as those in the final legislation.

In addition to the legislation we are proposing today, at such time as a firm figure is reached with regard to defense spending needs, we intend to propose a fair surtax on corporate and individual incomes to assure that any necessary increases in defense are paid for through the tax structure and equitably—not through further cuts in social programs.

A copy of the bill, along with a section-by-section summary and a series of revenue estimates, follows:

THE EQUITY TAX ACT (SECTION-BY-SECTION SUMMARY)

I. INDIVIDUAL INCOME TAX PROVISIONS

1. *Individual tax rate reductions.*—The individual tax rates for calendar years 1982 to 1983 would be adjusted so that the tax reductions resulting from the 1981 tax rate cuts are limited to $700 in 1982 and $1,400 in 1983 ($350 and $700, respectively, for married persons filing separate returns.)

2. *Indexing.*—The indexing for inflation of the income tax brackets, personal exemption, and zero bracket amount (standard deduction), enacted in the 1981 tax bill, would be repealed.

3. *Capital gains.*—The percentage of long-term capital gains included in taxable income would be increased from 40 percent to 50 percent, effective for gains realized after June 30, 1982. This would establish a maximum tax rate on capital gains of 35 percent for 1982 and 1983 and 25 percent thereafter.

II. ESTATE AND GIFT TAX PROVISIONS

1. *Carryover basis.*—The carryover basis provisions enacted in 1976 and repealed in 1980, would be restored for persons dying after December 31, 1982. Under present law, when a person inherits property, the basis of the assets, from which he computes depreciation and gain or loss, equals the fair market value of the asset at time of death (or on the alternate valuation date if elected on the decedent's estate tax return). As a result, any appreciation during the decedent's lifetime permanently escapes income taxation. Under carryover basis, the heir would use as his basis the basis of the asset in the hands of the decedent. However, taxpayers would be given a "fresh-start" under which the basis with respect to a decedent's property would be no lower than the fair market value of the assets on December 31, 1976.

2. *Unified credit.*—Under the estate and gift taxes, the unified credit provides the equivalent of an exemption from the estate and gift taxes. The 1981 tax bill raised this exemption equivalent from $175,625 to $600,000, phased in over 6 years. These increases in the unified credit would be repealed.

3. *Maximum estate and gift tax rate.*—The 1981 tax bill reduced the maximum estate tax rate from 70 percent to 50 percent, phased in over 4 years. This reduction, which only benefits estates valued over $2.7 million, would be repealed.

4. *Exclusion for pensions and insurance.*—The estate tax exclusion for annuities would be capped at $500,000, for decedents dying after December 31, 1982.

III. WINDFALL PROFIT TAX PROVISION

1. *Repeal of 1981 windfall profit tax cuts.*—The 1981 tax bill made three major reductions in the windfall profit tax. It reduced the tax rate on newly discovered oil from 30 percent to 15 percent, phased in over 5 years; it exempted stripper oil produced by independent producers; and it provided an exemption for royalty owners of up to 2 barrels per day in 1982–84 and 3 barrels per day thereafter. These windfall profit tax reductions would be repealed for oil produced after December 31, 1982.

IV. BUSINESS TAX PROVISIONS

1. *Leasing.*—The safe-harbor leasing provisions of the 1981 tax cuts, which enable taxpayers to use paper transactions to, in effect, buy and sell tax benefits, would be repealed effective February 20, 1982. However, leasing would be retained for mass transit commuting equipment.

2. *Foreign tax credit.*—The foreign tax credit would be repealed, effective in 1983. Taxpayers would be allowed to deduct these payments instead of claiming tax credits.

3. *Deferral on foreign income.*—Multinational corporations would be taxed currently on income from foreign subsidiaries, effective in 1983.

4. *DISC.*—The tax deferral provisions for domestic international sales corporations (DISC) would be repealed, effective in 1983. Previously deferred DISC income would be recaptured over a 10-year period.

5. *Reduction in investment credit.*—In order to scale back capital cost recovery provisions so that they are less generous than writing off the full cost of assets in the year the assets are placed in service (expensing), the investment tax credit would be reduced from 10 percent to 7 percent (from 6 percent to 4 percent for assets in the 3-year ACRS class), effective in 1983.

6. *Limitation of graduated corporate tax rates to small corporations.*—Under present law, reduced tax rates apply to the first $100,000 of corporate taxable income. These low rates are available to large and small corporations. The bill would adjust corporate tax rates in order to phase out the tax reduction from the graduated rates as a corporation's taxable income rises from $100,000 to $200,000, effective in 1983.

7. *Percentage depletion.*—Percentage depletion on oil and gas wells would be repealed, effective in 1983.

8. *Intangible drilling costs.*—Taxpayers would not be allowed to expense intangible drilling costs on productive wells, effective in 1983.

ESTIMATED REVENUE EFFECTS OF SELECTED PROPOSALS

[Requested by Mr. Downey; in billions of dollars]

	Fiscal year—					
	1982	1983	1984	1985	1986	1987
I. Individual income tax provisions:						
1. Cap the 1982 and 1983 individual tax cuts at $700 per family	5.9	12.6	9.2			
2. Repeal indexing provisions				9.8	25.6	42.9
3. Include 50 percent of long-term capital gains in taxable income	(1)	1.2	2.5	2.5	2.6	2.8
II. Estate and gift tax provisions:						
1. Carryover of basis		.1	.2	.2	.3	.4
2. Unified credit		1.1	2.0	2.8	3.8	4.5
3. Maximum estate and gift tax rate		.2	.4	.6	.9	1.2
4. Exclusion for pensions and insurance		.1	.1	.1	.1	.1

ESTIMATED REVENUE EFFECTS OF SELECTED PROPOSALS—Continued

[Requested by Mr. Downey; in billions of dollars]

	Fiscal year—					
	1982	1983	1984	1985	1986	1987
III. Windfall profit tax provision:						
1. Repeal oil provisions enacted by ERTA		.9	1.3	1.5	1.8	1.9
IV. Business tax provisions:						
1. Repeal the leasing provisions enacted by ERTA	1.0	2.9	4.6	6.5	8.6	10.6
2. Repeal foreign tax credit [2]		3.2	6.5	7.1	7.4	8.2
3. Repeal deferral on foreign income [3]		2.8	6.0	6.6	7.1	7.7
4. Repeal DISC (with 10-yr. recapture)		.5	2.0	3.0	3.0	3.1
5. Reduce regular investment tax credit rate to 7 percent		3.6	8.1	9.4	10.8	12.3
6. Limit graduated rates to small corporations [4]		.9	1.9	2.0	2.0	2.0
7. Repeal percentage depletion on oil and gas		.8	1.5	1.7	2.0	2.1
8. Amortize IDC's over 10 yr		3.5	7.7	8.4	9.0	9.6
Total	6.9	34.4	54.0	62.2	85.0	109.4

[1] Less than $50,000,000.
[2] Assuming that deferral has been repealed and that there is no behavioral change.
[3] Assuming that foreign tax credit has been repealed and that there is no behavioral change.
[4] Corporations with less than $200,000 of taxable income.

A BILL TO AMEND SECTION 103(b)(6) OF THE INTERNAL REVENUE CODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 30 minutes.

Mr. LAFALCE. Mr. Speaker, I am introducing legislation today to reverse an IRS ruling that cripples local economic development programs. The legislation would do that by amending the Internal Revenue Code to protect the tax-exempt status of multiple-lot issues of small issue industrial revenue bonds.

As all of us are wel' aware, the Internal Revenue Service issued Revenue Ruling 81-216 on August 24, 1981, and subsequently published a rulemaking notice on October 8, 1981. These measures effectively eliminated the tax-exempt status of multiple lots of small issue industrial revenues bonds of less than $1 million. Such issues, where the bonds are pooled and sold as one, are more commonly known as umbrella or composite issues. These IRS rulings reversed a 12-year-standing interpretation of the Internal Revenue Code which provided tax exemptions for umbrella or composite bonds. As a result of last August's ruling, these bonds are virtually nonexistent in today's financial markets.

On the heels of IRS's actions, I and a number of my colleagues wrote the Secretary of the Treasury, Donald Regan, urging that Revenue Ruling 81-216 be rescinded. Several bills were also introduced to delay the application of the IRS's ruling to allow Congress to consider the whole IDB issue. Finally, after IRS failed to respond, Congress amended the continuing appropriations resolution to prohibit IRS from using its funds to enforce the ruling and proposed regulations. The problem is that while our action may have prevented enforcement of the IRS rulings for the time being, it did not eliminate the problem caused by the revenue ruling.

Nevertheless, despite the spirit, intent, and letter of our law, IRS has remained steadfast, refusing to reexamine their rulings or restore the tax-exempt status of umbrella bonds. In fact, IRS has become even more strident, interpreting our amendment so as not to grant even some limited form of transitional relief or "grandfathering" of projects already being processed when the ruling became effective. Consequently, many projects that would have been consummated are now on hold or have been canceled.

As if this were not enough to cripple small issue IDB's, on February 26, 1982, the Department of the Treasury released its "General and Technical Explanations of Tax Revisions and Improved Collection and Enforcement Proposals." This document details the President's revenue-enhancing measures announced in his State of the Union address and fiscal year 1983 budget. One of the President's proposals would add eight new restrictions to the tax-exempt status of IDB's. The administration projects that this measure alone will produce approximately $7 billion in additional tax revenues over the next 5 years. However, I fear the effect of all these proposals is to unduly restrict the use of IDB's for critical small business financings, or appropriate urban development.

Mr. Speaker, industrial revenue bonds have become a controversial issue, and Congress certainly faces a dilemma. admittedly, there have been some abuses in the use of IDB financing. Most of us agree that some constructive changes are necessary to tighten the law to prevent further abuses. However, the administration's rulings and proposals to date appear to go far beyond constructive reform of the IDB tax laws. They could be the death knell for industrial revenue bond financing.

Nevertheless, IDB's are an important financing tool in our local and national economies. When properly used, these tax-exempt bonds have helped create, expand, and save businesses and jobs. They have also provided an important opportunity for small businesses and farmers to compete for financing in both the public and private sectors. In my own State of New York alone, the $1.3 billion in bonds issued for industrial and commercial startups and expansion over the past 11 years have been directly responsible for over 80,000 jobs. In my own congressional district, the Erie County Industrial

Development Agency (ECIDA) authorized $63.4 million in IDB's in 1981 for 26 business expansion projects which are expected to create approximately 900 new jobs. These are not isolated examples. For years, small issue IDB's have assisted thousands of businesses to grow and expand, creating new jobs and bolstering local economies.

As we meet today, we face the most serious economic crisis since the Great Depression. Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

In addition, business failures are running at near Depression levels, and the current rate of failure is higher than at any time since 1932. Business failures have almost doubled in the past year. We can expect over 25,000 businesses—mostly small businesses—to fail this year.

These devastating facts clearly show that now is not the time to cut off or restrict an important source of affordable capital for small businesses. Instead, we should be exploring ways to funnel more low-cost financing to our small businesses for expansion and development. After all, small businesses constitute more than 98 percent of all nonfarm businesses in the United States. They furnish 58 percent of total U.S. business employment, and provide the livelihood for over 100 million Americans. Most importantly, small businesses create more jobs than any other sector of our economy.

Mr. Speaker, small businesses are the hope for America's future. They can provide the impetus our economy demands, but they need affordable capital to expand our commercial and industrial base and create jobs. Our economy will not improve with policies that straitjacket productive programs such as IDB's.

At a time when we read about and encourage creative financing in the housing industry, a major creative financing effort in the business sector faces extinction. At a time when small businesses have virtually no access to capital at reasonable interest rates, we are offered proposals to limit a program which provides that essential capital investment. At a time when the administration decries Federal loan and financing programs, a truly effective, non-Federal effort faces ruin. I submit that our small businesses, our communities, and our economic well-being simply cannot tolerate elimination or significant diminution of industrial revenue bonds.

However, the crux of the current dilemma we face with IDB financing lies with revenue ruling 81-216. While we should consider appropriate reforms, this ruling looms on the horizon, ready to rear its head at the end of this fiscal year unless we act. The only effective legal remedy to counteract revenue ruling 81-216 is to amend existing law to clearly establish the tax-exempt status of umbrella IDB's once and for all.

The legislation I am introducing today is a companion to S. 2335, which has been introduced in the other House by a bipartisan group of 16 Senators. It amends section 103(b)(6) of the Internal Revenue Code of 1954 to provide that any small issue IDB which is part of multiple lot or umbrella issue will meet the tax-exempt requirements of the small issue exemption. This should clarify the law and bring umbrella bonds back to life. I urge my colleagues to support this legislation.

FALKLAND/MALVINAS ISLANDS CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 60 minutes.

Mr. CONYERS. Mr. Speaker, on Thursday, April 29, the Foreign Affairs Committee reported a measure that was taken up by the House today in the form of House Resolution 441 which said that it is the sense of the House of Representatives that Argentina should withdraw its forces from the Falkland Islands, and if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its effort to uphold the rule of law.

I read that to mean that we have gone on record as supporting Great Britain in whatever actions it wishes to undertake to restore British hegemony over the Falkland Islands. Since they are now in armed conflict, the expectation is that that conflict will escalate and this resolution, in effect, places the House on record as affirming whatever armed action the British nation chooses to pursue, irrespective of the merits and the repercussions for the United States and the world community.

In other words, if this resolution can be construed in any way to sanction retaliatory violence on the part of Great Britain, I believe that it is untenable and is not in keeping with the views of the majority of the Members of the House of Representatives.

Further, I suggest that it must be repudiated immediately.

The procedure surrounding the passage of this resolution is most interesting. A number of members of the committee failed to be notified that it was being taken under discussion. There were no hearings.

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There was a brief meeting with the distinguished Secretary of State. There were about 15 members present in the committee when it was passed, which is more than were on the floor during the debate of this measure today.

So I would like to suggest that these territorial disputes, of which there are 15 pending, in a nuclear age, pose an incredible threat to world peace and security, for the simple reason that if Britain increases its attack around the Falkland Islands dispute, they may well unite the rest of the Latin American countries, which could then move into a full-scale war in which the superpowers would become unavoidably involved.

So I suggest that what we need to consider—and I have heard little or no discussion of it—is the necessity for international procedures to resolve this and other territorial disputes that are now outstanding.

Mr. Speaker, I urge that we reconsider this preemptory resolution that was passed today, and I include an essay that further details my strong continuing objections over the passage of this resolution.

Mr. Speaker, I have to take issue with the manner in which the House today by a voice vote under suspension approved House Resolution 441 with respect to the Falkland Islands. They key language of that resolution states:

> That, in compliance with the United Nations Security Council Resolution 502, it is the sense of the House of Representatives that Argentina should withdraw its forces from the Falkland Islands and, if the efforts to resolve the conflict through peaceful means fail, the United States should provide full diplomatic support to Great Britain in its effort to uphold the rule of law.

As I read this resolution, this body is going on record as supporting Great Britain in whatever actions it wishes to undertake to restore British hegemony over the Falkland Islands. Since armed conflict already has occurred over the islands in recent days, and the expectation is that the conflict will escalate, this resolution, in effect, places the House on record as affirming whatever armed action the British pursue, irrespective of the merits and the repercussions for the United States and the world community. This is untenable if this resolution can be construed to in any way sanction retaliatory violence on the part of Great Britain, we must immediately repudiate House Resolution 441.

The British action of yesterday, which resulted in the sinking of an Argentinian cruiser and the loss of 900 lives, brings suddenly and sharply into focus the possibility of major blocs of nations being drawn directly into the conflict. The sophistication of the weaponry that may be deployed raises serious questions about the containment of the crisis. The entire fabric of hemispheric relations, which the United States has worked long and hard to improve, is another serious

consequence that has to be carefully weighed.

House Resolution 441, as I understand it, was not the result of serious study, hearings, and debate. On the contrary, the House Foreign Affairs Committee has not held a single hearing on the Falkland Islands crisis. The briefings by the Secretary of State were, indeed, held behind closed doors. Last Thursday, the 29th of April, the full committee approved the resolution by voice vote, and some of my colleagues do not recall having received proper notice of that vote. I am told that fewer than a majority of committee members were present for that vote. A copy of the resolution was distributed only yesterday, and today with little discussion and not even a quorum of Members present, I am informed that fewer than a dozen Members were present on the floor, the House approved the resolution. I believe it is safe to characterize this action as a fait accompli, and certainly as an action the ramifications of which were hardly addressed in this body.

The Falkland/Malvinas Islands crisis raises a far more complex set of questions than House Resolution 441 comprehends. The Falkland Islands dispute, after all, is not the only territorial dispute that threatens world peace. Gibraltar, seized by Great Britain in 1704, is currently the subject of negotiations with Spain. The former Spanish colonial territory of Africa's Western Sahara is being fought over by Morocco and the Algerian-backed Polisario Front. Venezuela claims two-thirds of Guyana, the former British colony now an independent state. Guatemala currently is locked in a 150-year-old dispute with Britain over the newly independent nation of Belize, which 1,800 British soldiers still watch over. The Japanese claim territory occupied by the Soviet Union, and the People's Republic of China claims vast territories now within the boundaries of the Soviet Union.

The issue of territorial disputes has assumed in this nuclear age a far greater danger to world peace than was heretofore the case. For example, in regard to the Falklands, Britain is a nuclear power and has nuclear weapons in place off the coast of Argentina. Argentina already operates a number of nuclear reactors and is expected to join the nuclear club with a few years.

I would submit that unless we find soon a set of international procedures and an international agency for settling territorial disputes, the world stands the risk of getting embroiled in an endless series of conflicts, each one of which has the potential for escalating into full-scale global armed conflict.

The question of sovereignty over the Falkland Islands has been a matter of open dispute between Argentina and Great Britain since 1964. In 1965 the U.N. Decolonization Commission directed both nations to negotiate a peaceful settlement. These negotiations have taken place sporadically over the past 18 years, yet the major issues were never settled. The British apparently did not dispute the Argentine claim to ultimate sovereignty. When the Spanish withdrew from the Falklands in 1811, they provided that their former territory would be transferred to the Argentines upon their independence, which occurred in 1816. In 1820 Argentina raised its flag on the islands only to be later expelled by an American warship protecting U.S. commercial interests and later by a British force in 1832.

The British in recent years gave every appearance of seeking to work out a settlement that would establish initially some type of joint control, and later phasing out their own presence. Except for some 1,800 Falkland islanders, who exerted pressure on the British Government to maintain control, the Argentines had reason to expect the British to move toward a resolution of the territorial issue.

I am not in a position to pass judgment on the rights and wrongs in the present dispute. I am, however, able to assert that the issue presented in the Falkland Islands dispute is very much an international issue, that must be settled by some international procedure. The United States had exhausted its mediation effort. Its subsequent decision to support the British and make available its military facilities in the South Atlantic to British planes and ships certainly discredited the U.S. claim to a mediatory role.

The U.N. Security Council on April 3, 1982, approved Resolution 502 calling for a cessation of hostilities between Britain and Argentina and Argentina's troop withdrawal from the Falklands. My understanding is that Argentina was willing to withdraw pending a final settlement, but was unwilling to relinquish its position of ultimate sovereignty over the islands. Unfortunately, before enough time elapsed for that resolution to take effect, the British fleet already surrounded the islands, and the British began to carry out their military plans, first to reoccupy the island of South Georgia, next to damage the airstrips on the Falklands, and then to enforce their blockade, which culminated yesterday in the sinking of the Argentine cruiser, which happened to be situated near to, but outside of, the British-stipulated blockade zone.

Events have gotten out of control. Time is short. There is the possibility not only of further military escalation, but also of the entry of other nations into the dispute.

I suggest that the House reconsider its preemptory vote today on House Resolution 441. There are far more facets to this dispute, and certainly far greater repercussions to the outcome, than that resolution contemplates. I would recommend that the House pass a second and contrary resolution urging the President to call upon the British to cease hostilities immediately, to urge a cooling off period and to call upon both nations to return to the United Nations Security Council for further debate.

Until we explore all the international procedures and agencies for peaceful conflict resolution, I believe we are not in a position to support one side or the other.

NET WORTH GUARANTEE ACT

The SPEAKER pro tempore (Mr. BEDELL). Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

Mr. ST GERMAIN. Mr. Speaker, today I am introducing along with 23 cosponsors revised legislation to assist the home mortgage lending industry. As you know, last February I introduced the Home Mortgage Capital Stability Act. During March the Subcommittee on Housing Community Development conducted extensive hearings on that bill. The revised legislation responds to concerns raised by the witnesses and to concerns over the budget impact of the original bill. On the latter point, the new bill provides for a program of net worth guarantees which will avoid cash outlays. For the information of the Members I include a summary of the revised bill following my remarks:

NET WORTH GUARANTEE ACT

The Act would establish a program to guarantee the net worth of qualifying depository institutions—savings and loans, mutual savings banks, commercial banks, and credit unions. The program would be administered by the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board. Any guarantees provided pursuant to the Act would be backed by a Net Worth Guarantee Account established in the Treasury and would be subject to an $8.5 billion guarantee limit. The Act would provide that the full faith and credit of the United States stands behind the obligation to pay any guarantee which has to be honored and authorizes the appropriation of any sums for this program, subject to the $8.5 billion guarantee limit, without restriction as to fiscal year.

The FHLBB, the FDIC, and the NCUA Board would determine institution eligibility in accordance with the criteria specified in the Act and would be required to consult with the appropriate State supervisory agency if the institution being considered for eligibility is a State chartered institution. Institutions could be considered for eligibility if they have either Federal or State deposit insurance.

For an institution to qualify the agencies would have to find that the institution:

Has a net worth below 2% of assets;

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Has suffered earnings losses for at least two consecutive quarters and that such losses are not the result of speculation in futures or forward contracts, of management attempts to qualify their institution for assistance, or of excessive operating expenses;

Has loan portfolio at least 20 percent of which is in residential real estate or securities backed by residential real estate;

Shows a need for assistance and has reasonable prospects of long-term viability; and

Agrees to comply with commitments required by the agencies and the Act.

The conditions for receiving assistance include, but are not limited to, the responsibility to:

Retire the guarantees of net worth;

Provide reports to the agencies on its financial condition and its lending practices at such intervals as the agencies may require;

Earmark, for as long as a guarantee of net worth is outstanding, at least 60 percent of its net new deposits (defined as deposits less interest and dividends credited with withdrawals) to the issuance of mortgages for one-to-four residences or coop or condo units, such mortgages to be at or below FHA mortgage loan amount ceilings. An institution would have the option to comply with up to half of this mortgage requirement by purchasing securities backed by mortgages as defined above that are issued after the date the institution first receives a guarantee of net worth.

Each qualified institution would receive guarantees sufficient to bring its net worth up to a 2 percent of assets level and to maintain that level for a period not to exceed 2 years. After the expiration of that 2 year period further guarantees may be provided only if the agency determines that the losses necessitating a further guarantee are the result of general economic conditions rather than management decisions.

The Act provides that the guarantees shall be considered net worth for statutory and regulatory purposes; that an institution which has a stock form of ownership may not pay dividends on that stock so long as it has outstanding guarantees; and that an institution which has outstanding guarantees may not pay any state or local tax that is based on deposits rather than on the profit or loss of the institution. In the event an institution which has outstanding guarantees is merged or acquired by another firm, the guarantees may be transferred to the surviving entity in the discretion of the agency.

Should an institution which has outstanding guarantees be liquidated, the Secretary of the Treasury would pay to the receiver of such institution the amount of the guarantees outstanding. This is the only time that cash would exchange hands under this program. Since the legislation is designed to restore public and investor confidence in institutions receiving assistance and to assure an adequate deposit on borrowing glow to institutions from the public and investors, the government would have a claim on the liquidated assets of the institution after all deposits, certificates of deposit, and debt obligations are paid. If the Federal government were to take any higher position, potential lenders, such as investment houses and money center financial institutions, many of which deposit or lend millions of dollars to individual institutions, would not be willing to undertake the risk involved in lending to these institutions. This is essential to improving the vitality of these institutions in the future.

In order to provide an orderly implementation of the Act, the agencies are directed to issue regulations within 30 days of the date of enactment of the Net Worth Guarantee Act. Those regulations would define terms to be used in the program, describe the criteria to be used in determining eligibility, and specify the conditions which would be imposed on institutions receiving guarantees. To assure that Congressional intent is carried out and to provide Congressional oversight of the program, the agencies are required to provide to each House of the Congress detailed quarterly reports on each guarantee provided by the agencies and the General Accounting Office is directed to conduct an audit of each guarantee transaction and of the Net Worth Guarantee Account in the Treasury on a semiannual basis.

The Act would take effect upon enactment and authority to issue guarantees of net worth would cease at the end of Fiscal Year 1984.

NEWSPAPERS, A CRITIQUE

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, the number of newspapers and the readership is decreasing in the United States. Still the importance of newspapers is very great and therefore the professionalism being followed by the journalists in carrying out their work is very important.

Many of us have formed opinions on how well the journalists do their job and the principles they are following. A statement on these matters by a former member of the journalism profession has recently become available which frankly discusses and attacks some of the principles which are being followed by journalists. It is a very sobering critique which warrants our attention.

The statement I refer to is by Mr. Kurt M. Luedtke, former executive editor of the Detroit Free Press. It was reported in the Sunday, May 2, 1982, issue of the Washington Post. I am including this article at the end of my remarks for the ready reference of all of my colleagues.

[From the Washington Post, May 2, 1982]

NEWSPAPERS: THE ARROGANCE OF MEDIOCRITY

(By Kurt M. Luedtke)

(Last week, the American Newspaper Publishers Association met in San Francisco, and Kurt Luedtke, the former executive editor of the Detroit Free Press who wrote the screenplay for "Absence of Malice," which is critical of journalism, addressed those powers behind the presses. The following is an adaptation of his speech.)

I'll need your help with this question: How many of you really believe that the public is really capable of making important decisions for this society?

Okay. Then let me ask you this: Are you willing to put your definition of the role of the press to a popular vote? Will you let your readers decide how useful you really are? Let the public will determine the extent of your rights and privileges?

Because if you won't, what do we do to protect ourselves against an institution grown so powerful and become so undisciplined that we are defenseless against your ability to affect our lives?

On your discretionary judgments hang reputations and careers, jail sentences and stock prices, Broadway shows and water rates. You are the mechanism of reward and punishment, the arbiter of right and wrong, the roving eye of daily judgment. You no longer shape public opinion, you have supplanted it. There are good men and women who will not stand for office, concerned that you will find their flaws or invent them. Many people who have dealt with you wish that they had not. You are capricious and unpredictable, you are fearsome and you are feared because there is never any way to know whether this time you will be fair and accurate or whether you will not. And there is virtually nothing that we can do about it.

So how do you think the referendum will go on *Times v. Sullivan*?

[In *Times v. Sullivan*, the Supreme Court held that under the First and 14th amendments to the Constitution, a public official can win a libel suit only if he can prove that a newspaper knew that the defamatory statement it printed about him was false or printed it with reckless disregard of its truth or falsity. This rule has since been extended to statements concerning "public figures" who are not public officials. Its effect is to make it very difficult for a public person to win a libel suit.]

Joint operating agreements?

[Joint operating agreements, which enjoy an exemption from the antitrust laws, allow a failing newspaper to share business and production facilities with a more successful competitor in the same city rather than cease publication.]

Reportial privilege before the grand jury?

[Many journalists feel that the First Amendment allows reporters to refuse to testify before a grand jury on any of their newsgathering activities. Usually, only doctors, lawyers and clergymen have analogous privileges.]

Prior restraint of the publication of government secrets?

[The Supreme Court in its Pentagon Papers decision made it very difficult for the government to prevent the publication of secret government information.]

Premature disclosure of criminal investigations?

Publication of the names of juveniles and rape victims?

The right to make use of stolen documents?

To violate the law in pursuit of a story?

If you lost that vote—if it were the law that damages would be awarded whenever false publication caused injury, if the anonymous source would speak only with the knowledge that his identity might one day be revealed, if it were left to the courts to weigh the societal value of publishing a fact against the societal cost of doing so—would the *people* be worse off? There's a risk, certainly, but is a corrupt judge more dangerous than a reckless newspaper? What if a man *does* have a right to confront his accusers? What if it *ought* to be against the law to publish the plans for a hydrogen bomb?

If you lost that vote, would America be less free? Are we more free than Britain, France, the Scandinavian countries? Their *press* is less free—they have already decided every question on your ballot and elected to restrict—but their citizens are every bit as free as we are. The near-absolute freedom which you enjoy is *not* essential to a functioning democracy: Every society in the

world has found it useful to exert a greater measure of control than we do.

They can do it, you know, the mob out there. It's not likely, thank the Lord, but there is nothing in our law to prevent public regulation of the American press if enough Americans get het up about it. I wouldn't endorse any constitutional conventions if I were you.

For the record, I happen to think that the First Amendment is far too important ever to be allowed to become a public question. But you are pushing awfully hard.

You seem to be oblivious of the fact that any expansion of your rights necessarily results in a constriction of mine. And you badly underestimate how naked we feel and how resentful we are now that it is clear that we have no remedy for inaccuracy.

Times v. Sullivan was a very bad case and, as a matter of heresy, let me say that I think it made very bad law. If public discussion cannot survive without libel, then it ought not to survive at all. As a matter of fairness, there is just nothing wrong with paying compensation to someone who can show falsity and damage. The burden on the press was not at all excessive; the "chilling effect" which the threat of libel action posed chilled exactly what it was supposed to.

Times v. Sullivan and the subsequent decisions which flowed from it swept away 500 years of libel law and, however damaging the new law has been to the poor souls who are wrongfully accused, it has been equally damaging to the press. It is simply too easy to get it wrong these days, to let the professional leaker find his way into print in the cloak of the usually reliable source. Under the burden of *stare decisis* [the legal principle of abiding by prior decisions and applying their principles in future cases] the court itself has been wrestling with *Times v. Sullivan* for almost 20 years and has made a hash of it so you still don't know where you stand.

And *Times v. Sullivan* was sufficiently incredible as a guidepost of public policy that it badly muddied the water as to just how sacrosanct our already free and already unfettered press ought to be. If it encouraged you to think too well of yourselves, and I think it did, the fault can at least be shared with the high court.

Times v. Sullivan was a gift but your reaction has not been a graceful one. Now you are forever inventing new rights and privileges for yourselves the assertion of which is so insolent that you apparently feel compelled—as I certainly would—to wrap them in the robes of some imaginary public duty and claim that you are acting on my behalf.

If I am indeed involved, then I would like you to do a little less for me. But of course I'm not. Your claims of privilege have nothing to do with any societal obligation because you have no societal obligation: that is the essence of what the First Amendment is all about.

Meantime, we have bred a whole generation of newspaper people who without apparent difficulty hold simultaneously in their heads the notions that they are armed with a mandate from the public and are accountable to no one save you. You ride whichever horse suits you in the situation until eventually you are persuaded that whatever you choose to do with your newspaper is somehow done in the service of the Republic. The press is full of itself these days, and frequently, it is simply full of it.

There is no such thing as the public's right to know. You made that up, taking care not to specify what it was that the public had a right to know. The public knows whatever you choose to tell it, no more, no less. If the public did have a right to know, it would then have something to say about what it is you choose to call news. At which point, bring on the first Amendment, Charlie, these guys aree trying to tell me what to print.

Neither does it make much sense for you tell me that you are, self-appointed, my watchdog. If I could get you to say who the senior administration official is who sounds so much like my secretary of state or if I could get you to squeal on the creep whose salary I pay who's running around leaking grand jury information, I would be somewhat more persuaded that you are watching what I want you to watch. But you aren't and you don't have to. The First Amendment says so.

Your rhetoric notwithstanding, there are a lot of things the First Amendment does not say. It does not say that the freedom to print means that we are obligated to make it easy for you to gather news, which is what your access argument comes to, and it sure as hell does not say that a journalist—whoever and whatever that is—does not have to talk to a grand jury. It is inconceivable to me that you do not see the violence that such a position, if maintained, would do to the most basic individual rights of our citizens. Its promulgation mades a mockery of the role you claim as defender of the democracy.

The publication of a newspaper is in itself a pretentious act: It should come with a daily apology. We are met instead with your firm insistence that you must be uncontrolled so that you can perform—unbidden—an essential public service which is so essential that the people for whom it is being performed must not be allowed to control it. That is wonderfully circular but not very endearing. Such thinking must inevitably lead to arrogance, and it has.

By a reasonable standard, the American daily print press turns in a performance that is simply competent. It is highly motivated, usually well intentioned, frequently accurate, occasionally useful. And every now and then, when it combines with the moral indignation for which it is notorious a correct perception of what it is that's really relevant to those it swears to serve, it is then, in those instances, a prime mover in the betterment of the society. I'd give it a B and vote to keep it.

But your continued claims to special privilege and your rigorous refusal to acknowledge that you do a difficult job imperfectly require that we measure your performance against a much higher standard. It is then clear that while you may be good and useful, you're not that good and useful. You're asking for more than you're entitled to.

Your shortcomings would be more tolerable if we had a sense that you were willing to listen but you do not suffer your critics gladly and surely not with humility.

There is, of course, the fact that you own the presses, which has raised a question in some minds about who will have the last word in any discussion of your virtues.

I think it is fair to say that you are disinclined to listen to any complainant who seems to have an ax to grind, a category which of course includes most of those who make news regularly and so are in a good position to have an opinion.

It seems to be your notion that any criticism which springs from one who seeks the readers' favor is somehow polluted at the source. The dismissal of all politicians, bureaucrats, businessmen, judges and police chiefs seems to me somewhat preemptory, but I must admit that it does control the size of the crowd. That leaves only the little guys and it is an article of faith among you that the lay public simply cannot understand what news is, how a newspaper works and why newspapers sometimes do things which hurt people.

Your dismissal of your critics is not very subtle, but it is certainly efficient. The silence which results may be soothing but it is easily mistaken for approval. It is a personal opinion of mine that reporters really don't realize how inaccurate they are simply because they assume, as I must say I would, that a story is correct until someone complains. Left out of that equation are all of those who don't want to make waves, or who are afraid of offending you, or who don't know how, or who cool down and don't bother, or who are brushed off by whoever answers the phone. Call your city desk anonymously some time and see if you like the feeling.

If reports of your rectitude are somewhat exaggerated, what about your utility? Are you really an essential part of our lives? I think you can go to the marketplace for an answer to that.

Were you in fact as useful as you sometimes claim to be, a grateful nation would reward you with circulation penetration beyond the security analysts' wildest dreams. The fact, of course, is that circulation has not kept pace with population growth in almost 40 years. We don't need you quite as much as you tell us we do.

You are editing newspapers for people as you think they ought to be, not as they are. They ought to be interested in the daily processes of the multiple governments which serve them, but they aren't. They ought to be following what's going on in the United Nations, but they don't. They ought to keep particular track of what their congressman is up to, but they won't.

They are largely apathetic about their roles as citizens, defeated by their apparent inability to make their governments respond to their wishes. You can reach them with news of war and Social Security and not much else.

You can justify your abundant and rather overstaffed coverage of America's political processes philosophically, but you cannot do it as a matter of reader appetite. It continues because you believe in it, because you've always done it that way and because it is, relatively speaking, cheap.

In every governmental building in the land, Monday through Friday, some tax-supported something or other is staging an event for you to cover with whoever happens to be available. It looks like news, it feels like news and nobody reads it. Creating detailed information which the reader can actually use is substantially more costly in both time and newsprint.

Event-centered news which the reader in fact acts upon is almost nonexistent: If an event has appeal, its appeal is that of entertainment. Man bites dog is an entertaining event; so is dog bites man if either creature is somehow special. Too much news offers neither entertainment nor opportunity.

It is awkward and very nearly cynical for me to say out loud that news isn't news unless it's entertaining but that, I think, is a fact of the marketplace. One interesting thing about television is that it takes its customer exactly as he is. The TV people don't

like it either, but they live with it and they reach a lot more people than we do.

My time is gone. It's not my place to give advice but since that didn't bother me 20 minutes ago, I guess it won't inhibit me now.

Lower your voices. Be useful. I'll respect your rights if you'll respect mine.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BENJAMIN (at the request of Mr. WRIGHT), for May 3, 4, and 5, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WOLF) to revise and extend his remarks and include extraneous material:)

Mr. LEWIS, for 60 minutes, on May 5.

(The following Members (at the request of Mr. BONKER) to revise and extend their remarks and include extraneous material:)

Mr. PHILLIP BURTON, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. FRANK, for 10 minutes, today.

Mr. DOWNEY, for 5 minutes, today.

Mr. LAFALCE, for 30 minutes, today.

Mr. CONYERS, for 60 minutes, today.

(The following Member (at the request of Mr. CONYERS) to revise and extend his remarks and include extraneous material:)

Mr. ST GERMAIN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ALEXANDER, to include extraneous material with his remarks on his special order today, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost approximately $1,666 or more.

(The following Members (at the request of Mr. WOLF) and to include extraneous matter:)

Mr. CARMAN.

Mr. MCGRATH.

Mr. MCDADE in three instances.

Mr. MICHEL in two instances.

Mr. GREEN.

Mr. GUNDERSON.

Mr. MCKINNEY in two instances.

Mr. ERLENBORN.

Mr. WILLIAMS of Ohio.

Mr. ROTH.

Mr. PAUL.

Mr. NAPIER in three instances.

Mr. EDWARDS of Oklahoma.

Mrs. SMITH of Nebraska.

Mr. PURSELL.

Mr. WOLF.

Mr. LOWERY of California.

(The following Members (at the request of Mr. BONKER) and to include extraneous matter:)

Mr. YATRON.

Mr. BOWEN.

Mr. EDWARDS of California in two instances.

Mr. DE LA GARZA in 10 instances.

Mr. MINETA in three instances.

Mr. GORE in two instances.

Mr. LAFALCE.

Mr. CORRADA.

Mr. FRANK.

Mr. ROSENTHAL.

Mr. MILLER of California.

Mr. BONIOR of Michigan.

Mr. SOLARZ.

Mr. MOFFETT.

Mr. RODINO.

Mr. BONKER.

Mr. MAZZOLI.

Mr. YATES in two instances.

Mr. FORD of Michigan.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1624. An act for the relief of Theresa Macam Alcalen;

H.R. 1796. An act for the relief of Jacobo Cosio-Franco;

H.R. 1977. An act for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. An act for the relief of Mrs. Haruko Kubota Smith.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 5, 1982, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3841. A letter from the Adjutant General, Veterans of Foreign Wars, transmitting the proceedings of the 82d National Convention of the Veterans of Foreign Wars, pursuant to section 8 of the act of May 28, 1936 (H. Doc. No. 97-174); to the Committee on Armed Services and ordered to be printed.

3842. A letter from the Secretary of Labor, transmitting a report on the number of cases reviewed and the number of exemplary rehabilitation certificates issued during calendar year 1981, pursuant to section 6(f) of Public Law 90-83; to the Committee on Armed Services.

3843. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for revisions in the entitlement to, and the adjustment of, retired or retainer pay for members of the Armed Forces; to the Committee on Armed Services.

3844. A letter from the Board of Directors, Pension Benefit Guaranty Corporation, transmitting a draft of proposed legislation to amend the Employee Retirement Security Act of 1974 for the purpose of modifying the obligation of the Pension Benefit Guaranty Corporation to establish a supplemental program to reimburse multiemployer plans for uncollectible withdrawal liability; to the Committee on Education and Labor.

3845. A letter from the Secretary of Health and Human Services, transmitting the semiannual report of the Office of the Inspector General on the Office of Community Services, pursuant to Public Law 95-452; to the Committee on Education and Labor.

3846. A letter from the Assistant Secretary of State (Congressional Relations), transmitting a report that a substantial violation by Argentina of agreements governing the sale of defense articles furnished under the foreign military sales program, pursuant to section 3(c)(2) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3847. A letter from the Assistant Secretary of State (Congressional Relations), transmitting a report on political contributions by Ambassador-designate Robert Anderson, and members of his family, pursuant to section 304(b)(2) of Public Law 96-465; to the Committee on Foreign Affairs.

3848. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a list of additional defense articles, services, and training furnished by the Department of Defense to El Salvador, pursuant to section 506(b)(2) of the Foreign Assistance Act of 1961, as amended, and under the authority of Presidential Determination No. 82-5; to the Committee on Foreign Affairs.

3849. A letter from the Executive Director, Neighborhood Reinvestment Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1981, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

3850. A letter from the Secretary of Energy, transmitting a report on the geothermal reservoir insurance, pursuant to section 621 of Public Law 96-294; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

3851. A letter from the Secretary of Transportation, transmitting the seventh annual report of the Department's activities related to administration of the Deepwater Port Act of 1974, for the fiscal year October 1, 1970, through September 30, 1981, pursuant to 33 U.S.C. 1519; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

3852. A letter from the Special Assistant, Office of the Secretary of Defense, transmitting a report on Defense Department procurement from small and other business firms for October 1981 through January 1982, pursuant to section 10(d) of the Small Business Act, as amended; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DERRICK: Committee on Rules. House Resolution 448. Resolution providing for the consideration of S. 146, a bill to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes (Rept. No. 97-498). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules. House Resolution 449. Resolution providing for the consideration of H.R. 5539, to amend and supplement the Federal reclamation laws, and for other purposes (Rept. No. 97-499). Referred to the House Calendar.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 4861. A bill to provide for the conservation, rehabilitation, and improvement of natural and cultural resources located on public or Indian lands, and for other purposes; with amendments (Rept. No. 97-500, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWIFT:

H.R. 6256. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1983; to the Committee on House Administration.

By Mr. DOWNEY (for himself and Mr. SHANNON):

H.R. 6257. A bill to amend the Internal Revenue Code of 1954 to limit the reductions in individual income taxes to $700 in 1982 and an additional $700 in 1983, and to further increase Federal revenues through tax reform; to the Committee on Ways and Means.

By Mr. FLORIO (for himself, Mr. SCHEUER, Ms. MIKULSKI, and Mr. SANTINI):

H.R. 6258. A bill to authorize funds for fiscal year 1983 for carrying out the International Travel Act of 1961; to the Committee on Energy and Commerce.

By Mr. FRANK:

H.R. 6259. A bill to amend the Agricultural Act of 1949 to reduce the level at which the Secretary of Agriculture is required to support the price of milk; to the Committee on Agriculture.

By Mr. KASTENMEIER (for himself, Mr. BROOKS, Mrs. SCHROEDER, Mr. FRANK, Mr. RAILSBACK, Mr. SAWYER, and Mr. BUTLER):

H.R. 6260. A bill to authorize appropriations to the Patent and Trademark Office in the Department of Commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. LAFALCE:

H.R. 6261. A bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption; to the Committee on Ways and Means.

By Mr. EDWARDS of California (for himself, Mr. HYDE, Mr. MINETA, and Mr. MCCLOSKEY):

H.R. 6262. A bill to authorize the Attorney General to issue certificates of review applicable under the antitrust laws with respect to joint research and development programs; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 6263. A bill to amend the joint resolution codifying the rules and customs pertaining to the display and use of the U.S. flag to establish the appropriate placement of flags displayed at building entrances; to the Committee on the Judiciary.

By Mr. LOWRY of Washington (for himself, Mr. PRITCHARD, Mr. DICKS, Mr. SWIFT, and Mr. WEAVER):

H.R. 6264. A bill to withdraw from mineral leasing certain public lands in the Mount Baker-Snoqualmie National Forest in the State of Washington; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio:

H.R. 6265. A bill to amend provisions of Public Law 97-51 which provide for the permanent appropriation of funds for pay for Members of Congress; to the Committee on Appropriations.

By Mr. PETRI:

H.R. 6266. A bill to provide for the operation of facilities for the collection of information concerning fraud, waste, or abuse in the expenditure of Federal funds, and to require, as a condition of the receipt of such funds, the protection from reprisal of contributors of such information, and for other purposes; to the Committee on Government Operations.

By Mr. ST GERMAIN (for himself, Mr. REUSS, Mr. MINISH, Mr. ANNUNZIO, Mr. MITCHELL of Maryland, Mr. FAUNTROY, Mr. BLANCHARD, Mr. HUBBARD, Mr. LAFALCE,, Mr. D'AMOURS, Ms. OAKAR, Mr. MATTOX, Mr. VENTO, Mr. BARNARD, Mr. GARCIA, Mr. SCHUMER, Mr. HOYER, Mr. MCKINNEY, Mr. MOFFETT, Mr. OTTINGER, Mr. MURPHY, Mr. AUCOIN, Mr. HOWARD, Mr. PEPPER, and Mr. FORD of Michigan):

H.R. 6267. A bill to revitalize the housing industry by strengthening the financial stability of home mortgage lending institutions and insuring the availability of home mortgage loans; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHEUER:

H.R. 6268. A bill to remove the column 1 rate of duty on certain small toy and novelty items; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 6269. A bill to establish objective criteria and procedures for closing and consolidating weather stations; to the Committee on Science and Technology.

By Mr. SOLOMON:

H.R. 6270. A bill to authorize the Secretary of the Interior to enter into a cooperative agreement to maintain the gravesite of Samuel "Uncle Sam" Wilson and to erect and maintain tablets or markers at such gravesite in commemoration of the progenitor of the national symbol of the United States; to the Committee on Interior and Insular Affairs.

By Mr. STANGELAND:

H.R. 6271. A bill to settle claims relating to certain allotted Indian lands of the White Earth Indian Reservation, quiet titles to such lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. WALGREN (for himself and Mr. BROWN of California):

H.R. 6272. A bill to amend the Earthquake Hazards Reduction Act of 1977 to extend authorization of appropriations, and for other purposes; jointly, to the Committees on Science and Technology and Interior and Insular Affairs.

By Mr. WHITTEN:

H.J. Res. 473. Joint resolution to increase farm income and expand agricultural exports; jointly, to the Committees on Agriculture and Foreign Affairs.

By Mr. DOWNEY (for himself, Mr. LEACH of Iowa, Mr. ASPIN, Mr. MOFFETT, Mr. OBERSTAR, Mr. LEHMAN, Mr. FORSYTHE, Mr. FORD of Tennessee, Mr. OBEY, Mr. AUCOIN, Mr. MOAKLEY, Mr. STARK, Mr. GEPHARDT, Mr. WOLPE, Mr. PEYSER, Mr. PEPPER, Mr. BEILENSON, Mr. DWYER, Mr. ROSTENKOWSKI, Mr. LOWRY of Washington, Mr. PANETTA, Mr. COELHO, Mr. ROSENTHAL, Mr. RATCHFORD, Mr. REUSS, Mr. HAMILTON, Mr. PHILLIP BURTON, Mr. DORGAN of North Dakota, Mrs. SCHROEDER, Mr. ROYBAL, Mr. SCHUMER, Mr. ANNUNZIO, Mr. MILLER of California, Mr. JOHN L. BURTON, Mr. LUNDINE, Mr. EDWARDS of California, Mr. HALL of Ohio, and Mr. HOLLAND):

H.J. Res. 474. Joint resolution to provide for U.S. ratification of the SALT II agreement; to the Committee on Foreign Affairs.

By Mr. EDWARDS of Oklahoma:

H.J. Res. 475. Joint resolution designating the week beginning June 20, 1982, as "National Softball Week"; to the Committee on Post Office and Civil Service.

By Mr. LENT:

H.J. Res. 476. Joint resolution calling for a mutual and verifiable freeze and reduction in nuclear weapons; to the Committee on Foreign Affairs.

By Mr. DREIER:

H. Con. Res. 326. Concurrent resolution expressing the sense of the Congress that the Economic Recovery Tax Act of 1981 should not now be substantially amended and that every effort must be made to reduce the national deficit by ending excessive Federal spending; to the Committee on Ways and Means.

By Mr. CONABLE:

H. Res. 450. Resolution providing for the consideration of the resolution (H.J. Res. 350) proposing an amendment to the Constitution altering Federal budget procedures; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

368. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the establishment of a U.S. Agricultural Cooperative Service branch office in Hawaii; to the Committee on Agriculture.

369. Also, memorial of the Legislature of the State of Hawaii, relative to the Caribbean Basin Economic Recovery Act; jointly, to the Committees on Ways and Means and Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

[Omitted from the Congressional Record of Mar. 18, 1982]

H. Res. 371: Mr. BONIOR of Michigan, Mr. GUNDERSON, Mr. HUGHES, Mr. LANTOS, Mr.

MOAKLEY, Mr. MURPHY, Mr. MURTHA, Mr. PURSELL, Mr. SABO, Mr. SAWYER, Mr. ST GERMAIN, Mr. WALGREN, Mr. WEAVER, Mr. WEBER of Ohio, and Mr. WOLPE.

[Submitted May 4, 1982]

H.R. 18: Mr. DOWNEY.
H.R. 429: Mr. WEBER of Ohio.
H.R. 1919: Mr. MAVROULES.
H.R. 1932: Mr. SEIBERLING.
H.R. 2372: Mr. CARMAN, Mr. COURTER, Mr. PEPPER, Mr. JEFFORDS, Mr. WILLIAM J. COYNE, Mr. MCDONALD, Mr. NELSON, Mr. BONIOR of Michigan, Mr. HUTTO, and Mr. STENHOLM.
H.R. 3269: Mr. DONNELLY, Mr. NELLIGAN, Mr. HANSEN of Idaho, Mr. MCHUGH, Mr. COURTER, Mr. BOLAND, Mr. RINALDO, Mr. FOGLIETTA, Mr. RAHALL, Mr. EMERSON, Mr. ERTEL, Mr. EVANS of Indiana, Mr. BROWN of Ohio, Mr. STRATTON, Mr. MOAKLEY, Mr. WILLIAMS of Montana, Mr. BLANCHARD, and Mr. PASHAYAN.
H.R. 3600: Mr. HUGHES.
H.R. 3607: Mr. GOODLING and Mr. MAVROULES.
H.R. 3904: Mr. ROEMER, Mr. SEIBERLING, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. MOLLOHAN, Mr. DINGELL, Mr. BUTLER, Mr. GINGRICH, Mr. CROCKETT, Mr. YATES, Mr. COUGHLIN, Mr. ROBERTS of South Dakota, Mr. BEDELL, and Mr. HERTEL.
H.R. 3973: Mr. ALBOSTA, Mr. LELAND, Mr. DERWINSKI, Mr. RINALDO, Mr. ADDABBO, Mr. ALEXANDER, Mr. AKAKA, Mr. ANDREWS, Mr. ANNUNZIO, Mr. ANTHONY, Mr. ASPIN, Mr. ATKINSON, Mr. AUCOIN, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BARNES, Mr. BEARD, Mr. BEDELL, Mr. BENEDICT, Mr. BENJAMIN, Mr. BENNETT, Mr. BEREUTER, Mr. BETHUNE, Mr. BEVILL, Mr. BINGHAM, Mr. BLANCHARD, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mrs. BOUQUARD, Mr. BOWEN, Mr. BRODHEAD, Mr. BROOKS, Mr. BROOMFIELD, Mr. BROWN of California, Mr. BROYHILL, Mr. JOHN L. BURTON, Mr. BUTLER, Mr. CAMPBELL, Mr. CARNEY, Mr. CHAPPELL, Mr. CHAPPIE, Mrs. CHISHOLM, Mr. CLAY, Mr. CLINGER, Mr. COATS, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. CORCORAN, Mr. CORRADA, Mr. CROCKETT, Mr. COUGHLIN, Mr. COURTER, Mr. JAMES K. COYNE, Mr. D'AMOURS, Mr. DASCHLE, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DE LUGO, Mr. DENARDIS, Mr. DERRICK, Mr. DICKS, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DOUGHERTY, Mr. DOWDY, Mr. DOWNEY, Mr. DREIER, Mr. DUNCAN, Mr. DWYER, Mr. DYMALLY, Mr. DYSON, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of California, Mr. EDWARDS of Alabama, Mr. EMERSON, Mr. EMERY, Mr. ENGLISH, MR. ERDAHL, Mr. ERLENBORN, Mr. ERTEL, Mr. EVANS of Iowa, Mr. EVANS of Indiana, Mr. EVANS of Delaware, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Ms. FIEDLER, Mr. FISH, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FOWLER, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GARCIA, Mr. GEJDENSON, Mr. GEPHARDT, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GONZALEZ, Mr. GRADISON, Mr. GRAY, Mr. GREEN, Mr. GREGG, Mr. GRISHAM, Mr. GUARINI, Mr. GUNDERSON, Mr. HAGEDORN, Mr. HAMMERSCHMIDT, Mr. HANSEN of Idaho, Mr. HARKIN, Mr. HAWKINS, Mrs. HECKLER, Mr. HEFTEL, Mr. HENDON, Mr. HIGHTOWER, Mr. HILER, Mr. HILLIS, Mr. HOLLAND, Mr. HOLLENBECK, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUCKABY, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JACOBS, Mr. JEFFORDS, Mr. JENKINS, Mr. JOHNSTON, Mr. JONES of Tennessee, Mr. JONES of Oklahoma, Mr. JONES of North Carolina, Mr. KASTENMEIER, Mr. KAZEN, Mrs. KENNELLY, Mr. KILDEE, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEACH of Iowa, Mr. LEBOUTILLIER, Mr. LEE, Mr. LEHMAN, Mr. LENT, Mr. LOEFFLER, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. LUJAN, Mr. LUNDINE, Mr. LUNGREN, Mr. MARKEY, Mr. MARKS, Mr. MARTIN of North Carolina, Mrs. MARTIN of Illinois, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCDADE, Mr. MCEWEN, Mr. MCHUGH, Mr. MCKINNEY, Mr. MICA, Ms. MIKULSKI, Mr. MINETA, Mr. MINISH, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORE, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Mr. NEAL, Mr. NELSON, Mr. NELLIGAN, Mr. NOWAK, Mr. OBERSTAR, Mr. OTTINGER, Mr. PANETTA, Mr. PARRIS, Mr. PASHAYAN, Mr. PERKINS, Mr. PETRI, Mr. PEYSER, Mr. PORTER, Mr. PRICE, Mr. PRITCHARD, Mr. PURSELL, Mr. RAILSBACK, Mr. RANGEL, Mr. REGULA, Mr. REUSS, Mr. RICHMOND, Mr. RITTER, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. RODINO, Mr. ROE, Mr. ROEMER, Mr. ROSENTHAL, Mr. ROTH, Mrs. ROUKEMA, Mr. ROYBAL, Mr. RUSSO, Mr. SABO, Mr. ST GERMAIN, Mr. SANTINI, Mr. SAVAGE, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SCHUMER, Mr. SHAMANSKY, Mr. SHUMWAY, Mr. SEIBERLING, Mr. SILJANDER, Mr. SENSENBRENNER, Mr. SHANNON, Mr. SHELBY, Mr. SKEEN, Mr. SKELTON, Mr. SIMON, Mr. SMITH of New Jersey, Mr. SMITH of Oregon, Mr. SMITH of Pennsylvania, Mr. SMITH of Iowa, Mrs. SNOWE, Mr. SOLARZ, Mr. SOLOMON, Mr. STANGELAND, Mr. STARK, Mr. STENHOLM, Mr. STOKES, Mr. STUDDS, Mr. SUNIA, Mr. SYNAR, Mr. TAUKE, Mr. TAYLOR, Mr. THOMAS, Mr. TRAXLER, Mr. VENTO, Mr. WALGREN, Mr. WALKER, Mr. WASHINGTON, Mr. WEAVER, Mr. WEBER of Minnesota, Mr. WHITEHURST, Mr. WHITTAKER, Mr. WILLIAMS of Ohio, Mr. WILLIAMS of Montana, Mr. WILSON, Mr. WINN, Mr. WIRTH, Mr. WOLF, Mr. WOLPE, Mr. WON PAT Mr. WORTLEY, Mr. WYDEN, Mr. YATES, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Missouri, Mr. ZABLOCKI, and Mr. ZEFERETTI.
H.R. 4147: Mr. MURPHY, Mr. MOLLOHAN, Mr. DASCHLE, and Mr. ROTH.
H.R. 4449: Mr. GOLDWATER.
H.R. 4484: Mr. ERDAHL and Mr. JACOBS.
H.R. 4535: Mr. GRAY.
H.R. 4861: Mr. DICKS.
H.R. 5133: Mrs. BOUQUARD, Mr. WEAVER, Mr. ROEMER, Mr. KASTENMEIER, and Mr. LEACH of Iowa.
H.R. 5380: Mr. KAZEN, Mr. MARRIOTT, Mr. PAUL, and Mr. DUNN.
H.R. 5414: Mr. COURTER and Mr. SMITH of Oregon.
H.R. 5497: Mr. BLILEY.
H.R. 5510: Mr. GREGG.
H.R. 5535: Mr. MOFFETT.
H.R. 5572: Mr. SIMON and Mr. PEPPER.
H.R. 5729: Mr. WIRTH.
H.R. 5731: Mr. GEJDENSON.
H.R. 5782: Mrs. SCHROEDER and Mr. HENDON.
H.R. 5820: Mr. MINETA, Mr. PATTERSON, Mr. DOWNEY, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. WEAVER, and Mr. BIAGGI.
H.R. 5872: Mr. RAILSBACK.
H.R. 5911: Mr. BROWN of California, Ms. MIKULSKI, Mr. SCHUMER, Mr. WEAVER, Mr. BAFALIS, Mr. WILLIAMS of Montana, Mr. LANTOS, Mr. ROE, and Mrs. COLLINS of Illinois.
H.R. 5963: Mr. MITCHELL of Maryland.
H.R. 5987: Mr. FROST, Mr. ROSENTHAL, and Mr. HERTEL.
H.R. 5993: Mr. BARNARD.
H.R. 5995: Mr. RODINO, Mr. RAHALL, Mr. RICHMOND, Mr. HUGHES, Mr. DICKS, Mr. SANTINI, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. LELAND, and Mr. FASCELL.
H.R. 6053: Mr. ROBERTS of South Dakota.
H.R. 6082: Mr. KINDNESS, Mr. LATTA, Mr. DANNEMEYER, Mr. FORSYTHE, Mr. BAFALIS, Mr. ROBERTS of South Dakota, Mr. BUTLER, Mr. STUMP, and Mr. DAUB.
H.R. 6183: Mr. O'BRIEN, Mr. HUBBARD, Mr. LEACH of Iowa, Mr. SANTINI, Mr. MARKEY, Mr. MATSUI, Mr. FAUNTROY, Mr. WEAVER, Mr. HUTTO, Mr. SOLARZ, Mr. WORTLEY, Mr. FORSYTHE, Mr. ROSENTHAL, Mr. DWYER, Mr. CLAY, Mrs. BOGGS, Mr. FRANK, Mr. DELLUMS, Mr. GINGRICH, Mr. MCDADE, and Mr. MURPHY.
H.R. 6201: Mr. BEVILL, Mr. MCDADE, Mr. WON PAT, Mrs. BYRON, Mr. HATCHER, and Mr. MOLLOHAN.
H.J. Res. 102: Mr. SHUSTER, Mr. HOPKINS, Mr. QUILLEN, and Mr. DORGAN of North Dakota.
H.J. Res. 172: Mr. DWYER, Mr. DOWDY, and Mr. FORD of Tennessee.
H.J. Res. 355: Mr. FOGLIETTA, Mr. MURPHY, Mr. MOTTL, Mr. ADDABBO, Mr. PORTER, Mr. ERDAHL, Mr. LAFALCE, Mr. HUGHES, Mr. FRANK, Mr. FISH, Mr. MITCHELL of Maryland, Mrs. COLLINS of Illinois, Mr. ROE, Mr. DAVIS, and Ms. FERRARO.
H.J. Res. 363: Mr. JEFFRIES.
H.J. Res. 415: Mr. MITCHELL of New York and Mr. SHUMWAY.
H.J. Res. 431: Mr. SCHUMER and Mr. BOWEN.
H.J. Res. 434: Mr. ANNUNZIO and Mr. COUGHLIN.
H. Con. Res. 222: Mrs. ROUKEMA.
H. Con. Res. 278: Mr. NELLIGAN, Mr. CONYERS, Mr. HATCHER, Mr. ANTHONY, Mr. MILLER of Ohio, Mrs. BYRON, Mr. MCCOLLUM, Mr. BENJAMIN, Mr. ERTEL, Mr. RITTER, Mr. MOTTL, Mr. BONKER, Mr. ZABLOCKI, Mr. LEATH of Texas, Mr. ZEFERETTI, Mr. BENNETT, Mr. PEYSER, Mr. LUNDINE, Mr. HUCKABY, and Mr. HOLLENBECK.
H. Con. Res. 280: Mr. SAVAGE, Mrs. SCHROEDER, Mr. BROWN of California, and Mrs. CHISHOLM.
H. Con. Res. 283: Mr. BONIOR of Michigan and Mr. HENDON.
H. Con. Res. 289: Mr. WILLIAM J. COYNE and Mr. JOHNSTON.
H. Con. Res. 298: Mrs. HECKLER.
H. Con. Res. 322: Mr. PEYSER, Mr. YATRON, Mr. FINDLEY, Mr. CONTE, and Mr. LIVINGSTON.
H. Res. 406: Mrs. HECKLER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

419. The SPEAKER presented a petition of the Standing Committee on Aging, Assembly of New York, Albany, N.Y., relative to budget cuts; which was referred jointly to the Committees on Education and Labor, Energy and Commerce, and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5539

By Mr. BEDELL:

—Strike all of section 208, page 18, and insert in lieu thereof the following new section:

Notwithstanding any other provision of law, no water from any Federal reclamation project, the construction of which is less than 10 per centum completed as of September 30, 1982, as determined by the Secretary of the Interior, shall be delivered within ten years from the date of completion of such project to any water user for the irrigation of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply, as defined in section 301(b)(10) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(10), as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

By Mr. KILDEE:

(Pursuant to clause 6 of rule XXIII, Mr. Kildee submits the following amendments to H.R. 5539:)

—Page 20, strike out lines 10 through 15.

—Page 7, strike out lines 9 through 22 and insert in lieu thereof the following:

SEC. 104. Notwithstanding any other provision of this Act, the Secretary may enter into a contract which provides for the delivery of project water to any corporation having more than eighteen individual shareholders only at a price which is full cost of all the project water delivered for use on lands in excess of 160 acres owned or leased by it: *Provided, however,* That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all the project water delivered for use on lands owned or leased by it: *Provided further,* That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

H.R. 5922

By Mr. EVANS of Delaware:

—Page 7, after line 18, insert the following:

HOMEBUYERS ASSISTANCE FUND

For an amount to establish the "Homebuyers Assistance Fund" in the Treasury of the United States to be administered by the Secretary of Housing and Urban Development for the purpose of encouraging the production and sales of housing, $2,000,000,000, which amount shall remain available until expended and shall be transferred to such Fund from appropriations made available to, and to be obligated in fiscal year 1982 by, the United States Synthetic Fuels Corporation from the Energy Security Reserve established under the heading "Alternative Fuels Production" in Public Law 96-126. Of such amount, $1,000,000,000 shall be made available, not later than September 30, 1982, as assistance to State and local housing agencies who agree to use the assistance to reduce mortgage interest rates to affordable levels for persons purchasing single-family residences pursuant to mortgages financed with the proceeds of a qualified mortgage bond or qualified veterans' mortgage bond (within the meaning of section 103A of the International Revenue Code of 1954) issued after the date of enactment of this Act; such assistance shall be made available in accordance with regulations which are issued by the Secretary of Housing and Urban Development (after consultation with the Secretary of the Treasury and appropriate committees of Congress) and which provide a fair and balanced geographic distribution of the assistance (notwithstanding any other provision of law regarding States without mortgage revenue bond authority), terms and conditions of the repayment by State and local agencies of the assistance, limits on the amount of the assistance which may be used for administrative costs by such agencies, and other terms and conditions deemed necessary by the Secretary. The remaining $1,000,000,000 of such amount in the Homebuyers Assistance Fund created herein shall be made available, not later than September 30, 1982, in accordance with the following paragraphs:

(1) The Secretary of Housing and Urban Development (hereinafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of the program described in this paragraph (1) and the following numbered paragraphs. The Secretary may establish criteria, terms and conditions which are consistent with the other provisions of this program and relate to homeowners and mortgages, loans, or advances of credit assisted under such program.

(2) In entering into contracts, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(3) The aggregate amount of payments made per annum pursuant to the contracts shall not exceed $200,000,000.

(4) Payments pursuant to the contracts may be made only on behalf of a homeowner who satisfied eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(A)(i) is a mortgagor under a mortgage which meets the requirements of paragraph (11), or (ii) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 of the National Housing Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such loan, advance of credit, or purchase of an obligation; and

(B) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(5) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a mortgagor shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit. The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(6) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(A) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 11 per centum per annum; and

(B) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit during its first year, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan;

except that the Secretary shall, in any case, require the homeowner to pay at least 25 per centum of the homeowner's income with respect to the principal, interest, and mortgage or loan insurance premium.

(7) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (6), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(8)(A) Except as provided in subparagraph (B) of this paragraph (8), the duration of a contract entered into with the budget authority provided herein shall be 5 years.

(B) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the number of years specified in subparagraph (A) of this paragraph (8), the Secretary shall, by utilizing the fund described in the succeeding sentence, enter into a contract to provide continued assistance on behalf of the homeowner. There is hereby created a fund into which there shall be deposited (i) all amounts recaptured pursuant to paragraph (13), and (ii) any authority to make payments which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract. Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(9) The sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made shall not be greater then the appraised value of the property, as determined by the Secretary.

(10) Not more than 20 per centum of the total number of units with respect to which assistance is approved may be made on behalf of owners of manufactured homes.

(11) To be eligible for such assistance, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (13), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

For purposes of this paragraph (11), the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act, and for purposes of subparagraph (D) of this paragraph (11), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(12) The Secretary shall develop and utilize a system to allocate assistance made available under this single-family homeownership program in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(13) Upon the disposition by the homeowner of any property assisted, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (A) the amount of assistance actually received, other than any amount provided under paragraph (7), or (B) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. The term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured shall be deposited in the fund described in paragraph (8)(B) and utilized for the purposes described therein.

(14) The Secretary shall make allocations and begin to issue commitments to enter into contracts pursuant to the authority provided herein not later than 30 days after the enactment of this Act.

(15) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (6).

By Mr. LOWRY of Washington:

—Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE ASSISTANCE

For an additional amount for "Refugee assistance", $39,000,000, to be available only for cash and medical assistance: *Provided*, That funds appropriated or otherwise made available for fiscal year 1982 for refugee assistance and domestic assistance for Cuban and Haitian entrants may be obligated or expended only in accordance with regulations in effect on March 11, 1982.

—Page 7, after line 18, insert the following:

HOMEBUYERS ASSISTANCE FUND

For an amount to establish the "Homebuyers Assistance Fund" in the Treasury of the United States to be administered by the Secretary of Housing and Urban Development for the purpose of encouraging the production and sales of housing, $2,000,000,000, which amount shall remain available until expended and shall be transferred to such Fund from appropriations made available to, and to be obligated in fiscal year 1982 by, the United States Synthetic Fuels Corporation from the Energy Security Reserve established under the heading "Alternative Fuels Production" in Public Law 96-126. Of such amount, $1,000,000,000 shall be made available, not later than Septembaer 30, 1982, as assistance to State and local housing agencies who agree to use the assistance to reduce mortgage interest rates to affordable levels for persons purchasing single-family residences pursuant to mortgages financed with the proceeds of a qualified mortgage bond or qualified veterans' mortgage bond (within the meaning of section 103A of the Internal Revenue Code of 1954) issued after the date of enactment of this Act; such assistance shall be made available in accordance with regulations which are issued by the Secretary of Housing and Urban Development (after consultation with the Secretary of the Treasury and appropriate committees of Congress) and which provide a fair and balanced geographic distribution of the assistance (notwithstanding any other provision of law regarding States without mortgage revenue bond authority), terms and conditions of the repayment by State and local agencies of the assistance, limits on the amount of the assistance which may be used for administrative costs by such agencies, and other terms and conditions deemed necessary by the Secretary. The remaining $1,000,000,000 of such amount in the Homebuyers Assistance Fund created herein shall be made available, not later than September 30, 1982, in accordance with the following paragraphs:

(1) The Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of the program described in this paragraph (1) and the following numbered paragraphs. The Secretary may establish criteria, terms, and conditions which are consistent with the other provisions of this program and relate to homeowners and mortgages, loans, or advances of credit assisted under such program.

(2) In entering into contracts, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(3) The aggregate amount of payments made per annum pursuant to the contracts shall not exceed $200,000,000.

(4) Payments pursuant to the contracts may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(A)(i) is a mortgagor under a mortgage which meets the requirements of paragraph (11), or (ii) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 of the National Housing Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such loan, advance of credit, or purchase of an obligation; and

(B) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, usually high or low median family income, or other factors), as determined by the Secretary.

(5) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a mortgagor shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit. The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(6) the amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(A) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 11 per centum per annum; and

(B) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or other borrower is obligated to pay under the mortgage, loan, or advance of credit during its first year, and the monthly payment for principal and interest which the mortgagor or

other borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate four percentage points less than the rate specified in the mortgage or loan;

except that the Secretary shall, in any case, require the homeowner to pay at least 25 per centum of the homeowner's income with respect to the principal, interest, and mortgage or loan insurance premium.

(7) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (6), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(8)(A) Except as provided in subparagraph (B) of this paragraph (8), the duration of a contract entered into with the budget authority provided herein shall be 5 years.

(B) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the number of years specified in subparagraph (A) of this paragraph (8), the Secretary shall, by utilizing the fund described in the succeeding sentence, enter into a contract to provide continued assistance on behalf of the homeowner. There is hereby created a fund into which there shall be deposited (i) all amounts recaptured pursuant to paragraph (13), and (ii) any authority to make payments which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract. Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(9) The sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made shall not be greater than the appraised value of the property, as determined by the Secretary.

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(11) To be eligible for such assistance, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

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(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (13), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

For purposes of this paragraph (11), the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act, and for purposes of subparagraph (D) of this paragraph (11), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(12) The Secretary shall develop and utilize a system to allocate assistance made available under this single-family homeownership program in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(13) Upon the disposition by the homeowner of any property assisted, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of (A) the amount of assistance actually received, other than any amount provided under paragraph (7), or (B) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. The term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured shall be deposited in the fund described in paragraph (8)(B) and utilized for the purposes described therein.

(14) The Secretary shall make allocations and begin to issue commitments to enter into contracts pursuant to the authority provided herein not later than 30 days after the enactment of this Act.

(15) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (6).

EXTENSIONS OF REMARKS

AMERICAN LUNG ASSOCIATION REPORTS ON RESPIRATORY DISEASE OF COAL WORKERS

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ERLENBORN. Mr. Speaker, since its enactment in 1969 as title IV of the Coal Mine Health and Safety Act, I have been a critic of the black lung program. My disenchantment stems in part from the program's failure to assure that compensation is paid only in cases of total disability or death due to coal workers' pneumoconiosis. In fact, according to the GAO, in 88.5 percent of the Social Security Administration black lung cases and 84 percent of the Labor Department cases, benefits were awarded without adequate medical evidence of black lung or disability due to black lung. Moreover, concluded the GAO, this was not contrary to the law. Thus, the black lung program provides nothing more than a pension for coal miners and their survivors in the guise of an occupational disease compensation program.

This cynical use of occupational disease has been accomplished through a disregard of the medical basis of coal workers' pneumoconiosis.

It is the law which has presumed that any pulmonary impairment coupled with 10 years' work in the mines constitutes black lung.

It is the law which, until the 1981 Black Lung Act amendments, prohibited rereading of a positive X-ray.

It is still the policy, if not the law, that a claim for totally disabling black lung cannot be denied on the basis of a negative X-ray.

Now the American Lung Association and its medical section, the American Thoracic Society, have reviewed the medical issues relating to coal workers' pneumoconiosis. Their findings support what I have been saying for years, based on other medical evaluations of coal workers' pneumoconiosis, namely:

Not every coal miner with a pulmonary impairment has black lung, and it is possible to sort out the cases of these other symptoms;

Not everyone with black lung is disabled;

Disabling black lung is diagnosable by X-ray and, thus, a claim for total disablility can be denied on the basis of a negative X-ray;

The X-ray is instrumental in diagnosing black lung, so rereading of an X-ray should not be prohibited; and

Compensation laws need to distinguish between impairment and disability, and it is the latter on which a compensation determination should be based.

I hope my colleagues find the ALA's discussion useful in evaluating the current shortcomings in the black lung program and as a guide to judging other occupational disease legislation.

REPORT ON RESPIRATORY DISEASE OF COAL WORKERS BY AN AD HOC WORKING GROUP OF THE AMERICAN THORACIC SOCIETY

INTRODUCTION

The American Lung Association and its medical section, the American Thoracic Society, are pleased to provide this position summary on selected medical issues dealing with respiratory health effects which may be associated with coal dust exposure. Our organizations have in the past provided input into the Federal legislative process which compensates workers who are judged to have coal dust exposure-related disease. In this brief summary statement we have elected to focus on several issues of concern to our community. The first deals with the definition and diagnosis of coal workers' pneumoconiosis, the second the relationship between coal dust exposure and chronic airways obstruction, and finally the assessment of functional impairment and disability in coal miners and the determination of attributability of their occupation. We are gratified that recent reports of the National Institute for Occupational Safety and Health (NIOSH) and the College of American Pathologists have helped to provide the basis for a consensus among medical experts in this field. We are also pleased that the recent amendment passed by the Senate (S. 1922) for the Black Lung Benefits Revenue Act of 1977 includes the provision that the Secretaries of Labor and Health and Human Services "shall undertake a study of current medical methods for the diagnosis of pneumoconiosis and of the nature and extent of impairment and disability that are attributable to the existence of both simple and complicated pneumoconiosis." We are hopeful that the biomedical community expert in this area will be provided full opportunity to participate in these deliberations and assist in the preparation of the report to the Congress mandated by this amendment. This summary statement has been prepared by an ad hoc working group of the American Thoracic Society [1] appointed by the President and expresses views recently adopted by the American Lung Association.

DEFINITION AND DIAGNOSIS OF COAL WORKERS' PNEUMOCONIOSIS

Coal workers' pneumoconiosis (CWP) results from the inhalation and deposition in the lung of respirable coal mine dust. The lung tissue reaction to the dust may produce coal macules, coal nodules, or progressive massive fibrosis (PMF). These relatively specific pathologic changes, along with any consequent physiologic abnormalities, constitute coal workers' pneumoconiosis (1, 2). Clearly, these histopathologic changes may precede radiographic evidence of CWP, but it should be emphasized that, particularly during the stage of pre-radiographic abnormality, no pulmonary functional changes due to CWP can be anticipated. Substantial support for this conclusion stems from the repeated findings that even in categories 1 and 2 of simple CWP (determined by X-ray) clinically significant pulmonary functional abnormalities are absent. while histopathologic changes can therefore be said to be more sensitive and specific for the disagnosis of CWP, impairment and disability are not a consequence of these early morpholog- ic changes. Since lung biopsy is very rarely indicated in this or other occupational lung disorders, the chest radiograph is ordinarily the only definitive method for diagnosing the presence of CWP in life. We feel therefore that heavy, if not exclusive, reliance must be placed on the proper reading of a technically satisfactory chest X-ray film in order to establish the diagnosis of CWP in actively employed or retired miners. It therefore follows that denial of a compensation claim may very well appropriately be based on a negative chest X-ray film, and that there will be frequent circumstances when re-reading of chest films is desirable to enhance the validity of the assessment for pneumoconiosis. Once a diagnosis of CWP is established, generally on the basis of radiographic evidence, impairment and disability should be determined as discussed below.

RELATIONSHIP OF OBSTRUCTIVE AIRWAY DISEASE TO CWP

The occurrence of symptoms of cough, sputum, shortness of breath, wheezing, pain in the chest or weight loss in a coal miner cannot automatically be assumed to be arising from CWP or necessarily a consequence of coal mining exposure. Coal miners, like other individuals, smoke cigarettes, inherit the predisposition to develop allergies and asthma, are exposed to air pollution, may contract respiratory infections and develop lung cancer. Since the lungs have relatively few, stereotyped ways of manifesting symptoms that are due to a wide variety of causes, diseases of diverse origins may be present with the same pulmonary symptoms. It is usually possible by careful inquiry, physical examination, and appropriate pulmonary function tests to sort out the causes for these common symptoms. It is, therefore, necessary to discuss what, if any, relationship there is between naturally occurring conditions that may produce the same symptoms as CWP and an individual's occupational exposure in coal mining.

Chronic bronchitis is a respiratory disease defined by the American Thoracic Society (3) as "a condition characterized by the presence of cough and phlegm on most days for at least three months of the year, for at least two consecutive years, and not due to localized disease such as tuberculosis, pneumonia, cancer, or bronchiectasis." Epidemiological studies have shown that the most important single factor associated with chron-

[1] Hans Weill, M.D., Tulane University (Chair); Attilio D. Renzetti, Jr., M.D., University of Utah; N. Leroy Lapp, M.D., West Virginia University.

ic bronchitis is cigarette smoking. While other conditions such as climate and industrial exposure may also contribute, these contributions may not be detectable unless only non-smokers are studied (4). The Medical Research Council of Great Britain concluded in 1966 (5) with particular reference to the coal mining industry, that "on present evidence, intensity of dust exposure does not appear to be a very significant factor in determining the prevalence of bronchitis in this group of workers." Since then, a large epidemiological study by the British National Coal Board (6) found a significant relationship between dust exposure and prevalence of bronchitis. A further study by Hankinson et al. (7) using ventilatory tests detected only slight reductions in airflow among non-smoking miners who had symptoms of bronchitis. They coined the term industrial bronchitis to call attention to the contribution of occupational dust exposure to the condition. The phenomenon of industrial bronchitis is not restricted to the coal mining industry. It has been reported among steel workers, textile workers, gold miners, and cement workers (8). The important points about industrial bronchitis are: 1: it has an insignificant clinical effect upon ventilatory function (9) and, 2: that the effects of smoking on ventilatory function are quite significant, causing impairment to be from two to ten times greater among smokers than among non-smoking bronchitics (7).

Focal emphysema is a minimally destructive process associated with the coal macule especially occurring in the higher categories of simple CWP (10). Its presence is associated with minor unevenness in the distribution of inspired air within the gas exchange parts of the lungs. Focal emphysema does not affect the ventilatory function of the lung as detected by usual spirometric pulmonary function test (11).

One group in Wales (12) claimed that a disabling form of centrilobular emphysema was more common at autopsy among coal miners that non-miners, but their study was severely criticized on the grounds that the population was not representative of all miners, having included only miners who had received compensation, and because it included subjects with complicated pneumoconiosis in whom it is common to find reduced ventilatory function. Extensive studies of non-smoking, living miners in the United States (11) have been unable to detect the ventilatory and diffusion impairments that are characteristic of diffuse, centrilobular emphysema. Thus, it can be concluded at the present time that there is no evidence that simple CWP or coal mining per se leads to the development of disabling emphysema in the absence of progressive massive fibrosis (PMF).

Asthma is a disease characterized by an increased responsiveness of the trachea and bronchi to various stimuli. It is manifested by a widespread narrowing of the airways that changes in severity either spontaneously or as a result of therapy (3). The fact that a miner develops bronchospasm upon exposure to the coal mine atmosphere does not mean the miner is allergic to coal dust. There is no evidence that coal dust is capable of acting as a true allergen. On the other hand, one study (13) showed that exposure to large concentrations of coal dust (15-20 mg per M^3) did induce a mild bronchospasm in normal subjects. Such dust concentrations are no longer encountered in U.S. mines. Airway obstruction in a miner with asthma will be responsive to medication, thus differentiating it from centrilobular, diffuse emphysema and from the minimal alteration in airflow seen in industrial bronchitis.

The best current perspective on the relative importance of dust and cigarette smoking in causation of obstructive airways disease is provided by a recent article by Elmes (14). It reviewed extensive data from studies of coal miners, slate quarry workers, iron and steel workers, and those working with asbestos. Dr. Elmes concluded, "The evidence is scanty and in many instances unreliable. But it indicates that although dust may cause symptoms of bronchitis in young men, these symptoms may persist but are unlikely to cause serious airways obstruction or premature aging of the lung (emphysema). In most cases, smoking is the main cause of bronchitic symptoms in all age groups and may lead to airways obstruction and emphysema. Age, by itself, representing the general environment, is less important than smoking but is usually more important than dust in causing disability." We therefore conclude that in the absence of radiographic or histologic evidence of CWP it is inappropriate to conclude that airways obstruction is primarily due to coal dust exposure.

IMPAIRMENT AND DISABILITY

With respect to the question of disability resulting from coal workers' pneumoconiosis (CWP), we believe it is mandatory to distinguish between the terms impairment and disability. Impairment is purely a medical condition reflecting a functional abnormality whose presence and severity should be assessed by an appropriately trained physician. Impairment is always a basic consideration in the evaluation of disability. Disability, on the other hand, is a term which indicates the total effect of impairment upon an individual and is affected by such diverse factors as age, sex, education, energy requirements of the specific occupation, and the economic and social environment. We would recommend that the criteria for impairment and disability be equally applicable under law to all those who suffer from occupational lung diseases such as CWP, asbestosis, silicosis, etc. We would also recommend that disability should be determined by highly qualified professionals from the fields of law, education and economics as well as the health sciences.

Although the current "Standards for Determining Coal Miners' Total Disability or Death Due to Pneumoconiosis" as published in the Federal Register of February 29, 1980, (20 CFR Part 718) represent a considerable improvement over prior "interim regulations" in the specific criteria to be used for determining functional impairment (i.e., ventilatory function tests and arterial blood gas values), they are generally too lenient. Specifically, we would recommend the use of values for the results of certain ventilatory function tests (i.e., FEV_1, FVC) recently recommended by the American Thoracic Society[2] rather than those incorporated in the standards referred to above. Further, the arterial blood gas tables in the new regulations, although improved by accounting for altitude, still do not take age into consideration and thereby also are too inclusive. Our recommendation would be that the Department of Labor adopt the system for evaluation of impairment/disability as described in the statement referred to above. We believe that the adoption of such a system will result in considerable cost saving, a rational and comprehensive approach to the problem and general acceptance by the pulmonary community.

In our view the handling of "black lung" disability claims by the Social Security Administration (SSA) and by the Department of Labor prior to the new "permanent regulations" has been poor, to say the least. The General Accounting Office (GAO) in its report of July 28, 1980, found in a random sample of cases adjudicated by the SSA "that in 88.5 percent of cases" awarded benefits, "medical evidence was not adequate to establish disability or death from CWP"! The GAO in its report of January 19, 1982 found essentially the same results in a study of cases handled by the Department of Labor. At present we have no information on which to base an opinion with regard to cases being adjudicated with the new "permanent regulations."

Finally, it would be our judgment that the definition of total disability used by the SSA for the population at large should not be used under the "Black Lung" Act on the basis that it refers to disability to perform any gainful employment and thereby is far too restrictive. We have no quarrel with the goal of the "Black Lung" legislation to compensate those coal workers who are truly disabled from performing their usual work as a result of their occupational lung disease.

[2] The statement, "Evaluation of Impairment/Disability Secondary to Respiratory Disease," is in preparation for publication. A copy will be sent when available.

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COMMERCIALIZATION OF LANDSAT IS NOT A GOOD IDEA

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McGRATH. Mr. Speaker, as you may know, the White House Cabinet Council on Commerce and Trade has been considering a plan for the transfer of the Nation's satellite system to the private sector. The Council recently decided to recommend to the President that meteorological satellites not be commercialized, but proposed three alternatives for the commercialization of Landsat. I have very strong reservations about any plan to transfer the Landsat operations to the private sector.

In response to an editorial in Aviation Week and Space Technology, Dr. Robin Welch wrote the following letter to the editor which I believe summarizes quite well the arguments against the commercialization of Landsat:

[From Aviation Week and Space Technology, Apr. 26, 1982]

LANDSAT OWNERSHIP

That remote sensing from space has been shown to be profitable is hardly the question (AW&ST Apr. 5, p. 11). Landsats 1, 2 and 3 have returned benefits to the American public as well as the world many magnitudes over program costs. So did the USS New Jersey in "fighting the world's evil forces," but to say the New Jersey should now be turned over to private industry to "show a profit" is not good economics much less good diplomacy.

Three factors are clear from my involvement continuously in the Landsat program as a research and development scientist and data user from the start.

Foreign competition (French Spot and Japanese Earth resource satellite) will jump into the breach left by the U.S.'s termination of its Landsat program and take the leadership permanently, for there is a very real demand for Earth mapping data from space, and those programs will fill the data needs. Landsat, by any standards, is a first-step effort that, given another decade of development, could truly be mapping the "heartbeat" of the Earth.

Replacing science and technology as a national goal with the philosophy of "Let's make everyone secure and happy whether he works or not" will see the decline and fall of the U.S. as a global power. Because productive labor is the ultimate commodity, the destructiveness to our economy of perhaps one-third of every dollar going to people not in any way tied to the producing of goods will ultimately destroy us. Landsat is science and technology at its best and to say we can't afford Landsat because our social benefit programs are taking too much of the budget is bad national economic policy.

Selling of Landsat film, paper and tape data may never show a profit. To judge the effectiveness of a national asset and international trust on that basis while ignoring the benefits returned from smart people using the data is also bad economics.

The Landsat program is a candidate for being the most profitable single government venture ever, as it has produced great tangible benefits in man's use and management of Earth resources. To drop government support for an Earth resource satellite program is, in my view, short-sighted and destructive to the stature and future of the U.S. in space science and technology as well as political integrity.

ROBIN I. WELCH, Ph. D.,
President, Airview Specialists Corp.,
Mountain View, Calif.●

SUPPORT FOR THE DEFENSE INDUSTRIAL BASE REVITALIZATION ACT, H.R. 5540

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McKINNEY. Mr. Speaker, recently a trade magazine published an editorial questioning our national policy concerning critical materials. I agree with much that the author had to say regarding our vulnerability caused by continued dependence on foreign sources for metals and materials vital to our national security.

For years our Government and its various agencies have failed to pursue a consistent and coherent policy regarding the development of needed critical materials and their stockpiling.

Toward the conclusion of the editorial reference is made to a bill to step up production of critical materials for national defense purposes. That bill which JIM BLANCHARD and I coauthored is H.R. 5540, the Defense Industrial Base Revitalization Act. The legislation enjoys strong support throughout the private sector. Also, it has been cosponsored by 68 Members. The list is an impressive commingling of Republicans and Democrats, liberals, and conservatives, but above all concerned Americans who want to stop the deterioration of this country's defense industrial base. Information is available for those who have not yet cosponsored the bill.

The closing paragraphs of this article make an excellent point which I would like to share with my colleagues:

Now I don't know the ins and outs, or rights or wrongs of all of these bills relating to critical materials. But I do know that nothing much is happening. Everything is either standing still or going backwards.

This is confusing in view of the magnitude of the problem at hand.

All this is going on, though, while the Administration is fighting for the biggest defense budget in our history.

Question. How do you support a massive defense buildup without the critical materials needed to back it up?

You can't. And we can't wait much longer for President Reagan and Congress to take action, either.

In private conversations I have had with several people in the administration who are involved with H.R. 5540 strong support is given to our approach. However, OMB is having difficulty with the funds involved.

That is understandable and appreciated by all the cosponsors. But to paraphrase the above quotation: How do you support funding a massive defense buildup without the domestic capacity and capability needed to meet those demands? And without that domestic ability where will the hundreds of billions for defense programs the administration proposes to spend end up—in foreign countries and foreign companies?

The Economic Stabilization Subcommittee reported favorably H.R. 5540 to the full Banking Committee by a vote of 19 to 3. Later this week the bill is to be considered by the full committee. A majority of the committee have cosponsored the proposal so I am hoping we can expedite consideration in the House. At that time I urge my colleagues to answer the issue raised by this editorial and to show that they do not have much longer to wait for Congress to act on this matter of vital concern.

Mr. Speaker, for the information of my colleagues, I insert the complete editorial from the April 5, 1982, issue of Iron Age.

DEFENSE FORWARD! MINERALS BACKWARD! HOW'S THAT AGAIN?

This is an issue that leaves me both confused and worried.

What I'm talking about is the current state of national policy regarding critical materials. Now if I knew what the policy is I'd be happy to tell you.

But I'm not sure anybody knows.

For example, Interior Secretary James G. Watt—on national TV, no less—said he would ask Congress to bar exploration and drilling on about 100 million acres of Federal wilderness lands for the rest of this century.

On the same show, though, he said that if an "urgent national need" cropped up, then the President, with the approval of Congress, could reopen the wilderness area for needed materials.

So, in one fell swoop Secretary Watt managed to: Anger those who want to develop our mineral resources, rile up environmentalists who want to keep the wilderness wild no matter what, and leave people like me wondering what's going on.

Needless to say, this is all rather confusing.

How do you reconcile, on one hand, talk about a potential "urgent national need"—and, on the other hand, recommend taking a critical materials supply source out of action until the year 2000?

This worries me, because I believe that an urgent national need exists now to develop critical materials sources.

After all, we live in an increasingly hostile world and a good deal of the materials Mr. Watt is talking about—oil, chrome and platinum, for example—are not exactly in stable or friendly hands.

So much for the current, incoherent government policy stance on the development of needed citical materials.

But the current confusion on minerals policy doesn't end in that wilderness.

Another issue centers on the creation of a minerals council to coordinate policies among various agencies of the Federal government.

Several bills have been introduced to this end in Congress and, as far as their passage goes, they seem to be at a dead end.

The same thing goes for policies on the stockpiling of critical materials.

Legislation to determine the quantity of strategic materials to go into the national stockpile to fill future emergency needs is floating around in limbo with the chances of passage ranging from zero to none.

Finally, a bill to step up production of critical materials is fighting for funds to carry out its mission. this is not a dead dodo yet, but the Administration seems opposed to it.

Now I don't know the ins and outs, or rights or wrongs of all of these bills relating to critical materials. But I do know that nothing much is happening. Everything is either standing still or going backwards.

This is confusing in view of the magnitude of the problem at hand.

All this is going on though, while the Administration is fighting for the biggest defense budget in our history.

Question: How do you support a massive defense buildup without the critical materials needed to back it up?

You can't. And we can't wait much longer for President Reagan and Congress to take action, either.

MICHIGAN TECHNOLOGY COUNCIL BRINGS DA VINCI TO ANN ARBOR

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. PURSELL. Mr. Speaker, I do not think it is often that business, industry, the arts, the community, as well as a great university, join forces to promote a cause. This is fortunately the case in my Michigan district. I wish to commend to your attention certain events that will assuredly highlight Michigan's vast potential as a high technology center. I need not elaborate here on the desperate state of economic affairs in my home State; our unemployment rate is the highest in the Nation; our factories and businesses are suffering tremendously. Now an effort is being made through the Michigan Technology Council, a group dedicated to diversifying and strengthening Michigan's economic structure, to reverse this trend by widening our base of technology and thus prevent to the greatest extent possible a reoccurence of what Michigan is experiencing today.

The pivotal point of the Michigan Technology Council's efforts this year involves a Renaissance man whose age was a prelude to modern technology. It is not far fetched to use a 15th-century master's contributions to his society as a way to foster a new Renaissance of industrial development in Michigan. Leonardo da Vinci is the man; his technical works the inspiration for our effort.

Perhaps no man in history has contributed more in inventiveness and pure genius than Leonardo. His paintings are immortal, his scientific curiosity unmatched.

This genius will be manifest at the University of Michigan Museum of Art, May 8 through June 13 with the exhibit of original works by Leonardo and a number of three-dimensional models that embody this great master's experiments in the physical sciences, including automation, aerodynamics, and automobiles. By drawing a correlation between his works of the 15th century and their modern-day applications, Michigan is in a dramatic fashion pointing to itself as a place worthy of consideration for advanced technology because its cultural environment matches its other considerable resources—among them a plentiful water supply, skilled labor, and a university system of great academic stature.

Special recognition goes to the Bechtel Power Corp., whose Ann Arbor Power Division was the moving force to bring the exhibit to Michigan; to the IBM Corp. for providing the models; to the Michigan Technology Council for its sponsorship; and to the University of Michigan which has contributed its time and talented staff to making the exhibit a reality.

I am confident you will agree that Michigan is not a dying State, and that what the Michigan Technology Council is attempting is evidence that while our labors may be stifled by the deep recession we are feeling, our brains remain hard at work our hopes for the future as incandescent and optimistic as ever.●

FATHER BYRON: "THE COLLAR DOESN'T GET IN MY WAY"

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, the newly appointed president of Washington, D.C.'s Catholic University is coming from Scranton, Pa., where he has been held in the highest regard not only as an educator, but as a farseeing and industrious community leader. This man, Rev. William J. Byron, S.J., is described from the view of those who have been his friends and neighbors in recent articles in the Scranton newspapers which will be of interest to everyone involved and concerned with higher education in the Nation's Capital.

In editorials, the Scranton Times said that Father Byron's appointment was "a splendid tribute" and joined "his many admirers in wishing him well," and the Scranton Tribune described his appointment as "a singular honor" and extended to him "best wishes for continued success in a service dedicated to God, to humanity, and to education."

News articles in both papers reminded readers of the many career achievements of Father Byron and listed the improvements for which he will long be remembered at the University of Scranton where he has been president since 1975. But they went on, at still greater length, to reflect on his many other activities in the community.

The Tribune cited his service as a director of the Economic Development Council of Northeastern Pennsylvania and the Northeastern Bank of Pennsylvania. It went on to refer to his service as a director of the United Way of Lackawanna County, Pennsylvania Blue Shield, and the Scranton Community Medical Center. It recalls that he was cited by the William Penn Committee in 1980 as a "Distinguished Pennsylvanian."

In the Times, an article by Francis T. DeAndrea explained how Father Byron "has made a point of showing anyone who is interested that a man who wears clerical robes doesn't have to dissociate himself from society." That article continued, in part:

No area, however, appears to have drawn more personal input from him than has his home for the past seven years—Scranton, a city of 90,000 people attempting to revive itself from a debilitating dirty coal-town image.

Three years after taking over the reins at the University of Scranton, the seventh largest of 28 Jesuit colleges in the nation, then he added another role to his repertoire of service when he was named to the board of directors of Northeastern Bank of Pennsylvania, one of the largest banking institutions in Northeastern Pennsylvania.

At no other time in its history had a member of the clergy been named to the bank's board. But he wasn't just another "member of the clergy." His training was as an economist and he had an intense interest in unemployment and industrial development.

When asked at the time of his appointment whether his priestly collar might get in the way of some bank discussion that, otherwise, might range a little more freely, Father Byron responded: "I suppose you would have to put that question to other directors. The collar does not get in my way and I see no evidence that it impedes any of the others. Nor should it. There is nothing bad about money, loans, investments or banks in themselves. Power can always be abused, but without power, good cannot be achieved."

His interest in Scranton preceded his role as president of the University of Scranton, the largest college in the northeast region of the commonwealth.

From 1956 to 1958, he was a mathematics teacher at the Scranton Preparatory School. It didn't take too long for people to realize that the young Jesuit scholastic was interested in doing more than just spending time as a high school teacher in Scranton. He became involved in the city's problems and its fight for a new image. In fact, he received his master's degree from St. Louis University after submitting a thesis entitled, "Scranton's Efforts to Attract Industry."●

REPRESENTATIVE McGRATH SPEAKS AT HOLOCAUST COMMEMORATION

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LEBOUTILLIER. Mr. Speaker, on April 20, my friend and colleague, Representative RAYMOND MCGRATH, addressed a Holocaust Remembrance Day gathering, sponsored by Second Generation of Long Island.

I commend the attached article, describing Mr. MCGRATH's remarks and the poignant comments of a Holocaust survivor, Mel Berger, to my colleagues' attention. The lesson of the Holocaust is clear. Those who forget history are condemned to repeat it.

[From the Jewish World/Long Island Jewish Press, Apr. 30-May 6, 1982]

SURVIVOR: WHERE WERE THE RIGHTEOUS PEOPLE?

(By Stewart Ain)

In what was billed as Long Island's first outdoor ecumenical observance of Yom Hashoah, Holocaust Remembrance Day, 300 persons attended a rally in Cedarhurst Park to remember again the horrors of that unforgettable period 40 years ago.

Rep. Raymond J. McGrath, (R-Valley Stream) told the crowd that during his trip to Israel last summer he visited Holocaust memorials and found that they were the "most poignant and unforgettable moments since I became a Congressman. And to think that this tragedy happened since I have been alive gives it more impact—the fact that it could happen in a modern society."

Referring to the recently released Moynihan poll that found that most New Yorkers were against military aid for Israel (see accompanying articles in this paper), McGrath said he found the poll "most distressing." He said he believes that the poll may indicate that New Yorkers are forgetting the Holocaust at a time when "we should be remembering."

"It is a crime unique in the annals of human history," McGrath said. "It was an incredible criminal enterprise that was organized by the state to kill every Jew everywhere in Europe."

Listening to his remarks were members of Second Generation of Long Island, which sponsored the event. On hand were the band and chorus of Lawrence High School and the choir of the Brandeis School in Lawrence, each of which performed during the 90-minute program.

LASHED OUT AT FREE WORLD

A survivor, Mel Berger, 54, of Oceanside, began his remarks to the audience by saying: "Much to the horror of many, I have survived and they can go to hell." He used the occasion to lash out at the free world for not stopping the Nazi death machine and said that no one must be allowed to forget what happened.

Berger said that he was living with his parents and three brothers in Hungary when the Nazis took over and began to make Hungarian officials "act like Nazis . . . The persecution of the Jewish people was all around us and it became worse and worse." He told of one incident in which a Nazi machine gunner opened fire and indiscriminately shot and killed those Jews who were in the line of fire.

The Jews of his village were rounded up one morning and after being placed in a "staging area where people were disoriented and life seemed helpless," they were herded into cattle cars—100 to a car.

"It was a little car and we were on our way without food or water and standing room only," he recalled. "Can you imagine how it looked after a week? Can you imagine how my father, who was 54, and my mother, who was 44, felt?

"And then suddenly the train stopped and I was separated from my mother and father and three brothers and I was never to see them again," Berger continued. "I was taken to the left to work and they were taken to the gas chambers. And I bet those who placed them in the gas chambers are still alive today, thanks to the free world, which I call accessories to the crime."

In the camp, Berger said, he was "tatooed, they stripped me of my name, dignity and identity. I was branded."

Berger said he was soon taken to Auschwitz and he said he could see the "chimneys and people in the thousands who were brought in. But I couldn't say anything to them. I was out of reach, and they were heading straight for the chimneys. And I kept asking, 'Where the hell are the righteous people of the world?' "

Berger asked also why the world "is still trying to forget and in some instances to deny it. This world stood by and did nothing until it was too late."

"A gathering of this kind should be carried out every year to let all people know of these dangers so that it should never happen again," he added.

PROFIT FROM INDUSTRY OF DEATH

In his remarks, McGrath said also that the Nazis' actions against the Jews were not "subjugation but outright slaughter." And German corporations "actually profited from this industry of death. Companies competed to build the ovens. And some were even concerned with the profitability of the concentration camps."

McGrath pointed out that one firm was set up opposite Auschwitz to extract everything saleable form bodies of Jewish victims. Gold filings in teeth were removed and the ashes of the victims were sold as fertilizer.

Throughout the war, the German death camps attempted to find the cheapest method of killing Jews. By using an inexpensive gas, the Germans found they could kill their victims at a cost of 1.5 cents per person. But that still wasn't good enough, McGrath noted.

"By the end of the war, orders were given to place children directly into the ovens and into open pits," he said.

The entire German bureaucracy was involved in the extermination process, he noted, from the "churches and health ministries which supplied birth records to define and isolate Jews, to the government travel bureaus which coordinated schedules and billing procedures for the railroads which carried the victims to their deaths."

DIRE WARNING

Looking over the crowd of youngsters and adults, McGrath said the "curse of the Holocaust is a dire warning. It could not have happened without a diminution of religion. Only in a modern society could anti-Semitism lead to extinction. And men who could murder during the day could be loving fathers at night."

McGrath said that the Germans justified their actions by shifting the blame to others. Adolf Eichmann, for instance, supervised the murder of countless Jews but could later say that he "never killed a single person." Those who passed along the orders claimed that they did not know what was really happening and those who "carried out the extermination said they were only following orders."

It is hoped, McGrath said, that by "studying the Holocaust it will immunize modern man against the desires of the 20th century that led to this monstrous annihilation . . . Failure to remember the past makes repetition more likely. By remembering the excesses of the Nazi era, we can remember the need for checks and balances. Human rights must be protected within the law . . .

"The moral landscape of human reality has been altered by the Holocaust but the acceleration of technology and nuclear weapons now threaten human existence. By focusing on the dangers of a technological and bureaucratic society, a study of the Holocaust and its implications can encourage a renewal of commitment to sanity and humanity. We must remember the Holocaust because it may be our only means of survival," McGrath added.●

THE ACCOMPLISHMENT OF THE KENHORST VOLUNTEER FIRE COMPANY NO. 1

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. YATRON. Mr. Speaker, It is my privilege to bring to the attention of my colleagues in the U.S. Congress, the accomplishments of the Kenhorst Volunteer Fire Company, No. 1, who will be celebrating the 50th anniversary of the Borough of Kenhorst, the 50th anniversary of the Kenhorst Fire Company and the housing of their new 1980 Pierce Mini Pumper on May 22, 1982.

The Kenhorst Volunteer Fire Company, No. 1, enjoys the wholehearted support of the community it serves and not only works to protect the lives and property of the citizens of Kenhorst, but has unceasingly contributed time and effort on various projects to benefit their neighbors and friends.

In 1973, the Kenhorst Fire Company began building a new fire station. In

1977 they purchased a Pierce 1,000 gallon per minute pumper and in 1980, they acquired a new 1980 Pierce Mini Pumper.

The members of this excellent company underline every day, the community spirit of aiding one another, which is the very foundation of our country. The Kenhorst Fire Company is planning an anniversary celebration and parade on May 22. I know my colleagues will join me in paying tribute to the Kenhorst Volunteer Fire Company, No. 1, and the citizens of the Borough of Kenhorst and will wish them many more years of continued success. It is my hope that their excellent example of what can be accomplished continues to underline the importance of aiding those in need.

Firefighters dedicate themselves 24 hours a day to protecting our lives, our homes, our businesses, and our places of worship. They participate in one of the Nation's most hazardous occupations and we owe them a great debt of gratitude. I would like to extend to the Kenhorst firefighters, a personal note of thanks, for their continued daily demonstration of their high degree of concern and dedication to the public safety and welfare.●

BETA SIGMA PHI

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today on behalf of Congressman LEON PANETTA and myself to salute Beta Sigma Phi, an international organization for women which has for over 50 years offered opportunities for friendship, for cultural appreciation, and for community service. The membership of this organization now totals over 250,000, spread through 35 nations. More than 75,000 of these members reside in my State of California. Beta Sigma Phi has nearly 12,000 chapters, most of which meet twice each month to conduct business and carry out a cultural program.

The Greek letters in the organization's name stand for the words "life," "learning," and "friendship." Beta Sigma Phi has lived up to its name through its philanthropic community service work. It has, for example, provided financial assistance to the National Cystic Fibrosis Research Foundation, the Sidney Farber Cancer Institute, Girlstown USA, the National Multiple Sclerosis Society, the Toronto Sick Children's Hospital, the Magnolia Speech School for the Deaf, the Mid-America Heart Institute of St. Luke's Hospital, the Arthritis Society, and Literacy House. The organization also provides scholarships for college students.

In the last year alone Beta Sigma Phi has made donations to these and other worthy causes totaling over $1 million.

On May 13, Beta Sigma Phi in California will hold its 42d annual convention in Monterey. Mr. Speaker, Mr. PANETTA and I ask you to join us and all our colleagues in the House of Representatives in paying tribute to this outstanding organization which has done so much for the community for the past half century.●

ROUNDING UP THE USUAL SUSPECTS

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of California. Mr. Speaker, in nine metropolitan areas across the country, the Immigration and Naturalization Service last week conducted raids on some 300 businesses suspected of employing undocumented workers. INS claims that over 5,000 alleged illegal aliens were arrested.

In commenting on the raids, Ira Glasser, executive director of the American Civil Liberties Union, and John Shattuck, the ACLU's legislative director stated, "This is discrimination pure and simple, not the evenhanded application of the law required by the Constitution's equal protection guarantee." I agree. It is clear that the INS agents singled out Hispanic workers, and in some cases reportedly arrested all Hispanic employees.

The raids were supposedly undertaken to remove illegal workers from high paying jobs which could then be filled by unemployed Americans. But, even if every one of the jobs now vacant were filled by an American citizen, what effect would it have on our unemployment rate of over 9 percent? In the words of Mr. Glasser and Mr. Shattuck, it is clear that the "administration is playing with people's rights to score a public relations victory." The American people should not fall for it.

An excellent editorial exploring this point appeared in the San Jose Mercury on April 30, 1982. I commend the article to the attention of my colleagues. The article follows:

[From the San Jose Mercury, Apr. 30, 1982]

ROUNDING UP THE USUAL SUSPECTS

The U.S. Immigration and Naturalization Service calls it "Operation Jobs." Its critics in the Hispanic community think it ought to be called "Operation Scapegoat." From what we've seen, we're inclined to label it "Operation Snow Job."

Since Monday hundreds of INS and Border Patrol inspectors have been swooping down on food processing plants, hotels, factories and other businesses across the country, checking IDs of workers and taking suspected illegal aliens into custody. INS spokesmen say they expect as many as 5,000 illegals to be rounded up in the week-long operation.

The stated purpose is to nab illegals who are holding "high-paying" jobs—i.e., jobs that pay more than the $3.35-an-hour minimum wage—which unemployed Americans presumably would be eager to take.

Even if every job opening created by "Operation Jobs" is filled by an American citizen, collaring a few thousand illegal alien workers obviously won't make much of a dent in an unemployment total of 10 million. But a lot of the jobs will simply be taken by other illegal aliens. And a lot of the aliens rounded up this week will undoubtedly slip right back through the sievelike border almost as soon as they get off the bus in Tijuana.

So what's the point of the exercise? Beats us—unless the INS and Border Patrol are trying to create the impression that they're doing something about the illegal alien problem.

Many Hispanics, including the 100,000-member League of United Latin American Citizens, see a more sinister motive. The Reagan administration, they charge, is trying to make illegal aliens, particularly Hispanic aliens, the scapegoat for the economic woes brought on by its own mistakes.

Guessing people's motives is a tricky business, and we're not about to attempt it here. Let it suffice to say that, whatever the intent, the effect of "Operation Jobs" is to encourage the belief that illegal aliens are the cause of America's unemployment problems. And that belief is wrong—dangerously wrong.

The unemployment rate in this country is hovering near 10 percent for a whole bunch of complicated reasons—high interest rates, imported cars, budget deficits, aging industrial plants, a collapsing real estate market. These things may or may not have been caused by Ronald Reagan's economic policies; they clearly were not caused by garment workers in Chicago or chicken-pluckers in Petaluma.

In times of severe economic and psychological stress, Americans always have a tendency to dump the blame on some vague, alien entity—Wall Street, or The Trusts, or Reds, or "those foreigners who come here and take jobs away from Americans." A government policy that unintentionally encourages that tendency, that fosters simplistic thinking and feeds xenophobia and bigotry, is stupid and irresponsible. A government policy that does so intentionally is criminal.●

SAMPLE OF STUDENT OPINION

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, Members of Congress are not unaccustomed to hearing from students and sometimes from a whole school class whose teacher has introduced them to the fact that they can and should write their Representative in Congress

about their concerns and problems. In doing so, of course, they learn something about a citizen's rights and responsibilities in a representative government.

While such letters are generally of primary value to the Member of Congress who represents the student constituents involved, they may occasionally be of broader interest. This is the case, I believe, with a group of letters I recently received from 7-year-old and 8-year-old students at Blossburg Elementary School in Tioga County, Pa. I would therefore like to share them with my colleagues.

The letters are brief, and read as follows:

"My name is Amy Johnson . . . Can you make a rule to tell the big kids on the bus to quit picking on us and quit writing on the seat? Will you also help me by lowering the prices?"

"My name is Christy McNeal . . . People don't have enough money to buy something they need a lot. Could you please help? (Like for school or food plus clothes or even shelter.)"

"My name is Benjamin Randise . . . I am worried about the taxes. I want you to lower the taxes. I want you to lower the taxes to one hundred dollars."

"My name is Juanita Seeley . . . I am worried about some people wrote on the school wall Monday night. Some good person called the police. I want you to stop it. Will you please try to do it?"

"My name is Christine Kreger . . . I am not worried about anything. I think you are doing terrific."

"My name is Theresa Bickham . . . I am worried about the taxes and my Dad's work at the mines. They say that he will not be working there. Please do something about it."

"My name is Lennie Yoder. . . . I am worried about the pollution and people who throw our their garbage in other people's yards. I am sick of it so please do something about it."

"My name is Holly Bartlett . . . I am worried about the telephone bills. Is their anything congress can do about it please?"

"My name is Melissa Carlson . . . I am worried about *Taxes!!!* Because I cannot get any more fruit bars! I want you to do something about this!"

"My name is Billie-Jo Beck . . . I am worried about people writing on the wall with paint. Will you please make a rule saying don't write on the walls?"

"My name is Amy Smith. I am worried about my Grampa. He works at (a grocery store). The bosses had a meeting. They might close it down. They are changing fifteen minute coffee breaks to ten minute coffee breaks. Will you please help me?"

"My name is Eric McNeal . . . Can you cut down the taxes because my mom and dad do not have much money? Please cut down taxes."

"My name is Mark Peguignot . . . I am worried about all of the fires. Could you help?"

"My name is Melinda Barrett . . . I'm worried about criminals. Can you stop them? Please help."

"My name is Gary McNeal . . . I am worried about littering. Please help stop littering."

"My name is Mark Knapp. I think you are doing a good job."

"My name is Lyle Cloos . . . . I am worried about pollution. Try and do something about it please."

"My name is Benji Morley . . . I am worried about the high food prices. I wish you could lower the prices."

"My name is Wendy Bellinger . . . I'm worried about taxes. Is there something you can do to make them lower? I hope there is something you can do about it."

"My name is Mike Aumick . . . I am worried about all the fires."

"My name is Jennifer Wincey . . . I'm worried about all of the murders. Can you see if you can do anything about it? Thank you!"

"My name is Travis Makley . . . I am worried about my Grammom. My Grammom had a hardatack last night. My dad came to pick me up. I weant to get my clothes. I saw my grammom on the floor . . . We took my grammom to the hospital. And now she's out of the hospital"

As with all samples of opinion, some interpretation of responses is necessary. My tabulation of the problems cited in this sample is as follows: Taxes—five, pollution and littering—three, prices—two, Jobs—two, graffiti—two, crime—two, fires—two, bullies—one, telephone bills—one, and other—two.●

BLACK HERITAGE DAY PARADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. RODINO. Mr. Speaker, my home city of Newark will continue one of its proudest traditions this Sunday afternoon, May 9, when thousands of citizens will march in the annual Black Heritage Day Parade.

I will be proud to join with "Mother" Nellie Grier, the parade's grand marshal, and many others in marching through the streets of our city to honor the rich cultural heritage of America's black people. This year's parade celebrates the contributions of black women to our country, and the selection of the 82-year-old Mother Grier as the grand marshal is an outstanding reminder of the many roles that black women play in building better communities. As the founder and director of the Emmanuel Senior Citizens Day Care Center, she has offered comfort and healing to our city's elderly; and as organizer of the Newark Senior Citizens Council and a member of the board of the anti-poverty agency, United Community Corp., she has been an activist for positive social change. She is a leader who serves as an example to black women everywhere.

Mother Grier will be joined on Sunday by 11 other black women from my district who have distinguished themselves as leaders in the cause for social justice. They are Dr. E. Alma Flagg, Newark's first black female principal; Trish Morris, director of the Newark Day Center; State senator Wynona Lipman; Dr. May Burch, founder of the Leaguers, Inc.; former municipal court judge Golden E. Johnson; Betty Austin, founder of Neo-Fight, Inc.; Essex County Register Larrie Stalks; community activist Elizabeth Beaman; Essex County Democratic committeewoman Queen E. James; Amelia Steward, owner of Steward's Restaurant; and Doris E. Green, placement advisor at Essex County College.

These dedicated individuals follow in the footsteps of countless black women who have enriched our Nation's culture over the course of the past 206 years. In education, we, of course, look to Mary McLeod Bethune as a model; in literature, Gwendolyn Brooks comes to mind as one of America's finest, most beautiful and relevant, poets; in medicine, Dr. Mary Chinn toiled for a lifetime to improve medical services in Harlem and Dr. Jane Wright of New York is dedicating her life to cancer research; in the arts, black women have overwhelmed us with their brilliance in music, with such names as Marian Anderson, Leontyne Price, Aretha Franklin, Billie Holiday, Ella Fitzgerald, Diana Ross, Sarah Vaughn, Dionne Warwick, and Lena Horne; and in the theatre, Cicely Tyson serves as an outstanding example to young blacks, as does Althea Gibson in the sports field. I had the good fortune of serving in the Congress with one of the most eloquent and dedicated stateswomen ever to serve our country, Barbara Jordan of Texas.

In this full tradition of black womanhood, the Newark Black Heritage Day Parade will honor America's black women past and present. I know that the parade's chairman Kurt Culbreath, has worked very hard to make the parade a success. Connie Woodruff of Essex County College will be mistress of ceremonies, and Judy Miller of Seton Hall University will give the address. I will be honored to join them in this magnificent tribute.●

COSPONSORSHIP OF H.R. 6143: A BILL TO STOP DUMPING IN THE SOUND

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LEBOUTILLIER. Mr. Speaker, yesterday I was pleased to join with my fellow colleagues from Long Island in cosponsoring H.R. 6143, which will stop all present and future dumping of dredged waste in Long Island Sound.

This bill is necessary because the U.S. Army Corps of Engineers recently

ruled in favor of various permits for dumping of dredged materials. This was a wrong decision. I strongly opposed this decision in these pages when it was announced, and I have stated my objections to this potentially ruinous act time and time again in the areas that have the most to lose by its occurence.

The bill which I support seeks to amend the Clean Water Act and the Ocean Dumping Act to close all dumping sites, prohibit future Long Island Sound dumping sites, and establish a Federal commission to study alternatives to dumping off the shoreline of the sound.

While the first two parts of the bill are vital and worthy legal remedies to halt this environmentally dangerous policy, the third proposal will help us learn from the mistakes of the past and enable us to prevent their recurrence. The convening of a special panel, made up of tristate representatives from various environmental agencies, will report back to the corps and to Congress about ways to better dispose of dredge material so that its toxicity will not jeopardize our beloved Long Island Sound.

The present dumping policies must be stopped. Future dangerous dumping policies must never leave the drawing board. The future must treat Long Island Sound with care, and we can start this future effort with strong, remedial actions today.●

PROPOSED CUTBACKS IN AID TO NEW YORK MEDICAL STUDENTS SEVERE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GREEN. Mr. Speaker, the issue of proposed phaseouts by the administration of some federally supported student loan programs has elicited massive constituent concern to every Member of Congress.

Recently I received a letter from the Associated Medical Schools of New York, an organization composed of the 13 medical schools in the State of New York, expressing grave concerns about proposed cutbacks in programs of aid to medical students. The letter noted that the State of New York has 7,000 medical students enrolled in its schools, that about 80 percent of them are New York residents, and that our State provides about 10 percent of the medical education in the entire Nation.

I believe it would be useful for my colleagues to read this letter. It would aid them in understanding the impact of the proposed cutbacks on medical students and their families, particularly on those families which are in the low- or medium-income range. I ask that the attached letter be inserted in the CONGRESSIONAL RECORD.

ASSOCIATED MEDICAL SCHOOLS
OF NEW YORK,
New York, N.Y., April 2, 1982.

Hon. BILL GREEN,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN GREEN: I am writing on behalf of the 13 medical schools in the State of New York—nine private and four state supported—to bring to your attention the potentially devastating impact in New York of the proposed elimination of the Guaranteed Student Loan for graduate and professional students. I realize that much has been said and written about this concern, but I felt it important to underscore some of the particularly significant facets of the problem. New York, with some 7,000 medical students enrolled in its schools, about 80 percent of them New York residents, provides about ten percent of the medical education in the entire country. Thus, the brunt of the impact of elimination of the GSL for medical students will certainly be felt right in this state.

The key issue from our perspective is the fact that this proposed step would virtually deny the opportunity for a medical career to the children of middle and lower income families. New York's nine private schools already contribute more than $5 million a year from their own endowment and other non-government sources for student financial assistance.

Nonetheless, if the GSL and, eventually, the Health Professions Student Loans and National Direct Student Loans are eliminated, both HEAL and ALAS would require such enormous paybacks that it would effectively eliminate most low and middle income students. Opportunities for medical careers, then, would be determined by who can pay rather than who is qualified. This situation would also influence the kind of specialties young physicians would select as well as the areas in which they would set up practice.

As an example of this impact, I would like to share with you briefly some data from two of our member institutions, Albany Medical College and Mt. Sinai School of Medicine.

At Albany Medical College, the estimated total cost of the student of attending four years of medical school is $82,807. For a student whose parents are in the $25,000 to $35,000 income range, the student might be expected to contribute about $3,400, the family might contribute $14,000, and Albany Medical College would contribute scholarship assistance of about $3,400, leaving a net financial need of $62,000.

If the GSL is eliminated, and if the student thus has to rely on HEAL loans, which until recently carried an interest rate of 19 per cent, and the ALAS loan at 14 per cent, supplemented by a small NDSL loan, the gross cumulative payback for that student over a 10-year period would be roughly $410,844.

As another example, Mt. Sinai did an analysis of the impact of the Administration's proposals on it students from middle and low income families. The study revealed that 30 per cent of students receiving financial aid from Mt. Sinai are from families with total gross incomes of less than $18,000; 50 per cent from families earning less than $24,000, and 67 per cent from families with incomes under $30,000.

The Mt. Sinai analysis showed that if a low or middle income student was forced to borrow $8,000 a year under ALAS, the likelihood is that he or she would be unable to meet interest payments during school, thus facing an added burden of compound interest surcharges. This student, upon entering his or her first year of loan repayment, would be required to begin making monthly payments of $969. Currently, monthly net take home pay for a house staff physician is $1,050.

The New York deans feel that this issue is of paramount importance. Few issues in recent years have the potential for such a damaging effect on medical education.

We urge you to support the continued availability of Guaranteed Student Loans for graduate and professional education and the preservation of the HPSL and NDSL programs, all of which provide essential loan money for our students.

I would be happy to discuss our concerns with you at any time.

Very truly yours,

EPHRAIM FRIEDMAN, M.D.
President.●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MAZZOLI. Mr. Speaker, I was unavoidably absent on Thursday, April 29, 1982. Had I been present, I would have voted:

"Aye" on rollcall No. 54, House Resolution 438, the rule under which H.R. 3208, the Reclamation Safety of Dams Act amendments, was considered;

"Aye" on rollcall No. 55, an amendment to H.R. 3208 to provide for reimbursement of the costs of safety modifications; and

"Aye" on rollcall No. 56, final passage of H.R. 3208, the Reclamation Safety of Dams Act amendments.●

WASHINGTON STATE SPEAKS OUT FOR WILDERNESS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. BONKER. Mr. Speaker, Washington State residents do not want oil and natural gas exploration to mar the State's wilderness areas.

They turned out in impressive numbers on April 16 to give that message during a House Public Lands Subcommittee field hearing in Seattle, and they served notice that there are many committed defenders of Alpine Lakes, Glacier Peak, the Pasayten, and all the other congressionally designated wilderness areas in the State.

I agree. These areas should be left alone. I have cosponsored House Resolution 427, which expresses the commitment of the House to wilderness

preservation and protection. I also submitted testimony for the hearing in Seattle. The text follows:

KEEP THE DRILLERS OUT

I am reminded today of past thoughts about Wilderness in Washington State.

"The Enchantment Lakes are so beautiful and popular and fragile that backpackers may love them to death." And, "If anyone takes mining equipment into the Alpine Lakes, I know 1,000 people who will go in and remove it."

The counsel on the Enchantments came from a Forest Service supervisor testifying before this committee in 1976. The occasion was a hearing on the bill that eventually established the Alpine Lakes Wilderness Area and—or so we though then—protected those magnificent wildlands forever.

The man with the 1,000 friends of the Alpine Lakes is a constituent who lives in Olympia. He has learned in recent weeks just how fragile the protection of even our most special wilderness places may be.

Both know the wonder and the uniqueness of the Alpine Lakes and the Enchantment Lakes. And their concerns highlight the larger mess into which Interior Secretary James Watt and other zealous appointees of the Reagan Administration have now plunged us all. In their single-minded pursuit of oil and natural gas production, the costs to other resources seemingly do not matter.

A Wilderness Area is among the last places, not the first, where the search for oil, natural gas and other minerals should threaten Nature's environment. That is the intent of Congress, and that has been the policy of four presidential administrations. If Mr. Watt and his people persist, Congress must stop them.

Congressman Phil Burton and I have introduced H.R. 5282, which simply bans oil and gas leasing in designated wilderness areas. I look forward to working with you and other members of the committee to take any action that proves necessary to give Alpine Lakes, the Enchantments and all the other units of the Wilderness System the protection they deserve.

As you know, this Administration's zeal for oil and gas exploration is unfortunately not limited to wilderness areas. In one of the more inexplicable and ill-advised actions I have known the agency to take, the Bureau of Land Management recently issued five exploration leases in the Green River and Cedar River watersheds. Two million people in Seattle and Tacoma depend upon those drainages for drinking water. The Administration is apparently reconsidering the issuance of the leases. That is good news; I hope that the committee need not be further involved.

Establishing a Wilderness Area is rarely a simple or easy task. Resource tradeoffs and conflicts can be costly and complex. Overall, however, the existing Wilderness System is not large. Twenty-five million acres have been set aside in the contiguous 48 states. About 1.5 million acres are within Washington State. Saying "No" to oil and gas exploration on these lands leaves 98.7 percent of the 48 states and 96.5 percent of Washington unaffected. I do not believe that is an unreasonable situation.●

CONGRESSIONAL VIGIL FOR SOVIET JEWRY: ISAK SHKOLNIK

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MOFFETT. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the plight of Isak Shkolnik, a refusenik and former prisoner of conscience who is seeking permission to emigrate from the Soviet Union.

Isak first sought exit visas for himself and his family 10 years ago. As a result of his desire to emigrate, Isak was arrested in July 1972, allegedly for treason. It was charged that he had collected classified information which he planned to pass on to enemies of the Soviet Union. Although no evidence was found to substantiate the charges, Isak was sentenced to 7 years in a Soviet prison camp. During that time, his wife Feiga and daughter Luiza were permitted to emigrate to Israel. They are now living in Jerusalem, waiting to be reunited with their beloved Isak.

Since his release from prison nearly 3 years ago, Isak has continued his brave struggle to emigrate to Israel. Separated from his family for nearly 10 years, he seeks only to enjoy those rights guaranteed by the Helsinki accords, which the Soviet Union has signed. By denying Isak his right to emigrate to join his family, Soviet officials are guilty of a blatant violation of these accords.

On July 16 of last year, I had the good fortune of speaking with Isak, who now lives in Vinnitza, Ukraine, by telephone. Because the line appeared to be tapped, Isak was very guarded in what he said. Nevertheless, the desperation and despair came across loud and clear, in spite of the bad connection. The support and concern of his wife and others, and the hope that he may one day be reunited with his family, seem to be the only things that keep him going.

It is hard for those of us who live in this country to imagine the emotional and psychological suffering of long-term refuseniks such as Isak. Separated from his family, harassed by Soviet officials, and isolated socially, Isak is but one of many victims of the Soviet Union's inhumane, anti-Semitic policies toward emigration and cultural expression.

I urge my colleagues to speak out, in a loud and clear voice, against the deplorable treatment of Soviet Jews. The courageous fight of Isak Shkolnik and thousands of other Jewish refuseniks—a fight to retain their dignity and to resist the conformist pressures of the Soviet state—deserves our respect and our utmost support.●

A TRIBUTE TO NATHAN SHAPELL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of Nathan Shapell, winner of this year's Brotherhood Award conferred by the Santa Clara County Region of the National Conference of Christians and Jews. Apart from his very successful career as the founder of Shapell Industries, developing real estate throughout California, Nathan Shapell has followed a long path of public service which has earned him the respect of citizens everywhere in the State.

Nathan Shapell's contributions of his time and energy to public activities has been to the benefit of many causes: Education, public health, shelter, human rights and efficiency in government. Since 1973 he has been a member of the board of councilors of the school of medicine at the University of Southern California, and since 1976 he has been a member of the Board of Trustees of the University of Santa Clara. He has also served on the Advisory Council of the President's Commission on the Holocaust and as chairman of the State's task force on affordable housing. Perhaps his most prestigious service has been as a member and then as chairman of California's Commission on State Government Organization and Economy. To all these activities, Nathan Shapell has brought dedication and vision, in quantities more than sufficient for him to earn the honor of receiving the 1982 Brotherhood Award from the Santa Clara County Region of the National Conference of Christians and Jews.

Mr. Speaker, I ask you and all the Members of the House of Representatives to join me in paying tribute to Nathan Shapell, a valued citizen of the State of California.●

ANTITRUST DOUBLE STANDARDS

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GUNDERSON. Mr. Speaker, the foundation on which our legal system and every business transaction is baded is something called "certainty." However, the inconsistent and arbitrary antitrust actions of the Antitrust Division of the Justice Department are eroding that foundation.

Last October, the Antitrust Division blocked a merger between the country's sixth largest brewer, Heileman, and the country's fourth largest brewer, Schlitz. The merger would have rescued the financially-troubled Schlitz firm and allowed it to remain as a Wisconsin-based industry.

The Heileman-Schlitz combination would have had a 15.2-percent share of the national market by 1981 standards, in comparison to the 28-percent share held by Anheuser-Busch and the 21-percent share held by Miller. Nevertheless, the Justice Department refused to approve the merger.

At the same time, however, horizontal mergers of multibillion dollar energy companies went unrestrained by the Department.

Mr. Speaker, last November I wrote to the Attorney General pointing out this apparent inconsistency on the part of the Antitrust Division. I was not alone in my criticism.

An editorial in the Economist on October 31, 1981, called the Justice Department action "inexplicable" and noted that the Antitrust Division clearly drew the line in the wrong place in stopping the Heileman-Schlitz merger.

In response to my letter, Assistant Attorney General William Baxter cited several factors that the Division considered in its action, the most important of which was the fact that a Heileman-Schlitz merger would cause an "anti-competitive" increased competition ratio in the Midwest.

On April 16, 1982, the Justice Department gave tentative approval to a merger between the country's seventh largest brewer, Stroh, and Schlitz. By 1981 standards, the Stroh-Schlitz combination would have a 12.9-percent share of the national market—similar to that of the disapproved Heileman-Schlitz merger.

Accordingly, at first glance it is difficult to understand why one merger was unacceptable and another was approved. This is particularly true in terms of concentration ratios since Stroh is a Detroit-based company with substantial sales in the Midwest. This preliminary analysis yields an obvious conclusion that the Stroh-Schlitz merger approval was but another glaring example of arbitrary and inconsistent action on the part of the Antitrust Division.

A closer analysis discloses that the merger is also ill-advised. The simple facts are that a Stroh-Schlitz merger will result in a debt-to-capitalization ratio of over 80 percent. This will leave Stroh financially unable to engage in the marketing and promotion campaigns necessary to compete with the industry giants—Anheuser-Busch and Miller.

This can only result in even greater domination by the two major brewers than that which presently exists. This is most effectively pointed out in an April 26, 1982 editorial in Barron's that is highly critical of the Division's obvious double standard.

Mr. Speaker, it is simply time for the Justice Department to establish and consistently enforce reasonable antitrust regulations. As a nation that prides itself on our system of jurisprudence, we can demand no less than that.

There is more at stake here that the economic survival of a couple of brewing companies. Indeed, the whole future of the American brewing industry as well as the equitable administration of justice will be determined by the actions of the Justice Department in this case.

That is why it is so vital that the Antitrust Divison treat similar situations similarly. If a Heileman-Schlitz merger is unacceptable, a Stroh-Schlitz merger must also be unacceptable.

Because of these concerns, Mr. Speaker, I am writing to Attorney General Smith asking him to immediately reverse the Justice Department's tentative approval of the Stroh-Schlitz merger. I am also writing to the chairman and ranking member of the House Judiciary Committee urging their prompt review of this matter as well. I encourage my colleagues to join in these efforts to guarantee a consistent and appropriate antitrust policy for our country.●

ONE REPORT ON THE STATE OF THE FOURTH ESTATE

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. McDADE. Mr. Speaker, we repeatedly hear concern expressed about the state of newspapers and journalism in America today. I have a brief report from Scranton, Pa., which will be of interest to all who respect the importance of a strong and healthy fourth estate.

The Scranton Newspaper Guild, Local 177, recently resumed what had long been a traditional affair—its annual newswriters' dinner.

More than 300 people jammed the ballroom where the affair was held, as both the Scranton Times and the Scranton Tribune reported.

The Tribune continued:

Several writers for our fair city's two leading newspapers (the name of the other one escapes me) penned, rather poisonously, the entertainment for the Guild's dinner. They intended to slay, flay, and lay down the local luminaries and colleagues in attendance. They succeeded.

The Times continued:

The guild, comprised of members of the editorial departments of the Scranton Times and the Sunday Times and the Scrantonian-Tribune, and the circulation department of the Scrantonian-Tribune, honored Mayor James Barrett McNulty as "Newsmaker of the Year" and two of its members for meritorious service.

What these reports do not reveal to anyone not familiar with Scranton was pointed out at the banquet by Mayor McNulty. "I am proud that Scranton is one of only a few cities that have two competing, privately owned newspapers," he said.

In a city of 90,000 there are two daily newspapers, each independent, each owned by a local family, each vigorously reporting the news as it sees it, and each staffed by reporters and editors working in the finest tradition of American journalism.

Scranton's fourth estate is unusual in another way. The Scranton Newswriters' Union, Local 177 of the National Newspaper Guild, has been in continuous operation as a union for longer than most, if not all, other local newswriters' unions in the country.

The recent Scranton Newswriters' dinner, which I had the good fortune to be able to attend, brought together in fellowship journalists who at all other times are in unrelenting competition. Throughout the evening, the journalist's proverbial irreverence and healthy skepticism was evident at every moment. Freedom of the press—and freedom of speech—is very much alive in Scranton, Pa.●

A SPEECH BY SPEAKER THOMAS P. O'NEILL, JR.

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. YATES. Mr. Speaker, I was honored to attend the impressive and moving "Days of Remembrance" ceremony for the victims of the Holocaust that was held in the Capitol rotunda on April 20. The Speaker of the House made a most eloquent speech on that occasion, and I include his remarks in the RECORD so that everyone will have the opportunity to read this very thoughtful statement:

REMARKS BY SPEAKER THOMAS P. O'NEILL, JR.

Chairman Wiesel, Senator STEVENS, Council Members and Friends.

Speaking about the Holocaust is always difficult. There is a sense that anything anyone can say about millions of people being put to death must be inadequate. But there is also a sense that something must be said in the name of the past and the future. We must testify to the Holocaust in order to reaffirm our insistent belief in the sacredness of human life and in the strength of values.

The Holocaust stands as a unique event in the unique history of the Jewish people. It also stands as an event in the history of

modern man—who can turn civilization into a weapon for its own destruction.

We mourn the destruction of Eastern European Jewry—as a people and as a culture of learning and piety. We also mourn man, who is capable of destroying others and all that gives life meaning.

All of us who cherish the sanctity and dignity of human life and the grandeur of a people's culture, must recall the souls of those whose lives were so cruelly destroyed. We must commit ourselves to maintaining their culture, so that our lives may be enriched and their memory cherished.

It is my privilege to welcome all of you to this magnificent room in formal recognition of our national commitment to see a museum and a living memorial to all victims of the Holocaust established. The Act of Congress which created the Council and the Joint Resolution which enabled this ceremony to take place are steps which this Congress has unanimously taken, in furtherance of the commitment. We look forward to the Holocaust Museum and Memorial which will be among this nation's most vital contributions to the ennoblement of the human spirit.

The Holocaust challenges us to mourn each individual who was reduced to ashes—as individuals, not as the numbers which the Nazis tried to make them. The Holocaust declares the necessity everywhere and always to defend each human life and to uphold its sanctity.

We must learn from the past, not only to remember, as the Bible suggests, "to destroy the spirit of evil", but also to envision a time to come when, as the Prophet Isaiah says: "They shall not hurt nor destroy in all My Holy Mountain." Thank you.●

ADDRESS BY HON. PETER W. RODINO, JR.

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of California. Mr. Speaker, the distinguished chairman of the House Committee on the Judiciary recently addressed the West Virginia Bar Association at their annual meeting in Parkersburg, W. Va. He took the opportunity to talk to the assembled lawyers and jurists on the role of lawyers in our society and also addressed the present dangers to our established system of separation of powers created by the bills which would limit or deny the Federal courts jurisdiction on certain issues.

I commend it to all, lawyers and nonlawyers alike. The text follows:

ADDRESS BY HON. PETER W. RODINO, JR. TO WEST VIRGINIA BAR ASSOCIATION

Eight years ago our nation faced a constitutional crisis. It was during the bleakest days of Watergate . . . the time of the impeachment proceeding against President Nixon.

Not only was the fate of a President at stake but, much more important, our system of constitutional government and its survival—was at stake! For what was being tested was the durability of the fundamental principles on which our nation was founded . . . the principles that ours is a government of laws, not of men . . . that no man is above the law.

We survived that crisis . . . and in so doing we proved our unshakeable commitment to those principles . . . and, while the crisis was brought on in large measure by lawyers in the service of a lawyer-president—it was also in great measure averted and resolved responsibly and without partisanship by lawyers—for they were also lawyers who served as members of the House Judiciary Committee.

But those were sad times for us lawyers. Our reputation was at an all-time low. We were viewed with cynicism, distrust and disrespect. The noble history of our profession . . . and the great principles of justice we had advocated over the centuries . . . were forgotten.

Forgotten, too, was that historic event when lawyers had seized the occasion of a petty squabble between a tyrannical king and a collection of greedy barons to establish the great principle of the Magna Carta: that the king, like his subjects, is under God and the law.

It was forgotten that lawyers—such as Jefferson, Adams, Madison, Patrick Henry—had articulated—and then fought for—the fundamental precept of the American Revolution . . . the then-radical notion that sovereignty resides in the people.

It was forgotten that lawyers had devised new procedures and created new institutions to achieve ethical imperatives ever since governments began.

Today, the legal profession has recovered to some extent from the dismal image, and the taint and stigma of Watergate. It recovered because the vast, majority of lawyers continue to demonstrate their willingness and ability to shoulder the social, ethical, and legal responsibilities the vast majority of lawyers have always borne—the aberration of Watergate aside.

It has recovered by doing those things that lawyers by education and experience are best equipped to do: acting as ardent advocates of the principle that the law is supreme—that it serves as the foundation for governments—respecting and upholding the law and seeking earnestly to provide equal access to justice for all citizens . . . especially for the poor and the powerless who need our system of justice more than any others to protect them from institutions that would take advantage of them economically, socially, and politically.

Lawyers have not only served as the eloquent and ardent advocates of the importance of the principle of law—but they have served this nation with distinction as the principal architects of the law and as guardians of the political process at all levels of government. Sadly, our efforts and talents have not been universally appreciated . . . long before Watergate . . . Plato would have banished us from his Republic. A Shakespearian solution for some ills of the time would have been to kill us all off. Edmund Burke, in describing the reasons for troubles with the colonies, said: "In no country perhaps in the world is the law so general a study . . . this study renders men acute, inquisitive, dexterous, prompt in attack, ready in defense, full of resources . . . they augur misgovernment at a distance, and snuff the approach of tyranny in every tainted breeze."

No matter these criticisms, lawyers since Hammurabi have served as the conscience of mankind, giving expression in rules—and bearing witness by our conduct—to the highest ethical aspirations of civilization.

But if we are to continue to faithfully fulfill the obligations of our professions then we must seek to protect the integrity of our Constitutional system. We must do this to preserve the principle of separation of power—to keep our system intact. We must ever be alert for the tainted breeze . . . and now is a time for us to sniff the air and to speak out.

Yes, we survived a Constitutional crisis eight years ago . . . but now, I fear, another crisis approaches, one which in the words of David Brink, President of the American Bar Association, "Could be the most serious constitutional crisis since our great civil war."

I speak, of course, of the current series of attacks in Congress on the Constitution . . . the legislative attack that would limit the jurisdiction of the Federal courts . . . and to put it bluntly, strip the Federal courts of the power to enforce the law.

There are presently more than 30 bills in the current Congress which would deny the Federal courts jurisdiction over the issues of abortion, school prayer, and school desegregation.

This attack on our court system is cause for serious concern to many—liberals and conservatives alike. Four former attorneys general have denounced it, although the present one has not. Three former solicitors general have done likewise.

Robert Bork, a former solicitor general, with conservative credentials, appointed by President Reagan to the Appellate Court Bench, has labeled these bills in Congressional testimony as "unwise and probably unconstitutional."

Senator Barry Goldwater, the vintage conservative who has fallen into disfavor with the so-called new right because of his crusty defense of Constitutional principles, has assailed these bills as assaults on the doctrine of separation of powers and on the independence of the courts.

What I consider the most telling rejection of all of this attack on the courts is the recent unanimous declaration by the Chief Justices of the Supreme Courts of all the 50 states strongly denouncing these bills.

Those in Congress who support this reckless court-stripping ploy seem to think that the state courts, under this legislation, would feel free to disregard the Supreme Court rulings on these issues.

The states' Chief Justices found this apparent assumption insulting. Their unanimous resolution scornfully rejected the notion that they would not carry out their sworn duty to defend the Constitution. They branded the court-stripping idea "a hazardous experiment with the nation's judicial system."

Some persons argue that the exceptions clause of Article III of the Constitution gives Congress this power to regulate the jurisdiction of the courts. But most scholars, including many who oppose abortion, busing and the ban on school prayer, contend—as one once put it—that the Founding Fathers did not intend "to authorize exceptions which engulf the rule" that establishes court jurisdication. They argue further that Congressional power under the exceptions clause is also limited by other Constitutional provisions, such as the due process and equal protection guarantees.

I agree with them. I do not believe that Congress has the power under Article III to strip the Supreme Court of its essential role of reviewing the constitutionality of state laws and state acts. In addition—and it is no denigration of the state courts to say this—these bills, which would rely on the individ-

ual state courts to determine finally constitutional law, could create a hodge-podge of decisions—in violation of the equal protection principles of the Constitution.

But, if these proposals were to be enacted into law and then pass Constitutional muster—which I cannot conceive—the precedent it would establish would be disastrous. No longer would there be a single interpretation of the meaning of the Constitution. And, if Congress could ultimately control the issues the Federal courts could address, Constitutional rights would seem ultimately to depend on which factions control the Congress.

Today's critics are extremely dissatisfied with the court's rulings on abortion, busing, and prayer. If they can erase unpopular rulings by court-stripping, where might tomorrow's critics attack? What Constitutional rights might then evaporate? Individual freedoms could be voided by a majority of Congress. Would not our sacred Bill of Rights be vulnerable to such attacks? Freedom of speech? Freedom of press? Freedom of religion? And what protection would there be for those who hold a minority view. Anything other than the view of the majority at a given time could be suppressed by Congress.

The Constitution is a flexible document. But it must not become one that can be made subject to the passions or emotions of the times or bent by the will of a mere legislative majority. While there may be some of us who may disagree with the courts' position on some constitutional issues, simple majorities in Congress—with the approval of a President—have no right to abolish or lessen the Constitutional rights of our citizens as determined by the courts. A legislative majority has no right to subvert the Constitution and tear apart the fabric of our system. The Constitution wisely provides for a Constitutional amendment process deliberately made difficult by the Founding Fathers. If one wants the Constitution changed, that is the proper process to employ.

Our system of justice is a global marvel. The availability of the courts to assist the least among us is an attribute of our society that makes our nation special. The courts are the institution to which our people can turn when they are without resources to open other doors. Indeed, Tocqueville pronounced American courts as "the most powerful barriers that have been devised against the tyranny of political assemblies." We must not destroy those barriers.

Added impetus for this hostility toward the Judiciary, for this assault on our legal system, comes from the dissatisfaction of some, including the Administration, with what they perceive to be unwarranted judicial activism in matters they would leave to the legislatures. The Attorney General, although taking no position on this legislation despite my requests on behalf of the Judiciary Committee, for his views, has called for "judicial self-restraint." He has insisted that Judges should not substitute their policy judgments for those of elected officials.

In our past, however, complaint courts have approved and endorsed laws and concepts which denied basic rights. By doing so, they helped create circumstances that took extensive efforts by many segments of society, including the Judiciary, to correct.

Many question whether the courts have the competence and resources to run mental hospitals, prisons, schools, or welfare departments—to be the problem-solvers for all society. Well, to be sure judges have no desire to run prison systems and school systems and all the rest. They don't want to be wardens or superintendents. Nor are they "social engineers" imported from some alien community. They are homegrown folks who had thrust upon them because of their judicial roles controversial cases involving Constitutional principles that required vindication. In these cases, the courts have moved to fill voids created by default or failure by the executive or the legislature to respond to the demand for the protection of individual rights. The courts cannot decline jurisdiction where the law—by accident or by design—is unclear, and where questions of serious denials of Constitutional rights are at issue. Yes, it is true that the Judiciary has at times been compelled to assume legislative and executive obligations because the political branches—through intent, ineptness, or insensitivity—have avoided the risks these obligations impose.

Of course, we must not look to the courts to solve all our disputes. Courts need not be the only forum where justice is administered but courts have had an awesome role thrust upon them, and they must continue to be the forum to which aggrieved citizens can look for resolution of disputes and for interpretation and clarification of the principles of the law. Our courts must continue to be the guarantors of basic Constitutional rights, if our system of shared power is to endure.

What good is a right without a remedy to guarantee that right? If we take away the courts' power to interpret the Constitution and order compliance with that interpretation, we will soon be left at the mercy of transitory legislative majorities. There would be no rights without the consent of Congress. That is indeed a prescription for destruction of our Constitutional system of government.

Learned Hand once said that justice is "the tolerable accommodation of conflicting interests in our society." We cannot reach that tolerable accommodation by letting mere legislative majorities attempt to undermine the courts and nullify the Constitution as the supreme law of the land.

The present stategy being pursued in the Congress by these court limitation proposals is inherently dangerous. I ask your support as lawyers—as vigorous and articulate defenders of our legal system and as guardians of our Constitution—I ask you to speak out against this strategy—through resolutions by your bar associations, through the media, through your Senators and Representatives. I ask you, as lawyers, to explain, to speak out against this move that could threaten our nation's stability by provoking a conflict between the courts and the Congress . . . I ask that you help convince our fellow citizens once again that the real security of this nation lies in the integrity of its institutions and the informed confidence of its people.

Our Constitutional system of government has withstood the test of two centuries. We have found in crises that, if we adhere to the law, if we adhere to the principles of our Constitution, if we follow our Constitutional mandate, our system works. The system has withstood the test of time. Let us not tamper with it.

John Stuart Mill counseled that "Everyone who receives the protection of society owes a return for the benefit." I believe this . . . and I believe that the legal profession, whose primary role has been that of guarantor and protector of the basic rights in our society, should be the zealous first line of defense against assaults on those rights.

In pursuance of that role let us leave the Constitution as unimpaired as it was left to us.●

24-HOUR ORCHESTRA PLAY-A-THON

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. WOLF. Mr. Speaker, I would like to commend the joint efforts of South Lakes and Herndon High Schools for making it possible for their orchestras to travel to Endicott, N.Y., as part of an exchange concert program. This tour was made possible by a 24-hour orchestra play-a-thon which began at 6 p.m., Friday, March 26 through 6 p.m., Saturday, March 27. The combined orchestra trip to Endicott took place on April 29, and I wanted to congratulate all those involved in this effort for the success of this goodwill trip. We are all proud of your talent and the determined efforts that made this tour a reality. All those associated with the play-a-thon deserve great credit for reaching this goal. This is an example of community spirit and involvement at its best.●

NORTH SHORE HOSPITAL AIDS THE DEAF

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LeBOUTILLIER. Mr. Speaker, I am pleased to represent a congressional district that is uniquely rich in both facilities and enlightenment for and toward the treatment of the handicapped.

The Sixth Congressional District of New York boasts the world-famous Helen Keller National Center, as well as the Human Resources Center. Some of the finest educational programs for the handicapped thrive in this area.

North Shore University Hospital is a pioneering medical facility that has also expanded community health facilities and teaching programs as well as their new edition of a special telephone for the deaf.

North Shore has installed an instrument, known as a TTY (for teletypewriter) which gives the deaf in the community a way to communicate with the hospital 24 hours a day. Needless to say, this is a vital and innovative program.

The March edition of North Shore University Hospital's Newsletter contains an excellent and informative de-

scription of their new TTY program, and I wish to share this story with my colleagues:

SPECIAL PHONE: HELPING THE DEAF COMMUNICATE

Deaf individuals and those whose speech is so impaired that they cannot use the regular telephone system now have a new way of communicating with hospital personnel 24 hours a day. North Shore has just installed a special instrument, known as a TTY (for teletypewriter). It enables those with communication disorders to call for help in emergencies, to arrange appointments or request information. Calls can be made to and from the hospital via printed messages rather than by voice.

"Having the TTY or a similar device, called a TDD, removes a barrier to communicating, especially when help is needed quickly," said Barbara Steinberg, Chief of Audiology. "The deaf have the same needs as people who can hear and now they can have equal access to medical and health care. The deaf and speech impaired are entering a new era of independence," she added, and "we are proud to serve them."

A deaf person who owns, or has access to a TTY or TDD, can call the hospital's special telephone number—516-627-3449—and the unit in the Telephone Room is answered and activated by an operator to receive and send messages. This number will be printed in the International Telephone Directory for the Deaf and other specialized publications that serve deaf and speech impaired persons. A portable second device will be available later this year for use by inpatients.

To place a TTY call, a person picks up the receiver and puts it into the rubber cups of the acoustic coupler at the top of the machine and dials the number. When the phone is answered a two-way "typed conversation" is transmitted through the phone by tonal beeps. The message can be seen simultaneously by both parties on an electronic display and printed on paper for further reference.

Last September North Shore and the Mill Neck Manor Lutheran School for the Deaf signed an agreement for the hospital to provide health services to the school's 185 students. "Installing the TTY device was a logical extension of this outreach activity," commented Maureen Dwyer, Administration, who helped to arrange the affiliation and placement of the TTYs.

"All deaf and speech-disordered individuals with access to a TTY or TDD can use the hospital's number for assistance. Now, they too can experience the same satisfaction of instant communication and information-gathering as the hearing population".

It is ironic that Alexander Graham Bell, who described himself as "a teacher of the deaf", invented the telephone to help his deaf wife communicate. Until the advent of microelectronics that enabled the development of today's TTYs, telephones were only ironic, sad reminders to the deaf of their invisible handicap, their inability to communicate with hearing people. Mr. Bell is most likely smiling now.●

IS THERE NO PROTECTION FOR THE CONSUMER?

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GORE. Mr. Speaker, the following incident, albeit anecdotal, is clear indication that budget cuts enacted last year have cut into the muscle of government agencies charged with protecting the public interest. The lesson here is that budget cuts are affecting our citizens in ways that can be tragic for the individuals involved.

IS THERE NO PROTECTION FOR THE CONSUMER?

To the EDITOR:

Monday night, April 28, due to wet weather our basement had a moldy smell. My daughter had bought one of the small novelty lamps which supposedly had come with an incense type oil to use in it to act as a deodorizer.

My daughter went to sleep and the lamp burned all night emitting almost invisible particles of carbon—much like carbon black—and when I awoke the next morning I felt like I wasn't going to wake up. When I finally got out of bed I started coughing.

I don't know if these type of lamps can kill you or not but people should be warned if they do cause what happened to me. I called the state department of air pollution and told them my problem. They referred me to the state department of consumer affairs. Guess what? They gave me to a WATTS line number and I got the Consumer Product Safety Commission in Washington, D.C. Guess what? The lady told me that the Reagan Administration had cut their budget and they had to move and they were so disorganized that she could not take my report over the phone.

Is the government not going to protect the public from such a possible death causing device as what I have just experienced with a novelty lamp?

WILLIAM R. GIBBS.●

WISCONSIN GREEN THUMB

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ROTH. Mr. Speaker, the Green Thumb and senior aides programs, threatened with elimination in the coming fiscal year, is absolutely essential to the people of my congressional district, and indeed, to the people of the entire Nation. Recently, Green Thumb participants throughout the State of Wisconsin were polled to determine the economic effects of cutting this program. I think my colleagues should look closely at the results of this survey and then determine that the senior aides and Green Thumb programs will stay put in 1983.

Consider these facts:

WISCONSIN GREEN THUMB

(By John Kmosena)

During the last 2 months a series of 12 workshops for workers were held within the state. A survey was conducted at each of these sessions as to the economic status and need of workers; 615 workers were surveyed; 92 workers or 15% of the group have no income except their Green Thumb earnings; 448 workers or 73% of the group felt that their retirement income was not sufficient to carry them if they lost their Green Thumb employment; 12 workers or 2% of the group are presently receiving S.S.I. (Supplemental Social Security). The average annual income of a worker before Green Thumb employment is $3,137.00 for a family of one and $4,800.000 for a family of two.

Following are facts to consider if funding for the program is terminated in the state of Wisconsin:

718 older workers would be out of a job with the loss of $2,342,000.00 in wages.

A loss of $151,837.00 annually paid into Social Security by workers.

A loss of $33,855.00 in federal withholding paid by workers.

A loss of $7,323.00 in state withholding paid by workers.

A loss of 174 workers in schools and libraries.

A loss of 19 workers in health departments and other health facilities.

A loss of 67 workers in senior citizens centers.

A loss of 120 workers in nutrition centers.

A loss of 71 workers in parks and forestry departments.

A loss of 164 workers in public works and transportation projects.

A loss of 119 jobs in the field of housing, home rehabilitation, environment, social services and employment assistance.

None of these workers displace any employee in any of the jobs they do—but rather provide services which probably would otherwise not be offered in the community—something to think about.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective.

And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services like CETA, title XX, child care food, and medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

You wonder what Head Start is all about. It's parents that care. People that want to learn. People that unite and help each other. Kids that need help and want to learn. Teachers that teach and care. Staff and secretaries that spend endless hours to make the program work. Put this all together and this makes Head Start. I'm a parent that is very happy to have been a part of Head Start.

HEAD START PARENT.

NEW HAVEN, CONN.●

SHE WAS GLAD SHE HAD HER GUN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MOORHEAD. Mr. Speaker, particularily now when the American people have experienced a tremendous increase in the amount of violent crime and the gun control debate has again surfaced with renewed controversy, the following article will prove of great interest to my colleagues.

This article, written by Elinor Dufy, appeared recently in the Los Angeles Times and describes her frightening encounter with an armed burglar in her Los Angeles apartment.

Awakened by her dog barking, she went to investigate the cause of the late night disturbance. Ms. Dufy was able to surprise the burglar and hold him at gun point until police arrived.

Ms. Dufy's experience suggests there are often sides of the handgun issue which are overlooked in the heat of debate. The article follows:

[From the Los Angeles Times, May 29, 1981]

THE DOG BARKED, AND SUDDENLY SHE WAS GLAD SHE HAD HER GUN

(By Elinor Dufy)

My gnawing guilt about owning a handgun faded as quickly as the determination on the face of the burglar as soon as he noticed the blue-steel Smith and Wesson .38-caliber revolver in my hand.

The young man, armed with an ice pick, had forced his way into my apartment and was waiting for me—even though he had heard me come down the stairs and had had time to get out.

When he saw the gun, the burglar became a sweet young boy pleading for forgiveness. After all, he was only a youngster, he only wanted a couple of dollars, he had never been in trouble before, wouldn't I please let him go—and, oh, please, please, don't call the police.

I wondered how courteous he would have been if I had come downstairs empty-handed, with just my tiny poodle at my heels.

As he stood in front of me, pulling nervously at his white gardening gloves, I thought of how the night had begun.

I had been at a Filmex reception hoping to meet a producer or director who might be interested in reading my script. But there were only animators and cartoonists there, and I found myself fading fast, so I drove quickly home for some much-needed sleep.

Less than two hours later my dog woke me with his loud barking. I was so angry that I scolded him harshly and was ready to spank him. He cuddles up next to me in a tight little ball as if asking for protection. He kept on barking, not toward the window, but into the apartment. I became fully alert when I saw that my cat was on the balcony, also looking warily into the apartment.

I knew that I would have to investigate if I was to get any sleep at all.

I turned on my bedroom light, all the time talking reassuringly to my dog. "What's wrong? What do you hear?" He jumped with pleasure when I got up and started down the stairs.

Suddenly I stopped. Why, I still do not know. I turned back and got the gun that I was embarrassed even to admit owning. As if hiding it from myself, I hid it behind the folds of my white flannel gown.

Midway down the stairs I stopped. The television and everything else in the living room were in order, the front door was securely locked, all the cabinets in the kitchen were still closed, the downstairs bathroom seemed empty. I could not see the sliding glass door at the rear of the apartment.

"Go get it. What are you after?" I asked the little creature. He looked at me, wagged his tail and sat down. He was not going to move. I walked him through the downstairs to prove that nothing was wrong.

There he was, in the bathroom, a shadowy 6-foot figure with the shiny weapon in his hand. Fortunately, I was barefoot; he had not heard me approach. He was startled and that gave me enough time to step back and raise the revolver.

"It's cocked. All I have to do is pull the trigger. Don't move."

His larcenous or lethal plans seemed to disappear in one deflating gasp. He was not going to take any chances with his life. I would not have to shoot him.

"Please let me go. All I want is a couple of dollars.

The kitchen light was on.

"Please don't call the police."

The telephone was in my left hand.

"Please let me go."

Go where, I thought. To the next apartment. One with no dog to wake anyone. One where guns were not present.

The phone rang twice before the business-like voice came on. "Lennox sheriff's office." A torrent of words burst from my mouth.

"Ma'am, we can't understand you." I took a deep, steadying breath and said slowly, "There is a burglar in my apartment. He is five feet away from me. I have a gun on him." Then there was a jumble of activity from their end of the line.

A woman with a low soothing voice got on the line. "Where is the suspect?—Make him lie on the floor.—Whatever you do, don't hang up.—A car is on its way.—The officers are looking for your apartment.—How can they get in?"

All this time the young burglar was using the technique taught in so many rape-prevention classes, mine included. He was trying to engage me in pleasant, distracting conversation about me, about my apartment, about my dog, about where he lived. And wouldn't I put down the gun, at least quit pointing it at him?

My hand was shaking so badly that I was sure he was afraid it would go off accidentally. But that gun was making the difference between a standoff and what? (Betty, a woman in my rape-prevention class, had been raped while her assailant held an ice pick in her ear. Myrna had found someone in her apartment and had been knocked unconscious and robbed. Sandy had cowered in her locked bathroom hoping someone would come home before the intruder found her. And another woman had leaped from her second-floor window onto the asphalt below to escape her surprise visitor.)

I rested the telephone between my ear and shoulder and used my left hand to steady the gun.

As he talked I visualized a red glow around him. (Perhaps I was preparing myself in case I had to shoot.) That thought collided with the memory of signing a petition to ban handguns, of planning to sell my gun. I had never been able to understand why I had purchased the damned thing. I had even been embarrassed when I became a near-perfect marksman at the practice range. I was so against killing that I had almost ended a long relationship when my friend crushed a spider against his office wall.

I quickly pushed away all these thoughts and focused my attention on every move my uninvited guest might make or even think of making.

A light appeared through the front window. "We've found the place."

Two streaks of blue came over the back fence and into my apartment. My vision suddenly collapsed to a narrow tunnel. I saw the handcuffs go on the "suspect." I saw my hand holding the gun toward the earth outside the back door, I saw another hand gently show me how to uncock the gun.

I heard voices praising me for how well I had handled the situation. (What choice did I have?) I heard the young man objecting. He was only trying to show the officer where he was hiding his knife. (That too?) And I heard the officers complimenting me on my choice of gun.

There followed icy silence and icier thoughts. What would this fledgling gun-control advocate have done without the gun? What if I had bent to my landlord's wishes and gotten rid of my dog?

It was not until the sky turned a pale gray-blue that I was able to sleep again. When I woke I decided to go back to the gun range and practice.●

THE ROAD TO DEMOCRACY IN NICARAGUA

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. FRANK. Mr. Speaker, since the revolution in Nicaragua 2 years ago, our hopes for the establishment of a truly democratic Government have been eroding. The promises for fair and equitable reforms have given way to a regime in which freedom of the press is not guaranteed and violations of human rights are all too frequent.

Allen Weinstein, the able historian and professor at Georgetown University and executive editor of The Washington Quarterly, recently returned from Nicaragua where he sampled an impressive cross section of Nicaraguan political opinion. He concludes in an article which appeared in the New York Times that while the Sandinist record has been disappointing, a com-

bination of economic and political pressure could encourage free elections there.

Democratic pluralism in Nicaragua should be the mainstay of U.S. foreign policy toward that country. Allen Weinstein has written an insightful piece that deserves the attention of my colleagues. With a thoughtful and coordinated foreign policy, it may not be too late to guide Nicaragua away from dictatorship.

The article follows:

SANDINIST PLURALISM?

(By Allen Weinstein)

WASHINGTON—The Sandinists who led the overthrow of Anastasia Somoza Debayle took power promising free elections and a rapid transition to pluralist democracy. Since taking control of Nicaragua, however, they have ignored these promises in favor of consolidating power by increasingly arbitrary means. The distinction between the Sandinists' promise and performance, however, appears to have escaped the Socialist International, which recently praised the regime for its "commitment" to pluralism and democracy. Such praise is ill-deserved. Yet there remains a fragile hope for democracy if the Sandinists can be induced to honor their commitment to free elections.

In March, I accompanied a delegation of United States journalists who visited Nicaragua and met with a cross-section of pro-Sandinist figures, opposition leaders, and independent print and radio journalists. We concluded that, in most respects, the Sandinists had violated their often reiterated promises to guarantee political pluralism and development of democratic institutions.

They rule by decree under a state of emergency backed by military force. The one independent newspaper, La Prensa, has been forced to close eight times in the last two years because of Government harassment, and all private radio stations have been shut. Opponents of the Government have been harassed, jailed, and assaulted by Sandinist-sponsored mobs. Cuban-style neighborhood committees monitor political dissent, families included.

But a democratic opposition remains. I met with a variety of the regime's chief adversaries: La Prensa editors, independent radio broadcasters, moderate revolutionaries excluded from the junta, human rights activists, business spokesmen, and church officials. Most had participated in the "national liberation" struggle. All consider themselves democratic revolutionaries and legitimate claimants to a share of influence in the Government. None wishes to return to a rightist dictatorship, and they have publicly condemned all efforts to destabilize the Sandinist regime militarily from outside the country. Virtually every opponent of the Sandinists to whom I spoke urged that the United States terminate covert support—if it exists—for anti-Sandinist bands dominated by Somoza National Guard holdovers that conduct border raids.

Instead, they favor clarification of United States policy toward Nicaragua, proposing that, as in El Salvador, its nexus become an effort to bolster the prospects for a nonmilitary, political solution acceptable to most Nicaraguans. To assist in achieving such a solution, democratic opposition leaders favor, among other things, a substantial increase in overt financial help and support from Washington and Latin-American democracies to church groups, non-Sandinist political forces, private-sector economic organizations, and the embattled remnants of the independent press.

Those now waging the difficult struggle against Sandinist one-party rule argue that democracy—periled—has not already been lost. More pointedly, it has been either forgotten or written off by democrats in Western countries—the Socialist International, for example, which should be its champions. Friends of a genuinely pluralistic, democratic Nicaragua should use every available channel of publicity and diplomacy, while there is still time, to demand internationally supervised free elections, this year if possible but in any case not delayed until 1985 under the Sandinist plan. By then, assuming that the Government's assault on dissent and democratic opposition continues and accelerates, the results will prove depressingly predictable.

Why should the Sandinists risk possible rejection this year in the electoral process? Some opposition figures offered these threads of an argument: Groups like the Socialist International and Latin-American leaders like President José López Portillo of Mexico retain some influence over the regime's policies. This could be exerted, under threat of withdrawing economic help and moral support, in favor of early free elections. The Sandinists remain dependent upon private-sector management of the economy, and fear a sudden exodus of businessmen and professionals committed to the democratic electoral process. Finally, the United States could link resumption of major financial assistance to Nicaragua to verifiable political commitments from the junta.

Could all of these carrots and sticks combined reverse the drift toward dictatorship? Possibly not at this late stage. But whatever the chances, the demand for free elections would be a litmus test of the Sandinists' professed commitment to democratic pluralism and, as such, would honor the United States' obligation to Nicaragua's beleaguered democrats.●

THE DEDICATION OF THE JESSE H. HARMON SHEPHERD HILL APARTMENTS

HON. GREGORY W. CARMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. CARMAN. Mr. Speaker, on Saturday, May 1, the town of Oyster Bay, Long Island, conducted the formal dedication of the Jesse H. Harmon Shepherd Hill Apartments. These dedication ceremonies bestowed a well-deserved honor on one of Long Island's most outstanding and selfless public servants.

For the past 15 years, Jesse Harmon has been the driving force and spiritual motivation for one of the most significant efforts to develop low-income apartment housing for senior citizens on Long Island. Jesse Harmon has worked tirelessly to insure that senior citizens on fixed income would have available to them the kind of housing that would provide adequate, safe, and comfortable surroundings in which to enjoy the fullness of life.

Jesse Harmon has served as a commissioner and now is the chairman of the Town of Oyster Bay Housing Authority. In these capacities on the housing authority, Mr. Harmon has gained a well-deserved reputation for his insight, thoughtfulness, fortitude, and, most especially, caring.

Today, because of his remarkable efforts and devotion to the people of Long Island, the town of Oyster Bay has over 700 modern housing units situated on nine sites spread throughout the town area. These units will stand as a permanent monument to a man of great energy, talent, and imagination.

I am proud, Mr. Speaker, to bring the name of Mr. Jesse H. Harmon before the U.S. Congress. And I am truly gratified that his fellow citizens on Long Island have chosen to honor him through the dedication of this newest $6 million apartment complex in his name.●

ARMENIAN HOLOCAUST

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MICHEL. Mr. Speaker, a few days ago I received an extraordinary letter from Ambassador Sukru Elekdag, Turkish Ambassador to the United States. I use the word "extraordinary" because in all my time in Congress, over a quarter of a century, I have never received a letter from the Ambassador of a foreign nation implying that remarks I had made on the floor of the House might indirectly be responsible for terrorist actions.

But no other interpretation of the Ambassador's letter is possible. After writing of the tragic murder of the Turkish Counsel General in Los Angeles by terrorists, Ambassador Elekdag states:

> Mr. Michell (sic), I do hope that you will assess the probable implications of your statement on the terrorists' murderous actions and on the expansion of terrorist acts in the United States.

If the Ambassador is suggesting or implying that my remarks in the CONGRESSIONAL RECORD on April 28, 1981, condemning the Turkish massacre of the Armenians in 1915, enflamed or inspired the terrorist murderers of the Turkish Counsel General, I can only say that I am astounded.

I am truly sorry that this unacceptable allegation had to come from someone representing Turkey, a NATO ally, a nation with whom we have strong ties of mutual interest and friendship.

So that I may put the Turkish Ambassador's mind at rest, let me state

that the murder of the Turkish Counsel General was a despicable, cowardly act of terrorism and that those responsible for it deserve the full penalty of the law. But to suggest that Americans of Armenian ancestry and other Americans who also condemn the genocide carried out against the Armenians in 1915 condone or in any way have contributed to this horrible act is beyond reason.

Just to make certain the Turkish Ambassador understands that I still hold to my views on the Armenian slaughter by the Turks I am going to insert into the RECORD at this point the remarks I made on April 28, 1982:

Mr. MICHEL. Mr. Speaker, one of the most chilling and coldblooded sentences ever uttered in this century was said by Adolf Hitler as he prepared his campaign of genocide against European Jewry. Asked if world opinion would not be against him, he replied, "Who still talks nowadays about the extermination of the Armenians?"

Hitler was unfortunately correct in his assessment of Western civilization's inability—or unwillingness—to remember the first genocide of this century. April 24 marks the 66th anniversary of the planned and systematic massacre of Armenians of the Ottoman Turkish Empire.

This is how the Encyclopedia Britannica describes that terrible moment in world history:

"The greatest single disaster in the history of the Armenians came with the outbreak of World War I. In 1915 the Young Turk government regarding the Turkish Armenians, despite pledges of loyalty, as a dangerous foreign element with friends among the enemies who had launched the Dardanelles campaign and with cousins in the Russian army on their eastern front, resolved to deport the whole Armenian population of about 1,750,000 to Syria and Mesopotamia.

The chances of survival in these ill-prepared desert regions were slight: it was a death sentence, a "final solution" that Adolf Hitler was to emulate consciously in Germany."

This summary does not, of course, even hint at the documented atrocities committed against innocent human beings during this extermination. "Starving Armenians" became a phrase that was on everyone's lips for a few years. But, as Hitler later pointed out, people forget. The attempt to eliminate the entire Armenian population of Turkey was forgotten. Hitler was betting on the same kind of historic amnesia, brought about by ignorance and laziness, when he went about his own campaign of calculated slaughter of innocent civilians against the Jews and the Poles and others.

Today the ideological fanaticism that led to the slaughter of the Armenians and the Jews still exists in the world. Ask the Cambodians; and the boat people; ask the survivors of the Soviet gulag.

We owe it not only to the memory of the Armenians but to our children and to their children to make certain we never forget that such things have happened, and that such things can happen again unless we are vigilant.

TURKISH EMBASSY,
Washington, D.C., April 20, 1982.

Hon. ROBERT MICHEL,
U.S. House of Representatives
Washington, D.C.

DEAR MR. MICHEL, in view of the statement you made at the Congress last year in April regarding the Armenian allegations, I thought I should write to you since you may be requested to make a similar statement this year.

Since your statement last year, certain preoccupying and tragic developments have taken place in the United States. In fact, an extensive campaign of defamation, violence and terror has been initiated by Armenian extremists against all things Turkish, Turkish-Americans and friends of Turkey.

I am not going to enumerate here all the harassments and threats that the Turkish community, Turkish diplomats and Turkish diplomatic missions have been subjected to. But, I would like to bring to your attention the dastardly assassination of Kemal Arikan, Turkish Consul General at Los Angeles last January. He was the third Turkish diplomat to have been murdered in Los Angeles. In 1973, Turkish Consul General Baydar and Deputy Consul General Demir were shot to death by an Armenian. During the ensuing period, seventeen Turkish diplomats or members of their immediate families were murdered in different parts of the world by Armenian terrorist organizations. In other words, the chain of killing and shedding of innocent blood that was initiated in the United States has, after claiming so many victims, come full circle. The latest assassination in Los Angeles is evidence that Armenian extremists have been emboldened and seem to have found fertile ground in the United States for their murderous activities. Only a few weeks ago, the office of the Turkish Honorary Consul in Boston was bombed.

Last week, in Ottawa, another Turkish diplomat because a victim of Armenian terrorists. ASALA, an avowedly Marxist-Leninist organization, claimed responsibility for this heinous attack. This organization also murdered Turkish diplomats in Europe, in collaboration with another Armenian terrorist organization, the Justice Commandos of the Armenian Genocide, which claimed responsibility for the Los Angeles assassination of Consul General Arikan.

I would like to bring to your attention what Undersecretary of Defense Fred C. Ikle, in Senate Committee testimony only a few weeks ago on March 11, 1982, had to say about ASALA and Armenian terrorism:

". . . one of the most dangerous and most neglected of all terrorist movements, the Armenian Secret Army for the Liberation of Armenia (ASALA), has formally announced that its strategy is to gain control of the eastern third of Turkey, to 'free' it, so called, from the Turkish Government, and to unite it with the Armenian Soviet Socialist Republic. This is an area of the world which is of course critically important for the eastern Mediterranean and the southern region of NATO. It is also critical for Egypt and Israel and the rest of the Middle East.

"It does not matter very much whether the Armenian Secret Army is directly commanded by Moscow. It is an efficient and brutal executor of the murder of innocent civilians. It has intimidated governments allied with Turkey and law-abiding Armenian communities as well. If it were to be successful in its aim it would lead directly to the expansion of the Soviet Union. Perhaps more than any other terrorist movement it illustrates the irrelevance of some of the issues that have preoccupied the debate in the West on terrorism. Whether the Armenian terrorist movement is acting on its own, or under Moscow's direction, if it succeeds, it will come down to the same thing."

All this is clear evidence that some Armenian terrorist groups running after illusory goals, and some manipulated by Marxist-Leninist organizations, yet both espousing the same ominous goals, are using the United States as a springboard to serve hostile interests. In the same testimony, Undersecretary Ikle stated:

". . . even if terrorists 'armies' are not directed from Moscow, their acts may lead to the expansion of Soviet influence and control, and indeed in some cases they aim precisely at destabilizing a government, allied or otherwise associated with the United States, at detaching it from the open Western World and forcing it into the closed Soviet orbit."

Consequently, it would be a big mistake to dissociate Turkish Consul General's murder in Los Angeles or Turkish Commercial Counsellor's shooting in Ottowa from the acts of terrorism to which General Dozier and Charles Ray, the American Military Attache in Paris, were subjected. These and other recent terrorist acts are related and part of a larger phenomenon, and of an integral plan to weaken and subvert the societies of the Free World.

Armenian extremists and their supporters justify their criminal actions on the pretext of avenging misrepresented events which took place during World War I. What took place was a complex tragedy which claimed Turkish as well as Armenian lives. Indeed, it was a civil war within a global war stemming from an armed uprising of the Armenian minority at a time when the Ottoman state was fighting for survival during World War I. Many more Turks than Armenians perished. At the instigation of Tsarist Russia, radical Armenian insurgents sought by force of arms to establish an exclusively Armenian state in an area that was predominantly Turkish. The ensuing hostilities, together with famine and epidemics, claimed a heavy toll on both sides.

Armenian extremists conveniently forget the historical realities which render their allegations baseless. But what grievance, however zealously nurtured, can possibly justify the murder of innocent human beings today for events which occurred before their birth.

Mr. Michell, I do hope that you will assess the probable implications of your statement on the terrorists' murderous actions and on the expansion of terrorist acts in the United States. I also hope that you will take into consideration, as was pointed out by Dr. Ikle, the hideous schemes which are behind these terrorist organizations.

Sincerely,

SUKRU ELEKDAG,
Ambassador.●

A TRIBUTE TO MR. GLENN PENISTEN

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MINETA. Mr. Speaker, it gives me great pleasure to rise today in honor of a man who has become a symbol in my district of selfless giving to others. Mr. Glenn Penisten is chairman of board and chief executive officer of American Microsystems, Inc., and as such he has had a long history as one of Santa Clara County's leading industrialists. But today he is to be honored for more than just a successful career, for the National Conference of Christians and Jews in Santa Clara County has chosen him to receive its 1982 Community Service Award.

Glenn Penisten has been active in various public service groups in Santa Clara County, but he has been deeply involved with the United Way in the last few years. In 1979 he served an exceptionally vigorous and successful term as campaign chairman for the local United Way, and he has continued since then to serve as an advisor to the organization. Glenn Penisten has also served on the executive board of the Sanata Clara County Manufacturing Group, which is a nonprofit public interest body working with government agencies to solve many of the urban problems facing a rapidly growing metropolitan region. He has been an energetic participant in programs aimed at solving a variety of public service problems relating to local needs for housing, transportation and clean water.

Mr. Speaker, I ask you and all the Members of the House of Representatives to join me in expressing our tribute to Glenn Penisten, recipient of this year's Community Service Award from the Santa Clara County Region of the National Conference of Christians and Jews.●

LOW SODIUM DIET A SURPRISE

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GORE. Mr. Speaker, the article which follows was published in the April 20, 1982 edition of The Tennessean, and addresses a subject that is of vital public interest. Sodium content labeling is urgently needed by one-fourth to one-third of our population, individuals who suffer from hypertension, and would be of benefit to all Americans in pursuing a healthier diet. I commend this article to the attention of my colleagues.

LOW SODIUM DIET A SURPRISE

(By Deborah Diggons)

The young doctor told me I would have to go on a low-sodium diet and take a pill every day for the rest of my life.

It sounded like something that happened to other people.

"Surely, you're mistaken," I said, suspiciously. "That sounds like treatment for high blood pressure. You just said that I have inner ear trouble."

"That's right," he said. "Too much salt in your diet is causing a buildup of fluid in there, complicating the problem you have. The symptoms are like those people with hypertension experience—vertigo (dizziness), headaches, and noises in the ear, which in your case is affecting your hearing.

"Low-sodium diets are recommended for a variety of problems."

High blood pressure, which affects one-fourth of the American population; heart disease, the country's number one killer; kidney disease, and even swelling during pregnancy are some of the general categories of maladies for which physicians prescribe a reduced salt—sodium chloride—intake.

He gave me a list of foods to avoid, told me about the diet sections in the grocery stores which carry low-salt products, and sent me out into a world without pickles, potato chips, or pizza.

A trip to the grocery store on the way home with the bad news confirmed my most dreaded fear—how do you know how much salt or sodium is in anything? Can after can of peas, corn, tomatoes, and soup simply listed salt as an ingredient, but did not indicate how much salt.

Referring to the list of foods to avoid as I searched each row for something I could eat, I read "no commercially-baked goods, no instant gelatins or chocolate pudding, no cheeses . . ."

"No cheeses!" I said aloud. Is there life without cheese?

And how much salt could chocolate pudding have? It doesn's taste salty.

The list continued: "No canned fruits which have been peeled with lye, no quick cooking cereals, no carbonated drinks . . ."

Leaving the store with a bag of fresh, carrots and apples, I wondered how long I could exist.

My next stop was the book-store where I found a paperback book listing the sodium content of over 2,500 brand name products and basic foods.

Comparisons between brands showed striking differences. Turning to one of my all time favorites—blueberry muffins—I found that one Duncan Hines brand muffin contains 183 milligrams of the deadly sodium, while a Morton brand has only 65.

Even subtly different variations of the same food produced under the same label can be misleading. One tablespoon of Wish-Bone French Salad Dressing has 83 milligrams of sodium, but the calorie watcher using the same amount of Wish-Bone Low-Calorie French Dressing gets 161 milligrams. The Wish-Bone Garlic French has 310 milligrams. Goodbye french dressing.

The book explained that certain fruit juices are fortified with sodium ascorbate, otherwise known as one form of Vitamin C. Other surprises were the preservatives—sodium benzoate, sodium nitrite, to name a few of the more commonly used ones—and the monosodium glutamate in many prepared foods.

These additives are listed in the table of ingredients on most foods, so it would be easy enough to avoid them, but the salt was a different matter.

Salt, salt, everywhere, and not a thing to eat.

Another book on survival without salt recommended that foods which listed salt as one of the first three ingredients should be avoided, but even this can be dangerous for the person on a severely restricted diet.

The matter of sodium content labeling is currently under investigation by several branches of government. Rep. Albert Gore, Jr., who is the author of a bill pending in the legislature, has suggested mandatory labeling for prepared or canned foods containing more than 35 milligrams of sodium.

"The sodium content should be marked on all processed and canned foods governed by the Food, Drug, and Cosmetic Act," Gore said. "Some packagers are voluntarily labeling products for sodium content, but mandatory labeling may be the only way some will comply."

Gore indicated that pressure from the food industry is a factor in the slow change in regulation.

"The packagers cite cost as a major objection to the labeling requirement, but they frequently change the labels for other reasons," the senator said. "To include the sodium content would be minimal."

The "Sodium Bill," which is still before the Health and Environment Subcommittee of the House Energy and Commerce Committee, has 79 co-sponsors in the house, but is coming under fire from industry lobbyist and the likelihood of passage is questionable.

Currently, only the foods in the grocery's diet section, which includes low-cal, low-sugar, low-salt and other types of dietary products, indicate the sodium content, although some of the regular General Foods, General Mills, and Birds Eye products are now being labeled for sodium.

Health food stores have several low-salt products including mayonnaise, ketchup, mustard, salad dressings, nuts, crackers and potato chips.

Low-sodium white bread is found in the frozen food section of most stores. Campbell's soups come in the low-sodium variety, as Peter Pan Peanut Butter, and a few other recognized name brands.

They usually cost anywhere from one-third to over twice as much as their salt-laden counterparts, but they can be found or ordered in most supermarkets. The selection is severely limited.

That, however, is not the main problem. Finding something that tastes good is what is difficult. After using salt as a primary flavor enhancer for any length of time, most ex-salt addicts will try anything to spice up all the fresh vegetables and meats which constitute the major portion of their diets.

Lemon, garlic, tabasco sauce, and other spices still do not taste salty.

The salt substitutes are a noble attempt, but the side effects of too much potassium and fumaric acid which are found in most, are something to consider. Many people will dump twice as much of the substitute on dinner as they would ordinary salt.

Only the initiated know how painful the blisters on your lips and tongue can be after an overdose of potassium and fumaric acid.

Only other low-sodium converts know the agony of withdrawal. The first few days are novel. Then you become a raw nerve, staring pitifully at people eating bacon and eggs in

restaurants, dreaming of sauerkraut and pickles. You become so obsessed with what you can't eat the new gourmet vistas the shaker of the salt habit can find don't seem significant.

After a depressing "cold-turkey" experience trying to quit the salt habit all at once, (during which time my husband had difficulty understanding why he got so many affectionate kisses when he ate Dorito Corn Chips), I learned from one doctor that gradual withdrawal may ultimately be most effective.

His recommendations for a successful breakaway begin with simply rinsing canned vegetables before cooking and eliminating salt during cooking.

The next step is to take the salt off the table. If a salt substitute is used, it must be sparingly. Get in the habit of saying, "please pass the fumaric acid," and the novelty wears off.

Try using lemon on green beans and other green vegetables.

My suggestions begin with avoiding pizza commercials on television. Next, don't go to your mother-in-law's for Sunday dinner for the first few weeks you are on the diet.

Find friends who are also on the diet to exchange no-salt recipes with and just to eat dinner with—misery loves company.●

A TRIBUTE TO JACK GREGOR

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. WILLIAMS of Ohio. Mr. Speaker, I rise to pay tribute to Jack Gregor, Americanism officer for Benevolent and Protective Order of Elks Lodge No. 295 in Warren, Ohio.

Under Mr. Gregor's guidance, Lodge 295 has taken second place in Americanism among all the Elks lodges in the country for two out of the last 3 years. No other person deserves more credit for this achievement than Jack Gregor, even though the efforts of other Lodge 295 members have been considerable.

In addition to his community service through the Elks, Mr. Gregor has also received many commendations from other organizations for his support of their efforts and for his work in helping others.

He has been commended by the Ohio State Senate for his work with disabled veterans and has been accorded the Distinguished Service Award by the Disabled American Veterans Trumbull Chapter No. 11. Other commendations have been issued to Mr. Gregor from the Trumbull County (Ohio) Children Services Board, the Trumbull County Amvets, the Lions Club and the U.S. Air Force Recruiting Service.

Mr. Gregor's unselfish efforts on the part of his fellow citizens is truly remarkable. I commend him as an example of what being a good American is all about.●

MAYOR KOCH CALLS FOR NUCLEAR FREEZE

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. ROSENTHAL. Mr. Speaker, last week, our former colleague, New York Mayor Edward I. Koch, took the lead among big city mayors to call for an immediate freeze on further deployment of nuclear weapons and an absolute restriction on the manufacture of biological and chemical weapons. Mayor Koch's words were straightforward and concise: We need a complete, verifiable, and urgent end to the nuclear madness because we can no longer live with the fear of destruction. His approach is simple and compelling: Immediate United States-Soviet negotiations, a 1-year freeze on deployments, and verifiable, mutual cuts in nuclear arsenals.

Those of us in Congress would do well to heed Mayor Koch's call. He provides a workable way to assure our survival. More importantly, we know Mayor Koch as someone who will perceive and absorb the public concern. He is a pragmatist and a realist. His announcement must be seen as a signal that the people of this Nation demand action—real action—to reverse the arms race that is taking us to the edge of civilization.

I urge all my colleagues to read Mayor Koch's remarks.

Statement by Mayor Koch follows:

STATEMENT BY MAYOR EDWARD I. KOCH

Hundreds of thousands of concerned Americans will come to New York City on June 12 to demonstrate peacefully against the horrors of nuclear war. All New Yorkers share this dread of a nuclear holocaust, and welcome these people of conscience by proclaiming June a month of Reflection on Nuclear Sanity.

I call upon President Reagan and Chairman Brezhnev to engage in serious strategic weapons negotiations immediately. While the United States or the Soviet Union might have superiority in one or another element in the mix of nuclear forces, there still exists an overall nuclear balance that assures mutual destruction in case of an attack, and therefore deters a war conceived on the basis of a perceived unilateral advantage in nuclear weapons.

Substantial selective nuclear arms cuts by the superpowers to lower levels of equality can reverse the current dangerous arms race, while still insuring mutual security at reduced levels of threat and instability. I share with Admiral Hyman Rickover and Ambassador George Kennan the belief that we currently have adequate nuclear weapons to balance Soviet strategic forces. Therefore, as evidence of good faith in these negotiations, both sides should freeze further deployment of strategic nuclear weapons deployments for one year, while more permanent solutions are sought.

It is morally repugnant to me to see precious economic and human resources wasted on an unbridled nuclear arms race. I also believe that one cause of the economic and spiritual crisis that grips both East and West lies in the long shadow of despair cast by the possibility of accidental, gradually escalated or planned extinction of the human race. I further call on the Soviets to cease immediately their use of chemical warfare in Asia. To continue these inhumane acts will only revive arms competition in another area that is anti-civilization. And I call on the United Nations to include in the battle for nuclear disarmament another call—a call for an absolute, 100 percent verifiable restriction on the manufacture, storage and use of biological and chemical weapons.

Beyond the problem of a superpower arms race is the equally dangerous threat of nuclear arms proliferation. Russians and Americans have a strong interest in preventing nuclear armaments from spreading to many nations, and I call for the prompt reopening of discussions on curbing nuclear proliferation. Despite my opposition to the policies of the Soviet Union, I am convinced that it will serve the interests of the whole world for a meeting to be scheduled as soon as possible between Chairman Brezhnev and President Reagan. We need not love each other to know that we either survive together or die together.

My record of distrust and distaste for the Soviet regime—invaders of Afghanistan, oppressors of Poland, Czechoslovakia, Hungary and the Baltic states, and gross violators of the human rights of Soviet Jews, Christians and intellectuals—is clear. I further believe that the ideological and political competition between the superpowers will continue. Nevertheless, in the vital area of nuclear horror weapons there is a mutual fear for survival, as well as economic and spiritual need, which make significant agreements possible and urgent.

We must not base agreements with Marxist-Leninists on trust or friendship. Agreements must be highly specific, rooted in mutual interests and independently verifiable by both sides. Such national technical means currently exist in space satellites and off-border monitoring stations. They must be supplemented, if necessary, by on-site technical verification. Current nuclear weapons and measuring technologies allow both sides to monitor arms agreements, but a major technical breakthrough and new deployments could make independent verification less reliable and doom the possibilities for nuclear arms control. Therefore, immediate negotiations, a one-year freeze on deployments, and substantial cuts in both sides' nuclear arsenals to lower levels of parity that can be independently verified are critical.

It is with these serious considerations and feelings that New Yorkers welcome people of conscience for their peaceful demonstrations against nuclear war and I officially proclaim June a month of Reflection on Nuclear Sanity.●

THE HORROR IN VIETNAM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MICHEL. Mr. Speaker, the horror in Vietnam continues. Those in the United States who did all they could to undermine the non-Commu-

nist governments of South Vietnam and whose sermons on the immorality of the American commitment in Vietnam received such widespread publicity are silent about what have helped to bring about. What is happening in Vietnam today is as bad as what happened in many of the death camps of Nazi Germany. But those who could speak for hours on the alleged abuses of previous governments in Vietnam are content to watch torture, both physical and psychological, visited upon innocent human beings. The hypocrisy of these people is astounding—but it is not surprising.

At this point I wish to insert in the RECORD, "Vietnam's Postwar Hell" by Ginetta Sagan, from Newsweek, May 3, 1982.

[From Newsweek, May 3, 1982]

VIETNAM'S POSTWAR HELL

(By Ginetta Sagan)

April 30, 1982, marks the seventh anniversary of the end of American involvement in that prolonged, nightmarish event, the war in Vietnam. Few events in the twentieth century have so shaken and divided the American people. As a dark shadow of the past, it lingers in the conscience of the Congress, the media and the public. As a "lesson," it colors our lives, our perception of ourselves, and it is affecting our decision-making process in international affairs.

Americans and Vietnamese are no longer dying amid the temples of Huế or in the jungle of the Mekong Delta. But tens of thousands of Vietnamese from all professions and religious persuasions are languishing in a vast nationwide network of prisons and "re-education" camps.

Human rights in Vietnam is not a new concern to me. During the years before 1975 I met with representatives of the National Liberation Front who told me of their great concern for human rights in South Vietnam. Where are these leaders today, and where are my colleagues in the peace movement who had so strongly protested political repression by the Thieu regime? While some have continued to speak out against violence and repression in Vietnam, many have remained silent. Others have even defended repression in Vietnam as a "humane alternative" to the blood bath that was predicted by the CIA.

TAKEOVER

But few in the peace movement believed that such a blood bath would occur with a communist takeover in South Vietnam, and many believed in the strong verbal commitment made by the NLF leaders to human rights in South Vietnam. From the time it was founded in 1960, the NLF presented itself as if its members were genuine civil libertarians arguing for the right of dissent, along with other democratic freedoms, for the South Vietnamese people.

In 1973 the Paris Peace Agreement was signed, establishing a framework for the eventual reunification of Vietnam, based on national reconciliation. Article 11 of this treaty ensured the South Vietnamese such rights as freedom of speech, press, movement and organization and freedom from reprisal for collaborating with one side or the other during the war. Article 11 was widely praised by leaders of the NLF and North Vietnam—until April 30, 1975.

Immediately upon taking control of the South at that time, the new regime proceeded to tear up Article 11 by banning all non-communist political parties and organizations, placing severe restrictions on religious groups, launching a campaign to destroy the "neocolonialist" culture of the South and throwing hundreds of thousands of Vietnamese into re-education camps. Political prisoners in Vietnam fall into two basic categories: (1) former government officials, leaders of political parties and army officers arrested in June 1975 for having occupied positions of authority under the previous regime, and (2) writers, religious leaders, intellectuals and other dissidents who have been arrested in subsequent years. Both categories of imprisonment directly violate Article 11.

No one knows how many political prisoners there are in Vietnam today, but estimates suggest there are more than 100,000. Most of them are detained in re-education camps, which are so labeled because the inmates are subjected to mandatory "confessions," political indoctrination and forced labor. The length of their detention depends on the degree to which they reform.

During the last three years friends and I have interviewed several hundred former prisoners, read newspaper articles on the camps as well as various reports of Amnesty International, and have studied official statements from the Vietnamese Government and its press on the re-education camps. The picture that emerges is one of severe hardship, where prisoners are kept on a starvation diet, overworked and harshly punished for minor infractions of camp rules. We know of cases where prisoners have been beaten to death, confined to dark cells or in ditches dug around the perimeters of the camps and executed for attempted escape. A common form of punishment is confinement to the CONNEX boxes—air-freight containers that were left behind by the United States in 1975. The boxes vary in size; some are made of wood and others of metal. In a CONNEX box 4 feet high and 4 feet wide, for example, several prisoners would be confined with their feet shackled, and allowed only one bowl of rice and water a day. "It reminded me of the pictures I saw of Nazi camp inmates after World War II," said a physician we interviewed who witnessed the release of four prisoners who had been confined to a CONNEX box for one month. None of them survived. Prisoners condemned to such punishment have often committed suicide.

RIGHTS

Today there is no talk in Vietnam about human rights—only about the "dictatorship of the proletariat" and the need to suppress dissidents. Today Vietnamese authorities make a false distinction between political and civil rights on the one hand and economic and social rights on the other—as if a government which denies its people the right of dissent is therefore more likely to give them more food or a better education.

Some well-meaning "friends" have told me that it is moral arrogance to criticize the Hanoi government in view of the suffering caused to the Vietnamese people by American military intervention. I disagree. When we are faced with the knowledge that innocent human beings are being destroyed in order to radically change a society, it would be immoral to remain silent.

For me, personally, to remain silent would mean betraying all of my co-workers in the Resistance movement of World War II who perished in the torture rooms of the SS and the Gestapo or in the death camp of Mauthausen. It was their sacrifice which, together with deaths of millions of Jews, Christians of all denominations and various minority groups, made possible the unaminmous adoption of the United Nations Universal Declaration of Human Rights on Dec. 10, 1948.

People all over the world who campaigned for peace and human rights in Vietnam should look at Vietnam again—and consider that their task is not yet over.

(Sagan is a longtime volunteer worker in the field of human rights.)●

STATEMENT OF HON. BALTASAR CORRADA OF PUERTO RICO

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. CORRADA. Mr. Speaker, since last week we were celebrating the National Volunteers Week, I would like to make a brief note to recognize and honor the outstanding work and contribution that millions of largely invisible groups are doing to this Nation.

Volunteers have become a major labor force in the United States, they are men and women who are out there everyday helping their neighbors and ours without salary nor payment and often without recognition of any kind.

Volunteer work is absolutely essential to our society, they save our taxpayers an enormous amount of money by performing services which the Government would otherwise have to provide. They represent the spirit of private initiative and self-reliance on specially important trends in a society which today is recognizing the limits of government.

Very quietly and with little recognition an estimated 40 million unselfish individuals in this country contribute around $11 billion to this Nation measured in time and services. But its vital influence extends to virtually every aspect of our society—health, education, social services, culture, religion, the arts and other.

But, the volunteers' contribution cannot be measured and should not be measured in time and money alone, we must also measure it in terms of the value system it represents; a sense of caring and a heartfelt motivation to make the world just a little bit better.

I would like also to encourage all my colleagues to support and cosponsor H.R. 4309 and 768, the volunteer mileage bill, introduced by Congresswoman BARBARA A. MIKULSKI. The passage of this bill is a matter of justice to this group of heroes of our society whom as Government and profitmaking organizations has been affected by inflation.

In these days in which the American people are suffering one of the largest cutbacks in Government programs and that thousands of Government pro-

grams providing essential services to million of Americans have been eliminated, the passage of these two bills is of vital importance to assure the continuity and perservation of the millions of volunteers and charitable organizations who feel this void and it would demonstrate to the American people that the Federal Government officials recognizes the importance of voluntarism as an essential positive component of our society.

THE LOSS OF WILLIAM V. McMILLAN

HON. JOHN L. NAPIER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. NAPIER. Mr. Speaker, South Carolina recently lost one of its outstanding citizens with the passing of William V. McMillan, Sr.

I had known Billy McMillan since becoming involved in politics. He was one of the special people held in highest esteem by all factions of political, economic and social life. Billy McMillan came from a distinguished family of the Pee Dee area of South Carolina and added great distinction to that family. He was an agricultural leader. He was a leader in the church. He was a friend and counselor to those in his community.

I was particularly pleased that Billy McMillan was able to serve on my Agricultural Advisory Committee, and he brought to this committee a wealth of knowledge as a result of the many experiences he had had as a participant in farm credit and agricultural activities. South Carolina and the Nation are both a greater and better place because Billy McMillan lived and served among us.

Mr. Speaker, I ask that the obituary notice which appeared in the State newspaper, an editorial from the Mullins Enterprise, a letter to the editor from his good friend, Lacy Edwards, Jr., and finally, the eulogy prepared by his pastor, Rev. George Ganey, be inserted in the RECORD as a fitting memorial to a man who lived his life as a good man and a Christian man, committed to his neighbors and to his community. We shall all miss him.

BILLY McMILLAN, TOBACCO FARMER DIES THURSDAY

William Vandyke McMillan, Sr., 60, died Thursday in the Mullins hospital after an illness of several months.

Born in Mullins, he was the son of the late George Reaves McMillan and Sallie Reams McMillan. He was a life elder and trustee of the Mullins Presbyterian Church.

Mr. McMillan was a gradutate of the University of South Carolina with a bachelor's degree in civil engineering. He served as captain of the 1943 football team and was elected by his teammates for the "Most Valuable Player Award". He also won the Jacobs Blocking trophy for the state of South Carolina. A Navy veteran of World War II, he served as executive officer of a ship that saw duty in the Atlantic and Pacific.

Mr. McMillan was currently serving as chairman of the Mullins School District No. 2 board of trustees. He was also a member and past chairman of the Marion-Mullins Vocational Education board, and was a past chairman of the Mullins Hospital Board of Trustees.

Mr. McMillan was the senior partner and general manager of McMillan Brothers Farms of Mullins. He was active in many farm organizations and was currently serving as chairman of the board of directors of Carolina Production Credit Association of Marion and Dillon. He was member and former chairman of the board of the Farm Credit Banks of Columbia and the Federal Land Bank of Mullins. He was a member of the Clemson Unversity Fertilizer and Tobacco Advisory Committee and formerly served on the Governor's Agricultural Study and Advisory Committee.

Funeral services were held Saturday morning from the sanctuary of the Mullins Presbyterian Church, conducted by his pastor, the Rev. George F. Ganey, Jr. Burial followed in McMillan Cemetary, directed by Meares Funeral Home.

Serving as active pallbearers were Lyde Huggins, Carl Huggins, Arch McMillan, Jr., John P. McMillan, Johnny McMillan and David Stucky.

Surviving are his widow, Mrs. Martha Gibson McMillan; four sons, Van McMillan, Jr., Sam McMillan, Gilbert McMillan and George McMillan, all of Mullins and three grandsons. He is also survived by six brothers, Russell, Douglas, Rene and Paul McMillan, all of Mullins, Joseph J. McMillan of North Myrtle Beach and the Reverend Neil M. McMillan of Charlotte, N.C.

[An editorial from the Mullins Enterprise]

BILLY McMILLAN

The measure and worth of a man's life are not tallied in the number of years he has lived. This is eminently true of Billy Mac McMillan, whose untimely death in the prime of life takes from the scene one who lived life to its fullest, leaving contributions that will influence for many years.

In the realm of agriculture, he was an outstanding leader; in the realm of education he served unstintingly; in the realm of community life, he was an example to be emulated; in the realm of spiritual activity, he was influential leader in his church; in family devotion he was unexcelled. His attributes of character will long be remembered by those who worked with him, shared those days when the great shadow of disease hovered over him, and hold fast to the memories of a true "Southern Gentleman".

LETTER TO THE EDITOR

Dear Editor: Enclosed you will find a tribute to a man that I was extremely proud to have known. I have never attempted to put my feelings into words before. If you see fit to use them, fine! If you do not, then you know the high respect that I held him in!

Sincerely,

LACY EDWARDS, Jr.

A TRIBUTE TO A MAN

God, with all his infinite wisdom, designed and created a world for man to live on and enjoy. A true world of plenty. A most important part of this world is God's laws and rules for living. Many men, in their stupidity, have attempted to make mockery of these laws and rules, thinking that real happiness and enjoyment can only be obtained by breaking them. Misery and unhappiness always becomes their constant companion. Some men are wise enough to live in harmony with these laws and rules; thereby creating a world of personal happiness for themselves and all whose lives they touch. I was fortunate to have known such a man. One who emulated all the qualities of manhood, physical, mental, moral, and spiritual. I shared some of his moments of happiness. I shared some of his moments of sadness. In neither, did I ever fail to see his faith and belief not shine. Those moments are gone, his presence will be missed, in his office, in the tobacco fields with the people he loved, on the warehouse floors, in the organizations that meant so much to him, in his church, and in his home. And in my heart, I love you "Billy Mac."

A FRIEND.

THE WORSHIP OF GOD IN HONOR OF WILLIAM VANDYKE McMILLAN, SR.

"Paul, an apostle of Jesus Christ by the will of God, and Timothy our brother, unto the church of God which is at Corinth, with all the saints which are in all Achaia: Grace be to you and peace from the Lord Jesus Christ. Blessed be God even the Father of our Lord Jesus Christ, the Father of mercies, and the God of all comfort; Who comforteth us in all our tribulation, that we may be able to comfort them which are in any trouble, by the comfort wherewith we ourselves are comforted of God."—II Corinthians 1:1-4

Today we are gathered to worship God and to honor Billy McMillan. I suppose that if a Christian had a choice of departing this life it would be at the Easter Season, the Season of Victory in the Resurrection.

When we realize that God loved His people so much that He gave His only Son to die, then to overcome the grave through the Resurrection, we may say with the Apostle Paul, "For I reckon that the sufferings of this present time are not worthy to be compared with the glory which shall be revealed in us . . ." The risen Lord Jesus Christ is our hope, our comfort, and our assurance. Billy McMillan loved the Lord and His church and he believed in a Resurrected Saviour!

What can be said about a man whose eulogy is already carved in each of our hearts and minds? He was tirelessly involved in business, education, civic affairs, and the church. Because of this dedicated involvement, he was held in highest esteem by his friends and associates. He believed in hard work and in each person carrying his own load. His untiring strength exerted in behalf of his fellow man and his loving devotion heaped upon his family are examples for us all to emulate. His competitive spirit and his desire for success as an athlete never waned in his struggle to attain his goals, in life. He never evaded a challenge but met it headon. Defeat was not a word in his vocabulary. His stature of character and strong will never hindered his gentle affection for those about him. Seldom does a man pass our way whose death will be felt so keenly as a personal loss for so many.

Today is a difficult day for us all. Our hearts are heavy; questions fill our minds; we grope for words in what seems to be an impossible situation. Truly, if we were left in our human dilemma alone, it is impossible and rather hopeless! But today, I would like to hold before you two great truths

from God's Word—"hope and comfort," a real "living hope" in a living Saviour and the "comfort of God" for all of life and especially for a time such as this.

First, this "living hope" provides assurance. The Apostle Paul felt something of our dilemma in I Corinthians 15:19, "If in this life only we have hope in Christ, we are of all men most miserable." If our acceptance of the Lord Jesus Christ and even our hope in Him is for this life only, we are indeed most miserable. But "hope" in the Christian life finds its reality in Easter, in the Resurrection of the Lord Jesus Christ from the dead. Peter states it for us in I Peter 1:3, "Blessed be the God and Father of our Lord Jesus Christ, which according to his abundant mercy hath begotten us again unto a lively hope by the resurrection of Jesus Christ from the dead." Without this reality and assurance it is indeed a sad state of affairs that chance and luck have dealt us. But the Lord Jesus transformed death into life. Our temporary absence is resolved in an eternal existence for all of God's people. It is this "living hope" in the Living Christ today that gives meaning and reality to the Christian life and Victory over death. "Because He Lives" we too shall live. This then, is our hope, our assurance, and our sure word from God.

Then there is "God's comfort." Our passage in II Corinthians 1:1-4 declares this to us. There is more to life than we see on the human level. There is the spiritual level. We do not walk away from this church or the grave defeated even by death. As a Christian, Billy Mac is not so defeated, nor shall we be.

As God's people in the strength and comfort of the Lord, life must go on. Billy Mac believed in this Lord of comfort and he would commend Him to you today. He was not a perfect man and he would not want me to suggest that he was: however, he was a Christian, believing in the Lord Jesus Christ, struggling to grow more in His likeness. He would want you, his friends and family, to do the same through deeper commitment to God, even in this most difficult experience.

Our challenge, therefore, is not to look back at what might have been, but to look forward to what will yet be, by the grace of God, and to meet the challenge. Our question is not "if" God will comfort us but if we will be comforted by God and His Word.

Billy McMillan knows that comfort and the reality of the Christian's hope. Thus, he would say to us with the Apostle Paul, "What shall we then say to these things? If God be for us, who can be against us?" Amen.●

SAVING LIVES—AND DETROIT

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. SCHUMER. Mr. Speaker, the following New York Times editorial discusses an important role that the Congress can play in saving thousands of American lives and in making a significant contribution to the auto industry. Protecting the safety of all citizens and enhancing the future of the car industry is a responsibility that Congress cannot ignore.

SAVING LIVES—AND DETROIT

(By Peter Possell)

"It's too easy a solution to say, 'Make cars safer.' Believe me, if we could do it, we would."—Roger Maugh, Ford Motor Company safety chief.

Who can work up an honest rage over the auto industry these days? Detroit is in the middle of a depression and it's just not the American way to hit someone when he's down. But a reluctance to criticize may not be in the industry's best interests. As cars are downsized, the highway death count will probably rise dramatically. And if Big Auto's lack of interest in safety continues, it may prove to be as lethal to industry profits as it is to motorists.

Detroit lives by axioms. One of them is Safety Doesn't Sell. Ford tried it once, flogging the virtues of padded dashes in its ads and waiting for customers to flood in. It didn't work. People seemed to prefer Chevys and Dodges, with bathing beauties on the hoods and fins on the tails.

Cars got safer anyway because Congress insisted. The Motor Vehicle Safety Act of 1966 required seat belts, better brakes and door catches and other gadgets designed to protect soft flesh from hard metal. But the auto makers have managed repeatedly to fend off the most important safety improvement, insisting that automatic airbag restraints weren't worth the cost. And Government interest in safety has since declined.

The Reagan Administration and a lot of conservatives in Congress believe that safety is a personal matter. Government should educate: the National Highway Safety Administration plans to spend $7 million explaining the virtues of seat belts. If urban cowboys still want to ride bareback, though, it's their business.

As conservative rhetoric the argument gets good marks; as conservative philosophy it rates a D minus. People may have a right to risk their own lives, but they have no right to take similar risks with their children's lives. Besides, those who kill or maim themselves typically rely on society to clean up the mess. Roughly half the medical and welfare costs of auto accidents are borne by others in the form of Government assistance or higher insurance premiums.

The bigger irony, though, is not that a conservative Government is denying the rigorous conservative position. It's that American auto makers, reeling from their failure to anticipate the demand for small cars, now seem to be ignoring the potential impact of the small-car revolution on the marketability of safety.

Today's small car is inherently more dangerous than yesterday's living room on wheels. Tomorrow's mini-cars will be more so. These tiny 1,200-cc runabouts are already the hottest selling vehicles in Japan, and industry analysts expect similar success when they are introduced into the American market, probably in 1984.

The Japanese have given no hint about how they might deal with the safety problem, but they are clearly sensitive to the issue in the wake of crash tests showing Japanese cars to be more dangerous than their American and European competition. They may well decide to include airbags as standard equipment.

Is Detroit in for another costly shock from Tokyo? Nobody knows. What is clear, though, is that airbags could save thousands of lives each year, and that the best protection against another Japanese marketing coup would be a Government rule forcing all auto makers to equip their minis with airbags. By accepting the airbag, the life Big Auto saves may be its own.●

PEACE FOR ISRAEL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. MAZZOLI. Mr. Speaker, for the past few weeks the world's attention has been riveted on the South Atlantic, where two nations seem engaged in full-scale war. This situation is serious and deserving of all our efforts—and prayers. But, it should not divert our attention from the Middle East, where an historic milestone on the road to peace was passed on April 25.

It was on April 25 that Israel formally turned over to Egypt the last occupied part of the Sinai Peninsula pursuant to the Camp David accords. All should applaud brave Israel for seeing this difficult—and heart wrenching—task through in the name of peace. And, it is peace the Israeli people desire and richly deserve.

There are, indeed, many sad reminders of the Holocaust. But, there are positive reminders as well. One is the existence of the State of Israel.

This strong and proud and free democratic nation was created by those who survived the Holocaust and who pledged never to permit another such blot on humanity to recur.

The road to a lasting peace in the Middle East is a long and difficult one. But the last few weeks' events show that with determination and patience peace can—and will—be achieved.●

REAGAN ADMINISTRATION'S CUTBACKS IN STUDENT AID

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. FORD of Michigan. Mr. Speaker, today's Washington Post reports that Secretary of Education Terrel Bell yesterday stated that students are being misled about the impact of the Reagan administration's cutbacks in student aid. Unfortunately, it is Secretary Bell who is being misled, or being forced to mislead.

I have known Secretary Bell for quite some time, and I am disappointed that he is being asked to support positions that cannot be supported by facts. I lament the fact that his professionalism is being compromised in an effort to advocate half-truths and factual distortions.

The fact of the matter is that the President's fiscal 1983 budget, and his

student aid proposals, clearly reflect the Reagan administration's intent to end Federal responsibility in higher education.

In his statement yesterday, Secretary Bell seemed to turn his back on and forget the President's 1983 student aid proposals. Maybe that is because he realizes that every Member of Congress concerned about Federal student aid programs has already rejected those proposals. But, it is those proposals that have students concerned. Those are the proposals they are worried about. let me give you some examples of what those proposals would do.

In Pell grants, a program which currently serves needy students from families with incomes of approximately $25,000 and below, the administration has proposed to eliminate approximately 1 million students from eligibility, while at the same time reducing the maximum award for the neediest. Secretary Bell does not mention that fact, while also conveniently forgetting that last year the administration eliminated social security educational benefits, an elimination of over $2 billion a year that must be made up somehow. But with cuts in all other student aid programs, I am at a loss to understand how it will be made up.

Secretary Bell fails to mention that the administration has proposed eliminating the supplemental educational opportunity grant programs, the national direct student loan program, and Federal payments to the State student incentive grant program. If these programs were eliminated, more than 1 million fewer awards would be made.

And the administration would cut $130 million from the college-work study program, thus providing 250,000 fewer work-study jobs. How this administration could cut a program which reflects the foundation of the conservative work ethic philosophy is beyond me.

Thus, the facts are these: Pell grants—a cut of $879 million—1 million fewer awards; SEOG—all funding eliminated—500,000 fewer awards; SSIG—all funding eliminated—300,000 fewer awards; NDSL—all funding eliminated—215,000 fewer awards; and CWS—a cut of $130 million—250,000 fewer awards.

If cuts of this magnitude are not emasculating the student aid programs, I would like Secretary Bell to tell me what he means by emasculation.

As for the guaranteed student loan program, the regulations announced yesterday by Secretary Bell reflect changes made in the program last year by the Congress, not the administration. In fact, the Congress rejected the administration's proposal last year because it was so severe that it probably would have completely stopped the guaranteed student loan program.

And their proposals this year are just as bad. Secretary Bell should not be surprised that reporters failed to note that 600,000 to 700,000 graduate students eliminated from GSL eligibility would be shifted into a new program for a good reason. For all intents and purposes, this new 14-percent loan program does not exist for graduate students. Hardly any States have implemented it. In fact, every analysis we have received in Congress indicates that it will not be operating this fall.

The reality of the administration's GSL proposals is that approximately 1 million students will no longer be eligible for loans.

I would like to point out to the Secretary and the President that they cannot have it both ways. Just a few months ago they were proudly announcing all the cutbacks they were proposing in student aid programs. Now they are upset that these cutbacks are being felt by students. If you cut programs, people lose. Telling students that is not misleading. But it is misleading to tell the American people that you can cut programs and not hurt people. The administration has cut student aid programs. And now they have to live with the reality of those cuts.●

MARTIAL LAW IN POLAND IS REVOLTING TO MANY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday in the streets of Warsaw thousands of Polish citizens marched in visible defiance of the authorities to protest the continuation of martial law. Many observers placed great significance in the demonstration because it has helped to remove the perception which the Polish Government has been trying to advance—that martial law has been accepted by the people of Poland.

Nothing could be farther from the truth. The intensity of feelings demonstrated by the protesters combined with the reaction of the police and Government leaves one with the distinct impression that martial law is as indefensible today as it was on December 13 when it was ruthlessly imposed over the lives of the people of Poland.

Apparently the Soviet Union—the masterminds behind martial law in Poland—does not learn from history. In all areas where they have directly or indirectly sought to impose their rule it has been met with strong and sustained resistance. All one has to do is think of Hungary or Czechoslovakia and most recently Afghanistan to illustrate this point. The only difference with Poland is that the puppet government led by General Jaruzelski is the one learning the hard lesson.

Where communism is imposed—it will be opposed. Communism as a political philosophy is deficient and morally bankrupt.

Poland's demonstrations were called by opponents of the Government to commemorate May 3 the anniversary of the Polish Constitution. Yet in reality—the demonstrations were called to show to the world that the Solidarity movement has not been silenced due to martial law. The Solidarity reform movement led by the now-interned Lech Walesa had embarked upon an ambitious initiative to bring about unheard of reforms and freedoms in the various trade unions which operate in Poland. The degree of success they enjoyed in Poland began to stir others in Eastern Europe much to the chagrin of the Soviet Union. Hence it came as little surprise when the Polish Government imposed martial law and suspended the activities of Solidarity. Yet the spirit of Solidarity is as strong today as it was before martial law—only reemphasizing the point that coercion does not produce consensus.

The United States should view with great concern the developments in Poland of the past several days. We must be vigilant in our support of the legitimate goals of Solidarity and steadfast in our opposition to any greater degree of Soviet involvement. Finally, we should never underestimate the freedom-loving spirit of the Polish people who through their ongoing resistance to martial law show the world that while they may have to live under Communist rule—they will never submit to its doctrine in their hearts.●

A NATIONAL "PIE-IN-THE-SKY" ACADEMY?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. PAUL. Mr. Speaker, the proponents of a "National Peace Academy" believe they have discovered the ultimate panacea, but I am afraid it is no better than an expensive placebo, and it may even be worse. Let us take a look at the claims made by Milton Mapes, director of the National Peace Academy Campaign:

> There is now a science—tested and proved in actual practice—that can help make war obsolete . . . this science can be taught, learned, and applied—anywhere in the world.
>
> So—what are we waiting for?

What indeed? This is the crudest, crassest sort of hucksterism I have ever come across. Sheer flummery. I, for one, would not buy a used car from Mr. Mapes.

But there is more:

Imagine a world at peace. No more war, no more revolutions, no more terrorism, no more sending our sons and grandsons off to slaughter one another. Imagine a world in which the threat of nuclear annihilation no longer exists. Imagine what a world this could be!

An impossible dream? Not any longer. . . . We have within our grasp an alternative method of resolving human conflict. . . ."

I wonder if there's a "money-back guarantee"? And, do we get a set of free steak knives?

Mr. Mapes is soliciting private contributions for his lobbying efforts on behalf of the proposed academy. I have nothing against that. Indeed, the academy itself should be funded, if at all, by private, rather than public, funds, (caveat emptor). After all, private mediators who do their jobs well are paid handsomely.

However, many of my colleagues here in the House have now cosponsored H.R. 5088, which would do two extremely irresponsible things:

First, it would appropriate millions of tax dollars for a purpose which lies wholly outside the constitutional mandate of Congress.

Second, it would provide official sanction, and thereby, authority, to a dubious approach to some very serious and longstanding human problems. I urge all of my colleagues to give this matter a second thought.

The late John Ashbrook was a paragon of sound judgment and good sense. He served on the commission which studied the Peace Academy proposal extensively. His "Dissenting Views," from the commission report are absolutely essential reading. I highly commend his cogent analysis, which is printed below.

Let me just say this: If there is a bona fide academic discipline of "conflict resolution," let it compete freely with the traditional studies of diplomacy, history, politics, et cetera. For the Federal Government to elevate one specific approach to the study of conflict to official status would be to trample academic freedom underfoot. Let us not be taken in by the claim that this new discipline is "scientific," that is just one more aspect of the hucksterism.

A vote against H.R. 5088 is a vote in favor of academic freedom. The study of peace and conflict resolution should be left in private hands where it will prosper if fruitful, or succumb to other studies if it yields no definitive results.

John Ashbrook's comments follow:

[From: To Establish the U.S. Academy of Peace: Report of the Commission, 1981]

DISSENTING VIEWS OF COMMISSIONER JOHN ASHBROOK

Peace is like health in the limited sense that everyone is for it. If "peace learning" (to use the Commission majority's phrase) were like health learning, the case for a new Federal agency analogous to the National Institutes of Health would be persuasive. But it is not.

There is no consensus among scholars, even among those who support the concept of a Federal Peace Academy, on whether peace research is now or ever will be a coherent and rigorous academic discipline. Professor Kenneth Boulding wrote in 1978 that the field is still in the first phase of a new discipline: it has a bibliography, and you can give an examination in it. In the second phase, according to Professor Boulding, "the intellectual ferment has produced a moderately homogenous brew which can be summarized in a textbook. The conflict and peace studies discipline . . . has not yet reached this stage, but I would expect it to do so in the next ten years."

The Commission majority makes no such prediction, but it argues:

". . . that peace studies is a distinct and definable field of learning for three reasons: it has a literature, courses of study, and professional organizations; it has well-defined assumptions and definitions, and a variety of research methodologies; and it has a strong applied component in the practice of conflict intervention."

By those standards, "health" has been a distinct field of learning for most of the last millenium, including the centuries when the average encounter between the average doctor and the average patient was as likely to shorten the latter's life as to lengthen it. So are astrology, Lysenkoism, and Keynesian economics.

But an academic field which wants to have an official government agency of its very own should be held to higher standards. It should demonstrate the kind of conceptual solidity and compelling explanatory power which irresistibly command the attention and transform the thinking habits of scholars in related or competing fields. It should prove beyond reasonable doubt that it is more than a passing fad.

Peace learning has not yet done this. It may never do so. But some 80 colleges and universities currently have departments of peace studies or conflict resolution; we do not need a new Federal agency to give peace studies a chance.

The Commission's staff has mentioned its concern that an official Peace Academy might be "too close to the government to ask the hard questions such an institution should ask." The Commission majority apparently believes that it is possible to solve this problem, but I do not. By its very nature it is impossible to solve.

Peace is inseparable from justice, and justice is inseparable from morality. Sometimes it is impossible to secure justice without conflict, and that means that some conflicts are desirable. The best outcome for some conflicts is not compromise or arbitration, but a clearcut victory for the side that deserves to win.

Unless a Peace Academy confines itself to trivia, it will have to make judgments about which conflicts are desirable, which not. Such judgments are inescapably value-laden; as the Commission majority observes, "questions of ethics and values are central, not peripheral, to peace inquiries." But the formulation of values is not a proper activity for a government agency. Government-formulated values are almost always warped values: bent by the pressures of special interests and ideologues.

What would those pressures be? As a practical matter, the danger of an official Peace Academy's being unduly influenced by the selfish interests of, say, the Joint Chiefs of Staff is rather small. Given the ideological predilections of most "peace studies" professionals, it is more likely that the Academy would become a sounding board for the antinationalist, accommodationist views which are increasingly unpopular among American taxpayers. (The Commission proposal increases this danger by allowing the Academy to receive and spend funds from private organizations.) But the dilemma is unavoidable: if a government Peace Academy exists, it will either force citizens to subsidize the promotion of beliefs they disagree with, or allow research decisions to be swayed by popular pressures. The only way out of this dilemma is to leave the frontiers of controversial research in the private sector, which is where they belong in a free society.

Judging by the Commission's hearing record, most proponents of an official Peace Academy seem to believe that the United States should have a government agency which views the world, not from the perspective of American values and interests, but with the sort of pseudo-cosmopolitan outlook that prevails at places like the United Nations. Embedded in this outlook are a number of tacit premises:

"Ideologies, except for so-called 'colonialism,' are mostly benign or unimportant. In any case, ideology can be defused by neutral expertise.

"The chief barrier to worldwide progress is Western arrogance and selfishness.

" 'Nationalism' is a bad thing, except in the Third World.

"Power politics is inherently immoral, at least when used by the West.

"It is more important to 'resolve' conflicts than to win them, except for selected conflicts in places like southern Africa.

"There is no irreconcilable conflict of values between the United States and the Soviet Union."

So much for some of their major premises.

The type of thinking which is based on these premises has been with us for a long time. It was stated as ably as it can be by Zbigniew Brzezinski, who wrote in 1970 that "Today the old framework of international politics . . . with their spheres of influences, military alliances between nation-states, the fiction of sovereignty, doctrinal conflicts arising from 19th-century crisis is clearly no longer compatible with reality." For the last four years, this view was the dominant one in our foreign policy. The results are plain for all to see.

In March 1980, the staff of this Commission produced a "Design Paper" which allows further insight into the pro-Peace Academy philosophy. On page 6 of this document, the writers state that "when conflict resolution or conflict management is taken to mean pacification, delay, placation . . . of the status quo, justice is not served and often more violence is apt to occur." With all due respect to my fellow Commissioners and to our staff, I must say that this statement is pure malarkey. It reflects a naive view of historical change, which is all too common among modern liberals confronted by revolutionaries who believe in dialectical materialism.

In the real world, the status quo is often the least violent, least unjust choice available—as it was in Indochina, Ethiopia, and Iran. There is often a lot to be said for "delay," especially when the changes being delayed are nasty, and difficult to reverse.

On page 7 of this document there appears another passage worth pausing to consider. The writers opine that:

"Inflation, unemployment, and the limits of resources, combined with poverty, racial discrimination, the problems of social services delivery, equal educational opportunity, consumer and environmental protection, and prison conditions are among the conditions which have resulted in an increase in the number of conflicts to almost unmanageable proportions. The degree to which society deals with such disputes in creative, just, and direct ways may affect future levels of social violence."

The fascinating thing about this passage is the way it manages to be both selective and expansive at the same time. Why do the writers not include on their list of "conditions" such items as high taxes, zero-growth economics, regulatory strangulation, street crime, pornography, race/sex quotas, and forced busing? Why do they include only those problems which are thought by some (usually the liberals) to require more Federal activism rather than less? The list's selectivity pinpoints one of the fundamental problems with any government research academy: it will not bite the hand that feeds it.

On the other hand, why do the writers lump together so many different kinds of disagreements which one human being might have with another? There is no particularly good reason to do so unless one believes that conflict is unnatural to the human condition and can be banished through some exotic new blend of therapeutic and managerial techniques. Since this belief is totally founded on hope rather than experience, each of us is free to accept or reject it. I reject it.

The most frequent argument I have heard in favor of an official Peace Academy is also the most exasperating. It goes like this: the government spends a lot of money on the military, but relatively little on peace. If we really care about peace, we should give it a bigger share of the Federal budget.

Aside from the fact that this argument implicitly denies that our military spending is at least intended to help keep the peace, it reflects a fundamental misunderstanding as to who "we" are. "We," the American people, are not identical to the national government. We pursue many important and diverse goals through means other than Federal programs; in some areas, like education, we have learned the hard way that Federal programs do more to strangle than to promote creativity and progress.

If dollars are the measure, consider that in 1978 Americans spent more than $337 billion in international trade and tourism: three times the size of that year's defense budget. Most of that sum represented "spending for peace," and it was spent a lot more efficiently than it would have been under any conceivable government program.

If Peace Academy proponents really believe that the Federal government should have a monopoly on peace—or should stop having a monopoly on war—they should say so. If not, they should drop this whole line of argument. I am glad to see that the majority report does not use this argument; I wish it had explicitly repudiated it.

While I would be known as a hawk, not a dove in the modern concept of those terms, peace and pursuit of peaceful goals would be uppermost in my conscience. We all want peace. Americans have no apologies to make for our 200 year history when compared to any other nations in history. Most of us follow the thesis set out by John Adams who said something to the effect that he studied war so his sons could study politics and so his grandsons could study poetry and the classics.

The Commission majority has tried to anchor its proposal in the American heritage by citing numerous proposals, from the 1790's to the present, for an official "peace office" or "department of peace" in the Federal bureaucracy. (The 1783 quotation from George Washington is grotesquely distorted: Washington was actually recommending a peacetime militia, not a peace agency in the sense conveyed by the majority report.) All these proposals have had one striking element in common: they have always been rejected, no matter what faction or party was in power. Benjamin Banneker's 1792 essay actually lamented that neither the victorious Federalist not the anti-Federalist opposition seemed interested in the idea. Despite frequent repetition, the proposal has never been accepted by the mainstream of American political thinking.

A common thread seemed to go through the thinking of most of the individuals and groups who favor this Peace Academy. Indeed, one of the phenomena of this postwar era has been the fear that liberals seem to have about American power. I have no fear of American power because it is my sincere belief that it will continue to be exercised for good. History shows that power has always existed and someone has always had it—like it or not. There are no vacuums and with modern technology we will no longer have the safety margin of time and distance.

The only question we really have to ask ourselves is whether it is better for us to continue to possess the power to be the leader in the world to use it for principles which we clearly espouse or to relinquish that power to other forces who surely would not use it for the lofty goals and ideals which have been the American dream and the American reality. There is a guilt feeling among many Americans of the liberal persuasion who think we are too strong, too rich, too powerful. Some even argue, therefore, too dangerous to world peace. I cannot agree with them. The real dangers to world peace come from other quarters.

I cannot agree that Congress should embark on the Peace Academy route envisioned by my fellow commissioners. Years ago it became apparent to me that we should have some Freedom Academy, a place where Americanism can be taught and courses on communism made available to teachers, scholars, and other interested citizens. I would favor that before we embark on the course cited in this report. Even in a Freedom Academy, I would have difficulty in advocating the model set out by my fellow commissioners. I just can't trust Federal prime responsibility for such a venture, whether it be in the climate of a Carter or a Reagan administration.

If Congress should be so foolish as to create a Federal Peace Academy and even if it became a forum wherein its one foreign policy philosophy were identical to my own, I still would not welcome any such official favoritism. But more likely, the Peace Academy would soon become a haven for our Andrew Youngs, Ramsey Clarks, and others who believe that the way to make peace with the assorted ayatollahs and other titled bandits of today's world is to grovel.

The irony is that this "new" idea has already had its chance, has already been thoroughly tested and explored. For the last four years, an official Federal agency was dedicated to this very philosophy and embarked on this very experiment: the White House.●

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PROPOSITION 13 AND THE CONSERVATIVE OPPORTUNITY SOCIETY

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. GINGRICH. Mr. Speaker, what are the lessons we should learn from Proposition 13? The chairman of the College Republicans of Georgia, Ralph Reed, recently wrote an article about that. Ralph is a junior in the College of Arts and Sciences at the University of Georgia, and I wanted my colleagues to see his clear statement of the lessons we should learn:

RETURN POWER TO THE PEOPLE

(By Ralph Reed)

Whatever happened to Proposition 13?

Almost four years ago, it was passed by a two-to-one margin and property taxes for California homeowners were slashed by almost two-thirds.

Californians had watched helplessly as taxes on their households skyrocketed during the 1970s. By 1978, the average family was paying a $2000 government bounty to the government just in order to live in their own home!

To pay the high taxes, most families were forced to sacrifice in other vital areas: health care, savings for future plans and hopes of a college education for their children.

Many were even forced to sell their homes to pay off the government.

Nevertheless, liberal Democrats campaigned feverishly against the tax cut. Governor Jerry Brown called Proposition 13 a "consumer fraud." Liberal economists called it a false political gimmick that would destroy California's economy and deprive its citizens of essential services.

The voters ignored the liberals. They wanted to keep their homes.

And four years later, it is clear that the critics who adamantly defended the liberal welfare state were wrong.

There were temporary and transitional dislocations. Over 100,000 state and local government jobs were eliminated as a result of Proposition 13.

But the tax cut stimulated the creation of 552,000 new private sector jobs for any temporary displaced government workers.

Essential services like police and fire protection have been preserved and even upgraded. Many local governments have also privatized social services and garbage collection. Predictably, private and charitable organizations are providing better service more efficiently.

Most important, families and homeowners are once again financially secure. They are free from the confiscatory taxes that nearly destroyed their hopes for the future.

UCLA economist David Schulman readily admits his error: "I was one who predicted that California would fall into the ocean if the voters said 'yes' to Proposition 13. I waited after the election for the earthquake, and it didn't happen."

What did happen is what always occurs when taxes are cut and government quits trying to solve our problems for us.

California's economy has enjoyed explosive growth and rediscovered its job creating capacity. Personal income and creation of jobs now exceed the national average.

But the success of Proposition 13 is more than just a reaffirmation of the historical success of cutting taxes.

It is a prototypical transition from the liberal welfare state, with its confiscatory taxes and big government, to a conservative, opportunity society.

California voters demanded a conservative opportunity society long before the widely misunderstood Laffer curve became a household word.

Indeed, it is disturbing that the issue of tax relief has subsequently been clouded by an academic discussion of rival economic theories.

People don't care about economic theories. They just want to be allowed to keep what they earn.

Therefore, the compelling reason for cutting taxes is to shift power away from the liberal welfare state and back to the people where it belongs.

Such was the guiding spirit behind the fight for Proposition 13. It is this spirit that America must recapture as a nation.

The conservative opportunity society is based on the fundamental belief that people know how to spend their earnings better than the government does.

That is one belief that Californians—and all Americans—can find hope in.●

FOR NAZI SURVIVORS LATE REUNION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. EDWARDS of Oklahoma. Mr. Speaker, in this spring season of renewal and remembrance it is indeed appropriate to recognize a miraculous event that took place three short months ago.

On January 30, of this year, after 39 years of separation, Harry "Chaim" Nagelsztajn and Manya Nagelsztajn Kornblit, brother and sister, were reunited in Newcastle-upon-Tyne, England. The reunion provided a fairy tale ending to nearly four decades of anguish and heartache for these two survivors of the Holocaust, each of whom lived half a lifetime believing the other had perished in Hitler's concentration camps.

On May 8, Harry Nagelsztajn and his wife, Cecilia, will arrive in Washington from their home in Newcastle to visit his new-found sister and her husband Majir—also a survivor—who reside in Ponca City, Okla. It will be the Nagelsztajns first visit to the United States, a trip no less marked by joy than was the Kornblits journey to England earlier this year, as illustrated in the press coverage of that reunion.

As that reunion, this trip is an occasion for the world to salute and to celebrate because that which was lost is now found. It is an affirmation of hope to people everywhere and a resounding blow to the expounders of despair.

Welcome, Harry and Cecilia. Welcome to life and to the United States.

Mr. Speaker, for the further information of my colleagues I insert in the RECORD at this point two newspaper articles concerning these survivors of the Holocaust:

[From the New York Times, Jan. 30, 1982]

FOR NAZI SURVIVORS, LATE REUNION

(By David Shribman)

WASHINGTON, Jan. 29.—Manya Nagelsztajn ran in one direction; her brother, Chaim, ran in the other. It was 1943 and a Gestapo squad had suddenly burst onto the streets of the Jewish ghetto of Hrubieszow, Poland.

Today, 39 years later, Manya Nagelsztajn, a survivor of Auschwitz, is flying to England. Her name is Manya Kornblit now and she is traveling to meet the brother who, until this week, she assumed had died in the Nazi Holocaust.

"I never thought I'd see him again," said Mrs. Kornblit, who settled with her husband, also a concentration camp survivor, in Ponca City, Okla.

Mrs. Kornblit, who now wears a Kennedy half-dollar and a Star of David around her neck, gave up her last hopes of finding her brother when she first arrived at Auschwitz in 1944. Another concentration camp prisoner told her that he had been taken away, presumably to his death.

JUST AN OFFHAND REMARK

Like many of the events that determined who would live and who would die in the concentration camps of Hitler's Europe, this impending reunion of brother and sister was a matter of caprice. It began, as did so many reunions in the first days after the end of the war, with an offhand remark made in the company of other survivors.

Early this month Mrs. Kornblit was sitting at a table in Haifa, remembering the war years. She reflected on the fact, as she saw it then, that she was the only one of her immediate family of nine to survive.

Then one of her cousins told her that he had received a letter from her brother in 1945.

"The day they opened up the electric fence and let me go out from the camp was the best thing that ever happened to me," said Mrs. Kornblit, who is 57 years old. "Finding out that Chaim was alive was the second best thing."

ASSIST FROM BRITISH EMBASSY

This weekend's reunion took nearly four decades to occur but, once under way, was arranged in less than a week. Within days her son Michael, a television producer here, had gone to the British Embassy and had located Chaim Nagelstzajn, in Newcastle.

She and her brother parted from the rest of their family in October 1942, hiding from the Nazis before being sent, along with thousands of others, on a journey from camp to camp through Europe. When she was told in Auschwitz that her brother had been sent away, she was sure he had perished.

"I figured he went to the gas chamber or the ovens," she said in an interview. "I was sure he was not alive."

In truth, her brother had been transferred out of Auschwitz and had moved through a number of camps before being liberated by American troops in Austria.

"I didn't think anyone survived," he said in a telephone interview from England today. "I knew that my parents, one brother and three sisters, had been shot. I thought the rest had died, too. I thought I was the only one who lived."

LIBERATED BY RUSSIAN TROOPS

Mrs. Kornblit remained in Auschwitz for six months and then was taken to another camp in Czechoslovakia, liberated by Russian troops in May 1945. Then she returned to Hrubieszow.

"I was hoping that maybe it was all a bad dream—that everyone would be there, the house, the family, everyone looking through the window waiting for me," she said. "It didn't happen that way. There was no one there."

She married Meyer Kornblit, her childhood sweetheart, and together they moved to the United States in 1950. Mr. Kornblit worked in a machine shop and a lumber yard before buying his own drive-in restaurant. Eventually he began an independent oil company.

Mrs. Kornblit has had a series of long trans-Atlantic telephone conversations with her brother in the short time since he was located. "I didn't recognize the voice. It's been so long," she said. "He has a British accent. He sounded so much older. Then I realized that he was older than he used to be." Chaim Nagelstzajn is 55 years old.

Her brother, a self-employed builder with four children and four grandchildren, plans a big reunion celebration.

[From the Sunday Times, Jan. 31, 1982]

ALIVE AND HAPPY: HARRY'S SISTER FROM AUSCHWITZ

(By Chris Tighe)

The last time Harry Nagelsztajn saw his sister Manya was in a Nazi concentration camp 39 years ago. But yesterday at Newcastle airport a short greeting in Polish was all that was needed to bridge the years.

For the two survivors of Auschwitz the impossible had happened. And words, particularly in their adopted language of English, could not describe how they felt.

Harry and Manya, who were born in Hrubieszow in Poland, were separated at Auschwitz. The last attempt by Harry to contact his sister was when he left food for her with another inmate. Until a few days ago each thought the other was among the millions of Jews who perished in the holocaust.

After being released by the Americans, Harry, now 56, came to England and made a new life on Tyneside, where he is a building contractor. He married an Englishwoman and raised their two sons and two daughters in Newcastle.

His sister, originally called Matel, emigrated after the war to Oklahoma with her Polish sweetheart, Meyer Kornblit, also a survivor of the concentration camp. Like Harry, they prospered, married and raised a family. Then their son Mike researching for a book about the Nagelszthan's history, became convinced his uncle was still alive.

Last month Manya, 58, and her husband visited a cousin in Israel and, when they were talking about members of the family who had been Auschwitz victims, the cousin

suddenly recalled that he had heard from Harry after the war. He remembered the letter had said something about Newcastle.

That set Manya on the trail for her lost brother—and she found his name in the Newcastle telephone book.

Yesterday, just days after a transAtlantic phone call to Harry's home brought confirmation, brother and sister hugged each other in an emotional reunion at Newcastle airport.

All Harry's children and grandchildren were at the airport to greet their new-found relations. Manya flew in from Oklahoma, accompanied by here husband and Mike and his wife. The press was there in force too, ensuring that a moment of private happiness became a very public occassion. But brother and sister preserved a little privacy by their words of Polish before breaking into English.

The family held a champagne reception at the airport's hotel. "We have 40 years to catch up on," said Harry "All my life I thought I had no family."●

THE BANKS SQUEEZE ON SMALL BUSINESS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LaFALCE. Mr. Speaker, we all know how small businesses are suffering today because of record high interest rates and sharply declining income. We see the grim results in business failure figures which are at the highest level since 1932, the nadir of the Great Depression.

Now we learn that small businesses are being squeezed even further as a growing number of banks have stopped lending to them. As we all know, small businesses rely almost exclusively on bank borrowing for capital. Any diminution in the amount of bank money available to small business has a devastating impact. This disturbing trend is highlighted in an article that appeared in the New York Times business section of April 25, 1982.

The article, written by Robert A. Bennett, reports that—

Banks have been charging small business higher interest rates than big business. They have been raising the fees they charge for their services far beyond the general rise in prices. And some banks have been turning their backs on small business customers of many years.

The article continues:

What's more, many small banks, themselves small businesses, are being gobbled up by bigger banks. As a result, the banks have been shedding the personal relationships that gave a small bank confidence in its borrowers.

Banks cannot allow this trend to continue. We rely on small businesses to produce the innovations that keep our economy productive and competitive. We rely on small businesses to create the millions of new jobs essential for putting our people back to work. The Nation's 15 million small businesses employ half of our work force, contribute half of the private gross national product, and constitute 98 percent of all American businesses.

How can we achieve a long-hoped-for economic recovery if we have a capital-starved small business sector? The simple answer is that we cannot. We cannot allow our small businesses to be squeezed any further financially and expect to see our economy rebound from the current deep recession.

The House Small Business Oversight Subcommittee, which I chair, held hearings last month on small businesses' borrowing problems. We examined how small businesses are being crowded out of bank lending by large corporations and high interest rates. We also focused on the Small Business Administration's guaranteed loan program and the important role it plays in making capital available to small business in the current economic climate.

It is not too much to say that the SBA-guaranteed loan program provides an essential safety net for small business. Unfortunately, the Reagan administration has proposed deep cuts in the SBA-guaranteed loan program that will effectively eliminate it as an aid to small business. These cuts come as loan guarantees are needed even more today to induce banks to lend to small businesses.

Following is the Times article:

HOW THE BANKS ARE SQUEEZING SMALL BUSINESS

(By Robert A. Bennett)

Many of the country's small businesses are recounting experiences similar to that of Utility Industries of Somerdale, N.J.

"If we borrow, it's two or three percentage points above the prime rate, while big companies borrow well below the prime," said Wiley J. Pickett, owner of the $500,000-a-year company, which makes devices to pull cables through conduits. "Not that I'm complaining about what big business gets. It's what small business doesn't get," Mr. Pickett added.

Then there's the kind of experience of another small company, Accurate Inventory Services in New York recounts. The company, which does inventory accounting for client retailers, had been doing business with the Chase Manhattan Bank for almost 20 years. But then Chase told the company to take its business elsewhere.

"They said they couldn't make enough money on a $25,000 loan," said Arnold S. Gerber, the Accurate Inventory's president. "They made no bones about it, they literally told me to go to another bank," Mr. Gerber said.

The Government says that of the 11 million businesses in the United States, 10.8 million are categorized as small, with fewer than 500 employees. They are called the backbone of the American economy, with good reason.

According to the Small Business Administration, these companies have generated more than half of the new product and service innovations developed since World War II. In addition, they employ about 50 million people, or half the nation's work force. Most of them rely on the nation's banks to provide them with the means to grow and the funds to ease them through the shoals of the economy's cycles.

Of late, many of these companies have found those relationships becoming increasingly uncomfortable. The banks have been charging small business higher interest rates than big business. They have been raising the fees they charge for their services far beyond the general rise of prices. And some banks have been turning their backs on their small-business customers of many years.

What's more, many small banks, themselves small businesses, are being gobbled up by bigger banks. As a result, the banks have been shedding the personal relationships that gave a small bank confidence in its borrowers.

The banks, for their part, say they have little choice. They note that many small banks have been forced to merge into larger banks because their costs were running far ahead of their small-town fees. At the same time, the small banks' own cost of money—what they pay on their deposits—has been soaring to keep deposits from fleeing town to high-yield money market funds and the like. No longer, therefore, can a small bank and a small business remain insulated from economic trends beyond their local community.

For their part, the banks say that dealing with small business is more time consuming, more costly and riskier than dealing with a General Electric or I.B.M. Banks contend they must either charge enough to cover their costs to make a profit, or shun business with small companies entirely, and different banks have taken different courses. The Bankers Trust Company, for example, has nearly stopped dealing with very small enterprises—mom and pop stores and the like. Others, by contrast, have geared up for this kind of business and are eagerly courting it.

"It's a very profitable marketplace for us," said Robert I. Lipp, senior executive vice president of the Chemical Bank, which has been particularly aggressive in seeking the business of small companies.

Courted or not, the credit situation at many small companies appears to be nearing a critical point—and for some bankrupt businesses, that point already has been reached. The fear, according to Milton D. Stewart, editor of Inc., a magazine for small business and head of the Small Business Administration under President Carter, is that the number of small-company bankruptcies will continue to soar as a result of the recession and high interest rates. New businesses have been forming at a health rate in recent years—but they have been collapsing at record rates as well.

According to the Small Business Administration, only one out of every three new companies with fewer than 20 workers survive more than four years, and fewer than one out of 10 survive a decade.

"Small business needs credit in place of equity," Mr. Stewart said. "How far can you stretch the rubber band?

High interest rates are a major problem, but a greater problem is the mere availability of credit, Mr. Stewart continued. And this problem is getting worse as small banks, which account for two-thirds of all credit to small business, are being swallowed by bigger banks.

To the average small-business man, the situation is confusing as well as difficult. He sees one bank raising rates and wooing him, and another pushing him out the door.

Jackie Kleiner, for example, an attorney in Atlanta who is suing several banks on behalf of small business, claims that by raising their fees "banks are showing they don't want these customers." But Mr. Kleiner also accuses the banks of charging small concerns so much that "the small: business community is subsidizing the big-business community."

Interviews with small companies around the United States turned up numerous complaints, but banks, citing the confidentiality of their relationships, usually would not discuss their relations with specific customers.

Many of the businessmen interviewed said that money isn't everything, even when it comes to banking. Often a businessman's relationship with his bank takes on a personal tone, making the small-business men reluctant to switch accounts.

Paul Heerema, chairman of the Heerema Company, a food-equipment distribution and refrigeration business in Haledon, N.J., recalled how his relationship changed after his local bank was taken over by a bigger bank—which he won't name, he said, because "I owe them money."

"It's not like it used to be," Mr. Heerema said. "We've just become a number," he said. "It's very impersonal. The people who make the decisions are 20 miles away.

The Heerema Company has sales of between $4 million and $5 million a year, and usually has about $30,000 in credit outstanding, paying a rate of one to one and a half percentage points above prime. "It has been worse in the past," he said.

In dealing with big banks, small businessmen complain of a lack of understanding. William H. Kelly, president of Bank and Office Interiors Inc. of Seattle, contends that the failure of the Seattle-First National Bank to comprehend his business was the reason his company switched its business to the First Interstate Bank of Washington.

Citing a study by the Stanford Research Institute, Mr. Kelly contended that his industry was rapidly expanding and changing. "We no longer can be a mom-and-pop type operation," he said. His company now has annual sales of about $20 million, and has been growing at a yearly rate of 15 to 20 percent, Mr. Kelly said.

At the same time, Mr. Kelly added, the basic character of his business is changing. The price of the employee work stations that he sells has soared to about $3,500 per unit, from only $500 to $700 five years ago. "That means we need more credit," he said.

Seattle-First National was unwilling to finance "what was mainly our in-process inventory," Mr. Kelly continued. Thus, he moved the company's account. Now, Mr. Kelly added, his credit needs are met—at one and a half percentage points above prime.

Mr. Pickett of Utility Industries, like many other small-business men, contends that "banks will only lend when you don't need it."

One of Mr. Pickett's biggest complaints is the difficulty he has in getting short-term loans so that he can get large discounts on materials by paying early. Too often, he said, his bank will not go along.

Mr. Pickett said he might consider going to an accounts-receivable or factoring company, which would lend against the security of either the goods produced or the purchasers' promises to pay. But he said such companies charge interest rates and fees that are so high they wipe out any potential benefits. Even with their high rates, banks still offer the lowest rates available to small business.

Meanwhile, bankers contend that it often takes a lot more time and effort to determine the creditworthiness of a small business than of a major corporation, and that often a lot more paperwork is involved, especially if the loan is guaranteed by the Small Business Administration.

In addition, the income earned on a small-business loan, even at a high rate, is tiny compared with that earned on a big loan. For example, if the prime rate is 16½ percent, and a bank makes a $50 million loan to a major company at two percentage points below the prime, the bank's annual gross annual income from that loan would be $7.25 million. But the gross income from a $100,000 loan at three percentage points above the prime would be only $19,500. Assuming that the cost of funds to the banks was 2½ percentage points below the prime, the net pretax yield to the bank on the big loan would have been $250,000, and on the small loan, $5,500. Yet, it might have taken more time and substantially more risk to make the $100,000 loan than it did to make the $50 million loan.

At the same time, banks are finding that the cost of services as well as loans have been rising, and, contend they have not been charging enough for nonlending services. Thus, there have been sharp increases in many fees.

Citibank is typical. Over the last three years, it has doubled many of the fees it charges the smallest of its business borrowers. If a company deposits a check in its Citibank account and the check bounces, Citibank charges the company $3, up from $1.50 three years ago. Similarly, it has doubled the charge for a stop-payment order, to $6 from $3; it has doubled the fee for each night deposit, to $1, from 50 cents; it has increased the penalty for overdrawn accounts to $7 from $5, and it has raised the price for each roll of wrapped coins to 10 cents, from 6 cents—a high price for retailers, for example, that do a heavy cash business.

But a company may not have to pay any such fees if it can maintain a high enough balance in its checking account. At Citibank, as long as a business keeps at least $1,000 on deposit, it gets a 15-cent credit for each $100, up from 10 cents in 1979. Thus, if the company's balance is large enough, it would not have to pay any direct fees for the services it uses.

The deposits are useful to banks because they are interest-free, and banks can make substantial profits by reinvesting them.

Without such balances, small companies, the banks contend, are expensive to service and the cost of servicing them has to be met either with interest-free balances or direct fees.

It appears that a major problem in the relationships between small-business men and their bankers is that these entrepreneurs do not fit easily into the corporate modes established by the banks. Banks like to set up neat categories so that they can mass produce financial services.

The banks expect them to maintain records similar to those of major corporations—a practice that most small-business men say they cannot do. What they want are personal reationships in which the banker understands the basics of the business.

Some banks in trying to build their small-business divisions, seem to be doing just the opposite of what the small-business men say they need.

Carl Gustavson, senior vice president in charge of Chase Manhattan's community bank division, said that last year the bank set up a special unit to deal with loan applications from small businesses. The applications are gathered at branches and sent to the special unit for approval.

"We recognize that small companies don't have the same kind of financial statements that big corporations do and that's why we set up the special unit, to concentrate our expertise," Mr. Gustavson said. But by moving the loan-application-approval process beyond the branches, it also separates the function from the businessman. Those banks that have efficiently geared up their small-business activities are enthusiastic about the field because, done properly, it can be more lucrative than lending to bigger companies with more bargaining power.

More than most banks, Chemical seems to have adjusted to the needs of small businesses.

"It all depends on personal relationships at the branch level," said Mr. Lipp. "It's a very personal sell."

Unlike most other large banks, Chemical's branch managers have the authority to make loans of up to $100,000 and they are paid bonuses for generating such business.

According to Mr. Lipp, this policy has more than doubled its small-business checking account deposits over the last five years, to $1.3 billion, from $800 million. If Chemical invested that extra $700 million of interest-free deposits at prime, now 16½ percent, it would increase the bank's pretax earnings by more than $115 million—significant even for a $45 billion institution.

BUILDING BANKING RELATIONSHIPS

Alan I. Rubin, owner of RCI Discount Appliances, which operates two stores on the Upper West Side of Manhattan, says he needs to build a close relationship with the banker who must decide on his loans. He says he needs someone who can understand his business. "I've been fighting with Citibank for years, and finally I'm getting somewhere," Mr. Rubin said. "I'm building a track record."

Mr. Rubin is one of the thousands upon thousands of small-business men who feel squeezed, but not necessarily ignored, by banks they've used for years.

A major problem facing Mr. Rubin is whether he can believe bankers who say they want his business. For example, Mr. Rubin said Chemical Bank had been courting his business aggressively for three years and, "from what they say, they seem to be more tuned in to the needs of the smaller business than Citibank."

But in actual practice, there remains some doubt. For each of the last three years, Mr. Rubin said he has had the opportunity to buy a number of air conditioners at an unusually low price—all he needed was the money. To Mr. Rubin, sales of the air conditioners "were virtually guaranteed" because of the hot weather and the price at which he could resell them.

Citibank saw it differently, however, and declined to lend RCI the money without collateral.

"In my discussions with Chemical, they said, 'We would help you in that kind of a situation,'" Mr. Rubin said. But, he continued, Chemical said it would make the loan only if it got all RCI's business, including its checking account, charge-card servicing and,

most important, a loan that RCI had from Citibank that was guaranteed by the Small Business Administration.

Chemical said, however, that it could not go to the S.B.A. merely to take a loan away from another bank, but that RCI would have to increase the loan. Until last year, Mr. Rubin was reluctant to do so, he said, because he would have had to have paid a 1 percent fee on the entire loan amount.

Last year, however, he agreed to switch to Chemical so long as the loan was approved. But Chemical never approved it, he said. And the reason at that time was not clear.

Earlier this year, Mr. Rubin returned to Chemical and discussed a non-S.B.A. loan, on which he would not have had to pay the 1 percent fee. RCI would have used the Chemical loan to repay the Citibank loan. "I was turned down again on the basis that Chemical doesn't take a loan away from another bank," Mr. Rubin said. Thus, Mr. Rubin is still struggling with Citibank. "I've had four loan officers in the last one and a half years and every time somebody else came in, I had to start all over," Mr. Rubin said.

But Mr. Rubin remains confident. "By next year," he said, "Citibank will understand me."

Big banks are wary of lending to small businesses because of:

Lower profits

How profits on small business loans compare with big business loans:	*Percent*
Higher	33
Lower	44
The same	17

Bigger losses

How write-offs of loans to small businesses compared with loans to big-businesses within the last year:	*Percent*
Higher	61
Lower	18
The same	15

Higher costs

How administrative costs of loans to small business compare with loans to big business, per dollar of loan:	*Percent*
Higher	95
Lower	4
The same	1

And they charge more for services.

Besides changing higher rates for loans, banks are raising other fees.

CITIBANK RATES TO SMALL BUSINESSES

	1979	1982
Overdrafts	$5.00	$7.00
Depositing a bad check	1.50	3.00
Stop payment order	3.00	6.00
Wrapped coins, per roll	.06	.10
Night deposits	.50	1.00
Cashing payroll checks per check	.45	.75

Source: Small Business Administration.●

THE ELDERLY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning the elderly, written by San Diego city school sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

The San Diego essay contests follow:

CITY SCHOOLS—SIXTH GRADERS

[From San Diego Essay Contest, 1981]

FIRST, THE ELDERLY

(By Osmond A. Lindo, Phoebe Hearst School)

Old age can mean hardship or it can mean pride in one's past achievement. In every elderly person's mind there is wisdom. Wisdom of the past and wisdom of the present. They are both very important. But wisdom of the past corrects the mistakes of mankind while wisdom of the present may still have the mistakes of the past.

Now we ask ourselves, where can we get the teaching of the past? Then we give ourselves to computers. We say, "Computers, find our past," but everybody knows that there is nothing better than the human brain.

So the answer is hidden in the elderly and that is the answer for our job market because the elderly have learned from the past mistakes.

Now we ask ourselves, what should we do with the elderly? The answer is to put them back to work. The jobs that would be good for the elderly are: teacher or teacher's aide because they have had experience; ambassador or interpreter for they can learn another language quicker. In the physical world some are still capable of driving a truck.

But we must remember their health because some of them may be capable of doing two hours a day while others may be capable of doing three days a week.

I would like to see this happen for the good of the nation and the good of the elderly person. We must be working to develop a meaningful way to reemploy the elderly. There is an excessive amount of elderly people ready to work.

HONORABLE MENTION: WHAT WE SHOULD DO TO HELP ELDERLY PEOPLE

(By Todd Allen, Halecrest Elementary School)

Elderly people play a big role in our society. Some do jobs like babysitting and janitors. Other jobs are a little harder like lawyers and doctors, but most elderly people don't have any jobs at all. Old people have had the most experience in life. A lot of them are retired. They visit their grandchildren, read books and magazines, watch TV (though some don't like it at all), do arts and crafts, draw or sketch, take pictures and write books.

Some are involved in games such as golf, tennis, horseshoes, shuffle board, lawn bowling, checkers, bridge and cribbage.

There is a very high percentage of people over 65 who are retired or out of a job. Most old people are capable of one job or another that interests them. If competent and willing, perhaps the government would allow them to keep working. Everyone is good at something. Individuals should re-explore all of their possible talents and try to match them with available jobs.

They need to be self-confident; they need to feel important; they need a sense of worth and a sense of well-being. Old people should get a lot of respect from younger people. We should give them a lot of attention and acknowledge the special abilities they have.

HONORABLE MENTION: THE WHITE HOUSE CONFERENCE ON AGING

(By Laura Zucconi, Phoebe Hearst Elementary School)

The White House Conference on Aging has been brought to my attention. The conference is posing many questions about the senior citizens of our nation. Work and income are two important matters. Older people who would like to find work are restrained from their talents because of age. In large corporations workers are replaced with younger people for more speed and strength.

Older people's incomes are slowly deteriorating as prices and inflation go up. Hopefully these problems will be solved. The growing population of older people is demanding more and more every year.

Social Security is one problem with their income. Some people rely only upon social security. Senior citizens are the foundation of America. We should treat them better because of this. More and more they are told to retire at sixty-five or higher. This causes even more problems. In Japan the old are respected as the wise. We just shuffle the old people into special "Old People Homes." The government gives little support to these people. I know that this meeting will not solve all the problems but it should give some solutions for the near future. Let's hope this will be a stepping stone for the future.●

A BILL TO ESTABLISH OBJECTIVE CRITERIA AND PROCEDURES FOR CLOSING AND CONSOLIDATING WEATHER STATIONS

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 4, 1982

● Mrs. SMITH of Nebraska. Mr. Speaker, because the executive branch has attempted to close at least 72 weather service stations over the past 5 fiscal years and because the Congress has refused adamantly to close any of them so far, I am today introducing a bill designed to establish objective criteria and procedures for closing and consolidating weather stations.

The purpose of the bill is not necessarily to close weather stations, but to prevent this issue from again becoming the cause of perennial uproar over which stations are to be closed first.

This bill is patterned directly upon the system the Congress adopted in 1977 for closing, consolidating, and opening new post offices. All of us remember when the mere whisper of changing Postal Service caused such furor in Washington that an impasse resulted.

Since passage of postal reforms, a total of 279 post offices have been closed, consolidated, or converted to

community operation. Although the subject of post offices continues to be of deep and genuine concern, the fact is that the new system works without causing nearly as much anguish as formerly.

This bill would have the same effect with respect to the weather stations. Perhaps some should be closed, but I submit that Washington headquarters policymakers and scientists should not be the only ones to decide whether weather data provided in specific communities, such as in my State in Valentine, Nebr., is vital for saving the lives and property of the community. I submit that Washington policymakers do not really know which stations should be closed because there are no criteria except to select those stations that are most undermanned and underequipped. There is no test of need, no formal taking into account of outside experts, no public hearings, no proper notice. My bill would provide all these, and force the Government to take the views of the affected public directly and formally into consideration in determining which stations to close or consolidate or open.

The text of my bill follow:

H.R. 6269

A bill to establish objective criteria and procedures for closing and consolidating weather stations

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. The Secretary of Commerce (hereinafter in this Act referred to as the "Secretary") in making a determination as to the necessity for the closing or consolidation of any weather service office, shall provide adequate notice of his intention to close or consolidate such weather service office at least 60 days prior to the proposed date of such closing or consolidation to persons served by such weather service office to ensure that such persons will have an opportunity to present their views.

SEC. 2. (a) The Secretary, in making a determination whether or not to close or consolidate a weather service office, shall consider—

(1) the effect of such closing or consolidation on the community served by such weather service office;

(2) the effect of such closing or consolidation on employees of the National Weather Service employed at such office;

(3) the economic savings to the National Weather Service resulting from such closing or consolidation; and

(4) such other factors as the National Weather Service determines are necessary.

(b) In making a determination under subsection (a) the Secretary may hold such hearings as he deems necessary.

SEC. 3. Any determination of the Secretary to close or consolidate a weather service office shall be in writing and shall include the findings of the Secretary with respect to the considerations required to be made under section 2. Such determination and finding shall be made available to persons served by such weather service office.

SEC. 4. The Secretary shall take no action to close or consolidate a weather service office until 60 days after his written determination is made available to persons served by such weather service office.

SEC. 5. A determination of the Secretary to close or consolidate any weather service office may be appealed by any person served by such weather service office to the Federal Committee for Meteorological Services and Supporting Research (hereinafter in this Act referred to as the "Committee") within 30 days after such determination is made available to such person under section 3. The Committee shall review such determination on the basis of the record before the Secretary in the making of such determination. The Committee shall make a determination based upon such review no later than 120 days after receiving any apppeal under this section. The Committee shall set aside any determination, findings, and conclusions found to be—

(1) arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with the law;

(2) without observance of procedure required by law; or

(3) unsupported by substantial evidence on the record.

The Committee may afffirm the determination of the Secretary or order that the entire matter be returned for further consideration, but the Committee may not modify the determination of the Secretary. The Committee may suspend the effectiveness of the determination of the Secretary until the final disposition of the appeal.●

SENATE—*Wednesday, May 5, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Our Father in Heaven, our hearts are heavy this morning. We see around us a very troubled world: International tensions in many places and within our borders growing distrust, cynicism, and anger. We recall the words of General MacArthur: "Military alliances, leagues of nations, all in turn have failed, leaving the only path to be by the crucible of war. The utter destructiveness of war now blots out that alternative. We have had our last chance! If we do not devise some more equitable system, Armageddon will be at our door! The problem is basically theological and involves a spiritual recrudescence * * *."

Lord of history and the nations, may we in this critical hour remember the spiritual roots from which our Nation grew. As our fathers before us in times of trouble turned to Thee, may we do likewise in humility, repentance and trust. Through Jesus Christ the Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order, there are special orders in favor of six Senators for not to exceed 15 minutes each.

After the execution of the special orders there will be a period for the transaction of routine morning business to extend not past 11:30 a.m. in which Senators may speak for not more than 5 minutes each.

After the expiration of the time for transaction of routine morning business, the Senate will resume consideration of the pending business, which is the Department of Defense authorization bill, S. 2248.

I anticipate that the Senate will be in session until approximately 6 p.m. today.

Once again, Mr. President, may I say for the benefit of all of those who may hear or read these remarks that they should be on notice that Thursday will almost surely be a late evening. Thursday is our regular late night.

If we finish the DOD authorization bill on Thursday evening, and that now appears unlikely, then I will not ask the Senate to remain in session on Friday.

While the Senate has not been in session on Fridays for much of this year so far, Senators should be on notice that the leadership will request the Senate to convene on Friday morning for the purpose of further consideration of the Department of Defense authorization bill.

Mr. President, I have no further need for my time under the standing order. I was advised by the distinguished minority leader on last evening before the recess of the Senate over until today that the Senator from West Virginia (Mr. ROBERT C. BYRD) would not require the time allocated to him under the special order and that he wished to assign that time to the control of the distinguished senior Senator from West Virginia (Mr. RANDOLPH).

I ask unanimous consent that the time allocated to the minority leader as described be transferred to the control of the senior Senator from West Virginia (Mr. RANDOLPH).

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. RANDOLPH. I thank the majority leader very much.

Mr. President, I wish to be completely cooperative with the majority leader and the minority leader. I do understand our colleague from Wisconsin, Senator PROXMIRE, wishes a moment.

Mr. BAKER. Mr. President, the Senator from West Virginia is always cooperative. There is not a man in the Chamber who does that more regularly and with greater grace and skill than does the Senator from West Virginia.

Mr. President, I ask unanimous consent that the time allocated to the minority leader under the standing order be reserved for his further disposition during the course of this day.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later the following occurred:)

Mr. BAKER. Mr. President, I ask unanimous consent that the order for special orders be changed to recognize the distinguished Senator from West Virginia first, and to follow on in sequence thereafter as heretofore arranged.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that at the conclusion of the remarks by the distinguished Senator from West Virginia that the distinguished Senator from Washington (Mr. JACKSON) may be recognized on leader time, and that at the conclusion of his remarks, which now will be charged to me, that I be permitted to reserve the remainder of my leader time remaining until such time as the distinguished minority leader may utilize the time reserved for his use.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. I know Senator JACKSON as well as myself and others who knew Mr. Kaiser and wanted to speak of him appreciate the action of the majority leader.

(Conclusion of later proceedings.)

Mr. BAKER. Mr. President, I am prepared to yield to the Senator from Wisconsin. I see the Senator seeking recognition. Does he wish time?

Mr. PROXMIRE. I shall be very grateful for 2 minutes of the time of the Senator.

Mr. BAKER. I yield 2 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the majority leader.

IS LIMITED NUCLEAR WAR A VIABLE STRATEGY?

Mr. PROXMIRE. Mr. President, over the past couple of weeks I have daily discussed a study by the CATO Institute by Katz and Osdoby of the consequences of a limited nuclear strike against the United States.

Today I bring to the attention of the Senate the conclusion of the study on whether such a limited nuclear war would constitute a viable strategy. Here is the way the study puts it:

> Would these effects be acceptable? Would events in the post-attack situation be controllable? Remember the critical criterion for acceptability, and thus control, is the perception that a benign military-oriented attack has taken place.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Since the point of comparison would be the pre-attack world, not a full scale nuclear war, it is unlikely that a limited nuclear attack would be perceived as benign. Instead, the effects are likely to be perceived as catastrophic and threatening. As a result, the attacked nation may be even more resistant to negotiating a resolution of whatever crisis triggered the attack.

In reality, the subtle differentiation made by military strategists between counterforce (military) and countervalue (economic/human) attacks may be politically, as well as militarily, meaningless.

WARSAW GHETTO UPRISING MARKED

Mr. PROXMIRE. Mr. President, April 19 was the 39th anniversary of the Warsaw ghetto uprising in which approximately 90,000 Jews were killed or captured by the Nazis. The ghetto revolt against Nazi occupation lasted 3 weeks.

According to the Boston Globe's April 20 edition, about 800 Poles gathered to observe the anniversary. The ceremony at the ghetto monument was brief and low key. Solemn drum rolls beat as eight wreaths were laid at the bronze monument by city officials, representatives of the Defense Ministry, and Jewish organizations.

An editorial in the official army newspaper Zolnierz Wolnowsci proclaimed:

The fate of the Jewish community is an inseparable part of Polish history, the armed struggle in the Warsaw ghetto is an integral part of the struggle and martyrdom of the Polish nation, and the assistance to those who were doomed to destruction is a fine chapter of heroism and humanitarianism.

Mr. President, almost all of Poland's 3 million Jews died in World War II, victims of Hitler's "final solution." Recently, accusations of revived anti-Semitism in Poland have been made. I maintain that we must ratify the Genocide Treaty now, before yet another case of genocide is committed in the world. Eighty-five nations recognize that genocide is a matter of international as well as domestic concern. It is time for the United States to become a party to a treaty which declares genocide a crime punishable under international law.

During the five sets of Senate Foreign Relations Committee hearings held over the past 30 years, the value of the treaty has been attested to by scores of experts, including former Ambassador to the United Nations Charles Yost, former Associate Supreme Court Justice Arthur Goldberg, and several representatives of the American Bar Association. I call on my distinguished colleagues to ratify the Genocide Treaty now.

I thank the majority leader and I yield the floor.

RECOGNITION OF SENATOR RANDOLPH

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. RANDOLPH) is recognized for not to exceed 15 minutes.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that statements which will be made by other Senators on this same subject be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

HENRY J. KAISER

Mr. RANDOLPH. Mr. President, we are now approaching another commemorative date which is very important to many Americans. We often recognize dates in the lives of public officials and private citizens. It is appropriate that we pause in this Chamber and remember a truly good and great man, a gallant leader who was born 100 years ago in this country. May 9 will mark the 100th anniversary of the birth of Henry J. Kaiser. His influence endures today as it endured at the time of his death 15 years ago. It will be felt throughout the country and even in many parts of the world for decades to come. Among those who read the record of Senate proceedings for today I hope there will be many younger people included who will read these words I speak for Henry J. Kaiser. I note that there are a number of younger people and school children in the gallery at this time. It is my hope also that these remarks will be understood by many who did not have the privilege, as I had, of knowing and working with him over a period of time.

I go from this Chamber to Ravenswood, W. Va. It is the month of May 1955. Henry J. Kaiser had come to that little community because he had selected it as the site for a Kaiser aluminum plant. In essence, he said as he announced the location of the plant that there were many sites that he could have used. There were areas with rivers perhaps deeper than the Ohio and places with valleys that were wider. But he came because he was a believer in the people of Ravenswood and Jackson County—people who wanted to cooperate, who would work together. I shall always cherish the memory of that evening in 1955.

Henry Kaiser's humanity, and his genius touched millions. He was a 20th century pioneer who managed to move mountains and erect them, and who at the same time enhanced the dignity and happiness of his fellow man.

There are words to describe him—humanitarian, industrialist, master-builder, but I feel I pay him the highest tribute in saying, above all else, he was a truly honorable man, who had the courage, the confidence, and the ability to meet the challenge of his dreams.

Mr. Kaiser was a large man, in stature, in talent, and in conscience. We know a man by his deeds, and Henry J. Kaiser's deeds, in size and number, are momentous. He changed the shape of our country not only by building dams, and bridges, and factories, which he did and did well, but by building people. His capacity to motivate, to inspire self-confidence in those who worked for him and with him enabled him to accomplish the feats for which he is famed.

Mr. Kaiser started from scratch. His father was a shoemaker, his mother a practical nurse, and he left school at the age of 12 to supplement the family's income. By the time he was 30 he had started a roadpaving business in the Pacific Northwest. He was an innovator. He found new ways to use the burgeoning technology of the time. He put rubber tires on wheelbarrows and increased production and worker morale. He hitched road scrapers to tractors instead of horses and finished jobs in record time.

He moved into dam construction with a group of heavy construction contractors—and helped build the giant dams—Hoover, Bonneville, and Grand Coulee. And, during the Second World War, he raised civilian armies of shipbuilders and set production records in building ships. He helped give our Nation the military equipment and the industrial spirit we needed for victory. His yards produced 27 percent of the total deadweight tonnage of the U.S. Maritime Commission's construction program, and all in record time.

But more remarkable than the giant dams and the speed with which he turned out ships, was his social conscience. He believed, and I quote Mr. Kaiser himself, that "any enterprise lives and grows in direct relation to the spirit of the people who compose it." He nurtured his workers' spirits. At Grand Coulee Dam, he established a prepaid health care program for workers and their families. He did this at a time when health care was not looked upon as a right, but as a privilege of the few who could afford it. This plan, Kaiser-Permanente, is now the world's largest privately sponsored medical care program, with over 4 million members.

After the war he turned his prodigious energies to reconverting the Nation's economy to peacetime production and prosperity. Believing that the function of the industrialist was to serve society, not to subject society to his service, he developed industries that were designed to raise the standard of living of all the American people. He set up a new aluminum producer, expanded his wartime steel mill, ventured into both automobile production and the new industry of

television, and established a huge residential community in the State of Hawaii.

Just as important as the ventures themselves was their demonstration of how labor and management can work harmoniously and fruitfully together if, as he said, "We work together, we shall win together."

His accomplishments loom large, but certainly no larger than the dreams and the visions of this man himself.

Henry J. Kaiser believed in his fellow person. In his words, "All these spiritual values within men—unconquerable forces like faith, will, vision, are what make deserts bloom, new industries rise and mankind move forward."

Yes, he was a great leader. It was his unconquerable faith, will, and vision that helped this Nation and mankind move forward.

Now, I give this closing thought. I spoke earlier of that night in May 1955. There alongside the Ohio River this man was announcing that a plant would be constructed. He quietly looked at everyone, this man of industry and business, and he said, "In each one of us there is the spark of God." Most people perhaps were not thinking that a man at such a meeting would make such remarks. He went on to say that this was something in which he believed very, very much.

He was coming to be with people and to work with people. This was his final quote by a poet unnamed:

I sought to hear the voice of God
And climbed the topmost steeple.
But God declared "Go down again,
I dwell among the people."

Henry Kaiser was a man of God, he dwelt among people. He helped people.

Now, as we commemorate the 100th anniversary of his birth in this Chamber and throughout America, and certainly on the west coast in programs later this week, we shall not pause just with nostalgia but with a memory that a great leader whose deeds should be recalled.

Mr. President, it is a privilege to join with Senators JACKSON and CHAFEE who are now in the Chamber, and with Senators LONG and MATSUNAGA in presenting this recognition of the accomplishments and life of Henry J. Kaiser. I ask unanimous consent on behalf of these Senators and myself that a biographical document on Mr. Kaiser be printed in the RECORD.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

HENRY J. KAISER

Henry J. (John) Kaiser, born on May 9, 1882, was an industrialist with world-wide interests, a builder, and a founder of hospitals and a medical care program.

As an industrialist, Henry Kaiser was the founder of the affiliated Kaiser Companies. As a builder, he constructed roads, dams, tunnels, ships and a dozen industries in a half-century. As the founder of a medical care program, he worked with partnerships of physicians, built hospitals and clinics, established a nursing school, and contributed to medical education.

Henry J. Kaiser was born on May 9, 1882 in a white frame farmhouse at Sprout Brook, New York, one of four children of Francis J. Kaiser, a shoemaker, and Mary Yops Kaiser, a practical nurse, both immigrants from Germany. He died in Honolulu, Hawaii, on August 24, 1967.

YOUNG KAISER BUILDS PHOTOGRAPHY BUSINESS

He left school at 13 to take a job at $1.50 a week as a cash boy in a drygoods store at Utica in upstate New York, and boosted his income by taking photographs after working hours. Despite lack of formal education, he always was learning. His restless, driving spirit was constantly seeking new ways of doing things. Later, the same drive challenged his managers, engineers, and other employees in daring projects and new ventures.

Young Henry Kaiser traveled as a photographic salesman in upper New York. At Lake Placid, New York, he offered a Mr. Brownell, owner of a photographic shop, to work for nothing on condition that if he doubled the business in a year, he would receive a half interest. He trebled the business, became a junior partner at 22, bought out the business a year later and added new stores at Daytona Beach and Miami, Florida, and Nassau. Outside his first store he placed a prophetic sign: "Meet the Man With a Smile".

BUILDING CAREER STARTS IN WEST

Deciding to stake his future with the West, he moved to Spokane, Washington, in 1906 and was hired by a hardware company, later becoming sales manager. He went into construction in 1912 as a salesman and manager of road paving contracts in Washington and British Columbia.

It was in 1914 that he established his first company—Henry J. Kaiser Company, Ltd.—at Vancouver, B.C., and the first job was to pave a road two miles long in the Canadian city. He was then 32.

During the next seven years, he continued road paving work in Washington, Idaho and British Columbia and created a new way of doing the job by replacing mules with machinery. Doing jobs in better and faster new ways became a Kaiser trademark, and he saved his men many back-breaking hours by putting pneumatic tires on wheelbarrows and diesel engines in bulldozers.

He won his first job in California by jumping off a moving train. He wanted to bid on the job of building a 30-mile road between Red Bluff and Redding in northern California, but the train didn't stop at Redding. When it slowed down to drop off the mail, Henry Kaiser jumped off. He won the contract and in 1921 established his headquarters in Oakland, where it continues today in the Kaiser Center.

On this first California job, Henry Kaiser demonstrated another of his trademarks—speed. At that time the average progress for paving a road was two miles a month. Henry Kaiser tied five scrapers to a tractor, instead of one to a team of horses, and completed one mile every week.

He moved into the sand and gravel business in 1923 while he was paving a road between Livermore and Pleasanton in California. The aggregate plant developed into one of the largest producers of aggregates in northern California. It was also Henry Kaiser's start in the business of mining and processing raw materials.

A CUBAN HIGHWAY LED TO WESTERN DAMS

The year 1927 was a turning point in Henry Kaiser's career when he went to Cuba to build a 200-mile, 500-bridge highway. It was a huge project for the young contractor, and the principle of teamwork learned on this job guided his future work. He conceived the joint venture concept that led to partnerships and associations of contractors for cooperative construction of projects too large for a single builder.

In Cuba, Henry Kaiser realized that a growing organization must develop its management from within itself. He went into the business of hiring young talent and training his future leaders—"building people" as he described it.

The Thirties was the era of the big dams—first Hoover, 726 feet high, then Bonneville and Grand Coulee on the Columbia River. Hoover Dam was constructed by a joint venture combine called Six Companies, Inc., of which Henry Kaiser was elected chairman of the executive committee. The dam was built in four years—two years ahead of schedule.

While the dams were being built, Kaiser's men were building piers for the world's longest bridge—the San Francisco-Oakland Bay Bridge, levees on the Mississippi River and pipelines in Kansas, Texas, Oklahoma, Arizona and Montana. Up to the start of World War II, Kaiser and associated firms built some 1,000 projects totaling $383 million.

Another dam started Henry Kaiser in his industrial era. Although he had no cement plant, he successfully bid to supply six million barrels of cement to build Shasta Dam in northern California at a saving of $1,683,866 under the next lowest bid. With the contract in hand, he built a cement plant at Permanente, California, in only seven months from start of construction to production. He also supplied 11 million tons of aggregates for the dam, and built a nine and one-half mile conveyor belt—then the world's longest—to transport the material through the mountains.

Today, Kaiser Cement Corporation is the largest cement company in the West.

SHIPBUILDING WINS WORLDWIDE RECOGNITION

In 1940 when the Allies desperately needed ships, Britain called on the Kaiser "know-how" at marshalling men and materials and contracted for Kaiser to build shipyards and 30 cargo ships. Thus began the shipbuilding program that won world-wide recognition.

At the peak of the shipbuilding era, Henry Kaiser and his associates operated 58 shipways at seven yards that built 1,490 ships during World War II—roughly 30 percent of the American production of merchant shipping in this period—plus 50 small aircraft carriers. The Kaiser shipyards established a reputation for speed, averaging one new ship a day and an aircraft carrier per week.

On November 15, 1942, the Robert E. Peary was launched—4 days and 15 hours after the keel was laid. The ship was complete with bath towels and sharpened pencils in the chart room. The Kaiser streamlined, mass production of ships was based on prefabrication of major units and assembly line fitting of the parts into the whole.

During World War II, Henry Kaiser also managed the largest artillery shell operation in the U.S. He built and operated two magnesium plants for the production of the light metal and "goop", the magnesium incendiary. He supplied all the bulk cement used by the United States to construct Pa-

cific fortifications. He operated an aircraft and aircraft parts manufacturing plant, and joined with Howard Hughes in the development of the famous "Spruce Goose", a huge wooden flying ship that was proposed to replace and supplement Liberty ships in transporting troops and military supplies.

One acute problem for the World War II shipbuilder was the availability of steel ship plate in the West, so Henry Kaiser built his own steel plant at Fontana in southern California—the first fully rounded steel plant in the Western United States.

POSTWAR PERIOD LAUNCHES KAISER'S GREATEST GROWTH

During the war, Henry Kaiser looked to the future and studied the postwar needs. He was convinced that four essentials would be in great demand—metals, building materials, homes and automobiles. He anticipated a growth period needing steel, cement and sand and gravel, and he also saw promise in another material—aluminum.

In 1946, Henry Kaiser entered the aluminum business by leasing surplus plants from the War Assets Administration. Industry sources claimed that "aluminum will be running out of our ears"—so great had been the war-time expansion of capacity. One "expert" report listed 16 reasons why Kaiser's entry into aluminum was doomed to failure.

Within five years, Henry Kaiser and his team of energetic young managers were producing and marketing more aluminum than the entire U.S. annual output up to 1937, and in its first 20 years Kaiser Aluminum was destined to expand its capacity to approximately five times that pre-war level. How it was accomplished has been called one of America's greatest industrial success stories. Kaiser's constant search for new ideas anticipated the need for this light metal that would jump to 47 pounds per capita in 1966 from only 10 pounds in 1946.

MANUFACTURE OF AUTOMOBILES BECOMES WORLDWIDE

Believing his men, who produced ships faster and at lower cost than ever before, could make a contribution in the postwar production of automobiles, Henry Kaiser formed the Kaiser-Frazer Corporation in 1945. Starting from scratch, the auto manufacturing plant at Willow Run, Michigan, led the industry in producing the first all-new car since 1941. Pioneering the postwar styling, the new company overcame terrific shortages of materials in its first full year of operations. It produced its own engines, its own bodies, its own steering gears; it built a new dealer organization, and broke all records in the history of the industry for number of new cars produced by a starting company in a new plant.

Automobile manufacturing in the postwar period was an exceedingly competitive business. After 10 years of passenger car production in which 750,000 Kaiser cars rolled off the assembly line, Henry Kaiser withdrew from the passenger car market in the United States and concentrated on the production of the famous four-wheel-drive "Jeep" utility vehicles in this country and overseas. In the early Fifties, he started complete manufacturing facilities of motor vehicles in South America, establishing Willys-Overland do Brasil and Industrias Kaiser Argentina.

After moving to Hawaii in 1955, Henry Kaiser directly supervised the building of the 1,146-room Hawaiian Village Hotel (sold to Hilton); the Kaiser Foundation Medical Center; a $13½ million cement plant; radio and television broadcasting facilities (also sold), and the new community of Hawaii-Kai at Honolulu for an ultimate population of 60,000 residents.

Kaiser Broadcasting Corporation, which grew out of the Hawaiian facilities, developed UHF television stations in Detroit, Philadelphia, Boston, southern California, San Francisco and Cleveland, and FM radio stations in San Francisco and Boston.

HEALTH PLAN KAISER'S FAVORITE PROJECT

Closest to Henry Kaiser's heart has been the founding of the world's largest private initiative system of hospitals and prepaid medical care, the Kaiser-Permanente Medical Care Program.

Kaiser's opportunity to pioneer in health care financing and delivery came five decades ago when he was building pipelines and dams far removed from hospitals and doctors. The Medical Care Program evolved from the need to provide workers and their families with health care in remote areas of the west. The program was extended to shipyard workers during the war, and, by public demand, was subsequently opened to community enrollment.

AWARDS ACCLAIM HENRY KAISER'S ACHIEVEMENTS

Honorary doctorate degrees conferred upon Henry Kaiser include: Hobart College, Washington State College, Montana College of Mineral Science and Technology, University of Nevada, Marshall College, St. Mary's College and University of California.

He has been decorated with France's Legion of Honor, Chevalier. Awards include the New Orleans' Cunningham Award for contributions to advancement of Latin America; International Broadcast Free Enterprise Award, as "distinguished citizen exemplifying that free enterprise is the true foundation of a free world"; Humanitarian Distinguished Community Service Award of International Association of Machinists; Success Unlimited Philosophy of American Achievement Award; Jewish War Veterans of the U.S.A. Medal of Merit for "contribution to human relations in industry"; American Society of Travel Agents Award; and City of Oakland and Alameda County, California, Kaiser Day and Award for "inspiring contribution to community progress and growth".

Mr. JACKSON. Mr. President, I am honored to speak for the people of Washington in commemoration of the 100th anniversary of Henry J. Kaiser's birth.

A man of diverse interests and accomplishments, Mr. Kaiser left an enduring mark on the Pacific Northwest and its social and economic development. He started his business career as a small contractor in my native city of Everett, Wash. He built dams—Bonneville and Grand Coulee; he built ships at Vancouver and Portland; and he formed what was to become Kaiser Aluminum & Chemical Corp., at Spokane and Tacoma.

Each was a major undertaking; each had a major impact. But perhaps most significant was the establishment of the Kaiser-Permanente Medical Care Program, which had its genesis at Grand Coulee. In 1938, Mr. Kaiser was one of a group of contractors awarded the construction contract for the second phase of this giant dam. He was concerned about the lack of medical care for the thousands of workers who, with their families, were living at the remote damsite. He and his son, Edgar, who was born in Everett, enlisted the aid of Dr. Sidney Garfield, who had pioneered a prepaid health-care program for workers in another remote area of the West.

The Kaisers and Dr. Garfield created a similar program for the workers and their families at Grand Coulee. Thus, the prototype for the Kaiser-Permanente Medical Care Program came to life.

Later, when Mr. Kaiser started building ships to help the allied effort during World War II, he provided health care to his shipyard workers in Washington, Oregon, and California. At the peak of wartime ship production, the plan served the health-care needs of over 200,000 members.

One of the first hospitals in the system, which now includes 30 medical centers, was a 70-bed facility built in Vancouver during the war. The plan was opened to the general public when the war ended, and membership in the Kaiser-Permanente program today stands at more than 4 million.

The shipbuilding industry was an important component of the industrialization of the Northwest, drawing thousands of people to the area from all over the Nation. At the war's end, Henry Kaiser continued his commitment to Northwest development by entering into the aluminum business. He leased the Government-owned Mead and Trentwood aluminum plants in 1946 and in 1947 purchased the Tacoma reduction plant.

Skeptics claimed the Nation had no need for the aluminum production Mr. Kaiser was proposing. One "expert" report listed 16 reasons why Kaiser's entry into aluminum was doomed to failure. However, within 5 years, Kaiser Aluminum was producing and selling more aluminum than the entire U.S. annual output up to 1937.

Henry Kaiser was among the first to recognize the fantastic potential of the Pacific Northwest and to immerse himself in its development. He had no interest in being an observer; he was a doer—a man who regarded problems as opportunities and dreams as blueprints for accomplishment.

We the people of the Pacific Northwest—and many others in this and other countries—benefited from his vision, his optimism, and his boundless energy and sense of purpose.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, May 9 marks the 100th anniversary of the birth of an extraordinary American, as has been outlined already by the distinguished senior Senators from West

Virginia and from the State of Washington. Henry Kaiser was a man whose industrial and humanitarian endeavors benefited not only the people of this country, but people around the world.

The industrial, construction, and production accomplishments etched under Mr. Kaiser's name are numerous and diverse. But he did much more—such as extending medical care to the average man through the tools of private enterprise; providing this Nation a large portion of the military equipment and industrial spirit she needed during World War II; showing the world how U.S. money, men, and materials can work in full partnership with citizens of other countries; and inspiring youth to pursue their dreams and develop their full potential.

At this time, I would like to briefly focus on Henry Kaiser's industrial achievements during the Second World War—achievements that helped set this Nation's pace for victory.

It all started back in the late 1930's when Henry Kaiser, sponsoring an industrial consortium called the Six Companies, won a contract to provide Britain with 60 merchant vessels. Shipyards were opened in Richmond, Calif., and Portland, Oreg., to complete the work. With the U.S. mobilization came emergency U.S. shipbuilding programs and soon there were seven Kaiser-managed shipyards in California, Oregon, Washington, and in my own State of Rhode Island, where the Walsh-Kaiser yard was established.

In order to produce ships at the fast pace required for the war, Kaiser shipyards scrapped traditional building methods. Welding techniques largely replaced riveting—and this was a very dramatic departure from the established way of building ships—ships were prefabricated, sections were built and then assembled, and the yards became efficient assembly lines.

The Kaiser spirit and organization paid off in time and production. The first Liberty ship was completed in a record 226 days. But that record was quickly broken. Mr. President, listen to this extraordinary achievement: one ship, the *Robert E. Peary,* was constructed in 4 days and 15 hours—a complete Liberty ship was built in 4 days and 15 hours. There was nothing there in the way and 4 days and 15 hours later the ship was launched and ready to go. This record has never been approached since. At the height of World War II, vessels were being launched by the Kaiser shipyard at the rate of one per day.

Despite this pace, torpedo attacks were sinking the ships faster than they could be built. So the Navy turned to Mr. Kaiser to take on the task of building 50 small aircraft carriers. These baby flat tops, as they were called, were designed to lead convoys through submarine packs as well as protect them from air attacks. They established an amazing escort and combat record, prompting Sir Winston Churchill to declare that they turned the tide in the battle of the North Atlantic.

By his efforts, Henry Kaiser demonstrated that this country could achieve a level of industrial production not believed possible. Kaiser ships—of which there were about 1,500—were built in two-thirds of the time and at 25 percent less cost to the Government than the average of other shipyards.

While Henry Kaiser is rightfully remembered by many people for many reasons, I believe that his achievements during those war years—the enviable production records that his companies estabiished—are particularly important for us to recall.

Thus, it is with great pride that I join in the commemoration of the 100th anniversary of the birth of this extraordinary American.

Mr. LONG. Mr. President, I wish to pay tribute to a man who was truly one of this century's most extraordinary industrial figures: Henry J. Kaiser.

May 9 marks the 100th anniversary of the birth of this remarkable man who has left the fruits of his labors throughout the world and especially in my State of Louisiana. At the time of his death in 1967, the various enterprises built on his dreams and aspirations were turning out nearly 300 different products and services in 190 plants and facilities located in 41 countries.

When Mr. Kaiser entered the aluminum business in Louisiana in 1946, he had 350 employees running a small plant in Baton Rouge where bauxite ore could be converted into alumina. Since that time, his aluminum company has built plants in Chalmette, Gramercy, and Norco, and today his aluminum plants and operations in Louisiana represent that corporation's largest employee base anywhere in the world.

But Henry Kaiser was more than an industrialist. He is described as a man larger than life who crammed many worthwhile lifetimes into his allotted years. Yet he had a singleness of purpose that enabled him to concentrate unswervingly on each of his hundreds of projects in his relentless drive to fill mankind's needs.

This is especially apparent in Louisiana, whose people and communities have reaped particular benefit from Henry Kaiser's legacy of building together. The employees of his aluminum company follow in his tradition of being vital community forces. They are deeply involved in working with and helping guide community, civic, and governmental endeavors.

A prime example of this company and community involvement was in 1965 when floodwaters caused by Hurricane Betsy devastated much of St. Bernard Parish. Following the hurricane, people from the Chalmette Works provided full-scale emergency relief, rescue assistance, clothing, food, medical aid, and shelter to some 4,000 people whose homes were flooded. These 4,000 neighbors are not likely to forget how one company's people followed in the spirit of their founder.

Kaiser Aluminum's economic impact on Louisiana is significant and has played a large role in Louisiana's healthy industrial climate. One example of this is the daily processes of oceangoing carriers which bring bauxite from the Kaiser operations on the island of Jamaica to Kaiser Aluminum plants at Baton Rouge and Gramercy. This "building together" approach with Jamaica is based on a full partnership with the people and government. Its success has resulted in lucrative trade for my State, and jobs, economic diversification, and foreign exchange earnings for Jamaica.

Henry Kaiser was an innovator, a visionary, a humanitarian, and one of the great industrial leaders who loomed larger than the enterprises they created. His presence is still felt in the State of Louisiana and throughout the world, and I am honored to speak for the people of Louisiana in commemorating the 100th anniversary of this great leader's birth.

Mr. MATSUNAGA. Mr. President, I am happy to join my dear friend, the senior Senator from West Virginia, (Mr. RANDOLPH,) and others in honoring the memory of Henry J. Kaiser on the 100th anniversary of his birth.

Mr. Kaiser spent his last decade living and working in Hawaii, having gone to the islands in 1955 at the age of 71. Most men would have long completed their life's work by that age. Not so with Mr. Kaiser. In the evening of his life, he launched a whole new career, bringing about a new dawn in Hawaii's history at a time when Hawaii had not yet achieved the status of statehood.

I was privileged to befriend Mr. Kaiser in those days and he shared with me the secret of his success.

"Ever since my 28th birthday," he said, "I have never slept for more than 4 hours a day, I learned from my mother that if one values his life, he must value his time, for time is the stuff life is made of."

Henry J. Kaiser visualized Hawaii's natural potential as a vacation paradise long before most, and his vision bridged the barrier to equal opportunity then in place in Hawaii to include island residents of oriental and Polynesian descent. His strong confidence in himself and in those around him spurred all involved on to greater achievements.

Mr. Kaiser believed in Hawaii. His interest stimulated the economic and real estate development of the 1950's and 1960's. He personally supervised the building of the 1,146 room Hawaiian Village Hotel, the Kaiser-Permanente Medical Center, a $13.5 million cement plant, and radio and television broadcasting facilities. He also developed the huge residential community of Hawaii-Kai, often overseeing the construction crews as the project manager on site.

Today, the Kaiser Foundation Health Plan has over 120,000 members in Hawaii, and the Kaiser cement plant is now the largest in the islands. They are living memorials to Henry J. Kaiser. His love for mankind, his faith and his determination continue to inspire us. His dreams were on a grand scale, reaching beyond the present into the future. As his late son, Edgar, once said, "He made us play above our heads." The people of the Aloha State of Hawaii are richer and enjoy a quality of life because he lived and worked with us.

RECOGNITION OF SENATOR EAGLETON

The PRESIDING OFFICER. Under the previous order, the Senator from Missouri (Mr. EAGLETON) is recognized for not to exceed 15 minutes.

S. 2486—WAYNE CRYTS' ORDEAL

Mr. EAGLETON. Mr. President, I want to bring to my colleagues' attention a very unfortunate situation that arose late last week in a Federal court in Little Rock, Ark.

A Missouri farmer, Wayne Cryts, was found to be in contempt of court and thrown in jail. The incarceration of Mr. Cryts, Mr. President, is the direct result of his efforts to bring to the attention of this body and the Nation the gross injustice that occurs to farmers who find themselves caught up in a grain warehouse bankruptcy.

Almost 2 years ago, Mr. Cryts and several other farmers who had simply contracted to store their grain in a local warehouse in Ristine, Mo., and who had valid warehouse receipts for their grain, suddenly found that in the eyes of the Federal Bankruptcy Court, the grain they had stored was not their grain at all, but an asset of the grain warehouse company to be attached by the court, held and used for settlement of all outstanding debts of that grain company.

Mr. President, as Mr. Cryts once explained the situation to me, it is as if you or I parked our car in a local garage only to come back later to find that the garage had gone bankrupt and the court had impounded the car as an asset of the garage. Except in Mr. Cryts' case, what was taken away from him was not merely his mode of transportation but virtually his whole year's production of soybeans.

Mr. Cryts reacted, as you might expect, with complete horror and resentment. With the help of his fellow farmers and acting contrary to the bankruptcy court's direction, Mr. Cryts removed an amount of soybeans from the warehouse in question equal to the amount for which he had warehouse receipts.

The contempt citation for which he has now been thrown in jail results from Mr. Cryts' refusal to name his accomplices for the court. Further, it appears that the judge will next turn to Mr. Cryts' wife and father in an attempt to get the information he seeks, and it appears that they, too, may eventually end up in jail.

Mr. President, I do not condone the actions Mr. Cryts took in this matter. But he is an honest man with an honest grievance. He is fighting desperately against an injustice that exists in our current laws. He is fighting to protect a basic property right that all Americans share.

The Senate has, on three separate occasions, passed legislation which would take a step toward correcting current bankruptcy laws. That legislation, unfortunately, is still languishing in the House Judiciary Committee. It is incumbent on the Congress to correct the inequity of the current bankruptcy law by giving final approval to this legislation as soon as possible.

In my opinion, Mr. President, simply amending the bankruptcy laws will not adequately protect farmers. Therefore, I am today introducing legislation which would go one step further. It authorizes the Secretary of Agriculture to purchase from any producer who finds himself caught up in a bankruptcy situation the quantity of grain such producer has stored in a bankrupt warehouse facility. Our agricultural marketing system is, in great part, built on the validity of the warehouse receipt and its reliability as proof of grain ownership. My legislation will strengthen the validity of that document for the farmer at least in the eyes of the Secretary of Agriculture by allowing the farmer to get the cash value of his grain out of a bankrupt warehouse.

Since under my proposal the Federal Government would be party to the bankruptcy settlement, the eventual cost of this amendment to the Federal Government would be modest. There is no question that the Federal Government can afford to wait out the bankruptcy proceedings far better than any individual farmer.

I call on the Agriculture Committee to take swift action on this proposal. As a result of the current depressed economic state of the American agricultural sector, the problem of warehouse bankruptcies is only likely to get worse in the near future.

I offered this bill in amendment form during consideration of the 1981 farm bill. Having been persuaded by my colleagues that there was little support for such a measure at that time, I withdrew the amendment. It is clear now that further action is necessary so that the Wayne Cryts' case is not repeated.

I ask unanimous consent that the text of the bill be made a part of the RECORD at this point along with recent editorials regarding the Cryts' case from the St. Louis Post-Dispatch and the Hannibal Courier-Post.

There being no objection, the bill and editorials were ordered to be printed in the RECORD, as follows:

S. 2486

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agriculture and Food Act of 1981 is amended by inserting after section 1122 a new section as follows:

"AUTHORITY OF THE SECRETARY OF AGRICULTURE TO PURCHASE STORED COMMODITIES FROM PRODUCERS UNDER CERTAIN CIRCUMSTANCES

"SEC. 1123. (a) In any case in which a warehouse licensed under the United States Warehouse Act, or licensed under a State law comparable to such Act, as determined by the Secretary of Agriculture—

"(1) has filed a voluntary petition in bankruptcy,

"(2) has had an involuntary petition in bankruptcy, filed against it, or

"(3) is unable to release commodities in the possession of such warehouse because such warehouse has instituted, or has had instituted against it, under a State law proceedings relating to financial insolvency, the secretary may, at the request of a producer, purchase from such producer the quantity of any agricultural commodity stored by such producer in such warehouse if such commodity was produced by such producer and such producer has a valid warehouse receipt (or other valid document of title or ownership defined in regulations prescribed by the Secretary) for such commodity.

"(b) The price which the Secretary shall pay any producer under subsection (a) for any agricultural commodity shall be based upon the prevailing market price for the commodity on the day on which the petition in bankruptcy referred to in subsection (a) was filed or the day on which proceedings were instituted under State law, as the case may be, minus applicable storage charges.

"(c) If the Secretary purchases, pursuant to the authority of this section, any quantity of an agricultural commodity stored in a warehouse referred to in subsection (a) by a producer described in such subsection, the United States shall be subrogated to any right or claim that such producer or such producer's personal representative, successor, dependents, or survivors may have against such warehouse with respect to the commodity purchased by the Secretary.

"(d) The Secretary shall carry out the provisions of this section through the Commodity Credit Corporation.

"(e) The Secretary shall issue regulations to carry out this section not later than

ninety days after the date of the enactment of this section."

[From the St. Louis Post-Dispatch, May 2, 1982]

WAYNE CRYTS' ORDEAL

The jailing of Wayne Cryts for contempt of court may have been legal. But the summary treatment of the Puxico, Mo., farmer was not justice.

It is arbitrary punishment and retribution that Federal Bankruptcy Judge Charles Baker of Little Rock has been dealing out to Wayne Cryts, his family and his friends.

The ordeal began when an Arkansas-based chain of grain elevators went into bankruptcy and Wayne Cryts learned that the grain he had stored at an elevator near New Madrid, Mo., could not be removed and might be sold to meet the elevator's debts. His situation was analogous to a traveler who leaves his automobile in an airport parking lot only to return to find it on the auction block to settle debts run up by the parking lot owner.

Subsequently, farmer Cryts and a large group of his friends went beyond the law. They defied federal marshals and removed 31,000 bushels of grain from the elevator. However, when the matter was brought before a federal grand jury in St. Louis, the grand jury refused to hand down an indictment.

What is taking place in Judge Baker's Little Rock courtroom is a civil case that is designed to protect the interests of all the creditors of the bankrupt elevator chain. In an effort to identify all those who had a hand in removing the grain from the bankrupt elevator, and presumably make them jointly liable, Judge Baker has tried to force Wayne Cryts, his wife, his father and two other farmers to identify the others by granting them immunity from criminal prosecution.

Wayne Cryts was the first to refuse; and for doing so, Judge Baker has found him guilty of contempt of court and ordered him jailed for an indeterminate sentence. Apparently, everything the judge has done is technically within the law. But it is not just. It is harsh and excessive and wholly unnecessary to protect the legitimate interests of others—including other farmers—caught up in the elevator bankruptcy.

[From the Hannibal Courier-Post, Apr. 30, 1982]

CRYTS VICTIM OF THE SYSTEM

Puxico farmer Wayne Cryts is in jail today, a victim of the system he trusted to earn him a worker's living.

Cryts attracted nationwide attention last year when he removed his 31,000 bushels of soybeans from a Bernie grain elevator that had gone bankrupt. A federal judge had ordered the grain placed into receivership and sold to meet the elevator's debts. Cryts acted before the federal order could go through.

But is was for civil contempt that Cryts was jailed Wednesday when at a federal hearing in Arkansas he refused to answer the judge's questions about who helped him remove his grain. He has been imprisoned indefinitely in a jail in Russellville, Ark., and his wife, father and two others could be jailed too, if they continue to refuse to answer similar questions.

Before the James Brothers elevator in Bernie went bankrupt, Cryts was just a soybean farmer trying to make his investment in agriculture pay off. He took out an operating loan with a government agriculture service using the stored grain as collateral, so when the grain elevator went bankrupt Cryts risked defaulting on the loan as well as losing thousands of dollars worth of beans.

When the ordeal began, Cryts assumed that his warehouse receipts served as proof of ownership of the grain. Yet by some legal technicality, the bankruptcy judge was enabled to overrule the receipts and move to enact the sale of Cryts' hard earned harvest to help pay the James brothers' debts. Cryts saw what was happening, and stepped in to block it.

Crysts admittedly risked it all when he took the law into his own hands and removed his grain—selling it at a notably lower price per bushel than when it was seized by the government. But he did what any other man would do when facing the alternative of watching the government take possession of his property to pay another's debts.

When Cryts was in Hannibal in February speaking for the American Agriculture Movement, he was realistic about his chances of going to jail over the incident, but he remained stalwart in his convictions about doing what he felt was right. "It's something I accepted before I ever started the fight—I was willing to lose it all," he said. It looks as though he could.

Technicality may allow it, but something is amiss when the man who seeks to pay his debts goes to jail while the ones who defaulted in their business dealings go free.

What a shameful comment on the workings of the judicial process that a man like Cryts can be forced behind bars for trying to protect his investment and a way of life that is risky enough these days without the ultimate government intrusion.

By some kink in the system, Wayne Cryts and his family have been penalized for the delinquency of others. The question we have to ask is: If it can happen to Cryts, can it also happen to us?

RECOGNITION OF SENATOR LEAHY

The PRESIDING OFFICER. Under the previous order, the Senator from Vermont (Mr. LEAHY) is recognized for not to exceed 15 minutes.

S. 2485—INNOVATIVE FARMING ACT OF 1982

Mr. LEAHY. Mr. President, I am introducing today a bill which, I think, may be one of the few positive and hopeful proposals in American agriculture this year, besides that of the distinguished Senator from Missouri, of course. There can be no doubt that our farmers are going through hard times. Farm income is low, production costs are high—and getting higher. Old programs are being abandoned, as are many of our Nation's farms. It is a time for a reassessment, for a critical analysis of the way we have always done things on the farm.

One area of great promise springs forth from our past, the proud independent tradition in farming which protected the land and respected self-sufficiency. This tradition has its home in Vermont, and I think it is time that the rest of the country caught on to it.

I am referring to the sensible farming practices of the past—crop rotation, intercropping, nonchemical pest, disease, and weed control. I am talking about what, in recent years, we have called "organic farming."

Mr. President, the Department of Agriculture issued a "Report and Recommendations on Organic Farming" in July of 1980 which indicated the practical potential of organic practices. According to recent testimony by the Director of Science and Education at the Department of Agriculture, there has been great interest in the report, with over 38,000 requests for copies, and it has been translated into three foreign languages. I ask unanimous consent that this Department of Agriculture testimony by made a part of the CONGRESSIONAL RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. LEAHY. Mr. President, the growing interest in the cost-effectiveness of organic farming practices underscores the need for basic information in this area. I believe my bill will take advantage of the sizable amount of experience that we have had in Vermont and all over the country on our organic farms. It will test out the value of organic farming techniques to conventional farmers who are increasingly concerned about the high cost of energy, chemical fertilizers, and pesticides. There is a lot to be learned by all of us on new methods of soil improvement, production diversification, erosion control, and disease control.

This bill will establish a volunteer network of farmers who have had experience in the use of innovative organic farming techniques. These volunteers will provide farmer-to-farmer assistance working through the Agriculture Extension Service.

In addition to the volunteer effort, Mr. President, this bill authorizes research at six land-grant colleges to test the usefulness of organic farming practices for conventional farmers. I am convinced that there is a real future for transitional farming—for farmers who want to move away from chemical dependence—and this research will provide important information on the cost-effectiveness of crop rotation, the role of organic matter in soil productivity and erosion control, and the effectiveness of nonchemical weed, insect, and disease control.

Many farmers, looking for a more inexpensive and sustainable method of production, are interested in having information on these new alternative techniques. There is a need for practical demonstrations of proven research in this area as well as farmer-to-

farmer advice on the merits of organic farming practices.

Mr. President, if we are to make progress in developing a truly independent American agriculture, independent from foreign energy or uncertain chemical supplies, the time to start is now. I urge my colleagues to join with me in this positive effort to provide new, self-sufficient techniques and opportunities for our farmers.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Innovative Farming Act of 1982".

PURPOSE

SEC. 2. It is the purpose of this Act to facilitate and promote the scientific investigation and understanding of methods of organic farming and to assists family farmers and other producers to use methods of organic farming to replace conventional chemical-intensive methods of farming. The purpose of this Act shall be achieved in a manner consistent with the family farm provisions of section 102 of the Food and Agriculture Act of 1977, as amended by the Agriculture and Food Act of 1981.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "cooperative extension services" means the organizations established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914 (38 Stat. 372-374, as amended; 7 U.S.C. 341-349), and section 209(b) of the Act of October 26, 1974 (88 Stat. 1428, as amended; D.C. Code, sec. 31-1719(b));

(2) the term "extension" means the informal education programs conducted in the States in cooperation with the Department of Agriculture;

(3) the term "land-grant colleges and universities" means those institutions eligible to receive funds under the Act of July 2, 1862 (12 Stat. 503-505, as amended: 7 U.S.C. 301-305, 307 and 308), or the Act of August 30, 1890 (26 Stat. 417-419, as amended; 7 U.S.C. 321-326 and 328), including the Tuskegee Institute;

(4) the term "Secretary" means the Secretary of Agriculture; and

(5) the term "organic farming" means a production system that avoids or largely excludes the use of synthetically compounded fertilizers, pesticides, growth regulators, and livestock feed additives. To the maximum extent feasible, organic farming systems rely upon crop rotation, crop residues, animal manures, legumes, green manures, off-farm organic wastes, mechanical cultivation, mineral-bearing rocks, and aspects of biological pest control to maintain soil productivity and tilth, to supply plant nutrients, and to control insects, weeds and other pests.

VOLUNTEER PROGRAM

SEC. 4. (a) The Secretary shall recruit, select, train and use volunteers who have expertise in organic farming to advise family farmers and other producers who wish to make a transition to organic farming methods.

(b) While performing activities authorized under subsection (a) of this section, a volunteer shall not be considered a Federal employee except for the purposes of sections 2671 through 2680 of title 28, United States Code (relating to compensation for injury).

(c) The Secretary may reimburse volunteers only for such necessary out-of-pocket expenses incident to their provision of services under this Act as the Secretary may prescribe and, while they are providing such services away from their homes or regular places of business, for travel expenses (including per diem in lieu of subsistence) as authorized under section 5703 of title 5, United States Code, for individuals serving without pay.

(d) The Secretary shall make available to volunteers, at local offices of the Cooperative Extension Service, office facilities, supplies, materials, and other related services that the Secretary deems appropriate to assist volunteers in performing activities authorized under this subsection (a) of this section.

PILOT PROJECTS

SEC. 5. (a) The Secretary shall establish six pilot projects (taking into consideration the report and recommendations on organic farming made by United States Department of Agriculture in July 1980, and giving particular emphasis to implications for the family farm) to—

(1) develop and present scientific information on legume-based crop rotation, green manure crops, animal manures, soil acidity and liming in relation to nutrient release, intercropping, the use of organic matter to improve soil productivity and for erosion control, and nonchemical weed, insect, and disease control; and

(2) investigate soil, crop, weed, and insect management problems inherent in making the transition from conventional chemical-intensive methods of farming to methods of organic farming.

(b) The pilot programs established under subsection (a) of this section shall be carried out through agreements with six land-grant colleges or universities, each located in and representing a different geographical region of the United States.

ADDITIONAL DUTIES OF SECRETARY WITH RESPECT TO ORGANIC FARMING

SEC. 6. (a) The Secretary shall—

(1) assist land-grant colleges and universities in designing pilot extension projects to serve specific regional organic farming needs;

(2) by January 1, 1984, make available to the public, through local offices of the Cooperative Extension Service, existing information on organic farming, including, but not limited to, information on the items set forth in section 5(a)(1) of this Act;

(3) make available to the public; through local offices of the Cooperative Extension Service, information developed through implementation of the pilot projects established under section 5(a) of this Act;

(4) obtain and maintain demographic information regarding procedures engaged in organic farming;

(5) identify problems and needs of family farmers and other producers engaged in organic farming, with respect to information, support, and incentive programs related to organic farming;

(6) identify marketing and distribution problems and needs of producers engaged in organic farming who operate family farms; and

(7) identify public policy issues that relate to or affect organic farming.

(b) The Secretary may designate the Assistant Secretary of Agriculture who performs the duties necessary to carry out the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to perform to the Secretary's functions under this section.

REPORT TO CONGRESS

SEC. 7. The Secretary shall submit to Congress by December 31 of each year—

(1) a report on the volunteer program established under section 4 of this Act; and

(2) a report describing the activities and projects related to organic farming research and extension in which the Department of Agriculture participated in each fiscal year, and including proposals for legislation and funding necessary to address needs indentified in the report.

AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH ACTIVITIES

SEC. 8. Section 1463(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a)) is amended by inserting "and for the purpose of carrying out research activities under the Innovative Farming Act of 1982," immediately before "$505,000,000".

EFFECTIVE DATE

SEC. 9. This Act shall become effective October 1, 1983.

EXHIBIT NO. 1

STATEMENT OF DR. ANSON R. BERTRAND

Mr. Chairman and Members of the Subcommittee, it is a pleasure to appear before you today. I am accompanied by Dr. Garth Youngberg, a member of the Science and Education Policy and Coordination Staff. Since the publication of the "USDA Report and Recommendations on Organic Farming" in July of 1980, Dr. Youngberg has devoted a majority of his time and effort to providing liaison and lines of communication between the Department, universities, organic farmers, organic producer groups, agricultural policymakers and scientists, and conventional farmers who are now beginning to evidence some interest in the broad topic of alternative agriculture. As you pointed out, Mr. Chairman, in your letter of March 22 to Secretary Block, there is a great deal of interest throughout the United States, and in many other countries, in the topic of organic farming. The 1980 USDA Report on organic farming has been widely distributed. It has also been translated into three foreign languages. Dr. Youngberg and I are delighted to have this opportunity to discuss the Department's ongoing activities in this area and to answer any questions that you may have about these activities or our future plans.

Let me begin my testimony with a brief review of our activities related to organic farming since the publication of the 1980 USDA Report. I will then relate these efforts to your questions regarding how a USDA research program in the area of organic farming might contribute to the needs of conventional agriculture. My formal remarks will conclude with a brief statement regarding our progress in responding to Section 1402, subpart (10)(D)(v) of Title XIV of the 1981 farm bill.

First, I will highlight our policy, organizational and planning efforts in this area. As I mentioned earlier, Dr. Garth Youngberg was appointd on June 1, 1980, as the Science and Education Coordinator for organic

farming. The establishment of a coordinator position was called for in the USDA Report. A focal point for coordination and planning within Science and Education was necessary to respond adequately to the diverse interest around the country in organic agriculture.

Since the summer of 1980, much of Dr. Youngberg's effort has been devoted to responding to requests for information (roughly 2,000 written requests and countless telephone calls), and invitations to speak to various producer, university, government, and professional organizations and to two international organic farming symposia about organic farming and the Department's plans.

Our coordination and planning activities have not been totally reactive in nature. For example, during the summer of 1980, a 10-member "Organic Farming Coordinating Committee," composed of USDA scientists and other specialists, was appointed. Dr. Youngberg chairs that Committee. We have also worked closely with local officials in organizing four regional conferences on organic farming during 1980. These locally conceived and hosted conferences were held at Durham, New Hampshire; Sacramento, California; Seattle, Washington; and Lincoln, Nebraska; primarily for the purpose of discussing the content and implications of the USDA Report. In all cases, the audience consisted primarily of university-based agricultural scientists and extension workers, as well as a sprinkling of State officials, producer organizations, and government agency representatives. As a result of this effort, we learned a great deal about the opportunities and obstacles associated with the development of a coordinated program of organic farming research and education. These conferences were, for the most part, dispassionate and objective discussions of legitimate scientific questions revolving around organic farming.

Partly as a result of these conferences, our Coordinating Committee is now in the process of developing a long-range plan for research and education in biological farming. In addition to that effort, Dr. Youngberg is developing a section on alternative agriculture for the Agricultural Research Service long-range strategic plan. Dr. Youngberg has authored or co-authored several scientific papers on organic farming. Co-authors with Dr. Youngberg are Dr. Robert I. Papendick, ARS Soil Scientist and Research Leader at Washington State University, and Chairman of the USDA Study Team on Organic Farming; Dr. James F. Farr, Chief, Biological Waste Management and Organic Resources Laboratory, Beltsville, Maryland; and Professor Frederick H. Buttel of Cornell University.

As result of these and other experiences, including the knowledge gained during the research and preparation of the 1980 USDA Report, we now feel that we have a much clearer understanding of the potential contributions (and limitations) of organic farming systems research for U.S. agriculture. I will now briefly summarize some of the more important potential contributions.

1. REDUCED OPERATING COSTS

Because organic farming either avoid or largely exclude the use of energy intensive agrichemicals in their farming operations, these aspects of their production costs are considerably lower than those associated with conventional farming systems which often rely heavily upon such inputs. Although the legume based crop rotations which are found on most organic farms do reduce the acreage available for cash crops such as corn and soybeans, the net farm income resulting from reduced input costs is quite often comparable to the net income of conventional farmers. As the costs of energy intensive production inputs continue to rise in the future, we suspect that more and more farmers will be interested in the potential role of various organic type technologies in helping them reduce the costs of production. Recently, for example, the organizers of the University of Nebraska's August 1981 Organic Agriculture Field Day were astonished that approximately 110 of the 150 persons who attended that event were conventional farmers who were interested in how organic farming concepts and technologies might be incorporated into their farming operations to help lower production costs.

2. EROSION CONTROL

As the costs of conventional erosion control technologies rise, certain soil erosion control benefits associated with organic farming practices may become increasingly attractive to the conventional farming community. For example, organic farmers utilize such effective soil erosion control methods as grass, legume, and small grain crops in their crop rotation systems thus reducing the percentage of erosion-prone row crops in their cropping systems. Organic farming systems also emphasize the use of green manure and cover crops, the application of animal manure and other organic materials, and tillage methods that keep crop residues and organic matter near the soil surface. These practices help reduce soil erosion and increase water infiltration.

3. ENVIRONMENTAL PROTECTION

There is continuing concern about the adverse effects on environmental quality caused by increased soil erosion, plant nutrient and pesticide runoff, and the leaching of these materials into underground water supplies. Organic agriculture may offer at least partial solutions to some of these problems. For example, improved soil physical characteristics and increased microbial activity caused by high levels of soil microbes and soil organic matter, not only reduce soil erosion, they also decrease nutrient and pesticide runoff. Potential pollution hazards caused by excessive fertilization are minimized under organic farming fertility management which is characterized by the use of nutrient sources (e.g., animal manures, green manures, cover crops, crop rotations, etc.) that, when properly managed, are less susceptible to loss, through runoff and leaching, even when applied in large amounts. Reduced exposure to chemical pesticides may also enhance human and animal health.

4. INDEPENDENCE AND SUSTAINABILITY

There is increasing concern about the long-term sustainability and security of our food and fiber production system. While soil erosion, decreasing soil fertility, and high cost petroleum based agrichemicals are the most frequently mentioned concerns, it is perhaps the uncertainty of petroleum supplies that poses the most serious threat, at least in the short-term, to conventional methods of agricultural production. The spectre of an OPEC-type cartel in control of such vital crop nutrient sources as phosphorous and potassium is also disquieting. In this regard, the largely self-sustaining nutrient recycling systems typical of organic agriculture may offer a measure of independence to the American farmer while simultaneously contributing to the long-term sustainability of the American food supply.

Despite these potential advantages, it is clear that most American farmers, particularly in the short-term, will continue to rely heavily upon conventional methods of food and fiber production. There is a host of reasons for this, many of which are discussed in the USDA Report. In general, the major obstacles to the wide-scale adoption of organic farming methods revolve around the issues of farm structure and the financial and entrepreneurial situations of the individual farmer.

You asked about the research activities that the Department has begun, or intends to initiate, in response to Section 1402, subpart (10)(D)(v) of Title XIV of the 1981 farm bill. While no interdisciplinary research projects have been started since the passage of the farm bill, we do have several ongoing programs that relate to the needs of organic systems. A few examples of those programs are the effects of nitrogen cycling and utilization on crop production, the use of municipal organic wastes on croplands, the effects of soil fertility and soil tilth on the production of economic crops, the use of animal manures as a source of plant nutrients, the development of pest resistant plants, biological pest control techniques, and the effects of organic matter on the growth and survival of soil borne plant pathogens.

When the Nation is experiencing economic problems as it does now, there is even more reason to exercise management restraint in initiating or expanding new activities such as organic farming. We have underway an organic farming planning effort. Until our planning efforts are complete, it would be difficult and perhaps premature to launch any major new projects. Also, it should be noted that Dr. Youngberg's staff duties and responsibilities have been expanded in recent months due to a major reduction in the size of the Science and Education Program coordination staff. He is now addressing a broader range of Science and Education issues. He will still be devoting approximately one-half of his time to efforts in the area of organic agriculture. This will, however, reduce our planning and coordination capacity in this area.

I am glad to report that we recently did begin a project designed to inventory and assess existing extension materials and other research reports that have some relevance to the informational needs of organic farmers. This project was made possible by a grant from The Brice Institute, a private, nonprofit research and education foundation in Pennsylvania devoted to the advancement of alternative agriculture.

Mr. Chairman, this concludes my prepared statement. Dr. Youngberg and I will be pleased to answer any questions you may have.

Mr. LEAHY. Mr. President, I ask that my bill be appropriately referred.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE DEFENSE INTELLIGENCE AGENCY PERSONNEL MANAGEMENT IMPROVEMENT ACT OF 1982

Mr. WALLOP. Mr. President, on behalf of the Senate Select Committee on Intelligence I am sending an original bill to the desk entitled "The Defense Intelligence Agency Personnel Management Improvement Act of 1982," and I ask unanimous consent that the Senate proceed to the immediate consideration of this bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 2488) to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency.

The PRESIDING OFFICER. The Chair inquires is there objection to the unanimous-consent request?

Mr. ROBERT C. BYRD. Mr. President, there is no objection.

The Senate proceeded to the consideration of the bill which was deemed to have been read the second time by title.

Mr. WALLOP. Mr. President, on behalf of the Select Committee on Intelligence I am today reporting to the Senate an original bill, the Defense Intelligence Agency Personnel Management Improvement Act of 1982. The purpose of this bill is to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency.

The provisions of this bill were enacted last year by the Senate as part of title VI of S. 1127, the Intelligence Authorization Act for Fiscal Year 1982. Unfortunately, the House version of the Intelligence Authorization Act for Fiscal Year 1982 contained no similar provisions; and the conference committee deleted these portions of title VI of S. 1127 because the House conferees insisted that the proposals required further consideration by appropriate House committees.

These provisions are designed to give DIA the same flexibility on personnel matters that is currently available to the CIA and NSA under applicable statutes. This is accomplished by exempting DIA from standard civil service classification provisions and certain disclosure requirements, and by authorizing the Secretary of Defense to terminate the employment of DIA civilian personnel when necessary or advisable in the interests of the United States.

The Intelligence Committee stated in its report last May, and reiterates in the report on this bill, that DIA has been significantly handicapped in its ability to recruit and reward outstanding analysts and other intelligence specialists and otherwise to operate an equally effective civilian personnel system. If the benefits of "competitive analysis," a concept which both the administration and the select committee strongly support, are to be realized, it is imperative that DIA have analytical capabilities comparable to its sister agencies.

The Select Committee on Intelligence believes that this bill will enhance DIA's capabilities to attract and retain high-quality personnel in competition with other intelligence agencies. It will provide much needed personnel management flexibility in establishing civilian positions, compensating personnel based on individual capabilities, and insuring timely availability of high-quality personnel to meet intelligence requirements as the need arises. By exempting DIA from certain Government-wide disclosure requirements, the personnel system will function in a more effective manner that protects national security information. Finally, DIA will be able to make better use of authorized manpower with the authority given the Secretary of Defense to terminate employees whose performance is determined to be unacceptable.

In combination with the provisions already enacted in the Intelligence Authorization Act for Fiscal Year 1982, this bill will correct the statutory imbalance among personnel systems of principal agencies in the intelligence community. The Select Committee on Intelligence strongly urges the Senate's support in prompt enactment of this important legislation.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time and passed as follows:

S. 2488

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Intelligence Agency Personnel Management Improvement Act of 1982."

SEC. 2. (a) Chapter 83 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 1604. Civilian personnel management

"(a) The Secretary of Defense may, without regard to the provisions of title 5 relating to the establishment of (and appointment to) positions in the civil service—

"(1) establish such positions for civilian officers and employees in the Defense Intelligence Agency as may be necessary to carry out the functions of such Agency, and

"(2) appoint individuals to such positions.

"(b) The Secretary of Defense shall fix the rates of basic pay for positions established under subsection (a) in relation to the rates of basic pay contained in the General Schedule under section 5332 of title 5 for positions subject to such Schedule which have corresponding levels of duties and responsibilities. Except for positions in the Senior Defense Intelligence Executive Service, no officer or employee of the Defense Intelligence Agency may be paid basic compensation at a rate in excess of the highest rate of basic pay contained in such General Schedule.

"(c) The Secretary of Defense is authorized, consistent with section 5341 of title 5, to adopt such provisions of such title as provide for prevailing rate systems of basic pay and to apply such provisions to positions in or under which the Defense Intelligence Agency may employ individuals described by section 5342(a)(A) of such title.

"(d) In addition to the basic compensation payable under subsection (b), officers and employees of the Defense Intelligence Agency who are citizens or nationals of the United States may be granted compensation, in accordance with regulations prescribed by the Secretary of Defense, not in excess of an allowance authorized to be paid by section 5941(a) of title 5 for employees whose rates of basic pay are fixed by statute.

"(e) Nothing in this section or any other law may be construed to require the disclosure of the organization or any function of the Defense Intelligence Agency or of the names, titles, salaries, or number of the persons employed by such Agency, except for information required by the Congress in its consideration of legislation to authorize appropriations or appropriate funds for the Defense Intelligence Agency and except for information required to be disclosed pursuant to section 501 of the National Security Act of 1947.

"(f)(1) Notwithstanding any other provision of law, the Secretary of Defense may terminate the employment of any civilian officer or employee of the Defense Intelligence Agency whenever he deems such termination necessary or advisable in the interests of the United States.

"(2) Any termination of employment under this subsection shall not affect the right of the officer or employee involved to seek or accept employment with any other department or agency of the United States if he is declared eligible for such employment by the Office of Personnel Management.

"(3) The Secretary of Defense may delegate authority under this subsection only to the Deputy Secretary of Defense and the Director of the Defense Intelligence Agency. An action to terminate any civilian officer or employee by either such officer shall be appealable to the Secretary of Defense.".

(b) The table of sections at the beginning of chapter 83 of title 10, United States Code, is amended by adding after the item relating to section 1603 the following new item: "1604. Civilian personnel management.".

Mr. WALLOP. Mr. President, I move to reconsider the vote by which the bill was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WALLOP. Mr. President, I ask unanimous consent that a general statement and a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL STATEMENT

During its hearings on the Intelligence Authorization Act for Fiscal Year 1982, the Select Committee considered the personnel management systems of three major components of the United States Intelligence Community—CIA, the National Security Agency, and the Defense Intelligence Agency—and their impact on the quality of intelligence analysis. It was evident from this review that the Defense Intelligence Agency does not have the same flexibility currently available to the CIA and NSA under applicable statutes. As a consequence, DIA has been significantly handicapped in its ability to recruit and reward outstanding analysts and other intelligence specialists and otherwise to operate an equally effective civilian personnel system. If the benefits of "competitive analysis," a concept which both the Administration and the Select Committee strongly support, are to be realized, it is imperative that DIA have analytical capabilities comparable to its sister agencies.

To respond to this problem, the Select Committee included in S. 1127, the Intelligence Authorization Act for FY 1982 as reported by the Committee on May 6, 1981, specific provisions for the improvement of DIA personnel management. These provisions were subsequently approved by the Governmental Affairs and Armed Services Committees and were included in S. 1127 as passed by the Senate. However, the comparable House bill, H.R. 3454, contained no such provisions. The Conference Report on the Intelligence Authorization Act for FY 1982 adopted some of the DIA personnel management provisions of the Senate bill, but omitted several important aspects. The Joint Explanatory Statement of the Committee of Conference stated, "The conferees agreed not to include the other portions of the Senate amendment but agreed that these proposals deserve the scrutiny of regular hearings and consultation among all committees of appropriate jurisdiction."

This bill carries forward the recommendation of the Conference Committee and contains the DIA personnel management provisions from S. 1127 that were not included in the Intelligence Authcrization Act for fiscal year 1982 as enacted. The bill exempts DIA from classification provisions of civil service laws, establishes rates of compensation for DIA employees, exempts DIA from certain government-wide disclosure laws, and gives authority to the Secretary of Defense to terminate the employment of any DIA civilian employee if he deems it advisable in the interests of the United States.

The U.S. intelligence system is unique and complex and by its nature dictates unusual personnel management processes in order to attain maximum effectiveness. The analysis of foreign intelligence requires a wide variety and combination of academic disciplines and skills. DIA must be able to compete effectively in the job market for these skills and offer rewarding career prospects to retain personnel. Intelligence personnel management systems also need to be flexible to adjust to changing intelligence interests as driven by a dynamic world environment. Further, the protection of highly classified information is of paramount importance. The ability to meet security requirements and minimize the risk of compromise of dedicated intelligence personnel must be an important feature of the personnel management system. These factors have long been recognized in the personnel systems established for both CIA and NSA which, along with DIA, make up a triumvirate of national level intelligence agencies that compete for similar personnel and must have similar personnel management system flexibilities. By maintaining personnel program balance among these agencies pursuing their respective missions, the intelligence community can best satisfy U.S. intelligence consumer needs.

CIA conducts its personnel program under its enabling statutory authority, which allows CIA to develop and operate a personnel management system tailored to its needs. CIA operates without overview by the Office of Personnel Management, and CIA has its own procedures for determining qualifications and pay. CIA management can exercise greater prerogatives for termination of employees. The National Security Agency also has a flexible system which by statute operates differently from other Defense Department elements that function under Office of Personnel Management policies. Like CIA, NSA has its own procedures for determining qualifications and pay and has special termination authority peculiar to its needs.

The Defense Intelligence Agency should be able to operate its personnel management system on an equal footing with its two sister intelligence agencies. Today, DIA operates under policies and procedures prescribed by the Office of Personnel Management. Fundamentally, these policies and procedures involve three basic concepts. They are (1) competitive, (2) excepted, and (3) political appointed for certain executive level and supporting positions. The competitive system is restrictive in its application and applies to most federal positions. The excepted system, commonly referred to as Schedule A or excepted service, is somewhat less restrictive but still administered under common guidelines and procedures issued by OPM. DIA operates under the excepted service authorities delegated by OPM. Excepted authority grants DIA some flexibility with respect to hiring and removal of employees. However, the excepted service authority does not permit the internal prerogatives under which CIA and NSA operate.

DIA must function under the general personnel administrative procedures, principally with respect to job classification, applicable to most of the rest of the government service. DIA removal authority under the excepted service, while somewhat less cumbersome than the competitive system, still provides for external appeal in cases involving preference eligibles. The public nature of the DIA personnel system also imposes constraints which adversely affect its operations. The true nature and importance of key civilian assignments must be given such high levels of security classification that is often difficult to present requirements to reviewing officials who do not possess required access authority. Accordingly, to present and justify grade level and position descriptions in an unclassified manner may result in a failure to adequately understand the true nature and scope of the assignment. The public disclosure of personnel information can also expose employees to increased risk of compromise. Therefore, as with CIA and NSA, the Defense Intelligence Agency should be exempted from statutory requirements involving disclosure of organizational, functional, and personnel matters which require protection in the interest of national security.

The Select Committee believes that this bill would enhance DIA's capabilities to attract and retain high quality personnel in competition with other intelligence agencies. Flexibility to establish additional civilian executive positions would permit the Agency to develop and retain adequate in-house expertise on the broad geographical and topical intelligence interests needed to meet growing intelligence requirements. Classification authority would be granted to permit establishment of compensation based on individual capabilities and to ensure timely assignment and utilization of high quality personnel to meet changing emphasis in intelligence interests. By exempting DIA from certain government-wide disclosure requirements the personnel system could function more effectively and ensure essential protection of national security information. Finally, DIA would achieve maximum utilization of authorized manpower through enhanced and simplified authority for termination of employees determined to be unacceptable. In combination with the provisions already enacted in the Intelligence Authorization Act for fiscal year 1982, this bill would correct the statutory imbalance among personnel systems in the intelligence community.

As stated in the Select Committee's report on S. 1127 (S.Rept. No. 95-97, p. 20), DIA indicates that the additional costs resulting from this bill are estimated to be relatively small and will be absorbed within authorized appropriation levels. It is anticipated that such costs will be offset by efficiencies to be realized by relief from current cumbersome procedures.

SECTIONAL ANALYSIS

The bill amends chapter 83 of title 10, United Stated Code by adding a new section 1604 on "Civilian Personnel Management." Chapter 83 of title 10 is entitled "Defense Intelligence Agency Civilian Personnel" and contains the provisions on the Defense Intelligence Senior Executive Service and DIA merit pay system enacted as Title VII of the Intelligence Authorization Act for fiscal year 1982.

Subsections (a) through (d) of the new section 1604 would authorize the Secretary of Defense to establish a flexible personnel management system for those personnel not in the Defense Intelligence Senior Executive Service. Salaries and pay would be fixed in relation to the General Schedule and Wage Grade (prevailing rate) system. A flexible classification system would be established which would incorporate the concepts of both position classification and rank in the person. The system would be structured to permit assignment, movement, and career development without cumbersome classification and related administrative procedures. These flexibilities would permit DIA to rapidly deploy and focus its best talent to vital intelligence areas.

Subsection (a) authorizes the Secretary of Defense to establish civilian positions in the Defense Intelligence Agency and to appoint individuals to such positions, without regard to civil service requirements. Subsection (b) authorizes the Secretary of Defense to fix pay for positions established under subsection (a) in relation to the General Schedule (GS) rates. Subsection (c) authorizes a prevailing rate system of basic compensation for positions in or under which the Agency may employ individuals in a trade, craft, or manual labor occupation. Subsection (d) authorizes additional compensation for employees stationed outside the continental

United States or in Alaska at rates not to exceed those authorized by 5 U.S.C. 5941(a).

Subsection (e) permits DIA to withhold disclosure of information on its organization, function, and personnel appointed except for information required by Congress to accomplish normal functions. Under this provision the Secretary of Defense, or his designee, would establish systems similar to the CIA and NSA to preclude disclosure of organizations, functional, and personnel data and information through general administrative reporting systems. At the same time, this provision ensures that necessary information will continue to be made available for effective Congressional oversight under section 501 of the National Security Act of 1947, as amended (50 U.S.C. 413). This authority is intended to reduce the potential for compromise of sensitive information and to permit DIA to include security compartmented data and information in a variety of personnel and organizational records and documents for more accurate description and evaluation.

Subsection (f) authorizes the Secretary of Defense to terminate employment of any civilian officer or employee of DIA whenever he deems such termination necessary or advisable in the interests of the United States. Termination authority may be delegated only to the Deputy Secretary of Defense and the Director, Defense Intelligence Agency. Termination action would be appealable to the Secretary of Defense. This provision is intended to permit timely and responsive removal of unsatisfactory or unacceptable personnel while preserving basic due process. The intelligence environment requires unusually high standards of conduct and performance to ensure the accuracy and reliability of intelligence products. Tolerance of marginal performance is necessarily low. The flexibilities granted by this provision would relieve DIA from the external public review procedures to which preference eligible members would otherwise be entitled upon appeal to the Merit Systems Protection Board. The DIA system, however, would provide strict safeguards to assure internal appeal to the Secretary of Defense thereby ensuring equity and consistency.

Mr. WALLOP. Mr. President, I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MATTINGLY). Without objection, it is so ordered.

S. 2489—ANTITRUST ENFORCEMENT FAIR DISPOSITIONS ACT OF 1982

Mr. SPECTER. Mr. President, I am today introducing the Antitrust Enforcement Fair Dispositions Act of 1982.

This legislation is intended to amend the Tunney Act to close two gaping loopholes in protection of the public's interest in competition afforded by our Nation's antitrust laws. This bill requires that dismissal of Government antitrust suits and modification of consent judgments be considered by the court after first being submitted for public comment.

The need for this legislation was amply demonstrated by the Antitrust Division's actions on January 8, 1982. That day, Assistant Attorney General Baxter dispatched Government attorneys to dismiss, within a matter of hours, the two largest antitrust cases ever filed and pursued in this country—the A.T. & T. and IBM cases—and to restructure the consent decree which has served as the cornerstone of our telecommunications industry for the last 25 years.

The A.T. & T. litigation had been pending for 7 years. The Government had completed presentation of its case in chief and the trial court judge had denied defendants' motion to dismiss, concluding:

> The testimony and the documentary evidence adduced by the Government demonstrated that the Bell System has violated the antitrust laws in a number of ways over a lengthy period of time.

At the time the Antitrust Division's Chief sought to dismiss the case by filing a simple stipulation of dismissal agreed to by A.T. & T., only 3 weeks of trial testimony remained to be heard before submission of the case to the court. The trial judge had committed himself to considering the matter expeditiously and his mastery of an enormously complex record is evidenced by his earlier rulings and subsequent conduct.

In testimony before the Senate Committee on the Judiciary on January 25, 1982, Assistant Attorney General Baxter argued that under current law he was free to dismiss the case without any court approval, without any avenue for public scrutiny or comment, and without any avenue for review or appeal.

The IBM case, filed 13 years ago in the waning hours of a former administration, was pursued by three other administrations, both Republican and Democratic, at enormous public expense. Although the Government's case had survived defendant's efforts to have the case dismissed by the court and was only 4 months away from submission to the judge, the Assistant Attorney General terminated the litigation over the objections of his IBM trial staff.

The court has questioned the decision to dismiss the IBM case. Judge Edelstein commented on March 2, 1982, that from the date the court was first informed of the dismissal of the IBM case, the court "has been concerned that the Department of Justice may not have acted in the best interests of the public." He opined, however, that: "[T]here was little the court could do. By voluntarily dismissing the case the Department and IBM circumvented judicial review and the procedural safeguards of the Tunney Act."

Since that statement, the question whether the Tunney Act governs dismissals of antitrust actions has been raised in the IBM case and in the Mercedes-Benz case, currently pending in the northern district of California. Our introduction of this bill is not intended to affect those matters in any way. Whether or not Assistant Attorney General Baxter is correct in his reading of the Tunney Act, we believe its provisions should encompass dismissals. Passage of this legislation will forestall additional litigation on this point and resolve the question once and for all.

In the Western Electric case, which was pending in the courts of the third circuit, the Department of Justice and A.T. & T. agreed to resolve that litigation by private agreement and proposed a substitute for the governing decree, which had been entered in 1956 following 7 previous years of litigation. Three days after this substitute was filed, the court accepted the parties' invitation to act, and following a brief opportunity for argument by only the parties who drafted the modification, the court approved the settlement.

Assistant Attorney General Baxter recognized that not adopting Tunney Act procedures in connection with the modification of the 1956 final judgment in the Western Electric litigation would have been "an abuse of discretion," and as a matter of his own judgment has agreed to follow Tunney Act-like procedures.

Mr. Baxter has taken the position that by its terms the Federal antitrust laws' provisions for public notice, comment, and court review of proposed antitrust settlements do not apply to voluntary dismissals of public antitrust enforcement cases or to modifications of consent judgments governing in such cases. Indeed, had it not been for the tenacity and measured approach of Judge Harold H. Greene of the U.S. District Court for the District of Columbia in his handling of his judicial responsibilities in the disposition of the A.T. & T. case all these matters might have been disposed of in short order.

The Tunney Act-like proceedings taking place in connection with the proposed divestiture of A.T. & T. serve as an example of the public interest and importance of our providing such a procedure. Should anyone have any doubt on this score let them only consult the public comments received by the Government on the proposed divestiture and the Government's responses. These comments should have been published in today's Federal Register. Their actual publication awaits resolution of a Government application to the court to be allowed to publish, synopses, because the public par-

ticipation, interest, and comments are so extensive.

It is my personal view that the authority to dismiss major antitrust actions should not be vested in a single individual no matter how competent, principled and perceptive the current possessor of such power may be. The Tunney Act provides for public notice and participation in a court proceeding to consider whether disposition in the nature of a consent decree of a Government antitrust enforcement action is in the public interest. So, too, I submit should the public interest be considered before such an action is disposed of by stipulation of dismissal.

To accomplish this purpose this bill creates an express exception from the voluntary dismissal provisions of Federal rule of civil procedure 41(a)(1) and provides that a Government antitrust enforcement action shall not be dismissed except upon order of the court. This provision is consistent with Federal Rule 41(a)(2), which governs the voluntary dismissals of such civil matters as class actions and with rule 48 of the Federal rules of criminal procedure, which requires leave of court before dismissal of a Federal criminal indictment, information, or complaint.

This legislation will also invest with statutory authority the requirement that modification of consent decrees in Government antitrust enforcement cases be entitled to the same review stature as the order amended. It is fitting that the need for this legislation has become all too apparent from recent efforts to dispose of Bell System litigation. The consent judgment entered in 1956 in the Western Electric case served as a key example of the need for establishing Tunney Act procedures to protect the public interest in connection with that form of disposition of Government antitrust enforcement actions.

Public confidence in our Government's antitrust enforcement effort is a prerequisite to effectiveness. The public interest in the integrity of judicial proceedings incident to the disposition of public antitrust enforcement litigation requires that the Congress and the judiciary lend their support and each contribute to the process, each in its own sphere of authority. More importantly, public disclosure and opportunity for interested parties to participate in advance of the ultimate disposition of major Government antitrust activity provides the public itself with a fair opportunity to be heard on issues of great personal and public importance.

I believe this legislation especially timely in the present climate where many sense a weakening of our resolve to enforce our antitrust laws vigorously. The Antitrust Division has announced that it is engaged in a review of outstanding consent decrees and court orders to determine whether they should be abandoned or revised. The Department has been involved in over 1,200 antitrust judgments since the Sherman Act was passed in 1890. Determinations whether current consent decrees "hinder competition" are matters of vital public concern and are entitled to a full airing of all points of view.

The Antitrust Division has likewise announced its intentions to intervene on the side of the defendants to roll back holdings concerning matters of vertical restraints of trade and has publicly stated its dissatisfaction with the Robinson-Patman Act. Further, the Antitrust Division announced long ago its intention to revise the Government's merger guidelines, although, no proposal for change has been forthcoming. If the Antitrust Division wishes to change our antitrust laws and believes it has good grounds to do so, it should come and persuade the Congress of the wisdom and necessity for revision.

Similarly, we submit that when the Antitrust Division wishes to reverse its course in antitrust litigation, invested as such cases are with the public interest, the Division should do so openly and establish a record to justify the change in position.

● Mr. METZENBAUM. Mr. President, I am pleased to join with Senator SPECTER in cosponsoring the Antitrust Enforcement Fair Dispositions Act of 1982. With this legislation, we hope to gain some measure of assurance that our Federal antitrust officials will consider the views of the consumers and businesses that are affected by the dismissal of antitrust cases and the modification of existing consent judgements.

As the Senator from Pennsylvania has so ably pointed out, the administration officials in charge of the Antitrust Division of the Department of Justice have recently attempted to dismiss unilaterally the two biggest Government antitrust cases ever filed. It has only been conscientious action by the judges responsible for those cases that has prevented these cases from being swept under the rug without public scrutiny or comment. This bill would prevent this type of arrogant behavior in the future by requiring that attempts to dismiss cases or modify judgments be held up to the light of public comment in the same manner that proposed consent decrees are under current law. If this legislation had been in effect at the time of the Justic Department's actions in the IBM and A.T. & T. cases, Judges Edelstein and Greene would not be in the difficult position of having to act to protect the public interest on their own motion without the benefit of a clear statement from Congress that the public interest must always be considered in this type of situation.

Mr. President, in light of the statements by the head of the Antitrust Division—Mr. Baxter—that he does not intend to enforce the laws that Congress has enacted, but rather, the laws that he thinks are in line with his pet economic theories, we must have assurance that the public will know of his actions and have an opportunity to affect those actions. This legislation is one positive step in achieving this assurance.●

Mr. SPECTER. Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2489

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. This bill may be cited as the "Antitrust Enforcement Fair Dispositions Act of 1982.".

SEC. 2. Section 5 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 16), is amended by redesignating subset (i) as (k) and by striking subsections (b) through (h) and inserting in lieu there of the following:

"(b) Any civil proceeding brought by or on behalf of the United States under the antitrust laws may be terminated only upon order of the Court before which such action is pending.

(c) In civil proceedings brought by or on behalf of the United States under the antitrust laws, any motion for dismissal made by the United States or any proposal for entry of consent judgment submitted by the United States shall be filed with the district court before which such action is pending at least sixty days prior to the entry of an order of dismissal upon such motion or to the effective date of such consent judgment. Any written comments relating to such motion for dismissal or proposal for consent judgment and any responses by the United States thereto, shall also be filed with such district court and published by the United States in the Federal Register within such sixty-day period. Copies of such motion or proposal and any other materials and documents which the United States considered determinative in formulating such motion or proposal, shall also be made available to the public at the district court and in such other district as the court may subsequently direct. Simultaneously with the filing of such motion or proposal, unless otherwise instructed by the court, the United States shall file with the district court, publish in the Federal Register, and thereafter furnish to any person upon request, a competitive impact statement which shall recite—

(A) with respect to a motion for dismissal:

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws;

(3) an explanation of the motion for dismissal including the circumstances giving rise to such motion;

(4) the remedies available to potential private plaintiffs damaged by the alleged viola-

tion in the event that such motion for dismissal is entered in such proceeding; and

(5) a description and evaluation of the alternatives to such motion actually considered by the United States.

(B) with respect to a proposal for entry of consent judgment:

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws;

(3) an explanation of the proposal for a consent judgment, including an explanation of any provision contained therein, relief to be obtained thereby, and the anticipated effects on competition of such relief;

(4) the remedies available to potential private plaintiffs damaged by the alleged violation in the event that such proposal for the consent judgment is entered in such proceeding;

(5) a description of the procedures available for modification of such proposal; and

(6) a description and evaluation of alternatives to such proposal considered by the United States.

(d) Any proposal for modification of a judgment entered in any civil proceeding brought by or on behalf of the United States under the antitrust laws shall be filed with the district court in which such judgment was entered and shall be published by the United States in the Federal Register at least sixty days prior to the effective date of such modification. Any written comments relating to such proposal and any responses by the United States thereto, shall also be filed with such district court and published by the United States in the Federal Register within such sixty-day period. Copies of such proposal and any other materials and documents which the United States considered determinative in formulating such proposal, shall also be made available to the public at the district court and in such other districts as the court may subsequently direct. Simultaneously with the filing of such proposal, unless otherwise instructed by the court, the United States shall file with the district court, publish in the Federal Register, and thereafter furnish to any person upon request, a competitive impact statement which shall recite—

(1) the nature and purpose of the proceeding;

(2) a description of the practices or events giving rise to the alleged violation of the antitrust laws and a description of the factors which led to the entry of the judgment to be modified;

(3) an explanation of the proposal for modification including an explanation of any unusual circumstances giving rise to such proposal or any provision contained therein, relief to be obtained thereby, and the anticipated effects on competition of such relief;

(4) a description of the procedures available for modification of such proposal; and

(5) a description and evaluation of alternatives to such proposal actually considered by the United States.

(e) Whenever a motion for dismissal, a proposal for entry of consent judgment, or a proposal for modification of a judgment is filed, the United States shall also cause to be published in newspapers of general circulation in the district in which the motion or proposal is pending, in the District of Columbia, and in such other districts as the court may direct—

(1) a summary of the terms of such motion for dismissal, proposal for entry of consent judgment or proposal for modification of judgment;

(2) a summary of the competitive impact statement filed under subsection (c) or (d); and

(3) a list of the materials and documents under subsection (c) or (d) which the United States shall make available for purposes of meaningful public comment, and the place where such materials and documents are available for public inspection. Such publication shall commence at least sixty days prior to the entry of an order of dismissal or prior to the effective date of the consent judgment or modification and shall be made for seven days over a period of two weeks.

(f) During the sixty-day period as specified in subsections (c) or (d) of this section, and such additional time as the United States may request and the court may grant, the United States shall receive and consider any written comments relating to the motion for dismissal, proposal for consent judgment, or proposal for modification. The Attorney General or his designee shall establish procedures to carry out the provisions of this subsection, but such sixty-day time period shall not be shortened except by order of the district court upon a showing that (1) extraordinary circumstances require such shortening and (2) such shortening is not adverse to the public interest. At the close of the period during which such comments may be received, the United States shall file with the district court and cause to be published in the Federal Register a response to such comments.

(g) Before entering any order for dismissal upon motion by the United States or any consent judgment proposed by the United States, the court shall determine that the entry of such order or judgment or modification is in the public interest. For the purpose of such determination, the court may consider—

(1) the competitive impact of such dismissal, consent judgment or modification, including termination of alleged violations, provisions for enforcement and modification, duration or relief sought, anticipated effects of alternative remedies actually considered, and any other considerations bearing upon the adequacy of such result;

(2) the impact of entry of such order, consent judgment or modification upon the public generally and individuals alleging specific injury from the violations set forth in the complaint including consideration of the public benefit, if any, to be derived from a determination of the issues at trial.

(h) In making its determination under subsection (g), the court may—

(1) take testimony of Government officials or experts or such other expert witnesses, upon motion of any party or participant or upon its own motion, as the court may deem appropriate;

(2) appoint a special master and such outside consultants or expert witnesses as the court may deem appropriate; and request and obtain the views, evaluations, or advice of any individual, group or agency of government with respect to any aspects of the proposed order, judgment or modification, or the effect of such order, judgment or modification, in such manner as the court deems appropriate;

(3) authorize full or limited participation in proceedings before the court by interested persons or agencies, including appearances by amicus curiae, intervention as a party pursuant to the Federal Rules of Civil Procedure, examination of witnesses or documentary materials, or participation in any other manner and extent which serves the public interest as the court may deem appropriate;

(4) review any comments including any objections filed with the United States under subsection (f) concerning the proposed order judgment, or modification and the responses of the United States to such comments and objections; and

(5) take such other action in the public interest as the court may deem appropriate.

(i) Not later than ten days following the date of the filing of any motion for dismissal, proposal for a consent judgment, or proposal for modification, each defendant shall file with the district court a description of any and all written or oral communications by or on behalf of such defendant, or other person, with any officer or employee of the United States concerning or relevant to such motion, proposal, or modification except that any such communications made by counsel of record alone with only the Attorney General or the employees of the Department of Justice shall be excluded from the requirements of this subsection. Prior to the entry of any order of dismissal, consent judgment or modification of judgment pursuant to the antitrust laws, each defendant shall certify to the district court that the requirements of this subsection have been complied with and that such filing is a true and complete description of such communications known to the defendant or which the defendant reasonably should have known.

(j) Proceedings before the district court under subsections (g) and (h) and the competitive impact statement filed under subsections (c) or (d), shall not be admissible against any defendant in any action or proceeding brought by any other party against such defendant under the antitrust laws or by the United States under section 4A of this Act nor constitute a basis for the introduction of the consent judgment or the modification as prima facie evidence against such defendant in any such action or proceeding."

HARRY A. STRAUSSER III, EAGLE SCOUT

Mr. SPECTER. Mr. President, an Eagle Scout, Mr. Harry A. Strausser III, of Elysburg, Pa., recently addressed both houses of the State Legislature of the Commonwealth of Pennsylvania, and in the course of those remarks made certain comments that I think are worthy of inclusion in our own CONGRESSIONAL RECORD, especially since they are so succinct.

Mr. Strausser has a very distinguished record as an Eagle Scout, plus the recipient of three Eagle Palms, achievements which are very difficult for those of us who have been engaged in Scouting.

He has received citations from the Veterans of Foreign Wars, the American Legion, various local governmental agencies, the Valley Forge National Freedom Foundation, the Rotary, the Kiwanis, the Chamber of Commerce, and the AFL-CIO, as well as Reader's Digest and the Pennsylvania Senate.

Mr. President, he had previously been invited to be a guest at the White House and to issue a report to the

Nation and to Congress. Obviously, Mr. President, there is no comparable procedure for Mr. Strausser to address the U.S. Senate as such procedure is permissible under the practices of the Commonwealth of Pennsylvania, so I ask unanimous consent at this time that Mr. Strausser's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY HARRY A. STRAUSSER III, EAGLE SCOUT

Thank you very much. I am deeply honored to have the opportunity to address such a distinguished group of individuals on this, the eve of the 72d Anniversary of the Scouting Movement, 72 years of devotion to youth, growth and advancement, learning and understanding. Over 7 decades of progress—the development of the Philmont Scout Reservation in New Mexico, a hiking and backpacking haven for Scouting enthusiasts; and the conception of national and international jamborees where thousands of Scouts and Scouters gather to exchange ideas and cultures. In 1910 we had several hundred members in the Scouting movement; today, in 1982, over 4 million. It is indeed a realizatien of a dream for Lord Baden-Powell, founder of the Scouting movement, for Scouting has turned into one of the largest youth organizations in the United States and in the world.

I have often compared Scouting to that of a tree, a tree whose foundation, whose roots are in American soil, and whose basis is the freedoms and liberties we joyfully share. The trunk of this tree, its main strength, its support, is found in that of the volunteer. Those willing to give freely of their time and energies towards the betterment of the youth of our Nation. The volunteer. Over 37 million people working an average 9 hours per week, more than 17 billion hours a year, or an estimated $34 billion worth of time. An intricate part of our society.

This tree, this trunk, branches off into many, many areas. From the basics of camping and hiking to the high technology of aeronautics and electronics, no matter what the interest of a youth, you can find it in the Scouting program. And this is a special feature of Scouting, for Scouting is indeed for everyone, whether you are 8 or 98 years old, there is a place for you. Whether you are red or yellow, black or white, Protestant, Catholic or Jewish, wealthy or poor, physically normal or physically handicapped, mentally brilliant or mentally retarded, there is indeed a place for you within Scouting. But there is a question: Is there a place for Scouting within you?

One of my favorite quotes: "Life is God's gift to you, but what you do with that life is your gift to God." Now with scouting in mind, would you like to make that a small gift or a large gift? Would you like to give a little or a lot? My philosophy is, make that gift as big as you can, wrap it with sincerity, tie it up with devotion, and top it off with a bow of service to mankind. For there is indeed no greater gift than service to your fellow man, than by being a volunteer, donating your time and energy. Wilfred T. Grenfell once said that, "Real joy comes not from ease or riches or from the praise of men, but from doing something worthwhile." Perhaps being a volunteer, helping the youth of America.

But what if there were no volunteers? Enter with me for a moment into a future America, an America with no Salvation Army, with no Red Cross, with no Rotary, with no Kiwanis and no Jaycees, and with no Scouting program. At the hospital, the children's wing holds no clowns, no laughter. The blind listen for a voice that never comes. Wheelchairs never move. The flowers on church altars wither and die. No more cubbing, Scouting, or exploring. Children in day-care nurseries lift their arms, but there is no one to hold them in love. The future is indeed quite grim without the volunteer.

Kahlil Gibran best described the need of the volunteer, an individual, by an organization when he wrote, "You have helped me in my work and in myself, and I have helped you in your work and in yourself. And I am grateful to heaven for this you and me."

I have talked about the physical aspects of Scouting, how its roots are in American soil and our freedoms and liberties, how the volunteer is the main support and strength of the organization. I have talked of leaders and members and in physical encampments. But there is something often misunderstood by those not directly involved with the Scouting movement. It is something we refer to as the spirit of Scouting. The spirit of Scouting. To some the spirit may be the satisfaction when a young Cub Scout comes up to you and says, thank you, for a task in which you have helped him. To others, it might be the heartwarming chill when the Star-Spangled-Banner is played. Yet to others, it may be the tear that rolls down your cheek as a Scout attains the rank of Eagle, the highest rank in Scouting, after he has worked with you for many years.

Scouting has been good to me and I have tried my best to be good to Scouting. As I look back, I notice that there is a force that has followed me throughout my Scouting career. It greeted me when I entered Cub Scouting; it stood proudly beside me when I became an Eagle; it waved freely atop the highest mountain I struggled to climb in Philmont, and it stood magnificently as I gazed upon it in the Oval Office of the White House. It is, in fact, to me the spirit of scouting; it is the symbol of our Nation; it is the American flag. For without this flag we would not have a Nation; without this Nation we would lose our precious freedoms and liberties, and without these freedoms and liberties, the roots of Scouting—the Scouting movement—could never exist. This is the spirit of Scouting. This is my flag, this is your flag, but most importantly, this is our flag. It is indeed the key to the future of the Scouting movement.

Wendell Willkie, a great American freedom fighter, once said, "I believe in America because in it we are free because we have, great dreams, and because we have, the opportunity to make those dreams come true." Lord Baden-Powell's dream has certainly become a reality, a genuine dream come true.

But the ultimate test of Scouting's effectiveness takes place in early adulthood after years of growth, learning, and achievement, when a Scouter like myself standing before you today reaches an important realization when he says, Mr. Speaker and Honorable members of the House of Representatives of Pennsylvania, this is my country, and I am proud to be an American. Thank you.

Mr. SPECTER. Mr. President, I thank the Chair and I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business not to extend past 11:30 a.m., during which Senators may speak for 5 minutes each.

A BETTER ARMY

Mr. HARRY F. BYRD, JR. Mr. President, the Richmond Times Dispatch published an excellent editorial on Monday, April 26, captioned "A Better Army." The editorial deals at some length with the improvements which have been made in the Army in the past 18 months, and it points out the effectiveness and the ability of the Secretary of the Army, John O. Marsh, Jr.

As the distinguished Presiding Officer, my colleague from Virginia, Senator WARNER, knows so well, Secretary Marsh has had an outstanding career—first in representing the Seventh Congressional District in the House of Representatives, then as a special counselor to President Ford, and now as the Secretary of the Army.

The Times Dispatch says this—and I will read just one paragraph and subsequently will ask that the entire editorial be printed in the RECORD.

Mr. Marsh is not solely responsible for all of the improvements, of course, but he is entitled to a major share of the credit. The leadership of a man of his qualities seems to be exactly what the Army needs at this critical point. In this distinguished Virginian are combined characteristics that superbly qualify him for the post he occupies: an understanding of military science, a deep commitment to a strong national defense and a resolute dedication to the principles of efficient and economical management in governmental affairs.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Richmond Times Dispatch, Apr. 26, 1982]

A BETTER ARMY

When John O. Marsh Jr. took over as secretary of the Army in 1981, he assumed responsibility for an organization that appeared to be suffering badly from a severe affliction of the "Three Ds": Declining enlistments, Deteriorating morale and Drug abuse. The Army seemed to be trapped in a spiritual Valley Forge, and many informed people worried about its ability to respond effectively to a major enemy assault.

Conditions are better today. Volunteerism is proving increasingly successful in producing the quality of recruits the Army needs to sustain its strength. Re-enlistments are up, morale is rising. Discipline is stronger and training is tougher. Drug abuse, a scourge that threatens every segment of American society, remains a serious problem but the Army is trying hard to combat it.

Mr. Marsh is not solely responsible for all of the improvements, of course, but he is en-

titled to a major share of the credit. The leadership of a man of his qualities seems to be exactly what the Army needs at this critical point. In this distinguished Virginian are combined characteristics that superbly qualify him for the post he occupies: an understanding of military science, a deep commitment to a strong national defense and a resolute dedication to the principles of efficient and economical management in governmental affairs.

Mr. Marsh honed his views on the whetstone of experience in conservative politics. For four terms, he ably served Virginia's Seventh Congressional District in the House of Representatives, making a mark there as an effective—and conservative—member of the House Appropriations Committee. He served Vice President Gerald Ford as assistant for national security affairs and President Ford as a White House counselor with Cabinet rank. Meanwhile, he maintained his interest in military affairs, which began with his entry into the Army in 1944 and included service as an officer in the Army Reserve and in the Virginia National Guard.

Secretary Marsh knows that despite the United States' awesome nuclear strength—or perhaps because of the awesome nuclear strength that both the United States and Russia possess—this nation needs a strong conventional Army. And it is his aim, he assured us in a recent interview, to provide that kind of Army as economically as possible.

The American people should be immensely pleased with the progress he has made. Consider:

The educational level of recruits is rising. Fears that the Army is attracting mostly semiliterates who are barely able to decipher instructions for erecting a pup tent must give way to the reality that 80 percent of today's volunteers are high school graduates. The number of recruits in the Army's "mental category IV," the lowest classification it will accept, dropped from 52 percent in 1980 to 31 percent in 1982. Of course, a high school diploma does not guarantee intellectual acuity but it must be accepted as presumptive evidence that the holder is capable of coping with the ordinary complexities an enlisted man is likely to face. During World War II, Mr. Marsh notes, no more than 38 percent of the Army's enlisted men were high school graduates.

Morale, discipline and training, all interrelated, are improving significantly. Several factors are responsible for this. Under Mr. Marsh's leadership, the Army is intensifying its efforts to raise the quality of life for soldiers—and their families—without turning them into fops. Soldiers stay together longer as units, and some, involved in an experimental program called COHORT (for cohesion, operational readines and training), remain together throughout their first enlistments. Family needs and problems, especially housing are receiving increasing attention from the Army leadership. Several changes, all designed to produce tougher and more disciplined troops, have been made in training methods and policies.

The National Guard and the Army Reserve are being strengthened. Secretary Marsh considers them to be essential segments in what he calls the "total Army," so he has been deeply interested in increasing their enlistments, strengthening their training and improving overall conditions. As of last October, the regular Army included 782,809 soldiers, the National Guard membership totaled 379,715 and the Army Reserve's strength stood at 220,364.

Mr. Marsh does not pretend that the Army has solved all of its problems. More improvements are needed, especially in the critical area of sustenance. The Army's ability to keep its units supplied with spare parts, fuel and ammunition is alarmingly limited by a number of deficiencies in its support system. He is concerned, too, about the drug problem. And he believes that the quality of housing for American military families in Europe is far too low.

But today's Army, he is convinced, is an army of "good, tough soldiers." He is determined to make it better and tougher, not to embellish his own reputation as a military administrator but to lessen the chances of war. The stronger the United States' conventional armed forces, the less tempting it will be for an adversary to engage in aggressive experiments that could escalate to nuclear warfare. To the extent that he can contribute to the development of a strong American Army, then, Secretary Marsh feels that he is reducing the chance of nuclear conflict. His contributions, so far, have been notable; we are glad he's there.

THE U.S. EMBASSY IN MOSCOW

Mr. HARRY F. BYRD, JR. Mr. President, I invite the attention of the Senate to page 7794 of the April 27, 1982, issue of the CONGRESSIONAL RECORD. I believe this indicates rather dramatically the way our Government spends money.

During the consideration of the foreign missions legislation, I directed an inquiry to the distinguished chairman of the Committee on Foreign Relations, Mr. PERCY. I asked the chairman what is estimated to be the cost of building the new U.S. Embassy in Moscow, Russia. The chairman of the Foreign Relations Committee responded that the total cost would be $130 million and that $18 million in contracts have been let to date.

In other parts of our colloquy, the chairman of the committee indicated that there are problems involved in the building of that Embassy in Moscow and it is anticipated that it will be some 3½ years before the Embassy is completed.

My purpose in speaking today is to make again a part of the RECORD the fact that the United States plans to spend $130 million to build an Embassy in Moscow, Russia. My guess is that it will be substantially greater than that by the time it is finished.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS BETWEEN 12 NOON AND 2 P.M. TODAY

Mr. BAKER. Mr. President, usually, Senators on both sides of the aisle caucus between the hours of 12 noon and 2 p.m. on Tuesdays. This week, Members on this side held their regular weekly caucus on Tuesday, and Members on the other side will have their caucus today, Wednesday.

In deference to the requirement that Members on the Democratic side will wish to attend that caucus, I ask unanimous consent that the Senate stand in recess between 12 noon and 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The bill clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1398 TO AMENDMENT NO. 1397

The PRESIDING OFFICER. The pending question is the amendment by the Senator from Texas to the amendment of the Senator from Pennsylvania.

Mr. TOWER. Mr. President, I believe the distinguished chairman of the Foreign Relations Committee set forth some excellent reasons yesterday why the Specter amendment should be defeated.

No hearings have been held on this matter to give the administration an opportunity to comment on the effect that an amendment of this kind might have on the negotiating position of the President in the highly difficult business of trying to achieve arms reduction.

The amendment by the Senator from Pennsylvania and cosponsored by the Senator from Illinois ignores the

fact that President Reagan has expressed his interest in meeting with President Brezhnev in June. President Brezhnev is the one who has declined to initiate summit meetings between the two leaders promptly.

The amendment further suggests a willingness on the part of the Senate to interfere in and undercut the administration's initiatives aimed at preparing and tabling, in an orderly fashion, a sound strategic arms reduction negotiating position.

Senator SPECTER has indicated that the adoption of the strategic force modernization program last year by Congress, an action which some Senators will seek to reverse in the course of the consideration of this bill, is sufficient evidence of U.S. resolve to induce the U.S.S.R. to negotiate. I can assure him that it is not.

The amendment fosters the notion that the simple act of negotiating, especially impatiently, will somehow represent a meaningful reduction in the danger posed by Soviet force to U.S. national security.

What is more, the amendment implies in the attached "Dear Colleague" letter and the letter from the President that this act of entering into negotiation, when coupled with a "minimal deterrence" view of our present strategic capabilities, should permit us to avoid having to build up our nuclear forces, thanks to arms control.

This implication is naive and is dangerously misleading.

The impact of an amendment such as this is to reduce the likelihood of our being able to negotiate from strength and to achieve a treaty providing genuine arms reduction. Only such a treaty holds any real prospect for removing the specter and threat of nuclear war from the human race.

Mr. President, there also seems to be the inherent suggestion, a suggestion that I am sure its sponsors did not intend, that Congress assumes that Soviet values, that Soviet goals and objectives, are the same as ours and that the Soviet leadership is motivated equally by goodwill as are the leaders of the United States. Such is not the case. The pattern of Soviet provocation and aggression since World War II is clear.

Let us not forget, it was the United States that began to demobilize and disarm after World War II. It was not until some 2 or 3 years later that the United States began to rearm again when faced with a threat posed by the Soviet Union. It was the maintenance and upgrading of vast wartime armed forces and its violation of the Yalta accords and its other provocative acts that necessitated a return to a significant military capability on the part of the United States.

It is obvious the United States does not have a first-strike policy or a first-strike mentality.

Let me remind everyone that, at a time when the United States possessed the power to obliterate the Soviet Union with nuclear weapons, at a time when we possessed the power to win a war against the Soviet Union very quickly because of vast military superiority as represented by strategic nuclear weapons, even in the face of severe provocation, it was the United States that acted with restraint.

To suggest now that we are embarking upon a first-strike policy when the Soviet Union is at least equally and, by many accounts, superior to the United States in strategic nuclear capability, is not a reasonable suggestion.

The Soviets do not fear a first strike from the United States. They keep their offensive weapons systems on at lower readiness levels than we do. It is obvious that they are not worried about having to use those weapons in response to a first strike from the United States.

I have offered an amendment to this amendment which I believe puts the whole issue in proper context. In my amendment, the Soviet leadership is appropriately held accountable for failing to respond positively to President Reagan's request for a summit meeting at the United Nations in June.

The floor debate on my substitute amendment, in which I am joined by Senator WARNER, chairman of the Strategic and Theater Nuclear Forces Subcommittee of the Armed Services Committee, reflects that its sponsors are under no illusion that neither the adoption of this amendment nor the actual initiation of talks between the United States and U.S.S.R. will measurably improve our national security posture or lessen the need for strategic force modernization.

The Senate should be recorded as supporting a sensible, patient, and tough-minded approach to arms control negotiations with the Soviet Union.

Senator SPECTER's inference that President Reagan—as the great communicator—will charm the Soviet leadership out of its capabilities to wage nuclear war is not supportable, based on the history of our negotiations with the Soviet Union.

When I was a monitor of the SALT II talks in Geneva, I had a short conversation with Dr. Aleksandr Shchukin, the scientific adviser to Vladimir Semenov, who was the Soviet negotiator. He was a man who influenced the Soviet negotiating position.

I said: "Dr. Shchukin, we have unilaterally given up the B–1. What are you prepared to do in return?"

And this wily, old Russian looked at me and said:

"Senator, I am neither a pacifist nor a philanthropist."

That is the Soviet mentality to which we must address ourselves.

President Reagan's charm, powerful though it may be, might have considerable influence on free people in a free society. I do not think it will influence the hard-eyed men in the Kremlin who have developed an enormous offensive capability that they intend to use to assert their influence over this world.

Now, if Soviet arms were purely defensive and if ours were merely offensive, there would be some rationale for supporting the amendment offered by my two distinguished colleagues, but that is not the case. We are in a defensive configuration, and without any provocation from the West, the Soviet Union in the past few years has embarked on the construction of a mighty offensive war machine, one that is driving toward the capability of fighting a global war—and winning it. That is their objective.

Why else would they need a military capability far beyond anything required to defend the Soviet homeland?

In my view, sensible, persistent negotiations on a balanced and well-thought-through nuclear arms control proposal, fully supported by an effective nuclear deterrent, is the only hope we can have for achieving meaningful reductions in threatening Soviet capabilities.

Therefore, Mr. President, I urge the adoption of the Warner-Tower amendment.

Mr. HARRY F. BYRD, JR. and Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, I note that the hour of 12 o'clock is approaching. The Senate is supposed to recess at that time. I ask unanimous consent that I might be permitted to speak for 5 minutes prior to the recess.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the distinguished Senator from Texas for his eloquent address to the Senate this morning. I think he has accurately and appropriately summarized the magnitude of the Soviet buildup over the past decade.

In debating the 1983 defense authorization bill it is important, I think, that we bear in mind two points:

First, during the decade of the 1970's, Russia embarked on the most massive military buildup in world history. That has just been amplified on by the distinguished Senator from Texas, Mr. TOWER.

Second, and concurrently, the United States failed to keep pace and thus our military force declined in relative terms.

Last year, the Reagan administration recommended action, which the Congress took, to turn around this de-

cline. Now, the 1983 authorization bill presents a further strong enhancement of our military capability.

I am convinced that a strong national defense is vital to our Nation's security; I am equally convinced that a strong defense structure on the part of the United States is the best assurance toward the maintenance of world peace.

The defense authorization bill now before the Senate was considered carefully by the Armed Services Committee. There were a multitude of hearings on virtually every aspect of the legislation.

In a bill of this magnitude, obviously no individual Senator would agree with every aspect. Taken as a whole, however, I believe it to be sound and will be in the Nation's best interest.

In discussing this defense authorization bill, I must be frank to say that a strong national defense structure must be considered in the overall context of the Nation's economy. A strong defense and a strong economy both—both—are needed if we are to insure our own security and a peaceful world. In the long run, we cannot maintain a strong defense unless we have a soundly based economy.

For that reason, I feel that in considering the total budget of the United States we cannot exempt from close examination the defense budget. I feel there is inefficiency in the Department of Defense just as there is in every department of Government. The Armed Services Committee has been alert to this in considering defense requirements.

While the committee has done a good job, I do not personally rule out the possibility of some further reductions. As much as I favor and support a strong defense, I nevertheless am deeply concerned at the magnitude of the Federal Government's projected deficits. Deficits of this magnitude can play havoc with our economy which in turn will jeopardize our military buildup.

So while I support in general the defense authorization bill and commend the Armed Services Committee for its work, I shall not be blind to the fact that there may be other economies that can be achieved in the defense bill. I shall consider any such proposals on a case-by-case basis.

In conclusion, let me commend the chairman, Senator TOWER, and the ranking Democratic member and former chairman, Senator STENNIS, for their leadership.

Mr. WARNER. Mr. President, I ask unanimous consent that the hour for recessing be delayed for a period no longer than 5 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I would like to join in those commending the distinguished Senator from Pennsylvania for the initiative he has taken today. I hope I am not being presumptuous when I say that every Member of the U.S. Senate philosophically seeks the same goals as the distinguished Senator from Pennsylvania addresses in his resolution.

I have had the opportunity to be on both sides of this type of situation. As the Senator may recall, I was Secretary of the Navy at the time the SALT I preparation took place. I was actually in Moscow as a member of the SALT I delegation at the time our President signed that historic agreement. Further, I participated in a number of working sessions that took place in the years preceding the execution of that document, and which, coincidentally, the 10th anniversary is this month, May 25, the document having been signed on May 25, 1972.

I recall today quite vividly the care and the meticulous attention that must be devoted to all of the preparations and the importance of timing. It is, in my judgment, not possible for those of us in the legislative branch to be fully aware of the various sensitivities and the difficulties that are carefully weighed and evaluated by the executive branch.

Under our Constitution, the President of the United States is the chief architect of our foreign policy and Commander in Chief of the Armed Forces. In those capacities, he has to take the initiative with respect to the negotiations and the timing of such talks as are referred to in the resolution of the distinguished Senator from Pennsylvania.

Coincidentally, with SALT I, I was negotiating with the Soviets, on behalf of the U.S. Navy, the Incidents at Sea Agreement, which was executed the day before SALT I. While that agreement was indeed of a lesser magnitude, it, nevertheless, involved extensive negotiations over a period of 18 months with my counterparts in the Soviet Union, Admiral Gorchkov being the principal spokesman for the Soviet Union during the course of the negotiations for that agreement. He ultimately was the signatory for the Soviet Union, as I was the signatory and principal author of the document for the United States.

But again it is that breadth of experience that enables me to have an appreciation of the sensitivities that are now confronting our President with respect to the timing of the forthcoming talks.

The distinguished Senator from Texas has outlined, in a like manner, his views, based on lengthy experience here as a Member of the U.S. Senate during the negotiations for SALT I, of how it is important for the President, whomever he may be, of which ever party, to have the support of the legislature, but the fine line in which the legislature must give its backing and then leave to the judgment of the executive branch the question of timing.

It is for that reason, and the reasons brought forth by my distinguished colleagues during this colloquy, that perhaps the Senator from Pennsylvania will reconsider the advisability of his resolution at this time.

Mr. TOWER. Mr. President, I ask unanimous consent that, when the Senate resumes its session at 2 o'clock, the Senator from Pennsylvania be recognized. It was not my intention to hog the floor until the time of the recess. I apologize to the sponsors of the amendment for having done so.

Therefore, I think it appropriate and I do ask unanimous consent that on the resumption of our business at 2 o'clock the Senator from Pennsylvania be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SPECTER. Mr. President, I appreciate the comments of the distinguished Senator from Texas. I have no problem about waiting in turn until 2 o'clock. I shall be prepared to proceed at that time.

RECESS UNTIL 2 P.M.

Mr. TOWER. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 2 o'clock.

The motion was agreed to; and, at 12:09 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled, when called to order by the Presiding Officer (Mr. SPECTER).

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAYAKAWA). Without objection, it is so ordered.

Under the previous order, the Senator from Pennsylvania is recognized.

Mr. SPECTER. Mr. President, the time has come for a return to the consideration of the Department of Defense authorization bill and under the proceedings immediately before the noon recess, it was to be my opportunity to respond to some of the comments which have been made.

The response by the distinguished Senator from Texas (Mr. TOWER) demonstrates to me that he and others are unaware of the sense of the amendment which I, along with Senator DIXON, offered yesterday.

The provision is as follows:

It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of

Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

That is the substance, pure and simple. When the distinguished Senator from Texas states that there is a suggestion that the United States will embark on a first strike, that is not to be found anywhere in the text of the amendment or in anything which has been said on behalf of the amendment. When the Senator from Texas said yesterday that what is suggested is that the United States is responsible for the arms race in the first place, that, again, is totally out of context with the amendment or with anything that has been said in support of the amendment. When the distinguished Senator from Texas argues that the amendment will interfere and undercut the President, that is simply at variance with the facts.

What this amendment does, simply stated, is to encourage President Reagan to go forward with what he has expressed on a number of occasions. He had said in the course of his campaign that he would seek to initiate a summit conference at an early date. There have been a couple of statements made by the White House that such a summit was within the contemplation of the President of the United States.

When the reports emanated on Monday from the White House that there were no plans presently to proceed with those summit discussions, as reported in the Washington Post of yesterday, a reference which I made in my presentation yesterday, it seemed appropriate that we move forward with the sense of the Senate to encourage such a summit meeting.

The text of the Washington Post article is supported similarly by the New York Times of Tuesday, May 4, 1982, which is headlined "'No Decision' by President Reagan on Parley With President Brezhnev."

I ask unanimous consent that that article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"NO DECISION" BY REAGAN ON PARLEY WITH BREZHNEV

(By Hedrick Smith)

WASHINGTON, May 2.—The Reagan Administration has stepped up consideration of a full-fledged summit meeting in October between President Reagan and Leonid I. Brezhnev, but the President has made "no decision" so far, top Administration officials said today.

These officials said that the pros and cons of a Reagan-Brezhnev meeting in either Austria or Ireland this fall had been weighed in internal Government memos. Contrary to a report published in The Washington Post, officials said, the issue has not yet gone to President Reagan for decision or been discussed with Ambassador Anatoly F. Dobrynin of the Soviet Union.

Senior officials reported that most of the President's high-level foreign policy advisers favored an informal Reagan-Brezhnev get-together but were dubious about a formal summit meeting.

The Administration's cautious attitude was conveyed by Dean Fischer, the State Department spokesman, in response to questions about a Washington Post report today that President Reagan "will accept" a Soviet proposal for a well-prepared October summit meeting.

"We will carefully consider this possibility in the light of events and the substance of our bilateral dialogue with the Soviet Union in the coming months," Mr. Fischer replied.

"President Reagan has made it clear that our longstanding criteria for a formal summit meeting remain in place—that is, it would have to be carefully prepared, would have to be justified by the overall state of our relations at the time, and hold reasonable prospects for positive results," Fischer said. "There are currently no specific preparations for such a meeting."

Moreover, he added, "there's no agreement" with Moscow on a full summit session.

On April 5, President Reagan suggested the idea of an informal get-together with Mr. Brezhnev in late June at a disarmament conference to be held at the United Nations. Mr. Reagan said he thought it would be well if he and I had a talk." But the President and other officials treated this as less than a fullfledged summit conference.

SOVIET LEADERSHIP UNCERTAIN

The White House reasoning is that a Reagan-Brezhnev encounter would impart some momentum to arms control talks, ease East-West tensions at a time when the Soviet leadership may be about to undergo a change, and calm public nervousness about talk of limited nuclear warfare, without inviting public expectations of a major breakthrough on arms control, Poland or other important issues.

On April 17, Mr. Brezhnev responded with his own proposal to Tass, the Soviet press agency, for a more formal meeting in October. Privately, Soviet diplomats said Moscow was worried that Mr. Reagan has made his move more for domestic political purposes than out of hope for serious negotiations.

Top Administration officials said today that the Kremlin had not followed up the Tass interview with any formal proposal through diplomatic channels.

Some White House officials suspect that Moscow wanted to deflect Mr. Reagan's initiative for an informal meeting, possibly to give the 75-year-old Soviet leader time to recuperate from health problems that caused him to be hospitalized on March 25.

Mr. SPECTER. It was in the context of the earlier pronouncements of intention to proceed, coupled with the statements earlier this week that there was no present plan to proceed, that this amendment was offered. But it certainly could not be categorized fairly, in my judgment, as interference or in any way an undercutting of the President's activity. Similarly, the response of the Secretary of State, which I introduced into the RECORD yesterday, dated April 28, suggests that a Senate statement would be entirely consistent with what the Department of State is doing.

When the distinguished Senator from Texas says that there is a need for a patient, tough-minded approach, I agree completely.

When the distinguished Senator from Texas says that President Reagan's charm may not be enough, it would certainly have to be supplemented by the tough-mindedness which we have seen evidenced from our distinguished President. But the ability of President Reagan as a communicator and as a tough advocate is not to be lost sight of. It is a very important element in such summit talks. While charm in and of itself may not be sufficient, there is no substitute for charm, and it is certainly an asset, as the President has demonstrated in his negotiations with foreign leaders, as well as with the leadership of Congress.

When the distinguished Senator from Texas says that there should be a "sensible, persistent negotiating posture, fully supported by nuclear deterrent"—that may not be his precise statement but those are the words as nearly as I could write them down—that is something that I agree with.

As indicated earlier, I voted in support of the B–1 and the MX, and I am prepared at the appropriate time to support a very substantial Department of Defense authorization bill at the present time. That is, in the language of the distinguished Senator from Texas, the nuclear deterrent. But that must be coupled, in my judgment, with the first part of his sentence, which is, "a sensible, persistent negotiating posture." That is what I seek to promote in the amendment which is now at the desk.

Mr. TOWER. Will the Senator yield for a question?

Mr. SPECTER. Yes.

Mr. TOWER. Does the Senator feel that the President has now adopted a sensible, persistent negotiating posture?

Mr. SPECTER. I think he has adopted a sensible approach.

Mr. TOWER. Then why should we urge an approach on him which, according to the administration, is counterproductive for what they seek to do?

Mr. SPECTER. Because even though the President has a sensible approach, there may be some sensible comments in the U.S. Senate. We may have some constructive suggestions to offer. If it were plain that the summit meeting were to proceed, this is an amendment for which I would not call for immediate action. But my own view of what is happening is that there is an intention to move forward with the summit talks, but there is some possibility that it may not happen or there is some possibility that they will be delayed. It seems to me, when the Senate is being called

upon to vote a very substantial Department of Defense authorization bill, after having taken substantial advice from the executive branch, that it is appropriate for the Senate to say, "Mr. President, we suggest that the summit talk be held at the earliest practicable time."

Mr. TOWER. In other words, even though the Soviets are engaged in activities or actions that militate against the advice of the President going to a summit immediately, the Senator would still insist that the President go anyway?

Mr. SPECTER. I would not insist on the President going for a summit if the Soviets were engaged in such activities. But my own view is that it is reasonable at the present time to proceed with a summit. When the distinguished Senator from Texas said in his remarks earlier in the day that I mistook the Soviet's goals and objectives as being the same as those of the United States, again the distinguished Senator from Texas is not accurately stating or interpreting my position. My belief that the Soviets may well be interested in summit talks and nuclear arms reduction is because of the power of the United States, because of the tenacity and the determination which President Reagan has brought to the scene, and because of the Department of Defense authorization bill of last year.

I say that after having taken the time to visit Edwards Air Force Base and personally take a look at the B-1 bomber; to visit Grand Forks, N. Dak., in February of this year and observe Minuteman missiles; to visit the Strategic Air Command and have a firsthand look at our capability there; to visit the nuclear submarines in Charleston, S.C., and observe those submarines with, as is well known in the public media, 16 missiles which can be projected, each with 10 warheads, and each warhead with four to five times the power which was unleashed at Hiroshima.

So it is not necessary to accuse the Soviet Union of the same goals and objectives the United States has in order to say that the Soviet Union has good reason to sit down at summit talks and to negotiate on nuclear arms.

Mr. TOWER. Let me ask the Senator this question. First, let me say that, of course, I have visited Edwards. I am well familiar with what our B-52's can do and what the Minuteman can do, which has not been fully authorized yet but which is a conditional authorization. I am familiar with what the Trident can do. In fact, has the Senator from Pennsylvania had a look at what the Soviets can do? In fact, they are building a nuclear capability much faster than we are, and even though our nuclear capability is formidable, in fact we may be at the point now where in a short few years the Soviets can overwhelm our retaliatory capability.

The Senator says that he is convinced that we can wreak destruction on Soviet industries, on Soviet cities, and all that sort of thing. That sounds like the old discredited doctrine of mutual assured destruction. Does the Senator from Pennsylvania still think that is a valid doctrine?

Mr. SPECTER. I did not hear the Senator.

Mr. TOWER. The doctrine of mutual assured destruction, the MAD doctrine. Does the Senator believe that is still a valid doctrine?

Mr. SPECTER. I believe we have sufficient capability to inflict sufficient destruction on the Soviet Union so that there is good reason for the Soviet Union to engage in summit talks and in bargaining on arms reduction.

Mr. TOWER. In other words, the Senator does think the MAD doctrine is still valid?

Mr. SPECTER. I am not prepared to adopt anybody's doctrine. I am prepared to answer the Senator's questions.

Mr. TOWER. It is not just anybody's doctrine. This was established doctrine for years, mutual and assured destruction, that if we simply had the capability to destroy Soviet cities, that would deter a first strike against us. Most of the military and technical communities, the diplomatic communities, the last administration and this administration no longer cling to the doctrine of mutual assured destruction. I just want to ask the Senator from Pennsylvania if he does because implicit in what he says is acceptance that the doctrine of mutual assured destruction is still a valid doctrine.

Mr. SPECTER. I have not relied upon anything which is implicit. That is something the distinguished Senator from Texas comes to repeatedly. I am being very explicit as to what I advocate. A doctrine of mutual assured destruction does not have specification or meaning for me in and of itself.

I have said, and will repeat, that the course of the United States——

Mr. TOWER. If the Senator will yield——

Mr. SPECTER. I will not yield in the middle of a sentence. I will yield when I finish the sentence.

In my judgment, we have sufficient force from what I have seen, from what I have read, and from what I have studied so that there is good reason for the Soviets to be very concerned about the power of the United States, so that we need not rely on their good intentions or their good will to bring them to the summit talks.

Mr. TOWER. Let me read the Senator's own words. "Whatever increases in vulnerability may occur later in the decade, our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industries, cities, and military bases to deter a Soviet preemptive strike."

That is the doctrine of mutual assured destruction which, as I say, has already been discredited.

Now, does the Senator believe that if the Soviets launched a first strike against us, we would have sufficient urgent hard target kill capability to prevent them from launching yet another attack against us?

Mr. SPECTER. Mr. President, I am not in a position to render an opinion on that.

Mr. TOWER. Well, if the Senator is not in a position to render an opinion on it, how can he offer an amendment on it?

Mr. SPECTER. I am not finished, Mr. President.

The statement I read had the B-52's, the Minutemen, and the submarines. I believe that, in terms of a strike potential there, it is sufficient to bring the Soviets to the bargaining table, with good reason for them to appear there.

Mr. TOWER. Mr. President, let me ask the Senator a specific question about this. He talks about the B-52's that we have. Does the Senator know how long it takes a B-52 to arrive on target in the Soviet Union from a base in the United States?

Mr. SPECTER. No, Mr. President.

Mr. TOWER. It takes several hours. Does it occur to the Senator that in that period of time, the Soviets could launch yet a second strike against us?

Mr. SPECTER. Yes, Mr. President, that does occur to me. Yes, I do know it takes several hours.

Mr. TOWER. And he would hold us hostage to that so we would have time to use the B-52's.

Mr. SPECTER. I am not finished with my answer, Mr. President.

I do know in terms of generalization that it takes several hours. I do not consider that knowing how long it takes B-52's to get there. I do know the approximate length of time it takes a Minuteman missile to traverse the distance from North Dakota to the Soviet Union and the approximate time it takes a missile from a submarine to arrive there.

Mr. President, I fail to see the relevance of that kind of material to the issue as to whether we have sufficient force to make the Soviets serious about negotiating.

Mr. TOWER. Mr. President, the Senator has introduced this. Therefore, he obviously thinks it is relevant. Let me ask the Senator this question:

Does the Senator believe that, in a first strike, the Soviets would leave us a sufficient number of Minuteman III's in a second strike to destroy all of their offensive capability so there would be no third strike against us?

Mr. SPECTER. Mr. President, I am not prepared to make the response

there, nor do I see the relevance of that to the issue.

Mr. TOWER. Mr. President, the Senator brought in the question of our ability to deter, so it is very relevant. In the Senator's letter, he says we have the B-1, the MX coming on line, then he says Minutemen and B-52's could still reliably wreak sufficient destruction of Soviet industry.

The Senator is the one who made it relevant, so he should be able to defend the position that what we have in the way of B-52 capability and survivable intercontinental ballistic missile capability and submarine-launched ballistic missile capability provides an adequate deterrent. He is the one who has made it relevant here, not me.

Mr. SPECTER. It is relevant on the issue of deterrence, Mr. President, to deter a Soviet first strike. When we become engaged in a question as to what a response would be from a first strike or a second strike or a third strike, there, I believe, we are engaging in issues which are too speculative for anyone really to know.

Mr. TOWER. The Senator said it is speculative. Then he must admit that his own words are speculative when they say that this is an adequate deterrent. If the Soviets do destroy 90 percent of our land-based missile force, it occurs to me they could then say to us, "Do not launch a retaliatory strike against us or we will launch yet another strike against you that will level your cities."

What would the Senator do in that situation if he were President?

Mr. SPECTER. Mr. President, I think the distinguished Senator from Texas is not correct in suggesting that the Soviets can destroy a sufficient quantity of our nuclear force to make retaliation irrelevant for their consideration. We have a sufficient nuclear force in the B-52's which is not subject to destruction. We have a very substantial nuclear force in our submarine capability which is not subject to destruction. So I reject the distinguished Senator's contention or suggestion that the Soviets could cause such destruction of our force as to be unconcerned about retaliation.

Mr. TOWER. The point I am making, Mr. President, is that the Senator, again, is embracing the doctrine of mutual assured destruction, discredited by the previous administration and discredited by this one. In fact, what he is saying is that if the Soviets launch a first strike, they would launch it against our defensive weapons capability. They would launch it against our land-based missiles. If they did that, our option, given that vulnerability, would be to retaliate against their cities.

Once having done that, they would say, "All right, if you use your retaliation against our cities, we would use ours against yours."

What is the Senator prepared to do: Go ahead and retaliate and destroy Russian cities if faced with certainty that American cities are going to be destroyed in the next exchange? Is the Senator prepared to do that?

Mr. SPECTER. Mr. President, I think the distinguished Senator from Texas has lost sight of what the issue is.

Mr. TOWER. I do not think I have, Mr. President.

Mr. SPECTER. The issue is whether the United States has sufficient nuclear force to make it worth the while of the Soviet Union to sit down at a summit talk. That is not just the opinion of the Senator from Pennsylvania. That has been the expressed and considered opinion of the President of the United States, who has said, while as a candidate, that having studied the issue at tremendous length, as is known to the distinguished Senator from Texas, he thought summit talks were advisable. That is a statement which the President of the United States has made in the course of the past several weeks.

Mr. President, the issue is, does the Soviet Union have sufficient motivation to come to the summit talks, not what will the complex possibilities be in attack 1, retaliation; attack 2, retaliation; and so forth.

Mr. TOWER. The Senator from Pennsylvania has introduced the issue of deterrence here. Again I read what he says: "Our Minuteman missiles and B-52 bombers can still reliably wreak sufficient destruction on Soviet industry, cities"—that is the mutual assured destruction doctrine.

How reliable might they be if there were overhead bursts on our airfield from submarine-launched ballistic missiles that put our B-52 out of commission—which is a long-time response, anyway—and when they have knocked out 90 percent of our urgent hard target kill capability, when open testimony 2 years ago, before the Armed Services Committee and the Foreign Relations Committee, showed or held that the Soviets, by 1982, could destroy 90 percent of our urgent hard target kill capability.

Would the Senator care to explain that paragraph?

Mr. SPECTER. The Senator from Texas again conveniently overlooks the power of the nuclear submarines.

Mr. TOWER. I am not overlooking anything, Mr. President. I am asking about the paragraph where the Senator said, "We can still reliably wreak destruction on Soviet cities, industries and bases." That is what the Senator said.

Mr. SPECTER. That is what I said.

Mr. TOWER. How do you communicate with a submarine in that situation? How do you get a response out of a submarine?

Mr. SPECTER. We have methods of communicating with submarines. That is what I said, not only in the context of the Minuteman and B-52's.

Mr. TOWER. How do we communicate with a B-52, I ask the Senator?

Mr. SPECTER. If I may be permitted to finish, Mr. President.

Mr. TOWER. Mr. President, let the Senator go ahead and finish.

Mr. SPECTER. I know we have methods of communicating with B-52's as well as with our submarine force. I come back to our most important point, that this is a digression and a red herring.

Mr. TOWER. Mr. President, if it is a red herring, why did he put the red herring in his letter?

Mr. SPECTER. The real issue here, if I may be permitted to finish—I do not interrupt the distinguished Senator from Texas when he is speaking—the real issue here is whether there is sufficient motivation for the Soviets to come to the bargaining table. That is the issue where the Senator from Texas starts. The business about the specifics as to our capability to retaliate after a first wave is not responsive to what we are really talking about.

Mr. TOWER. One of the key issues is not simply getting to the negotiating table but what we can accomplish when we get there. Coming to the table does not mean anything if there is no prospect of accomplishing anything.

The Senator from Pennsylvania is maintaining that we can accomplish something because of the reliability of our B-52's and our Minuteman missiles to destroy Soviet cities and industry.

I submit to the Senator that that is not reliable, that that statement is in error.

The Senator said we can communicate with our submarines, but how do we communicate with them? They have to surface. Does not the Senator know that, that you cannot automatically communicate with a submarine deeply submerged? If the Russians start missiles flying at the United States, how do we communicate with those subs to get an urgent response? If we cannot get an urgent response, the Soviets might be prompted to launch a second strike against us unless we surrender, holding our cities hostage.

Would the Senator care to comment on that possibility?

Mr. SPECTER. I should be pleased to.

The fact of the matter is that messages can be communicated to the submarines without the necessity of the submarines surfacing.

Mr. TOWER. How?

Mr. SPECTER. Through our communications system. I have been briefed on our communications system and I am advised——

Mr. TOWER. What does that do?

Mr. SPECTER. And I am advised that it is possible——

Mr. TOWER. What does that do to the most valuable asset a submarine has? What is the most valuable asset a submarine has?

Mr. SPECTER. If I may finish. May I finish?

Mr. TOWER. Yes.

Mr. SPECTER. I thank the Senator. It is possible for the submarines to have a communication without surfacing.

Mr. TOWER. Yes, it is.

Mr. SPECTER. A few moments ago the Senator said that it was not possible for the submarine to receive a communication without surfacing.

Mr. TOWER. But when he does it without surfacing, what does he give up? What does he give up? His most valuable asset. And what is that? His indetectability.

Mr. SPECTER. I think that the Senator from Texas is performing a great disservice to the forcefulness of our submarine fleet in suggesting that they are unable to receive——

Mr. TOWER. No, the Senator is not.

Mr. SPECTER [continuing]. Communications—if I may finish—in suggesting that they are unable to receive communications and are unable to carry out their mission without being detected. That simply is contrary to the fact.

Mr. TOWER. Is the Senator prepared to support that with information for the RECORD? Is the Senator saying that they do not have to trail a wire just beneath the surface?

Mr. SPECTER. I am saying that it is possible to communicate without being detected, according to the information which has been provided to me. I received that briefing last month when I visited the nuclear submarine base in Charleston, S.C.

But again I come back to the point that the real issue is being obscured here in a grand way by the Senator from Texas, because it is not just the Senator from Pennsylvania who is suggesting that it is realistic to have summit talks. Yesterday I introduced into the RECORD a letter from the Secretary of State dated April 28, 1982, which I think is worth rereading. It reads as follows:

Thank you for sending the text of your Sense of the Senate Resolution calling for a summit meeting on nuclear arms reduction.

The President and I fully share your concern about the danger of nuclear war. A meeting with President Brezhnev can contribute to reducing that danger.

Note that it is not just the Senator from Pennsylvania who believes that a meeting with President Brezhnev can contribute to reducing that danger but includes the Secretary of State.

The Secretary of State goes on:

And President Reagan has expressed his desire to meet with the Soviet leader in June in the context of the United Nations Special Session on Disarmament.

Note again that it is not just the Senator from Pennsylvania and the Secretary of State but the President of the United States who thinks it is realistic to meet with the President of the Soviet Union.

The Secretary of State continues:

Even though President Brezhnev responded by suggesting a meeting in the fall, President Reagan hopes that it will still be possible to meet in June as he proposed.

We recognize, however, that ensuring peace is not the work of a single meeting. Peace requires the determination to maintain a balance of power. It requires detailed preparation and patient negotiation. It requires restraint in foreign policy. We intend to meet these standards. The problem we face has been Soviet unwillingness to match our restraint.

The President is committed to achieving meaningful reductions in nuclear arms. Preparations for strategic arms negotiations are now in their final stages, and we expect to begin talks with the Soviets as soon as conditions permit.

So that when the Secretary of State considers the factors, and he is knowledgeable about them, as is the distinguished Senator from Texas, he thinks it is a realistic and timely thing to do.

Then he continues:

Negotiations on intermediate-range nuclear forces took place between November 1981 and March of this year, and they will reconvene on May 20. We are also discussing important arms control issues in the Mutual and Balanced Force Reduction talks, the United Nations Committee on Disarmament, and the standing Consultative Commission established under the SALT I agreements. We hope what this ongoing dialogue will succeed in achieving genuine arms reductions and in lessening the risk of war.

He continues, but I shall not go on at this point. It is plain in the response by the Secretary of State that there is nothing said which is in opposition to the resolution which I have introduced here yesterday identical in form and in substance, and there are none of the concerns which the Secretary of State sees and which have been expressed by the Senator from Texas.

Mr. TOWER. The fact is the administration opposes the amendment and opposes it very strongly. Is it the suggestion of the Senator from Pennsylvania that, regardless of what the administration position is, he intends to press on with it, even if the administration opposes it for reasons that it might undermine the bargaining position the administration has? Is he prepared to press on with it even in the absence of hearings, even in the absence of giving the administration an opportunity to present its case to the appropriate committee, the Foreign Relations Committee?

Mr. SPECTER. If I thought that this amendment would undermine what the administration was doing, I would not proceed with it, nor would I have proposed it. When the distinguished Senator from Texas tells me that the administration opposes it, I recollect a matter which came to the floor just a few weeks ago from the distinguished Senator from Idaho (Mr. SYMMS), and there was considerable confusion as to what the administration's position was on that, dealing with the Cuban issue. It seems to me that it is appropriate in the suggestive context of this amendment for the Senate to come forward and to express its view to the executive branch.

Mr. TOWER. Is the Senator saying that if we obtain a positive statement from the administration that they oppose this amendment, he will withdraw it?

Mr. SPECTER. No; I am not saying that. I said that if I thought this amendment undermined what the administration was trying to do, undermined U.S. foreign policy, I would withdraw it.

Mr. TOWER. Then, the Senator would press it without giving the administration an opportunity to testify before an appropriate committee as to why they felt it might undermine their position? He would press on with it, anyway.

Mr. SPECTER. I have written to the President on April 14. I have written to the Secretary of State, and he has responded, in no way suggesting what the Senator from Texas has said. I have received no response from the Secretary of Defense or from the National Security Advisor.

This is not a matter which, in my judgment, requires extended hearings. The issue of a summit talk has been widely considered, it has been widely debated, it has been endorsed in part by the President, and it is one on which I think the Senate can move forward to a judgment without hearings.

Mr. TOWER. So the Senator is saying that even if the administration made a statement to the effect that they felt it might undermine the administration's negotiating position, the Senator would press forward with it, in the absence of any opportunity for the administration to present its cases before an appropriate committee of the Senate. Is that correct?

Mr. SPECTER. I am available to discuss the matter with the administration. I am available to hear why a conclusion would be drawn that this would undermine in any material way the negotiations with the Soviet Union. I am prepared to maintain an open mind if some good reason is given for that proposition.

I did not introduce this precipitately yesterday. It was the subject of a communication, to repeat, of April 14, and then again of April 19.

I believe that this matter is very much on the mind not only of the Senator from Pennsylvania and the U.S. Senate but also on the minds of the people of the United States. I believe it is a matter which should be the subject of an expression of opinion by the Senate on the Department of Defense authorization bill.

Mr. TOWER. I suggest to the Senator that Secretary Haig is scheduled to testify before the Senate Foreign Relations Committee, on the whole issue of arms control, on Tuesday at 9:30. It is my understanding that the Senator from Pennsylvania, himself, is scheduled to testify before the committee.

Would it not be wiser for the Senator from Pennsylvania to withhold this and, if he is not satisfied by the testimony of the administration or the action of the Foreign Relations Committee, to offer this as an amendment to the appropriate vehicle—namely, something that comes from the Foreign Relations Committee, which has jurisdiction over this matter?

Mr. SPECTER. I disagree directly that this is an inappropriate vehicle for this amendment.

I am being asked, as is the Senate, to vote on a Department of Defense authorization bill in excess of $200 billion, and an enormous part of that $200 billion is going to be directed toward nuclear weapons. Another enormous part of that $200 billion is going to be directed to weapons that are related to a nuclear strike force.

I believe it is appropriate for the Senate to say to the executive branch: "Start talks. It is not inconsistent with acquiring strength. We agree that the United States should agree to acquire strength, but start to talk."

I think it is directly relevant, directly germane, and should be considered at this time.

Mr. WARNER. Mr. President, has the Senator yielded the floor?

Mr. SPECTER. No.

Mr. WARNER. Will the Senator yield for a question?

Mr. SPECTER. I yield.

Mr. WARNER. During my first years in the Senate, we were discussing the SALT I agreement. As the Foreign Relations Committee was working on the hearings in the context of reporting it to the floor, and so forth, the tragedy of Afghanistan developed.

Subsequently, it was the judgment of the President of the United States to pull that treaty back, in view of the complexity of the international situation, by virtue of the unlawful and illegal activities of the Soviet Union in Afghanistan.

I mention that as a chapter in what we refer to as—and I am certain the distinguished Senator from Pennsylvania is familiar with the term—linkage.

Now the whole world is awestruck over the problem we have in the Falkland Islands. The President and the Secretary of State, in what I believe is a very diligent and proper manner, have done what they can to bring the power and influence of this Nation to bear, to try to resolve that tragedy in peaceful manner.

I raise these points because, if the Senator would provide an opportunity for consultations with the Secretary of State, or during the course of the hearing, it may well be that there are ramifications under the doctrine of linkage which would make it ill advised for the Senate this afternoon to place on record its opinion with respect to the Senator's resolution.

My question, then, is: Has the Senator from Pennsylvania taken into consideration the really abnormal circumstances that the world is witnessing right now in the Falkland Islands and all the ramifications that might flow from that, as it bears on a further communication of this type from Senate to the world with respect to the negotiations?

These things are delicate. It is difficult for me, within the confines of classified material, and so forth, to discuss that here, but I am sure the Senator understands the point of my question.

Mr. SPECTER. I thank the distinguished Senator from Virginia for the question.

Yes; I have taken into account, to the best of my ability, the situation in the Falklands. It is my view that it is always possible to find some reason not to do something. I think there doubtless was good reason not to proceed with the SALT II talks after the Soviets invaded Afghanistan in December 1979. But I do not see any cogent reason at this time not to proceed with the summit talks which have been suggested broadly, far beyond the recommendation of the Senator from Pennsylvania.

Mr. WARNER. The distinguished Senator from Texas suggested that possibly next Tuesday, on the occasion of the testimony of the Secretary of State, the Foreign Relations Committee might permit the distinguished Senator from Pennsylvania to participate in that hearing and to address to the Secretary the propriety of having such a resolution acted upon by the Senate at this time.

I am not suggesting that I have any specific knowledge on the situation of linkage as it relates to the Senator's resolution, but I do raise this as one possibility.

It seems to me that a matter of 3 or 4 days would not be that important. The Senator could then attach his resolution to a resolution that I presume the Foreign Relations Committee will report, possibly the Jackson-Warner resolution or a modification thereof, or another, in the context of the overall discussion of the freeze—the very important freeze subject. That would be an appropriate vehicle, and I anticipate that that will be forthcoming shortly.

Mr. SPECTER. I believe that the amendment which is now before the Senate is capable of being decided by the Senate at this time.

Mr. WARNER. The Senator means the resolution.

Mr. SPECTER. It is in the form of an amendment. It is an amendment.

I say that because this amendment does not purport to tell the President what to do, as does the Kennedy-Hatfield amendment, which talks about freeze. This makes only a suggestion. It does not set any date. It calls for a summit at the earliest practical time, and I think that is a matter which is subject to being decided at the present time by the Senate.

Mr. President, I wish to modify my amendment by accepting the amendment thereto, offered by Senator TOWER, and I request the yeas and nays on the amendment as modified.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1397) as modified by amendment No. 1398, is as follows:

At the end of the bill add the following:

SEC. . (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays?

Mr. WARNER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

The Senator from Virginia.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to table the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, now that the Senator from Texas has offered a motion to table, is the form of the amendment of the Senator from Pennsylvania with the amendment of the Senator from Texas, as well, under consideration at this time.

The PRESIDING OFFICER. The Senator from Illinois is out of order debating a motion to table.

Mr. WARNER. Mr. President, we are awaiting the decision of the Chair with respect to the yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to lay on the table the amendment of the Senator from Pennsylvania.

There is no debate on the motion to table.

Mr. DIXON. Mr. President, I demand the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TOWER. Regular order.

The PRESIDING OFFICER. There is not a sufficient second.

The question is on agreeing to the motion of the Senator from Texas.

The PRESIDING OFFICER. Those in favor of the motion will stand and be counted. Those in favor of the motion to table will stand and be counted.

Mr. DIXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SPECTER. Mr. President, reserving the right to object, I just want to be sure that we come right back to——

The PRESIDING OFFICER. The Senator may not reserve the right to object to calling off the quorum.

Is there objection?

Mr. SPECTER. I object.

Mr. JACKSON. Mr. President, I will protect the Senator. I am going to make a unanimous-consent request.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. JACKSON. I ask unanimous consent that I may call up my unprinted amendment, which is at the desk, with the understanding that upon completion——

The PRESIDING OFFICER. The Senator is advised that the quorum call is still in progress.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Will the Senator yield to me?

Mr. JACKSON. Yes, I yield.

Mr. TOWER. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. Is there objection to the Senator's request to call off the quorum?

Without objection, it is so ordered.

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Pennsylvania be temporarily set-aside for the purpose of taking up a noncontroverial amendment to be offered by the Senator from Washington; that on the completion of action on that amendment, the Senate immediately return to consideration of the amendment offered by the Senator from Pennsylvania.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

The Senator from Washington is recognized.

UP AMENDMENT NO. 904

(Purpose: To increase the amount that may be paid to certain members of the uniformed services in settlement of claims for damaged or lost personal property incident to service in a foreign country during the evacuation of personnel from and the hostage crisis in Iran)

Mr. JACKSON. Mr. President, I call up an amendment for myself and Senator NUNN, which is unprinted and at the desk, designed to correct certain deficiencies in the law regarding adequate compensation for members of our Armed Forces for property lost in Iran in 1979 and 1980.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. JACKSON), for himself and Mr. NUNN, proposes an unprinted amendment numbered 904.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

MILITARY PERSONNEL CLAIMS RESULTING FROM IRANIAN CRISIS

SEC. —. Section 9 of the Military Personnel and Civilian Employees' Claims Act of 1964 (31 U.S.C. 243a) is amended—

(1) by inserting a comma and "subject to subsection (f)," after "shall" in the second sentence of subsection (d); and

(2) by adding at the end thereof the following new subsection:

"(f)(1) In the case of any claim against the United States made under subsection (a) by any individual for damage to, or loss of, personal property in a foreign country after December 30, 1978, and before January 22, 1981, that was incident to the service of such individual as a member of the uniformed services, the Secretary concerned may settle and pay an amount determined under paragraph (2).

"(2)(A) For the purposes of paragraph (1), the Secretary may, subject to subparagraph (B), pay not more than $55,000.

"(B) In the case of lost personal property that any individual described in paragraph (1)—

"(i) appropriately and reasonably owned and possessed in the foreign country considering his official representational duties and responsibilities; and

"(ii) reasonably did not remove from the place where it was lost or did not have an opportunity to remove from such place,

as determined by the head of the agency concerned, such head of the agency may pay to the individual an amount equal to the excess (if any) of the documented full replacement cost of such lost personal property over the total amount of compensation payments available to the individual from all other sources with respect to such lost property."

Mr. JACKSON. Mr. President, I offer an amendment for myself and Senator NUNN, designed to correct certain deficiencies in the law regarding adequate compensation for members

of our armed services for property lost in Iran in 1979 and 1980.

Specifically, my amendment would raise the existing statutory ceiling from $40,000 to $55,000 for damage or loss of personal property incurred between the beginning of 1979, when the first evacuation of official U.S. personnel in Iran occurred, and January 1981, when the U.S. hostages left Iran. The amendment also gives the Secretary of Defense authority to provide additional compensation to members of the armed services—not limited by the table of maximum allowances and the table of depreciation or the $55,000 ceiling—for loss of property which was purchased for the purpose of performing representational duties or other official responsibilities.

Mr. President, the Military Personnel and Civilian Employees Claim Act, as amended, adequately covers most of the claims which were submitted in connection with the evacuation of official U.S. Government personnel during the Iran situation. I understand, however, that 14 members of our Armed Forces who have filed claims under the act have claims which have been adjudicated at amounts in excess of the current ceiling of $40,000. These amounts vary from $55,000 to amounts just over the $40,000 ceiling. These, it must be emphasized, represent validated claims in which the claims submitted were adjusted by taking into account the standard tables of maximum allowance and depreciation.

As we know all too well, Iran was increasingly becoming unstable during the late 1970's and because the opportunity to purchase locally items for personal use was increasingly limited, official American personnel had to bring many, if not most, of these items over to Iran with them. The situation there was so risky that insurance for these items was not available, and when these individuals and their families were forced to leave the country, many left only with a suitcase or two, leaving the rest of their belongings behind.

The amount left behind varied according to the length of intended duty in Iran, the degree of official reponsibilities to be performed, and the size of one's family. The Government has an obligation to compensate its employees fully for the documented value of personal property lost in this kind of a situation. I think it is unfair, Mr. President, that some individuals, whose claims have been validated in excess of $40,000 and who had a reasonable amount of property in Iran without a reasonable opportunity to remove and protect it from loss, should have to bear this financial loss. I might add that this point of view was shared by the President's Commission on Hostage Compensation which recommended an increase in the property claims ceiling for those who were taken hostage on November 4, 1979. My amendment broadens this recommendation to include all members of the armed services—I understand there are no validated claims to date among Department of State personnel in excess of $40,000—who lost property during the turbulent days, starting in early 1979 and ending the day our hostages were released 2 years later, in Iran.

The second part of my amendment gives the Secretary of Defense authority to exceed the compensation ceiling if necessary in order to compensate those very few individuals who purchased property and belongings of a personal nature in order to fulfill representational duties and social obligations related to official business.

Mr. President, I understand there are only a few Department of Defense personnel—perhaps three of four—who fall into this category. These individuals with attaché duties had heavy entertainment obligations and responsibilities. Simply put, they acquired property which they would not have ordinarily purchased but for their special representational duties. These individuals who acquired this property because of their official U.S. Government responsibilities in Iran should be compensated up to the full documented value of personal property lost and should not be limited by the table of maximum allowances, table of depreciation used to adjudicate claims under the act, or by the $55,000 ceiling for property falling into this category. It would be an injustice for these individuals to take a considerable financial loss for property and personal belongings which were purchased primarily in order to fulfill representational responsibilities for the U.S. Government in Iran.

Mr. President, I believe my amendment corrects the problems I have just discussed. It corrects what I see to be inadequate compensation for certain Department of Defense personnel in Iran, and I urge its adoption.

Mr. President, the merit of this amendment is quite clear. We had several military personnel who submitted claims; and, under the statute, they were not given full compensation for the property loss. They have, of course, established and validated claims beyond the present limit on repayment. A very small number of other personnel with representational duties lost personal property which they had acquired because of their specialized duties. They would be compensated to the full documented replacement cost for such property under my amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. TOWER. Mr. President, on behalf of the committee, I am prepared to accept the amendment.

I commend Senator JACKSON, Senator NUNN, and others who joined in the amendment for addressing themselves to what I would call an oversight, not an intended punishment of those people who served us so well.

I have discussed the matter with the distinguished Senator from Mississippi, the ranking minority member of the committee, and he has authorized me to say, in his absence, that he accepts the amendment. Therefore, we are prepared to accept the amendment.

Mr. JACKSON. I thank the distinguished chairman of the committee.

I have no further comments, Mr. President; I think we should vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Washington.

The amendment (UP No. 904) was agreed to.

Mr. JACKSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JACKSON. Mr. President, I thank the distinguished chairman of the committee for his cooperation.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I withdraw my motion to table.

The PRESIDING OFFICER. The Senator has that right. The motion is withdrawn.

AMENDMENT NO. 1397, AS FURTHER MODIFIED

Mr. SPECTER. Mr. President, I send an amendment to the desk in the form of a substitute.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. SPECTER. I yield.

Mr. TOWER. I understood that he intended to modify his existing amendment. Is that his intent?

Mr. SPECTER. That is.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

The amendment, as modified, is as follows:

At the end of the bill add the following:
Sec. . (a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

(c) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

TIME LIMITATION AGREEMENT—AMENDMENT NO. 1397, AS FURTHER MODIFIED

Mr. TOWER. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside, and that tomorrow when the Senate resumes consideration of S. 2248, the amendment of the Senator from Pennsylvania will become the pending business; that there will be a time limit of 1 hour of debate on the amendment, equally divided between the proposer of the amendment and the manager of the bill; further, that there be a time limitation of 30 minutes on any amendment thereto, to be equally divided between the proposer of such amendment and the Senator from Pennsylvania (Mr. SPECTER).

The PRESIDING OFFICER. Is there objection?

Mr. COHEN. Reserving the right to object, is it still in order, Mr. President, to file a motion on this particular amendment?

The PRESIDING OFFICER. To request what?

Mr. COHEN. Would it be in order to offer a motion to table the new amended Specter proposal?

Mr. TOWER. If I may respond, the motion to table would be in order only after the time for debate had expired. A tabling motion would not foreclose the time agreement prior to that.

The PRESIDING OFFICER. The distinguished Senator from Texas is correct. Is there objection?

Mr. TOWER. Mr. President, I further add that the Senate will resume consideration of the bill at 10:30 tomorrow morning, at which time the amendment would become the pending business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I wish to thank the distinguished chairman of the Armed Services Committee, the distinguished Senator from Illinois, and the distinguished Senator from Pennsylvania for working out this compromise, which I believe is in the best interests of the Senate and the United States.

Mr. DIXON. Mr. President, I am authorized to say that the agreement has been cleared on this side with the minority leader and with the manager of the bill. The distinguished Senator from Texas and the distinguished Senator from Virginia are both thanked for their accommodation.

Mr. SPECTER. Mr. President, I wish to thank the distinguished Senator from Virginia for his skill in arranging this current arrangement, the distinguished Senator from Texas, and the distinguished Senator from Illinois for his support of the agreement.

Mr. TOWER. Mr. President, what the Senator from Pennsylvania and the Senator from Illinois have just said is the fact that I am just a patsy, an easy touch around here. I understand that everyone knows what a good guy I am. [Laughter.]

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that my aide, Mr. Sharon, be granted the privilege of the floor during the consideration of the pending legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 905

(Purpose: To prohibit the use of operation and maintenance funds for maintenance of POMCUS sites under construction)

Mr. GLENN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio (Mr. GLENN) for himself and Mr. SASSER, proposes an unprinted amendment numbered 905:

Mr. GLENN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, line 19, strike out "$18,774,275,000" and insert in lieu thereof "$18,742,275,000".

On page 23, between lines 18 and 19, insert the following new section:

PROHIBITION OF MAINTENANCE OF POMCUS SITES

SEC. 304. None of the funds appropriated under this title may be obligated or expended for maintenance of the sites which—

(1) are to be used for the storage of prepositioned overseas materiel configured to unit sets; and

(2) are under construction on the date of enactment of this Act.

Mr. GLENN. Mr. President, this amendment to the fiscal 1983 defense authorization legislation requires our European NATO allies to increase their share of the burden of the alliance's responsibilities. It will ultimately reduce U.S. defense outlays by approximately $200 million a year, if we put the full package into consideration. What I am proposing today is only $32 million of that $200 million per year.

Mr. President, the basis for this is that NATO has refused to share some of the greater financial burden, to share the load, for what we do on behalf of the alliance.

At NATO meetings, which the distinguished floor manager of the bill and I attended in Munich earlier this year, we saw our NATO allies digging in their heels at even considering getting any of their considerations outside of the NATO geographic area itself, even though what we are being forced to pick up much of the load for responsibilities around the world that benefit the NATO nations, the European nations, perhaps even more than

they benefit us. That is the reason for this particular amendment.

Mr. President, central to this issue is the U.S. commitment to provide 10 divisions to the European command within 10 days of the announcement of mobilization in NATO. Four of these divisions are permanently stationed in West Germany, while the remaining six are garrisoned in the United States.

To more rapidly move our six "Stateside" divisions in a crisis, we are building storage areas in Europe for heavy combat equipment such as tanks, artillery, and trucks. Our divisions would then be able to leave their weapons in the United States and move mostly personnel to Europe. There, these forces would receive the combat equipment now stored in warehouses, thus saving time and considerable investment in air and sealift. The heavy equipment left in the United States could then be issued to activated National Guard and Reserve units.

Maintaining this equipment storage in Europe is costly. Temperature- and climate-controlled warehouses are required, as well as a large work force, to insure that the weapons, vehicles, and communications gear will be ready at a moment's notice.

It is this cost of maintenance that I believe our European NATO allies should assume in full. And these maintenance costs for storage sites still under construction are the funds my amendment will eliminate from this year's defense authorization. When all storage sites are completed and a steady-state operation is underway, the United States will have to pay estimated maintenance costs of about $200 million per year.

It is only fitting that our European allies assume this burden. The United States has put American lives and resources at risk in the Persian Gulf-Indian Ocean region. We have taken up this task to protect our vital interests, as well as the security of our friends in the Middle East. But we have also acted to protect the interests of Western Europe as well. Through the Straits of Hormuz—arguably the energy jugular of the industrialized free world—flow 53 percent of Europe's oil imports, but only 20 percent of those imports of the United States. We are increasingly involved in protecting critical geography where the economies of Western Europe could literally be devastated by the Soviet Union without firing a shot in Central Europe itself.

The growth of Soviet military power, coupled with economic difficulties we are experiencing, convince me that we have reached the point where we can no longer afford business as usual within the NATO alliance. We have substantial disagreements about the threats posed to our collective and individual interests and doubts about the equitable shares of burdens to be borne. These disagreements must be resolved. For unless they are, we cannot hope to strengthen the alliance—and it is an alliance worth saving.

NATO is more than a simple military pact. It is an expression of our resolve to remain free people. Just as we cannot allow that resolve to slacken, neither can we allow our alliance to deteriorate. But it will deteriorate unless we begin to take steps to recognize the new realities that confront us and to act to readjust the burdens we all must shoulder in our common defense.

Mr. President, we have had statements on this floor in recent months about the possibility of moving back to a consideration of the Mansfield amendment, which would require withdrawal of all American forces from Europe. I do not want to see that happen. I would be against that action. But if we are to prevent more serious consideration of exactly that type activity, it seems to me that we will have to ask NATO to share more of the burden, as we share more of the burden on a worldwide basis, particularly in the Persian Gulf, which benefits the NATO nations, which includes areas contiguous to the NATO geographical area.

On both sides of the Atlantic, democratic governments are wrestling with the question, How much should we spend on defense? Obviously, there can be no static answer to that question—for it depends on the size of the threat we are seeking to deflect at any given moment in history. That is why I am so deeply concerned. Because today it seems to me that NATO nations are not basing their defense requirements on their vital interests, but instead are seeking to justify military spending decisions on grounds that fluctuate between the ridiculous and the absurd.

Throughout the member nations of NATO, vocal political elements insist that defense spending ought to be weighed and judged against what we are able to spend on social programs. The implication of this demand is that military spending is merely a sop to a special interest constituency of generals, admirals, and defense contractors, and that military budgets ought not to exceed what is spent on social welfare programs.

The development of a rational defense policy is further hampered today by government officials who would cut defense spending solely in order to reduce budget deficits—solely for that purpose. Those afflicted with a "balance sheet" mentality cannot see that there lurks beyond their national boundaries a threat far greater than unbalanced budgets.

But perhaps this is not surprising. After all, we are taught in the Book of Solomon that there is "nothing new under the Sun." Indeed, history shows that today's intellectual myopia about defense is hardly novel. During America's first Constitution Convention in 1787, for example, one of the delegates wanted to make it law that America's Army would forever be limited to 5,000 men. George Washington, the Presiding Officer, turned to another delegate and whispered:

> Amend the motion to provide that no foreign enemy shall invade the United States with more than 3,000 soldiers at any one time.

In my judgment, what is needed today in the capitals of the free world is the kind of commonsense displayed by George Washington almost 200 years ago. Washington knew—even if we seem to have forgotten—that the first standard against which we must build and maintain our defenses is the size of the threat we are facing.

We cannot benefit from balanced budgets if we are subjugated from abroad. We cannot prosper if we are deprived of critical raw materials. And we cannot survive unless we remember that the most important social service a democracy owes to all of its citizens is to keep them free from oppression.

It is fashionable in some circles to deride military power. Some say that military forces are no longer relevant; that military forces can no longer influence international events. Some of this thinking springs from an earnest and well-meaning desire to rid the world of the scourge of war. Some of it doubtlessly comes from those who see military spending as a threat to social welfare. But whatever its origins, this kind of thinking is at best naive. At worst, it could lead us into the very conflicts we hope to avoid.

Military power does have its uses. And foremost of them has been deterring the Soviet Union from armed aggression. But as the Soviet Union has increased its military forces in relation to the United States and NATO, we have seen an alarming shift in the Kremlin's foreign policy—a shift toward a brazen adventurism that we must counter by improving our own defenses. This rush of events has been sobering:

The 1978 Soviet-engineered coup in Afghanistan and, more recently in that country, a frightening willingness to use the Red army outside Eastern Europe in a brutal and totally unjustified invasion.

The Soviet proxy warfare that has turned Cuba into a nation of Marxist mercenaries. Soviet-equipped Cuban surrogates have fought in Angola, Zaire, Ethiopia, Somalia and, perhaps most menacingly, in South Yemen at the very edges of the Saudi Arabian oilfields.

We see the presence of Red army combat units in Cuba.

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The growing number of Soviet troops on the disputed islands just north of Japan.

The Soviet-backed Vietnamese invasion of Cambodia and the grim evidence of Soviet-directed bacteriological warfare against resistance elements both in Cambodia and Laos.

There is the Soviet naval buildup in the Indian Ocean—a buildup that places Russian warships astride the free world's vital oil supply lines into the Persian Gulf.

Soviets and Cubans are encouraging and supporting armed violence in Central America.

And while we have yet to see Soviet tanks in the streets of Warsaw, only the foolish believe that the terror now gripping Poland could exist without Soviet complicity and encouragement.

In the face of these moves, we seem incapable of effective, concerted action. I see three major reasons for this paralysis.

The first major cause of our inaction lies in the fact that the locale of Soviet advances fits the indirect strategy so clearly described by B. H. Liddell-Hart. NATO is waking each day to find itself increasingly threatened by yet another Soviet move in areas outside the European arena—areas in which our traditional patterns of thinking do not prepare us to respond in any meaningful way.

Our energy supply lines and critical materials are more threatened now than ever before. The economies of Western Europe, Japan, and the United States could literally be devastated without a shot being fired at the Fulda Gap.

While most of us appreciate the vulnerability of our energy supply lines, we know less about our dependency on critical raw materials. We in the United States consider some 90 materials to be of strategic importance. We are only self-sufficient in two minerals, molybdenum and magnesium. But we have virtually no U.S. sources for four of the most critical—chromium, cobalt, manganese, and platinum. In our F-100 jet engines, for example, we need 1,485 pounds of chromium for each engine. The same kind of dependency exists across the board for our industrial base and for the industrial base of the rest of the free world, including, of course, Western Europe.

The Soviet Union can now threaten resources that are absolutely necessary to us and to our European allies. Indeed, if one looks at the map and plots those areas in Africa where the Soviets have made their moves with surrogate forces, we will find an ominous alinement with the sources of those vital materials.

Second, the nature of the Soviet arms buildup has squarely challenged the alliance where it is most vulnerable. For too many years, we have relied on nuclear weapons to deter Soviet aggression. But with the advent of strategic parity and with our theater nuclear forces now neutralized, the burden of deterrence and, God forbid, war fighting has fallen on our conventional forces. For the domestic reasons I have outlined above, those conventional forces are now inadequate to meet the threat posed by the Soviets and their allies.

Third and finally, we have been immobilized by the Soviet resort to surrogate forces. The thousands of Cubans in Nicaragua, Angola, and Ethiopia, obscure the Kremlin's hand, as do the divisions of Vietnamese in Cambodia. Soviet aggression concealed, perhaps, but Soviet aggression nonetheless. For the self-deceiving and the Kremlin apologists, however, the facade of warfare by proxy offers a convenient excuse for minimizing the Soviet threat—and for continuing to conduct business as usual.

The growth of Soviet military power, coupled with economic difficulties we are experiencing, convince me that we have reached the point where we can no longer afford "business as usual" within the NATO alliance. We have substantial disagreements about the threats posed to our collective and individual interests and doubts about the equitable shares of burdens to be borne. These disagreements must be resolved. For, unless they are, we cannot hope to strengthen the alliance—and it is an alliance worth saving.

I think that for NATO to insist continually upon just keeping their interests in the NATO geographical area, while we expand our interests that are there, which are as important for NATO as for ourselves, is not realistic, when they take that myopic view of burden sharing.

The amendment I propose today puts the administration on notice and our NATO allies on notice that adjustments must be made wherein our friends in Europe must bear more of their share of the burden of the costs of the defense of the alliance.

This amendment does not interfere with the operation of the four POMCUS sites already completed and filled with equipment. This amendment does not slow construction of the new POMCUS sites, for funding for this construction has already been appropriated. But this amendment does say that the new sites will not go into operation unless alternative funding is negotiated for their day-to-day operation and maintenance.

NATO is more than a simple military pact. It is an expression of our resolve to remain free people. Just as we cannot allow that resolve to slacken, neither can we allow our alliance to deteriorate. But it will deteriorate unless we begin to take steps to recognize the new realities that confront us and to act to readjust the burdens we all must shoulder in our common defense.

Mr. President, it is only fair to ask our NATO allies not to share the expense of construction of the POMCUS sites but, actually, just to pick up the maintenance of those sites which happen to be in their areas. The amendment I have sent to the desk involves only sites 5 and 6. It does not include all the POMCUS sites.

POMCUS stands for pre-positioned overseas materiel configured to unit sites. It is basically the pre-positioning of this material for our people to fly in and use this in case of an emergency in the European area.

In an effort to push our NATO allies to expand their myopic vision outside the NATO area, I think it is important to adopt this amendment.

I will be glad to have the comments of the distinguished floor manager of the bill.

Mr. TOWER. Mr. President, I think the objective of the Senator from Ohio is not at issue. I believe there is pretty general agreement that our allies in NATO Europe need to assume a greater share of the burden of common defense. So I say at the outset that I agree with the objective of the Senator from Ohio.

However, the Senator from Ohio has chosen the worst possible vehicle to try to accomplish that, because what he is advocating here is unilateral abrogation of something that was negotiated at the behest of and for the benefit of the United States.

If the amendment of the Senator from Ohio is adopted, it means abrogation of that agreement by the United States, renegotiation by breaking into the infrastructure of funding the whole business of operational costs. There are no operational costs for anything paid by NATO infrastructure funds now.

So I believe that if that were renegotiated, we would probably see the British and the Canadians, and perhaps others, coming in to say, "Well, wait a minute. We want our operational costs paid for, too."

First of all, this amendment, if adopted, would alter the commitments on pre-positioning three additional divisions that the United States made in NATO's long-term defense program adopted by the alliance in 1978.

The United States agreed at that time—we agreed—to pay the cost that this amendment seeks to delete. So we are going back on an agreement and giving it the scrap-of-paper treatment. We do not care what we agreed to before. We do not like some things they are doing now so we are going to unilaterally abrogate that agreement.

It would, as I noted, require NATO to renegotiate a new definition of what programs could be funded by the infrastructure program.

I might note that all decisions on infrastructure funding must be unanimous by the 13 participating nations.

So this amendment would, in essence, undo two international agreements.

Second, the programs the amendment attacks are ones for which the alliance has explicitly altered the funding responsibilities to reduce the cost to the United States in the first place.

Although our GNP represents about half of the NATO total, the U.S. official cost share of the infrastructure program now stands at 27.4 percent, which is down from over 43 percent in earlier years. In other words, our relative contribution has come down.

This relatively smaller share for the United States was agreed to originally by the allies as a burden-sharing measure.

So in an effort to get the allies to do more the Senator from Ohio is attacking an agreement that was arrived at by our allies in an effort to reduce the American portion of the burden.

In 1979 the alliance agreed to institute a reinforcement support category in the infrastructure program principally for the provision of previously ineligible facilities for storage of U.S. POMCUS ammunition and war reserve material. In essence, the infrastructure program has already been substantially altered to reduce the burdens on this country.

Most troubling about the amendment is its negative impact on two highly important and successful programs, the POMCUS division sets 5 and 6 and the NATO infrastructure program. Sets 5 and 6 are a key element of our program to enhance rapid reinforcement.

Would it not be tragic if we got into a dust-up over there and because we had refused to fund the operational costs, the sets would not be there for troops we would have to deploy over there?

The infrastructure program provides substantially greater benefits for U.S. forces than could be expected from the size of the U.S. contribution. The U.S. cost share is 27 percent. By comparison, 50 percent of the expenditures in the next several years will be in support of U.S. forces. That is 50 percent for the period of 1980 to 1984 as opposed to about 41 percent for the years 1972 through 1978.

So I think that the amendment of the Senator from Ohio places two extremely important and beneficial programs at risk. The amendment is ill-advised, and I hope that it will be defeated.

Again, the objective is not at issue. I agree on the objective. I cannot think of a worse means that the Senator from Ohio could have selected to try to achieve that objective.

Mr. MATHIAS. Mr. President, I normally find myself in agreement with the Senator from Ohio on a broad range of issues and I agree with the Senator from Ohio today on the reasoning that has brought him to propose this amendment.

I wish to see a greater share of the burden of defense of the West borne by other nations and I think strong arguments, both in equity and in practical terms, can be made for that proposition, and I support the Senator from Ohio in advancing that as a goal and in seeking a way to achieve it.

But I am afraid that I cannot support this amendment because I think it is seeking to do the right thing in the wrong way. There is a real question of principle, I think, which is presented to us by this amendment, and that is whether the way to deal with allies and friends is by taking punitive action against them. Human nature being sometimes the contrary thing that it is, we might defeat our very effort to get allies to be more cooperative and more helpful by taking action which they would view as punishing them, and I think that just in ordinary terms of negotiations, dealing with people as equals, as friends, to take a punitive action could be counterproductive.

I think there is an analogy in American life that might be useful to draw upon because we have laws in this country which prohibit discrimination in the school systems. Those laws are basically enacted for the benefit of schoolchildren. Sometimes there is failure to enforce the law on the part of the local school authorities and so the remedy is to cut off the Federal assistance to those schools. And who gets hurt if the schools have to close? It is the very children that the laws were enacted to protect who are hurt.

So the better process and the process upon which we usually rely in the domestic arena is to negotiate, to cajole, and to order, but to try to avoid the cutoff which is a punitive action and hurts the very people that are trying to be helped and that should be helped.

I think that this is really something that has to do with the basic character of human nature. Therefore, I have to believe that this is the wrong way to go about it.

Therefore, much as I applaud the Senator from Ohio for raising this as an issue and for stating the goal, I regret to say that I will have to oppose the amendment.

Mr. GLENN. Mr. President, I think what we are attempting to do here in getting better burden-sharing is something that our European allies better listen to and listen to very, very carefully because they have not moved to really share the burden.

I know that, as the distinguished floor manager of the bill said, there has been some earlier reduction in the sharing of the expense in the construction at least of this infrastructure and these areas that we are talking about today and that our proportion of that has been reduced from some 40 percent down to 27 percent. I appreciate that. I think that, however, is a drop in the bucket compared to what we should be expecting from our NATO allies.

At the meeting of the Wehrkunde that we went to earlier this year, we found there that no less a personage than the German Defense Minister himself was there talking about how they would absolutely refuse to move any consideration or have any consideration for anything that went on outside the specific NATO geographic limit itself.

We talk about better burden-sharing for some of those things that could affect NATO and could just as well bring that down as an attack across Europe, which would be brought down by means such as supplies cutoff, oil cutoff, resources cutoff. They were not responsive to that.

They do not agree with that. They do not see that as the real threat that we see it and yet we are committed enough to that kind of concern that we are in fact building naval strength, we are building all sorts of forces, we are building a rapid deployment force that can go in and protect some of those areas in the Mideast that are more vital to Europe and NATO than they really are to us.

And I think our NATO allies should also be aware that this is not just a passing concern in this country. It was one thing to have the Mansfield amendment brought up for consideration some years ago, it is quite another when the distinguished majority whip of the U.S. Senate, Senator STEVENS, of Alaska, who is certainly no back-bencher in our Senate, makes statements on the Senate floor that perhaps we should bring out that Mansfield amendment again; that perhaps we should withdraw all of our forces from Europe, let NATO get along on its own since they are not willing to share more of the burden. So I think our NATO allies have to consider this very, very carefully.

I recall all too well on the Senate floor just last fall, when we were in fact withdrawing one of our carriers from the Persian Gulf—carriers that are more vital to European oil supplies than they are to American oil supplies—and for the lack of $76 million, steaming time operating money, we withdrew that carrier from the Persian Gulf. I thought that was a mistake at that time. I lost that amendment on the floor. I thought it was a mistake and I still do.

It is decisions such as that that our NATO allies better be considering

when they hold back on assuming a greater load in NATO, as we go to huge, new expenditures for naval strength and for NATO forces and for rapid deployment forces and all the other things we are doing in refurbishing our military in this country, as we view the Soviet threat from our perspective here. I might add, Mr. President, sometimes I think our perspective of that is so different from our European allies that I wonder what the future of the Alliance really is.

I think most Americans are still willing to support the NATO, still want to see our forces committed to NATO, see that it is in our best interest and Europe's best interest, but they also want to see Europe assuming a larger portion of that burden.

And it was that that I addressed with this amendment, where we would cut back only $32 million. That would not be in the construction sites, but in the maintenance of those sites after they were built.

I appreciate the remarks of the distinguished floor manager of the bill and the fact that some of these costs have already been reduced, but I would also submit that I think they could be reduced further and that NATO could take a greater load of particularly this pre-positioning of materiel that is so important to American forces.

Mr. TOWER. Will the Senator yield for a question?

Mr. GLENN. Certainly.

Mr. TOWER. Let us get the issue straight here. Nobody disagrees that NATO should do more. I think that is not at issue. We all agree they should do more. We are defending their interests in the Southwest Pacific.

But in asking them to do more, should we try to force them to do more by abrogating an agreement entered into by the United States at our behest and in our interest? I suggest that we should not.

In fact, in that the determination of how infrastructured funds could be spent would have to be agreed to by 13 nations, that means the whole issue of operating costs would have to be raised in the North Atlantic Council and then the British might come—the British might want some help in the British Army for their pre-positioning. After all, they have got some troops now in the South Atlantic. The Canadians also have forces over there. So you introduce a new factor and that is bringing operating cost into NATO infrastructure and the NATO infrastructure funding is for capital costs only and for the purpose of capital goods and real estate and this has already been purchased through infrastructure funds.

Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, I would like to address this amendment in my capacity as chairman of the Subcommittee on Preparedness because the amendment applies to the O. & M. budget over which the Subcommittee on Preparedness has jurisdiction, as well as the broader area of preparedness in general, and to be sure this amendment also goes to the matter of preparedness.

The Senator from Ohio is certainly right. We must find a way to induce our allies to spend more on defense. And I certainly will join with him in finding ways to do it. But I suggest that this amendment is not one that will accomplish the purpose.

The Senator from Ohio would induce our allies to pick up $31 million in operations and maintenance expenses for POMCUS sites 5 and 6. Indeed, in his letter to his colleagues, the Senator from Ohio states that his amendment will "require our European NATO allies to increase their share of the burden," and so on.

Well, of course, nothing that we do in the way of legislation can require or will require our allies to do anything. And as the Senator from Texas, the distinguished chairman of the Armed Services Committee, has pointed out, passage of this amendment would abrogate an agreement entered into by the United States with its allies.

Mr. President, this $31 million would be spent primarily on preparing equipment for shipment to POMCUS sites 5 and 6. Those sites have been purchased and constructed already according to our agreements with our allies in which they supported the bulk of the expense for that stage of the site. The next stage is to begin shipping equipment. Of course, the third and final stage, you might say, is to maintain that equipment once it is on site.

The $31 million addressed by this amendment does not affect the first category, nor the third and last category, but that intermediate category—preparing equipment for POMCUS sites 5 and 6 in the Netherlands. Passage of this amendment would delete those funds and would delay for at least 1 year these necessary preparations to bill POMCUS sites 5 and 6. So those programs could be set back for at least 1 year, which would directly affect readiness.

Now whose cause are we hurting here if not our own? In the event that our troops had to mobilize to Europe and fall upon those pre-positioned weapons stored at some six sites, although the fifth and sixth sites are just beginning to be filled, it would be obviously to our disadvantage and perhaps tragic, likely tragic, disadvantage if those weapons were not there.

We have made the commitment to pre-position weapons. That is part of our fundamental strategy. Changing that is one thing as a formal decision, but to take a step that would make it impossible to carry out that strategy is another thing. Yet that is what this amendment would do in practical effect. Its intention is noble—I support the intention—but the practical effect is something completely different. Mr. President. It would reduce our preparedness by making it impossible this year to go forward with the filling of those sites.

Those who are familiar with the shortages of equipment and supplies in the European theater must be very, very concerned with any further delay in the filling of these sites. I join the chairman of the committee in urging our colleagues to defeat this amendment.

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. COHEN. Mr. President, I had the opportunity to join the Senator from Ohio and the Senator from Texas at the conference in Munich last February. At that time, I joined with the Senator from Ohio in trying to convey to our European friends the rising discontent in the United States with respect to what is perceived to be a lack of equitable burden-sharing of resources among our countries.

At that time, I pointed out, for example, that many people in this country are concerned that the United States is trying to spend something like 7 percent of its GNP for defense and that they wonder why the NATO countries average less than 4 percent. Canada, for example, averages less than 2 percent and Japan less than 1 percent.

I also had occasion to call to their attention an observation by Mr. Leonard Sullivan, who wrote in last October's issue of the Armed Forces Journal that:

> It is simply preposterous to assume that the United States, with less than 28 percent of the population of the OECD—that is the Organization for Economic Cooperation and Development—and less than 35 percent of their GNP should be providing as much as 40 percent of their active military manpower and almost 70 percent of their defense expenditures.

I believe there is rising concern about this apparent disparity in terms of obligations, commitments, and respective abilities.

I, too, was concerned about Dr. Apel's comments when he said that he welcomed the United States back to its worldwide commitments and global power, that he welcomed the creation of the Rapid Deployment Force, provided, of course, that the creation and deployment of the RDF did not jeopardize any troop levels currently committed to Europe.

I was also equally offended by the notion that Dr. Apel advanced—a notion shared by most if not all of the

European countries—that NATO should not be concerned with areas beyond its geographical boundaries, notwithstanding the fact that there are vulnerabilities well beyond its boundaries that are just as seriously in jeopardy as a thrust across the central front.

But I was also interested in the debate on Senator GLENN's amendment. I thought of the passage—it is found in "Murder in the Cathedral," if memory serves me correctly—where it is said that one should not succumb to that final treason to do the right thing for the wrong reason. I think that particular statement should be rephrased, that we should not succumb to that final treason to do the wrong thing for the right reason.

I think the Senator from Ohio has suggested the right reason, that we have to persuade our allies to change their spending habits to bring them more in line with their capabilities. But it would be doing the wrong thing for that right reason, and the wrong thing is to offer this amendment to reduce our commitment, an executive commitment, I might add. I think there is adequate concern that this body should be trying to change executive agreements through the legislative process after we made that commitment—for the same reason that I think the Senator from Alaska is wrong in suggesting that we pull out our troops to punish the Europeans for going ahead with the Yamal pipeline. I think I am as strongly opposed to the construction of the Yamal pipeline as anyone in this body. I think the Europeans are making a fundamental mistake in going forward with the construction of that pipeline.

I have said it on a number of occasions before, and I repeat it here, that I think unless they change their ways, they will find they are walking toward the Berlin wall with their eyes closed, and if they continue to do that they will be behind the Berlin wall with their hands up.

Having said all of that, I do not believe what we should do is to seek to punish them for agreeing to go forward with the Yamal pipeline by pulling our troops out. That is not the answer. Every time they do something inconsistent with what we believe, we threaten to pull the troops out. What I think we have to do is to come to some sort of understanding with our European friends, that the United States simply does not have the resources or manpower to project forces to the other parts of the world, such as the Persian Gulf, and to defend Europe at present levels at the same time. We are deceiving ourselves and our allies if we think we can use the same forces intended for defense in NATO to be part of the Rapid Deployment Force for the Persian Gulf area. What we have to do is come to a reasoned and well-balanced understanding. We have to have a reordering, we have to have a redefinition of the responsibilities of having to defend Europe, as well as other areas which are seen to be equally of vital interest.

So it is with that spirit that I rise in opposition to the amendment of the Senator from Ohio, not because I do not think he is correct in trying to send a signal to the Europeans that they have to do more. I would join him in other efforts. I think, for example, we ought to prepare them for the future, saying we might have to reduce our commitments in Europe over a period of time, not out of pique, not in a spirit of being punitive, but realizing that they have a greater opportunity of making up manpower responsibilities then do we.

If we have to reduce those forces to put them in the Persian Gulf, they, without extending their forces beyond the confines of Germany, would have the opportunity to pick up and fill the gap resulting from the redeployment of those troops. That should not be done out of punishment for building a pipeline or for failure to reach a 3-percent defense share or not. It should be done on a basis of reaching a reassessment of what our capabilities really are. I think if we approach our European friends on that basis and say we simply do not have the manpower, the money, or the ability to do everything, then we can persuade them that they must do more. But I think what we do here is succumb to that final treason of doing the wrong thing for the right reason.

So I would rise in opposition and suggest that there has to be a better way. In future negotiations, if the Senator from Ohio wishes, in an executive position sometime in the future, to negotiate agreements with our NATO allies from a position at 1600 Pennsylvania Avenue, that may be the way to go. That may be the way to go, from 1600 Pennsylvania Avenue, to negotiate those commitments and keep those commitments. But it seems to me to be a fundamentally bad thing to do to proceed here on the Senate floor and to break a commitment that was made by this country which will only result in hardship to the NATO effort itself.

I commend the Senator from Ohio for his concern about the lack of enough allied support and enough contribution to our effort, but this is the wrong vehicle to achieve the right end.

Mr. GLENN. Mr. President, I appreciate the comments and the concern about safety. Let me refer to the concern which has been expressed by each speaker today, the concern that our NATO allies become more close. That is the message I am exactly trying to send with this amendment that I offer. I submit that I am somewhat shocked when the German Defense Minister came out so strongly and unequivocally against any NATO interest outside the NATO geographical area. He made no bones about it.

It is no wonder to me that we then have people in this country wondering what we are doing. We are picking up tens upon tens of billions of dollars of expense supposedly to help protect our NATO allies, to guarantee their oil supplies in the Persian Gulf and other resources from around the world that all the industrial nations are dependent upon. Yet, there are these very, very strong statements that, "We will absolutely not consider anything outside the NATO area as being of NATO interest."

We see the bigger picture and the bigger threat than they do. I submit that they can be brought down every bit as much by resources cut off, including that oil, as much as by the pipeline taking oil across the plains of Europe.

It does concern me that we would be breaking a commitment. It also concerns me that the things that we have been doing in NATO have not led them to greater support, and that we even find the majority whip in the Senate rising and saying that we should even seriously consider withdrawal from NATO. If that does not send a message to NATO, I do not know what will.

It was pursuant to that same kind of concern that I do not want to see expanded and acted upon by this Senate that I was proposing what is really a comparatively small reduction here but which I put forward to send a message once again to our NATO allies that if they expect that American public interest is not watching what is going on, is not watching the fact that NATO is not picking up their fair share of the burden, then some day it may well result in exactly what the distinguished Senator from Alaska proposed, and that was an American withdrawal from NATO. I do not want to see that happen.

Yet we do not see a response from our NATO allies. We do not see them moving to move their interests out, to help us as we pick up more of the load around the world. That is the reason I proposed this message. I hope that these words will somehow get through the embassies to our NATO allies as expressed back home because the longer they dig in their heels, the more they are going to build a case for not just a $32 or $34 million cutback in the Yamal site, but the more they are running the risk that there will be a serious effort made in this country to withdraw from NATO one of these days or to seriously curtail our interests in NATO to the extent they have been expressed for the last several decades.

It was in that spirit that I introduced this amendment.

Mr. COHEN. Will the Senator yield?

Mr. GLENN. Certainly, I yield, Mr. President.

Mr. COHEN. Mr. President, I share exactly the sentiments expressed here. The Senator expressed them well in that conference. I would not be immodest enough to offer my own remarks which I made at that time, because the chairman of the Armed Services Committee might have characterized them as being a bit too truculent for our NATO allies. I think the Senator may recall I was equally appalled by Dr. Apel's statement concerning their unwillingness to put us beyond NATO's geographical boundaries and the fact that the youth of Germany today are concerned about moral issues. The Senator will recall I suggested to Herr Apel that perhaps he should send German youth to talk to the people of Afghanistan, who are being crushed by Soviet troops; perhaps they should go to Cambodia or Laos and inhale some of the yellow rain; or perhaps they should go talk to the people of Poland, then come back and talk about moral values when dealing with the Soviet Union.

I think, at that time, I expressed the concern the Senator articulated earlier today. So there is no disagreement about that.

Mr. President, I should like to work with the Senator in the future, as I have in the past, to devise a way in which we cannot only get their attention, but get more action from our allies. I have simply come to the conclusion that this particular bill with this amendment would not do that. I think it would be more harmful and would not produce the result the Senator wants.

I, like him, do not want to see our troops pulled out of Europe to punish our NATO allies. We might end up punishing ourselves. I made some particularly strong statements. I was quoted in a magazine in a different context as having said that if NATO should ever reject TNF, simply flatly reject it, we probably would see Mike Mansfield's portrait taken down from the wall in that other room and marched down the center aisle of the U.S. Senate. I think sentiment might be exactly that a year from now, should that eventually take place.

I, like the Senator from Ohio, do not want to see that take place. I do not support the Senator from Alaska in trying to punish the allies for going forward with the pipeline from Russia, particularly since this country is unwilling to suspend its shipments of wheat to the Soviet Union. We are not in a position to lecture the allies for wanting to draw gas from the Soviet Union while we insist on feeding Soviet troops. With this measure of inconsistency on the part of the United States, I do not think it is productive to pull out a stick and try to whack the allies with the threat that we are going to pull our troops out if they go forward with the pipeline. That perhaps is to do the right thing for the wrong reason.

That is, perhaps, going to get their attention, but there is a bigger threat than the one simply across the central European line. That jugular vein is out in the Persian Gulf, as I said in the meeting, naked, pulsating, and vulnerable to attack. They are acting like ostriches. It is a sort of Maginot line mentality they have developed, that all they have to do to remain safe is protect that central line when, as a matter of fact, they are vulnerable in many, many other parts of the world.

Mr. President, I share the sentiment of the Senator from Ohio, but I do not agree with the objective or the means of getting to that objective.

Mr. GLENN. Mr. President, I thank the Senator from Maine for his comments. I remember very vividly his comments at the meeting. I think the distinguished floor manager of the bill might not want those remarks put in the RECORD today, although I found those remarks very good and very much in agreement with my own view of things at that particular meeting.

Mr. COHEN. If the Senator will yield, Mr. President, they are contained in the report I just filed with the Senator from Texas.

Mr. TOWER. Mr. President, I did not know the remarks were down in print to be transcribed or read. I shall be delighted to put them in the RECORD.

I might say, Mr. President, for the benefit of my distinguished friend from Maine, the problem is that my remarks to the distinguished defense minister of the Federal Republic of Germany were no less truculent than his.

Mr. GLENN. I thank the distinguished floor manager for his comments.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Ohio yield?

Mr. GLENN. Certainly, Mr. President.

Mr. HARRY F. BYRD, JR. Mr. President, I commend the distinguished Senator from Ohio for the amendment which he has presented. I agree wholeheartedly with the objective which the Senator from Ohio is seeking to achieve. I recognize also the importance of the argument made by the distinguished chairman of the Committee on Armed Services. I think the Senator from Ohio has rendered the Senate and the United States a service in presenting this amendment for discussion today, because I think it is important that our European allies realize that the American Congress and the American people, I believe, are deeply concerned as to whether our allies are really doing their full part in this very important organization which we call NATO.

Mr. GLENN. Mr. President, I thank the distinguished Senator from Virginia for his usual excellent remarks. I know he shares our concern that NATO share a larger percentage of the burden than they do.

Mr. President, I hope we have sent a little message today to our NATO allies. I hope they pay attention to this. I think they are going to hear more about it in the future because, unless they come forward in the future with a better share, we are going to see a movement against NATO in this country that goes beyond anything we have seen in the past decade. We are going to find less willingness that we make very real sacrifices in this country, with the economic situation we are in. We are certainly going to expect NATO to make similar sacrifices, which we have not seen them making up to now.

I think the more we can push them in this regard, the better off we will be. I think we can send this message, too, that that is the only way we are going to prevent a very serious attempt by someone on this floor truly to withdraw the United States from NATO. The remarks made on this floor a couple of months ago to that effect were not made in jest.

While I do not think we are at the point where there would be any major support for withdrawal, unless we see better burden-sharing in NATO, with the interests that we see as common with NATO, and as long as NATO insists on sticking solely with what happens within the NATO boundary, as though their threat did not come from anywhere else but across the borders with the Soviet Union or the Warsaw Pact nations, as long as they do not broaden their interests and other mutual interests that we have with them in other places, they are running the danger of great disenchantment setting in and maybe a real proposal to reduce our forces in NATO or perhaps even withdraw them.

With that, Mr. President, and with the remarks that have been made here today, I hope we have sent a message and one of concern. No one today has quarreled with the objective. With that idea in mind, Mr. President, I withdraw the amendment.

The amendment (UP 905) was withdrawn.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The following proceedings relating to UP Amendment No. 907 occurred later in the day during the consideration of UP Amendment No. 906 and are printed at this point in the RECORD for purposes of continuity:)

Mr. QUAYLE. Mr. President, I ask unanimous consent that my amendment be temporarily set aside so that we may entertain an amendment of the Senator from Arizona and furthermore that when we return, after the amendment of the Senator from Arizona that the pending amendment before the Senate be the amendment of the Senator from Indiana concerning the overseas schools within the Department of Defense.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 907

(Purpose: To make adjustments to certain authorizations for classified programs and to correct an error in tabulation)

Mr. GOLDWATER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes unprinted amendment numbered 907.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, line 8, strike out "$17,792,900,000" and insert in lieu thereof "$17,787,800,000".

On page 15, line 13, strike out "$5,370,800,000" and insert in lieu thereof "$5,338,800,000".

On page 15, line 14, strike out "$5,753,100,000" and insert in lieu thereof "$5,747,100,000".

On page 16, line 7, strike out "$878,184,000" and insert in lieu thereof "$867,184,000".

On page 19, line 16, strike out "$10,745,543,000" and insert in lieu thereof "$10,803,343,000".

On page 19, line 17, strike out "$2,302,184,000" and insert in lieu thereof "$2,300,484,000".

On page 21, line 19, strike out "$18,774,275,000" and insert in lieu thereof "$18,772,775,000".

On page 22, line 5, strike out "$5,896,910,000" and insert in lieu thereof "$5,896,410,000".

On page 19, line 18, strike out "60,000" and insert in lieu thereof "60,000,000".

Mr. GOLDWATER. Mr. President, if the amendment is agreed to, I ask unanimous consent that the bill as amended by this amendment be treated as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, this is in the nature of a technical amendment that must be made to the bill every year. I ask unanimous consent for its immediate approval.

The PRESIDING OFFICER. Is there further debate?

Mr. TOWER. Mr. President, this matter has been cleared on both sides. It is my understanding it has been cleared with the distinguished ranking minority member of the Intelligence Committee, Mr. MOYNIHAN. I have discussed it with the distinguished Senator from Mississippi, Mr. STENNIS, the ranking member of the Armed Services Committee, and we are prepared to accept the amendment.

I yield to the Senator from Mississippi.

Mr. STENNIS. We are agreeable, Mr. President, to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Arizona (Mr. GOLDWATER).

The amendment (UP No. 907) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(Conclusion of proceedings that occurred later in the day.)

UP AMENDMENT NO. 906

(Subsequently numbered Amendment No. 1400.)

(Purpose: To retain the Defense Dependents' Education System in the Department of Defense)

Mr. QUAYLE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Indiana (Mr. QUAYLE) proposes an unprinted amendment numbered 906.

Mr. QUAYLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC.—. (a)(1)(A) Sections 202(e), 208, 302, 401(f), 419(a)(2), and 503(a)(2) of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, 3461(f), 3479(a)(2), and 3503(a)(2)) are repealed.

(B) The items relating to sections 208 and 302 in the table of contents of such Act are repealed.

(2) The second sentence of section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c)(1) In carrying out subsections (a) and (b), the Secretary of Defense may request the Secretary of Education to furnish to the Secretary of Defense information, advice, and technical support concerning educational programs and practices.

"(2) The Secretary of Education may furnish to the Secretary of Defense any information, advice, and technical support requested under paragraph (1).".

(2) The second sentence of section 1410 (b) of such Act (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(B) twelve individuals, appointed by the Assistant Secretary, who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary.

"(2) The Director shall be the Executive Secretary of the Council.".

(B) Subsection (b)(1) of such section is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(C) Subsection (c) of such section is amended—

(i) by striking out "four times" in the first sentence and inserting in lieu thereof "once".

(ii) by striking out clauses (2) and (4);

(iii) by redesignating clauses (3) and (5) as clauses (2) and (3), respectively; and

(iv) by striking out "Secretary of Education" in clause (3) (as redesignated by clause (iii) of this subparagraph) and inserting in lieu thereof "Assistant Secretary".

(4) Section 1412 of such Act (20 U.S.C. 930) is repealed.

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Mr. QUAYLE. Mr. President, this is a very simple amendment. It would retain the overseas schools that are presently within the Department of Defense and would keep them in the Department of Defense. A few years ago, Congress created the Department of Education, and in that Department of Education measure was the transfer of the overseas schools to the Department of Education by May of 1983.

Mr. President, the Department of Defense is on record as supporting the status quo, that being that it be retained in the Department of Defense. The Department of Education is on record as supporting that the transfer to the Department of Education not take effect in May of 1983. The amendment would have the simple effect of maintaining the status quo in

the Department of Defense dependents' schools.

Currently, these schools are managed by the Department of Defense. The legislation enacted by Congress at the time of the creation of the Department of Education would transfer these schools to the Department of Education by May of 1983. That transfer, in my opinion, would be a grievous mistake, and we cannot allow it to take place.

The Department of Defense dependents' schools have a long history of association with the Department of Defense. The dependents' school system dates back to the early 1800's, when the U.S. Army moved a large number of troops and their families westward to establish posts along America's isolated frontiers. At that time, Congress authorized funds to set up schools at western Army posts.

Much later, after World War II, it became clear that American troops and their families would continue to be stationed abroad. In order to provide American style education for the military dependents, the individual services established their own elementary and secondary schools around the world in 1946. The individual military services operated these schools until 1976. At the time, Congress mandated that the schools then operated by individual military services be consolidated and placed within the Department of Defense, to establish one cohesive, uniform school system.

The DODDS organization was formed from that mandate, and it became a field activity in the Office of the Secretary of Defense.

Today, DODDS enrolls more than 132,000 students in grades K through 12, in 273 schools located in more than 20 foreign countries.

It is estimated that DODDS is the 11th largest school system in our Nation. The DODDS schools are accredited by the North Central Association of Colleges and Schools, an American School Commission which conducts onsite reviews every 5 years.

DODDS faculty numbers over 9,000 professional educators. These are highly qualified American teachers who are recruited to live overseas and teach in the DODDS schools on a long-term basis. This system has provided a large measure of educational stability to a highly transient military population. DODDS students achieve higher scholastic aptitude test scores on the average than those stateside counterparts. Because they are academically competitive they also receive a relatively fair share of scholarships, grants, and academic awards. Last year, two DODDS students were selected as Presidential scholars.

As a separate DOD activity, the DODDS schools are centralized with respect to administration and curriculum, and thus a student's transfer from a European school to a Pacific school, for example, results in very little disruption in the educational process. From top to bottom, the DODDS schools are administered, staffed, and operated by professional civilian educators, although the military forces provide important services in that support role.

Parents are able to have a voice in school policies through local education advisory committees established for each DODDS schools. Teachers additionally participate in these committees which are designed to give parents and teachers an opportunity to make recommendations to administrators regarding school matters in the military community overseas. Furthermore, the Department of Defense regularly convenes a national advisory council composed of educators, administrators, and parents who provide policy recommendations at the agency level.

Mr. President, I would like to outline four compelling reasons for the acceptance of this amendment:

First, the DODDS schools are now providing a quality education, first and foremost, to military dependents, meeting and even exceeding congressional expectations which were set forth in the charter legislation. There is little likelihood that the Department of Education plans and philosophies will significantly improve upon DODDS successes. The defense schools have established a good record for efficiency, sound management, educational quality, and acceptance by the military community. There are simply no compelling reasons to justify the turbulence and gross inefficiencies which would inevitably accompany a major transfer of control.

Second, defense planning and coordination on a worldwide basis requires a high degree of flexibility because of continuous changes in troop concentrations. These plans, involving forces restationing on a large scale, must also take into account family movements and change in dependent educational facilities. Under the present structure a close, coordinated relationship exists between DODDS educators and the military services to facilitate these force movements. Military readiness and efficiency would necessarily be impaired if the defense schools were transferred out of the DOD structure.

There is great concern in our Nation at this time for the voluntary army and its effectiveness. We have struggled to build opportunities for the men and women who join our Armed Forces to educate themselves and their families, to have a pride in their work, and to build a better life for themselves. The Department of Defense overseas schools are a part of these opportunities we provide our military personnel and their families. We cannot allow the administrative morass that would be created by making a change now in the DOD schools interfere with the success of our volunteer army.

Third, retention of the defense schools within DOD is also in keeping with modern educational philosophy calling for more local control of schools. Operation of the DOD schools by a separate Federal education agency would result in a concentration of school authority far removed from practical daily experience. Futhermore, it might be sorely tempting to use the defense schools as a testing ground for inventive or untried educational theories developed by the Department of Education.

Mr. President, what reason could there possibly be behind the plan to move DODDS schools to the Department of Education? I believe I have an idea or perhaps a rationalization. There are over 9,000 professional educators—teachers and administrators—within the DODDS faculty. There are only 5,500 employees in all of the Department of Education today, and that number is dropping coming down and not going up. The implication is very clear.

This happens to be a bureaucratic fight between two cabinet level departments. The Department of Education is seeking to more than double its number of employees just for the sake of numbers and for the sake of saying that they have the legitimacy of being a cabinet level department. To me, this is not justification enough for the administrative nightmare we are about to enter.

Mr. President, as I pointed out, the Secretary of Education, Secretary Bell, and the Secretary of Defense, Secretary Weinberger, both support the idea that the schools should remain in the Department of Defense.

There is no dispute in this administration. The only dispute is when and how are we going to correct an error that was made in the creation of the department or the creation of the Department of Education.

Mr. GOLDWATER. Mr. President, will the Senator from Indiana yield to me?

Mr. QUAYLE. I am more than happy to yield to my friend from Arizona.

Mr. GOLDWATER. I thank my friend.

I wish to be included as a cosponsor of the amendment of the Senator from Indiana.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the Senator from Arizona (Mr. GOLDWATER) be added as a cosponsor to my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. I thank my friend.

Mr. QUAYLE. Mr. President, as I said, the reason that perhaps the overseas schools were transferred to the Department of Education in the first place was because they needed to play the numbers game. As I pointed out, we only have 5,500 employees in the Department of Education. We have 9,000 professional educators, teachers and administrators now within the overseas faculty. When we created the Department of Education, we had to have some reason to have a Cabinet level agency and to have some bodies to put into it.

Well, it is easy to see that overseas schools deal with education. There is nothing tricky about that. In fact, they do. The point is, it will be very disruptive to our personnel. It will be very disruptive to the education of these people that everybody is concerned about, the education of the children of our overseas personnel. And so, Mr. President, I think that it is certainly overdue that we correct a mistake that was made.

Fourth, Mr. President, I can see only unavoidable complications should the DODDS schools be transferred to the Department of Education. Transfer of the Defense schools will introduce a duality of control which will result in unnecessary complexities in school operations. The cost of operating the schools will therefore increase significantly because of delays, inefficiencies, and confusion arising out of responding to two masters. These adverse effects are unavoidable and will continue indefinitely because of the blurring of normal lines of authority and responsibility within the schools.

Further, the transfer of the Defense school teachers would raise questions involving status of forces agreements with our NATO Allies. Under the terms of the NATO SOFA, the defense teachers, as DOD employees, are afforded special protections and advantages, only so long as they are actually employed by the Department of Defense. A transfer of their employment to the Department of Education could easily generate skepticism and questions by our allies which might result in a loss of these host nation benefits.

Mr. President, I would only say in conclusion that this amendment is supported by the administration, and by every department within the administration. I have in my possession letters from the Secretary of Defense supporting the retention of DODDS schools within the Department of Defense. My amendment has been developed as a product of coordination between the Departments of Defense, the Department of Education and the Office of Management and Budget.

Mr. President, I ask unanimous consent that a letter from the Secretary of Defense be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., January 6, 1982.

Hon. DAN QUAYLE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your letter of November 23 requesting my views regarding the transfer of the Department of Defense Dependents Schools to the Department of Education pursuant to Public Law 96-88. I am in agreement with your belief that the Dependents Schools should remain within the Department of Defense. Accordingly, I support strongly legislation which would repeal the transfer provisions of Public Law 96-88. I believe that early enactment of such legislation is needed in order to clarify the status of the Dependents Schools.

Since the Advisory Council is established by law under the Department of Education, Secretary Bell appointed the members and convened its first meeting during the period December 2-4. However, the question of which Department will fund this and subsequent meetings of the Advisory Council is still being discussed.

Your interest in the Dependents Schools is greatly appreciated.

Sincerely,

CASPAR W. WEINBERGER.

Mr. QUAYLE. Finally, Mr. President, the American Federation of Teachers has long supported retention of DODDS within the Department of Defense. The retention of these schools within DOD has been supported by the American Federation of Teachers and by the 23,000 members of the European Congress of American Parents, Teachers and Students.

Mr. President, at this time I yield to the distinguished Senator from Iowa, Senator JEPSEN.

The PRESIDING OFFICER (Mr. SCHMITT). The Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise in support of the Quayle amendment on DOD dependent schools. As chairman of the Manpower and Personnel Subcommittee of the Armed Services Committee, we have studied this. I would suggest that the principal purpose of the proposed amendment is to rescind those provisions in the Department of Education Organization Act which require the transfer of the Department of Defense schools to the Education Department by no later than May 5, 1983. That is my understanding of the amendment.

The overseas dependents schools, currently operated by the Department of Defense, are located on military installations in 20 foreign countries and enroll approximately 136,000 children from kindergarten through high school. These schools are modeled after public schools in the United States and provide a sound education to dependents of Department of Defense personnel, allowing them to reenter American schools with relative ease after a lengthy overseas tour.

The Department of Defense schools are accredited by the North Central Association of Colleges and Schools, an American commission on schools, and overseas students consistently achieve scholastic aptitude test scores which compare favorably to scores achieved in American public schools. It is not likely that a transfer of the defense schools to another Federal agency would significantly improve upon these successes.

Following a careful review of the transfer requirements, and after consulting with the Secretary of Education, the Secretary of Defense has concluded that the overseas dependents schools should continue to be operated by his Department. Numerous economic, administrative, and military considerations strongly argue against a transfer of the defense schools to the Education Department.

First, the transfer is likely to create problems from a fiscal standpoint. For example, the Department of Defense schools are currently supported by finance and payroll offices operated by the Army, Navy, and Air Force as an addition to the existing military mission. These fiscal offices will not be transferred, and it will necessary for the gaining agency to establish a separate financial management system to service the overseas schools. This new system would be costly and inefficient, requiring hundreds of additional employees to assume tasks now being handled by the military services.

Furthermore, the Education Department would have to assume many "hidden costs" which are difficult to ascertain because they arise out of essential services now provided by local military commanders on a nonreimbursing basis. These services include communications, mail delivery, shipment of supplies, contracting assistance, and physical security. The Education Department would have to assume many of these responsibilities or provide budget support for them if the schools are placed under the exclusive jurisdiction of that agency.

Second, experience has shown that a division of authority between two Departments clearly erodes efficiency in overall management. Yet this would be a result if the defense schools are transferred to the Department of Education. For example, the Department to Education Organization Act (Public Law No. 96-88) currently provides in sections 401(f) and 419(a)(2) that school personnel will continue to be treated as Department of Defense employees for certain purposes following the transfer. These provisions will lead to confusion in many instances with respect to administrative authority governing the employees' activities.

Finally, the fiscal and administrative issues discussed above are matched by the important considerations of mili-

tary effectiveness. The defense schools are an integral and coordinated part of the total defense support structure, and school policies now incorporate many unique military considerations arising out of mission, operational, and morale requirements. The intangible but sensitive working relationship between educators, school policymakers, and military commanders would be lost upon a transfer of the schools to another Federal agency and could not be replaced by a series of interagency agreements or memoranda. Such a loss would hamper the military's efficiency in responding to defense commitments which may involve the transfers and education of dependents.

For these reasons I urge my colleagues to support this most important amendment offered by my colleague Senator QUAYLE.

I thank the Senator for yielding.

Mr. QUAYLE. I thank the distinguished Senator from Iowa. He is the chairman of the Manpower Subcommittee and knows exactly the problems that would be created.

● Mr. ROTH. Mr. President, I rise to oppose the amendment of the distinguished Senator from Indiana. This amendment would prevent the transfer of the Overseas Schools for Dependent Children from the Department of Defense to the Department of Education. This transfer is required by Public Law 96-88, the Department of Education Organization Act.

My concerns with this amendment are both substantive and procedural in nature. I hope that after the Senate has had the opportunity to hear the two sides of this issue that it will move swiftly and decisively to defeat the proposed amendment.

Section 302 of the Department of Education Organization Act requires that the responsibility for the operation of the Overseas Schools for Military Dependents (DODDS) be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. By law this transfer must be completed by May 4, 1983.

The decision to approve this transfer of responsibility was made unanimously by the Committee on Governmental Affairs after holding 1 full day of hearings on the issue during its debate over the Department of Education Organization Act. In the course of the committee consideration, the transfer received the support of virtually all of the interested parties, including the overseas school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense. The Overseas Education Association, I might point out, holds exclusive recognition for the 7,000 DOD teachers.

Now why did the proposed transfer gain such broad support? I think that the reasons are quite clear. Let me begin by saying that the overseas schools represent a sizable undertaking. In school year 1980-81, the DODDS school system consisted of 10,904 staff, 270 schools located in 20 countries, and 135,624 students. In fiscal year 1981, the total estimated cost of operating the schools, including construction and procurement costs, was $414 million. If the DOD overseas school system were located in the continental United States it would rank as the Nation's 12th largest elementary and secondary school system.

One can reasonably ask what link a school system has with the Department of Defense. These schools do not have any direct relationship to the Nation's defense preparedness. They do not teach subjects or skills related to the military. In short, the schools are not tied to the mission of the Defense Department. Rather, the purpose of these schools is strictly to educate the dependents of our military personnel overseas.

Because the task of these schools is one of education, they far more logically belong in the Federal level department charged with educational responsibilities. Once in the DOE the overseas schools will have complete and direct access to the best educational resources and the most desirable teaching techniques that our Nation can offer. The schools will be brought out of their current isolation in DOD and into the mainstream of our education system. This relationship not only will improve the quality of education overseas, but also smooth the transition of students who alternate between overseas schools and schools here at home.

Of equal importance is the fact that this transfer will provide a legislative base for these overseas schools to operate from, rather than the past practice of authorization solely by the congressional appropriations committees. This legislative base will help to insure greater continuity and planning certainty for the administrators of the overseas schools.

For all of these substantive reasons the transfer of the Defense Department overseas schools should proceed as legislated. Beyond these points, however, Mr. President, I have procedural concerns with this amendment. The proposal would negate a reorganization proposal considered and unanimously accepted by the Committee on Governmental Affairs. Because it is a reorganization it is clearly within the jurisdiction of the committee. Yet the proposed amendment has not been the subject of reconsideration or approval by the members of the committee.

The amendment therefore is highly irregular in its approach to reorganization, and I urge that it be defeated on these procedural grounds as well.

Mr. QUAYLE. Mr. President, I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Will the Senator withhold on that?

Mr. TOWER. Yes.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if no other Senator wishes to speak further on the pending measure, I ask unanimous consent that there now be a period for the transaction of routine morning business, to extend not past the hour of 6:30 p.m., during which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

What is the will of the Senate?

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

ORDER FOR STAR PRINT—REPORT NO. 97-334

Mr. BAKER. Mr. President, I believe this has been cleared on both sides. A number of clerical and typographical errors were made in the printing of the report on H.R. 2160, Report No. 97-334. In order to correct the errors, I ask unanimous consent that the Senate report be star printed, and I send the corrections to the desk.

The PRESIDING OFFICER. Without objection it is so ordered.

THE CALENDAR

Mr. BAKER. Mr. President, there are certain items on today's calendar which have been cleared for action by unanimous consent on this side. I will inquire of the distinguished minority leader if he is in a position to consider three items on the Legislative Calendar, to wit, Calendar Order No. 455, S. 907; Calendar Order No. 483, S. 2154; and Calendar Order No. 484, H.R. 2160.

Mr. ROBERT C. BYRD. Mr. President, those items have been cleared.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate the three items just identified.

PENALTIES FOR CRIMES AGAINST CERTAIN PUBLIC OFFICIALS

The Senate proceeded to consider the bill (S. 907) to amend section 351 of chapter 18 of title 18 of the United States Code to include Cabinet officers, and for other purposes, which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause, and insert the following:

That (a) subsection (a) of section 351 of title 18, United States Code, is amended to read as follows:

"(a) Whoever kills any individual who is a Member of Congress or a Member-of-Congress-elect, a member of the executive branch of the Government which is the head of a department listed in section 101 of title 5 or the second ranking official in such department, or a Justice of the United States, as defined in section 451 of title 28, or a person nominated to be a Justice of the United States, during the pendency of such nomination, shall be punished as provided by sections 1111 and 1112 of this title.".

(b) The section heading for section 351 of such title is amended to read as follows:

"§ 351. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault; penalties".

(c) In the table of sections of chapter 18 of such title amend the item relating to section 351 to read as follows:

"351. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault; penalties.".

(d) The chapter analysis of chapter 18 of such title is amended to read as follows:

"CHAPTER 18—CONGRESSIONAL, CABINET, AND SUPREME COURT ASSASSINATION, KIDNAPING, AND ASSAULT".

(e) The table of contents to "Part I—Crimes" of title 18 is amended by striking out the chapter reference to chapter 18 and inserting in lieu thereof the following:

"18. Congressional, Cabinet, and Supreme Court assassination, kidnaping, and assault ..... 351".

(f) Paragraph (1)(c) of section 2516 is amended by striking out the parenthetical phrase following "or section 351" and inserting in lieu thereof the following: "(violations with respect to congressional, Cabinet, or Supreme Court assassinations, kidnaping, and assault)".

SEC. 2. (a) Subsection (a) of section 1751 of title 18, United States Code, is amended to read as follows:

"(a) Whoever kills (1) any individual who is the President of the United States, the President-elect, the Vice President, or, if there is no Vice President, the officer next in the order of succession to the Office of the President of the United States, the Vice President-elect, or any person who is acting as President under the Constitution and laws of the United States, or (2) any person employed in the Executive Office of the President or in the Office of the Vice President authorized to receive an annual rate of pay equal to that which applies for positions at level II of the Executive Schedule, shall be punished as provided by sections 1111 and 1112 of this title.".

(b) Subsection (e) of section 1751 of such title is amended to read as follows:

"(e) Whoever assaults any person designated in subsection (a)(1) shall be fined not more than $10,000, or imprisoned not more than ten years, or both. Whoever assaults any person designated in subsection (a)(2) shall be fined not more than $5,000, or imprisoned not more than one year, or both; and if personal injury results, shall be fined not more than $10,000, or imprisoned not more than ten years, or both.".

(c) Subsection (g) of section 1751 of such title is amended by deleting "this section" and inserting in lieu thereof "subsection (a)(1)".

(d) The section heading for section 1751 of such title is amended to read as follows:

"§ 1751. Presidential and Presidential staff assassination, kidnaping, and assault; penalties".

(e) In the table of sections of chapter 84 of such title amend the item relating to section 1751 to read as follows:

"1751. Presidential and Presidential staff assassination, kidnaping, and assault; penalties.".

(f) The chapter analysis of chapter 84 of such title is amended to read as follows:

"CHAPTER 84—PRESIDENTIAL AND PRESIDENTIAL STAFF ASSASSINATION, KIDNAPING, AND ASSAULT".

(g) The table of contents to "Part I—Crimes" of title 18 is amended by striking out the chapter reference to chapter 84 and inserting in lieu thereof the following:

"84. Presidential and Presidential staff assassination, kidnaping, and assault ..... 1751".

(h) Paragraph (1)(c) of section 2516 of such title is amended by striking out the parenthetical phrase following "section 1751" and inserting in lieu thereof "(Presidential and Presidential staff assassination, kidnaping, and assault; penalties)".

The title was amended so as to read:

Amend the title so as to read: "A bill to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSFER OF CERTAIN FEDERAL LANDS

The Senate proceeded to consider the bill (S. 2154) to require the Secretary of Agriculture to convey a reversionary interest held by the United States in certain lands located in Christian County, Ky., to the Shy Flat Tabernacle Cemetery, Inc., Christian County, Ky., which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment:

On page 2, strike line 1, through and including line 18, and insert the following:

That, with respect to 1.52 acres of land in Christian County, Kentucky, described in section 2 of this Act, the Secretary of Agriculture, on behalf of the United States, shall release the Commonwealth of Kentucky, without consideration, from the condition contained in a deed dated July 9, 1954, between the United States and the Commonwealth of Kentucky granting certain lands in Christian County, Kentucky, of which the described lands are a part, that requires that the lands so granted be used for public purposes and provides for a reversion of such land to the United States if at any time it ceases to be so used: *Provided*, That such release shall in no way affect the interests of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in the described lands: *Provided further*, That such release shall be applicable so long as the described lands are used exclusively for cemetery purposes.

So as to make the bill read:

S. 2154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, with respect to 1.52 acres of land in Christian County, Kentucky, described in section 2 of this Act, the Secretary of Agriculture, on behalf of the United States, shall release the Commonwealth of Kentucky, without consideration, from the condition contained in a deed dated July 9, 1954, between the United States and the Commonwealth of Kentucky granting certain lands in Christian County, Kentucky, of which the described lands are a part, that requires that the lands so granted be used for public purposes and provides for a reversion of such land to the United States if at any time it ceases to be so used: *Provided*, That such release shall in no way affect the interests of the United States in coal, oil, gas, and other minerals (not outstanding or reserved in third parties) reserved by the United States in the described lands: *Provided further*, That such release shall be applicable so long as the described lands are used exclusively for cemetery purposes.

SEC. 2. The 1.52 acre tract described in section 1 lies on the west side of Kentucky Highway numbered 109, touching the Tabernacle Church and Cemetery on the west side, and is more particularly described as follows: Beginning at an iron pipe on the west side of an old road the same being the north east corner of the Tabernacle Cemetery property; thence, north 76 degrees and 30 minutes east, and in line with the north side of the above mentioned cemetery 237.90 feet to an iron pipe in the right-of-way line of Kentucky Highway numbered 109; thence, in line with the right-of-way line of the highway south 54 degrees 45 minutes east 292.80 feet to an iron pipe in the right-of-way line of Kentucky Highway numbered 109; thence, south 78 degrees 00 minutes west and in line with the south side of the Tabernacle Cemetery property 384.60 feet to a concrete monument the same being the south east corner of the cemetery property; thence, north 25 degrees 30 minutes west and in line with the east side of said cemetery 211.03 feet to an iron pipe, the same being the place of the beginning.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to direct the Secretary of Agriculture to release a revisionary interest held by the United States in certain lands located in Christian County, Kentucky, so that such lands may be used for cemetery purposes.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (S. 2154) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

POTATO RESEARCH AND PROMOTION ACT AMENDMENTS OF 1982

The Senate proceeded to consider the bill (H.R. 2160) to amend the Potato Research and Promotion Act, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment at the end of the bill, add the following:

STRENGTHENING THE FARM ECONOMY

SEC. 5. (a) It is the sense of Congress that the President should work with the Board of Governors of the Federal Reserve System in implementing policies that will, as soon as practicable, reduce the rate of interest farmers must pay to obtain credit for necessary production items.

(b) It is further the sense of Congress, with full recognition that inflation rates that affect farm production costs are declining and that efforts have already been made by the Administration to improve conditions in the farm economy, that the President and the Secretary of Agriculture should use the broad authorities vested in them by Congress to take expeditious action to strengthen commodity prices received by farmers and provide credit assistance to farmers, with particular attention to be given to the following possible courses of action:

(1) an increased effort to encourage farmers to participate in the recently announced voluntary reduced acreage programs for the 1982 crops of wheat, feed grains, upland cotton, and rice that are designed to avoid the adverse economic effects of excessive production of these commodities;

(2) the early consideration and announcement of the terms and conditions of the commodity programs for the 1983 crops;

(3) as a complement to any reduced acreage program, the implementation of a voluntary paid land diversion program in 1983 for producers of wheat, feed grains, upland cotton, and rice, if necessary;

(4) recognizing that loan rates and target prices for the 1982 crops have been announced, the establishment of price support loan rates for the 1983 crops of wheat, feed grains, and rice at levels higher than those announced for the 1982 crops, so as to provide more adequate price protection to farmers;

(5) the active pursuit of an aggressive export development program directed toward opening new markets for United States agricultural commodities using all the authorities available to them, including the Commodity Credit Corporation Charter Act and the Agricultural Trade Act of 1978, recognizing the efforts already made by the Administration to expand United States export sales of agricultural products by means of—

(A) a 12-per centum increase in the budget for foreign market development programs of the Foreign Agricultural Service;

(B) a $2,500,000,000 budget for the export credit guarantee program;

(C) meetings between the Secretary of Agriculture and foreign government officials of equivalent rank (i) to affirm the United States position as a reliable supplier, and (ii) to encourage officials in major markets to reduce their use of export subsidies and other unfair trade practices that reduce the United States share of trade with third country markets and to reduce import restrictions; and

(D) proposed increases in the programs under title I of Public Law 480;

(6) with full recognition that officials of the Department of Agriculture have indicated that the total forced liquidations of farm operations in 1982 (as a result of delinquencies in repayment of Farmers Home Administration farm loans) will not exceed 1 per centum of all farmers holding Farmers Home Administration farm loans nor substantially exceed the previous year's level—

(A) provision for deferrals on repayment and foregoing foreclosures whenever practicable, of Farmers Home Administration farm loans for borrowers who can show that (i) they are not now able to meet their debt obligations without unduly impairing their ability to meet essential farm needs (including family subsistence) due to circumstances beyond their control (based on the individual circumstances of the borrower) and (ii) they will have the ability to repay their loans once the deferral period is over (with any such deferral to be for such period of time as the Secretary deems necessary based on the borrower's individual circumstances); and

(B) permitting such farm borrowers to obtain reamortization or rescheduling of their loans to provide equitable repayment terms (including an interest charge at the original rate established for the loan) consistent with their farm and financial condition; and

(7) the use of the Secretary's discretionary authority to implement the economic emergency loan program when existing farm operating loan program funds have been exhausted.

(c) It is further the sense of Congress that the President, in nominating persons for positions on the Board of Governors of the Federal Reserve System that will become open in 1982, should ensure that agricultural interests are provided fair representation on the Board.

The amendment was agreed to.

Mr. HUDDLESTON. Mr. President, H.R. 2160 will make amendments to the Potato Research and Promotion Act to facilitate the operation of the producer-supported potato research and promotion program. The bill also contains provisions that express the sense of Congress that the President and the Secretary of Agriculture should take certain actions to strengthen the farm economy.

The provisions of the bill relating to the potato research and promotion program are necessary to insure that the program continues to operate effectively. The provisions relating to the farm economy address the critical need for quick action to aid our Nation's hard-pressed farmers. I urge my colleagues to join me in voting for the bill.

POTATO RESEARCH AND PROMOTION

Mr. PRESIDENT. The potato research and promotion program is supported by assessments levied on potato producers, based on the amount of potatoes they produce. The rate of assessment under current law has not been revised since the Potato Research and Promotion Act was enacted in 1971. H.R. 2160 will increase the maximum rate of assessment that may be charged producers, to take into account inflation in the costs of potato research and promotion activities since 1971.

This change in the law is supported by the potato industry. Also, before any change in the assessment rate authorized by this legislation could go into effect, it must be approved by potato producers in a national referendum.

H.R. 2160 provides for the inclusion of persons representing the public on the board that governs the operations of the potato research and promotion plan. Participation on the board by persons representing the public will insure that more diverse points of view are presented when the board formulates and implements research and promotion activities.

The bill provides for the reimbursement of the Department of Agriculture for costs it incurs in holding referendums and in administering the program. In addition, it will amend the enforcement provisions of the Potato Research and Promotion Act to provide the Secretary of Agriculture more flexibility in enforcing the provisions of the act. The administration proposed these modifications of current law to reduce the taxpayer-cost and improve the management of the potato research and promotion program.

Mr. President, the Committee on Agriculture, Nutrition, and Forestry unanimously adopted the amendments to the Potato Research and Promotion Act made by H.R. 2160. They make sound improvements to an important program and should be approved by the Senate.

STRENGTHENING THE FARM ECONOMY

In the markup of H.R. 2160 by the Agriculture Committee, I proposed that the committee amend the House-passed bill to urge the administration to act immediately to help our Nation's farmers deal with the serious economic and financial problems they now face.

The committee agreed to my suggestion and has sent to the Senate, as part of H.R. 2160, new provisions that express the sense of Congress that the President and Secretary of Agriculture should use the tools Congress has already given them to bolster the troubled farm economy.

In 1980, real farm income, adjusted for inflation, dipped below $10 billion for the first time since the early 1930's. In 1981, increased costs of production (including interest charges), weak commodity prices, and failure to achieve anticipated increases in agricultural exports resulted in a second consecutive year of extraordinarily low farm income.

So far in 1982, Mr. President, commodity prices have continued to slide downward. Barring major modifications of current agricultural policy, real farm income in 1982 is expected

to be even lower than it was in 1980 or 1981. Without action and if present projections prove to be accurate, farmers will experience, in 1982, the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

The last time farmers experienced 3 consecutive years of such low income was in the midst of the Great Depression, when thousands of farm operators were forced out of business. Just as in the 1930's, many farmers today are confronting the prospect of liquidation either because they cannot pay their bills, or because they simply cannot continue to operate at a loss.

As agriculture falters, related industries, such as the farm machinery industry, and the economies of rural communities, are being adversely affected. A recent survey of American Bankers Association member banks concluded that local rural economies have been broadly affected by low farm income, and that there is a recession in rural areas directly related to the farm income problem.

In addition to the emergency created by plummeting farm income, a financial emergency exists for the many farmers in need of credit. Because modern agriculture is highly capital-intensive, farmers are being devastated by high interest rates and the inability to obtain operating credit.

Some farm credit districts have indicated that close to 10 percent of the farmers who borrowed from production credit associations last year are being turned down for loans this year. These farmers are being sent to the Farmers Home Administration; but, there, they are being told they cannot get a loan because it is Farmers Home Administration policy to accommodate present borrowers first.

Borrowers from commercial lenders are also facing problems. The survey of American Bankers Association member banks found that lack of significant improvement in farm income will result in a substantial increase in foreclosures or forced sales by late 1982 or early 1983, and that there is the potential for an extremely serious problem because 85 percent of the banks reported delinquencies in their farm loan portfolios.

H.R. 2160 calls on the President to work with the Federal Reserve System in implementing policies that will, as soon as practicable, reduce the rate of interest farmers must pay to obtain credit for necessary production items. Further, the amendment calls on the President, in nominating persons for positions on the Federal Reserve Board that will come open in 1982, to insure that agricultural interests are provided fair representation on the Board.

Perhaps more than any other factor, Mr. President, high interest rates are responsible for the credit problems of U.S. farmers. Certainly, lower interest rates are essential to a successful economic recovery and the continued survival of our family farms. The President must take steps, using his authority and influence with respect to policymaking by the Federal Reserve System, to resolve the critical interest rate problem facing farmers.

H.R. 2160 also urges the administration to modify the farm programs to deal with the worsening farm situation.

Congress has already provided the President and Secretary of Agriculture with broad authorities in this regard under the farm bill and related legislation. They already have the authority they need to stabilize commodity prices and insure that farmers have adequate credit to continue production.

So far, the administration has not chosen to use its authorities, and the downward slide in the agricultural economy continues unabated.

H.R. 2160 will serve to notify the executive branch that Congress is expecting it to use the tools given it to deal with the special problems now confronting U.S. farmers.

H.R. 2160 calls on the administration to consider the use of paid land diversion programs in 1983 for producers of wheat, feed grains, upland cotton, and rice. Clearly, this will be necessary if the dismal picture for agriculture does not improve this year.

I strongly believe that the Federal farm programs should be fiscally responsible, and I am cognizant that diversion programs will involve Federal outlays. However, the diversion programs, by strengthening market prices, will substantially reduce outlays for target price payments. Stronger market prices will also offset the outlays for the diversion programs by reducing price support loan activity, lessening the likelihood of farmers defaulting on their price support loans, and reducing the amount of grain moving into the farmer-held reserve, which entails both higher price support loan rates and storage payments.

H.R. 2160 calls on the administration to consider establishing price support loan rates for the 1983 crops of wheat, feed grains, and rice at levels higher than those established for 1982. Experience has shown that, generally, price support loan rates set a floor for market prices. If commodity prices remain at depressed levels, higher loan rates clearly will be needed in 1983.

Another element in the strategy to strengthen farm income is increased exports. Unfortunately, Mr. President, it now appears that we will experience a reduction in the value of our agricultural exports this fiscal year for the first time in over a decade.

H.R. 2160 calls on the administration to actively pursue an aggressive export development program directed toward opening new markets for U.S. agricultural commodities. I strongly support this provision.

With respect to the farm credit crisis, H.R. 2160 calls on the administration to provide for deferrals of repayment, and to forego foreclosures whenever practicable, of Farmers Home Administration loans to qualified borrowers, as authorized by law. It also urges the administration to use its discretionary authority to implement the economic emergency loan program when existing funds for farm operating loans have been exhausted.

It is imperative that the administration adopt the deferral and foreclosure policies—and the related reamortization and rescheduling policies—outlined in H.R. 2160.

At the beginning of this year, more than 50 percent of all Farmers Home Administration farm loans were delinquent.

Without revisions of its loan repayment policy, many of these Farmers Home Administration delinquent borrowers will be faced with the prospect of liquidation or foreclosure.

The 1981 farm bill extended, until September 30, 1982, the authority for the Secretary of Agriculture to make economic emergency loans under the emergency agricultural credit adjustment act of 1978.

Under the economic emergency loan program, the Secretary makes insured loans to qualified farmers who cannot get credit elsewhere due to economic stresses, such as a general tightening of agricultural credit or an unfavorable relationship between production costs and prices received for agricultural commodities. The loans bear an interest rate that reflects the cost of money to the Government.

With the extension made by the 1981 farm bill, the Secretary could make up to $600 million in economic emergency loans in fiscal year 1982. The funds for those loans would come from repayments of outstanding economic emergency loans; and, therefore, the program would not involve new budget expenditures.

FURTHER ACTION WILL HELP

Mr. President, on April 5, several other Members of the Senate joined me in letters to President Reagan and Secretary of Agriculture Block suggesting a course of remedial action very similar to that spelled out in H.R. 2160.

Our April 5 letters also recommended several specific actions in addition to those contained in H.R. 2160, which will provide, I believe, a more responsive recovery program for U.S. agriculture. I ask unanimous consent that the text of those letters be printed in

the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See exhibit 1.)

Mr. HUDDLESTON. Mr. President, specifically, in our April 5 letters, we called on the administration to implement voluntary paid diversion programs for producers of wheat, feed grains, upland cotton, and rice in 1982; and to establish the price support loan rates for the 1982 crops of wheat, feed grains, and rice at levels, significantly higher than those previously announced, that will provide more adequate price protection for farmers. We also stated that the economic emergency insured loan program should be implemented across the Nation immediately.

These recommendations were also included in the additional views on H.R. 2160 that the Democratic members of the Agriculture Committee filed when the committee reported the bill to the Senate.

These additional actions will aid in revitalizing the farm economy; and should receive bipartisan support in the Senate. In this regard, I note that, recently, Senator THURMOND informed the Senate of a number of recommendations made by the House of Representatives of the State of South Carolina that are the same or very similar to those made in our April 5 letters and the additional views. Senator THURMOND asked that those recommendations be given careful consideration.

With respect to the need for a diversion program in 1982 to strengthen commodity prices, actions taken by the administration so far to eliminate excessive oversupplies of wheat, feed grains, upland cotton, and rice do not go far enough. The administration has put in place only a requirement that farmers reduce their acreage planted to these commodities as a condition of qualifying for participation in government loan and target price programs. Because struggling farmers will need every possible dollar of income they can obtain from their farm operations to meet their pressing financial obligations, many may elect, ultimately, to forego participation in the loan and target price programs in order to achieve maximum production.

The most recent figures on sign-up for the 1982 reduced-acreage program, released after the committee report on H.R. 2160 was filed, show that a substantial number of farmers have, preliminarily, signed up to participate in the programs. However, because sign-up in no way obligates a farmer to comply with the acreage reduction goal, it can be expected that, as has happened in the past, some of those who have already signed up will drop out of the program and go to full production.

Mr. President, unless more is done to encourage financially hard-pressed farmers to limit production, we will most likely see very large crop harvests again this year, almost certainly guaranteeing a continuation of price-depressing oversupplies of commodities.

It is generally acknowledged that a voluntary paid land diversion program will be the only effective way to limit excessive production. In this regard, I note that the American Farm Bureau Federation recently indicated that it favors implementation of paid diversion programs in 1982 for wheat and feed grains.

Increased price support loan rates for the 1982 crops of wheat, feed grains, and rice are needed to address the serious problems that producers of these commodities now face. Currently, market prices for wheat, corn, and grain sorghum are hovering right around the loan level. The market price for rice has slid downward precipitously over the last year, and, if that trend continues, will fall to the announced loan level. Also, it is most likely that, without action, the prices for these commodities will not start moving upward, away from the loan level, in the foreseeable future.

The primary problem with the current price support loan rates for these commodities is that they are set at levels that, for many farmers, do not cover costs of production. Unless action is taken to raise the loan rates and, thus, bolster market prices, it would be simply a matter of time before many farmers who specialize in these commodities go broke producing crops that cost more to grow than what they can be sold for.

Increased loan rates to stabilize market prices at levels more closely related to costs of production, in conjunction with the diversion programs (which will bring supply back into better balance with demand, further strengthening market prices), will go far to reverse the deterioration in the agricultural economy caused by low farm income this year.

The economic emergency loan program should be implemented immediately because many farmers do not have access to the regular operating loan program.

Farmers Home Administration officials acknowledge that several States have notified the national office that they are out of regular operating loan funds or expect to run out soon. One State has requested an additional $20 million in operating loan funds. However, the national office has only $10 million in operating loan fund reserves.

Also, Farmers Home Administration officials state that it is administration policy that loans be made primarily to present borrowers. The financial situation of thousands of farmers who do not presently have Farmers Home Administration loans had deteriorated so much that they can no longer borrow from the farm credit system or commercial lenders. These borrowers, who cannot get credit elsewhere, are being turned away from the Farmers Home Administration in many States because they have not been Farmers Home Administration borrowers in the past. Ironically, the farmers being turned away are individuals who most likely could return to commercial credit sources at some future date if they could acquire emergency credit for this year's crop.

CONCLUSION

Mr. President, at his March 22 meeting with agricultural leaders of Congress, President Reagan made a commitment to stand behind farmers during their time of special need. I commend the President for recognizing the importance of agriculture to the national economy and the seriousness of the problems farmers face.

I strongly urge the President to honor his commitment and provide the leadership necessary to revitalize the depressed farm economy.

The recommendations in H.R. 2160 provide the President with a fiscally sound means of providing assistance to farmers; and its enactment will send him a clear message that Congress expects the administration to act quickly and decisively on this matter.

I urge the Senate to approve this bill.

Also, I urge the President and Secretary of Agriculture to give serious consideration to providing additional help to our Nation's hard-pressed farmers by taking the further actions recommended in the April 5 letters and the additional views to the committee report.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., April 5, 1982.

The PRESIDENT,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Thank you for taking time out of your busy schedule to meet with me on March 22, 1982, to discuss the Administration's policy on agricultural exports and other topics related to the overall condition of American agriculture.

After the meeting, I conveyed to the other Democratic members of the Committee on Agriculture, Nutrition, and Forestry your request for recommendations on agricultural policy. You indicated that the recommendations should be submitted to Secretary Block. Enclosed is a copy of our letter to the Secretary detailing our recommendations.

Sincerely,

WALTER D. HUDDLESTON.

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, D.C., April 5, 1982.

Hon. JOHN R. BLOCK,
Secretary of Agriculture, Washington, D.C.

DEAR SECRETARY BLOCK: We are pleased to provide you our recommendations on agriculture policy which the President requested at the March 22 White House meeting with Congressional leaders on agricultural matters. Senator Huddleston was, as you know, a participant at the meeting with the President and conveyed the President's request to the other Democratic members of the Committee on Agriculture, Nutrition, and Forestry.

First, we note that the Administration has yet to establish a policy on sales of agricultural commodities to the Soviet Union. What is the policy of this Administration? More specifically, when will new negotiations begin on extension of the long-term sales agreement. We are of the opinion that the United States cannot reestablish its position as a reliable supplier while our policy toward the Soviet Union remains undefined.

Second, we note that the President's budget request contains no funding for the export credit revolving fund authorized by the Agriculture and Food Act of 1981. Funding for this program would stimulate exports and thereby increase farm income, and would, in all likelihood, reduce the need for other government assistance for hard-pressed farmers. We urge the Administration to support emergency legislation to implement the revolving fund at a level of not less than $250 million annually.

Third, our overseas humanitarian food assistance programs would be a logical means of using the current large stocks of U.S. agricultural commodities. The budget submission for fiscal year 1983 projects only 1.5 million metric tons (grain equivalent basis) of shipments under title II of Public Law 480. Congress has specified a minimum of 1.7 million tons of shipments under title II and this minimum should be met. We also urge you to explore new programs to increase food shipments in addition to those under Public Law 480.

We note that the World Food Council is considering a country-owned reserve plan directed toward enabling low-income countries to purchase U.S. grains through the International Monetary Fund. This plan provides for the immediate purchase of U.S. grains to be stored by the developing country until use. Such a plan may often new opportunities for using our agricultural abundance.

Fourth, we recommend that the President and you use the broad discretionary authorities available to immediately stabilize farm prices and provide credit assistance to farmers. Specifically, we recommend the following actions: The implementation of a voluntary paid land diversion program in 1982 for producers of wheat, feed grains, upland cotton, and rice; the establishment of price support loan rates for the 1982 crops of wheat, feed grains, and rice at levels, significantly higher than those previously announced, that will provide more adequate price protection to farmers; with respect to farmers who, through no fault of their own, are temporarily unable to meet their debt obligations on Farmers Home Administration farm loans—(a) permitting them to defer making repayments on the loans; and (b) permitting borrowers to reamortize or reschedule their loans at not more than the original interest rate; and (4) the immediate nationwide implementation of the FmHA economic emergency insured loan program.

In our judgment, these actions are necessary to revitalize the farm economy. Given the President's resolve to stand behind this Nation's farmers in their time of special need, we would hope that you will find support for these actions at the White House.

Sincerely,

Edward Zorinsky, John Melcher, David Pryor, David L. Boren, Walter D. Huddleston, Patrick J. Leahy, Alan J. Dixon, Howell Heflin.

CONGRESSIONAL CONCERN FOR THE FARM ECONOMY

Mr. DOLE. I would like to address the sense of the Senate amendment added during consideration by the Committee on Agriculture to the Potato Act.

I agree with several of the provisions proposed by Senator HUDDLESTON's bill as altered by the committee. The committee bill addresses the export issue which I am very concerned about. We have far too much grain and we need to find a market for it. That is why I'm very hopeful our talks later this month with the Russians in Paris will generate more grain sales. They have told us they will be a reliable buyer if we will be a reliable supplier. I have said for a long time that farmers need to make a profit and they would rather see it come from the marketplace than from the Government.

I am in opposition to placing a moratorium on FmHA loans. The administration has already announced a lenient lending policy in 1982 that essentially prevents any increase in Government-induced foreclosures.

Mr. President, during these past months of budget discussions, I have stated that a healthy national economy will be the best cure for our farm economy. Therefore, we need to be fiscally prudent in any initiative we undertake. I was hopeful we would come to a compromise in our recent negotiations. President Reagan came ready to negotiate in all of the major areas including defense and the third year of the tax cuts. It is too bad the Speaker of the House was not in the same negotiating mood. By the end of the session, we were only $25 billion apart on a $425 billion budget.

Mr. HELMS. Mr. President, today the Senate is considering H.R. 2160, to amend the Potato Research and Promotion Act and to express the sense of Congress regarding the strengthening of the farm economy.

First, I shall briefly describe the proposed amendments to the Potato Research and Promotion Act. These amendments do several things, but most importantly, they allow potato farmers to finance their own research and promotion program. The potato farm pays for the program through assessments or check-offs. While check-offs are now in effect, the potato farmers believe more money is needed, particularly since there has not been an increase in the check-off since 1971.

H.R. 2160 increases the rate of assessment levied on potatoes. It is an increase on which farmers, themselves, will vote and they will pay the Government for conducting the referendum on the increased assessment.

The amendments to the Potato Research and Promotion Act are reasonable amendments and I urge their adoption.

Second, this legislation expresses the need for farm price and credit assistance, suggests possible courses of action, and recognizes the actions and efforts undertaken by the administration to strengthen the farm economy.

Mr. President, I believe it must be strengthened in the marketplace, as do President Reagan and Secretary Block. That is the reason that farm exports and mechanisms using market forces have received such emphasis from this administration. The President and the Secretary are well aware that a strong, healthy, prosperous agriculture will generate economic growth which will benefit our entire Nation.

THE 1981 FARM BILL IS WORKING

Mr. President, I feel it is important to review the importance of agriculture, the challenges now facing farmers, and the efforts being made for the farm sector by this administration.

Agriculture—the total food and fiber system—is a driving force in the economy of the Nation and the world.

Farmers make up only about 3 percent of the national labor force, but their activities generate a huge ripple through much of the total economy.

In 1980, economic activities generated by agriculture contributed nearly $533 billion to the Gross National Product (GNP). That was slightly more than 20 percent of the total GNP, which exceeded $2.6 trillion.

The tremendously large agriculture-related contribution to the GNP came about because each farm dollar (as measured by consumer purchases and exports) generated $2.30 in gross business. This is what economists call the "multiplier" effect of agriculture dollars.

There are 3.3 million workers engaged in farm production. The labor force that supplies and supports them, however, is more than six times as large, totaling 20.4 million.

This means the agricultural industry is the nation's largest employer. It provides jobs for 23.7 million people—nearly 23 percent of the total available work force of 104.7 million.

Farm-produced goods account for 19 percent of U.S. export earnings from all products.

In 1981, the Nation's agricultural exports totaled nearly $44 billion and agricultural imports were $17.4 billion. Thus, agriculture's net contribution to

the U.S. balance of payments was $26.6 billion. In nonagricultural trade, the United States last year incurred a deficit of more than $60 billion. Agriculture reduced the overall trade deficit to $33.4 billion.

Oil is the most costly U.S. import item, but there are many others. They incude automobiles, cameras and electronic goods from Japan, wines from Europe, coffee, sugar, and bananas from Latin America, diamonds from Africa, and thousands of additional products from all over the globe.

Corn and soybeans are the leading American farm exports. About one-third of all cultivated U.S. cropland is used to produce raw commodities for export.

Total agricultural exports in 1981 generated jobs for approximately 1.2 million American workers.

However, U.S. farmers are now facing their third consecutive year of low farm income. Many family farmers are in a severe cash flow and price-cost squeeze today. Young, highly leveraged farmers are particularly vulnerable, but even established farmers are not immune. Farm operating credit has been generally available, at least for well-situated borrowers, but it is quite costly.

Mr. President high interest rates are an increasing concern to American farmers. According to USDA, farmers paid $18.9 billion in short- and long-term interest during 1981. From 1975 to 1980, this figure increased from $6.4 to $15.8 billion. Since 1975, the percentage of total farm production expenses, which interest comprises, has risen from 8.4 percent to 13.3 percent.

As agriculture has become more capital-intensive over the years, it becomes increasingly sensitive to high interest rates on farm debt.

Interest rates are one element of the Nation's credit and monetary affairs, for which the Federal Reserve System is responsible. Broad supervisory powers are vested in the Board of Governors, composed of seven members appointed by the President by and with the advise and consent of the Senate. The Board's principal duties consist of exerting an influence over credit conditions and supervising the Federal Reserve Banks and member banks.

The farm economy is still suffering from high interest rates, inflation, and the grain embargo of January 4, 1980. Exports have been constrained by the sluggish world economy, large world crop supplies, and weak foreign currencies relative to the dollar.

President Reagan and Secretary of Agriculture John R. Block have taken a number of actions to strengthen the farm economy, including changes in commodity programs, aggressive export market development, and improvements in the tax code.

The Economic Recovery Tax Act of 1981 will help reduce the tax burden of American farmers. The act implements a 3-year income tax reduction program and broadens tax-management tools for farm operators. These include allowance of the 10-percent investment tax credit and 5-year depreciation on farm machinery and eligible livestock. Single-purpose farm structures will be eligible for 5-year depreciation, and multipurpose farm structures 15 years.

The act also lightens the estate and inheritance tax burden on farm families. It provides for an unlimited marital deduction for widows and widowers, an increase in the estate tax exemption from $175,000 to $600,000 over 5 years, and a reduction in the top estate and gift tax rate from 70 percent to 50 percent by 1985.

Administratively, the Secretary of Agriculture has placed increased emphasis on agricultural research as a long-term means of enhancing farm productivity and profitability. Further, he has strengthened the system of providing information to farmers by establishing the Extension Service, Agricultural Cooperative Service, and Cooperative State Research Service, at full agency status.

There was increased recognition of the importance of the livestock sector and competitive marketing by restoring the Packers and Stockyards Administration as an independent agency within USDA.

More practical, farmer-oriented leadership has been implemented at the Department of Agriculture by placing active farmers, and those with strong farm backgrounds, in management positions.

The Department increased dairy use, reduced Government-owned surpluses, and helped needy families through the program of distributing cheese through States, churches, and private volunteer groups.

An expanded crop insurance program has been made available to farmers, with Government sharing the cost but emphasizing delivery through the private sector. This program will cover a wider range of losses on more crops in larger areas than ever before.

The President's economic program has helped to reduce inflation and cut the spiraling increases in farm costs. This year, production expenses are expected to climb 3 to 6 percent which would be the smallest annual increase since 1975.

As of February 1982, farm production expenses were 4 percent above the previous year. This compares to the same time period in 1979, when farm costs were up 16 percent, four times the current rate of increase.

Farmers who do not have adequate on-farm storage capacity received attention through the National Farm Storage Facility Conference conducted by USDA. This involved leading farm storage manufacturers, lending institutions, and leasing companies in an effort to develop more creative means for financing farm storage facilities through the private sector.

Mr. President, there has been a strong emphasis on expanding markets and strengthening prices through international trade. On April 24, 1981, President Reagan lifted the grain embargo to the Soviet Union which had been imposed January 4, 1980.

On March 22, 1982, President Reagan expressed his long-term policy on farm exports, including three essential priorities: First, no restrictions will be imposed on the exportation of farm products because of rising domestic prices; second, farm exports will not be used as an instrument of foreign policy except in extreme situations and as part of a broader embargo; and third, world markets must be freed of trade barriers and unfair trade practices.

The Department of Agriculture has pursued an aggressive trade policy, by sending trade teams around the world to promote sales of U.S. farm products. The Secretary of Agriculture has been a personal emissary to several regions of the world, meeting with officials of equivalent rank and indicating the importance which he attaches to international trade.

USDA has proposed a 12-percent increase in funding for the foreign market development program and recommended that agricultural export credit guarantees be maintained at $2.5 billion, the highest level in history.

The administration has actively pursued a reduction in trade barriers. Through the General Agreement on Tariffs and Trade, the United States in challenging the European Community's open-ended use of export subsidies on certain agricultural products, which have been unfairly used to gain an inequitable share of world trade. Similarly, the Japanese have been urged to reduce their nontariff trade barriers.

The Department has organized and coordinated a unified Government-wide effort toward this objective, including USDA, the State Department, and the Department of Commerce.

In terms of domestic financing, the Farmers Home Administration has initiated the "new full-time family farmer and rancher development project" on a pilot basis to provide volunteer, private sector assistance to beginning farmers.

Due to current economic conditions in agriculture, the Department has brought together representatives of commercial banks, the Farm Credit Administration, and FmHA so as to coordinate policies on farm financing.

In the current year, farm operating loan funds for the Farmers Home Administration have been increased. Beyond that, the Department has indicated that discretionary authority for the economic emergency loan program will be used if existing FmHA farmer program funds are exhausted.

The Congress has also provided broad authorities for the President and the Secretary of Agriculture to take administrative actions on farm commodity programs. In the Agriculture and Food Act of 1981 (Public Law 97-98), the Secretary is authorized to offer a set-aside, acreage reduction program, or paid land diversion when supplies are judged to be excessive. Along with many other provisions, the act set minimum price support loan rates for major commodities and extends for 1 year authority for the Farmers Home Administration to offer the economic emergency loan program.

On January 29, Secretary Block announced acreage reduction programs for the 1982 crops of wheat, feed grains, upland cotton, and rice. Producers who comply will be eligible for Government price support loans and target price protection. The Secretary also announced that eligible wheat and feed grain producers would be allowed immediate entry into the farmer-owned reserve, for which they could receive a higher loan level and a 26½ cents per bushel storage payment.

For the past 2 years, grain entering the farmer-owned reserve has been eligible for a higher loan than the regular price support loan rate. For the 1980 and 1981 crops, the difference between the regular and reserve loans was maintained at 30 cents for wheat and 15 cents for corn.

For 1982 crops, however, Secretary Block announced a higher differential of 45 cents for wheat and 35 cents for corn. This premium per bushel should encourage additional participation in the program and provide more cash flow to farmers.

In addition, the program is less complicated and not as restrictive as the programs of previous years. Offsetting compliance—between farms—and cross-compliance—between crops—will not be a requirement in 1982. Furthermore, normal crop acreages, national program acreages, allocation factors, and voluntary reduction provisions will not apply.

The real test of a farm program, however, is the response it receives from farmers. In this case, the response could hardly have been more favorable.

Nationwide, signup for the program has achieved the highest level in recent memory. Over 79 percent of the eligible crop acreage has been enrolled in the program for the next crop year. Signup levels vary from crop to crop, including 74 percent for corn and grain sorghum and 71 percent for barley and oats.

Wheat acreage signup is even higher, with 83.95 percent enrolled. Upland cotton and rice acreage reached signup levels of over 90 percent each. As USDA processes those forms which were received just before the enrollment deadline, the final figures could be even higher.

Such strong signup reflects both the distressed state of the farm economy currently, and the fact that the Secretary selected a good mix of program incentive to encourage farmers to participate.

Although the percentage enrolled is not necessarily the same percentage that will ultimately comply, it is a good indicator that the USDA did an excellent job of informing and encouraging farmers toward utilizing the program.

This voluntary program is a "self-help" measure for farmers which will use market forces to strengthen prices. This program and the other actions by the President and the Secretary of Agriculture are intended to enhance the American farmer.

We believe, however, that there is need for further action on the farm economy. Under the leadership of Senator HOWARD BAKER, a group of Senators met with Secretary Block on April 29 to discuss further initiatives.

Mr. President, I ask unanimous consent that a copy of our letter to Secretary Block be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., April 29, 1982.

Hon. JOHN R. BLOCK,
Secretary, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: Your efforts to strengthen farm prices through promotion of exports and the implementation of a reduced acreage program are commendable. We remain very concerned, however, about the current distressed state of the farm economy, and we have been exploring possible initiatives which should help improve prices of agricultural products.

We urge you to take two immediate actions on farm programs to assist the agricultural economy, and we want to work with you in developing other measures that address the underlying problem of weak demand and excess supply.

First, we hope you will state your intent to announce 1983 commodity programs at the earliest possible date, but no later than July 31, 1982 for winter crops and October 31, 1982 for spring crops. Early announcement of program details will allow farmers the maximum flexibility to plan for the next crop year.

We recognize that, in some years, the Department of Agriculture will need a later announcement date so as to gather further information before designing farm programs. In 1982, however, we believe that there is already ample evidence of an oversupply of crops which early announcement of programs will help remedy.

Second, additional on-farm storage is needed to accommodate the 1982 production and avoid forced selling and dumping of grain, which would further depress prices and increases Government costs. The "Grain Stocks In All Positions" report published by USDA on April 22 indicates that stocks of grains and oilseeds are higher than a year ago for almost all crops. Due to these large inventories, storage capacity is not adequate and additional storage is needed to both house the 1982 crops and encourage orderly marketing of grain.

More storage would encourage producers to participate in the reduced acreage program so as to qualify for price support loans and the farmer-owned reserve. In order for more storage to be built in time for the fall crops, however, USDA financing for additional storage should be made available to complement your initiative to encourage private sector financing.

Therefore, we urge you to use existing authority to implement the farm storage facility loan program as soon as possible.

We share your view that Government actions in agriculture and throughout the economy must be fiscally sound. The actions we propose will meet this test. Farm storage facility loans are repaid to the Government with interest, and the history of repayment is very good. An early program announcement will incur no additional cost to the taxpayer at all.

Further initiatives on which we wish to work with you are designed to strengthen farm prices and will ultimately result in reduced Government deficiency payments, thus providing savings to the taxpayer.

We hope that a bipartisan effort could be forged within the constraints of the budget to help remedy low farm prices and strengthen the agricultural economy. We greatly appreciate your prompt consideration of these measures and we look forward to working with you.

Sincerely,

JESSE HELMS, *Chairman.*
HOWARD H. BAKER, Jr.
THAD COCHRAN.
BOB DOLE.
PETE DOMENICI.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read:

An Act to amend the Potato Research and Promotion Act and to express the sense of Congress regarding the strengthening of the farm economy.

Mr. BAKER. Mr. President, I am pleased that the Senate today agreed to the Potato Research and Promotion Act Amendments of 1982. The Senate Agriculture Committee is to be commended for not our only addressing the issue of this one commodity, but also for expressing its position on methods for strengthening the farm economy in general.

I am deeply concerned by the current situation facing our Nation's farmers. There is little doubt that

farming is the foundation of this Nation's economy, and as such, faces severe repercussions during times of economic downturns.

There are no easy answers to the farmers' dilemma, as there are no easy answers to strengthening the Nation's economy. As the committee notes in its amendment to the potato bill, bringing inflation and interest rates down will have the greatest impact on net farm income.

In addition, Mr. President, increased export market development is essential to continued high productivity in farm goods. Agriculture continues to be a strong component of our merchandise exports account, contributing nearly one-fifth of this Nation's export earnings in 1981. I commend the Agriculture Committee leadership and the Secretary of Agriculture for vigorously supporting increased farm exports.

Many factors have placed farmers in a tight credit situation. I hear from farmers in Tennessee who are not sure that they can continue their operations due to a lack of affordable credit. I am pleased that the committee has focused on this issue in its statement and has encouraged the Agriculture Secretary to continue a policy of leniency on farm credit negotiations.

Mr. President, the difficulties facing our farmers are real and should not be subject to partisan debate. I commend the chairman of the Agriculture Committee for working with his committee members in drafting their views on the farm economy. I certainly plan to work with the chairman, the committee, the administration, and other farm representatives to insure that steps continue to be taken to assist the farming community.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (H.R. 2160) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COAST GUARD AUTHORIZATION ACT FOR 1983 AND 1984

Mr. BAKER. Mr. President, there is another item cleared on this side, Calendar Order No. 513, S. 2252. Is the distinguished minority leader in a position to agree to that?

Mr. ROBERT C. BYRD. Yes, Mr. President, that has been cleared on this side.

Mr. BAKER. Mr. President, I ask that the Senate consider the bill.

The Senate proceeded to consider the bill (S. 2252) to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984, and for other purposes which had been reported from the Committee on Commerce, Science, and Transportation with amendments:

On page 6, line 16, strike "Section 391(a)(19) of title 46, United States Code,", and insert "Section 4417(a)(19) of the Revised Statutes of the United States (46 U.S.C. 391a(19))";

On page 6, after line 18, add the following:

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents of chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 368 to read as follows:

"[368. repealed.]".

So as to make the bill read:

S. 2252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act for 1983 and 1984".

SEC. 2. AUTHORIZED APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal years 1983 and 1984 as follows:

(a) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,700,000,000 for fiscal year 1983 and $2,000,000,000 for fiscal year 1984.

(b) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto $550,000,000 for fiscal year 1983 and $650,000,000 for fiscal year 1984.

(c) For research, development, test, and evaluation, $29,000,000 in fiscal year 1983 and $32,000,000 in fiscal year 1984, of which sufficient funds shall be made available to continue in operation a Coast Guard research and development center through the end of the 1984 fiscal year.

(d) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act, $336,000,000 is authorized for fiscal year 1983 and $396,000,000 is authorized for fiscal year 1984.

SEC 3. PERSONNEL.

(a) MILITARY.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 41,500 in fiscal years 1983 and 1984. This end-of-year strength shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

(b) CIVILIAN.—Notwithstanding any other provision of law, the fiscal 1983 and 1984 end-of-year civilian personnel strength of the Coast Guard shall be at least 5,484.

SEC. 4. MILITARY STUDENT TRAINING.

For fiscal years 1983 and 1984, the Coast Guard is authorized average military student training loads as follows:

(a) For recruit and special training, 3,660 student years.

(b) For flight training, 118 student years, a proviso being that more in-flight training hours be used on actual patrols, thus increasing the total Coast Guard patrol capacity.

(c) For professional training in military and civilian institutions, 655 student years.

(d) For officer acquisition, 1,038 student years.

SEC. 5. DELEGATION OF AIDS TO NAVIGATION RESPONSIBILITIES.

(a) Section 81 of title 14, United States Code, is amended by adding at the end thereof the following: "The Coast Guard may establish, maintain, and operate aids to maritime navigation under paragraph (1) of this section by contract with any person, public body, or instrumentality.".

(b) Section 84 of title 14, United States Code, is amended by inserting after the first sentence the following: "The preceding sentence shall not apply to any person, public body, or instrumentality acting pursuant to a contract under section 81 of this title or pursuant to authority obtained under section 83 of this title.".

(c) Not later than one year after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating—

(1) the exercise by contract of the authority of the Coast Guard under section 81 of title 14, United States Code, to establish, maintain, and operate aids to navigation, including a discussion of any problems involved in exercising such authority by contract, the reasons for exercising or failing to exercise such authority by contract in particular areas, and the feasibility of expanding the exercise of such authority by contract; and

(2) the advantages and disadvantages of increasing the ratio of civilian to military employees assigned to the establishment, maintenance, and operation of aids to navigation on the inland waterways of the United States.

SEC. 6. AVAILABILITY OF INSPECTION RECORDS.

The Act entitled "An Act to constitute a Bureau of Navigation in the Treasury Department", enacted July 5, 1884 (23 Stat. 118), is amended by adding at the end of section 8 (as added by section 9 of Public Law 97-136) the following new subsection:

"(d) In any case in which an inspection or examination is delegated under subsection (a) to the American Bureau of Shipping, or similar American classification society, or agent thereof, such Bureau, society, or agent, as the case may be, shall maintain within the United States complete files of all information derived from or necessarily connected with such inspection or examination and shall permit access to such files at all reasonable times to the Coast Guard or any agent designated in writing by the Coast Guard.".

SEC. 7. MILITARY PERSONNEL MANAGEMENT.

Title 14, United States Code, is amended as follows:

(a) Chapter 3 is amended by adding the following new section after section 51:

"§ 52. Vice admirals, continuity of grade

The continuity of an officer's precedence on the active duty promotion list, date of rank, grade, pay, and allowances as a vice admiral shall not be interrupted by the termination of an appointment for the purpose of reappointment to another position as a vice admiral.".

(b) Section 368 is repealed.

(c) Section 93 is amended by—

(1) deleting the final word "and" from subsection (p);

(2) deleting the period at the end of subsection (q) and substituting "; and"; and

(3) adding the following new subsection:

"(r) provide medical and dental care for personnel entitled thereto by law or regulation, including care in private facilities.".

SEC. 8. ELIMINATION OF REPORTS.

(a) Subsections (e) and (f) of section 475 of title 14, United States Code, are repealed.

(b) Section 4417a(19) of the Revised Statutes of the United States (46 U.S.C. 391a(19)) is repealed.

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents for chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 368 to read as follows:

"[368. Repealed.]".

The committee amendments were agreed to.

UP AMENDMENT NO. 908

(Purpose: Authorize additional amounts for employee benefits authorized by law)

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the Senator from Oregon (Mr. PACKWOOD) and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. PACKWOOD, proposes an unprinted amendment numbered 908.

On page 2, line 7, strike "1984." and insert in lieu thereof the following: "1984, and such additional amounts for each such year as may be necessary for increases in salary, pay, and other employee benefits authorized by law."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 908) was agreed to.

● Mr. PACKWOOD. Mr. President, the Commerce Committee is pleased to present to the Senate S. 2252, the Coast Guard Reauthorization Act of 1983 and 1984. This bill is yet another confirmation of the strong support which the Coast Guard has earned in the Senate.

The Coast Guard is overworked, underequipped, and undermanned, yet it saves thousands of lives and millions of dollars of property each year. The Coast Guard deserves adequate funding to perform its vital missions.

I sincerely hope that the Appropriations Committees, as well as the administration provide the necessary level of funding authorized by S. 2252. The Commerce Committee recommends that the Senate approve S. 2252, and I urge its prompt passage.●

Mr. HOLLINGS. Mr. President, for years I have fought, with many of my colleagues, for a reasonable level of funding for the Coast Guard. Today we have before us the Coast Guard authorization bill, S. 2252, which has recently been favorably reported by the Committee on Commerce, Science, and Transportation. I urge my colleagues to join with the chairman of the committee, Senator PACKWOOD, and the ranking minority member, Senator CANNON, in supporting the authorization levels that are in this bill. While these levels reflect only the bare minimum that we should be considering, it is a step in the right direction and has my full support.

As you know, Mr. President, the Coast Guard has been nickled and dimed to death over the years, so that when the President's across-the-board 4-percent cut was applied to the fiscal year 1982 budget, the Coast Guard was faced with difficult options—either try to run vessels, aircraft, maintenance, and other activities even further below the necessary manpower levels, or finally face the need to close facilities, ground aircraft, tie up vessels, and the like. We are all well aware of the action which the Coast Guard reluctantly took, and of the emergency supplemental appropriation bill which I introduced in January of this year, which I still intend to see passed with the help of 34 cosponsors and other commitments of support. But we are far from being out of the woods, We need S. 2252 to be able to provide the budget authority necessary just to keep operations and equipment procurement going in the Coast Guard for the next 2 fiscal years. We have still been forced to go along with the closing or reduction of close to 100 facilities already due to reductions in the fiscal year 1982 budget. If we do not pass the authorization levels proposed in S. 2252, there will be no opportunity next year to pass whatever appropriations may be necessary to keep more of the same from happening.

Without the Coast Guard as a viable operating force along our coasts and at sea, we stand little chance of saving the lives of our mariners, safeguarding the fishery resources in our waters from eager foreign fishing interests, controlling the flood of illegal drugs that is inundating our shore areas along the South Atlantic and gulf coasts, or bolstering our national security in time of war.

It is my hope that as a result of the hearings held in the Commerce and Appropriations Committees this year, along with the hearings held in the House, we have laid to rest those misguided, misinformed, and groundless notions in the administration that the proper course is to reduce the Coast Guard to a small, "civilianized," and useless force.

Passage of S. 2252 is the right step to take. I urge my colleagues to join me in support of this measure.

Mr. CANNON. Mr. President, as a longtime supporter of an adequate budget for the U.S. Coast Guard, I am pleased to join Senator PACKWOOD in urging favorable Senate action on S. 2252, which sets authorization limits for Coast Guard appropriations for fiscal years 1983 and 1984. This bill reflects the Commerce Committee's firmly held belief that the administration's formal budget proposal for this efficiently run, multimission organization is far below the level warranted by the public interest.

In the area of operating expenses, we have been assured that the administration is working on an upward revision of its fiscal year 1983 budget estimates. This revision was promised over a month ago, but we have yet to see it. In the meantime, our committee has held hearings on S. 2252 and received repeated testimony that funding for operations and maintenance must be increased over the administration's recommendation to keep up necessary services. The fiscal year 1983 authorization level of $1,700 million contained in S. 2252 is a bare minimum; training and maintenance that should have been accomplished long ago will have to be postponed for another year.

Already this year, budgetary limitations have led to the closing of roughly 100 facilities from coast to coast. As our authorization report strongly advocates, a substantial supplemental appropriation for operating expenses will be needed for this fiscal year to prevent further cutbacks. A failure to provide such a supplemental is likely to mean that lives and property will be lost, fishery resources will be taken illegally from our waters by foreign fishermen, and the seaborne flood of drugs into this country will rise unchecked.

S. 2252 also reflects the Commerce Committee's continued view that more funding must be provided for capital improvements. Annual capital budgets in the neighborhood of $700 million or more a year are needed to rebuild and modernize vessel and aircraft fleets and shore facilities. Our concern for overall Federal spending limits has kept our authorization levels down for the next 2 fiscal years, but we flatly reject the administration's approach, which is to ignore the deteriorated condition of the Coast Guard's capital plant. The General Accounting Office has ruled that administration unwillingness to spend the bulk of capital appropriations allotted for this fiscal year constituted a deferral of $216.5 million. The Congress—in its appropriation and authorization actions—has made its intent clear; the executive branch must carry out that mandate and commit the appropriated funds to the necessary capital improvements.

Mr. President, I sincerely hope that when the revised budget estimates finally arrive, the administration's figures will reflect support of its own "Roles and Missions Study." That study, the product of a year's intense evaluation of the Coast Guard mis-

sions and a blueprint for the next 20 years, was submitted to Congress on March 31, 1982 and essentially endorses the current multimission approach to Coast Guard services.

During the study effort there were some within the administration who were pressing for the "civilianization" of the Coast Guard and urging that the overall personnel strength be cut by more than half. Fortunately, this attempt to radically change the agency was overcome by officials who possess expert knowledge of the agency's importance to national security.

The final version of the "Roles and Missions Study" recognizes the Coast Guard's military functions, as well as its many other key services—from saving lives and property at sea, to guarding our shores from invading drug smugglers. S. 2252's authorizations for fiscal years 1983 and 1984 call for funding that will take the Coast Guard a modest step or two toward achieving the mission goals stated in the study.

The PRESIDENT OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 2252

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coast Guard Authorization Act for 1983 and 1984".

SEC. 2. AUTHORIZED APPROPRIATIONS.

Funds are authorized to be appropriated for fiscal years 1983 and 1984 as follows:

(a) For the operation and maintenance of the Coast Guard, including expenses related to the Capehart housing debt reduction, $1,700,000,000 for fiscal year 1983 and $2,000,000,000 for fiscal year 1984 and such additional amounts for each such year as may be necessary for increases in salary, pay, and other employee benefits authorized by law.

(b) For the acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto $550,000,000 for fiscal year 1983 and $650,000,000 for fiscal year 1984.

(c) For research, development, test, and evaluation, $29,000,000 in fiscal year 1983 and $32,000,000 in fiscal year 1984, of which sufficient funds shall be made available to continue in operation a Coast Guard research and devlopment center through the end of the 1984 fiscal year.

(d) For retired pay including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefit Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act, $336,000,000 is authorized for fiscal year 1983 and $396,000,000 is authorized for fiscal year 1984.

SEC. 3. PERSONNEL.

(a) MILITARY.—The Coast Guard is authorized an end-of-year strength for active duty personnel of 41,500 in fiscal years 1983 and 1984. This end-of-year strength shall not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

(b) CIVILIAN.—Notwithstanding any other provision of law, the fiscal 1983 and 1984 end-of-year civilian personnel strength of the Coast Guard shall be at least 5,484.

SEC. 4 MILITARY STUDENT TRAINING.

For fiscal years 1983 and 1984, the Coast Guard is authorized average military student training loads as follows:

(a) For recruit and special training, 3,660 student years.

(b) For flight training, 118 student years, a proviso being that more in-flight training hours be used on actual patrols, thus increasing the total coast Guard patrol capacity.

(c) For professional training in military and civilian institutions, 655 student years.

(d) For officer acquisition, 1,038 student years.

SEC. 5. DELEGATION OF AIDS TO NAVIGATION RESPONSIBILITIES.

(a) Section 81 of title 14, United States Code, is amended by adding at the end thereof the following: "The Coast Guard may establish, maintain, and operate aids to maritime navigation under paragraph (1) of this section by contract with any person, public body, or instrumentality.".

(b) Section 84 of title 14, United States Code, is amended by inserting after the first sentence the following: "The preceding sentence shall not apply to any person, public body, or instrumentality acting pursuant to a contract under section 81 of this title or pursuant to authority obtained under section 83 of this title.".

(c) Not later than one year after the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating shall submit a report to the Congress evaluating—

(1) the exercise by contract of the authority of the Coast Guard under section 81 of title 14, United States Code, to establish, maintain, and operate aids to navigation, including a discussion of any problems involved in exercising such authority by contract, the reasons for exercising or failing to exercise such authority by contract in particular areas, and the feasibility of expanding the exercise of such authority by contract; and

(2) the advantages and disadvantages of increasing the ratio of civilian to military employees assigned to the establishment, maintenance, and operation of aids to navigation on the inland waterways of the United States.

SEC. 6. AVAILABILITY OF INSPECTION RECORDS.

The Act entitled "An Act to constitute a Bureau of Navigation in the Treasury Department", enacted July 5, 1884 (23 Stat. 118), is amended by adding at the end of section 8 (as added by section 9 of Public Law 97-136) the following new subsection:

"(d) In any case in which an inspection or examination is delegated under subsection (a) to the American Bureau of Shipping, or similar American classification society, or agent thereof, such Bureau, society, or agent, as the case may be, shall maintain within the United States complete files of all information derived from or necessarily connected with such inspection or examination and shall permit access to such files at all reasonable times to the Coast Guard or any agent designated in writing by Coast Guard."

SEC. 7. MILITARY PERSONNEL MANAGEMENT.

Title 14, United States Code, is amended as follows:

(a) Chapter 3 is amended by adding the following new section after section 51:

"§ 52. Vice admirals, continuity of grade

The continuity of an officer's precedence on the active duty promotion list, date of rank, grade, pay, and allowances as a vice admiral shall not be interrupted by the termination of an appointment for the purpose of reappointment to another position as a vice admiral.".

(b) Section 368 is repealed.

(c) Section 93 is amended by—

(1) deleting the final word "and" from subsection (p);

(2) deleting the period at the end of subsection (q) and substituting "; and"; and

(3) adding the following new subsection:

"(r) provide medical and dental care for personnel entitled thereto by law or regulation, including care in private facilities.".

SEC. 8. ELIMINATION OF REPORTS.

(a) Subsections (e) and (f) of section 475 of title 14, United States Code, are repealed.

(b) Section 4417a(19) of the Revised Statutes of the United States (46 U.S.C. 391a(1)) is repealed.

SEC. 9. TECHNICAL AMENDMENTS.

(a) The table of contents for chapter 3 of title 14 of the United States Code is amended by adding at the end thereof the following:

"52. Vice admirals, continuity of grade.".

(b) The table of contents for chapter 11 of title 14 of the United States Code is amended by amending the item relating to section 368 to read as follows:

"[368. Repealed.]"

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill (S. 2252) passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL THEATER WEEK

Mr. BAKER. Mr. President, another measure cleared on this side for action by unanimous consent is Calendar Order No. 525 (S.J. Res. 131).

Mr. ROBERT C. BYRD. Mr. President, that has been cleared on this side of the aisle.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (Senate Joint Resolution 131) designating "National Theatre Week."

Without objection, the Senate proceeded to consider the joint resolution.

UP AMENDMENT 909

Purpose: To Redesignate the Week of June 14-20, 1982 to June 7-13, 1982 as "National Theatre Week"

Mr. ROBERT C. BYRD. On behalf of Mr. EXON, Mr. President, I send an amendment to the desk and ask that it be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) for Mr. EXON, proposes an unprinted amendment numbered 909.

On page 2, line 3 strike out "June 14 through 20, 1982" and insert in lieu thereof "June through 13, 1982".

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the joint resolution.

The joint resolution (S.J. Res. 131) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 131

Whereas many Americans have devoted much time and energy for advancing the cause of theatre; and

Whereas the theatres of America have pioneered the way for many performers and have given them their start in vaudeville and stage; and

Whereas theatre is brought to Americans through high schools, colleges, and community theatre groups as well as through professional acting companies; and

Whereas citizens of America have been called upon to support the theatre arts in the Nation's interest; and

Whereas many individuals and organizations are hailing the strength and vitality of the theatres of America: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of June 14 through 20, 1982, shall be proclaimed "National Theatre Week" throughout the country, and all citizens are urged to support this effort with assistance to theatres throughout the country.

Mr. BAKER. I move to reconsider the vote by which the joint resolution (S.J. Res. 131) was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, there are four other items cleared, and that will conclude the items cleared on this side.

Mr. President, I refer to Calendar Orders numbered 526, 527, 528, and 529. I inquire of the minority leader if he is in a position to consider those items at this time.

Mr. ROBERT C. BYRD. Mr. President, those items have been cleared on this side.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the Calendar Orders referred to.

NATIONAL P.O.W.-M.I.A. RECOGNITION DAY

The joint resolution (S.J. Res. 160) to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day", was considered.

Mr. HAYAKAWA. Mr. President, Senate Concurrent Resolution 160, which we are about to pass, designates July 9 of this year as "National P.O.W.-M.I.A. Recognition Day." Although the intent of the day is to honor P.O.W.-M.I.A.'s from all conflicts, we will no doubt remember foremost our servicemen who are still missing in action from the war in Southeast Asia.

It has been 9 years since the signing of the peace accords in Paris which brought about the end of the Vietnam war. But the war has not ended for the families of 2,500 Americans who remain unaccounted for. These families still do not know the fate of their loved ones. They just want to know what happened to their sons, to their daddies and to their loved ones—and we do not know. So we must continue our search.

I am pleased with the efforts made recently by the administration. However, I believe that we must continue our pursuit of this tragic situation until we have a full accounting of our servicemen—an accounting we all so earnestly desire. Mr. President, I am committed to this cause, as I know many of my colleagues are, and I intend to submit a resolution soon which expresses the sense of Congress urging the President to do all he can to achieve this end. I do hope my colleagues will support me in this effort.

Finally, Mr. President, there are over 90,000 Americans from other conflicts whose fate are still unknown. It is both fitting and proper that our Nation pay tribute to those who have so valiantly defended the values we espouse. We must not forget them.

Thank you, Mr. President.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 160

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 9, 1982, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

NATIONAL SNOWMOBILING MONTH

The joint resolution (S.J. Res. 182) to designate January 1983 as "National Snowmobiling Month," was considered.

Mr. LEAHY. Mr. President, I am pleased today to have the Senate consider Senate Joint Resolution 182, requesting the President to proclaim the month of January 1983 as "National Snowmobiling Month."

Spring has finally arrived, and we are all glad of it. The winter of 1981–82 was a hard, long winter with record snows affecting millions of Americans.

In my State of Vermont, and in other States across the Northern Tier, these snows brought increased opportunities to engage in outdoor recreation and to revel in the winter beauty. At the same time, winter storms brought isolation, depleted supplies of fuel and food, and resulted in accidents and emergencies brought on by adverse weather conditions.

I refer to the winter that has just departed because of the role that snowmobiles played in these disparate sides of winter. While the snowmobile is a source of recreation and pleasure for over 20 million Americans, the snowmobile also plays a crucial role in assisting those who are snowbound and are in danger or discomfort. By sponsoring this resolution, I hope to recognize the expanding role of the snowmobile in the lives of millions of Americans during the winter months.

Mr. President, snowmobiles are best known as a source of recreation for millions of Americans, young and old alike and of varied physical ability, who would otherwise be housebound during the long winter months. In the past few years hundreds of clubs have been formed and extensive networks of trails have been constructed and maintained. Two dozen national parks have determined that snowmobiling plays an integral part in their philosophy that Americans should "see, sense, and enjoy" their spectacular beauty, and have permitted snowmobiles to travel on their snow-covered roadways.

Another facet of the growing popularity of snowmobiling is its contribution to the tourist industries of many communities. In my own State of Vermont, almost $30 million is generated each year through snowmobiles—one for every four Vermont families—registered in the State, with these registration fees contributing over $200,000 to the State coffers.

Well-organized and concerned snowmobilers also help save the lives of plane crash victims, hikers, and cross-country skiers. We saw many such examples this winter on the nightly news as snowmobilers came to the rescue of highway travelers stranded by blizzard conditions. Each year snowmobilers are credited with saving the lives of thousands of people throughout Canada and the United States.

Mr. President, now that the cold and snow of winter have finally left us, we should take a moment to recognize the growing role of the snowmobile in local economies and in the lives of millions of families across the country. For these reasons, I am proud to vote for this resolution and to urge my colleagues to join me in this effort to proclaim January 1983 as "National Snowmobiling Month."

The joint resolution (S. J. Res. 182) was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 182

Whereas snowmobiling is a popular form of recreation for millions of Americans.

Whereas snowmobiling has contributed significantly to the quality of life of snowbelt residents;

Whereas snowmobile clubs and many individual snowmobilers have often volunteered their skills and services in emergency situations, performing rescue operations for accident victims, lost hunters, hikers, skiers, and highway travelers;

Whereas snowmobile clubs and many individual snowmobilers promote tourism in winter States, thereby increasing employment, strengthening local economies, and providing revenues to the States;

Whereas Federal, State, and local governments and programs should encourage adequate opportunities for snowmobiling and other activities which contribute to the quality of life of snowbelt residents and visitors: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation designating the Month of January 1983, "National Snowmobiling Month".

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MISSING CHILDREN DAY

The joint resolution (S.J. Res. 189) to authorize and request the President to designate May 25, 1982, as Missing Children Day, was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 189

Whereas on May 25, 1979, six-year-old Etan Patz disappeared from his home in New York City and is still missing;

Whereas over one million eight hundred thousand children disappear from home annually;

Whereas children who are missing from home and are not living in a family environment are frequently the victims of sexual and physical exploitation;

Whereas an estimated 60 per centum of missing children are sexually abused while away from home;

Whereas the search for missing children is frequently a low priority investigation in many law enforcement agencies;

Whereas efforts between Federal and local law enforcement agencies in child abduction cases are usually uncoordinated, haphazard, and ineffective; and

Whereas the problem of the missing child has been plagued by misinformation and there is a need to increase public understanding and awareness of this problem: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating May 25, 1982, as "Missing Children Day", and calling upon all Government agencies and the people of the United States to observe the day with appropriate ceremonies, programs, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OLDER AMERICANS MONTH

The concurrent resolution (S. Con. Res. 82) expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month, was considered and agreed to.

The preamble was agreed to.

The concurrent resolution, and the preamble, are as follows:

S. CON. RES. 82

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas acknowledgment should be given to older Americans for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities provide such acknowledgment of older Americans during the month of May: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, in recognition of—

(1) the designation of the month of May 1982, as "Older Americans Month" by the President of the United States, and

(2) the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation,

it is the sense of the Congress that the people of the United States should observe Older Americans Month with appropriate programs, ceremonies, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JOINT REFERRAL OF S. 2237

Mr. BAKER. Mr. President, I believe this has been cleared. I ask unanimous consent that S. 2237 be jointly referred to the Committee on Finance and the Committee on Foreign Relations, provided that the Foreign Relations Committee is authorized to consider only title 2 of the bill, and the Committee on Finance is authorized to consider titles 1, 2, 3, and 4 of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, one final request and then another item which will exhaust my list of items to consider this evening.

OFFICIAL RECOGNITION GRANTED TO THE INTERNATIONAL BALLET COMPETITION

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be discharged from further consideration of House Joint Resolution 361, a resolution to grant official recognition to the International Ballet Competition, and I ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 361) to grant official recognition to the International Ballet Competition.

Without objection, the Senate proceeded to consider the joint resolution.

Mr. COCHRAN. Mr. President, I am very pleased that the Committee on Labor and Human Resources has reported my resolution, Senate Joint Resolution 127, which grants official recognition to the International Ballet Competition and its participants.

This summer our country will again host this prestigious event which honors excellence in human achievement and fosters international friendship. Dancers, choreographers, and teachers from all over the world will gather in Jackson, Miss., June 20 to July 24, to compete in what has been termed the "Olympics of Dance."

The House of Representatives has passed an identical resolution, House Joint Resolution 361. Since I support the quick adoption of this measure, I

urge my colleagues to join me in recognizing the International Ballet Competition and the outstanding achievements of its participants by supporting the immediate consideration and adoption of the House passed version, House Joint Resolution 361.

The joint resolution was ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I move that Calendar Order No. 537, Senate Joint Resolution 127, the Senate companion bill, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, if my colleague will yield, I want to thank him for bringing up this matter.

Mr. BAKER. I thank the distinguished Senator from Mississippi.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are certain items on today's Executive Calendar which have been cleared for action on this side by unanimous consent. I refer to Calendar Order No. 736, under the Department of Justice, the nomination of Salvatore R. Martoche, of New York, to be U.S. attorney, and the nominations appearing under Executive Office of the President on page 3, Merit Systems Protection Board, and the single nomination of the Department of Justice under new reports.

Mr. ROBERT C. BYRD. Mr. President, the minority is prepared to proceed with the nominations under Calendar orders numbered 736, 738, and 739.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session now to consider the nominations just identified by the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nominations.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Salvatore R. Martoche, of New York, to be U.S. attorney for the western district of New York.

● Mr. ANDREWS. Mr. President, I would like to take this opportunity to compliment the Justice Department for their selection of Salvatore Martoche for U.S. district attorney in the western district of New York. Salvatore is a graduate of the University of North Dakota and will undoubtedly bring western justice to western New York. Men of his caliber are the type that will add stature to the Department of Justice and provide fair and equitable treatment to residents of that area.

My congratulations to Salvatore.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE OFFICE OF THE PRESIDENT

The legislative clerk read the nomination of Peter Otto Murphy, of the District of Columbia, for the rank of ambassador during his tenure of service as U.S. negotiator on textile matters.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MERIT SYSTEMS PROTECTION BOARD

The legislative clerk read the nomination of Herbert E. Ellingwood, of California, to be a member of the Merit Systems Protection Board.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on May 4, 1982, he had approved and signed the following bills:

S. 266. An act to amend title 38, United States Code, to promote greater sharing of health care resources between the Veterans' Administration and the Department of Defense and to direct the Secretary of Defense and the Administrator of Veterans' Affairs to plan for the provision of health care by the Veterans' Administration during periods of war or national emergency to members of the Armed Forces on active duty; and for other purposes.

S. 1093. An act for the relief of Sandra Reyes Pellecer.

MESSAGES FROM THE HOUSE

At 2:01 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendments of the Senate to the bill (H.R. 1681) for the relief of Andre Bartholo Eubanks.

The message also announced that the House has passed the following bill, without amendment:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

The message further announced that the House has agreed to the following concurrent resolution, without amendment:

S. Con. Res. 84. Concurrent resolution expressing the sense of the Congress on the occasion of the centennial of the establishment of diplomatic relations between the United States and Korea.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 1826. An act for the relief of Shinji Oniki; and

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 205. Concurrent resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine; and

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes.

ENROLLED BILL SIGNED

At 4:10 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill:

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE MEASURES REFERRED

The following bill and joint resolution were read the first and second times by unanimous consent, and referred as follows:

H.R. 1826. An act for the relief of Shinji Oniki; to the Committee on the Judiciary.

H.J. Res. 230. Joint resolution imploring the Union of Soviet Socialist Republics to allow Doctor Semyon Gluzman and his family to emigrate to Israel; to the Committee on Foreign Relations.

HOUSE CONCURRENT RESOLUTIONS REFERRED

The following concurrent resolutions were read, and referred as follows:

H. Con. Res. 205. Concurrent resolution expressing the sense of the Congress with respect to violations of human rights by the Soviet Union in the Ukraine; to the Committee on Foreign Relations.

H. Con. Res. 218. Concurrent resolution expressing the sense of the Congress with respect to the imprisonment and treatment by the Government of the Soviet Union of Mart Niklus, and for other purposes; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week".

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence, without amendment:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence Community staff, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 97-379).

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency (Rept. No. 97-380); considered and passed.

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence, without amendment:

S. Res. 384. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to consideration of title IV of S. 2487 which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States; referred to the Committee on the Budget.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1657. A bill entitled the "Uniform Science and Technology Research and Development Utilization Act" (with additional and minority views) (Rept. No. 97-381).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2261. A bill to authorize funds for the U.S. Travel and Tourism Administration for fiscal year 1983 (Rept. No. 97-382).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

Report entitled "First Monetary Policy Report for 1982" (Rept. No. 97-383).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Clarence Thomas, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986.

The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 2485. A bill to require the Secretary of Agriculture to establish a network of volunteers to assist in making available information and advice on organic agriculture for family farms and other agricultural enterprises, to establish pilot projects to carryout research and education activities involving organic farming, and to perform certain other functions relating to organic farming, with special emphasis on family farms; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EAGLETON:

S. 2486. A bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence Community staff, and for the Central Intelligence Agency Retirement and Disability System, and for other purposes; placed on the calendar.

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence:

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; considered and passed.

By Mr. SPECTER (for himself and Mr. METZENBAUM):

S. 2489. A bill to amend Public Law 93-528, the Antitrust Procedures and Penalties Act; to the Committee on the Judiciary.

By Mr. GARN (by request):

S. 2490. A bill to authorize the formation of a bank securities affiliate to deal in, underwrite and purchase Government and municipal securities, to sponsor and manage investment companies and underwrite the securities thereof, to authorize bank holding companies to engage in activities of a financial nature, insurance underwriting and brokerage, real estate development or brokerage, to amend section 23A of the Federal Reserve Act and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. FORD:

S. 2491. A bill for the relief of Augustine Tit-Fong Chan and Cecily Jy-Jy Chan; to the Committee on the Judiciary.

By Mr. CANNON (for himself and Mr. LAXALT):

S. 2492. A bill to transfer administration of certain lands in California and Nevada to the Bureau of Land Management; to the Committee on Energy and Natural Resources.

By Mr. DOLE (for himself, Mr. COCHRAN, Mr. ANDREWS, Mr. JEPSEN, Mr. BOSCHWITZ, and Mr. DANFORTH):

S. 2493. A bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABDNOR (for himself, Mr. STAFFORD, Mr. MOYNIHAN, and Mr. RANDOLPH):

S. 2494. A bill to authorize support for an ongoing program of water resources research; to the Committee on Environment and Public Works.

By Mr. THURMOND (by request):

S. 2495. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

By Mr. GARN (for himself and Mr. D'AMATO) (by request):

S. 2496. A bill to amend the Securities Exchange Act of 1934 to allow the Commission to accept reimbursement for travel, subsistence, and other necessary expenses incurred by members and employees in attending conferences; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HEINZ:

S. 2497. A bill to promote the principles of free and fair trade, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA (for himself and Mr. DURENBERGER):

S. 2498. A bill to amend the Internal Revenue Code of 1954 to provide that certain indebtedness incurred by educational organi-

zations in acquiring or improving real property shall not be treated as acquisition indebtness for purposes of the tax on unrelated business taxable income; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence:

S. Res. 384. An original resolution waiving section 420(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2487 which authorizes supplemental appropriations for fiscal year 1982 for intelligence activities of the United States; to the Committee on the Budget.

By Mr. SASSER:

S. Res. 385. A resolution expressing the sense of the Senate that the access of any veteran to hospital, nursing home, and domiciliary care and medical treatment furnished by the Veterans' Administration should not be reduced; to the Committee on Foreign Relations.

By Mrs. HAWKINS (for herself, Mr. QUAYLE, Mr. ABDNOR, Mr. BUMPERS, Mr. HATCH, Mr. HEFLIN, Mr. DURENBERGER, Mr. DECONCINI, Mr. DENTON, Mr. MATTINGLY, Mr. DIXON, Mr. HUMPHREY, Mr. SYMMS, Mr. KASTEN, Mr. GARN, Mr. SCHMITT, Mr. BENTSEN, and Mr. MOYNIHAN):

S. Con. Res. 90. Concurrent resolution to express the sense of the Congress that the President is urged to promote a declaration by the United Nations of an International Year Against Drug Abuse; to the Committee on Foreign Relations.

By Mr. HEINZ (for himself, Mr. Riegle, Mr. BENTSEN, and Mr. D'AMATO):

S. Con. Res. 91. Concurrent resolution to call upon the President to invite the Small Business Administration to participate in the Cabinet Council on Economic Affairs; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 2485. A bill to require the Secretary of Agriculture to establish a network of volunteers to assist in making available information and advice on organic agriculture for family farms and other agricultural enterprises, to establish pilot projects to carry out research and education activities involving organic farming, and to perform certain other functions relating to organic farming, with special emphasis on family farms; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. LEAHY on this legislation appear earlier in today's RECORD.)

By Mr. EAGLETON:

S. 2486. A bill to authorize the Secretary of Agriculture to purchase stored commodities from producers under certain circumstances; to the Committee on Agriculture, Nutrition, and Forestry.

(The remarks of Mr. EAGLETON on this legislation appear earlier in today's RECORD.)

By Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence:

S. 2487. An original bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the intelligence community staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes; placed on the calendar.

S. 2488. An original bill to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; considered and passed.

(The remarks of Mr. WALLOP on this legislation appear earlier in today's RECORD.)

By Mr. SPECTER (for himself and Mr. METZENBAUM):

S. 2489. A bill to amend Public Law 93-528, the Antitrust Procedures and Penalties Act; to the Committee on the Judiciary.

(The remarks of Mr. SPECTER on this legislation appear earlier in today's RECORD.)

By Mr. GARN (by request):

S. 2490. A bill to authorize the formation of a bank securities affiliate to deal in, underwrite and purchase Government and municipal securities, to sponsor and manage investment companies and underwrite the securities thereof, to authorize bank holding companies to engage in activities of a financial nature, incurance underwriting and brokerage, real estate development or brokerage, to amend section 23A of the Federal Reserve Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

BANK HOLDING COMPANY DEREGULATION ACT OF 1982

● Mr. GARN. Mr. President, I am today introducing, at the request of Secretary of the Treasury Donald T. Regan, a bill entitled the "Bank Holding Company Deregulation Act of 1982." The bill would amend various provisions of Federal banking and securities laws in order to expand, through bank holding companies, the range of activities which may be engaged in by bank-related organizations.

Secretary Regan first discussed this proposal during hearings of the Banking Committee in October 1981, on S. 1720, the Financial Institutions Restructuring Services Act of 1981. Title III of S. 1720 would amend the Glass-Steagall Act to permit commercial banks to underwrite municipal revenue bonds, and to authorize depository institutions generally to operate, manage, and distribute shares in investment companies. The Bank Holding Company Deregulation Act of 1982 is a suggested alternative approach to title III, and would, one, generally make expanded securities activities of depository institutions eligible activities only for a bank securities affiliate of a bank holding company, and, two, expand substantially the range of financial services which could be provided by bank holding companies.

Secretary Regan's proposal was discussed by many witnesses during the committee's hearings in October. In addition, those aspects of the proposal involving securities activities were the subject of hearings of the Subcommittee on Securities in February 1982, during which the proposal was compared with comparable amendments to the Glass-Steagall Act proposed in S. 1720.

Mr. President, I remain unconvinced that the bank securities affiliate requirements in Secretary Regan's proposal are necessary or appropriate at this time, as a condition to the changes in the Glass-Steagall Act contemplated by S. 1720. However, the proposed Bank Holding Company Deregulation Act, both in its treatment of securities activities and in its expansion of other permissible financial activities of bank holding companies, represents a thoughtful approach to further banking deregulation.

I ask unanimous consent that the text of the bill, together with Secretary Regan's letter transmitting the bill and a section-by-section analysis furnished by the Treasury Department, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2490

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Bank Holding Company Deregulation Act of 1982".

AMENDMENTS TO THE BANKING ACT OF 1933

SEC. 2. Section 20 of the Banking Act of 1933, as amended (12 U.S.C. 377), is hereby amended by adding the following new paragraph at the end of the first paragraph of such section: "Notwithstanding any other provision of this section, a member bank may be affiliated in any manner described in subsection (b) of section 221a of this title with a bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j).".

SEC. 3. Section 16 of the Banking Act of 1933, as amended (12 U.S.C. 24 (Seventh)), is hereby amended by adding the following at the end of such section: "Notwithstanding any other provision of this paragraph, any eligible association may acquire capital stock of any bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)). An "eligible association" is any bank that has assets of less than $100,000,000, and that is not controlled by a bank holding company, as such terms are

defined in Section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(a)). An association shall cease to be an eligible association one year after (a) its assets exceed $100 million at the end of three consecutive fiscal quarters, or (b) a bank holding company acquires control of such association. No eligible association that acquires capital stock of a bank securities affiliate shall, after one year from the date on which any such bank securities affiliate first engages in any of the activities authorized under Section 4(c)(15)(iii) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(15)(iii)), engage in the United States in any of the activities authorized under such Section 4(c)(15)(iii)) of in any of the following activities authorized pursuant to this section: dealing in and underwriting obligations of the United States, general obligations of any state of the United States, of any political subdivision thereof and other obligations listed in this section and purchasing and selling securities and stock as agent. For purposes of the preceding sentence, the Board of Governors of the Federal Reserve System shall prescribe rules and regulations determining those securities and securities-related activities in which such eligible association may not engage.".

SEC. 4. Section 32 of the Banking Act of 1933, as amended (12 U.S.C. 78), is hereby amended by adding the following sentence at the end of the first paragraph of such section:

"Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director or employee of any of its bank securities affiliates. The term 'bank securities affiliates' shall have the meaning ascribed to it in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT

SEC. 5. Subparagraphs (i), (ii) and (iii) of paragraph (34)(A) of subsection 3(a) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(34)(A)), are each hereby amended by inserting immediately before the semicolons at the end thereof, the words, "other than a bank securities affiliate as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)).".

SEC. 6. Paragraph (b)(1) of Section 15B of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78o-4(b)(1)), is hereby amended by striking the words "subsidiaries" in parts (B) and (C) thereof and replacing it by the word, "affiliates".

AMENDMENTS TO THE BANK HOLDING COMPANY ACT

SEC. 7. Section 2 of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841), is hereby amended by adding the following new paragraph (j) after paragraph (i) of such section: "The term 'bank securities affiliate' means any corporation that (a) is engaged in the United States in one or more of the activities authorized pursuant to subsection 4(c)(15) of this Act, and (b) is a broker or dealer within the meaning of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(4) and (5)), or an investment adviser within the meaning of the Investment Advisers Act of 1940, as amended (15 U.S.C. 80b-2(11)). A corporation engaged in any such activities shall be deemed to be a bank securities affiliate only so long as it is owned or controlled by a bank holding company or an eligible bank as defined in Section 16 of the Banking Act of 1933, as amended (12 U.S.C. 24 (Seventh)).".

SEC. 8. Subsection 4(c)(8) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)(8)), is hereby amended by deleting the period at the end of the first sentence of such subsection and inserting, "except for those activities the Board has determined to be of a financial nature pursuant to subsection 4(c)(14) of this Act and activities authorized pursuant to subsections 4(c)(16) and 4(c)(17) of this Act.".

SEC. 9. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding a new paragraph (14) to read as follows:

"(14) shares of any company engaged in any of the activities the Board has determined to be of a financial nature. A bank holding company seeking to engage, either de novo or by the acquisition, in whole or in part, of a going concern, in one or more activities which are of a financial nature as defined pursuant hereto shall provide the Board with sixty days' prior written notice, unless the board determines that lesser or no notice is to be required with respect to particular activities: *Provided,* That no notice will be required in the event that a bank holding company opens de novo offices or changes the location of offices from which an activity previously engaged in is offered. The notice to the Board shall contain the following information: (A) the identity of the bank holding company, (B) a description of the activity or activities to be engaged in and, if such bank holding company proposes to engage in such activity or activities through the acquisition, in whole or in part, of a going concern, the identity of such concern, and (C) a copy of any filing pursuant to Section 7A of the Clayton Act (15 U.S.C. 18A). Unless the Board within such sixty-day notice period disapproves the proposed activity or acquisition, or extends for another thirty days the period during which such disapproval may issue, the bank holding company providing such notice may proceed with the transaction. The Board shall issue a notice of disapproval only if the proposed activities do not constitute an activity or activities authorized by this subsection or it has received insufficient information to make such determination or in its judgment any material information is substantially inaccurate, and shall by order set forth the reasons for such disapproval. The Board shall, within one hundred eighty days of enactment of this Act, promulgate regulations to permit bank holding companies to engage in activities of a financial nature, subject only to the foregoing notice requirements. Such activities shall include (i) making or acquiring extensions of credit, (ii) operating an industrial bank, Morris Plan bank or industrial loan company as authorized under State law, (iii) servicing loans or extensions of credit for any person, (iv) acting as an investment or financial advisor, (v) leasing personal or real property, (vi) selling money orders, travelers checks and U.S. savings bonds, and (vii) such additional activities of a financial nature as will maximize competition between bank holding companies and other firms engaging in such activities. In defining an activity of a financial nature, the Board shall give primary consideration to securing for the public the benefits of increased competition between bank holding companies and other firms engaged in activities of a financial nature. The Board shall from time to time revise its regulations under this section in order to promote the expansion of such competition. No activity, however, shall be authorized or permitted pursuant to the provisions of this paragraph of a kind described in paragraphs (15), (16) or (17) of this subsection, or which is prohibited under sections 16 (12 U.S.C. 24) and 20 (12 U.S.C. 377) of the Banking Act of 1933, as amended.".

SEC. 10. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding a new subsection (15) as follows:

"(15) shares of any bank securities affiliate engaged in activities in accordance with the limitations contained in this subsection:

"(i) No bank holding company that establishes or acquires any bank securities affiliate pursuant to this subsection shall, after one year from the date on which any such bank securities affiliate first engages in any of the activities authorized under paragraph (iii) of this subsection, permit any bank controlled by such bank holding company to engage in the United States in any of the activities authorized under such paragraph (iii) of this subsection or any of the following activities, which are authorized pursuant to paragraph Seventh of section 5136 of the Revised Statutes of the United States, as amended (12 U.S.C. 24): dealing in and underwriting obligations of the United States, general obligations of any State of the United States or any political subdivision thereof and other obligations listed in paragraph Seventh of 12 U.S.C. 24 and purchasing and selling securities and stock as agent. For purposes of the preceding sentence, the Board of Governors of the Federal Reserve System shall prescribe rules and regulations determining those securities activities and securities-related activities in which such bank may not engage.

"(ii) Any bank securities affiliate may conduct any securities or securities-related activity that a bank is not prohibited from conducting. The provisions of this paragraph shall not affect the authority of any bank affiliated with a bank securities affiliate from performing such securities or securities-related activities, other than those activities listed in paragraph (i).

"(iii) In addition to the activities referred to in paragraphs (i) and (ii) of this subsection, such bank securities affiliate may—

"(A) deal in and underwrite all obligations issued or guaranteed by or on behalf of a state or any political subdivision thereof or any agency or instrumentality of either of the foregoing (except industrial development bonds as defined in Section 103(b)(2) of the Internal Revenue Code of 1954, as amended);

"(B) organize, sponsor, operate, and control an investment company, as such term is defined in section 3 of the Investment Company Act of 1940, as amended;

"(C) render investment advice to an investment company described in paragraph (B);

"(D) underwrite, distribute, and sell securities of any investment company, as such term is defined in section 3 of the Investment Company Act 1940, as amended;".

(iv) In addition to the activities referred to in paragraphs (i), (ii) and (iii) of this subsection, such bank securities affiliate may deal in and distribute commercial paper and other obligations of its affiliated bank holding company and other subsidiaries thereof and deal in and distribute certificates of deposit and bankers' acceptances of any bank, including bank subsidiaries of its affiliated bank holding company.

SEC. 11. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding new paragraph (16) to read as follows: "(16) shares of any company engaged in the activities of insurance underwriting and brokerage;".

SEC. 12. Subsection 4(c) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1843(c)), is hereby amended by adding new paragraph (17) to read as follows:

"(17) shares of any company engaged in the activities of real estate investment, development or brokerage.".

SEC. 13. Subsection 5(c) of the Bank Holding Company Act, as amended (12 U.S.C. 1844(c)), is hereby amended to read as follows:

"(c) The Board from time to time may require reports of a bank holding company under oath to keep the Board informed as to whether such holding company has complied with the provisions of this chapter and such regulations and orders issued thereunder. The Board may further require separate reports from subsidiaries of bank holding companies consisting of: (1) for companies subject to the reporting requirements of section 17 of the Securities Exchange Act of 1934 (15 U.S.C 78q), the same information required to be submitted to the Securities and Exchange Commission under such section (and the rules and regulations thereunder) at the same time such information is so submitted; and (2) for all other companies, the same information as would be required to be submitted under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) (and the rules and regulations thereunder) by companies subject to the reporting requirements of such Act which are engaged in the same or similar lines of business, not more frequently than quarterly. The Board may make examinations of each bank holding company and each subsidiary thereof, the cost of which shall be assessed against, and paid by, such holding company, provided that an examination of a nonbank subsidiary of a bank holding company shall be limited to operations of such subsidiary affecting the affairs of any subsidiary bank of such bank holding company. Notwithstanding any other provision of this section, such examination or the reporting requirements shall not be so limited if the Board makes a finding that the financial condition of the subsidiary is likely to have a materially adverse effect on the safety and soundness of the bank subsidiary. The Board shall, as far as possible, use the reports of examinations made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation or the appropriate State supervisory or regulatory authority for purposes of this section.".

AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 14. Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended to read as follows:

"SEC. 23A(a) RESTRICTIONS ON TRANSACTIONS WITH AFFILIATES.—

"(1) A member bank and its subsidiaries may engage in a covered transaction or a financial assistance transaction only if such transaction is made on terms and under circumstances, including credit standards, substantially the same as, or not less favorable to such bank or such subsidiary than those prevailing at the time for comparable transactions with or involving other nonaffiliated companies or, in the absence of comparable transactions, those that in good faith would be offered to, or would apply to nonaffiliated companies;

"(2) A member bank and its subsidiaries may engage in a financial assistance transaction with an affiliate only if, upon consummation of such transaction—

"(A) in the case of any affiliate, the aggregate amount of all such financial assistance transactions then outstanding in favor of such affiliate will not exceed 10 per centum of the capital stock actually paid-in and unimpaired and unimpaired surplus of the member bank; and

"(B) in the case of all affiliates, the aggregate amount of all financial assistance transactions then outstanding in favor of all such affiliates will not exceed 20 per centum of the capital stock actually paid-in and unimpaired and unimpaired surplus of the member bank.

"(3) A member bank and its subsidiaries may not purchase a low-quality asset from any affiliate unless the bank or such subsidiary, pursuant to an independent credit evaluation, committed itself to purchase such asset prior to the time such asset was acquired by the affiliate.

"(4) A member bank and its affiliates may not purchase as fiduciary any securities or other assets from any affiliate unless lawfully authorized by the instrument creating the fiduciary relationship, by court order or by local law.

"(5) A member bank and its affiliates may not publish any advertisement suggesting that the member bank shall in any way be responsible for the obligations of its affiliates.

"(6) A member bank and its subsidiaries, whether acting as principal or fiduciary, shall not knowingly purchase or otherwise acquire, during the existence of any underwriting or selling syndicate, any security a principal underwriter of which is an affiliate or subsidiary of such member bank.

"(7) For purposes of this section, any transaction by a member bank with any person shall be deemed to be a transaction with an affiliate of such member bank to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, such affiliate.

"(8) Nothing in this section shall affect the operations of any provision of the Investment Company Act of 1940.

"(b) DEFINITIONS.—For the purpose of this section—

"(1) the term 'affiliate' with respect to a member bank means—

"(A)(i) any person controlling, controlled by or under common control with a member bank, including any company (a) that is controlled directly or indirectly, by trust or otherwise, by or for the benefit of shareholders who beneficially or otherwise control, directly or indirectly, by trust or otherwise, the member bank or any company that controls the member bank; or (b) in which a majority of its directors or trustees constitute a majority of the persons holding any such office with the member bank or any company that controls the member bank;

"(ii) any company that the Board determines by regulation or order to have a relationship with the member bank or any subsidiary or affiliate of the member bank, such that judgments by the member bank or its subsidiary, with respect to transactions with such company, may be affected by the relationship to the detriment of the member bank or its subsidiary;

"(iii)(a) any investment company with respect to which the member bank or any affiliate thereof is an investment adviser as defined in Section 2(a)(20) of the Investment Company Act of 1940 (15 U.S.C. 80-2(a)(20) or (b) any real estate investment trust or similar entity that is sponsored and advised on a contractual basis by the member bank or any subsidiary or affiliate of the member bank;

"(B) The term 'affiliate' shall not include:

"(i) any subsidiary of a member bank other than (a) a bank, (b) a bank securities affiliate as described in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), or (c) a company described in subsection (b)(1)(A)(ii) above.

"(ii) any company where control results from the exercise of rights arising out of a bona fide debt previously contracted, but only for the period of time specifically authorized under applicable State or Federal law or regulation or in the absence of such law or regulation for a period of two years from the date of the exercise of such rights or the effective date of this Act, whichever date is later, subject, upon application for good cause shown, to authorization by the Board for extensions of time for not more than one year at a time, but such extensions in the aggregate shall not exceed three years;

"(2) The term 'bank' includes State bank, National bank, banking association and trust company, and does not include a company in the capital stock of which a national banking association is authorized to invest pursuant to Section 25 of this title (12 U.S.C. 601 thru 604a) or a subsidiary of such company or a company organized under Section 25(a) of this title (12 U.S.C. 611 thru 632) or a subsidiary of such company;

"(3) The term 'company' means a corporation, partnership, business trust, association or similar organization. Unless specifically excluded, the term 'company' includes a 'member bank' and a 'bank';

"(4)(A) a company or shareholder shall be deemed to have control over another company if—

"(i) such company or shareholder, directly, or indirectly, or acting through one or more other persons owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the other company;

"(ii) such company or shareholder controls in any manner the election of a majority of the directors or trustees of the other company; or

"(iii) the Board determines, after notice and opportunity for hearing, that such company or shareholder, directly or indirectly, exercises a controlling influence over the management or policies of the other company;

"(B) notwithstanding any other provision of this subsection, no company shall be deemed to own or control another company by virtue of its ownership or control of shares in a fiduciary capacity, but shares shall not be deemed to be owned or controlled in a fiduciary capacity if the company owning or controlling such shares has sole discretionary authority to exercise voting rights with respect thereto, or if the company owning or controlling such shares is a business trust;

"(5) the term 'covered transaction' means—

"(A) the purchase of securities or other assets from an affiliate, other than as described in subsection (b)(6)(C) below;

"(B) the sale of securities or other assets, including assets subject to an agreement to repurchase, to an affiliate;

"(C) the payment of money or furnishing of services to an affiliate, under a contract, a lease or otherwise;

"(D) any transaction in which an affiliate acts as agent or broker or receives a fee for its services to the member bank or to any other person;

"(E) any transaction or series of transactions with a third party; (i) if an affiliate has a financial interest in the third party or (ii) if an affiliate is a participant in such transaction or series of transactions;

"(6) the term 'financial assistance transaction' means—

"(A) the loan or extension of credit to an affiliate;

"(B) the purchase of or an investment in securities of an affiliate;

"(C) the purchase of securities or other assets, subject to an agreement to repurchase, from an affiliate;

"(D) the issuance of an acceptance, guarantee, or letter of credit, including an endorsement or a standby letter of credit to, or on behalf of, an affiliate;

"(7) the term 'low-quality asset' means an asset that falls in any one or more of the following categories:

"(A) an asset of an obligor which has had an obligation classified as 'substandard', 'doubtful', or 'loss' or treated as 'other loans especially mentioned' in any current report of examination prepared by either a Federal or State supervisory agency;

"(B) an asset in a nonaccrual status;

"(C) an asset on which principal or interest payments are more than thirty days past due; or

"(D) an asset whose terms have been renegotiated or compromised due to the financial condition of the obligor.

"(8) the term 'person' shall mean a natural person or a company.

"(9) the term 'security' means a 'security' as defined in the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(10)).

"(10) the term 'subsidiary' with respect to a specified person means a company that is controlled by such specified person;

"(11) The term 'principal underwriter' means any underwriter who, in connection with a primary distribution of securities, (A) is in privity of contract with the issuer of an affiliated person of the issuer; (B) acting alone or in concert with one or more persons, initiates or directs the formation of an underwriting syndicate; or (C) is allowed a rate of gross commission, spread, or other profit greater than the rate allowed another underwriter participating in the distribution.

"(c) EXEMPTIONS.—The provisions of this section shall not be applicable to—

"(1) any transaction, except for the purchase of a low-quality asset, by the member bank with a bank—

"(A) which controls 80 per centum or more of the voting shares of the member bank;

"(B) in which the member bank controls 80 per centum or more of the voting shares; or

"(C) in which 80 per centum or more of the voting shares are controlled by the company that controls 80 per centum or more of the voting shares of the member bank;

"(2) making noninterest bearing deposits in an affiliated bank;

"(3) giving immediate credit to an affiliate bank for uncollected items received in the ordinary course of business;

"(4) engaging in any financial assistance transaction within the meaning of paragraph (b)(6) where the obligation to the member bank or its subsidiary is fully secured by a segregated deposit account or by obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest; *Provided, however,* That such loan or extension of credit shall nevertheless be subject to the standards set forth in subsection (a)(1);

"(5) purchasing securities of any company of the kind described in section 4(c)(1) of the Bank Holding Company Act of 1956; and

"(6) purchasing or selling assets or services having a readily identifiable and publicly available market price and purchased or sold at that market price.

"(d) SECURITY FOR CERTAIN TRANSACTIONS WITH AFFILIATES.—

"(1) Each financial assistance transaction shall be secured at the time of the transaction by collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (b)(6)(C), by securities or other assets) having a market value equal to—

"(A) 100 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of a segregated deposit account or obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest, or notes, drafts, bills of exchange or bankers' acceptances that are eligible for rediscount or repurchase by the Federal Reserve Banks;

"(B) 110 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of obligations of any State or political subdivision of any State;

"(C) 120 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of other debt instruments, including receivables; or

"(D) 130 per centum of the amount of such financial assistance transaction if the collateral (or, in the case of a financial assistance transaction within the meaning of paragraph (6)(C), if the securities or other assets) is composed of stock, leases, or other real or personal property.

"(2) Any such collateral that is subsequently retired or amortized shall be replaced by additional eligible collateral where needed to keep the percentage of the collateral value relative to the amount of the outstanding loan or extension of credit, guarantee, acceptance, or letter of credit equal to the minimum percentage required at the inception of the transaction.

"(3) A low-quality asset shall not be acceptable as collateral for a loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, an affiliate.

"(4) The securities of an affiliate of the member bank shall not be acceptable as collateral for a loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, that affiliate or any other affiliate of the member bank.

"(5) The collateral requirements of this paragraph shall not be applicable to an acceptance that is already fully secured either by attached documents or by other property having an ascertainable market value that is involved in the transaction.

"(e) RULEMAKING AND ADDITIONAL EXEMPTIONS.—

"(1) The Board may prescribe, by regulation or order, limitations or other requirements as to any transaction with any company in which the member bank or a bank affiliate of the member bank owns, directly or indirectly, a minority equity interest other than in a fiduciary capacity, and may issue such further regulations and orders, including definitions consistent with this section, as may be necessary to administer and carry out the purposes of this section and to prevent evasion thereof.

"(2) The Board may, at its discretion, by regulation or order exempt transactions or relationships from the requirements of this section if it finds such exemptions to be in the public interest and consistent with the purposes of this section.

"(f) TRANSITIONAL RULES.—

"Section 23A of the Federal Reserve Act, as amended by this section, shall apply to any transaction entered into after the date of enactment of this Act, except for transactions which are the subject of a binding written contract or commitment entered into on or before , 1982, and except that any renewal of a participation loan outstanding on , 1982, to a company that becomes an affiliate as a result of the enactment of this Act, or any participation loan to such an affiliate emanating from the renewal of a binding written contract or commitment outstanding on , 1982 shall not be subject to the collateral requirement of this Act.".

AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 15. Subsection 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1818(b)(3)), is hereby amended by inserting the following clause after the second comma in such subsection: "to the extent that such subsidiary shall engage in any action which may affect the safety and soundness of any bank which is directly or indirectly owned or controlled by such bank holding company or otherwise violate any banking law, rule, regulation or order,".

AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 16. (a) Subsection 17(f) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-1717(f)), is hereby amended by adding after the words "unit investment trusts": "*Provided, however,* That it shall be unlawful for a registered management company which is organized, sponsored, operated or controlled by, or which receives investment advice from, any bank securities affiliate, as defined in Section 2(j) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)), to place and maintain its securities and similar investments in the custody of a bank which is affiliated with such bank securities affiliate.".

(b) Subsection 26(a)(1) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-26(a)(1)), is hereby amended by adding after the words "so published);": *Provided, however,* That it shall be unlawful for such trust indenture, agreement of custodianship, or other instrument to designate as trustee or custodian any bank which is affiliated with a bank securities affiliate, as defined in the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(j)),

which organizes, sponsors, operates or controls such registered unit investment trust.".

(c) Subsection 27(c)(2) of the Investment Company Act of 1940, as amended (15 U.S.C. 80a-27(c)(2)), is hereby amended by adding after the words "trust indentures of unit investment trusts": "*Provided, however,* That it shall be unlawful to deposit such proceeds with any bank which is affiliated with a bank securities affiliate, as defined in Section 2 (j) of the Bank Holding Company Act of 1956 as amended (12 U.S.C. 1841(j)), which organizes, sponsors, operates, controls or renders investment advice to such registered investment company.".

AMENDMENTS TO 1970 BANK HOLDING COMPANY ACT AMENDMENTS

SEC. 17. Subsection 106(b) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(1)) is hereby amended by deleting "A bank shall not" at the beginning of such subsection and inserting in lieu thereof the following: "No bank or any subsidiary of a bank holding company shall".

THE SECRETARY OF THE TREASURY,
Washington, D.C., April 20, 1982.

Hon. JAKE GARN,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a revised version of the Bank Holding Company Deregulation Act of 1982.

I greatly appreciate your willingness to introduce this for the Administration and look forward to continuing to work with you to provide appropriate deregulation of our financial institutions.

With best wishes.

Sincerely,

DONALD T. REGAN.

BANK HOLDING COMPANY DEREGULATION ACT OF 1982

SECTION-BY-SECTION ANALYSIS

Section 1

Title: Bank Holding Company Deregulation Act of 1982.

Section 2

Section 2 would amend section 20 of the Glass-Steagall Act (12 U.S.C. § 377) to allow a member bank to be affiliated with a bank securities affiliate (defined in Section 7 of the bill). Under current law, (i) banks are permitted to deal in an underwrite government obligations, general obligations of municipalities and, subject to limitations on amount, some municipal revenue bonds, and (ii) a member bank is prohibited from affiliating with any organization engaged principally in the issue, flotation, underwriting, public sale, or distribution at wholesale or retail or through syndicate participation of stocks, bonds, debentures, notes or other securities. As set forth in section 10 of the bill, a bank securities affiliate would be permitted to engage in some but not all of these activities. Specifically, a bank securities affiliate is empowered to deal in and underwrite municipal revenue bonds, to sponsor and manage investment companies and to underwrite the securities thereof, to conduct a government and municipal securities business, to engage in securities brokerage transactions, and to engage in other securities-related activities that a bank is not prohibited from conducting.

Although section 20 of the Glass-Steagall Act does not apply to nonmember banks, section 4 of the Bank Holding Company Act has been applied to prohibit an affiliation with a securities firm by the nonmember banks in a bank holding company. Section 10 of the bill would amend the Bank Holding Company Act to allow all bank holding companies to acquire shares of a bank securities affiliate.

Section 3

Section 3 would amend section 16 of the Glass-Steagall Act (specifically 12 U.S.C. § 24 (Seventh)) to allow any eligible association to acquire the stock of a bank securities affiliate. The term "eligible association" means any bank with assets of less than $100 million and which is not controlled by a bank holding company. However, a grace period is provided so that a bank may remain eligible to retain its securities affiliate until one year after (1) its assets exceed $100 million at the end of three consecutive fiscal quarters or (2) it is acquired by a bank holding company.

Under current law, a member bank is prohibited from purchasing for its own account the stock of any corporation, except as specifically permitted in section 24 (Seventh) or by other provisions of law or regulation.[1] The purpose of this provision is to allow an eligible association to establish a bank securities affiliate as a subsidiary of the bank without organizing a bank holding company, and is designed to minimize the administrative and financial burden on an eligible association that is not a part of a holding company system.

Section 3 would further require any eligible association establishing or acquiring a bank securities affiliate to transfer to such affiliate all of the following activities, which are authorized pursuant to 12 U.S.C. § 24 (Seventh), no later than one year after the bank securities affiliate has commenced business in the United States: dealing in and underwriting obligations of the United States, general obligations of any state or local government and other obligations listed in 12 U.S.C. § 24 (Seventh), and engaging in securities brokerage transactions. Further, an association would be prohibited from offering investment advisory services to an investment company sponsored by the association's securities affiliate. Such advisory services could only be provided by the securities affiliate or by a nonaffiliated company. Investment advisory services to investment companies not so sponsored may, however, continue to be offered by the eligible association, or by its securities affiliate, to the extent permitted by law. The Federal Reserve Board would be required to prescribe rules and regulations determining those securities and securities-related activities that must be transferred. It is intended, however, that in the area of brokerage transactions, only the securities affiliate would be permitted to offer securities brokerage services for customers. The bank securities affiliate would be able to perform all of the securities activities which are permitted to banks under current law, including the authority of its affiliated bank (however far that authority now extends) to act "as agent" in the purchase and sale of securities and stock. Thus, the fact that the bank's authority would be assumed by the bank securities affiliate does not expand the authority of the bank securities affiliate beyond the authority banks now have under current law to engage in such agency transactions solely upon the order and for the account of customers. However, it should be noted that banks (as an adjunct to their authority to deal in certain securities) apparently have the authority to broker these securities, including municipal general obligation bonds and certain revenue bonds. When bank securities affiliates acquire the authority to deal in revenue bonds, they will also have unrestricted authority to act as brokers of these securities even though banks—because they do not have authority to deal in most revenue bonds—have brokerage authority limited to "transactions solely upon the order and for the account of customers." Traditional bank services such as securities custodian activities do not constitute securities brokerage services, and it is intended that such services may continue to be conducted in the eligible association to the extent permitted by law.

Unlike the bank, the bank securities affiliate would be allowed to deal in and underwrite obligations without regard to percentage limitations provided in 12 U.S.C. § 24 (Seventh). Pursuant to separate authorization, the bank securities affiliate would be permitted to deal in and distribute commercial paper and other obligations of its parent bank and subsidiaries and deal in and distribute certificates of deposit, bankers' acceptances and other obligations of any bank. However, the bank securities affiliate which is a subsidiary of an eligible association would be treated as an affiliate for purposes of 12 U.S.C. § 371c, the restrictions on transactions with affiliates.

Section 4

Section 4 would amend section 32 of the Glass-Steagall Act (12 U.S.C. § 78) to allow an officer, director or employee of any member bank to serve at the same time as an officer, director or employee of its bank securities affiliate or bank securities affiliates, as the case may be. This section would allow such joint service between an eligible bank and its bank securities affiliate or between a bank holding company and its securities affiliate. Existing restrictions would continue to apply to prevent serving as an officer, director or employee of an unrelated bank securities affiliate.

Section 5

Section 5 would amend the definition of "appropriate regulatory agency" in the Securities Exchange Act so that the Securities and Exchange Commission would become the appropriate regulatory agency for purposes of enforcing a bank securities affiliate's compliance with the statutory and regulatory requirements governing transactions in municipal securities. Under current law the relevant banking agencies enforce a bank's compliance with MSRB rules and the MSRB rules must be approved by the SEC.

It should be noted that the bank supervisory agencies would retain enforcement authority: (1) over bank securities activities prior to the mandatory transfer of certain securities activities to the bank securities affiliate, (2) over bank securities activities that are not transferred to the bank securities affiliate within the one-year transitional period, and (3) over the securities activities of banks that do not establish or become affiliated with a bank securities affiliate.

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[1] The bill does not amend 12 U.S.C. § 335 which imposes limitations on state member banks dealing in investment securities. Accordingly, state member banks would remain subject to the limitations of 12 U.S.C. § 24 (Seventh), with respect to their dealing in investment securities and stock. The bill also does not amend 12 U.S.C. § 378 which prohibits investment bankers from taking deposits. It should be noted, however, that the prohibition on investment bankers taking deposits would not be violated by the deposit taking activities of a bank affiliated with a bank securities affiliate, because a bank and its securities affiliate are separate legal entities.

Section 6

Section 6 would amend section 15B of the Securities Exchange Act, which establishes the composition of the Municipal Securities Rulemaking Board. The bill would make clear that representatives of a bank securities affiliate may be included among the members of the MSRB that are presently selected from bank municipal securities dealers. Conversely, the bill would also make clear that representatives of a bank securities affiliate may not be included among the members of the MSRB currently selected from brokers, dealers, or municipal security dealers. The bill would thus provide bank securities affiliates with representation on the MSRB equivalent to that enjoyed by other municipal securities dealers and bankers.

Section 7

Section 7 would amend the definitional section of the Bank Holding Company Act to include a definition of the term "bank securities affiliate". The term "bank securities affiliate" means any corporation engaged in the United States in one or more of the activities authorized under section 10 of the bill, if it is owned or controlled by a bank holding company or an eligible association. A bank securities affiliate would be a broker or dealer within the meaning of the Securities Exchange Act of 1934 or an investment adviser within the meaning of the Investment Advisers Act of 1940. It is intended that a bank securities affiliate be subject to the same regulation as a securities firm engaging is similar activities but which is not affiliated with a bank. A bank securities affiliate would function as a member of the securities industry to the extent permitted by its authorized activities, and would be eligible for membership in the National Association of Securities Dealers and the Securities Investor Protection Corporation.

Section 8

Section 8 would amend subsection 4(c)(8) of the Bank Holding Company Act to exclude from coverage under subsection 4(c)(8) activities determined by the Federal Reserve Board to be of a financial nature or activities involving insurance and real estate. Specific authorization for bank holding companies to engage in activities determined by the Board to be of a financial nature is provided in new subsection 4(c)(14) of the Bank Holding Company Act. Thus, the Federal Reserve Board would retain authority under subsection 4(c)(8) to promulgate regulations pertaining to activities that are "so closely related to banking or managing or controlling banks as to be a proper incident thereto," except for those activities authorized under sections 9 (financial services), 11 (insurance), and 12 (real estate) of the bill. Under the Board's current procedures, the activities that satisfy the "closely-related" criteria would continue to require Board approval before the activity could be commenced.

Section 9

Section 9 would amend section (4)(c) of the Bank Holding Company Act by adding a new exemption to the general prohibition against nonbanking activities specifically to permit a bank holding company to engage in activities of a financial nature. The Federal Reserve Board is directed to develop regulations (within 180 days of enactment of the bill) defining which activities are of a financial nature. The statute specifies that the following are to be considered within the meaning of the term: making or acquiring extensions credit, operating an industrial bank, Morris Plan Bank or industrial loan company as authorized under State law, servicing loans or extensions of credit for any person, acting as an investment or financial adviser, leasing personal or real property and selling money orders, travelers checks or U.S. Savings Bonds. In addition, the Board is authorized to permit additional activities and in so doing is to give primary consideration to public benefits that would result from increased competition between bank holding companies and other firms offering services of a financial nature. The Board, however, is specifically prohibited from authorizing activities pursuant to the provisions of this section of a kind described in sections 10, 11 or 12 of the bill, or which are prohibited under sections 16 (12 U.S.C. § 24) and 20 (12 U.S.C. § 377) of the Glass-Steagall Act, as amended by this bill.

It is recognized that dramatic changes are taking place in the financial services industry. Distinctions that have previously existed between banking and non-banking services are becoming increasingly outmoded. Nondepository institutions now offer services that compete with traditional banking services. Nonbanking diversified firms such as Sears, Roebuck and Co., Merrill Lynch & Co., and American Express are rapidly approaching the point where they can offer one-stop financial shopping. The evolving financial needs of businesses and individuals are making traditional forms or regulation obsolete. In recognition of these changes, it is intended that the Federal Reserve Board define "activities of a financial nature" expansively and in such a manner as to enable bank holding companies to offer a range of service which will compete with other companies not regulated to the same extent as banks and bank holding companies.

Section 9 would also require any bank holding company seeking to engage in activities of a financial nature first to notify the Federal Reserve Board and to provide the Board with (i) a description of the activity to be offered, (ii) the identity of any going concern to be acquired to conduct the activity, and (iii) a copy of any filing pursuant to section 7A of the Clayton Act. The Board would have the authority, within the statutory time period of 60 days (which can be extended by the Board for an additional 30 days in order to seek additional information), to disapprove the proposed activity, but only on the grounds that (1) the activity does not constitute an activity of a financial nature under the definition prescribed by the Board, (2) the Board has received insufficient information to make such determination or (3) in the Board's judgment any material information submitted is substantially inaccurate. The reasons for any disapproval issued by the Board must be set forth by order. In all events, antitrust law would continue to apply.

Section 10

Section 10 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in certain securities activities. A bank holding company is permitted to establish a bank securities affiliate or to acquire an existing securities firm the activities of which, upon acquisition, would be limited to those activities authorized to be performed by a bank securities affiliate. More than one bank securities affiliate may be established or acquired. The bank securities affiliate must be organized as a corporation.

Subsection (i) would require any bank subsidiary of a bank holding company that has a bank securities affiliate to transfer certain securties activities to such affiliate. Such activities would include all of the following which are authorized pursuant to 12 U.S.C. § 24 (Seventh): dealing in and underwriting obligations of the United States, general obligations of any state or local government and other obligations listed in 12 U.S.C. § 24 (Seventh) and engaging in securities brokerage transactions. Further, any such bank would be prohibited from offering investment advisory services to an investment company sponsored by the bank's securities affiliate. Such advisory services could only be provided by the securities affiliate or by a nonaffiliated company. Investment advisory services to companies not so sponsored may, however, continue to be offered by the bank or by the bank securities affiliate to the extent permitted by law. The Federal Reserve Board would be required to prescribe rules and regulations determining those securities and securities-related activities that must be transferred.

It is intended, however, that in the case of brokerage transactions, only the securities affiliate would be permitted to offer securities brokerage services to customers. The bank securities affiliate would be able to perform all of the securities activities which are permitted to banks under current law, including the authority of its affiliated bank (however far that authority now extends) to act "as agent" in the purchase and sale of securities and stock. Thus, the fact that the bank's authority would be assumed by the bank securities affiliate does not expand the authority of the bank securities affiliate beyond the authority banks now have under existing law to engage in such agency transactions solely upon the order and for the account of customers. However, it should be noted that banks (as an adjunct to their authority to deal in certain securities) apparently have the authority to broker these securities, including municipal general obligation bonds and certain revenue bonds. When bank securities affiliates acquire the authority to deal in revenue bonds, they will also have unrestricted authority to act as brokers of these securities even though banks—because they do not have authority to deal in most revenue bonds—have brokerage authority limited to "transactions solely upon the order and for the account of customers." Services such as securities custodian services do not constitute securities brokerage activities, and it is intended that such services may continue to be conducted by any bank to the extent permitted by law. The bill would not require any bank to transfer activities in accordance with subsection (i) until the expiration of one year from the date on which its bank securities affiliate begins offering services in the United States under subsection (iii).

Subsection (ii) would allow a bank securities affiliate to conduct any securities or securities-related activity which a bank is not prohibited from conducting. This subsection would also make clear that, apart from the activities required to be transferred under subsection (i), any bank that is affiliated with a bank securities affiliate may continue to perform securities or securities-related activities which are not otherwise prohibited. Accordingly, any such bank may continue to purchase investment securities for its own account.

Subsection (iii) would allow a bank securities affiliate (1) to deal in and underwrite all state and municipal general obligations and revenue bonds (except industrial development bonds), (2) to sponsor and manage an

investment company, (3) to render investment advice to an investment company sponsored by the securities affiliate, (4) to underwrite, distribute, or sell securities of any investment company. The bill would not place any restrictions on the type of investment company a bank securities affiliate may sponsor, or to which it may furnish services.

Subsection (iv) would allow a bank securities affiliate to deal in and distribute commercial paper and other obligations of its affiliated bank holding company and subsidiaries and deal in and distribute certificates of deposit and bankers' acceptances of any bank, including bank subsidiaries of its affiliated bank holding company. As discussed in section 3, subsection (iv) would provide analogous authority for a bank securities affiliate of an eligilble association.

Section 11

Section 11 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in insurance underwriting and brokerage. There are no limitations in the bill on the extent to which a bank holding company may engage in such activities provided that they are conducted through a subsidiary. Insurance activities now authorized under section 4(c)(8) of the Bank Holding Company Act would be among the insurance activities permitted under this new section. In addition, there are no prior approval or prior notice requirements before insurance activities may be engaged in by a bank holding company.

Section 12

Section 12 would add a new exemption to section 4(c) of the Bank Holding Company Act to permit bank holding companies to engage in real estate investment, development or brokerage. Real estate activities now authorized under section 4(c)(8) of the Bank Holding Company Act would be among the real estate activities permitted under this new section. There are no limitations in the bill on the extent to which bank holding company subsidiaries may engage in real estate activities, nor are there any prior approval or prior notice requirements.

Section 13

Section 13 would amend the Bank Holding Company Act to limit, under most circumstances, the Federal Reserve Board's authority (1) to require nonbanking subsidiaries of bank holding companies to submit reports regarding compliance with the provisions of the Bank Holding Company Act, and (2) to conduct examinations of such subsidiaries. Under current law, the Board has the broad authority to require reports and conduct examinations, with the only limitation being that the Board is required, as far as possible, to use examination reports of the appropriate federal or state bank supervisory agency.

Section 13 would impose restrictions on the types of reports that may normally be required of such nonbanking subsidiaries and the frequency with which such reports may be required. Except upon a finding of a materially adverse effect upon an affiliated bank, the Federal Reserve Board would only be authorized to require nonbanking subsidiaries of a bank holding company to submit, not more than quarterly, the same information submitted to the Securities and Exchange Commission under section 17 (for companies engaged in the securities business) and which would be submitted by reporting companies engaged in a similar business under section 13 of the Securities Exchange Act of 1934. The bill would also limit, under most circumstances, the authority of the Federal Reserve Board to conduct examinations of nonbank subsidiaries of a bank holding company, limited it to activities that affect the affairs of any affiliated bank. If, however, the Board makes a finding that the financial condition of a subsidiary of the bank holding company is likely to have a materially adverse effect on the safety and soundness of the bank, the Board would have the authority to conduct a complete examination of the relevant subsidiary and to require the submission of more extensive reports.

Section 13 would leave unchanged the Federal Reserve Board's authority under existing law to require reports and conduct examinations of the bank holding company itself, and the authority of bank regulatory agencies to conduct examinations of subsidiaries of the bank. The section would, however, extend the requirement that the Board, as far as possible, use the examination reports of the appropriate federal or state bank supervisory agency. Section 13 would now require the Board, whenever possible, to make use of the examination reports of any state supervisory agency (whether or not a bank supervisory agency).

Section 14

Section 14 would amend section 23A of the Federal Reserve Act (12 U.S.C. § 371c) to modify the restrictions which are now imposed on transactions between a bank and its affiliates. The section would (i) allow a member bank and its subsidiaries to engage in a "covered transaction" or a "financial assistance transaction" with an affiliate only if the transactions are made on substantially the same terms and under substantially the same circumstances, including credit standards, as those prevailing at the time for comparable transactions with other nonaffiliated companies or, in the absence of comparable transactions, those that in good faith would be offered to, or would apply to nonaffiliated companies; (ii) impose limitations on the amount of financial assistance transactions between a member bank and an affiliate, and between a member bank and all its affiliates, (iii) prohibit a member bank and its subsidiaries from purchasing a low-quality asset from any affiliate unless the bank or subsidiary, pursuant to an independent credit evaluation, committed itself to purchase the asset prior to the time the asset was acquired by the affiliate; (iv) prohibit a member bank and its affiliates from purchasing as fiduciary any securities or other assets from an affiliate, unless such purchases are lawfully authorized by the instrument creating the relationship, by court order, or by the law of the jurisdiction under which the trust is administered; (v) prohibit a member bank and its affiliates from publishing any advertisement suggesting that the member bank shall in any way be responsible for the obligations of its affiliates; (vi) prohibit a member bank and its subsidiaries whether acting as principal or fiduciary, from knowingly purchasing or otherwise acquiring, during the existence of any underwriting or selling syndicate, any obligation a principal underwriter of which is an affiliate or subsidiary of the member bank. The bill would also make it clear that nothing in this section is intended to affect the operations of any provisions of the Investment Company Act of 1940.

The term "affiliate" is defined in terms of a control relationship, and specifically includes an investment company with respect to which a bank or its affiliate is an investment adviser and a real estate investment trust that is sponsored and advised by a bank or its affiliates. The term "covered transaction" means generally (i) the purchase of securities or other assets, except those subject to a repurchase agreement; (ii) the sale of securities or other assets including assets to an agreement to repurchase, to an affiliate; (iii) the payment of money or furnishing of services to an affiliate, under a contract, a lease or otherwise; (iv) any transaction in which an affiliate acts as agent or broker or receives a fee for its services to the member bank or to any other person; (v) any transaction or series of transactions with a third party if an affiliate has a financial interest in the third party or if an affiliate is a participant. The term "financial assistance transaction" means (i) a loan or extension of credit to an affiliate; (ii) a purchase or an investment in securities of an affiliate; (iii) a purchase of securities or other assets subject to an agreement to repurchase from an affiliate; or (iv) the issuance of an acceptance, guarantee, or letter of credit, including an endorsement or standby letter of credit to or on behalf of, an affiliate. The term "low-quality asset" means generally (i) an asset of an obligor which has had an obligation that has been classified in any current bank examination report, whether of the member bank or any other bank; (ii) an asset in a nonaccrual status; (iii) an asset on which principal or interest payments are more than thirty days past due; or (iv) an asset whose terms have been renegotiated or compromised due to the deteriorating financial condition of the obligor.

The section would also require that each financial assistance transaction be secured at the time of the transaction by collateral (or, in the case of a repurchase agreement, by securities or other assets) equal to between 100 to 130 percent of the amount of the transaction. The collateral requirement would vary depending on the type of collateral pledged.

Except for the purchase of a low-quality asset, transactions between the member bank and any other bank in which the bank holding company has at least 80% control would be exempt from the provisions of this section. This exemption is provided because both institutions are insured by the FDIC and examined. In the case of all other affiliates, exemptions from the limitations are provided for (i) loans or extensions of credit to any affiliate that are fully secured by obligations of the United States or its agencies or obligations fully guaranteed by the United States as to principal and interest (such transactions must nevertheless be made on essentially an arms' length basis), and (ii) the purchase or sale of assets or services having a readily identifiable and publicly available market price and purchased or sold at that market price. Complete exemptions are provided for non-interest bearing deposits in affiliated banks and the granting of immediate credit to an affiliated bank for uncollected items received in the ordinary course of business.

The section would also grant the Federal Reserve Board rulemaking authority to carry out the purposes of this section and to prevent evasion thereof, in addition to the authority to exempt transactions or relationships from the requirements of this section if it finds such exemptions to be in the public interest and consistent with the purposes of this section.

Section 15

Section 15 would amend the Federal Deposit Insurance Act to limit the enforcement authority (specifically the cease and desist authority) of the Federal Reserve Board over nonbanking subsidiaries of a bank holding company to activities affecting the safety and soundness of any bank which is directly or indirectly owned or controlled by such bank holding company or otherwise violate any banking law, rule, regulation or order. It is the intent of the section that the Board limit its cease and desist authority over nonbanking subsidiaries to activities or practices of such subusifiaries that directly affect the affiliated bank. Except as they affect the bank, the activities of nonbank subsidiaries would be regulated by whatever federal or state authority has jurisdiction over such activities. Under current law, a cease and desist order may be issued for unsafe or unsound banking practices or for violations of "an applicable law, rule, regulation or order . . . ."

Section 16

Section 16 would amend the Investment Company Act of 1940 to prohibit an investment company affiliated with a bank securities affiliate from: (1) placing or maintaining its securities or similar investments in the custody of a bank affiliated with such bank securities affiliate; (2) designating any such bank as trustee or custodian, or (3) depositing designated proceeds with any such bank.

Section 17

Section 17 would amend 12 U.S.C. § 1972 to extend the prohibitions on the tying arrangements in that section to nonbanking subsidiaries of the bank holding company. Under current law, only a bank is prohibited from providing services or extending credit subject to the condition that the customer obtain additional services from the bank, its bank holding company, or any of the holding company's subsidiaries. The bill would extend this prohibition to any subsidiary of a bank holding company. The bill would thus prohibit any subsidiary of a bank holding company, including all of those engaged in new activities authorized under this bill, from engaging in such tying arrangements.●

By Mr. CANNON (for himself and Mr. LAXALT):

S. 2492. A bill to transfer administration of certain lands in California and Nevada to the Bureau of Land Management; to the Committee on Energy and Natural Resources.

RELIEF OF EL CAPITAN MINING CO.

Mr. CANNON. Mr. President, I introduce a bill for myself and my distinguished colleague, Senator LAXALT, to provide for the relief of El Capitan Mining Co.

This company is the successor in interest to a mining claim existing within the boundaries of the Death Valley National Monument. These claims were in place and appropriate assessment work requirements had been complied with until 1976, when the Mining in the Parks Act, Public Law 94-429, was passed. However, the Department of the Interior has not recognized the transfer of the interest of the previous mining company to the present holder of the claims.

This mineral ore body exists on the extreme western edge of the Monument and is in no way visible from the Monument proper. Nor would its development in any way interfere with the purpose for which the Monument was created.

In this time of increasing dependence on foreign sources of many of our important mineral requirements, it is important that extensive domestic mineral deposits be brought into production. This policy will not only relieve this Nation's dependence on foreign sources of important minerals but will help put our unemployed back to work.

The company has exhausted its administrative remedies. The Department of the Interior feels bound by its investigation of the case to deny the request of the company. Thus, it is necessary for the Congress to consider the merits of the company's claim. I believe the answer should be in the affirmative for this company to go forward.

By Mr. DOLE (for himself, Mr. COCHRAN, Mr. ANDREWS, Mr. JEPSEN, Mr. BOSCHWITZ, and Mr. DANFORTH):

S. 2493. A bill to amend the Food Stamp Act of 1977 to reform the food stamp program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP REFORM ACT OF 1982

Mr. DOLE. Mr. President, during the farm bill conference last year, Congress decided to reauthorize the food stamp program for only 1 year. Once again, this year, we are faced with the issue of how much cost savings can be achieved without unfairly impacting upon needy, low-income Americans. On the other side, we need to do everything we possibly can to enhance program administration and reduce the high error rates that some States consistently demonstrate. I believe that the legislation which I am introducing today, the Food Stamp Reform Act of 1982, provides reasonable and appropriate answers to both of these issues that we are facing. Despite the large amount of savings achieved last year, the state of the national economy requires that further savings be made in the Federal budget. It is imperative that we lower the projected record deficits we face in the next few years, and the food stamp program must contribute its fair share. However, I emphasize the word "fair."

COST SAVINGS

Last year, the Congress achieved about $2.3 billion in food stamp savings, exceeding the savings target established in the President's budget by over $700 million. Program eligibility was limited to the President's definition of "truly needy" and significant other economies were achieved by delaying cost-of-living adjustments, freezing deductions, prorating initial benefits and a variety of other measures. Given the extent of these reductions and those made in other means-tested programs, I do not believe that we should make massive reductions again this year. Still, a significant amount of savings can occur without imposing hardship.

The Food Stamp Reform Act of 1982 would cut food stamp costs by about 5 to 6 percent in fiscal year 1983, or over $700 million. In the next 3 years, total savings would be over $2 billion. Most of the savings would occur from scaling back the cost-of-living adjustment (COLA) in the next 2 years, delaying the update of the standard and excess shelter/dependent care deductions, modifying the household definition, limiting the use of standard utility allowances, and significantly tightening the current sanctions on States with high error rates in administration. This last proposal will be discussed in greater detail below. The largest savings in fiscal year 1983 and fiscal year 1984 would come from a COLA proposal similar to the one I extended as a compromise during the farm bill conference last year. Essentially this proposal would leave food stamp recipients 3 months further behind inflation than they would be under current law in fiscal year 1983, 2 months further behind in fiscal year 1984, and 1 month further behind in fiscal year 1985. By fiscal year 1986, the proposal would return them to where they would be under current law, as far as the adjustment of the thrifty food plan is concerned.

This proposal is an attempt to put food stamps on a more equal footing with other Federal programs. I anticipate that some modification in COLA's of other programs will occur as part of the overall effort this year to slow the growth of Government spending. I believe that, in this context, this is a moderate and justifiable proposal.

I am concerned, however, about other savings proposals included in S. 2352 and in the administration bill (S. 2392). Both of these bills would achieve large savings from proposals that would cut benefits from nearly all participants, including the elderly and disabled. Proposals to raise the benefit reduction rate and to permanently freeze deductions result in an immediate loss of purchasing power across the board. They are qualitatively different types of proposals from those enacted last year which were aimed at targeting benefits more efficiently.

I am equally concerned about proposals that would curtail benefits going to the working poor. Here there is not only the tremendously important issue of work incentives but also that of equity. I believe it is only fair

that those who work should have an incentive to do so. Further reductions in benefits going to the working poor, such as cutting the work expense deduction or significantly lowering eligibility limits, would jeopardize this principle.

Finally, on the issue of benefit reductions, I would like to express a special concern for elderly and disabled households. I am told that concern over the sufficiency of benefits for elderly and disabled persons was a common theme expressed by State and local food stamp administrators across the country in their responses to Agriculture Committee Chairman HELMS' request for their views on reauthorization of the food stamp program. These letters, which generally advocated a tightening of the program in other areas, stressed the inability of elderly and disabled households to augment their income like other households. I believe we must exercise great caution before enacting any proposal that would have a disproportionate effect upon the elderly and disabled—such as eliminating the minimum benefit and counting energy assistance against food stamp benefits. An estimated 40 percent of all households receiving energy assistance are elderly.

I ask unanimous consent that two of the letters sent to Chairman HELMS concerning benefits for elderly and disabled persons be included in the RECORD.

The being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF SOCIAL SERVICES,
Urbanna, Va., February 2, 1982.

Re Upcoming Food Stamp Legislation.

Hon. JESSE HELMS,
Committee on Agriculture, Nutrition and Forestry, Washington, D.C. 20510

DEAR SIRS: We have received correspondence dated January 26, 1982 from William L. Lukhard, Commissioner of the Virginia State Department of Welfare, regarding forthcoming changes in food stamp legislation.

This agency's staff has discussed the food stamp program and we offer the following suggestions:

1. In an effort to reduce fraud, food stamp eligibility workers and the director feel that there should be an approved position in the locality for a person whose total responsibility is the investigation of fraud whether it be food stamps, ADC or medicaid. This person may be one who carries the responsibility for a planning district or for several counties. We feel individual food stamp workers have all they can possibly do to take and process applications without investigating and preparing for court cases.

2. The total staff feels that the food stamp program is helping substantially the ADC clients. However, we do feel that the elderly come up short. They have to go through so much paper work only to receive a mere $10 worth of food stamps. These persons are on limited and fixed incomes and cannot, because of age and health, get out and make extra income. Persons over age 60 should have special treatment.

We hope the above comments will be helpful.

Sincerely,
(MRS.) KATHRYN F. FITCHETT,
Director.

DEPARTMENT OF PUBLIC WELFARE,
Ravenna, Ohio, February 4, 1982.

Senator JESSE HELMS,
Chairman, Committee on Agriculture, Nutrition, and Forestry, Washington, D.C.

DEAR SENATOR HELMS: A copy of your letter dated January 7, 1982, to Kenneth B. Creasy the director of the Ohio Department of Public Welfare was forwarded to this agency for any responses that we would care to make. Listed below are those changes which we feel would be beneficial to the Food Stamp Program.

1. Persons with no available income should be recertified on a monthly basis only.

2. All persons living in the same household should have to apply and be certified together with the following exceptions:

A. A household member who is 60 years of age or older could apply separately or

B. A household member who is disabled.

3. Disability would be verified by receipt of any disability payment to include but not limited to SSI, Social Security, disability veterans benefits, and civil service disability benefits. This will enable these people to take advantage of the more liberal deductions regarding shelter costs and medical expenses.

4. The medical deductions should be enlarged to allow recipients to have their full medical costs deducted from their gross income. A large number of our elderly and disabled recipients would benefit greatly if these deductions were allowed.

5. The full amount of verified taxes should be deducted from the gross income rather than the current ceiling of 18 percent.

6. Recipients who voluntarily quit their jobs during their certification period should also be subjected to the two month ineligibility sanction as are those new applicants who are applying for food stamps.

7. In instances where the application has been denied for failure to provide adequate verification the applicant should have to make a totally new application. Currently the applicant can come back within a 30 day period from the date of denial and have his eligibility determined on his previous application.

8. The current regulation requiring the contacting of applicants to reschedule their appointments when they fail to show for an interview should be rescinded. This additional contact necessitates extra administrative costs as evidenced by the amount of money currently needed to mail letters. If the client misses the appointment, it should be his responsibility to contact the agency.

Thank you for your consideration of these comments.

Sincerely,
RUSSELL E. JOHNSON,
Income Maintenance Chief.
SUSAN HOGUE,
Food Stamp Supervisor.

PROGRAM ADMINISTRATION

Mr. DOLE. Mr. President, if I were asked to identify one concern that should outweigh virtually all other concerns in the consideration of food stamp legislation this year, it would be the need for program stability. In the past 5 years, there have been five major pieces of food stamp legislation enacted. Administrators at the Federal, State, and local levels have been overwhelmed with the constant changes required by recent legislation. It is nearly impossible for these people, who are often understaffed and experience high staff turnover, to keep up with the retraining and paperwork required when Congress rewrites significant portions of this already complex program every year.

There is little question in my mind that high error rates in the food stamp program are at least in part attributable to the constant policy changes in this program. I ask unanimous consent that a copy of a letter from the director of human services for North Dakota to Senator HELMS on this subject be included in the RECORD at this point in my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HUMAN SERVICES,
Bismarck, N. Dak., January 13, 1982.

Senator JESSE HELMS,
Chairman, U.S. Senate Committee on Agriculture, Nutrition, and Forestry, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HELMS: This is in response to your letter of January 7, 1982, requesting further suggestions for food stamp reform.

Senator Helms, what is desperately needed in the food stamp program at this time is stability of law and regulation, not constant program changes by both Congress and the Administration. We have, because implementation regulations to be issued by the U.S. Department of Agriculture are still pending, yet to implement some portions of both the food stamp amendment of 1980 and the Omnibus Budget Reconciliation Act of 1981. Additionally, changes to be produced by food stamp legislation signed into law in December, 1981, are forthcoming.

The food stamp program is suffering badly because of the constant program upheaval caused by the seemingly endless string of changes being produced in Washington. This can be most graphically illustrated by the food stamp quality control error rate in North Dakota, traditionally one of the lower error rate states. For the reporting period of October, 1980, through March, 1981, a time of relatively few and minor program changes, our combined error rate was 6.91 percent. For the April, 1981, through September, 1981 period, a time of numerous and rapid program changes, our error rate increased dramatically, to 9.9 percent.

It is very plainly evident that the recent constant stream of program changes is much more costly in North Dakota than are the abuses those changes are intended to correct. We therefore implore program stability, not further program change.

Sincerely,
DALE MOUG,
Attorney at Law,
Director of Human Services.

Mr. DOLE. Mr. President, similar sentiments were expressed at the March 29, 1982 food stamp hearing in the Agriculture Committee, in which another State administrator called for

a 1-year moratorium on all program changes. He stated:

A program which is in a continuous state of flux has no stability, is extremely difficult, and costly to administer, is inherently error-prone, as well as confusing to both the clients and the workers . . . it would be beneficial to put a moratorium on all program changes for at least one year.

The speaker was Mr. Acel Martelle of Nevada, whose 3.65 percent error rate for overissuance and ineligibility is the lowest in the Nation. This was not someone who had failed to perform his job and was looking to make Congress a scapegoat for his problems.

I believe that the most important legislative changes needed to combat fraud and assure program accountability have already been enacted in recent years. Last year, along with Senators COCHRAN and LEAHY, I introduced the Food Stamp Accountability Act of 1981. Most of this was enacted into law. It is now a matter of getting these provisions implemented, and having sufficient time and resources at the State and local level to make this program work. Whatever changes we now make in the program should be directed toward simplifying administration and providing greater flexibility at the State and local level. We should avoid adding new requirements, if at all possible.

CATEGORICAL ELIGIBILITY

To this end, I am proposing a few changes that are widely supported by State and local administrators. I propose categorical or automatic eligibility for "pure" AFDC households—households where all members are AFDC recipients. Because of changes enacted in the AFDC program last year, virtually every pure AFDC household is eligible for food stamps. Enactment of categorical eligibility would save administrative costs by obviating the need for caseworkers to apply the separate food stamp resources test to these households.

EXPEDITED SERVICE

To ease workloads and curb abuse, I propose that eligibility for expedited service be significantly tightened, along the lines of the provision in the Senate-passed bill (S. 1007) last year. Income and assets tests would be made very strict and food stamp agencies would have up to 5 days to provide assistance. Special protections for migrants would remain.

PROMPT REDUCTION OR TERMINATION OF BENEFITS

I also recommend enactment of another provision included in S. 1007 last year. This would save food stamp agencies time and postage costs by eliminating the need for a separate notice of adverse action if an agency has received a clear, written notice from a client that indicates a reduction or termination of benefits should occur.

UTILITY ALLOWANCES

On other issues, I have modified the approach recommended in the Helms' bill in order to reduce administrative burdens and avoid costly errors. S. 2352 would require all States to use actual utility expenses, rather than a standard utility allowance, in determining eligibility for the excess shelter deduction. I propose instead that use of actual expenses should be made a State option. However, I do recommend that use of the standard allowance be tightened so that certain clients who are unlikely to incur significant utility expenses must itemize their costs.

The use of itemized deductions has been one of the most error-prone and time-consuming procedures in the administration of the food stamp program. States unanimously favor the use of standardized deductions wherever possible. I believe my proposal represents a good, middle ground between current policy and moving to itemization of all utility costs. It addresses the major problems in utilizing the standard allowance, without unduly increasing administrative cost and effort.

JOB SEARCH

On the issue of job search at application, I am also recommending a State option rather than a requirement. Job search at application may make sense in some areas but not in others, depending upon the state of the local economy. Persuasive testimony on March 29, 1982, from Mr. Noble Kheder, deputy director of the Michigan Department of Social Services, indicated that the 14.6-percent unemployment rate in Michigan makes job search at application senseless in many areas of the State. It would lead to needless paperwork and a drain in valuable staff time.

ACCOUNTABILITY AND ISSUANCE

Consistent with the theme of program simplicity, the Food Stamp Reform Act of 1982 includes several proposals that have the potential to greatly increase program accountability without mandating a great deal of additional effort from administrators. These proposals can be found in sections 301, 304, 402, 404, 501, 502, 503, 504, and 602 of the bill.

Among these, section 504 may represent the first step toward a dramatic improvement in accountability. This provision would authorize the Secretary to mandate alternative issuance systems in areas where he believes it would improve program integrity and save costs. By this provision, I intend to allow the Secretary to aggressively move forward in applying computer technology to the food stamp program.

In recent months I have become aware of several highly successful programs which reduce inaccurate or duplicate issuance of benefits through the use of computerized credit card systems. The potential of these systems seems unlimited. Already they have been substituted for systems utilizing the cumbersome ATP—authorization to participate—cards to issue benefits. Some time in the future, we may have a system where each household utilizes a so-called smart card in the supermarket. This would eliminate the need for coupons altogether and achieve tremendous savings.

At this point, since this technology is still in the developmental stage, I am not proposing any specific requirements for its use. My proposal will assure, however, that the Secretary has ample authority to impose requirements on States where he sees fit.

ERROR RATE SANCTIONS

One of the most important and controversial issues addressed by legislative proposals this year is that of sanctioning States for errors in administration of the food stamp program. These proposals have important implications for the entire issue of federalism. They could cause a significant change in the cost burdens of the Federal Government vis-a-vis States and localities. And, they could have a significant effect on the quality of the relationship among these entities—in determining whether an adversarial or a cooperative relationship will exist.

In my view, the error rate in the food stamp program is unacceptably high. For the latest available period, October 1980 to March 1981, the combined error rate for ineligibility and overissuance was 10.6 percent. This amounts to a huge loss of taxpayers' money.

I acknowledge that not all the fault for this high error rate rests with State and local governments. I have already alluded to my belief that constant program changes undermine efficient administration. In addition, the food stamp program has a much larger caseload with life circumstances that are in a greater state of flux than most other social welfare programs. There are more people in and out of work than in programs like SSI, and their income and eligibility factors are more difficult to ascertain. The food stamp program is also more sensitive to economic conditions than other programs, which, in years like this one, can strain the capacities of local welfare departments.

Yet, even considering these factors, it seems clear that the error rate in the food stamp program can and must be brought down. The wide disparity in State performance suggests that some States could be doing a far better job. I believe that the enactment of sanctions based on tough but realistic error rate goals would bring better State performance and achieve significant savings. I have designed such a

proposal after consulting officials who have had vast experience at the Federal and State levels in operating the AFDC and food stamp programs.

Essentially, my proposal would give States 3 years to reach a 5-percent payment error goal for overissuance and ineligibility. Each State would be required to meet a 9-percent error rate goal for fiscal year 1983, a 7-percent error rate goal for fiscal year 1984, and the final goal in fiscal year 1985 would be an error rate of 5 percent. States that currently have unusually high error rates would be required to come one-third of the way toward the 5-percent goal in 1983, two-thirds of the way toward this goal in 1984, and reach a 5-percent error rate in 1985. Any State not reaching the targets for the respective years would be subject to a sanction, and it is the expectation of the Senator from Kansas that the Secretary will not hesitate to impose the sanctions unless States have exceptionally good cause for not reaching the target.

As an incentive for outstanding performance, I would retain a feature of current law that rewards States for achieving an error rate, including underpayments, under the specified level. It should also be noted that I do not propose to sanction States dollar for dollar for every error above their goal in any given year. I have set the sanction at a level sufficient to spur State activity without depleting the very resources needed to perform the job adequately.

My choice of the 5-percent goal is somewhat arbitrary and could be modified in the future. At this point, I do not believe a tougher goal is appropriate. It is my understanding that the current error rate in the federally administered SSI program is slightly over 5 percent, excluding disability determinations. Since I believe SSI is an easier program to administer than food stamps, I do not believe that States should be held to a tighter performance standard than the Federal Government can meet.

I would stress that my proposal is aimed at reducing errors, not in imposing part of the cost of the food stamp program on the States. The bulk of the significant savings expected from my proposal would come from lower error rates—not sanctions.

I do not believe that the error rate sanction proposals put forth by the administration and Senator HELMS are realistic. Both would establish a zero percent error rate as the goal in this program, but under different schedules. S. 2352 would make States liable for all errors next year. The administration would phase down to zero in 3 years.

Under both of these approaches, States would be liable for hundreds of millions of dollars in sanctions starting next year and continuing every year thereafter. What these bills really do is transfer a portion of the costs of the food stamp program to State and local government. It would take an extraordinary effort for every State to lower its error rate to 5 percent. A zero percent error rate is impossible in a program of this size and complexity.

Aside from the fundamental issue of where States and localities would get the money to pay large sanctions, I believe that the imposition of unrealistic error rate targets could prove to be counterproductive to the basic purpose of the sanction system—to reduce errors in food stamp administration. And, I also believe that an unduly harsh sanction system may end up saving fewer Federal dollars than one that sets achievable goals.

In a July 18, 1980, report on fiscal sanctions attached to the quality control system in the AFDC program, the General Accounting Office said the following:

> Fiscal sanctions create an adversary relationship between the Federal Government and the States at a time when a cooperative effort is needed to reduce errors. Using the quality control system as the basis for sanctions limits the system's value as a means for improving payment processes.
>
> Because a high error rate will result in sanctions, there is an incentive to identify fewer errors. To be most effective, the quality control system should identify as many errors as possible.

Thus instead of spurring greater corrective action, sanctions can result in States either hiding their errors or putting their energy into fighting the sanction policy rather than improving programs. When the goals are so unrealistic that States will face huge sanctions no matter how much effort is made to improve administrative performance. A State may well conclude that investing money in administration is not worth the effort. As the AFDC experience in the mid-1970's indicates, State resources may be devoted to litigation instead.

Protracted litigation between the States and Federal Government would be most unfortunate. Not only might litigation delay the collection of sanctions indefinitely, but it may sour the cooperative relationship needed to operate programs with the greatest efficiency.

And even if litigation does not delay or obstruct the sanctions, I wonder how much money will ever actually be collected from the States. Just this year, the administration shrank from collecting less than $20 million from States under the current error rate sanction system. If the pressures were great this year to waive these relatively small sanctions for 14 States, the pressures will no doubt be enormous to waive hundreds of millions of dollars in sanctions to be imposed on virtually all States.

Because of their radical nature, I do not believe that the States will view the error rate sanctions of the administration and Senators HELMS as credible proposals. When push comes to shove, especially with an election year every other year, the sanctions will probably never be collected. Proposing a zero percent error rate makes for good politics but bad results.

I believe that my proposal would bring the desired result. It has enough bite so that States will take notice. Yet, it has realistic enough goals so that States will know they will receive a return for their efforts. And, by acknowledging that not all errors are the States' fault, I believe it is more likely to lead to a cooperative effort on their part.

OTHER BILL PROVISIONS

There are two additional provisions of the bill that I would like to address before concluding. The first concerns coordination of the timing of the food stamp COLA with that of other Federal programs, like social security, SSI, railroad retirement, and veterans' pensions. The second concerns the length of reauthorization and the spending ceiling on the program.

Last year, the timing of the food stamp COLA was changed from January 1 to October 1 of each year. October 1 was chosen in anticipation of changing the COLA for social security and other programs to October 1 as well. Since this change did not occur, the lack of coordination in timing creates special problems for elderly and disabled households. When these households receive their social security or SSI COLA on July 1, their food stamp allotments are reduced by an amount equal to 30 to 45 percent of the COLA they just received. However, when the food stamp program is adjusted for inflation on October 1, their food stamps are raised again.

In order to avoid the disheartening effect on elderly and disabled people of having much of their social security and SSI COLA evaporate in a food stamp loss and avoid making State agencies adjust food stamp benefits for virtually all elderly and disabled households twice in a 3-month period, I am proposing that July COLA increases in Federal programs not be counted against food stamps until October 1. As of October 1, State agencies can make one adjustment in food stamp benefits to reflect increases in food stamps and other Federal programs.

It is the understanding of the Senator from Kansas that the Senator from Montana, Mr. MELCHER, has introduced a separate bill which would accomplish this same kind of coordination. I commend the Senator from Montana for his concern on this issue and for bringing this problem to our attention last fall during the farm bill conference.

THE CAP

The Food Stamp Reform Act of 1982 would reauthorize the program for 3 years and eliminate the spending ceiling. I believe it is important to have a 3-year reauthorization in order to continue the traditional coordination with the farm bill. Especially since no administration proposal to turn back the food stamp program to the States is expected soon, it seems logical to extend the program for 3 years. As I mentioned before, we cannot continue to rewrite the law every year. If a viable federalism proposal is put forth before the 3 years are up, we can always consider it at that time.

I have proposed elimination of the spending ceiling because I believe there is no need for it. The program has been limited to the truly needy, waste and fat have been trimmed, and program costs are more a function of the unemployment and inflation rates than anything else. If there were some way to establish a spending ceiling that factored in changes in unemployment and inflation, I would support it. However, I do not believe a flat spending cap is appropriate. No one can predict the economy with any assurance, as this year certainly proves. To limit food stamp expenditures in times of economic downturn makes as little sense to me as freezing unemployment compensation expenditures when the unemployment rate is rising. I think it is time we removed the cap so that our neediest citizens will know that when times are tough, the Government will not let them go hungry.

I ask unanimous consent that a USDA table providing information on food stamp households be included in the RECORD at the close of my remarks.

I ask unanimous consent that a section-by-section summary of this legislation be printed in the RECORD previous to the language of the bill itself.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOOD STAMP BACKGROUND INFORMATION

WHO RECEIVES FOOD STAMPS?

22 million persons in nearly 8 million households receive food stamps.

Most are persons who cannot work. Half are children. 78% are either children, elderly or disabled persons, or single parent heads of households.

One-third of all food stamp households contain one or more persons receiving Social Security or Supplemental Security Income (SSI).

Food stamp households have an average gross income of $325 a month and average cash assets of $66 while they receive food stamps.

Food stamp households have average gross incomes below $300 a month. Over 90% have gross incomes below the poverty line. Over half have no liquid assets and half do not own a car or other vehicle.

HOW LARGE ARE FOOD STAMP BENEFITS?

Food stamp benefits now average 43 cents per person per meal.

Food stamp benefits are based on the cost of the Thrifty Food Plan, the least expensive food plan developed by the Agriculture Department. The Department's latest surveys show that five of every six families whose food expenditures are at the same dollar level as the Thrifty Food Plan fail to obtain the Recommended Daily Allowances for the basic nutrients.

WHAT HAPPENED TO THE FOOD STAMP PROGRAM LAST YEAR?

The program was cut substantially. Reductions in food stamp benefits exceeded $2 billion in FY 1982 and total nearly $7 billion for the three year period from FY 1982-1984.

Due to the cuts, about 1 million persons are being terminated from the program, and nearly all others (including the poorest families) are receiving smaller benefits than they would have under prior law.

Most of the savings came from reduced benefits for households with gross incomes below the poverty line.

Data on food stamp households is from official USDA surveys and studies.

CHARACTERISTICS OF FOOD STAMP HOUSEHOLDS

The majority of households participating in the program are very poor.

The average net monthly income per food stamp household is $326 (the annual equivalent of $3,912)

About half of all households have incomes of less than $300 per month (the annual equivalent of $3,600)

Food stamp households also tend to have few assets.

75 percent own no countable assets and 98 percent have assets of $1,500 or less

29 percent of food stamp households own homes, compared to 67 percent of all other households.

Nearly two-thirds of food stamp households do not own a car or other vehicle.

Elderly households are more likely than younger households to own homes or to have larger amounts of liquid assets.

Benefits provided by the program currently average 44 cents per person per meal.

Nearly three-quarters of food stamp recipients are children, the elderly and single parents who are heads of households.

Recent changes in food stamp law have reduced the number of persons eligible for the program by over 7 million.

The Food Stamp Act of 1977 reduced the number of eligible persons by 3.5 million.

The Food Stamp Act Amendments of 1979, 1980 and 1981 reduced the number of persons eligible for the program by another 4.2 million.

The number of students in the Food Stamp Program was reduced significantly as a result of the 1980 amendments to the law. Students now represent two-tenths of one percent of the food stamp caseload, or 47,000 persons.

FOOD STAMP REFORM ACT OF 1982

(Section-by-Section Summary)

TITLE I—DEFINITIONS

Section 101. Households

Requires that all related persons who live together be considered as a food stamp household, regardless of whether they purchase food and prepare meals together, unless one of the related persons is elderly or disabled. Where the elderly or disabled are involved, the current practice of determining household status according to whether persons purchase food or prepare meals together would be retained.

Section 102. Thrifty food plan adjustments

Requires that the Thrifty Food Plan adjustment made in October, 1982 be based on food prices through the previous March. The October, 1983 adjustment would be based on food prices through the previous April. The October, 1984 adjustment would be based on food prices through the previous May. In 1985 and all succeeding years, the October adjustment would be based on food prices through the previous June. Under current law adjustments in all years—starting in 1982—are based on food prices through the previous June.

TITLE II—ELIGIBLE HOUSEHOLDS

Section 201. Income standards of eligibility

Provides that households without an elderly or disabled person must meet both a 100% of poverty net income test and a 130% of poverty gross income test. Currently, these households must meet only a 130% of poverty gross income limit, and this allows a small number of households with net income above the poverty line to participate. This provision would eliminate such households.

Section 202. Coordination of cost-of-living adjustments

Requires that cost-of-living adjustments provided on July 1 in Social Security and other federal programs not be counted against food stamp benefits until October 1, when the cost-of-living adjustment to the Thrifty Food Plan is made.

Section 203. Adjustment of deductions

Delays the next inflation adjustment of the standard and shelter deductions from July 1, 1983, to October 1, 1983, to make them consistent with the timing of the Thrifty Food Plan adjustment.

Section 204. Standard utility allowances

Provides that States may use actual utility expenses or a standard utility allowance in computing eligibility for the excess shelter expense deduction. Households that (1) do not incur a heating or cooling expense of (2) live in centrally metered public housing units and are billed only for excess utility charges would not be eligible for the standard utility allowance. States would not be required to vary standard utility allowances within a year to reflect seasonal variations in utility costs.

Section 205. Financial resources

Adds to the list of resources that must be counted in determining eligibility: any pension funds or retirement accounts (including individual retirement accounts) accessible to the household, regardless of whether there is a penalty for early withdrawal.

Section 206. Categorical eligibility

Establishes categorical eligibility for AFDC households in which all members of the household are AFDC participants.

TITLE III—ELIGIBILITY DISQUALIFICATIONS

Section 301. Fraud penalties

Provides that the income and financial resources of a person suspended from the program due to fraud be included in the income and financial resources of his or her household in determining the value of the household's allotment.

Section 302. Reporting requirements

Allows the Secretary, at the request of a State, to waive certain provisions of the law relating to periodic reporting to permit the State to establish requirements that are similar to those established in the AFDC program in that State. The waiver could not

apply to certain protections in the law for migrants and households composed of elderly or disabled households.

Section 303. Expanded job search

Establishes State option to require job search at the time of application for benefits.

Section 304. Period of ineligibility

Increases from sixty to ninety days the disqualification period for households voluntarily quitting a job.

Section 305. Parents and caretakers of children

Requires that a second parent in a household register for work when the youngest child reaches age 12.

TITLE IV—VALUE OF ALLOTMENT

Section 401. Prorated benefits

Eliminates prorated benefits of less than $10 in initial month.

Section 402. Noncompliance with other programs

Prohibits food stamp households from receiving an increase in benefits as the result of a reduction in income from another program due to a penalty for fraud or intentional misrepresentation.

TITLE V—ADMINISTRATION

Section 501. Expedited coupon issuance

Limits expedited service to households with less than $100 in assets and $85 in monthly income. Includes special protections for migrants and seasonal farmworkers. Allows States up to five days to provide expedited benefits and requires verification of income and cash resources to the maximum extent practicable.

Section 502. Prompt reduction or termination of benefits

Permits a State agency to take immediate action to reduce or terminate benefits if the agency receives clear, written information from the household that indicates such a benefit reduction or termination is required.

Section 503. Cashed-out programs

Authorizes the Secretary to require States that have "cashed out" a portion of their caseload to match the benefit rolls of their cashed-out program with their Food Stamp Program to determine if there is duplicate participation.

Section 504. Issuance procedures

Authorizes the Secretary to require State agencies to institute new or modified procedures for the issuance of food stamps if he finds it would improve program integrity and save money

TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS

Section 601. Claims collection procedure

Specifies that in cases where there has been an overpayment due to fraud or intentional misrepresentation, an allotment reduction must occur if a household has not chosen a repayment plan within 30 days after a demand for repayment has been made.

Section 602. Food stamp intercept of unemployment benefits

Permits States to establish systems for intercepting unemployment compensation benefits from certain households that owe uncollected overpayments in the Food Stamp Program.

TITLE VII—ADMINISTRATIVE COST SHARING AND QUALITY CONTROLS ALTERNATIVE MEANS OF COLLECTING OVERISSUANCES

Section 701. State share of recoveries

Allows State agencies to retain 50 percent of the funds collected from the interception of unemployment benefits.

Section 702. Error rate reduction system

Sets targets for error reduction by States and imposes sanctions for States failing to meet the targets. All states would be required to lower their error rates to 5% or less by FY 1985. During FY 1983 and FY 1984, interim error rate targets would be set which would require steady error rate reduction toward the goal of getting error rates down to 5% by FY 1985. States failing to achieve their error rate target in any year would lose a portion of the Federal share of their State food stamp administrative costs.The greater the amount by which the state's error rate exceeds the target, the larger the share of administrative funds that the state would lose. An incentive feature would be retained for States achieving exceptionally low error rates.

TITLE VI—AUTHORIZATION FOR APPROPRIATIONS

Section 801. authorization

Extends authorization for the Food Stamp Program through September 30, 1985, consistent with the Farm Bill. Removes funding ceiling. Provides a separate funding authorization for the Puerto Rico block grant, consistent with the Omnibus Budget Reconciliation Act of 1981.

TITLE VII—MISCELLANEOUS

Section 901. Rounding down

Requires that the Thrifty Food Plan, the standard and shelter deductions, and individual household benefit computations all be rounded down to the nearest whole dollar. In rounding down the Thrifty Food Plan, allotments for all household sizes would be based on the unrounded value of the Thrifty Food Plan for a household of four, and then the resulting allotments for all household sizes would be rounded down. This assures that households of all sizes are treated equitably and that allotments for all household sizes are rounded down once.

Section 902. Studies

Eliminates requirement for studies that have already been completed by USDA on the following subjects: improving the asset standards; the effect of eliminating the purchase requirement; recovering food stamp benefits from households whose calendar year income was more than twice the income poverty guidelines; and the basis for indexing the Food Stamp Program.

TITLE VIII—EFFECTIVE DATES

Section 1001. Effective dates

Provides that changes in this bill would be effective upon enactment and should be implemented as quickly as possible, taking into account the need for orderly implementation.

S. 2493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; TABLE OF CONTENTS

SECTION 1. (a) This Act may be cited as the "Food Stamp Reform Act of 1982".

(b) The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title; table of contents.
Sec. 2. References to the Food Stamp Act of 1977.
TITLE I—DEFINITIONS
Sec. 101. Households.
Sec. 102. Thrifty food plan adjustments.
TITLE II—ELIGIBLE HOUSEHOLDS
Sec. 201. Income standards of eligibility.
Sec. 202. Coordination of cost-of-living adjustments.
Sec. 203. Adjustment of deductions.
Sec. 204. Standard utility allowances.
Sec. 205. Financial resources.
Sec. 206. Categorical eligibility.
TITLE III—ELIGIBILITY DISQUALIFICATIONS
Sec. 301. Fraud penalties.
Sec. 302. Reporting requirements.
Sec. 303. Expanded job search.
Sec. 304. Period of ineligibility.
Sec. 305. Parents and caretakers of children.
TITLE IV—VALUE OF ALLOTMENT
Sec. 401. Prorated benefits.
Sec. 402. Noncompliance with other programs.
TITLE V—ADMINISTRATION
Sec. 501. Expedited coupon issuance.
Sec. 502. Prompt reduction or termination of benefits.
Sec. 503. Cashed-out programs.
Sec. 504. Issuance procedures.
TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS
Sec. 601. Claims collection procedure.
Sec. 602. Food stamp intercept of unemployment benefits.
TITLE VII—ADMINISTRATIVE COST-SHARING AND QUALITY CONTROLS
Sec. 701. State share of recoveries.
Sec. 702. Error rate reduction system.
TITLE VIII—AUTHORIZATION FOR APPROPRIATIONS
Sec. 801. Authorization.
TITLE IX—MISCELLANEOUS
Sec. 901. Rounding down.
Sec. 902. Studies.
TITLE X—EFFECTIVE DATES
Sec. 1001. Effective dates.

REFERENCES TO THE FOOD STAMP ACT OF 1977

SEC. 2. Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

TITLE I—DEFINITIONS

HOUSEHOLDS

SEC. 101. The first sentence of section 3 (i) (7 U.S.C. 2012(i)) is amended—

(1) by striking out "parents and children" and inserting in lieu thereof "related individuals"; and

(2) by striking out "the parents" and inserting in lieu thereof "the related individuals".

THRIFTY FOOD PLAN ADJUSTMENTS

SEC. 102. The second sentence of section 3 (o) (7 U.S.C. 2012(o)) is amended by striking out "(6)" and all that follows through "twelve months ending the preceding June 30" and inserting in lieu thereof: "(6) on October 1, 1982, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the eighteen months ending March 31, 1982, (7) on October 1, 1983, adjust the cost

of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending April 30, 1983, (8) on October 1, 1984, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending May 31, 1984, (9) on October 1, 1985, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the thirteen months ending June 30, 1985, and (10) on each October 1 thereafter, adjust the cost of such diet to the nearest dollar increment to reflect changes in the cost of the thrifty food plan for the twelve months ending the preceding June 30."

TITLE II—ELIGIBLE HOUSEHOLDS

INCOME STANDARDS OF ELIGIBILITY

SEC. 201. (a) Subsection (c) of section 5 (7 U.S.C. 2014(c)) is amended to read as follows:

"(c) The income standards of eligibility shall provide that no household shall be eligible for participation in the food stamp program unless—

"(1) the household's income, after the exclusions and deductions described in subsections (d) and (e), does not exceed 100 per centum of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act, for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, except that in no event shall the standards of eligibility for the Virgin Islands of the United States or Guam exceed those in the forty-eight contiguous States; and

"(2) for a household that does not contain a member who is sixty years of age or over or a member who receives supplemental security income benefits under title XVI of the Social Security Act or disability or blindness payments under title I, II, X, XIV, or XVI of the Social Security Act, the household's income, after the exclusions described in subsection (d) but before the deductions described in subsection (e), does not exceed 130 per centum of such poverty line.".

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by striking out "for households described in subsection (c)(1) and determining benefit levels only for all other households" and inserting in lieu thereof "pursuant to subsection (c)(1)".

COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 202. Section 5(d) (7 U.S.C. 2014(d)) is amended—

(1) at the end of clause (10), by striking out "and"; and

(2) by adding before the period at the end thereof the following: ", and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under titles II or XVI of the Social Security Act, section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the adjustment".

ADJUSTMENT OF DEDUCTIONS

SEC. 203. Section 5(e) (7 U.S.C. 2014(e)) is amended—

(1) in clause (1) of the second sentence, by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983"; and

(2) in subclause (i) of the proviso of clause (2) of the fourth sentence, by striking out "July 1, 1983" and inserting in lieu thereof "October 1, 1983".

STANDARD UTILITY ALLOWANCES

SEC. 204. Section 5(e) (7 U.S.C. 2014(e)) is amended by inserting after the fourth sentence the following new sentence: "In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with the regulations prescribing the allowance in effect on April 1, 1982 (7 CFR 273.9(d)(6)), except that—

"(A) a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations; and

"(B) an allowance may not be used for a household that—

"(i) does not incur a heating or cooling expense; or

"(ii) does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households, with regard to such expense, only for excess utility costs.".

FINANCIAL RESOURCES

SEC. 205. The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "and" after "vacation purposes,"; and

(2) by inserting after "$4,500," the following: "and, regardless of whether there is a penalty for early withdrawal, any savings or retirement accounts (including individual accounts) and the cash value of any pensions accessible to the household,".

CATEGORICAL ELIGIBILITY

SEC. 206. (a) Section 5 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(j) Notwithstanding subsections (a) through (i), a household in which all members of the household receive benefits under a State plan approved under part A of title IV of the Social Security Act shall be considered to have complied with the income and resource requirements prescribed under subsections (c) and (g).".

(b) The first sentence of section 5(e) (7 U.S.C. 2014(e)), as amended by section 201(b) of this Act, is amended—

(1) by inserting "for all households (except households described in subsection (j))" after "levels"; and

(2) by inserting "and for purposes of determining benefit levels only for households described in subsection (j)" after "subsection (c)(1)".

TITLE III—ELIGIBILITY DISQUALIFICATIONS

FRAUD PENALTIES

SEC. 301. The second sentence of section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended to read as follows: "During the period of ineligibility, the income and financial resources of the ineligible person shall be included in the income and financial resources of the household of the ineligibile person for the purpose of determining the value of the household's allotment.".

REPORTING REQUIREMENTS

SEC. 302. Section 6(c) (7 U.S.C. 2015(c)) is amended by adding at the end thereof the following new paragraph:

"(5) The Secretary is authorized, upon the request of a State agency, to waive any provisions of the subsection (except the provisions of the first sentence of paragraph (1) which relate to households which are not required to file periodic reports) to the extent necessary to permit the State agency to establish periodic reporting requirements for purposes of this Act which are similar to the periodic reporting requirements established under the State plan approved under title IV-A of the Social Security Act in that State.".

EXPANDED JOB SEARCH

SEC. 303. Clause (ii) of section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by inserting ", which may, at the option of the State agency, include a requirement that such reporting and inquiry commence at the time of application for assistance" after "Secretary".

PERIOD OF INELIGIBILITY

SEC. 304. The proviso in clause (iii) of section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by striking out "sixty days" and inserting in lieu thereof "ninety days".

PARENTS AND CARETAKERS OF CHILDREN

SEC. 305. Clause (C) of section 6(d)(2) (7 U.S.C. 2015(d)(2)(C)) is amended by inserting "under age twelve" after "child".

TITLE IV—VALUE OF ALLOTMENT

PRORATED BENEFITS

SEC. 401. The first sentence of section 8(c) (7 U.S.C. 2017(c)) is amended by inserting before the period at the end thereof the following: ", except that, a State agency may not issue an allotment for the initial month or period to any household if the value of the allotment which the household would otherwise be eligible to receive under this subsection is less than $10".

NONCOMPLIANCE WITH OTHER PROGRAMS

SEC. 402. Section 8 (7 U.S.C. 2017) is amended by adding at the end thereof the following new subsection:

"(d) A household against which a penalty has been imposed for fraud or misrepresentation in connection with a Federal, State, or local law relating to welfare or a public assistance program may not, for the duration of the penalty, receive an increased allotment as the result of a decrease in the household's income (as determined under section 5 (d) and (e)) to the extent that the decrease is the result of such penalty.".

TITLE V—ADMINISTRATION

EXPEDITED COUPON ISSUANCE

SEC. 501. Paragraph (9) of section 11(e) (7 U.S.C. 2020(e)(9)) is amended to read as follows:

"(9) that the State agency shall—

"(A) provide coupons no later than five days after the date of application to any household which—

"(i)(I) has gross income that is less than $85 per month; or

"(II) is a destitute migrant or a seasonal farmworker household; and

"(ii) has liquid resources that do not exceed $100; and

"(B) to the extent practicable, verify the income and resources of the household prior to issuance of coupons to the household.".

PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 502. Section 11(e)(10) (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon the following: ", except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household's benefits, the State agency may act immediately to reduce or terminate the household's benefits and may provide notice of its action to the household as late as the

date on which the action becomes effective".

CASHED-OUT PROGRAMS

SEC. 503. Section 11 (7 U.S.C. 2020) is amended by adding at the end thereof the following new subsection:

"(n) The Secretary may require a State agency to conduct verification and implement other measures, where necessary, to assure that an individual does not receive both coupons and benefits or payments referred to in section 6(g) or both coupons and assistance provided in lieu of coupons under section 17(b)(1).".

ISSUANCE PROCEDURES

SEC. 504. Section 11 (7 U.S.C. 2020) (as amended by section 503 of this Act) is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may require a State agency to implement new or modified procedures to issue coupons which are in conformance with this Act and which the Secretary finds would improve program integrity and be cost-effective.".

TITLE VI—COLLECTION AND DISPOSITION OF CLAIMS

CLAIMS COLLECTION PROCEDURE

SEC. 601. The second sentence of section 13(b)(1) (7 U.S.C. 2022(b)(1)) is amended by inserting "within thirty days of a demand for an election" after "election".

FOOD STAMP INTERCEPT OF UNEMPLOYMENT BENEFITS

SEC. 602. (a) Section 13 (7 U.S.C. 2022) is amended by adding at the end thereof the following new subsection:

"(c)(1) A State agency may determine on a periodic basis, from information supplied pursuant to section 508 of the Unemployment Compensation Amendments of 1976 (29 U.S.C. 49b and 42 U.S.C. 603a), whether any individuals receiving compensation under the State's unemployment compensation law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law) has received an uncollected overissuance.

"(2) A State agency may recover an uncollected overissuance—

"(A) through an agreement with the individual described in paragraph (1), to have specified amounts withheld from compensation otherwise payable to the individual and by submitting a copy of the agreement to the State agency administering the unemployment compensation law, or

"(B) in the absence of an agreement, by obtaining a writ, order, summons, or other similar process in the nature of garnishment from a court of competent jurisdiction to require the withholding of amounts from the compensation.

"(3) As used in this subsection, the term 'uncollected overissuance' means the amount of an overissuance of coupons, as determined under subsection (b)(1), which has not been recovered pursuant to subsection (b).".

(b)(1) Section 11(e) (7 U.S.C. 2020(e)) is amended—

(A) at the end of paragraph (20), by striking out "and"; and

(B) by adding at the end thereof the following new paragraph:

"(22) at the option of the State, for procedures necessary to obtain payment of uncollected overissuance of coupons from unemployment benefits pursuant to section 13 (c); and".

(2)(A) Section 303(d) of the Social Security Act (42 U.S.C. 503(d)) is amended—

(i) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(ii) by inserting after paragraph (1) the following new paragraph:

"(2)(A) The State agency charged with the administration of the State law—

"(i) may require each new applicant for unemployment compensation to disclose whether or not the applicant has received an uncollected overissuance (as defined in section 13(c)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2022(c)(3)) of food stamp coupons,

"(ii) may notify the State agency (as defined in section 3 (m) of such act (7 U.S.C. 2012 (m)) to which the uncollected overissuance is owed that the applicant has been determined to be eligible for unemployment compensation if the applicant discloses under clause (i) that the applicant owes an uncollected overissuance and the applicant is determined to be so eligible,

"(iii) may deduct and withhold from any unemployment compensation otherwise payable to an individual—

"(I) the amount specified by the individual to the State agency to be deducted and withheld under this clause,

"(II) the amount (if any) determined pursuant to an agreement submitted to the State agency under section 13 (c) (2) (A) of the Food Stamp Act of 1977 (7 U.S.C. 2022 (c)(2)(A)), or

"(III) any amount otherwise deducted and withheld from the unemployment compensation pursuant to section 13 (c)(2)(B) of such Act (7 U.S.C. 2022 (c)(2)(B)), and

"(iv) shall pay any amount deducted and withheld under clause (iii) to the appropriate food stamp State agency.

"(B) Any amount deducted and withheld under subparagraph (A)(iii) shall for all purposes be treated as if it were paid to the individual as unemployment compensation and paid by the individual to the State agency to which the uncollected overissuance is owed as repayment of the individual's uncollected overissuance.

"(C) For purposes of this paragraph, the term 'unemployment compensation' means any compensation payable under the State law (including amounts payable pursuant to an agreement under a Federal unemployment compensation law).

"(D) A State agency to which the uncollected overissuance is owed shall reimburse the State agency charged with the administration of the State unemployment compensation law for the administrative costs incurred by the State agency under this paragraph which are attributable to repayment of uncollected overissuance to the State agency to which the uncollected overissuance is owed.".

(B) Section 303 (d)(3) of the Social Security Act (as redesignated by subparagraph (A)) is amended by striking out "paragraph (1)" and inserting in lieu thereof "paragraph (1) or (2)".

TITLE VII—ADMINISTRATIVE COST-SHARING AND QUALITY CONTROLS

STATE SHARE OF RECOVERIES

SEC. 701. The proviso of the first sentence of section 16 (a) (7 U.S.C. 2025 (a)) is amended by striking out "section 13 (b) (1) of this Act" and inserting in lieu thereof "subsections (b)(1) and (c) of section 13".

ERROR RATE REDUCTION SYSTEM

SEC. 702. (a) Section 16 (7 U.S.C. 2025) is amended—

(1) by amending subsection (c) to read as follows:

"(c) The Secretary is authorized to adjust a State agency's federally funded share of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing such share to 60 per centum of all such administrative costs in the case of a State agency which has—

"(1) a payment error rate as defined in subsection (d)(1) which, when added to the total percentage of all allotments underissued to eligible households by the State agency, is less than 5 per centum; and

"(2) a rate of invalid decisions in denying eligibility which is less than a nationwide percentage which the secretary determines to be reasonable.";

(2) by striking out subsections (d), (e), and (g) and redesignating subsections (f), (h), and (i) as subsections (e), (f), and (g), respectively; and

(3) by inserting after subsection (c) the following new subsection:

"(d)(1) As used in this subsection, the term 'payment error rate' means the total percentage of all allotments issued in a fiscal year by a State agency which are either—

"(A) issued to households which fail to meet basic program eligibility requirements; or

"(B) overissued to eligible households.

"(2)(A) The Secretary shall institute an error rate reduction program under which, if a State agency's payment error rate exceeds—

"(i) 9 per centum for fiscal year 1983,

"(ii) 7 per centum for fiscal year 1984, or

"(iii) 5 per centum for fiscal year 1985 or any fiscal year thereafter,

then the Secretary shall, other than for good cause shown or as provided in subparagraph (B), reduce the State agency's federally funded share of administrative costs provided pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by the amounts required under paragraph (3).

"(B) the Secretary may not reduce a State agency's federally funded share of administrative costs pursuant to subparagraph (A)—

"(i) on the basis of the State agency's payment error rate for fiscal year 1983, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 33.3 per centum of the difference between the State agency's payment error rate for such period and 5 per centum; or

"(ii) on the basis of the State agency's payment error rate for fiscal year 1984, if such payment error rate represents a reduction from the State agency's payment error rate for the period beginning on October 1, 1980, and ending on March 31, 1981, of at least 66.7 per centum of the difference between the State agency's payment error rate for such period and 5 per centum.

"(3)(A) The Secretary shall reduce a State agency's federally funded share of administrative costs, except as provided in subparagraph (B), by—

"(i) 5 per centum for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximun payment error rate allowed for the fiscal year under paragraph (2); and

"(ii) if the State agency's payment error rate exceeds the maximum payment error

rate allowed for the fiscal year under paragraph (2) by more than 3 per centum, an additional 5 per centum (for a total of 10 per centum) for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum.

"(B) The Secretary may not reduce a State agency's federally funded share of administrative costs for a fiscal year by an amount that exceeds the product of multiplying—

"(i) the per centum by which the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); by

"(ii) the total dollar value of all coupons issued by the State agency during the fiscal year.

"(4) The Secretary may require a State agency to report any factors which the Secretary considers necessary to determine the appropriate level of a State agency's federally funded share of administrative costs under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

"(5) If the Secretary reduces a State agency's federally funded share of administrative costs under this subsection, the State may seek administrative and judicial review of the action pursuant to section 14.".

(b)(1) Section 11 (7 U.S.C. 2020) is amended—

(A) in the first sentence of subsection (e)(2), by striking out "subsection (i) of this section" and inserting in lieu thereof "subsection (h) of this section";

(B) in subsection (e)(3)—

(i) by striking out "subsections (h) and (i) of section 16" and inserting in lieu thereof "section 16(e)"; and

(ii) by striking out "quality control program" and inserting in lieu thereof "error rate reduction program"; and

(C) by striking out subsection (h) and redesignating subsections (i) through (m) as subsections (h) through (l), respectively.

(2) The first sentence of section 18(e) (7 U.S.C. 2027(e)) is amended by striking out "sections 7(f), 11 (g) and (h), 13(b), and 16(g)" and inserting in lieu thereof "sections 7(f), 11(g), and 13(b)".

(c) The amendments made by this section shall become effective on October 1, 1982.

TITLE VIII—AUTHORIZATION FOR APPROPRIATIONS

AUTHORIZATION

SEC. 801. Section 18(a) (7 U.S.C. 2027(a)) is amended—

(1) in the first sentence—

(A) by inserting "sections 1 through 18 and 20 of" after "provisions of";

(B) by striking out "and" after "September 30, 1981;"; and

(C) by inserting "; and such funds as are necessary for the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985" before the period at the end thereof; and

(2) by adding at the end thereof the following new paragraph:

"(3) To carry out the provisions of section 19 of this Act, there are hereby authorized to be appropriated $825,000,000 for each of the fiscal years ending September 30, 1983, September 30, 1984, and September 30, 1985.".

TITLE IX—MISCELLANEOUS

ROUNDING DOWN

SEC. 901. (a) The second sentence of section 3(o) (7 U.S.C. 2012(o)) (as amended by section 102 of this Act) is amended—

(1) in clause (1), by inserting "(based on the unrounded cost of such diet)" after "adjustments"; and

(2) in clauses (6) through (10), by striking out "nearest dollar increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment for each household size".

(b) Section 5(e) (7 U.S.C. 2014(e)) is amended—

(1) in the second sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment"; and

(2) in the proviso of clause (2) of the fourth sentence, by striking out "nearest $5 increment" each place it appears and inserting in lieu thereof "nearest lower dollar increment".

(c) The first sentence of section 8(a) (7 U.S.C. 2017(a)) is amended by inserting "lower" after "nearest".

STUDIES

SEC. 902. (a) The second sentence of section 5(g) (7 U.S.C. 2014(g)) is amended—

(1) by striking out "(1)" after "shall"; and

(2) by striking out ", and (2)" and all that follows through "1978".

(b) Section 8(a) (7 U.S.C. 2017(a)) is amended by striking out the second sentence.

(c) Section 17 (7 U.S.C. 2026) is amended by striking out subsections (d) and (e) and redesignating subsection (f) as subsection (d).

TITLE X— EFFECTIVE DATES

EFFECTIVE DATES

SEC. 1001. (a) Except as provided in section 702(c) of this Act, the amendments made by this Act shall become effective on the date of enactment of this Act.

(b)(1) Section 117 of the Omnibus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note) is amended by inserting "upon the date of enactment of this Act" after "effective".

(2) Section 1338 of the Food Stamp and Commodities Distribution Amendments of 1981 (7 U.S.C. 2012 note) is amended by inserting "upon the date of enactment of this Act and implemented" after "effective".

By Mr. ABDNOR (for himself, Mr. STAFFORD, Mr. MOYNIHAN, and Mr. RANDOLPH):

S. 2494. A bill to authorize support for an ongoing program of water resources research; to the Committee on Environment and Public Works.

WATER RESOURCES RESEARCH ACT OF 1982

● Mr. ABDNOR. Mr. President, on May 15 of last year, the Committee on Environment and Public Works reported S. 1095 to the Senate. While I believe that S. 1095 provides an important and responsible approach toward several difficult water resources issues, the bill attracted controversy far beyond its actual scope or intent.

S. 1095 contains three essential components:

Creation of a new national board to assist the Congress, the executive branch, and the States in coordinating water resources project policy at the Federal level.

A new effort to assist the States in planning their own water resources activities.

A new water resources research effort, one that would better target research efforts than the program now in effect.

Congressional inaction on this important bill undermines the sound development of our Nation's water resources.

It is fair to say that the controversy over S. 1095 centers on title I, that portion of the bill establishing a "National Board of Water Policy." Other titles of S. 1095 appear far less controversial. Certainly, that is true of title III, which promotes water resources research. Title III authorizes a continued Federal responsibility for a water resources research program, operated through our fine land-grant universities. The Senate Committee on Environment and Public Works set aside specific funds for this program in its fiscal year 1983 recommendations to the Budget Committee, as well as in the reconciliation law a year ago.

To make every effort to assure a favorable resolution in the effort to continue a water research program (and possibly a solution to the other issues in S. 1095), I am today introducing new legislation. This bill is essentially identical to title III of S. 1095. I am very pleased that the distinguished Senator from Vermont, the chairman of the Committee on Environment and Public Works (Mr. STAFFORD) has agreed to cosponsor the bill, as well as the distinguished Senator from New York (Mr. MOYNIHAN) and the distinguished Senator from West Virginia (Mr. RANDOLPH).

I would hope that the Committee on Environment and Public Works will be able to act favorably on this new bill within the next week. Mr. President, I ask unanimous consent that a copy of the bill be printed at this point in the RECORD, together with the appropriate portions of the committee's report on S. 1095 that explained the research portions of that bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be cited as the "Water Resources Research Act of 1982."

SEC. 2. The Congress finds and declares that—

(a) The existence of an adequate supply of water of good quality for the production of materials and energy for the Nation's needs and for the efficient use of the Nation's energy and water resources is essential to national economic stability and growth, and to the well-being of the people;

(b) There is an increasing threat of impairment to the quantity and quality of surface and groundwater resources;

(c) The Nation's capabilities for technological assessment and planning and for policy formulation for water resurces must be strengthened at the Federal, State, and local governmental levels;

(d) There should be a continuing national investment in water and related research and technology commensurate with growing national needs;

(e) It is necessary to provide for the research and development of technology for the conversion of saline and other impaired waters to a quality suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and,

(f) The pool of scientists, engineers, and technicians trained in fields related to water resources constitutes an invaluable natural resource which should be increased, fully utilized, and regularly replenished.

SEC. 3. It is the purpose of this Act to assist the Nation and the States in augmenting their water resources science and technology as a way to—

(a) Assure supplies of water, sufficient in quantity and quality, to meet the Nation's expanding needs for the production of food, materials, and energy;

(b) Identify and find practical solutions to the Nation's water and water resources related problems, particularly those problems related to impaired water quality;

(c) Promote the interest of State and local governments as well as private industry in research and the development of technology that will reclaim waste water and to convert saline and other impaired waters to waters suitable for municipal, industrial, agricultural, recreational, and other beneficial uses; and

(d) Coordinate more effectively the Nation's water resources research programs.

SEC. 4. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to assist the work of any water resources research and technology institute, center, or equivalent agency (hereinafter referred to as the 'institute') established in the States in accordance with the terms of subsection (f) of this section.

(b) Each designated institute shall—

(1) have responsibility for planning, conducting, and/or arranging for competent research in relation to water resources, including investigations and experiments of either a basic or practical nature, or both; to promote the dissemination and application of the results of these efforts; and to provide for the training of scientists and engineers through such research, investigations, and experiments, and

(2) cooperate closely with other colleges and universities in the State that have demonstrated capabilities for research, information dissemination, and graduate training in order to develop a statewide program designed to resolve State and regional water and related land problems. Such institute shall also cooperate closely with regional consortia, as may be designated by the Secretary to increase the effectiveness of the institutes and for the purpose of regional coordination.

(c) Prior to the receipt each fiscal year of funds authorized by subsection (e) of this section, each institute shall submit to the Secretary for his approval a water research program that includes assurances, satisfactory to the Secretary, that such program was developed in close consultation and collaboration with the director of that State's department of water resources, or similar agency, and other leading water resources officials with the State including interested members of the public. The program described in the preceding sentence shall include plans to promote research, training, information dissemination, and other activities meeting the needs of the State and Nation, and encourage regional cooperation among institutes in research into areas of water management, development, and conservation that have a regional or national character.

(d) From the sums appropriated pursuant to subsection (e) of this section, the Secretary shall make grants to each designated institute to be matched on a basis of no less than one non-Federal dollar for every Federal dollar during the fiscal years ending September 30, 1983, and September 30, 1984, one and one-half non-Federal dollars for each Federal dollar during the fiscal years ending September 30, 1985, and September 30, 1986, and two non-Federal dollars for each Federal dollar during the fiscal year ending September 30, 1987.

(e) There is hereby authorized to be appropriated to the Secretary for the purpose of carrying out this section the sum of $8,100,000 during each of the fiscal years ending September 30, 1983, through September 30, 1987.

(f) For the purpose of this section, an institute may be established at one college or university in each State, which was established in accordance with the Act approved July 2, 1862 (12 Stat. 503; 7 U.S.C. 301ff), entitled "An Act donating public lands to the several States and territories which may provide colleges for the benefit of agriculture and the mechanic arts' or some other institution designated by act of the legislature of the State concerned: *Provided* That (1) if there is more than one such college or university in a State established in accordance with said Act of July 2, 1862, funds under this section shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to the one such college or university designated by the Governor of the State to receive the same, subject to the office's determination that such college or university has or may reasonably be expected to have the capability of doing effective work under this title; (2) two or more States may cooperate in the designation of a single institute or regional institute, in which event the sums otherwise allocated to institutes in each of the cooperating States shall be paid to such regional institute.

SEC. 5(a)(1) In addition to the grants authorized by section 4 of this Act, the Secretary is authorized to make grants, on a dollar-for-dollar matching basis, to the institutes established pursuant to section 4 of this Act, as well as other qualified educational institutions, private foundations, private firms, individuals, and agencies or local or State government for research concerning any aspect of a water-related problem which the Secretary may deem to be in the national interest, including the operation of test facilities.

(2) In cases where the Secretary determines, according to criteria established by him, that research under this section is of a basic nature which would not otherwise be undertaken, the Secretary may approve grants under this section on a matching requirement other than that specified in paragraph (1) of this

(b) Each application for a grant pursuant to this section shall state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the importance of the project to the Nation as well as to the region and State concerned, its relation to other known research projects previously or currently being pursued, and the extent to which it will provide an opportunity for the training of water resources scientists. No grant shall be made under this section except for a project approved by the Secretary, and all grants shall be made upon the basis of the merit of the project and the need for the knowledge it is expected to produce when completed.

(c) The sum of $13,000,000 is authorized to be appropriated to the Secretary for the purposes of grants under this section, as well as for administration of grants under this section and grants to the institutes under section 4 of this Act for each of the fiscal years ending September 30, 1983, through September 30, 1987.

SEC. 6. The type of research to be undertaken under the authority of section 5 of this Act and to be encouraged by the institutes established under section 4 of this Act shall include, without being limited to:

(a) Aspects of the hydrologic cycle;

(b) Supply and demand for water;

(c) Demineralization of saline and other impaired waters;

(d) Conservation and best use of available supplies of water and methods of increasing such supplies;

(e) Water reuse;

(f) Depletion and degradation of ground water supplies;

(g) Improvements in the productivity of water when used for agricultural and commercial purposes;

(h) The economic, legal, engineering, social, recreational, biological, geographic, ecological, and other aspects of water problems;

(i) scientific information dissemination activities, including identifying, assembling, and interpreting the results of scientific and engineering research on water resources problems; and

(j) Providing means for improved communication of research results, having due regard for the varying conditions and needs for the respective States and regions.

SEC. 7. Notwithstanding any other provision of law, the Secretary shall be governed by the provisions of sections 9 and 10 of the Federal Nonnuclear Energy, Research, and Development Act of 1974 (Public Law 93-577; 88 Stat. 1887, 1891; 42 U.S.C. 5908-5909) with respect to patent policy and to the definition of title to, and licensing of inventions made or conceived in the course of, or under any contract or grant pursuant to this title; *Provided, however,* That subsections (l) and (n) of section 9 of such Act shall not apply to this Act: and *Provided further,* That, subject to the patent policy of section 408, all research or development contracted for, sponsored, cosponsored, or authorized under authority of this title, shall be provided in such manner that all information, data, and know-how, regardless of their nature or mediums, resulting from such research and development will (with such exceptions and limitations, if any, as the Secretary may find to be necessary in the interest of national defense) be usefully available for practice by the general public.

SEC. 8. (a) Public Law 95-467 is repealed.

(b) Rules and regulations issued, prior to the date of enactment of this Act, under the authority of Public Law 95-467 shall remain

in full force and effect under this Act until superseded by new rules and regulations promulgated under this Act.

EXCERPTS FROM SENATE REPORT 97-120

TITLE III

The Committee rejected a transition to an identical, competitive approach for the funding of the 54 State water resources research institutes. Instead, it adopted an approach designed to eliminate the weaker institutes by a requirement for increasing for the non-Federal match. In the initial two years of this program, the match will be one-to-one. In fiscal year 1984, the State research institutes will be required to provide a 3-to-2 match for Federal assistance; in fiscal year 1985 the match will be 2-to-1.

A strictly competitive approach might favor the larger State universities and States. By contrast, a rising level of the non-Federal share should allow all States to continue to receive this support, if the State or the university increases its share of the costs of administering a program and the institute. It must be noted that the non-Federal share for each institute must be in cash, not in-kind contribution.

The Committee recognizes the opportunity to improve the general quality of research work on water. By increasing the non-Federal contribution, and requiring that such contribution be in cash, States and universities not seriously committed to an effective water research program will no longer be able to depend solely on Federal funding for their research institutes.

This bill provides a two-year transition period to enable the State water departments and the institutes to work with their State legislatures to augment their present efforts. After that, the less effective programs in both categories will lose Federal support. The cost of such an approach to the Federal taxpayer is small relative to the benefits of a more selective program.

This bill also encourages greater regional cooperation among the water institutes, as well as among the States. While the States are a very effective tool in the national effort to improve the utilization of our water resources, we can strengthen that approach when the States work together to manage their water resources on a regional basis.

Title III also authorizes a general water research program open to any competent scientific group. This recognizes the need to continue a strong Federal presence in the development of improved technologies for desalting brackish and other mineralized waters. Improvements in desalting technology offer a great opportunity for improving the quality of water that is pumped from underground aquifers for use in households, industry, and agriculture.

Under present law, the basic water research program, and the program focused on saline water problems, are funded separately. This legislation combines funding in order to assure the Office greater flexibility. It is, of course, expected that saline water research will continue to receive significant attention under the program authorized by title III. While that support may include the financing of small, pilot-plants, the bill includes no authority for demonstration plants.

* * * * *

TITLE III—WATER RESOURCES RESEARCH

Section 301. This title establishes a new approach to the Federal water resources research programs. The present program of grants for all institutes will be changed to require increased non-Federal financial commitments. Initially, the Office is authorized to grant $150,000 to each of the 54 state water research institutes during fiscal year 1982 and fiscal year 1983. During these two years, Federal funds must be matched on a one-to-one basis by non-Federal funds. In fiscal year 1984, the non-Federal match increases to 1.5-to-1; in fiscal year 1985 it again increases to 2-to-1. These grants can be made only after an institute submits a water research program, with assurances that the program was developed in close coordination with that State's department of water resources.

Section 302 authorizes $12,000,000 annually for specific water research grants, to be available to any qualified group or individual—State institutes, as well as other universities, corporations, river basin commissions, and foundations. Specific research grants will be awarded on a competitive basis, and must be matched on a one-to-one basis by non-Federal funds. The Director of the Office may adjust the matching requirement for basic research which might otherwise not be undertaken.

This section includes language that is quite broad in allowing grants for research in a wide variety of water problems. This section is designed to be broad. It does not simply encourage work on a practical application for such items as improved irrigation efficiency, no matter how valuable that may prove. The section is designed also to encourage the most basic types of research on water, research that may someday produce dramatic gains in human knowledge.

Section 303 specifies the type of research, from desalting to conservation, that will be eligible for a section 302 grant and to be encouraged under the section 301 programs.

Section 304 contains the requirement that institutes can only be established at a land-grant university. There can be only one institute per State.

Section 305 states that information developed under a section 301 or 302 grant be available to all.●

By Mr. THURMOND (by request):

S. 2495. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968; to the Committee on the Judiciary.

JUSTICE SYSTEM IMPROVEMENT AMENDMENTS

Mr. THURMOND. Mr. President, today, I am introducing legislation at the request of the administration which adds several amendments to the Omnibus Crime Control and Safe Streets Act of 1968.

Section 816 is amended to provide that the 1-year report described in section 816(a) shall not be prepared for any fiscal year in which funds were not appropriated for parts D, E, F, and G of the act. In addition, the 3-year report described in section 816(c) shall not be prepared for any 3-year period in which funds were not appropriated for parts D, E, F, and G of the act in each year.

Section 827(a) is amended to assure that inmates injured in the the course of certified prison industry enhancement programs are compensated for their loss, and to remove any inferences that a State must accept the role of "employer" of its inmates.

Section 827(b) is amended to exempt goods produced under a certified prison industry enhancement program from the revised Hawes-Cooper Act, 49 U.S.C. 11507. This exemption will permit those goods to be marketed in every State, thereby inducing both State and private industry participation in the program.

Section 1301 is amended to permit LEAA grantees and subgrantees to take title to personal property purchases with LEAA grant funds if they certify the property will be used for criminal justice purposes. If they do not so certify, title will vest in the State Criminal Justice Council, which must seek to have it used for such purposes elsewhere in the State prior to using it or disposing of it in any other manner.

Mr. President, I ask unanimous consent that the executive communication from the Department of Justice expressing the position of the administration and a copy of the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2495

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Justice System Improvement Amendments of 1981."

SEC. 2. Title I of the Omnibus Crime Control and Safe Streets Act of 1968 is amended as follows:

(a) Section 816 is amended by adding the following new paragraph:

"(f) The Administrator of the Law Enforcement Assistance Administration shall not prepare the report required by section 816(a) for any fiscal year in which funds were not appropriated for parts D, E, F, and G, of this title. The Administrator shall not prepare the report required by section 816(b) for any three year period in which funds were not appropriated for parts, D, E, F, and G in each year."

(b) Section 827(a) is amended by deleting subsection (2) and substituting the following:

"(2) are entitled to compensation for injury sustained in the course of participation in these projects;"

(c) Section 827(b) is amended by adding the following sentence at the end thereof:

"The second sentence of Section 11507 of Title 49 is amended by adding after the word 'use' the following:

', or to commodities produced by a project designated by the Administrator of LEAA under Section 1761(c) of title 18, United States Code'."

(d) Section 1301 is amended by adding the following new paragraph:

"(1) Notwithstanding any other provision of law, title to all expendable and nonexpendable personal property purchased with funds made available under this title shall vest in the criminal justice agency or nonprofit organization that purchased the property if it certifies to the appropriate State criminal justice council, or its successor agency, that it will use the property for

criminal justice purposes. If such certification is not made, title to the property shall vest in the State criminal justice council, or its successor agency, which shall seek to have it used for criminal justice purposes elsewhere in the State prior to using it or disposing of it in any other manner."

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C., August 31, 1981.

The VICE PRESIDENT,
U.S. Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: I am forwarding for your consideration a legislative proposal that would make several amendments to the Omnibus Crime Control and Safe Streets Act.

The proposed bill would facilitate the efforts of the Law Enforcement Assistance Administration (LEAA) and the Office of Justice Assistance, Research, and Statistics (OJARS) to terminate their program functions in an orderly manner. It would also remove several impediments to the success of the LEAA Prison Industry Enhancement program authorized by the Justice System Improvement Act, Pub. L. 96-157 (JSIA). That program is not dependent on continued funding for LEAA grants.

As you know, the FY 1981 appropriation for the Department of Justice allocates no criminal justice program funds to either LEAA or OJARS. The President's budget proposal for FY 1982 would also authorize no grant funds for LEAA or OJARS.

The Department of Justice has prepared, and is executing, a plan to conclude LEAA and OJARS program activities. A crucial feature of the LEAA/OJARS plan is the Department's intention to assure that every dollar of LEAA and OJARS assistance already awarded is expended in accordance with Federal cost and audit standards. In light of the steadily decreasing workforce at LEAA and OJARS it is imperative that remaining employees be permitted to devote themselves to achievement of that goal. Those sections of the Crime Control Act that require LEAA and OJARS employees to perform functions that have become less important in light of the Administration's budget plans should, therefore, be amended. The proposal accordingly includes an amendment to the Crime Control Act that would free LEAA staff of the obligation to prepare the detailed one-year and three-year reports required by the Act.

Another amendment to the Crime Control Act would permit LEAA recipients to retain title to personal property purchased with grant funds if they certify that the property will be used for criminal justice purposes. If they do not so certify, title will pass to the State Criminal Justice Council, which must seek to have it used for criminal justice purposes elsewhere in the State prior to disposing of it in any other manner. This amendment will avoid two less desirable results possible under Office of Management and Budget Circulars No. A-102 and A-110: (1) continued use by the grantee for non-criminal justice purposes; or (2) return of the property or its cash value to LEAA.

The final two proposed amendments would significantly enhance LEAA's ability to sponsor a successful "Prison Industry Enhancement" program under the Crime Control Act. The 1979 amendments to the Act authorized the Administrator of LEAA to certify up to seven pilot projects for the development of meaningful prison industry programs. In order to induce prison and private industry participation in the program, the Act offered an exemption from two Federal statutory restrictions on the sale and transportation of prison-made goods. The first of our two proposed amendments would also exempt the goods produced under this program from the revised Hawes-Cooper Act, 49 U.S.C. 11507, which, in essence, permits a State to keep goods made in an out-of-state prison from crossing its borders. This exemption would permit unrestricted national marketing of these goods, and accordingly offer both private industry and state corrections systems a significant economic inducement to operate meaningful and diverse prison industry programs.

The second amendment would eliminate the requirement that states participating in prison industries programs afford inmates workman's compensation and other "employment"-related protections. These requirements have proven to be a disincentive to several state correction departments who, by state law or policy, cannot accept the role of "employer" of their inmates. In order to rectify this problem, and to retain the protection of the Act intended to afford to inmates injured "on the job," our amendment would require a participating State to afford inmates "compensation for injury sustained in the course of participation" in the project.

I recommend prompt and favorable consideration of the attached technical amendments.

The Office of Management and Budget has advised that there is no objection to the submission of this legislation from the standpoint of the Administration's program, and that its enactment would be consistent with the Administration's objectives.

Sincerely,

ROBERT A. MCCONNELL,
Assistant Attorney General,
Office of Legislative Affairs.

By Mr. GARN (for himself and Mr. D'AMATO) (by request):

S. 2496. A bill to amend the Securities Exchange Act of 1934 to allow the Commission to accept reimbursement for travel, subsistence, and other necessary expenses incurred by members and employees in attending conferences; to the Committee on Banking, Housing, and Urban Affairs.

REIMBURSEMENT FOR CERTAIN EXPENSES OF SECURITIES AND EXCHANGE COMMISSION MEMBERS

● Mr. GARN. Mr. President, I am introducing today, for myself and Senator D'AMATO, by request, a bill which would amend the Securities Exchange Act of 1934 to enable the Securities and Exchange Commission to accept reimbursement for travel and subsistence expenses incurred by SEC members or employees under certain circumstances.

I ask unanimous consent that the text of the bill, together with a copy of a letter from SEC Chairman Shad transmitting the proposal and a brief analysis prepared by the SEC, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2496

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end thereof the following new subsection:

"(c) In accordance with regulations which the Commission shall prescribe to prevent conflicts of interest, the Commission may accept payment and reimbursement, in cash or in kind, from non-Federal agencies, organizations, and individuals for travel, subsistence, and other necessary expenses incurred by Commission members and employees in attending meetings and conferences concerning the functions or activities of the Commission. Any payment or reimbursement accepted will be credited to the appropriated funds of the Commission. The amount of travel, subsistence, and other necessary expenses for members and employees paid or reimbursed under this subsection may exceed *per diem* amounts established in official travel regulations, but the Commission may include in its regulations under this subsection a limitation on such amount.".

SECURITIES & EXCHANGE COMMISSION,
Washington, D.C., December 22, 1981.

Hon. JAKE GARN,
Chairman, Senate Committee on Banking, Housing, and Urban Affairs, Washington, D.C.

DEAR CHAIRMAN GARN: I am pleased to transmit, on behalf of the Securities and Exchange Commission, the attached legislative proposal, which would amend the Securities Exchange Act of 1934. The legislation the Commission is proposing would permit the Securities and Exchange Commission to accept, under circumstances carefully tailored to avoid conflicts of interest, payments and reimbursements which defray the cost of travel and subsistence incurred when Commission members or employees attend non-federally sponsored meetings concerned with the functions or activities of the Commission.

The proper administration of the federal securities laws and the rules thereunder depends, in large part, on the existence of an informed industry, securities bar and public. The Commission has, over the last 45 years, found that a particularly effective means to achieve this goal is for Commission members and employees to participate in and attend meetings and conferences which focus on developments and emerging trends in securities regulation and related topics. In most instances, such participation and attendance have been in the form of Commission officials speaking at such programs. The existing constraints on accepting such reimbursement, coupled with the restrictions on the size of the Commission's travel budget, have compelled members of the Commission to limit their participation in educational and similar programs aimed at examining the federal securities laws and their impact.

Sponsoring organizations are often willing to pay the actual expenses of Commission members and employees invited to participate in meetings and conferences of an educational nature. While Commission employees may often accept such offers, an interpretation of the federal conflict of interest laws by the Comptroller General prohibits acceptance by Commissioners in most instances. The Comptroller General, however,

has determined that when an agency has the authority to accept the reimbursement as a gift to the agency, it may be accepted regardless of whether an officer or employee of the agency is involved. While a number of federal entities currently have such authority, the Commission does not.

Giving the Commission such authority would permit Commissioners to continue to engage in educational functions, while placing the burden of the cost of such participation appropriately on its primary beneficiaries, those who constitute the audiences. Moreover, as described in the attached legislative proposal, the circumstances under which such reimbursement would be accepted by the Commission would be carefully tailored to avoid any real or apparent conflicts of interest.

The views expressed here and in the accompanying materials are those of the Commission, and do not necessarily represent the views of the President. These materials are being simultaneously submitted to the Office of Management and Budget. We will inform you of any advice received from that Office concerning the relationship of these materials to the program of the Administration.

Sincerely,

JOHN S. R. SHAD.

ANALYSIS

This bill would amend the Securities Exchange Act of 1934 to give the Commission the authority to accept, on behalf of the agency, payment and reimbursement for travel and subsistence expenses actually incurred by Commission members or employees in connection with their attendance and participation at conferences and meetings concerned with the functions or activities of the Commission. This amendment is intended to permit the Commission to accept such reimbursement under circumstances which the Comptroller General has deemed consistent with the Federal conflict of interest laws and which are in accord with the Commission's own regulations prohibiting actual or apparent conflicts.

Reimbursement for travel and subsistence expenses actually incurred by members and employees of the commission in connection with attendance at and participation in educational meetings can now, under certain circumstances, be accepted directly by the member or employee involved. While employees of the Commission generally can accept such reimbursement, members of the Commission are severely limited in the number of circumstances in which they can accept reimbursement. As a result, on many occasions, travel by members of the Commission must be paid for from the Commission's appropriated funds or from a member's personal funds. This amendment is intended to shift the responsibility for accepting reimbursement from the individual member or employee of the Commission to the Commission itself. This would permit acceptance of reimbursement for expenses of both members and employees under the same terms.

The Comptroller General has ruled that travel and subsistence expenses for government officers or employees traveling on official travel orders must be paid by the employing agency from appropriated funds.[1] If the agency has the authority to accept gifts, the agency may accept a gift of travel and subsistence expenses, in cash or in kind, without receiving an improper augmentation of its budget.[2] In turn, reimbursement to the officer or employee comes from the agency in accordance with existing travel regulations.[3]

In accordance with the Comptroller General's ruling this amendment provides that payments and reimbursements accepted by the Commission will be credited to the agency's appropriated funds, and to that extent, augment the agency's authorization. Further, payments and reimbursements would be paid directly to the agency. Members and employees would travel on official orders from the Commission and would be reimbursed by the Commission in accordance with federal travel regulations.

However, the Commission believes that when members and employees are participants in meetings and conferences, they are often not at liberty to make their own accommodations, such arrangements being made by the sponsor organization. Per diem amounts are generally not sufficient to pay the usual accommodation expenses at meetings and conferences. Accordingly, the Commission believes it is appropriate that existing per diem regulations not apply when travel and subsistence expenses are reimbursed to the Commission. The amendment, therefore, provides that travel and subsistence expenses for Commission members and employees, which are paid by non-federal entities, would not be limited by the per diem regulations of official government travel regulations.

The amendment requires the Commission to adopt or maintain regulations which will prevent real or apparent conflicts of interest in situations where reimbursement for travel and subsistence expenses by Commission members and employees is accepted from non-federal entities.●

By Mr. HEINZ:

S. 2497. A bill to promote the principles of free and fair trade, and for other purposes; to the Committee on Finance.

OMNIBUS TRADE ACT OF 1982

● Mr. HEINZ. Mr. President, the multilateral trade negotiations (MTN) and the Trade Agreements Act of 1979 that grew out of it represent a watershed in the development of American trade policy. That law is the culmination of years of negotiation and extensive work by the administration, the Congress, and many private sector parties. I supported that bill at the time it passed, and I support it now. It was a legitimate and constructive effort to update our international trade rules and conform U.S. law to them.

Nevertheless, in the intervening 2½ years several difficulties have become apparent which require additional congressional action. These can be placed in three categories:

First, problems left untouched by the MTN;

Second, problems caused by the MTN or unexpected developments that have occurred; and

Third, new trade problems that have developed despite the MTN and Trade Agreements Act of 1979.

UNTOUCHED PROBLEMS

In this category there are two—how to handle unfair trade practices by nonmarket economies and what to do about a safeguards code.

The nonmarket economy problem is one I have discussed before, and it is the subject of previous legislation I have introduced—S. 958. The bill I am introducing today includes the text of S. 958 as title IV.

In my view consideration of the nonmarket economy problem is particularly important due to the growing complexity of our trade relations with Socialist economies. Increased trade has produced more unfair trade practice cases involving nonmarket economies and consequently more dissatisfaction with present law. Most of it is based on one fundamental deficiency—the concept of dumping—sales at less than fair value—is inherently a free-market concept. It is useful only to the extent that costs and prices in an economy are real, so that a fair value can be determined. With rare exceptions, these conditions do not exist in a nonmarket economy, and our law has become seriously contorted in an effort to deal logically with this fundamental inconsistency.

Since 1978, U.S. administrative regulations have attempted to cope with these problems through the use of the comparable economy concept. In this approach, a free-market country at a comparable stage of economic development with the nonmarket country is selected and the price of a like article in that economy (or the constructed value of the article—what it would cost to produce it) is used to make the comparison.

This concept, however, is flawed in several important respects, notably in its two basic assumptions that a simple and accurate basis exists for determining when economies are at comparable stages of development and that comparable overall levels of development—assuming such can be determined—mean comparable levels within a particular industry. For example, when a country has targeted a particular industry for rapid development in order to stimulate its export sector, the level of development in that industry is likely to be greater than the economy as a whole, thus making industry specific comparisons based on aggregate national analyses highly misleading.

Title IV of the bill (and S. 958) seeks to deal with this problem by replacing both section 406 of the Trade Act of 1974 and the nonmarket sections of the Antidumping Act with a new system based on the principles of treating nonmarket economies as much like Western economies as possible and of providing a fairer and more

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[1] 36 Comp. Gen. 268 (1956).

[2] 46 Comp. Gen. 689 (1970).

[3] Id. at 690-691.

certain means of determining whether an unfair practice has occurred.

Let me emphasize this latter point—GAO studies and other evidence presented to Congress in different contexts makes clear that uncertainty is one of the major deterrents to trade. One of the biggest drawbacks of present law is the uncertainty that the investigatory process creates for both parties in a dispute.

In title IV, an interested party could file a complaint against a nonmarket economy alleging artificial pricing. Procedures and time limits for the ensuing investigation are the same as in a countervailing duty investigation.

During the course of the investigation, the Commerce Department would consult with the nonmarket economy's government and solicit from it information that would enable the Department to determine dumping or the presence of a subsidy subject to the standards of current law for free-market economies.

If, in the Department's judgment, sufficient, verifiable information is provided to permit the case to be treated as a normal antidumping or countervailing duty case, then the Department shall do so, moving the investigation to the appropriate track at the same point in time, and applying the injury test as appropriate if the nonmarket economy in question has signed the relevant code. Of course, the provisions of those statutes permitting suspension of the investigation would also apply, as would all other provisions of current law.

In those cases where the nonmarket economy will not or cannot provide the necessary information, preventing the complaint from being handled in a normal way, a different standard would be employed. That standard would define artificial pricing as sales below the price of the lowest average price free-market producer with appropriate adjustments. Even in this case, however, the petition would be treated pursuant to the timeframes and procedures applicable to countervailing duty investigations in existing law. In short, the current concept of a section 406, which in many ways parallels section 201, would cease to exist, and instead the section would be redesigned to deal with unfair trade practices by nonmarket economies rather than simple market disruption. The latter could be handled through existing escape clause procedures under section 201 of the Trade Act of 1974. This approach is more consistent with the division in current law between fair and unfair trade practice relief provisions and is intended to conform to that division.

In my judgment, we have tried to create with this approach a carrot and stick mechanism that will encourage nonmarket economies to cooperate with our Government in investigating the allegations in petitions filed against them and to adjust their economies in a way that will permit such cooperation to take place. Every opportunity is presented to treat these countries in these cases precisely as all other nations are treated under our laws, even to the extension of the injury test in appropriate cases. This represents a "liberalizing" of present law; while at the same time the alternative "lowest average price free market producer" test provides a certainty and administrative ease of determination absent in present regulations.

SAFEGUARDS

The safeguards problem is also a complex one. Agreement has not been reached on a code, and dissatisfaction with the present situation lingers.

For my own part, I have long been bothered by the way our law operates. Sections 201-203 of the Trade Act of 1974 provide an escape clause mechanism whereby industries injured by imports can seek relief. The relief is designed to be temporary and only sufficient to give the impacted industry time—a "breathing space"—to adjust to competitive circumstances. The preparation of an adjustment plan is increasingly becoming an important part of the escape clause process.

The chief flaws in the process, in my judgment, are the interagency process that considers the International Trade Commission's recommendation, and the sorry record of the most recent administrations, particularly the last one, in accepting ITC recommendations. The Commission is the independent body best equipped to objectively and accurately render a judgment and make recommendations in these matters. I believe it is the intent of Congress that adherence to the ITC recommendation be the rule rather than the exception it has been for at least the past 5 years. During the Carter administration, for example, the ITC recommended relief in 17 of 28 escape clause cases. In none of those the President took the recommended action, although in nine he did take some action.

In part this was the President's fault; in part the fault of an interagency review process which is characterized by most participants taking a predetermined position that rarely changes from case to case. That forces the brokering of a compromise which is invariably unrelated to the merits of the case and usually inadequate because it is incomplete. As a result the industry gets less protection or "leakier" protection that it deserves or needs, and thus does not have the proper climate for adjustment. Its failure thus becomes a self-fulfilling prediction for the opponents of relief who use that to fight a renewal or revision. Not surprisingly, there have been very few successful cases of adjustment. Specialty steel is the one that comes to mind.

The inadequacy of the process requires some reform: a closer relationship between the ITC's recommended relief and the relief actually implemented, and an appropriate standard of injury and causation that can actually be met.

My bill would meet both those objectives. If enacted, the President would be required in all but exceptional cases to follow the ITC's recommendations. He could disagree with the Commission and implement a different relief plan (or no relief) only if both Houses of Congress approved his alternative. This would give the President the flexibility he needs to deviate from the Commission's recommendation if the national interest so dictated, but it would insure that such deviations were the exception rather than the rule. Moreover, if the President did recommend an alternative to the Congress, he would have to certify that it also ameliorated the injury to the same degree as the Commission's recommendation.

With respect to the injury test, my bill would conform it to the same standard of material injury presently used in dumping and countervailing duty cases, and it would conform the "causation" standard—the necessary link between imports and injury to the level provided in the trade adjustment assistance program. These changes will make the escape clause process more effective and will promote more genuine adjustment.

Over the long term, of course, the Congress should also turn its attention to the more complex problem of encouraging meaningful economic adjustment domestically. One of the innovative approaches that deserves serious consideration is the idea that in return for full implementation of a strong import relief program, labor and management in the affected industry should get together on an adjustment plan for the industry. While I believe such relief is something industry is entitled to under our law, it makes sound economic sense to encourage an affected sector to evaluate critically its own situation and to work together—labor and management—to improve its competitive position. In some cases that might imply concessions from one side to the other. In other cases, such as are occurring with the mushroom industry now, it implies only a careful appraisal of what future directions are likely to be profitable, and it has led in that case to the introduction of domestic marketing order legislation by Senator SPECTER, Congressman SCHULZE, and myself.

Let me clear, Mr. President, that I am not now advocating such a comprehensive adjustment program, and it is

not a part of this bill. I do intend, however, to give it further study.

PROBLEMS CAUSED BY THE MTN

In this category there are two issues involving the Subsidies Code and our antidumping law.

SUBSIDIES CODE AND SIGNATORY COMMITMENTS

The centerpiece of the MTN was a new Subsidies Code which defined the term "subsidy" more clearly and specifically permitted signatories to take action against subsidized imports if they were injuring the domestic industry.

This effort to impose greater discipline over subsidies is of tremendous importance to the international economic system. Export subsidies distort the free market system by permitting a country to maintain or increase production and employment through artificially low prices, with the Government making up the losses. Over the long term this practice seriously damages an economy by draining Government resources into relatively unproductive sectors and distorting comparative advantages at the expense of competitive sectors. Over the short term, however, such practices permit a hard-pressed Government to maintain employment and effectively export its economic problems to other nations, most often the United States, which has historically had the most open trading system.

A classic example of this problem has been the European Community's steel industry. For years a number of EC nations, notably Great Britain, France, and Italy, have subsidized production to maintain employment in the face of growing uncompetitiveness. Last year British steel loss $1.3 billion; yet it continues in operation thanks to Government payments. The EC has recognized this problem in steel and has begun a politically painful series of actions to rationale the industry by reducing it to its most productive parts. It has not yet recognized the problem in agriculture despite the growing cost of subsidies. Last year the EC's common agricultural policy cost over $11 billion in support payments, 70 percent of their budget, much of which has been financed through a variable levy on imported agricultural products, including those of the United States.

Both the last administration and the current one have condemned susidies and promised aggressive enforcement of our trade laws against them. Clearly, as the freest trader, we have the most to gain, in principle and in reality, through the reduction of others' subsidy practices.

Unfortunately, inflation, large energy bills, slowing development, and the need for hard currency to finance growing debt burdens have encouraged a growth in subsidies practices among developing nations who have not yet signed the Subsidies Code and created serious difficulties for our efforts to obtain more signatures to the Code, and thereby more discipline over subsidies.

Signing the Code has a major benefit for lesser developed countries (LDC's)—the application of an injury standard. Under our laws our obligation to provide countervailing (compensating) duties against subsidized products if they are injuring our industry extends only to countries that have signed the Code or which have accepted equivalent bilateral obligations. Other countries will have such duties imposed simply upon a finding that their products are subsidized. Since many LDC's export here in quantities presently too small to sustain an injury finding, whether or not the injury test is applied to their products is of great importance in determining the outcome of the case.

That is our leverage in obtaining meaningful commitments to end subsidies, and it is fair to say LDC's often begin to express an interest in signing the Code when there is a complaint against them in the United States, because such accession would give them the injury test in the United States in that case. This has happened in the cases of Pakistan (apparel), India (apparel, manhole covers, and fasteners), and Australia and New Zealand (lamb).

Unfortunately, our leverage in such cases to obtain a real commitment not to use subsidies is being squandered by an inconsistent policy inherited from the last administration. Every set of commitments we have obtained has been different, and most have fallen far short of the standard the administration indicated it would adhere to when the MTN was being completed.

At that time, USTR officials promised that the United States would not accept LDC Code signatures unless the country agreed: One, not to expand the range of subsidized products for export beyond those covered at the time of accession; two, not to raise the level of export subsidy; three, not to introduce new export subsidies; and four, to provide a timetable for phasing out existing export subsidies.

The fourth commitment—the phase-out timetable—is the most important and also the most difficult to obtain, because it demands a rollback from present practice.

It is here that our policy has fallen short. In the case of Pakistan the Carter administration accepted a more modest commitment. Subsequently, the Reagan administration accepted a similarly inadequate agreement with India. In the Reagan administration, the other commitments we have obtained have continued to differ from each other. The result is a policy which: One, does not meet the promised standard; two, exposes us to GATT charges of discrimination; and three, does not further our goal of reducing subsidies. Ambassador Brock in his testimony before the International Trade Subcommittee on February 11 admitted the inadequacy of the Indian and Pakistan commitments and the support of the administration for our original commitments policy as I have outlined it above.

To remedy those problems, I recently introduced S. 1511 which would put into law the four commitments listed above and require that our Government obtain them before granting the injury test. The text of that bill is included in this bill as title IV.

DUMPING

The Trade Agreements Act of 1979 amended and significantly changed the Antidumping Act and our countervailing duty law, but they did not solve all the attendant problems those statutes created. Indeed, subsequent practice with the law has suggested a number of areas that have simply not worked smoothly. While a number of needed changes will be reserved for later legislation, two are of sufficient importance to be included in this omnibus legislation.

The first proposed change relates to the calculation of exchange rates in determining dumping. As long as the system functioned with fixed exchange rates, this was no problem. When rates began to float, their variation over time could often eliminate dumping margins—or create them where none existed previously.

Charles Carlisle, vice president of St. Joe Minerals Corp., testified on this point on behalf of the group of 33 before the Trade Subcommittee of the Ways and Means Committee on December 16, 1981:

> The system of "pegged" exchange rates under the Bretton Woods Agreement was abandoned in 1973 in favor of a system of floating exchange rates. This has created serious distortions in the administration of the antidumping law which is based on the use of quarterly exchange rates (announced by the Federal Reserve at the beginning of each quarter) to compare the foreign producer's home market price to its export price to the U.S. market. That approach only works, however, when exchange rates are reasonably stable over the period of an antidumping investigation.
>
> Recognizing this problem, the Commerce Department has adopted a rule to negate any dumping margin which is caused soley by exchange rate fluctuations (19 CFR 35.26(b)). This is a sensible rule, except for one thing. It is entirely one-sided; it only applies where the foreign producer is adversely affected. There is no corresponding adjustment where the use of quarterly exchange rates adversely affects the American industry concerned. It appears that a statutory amendment is necessary to prevent the continued unfair skewing of the exchange rate adjustment rule against domestic industry and labor.

This section of the omnibus bill makes the necessary amendment.

DOWNSTREAM DUMPING

The phrase "downstream dumping" refers to the existence of two-tiered pricing for parts, components and raw materials used in the production of products imported into the United States. To illustrate:

A steel mill in Japan sells steel to U.S. metal fabricators at $100 per unit. It also sells the same steel to Japanese metal fabricators at $80 per unit. The Japanese fabricators in turn export their finished products to the U.S. market at a $20 per unit advantage on their raw material costs.

Such international price discrimination is obviously an unfair trade practice which the present antidumping provisions cannot redress. In this illustration the $80 price for steel would be a dumping price if the steel were exported to the United States directly. However, the Japanese steel mill is able to dump steel in the U.S. market through the Japanese metal fabricators, even though it could not export the steel directly to the U.S. market at $80 per unit without incurring antidumping duties.

The problem of "downstream dumping" is real, as documented during the September 10, 1981, hearing on industrial fasteners before the International Trade Commission. There, information supplied by Japanese fastener manufacturers showed that the price they paid for steel wire rod was substantially below the published U.S. trigger price for such wire rod. I ask unanimous consent that that table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARISON OF ANNEALED WIRE ROD PRICES IN JAPAN WITH TRIGGER PRICES

	Cost of carbon steel wire rod in Japan for selected Japanese fasterner manufacturers [1]		Trigger price for wire rod (AISI No. C1018 with annealing extras,[3] Dollars/MT	Differential (percent)
	Yen/KG	Dollars/MT [2]		
1980:				
1st quarter	78.8	323.56	405	20.1
2d quarter	85.5	367.44	[4] 430	14.5
3d quarter	85.5	388.50	[4] 430	9.7
4th quarter	85.5	405.85	455	10.8
1981:				
1st quarter	85.5	415.92	451	7.8
2d quarter	85.5	388.64	472	17.7
3d quarter	85.5	371.09	472	21.4

[1] Source: Prehearing brief of Fasteners Institute of Japan, table 8.
[2] Yen price converted to dollar based on following exchange rates: Dollar = 243.54, 1st quarter 1980; 232.69, 2d quarter 1980; 220.08, 3d quarter 1980; 210.67, 4th quarter 1980; 205.57, 1st quarter 1981; 220.00, 2d quarter 1981; and 230.4, Aug. 25, 1981. Source: IMF (except Aug. 25, 1981, rate from Wall Street Journal).
[3] Price for 7/32 in. to 39/64 in. diameter wire rod, F.O.B. Japanese port. This is lowest priced size in AISI No. C1018 category. C1018 is lowest priced category of 3 most commonly used categories of wire rod in fastener manufacturing. Source: Commerce Department.
[4] TPM suspended in 2d and 3d quarters 1980. Figures are an average of 1st quarter 1980 and 4th quarter 1980 trigger prices with annealing extras.

Mr. HEINZ. Mr. President, an amendment to prevent such downstream dumping is clearly needed. The incidence of downstream dumping adversely affects the domestic steel industry by reducing the demand for domestic steel mill products by displacing domestic production among a major customer group—U.S. metal fabricators. The second amendment in this title of the omnibus bill will clarify that such practices could be reached through the Anti-Dumping Act.

NEW PROBLEMS DEVELOPED SINCE THE MTN

Mr. President, just as the MTN did not solve all problems, neither did it anticipate all problems. In fact, in the past 2 years we have become increasingly sensitive to changes in our trade relationship with certain of the more successful developing countries and with our developed country trading partners.

With respect to developing countries, it is becoming increasingly clear that our GSP program is providing the lion's share of its benefits to countries that are no longer truly developing.

After more than 5 years of operation, there is considerable question as to whether the GSP program fully meets the intent of Congress. It has become apparent that GSP is helping most the countries which need it least—those which have developed the most, in areas where they need it the least, and that it helps least the lesser developed nations who need it most.

In 1979, Taiwan, Hong Kong, and Korea accounted for 50 percent of all GSP imports, and Brazil and Mexico for another 20 percent. With these five countries taking up 70 percent of GSP imports, little benefit from the program goes to the other 130 lesser-developed countries. It is also clear that the GSP program is failing to graduate the most advanced developing countries when the volume of their exports makes clear they are now fully competitive in particular economic sectors.

The distribution of GSP benefits among developing countries has been uneven. Those high-income beneficiaries which are the United States main trading partners also are the major beneficiaries of the U.S. scheme.

To deal more effectively with the need to encourage trade with the poorest countries, Senator MOYNIHAN, and I have introduced S. 1150, which would distribute GSP benefits more equitably. This proposal was initially suggested by LICIT, the Labor Industry Coalition for International Trade and introduced by Senator MOYNIHAN and myself in a different form in 1980 (S. 3201). This title is identical to S. 1150. Its major provision provides for an indexing/graduation system based on country and standard industrial classification (SIC) codes. Under the bill, a country would no longer receive GSP benefits for a product sector if its exports to the United States in that sector exceeded $250 million in 1 year—this figure to be indexed as in present law. The term "product sector" is defined as the appropriate two-digit SIC code, which is referred to in the SIC manual as a "major group."

Classification by this means would eliminate GSP treatment for the advanced sectors of an economy which are internationally competitive, yet retain GSP eligibility for a nation for other sectors of its economy, thus retaining intact the principle that the benefit of duty-free importation should be concentrated in areas that are not yet able to compete with industrial economies on equal terms.

It is important to note at this point that the graduation concept does not, by itself, necessarily lead to reductions in imports of the graduated products. If one examines product categories for the top seven suppliers which were graduated by the existing competitive need formula in 1978, one finds that in those categories those countries' imports still grew by 6.5 percent per year from 1977 to 1979, despite the graduation.

At the same time, however, imports of those products from other developing countries over the same period increased 23.3 percent per year. The obvious conclusion is that graduation can, indeed, lead to the focusing of benefits on the poorer nations because it "makes room" for LDC imports currently crowded out by imports from the more advanced developing nations. This proposal would carry this concept further.

One of the other serious problems with the present GSP system is the difficulty of removing items because of import sensitivity. Although a number of the most import-sensitive products are excluded from GSP by statute, many others are not, and it has become apparent that the administration seldom deletes an article from the GSP list because of import sensitivity. The administration's last two lists make some progress in that direction, but in my judgment it is not enough, and I am not convinced it will be sustained.

OTHER PROVISIONS

Present law provides for exclusion from GSP articles that are subject to a section 201 import relief action of a section 232 national security action. This legislation expands these exclusions by adding to them articles subject to outstanding countervailing or antidumping duties. That circumstance would occur after a final injury finding and after a final finding of either dumping or a subsidy, as the case may be. This further limitation would make clear our commitment to enforcing our law against unfair trade practices and to make sure that such

enforcement is well coordinated with overall trade policy.

Otherwise, we face the circumstance where countervailing duties might be imposed on a subsidized product entering the United States at the same time the U.S. Trade Representative is deciding to provide duty-free treatment for the same article. The GSP system is designed to provide benefits for developing countries, and within certain limits the United States is prepared to absorb increased imports at some risk of injury to domestic industries.

It goes too far, however, to suggest that our policy should extend to accepting imports that are the product of unfair trade practices by others. Products which are dumped or subsidized—and which are injuring American producers—have no place in a true free trade system and should be attacked at every opportunity. If we are ever going to have an established set of rules for the international marketplace, we must insist on full adherence to existing rules, however inadequate they may be, even on the part of developing nations just entering into international competition. While the industrialized states should temper their protectionist responses to imports that are competitive in order to encourage further LDC development, they should nonetheless insist on firm standards with respect to unfairly traded goods. This bill meets that standard.

Second, this title also contains a provision permitting the President to withdraw GSP benefits if a country "imposes unjustifiable, unreasonable, or discriminatory trade related restrictions or requirements as conditions on investment." This language is an effort to attack the performance requirement problem which is also the subject of the next title.

I would also note that this title contains language establishing a petition procedure permitting interested private parties to seek removal of GSP benefits because performance requirements have been imposed. This process, while insuring the appropriate degree of discretion for the administering authority, also guarantees petitioners a definite answer within 90 days, preventing the Government from simply "swallowing" the petition and never providing a substantive response.

The petition procedure also applies to section 3 of the title which adds a provision containing some additional factors the President must consider in deciding whether or not to limit or withdraw the duty-free treatment provided by the GSP program. These factors include a judgment as to the import sensitivity of the article in question based on:

First, growth in the import penetration ratio of all imports of that article; second, declines in employment in the United States connected with the production of like or directly competitive articles; third, the volume of imports of directly competitive articles; fourth, the fact that the article in question is like or directly competitive with articles already excluded from GSP treatment under section 503; and fifth, any other relevant factors. In addition, if the President finds that the conditions in first and second above exist in an industry with very small domestic production compared to imports, then he could continue the GSP benefit only if he found it in the national economic interest to do so.

The purpose of this provision is to tie the program more closely to actual economic conditions in the United States and to insure the problems of import-impacted industries are fully considered. Rather than simply exclude more products by statute, as was done when the program was created in the Trade Act of 1974, we are adding these import sensitivity criteria to insure that that question is adequately considered by the administration in a manner which gives them the flexibility to adjust to changing economic conditions.

It is also worth noting that these changes, particularly the SIC code provision, are additions to the current program, not substitutes for it.

Mr. President, after 6 years' experience with the generalized system of preferences, it is time for an overhaul. The Carter administration proposed some procedural changes which the Reagan administration has begun to implement without additional legislation. In my judgment that is not enough. A complete reevaluation of the GSP program is needed to determine how it can best meet the needs of lesser developed countries, and how we can avoid having all the benefits of the program consumed by the more developed countries.

This is not to suggest that the latter countries no longer need our support or asssistance. Rather it suggests that the GSP program, conceived for LDC's, is not the proper place for support to the relatively advanced newly industrializing countries (NIC's).

RECIPROCITY

Mr. President, the final title of my omnibus bill is identical to S. 2071, the reciprocal market access legislation I introduced on February 4. Rather than explain it in detail, I would refer interested parties to my statement introducing the bill in the CONGRESSIONAL RECORD of February 4, 1982. In addition, I ask that a copy of a factsheet explaining the bill be printed at this point in the RECORD.

There being no objection, the factsheet was ordered to be printed in the RECORD, as follows:

SENATOR HEINZ' RECIPROCAL MARKET ACCESS LEGISLATION

This legislation clarifies the President's current authority and gives him new authority to deal with problems of reciprocal market access or discriminatory treatment of U.S. goods, services, or investment abroad. It is an amendment to section 301 of the Trade Act of 1974.

HOW IT WORKS

Present law

Section 301 creates a process whereby private parties, or the President on his own initiative, can make a complaint about other nations' violations of the General Agreement on Tariffs and Trade (GATT) rules or the GATT's various codes, or other discriminatory actions, and seek redress, first through the GATT consultation/dispute settlement process and ultimately through direct retaliation.

Under the law an interested private party could file a petition (or the President could directly initiate a case), which the U.S. Trade Representative (USTR) would then have 45 days to consider and either accept or reject.

If accepted, an investigation into the allegations is begun, and GATT consultations are requested simultaneously. If the consultations do not resolve the matter and a GATT issue is involved, then USTR would initiate GATT dispute settlement proceedings, which could last from 6 months to more than one year, depending on the nature of the case.

At the conclusion of the proceedings, the USTR mades a recommendation to the President, who then has three weeks to decide what action to take. While a recommendation and a Presidential decision are mandatory, there is no requirement that either be positive, and there is no Congressional override.

Permissible actions include suspending or withdrawing existing trade agreement concessions or imposing duties, fees, or restrictions on the goods or services of the country in question.

Proposed bill

The legislation would make the following changes in the present procedures:

(1) In addition to GATT and code violations and "discriminatory" actions, the bill clarifies that non-reciprocal market access or non-national treatment are grounds for a complaint and Presidential action, whether they involve a GATT violation or not. (National treatment means treating foreign entities operating in one's country in a manner equivalent to the way comparable domestic entities are treated).

(2) In addition to initiation of a case through petition or Presidential request, the bill would also permit it by resolution of the Ways and Means or Finance Committee.

(3) With respect to cases involving reciprocity or national treatment, the President is given specific additional authority in addition to the general retaliatory authority in present law. The new authority includes:

(a) Specific authorization to engage in bilateral or multilateral negotiations to resolve the problems;

(b) Adjusting government procurement policies;

(c) Instructing the U.S. directors of the World Bank and the IMF to oppose loans or other assistance from countries not providing reciprocal market access or national treatment;

(d) Requesting specific federal regulatory agencies, including bank regulators, to take reciprocity issues into account when considering applications from foreign entities;

(e) Proposing "mirror image" legislation to impose equivalent restrictions, which would be considered by Congress under "fast track" procedures'

(f) Specific authorization to take any other action he determines appropriate.

(4) In these cases the President is also given the option of not using the GATT consultation/dispute settlement process, though it would be open to him. If he chose not to go to the GATT, the USTR recommendation to the President would be due one month after the case was initiated.

(5) Midway through the GATT process (no later than 120 days after the initiation of the case) the President would be required to make public a list of actions he is considering in the event the GATT process fails.

(6) Specific authorization is also provided to negotiate an international agreement on direct investment.

REASONS FOR CHANGE

This bill is intended to clarify, focus, and in some respects expand existing law, without removing either its discretionary base or its centralization in the Executive Office of the President.

The practices that could be subject to complaint, while sometimes blatant cases of discrimination, are also sometimes simply representative of the development of different cultural or economic practices that cannot be easily removed. As a matter of policy, the President should be encouraged to negotiate our differences on these matters rather than be required simply to retaliate. He should be given maximum flexibility to conduct such negotiations along with adequate leverage to obtain results; and control of this process, because of its delicacy, should be centralized in his office rather than throughout the various agencies.

This bill meets that standard by:

(1) Clarifying present law to include specific references to reciprocal market access and national treatment as principles the President can act to maintain or promote;

(2) Clarifying present law to insure that it applies to goods, services, and investment;

(3) Focusing attention on reciprocity/national treatment issues through specific references to them in the statute and through the special procedures and authorities created for them;

(4) Providing new retaliatory authority in the form of provisions on federal procurement policies, "mirror image" legislation using expedited procedures, and Presidential requests to regulatory agencies;

(5) Increasing our negotiating leverage through the requirement that retaliatory actions under consideration by made public midway through the GATT process;

(6) Broadening the base of the law by permitting Congress, by committee resolution, to file a complaint.

NEED FOR THE BILL

The bill is necessary because:

(1) It is not sufficiently clear in existing law that non-GATT violations involving reciprocity or national treatment are proper subjects for a 301 inquiry. Examples of probable non-GATT issues are the Canadian energy policy, the Canadian foreign investment review process (FIRA), and investment-related performance requirements generally, including equity ownership limits, and forced licensing or research and development transfers. The GATT process, of course, would also not be applicable, even in the case of a violation, to cases involving countries that do not belong to the GATT, like Mexico.

(2) Barriers to investment are not adequately reachable under current law, nor does the President have authority to retaliate against investment in this country.

(3) The President lacks expiicit negotiating authority to deal with these matters on a bilateral basis.

(4) Presidential retaliatory authority in present law is not sufficiently clear, and there are few precedents to provide guidelines.

(5) Present law contains no authorization to begin negotiations on an International Investment Code.

Mr. HEINZ. Mr. President, a hearing was held on this bill and Senator DANFORTH's similar proposal (S. 2094) on March 24. Based on administration testimony at that time, there is some feeling that a single compromise bill can be developed. I am skeptical about the likelihood of an adequate bill being developed under those circumstances and would suggest that the administration's reluctance to accept some of the provisions of our bills is based in part on a misunderstanding of our objectives. I recently had occasion to speak to that point at the Chamber of Commerce's International Forum on March 17. I ask, Mr. President, that an excerpt from that speech appear at this point in the RECORD.

There being no objection, the excerpt was ordered printed in the RECORD, as follows:

In 1979 the Japanese announced they were relaxing their foreign investment laws, but their individual ministries retained authority to impose restrictions on foreign investment in Japanese companies if, among other things, national security would be affected. Thus far national security has been used to restrict investment in a cosmetic/pharmaceutical company and a silk cocoon producer.

There are many more examples that are public knowledge—beef and citrus quotas and laborious testing requirements in Japan. Restrictions on transborder data flows in Europe. Canada's energy program. They all demonstrate that the basic principles of an open world trading system are being deeply and dangerously undermined. It may be the exception in the United States, but protectionism is the rule elsewhere in the world.

Congress has noticed and has been the first to react. Senator Jack Danforth of Missouri and I have both introduced reciprocal market access bills which will be the subject of a hearing next week. Congressmen Frenzel, Jones and Conable have introduced a similar bill on the House side.

Our bills are intended to provide the President with broad discretionary authority and flexible new tools to attack trade barriers. They do not force action. They do not require automatic sector-by-sector retaliation. They are intended to open others' doors, not shut ours. They will do so by giving the President the means to translate tough talk into tough action. As the nation with the most open developed economy in the world, there is little in the way of remaining barriers for us to barter with. Our leverage with those who want trade to be a one-way expressway to U.S. markets is our open market. We should demand a two-way street, and threatening to slow the traffic down is our best leverage.

There are those who say that reciprocity amounts to a denial of the most-favored-nation principle, that it "bilateralizes" trade. In my judgment, reciprocity means free trade and open markets not just for the U.S. but for all nations.

In thumbnail sketch, that is what reciprocity is all about—providing leverage and a means to use it in order to expand open markets.

Mr. HEINZ. Mr. President, in my judgment, Mr. President, reciprocal market access legislation is not a response to economic difficulties at home, but rather to changing international trading conditions. Many nations are literally shutting their trade doors and launching policies of mercantilism. We cannot defend free market principles through rhetoric alone. We must also act aggressively to further our principles—for the good of our economy as well as that of the world trading system.

It is the objective of this bill to provide a better foundation for this more aggressive effort. Some of its provisions have been introduced previously. In fact some, like titles IV and V have already been the subject of hearings. Other sections hopefully soon will be, because it is the enactment of the entire bill, not just pieces of it that will give us a coherent trade policy capable of helping to restore America's competitive position.

Mr. President, I ask that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2497

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Omnibus Trade Act of 1982".

SEC. 2. FINDINGS; STATEMENT OF POLICY; PRESIDENTIAL ACTION.

(a) FINDINGS. —The Congress finds that—

(1) a free and open international trading system is of vital importance in the achievement of world economic growth and prosperity;

(2) world free trade is increasingly endangered by a variety of nontariff barriers and discriminatory restrictions and requirements imposed by a growing number of countries as presumed aids to development or perceived solutions to domestic economic or political problems;

(3) such nontariff barriers and discriminatory restrictions and requirements are proliferating in number, diversity, and complexity, and have replaced tariffs as the chief obstacle to free trade;

(4) the growth of these practices has been inconsistent with the most-favored-nation principle and seriously threatens that principle;

(5) as a nation with one of the most open trading systems, the United States is harmed more than other nations by these discriminatory practices;

(6) it is in our national interest to use our market power to fight the growth of these barriers, restrictions, and requirements, to reinvigorate the most-favored-nation principle, and to thereby promote free trade; and

(7) achievement of free trade may demand the use of tactics which by themselves limit trade in the short term, but which in the long term will effectively encourage other nations to remove their barriers and open their markets.

(b) STATEMENT OF POLICY.—

(1) IN GENERAL.—It is the policy of the United States to promote the principles of free and fair trade, and to fight other nation's trade barriers and discriminatory restrictions and requirements, both of which are deemed to be in the political and economic interests of both the United States and other nations participating in the international economic system.

(2) DEFINITIONS.—For purposes of paragraph (1)—

(A) the term "free trade" means the operation of an international economic system in accordance with free market principles, including adherence to the principles of comparative advantage and the avoidance of government intervention, either in the form of benefits (such as subsidies to domestic industries) or restrictions (such as quotas on foreign products), and

(B) the term "fair trade" means adherence to the principles of equity and reciprocity in international economic relations.

(c) PRESIDENTIAL ACTION.—To further the principles enumerated in subsection (b), the President is encouraged to—

(1) pursue further multilateral efforts to reduce tariffs and eliminate quotas and other nontariff barriers;

(2) pursue to their successful conclusion negotiations on development of a more comprehensive safeguard procedure which takes into account all forms of import restraints countries use in response to injurious competition or the threat of such competition;

(3) begin negotiations to broaden multilateral rules on unfair trade practices to include practices presently not covered, such as export subsidies;

(4) facilitate further negotiations and encourage the end of subsidy practices by other nations through aggressive enforcement of United States law;

(5) utilize section 301 of the Trade Act of 1974 (19 U.S.C. 2411) to bring unfair trade practices to the attention of any country committing such practices and to any country with respect to which the General Agreement on Tariffs and Trade applies between such country and the United States and to take retaliatory reciprocal actions if necessary to help end such practices;

(6) facilitate the reduction of unfair trade practices by proposing legislation or taking action pursuant to section 301 of the Trade Act of 1974 to impose reciprocal restrictions on offending countries;

(7) begin efforts to obtain multilateral agreements on trade in services and an international agreement limiting performance and investment requirements that may be imposed as a condition of doing business in a country;

(8) promote the adoption of international fair labor standards and of public petition and confrontation procedures in the General Agreement on Tariffs and Trade; and

(9) pursue the revision of articles of the General Agreement on Tariffs and Trade with respect to the treatment of border adjustments for internal taxes to redress the disadvantage to countries relying primarily on direct rather than indirect taxes for revenue needs.

TITLE I—IMPORT SAFEGUARDS

SEC. 101. MODIFICATION OF IMPORT INJURY STANDARDS.

(a) STANDARDS FOR IMPORT INJURY DETERMINATION.—Paragraph (1) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(b)(1) Upon the request of the President or the United States Trade Representative, upon resolution of either the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Commission shall promptly make an investigation to determine whether an article is being imported into the United States in such increased quantities as to contribute importantly to material injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article.".

(b) DEFINITIONS AND APPLICATION OF STANDARDS.—

(1) MATERIAL INJURY.—Paragraph (2) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(2) For purposes of this chapter, the term 'material injury' means harm which is not inconsequential, immaterial, or unimportant, and shall be determined by the Commission in accordance with section 771(7) of the Tariff Act of 1930 (19 U.S.C. 1677(7)) (without regard to subparagraph (E)(i) thereof).".

(2) CONTRIBUTE IMPORTANTLY.—Paragraph (4) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)) is amended to read as follows:

"(4) For purposes of this chapter, the term 'contribute importantly' means a cause which is important but not necessarily more important than any other cause.".

(c) RECOMMENDATION OF COMMISSION IN CASES OF MATERIAL INJURY.—Paragraph (1) of section 201(d) of the Trade Act of 1974 (19 U.S.C. 2251(d)(1)) is amended to read as follows:

"(d)(1) The Commission shall report to the President its findings under subsection (b) and the basis therefor and shall include in each report any dissenting or separate views. If the Commission finds with respect to any article, as a result of its investigation, the material injury or threat thereof described in subsection (b), it shall recommend to the President those actions (for a period of time not to exceed five years) necessary to prevent or remedy material injury or the threat thereof to the industry in question and to facilitate the orderly adjustment to new competitive conditions by the industry in question, including—

"(A) an increase in, or imposition of, any duty on the article causing or threatening to cause material injury to such industry;

"(B) the imposition of a tariff-rate quota on such article;

"(C) a modification of, or imposition of, any quantitative restriction on the import into the United States of such article;

"(D) the negotiating of orderly marketing agreements with foreign countries limiting the export from foreign countries and the import into the United States of such articles;

"(E) the provision of adjustment assistance; or

"(F) any combination of such actions,

and shall include such findings or recommendation in its report to the President. The Commission shall furnish to the President a transcript of the hearings and any briefs which were submitted in connection with each investigation.".

SEC. 102. PRESIDENTIAL ACTIONS.

(a) PROVIDING OF IMPORT RELIEF.—Section 203 of the Trade Act of 1974 (19 U.S.C. 2253) is amended to read as follows:

"SEC. 203. IMPORT RELIEF.

"(a)(1) If the President proclaims the import relief recommended by the Commission, or announces his intention to negotiate one or more orderly marketing agreements pursuant to the Commission's recommendation, the President shall on the date such proclamation is made transmit to Congress a document setting forth the action he is taking under this section.

"(2) If, on the basis of advice received under section 202(b), the President determines that the provision of the import relief recommended by the Commission is not in the national economic interest of the United States and that there are alternative recommendations which offset the material injury or threat thereof to the industry to the same extent to which the Commission's recommendations offset such injury or threat thereof, the President shall transmit to Congress a document which sets forth—

"(A) such determination,

"(B) the reasons why providing the import relief recommended by the Commission is not in the national economic interest, and

"(C) information with respect to—

"(i) What actions (other than adjustment assistance programs immediately available) the President proposes to take to help the industry overcome material injury or threat thereof and the workers to find productive employment, and

"(ii) how such actions will overcome such material injury or threat thereof to the same extent as the Commission's recommendations.

"(b)(1) If the President requests under subsection (a)(2) that no action be taken or that the President be authorized to take action which differs from the action recommended by the Commission under section 201(d)(1), such request shall take effect as provided in paragraph (2) if, within the 30-day period following the date on which the document referred to in subsection (a)(1) is transmitted to the Congress, both Houses of Congress adopt, by an affirmative vote of a majority of the Members of each House present and voting, a concurrent resolution approving the action proposed by the President.

"(2) If the President requests the Congress to authorize action which differs from the action recommended by the Commission, the President shall, on the thirty-first day after the submission of such recommendation—

"(A) proclaim the actions recommended by the Commission under section 201(d) if Congress fails to adopt a resolution under paragraph (1), or

"(B) take the action recommended by him if the Congress has adopted the resolution under paragraph (1).

"(c) No proclamation pursuant to subsection (a) or (b) shall be made increasing a rate of duty to (or imposing) a rate which is more than 50 percent ad valorem above the rate (if any) existing at the time of the proclamation.

"(d)(1) If the import relief provided under this section is one or more orderly marketing agreements under section 201 (d) (1) (D) or (F), import relief shall be proclaimed and take effect within 90 days after the import relief determination date.

"(2) If the President proclaims the import relief provided for in section 201 (d) (1) (A), (B), (C), (E), or (F), he may, after such relief takes effect, negotiate orderly marketing agreements with foreign countries, and may, after such agreements take effect, suspend or terminate, in whole or in part, such import relief.

"(3) If the President negotiates one or more orderly marketing agreements under section 201 (d) (1) (D) or (F) and such agreements do not continue to be effective, he may, consistent with the limitations contained in subsection (g), provide import relief under section 201 (d) (1) (A), (B), (C), or (E).

"(4) For purposes of this subsection, the term 'import relief determination date' means the date of the President's action under subsection (a) (1) or (2).

"(e)(1) For purposes of subsections (a) and (b), the suspension of item 806.30 or 807.00 of the Tariff Schedules of the United States with respect to an article shall be treated as an increase in duty.

"(2) For purposes of subsections (a) and (b), the suspension of the designation of any article as an eligible article for purposes of title V shall be treated as an increase in duty.

"(3) No proclamation providing for a suspension referred to in paragraph (1) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201(b), determines in the course of its investigation under section 201(b) that the material injury (or threat thereof) to the domestic industry producing a like or directly competitive article (and with respect to which imports contributed importantly) results from the application of item 806.30 or item 807.00.

"(4) No proclamation which provides solely for a suspension referred to in paragraph (2) with respect to any article shall be made under subsection (a) or (b) unless the Commission, in addition to making an affirmative determination with respect to such article under section 201 (b), determines in the course of its investigation under section 201 (b) that the material injury (or threat thereof) to the domestic industry producing a like or directly competitive article (and with respect to which imports contributed importantly) results from the designation for the article as an eligible article for the purposes of title V.

"(f) (1) The President shall by regulations provide for the efficient and fair administration of any quantitative restriction proclaimed under this section.

"(2) In order to carry out an agreement concluded under this section, the President is authorized to prescribe regulations governing the entry or withdrawal from warehouse of articles covered by such agreement. In addition, in order to carry out any agreement concluded under this section with one or more countries accounting for a major part of United States imports of the article covered by such agreements, including imports into a major geographic area of the United States, the President is authorized to issue regulations governing the entry or withdrawal from warehouse of like articles which are the product of countries not parties to such agreement.

"(3) Regulations prescribed under this subsection shall, to the extent practicable and consistent with efficient and fair administration, insure against inequitable sharing of imports by a relatively small number of the larger importers.

"(g) (1) Any import relief provided pursuant to this section shall, unless renewed pursuant to paragraph (3), terminate no later than the close of the day which is 5 years after the day on which import relief with respect to the article in question first took effect pursuant to this section.

"(2) To the extent feasible, any import relief provided pursuant to this section for a period of more than 3 years shall be phased down during the period of such relief, with the first reduction of relief taking effect no later than the close of the day which is 3 years after the day on which such relief first took effect.

"(3) Any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 must be extended by the President, at a level of relief no greater than the level in effect immediately before such an extension, for one 3-year period if the President received such a recommendation from the Commission pursuant to subsection (h)(2) or (h)(3).

"(4) Any import relief provided pursuant to this section may be reduced or terminated by the President when he determines, after taking into account the advice received from the Commission under subsection (h)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest.

"(5) For purposes of this subsection and subsection (h), the import relief provided in the case of an orderly marketing agreement shall be the level of relief contemplated by such agreement.

"(h)(1) So long as any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 remains in effect, the Commission shall keep under review developments with respect to the industry concerned (including the progress and specific efforts made by the firms in the industry concerned to adjust to import competition) and upon request of the President shall make reports to the President concerning such developments.

"(2) Upon request of the President or upon its own motion, the Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the extension, reduction, or termination of the import relief provided pursuant to this section.

"(3) Upon petition on behalf of the industry concerned, filed with the Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any import relief provided pursuant to this section or section 351 or 352 of the Trade Expansion Act of 1962 is to terminate by reason of the expiration of the initial period therefor, the Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

"(4) In advising the President under paragraph (2) or (3) as to the probable economic effect on the industry concerned, the Commission shall take into account all economic factors which it considers relevant, including the considerations taken into account under section 771(7) of the Tariff Act of 1930 and the progress and specific efforts made by the industry concerned to adjust to import competition.

"(5) Advice by the Commission under paragraph (2) or (3) shall be given on the basis of an investigation during the course of which the Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

"(6) In advising the President under paragraph (2) or (3), the Commission shall make recommendations to the President with respect to the extensions (and levels), reductions and terminations described in subsection (g) (3) or (4).

"(i) No investigation for the purposes of section 201 shall be made with respect to an article which has received import relief under this section unless 2 years have elapsed since the last day on which import relief was provided with respect to such article pursuant to this section.

"(j)(1) Actions by the President pursuant to this section may be taken without regard to the provisions of section 126(a) of this Act but only after consideration of the relation of such actions to the international obligations of the United States.

"(2) If the Commission treats as the domestic industry production located in a major geographic area of the United States under section 201(b)(3)(C), then the President shall take into account the geographic concentration of domestic production and of imports in that area in providing import relief, if any, which may include actions authorized under paragraph (1).".

(b) CONFORMING AMENDMENTS.—

(1) So much of section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)) as precedes paragraph (1)(B) thereof is amended to read as follows:

"(a) Within 30 days (15 days in the case of a supplemental report under subsection (c)) after receiving a report from the Commission containing an affirmative finding under section 201(b) that increased imports have contributed importantly to material injury or the threat thereof with respect to an industry, the President—

"(1)(A) shall take the action provided in paragraph (1) or (2) of section 203(a);".

(2) Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended by striking out subsection (b) and redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(3) Subsection (b) of section 202 of the Trade Act of 1974 (19 U.S.C. 2252(c)), as redesignated by paragraph (2), is amended—

(A) by striking out so much of such subsection as precedes paragraph (1) and inserting in lieu thereof the following:

"(b) In determining whether to recommend to the Congress pursuant to section 203(a)(2) that no import relief be provided or that import relief other than that recommended by the Commission be provided, the President shall take into account—"; and

(B) by inserting ", including its importance in meeting national security requirements" after "economy" in paragraph (3).

(4) Subsection (c) of section 202 of such Act, as so redesignated, is amended by striking out "30" and inserting in lieu thereof "15".

(5) Paragraph (6) of section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)(6)) is amended by inserting "or under section 203(h)(5)" after "subsection".

SEC. 103. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to findings and recommendations of the United States Interna-

tional Trade Commission under sections 201, 202, and 203 of the Trade Act of 1974 which are transmitted to the President after the date of the enactment of this Act.

TITLE II—ANTIDUMPING PROVISIONS

SEC. 201. FLUCTUATIONS IN EXCHANGE RATES.

Subparagraph (B) of section 773(a)(4) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(4)) is amended by inserting ", including any fluctuations in exchange rates" after "sale".

SEC. 202. COMPONENT MATERIALS.

(a) IN GENERAL.—Section 773(a)(2) of the Tariff Act of 1930 (19 U.S.C. 1677b(a)(2)) is amended to read as follows:

"(2) USE OF CONSTRUCTED VALUE.—

"(A) IN GENERAL.—If the administering authority determines that the foreign market value of imported merchandise cannot be determined under paragraph (1) (A), then, notwithstanding paragraph (1)(B), the foreign market value of the merchandise may be the constructed value of that merchandise, as determined under subsection (e).

"(B) MATERIALS.—If the administering authority determines that the cost of any material of the merchandise under investigation to the foreign producer is unreasonable, the foreign market value of the merchandise under investigation shall be the constructed value as determined under subsection (e). For the purpose of this subparagraph—

"(i) the cost of any material shall be deemed unreasonable if its manufacture, production, or sale is subsidized, and

"(ii) material shall be treated as subsidized if it was purchased at a preferential price (determined after adjustment for differences in circumstances of sale as provided in paragraph (4)).".

(b) CONFORMING AMENDMENT.—Subparagraph (A) of section 773(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1677b(e)(1)) is amended to read as follows:

"(A) the cost of—

"(i) materials, except that such cost shall—

"(I) include the amount of any preference or other subsidy described in subsection (a)(2)(B), and

"(II) not include any internal tax which is applicable in the country of exportation directly to such materials or their disposition but which is remitted or refunded upon the exportation of the article in the production of which such materials are used, and

"(ii) fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise under consideration which would ordinarily permit the production of that particular merchandise in the ordinary course of business;".

TITLE III—SUBSIDIES

SEC. 301. DEFINITION OF COUNTRY UNDER THE AGREEMENT.

Section 701 of the Tariff Act of 1930 (19 U.S.C. 1671) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) LIMITATION ON ACCEPTANCE CONCERNING DEVELOPING COUNTRIES.—Notwithstanding subsection (b) or any action previously taken to designate a country as a country under the Agreement, no country shall be so designated until it has committed itself under the General Agreement on Tariffs and Trade to eliminate its export subsidies promptly; except that in the case of any country which is a beneficiary developing country under section 502 of the Trade Act of 1974, such country may be so designated if, in lieu of such commitment, such country agrees—

"(1) not to increase the number of product classes receiving export subsidies;

"(2) not to introduce new export subsidies;

"(3) not to increase the amount of existing export subsidies; and

"(4) to a timetable, agreed to by the United States, for reducing and eventually eliminating completely export subsidies, except that such elimination shall be immediate for any class of products which the International Trade Commission, after referral by the President, determines is already competitive in the United States market and would be competitive in the absence of export subsidies.

For purposes of determining the competitiveness of any class of products, the International Trade Commission, at the request of the President, shall conduct an investigation and shall determine and report to the President not later than sixty days after receiving his request, whether the class of products is already competitive in the United States market and would be competitive in the absence of export subsidies.

"(d) REVIEW OF DETERMINATIONS.—In the case of a beneficiary developing country which enters into an agreement under subsection (c), the President shall review the current status of, and compliance with, such agreement at least once during each twelve-month period following the date on which the agreement becomes effective. Upon determining that any such country has introduced export subsidies inconsistent with such agreement, the President shall promptly revoke the designation of such country as a country under the Agreement. If, within twelve months after the International Trade Commission has made a negative injury determination pursuant to sections 703(a) or 705(b) of this Act, the President revokes the designation under this section of a country as a country under the Agreement, the determinations of the Commission with regard to imports from such country which were the subject of such injury determination shall be deemed null and void and the administering authority shall issue a countervailing duty order.".

TITLE IV—NONMARKET ECONOMIES

SEC. 401. CREATION OF ARTIFICIAL PRICING INVESTIGATION REMEDY.

(a) AMENDMENT OF SECTION 406.—Section 406 of the Trade Act of 1974 (19 U.S.C. 2436) is amended to read as follows:

"SEC. 406. ARTIFICIAL PRICING.

"(a) If the administering authority determines that, with respect to imports of an article which is the product of a nonmarket economy country, there is artificial pricing with respect to an article produced by a domestic industry, then there shall be imposed upon such merchandise a duty, in addition to any other duty imposed, in the amount necessary to offset the amount of such artificial pricing.

"(b)(1) A proceeding under this section shall be commenced by the administering authority upon—

"(A) the filing of a petition by an interested party described in section 771 (9) of the Tariff Act of 1930 on behalf of an industry which alleges the elements necessary for the imposition of the duty imposed by subsection (a), and which is accompanied by information reasonably available to the petitioner supporting the allegations,

"(B) the request of the President or the United States Trade Representative,

"(C) resolution of the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, or

"(D) its own motion.

"(2) In the case of a proceeding commenced by petition, the petitioner shall file a copy of the petition with the Commission on the same day as it is filed with the administering authority. In the case of a proceeding commenced under subparagraph (B), (C), or (D) of paragraph (1), the administering authority shall notify the Commission and transmit to it a copy of the request, resolution, or motion on the same day as it is received or agreed to by the administering authority.

"(3) Under regulations prescribed by the administering authority, and except as otherwise provided by this section, the artificial pricing investigation shall be conducted on the same schedule, with preliminary and final determinations, and subject to suspension and termination of suspension, as if it were a countervailing duty investigation under subtitle A of title VII of the Tariff Act of 1930.

"(4) Except as provided in subsection (c)(2), the administering authority shall not initiate an artificial pricing investigation pursuant to a petition filed by an entity with respect to the artificial pricing of an article from a nonmarket economy country with respect to which that entity has filed a petition for a countervailing duty or antidumping duty investigation under section 303 of title VII of the Tariff Act of 1930 if—

"(A) the countervailing duty or antidumping duty proceeding is in process, or

"(B) a countervailing duty or antidumping duty is in effect with respect to such article.

"(5) Within 7 days after a final determination, the administering authority shall publish an artificial pricing duty order which—

"(A) directs customs officers to assess an artificial pricing duty in the amount necessary to offset the amount of such artificial pricing within 6 months after the date on which the administering authority receives satisfactory information upon which the assessment may be based, but in no event later than 12 months after the end of the annual accounting period of the manufacturer or exporter within which the merchandise is entered, or withdrawn from warehouse, for consumption,

"(B) includes a description of the class or kind of merchandise to which it applies, in such detail as the administering authority deems necessary, and

"(C) requires the deposit of estimated artificial pricing duties pending liquidation of entries of merchandise at the same time as estimated normal customs duties on that merchandise are deposited.

"(6)(A) Entries of the merchandise subject to the artificial pricing duty order the liquidation of which has been suspended shall be subject to the imposition of artificial pricing duties under subsection (a).

"(B) Merchandise subject to an artificial pricing duty order which is entered, or withdrawn from warehouse, for consumption on or after the date of publication of notice of the final determination shall be subject to the imposition of artificial pricing duties, and the administering authority shall release any bond or other security, and refund any cash deposit made, to secure the payment of artificial pricing duties with respect to entries of the merchandise entered, or

withdrawn from warehouse, for consumption before that date.

"(C) For purposes of this section, all provisions of subtitle A of title VII of the Tariff Act of 1930 which apply with respect to the assessment and collection of countervailing duties shall apply with respect to the assessment and collection of the artificial pricing duty.

"(c)(1)(A) Except as provided in subparagraph (B), whenever a nonmarket economy country which is the producer of an article which is the subject of an artificial pricing investigation under this section furnishes verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced as a countervailing duty or antidumping duty investigation, whichever is appropriate. Whenever the administering authority determines that an artificial pricing investigation will be treated as a countervailing duty or antidumping duty investigation, the administering authority shall—

"(i) terminate the investigation as an artificial pricing investigation and begin to conduct the investigation as a countervailing duty or antidumping duty investigation at the same point in time as that at which the investigation would have been had it been commenced as such an investigation, and

"(ii) notify the petitioner, the President, the Trade Representative, or the committee of the determination, as appropriate.

"(B) In the case of a nonmarket economy country which is not a party to the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade (relating to antidumping measures), if an artificial pricing investigation is treated as an antidumping duty investigation under paragraph (1), such investigation (and any other action in connection with such investigation) shall be conducted without regard to whether an industry is injured or to whether the establishment of an industry is materially retarded.

"(2) Whenever a nonmarket economy country which is the producer of an article which is the subject of a countervailing duty or antidumping duty investigation does not furnish verifiable information to the administering authority in connection with such investigation which is sufficient, in the judgment of the administering authority, to permit the investigation to be conducted as a countervailing duty investigation or an antidumping duty investigation, the administering authority shall treat the investigation as if it had been commenced under this section. Whenever the administering authority determines that a countervailing duty or antidumping duty investigation will be treated as an artificial pricing investigation, the administering authority shall—

"(A) terminate the investigation as a countervailing duty or antidumping duty investigation and begin to conduct the investigation as an artificial pricing investigation at the same point in time as that at which the investigation would have been had it been commenced as such as investigation, and

"(B) notify the petitioner, the President, the Trade Representative, or the committee of the determination, as appropriate.

"(d) For purposes of this section—

"(1) The term 'nonmarket economy country' means any country the economy of which, as determined by the administering authority, operates on principles other than those of a free market to an extent that sales or offers of sale of merchandise in that country or to countries other than the United States do not reflect the fair value of the merchandise.

"(2) Artificial pricing exists whenever an article, like an article produced by such domestic industry, is imported directly or indirectly from a nonmarket economy country or countries at a price below the lowest free-market price of like articles.

"(3) The lowest free-market price of like articles is the lowest average price, adjusted for differences in quantity, level of trade, duties or other factors required to ensure comparability, charged for like articles in this country by any producer or aggregate of producers from an appropriate free-market country, including the United States, which, as determined by the administering authority, produces a sufficient quantity of like articles for the administering authority to determine a representative price.

"(4) The term 'like article' means an article which is like, or in the absence of like, most similar in characteristics and uses with the article subject to an investigation under this section.

"(5) A country is an appropriate free-market country with respect to an article alleged to be disruptive if—

"(A) the country is not a nonmarket economy country within the meaning of this section,

"(B) no preliminary or final determination has been made under title VII (or, if applicable, section 303) of the Tariff Act of 1930 that a subsidy, bounty, or grant is being provided with respect to like articles from that country, and

"(C) no preliminary or final determination has been made under subtitle B of title VII of the Tariff Act of 1930 that like articles from that country are being, or are likely to be, sold in the United States at less than fair value.

"(6) The term 'domestic industry' means an industry producing an article in whole or in part in the United States, including any territory or possession of the United States.

"(7) The term 'administering authority' has the meaning given such term by section 771(1) of the Tariff Act of 1930.

"(8) The term 'Commission' means the United States International Trade Commission.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (c) of section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b(c)) is hereby repealed.

(2) Subsection (f) of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303(f)) and subsection (c) of section 701 of such Act (19 U.S.C. 1671(c)) are each amended—

(A) by inserting "(1)" before "For", and

(B) by inserting at the end thereof the following new paragraph:

"(2) For provisions of law applicable in the case of a product of a nonmarket economy country, see section 405 of the Trade Act of 1974 (19 U.S.C. 2436).".

(3) Section 731 of the Tariff Act of 1930 (19 U.S.C. 1673) is amended—

(A) by inserting "(a) IN GENERAL.—" before "If", and

(B) by adding at the end thereof the following new subsection:

"(b) CROSS REFERENCE.—

"For provisions of law applicable in the case of a product of a nonmarket economy country, see section 406 of the Trade Act of 1974 (19 U.S.C. 2436).".

(c) CLERICAL AMENDMENT.—The table of contents for the Trade Act of 1974 is amended by striking out the item relating to section 406 and inserting in lieu thereof the following new item:

"Sec. 406. Artificial pricing.".

SEC. 402. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to petitions filed, requests made, and resolutions adopted after the date of the enactment of this Act.

TITLE V—GENERALIZED SYSTEM OF PREFERENCES

SEC. 501. BENEFICIARY DEVELOPING COUNTRIES.

Section 504 of the Trade Act of 1974 (19 U.S.C. 2464) is amended—

(1) by redesignating subsections (d) and (e) as subsections (i) and (j), respectively;

(2) by striking out paragraph (3) of subsection (c); and

(3) by adding immediately after subsection (c) the following new subsections:

"(d) Whenever the President determines that the United States has imported from any country (directly or indirectly) during a calendar year a quantity of articles within any two-digit import product standard industrial classification (as defined by the Bureau of the Census in its most recently issued publication on U.S. Foreign Trade Statistics Classifications and Cross Classifications which correlate the Tariff Schedules of the United States Annotated with the import product standard industrial classifications) having an appraised value in excess of an amount which bears the same ratio to $250,000,000, as the gross national product of the United States for the preceding calendar year, as determined by the Department of Commerce, bears to the gross national product of the United States for calendar year 1980, then, not later than 90 days after the close of the calendar year in which such imports occurred, such country shall no longer be treated as a beneficiary developing country with respect to all articles within such two-digit product classification. The Bureau of the Census shall annually tabulate and release the date needed to implement this section.

"(e) For purposes of subsections (c) and (d), the term 'country' does not include an association of countries which is treated as one country under section 502(a)(3), but does include a country which is a member of any such association.

"(f) Whenever the importation of any merchandise from any country is the subject of an affirmative final determination by the United States International Trade Commission under section 303, 705, or 735 of the Tariff Act of 1930, such merchandise from that country shall not be eligible for duty-free treatment under this title during the period in which any duties imposed on that merchandise under section 303, 706, or 736 of such Act are in effect.

"(g) Whenever the importation of any merchandise from any country is the subject of an affirmative determination by the United States International Trade Commission under section 201(b) of the Trade Act of 1974 (19 U.S.C. 2251(b)), such merchandise shall not be eligible for duty-free treatment under this title during the five-year period after such determination or the period during which import relief under section 203 is in effect, whichever is greater.

"(h) No duty-free treatment under this section shall be granted in the case of any

article if any like or directly competitive article is otherwise denied duty-free treatment pursuant to a statutory requirement or administrative determination.".

SEC. 502. CERTAIN UNREASONABLE ACTIONS, ETC.

(a) IN GENERAL.—Subsection (b) of section 502 of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended—

(1) by striking out "and" at the end of paragraph (6),

(2) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and",

(3) by inserting immediately after paragraph (7) the following new paragraph:

"(8) if such country—

"(A) imposes unjustifiable, unreasonable, or discriminatory trade-related restrictions or requirements as conditions on investment which directly or indirectly burden or restrict the commerce of the United States, or

"(B) otherwise imposes unjustifiable, unreasonable, or discriminatory restrictions on foreign investment.", and

(4) by adding at the end thereof the following new sentence: "Notwithstanding the provisions of paragraph (8), the President may limit the restrictions under such paragraph with respect to the eligibility of a country to be designated as a beneficiary developing country to particular sectors, industries, or articles.".

(b) CONFORMING AMENDMENT.—The last sentence of section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) as in effect before the amendment made by subsection (a)(4), is amended by striking out "and (7)" and inserting in lieu thereof "(7), and (8)".

SEC. 503. SUSPENSION OF DUTY-FREE TREATMENT.

Subsection (a) of section 504 of the Trade Act of 1974 (12 U.S.C. 2464(a)) is amended to read as follows:

"(a)(1) The President may withdraw, suspend, or limit the application of the duty-free treatment accorded under section 501; except that no rate of duty may be established in respect of any article pursuant to this section other than the rate which would apply but for this subchapter.

"(2)(A) In taking any action under this subsection, the President shall consider the factors set forth in sections 501 and 502(c).

"(B) In making a determination under paragraph (1) as to whether an article should be continued to be designated as a duty-free article (whether such determination is made on the President's own initiative or pursuant to a complaint filed under paragraph (3)), the President shall determine whether continued designation of an article is appropriate in light of the import sensitivity of that article due to any of the following—

"(i) a significant level of import penetration of such article from all countries measured by the ratio of the physical quantity of such imports to their production in the United States,

"(ii) a high level of import penetration of such article from all countries measured in its physical quantity,

"(iii) a decline in employment in the United States in connection with the production of such article or similar articles, of like or directly competitive articles, or of the component parts of such articles,

"(iv) the physical quantity or value of imports of like or directly competitive articles or components from all countries (whether or not excluded from duty-free treatment),

"(v) the fact that such article is like or directly competitive with an article or articles already excluded from duty-free treatment pursuant to section 503 or a Presidential determination under this section, and

"(vi) any other factors that are relevant to this determination.

"(C) If the President finds that the conditions referred to in clauses (i) or (ii) and (iii) of subparagraph (B) are present in a domestic industry the production of which is disproportionately small in relation to the total volume of duty-free imports of like or directly competitive products, the President shall authorize the continued designation of such product for duty-free treatment only if he finds it is in the national economic interest.

"(3)(A) Any interested party may file a complaint with the United States Trade Representative alleging that—

"(i) as a result of changed circumstances, a beneficiary developing country should be barred from designation under section 502 (b), or

"(ii) the factors referred to in paragraph (2)(B) justify limiting the application of duty-free treatment with respect to particular sectors, industries, or articles.

"(B) Within 90 days after receipt of such complaint—

"(i) the Trade Representative shall—

"(I) conduct a review to determine the validity of such complaint,

"(II) upon request of the complainant, hold public hearings on the complaint, and

"(III) make a recommendation to the President with respect to such complaint, and

"(ii) the President shall make a determination under paragraph (1) (without regard to the requirements of section 502(a)(2)) with respect to the country or the article and transmit such determination to Congress, including a statement of his reasons for such a determination and the determination (if any) required under paragraph (2)(C).

"(C) The Trade Representative shall—

"(i) issue regulations with respect to the filing of complaints and the conduct of reviews and hearings under this paragraph, and

"(ii) report to the Congress on July 1 and January 1 of each year with respect to all reviews and hearings conducted during the preceding 6-month period.".

TITLE VI—RECIPROCAL MARKET ACCESS

SEC. 601. FINDINGS; STATEMENT OF PURPOSE.

(a) Findings.—

(1) TRADE IN SERVICES.—The Congress finds that—

(A) trade in services (including banking and other financial services, insurance, information and data processing, communications, transportation, advertising, shipping, construction and engineering, and entertainment) is becoming an increasingly important part of the United States economy;

(B) many nations, for various reasons, are increasingly erecting nontariff barriers to the import of United States and other foreign goods and services;

(C) such barriers include, but are not limited to, national monopolies, personnel restrictions, discriminatory restrictions on licensing and foreign exchange, local content requirements, local investment requirements, minimum export requirements, local equity participation requirements, discriminatory health, safety, or environmental standards, restrictions on the flow of information, restrictions on the repatriation of funds or profits, discriminatory tax policies, and other discriminatory restrictions on, or requirements of, foreign entities operating in the host country;

(D) the effect of such barriers has been to discriminate against imported goods and services and to provide for trade on a nonreciprocal basis; and

(E) such discrimination—

(i) results in a less open trading system and a distortion of the market system, and

(ii) works to the disadvantage of all countries, particularly countries (including the United States) which adhere to a free market system.

(2) INTERNATIONAL INVESTMENT.—The Congress further finds that—

(A) international investment flows should not be restricted or impaired by uneconomic or artificial barriers or restrictions which exist in many developed and developing countries;

(B) uneconomic and artificial barriers to direct investments, or restrictions on such investments, cause inefficiencies in the international production and distribution process which result in increased costs of production of goods and services to the consumers of the world;

(C) such barriers and restrictions should be removed to enhance the benefit to both investors and consumers of the limited resources available for international direct investment;

(D) arbitrary and nontransparent investment review procedures (other than with respect to certain industries critical to a nation's security interests), and unreasonable or otherwise arbitrary limitations on foreign currency exchange by non-nationals, adversely affect foreign direct investment by nationals or citizens of the United States;

(E) the consumers and producers of the world would benefit by the development of an effective multilateral agreement (under the auspices of the General Agreement on Tariffs and Trade) which limits unreasonable, discriminatory or burdensome restrictions on foreign direct investments;

(F) multilateral negotiations on such a multilateral agreement, under the authority vested in the President by section 102 of the Trade Act of 1974, should be concluded as soon as practicable; and

(G) Such an agreement should, to the extent possible, guarantee reciprocal direct investment access among the developed countries of the world and in no event provide less than national treatment for foreign direct investors in developed or developing countries.

(b) PURPOSE.—It is the purpose of this title to foster—

(1) adherence to the principles of the existing international trading system, and

(2) the operation and development of a free and open international trading and investment system, by promoting the principles of reciprocity and national treatment through multilateral and unilateral means.

SEC. 602. AMENDMENT TO THE TRADE ACT OF 1974.

(a) AMENDMENTS TO SECTION 301.—

(1) DETERMINATIONS REQUIRING ACTION.—Section 301(a) of the Trade Act of 1974 (19 U.S.C. 2411(a)) is amended—

(A) by striking out "or" at the end of paragraph (1);

(B) by inserting before the semicolon at the end of paragraph (2) (B) thereof the following: ", including restrictions on direct investments by citizens or nationals of the United States";

(C) by inserting "or" at the end of paragraph (2);

(D) by inserting immediately after paragraph (2) the following new paragraph:

"(3) to establish or further the principles of national treatment or reciprocal market access with respect to United States goods (including agricultural products), services, and foreign direct investment by nationals or citizens of the United States;" and

(E) by striking out "or services" in the last sentence thereof and inserting in lieu thereof the following: ", services, or direct investments".

(2) OTHER ACTION.—Section 301(b) of the Trade Act of 1974 (19 U.S.C. 2411(b)) is amended—

(A) by striking out "and" at the end of paragraph (1);

(B) by inserting "or direct investment in the United States by nationals" after the word "services" in paragraph (2);

(C) by striking out the period at the end of paragraph (2) and inserting a simicolon; and

(D) by inserting at the end thereof the following:

"(3) with respect to subsection (a)(3), also—

" (A) enter into bilateral or multilateral negotiations to further such principles;

"(B) adjust Government procurement policies and practices to provide for procurement from nations which provide reciprocal market access to comparable United States producers, but only if such procurement is consistent with the provisions of the Code on Government Procurement or similar bilateral arrangements;

"(C) instruct the United States directors of the International Bank for Reconstruction and Development and the International Monetary Fund to vote against loans or other assistance from their respective institutions to countries which do not adhere generally to principles of national treatment and market access;

"(D) request Federal regulatory agencies (including the Civil Aeronautics Board, Office of the Comptroller of the Currency, Federal Communications Commission, Federal Reserve Board, Interstate Commerce Commission, Federal Maritime Commission, and Federal Energy Regulatory Commission) to consider (if such consideration would not violate any multilateral agreement) a country's adherence to principles of national treatment and reciprocal market access in making any decision or taking any action with respect to an application or request from such country or nationals of such country; or

"(E) propose legislation which would impose equivalent restrictions or requirements within the United States on goods or services from countries that do not adhere to the principles of national treatment or reciprocal market access, such legislation to be treated as an implementing bill pursuant to the provisions of section 151 of the Trade Act of 1974 (19 U.S.C. 2191); and

"(4) take any other action which the President determines appropriate, including action to obtain the elimination of such unjustifiable, unreasonable, or discriminatory barriers or restrictions on foreign direct investment by citizens or nationals of the United States.".

(3) PRESIDENTIAL PROCEDURES.—Section 301(c) of the Trade Act of 1974 (19 U.S.C. 2411(C)) is amended by inserting "resolution or" before "petition" in the first sentence of paragraph (1) thereof.

(4) DEFINITIONS.—Section 301(d) of the Trade Act of 1974 (19 U.S.C. 2411(d)) is amended—

4(A) by inserting before the period at the end of paragraph (1) thereof the following: "and foreign direct investment by citizens or nationals of the United States"; and

(B) by adding at the end thereof the following new paragraph:

"(3) DEFINITION OF NATIONAL TREATMENT.—For purposes of this section, the term 'national treatment' means the treatment by a government of foreign investment or foreign establishments operating within its borders in the same manner as domestic investment or comparable domestic establishments are treated.".

(b) AMENDMENTS TO SECTION 302.—

(1) FILING OF RESOLUTIONS BY COMMITTEES OF CONGRESS.—Section 302(a) of the Trade Act of 1974 (19 U.S.C. 2412(a)) is amended by inserting ", or the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate may file with the Trade Representative a resolution,".

(2) CONFORMING AMENDMENTS.—

(A) Section 302 of the Trade Act of 1974 (19 U.S.C. 2412) is amended—

(i) by inserting "or resolution" after "petition" each place it appears in the last sentence of subsection (a), subsection (b), and the heading for subsection (a),

(ii) by inserting "or Committee" after "petitioner" each place it appears, and

(iii) by inserting "or resolutions" after "petitions" in the section heading and the heading for subsection (b).

(B) The table of sections for chapter 1 of the table of contents of the Trade Act of 1974 is amended by inserting "or resolutions" after "Petitions" in the item relating to section 302.

(c) AMENDMENTS TO SECTION 303.—

(1) NO CONSULTATION, ETC. IN CERTAIN CASES.—Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended by adding at the end thereof the following new sentence: "This section shall not apply to an affirmative determination described in section 301(a)(3).".

(2) RESOLUTIONS.—Section 303 of the Trade Act of 1974 (19 U.S.C. 2413) is amended—

(A) by inserting "or resolution" after "petition" each place it appears; and

(B) by inserting ", the appropriate committee of Congress," after "petitioner".

(d) AMENDMENTS TO SECTION 304.—

(1) RECOMMENDATIONS.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended—

(A) by striking out "or" at the end of subparagraph (C); and

(B) by striking out subparagraph (D) and inserting in lieu thereof the following new subparagraphs:

"(D) 1 month in the case of a petition involving allegations which relate to section 301(a)(3) in which the President has not requested consultations or initiated proceedings; or

"(E) 12 months after the date of the investigation initiation in any case not described in subparagraph (A), (B), (C), or (D).".

(2) RESOLUTIONS AND RECOMMENDATIONS OF THE PRESIDENT.—Section 304 of the Trade Act of 1974 (19 U.S.C. 2414) is amended—

(A) by inserting "or resolution" after "petition" the first place it appears in subsection (a)(1) thereof; and

(B) by adding at the end of subsection (a) the following new paragraph:

"(4) LEGISLATIVE RECOMMENDATIONS OF PRESIDENT.—Notwithstanding any other provision of this chapter, the President shall within 120 days after an affirmative determination is made under section 302(b) with respect to a petition or resolution or a decision by the President to take action under section 301(c), make preliminary recommendations to the House of Representatives and to the Senate with respect to what alternative actions the President is considering under this chapter to the extent that any consultation or dispute settlement procedure provided under this chapter does not result, in his judgment, in the enforcement of such rights as the United States may have under any trade agreement or the elimination of any unjustifiable, unreasonable, or discriminatory burden or restriction on the commerce of the United States. Notice of such alternatives shall be published in the Federal Register."

(C) by striking out "or service" each place it appears in subsection (b) and inserting in lieu thereof the following: ", service, or direct investment".

SEC. 603. MULTILATERAL NEGOTIATIONS ON RESTRICTIONS ON FOREIGN DIRECT INVESTMENT

Section 102(b) of the Trade Act of 1974 (19 U.S.C. 2112(b)) is amended by inserting "(including any restrictions on foreign direct investment)" after "United States" the first place it appears.

By Mr. MATSUNAGA (for himself and Mr. DURENBERGER):

S. 2498. A bill to amend the Internal Revenue Code of 1954 to provide that certain indebtedness incurred by educational organizations in acquiring or improving real property shall not be treated as acquisition indebtedness for purposes of the tax on unrelated business taxable income; to the Committee on Finance.

TAXABLE INCOME OF EDUCATIONAL INSTITUTIONS

Mr. MATSUNAGA. Mr. President, I am today introducing with the Senator from Minnesota (Mr. DURENBERGER) a bill to correct an inequity under existing law. This inequity has hampered the endowment growth of all colleges, universities, and schools; it has precluded these educational institutions from investing in debt-financed real estate.

PRESENT LAW

When a tax-exempt organization borrows money to buy real estate or any property, it may incur a tax. If the property is substantially related to the organization's exempt purpose—such as a new dormitory to house students enrolled at a college—there is no adverse tax effect. But if the property is acquired for investment, and is unrelated to the organization's exempt purpose, the organization is subject to a penalty tax.

That penalty tax is imposed on a percentage of the net investment income from the property. This percentage represents the ratio of the outstanding mortgage to the cost basis of the property. The penalty tax thus applies to property bought with borrowed funds. It also may apply to gifts

and bequests of property which the tax exempt organization takes subject to an outstanding mortgage or debt under certain circumstances.

BACKGROUND OF PRESENT LAW

A variation of this penalty tax was applied to certain exempt organizations in 1950, when the tax was imposed on rental income from debt-financed real property. In 1969 Congress expanded the tax to apply to all exempt organizations and to all debt-financed property unrelated to the organization's exempt functions.

The 1969 Tax Reform Act addressed tax sham transactions. An operating business in such a transaction could convert ordinary income into long-term capital gains by way of an intermediary exempt organization. The exempt organization would eventually acquire the operating business assets with little or no payment of its own funds. In effect, the tax benefits provided through the use of the exempt organization paid for the acquisition.

For example, a business would sell its operating assets to a university on a deferred payment basis. The university would be obligated to make payment only out of earnings from the assets. The university would then lease the assets to a new company formed by the original business. The company's rental payments to the university would equal the university's contract payment to the business on the deferred purchase.

As a result of this transaction, the business earnings from the operating assets become deductible as rental payments to the university. The university returns the earnings to the business in the form of more favorably taxed, long-term capital gains, thus paying off the purchase cost of the business asset. An inflated price or an open end price for the property also provides the business with a significantly higher return before actual ownership passes to the university.

The 1969 Tax Reform Act ended this type of sham transaction by imposing the penalty tax on debt-financed income.

1980 EXCEPTION FOR PENSION TRUSTS

The 1969 Tax Reform Act had succeeded in controlling the acquisition of businesses by exempt organization utilizing their tax-free status. But the penalty tax also has prevented legitimate investments in debt-financed real estate, thus hampering investment diversification by exempt organizations.

The Senate Finance Committee examined this restriction in 1980 and approved a special rule for tax-exempt pension plans. The 1980 Miscellaneous Revenue Act created an exception from the penalty tax for a pension plan's purchase of mortgaged real estate. To prevent the pre-1969 abuses from recurring, the legislation imposed certain safeguards:

First. The purchase price has to be a fixed amount and not open ended.

Second. The debt payment cannot be contingent on earnings from the property.

Third. The property cannot be leased back to the seller or to a party related to the seller.

Fourth. The property cannot be leased back to certain persons disqualified under the pension provisions.

Fifth. The property cannot be financed by a nonrecourse loan from a party either related to the seller or related to a person disqualified under the pension laws, if the loan is subordinate or if the loan carries less than the going interest rate.

This exception applied only to tax exempt employees pension trusts.

PROPOSAL

Educational institutions, like pension plans earlier, have been deterred by the penalty tax from investing in debt-financed real estate. Colleges and schools have the same need to diversify their investments and maximize their investment income. That need has increased because of Federal program cuts and rising costs. But these schools are unable to buy significant real estate on a cash basis without any borrowing.

The proposed bill would extend the present exception for pension plans to educational organizations, including colleges and schools. The same safeguard applicable to pension trusts would apply to foreclose abuse by educational organizations.

CONCLUSION

The proposed remedial change is one of the most important changes we can make to help colleges, universities, and private elementary and secondary schools to meet the added financial burdens imposed by the Federal Government. I urge the Senate to consider the merits of this proposal and to enact the measure.

ADDITIONAL COSPONSORS

S. 1813

At the request of Mr. HATCH, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1813, a bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the training of skilled workers in critical industries which have a labor shortage.

S. 2210

At the request of Mr. ROTH, the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 2210, a bill to amend the Commodity Exchange Act, to reduce fraud and improve the administration of such act, and for other purposes.

S. 2219

At the request of Mr. DURENBERGER, the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of S. 2219, a bill to cancel all bonds issued by the Saint Lawrence Seaway Development Corporation.

S. 2225

At the request of Mr. BAUCUS, the Senator from Arizona (Mr. GOLDWATER), the Senator from Rhode Island (Mr. PELL), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Oklahoma (Mr. BOREN) were added as cosponsors of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2252

At the request of Mr. PACKWOOD, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2252, a bill to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984 and for other purposes.

S. 2267

At the request of Mr. HEINZ, the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 2267, a bill to amend the Internal Revenue Code of 1954 to allow the Secretary of the Treasury to waive the interest penalty for failure to pay estimated income tax, for elderly and retired persons, in certain situations.

S. 2300

At the request of Mr. FORD, The Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2335

At the request of Mr. WEICKER, the Senator from New Mexico (Mr. SCHMITT) was added as a cosponsor of S. 2335, a bill to amend the Internal Revenue Code of 1954 to provide that any small issue which is part of a multiple lot shall meet the requirements of the small issue exemption.

S. 2353

At the request of Mr. CHAFEE, the Senator from Louisiana (Mr. JOHNSTON) was added as a cosponsor of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2369

At the request of Mr. DOLE, the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of S. 2369, a bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2459

At the request of Mr. WEICKER, his name was withdrawn as a cosponsor of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. HATCH, the Senator from New Jersey (Mr. BRADY) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 131

At the request of Mr. EXON, the Senator from Wisconsin (Mr. KASTEN), and the Senator from Utah (Mr. HATCH) were added as cosponsors of Senate Joint Resolution 131, a joint resolution designating "National Theater Week."

SENATE JOINT RESOLUTION 153

At the request of Mr. RIEGLE, the Senator from New York (Mr. D'AMATO), and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of Senate Joint Resolution 153, a joint resolution designating "Baltic Freedom Day."

SENATE JOINT RESOLUTION 160

At the request of Mr. HAYAKAWA, the Senator from Maine (Mr. MITCHELL) was added as a cosponsor of Senate Joint Resolution 160, a joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day."

SENATE JOINT RESOLUTION 161

At the request of Mr. THURMOND, the Senator from Oklahoma (Mr. NICKLES), the Senator from Alabama (Mr. DENTON), the Senator from Florida (Mrs. HAWKINS), the Senator from Maryland (Mr. MATHIAS), and the Senator from Indiana (Mr. QUAYLE) were added as cosponsors of Senate Joint Resolution 161, a joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

SENATE JOINT RESOLUTION 162

At the request of Mr. ROTH, the Senator from California (Mr. CRANSTON), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20 through June 27, 1982, as "National Safety in the Workplace Week."

SENATE CONCURRENT RESOLUTION 73

At the request of Mr. HEINZ, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Concurrent Resolution 73, a concurrent resolution to condemn the Iranian persecution of the Bahai community.

SENATE CONCURRENT RESOLUTION 82

At the request of Mrs. HAWKINS, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of Senate Concurrent Resolution 82, a concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as "Older Americans Month."

AMENDMENT NO. 1333

At the request of Mr. MATHIAS, the Senator from Georgia (Mr. NUNN), the Senator from South Dakota (Mr. PRESSLER), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of amendment No. 1333 intended to be proposed to S. 1758, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

AMENDMENT NO. 1370

At the request of Mr. HEINZ, the Senator from Arkansas (Mr. BUMPERS), the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of amendment No. 1370 intended to be proposed to S. 2237, a bill to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

SENATE CONCURRENT RESOLUTION 90—CONCURRENT RESOLUTION RELATING TO AN INTERNATIONAL YEAR AGAINST DRUG ABUSE

Mrs. HAWKINS (for herself, Mr. QUAYLE, Mr. BUMPERS, Mr. ABDNOR, Mr. HATCH, Mr. DURENBERGER, Mr. HEFLIN, Mr. DECONCINI, Mr. DENTON, Mr. MATTINGLY, Mr. DIXON, Mr. HUMPHREY, Mr. SYMMS, Mr. KASTEN, Mr. GARN, Mr. SCHMITT, Mr. BENTSEN, and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 90

Whereas the problem of drug abuse continues to worsen in most parts of the world;

Whereas the number of drug abusers has risen and abuse has spread geographically;

Whereas the number, variety, and potency of illicitly used narcotics, drugs, and psychotropic substances have increased;

Whereas illicit production has expanded and trafficking flourishes; and

Whereas a declaration by the United Nations of an International Year Against Drug Abuse would serve as a catalyst for interest and action at all international levels involving families, communities, neighborhoods, schools, religious institutions, and public, private, and voluntary associations: Now, therefore, be it

Resolved, That it is the sense of the Congress that the President is urged to promote a declaration by the United Nations of an International Year Against Drug Abuse.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President.

AN INTERNATIONAL YEAR AGAINST DRUG ABUSE

● Mrs. HAWKINS. Mr. President, despite the international community's efforts to date, drug abuse throughout most of the world has not decreased. On the contrary, it has spread and the situation continues to deteriorate. Its most tragic victims include adolescents and children. Geographically, more and more countries are afflicted, both developing and developed. Furthermore, drugs of greater potency are more widely available and are consumed in more hazardous ways.

Although some progress has been made in the past to reduce the flow of illicit drugs into this country, drug abuse remains one of our Nation's most serious and vexing domestic problems. One need only focus on New York City and south Florida to see the violence and human wreckage that this pernicious drug traffic can produce.

One recent study by the Department of Justice found that a group of 243 addicts committed 500,000 crimes over an 11-year period. Trafficking in illicit drugs is unfortunately one of this country's largest businesses. Only one corporation in the entire world, Exxon, has greater gross revenues, though even Exxon's profits pale before those earned by the tax-free illegal drug industry. The retail value of illegal drug sales in this country totaled more than $79 billion in 1980—up 22 percent from the previous year.

Because over 90 percent of the illegal drugs used in the United States are produced abroad, it is vital that we promote aggressive international drug enforcement.

To focus attention and stimulate such action, I am submitting this concurrent resolution urging the President to promote adoption of a U.N. resolution declaring an International Year Against Drug Abuse. Adoption of such a resolution will enhance worldwide awareness of the tragic scope of drug abuse and trigger a wide range of national and international actions. The Drug Enforcement Administration has long regarded international drug eradication as the most effective means of fighting U.S. drug abuse. Since a U.N. declaration will mobilize world opinion against countries which fail to take responsible action to thwart exportation of illegal narcotics, it could produce substantial benefits here at home without cost to the taxpayer.

I am pleased to inform my Senate colleagues that today Congressman TOM RAILSBACK, the ranking minority member of the House Select Committee on Narcotics, will submit the House companion to this Senate concurrent resolution. Throughout his long and distinguished career, Congressman RAILSBACK has effectively led parents, educators, community leaders, and policymakers in fighting drug abuse and narcotic trafficking. Through his hard work, action and attention has been focused on the international tragedy of drug abuse. It is a special privilege to have Congressman RAILSBACK as the sponsor of the House version of this concurrent resolution.●

● Mr. HUMPHREY. Mr. President, I rise to cosponsor and express my unequivocal support for the concurrent resolution asking the President to promote a United Nations International Year Against Drug Abuse.

In my role as chairman of the Subcommittee on Alcoholism and Drug Abuse, I have been repeatedly exposed to the devastation and heartbreak drug abuse causes our society. Truly this problem is one of the most important we face today and one that requires a cooperative effort at all levels: international, national, State, local, and individual. The problem of drug abuse has penetrated into every level of society and affects us all directly or indirectly, and it is only through the cooperation and dedication of all levels of government and public and private groups that we will be able to bring it under control.

One of the most troubling manifestations of our drug problem is the widespread use of marihuana by our young people. Although the most recent annual high school senior survey released in February by the National Institute on Drug Abuse shows a most welcome downward trend in the daily use of marihuana by high school seniors, the fact remains that millions of America's youth are seeking a solution to their problems through the use of drugs. Indeed the United States has a greater proportion of its youth using drugs than any industrialized nation in the world. As Mrs. Reagan has so aptly stated, this Nation faces the danger of losing a whole generation of its youth to drug abuse.

We are all aware that drug abuse by the young often interferes with school and other activities and results in family stress and alienation. Recently at a subcommittee hearing on the health and educational effects of marihuana on youth, we heard testimony from research scientists and clinicians that regular marihuana use adversely affects the functioning of the lungs, and may have detrimental effects on the reproductive system, the immune response, and the cardiovascular system. Educators testified that marihuana use leads to impairment of the memory function and a lack of motivation which significantly interfere with classroom performance and the educational process. Clearly more research is needed, but the early indications of adverse health and educational effects are frightening indeed.

Equally frightening is the impact of drugs on crime in this country. Drug abuse is an expensive habit which often leads the abuser to crime in order to maintain it. In addition, the enormous profits resulting from drug sales has lead to a booming illegal drug trafficking industry, with violent crime inevitably connected with drug smuggling.

The amounts of illegal drugs annually smuggled into this country are almost impossible to comprehend. For 1980 the Drug Enforcement Administration estimates that 40 to 48 metric tons of cocaine, 10,200 to 15,000 metric tons of marihuana, and 3.6 to 4.3 metric tons of heroin entered this country illegally, resulting in a $68.5 to $90 billion illegal drug industry. Enormous sums of money are spent each year in law enforcement efforts to stem the tide of this international drug trade. In spite of this significant dedication of resources, indications are that we are fighting a losing battle against the drug smugglers.

Obviously our country is not alone in the struggle against the ravages of drug abuse which has become a worldwide problem. We have in the past collaborated with Turkey, Mexico, Colombia and many other countries in an attempt to cut off the supply of drugs at their source. This cooperative international effort must be continued and intensified if we are to succeed.

Declaration of a United Nations International Year Against Drug Abuse will contribute greatly to a renewed campaign against drug abuse. It will serve as a catalyst to stimulate innovative cooperative efforts to use against the smugglers who are preying on our young people and profiting from this illegal trafficking. Furthermore it will stress the importance the member nations place on the problem of drug abuse and the need for a united approach to solve this most destructive problem. I urge my colleagues to join me in supporting this concurrent resolution.●

● Mr. MATTINGLY. Mr. President, there is a war being fought in our Nation and throughout most of the world today. As in all wars, many of those who are fighting die. Others, often innocent victims, are injured or maimed for life. While the battles escalate around us, however, those of us who have the power, and the responsibility, to do something about the war, have turned our attention to other things.

The war I am speaking about is the war on illegal drugs. The adversary is formidable, but not invincible. We can win the war, I believe, but we must first acknowledge the conflict for what it is. Then we must dedicate ourselves to winning it.

My distinguished colleague from Florida, Mrs. HAWKINS, is submitting a concurrent resolution today to urge the President to promote a United Nations "International Year Against Drug Abuse." As a cosponsor of the concurrent resolution, and member of the Senate Drug Enforcement Caucus, I urge your active support of both the resolution and the international war on illegal drugs.

We in America are proud of the advances we have seen in medical science in recent years. We should be. For most Americans the quality of life is improving and the length of life is increasing. Many diseases have been virtually eradicated from our midst. But a great tragedy underlies our "progress." Each year, more of this country's young people are falling prey to illegal drugs. The death rate among the Nation's youth aged 15 to 24 is higher than it was 20 years ago. Drugs are one reason. This pernicious enemy increases the number of accidents and suicides among youth, contributes to crime, and rips apart the lives of friends, families, and even whole communities. The Drug Enforcement Agency contends that one of the most effective and least costly methods of fighting drug abuse in the United States is to eliminate the problem on an international level. Over 90 percent of the illegal drugs used in this country are produced in other countries. In order to curb the production and stop the flow of drugs into our country, we need the help of other nations.

I believe it is the right of every citizen of the Nation and the world to have the opportunity to participate in stemming the tide of this ever-increasing problem. But before we can expect the support of those citizens, we must call their attention to the pervasiveness of the "war." I implore each of you to exercise your duty to inform our citizenry, and to express your own dedication to defeating the foe, by joining Senator HAWKINS, myself, and the 16 other colleagues who have cosponsored the concurrent resolution in supporting the "International Year Against Drug Abuse."●

SENATE CONCURRENT RESOLUTION 91—CONCURRENT RESOLUTION RELATING TO PLACING THE SMALL BUSINESS ADVISOR ON THE CABINET COUNCIL ON ECONOMIC AFFAIRS

Mr. HEINZ (for himself, Mr. RIEGLE, Mr. BENTSEN, and Mr. D'AMATO) submitted the following concurrent resolution; which was referred to the Committee on Governmental Affairs:

S. CON. RES. 91

Whereas, small business is considered to be one of the most productive sectors of our economy—comprising 97 percent of the total American businesses, employing over half of the current U.S. labor force and offering 90 percent of all new jobs in this country;

Whereas, small business represents nearly half of the total Gross National Product and controls approximately 50 percent of all business assets;

Whereas, small business tends to be highly susceptible to the fluctuations of overall economic activity;

Whereas, current high interest rates cause severe cash flow problems for small businesses;

Whereas, small business bankruptcies are at record high levels since the depression;

Whereas, small business is the greatest source of innovative productivity—accounting for at least half of all major innovations;

Whereas, the future of our economy will depend a great deal on the viability of small businesses; and

Whereas, the Cabinet Council on Economic Affairs is the principle advisory body to the President on economic, fiscal and monetary policies; therefore be it

Resolved by the Senate (the House of Representatives concurring), That the President invite the Administrator of the Small Business Administration to participate fully in the meetings of the Cabinet Council on Economic Affairs.

● Mr. HEINZ. Mr. President, as we all know next week is National Small Business Week. A week dedicated to the recognition of small business entrepreneurs and their vital role in our society; a week devoted to a discussion of the unique problems of small businesses and the vital contributions they will make to an economic recovery and to this Nation's sustained economic health.

In recognition of the importance of small businesses, the Senate recently elevated the Select Small Business Committee to the status of a full committee. Under the careful stewardship of its distinguished Chairman, Senator LOWELL WEICKER, the Small Business Committee has provided the full Senate with advice and insight that is critical to our shaping of intelligent and realistic economic and regulatory policies that foster instead of discourage small business.

As one gentleman who runs his own small business said to me "We are not coming to the Government for a handout, we have come to Washington to get your hand out of our pocket, and to get your shackles off our feet." Small business is part of America's solutions not our problems.

The concurrent resolution I am submitting today calls upon the President to invite the Small Business Administrator to participate fully in the Cabinet Council on Economic Affairs. I believe that the advice provided to the President by this important group cannot be completed without a firm understanding of the needs and viewpoints of small business.

Mr. President, I am sure that my distinguished colleagues in the House and Senate understand the importance of this measure and I look forward to their support and cosponsorship.●

● Mr. RIEGLE. Mr. President, National Small Business Week is an appropriate time to again recognize the contributions of small businesses to our national economy. The scope and importance of small business activity within the economy is so great it is difficult to define or measure with any degree of precision, however, it is well known that small businesses cut across the full range of activities in our economy and constitute a vital productive resource.

I am pleased to join Senator HEINZ as a cosponsor of this Senate concurrent resolution urging the President to invite the Administrator of the Small Business Administration to participate fully in the meetings of the Cabinet Council on Economic Affairs. This measure reaffirms the critical role that small business plays in our economic system and the necessity of keeping the President and his advisers fully apprised of the needs and concerns of small businesses.

I firmly believe that the future health and vitality of the economy will depend in large measure upon the economic performance of the small business. As the climate for business improves and the public and community leaders look to business for solutions to national problems, I believe it is necessary for the Congress to give evidence of renewed support for the activities of business in general and small businesses in particular and I urge all Senators to lend their support to the resolution.●

SENATE RESOLUTION 384—ORIGINAL RESOLUTION WAIVING CONGRESSIONAL BUDGET ACT

Mr. WALLOP (for Mr. GOLDWATER), from the Select Committee on Intelligence, reported the following original resolution; which was referred to the Committee on the Budget:

S. RES. 384

Resolved, That pursuant to Section 402(c) of the Congressional Budget Act of 1974, the provisions of Section 402(a) of such Act are waived with respect to consideration of Title IV of S. 2487, which authorizes supplemental appropriations for Fiscal Year 1982 for intelligence activities of the United States.

Such a waiver is necessary because Title IV of S. 2487 authorizes supplemental appropriations for Fiscal Year 1982. Compliance with Section 402(a) of the Congressional Budget Act of 1974 was not possible by May 15, 1981, because the amount of supplemental appropriations for Fiscal Year 1982 for intelligence activities of the United States was not known at that time.

SENATE RESOLUTION 385—RESOLUTION RELATING TO ACCESS TO VETERANS' ADMINISTRATION FACILITIES

Mr. SASSER submitted the following resolution; which was referred to the Committee on Veterans' Affairs:

S. RES. 385

Whereas the people of the United States have a longstanding responsibility to provide the best medical benefits and services possible to veterans;

Whereas the availability of such medical benefits and services to veterans is a measure of the moral commitment of the people of the United States to those who have served the United States in times of war or national emergency;

Whereas the Administrator of Veterans' Affairs has publicly stated that the Veterans' Administration plans to furnish hospital, nursing home, and domiciliary care and medical treatment only to veterans with service-connected disabilities regardless of the eligibility of other veterans to receive such care and treatment under applicable law;

Whereas the Administrator of Veterans' Affairs has considered proposals to impose a requirement that only veterans who are 72 years of age or older be furnished such care and treatment by the Veterans' Administration; and

Whereas such plans and proposals emphasize cost-saving concerns over the obligation to honor the debt that the United States owes veterans: Now, therefore, be it

Resolved, That it is the sense of the Senate that no legislative or administrative change should be made in the current policies and practices of the Veterans' Administration if such change would reduce the access of any veteran to hospital, nursing home, and domiciliary care and medical treatment furnished by the Veterans' Administration.

● Mr. SASSER. Mr. President, I rise today to offer a sense of the Senate resolution that guarantees access to any Veterans' Administration health care facility.

I am saddened by the reasons which compel me to bring this matter before the Senate. Over the last few months it has become clear that the longstanding debt our Nation owes to its veterans is about to be reconsidered, reevaluated, and drastically reduced.

Recent comments to the press by Veterans' Administrator, Mr. Robert P. Nimmo, indicate that he may feel that our national obligation to our veterans who have served our country faithfully is no longer a moral duty for us to uphold. Rather, the Administration apparently views veterans services as nothing more than a social welfare program to be subject to the cost-cutting whims of antiveteran bureaucrats in the Office of Management and Budget.

Mr. Nimmo has on several occasions expressed this antiveteran attitude. Before the House Veterans' Affairs Committee in February he said he was "not convinced" of the Government's obligation to provide medical care to veterans for whom military service was "little more than an inconvenience." Furthermore, he characterized VA medical care as "free medical care," and states that "people have an obligation to serve their country and are not necessarily entitled thereby to a permanent social welfare system."

Mr. President, we are all well aware of the fact that increasing numbers of older veterans are eligible for, and in need of VA medical care services. These veterans will soon be expecting their country to live up to the commitment made to them long ago: "To care for him who shall have borne battle, and for his widow, and his orphan."

Presently, the average age of our 12.4 million World War II veterans is 61 years of age. From 1980 to 1985 the number of veterans 65 and over, and thus eligible for medical care from the VA, will double, from 2.2 to 4.1 million. by 1990 there may be an estimated 7 million veterans of eligible age. We must be ready to serve the medical needs of these veterans.

Yes, our veterans are graying, and they expect to receive what they rightfully deserve. And I believe that the Administration should supply these services and not change eligibility rules after Veterans have served our country.

Mr. President, I believe that the American people feel that this Nation owes a commitment to its veterans. They have served to protect our way of life. And we most certainly owe our veterans the best services we can provide. We have 21 million World War II, Korean war, and Vietnam-era veterans who were ready to risk their very lives for our country. We would diminish their sacrifices for our Nation if we now plan to scale back or ration veterans' services.

On January 11 of this year the Associated Press carried an interview with VA Administrator Nimmo in which he stated that the VA may change the age of medical treatment eligibility from 65 to 70. In this story carried across the country, the Administrator responded to the objections from veterans and veterans' organizations that such a change would bring about, by saying:

> What is to be recognized by those people . . . is that there are more words in the dictionary than "more, more, more." At some point they're going to have to decide what benefits are most important to them and which can be cut.

The VA Administrator, in effect, turns his back on aging veterans and suggests that they may simply have to wait another 5 years for VA services. Mr. President, many of our veterans simply cannot afford to wait that long. They need immediate VA care, and they should receive such care.

Administrator Nimmo's subsequent remarks and actions have confirmed the doubts and fears of those who had reservations about his willingness to place a priority on veterans benefits and services as opposed to past cutting efforts at the expense of veterans. The outcry which followed Mr. Nimmo's remarks in January did not prevent the Administrator from continuing to push for VA cuts. In February in an interview in the Baltimore Evening Sun, the Administrator indicated that the VA will soon propose this elimination of health care eligibility for veterans age 65. Characterizing the VA as something of a "sacred cow," he went on to propose other ways to save money at the expense of those men and women who have served in time of national emergency. Again, he justifies such benefit-cutting measures on the grounds of the "gigantic surge" in the number of aging veterans. Along with raising the age requirement, Mr. Nimmo mentioned the introduction of a means test which would effectively bar VA help for many veterans. But even more reprehensible was his suggestion to simply ration resources, that is, "maybe not provide enough doctors and facilities to meet the demand."

Beyond these statements, Mr. Nimmo has also taken action that adversely affects future medical care for our veterans. The decision to delay all VA medical construction projects planned for fiscal year 1984 and beyond severely damages our future capacity for VA medical care.

This VA "revalidation" of the 5-year plan mandated by Congress is delaying previously approved hospital projects, and jeopardizing the very existence of the VA health care system.

These actions suggest that the VA is not aggressively seeking a solution to the hospital shortage which will soon face an aging veteran population. This action creates further pressure on VA medical care, which can be used later to justify the drastic action suggested by the Administrator.

Mr. President, the irony of any VA proposals to raise the age limit for medical care lies in the real possibility that it will result in no cost-saving at all, and maybe an increase in spending in other pertinent medical care programs. Statistics reveal that at least half of the entire veterans population does not approach the VA for any benefit, during their lifetime, with the exception of a VA housing guaranty loan. The patient population of the VA hospital system is only about 10 percent—the poorest 10 percent. Veterans who would lose eligibility through changes in VA medical care would in all likelihood, turn to the Medicare System and thereby put increasing pressure on this program.

Mr. President, my resolution identifies a most serious problem at the VA—the attitudes and actions of the leadership of the VA which are denying needed services to our veterans.

Those who have devoted a part of their lives in service to our country are now being asked to wait—wait for the medical care they have long been promised and which they deserve. Today I ask my fellow Senators to join with me in cosponsoring Senate Resolution 385 which calls on the VA Administrator to fulfill his solemn obligation to provide VA medical care to all veterans who are eligible for such care.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1399

(Ordered to be printed and to lie on the table.)

Mr. GORTON (for himself, Mr. SASSER, and Mr. CHILES) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1400

(Ordered to be printed.)

Mr. QUAYLE (for himself and Mr. GOLDWATER) proposed an amendment to the bill S. 2248, supra.

VOTING RIGHTS ACT AMENDMENTS

AMENDMENT NOS. 1401 THROUGH 1440

(Ordered to be printed and to lie on the table)

Mr. HELMS submitted 40 amendments intended to be proposed by him to the bill (H.R. 3112) to amend the Voting Rights Act of 1965 to extend the effect of certain provisions, and for other purposes.

REMOVAL OF CERTAIN COUNTIES FROM PRECLEARANCE REQUIREMENTS

● Mr. HELMS. Mr. President, today I am submitting amendments to H.R. 3112 and S. 1992, bills to extend the provisions of the Voting Rights Act of 1965. As my colleagues are aware, H.R. 3112 passed the House of Representatives on October 5, 1981, and is now on the Senate calendar and therefore ready to be called up and considered by the full Senate at any time. S. 1992, the Voting Rights Act extension bill sponsored by Senators DOLE, KENNEDY, and MATHIAS was reported by the Senate Judiciary Committee yesterday.

The measures that I am submitting today as amendments to H.R. 3112 and S. 1992 would remove 40 North Carolina counties from the onerous preclearance requirements of section 5 of the Voting Rights Act. These counties were swept into coverage by the act because they administered literacy tests once upon a time, and the original Voting Rights Act treated such tests as presumptive evidence of discrimination. After 17 years and 3 extensions of the "temporary" preclearance provisions, these 40 counties must still comply with the preclearance requirements of the Voting Rights Act, despite their exemplary

record of protecting the voting rights of all their citizens.

Mr. President, there are three reasons why these amendments are needed. First, they would recognize the excellent record of the 40 North Carolina counties and would reward them for that excellent record. Second, H.R. 3112 and the proposed Dole-Kennedy-Mathias bill have such unrealistically stringent bailout standards that these counties would probably never be able to achieve bailout. (In addition, if the existing law were extended for 10 years or longer, the 40 covered North Carolina counties would have to wait until it expires before they could attempt to achieve bailout). Finally, literacy tests have been banned nationwide by the permanent provisions of the Voting Rights Act and such tests have not been used in North Carolina counties for years.

EXPLANATION OF PRECLEARANCE

The Voting Rights Act of 1964 contains permanent provisions of general applicability that include broad prohibitions against denial or abridgement of voting rights on the basis of race. The act also includes special provisions that were intended to be a temporary response to the low minority voter participation in the 1964 Presidental elections. The States targeted under the original triggering formula of the act were, in fact, those that supported Senator GOLDWATER in the 1964 election.

The act requires jurisdictions covered by its special provisions to submit all proposed changes in their voting laws and procedures to the Federal Government for approval. This is referred to as section 5 preclearance. The most frequently used form of preclearance requires a covered jurisdiction to submit a proposed change to the Attorney General. If the Attorney General does not object to the change within 60 days, it may then be implemented. The alternative is for the jurisdiction to bring, in the U.S. District Court of the District of Columbia, an action for a declaratory judgment that the change does not have the purpose and will not have the effect of denying voting rights on account of race or membership in a language minority group. The burden of compliance with section 5 preclearance is expensive and time consuming. The State of Texas computed that 1 year's compliance with the Voting Rights Act cost taxpayers of Texas at least $100,000 and required more than 35,000 hours of work.

Because the Supreme Court has broadly interpreted the scope of the preclearance provisions, covered jurisdictions must submit to the Justice Department all changes in voting laws and procedures that alter things "in even a minor way." Among such changes are relocation of polling places; modifications in registration requirements and procedures; and alterations in candidate qualifications, ballot organization, voting methods, and precinct organization.

Many of the most controversial aspects of the act have centered upon the obligation of covered jurisdictions to submit to the Federal Government for approval such matters as redistricting, annexation, incorporation, or consolidation or division of political and voting units. Such submissions have been required on the ground that the right to register and vote also entails the right to cast an "effective" vote. The meaning of this concept has been a major source of controversy. Many observers argue persuasively that the preclearance provisions of the Voting Rights Act are now administered as an affirmative action program for minority politicans seeking elected office.

In the March 1982 issue of Commentary magazine, Dr. Walter Berns of the American Enterprise Institute describes the operations of the preclearance provisions in the city of Rome, Ga., as follows:

> Rome, Georgia, had a commission form of government, the commissioners being elected on an at-large basis and by a plurality of the vote. (As the Supreme Court noted, "literally thousands of municipalities and other local government units throughout the nation" have such a system.) In 1966, the state of Georgia enacted new laws affecting municipal governance, among them one providing for election of commissioners by majority vote. Since Georgia was covered by section 5 of the Voting Rights Act, it had to "pre-clear" this electoral change with the Attorney General.
>
> He refused his approval and Rome went to court. The trial court found no discriminatory purpose in the new law, but it ruled against the city because the law was discriminatory in effect. As the Supreme Court repeated in its affirmance of the lower court's decision, the law would deprive "Negro voters of the opportunity to elect a candidate of their choice," by which it meant, a candidate of their own race. More precisely, the city had not proved that the new law would not have the effect of depriving Negro voters of the opportunity to elect a Negro candidate.

Mr. President, in the city of Rome case, there was in fact, as the U.S. district court noted at length, no evidence of any discrimination in the city for nearly two decades, and the city nevertheless lost the case. The city of Rome lost its case solely because no member of a minority group had been elected to office.

I am concerned that Congress and the courts have lost sight of the original goal of the Voting Rights Act. It was intended simply to prohibit the denial or abridgement of voting rights on the basis of race with respect to access to the polls and the opportunity to vote. The preclearance provisions of the act were intended to be only a temporary extraordinary response to the low minority voter participation that was said to be the result of unfair literacy tests. Now that literacy tests have been permanently suspended in every State, what is the reason for continuing section 5 preclearance?

PERMANENT PROVISIONS ARE AN EFFECTIVE GUARANTEE OF VOTING RIGHTS

Congress has ample power to protect the rights of citizens to vote without resorting to the unconstitutional device it has adopted in section 5. In fact, other provisions of the Voting Rights Act include a perfectly adequate basis for Federal intervention in protecting the rights of citizens to vote.

Although these permanent provisions have received almost no attention in the debate over H.R. 3112 or the Dole-Kennedy-Mathias bill, they have nevertheless been instrumental in expansion of the suffrage. As Assistant Attorney General William Bradford Reynolds has testified, the Attorney General's section 5 authority to call for the use of Federal examiners has been highly effective in eliminating obstacles to voter registration by blacks.

Even if jurisdictions such as North Carolina's 40 covered counties are removed from the onerous preclearance requirements of section 5, the highly effective permanent provisions would remain in place as a perfectly adequate guarantee of voting rights.

NORTH CAROLINA'S EXCELLENT 17-YEAR RECORD ON VOTING RIGHTS

The amendments that I am introducing today to S. 1992 and H.R. 3112 would remove from the preclearance requirements all of the North Carolina counties that are currently covered. All but one of these counties were covered by the 1965 Voting Rights Act, not because they had discriminated against black voters, but simply because they had at one time administered literacy tests, which the act treats as presumptive evidence of discrimination.

One other county, Jackson, was covered because its Cherokee Indians constituted a language minority and it had either low registration or low voter turnout in a Presidential election. Not one shred of evidence has been introduced either in the House or Senate Judiciary Committees that any of these counties has actually discriminated against minority voters.

In many other regions of the country registration and voting statistics for minorities are not as favorable as they are in North Carolina. According to statistics from the Bureau of the Census for the year 1980, 49.2 percent of blacks in North Carolina were registered to vote while, for example, only 43.6 percent of blacks in Massachusetts were registered to vote.

The conclusion to be drawn from these statistics is that North Carolina has made great progress in providing the opportunity for blacks to register while other noncovered States like

Massachusetts have an even greater need to improve the registration rates for black citizens.

A survey of legal actions taken by the Department of Justice with regard to voting rights in North Carolina indicates that North Carolina's record during the past 17 years has been excellent. The Justice Department has never filed suit against the State of North Carolina or against any of its counties for voting rights violations in the past 17 years.

In addition, there have been very few legal actions by the Justice Department involving North Carolina under the section 5 preclearance provision. According to the statistics supplied by the Department to the Senate Judiciary Subcommittee on the Constitution, there have been 695 objections interposed against voting changes in covered States between 1965 and December 31, 1981. Only 22 of these objections have been interposed against changes by the State of North Carolina or covered jurisdictions in North Carolina. Other States have had many more objections interposed.

The 22 objections interposed against voting changes in North Carolina represent a miniscule proportion of the total 1,428 voting changes that have been submitted by the State and its covered jurisdictions between 1965 and September 1981. In fact, these objections were interposed against fewer than 2 percent of the voting changes that have been submitted.

ONLY NINE NORTH CAROLINA COUNTIES HAVE HAD OBJECTIONS INTERPOSED AGAINST THEIR VOTING CHANGES

A sum of 9 of the 22 objections were interposed against voting changes by the State of North Carolina, and the remaining objections involved only nine of the covered counties in North Carolina. In the case of two of the nine counties, Craven and Edgecombe, the objections were withdrawn by the Justice Department within about 1 year of having been filed and were not counted by the Department in total number of objections. The Justice Department's testimony lists only the one county, Robeson, as having litigated an objection, and the post-objection action of another county, Washington, is not specified.

The other counties, Martin, Pasquotank, Scotland, Rockingham, and Pitt, complied without litigation or new submission.

The types of changes by the counties to which the Justice Department objected are the types of innocuous changes adopted every year by noncovered jurisdictions throughout the country. Officials in these nine counties, almost without exception, have not even been accused by the Justice Department of in any way interfering with the right to register to vote.

Instead, the record of these nine covered counties suggests that the accusations have focused more on the issue of the right to cast an "effective" vote in methods of election and in districts that are perceived as more advantageous for minority candidates seeking to win elective office.

THIRTY-ONE OF NORTH CAROLINA'S COVERED COUNTIES HAVE NEVER BEEN SUBJECTED TO ANY LEGAL ACTION BY THE JUSTICE DEPARTMENT WITH REGARD TO VOTING RIGHTS

There are 31 covered counties in North Carolina that have been subject to the preclearance requirement for 17 years—except Jackson County which was covered in 1975—and for all of these 17 years, not a single objection has been interposed against any of more than 1,000 voting changes. The 31 counties are as follows: Anson, Beaufort, Bertie, Bladen, Camden, Caswell, Chowan, Cleveland, Cumberland, Franklin, Gaston, Gates, Granville, Greene, Guilford, Halifax, Harnett, Hertford, Hoke, Jackson, Lee, Lenior, Nash, Northampton, Onslow, Perquimans, Person, Union, Vance, Wayne, and Wilson.

Why must these 31 counties remain covered after 17 years with their record on voting rights is at least as good as the record of any counties in other regions of the country? Is it fair to subject counties of the State of North Carolina to the burdens of Federal regulation of electoral changes that are not imposed on counties in other States whose records on voting rights have not even equaled North Carolina's in the past 17 years? Can a Senator from any other State say that his State's record on protecting voting rights is so much better over the past 17 years than the record of these 31 counties, or that his State merits better treatment than is merited by these 31 counties in North Carolina?

Does it not violate the principle of equality among the States for these 31 counties of North Carolina to be subjected to discriminatory Federal intervention when their record over the past 17 years is as good or better in protecting voting rights than the records of hundreds of counties in States not covered by the preclearance provisions?

This discrimination that continues against North Carolina counties after 17 years is especially unfair because the formula for preclearance coverage was arbitrary and overbroad. In fact, most of the North Carolina counties never should have been covered in the first place.

CONGRESS SHOULD ACT TO REMOVE THESE COUNTIES FROM COVERAGE SINCE EXPENSIVE BAILOUT LITIGATION IS NOT A REASONABLE ALTERNATIVE AND THE DOLE-KENNEDY-MATHIAS BILL, IF ENACTED, WOULD FORECLOSE ALMOST ALL HOPE OF BAILOUT

No doubt there are those who think that Congress should not exercise its legislative discretion to remove North Carolina's counties from coverage since the Voting Rights Act allows covered jurisdictions to seek "bailout" from coverage by litigation in court. This alternative of judicial bailout is not, however, readily available as a practical form of relief for North Carolina's counties.

In the first place, H.R. 3112, like the Dole-Kennedy-Mathias bill, imposes new bailout standards that are so unrealistic and stringent that no jurisdiction now covered will ever be able to accomplish a bailout. In fact, under the Dole-Kennedy-Mathias bill, bailout would depend on circumstances that the jurisdictions cannot control.

For example, its bailout standards would bar bailout during the pendency of any action alleging denial of the right to vote. Clearly, litigious parties could rely on this part of the Dole-Kennedy-Mathias bill to preclude a covered jurisdiction from bailout without any local control whatsoever.

Moreover, it would bar bailout if, during the previous 10-year period, either the Attorney General or a court had ordered the appointment of Federal examiners. The use of Federal examiners is by its very nature an extraordinary use of power beyond local control.

There is no appeal nor review of the decision of the Attorney General to appoint Federal examiners. There are also several other aspects of the proposed Dole-Kennedy-Mathias bill that would operate to prevent covered jurisdictions from ever bailing out.

Even under the bailout standards of current law, only 22 counties across the country—18 in the State of Maine alone—have been able to bail out of coverage by demonstrating that a literacy test or other device that they employed prior to 1965 had never been used for the purpose or never had the effect of discriminating against protected minorities.

Only those counties with negligible percentages of minorities have ever been able to satisfy this burden to the satisfaction of the District of Columbia District Court. There is no effective means by which those jurisdictions currently covered by the act can demonstrate this absence of discriminatory purpose or effect in their voting tests or devices prior to the passage of the act.

In Virginia, for example, although the court found that the State had never used its literacy test for discriminatory purposes, it concluded nevertheless that a history of segregation in its school system had a discriminatory effect on the ability of minorities to satisfy State literacy standards.

Furthermore, the costs of undertaking bailout litigation might be so great as to be prohibitive for most counties that are already suffering under strained budgets. In preclearance liti-

gation that involved similar amounts of time and expense, the city of Rome, Ga., incurred about $250,000 in expenses and the city of Richmond, Va., incurred about $750,000 in expenses.

The prohibitive cost of any litigation together with the excessively stringent standards for judicial bailout demonstrate that judicial bailout is not available in practical terms as an alternative to Congress exercising its legislative judgment to remove North Carolina's law-abiding counties from coverage.

CONCLUSION

Justice Hugo Black, dissenting in *South Carolina* v. *Katzenbach*, 383 U.S. 301, 359 (1966) argued that:

(C)ertainly if all the provisions of our Constitution which limit the power of the Federal Government and reserve other power to the States are to mean anything, they mean at least that the States have power to pass laws . . . without first sending their officials hundreds of miles away to beg federal authorities to approve them.

By prohibiting the States from enacting legislation without the consent of Federal authorities, section 5 of the Voting Rights Act actually provides for a congressional veto of State laws, a power that was considered and specifically rejected by the Founding Fathers in 1787. Justice Black concluded:

The judicial power to invalidate a law in a case or controversy after the law has become effective is a long way from the power to prevent a State from passing a law. I cannot agree with the Court that Congress, denied a power in itself to veto a state law, can delegate this same power to the Attorney General or the District Court for the District of Columbia. 383 U.S. at 361.

Justice Black argued that section 5 of the Voting Rights Act reduced the States to "little more than conquered provinces." *Id.* at 360.

In light of these serious constitutional concerns about the preclearance requirement, and in light of North Carolina's excellent record on voting rights for the past 17 years, commonsense dictates that North Carolina's counties must be freed from the preclearance requirement. The same legislative discretion that originally included North Carolina's counties as covered jurisdictions should now be used to remove them from coverage.

The governments of North Carolina's counties have never and will never pose a greater threat to voting rights than the governments of counties in other regions of our Nation. It would be baseless and vindictive regional prejudice to argue otherwise in the face of overwhelming statistics demonstrating North Carolina's excellent record. If voting rights are ever threatened in North Carolina, the permanent provisions in the Voting Rights Act that apply nationwide would be more than adequate to protect the right to register and have access to the polls.

Former Senator Sam Ervin from North Carolina charged that the Voting Rights Act's "overriding defect * * * (was) that it degrades certain States and subdivisions to the point where they are denied fundamental rights * * *." I hope that Senators from States that have not been subjected to this degradation will respond in good faith to my request for relief from the onerous burden that my State's counties have borne for an unnecessarily long time, and I hope that the fundamental rights of my State and its subdivisions might once again be restored.

Mr President, I ask unanimous consent that the amendments be printed in the RECORD.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1401

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Anson in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1402

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Beaufort in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1403

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Bertie in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1404

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Bertie in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1405

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Camden in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 2, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5'

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1406

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Caswell in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1407

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Chowan in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1408

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Cleveland in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT No. 1409

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Craven in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1410

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Cumberland in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1411

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Edgecombe in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3." and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1412

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1956 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Franklin in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1413

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Gaston in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1414

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Gates in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1415

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Granville in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1416

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Greene in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1417

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Guilford in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO 1418

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Halifax in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1419

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Harnett in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1420

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Hertford in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1421

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Hoke in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1422

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Jackson in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1423

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Lee in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1424

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Lenoir in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1425

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Martin in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1426

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Martin in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1427

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Northampton in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1428

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Onslow in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1429

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Pasquotank in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1430

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Perquimans in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1431

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Person in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1432

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Pitt in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1433

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Robeson in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1434

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Rockingham in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1435

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

SEC. 5A Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Scotland in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1436

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Union in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 5".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6.".

AMENDMENT NO. 1437

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Vance in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1438

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Washington in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

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On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1439

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Wayne in the State of North Carolina.".

On page 8 line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".

AMENDMENT NO. 1440

On page 8, between lines 17 and 18, insert the following new section:

SEC. 3. The Voting Rights Act of 1965 is amended by inserting after section 5 the following new section:

"SEC. 5A. Notwithstanding any other provision of this Act, sections 4 and 5 of this Act shall not apply to the county of Wilson in the State of North Carolina.".

On page 8, line 18, strike out "SEC. 3" and insert in lieu thereof "SEC. 4".

On page 8, line 21, strike out "SEC. 4" and insert in lieu thereof "SEC. 5".

On page 9, line 3, strike out "SEC. 5" and insert in lieu thereof "SEC. 6".●

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MATHIAS. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a meeting on Thursday, May 13, 1982, at 9:30 a.m., in room 301, Russell Senate Office Building, to consider a number of pending legislative and administrative business items.

The committee will mark up an original bill authorizing appropriations for the Federal Election Commission for fiscal year 1983. A hearing on the FEC's 1983 budget request of $9.88 million was held on April 22, 1982.

The committee also plans to mark up three bills relating to the Smithsonian Institution. S. 2102 would authorize construction for a new museum for Eastern and African art under the park area bounded by the Smithsonian "Castle," the Freer Gallery, the Arts and Industries Building, and Independence Avenue. S. 2390 reauthorizes the National Museum Act, under which the Smithsonian Institution makes grants for the improvement of museum operations. This bill authorizes appropriations of $782,000 for fiscal year 1983 and appropriations of such sums as may be necessary for fiscal years 1984 and 1985. The third bill, S. 2391, would adjust the rate of interest paid on funds of the Smithsonian Institution deposited with the U.S. Treasury. Currently, funds earn interest at the rate of 6 percent. This bill would provide for interest to be based on the average market yield on similar obligations of the United States. The Rules Committee held hearings on these bills on April 20, 1982.

For further information regarding this meeting, please call Rules Committee staff on x40278.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public that S. 2481, to provide for the reinstatement and validation of U.S. oil and gas lease No. W61985, has been added to the agenda of the Subcommittee on Energy and Mineral Resources hearing scheduled for Friday, May 7, beginning at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

For further information regarding this hearing, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Committee on Energy and Natural Resources to consider S. 1844, the Coal Distribution and Utilization Act of 1981. This hearing, which will be held on Thursday, May 20, beginning at 10 a.m., is a continuation of the hearing scheduled for Monday, May 10 at 10 a.m. The hearing will be held in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-7146.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENVIRONMENTAL POLLUTION

Mr. SPECTER. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Pollution of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 5, at 10 a.m., to hold a markup of authorizations for the Endangered Species Act; the Resource Conservation and Recovery Act; the Marine Protection, Research, and Sanctuaries Act; and the Federal Water Pollution Control Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 5, at 2 p.m., to hold a hearing to consider the nomination of Beverly Ledbetter, of Rhode Island, to be Assistant Attorney General for the Office of Research Statistics and Special Projects at the Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON IMMIGRATION AND REFUGEE POLICY

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Immigration and Refugee Policy of the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, May 6, at 2:30 p.m., to hold a hearing on the markup of S. 2222, the Immigration Reform and Control Act of 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 6, at 2 p.m., to hold a hearing on the nomination of James K. Asselstine, to be a member of the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to meet during the session of the Senate at 9:30 a.m. on Thursday, May 6, to hold an oversight hearing on the transfer of U.S. high technology to the Soviet Union and Soviet bloc nations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TODAY IS "CINCO DE MAYO"

● Mr. DOLE. Mr. President, for our neighbors and friends in Mexico, today marks a proud national holiday—Cinco de Mayo—which we join them in celebrating once again this year.

We are fortunate to have an occasion such as this one to recall the brave and noble history of our southern neighbors. We are also fortunate to have an occasion to commemorate our close relationship with Mexico, with whom we share so many interests and such deep friendship and admiration.

It is especially at turbulent moments like the present, Mr. President, that we value anew our partnership with the people of Mexico and that we look

toward building an ever closer and more fruitful tie with them, in order to strengthen mutual confidence and insure enduring peace and friendship throughout our continent and our hemisphere.

I call on all Americans to join me in congratulating Mexico and its people on this historic anniversary, and in encouraging cooperation between our two countries in every field of endeavor as we face the future together.●

TO THE PARAS NOMINATION BOARD OF THE LEGAL SERVICES CORPORATION

● Mr. BIDEN. Mr. President, there is a recent glaring example of the nomination for Federal service of an individual manifestly unqualified for the position for which he is being considered.

George E. Paras, an attorney from Sacramento, Calif., has been nominated by President Reagan for the Legal Services Corporation Board. The Legal Services Corporation Board oversees a Federal agency which assists low-income citizens seeking redress or protection in the courts.

Not long ago, Mr. Paras wrote a letter to a Hispanic who had been nominated for the California Supreme Court. The letter read:

> Your problem is that you feel it your obligation to be a professional Mexican rather than a lawyer. Thus you must remain true to the ideals consistently tossed about by leaders of the so-called Mexican movement.
>
> You must ever champion the "oppressed", meaning those who so designate themselves, such as criminals, handicapped, welfare recipients, demonstrators, "minorities" and miscellaneous other have-nots.

Later, when the propriety of these remarks was questioned, he sought to clarify them, and said:

> There are such things as professional blacks, professional Greeks, professional Dagos, professional Jews, people who put their ethnic origin ahead of everything else. That's what I meant.

This country was built by individuals of different ethnic background. Many have become distinguished businessmen, physicians, public servants; millions of others have enriched this Nation daily through their individual work as well as through the cultural diversity which they bring to American society. They are the tangible expression of the basic liberties described in the Constitution, and have given life to that document's ideals not only by respecting its provisions but assuring its vibrancy by exemplifying the principle that a democracy is strong only when a diversity of beliefs and values can live and flourish in harmony.

Mr. Paras' remarks demonstrate a complete lack of appreciation for and sensitivity to this tradition.

Any man who can comfortably use ethnic slurs in the course of his conversation or who demeans the cultural and ethnic diversity of our population is not suitable for Federal service. I would hope that in the future the administration will screen its nominees more carefully so that important positions such as that for which Mr. Paras had been nominated will be held by individuals of high quality.●

BRIAN ROSS—A "COMER" ON THE GO

● Mr. GRASSLEY. Mr. President, years ago, when I was a professor at Charles City College in Iowa, a young student named Brian Ross particularly captured my attention. Even as a very young man, Brian exhibited qualities of intellect, initiative and will which marked him as a "comer," as they say these days.

Although destined for a successful future as a globe-trotting journalist for NBC, Brian's debut in the profession was far from glamorous. Breaking away from studies on weekends, he would catch a bus to Waterloo, where he served as an anchorman for KWWL-Television. Between newscasts, he regularly caught a few winks on a couch at the station—a preview of many long nights to come in his persistent search for news in the world around him.

Last weekend, two American journalists were themselves newsmakers, as they made a daring escape from a plane seized by gun-toting hijackers in Honduras. One of those journalists was Brian Ross, whose grit, as evidenced years ago, prodded his plunge for freedom when the frustration and desperation of his captors reached a dangerous peak. Gambling on his captors' lust for media coverage, he had previously offered to remain their captive, if only they would free other hostages. Rebuffed in his attempt to assure the safety of others, Ross made his own break from the grip of those whose selfish ends were sought at immense danger and cost to others.

I particularly celebrate Brian Ross' commendable performance in crisis, not only because I once invested my own energy in him, but because even as a very young man he was himself a challenge and inspiration to me. His own brush with death illustrates the risks taken by those who serve as global eyes and ears for the rest of us, assuring that the most parochial citizens of the globe can gain an inside view of the cataclysmic developments of their world.

For his professionalism, initiative, drive, and courage, I salute Brian Ross, who, I am proud to say, shares the spotlight with such notables as President Ronald Reagan and NBC Vice President Tom Pettit, who made their media debuts in that wonderful slice of the Midwest called Iowa.●

EXPORT TRADING COMPANY LEGISLATION MOVES FORWARD IN HOUSE

● Mr. HEINZ. Mr. President, there are two recent developments of considerable significance to export trading company legislation that are worth noting.

First, on April 29, the House Foreign Affairs Committee ordered exported H.R. 1799, Congressman DON BONKER'S ETC bill. The committee had previously substituted the text of H.R. 6016, Congressman ST GERMAIN'S bill containing export trading company banking provisions, for title I of H.R. 1799. Thus the Foreign Affairs Committee is the first House committee to report trading company legislation.

Second, the House Banking Committee held its first day of hearings on H.R. 6016, Chairman ST GERMAIN'S legislation, on April 22. I understand further hearings are planned for May. I commend Chairman ST GERMAIN for his timely leadership on this legislation, and I look foward to the committee's further consideration of the bill.

One of the statements presented at the hearing was particularly good, Mr. President, and I want to bring it to Senator's attention. It is the statement by Larry Fox, of the National Association of Manufacturers, which provides an exceptionally comprehensive analysis of the export trading company concept and of H.R. 6016. I ask the text of that statement be printed at this point in RECORD.

The text of the statement follows:

STATEMENT OF LAWRENCE A. FOX

Mr. Chairman, members of the Subcommittee, I am Lawrence A. Fox, vice president for international economic affairs of the National Association of Manufacturers. Our manufacturing and banking members span the gamut of commercial activity related to manufactured goods. Our manufacturing members account for approximately 80 percent of U.S. industrial output and 85 percent of U.S. industrial jobs.

We are grateful for the opportunity to testify today because we feel strongly that the export trading company concept and the Bank Export Service Act, H.R. 6016, which you, Mr. Chairman, have introduced, can contribute significantly toward an improvement in the international trade position of the United States.

U.S. TRADE PERFORMANCE

The 1970's were years of frustration and disappointment for our country insofar as international trade is concerned. We ran our first trade deficit of the 20th Century in 1971 and with the exception of 1975 have been in deficit every year since. The upturn in 1975 was an anomaly. A recession here at home cut our import demand while the economies of Europe were in a happier phase of the business cycle. The result was one trade surplus in a decade of deficits. The public was for a while under the false impression that our trade deficits were due almost entirely to the dramatic increases in oil prices achieved by OPEC in 1973–74 and then again, even more dramatically, in 1979.

In the past few years, however, it has become evident that our problems are more fundamental. They cannot be explained by OPEC actions alone, Germany and Japan, for example, are both more dependent upon foreign oil imports than the United States. Germany imports approximately 60 percent of the primary energy products she uses and Japan imports 90 percent of hers. Yet these countries have managed to pay their energy import bills, indeed, they have consistently managed surpluses in their trade accounts during the period in which the United States has been in deficit. They have done so in part by displacing American-made manufactured goods in the markets of the world, including of course in the largest single slice of the world market, the United States.

In many ways, they and some of our other rivals have proven themselves better exporters than we. That is part of the explanation for the drop in our share of the world market for manufactured goods. From 18.4 percent in 1970, it went to 16.4 percent in 1980. This also explains why, though exports as a percentage of U.S. GNP have increased over the past decade, imports have increased even faster. Exports went from 4.3 percent in 1970 to 7.8 percent in 1981, but imports went from 4.1 percent to almost 9 percent, 9.4 percent on a cost, insurance and freight basis in the same period.

WHY WE NEED TRAINING COMPANIES

I would be the last to assert that all of these developments can be traced to the fact that our trading partners have been better able to utilize international trading companies. But it is true that many of them have. Trading companies have contributed more to the enhanced international competitiveness of rival trading nations than they have to our own. This in large measure is due to the fact that trading companies have been more restricted here than in other countries and less able to assist small and medium sized firms to export.

It concerns us that less than 1 percent of U.S. firms account for more than 80 percent of U.S. exports. Statistics like this are worrisome for two reasons. First they mean that U.S. firms and the U.S. economy as a whole are not reaping the full benefit of the potential market for their products; many are simply ignoring that portion of their market that lies outside the United States. Second, such statistics suggest that many U.S. companies, by not exporting, are remaining dangerously unaware of the growing competitive strength of foreign companies that may one day challenge them in the United States. We are all familiar with cases in which this has happened. In a sentence, one has to meet the competition to stay ahead of it or even keep abreast of it.

Export trading companies have the potential of making the barriers to exporting less expensive to potential exporters, thereby making the export market an attractive one for a larger segment of American industry.

It has been said more than once that the export trading company legislation will not solve the trade problem. That is true, but it is important to realize both what exports do for our economy as a whole and what ETCs can do for exports.

According to a recently released Commerce Department survey, one out of every seven manufacturing jobs in America is related to exports. From 1977 through 1980, U.S. private sector employment directly related to the export of manufactured goods increased by 47 percent. Rephrased, exports accounted for 1.5 million or 30 percent of the 5.2 million private sector jobs created in that period.

State-by-state analyses are also impressive. In Rhode Island, 83 percent of the net increase in private sector jobs created in the 1977-80 period derived from export sales; in New York, 85 percent; in Wisconsin, 52 percent.

I am sure the Chairman is familiar with the New England Congressional Institute's survey on export trading companies. This suggested that ETCs would increase New England exports by $500 million within 5 years of the passage of ETC legislation. Further work by Chase Econometrics suggests that the figure for New England might be as high as $2.5 billion and that in 5 years, ETC legislation could account for 280,000 to 340,000 new jobs nationwide, increase GNP by $27 to $55 billion, and reduce the Federal deficit by $11 to $12 billion.

Personally, I am quite skeptical of estimates of this kind. I do not think one can reliably predict the magnitude of the effect that legislation such as this can have. I am, however, confident that that effect will more than justify the changes in the law that we are discussing today.

It is for these reasons that NAM has consistently supported export trading company legislation since the introduction of the first export trading company bill in 1979. We believe that to be truly successful export trading company legislation will need to address limitations, inhibitions and uncertainties associated with export trading companies in both the banking and antitrust areas.

BANKING PROVISIONS

However much we would like to see modifications in both areas of law in a single package, we appreciate that each of the committees of the House to which the general subject of export trading companies has been referred has its own special responsibilities. We have submitted to the responsible subcommittee of the Judiciary Committee a statement outlining our views on the antitrust issues that are part of the general problem of how one goes about making export trading companies more attractive business enterprises. I shall confine myself today to a discussion of the banking issues, specifically those raised by the Chairman's bill, H.R. 6016. I would begin with the observation that the introduction of this bill, H.R. 6016, has given considerable legislative momentum to the export trading company concept. If export trading company legislation is signed into law this year, and we very much hope it will be, it will be largely due to your leadership, Mr. Chairman.

The problem inherent in this or any legislation is to create law appropriate to the goals to be accomplished. If the creation of a legal environment more conducive to the growth of export trading companies is the goal, as we believe it should be, then H.R. 6016 is certainly a useful and appropriate legislative tool. We believe, though, that some modification would make it a better one.

The core objective of this bill and of the Senate Export Trading Company Act is an increase in the number of firms, especially small and medium sized firms, involved in exporting and by extension an increase in U.S. exports overall. This being so, it is thoroughly understandable that the bill should limit its definition of export trading companies to entities whose operations are confined "exclusively" to export activity. Understandable as it may be, we think it is a mistake. As we understand it, the legislation is not about selling agents or even separate selling companies, it is about trading companies. Traders are not manufacturers—under this legislation they are not allowed to be—and many will need to buy as well as sell abroad if they are to thrive.

It is probably not the nature of our society to produce the very large trading companies that are responsible for so much of Japan's trade. Still, to some extent, the Japanese models have fueled the idea that the United States can and should do better in exploiting export trading companies. It is therefore worth remembering that the nine largest Japanese trading companies or sogo shosha are responsible for roughly 50 percent of all Japanese trade, not just exports. Indeed, they handle approximately 10 percent of U.S. exports.

With these considerations in mind, we would suggest that a slightly less restrictive definition of "export trading company" in H.R. 6016 would make it a better bill. As you know, some of the legislative proposals in this area define export trading companies as organizations "operated principally for the purpose of . . . exporting goods and services produced in the United States," The merit of this approach is that it keeps within the statute the sense of purpose it ought to have without denying the trading companies of the future the freedoms essential to their success.

Conceptually, this provision is different from other aspects of the bill we would like to discuss because it relates directly to the character of the trading company rather than the operations of those banking organizations that can be expected to invest in trading companies.

It is of course for the banking community to provide technical advice respecting those aspects of H.R. 6016 that directly affect banking practice. I have already explained the stake that American manufacturing has in this legislation. It is obvious to us that it will only be a success if it enjoys the support of the banking community, both in its legislative phase and in practice. Thus, as representatives of American manufacturers, we cannot be indifferent to the way in which the banking interests are likely to view the bill in the months and years ahead.

We believe they will welcome the proposal to increase the proportion of their funds that depository institutions may invest in bankers' acceptances from the current 50 percent of capital and surplus to 150 percent or 200 percent with the approval of the Federal Reserve. We appreciate that this change in the limits associated with the amount of resources that banks can devote to bankers acceptances relates to the use of these instruments in domestic as well as international commerce. The ability to finance exports is now often the determining factor in the ability to export at all. Bankers' acceptances are not the solution to our export finance problems, but to the extent that this change expands the credit available for export finance, it is welcome. It should be especially welcome for the small and medium sized companies that the export trading company concept is designed to serve.

Another feature of H.R. 6016, one more central to export trading companies, deals with the quantity and character of the investments made possible by this legislation. Many bank holding companies, concerned about the risks of export trading companies, may well refrain from investing unless they can do so under terms which give them control over the ETC. The ability of bank holding companies to own rather than simply

invest in export trading companies is, therefore, critical to the success of this legislation as a part of America's export policy. We were pleased to have our reading of H.R. 6016 confirmed in the section-by-section analysis that accompanied the Chairman's letter inviting us to appear today. This analysis explains that under Section 2 of H.R. 6016, "Export trading companies could be owned wholly or in part by one or more bank holding companies or by one of more Edge Act corporations."

There are, however, other policies implicit in the language of H.R. 6016 that I hope the Committee will consider further. These relate to:

1. The services export trading companies are authorized to carry out;
2. The relative size of the investments permitted by the legislation;
3. The names that may be used by export trading companies; and
4. The character of the regulatory control.

Let me deal with each of them in turn.

Whereas, the Senate bill, S. 734, includes insurance among the services that can be performed by export trading companies, H.R. 6016 does not. We do not fully understand why this change has been made. It has long been the view of those who support the export trading company idea that the more nearly an export trading company could approximate a one-stop, comprehensive export service, the more valuable it would be to American exporters. This is the principal reason for our belief that insurance should be among the export services in which ETCs are allowed to engage. The other advantage of an insurance provision, of course, is that it makes ETCs more attractive investments for banking organizations, that is bank holding companies and Edge Act corporations. As I have said already, it is because we believe that banks can make an important contribution to export trading companies and so to exports that we would like to see the ETC option made as attractive to banks as prudence will permit.

As for the limits on the amounts banks may invest in or lend to ETCs it is an area in which differences were bound to arise. Mindful that the Federal government support though the Economic Development Administration and Small Business Administration contributions to ETCs, contemplated in other versions of the legislation, is not likely to be forthcoming, at least not in the foreseeable future, we hope that the Committee will be as generous as it can be in providing scope for bank holding company and Edge Act coporation financing of ETCs. Fruitful investments and increased exports would flow from the enactment of H.R. 6016 in its present form. A good deal can be done with investments equal to the 5 percent of the capital and surplus of bank holding companies (25 percent for Edge Act corporations). A formula like the 5 percent formula of S. 734 that permitted these banking organizations to lend a percentage of their capital and surplus to the ETCs in which they have invested would nevertheless be preferable.

A related but separate matter has to do with the restrictions on lending to affiliates, the so-called 23A restrictions, which are a part of H.R. 6016. Insofar as these relate to bank holding companies, we have no comment on them. Our understanding, however, is that H.R. 6016 extends these limitations to wholly owned Edge Act subsidiaries, which heretofore have been exempt from 23A restrictions. Such a restriction would have the anomalous and undesirable effect of limiting the flow of capital to those Edge Act subsidaries that are export trading companies. We hope the Committee will not single out the ETC holdings of Edge Act corporations in this way.

As to the other issues mentioned, we favor allowing ETCs that are subsidiaries of banking organizations to use names similar to those of their parent companies. Also, there is something to be said for allowing banking organizations to invest in ETCs without the explicit approval of the Board of Governors of the Federal Reserve so long as those investments are below some reasonable threshold. Yet on balance it is not our judgment that the decisions on these points are critical to the value of the bill.

The same characterization may perhaps also be true of the most fundamental difference between H.R. 6016 and S. 734 passed by the Senate just a year ago. Still this difference deserves comment. The Senate bill offers many different kinds of banking entities the opportunity to invest in export trading companies. H.R. 6016 on the other hand permits only bank holding companies and Edge Act corporations to make these kinds of investments. NAM has supported the approach of the Senate bill for the past three years, and that bill continues to express our preferences in this area.

Let me be clear: H.R. 6016 is in our view an extremely important bill whose passage would clearly enhance our nation's international competitiveness.

It would be a better bill if fewer banks were excluded from participation in export trading companies. We appreciate that it may be the judgment of the Subcommittee that the strength of the banking system as a whole requires that small banks, those without holding companies or Edge Act corporations, refrain from direct participation in ETCs. If that is the case, we wonder whether it might not still be possible to allow the smaller banks to invest indirectly in ETCs through bankers' banks.

Again, I should like to thank the Chairman and the Subcommittee for this opportunity to testify and to express our sincere appreciation for the leadership you, Mr. Chairman, have shown in moving this important legislation forward at this time.●

BALANCED BUDGET AMENDMENT

● Mr. MITCHELL. Mr. President, the subject of an amendment to the Constitution requiring a balanced Federal budget is receiving an increasing amount of attention. Indeed, it now seems likely that such a measure may be brought to the Senate floor during the current Congress.

I share with many Members of Congress a strong desire to balance the budget. In fact, probably the greatest criticism of President Reagan's budget proposal is its failure to move fast enough toward a balanced budget. Yet I am concerned that a constitutional amendment may not be the best way to accomplish this goal. Three newspaper columns that have appeared recently articulate the problems that such an amendment must deal with.

The first is an editorial from the Wall Street Journal. The second is an article written by Rudy Penner in the New York Times. Mr. Penner is a distinguished economist at the American Enterprise Institute who served in President Ford's Office of Management and Budget. The third is a column by James J. Kilpatrick, who is a noted conservative columnist.

Each of these articles offers insights into this issue. I recommend them to my colleagues and ask that they be included in the RECORD.

[From the Wall Street Journal, Mar. 29, 1982]

CONSTITUTIONAL COP-OUT

The current deficit panic in Congress is generating a surge of support for a balanced budget/tax limitation amendment now before the Senate and House. The proposed constitutional amendment, as embodied in Joint Resolution 58, would require Congress to adopt a balanced budget and taxes would, in effect, be indexed to the prior year's economic growth. A three-fifths vote would be required to spend more than the government takes in.

The amendment has 52 sponsors in the Senate and the White House has been making noises that it might climb on the bandwagon. A powerful group of conservative Republicans and Democrats in the House wants to force an up-or-down vote on the amendment as their condition for approving any increase in the debt ceiling.

There is considerable appeal to such an amendment, and we think it deserves more careful consideration than the out-of-hand dismissal it has been receiving in some liberal quarters. Its proponents, including Milton Friedman and such taxpayer groups as the National Tax Limitation Committee and the National Taxpayers Union, make a powerful argument that such a measure would greatly strengthen the ability of the budget process to withstand the special interests.

Moreover, they argue, adoption by the Congress of such an amendment, even though it might take several more years to gain approval of the requisite three-fourths of the states, would signal the markets that we are finally getting serious about restoring fiscal discipline. Interest rates would start to move down; economic recovery would begin. And congressional action would forestall the current grass-roots effort to call a constitutional convention for the same purpose, which might prove difficult to control. Some 31 states have already approved a convention and the upper houses of two more have agreed; a total of 34 is needed to force a convention.

We have no burning desire to see the Constitution thrown open to the tender mercies of the political process if Congress fails to act. But frankly we are doubtful such a convention would ever take place; that 34th state is always a tough one to sell, and there will inevitable be second thoughts from the first 33. We also have serious reservations about Joint Resolution 58 itself.

For one thing, we doubt that passing a law can fix the situation. Although the joint resolution includes language intended to prevent Congress from spending off-budget what it wouldn't be allowed to spend on-budget, that would be a lot easier said than done. We feel confident that our ever-inventive legislators would have little difficulty finding ways to impose costs on society if it's in their electoral interests to do so. Increased regulation and mandates on other political jurisdictions might be the price of

pro forma budget balance at the federal level.

And while the experience of the last several decades leads us to sympathize with the notion that Congress could use a little budgetary restraining, we are loath to tamper with the formulas established by the Founders. They possessed a wise grasp of broader and even longer-range political concerns in apportioning power the way they did. The draft passed by only one vote before World War II; we must be careful not to paralyze ourselves by making it too difficult for our representatives to act.

Lastly, what happens under such an amendment if Congress simply decides to evade its obligations? Will some judge order the Senators and Representatives arrested? It is a sound principle to avoid making laws that cannot be readily enforced.

It's not inconceivable that our objections could be overcome. But we fear that many congressional supporters of a balanced budget/tax limitation amendment are simply engaging in a game of constitutional cop-out. Such an amendment would probably take at least four or five years to get on the books and another few years to be phased in. By then most of our current legislators will be departed from the scene. Meanwhile, they will feel free to conduct business as usual. We doubt this prospect will greatly reassure the markets.

We also think the notion of a budget-balancing amendment does injustice to the electorate, which is discovering ways of its own to hold down spending and limit taxes. That is what the 1980 election was largely about. Ronald Reagan and the 1981 Congress have already indexed taxes, for all practical purposes, and the pressure of prospective deficits is finally forcing Congress to consider controlling the uncontrollables. So far, it's mainly talk, but that's a healthy step forward from last fall, when President Reagan's effort to raise the Social Security issue was so peremptorily rebuffed.

So in our view the political system shows signs of working in the right direction. We could probably live with a balanced budget amendment that was coupled with substantial progress in getting current spending under control without jeopardizing tax relief. But it would be a shame if a balanced budget amendment became a vehicle for relieving the pressure on Congress to act. We are confident that those who think they can pull the wool over the voters' eyes this fall with such cosmetic tactics will meet the same rough treatment at the polls that many of their colleagues received in 1980.

[From the New York Times, Mar. 28, 1982]

THE NONSENSE AMENDMENT

(By Rudolph G. Penner)

In the near future Congress might, with the support of the Administration, propose a constitutional amendment to the states that appears to require a balanced budget.

At first sight, it would seem extremely ironic for the very same Congress and Administration, who collaborated last summer to enact policies leading to record-breaking long-run deficits, to now propose amending the Constitution to impose spending, tax and deficit constraints.

The irony quickly disappears, however, upon closer examination. The favored amendment, Senate Joint resolution 58, is so fraught with loopholes that is imposes little restraint. Its main effect is to allow politicians to go firmly on record in favor of the concept of a balanced budget while continuing to allocate society's resources however they please.

The amendment does not actually require a balanced budget. It says that the Congress, prior the the beginning of a fiscal year—which, incidentally, can be redefined however the Congress wishes—must adopt a "statement" of receipts and outlays in which outlays are no greater than receipts.

A deficit can be approved by a three-fifths majority. The most meaningful provision requires a majority of the entire membership of the House and Senate to approve percentage increases in receipts greater than the prior year's increase in national income, but even this provision raises problems because "national income" is a statistical concept that is frequently revised and redefined.

It is, of course, easy to adopt such a statement. As recently as last December, Congress adopted a statement telling us that fiscal year 1982 outlays would be $695 billion, receipts $658 billion, and the deficit $38 billion. Recently the Congressional Budget Office estimated that actual outlays will approximate $740 billion and the deficit $109 billion.

Perhaps the Supreme court should have declared that the absurd economic forecast used for the December budget estimates was unconstitutional, but a lawyer might have trouble with that concept.

The amendment also states that "the Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement." That sounds serious. But never fear, the committee report on the amendment emasculates that strong language by saying, "There is no intention to alter the division and separation of powers now characteristic of the relationship between the Congress and the President." If the drafters of the amendment had really been serious, they would have given the President impoundment power and pressured him to use it whenever the amendment required it.

As it now stands, the amendment is likely to lead to an impasse. Optimistic outlay estimates will be adopted and when the estimating error becomes obvious, it will frequently be impossible either to muster a Congressional majority to cut outlays or to muster the three-fifths majority necessary to sanctify a deficit. The only important result will be that the Constitution is demeaned.

A more meaningful amendment could easily be drafted. But I believe that would do more harm than good. It would pressure Congress and the President into using non-budget tools to capture economic resources. Even the proposed amendment might have the same result to the extent that tax burdens are restrained.

Regulations, government-sponsored, privately owned corporations and other devices can be used to re-allocate resources as effectively as spending and taxation. As such activities escape the modicum of control imposed by current budget processes, they are more likely to run wild.

President Richard M. Nixon once proposed an enormously expensive health insurance plan implemented largely outside the budget. It used regulations to force private sector provisions of a publicly designed insurance plan. Luckily, that never passed.

However, serious problems arose in New York State when politicians felt pressured to circumvent constitutional constraints. Constitutional restraints on the budget—and the state has made such provisions—played some role in the creation of independent agencies such as the Urban Development Corporation, which subsequently ran amok and then collapsed financially.

Constitutional restraints also encouraged the adoption of dubious accounting practices by New York City, which later suffered a near bankruptcy, and resulted in the invention of moral obligation bonds that turned our not to be so moral.

A common excuse for Congressional action on a constitutional amendment is that 31 of the required 34 states have passed a call for a constitutional convention that would meet to formulate a balanced budget amendment. Many fear that such a convention would do much mischief and would perhaps feel free to propose amendments totally unrelated to the budget.

Lawyers vigorously debate how such a convention would be organized and whether it could be restricted to consider only a balanced budget amendment. But it is often forgotten that there is an ultimate constraint on such a convention. Its work would have to be ratified by 38 states.

While a call for a convention would create much uncertainty. I cannot help but believe that if the convention provoked a well-publicized, informed debate on public control, the results would be more sensible and effective than S.J. 58.

I do believe that our political system contains a bias toward higher levels of spending and deficits than the vast majority of the populace desires. But I doubt that the Constitution can practically be used as a remedy any more than it could be used to prevent the consumption of alcoholic beverages.

However, if constitutional remedies are sought, they should be in the area of enhancing the President's control of the budget. Presumably, the President, who represents the whole nation, is somewhat less vulnerable to special interest pressures than the Representatives and Senators who represent more limited geographical areas and economic interests.

We might, therefore, consider reforms providing the President with impoundment and item veto powers, something that the present Congress is unlikely to contemplate, because it would reduce their power more than does S.J. 58.

Although S.J. 58 may be a horrible idea whose time has come, it did sneak up on us because few experts took it seriously. Perhaps, a more vigorous debate will yet prevent the Congress from making a terrible mistake.

[From the Washington Star, June 2, 1981]

BALANCED BUDGET PROPOSAL SIMPLY WOULDN'T WORK

(By James J. Kilpatrick)

The road to hell, so the maxim reminds us, is paved with good intentions. The Senate Judiciary Committee has taken off down that road in a cloud of commendable motives.

The committee has proposed a constitutional amendment to compel adoption of balanced federal budgets. The proposal is preposterous.

The committee's intention, to repeat, is altogether sound. If there is a prime cause of the inflation that afflicts our economy, it lies in the inability of successive Congresses to control federal spending. Only twice in the past 50 years has Congress achieved a small surplus. The accumulating deficits now approach one trillion dollars. Money

pours out of the Treasury at the rate of two billion dollars a day, or $22,000 a second.

Almost no one questions the desirability, as a general proposition of balanced budgets. John Randolph of Roanoke long ago proclaimed what he termed "the philosopher's stone, of sound fiscal management: "It is pay as you go, sir! Pay as you go!" But no parliamentary masters ever have devised a mechanism for making Randolph's rule enforceable.

The Senate committee's pending effort follows in this futile tradition. Section One of the proposed amendment directs Congress prior to each fiscal year to adopt "a statement of receipts and outlays for that year in which total outlays are no greater than total receipts." Any schoolboy with a tally stick could run up such a statement in a moment. All that is required is that one conjure up a list of revenues, $700 billion, and in a parallel column a list of outlays, $700 billion. So much for the statement.

A WAIVER, OF COURSE

The proposed amendment continues by saying that "the Congress may amend such statement." Precisely so. If an invitation to dishonest budgeting were engraved by Tiffany's, it could not convey a clearer meaning. In particular exigencies, by a three-fifths vote in each house, Congress could waive the limitation.

In its second section, the amendment would command that total receipts for a given fiscal year "shall not increase by a rate greater than the rate of increase in national income in the last calendar year ending before such fiscal year." The provision is gauzier even than "privileges and immunities" or "due process of law." The "national income" is a work of statistical guesswork. The "rate of increase" in this fictional compiliation is thus illusory. Whatever these conjectures might be, they would require that anticipated revenues for the fiscal year that ends Sept. 30 1990, be linked to the "national income" in the calendar year 1988. This is nonsense.

The third section says that Congress may waive the whole idea of a balanced budget whenever a declaration of war is in effect.

A MIND-BOGGLER

Section Four boggles the mind. "The Congress may not require that the States engage in additional activities without compensation equal to the additional costs." What state activities are "additional" activities? And what does this have to do with a balanced federal budget?

A fifth section attempts to define "total receipts." A sixth section would make the amendment effective in the second fiscal year following ratification.

I do not mean to be overly critical, but a constitutional amendment without effective means of enforcement is a nullity. It carries no more weight than a resolution endorsing safe driving. Simply to declare that the budget shall be balanced is to echo Glendower's famous boast that he could summon spirits from the vasty deep. "Why, so can I," says Hotspur, "or so can any man, but will they come when you do call for them?"

Over the years I suppose I have scrutinized 50 versions of a balanced budget amendment. Politically speaking, the effective versions are not feasible, and the feasible versions are not effective. I am impelled to the conclusion that the only remedy for fiscal extravagance is to elect frugal people to the Congress. To paraphrase Justice Stone's famous observation on the Supreme Court, the only check upon the spending power is the members' own sense of self-restraint.

The laudable characteristic is a rare and feeble quality in Congress, but it offers a better hope than the flawed proposal now heading for the Senate floor.●

THE 70TH ANNIVERSARY OF HADASSAH

● Mr. HEINZ. Mr. President, February 12 marked the 70th anniversary of Hadassah, the Women's Zionist Organization of America. Hadassah is the largest women's voluntary organization in the United States, with 370,000 members, and it has a long and distinguished record of humanitarian service, particularly in the fields of health and education.

Hadassah founded and maintains the Hadassah-Hebrew University Medical Center in Jersualem. This center and its facilities has served thousands of individuals without regard to race, religion, or nationality. Hadassah has also been active in medical service and training in this country.

It is appropriate that on May 20 a ceremony will be held commemorating Hadassah's anniversary at the White House. The President has long praised the American volunteer spirit and this organization provides a perfect example of that spirit. I would like to welcome the national board of Hadassah to Washington and congratulate its members on this momentous occasion.●

S. 2353—LIFE INSURANCE TAXATION ACT OF 1982

● Mr. GRASSLEY. Mr. President, earlier this week I cosponsored Senator CHAFEE's and Senator BENTSEN's life insurance taxation proposal, the so-called stopgap proposal. This support comes with two caveats.

First, my cosponsorship is conditioned on the ability of S. 2353 to raise the amount of money industry representatives have stated it should raise—$1 billion in 1982 and $1.4 billion in 1983. Second, it is important to me that this legislation should be sunsetted in 2 years. It might make sense to consider the outright repeal of modified coinsurance, and subject the rest of the provision to a 2-year sunset. This would guarantee achieving a good compromise that will be a more permanent solution to the problem beyond the next 2 years.

The entire life insurance industry deserves great praise for this legislation. With growing budget deficits and the increased likelihood that some revenue increases will be necessary, it is the only industry to come forward with a countermeasure which raises some revenue when faced with the loss of a tax benefit. The industry has worked to develop a cohesive position on a short-term solution to address the shortcomings of the 1959 law. It has come forward with a measure which increases its taxes. Many industries are facing the loss of beneficial tax treatment—the life insurance industry is alone in saying more than "don't tax me." The entire industry has done an admirable job in devising and presenting this compromise. We in Congess appreciate your efforts.●

PRELIMINARY NOTIFICATION PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on April 26, 1982.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room 4229, Dirksen Building.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 23, 1982.

In reply refer to: I-00781/82ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country for major defense equipment tentatively estimated to cost in excess of $14 million.

Sincerely,

JAMES H. AHMANN,
Lieutenant General, USAF, Director, Defense Security Assistance Agency.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance

notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in the covering letters are available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 19, 1982.

In reply refer to I-00441/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-52 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost $22 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL NO. 82-52

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective Purchaser: Saudi Arabia.

(ii) Total Estimated Value:

	Millions
Major defense equipment [1]	$17
Other	5
Total	22

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: A quantity of 2,010 Improved-TOW anti-armor missiles.

(iv) Military department: Army (VDW).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 19 Apr. 1982.

POLICY JUSTIFICATION

SAUDI ARABIA—IMPROVED-TOW MISSILES

The Government of Saudi Arabia has requested the purchase of 2,010 Improved-TOW (I-TOW) anti-armor missiles at an estimated cost of $22 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the U.S. to support Saudi Arabia which is an important force for moderation in the region.

The I-TOW missiles will be used to maintain war reserve stock levels and will support the modernization of the Saudi Arabian Land Forces (SALF) by enhancing its anti-armor capability. The SALF will have no difficulty in absorbing these items.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Canoga Park, California.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 19, 1982.

In reply refer to: I-20058/82.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-53 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Bahrain for defense articles and services estimated to cost $114 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL NO. 82-53

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Bahrain.

(ii) Total estimated value:

	Millions
Major Defense Equipment [1]	$75
Other	39
Total	114

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Four F-5E and two F-5F aircraft with associated support equipment, spare parts, 60 AIM-9P-3 air-to-air missiles, training, and technical services.

(iv) Military department: Air Force (SAA).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid:

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: 19 April 1982.

POLICY JUSTIFICATION

BAHRAIN—F-5E AND F-5F AIRCRAFT

The Government of Bahrain has requested the purchase of four F-5E and two F-5F aircraft and associated support equipment, spare parts, 60 AIM-9P-3 air-to-air missiles, training, and technical services at an estimated cost of $114 million.

This sale is consistent with the U.S. policy of assisting other nations to provide for their own defense and security by the transfer of reasonable amount and types of military equipment. Bahrain, although a small nation in the increasingly volatile Persian Gulf area, is a member of the recently created Gulf Cooperation Council and seeks a modest defense establishment within this context. A moderate voice in the region, Bahrain is a long-time friend of the United States and allows the U.S. Navy access to facilities in the country.

The aircraft will be used by the Bahrain Defense Force to enhance its air arm. It will provide the country with a modest airborne air defense capability to supplement its ground air defense systems.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Northrop Corporation of Hawthorne, California.

Implementation of this sale will require the assignment of ten U.S. Government personnel and three U.S. contractor representatives to Bahrain for two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 26, 1982.

In reply refer to I-12515/81ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-56 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $34 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES H. AHMANN,
Director.

TRANSMITTAL NO. 82-56

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Egypt.

(ii) Total estimate value:

	Millions
Major defense equipment [1]	$23
Other	11
Total	34

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Three hundred AIM-9L Sidewinder air-to-air missiles with 30 training missiles, repair parts, and support equipment.

(iv) Military department: Navy (AAD).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 December 1981.

(viii) Date report delivered to Congress: 26 Apr. 1982.

POLICY JUSTIFICATION

ARAB REPUBLIC OF EGYPT—AIM-9L SIDEWINDER MISSILES

The Government of Egypt has requested the purchase of 300 AIM-9L Sidewinder air-to-air missiles with 30 training missiles, repair parts, and support equipment at an estimated cost of $34 million.

This proposed sale will contribute significantly to U.S. foreign policy and national security objectives by helping to increase the security of a friendly country of vital interest to the United States.

The Government of Egypt will use the AIM-9L Sidewinder missiles on Egyptian Air Force (EAF) F-16 aircraft already being procured. The missile has the capability of a head-on attack against high speed hostile aircraft, enhancing the ability of the EAF to deter or destroy attacking aircraft before they can reach vital areas of the country. EAF personnel will be able to absorb this missile into the inventory inasmuch as they already operate and maintain earlier AIM-9 series missiles.

The sale of this equipment and support will not affect the basic military balance in the region. Israel has purchased the AIM-9L missile and Saudi Arabia is considering a similar purchase.

The prime contractor will be either the Raytheon Company of Lowell, Massachusetts, or Aeronutronic Ford of Newport Beach, California.

Implementation of this sale will not require the assignment to Egypt of any additional U.S. Government personnel. Two contractor representatives will be required in Egypt for a period of two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 26, 1982.

In reply refer to I-00921/82ct.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-58 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Israel for defense articles and services estimated to cost $510 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

JAMES AHMANN,
Director.

TRANSMITTAL No. 82-58

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Israel.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$342
Other	168
Total	510

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Eleven F-15 aircraft with 11 sets (22 tanks) of conformal fuel tanks, six spare F-100 engines, associated support equipment, test equipment, depot level repair, and future releasable engineering changes for these and previously purchased F-15 aircraft.

(iv) Military department: Air Force (SNP).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 30 September 1981.

(viii) Date report delivered to Congress: 26 Apr. 1982.

POLICY JUSTIFICATION

ISRAEL—F-15 AIRCRAFT

The Government of Israel has requested the purchase of 11 F-15 aircraft with 11 sets (22 tanks) of conformal fuel tanks, six spare F-100 engines, associated support equipment, test equipment, depot level repairs, and future releasable engineering changes for these and previously purchased F-15 aircraft at an estimated cost of $510 million.

This proposed sale is consistent with the United States policy of ensuring that Israel has the means to defend itself within secure borders should it become necessary.

The Israeli Air Force is capable of absorbing these additional F-15 aircraft with only minimal training on particular differences caused by engineering changes which have occurred since its previous purchase of this aircraft.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the McDonnell Douglas Corporation of St. Louis, Missouri.

Implementation of this sale may require the assignment of five contractor representatives to Israel for approximately two years.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 22, 1982.

In reply refer to I-20067/82.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 82-60 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Air Force's proposed Letter of Offer to Morocco for defense articles and services estimated to cost $29 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

WALTER B. LIGON,
Acting Director.

TRANSMITTAL No. 82-60

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: Morocco.

(ii) Total estimated value:

	Millions
Major defense equipment [1]	$26
Other	3
Total	29

[1] As defined in section 47(6) of the Arms Export Control Act.

(iii) Description of articles or services offered: Three hundred eighty-one AGM-65B Maverick air-to-ground missiles.

(iv) Military department: Air Force (ACI).

(v) Sales commission, fee, etc., paid, offered, or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See annex under separate cover.

(vii) Section 28 report: Included in report for quarter ending 31 March 1982.

(viii) Date report delivered to Congress: 29 Apr. 1982.

POLICY JUSTIFICATION

MOROCCO—MAVERICK MISSILES

The Government of Morocco has requested the purchase of 381 AGM-65B Maverick air-to-ground missiles at an estimated cost of $29 million.

The sale will further U.S. foreign policy objectives by demonstrating that the U.S. remains willing to support, as it has in the past, the legitimate defense needs of Morocco, a staunchly anti-communist, strategically located country which has generally played a moderate, pro-Western role in Africa and the Middle East on issues important to U.S. national interest.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Hughes Aircraft Company of Tucson, Arizona.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Morocco.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

DONALD F. O'MALLEY

● Mr. GLENN. Mr. President, I congratulate Donald F. O'Malley, a citizen of my home State and president of Local 4304 of the Communications Workers of America, AFL-CIO, on his retirement after 30 years of service with Ohio Bell and nearly that long with his union.

Don O'Malley has had a different kind of success. He retires not rich in material possessions, but with a world of wealth in service to his fellow man. He has served in many capacities in

his union, starting a quarter of a century ago as a job steward. His dedication and real spirit of service have been recognized through the years by the 1,100 members of his local. He was elected president a decade ago and has effectively led that local through calm and storm.

Local 4304 includes skilled technicians, building service workers, and clerical workers. Don has remained in building service, retiring as a skilled building mechanic. He has conducted himself on the principle that an injury to one is an injury to all who must earn their living with daily toil.

Don O'Malley has helped to make policy in a democratic and forward-looking union. He has served as a delegate to the annual CWA convention many times. He has stood up for that which he felt was right and his stand has always been based on principle.

Service for Don has meant more than the union, although that has been his greatest love. He has worked for a better community, a better Ohio, and a better America. His work has included community service, participation in local, State, and National get-out-the-vote campaigns and getting Americans to exercise their birthright at the polls.

I salute Don O'Malley with pride. His is an example of good citizenship, of the real American way. He deserves the commendation of all of us. He has earned rest and the good life. He walks into retirement with the knowledge that his life has been a contribution to this Nation that will endure.●

A BETTER DEAL FOR FEDERAL WORKERS

● Mr. MATHIAS. Mr. President, for some time now we in Congress have wrestled with the challenge of how best to handle the rising cost of pension programs. It is an onerous task, as any change in retirement benefits affects those who can least afford reduced income.

I speak today primarily of the Federal retirement program. I am opposed to singling out Federal retirees from all the rest of the economy to bear the brunt of efforts to balance the budget. I do believe, however, that in this time of fiscal constraint and back and forth budget debate, we must take up the challenge to reexamine the system with an eye to putting it on a sound footing.

The distinguished chairman of the Governmental Affairs Subcommittee on Civil Service has worked earnestly and diligently at finding fair and equitable means of dealing with this issue. It is apparent that the Senator from Alaska (Mr. STEVENS) has his heart in this matter, and that the struggle to find a secure foundation for the Federal pension system has been slippery indeed.

On Saturday, the Washington Post commended the efforts of the chairman, and I believe this editorial merits serious attention and contemplation. I ask that the editorial be printed in the RECORD.

The editorial follows:

[From the Washington Post, May 1, 1982]

A BETTER DEAL FOR FEDERAL WORKERS

Federal employee groups have reacted so negatively to a federal pension redesign proposed by Sen. Ted Stevens of Alaska, chairman of the civil service subcommittee, that Stevens has decided to delay introduction of the bill. The senator is right in his belief that the press of budget business is unlikely to allow thoughtful consideration of the measure this year, but employee groups should use the delay to reconsider whether their opposition is really in the best interest of their members.

Federal pensions, as everyone knows, are a terrific deal—for those who finally get them. But some facts about the system are not widely advertised by its defenders. One is that the system is so weighted in favor of the relatively few federal workers who work continuously for the federal government until retirement that 75 percent of contributors receive little or no return on their contributions. The system treats relatively short-term workers so unfairly that federal laws controlling private pensions would prevent a private employer from operating such a plan.

Another little-discussed fact is that federal pensions have become a large and growing burden on the general taxpayer. It has been years since 7 percent of the salary contributed by workers and the matching amount from employing agencies covered system costs. Total retirement costs have now reached 36.5 percent of payroll, considerably higher than the cost of private-sector plans. The retirement system is not currently in trouble because tax-payers have been willing to cover the extra costs, but as the system's liabilities grow, younger workers should worry whether that willingness will go on.

The proposed system would allow current workers to keep their present coverage. New workers would be covered by a private-sector type retirement plan—financed completely by the government—built on top of Social Security coverage. The plan would provide equal or superior benefits to any worker who spends a full 40-year career in government. Workers, moreover, would no longer be locked into their jobs by fear of losing retirement benefits. Anyone leaving government after five years' service could take with him full benefits—including government contributions and accrued interest. Workers would also benefit from the superior disability coverage provided by Social Security as well as the assurance that their benefits were fully funded and beyond the reach of the voters' whim.

Federal workers are right to be skeptical about attempts to erode their benefits. But they are not right to oppose blindly any change that is not a simple augmentation in benefits. It is true that some workers would lose from the change—particularly those who now retire early and reap windfall Social Security benefits from relatively few years of private-sector work. But that is a reform that is likely to be made in any case. The Stevens plan is the result of many years of study, and it is a good deal for most federal workers.●

NUCLEAR WASTE AND THE STATES

● Mr. BAUCUS. Mr. President, with the passage of the National Nuclear Waste Policy Act, the Senate turned its back on the legitimate and proper interests of the States in the siting of nuclear waste disposal facilities.

As now written, the Senate version of the act gives States only marginal participation in the siting process. The selection of a site for nuclear waste disposal is made by the Federal Government. States are notified after that decision is made.

If State review uncovers serious problems with the site selection, an objection can halt the development of the facility. That, however, is the last handle the States have on the process.

A finding by the President that the development is in the "national interest" is all that is required to override the State objection. The President's decision can be countermanded only by the positive action of one House of Congress.

The "national interest" clearly plays a role in these decisions. Indeed, the "national interest" is the motivation behind S. 1662, the National Nuclear Waste Policy Act. However, consistent with our form of government, I believe State interest deserves greater consideration when we are asking specific States to bear the brunt of this policy.

At the very least, States deserve the type of hearing provided under the proposal offered by the Senator from Nevada, Mr. CANNON. This amendment would have required that both Houses of Congress and the President concur that siting was so clearly in the national interest that State objections must be overriden.

Fortunately, I do not argue from a position of naked self-interest. Initial inventories and reports discount the likelihood that Montana will be considered for any long-term nuclear waste storage. Imagine, however, the burden this legislation puts on States with minimal population and high potential as a waste facility site.

In short, the burden of proof for upholding a State's objection to the Federal siting decision might rest on a single State's three- or four-person congressional delegation. Facing off with the State would be the entire U.S. Department of Energy and the Office of the President. Such a contest is grossly unfair and fails to recognize the legitimate interests of the States.

I cannot argue with the need and the desirability for a national nuclear waste policy. In the years since the initial operation of a nuclear powerplant in 1957, spent fuel and radioactive waste has grown by leaps and bounds. Today, 74 operating nuclear powerplants produce waste that must be disposed of in a rational and permanent fashion.

Nonetheless, I cannot support the provision of this proposal that strong arms States into serving as disposal sites regardless of their objections. I am hopeful that our colleagues in the House will support the two-House override concept. Further consideration must be given to State involvement in these decisions which will affect all of us for generations to come.●

COMMENTS BY SENATOR PELL ON VALUE OF CAREER FOREIGN SERVICE OFFICERS

● Mr. MATHIAS. Mr. President, on April 28, the Senate Foreign Relations Committee held a hearing on S. 1886, a bill to limit to 15 percent the number of U.S. chiefs of diplomatic missions drawn from outside the career Foreign Service. The committee is fortunate to have as a member the only former career Foreign Service officer ever to serve in the Senate. CLAIBORNE PELL adds a valuable dimension to committee consideration of Foreign Service matters, a unique perspective gained from an intimate knowledge of the Foreign Service system.

In a Los Angeles Times editorial on April 21, Senator PELL offered some thoughtful comments on a White House official's recent remarks questioning the value of career Foreign Service officers. I ask that Senator PELL's editorial be printed in the RECORD.

The editorial follows:

GOOD DIPLOMATS DON'T GROW ON POLITICAL PLUM TREES

(By Claiborne Pell)

To judge by comments made on April 7 by the White House personnel director, E. Pendleton James, the problem with American diplomacy is that there are too many career Foreign Service officers serving as ambassadors abroad. According to this thesis, career diplomats suffer from chronic deficiencies: They don't have direct access to the President or to his top advisers and, as professional diplomats, they are small-minded bureaucrats who represent only themselves and are fit only to tend to the minutiae of embassy operations.

Having thus consigned the career Foreign Service to the role of diplomatic hewers of wood and carriers of water, James went on to say: "The question is not whether we have too many political appointees. We don't have enough. I fight in every case for a political appointee instead of a career officer if the political appointee is qualified." Judging by the vast majority of non-career nominees who have come before the Senate Foreign Relations Committee, a very easy standard of competence is applied.

As the only former career Foreign Service officer ever to sit in the Senate and as one who has personally known outstanding career diplomats such as George F. Kennan and Charles E. Bohlen and the late Llewellyn E. Thompson and W. Walton Butterworth, I consider the White House's attitude toward career diplomats not only demeaning but dangerous. In these perilous times it is essential that our country be represented abroad by the best and most experienced talent available. For the most part, that talent resides in the career Foreign Service; and to deny that this talent exists will only ensure that our brightest young people will reject careers in the Foreign Service.

This is not to say that there is no place for non-career ambassadors. John Kenneth Galbraith, Donald H. Rumsfeld and the late David K. E. Bruce were excellent noncareer ambassadors, as are Arthur F. Burns and Mike Mansfield today. The point, however, is that a non-career ambassador should have clearly demonstrated talents and experience that compare favorably with the rigorous training and extensive on-the-job experience of professional diplomats.

James' allegation that career diplomats are fit only to "carry out the minutiae, the day-to-day operations of the embassy that ambassadors don't bother with" is simply not true. More often than not, a non-career ambassador is educated by the embassy's career staff, which ensures that he commits a minimum of gaffes, guides him through the language barrier and generally props him up and makes him look good.

To consider access to the inner circle of the White House the primary criterion for appointment as an ambassador is to suggest that our foreign relations are conducted on the basis of personal connections. Would a keen analysis of a foreign situation or a cogent policy recommendation be ignored unless the ambassador communicating it is a friend of Ronald Reagan or on a first-name basis with presidential counselor Ed Meese?

If political appointees are needed to improve the quality of U.S. diplomacy, why should we limit the benefits from the downgrading of career personnel to the State Department? Why not appoint advertising executives to serve as generals and admirals? Why not place washing-machine manufacturers in the top echelons of the Federal Bureau of Investigation? Why not assign soap salesmen as chiefs of Central Intelligence Agency stations abroad? Wouldn't their access to the White House inner circle improve our military preparedness, promote more effective crime control and ensure that the President is fully aware of what the Soviets are up to?

If adding more political appointees is the key to improving our diplomacy, why not unleash an army of corporate cronies, political party functionaries and assorted ideologues to carry out the President's policies at all levels of government? Why not, indeed, do away with the concept of a career government service and bring back the spoils system?

ISRAEL'S SACRIFICE FOR PEACE MUST BE SUPPORTED

● Mr. SASSER. Mr. President, as world attention is drawn to the South Atlantic in hope of a peaceful resolution to the conflict between Great Britain and Argentina, events of great importance to world peace are taking place in the Middle East and in the United Nations. Israel's withdrawal from the Sinai peninsula, and the successful deterrence of a move to downgrade Israel's status in the United Nations, made the last week in April of 1982 a critical juncture in the path toward realization of the Camp David accords.

Israel's agreement to abandon homes, farms, hospitals, schools, whole towns, military bases, oil fields—every shred of its presence on land that is sacred to its people in history and myth—is nothing short of extraordinary. In delivering on that promise, as a painful and heroic commitment to the peace process, Israeli soldiers had to use force on their own countrymen. The sight of the settlers at Yamit being forcibly evacuated by young men and women in uniform who share their ancient culture and traditions, was a wrenching one. Most of us can only imagine the trauma associated with that event for Jews in Israel and around the world. The Sinai withdrawal nearly coincides with this week's celebration of Israel's 34th year of independence. This is a dramatic and ironic reminder of her determination to live in peaceful coexistence with her Arab neighbors.

The Israeli sacrifice in terms of strategic security and economic cost is equally significant. In withdrawing from the Sinai peninsula, Israel abandons high-ground, early-warning stations that cannot be duplicated in the Negev Desert. In pulling back from the peninsula, Israel loses much of her ability to help keep the Straits of Tiran open at the entrance to the Red Sea, her vital water link to the Mediterranean through the Suez Canal to the north, and the Arabian Sea and Indian Ocean to the south. In leaving the Sinai, Israel dismantled two of the most advanced air bases in the world, where equipment and superior training had led to the renowned excellence of the Israeli Air Force. In consolidating ammunition dumps, logistics centers and military distribution installations in greatly reduced geographic space in the Negev Desert, Israel's vulnerability to air attack is greatly increased. In abandoning oil fields that she brought into production, Israel is also sacrificing plans of energy independence and near-term economic stability. The cost of this entire operation, in current cost, property loss, and loss of anticipated revenues, is in the tens of billions of dollars.

Mr. President, it is imperative that this historic act in the cause of peace be met with corresponding commitments by all parties to the Middle East peace process. One of the most immediate and effective actions available to the United States is a strengthening of the review process for the sale of advanced military hardware for the entire region, with a view toward slowing the rapid regionwide arms escalation. Unfortunately, the administration seems to be pursuing the opposite course in proposing sale after sale of highly sophisticated combat-capable equipment to the chief opponents of the Camp David peace process. There has also been a dangerous relaxation

in the U.S. Government's official commitment to combating terrorism, through the removal of Iraq from the formal list of countries supporting international terrorism and an easing of the regulations on the sale of large aircraft to Syria and South Yemen. In attempting to find any rational basis for these moves, I am reminded of the theme of campaign 1980 that pointed to antiterrorism, rather than human rights, as the proper first priority of the U.S. Government. How the relaxation of restrictions on the sale of military-capable aircraft to three of the most terrorist-oriented regimes in the Middle East is going to contribute to the antiterrorist goals of this administration is painfully unclear.

There has been, however, at least a temporarily heartening response by the administration to the outcry raised by Congress on, for example, the proposed export license for the sale of at least six L-100 cargo transport planes to Iraq. On April 30, the day the license was to be granted, an indefinite delay in consideration of the sale was announced. It was acknowledged that the delay was in large measure a response to the strong opposition put forth by 16 of my colleagues and myself in a letter to President Reagan. This is as it should be, Mr. President, for I believe the Congress has a necessary and important oversight role in these matters. That role becomes increasingly important when the administration in power seems bent on undermining perhaps the most vital peace process ever formulated for the strife-ridden Middle East.

In an earlier instance, the administration was persuaded—again, through the efforts of those of us in the Senate who expressed opposition—to withdraw a proposed sale of advanced F-16 fighter aircraft and Hawk mobile missiles to Jordan. I understand that proposal is now being substantially modified.

I doubt that we have seen the last of these proposals to arm belligerent Arab States with the best military equipment the United States has to offer. It is my hope, in light of both the recent successful Senate initiatives and the tremendous sacrifice of Israel for the peace process, that a more moderate policy will ensue. We need a policy that will slow the Middle East arms race, a policy of eradicating terrorism in the region. We need a policy geared for peace, a policy that will guide the governments and people of the Middle East toward a secure and productive future.●

SENIOR EMPLOYMENT PROGRAM

● Mr. BAUCUS. Mr. President, the Senior Community Services Employment Program (SCSEP), authorized under title V of the Older Americans Act, has been threatened with elimination in President Reagan's proposed budget for fiscal year 1983.

I fail to understand why we should eliminate such a successful program. Thousands of hardworking, productive older Americans are able to share their experience and skills with others in their community through this program. If it is terminated, these low-income senior citizens would be forced to rely instead on increased public assistance, such as food stamps and welfare. Besides being demeaning, this would probably cost more than simply continuing the program.

I am a cosponsor of Senate Resolution 340, introduced by our distinguished leader, Senator ROBERT BYRD. This resolution expresses the sense of the Senate that no action should be taken to terminate or otherwise weaken the Community Service Employment Program under title V. This resolution is currently cosponsored by 31 Members of this body, and I urge all my colleagues to give this issue serious consideration.

Mr. President, I recently received a report from the director of the Montana Green Thumb program, which is part of SCSEP. I am impressed by the achievements that have been made through this program, and I would like to share some examples with my colleagues, and I ask that they be printed in the RECORD.

The material follows:

WORKER PROFILE

Heart Butte is an isolated community on the blackfeet Indian Reservation in north-central Montana. There is no industry there to provide jobs, especially for the elderly. Such was the case for Daniel Bull Plume, Jr., age 63, until a Green Thumb project was developed for him.

Daniel worked from 1941 to 1960 for the railroad as a section worker. From 1977 to 1979 he delivered wood to elderly residents in the area and for 9 months in 1981 he was a host at the Senior Center in Heart Butte under the CETA program. But his true skills and abilities were lying dormant until Green Thumb Area Supervisor, Dale Munyon set the wheels in motion for a project at the heart Butte Elementary School. He was assigned to teach Blackfeet history and culture to the students.

Daniel combines his personal knowledge of the history of the tribe and his artistic abilities to bring a unique experience to the youngsters. He also teaches the students their native language.

School officials were pleased with Daniel's work and have hired him onto their payroll effective April 1, 1982. The success of the project with Heart Butte School might lead to further projects involving unsubsidized placements in the future.

PROJECT PROFILE

Pioneer Town—Scobey, Montana. Who knows of its existence? Everyone in this small town near the Canadian border knew about it but no one thought of it when Area Supervisor, Byron Erickson, was inquiring with local officials about possible Green Thumb projects. Byron spotted the group of buildings one night after work when he was driving around town. He was eventually placed in contact with Lawrence Utech, Vice-President of the Daniels County Museum Association.

Pioneer Town was started about twenty years ago by local residents to preserve the heritage of the area. Located on 20 acres, the Town consists of numerous buildings, various pieces of old-time farm machinery, cars, and hundreds of antiques and artifacts—all donated by area residents. The Museum Association raises money for the operation and restoration of Pioneer Town by charging admittance, from membership dues, donations, and from shows held in the old Rex Theater located at the site. But their money and manpower were simply not enough to keep restoration work in pace with donations. Even so, there was some hesitation about utilizing a crew of Green Thumb workers. But not for long.

Edwin Carlson, 71, Ted Flateland, 70, and Aime Carrier, 76, came to the job and convinced the Museum Association that they had the skill and determination to really get with the mountain of work that needs to be done at Pioneer Town. They worked on the theater and sided the building that houses old tractors. They emptied an old granary and converted it into a workshop for themselves. Recently they finished restoring a covered wagon.

The Museum Association has plenty of work lined up for the crew. They want the men to utilize their mechanical skills in restoring the old machinery to running condition. Most of the buildings, which include a saloon, gas station, doctor and dentist offices, grocery store, and a church, need repairs and painting. Many will then need to be furnished with the appropriate antiques and artifacts. Showcases and antiques need to be restored.

The Museum Association is enthusiastic about the work being done by the crew. It may very well mean increased revenues for the Association as Canadian visitors and local residents continue to exhibit a high amount of interest in Pioneer Town.

WORKER PROFILE

Gene Knoke, Green Thumb worker, was honored in 1981 by the Livingston Chamber of Commerce as Park County Father of the Year. He was 85 years old at the time. A veteran of World War I, he is a recipient of the Distinguished Service Cross. He is an advocate and volunteer for Boy Scouts. In his spare time, he visits people in the nursing home.

Gene moved to Montana in 1911 with his family. His work history includes farming, construction, railroad, sheepherding, and working on cattle ranches. When he retired in 1961, he went to work for the Park Hotel in Livingston for five years.

Since becoming employed by Green Thumb in December, 1980 Gene has worked on a variety of assignments. He started out as a crew foreperson on a park crew and then worked at the Fairgrounds on another crew. Gene tried the job of dispatcher for the Tele-Care/Dial-a-Ride program but that job did not work out for him or the host agency for reasons beyond his control. (The host agency could not provide him with a telephone and place to work outside his home and infrequent illness disrupted the program.)

Always willing to accept new challenges, Gene is now an assistant to the Director of the Danforth Gallery. His duties include managing the gallery in the absence of the

Director, greeting visitors, and setting up displays.

The Danforth Gallery is an exhibit and market place for the many artists of the area. It also offers the Livingston community instruction in painting, dancing, drama, and other forms of art and culture. Gene helps to promote the Gallery and its functions. His receptionist and sales abilities are enhanced by his knowledge of Livingston and its history. He brings warmth and friendliness to the pleasant surroundings of the Danforth Gallery.

[From the Powder River Examiner, February 1982]

SHARIN' OUR MAIL

DEAR EDITOR: July 13, 1981, I was contacted and talked to by one of the Green Thumb directors. I learned from that conversation that the program, called the Green Thumb, was out to give aid and assistance to people sixty-five years old and over.

The wages, small. The hours, limited. The job they lined up for me was a job I thought I would like, but I didn't. I was to work at the Nursing Home, talking to old people, trying to cheer them up, bring back old memories and things like that. But, I couldn't do it. After a few weeks I found that I could not stand to see old people that I had known for over sixty-five years lying there before me and slowly dying.

It was no fault of the Green Thumb program, but I quit. It was not the job for me. The Green Thumb program understood my feelings. They knew that I myself was an old man.

My boss, Byron C. Erkickson, came and talked to me and let me talk to him. We weren't talking about a job at all. We just talked and talked, but I know now that he heard every word I said.

Then he left to go back to Clyde Park. I thought my Green Thumb days were over. But oh no, as I idly rattled on while we were talking, he was able to see into my past and find out without me knowing it what I loved to do.

The next thing I knew, he had lined up work for me painting signs for the 4-H Clubs, and reading poetry and teaching art at the grade school. To me it has been a wonderful experience. The teachers have all been kind and sweet to me. Mrs. Ballard, the elementary principal, was most kind and considerate. I feel that I am getting more help than the children. It is a wonderful thing for me to walk the streets of Broadus and have some woman come up to me and say, "Oh Hugh, I can't thank you enough for the way you have got my little second grade girl to start liking poetry".

That means a lot to me. It is my opinion that the money the Green Thumb dishes out for the old people in this program is not the main thing. The thing that is important is to let the old men and women come out and be seen, heard and honored.

When an old man of my age can no longer stack thousand bales of hay or ride a fierce bucking bronco anymore, that does not mean that he should get out the old rocking chair and rock the rest of his life away.

There are still jobs floating around in our modern society that nobody could do a better job of working it than some old man or old woman. If they still have good minds and healthy bodies, they can do much. There are old stories to tell, old songs to sing, memories that can never be gathered except by the long years of living, that a lot of the old people have gathered. They are priceless.

The program called the Green Thumb, as far as I am concerned, is doing a lot to bring this out.

Sincerely,

HUBERT C. RUMPH.●

LABOR SITUATION IN THE PHILIPPINES

● Mr. KENNEDY. Mr. President, on Tuesday, April 25, I met with Father Edgar S. Saguinsin, a priest and union leader from the Philippines. He described for me the difficult conditions under which the members of his National Federation of Sugar Workers live. Workers in the sugar mill at Central Azucarera de La Carlota (CAC) have been denied a bonus mandated by President Marcos and upheld by the Supreme Court. Instead of complying, the company has harassed the workers and even taken action that resulted, at one point, in the arrest of women and children as well as the workers who had gathered for a previously arranged peaceful meeting with company representatives.

All to often we hear of such actions against workers—actions which deny them the right to collectively organize and peacefully bargain for improved conditions. American labor can well remember the long struggle of the past and the continued efforts of the present to improve the lot of the worker, and we can join in support of workers in other countries like the Philippines.

The situation in the Philippines is particularly difficult where fundamental rights are too often denied or violated. I would urge the Government of the Philippines to come to the aid of its workers and use its power to protect workers' rights and help workers obtain what is due to them under the law. Failure to do so will only alienate the workers from the Government and strengthen those forces in the Philippines and the world at large which are so opposed to the basic freedoms to which our Nation is committed throughout the world.

Mr. President, I would like to call the attention of my colleagues to two recent articles on this situation in the Philippines. The first is an article by Jim Stackpole of the National Catholic News Service entitled, "Filipino Priest Sees Homeland As Another El Salvador." The second is an article from the newsletter Sugar World, March 1982, "NFSW Seeks Solidarity for Key Strike." I ask to have these two articles printed in the RECORD.

The articles follow:

[From the National Catholic News Service]

FILIPINO PRIEST SEES HOMELAND AS ANOTHER EL SALVADOR

(By Jim Stackpoole)

DETROIT (NC)—A visiting Filipino priest warned in Detroit that his homeland may become another El Salvador.

The seeds of unrest are the same in El Salvador and the Philippines, Maryknoll Father Edgar S. Saguinsin said.

The 47-year-old priest was in Detroit to speak about a union which he helped found in the Philippines, the National Federation of Sugar Workers.

"The same signs are there, the same problems," said Father Saguinsin, noting parallels in the histories, economies, foreign exploitation and strategic positions of the Philippines and El Salvador.

"We have the same historical exploitation, first by Spain and then by the United States and now by transnational corporations," he added.

He also said the Philippines, like Central American Countries, are mainly farmlands held by a few owners while the rest of the population lives on starvation wages.

To illustrate exploitation the priest gave a chronology of events in the current strike by the sugar workers' union against a sugar company.

He said that the union had asked the company to observe the law and pay the 13th-month wage that President Ferdinand Marcos has mandated in 1975 for all workers earning less than 1,000 pesos a month ($125). After a three-day strike the company agreed. But after the factory reopened, according to Father Saguinsin, the company reneged on the 13th-month wage.

The priest said the union continued to observe proper channels of appeal. Both the Labor Ministry and the Supreme Court, in a preliminary decision, issued decisions favoring the workers. But the company stalled, Father Saguinsin said, claiming it would wait for the final Supreme Court decision.

Last Dec. 15, he said, the court's final decision supported the union, but the company still delayed.

Then on Jan. 2, according to Father Saguinsin, the company presented the union with a telegram from a local office of the Labor Ministry reversing the central labor office decision and stating that the Supreme Court verdict did not apply to the company.

On Jan. 28 the 1,200 workers struck again. Then on Feb. 19 the regional ministry "without due process," the priest said, declared the strike illegal.

The next day, he said, troops broke up picket lines at the plant and on the following day troops invaded the homes of workers and dragged them to the factories to force them to operate the machinery. The priest added that the workers refused.

"The workers were legally demanding the implementation of the decree of Marcos that was intended to ameliorate the suffering of the workers." Father Saguinsin said.

"The military did not intervene to force the mill owners to implement the decree of the court. But one telegram from one regional office of the Labor Ministry decrees the strike illegal. No wonder rebels are multiplying," he added.

NFSW SEEKS SOLIDARITY FOR KEY STRIKE: COMPANY COURT CASE "STUCK IN THE MUD"

A second blitzkrieg labour strike by some 1,200 members of the National Federation of Sugar Workers (NFSW), the bargaining unit at Central Azucarera de La Carlota (CAC) has paralyzed milling operations since January 28. The strike (which was still going on at press time) is over management refusal to pay the mandatory 13th month bonus, as stipulated in a strike agreement signed on last Nov. 30th. (See Sugar World, Dec. 81)

An NFSW spokesperson called the strike a key "showdown" for two reasons. First, if the workers succeed in getting their 13th month bonus, it will serve as a precedent for other workers in similar circumstances throughout the Philippines. Second, the move by Elizalde & Co., the employers, to deny the workers their contractually agreed bonus comes as the culmination of a long series of maneuvers over the last 8 years to discredit and break the union.

The striking workers were in high spirits on Feb. 16th, after union lawyers were able to win postponement of the company's petition to have the strike declared illegal. Moreover lawyers for the May First Movement (an independent labour federation) have filed suit in the courts to have the present strike-control legislation declared unconstitutional. It denies the right to strike to workers in "vital industries", with virtually every industry (including sugar) being considered vital. NFSW Chairman Ed Saguinsin declared, "The company's case against us is stuck in the mud."

However, the NFSW continues to appeal for international support. (See below) In other Philippine news Sugar World has learned that the lockout of 125 plantation workers at Hacienda Jesusa I, which had begun on Oct. 25th, has recently been settled in the worker's favour. Thanks to all who contributed to the successful solidarity appeal.

MORE BACKGROUND ON LA CARLOTA STRIKE

The present strike is a sequel of the former 38-hour strike by the same workers of CAC, which was settled last November 30th when Elizalde & Co., and the NFSW reached a compromise agreement, which provided for most of the demands of the labour union. With regard to the mandatory 13th month pay, however, the agreement stipulates that: "The parties agreed to abide by the final decision of the Supreme Court in any case involving the 13th Month Pay Law if it is clearly held that the employer is liable to pay the 13th Month Pay separate and distinct from the bonuses already given."

MARCOPPER LOSES IN THE COURTS

The Supreme Court in its Marcopper Mining case decision handed down on June 11, 1981 ruled that workers receiving a basic monthly salary of less than one thousand pesos (about one hundred twenty US dollars) are entitled to the 13th-month pay provided for under the Presidential Decree No. 851, which should be considered separate and distinct from any bonuses required by a collective bargaining agreement between the union and the company. However, Marcopper Mining later asked the court to reconsider its decision.

On December 15, 1981, the Supreme Court finally affirmed its decision on June 11 of the same year.

MINISTRY OF LABOUR VS. THE WORKERS

But when the union members demanded implementation of the mandatory 13th month pay during a labour-management council conference on January 8 between CAC and NFSW, the CAC management lawyers and the regional director of the Ministry of Labour and Employment (MOLE) presented them with the telegram of Blas Ople, MOLE Minister, which in effect said the final decision of the Supreme Court on the question of the 13th month pay did not apply to Central Azucarera de La Carlota! Twenty days after, on January 28, 1,200 members of the National Federation of Sugar Workers (NFSW) staged their current strike.

SOLIDARITY

1. Send telegrams and messages to President Ferdinand E. Marcos, Malacanang Palace, Manila, Philippines urging him to heed the striking La Carlota sugar mill workers' demand that his decree and Supreme Court's ruling on the 13th month pay be complied with immediately in order to ameliorate the living conditions of the sugar workers;

2. Send financial assistance either direct to the National Federation of Sugar Workers (NFSW), 6 Amapola Street, Bacolod City, Philippines, with telephone number 2-64-40, or send it through your organization.●

NEW MEDICAL CENTER IN GRAND BLANC, MICH.

● Mr. REIGLE. Mr. President, a new medical facility will soon be dedicated in Grand Blanc, Mich. under the direction of Dr. Shawky A. Hassan and his wife Dr. Erika E. Hassan. The new center will have a full complement of medical specialists, outpatient services, and emergency treatment facilities. In addition, it will have an asthma clinic for treatment, care, and education of asthmatics and their families.

While the dedication of a new medical center in a small community is noteworthy, this event has particular significance for the citizens of Grand Blanc. The center, and particularly the asthma clinic will be devoted to the memory of a special patient, and are the result of heartfelt sharing between a mother who suffered the loss of her son to asthma, and a physician who witnessed the pain of inadequacy of being unable to relieve, and ultimately to save a child.

Dr. Hassan can trace the motivation for the asthma clinic to a letter that Michelle Utter wrote to him shortly after the death of Timothy Michael Secord on April 20, 1979. In that communication, Mrs. Utter raised painful questions, that led to Dr. Hassan's drive to create the special asthma clinic. His wish, and that of all of us is that this clinic will provide the rapid treatment that is so critical to limit the progression of asthma.

This clinic is a living memory of Timothy, and it will give hope to all-children who must suffer from the tragedy of asthma.●

ORDER FOR RECESS UNTIL 9:15 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recesss until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order, the following Senators be recognized on special orders of not to exceed 15 minutes each: the distinguished President pro tem, the Senator from South Carolina (Mr. THURMOND), the distinguished Senator from Oklahoma (Mr. NICKLES), the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), and the Senator from Wisconsin (Mr. KASTEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR REDUCTION IN LEADERSHIP TIME ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow the time allocated to the two leaders under the standing order be reduced to 50 percent of that provided.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, on tomorrow, the Senate will convene at 9:15 a.m.

After the recognition of the two leaders under the standing order, according to the order entered this evening, we have provided for the recognition of certain Senators on special orders.

After the execution of the special orders, there will be a brief period for the transaction of routine morning business to be provided for at that time—assuming that that can be done and still comply with another order entered today which provides for resumption of the consideration of the Department of Defense authorization bill at 10:30 a.m., at which time the Tower second-degree amendment to the Specter amendment as modified will be the pending question.

Mr. President, I anticipate that the Senate will be in late tomorrow evening, to do as much work as possible on the Department of Defense authorization bill. I fully anticipate and expect a session of the Senate on Friday.

I have no further business to transact. If the minority leader has nothing further he wishes to address, I am prepared to ask the Senate to recess.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previous-

ly entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to; and at 6:30 p.m. the Senate recessed until tomorrow, Thursday, May 6, 1982, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1982:

THE JUDICIARY

A. J. McNamara, of Louisiana, to be U.S. district judge for the eastern district of Louisiana vice Edward J. Boyle, Sr., retired.

John W. Potter, of Ohio, to be U.S. district judge for the northern district of Ohio, vice William K. Thomas, retired.

John A. Terry, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of 15 years, vice Stanley S. Harris.

IN THE MARINE CORPS

The following-named officers of the Marine Corps Reserve for transfer into the regular Marine Corps under the provisions of title 10, United States Code, section 5572:

Major

Amos, J. F.
Capiito, J. W.
Dupree, F. W.
Graham, J. L.
Larson, M. J.
McDermott, T. H.
Murphy, D. M.

Captain

Anzur, J. T.
Banigan, B. H., II
Becker, C. R.
Belanger, L. L.
Bell, C. R., Jr.
Blanche, J. F.
Brown, S. F.
Bull, J. E.
Bush, R. V., Jr.
Chapman, M. W., Jr.
Ciaravino, W. J.
Cook, W. H.
Courtnage, D. G.
Durda, J. N.
Duva, M.
Engvall, W. O.
Erick, R. D.
Evans, Jr., J. N.
Gallagher, J. T.
Gallo, W. V.
Gambill, T. L.
Gomez, D. A.
Granger, R. W.
Groves, W. L.
Grundy, D. E.
Hamilton, W. A.
Hansen, B. C.
Harmon, H. M.
Haskell, T. L.
Hayhurst, T. E.
Heath, M. L.
Herman, P. C.
Hessler, W. G.
Hill J. T.
Hills, Jr., W. W.
Jepsen, N. W.
Johnson, C. L.
Jones, E. A.
Kimlick, M. F.
Lazisky, R. R.
Legear, A. B.
Macak, W. C.
Manley, R. S.
Mann, D. W.
Mariney, C.
Maxey, A. B.
Mazzara, A. F.
McMullen, B. G.
Miller, R. L.
Miller, T. J.
Mills, Jr., S. E.
Murgo, J. B.
Murray, W. A.
Myers, H. H.
Norquist, S. W.
Nourie, R. J.
Ohlman, Jr., G. G.
Ortega, J. G.
Palm, E. F.
Parkhurst, P. S.
Paul, S. H.
Paulger, J. B.
Poggi, W. L.
Ramsey, D. L.
Rawson, G. L.
Rhoads, G. D.
Rickert, R. R.
Robinson, J. R.
Samad, R. L.
Schroeder, D. A.
Seaberg, J. P.
Short, J. S., Jr.
Shutters, R. W.
Sirmons, R. B.
Sprute, T. A.
Stark, K. A.
Stephens, D. A.
Stockwell, A. D.
Svetahor, N. P.
Tuggle, F. L.
Turner, J. T.
Vansaghi, R. L.
Verzera, D. M.
Walker, W. C., III
Whitman, R. S.
Wiggins, W. C.
Wills, R. L.

Lieutenant

Adams, J. R.
Albo, M. C.
Alonzo, J. I.
Arinello, D. M.
Arnold, D. G.
Ayala, J. G.
Bachand, N. K.
Barker, M. J.
Bartch, R. O., Jr.
Bean, R. D.
Becker, K. L.
Belcher, R. W.
Bell, R. H.
Bennett, W. S.
Benning, R. F., Jr.
Berg, S.R.
Bibeau, G.J.
Biederman, J. E.
Blakney, W. S.
Blanc, M. J.
Bode, K. D.
Bodnar, R. R.
Bond, K. D.
Bro, T. L.
Brown, J. L.
Brown, II, J. R.
Broxterman C.
Bruder, IV, J. A.
Brygider, P. A.
Bumgarner, W. N.
Burns, K. P.
Bush, M. M.
Caldwell, G. W.
Cali, V. M.
Callahan, Jr., W. H.
Campbell, S. J.
Cassel, Jr., J. D.
Charette, J. M.
Chestnut, Jr., M. B.
Clifford, K. M.
Cody, E. A.
Coney, R. J.
Conti, E. K.
Conway, S. F.
Coogan, C. J.
Copeland, A. D.
Cote, S. R.
Cramer, M. T.
Cribbs, C. M.
Csaszi, J.
Dale, T. L.
Daniels, Jr., E. T.
Deneke, T. P.
Dobbs, M. C.
Douglas, G. S.
Dupre, P. J.
Dwiggins, W. O.
Edwards, L. P.
Farrell, D. A.
Fazio, A. P.
Fedyna, J. M.
Feeley, S. P.
Fernald, S. W.
Ferri, R. A.
Fielder, Jr., E.
Figueroa, J. A.
Flake, N. W.
Fleming, A. P.
Forand, S. L.
Fowler, G. A.
Fox, IV, R. B.
Freeman, J. S.
French, K. M.
Galie, M. L.
Garrett, L. E.
Gasiliunas, R. P.
Greenfield, D. L.
Green, H. S.
Habel, J. X.
Hansen, K. E.
Hardy, W. E.
Haslam, A. M.
Hawkins, M. B.
Hawkins, S. D.
Heiland, D.E.
Hensel, R. B.
Herman, D. C.
Hernandez, M.
Hill, S. L.
Hinerman, III, O. H.
Holdeman, M. W.
Holmes, W. J.
Honeycutt, G.
Howard, T. B.
Hudson, Jr., F. S.
Hunt, R. F.
Iandoli, J. P.
Imhof, Jr., H. E.
Jackson, M. J.
Jackson, R. W.
Jagodka, D. J.
Johnson, C. B.
Johnson, D. P.
Jones, C. A.
Jones, W. C.
Joslin, R. E.
Junge, L. J.
Kelley, J. L.
Kesselring, B. G.
Kilbride, C. J.
Klatt, III, E. H.
Kooistra, A. R.
Kurtzhalts, M. W.
Kvigne, K. W.
Lambertsen, G. A.
Layton, R. E.
Leahy, K. M.
Ledford, L. A.
Leiford, D. L.
Leonard, T. E.
Longero, R. D.
Lovejoy, Jr., J. D.
Lyles, K. C.
MacKinnon, P. C.
Madruga, M. D.
Malcolm, D. S.
Martin, J. P.
McCarthy, K. J.
McGarry, T. J.
McGill, Jr., T. J.
McGrath, T. J.
McHugh, D. R.
McMannis, M. D.
McMillan, B. L.
Menah, M. J.
Meyeraan, D. R.
Miller, R. J.
Miller, W. K.
Mitchell, S. M.
Monti, M.
Moore, C. N.
Morgan, D. D.
Mudd, D. H.
Mumley, Jr., S. A.
Murphy, M. R.
Nelson, Jr., R. R.
Nelson, S. L.
Nester, D. M.
Numrich, Jr., P. W.
O'Bermueller, G. P.
O'Brien, Jr., E. P.
O'Dom, D. P.
O'Keeffe, D. J.
O'Reilly, T. P.
Pane, M. L.
Pann, S. J.
Papagolos, G. E.
Parker, W. H.
Pena, J. L.
Pence, Jr., S. J.
Pfaender, W. C.
Phillips, T. A.
Pittelkow, D. T.
Placey, M. W.
Power, W. C.
Price, D. W.
Putnam, R. W.
Quinlan, W. J.
Rand, A. J.
Ray, J. S.
Reeves, J. D.
Reineberg, M. F.
Ringlee, N. R.
Robinson, R. C.
Rodriguez, D.
Rohletter, J. B.
Rollins, K. S.
Sankey, J. M.
Savage, R. J.
Scallon, H. J.
Schmitt, M. H.
Schmidt, S. A.
Schwartz, III, R. E.
Seiwell, K. A.
Sessions, M. G.
Sharp, D. G.
Sherwood, G. A.
Shoemaker, B.
Shutt, D. H.
Siller, M. G.
Simmian, D. S.
Simmons, G. W.
Simmons, R. W.
Slagel, Jr., E. K.
Smith, G. W.
Smith, H. N.
Smith, J. L.
Smith, M. J.
Smith, N. J.
Smithberg, F. M.
Sneed, J. W.
Spears, R. A.
Speer, J. L.
Spurrier, D. T.
Staples, E. L.
Stephens, M. W.
Stinger, P. K.
Stoler, G. M.
Stooksbury, W. T.
Sullivan, H. K.
Swenson, W. C.
Talleri, P. J.
Tarbutton, W. R.
Texidor, Jr., J. L.
Thompson, D. G.
Thorson, T. L.
Travers, D. L.
Turano, J. J.
Turner, R. L.
Valero, L. A.
Vancamp, E. J.
Veyna, S. E.
Voorhees, R. S.
Walrath, R. J.
Watson, D. M.
Webb, J. R.
Wells, T. C.
Wendall, III, A. J.
White, R. D.
Wiedel, K. B.
Wilder, M.
Williams, C.
Wilson, T. P.
Wisecarver, III, W. H.
Womack, G. L.
Wood, S. A.
Wright, K. J.
Wright, S. L.
Yaron, Jr., G. D.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 5, 1982:

EXECUTIVE OFFICE OF THE PRESIDENT

Peter Otto Murphy, of the District of Columbia, for the rank of Ambassador during his tenure of service as U.S. Negotiator on Textile Matters.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Herbert E. Ellingwood, of California, to be a Member of the Merit Systems Protection Board for the remainder of the term expiring March 1, 1986.

DEPARTMENT OF JUSTICE

Salvatore R. Martoche, of New York, to be U.S. attorney for the western district of New York for the term of 4 years.

HOUSE OF REPRESENTATIVES—*Wednesday, May 5, 1982*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we thank You that in spite of the dangers and struggles of our times, there are those individuals and communities who have dedicated themselves to do justice and serve the needy. For those who feed the hungry, shelter the homeless, comfort the troubled, and seek to heal both body and soul, we offer our praise and appreciation. Teach us, O God, that by serving those about us, we serve You, and by being messengers of peace, we truly become the people You wish us to be. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles in which the concurrence of the House is requested:

S. 79. An act for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano, and his son Franz Joseph Quijano and daughters Marie Estrella Quijano and Milche Marenjone Quijano;

S. 1662. An act to establish a limited program for Federal storage of spent fuel from civilian nuclear powerplants, to set forth a Federal policy, initiate a program, and establish a national schedule for the disposal of nuclear waste from civilian activities, and for other purposes;

S. 2488. An act to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency;

S.J. Res. 195. Joint resolution designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week."

PUT A BRAKE ON AUTO THEFT

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, today I am introducing legislation designed to curb the national auto theft epidemic which costs the American public almost $4 billion per year. Every 28 seconds, a vehicle is stolen somewhere in the United States. The problem goes beyond the joyriding teenager out for a good time. Professional auto theft rings operate on an interstate and even an international level. Consumers are being duped to believe the vehicles they are buying are good used cars, when in fact they are rebuilt salvage vehicles which are unreliable and unsafe. In addition, the increasing number of car thefts drives up auto insurance fees for everyone.

My Motor Vehicle Title and Inspection Act would establish national vehicle titling and inspection standards for the States to comply with in order to promote traffic safety and deter theft. The sale of extensively damaged or dismantled motor vehicles, along with the titles of those vehicles, provides professional criminals with the tools necessary to commit insurance fraud, motor vehicle theft, and related crimes. Uniform State title laws will make these scams much more difficult to execute. I urge you to support this legislation and put the professional car theft rings out of business.

THE QUESTION OF SOVEREIGNTY OVER FALKLAND ISLANDS

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, in the last few days, the Falkland Islands dispute has assumed tragic proportions with heavy casualties. At the heart of this dispute is the question of the sovereignty over the Falkland Islands. That seems to be the one issued that the efforts of the Secretary of State to achieve a peaceful settlement foundered on.

We have an institution which is established under the United Nations Charter to resolve just such disputes as this in the International Court of Justice. Prime Minister Thatcher of Great Britain has stated that if Argentina would be willing to submit the issue of sovereignty over the Falkland or Malvinas Islands to the International Court of Justice, Great Britain would give serious consideration to such a referral. Therefore, I am introducing today, with several cosponsors, a concurrent resolution which would state it to be the sense of the Congress that the President should seek agreement by the Government of Argentina and the Government of Great Britain to refer the issue of sovereignty over the Falkland Islands, the Malvinas, to the International Court of Justice for resolution.

FARM CRISIS ACT OF 1982

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, Representatives from both parties have addressed this House about the problems in agriculture. While there has been the usual amount of finger pointing as to the blame, my concern is to solve the problem. Legislation is being introduced today that, if passed and signed into law, will allow the American farmers to chart their own course and solve their own problems.

The Farm Crisis Act of 1982 is the product of several weeks of hard work by Members of Congress that feel that we must not just sit back and wait for things to get better.

The bill will take the decisions of production adjustment out of politics and tie them to supply and demand.

The bill provides, through a nationwide vote, for farmers to make the decision if there should be a reduction in the crop acreage of 15 percent to remove marginal lands from production and conserve the soil.

The bill underlines the belief of Congress that export credit needs are not being met and it is hurting our national economy and our balance of payments.

The bill will, in addition to helping the taxpayers, save $899 million over the current law.

This bill is a positive step to correct a problem that grows every day. Each farmer that goes broke hurts our Nation. If we will pass this legislation, the markets will take care of the problems because every one will know what the farm policy is going to be in the next year. Adjustments in acreage are determined by the supply of grain. If a farmer is willing to lay additional land out of production, the loan available will be higher.

This legislation, if enacted, will slow the overproduction, allow the land to rebuild and be ready to meet the needs of this country and the world for future years. If we are to remain strong, if we are to remain free, our ability to feed ourselves is a matter of highest priority.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. GORE. Mr. Speaker, I rise to briefly discuss the Small Business Innovation Development Act (H.R. 4326) and express my support for it. It will soon be coming before this body.

In the last decade, our Nation's growth in manufacturing productivity has been exceeded by Japan, France, and West Germany. We have got to find ways to reverse our declining rate of productivity and stimulate innovation.

The Science and Technology Subcommittee on Investigations and Oversight, which I chair, has held extensive hearings on innovation, and I have been impressed, as has been my colleague, the gentleman from Pennsylvania (Mr. WALKER) by the contributions made by small, high-technology firms. These companies have contributed significant innovations in many diverse fields, from genetic engineering to microelectronics, and they have done so in a cost-effective manner.

H.R. 4326 will encourage greater participation by these small, innovative firms in Federal research. It is patterned after the highly successful National Science Foundation program. The key to its success is the coupling of Federal research with private follow-on financing for commercialization of the research. In its first solicitation, NSF expended $5.3 million in funds, and the firms receiving this money have secured over $40 million in private follow-on financing. These are impressive figures that serve as dramatic proof of the positive impact this bill can have on our economy. I strongly support it, and I urge my colleagues to do the same when it comes before us.

THE SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, I rise today to voice my strong support for a farsighted measure sponsored by our worthy colleague, JOHN LAFALCE.

This bill, the Small Business Innovation Development Act, properly addresses our need for technological and productive advances in the Nation's economy to improve its position in world markets.

Small, high technology firms have made major contributions and are clearly one of the most innovative sectors of our economy.

Small firms have shown expertise in diverse fields of endeavor including genetic engineering, microelectronics, robotics, scientific and industrial measuring devices, and communications, to name but a few.

These small firms also use R. & D. moneys more cost-effectively as the total cost per R. & D. scientist or engineer in small firms is one-half as much as it is in firms having more than 1,000 employees.

This is particularly important during this period of constraints on Federal expenditures.

Every effort should be made to promote involvement of these small, innovative companies in Federal agency research.

I am pleased to state that H.R. 4326 does that.

It is patterned after the highly successful NSF small business innovation research program with which I am very familiar.

The bill also allows each agency to select its own research topics to insure that any research being conducted is consistent with its particular mission.

H.R. 4326 has attracted a large number of cosponsors, reflecting strong bipartisan support.

This bill is a positive effort to reverse our declining rates of productivity and innovation and I find that a compelling reason to support it.

I urge my colleagues to give this measure the careful consideration it merits.

THE SMALL BUSINESS INNOVATION ACT

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, I rise today in support of H.R. 4326, the Small Business Innovation Act. Although unintentional, the door to Federal research dollars is now largely shut to the small business research community. This is particularly troubling after considering the number of major innovations which have resulted from the research and development efforts of independent inventors and small organizations. For the record, these include: Penicillin, the jet engine, xerography, automatic transmissions, the vacuum tube, and the list goes on and on. Of these few inventions that I have mentioned, it is evident that our lives have been enriched through everyday use of these products. More importantly, however, is the increased quality of life that has resulted for our constituents who have found job opportunities as these innovations were developed and marketed.

A National Science Foundation study showed that small firms produce more innovations per research dollar than medium- and large-size firms. Based on this fact, we must encourage Federal agencies to direct a fair share of their research dollars toward small business research firms and this is precisely the intent of the Small Business Innovation Act. Not only will small firms receive the opportunity to compete on an equal basis for Federal R. & D. dollars, but our society will benefit from the new technology that results. I urge my colleagues to support this bill.

THE FARM CRISIS ACT

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, I join with my other colleagues today in introducing the Farm Crisis Act, and I ask for serious consideration from our other Members within the body.

Williams Jennings Bryan, in his famous "Cross of Gold" speech made a statement that was as applicable today as it was when he said it. He said:

> Destroy our cities, and they will spring up again as if by magic. But destroy our farms, and the grass will grow in every city in this country.

We are in a depression in agriculture and agribusiness today, and the Farm Crisis Act, which is introduced today, is an effort by us and the Members in the House, a bipartisan effort, to deal with the serious problems of the pending bankruptcies and depression in American agriculture.

I ask my colleagues to review it with careful consideration, and together we can give the hope at the end of the tunnel that American agriculture deserves.

BUSINESS FAILURES

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, the level of business failures, as measured by Dun & Bradstreet, has risen to the highest level since 1932. During the first 16 weeks of 1982, Dun & Bradstreet reported 7,170 business failures—56 percent higher than a similar period in 1981 and 125 percent higher than in 1980.

If the current rate of business failures continues for the remainder of 1982, over 23,000 businesses will fail. That is 5,000 more than in 1981 and 11,000 more than in 1980.

The chart illustrates the dramatic rise in failure rates for comparable 4-week periods in 1980, 1981, and 1982.

Unfortunately, the chart reveals only the tip of the iceberg. Dun & Bradstreet only reports failures of firms listed with them. Although over 90 percent of the businesses listed are small by SBA standards, millions of other small businesses are not listed. As a consequence, thousands of small business failures are not recorded by Dun & Bradstreet.

The administration's policies have pushed thousands of small businesses out of business. The lives, dreams, and

hard work of thousands of small business owners and their families have been unnecessarily and cruelly disrupted. Tens of thousands of small business employees have been put out of work.

There are now thousands more businesses in precarious financial shape. A continuation of current policies will force many out of business. The administration keeps saying they did not come to Washington to raise taxes. I assume they did not come to Washington to preside over the destruction of thousands of small businesses. If not, then the administration must cooperate to reduce future deficits and thereby reduce destructively high interest rates.

□ 1515

HIGH INTEREST RATES MUST COME DOWN

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to comment further on the chart that was displayed by the gentleman from Maryland (Mr. MITCHELL). The chart simply catalogs those small business failures that have been identified by Dun & Bradstreet.

As the gentleman from Maryland has pointed out there are many, many others in various small businesses which are not recorded in Dun & Bradstreet. Counting only those that are recorded, we recognize, as Dun & Bradstreet has recognized, that this amounts to the very highest rate of business failures in the United States since the year 1932, and that is indeed an alarming prospect.

Surely the overwhelming reason for this preponderant rate of business failure this year, 125 percent above the level of 2 years ago, is the sustained high level of interest rates that are suffocating small business.

For the years 1960 until 1978, small business people were paying an average of 4 percentage points above the inflation rate in the interest rates that they paid. They could sustain that and stay in business.

This year, however, they have been paying consistently 14 percentage points above the Consumer Price Index, a rate of real interest which is at least three times higher than that rate of interest which they customarily have had to pay. They cannot do that and endure. As a consequence, we see this rate of business failures, which I fear will continue until somehow the Federal Reserve Board is prevailed upon to do those things necessary to bring interest rates back to a livable level and to keep them there.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE RESOLUTION 371

Mr. McDONALD. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Resolution 371, expressing the sense of the House of Representatives that the Federal Energy Regulatory Commission should take no action to accelerate the decontrol of wellhead natural gas prices.

My name was listed in error by those who compiled the cosponsorship list.

The SPEAKER pro tempore (Mr. ALEXANDER). Is there objection to the request of the gentleman from Georgia?

There was no objection.

URGENT SUPPLEMENTAL FOR FISCAL YEAR 1982

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, it has been 43 days since the Committee on Appropriations reported the urgent supplemental for fiscal year 1982.

For 43 days, the majority leadership has been unable or unwilling to bring this legislation before the House.

For 43 days, we have seen the funding for important programs reduced to the point of exhaustion.

It is important that the House and the American people know the consequences of this deplorable inaction.

Without this supplemental, on May 14, the Department of Health and Human Services will be forced to furlough all of its 924 inspectors—people who fight waste, fraud, and abuse—for 82 working days.

Without this supplemental, the guaranteed student loan program has a balance of less than $800,000, and when that is used up in a week or two, a 16-percent penalty, compounded on a daily basis, will have to be paid on all outstanding bills.

Without this supplemental, 2,700 personnel in the Employment and Training Administration received furlough notices this week.

Without this supplemental, the Bureau of Labor Statistics and the Employment Standards Administration will furlough an additional 5,621 people this week.

Without this supplemental, over two-thirds of the States and over 600 projects are virtually without funds. EPA officials estimate that each month of delay increases project cost by two-thirds of 1 percent.

Without this supplemental, the Coast Guard may have to close or terminate 31 search and rescue stations around the country, seven vessels, nine search and rescue aircraft, three air stations, four vessel traffic systems—which will cripple the drug interdiction program, and reduce search and rescue operations at the height of the boating season.

By delaying action on this supplemental, the majority leadership delays action on the provision which cuts off aid to Cuba and the PLO through the United Nations.

By delaying action on the supplemental for the Tax Court, a backlog of 47,000 cases continues, and the taxpayers will pay 20-percent interest on tax bills being appealed which are part of that backlog.

Mr. Speaker, the wheels are falling off, one at a time; in order to spare disaster, let us get off of dead center and go to work.

WHEN IS CONGRESS GOING TO GO TO WORK?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, picking up on the comments of the gentleman from Massachusetts, my understanding is that the urgent supplemental appropriations has once again been pulled from consideration. The reason obviously has something to do with the Evans-Corcoran housing initiative amendment. In other words, those on our side who would like to do something in the area of housing are being shut off from their initiative because it does not allow credit for some Democratic majority Members.

Mr. Speaker, this practice of running the House with tactics of delay, procrastination, and confrontation, and confusion has to stop. When in the name of Sam Rayburn are we going to get to work here? I am reaching the end of my rope and I know most of my Members reached the end of theirs a long time ago.

This urgent supplemental has got to move. The funding is critical. Further delay can only further aggravate problems we already have. Is that what you want, Mr. Speaker?

I am sorry the gentleman does not know where his votes are. I am not altogether sure I know where mine are. However, at some point in time we either have to square off here on the floor or get together and get some of these questions resolved.

TAX FREEDOM DAY

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today is tax freedom day. From January 1 until today, May 5, every dollar that working Idahoans and Americans earned went directly to satisfy tax ob-

ligations to all units of government: Federal, State, and local.

That is not a very encouraging statistic. It is hard to comprehend that we have had to work for 4 months and 5 days just to pay our tax obligations.

Now, here is some good news. Tax freedom day came 3 days earlier this year than it did last year. Why?

The Economic Recovery Tax Act of 1981, enacted last summer by this Congress, accounts for this year's 3-day relief for taxpayers. As more of the Reagan tax reduction program comes into effect over the next 2 years, tax freedom day will move even closer to the date on which Americans traditionally file their 1040's with Uncle Sam. Think about that the next time somebody tells you we should abandon the 1982 and 1983 tax cuts.

SOCIAL SECURITY STUDENT BENEFITS

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, the May 1 cutoff date for students to be eligible for social security benefits is unrealistic and unfair. The law requires this year's high school senior to be enrolled in and attending college full time by that date. May 1 is unrealistic because the vast majority of high schools do not end the school year until late May or sometime in June.

Obviously high school seniors cannot attend college full time and high school full time simultaneously. Must they drop out of high school in their senior year and enter college? May 1 is unfair because there are only a few students who would be able to pull off such a questionable manipulation of the rules generally governing college entrance requirements. In very few cases would a senior be allowed to enter college full time without his or her high school diploma. There are undoubtedly some that would find a way to bend the rules to make it work.

In fairness to those young people who have been under the impression that promised benefits would be forthcoming, we should extend the cutoff to the more realistic date of October 1.

IMPORT QUOTAS ON SUGAR CONTRADICT OUR PHILOSOPHY OF FREE TRADE

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the recently announced decision by the Reagan administration to impose quotas on imported sugar is extremely disappointing, and it will be very harmful to the American people. The supposed "justification" for the quotas is as follows: The administration and Congress had previously agreed to prop up domestic sugar prices artificially, at a projected cost of $200 million, if the price set in the market was below a certain specified level. The effect of the quotas will be to drive sugar prices up, so the Government will be relieved of this potential financial liability.

Supporters of the quotas claim that they will save the Government money and thus be beneficial. But that begs the question. Beneficial to whom? Certainly not to American consumers, who will be forced to pay higher prices—a hidden tax. Only a special interest group—the domestic sugar growers—will profit. But they will do so at the expense of everyone else.

Moreover, the claim that the Government's projected savings justify the quotas simply ignores the root problem; namely, why does the Government run price support programs at all? Instead of imposing a new wrong to try to cure the problem created by an old wrong, why not just get rid of the original problem? Why not just end all price supports once and for all?

This idea of "helping" farmers by imposing quotas is the same philosophy that led Roosevelt to plow under potatoes and kill baby chickens "to get prices up." It was a tragically wrong approach then, and it is just as wrong today. Free trade—not tariffs or quotas or any other form of protectionism—brings maximum freedom and prosperity.

Sadly, many of the most outspoken opponents of sugar quotas will be the same people who routinely defend quotas and price supports for other products. And many of the people who will defend the sugar quotas would feel differently if the product were steel or textiles. Unfortunately, many politicians' positions seem to derive from the area in which they live and the products that are produced there rather than any understanding of or belief in the free market.

The decision to impose quotas on imported sugar is a tragic departure from the Reagan administration's professed support of free trade. We should support the free market and voluntary free trade because it is right. Happily for all of us, it also brings the best economic results. To depart from free trade is to sacrifice the American people to the narrow interests of politically influential groups. I encourage my colleagues to reconsider this issue carefully, and not only to oppose these new quotas, but to put an end to the price support systems that begat them.

FRAUD AND WASTE IN GOVERNMENT CONTRACTS SHOULD BE REPORTED

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, yesterday I introduced a bill to encourage employees of firms who do business with the Federal Government to report the fraud and waste they see in the handling of Government contracts.

The people who work for Government contractors are often in a good position to save the taxpayers' money by pointing out instances of waste and fraud.

This bill would require Government contractors to inform their employees of the various Government fraud hotlines currently in use. The bill would also authorize Federal agencies to give to these industry whistleblowers cash awards based on a percentage of the money that is saved.

The bill prevents employers from retaliating against workers who expose fraud. A person who believes he was fired for that reason can appeal to the Government which can then order the employee's reinstatement or require the company to give him backpay.

Employers are protected against frivolous complaints and they are free to take personnel actions for other reasons.

URGENT SUPPLEMENTAL APPROPRIATIONS BILL AGAIN PULLED FROM SCHEDULE

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, I had hoped, along with many of my colleagues, that we would consider today H.R. 5922, the urgent supplemental appropriations bill. However, for the fourth time, it has been pulled from the schedule at the last minute.

Mr. Speaker, is it really urgent, as urgent as it was 5 weeks ago when it was first pulled? Or, has the urgent supplemental become the semi-urgent or quasi-urgent supplemental?

Are student loans for the coming school year, or funds to help the Coast Guard stem the flow of illicit drugs, or any of the other vital provisions of this bill, not still urgent?

As my colleagues know, I intend to offer an amendment together with the gentleman from Illinois (Mr. CORCORAN) that will provide some urgently needed assistance to our Nation's housing industry—an industry that impacts on millions of Americans across the entire country.

The American people are tired of excuses—they want action. We do not have to wait for a major compromise on the entire budget. What we have to do is get down to the business at hand: Bring up the urgent supplemental, Mr. Speaker, so the Evans-Corcoran

amendment to help people buy homes can be considered.

□ 1530

THE TELECOMMUNICATIONS ACT OF 1982

(Mr. JOHNSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHNSTON. Mr. Speaker, in recent days I have been discussing H.R. 5158, the Telecommunications Act of 1982, and I wish to do so again today. The importance of this measure cannot be overestimated. However, enactment of it in its present form would be a serious mistake.

Among the many deficiences of the bill are provisions having to do with long-distance telephone service. H.R. 5158 would prohibit A.T. & T. from bypassing the local exchange companies in the delivery of long-distance messages. As with so many other aspects of the bill, this is special A.T. & T. clause and competing long-distance carriers would be under no such prohibition. In fact, many competing carriers and large users are already bypassing the local exchange and this restriction simply offers further encouragement to do so. If the issue is operating company viability, as supporters of H.R. 5158 would have us believe, why not a bypass restriction that is universally applied?

Now, for those long-distance carriers that do not bypass the local exchange, the bill prescribes a system of access charges to be paid for the use of local facilities. However, not until several years after enactment of the legislation would the competing long-distance carriers be required to pay the full cost of such access. In the interim, customers using A.T. & T.'s long-distance service would subsidize the access charges of the competing carriers.

Thus, the bill offers a two-pronged approach to siphoning off A.T. & T.'s long-distance business. Where feasible, competing long-distance companies can avoid access charges altogether by bypassing the local exchange. Where not feasible, those companies pay only a portion of the cost of access, with the remainder picked up by customers of A.T. & T.

Mr. Speaker, I can see no justification for so severely handicapping the company that is primarily responsible for giving this country a telephone system that is the envy of the world. I favor competition in telecommunications products and services, but competitors ought to earn their share of the market, rather than having Congress allocate a share for them.

By the way, Mr. Speaker, some of these competitors, which supporters of H.R. 5158 are trying to protect from A.T. & T., seem to be doing quite well for themselves. For example, MCI Communications Corp. reported that profits quadrupled in the last fiscal year, according to a story in today's Washington Post. Yet this company, and others, would be subsidized for its access to local facilities in part by customers of A.T. & T.

Now tell me Mr. Speaker, who is hurt and who is helped by H.R. 5158?

SMALL BUSINESS BANKRUPTCIES

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, just a little bit earlier some Members on the other side of the aisle got up and pointed to figures on bankruptcies. They bemoaned the fact that we are having an ever-accelerating number of bankruptcies, and said that we ought to do something.

Well, Mr. Speaker, I have a question. Do they think that those small businesses that are on the verge of bankruptcy, would be helped by canceling the third year of the tax cut that is scheduled to come into effect? Do those Members think that perhaps they would be assisted by the recommendation made by the Speaker's representative during the negotiations to basically double the social security tax differential paid by the self-employed person, primarily small business people?

We heard several months ago people complaining about the administration's original plans on closing some Coast Guard operations. The administration reconsidered and now supports supplemental funding for the Coast Guard.

Now we are being denied an opportunity for an urgent supplemental. Is it now not important to have those Coast Guard facilities open?

We have heard the claim from the other side that the student loan program is in trouble. Is it going to be helped by the fact that we will not have an urgent supplemental here that will pay for that program?

Mr. Speaker, we have had complaints about the terrible situation in our housing industry. We now have a couple of Members that have come up with a very good idea for transferring some money from the Synthetic Fuel Corporation to the housing programs in the private sector. But we do not have the opportunity to vote on it.

If you disagree with this approach, Mr. Speaker, you ought to get out of the way and allow us to act toward solving some of these problems.

IS THE DEMOCRAT LEADERSHIP PLAYING POLITICS?

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, I note with interest that the so-called urgent supplemental appropriations bill has once again been pulled by you and the other Members of the Democratic leadership here in the House of Representatives. As you will remember, Mr. Speaker, it has been scheduled for consideration since prior to the Easter district work period and was unexpectedly taken off the calendar the day that we were to consider this urgent matter.

Mr. Speaker, that was 5 weeks ago. Now, once again, we are informed that what had been scheduled for some time to be considered today will not be considered until perhaps next week.

Mr. Speaker, why are you preventing the individual Members of the House of Representatives from debating and meeting our responsibilities to the people of this country with regard to this supplemental appropriations measure with needed funds for housing, student aid, wastewater treatment, among other important Government programs which are running out of money during this fiscal year?

Mr. Speaker, I am now serving in my 6th year in the Congress of the United States, and perhaps that is causing my increasing cynicism on this matter. However, it appears to me that while we have some basic problems in this country, many of which have been caused by ill-advised Government policies which need to be revised or eliminated, you would rather talk about these problems and point the finger of blame about these problems than address them.

Mr. Speaker, we are in the 5th month of this 2d session of the 97th Congress, and we have done little or nothing. Could it be that you are quarterbacking a congressional stall until after the elections in November so as to try to make maximum political hay for your political party rather than let us address the problems confronting our country?

Mr. Speaker, I hope this is not the case. And in particular, I would hope we could take up the urgent supplemental bill, not only to consider its recommendations but also the amendment I have proposed along with my colleague from Delaware (Mr. EVANS) to address a twofold problem: First, the boondoggle over at the Synthetic Fuels Corporation; and second, the need to give the housing industry an emergency shot in the arm.

Mr. Speaker, when you and your colleagues pulled the urgent supplemental today, you took sides. You took the side of big oil and high technology. To other Americans you said, in effect, "let them eat syncrude." Let them move to Parachute, Colo., and work on

an oil shale project private industry will not support.

I say you have done the American people a terrible wrong. And I intend to do all I can to make sure they know about it.

PROFITS HIT NEW LOW, BUT SURPASSED BY INTEREST INCOME

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, I take this opportunity to share with my colleagues some disturbing economic news. According to a new report by a unit of Goldman Sachs, profits as a proportion of national income have not only hit a new postwar low, but have, for the first time ever, been surpassed by interest income.

It is normal for profits to decline during a recession, but the severity of the drop during the current recession is indeed alarming. No less alarming is the dramatic rise in interest income—which, of course, represents payments from debtors to lenders.

The current recession is unusual in that the decline in economic activity has not been accompanied by an associated drop in interest rates. High interest rates have caused a redirection of capital into liquid assets. The result is that interest income has increased markedly as a proportion of national income, alongside the remarkably broad-based drop in corporate profits.

The declines in profits—not to mention major losses of many companies—do not bode well for economic recovery because, traditionally, new investment in this country is financed largely by retained earnings.

The other main source of investment funds, in addition to retained earnings—private savings—will be swamped by future budget deficits unless we can adopt a credible fiscal policy embodied in a budget that dictates dramatic reductions in the deficits.

Mr. Speaker, these observations simply add to the numerous reasons for this Congress to produce a credible bipartisan budget. It is now time for Congress to exercise its constitutional mandate and produce a budget that will point toward economic recovery.

THE SUGAR BILL

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, just 5 months ago President Reagan threw his personal support and personal weight behind the sugar bill. He said it was necessary for the sugar industry in this country and the sugar farmers. Five months later, yesterday, the President announced that he was going to place quotas on all sugar coming into this country. In other words he was junking the sugar bill that he supported. He is going to move the price of sugar 4 cents above the loan level, which means that $1,200,000,000 is going to be paid by the American consumers.

Mr. Speaker, at the first opportunity, I am going to be introducing on this floor, either by amendment or bill, a bill to eliminate the sugar program once again. This House has voted to do it every time in the last 5 or 6 years that it could have a straight up or down vote on it. I am convinced it will do it again.

Let us get rid of this phony program and let us give our own consumers a break.

AMERICANIZING THE TAX CUT

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, today I am introducing the Buy-American Tax Act. This bill is designed to spur domestic productivity and create jobs for American workers by focusing business tax cuts on American plants and equipment.

It is clearly not in the best interest of the United States to allow a business to depreciate a piece of equipment bought from a foreign corporation at the same rate that it would if that equipment was manufactured here at home.

It is for this reason that I have introduced a tax reform package which would:

Deny the benefits of the investment tax credit and the accelerated cost recovery incentives to foreign-made equipment;

Encourage the revitalization of our domestic industrial base, by extending the investment tax credit to cover new buildings used for business purposes; and

Eliminate current tax deferral provisions which allow income made by foreign subsidiaries of American companies to remain sheltered as long as that capital is not returned to the United States.

If we are truly serious about the creation of American jobs then we must have a Tax Code which encourages the utilization of goods produced in this country.

URGENT SUPPLEMENTAL APPROPRIATION AGAIN DELAYED

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, I want to join my colleagues who have expressed their concern at the decision of the Democratic leadership to delay once again the urgent supplemental appropriation.

This bill contains major construction programs, the wastewater treatment program, and housing program, which could be a real shot in the arm and help deal with our unemployment program.

Mr. Speaker, I just want to associate myself with the remarks a few minutes ago of the gentleman from Massachusetts (Mr. CONTE) and the gentleman from Illinois (Mr. MICHEL) and express my disappointment and consternation that the Democratic leadership has chosen to delay once again House consideration of H.R. 5922, the urgent supplemental appropriation for the current fiscal year.

All of us are tiring of the inability on the other side of the aisle to pull together and get this bill moving. This is a truly urgent bill and we should not tarry further. I have been pushing for literally months now to enact the $2.4 billion we need for the wastewater treatment construction grants.

The bill that we on the Appropriations Committee produced would also maintain public housing programs at the level assumed in the fiscal year 1982 appropriations act and assure construction of approximately 50,000 units of new section 8 housing currently in the pipeline. I might add that these provisions came from the HUD Subcommittee, of which I am the ranking minority member.

At a time of unemployment, it is shocking that the Democratic leadership in this House is delaying these important construction programs.

Also of great importance to people around the country, the bill appropriates an additional $1.3 billion to fund fully the guaranteed student loan program through the end of this fiscal year.

I just want the American people to realize that there are many of us on this side who have worked hard to put this legislation together and that we are just as frustrated as they are by the continual delays of the Democratic leadership. I hope that this bill will be brought up tomorrow and we can move ahead with these critical programs.

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to put this entire letter in the RECORD.

The administration supports passage of a supplemental bill that contains only—only those supplemental appropriations that are urgently required to maintain necessary agency operations. Therefore, the administration opposes extraneous amendments to the bill, including housing stimulus programs and other bailout plans that are not related to our request for urgent supplemental appropriations. If extraneous matters are added, it would be difficult to rec-

ommend that the President approve the supplemental bill should it reach his desk.

DAVID A. STOCKMAN.

Now, if these people want to vote down the previous question and add on their housing amendment, they ought to be responsible for 10,000 people being RIF'd; let them be responsible.

The letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, D.C., May 4, 1982.

Hon. ROBERT H. MICHEL,
House of Representatives,
Washington, D.C.

DEAR BOB: I understand that the House will begin consideration tomorrow of the Urgent Supplemental and Appropriations Bill (H.R. 5922). During consideration of the bill we understand various amendments will be offered which would expand the scope of the legislation. The Administration supports passage of a supplemental bill that contains only those supplemental appropriations that are urgently required to maintain necessary agency operations. Therefore, the Administration opposes extraneous amendments to the bill, including housing stimulus programs and other bail-out plans that are not related to our request for urgent supplemental appropriations. If extraneous matters are added, it would be difficult to recommend that the President approve the supplemental bill should it reach his desk.

Sincerely,

DAVID A. STOCKMAN.

HIGH INTEREST RATES, A REPLY TO THE MAJORITY LEADER

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, we had a very interesting argument a few minutes ago from the majority leader in defense of the Democratic program for small business. He argued that one of the successes of the Democratic economic program was that the gap between interest rates and inflation was much narrower.

Think for a moment what that means, Mr. Speaker. That means that what he is doing is bragging about inflation, because the reason why the gap was narrowed was because inflation was higher.

I think that gives us a pretty good perception of what the Democratic economic package is always about: More and more inflation to cost the American people more and more.

URGING A "NO" VOTE ON RULE ON H.R. 5922, URGENT SUPPLEMENTAL APPROPRIATION

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHNEIDER. Mr. Speaker, when the House considers the rule for consideration of H.R. 5922, the urgent supplemental appropriation, I strongly urge a "no" vote.

Defeat of the rule will open the door to an amendment which will go a long way to provide relief for the beleaguered housing industry. The Evans-Corcoran amendment is a chance for this body to do something about the single most depressed sector of our economy.

H.R. 5922 is a good, urgently needed infusion of funds to several important areas, such as education assistance and sewer construction. But we can make it a complete package by addressing housing, and it can be done without appropriating a single dollar in new funds. I urge a "no" vote on the rule.

SMALL BUSINESS INNOVATION DEVELOPMENT ACT

(Mrs. HECKLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. HECKLER. Mr. Speaker, the Small Business Innovation Development Act will make a major contribution toward tapping the resources of small high-technology companies. This will benefit both Federal agencies and the country at large. The National Science Foundation reported that small companies are 24 times as innovative per R. & D. dollar as large companies and 4 times as innovative per dollar as medium-sized companies. You would think that this kind of a record would drum up a growing percentage of Government contracts.

Unfortunately, the small business share of prime research and development contracts over $10,000 is declining. Between fiscal years 1980 and 1981, it fell from 7 to 6 percent. The Office of Federal Procurement Policy estimated that small business received only around 3.5 percent of total Federal R. & D. grants, contracts, and cooperative agreements despite their below average completion costs and their impressive record of R. & D. related innovation.

By awarding prime contracts through a solicitation-based program, small business innovation research programs will tap this innovative potential in a way that subcontracting projects for small companies never can. The full capabilities of subcontractors are limited by tight restrictions often issued by prime contractors. Subcontractors cannot fully exercise their creative and managerial ability in the service of the Federal Government under a subcontract.

H.R. 4326 will help us insure that a vital national resource, the small high-technology company, is made an adequate part of our Federal R. & D. efforts.

□ 1545

DEBT COLLECTION ACT OF 1982

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 4613, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. ROSTENKOWSKI) that the House suspend the rules and pass the bill, H.R. 4613, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 402, nays 3, answered "present" 1, not voting 26, as follows:

[Roll No. 57]

YEAS—402

Addabbo	Coyne, William	Garcia
Akaka	Craig	Gaydos
Albosta	Crane, Daniel	Gejdenson
Alexander	Crane, Philip	Gephardt
Anderson	Crockett	Gibbons
Andrews	D'Amours	Gilman
Annunzio	Daniel, Dan	Gingrich
Anthony	Daniel, R. W.	Glickman
Applegate	Dannemeyer	Gonzalez
Archer	Daschle	Goodling
Aspin	Daub	Gore
Atkinson	Davis	Gradison
Badham	de la Garza	Gramm
Bafalis	Deckard	Gray
Bailey (MO)	Dellums	Green
Bailey (PA)	DeNardis	Gregg
Barnard	Derrick	Guarini
Barnes	Dickinson	Gunderson
Beard	Dicks	Hagedorn
Bedell	Dingell	Hall (OH)
Beilenson	Dixon	Hall, Ralph
Benedict	Donnelly	Hall, Sam
Bennett	Dorgan	Hamilton
Bereuter	Dougherty	Hammerschmidt
Bethune	Dowdy	Hansen (ID)
Bevill	Downey	Hansen (UT)
Biaggi	Dreier	Harkin
Bingham	Duncan	Hatcher
Bliley	Dunn	Hawkins
Boggs	Dwyer	Heckler
Boland	Dymally	Hefner
Bolling	Dyson	Heftel
Boner	Early	Hendon
Bonior	Eckart	Hertel
Bonker	Edgar	Hightower
Bouquard	Edwards (AL)	Hiler
Bowen	Edwards (CA)	Hillis
Breaux	Edwards (OK)	Holland
Brinkley	Emerson	Hollenbeck
Brodhead	Emery	Holt
Brooks	English	Hopkins
Broomfield	Erdahl	Horton
Brown (CA)	Erlenborn	Howard
Brown (CO)	Ertel	Hoyer
Broyhill	Evans (DE)	Hubbard
Burgener	Evans (GA)	Huckaby
Burton, Phillip	Evans (IA)	Hughes
Butler	Fary	Hunter
Byron	Fascell	Hutto
Campbell	Fazio	Hyde
Carman	Fenwick	Ireland
Carney	Ferraro	Jacobs
Chappell	Fiedler	Jeffords
Chappie	Fields	Jeffries
Cheney	Findley	Jenkins
Chisholm	Fithian	Johnston
Clausen	Flippo	Jones (NC)
Clay	Florio	Jones (OK)
Clinger	Foley	Jones (TN)
Coats	Ford (MI)	Kastenmeier
Coelho	Ford (TN)	Kazen
Coleman	Forsythe	Kemp
Collins (IL)	Fountain	Kennelly
Collins (TX)	Fowler	Kildee
Conable	Frank	Kogovsek
Conte	Frenzel	Kramer
Corcoran	Frost	LaFalce
Coughlin	Fuqua	Lagomarsino

Lantos	Nelson	Shumway
Latta	Nichols	Shuster
Leach	Nowak	Siljander
Leath	O'Brien	Simon
LeBoutillier	Oakar	Skeen
Lee	Oberstar	Skelton
Lehman	Obey	Smith (AL)
Leland	Ottinger	Smith (IA)
Lent	Oxley	Smith (NE)
Levitas	Panetta	Smith (NJ)
Lewis	Parris	Smith (OR)
Livingston	Pashayan	Snowe
Loeffler	Patman	Snyder
Long (LA)	Patterson	Solarz
Long (MD)	Pease	Solomon
Lott	Pepper	Spence
Lowery (CA)	Perkins	St Germain
Lowry (WA)	Petri	Stangeland
Lujan	Peyser	Stark
Luken	Pickle	Staton
Lundine	Porter	Stenholm
Lungren	Price	Stokes
Madigan	Pritchard	Stratton
Markey	Pursell	Studds
Marlenee	Quillen	Stump
Marriott	Rahall	Swift
Martin (IL)	Railsback	Synar
Martin (NC)	Rangel	Tauke
Martin (NY)	Ratchford	Taylor
Matsui	Regula	Thomas
Mattox	Reuss	Traxler
Mavroules	Rhodes	Trible
Mazzoli	Richmond	Udall
McClory	Rinaldo	Vander Jagt
McCloskey	Ritter	Vento
McCollum	Roberts (KS)	Volkmer
McCurdy	Roberts (SD)	Walgren
McDade	Robinson	Walker
McDonald	Rodino	Wampler
McEwen	Roe	Washington
McGrath	Roemer	Watkins
McHugh	Rogers	Waxman
McKinney	Rose	Weaver
Mica	Rosenthal	Weber (MN)
Michel	Rostenkowski	Weber (OH)
Mikulski	Roth	White
Miller (CA)	Roukema	Whitehurst
Miller (OH)	Rousselot	Whitley
Mineta	Roybal	Whittaker
Minish	Rudd	Whitten
Mitchell (MD)	Russo	Williams (MT)
Mitchell (NY)	Sabo	Williams (OH)
Moakley	Santini	Winn
Moffett	Sawyer	Wirth
Mollohan	Scheuer	Wolf
Montgomery	Schneider	Wolpe
Moore	Schroeder	Wortley
Moorhead	Schulze	Wright
Morrison	Schumer	Wyden
Mottl	Seiberling	Wylie
Murphy	Sensenbrenner	Yates
Myers	Shamansky	Yatron
Napier	Shannon	Young (FL)
Natcher	Sharp	Young (MO)
Neal	Shaw	Zablocki
Nelligan	Shelby	Zeferetti

NAYS—3

Conyers	Paul	Weiss

ANSWERED "PRESENT"—1

Savage

NOT VOTING—26

AuCoin	Evans (IN)	Marks
Benjamin	Fish	Molinari
Blanchard	Foglietta	Murtha
Brown (OH)	Ginn	Smith (PA)
Burton, John	Goldwater	Stanton
Courter	Grisham	Tauzin
Coyne, James	Hance	Wilson
Derwinski	Hartnett	Young (AK)
Dornan	Kindness	

□ 1600

Mr. JEFFRIES and Mr. EDWARDS of Oklahoma changed their votes from "nay" to "yea."

Mr. SAVAGE changed his vote from "yea" to "present."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. TAUZIN. Mr. Speaker, I wish to have the RECORD reflect that had I been present for rollcall 57 on H.R. 4613, I would have cast an affirmative vote on that bill.

FEDERAL RECLAMATION LAWS AMENDMENTS

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 449 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 449

Resolved, That upon the adoption of this resolution it shall be in order, sections 401(a) and 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and said amendment shall be read for amendment by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the customary 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 449 provides for the consideration of H.R. 5539, a bill amending and supplementing the Federal reclamation laws, and for other purposes.

The resolution provides for an open rule with 2 hours of general debate, equally divided between the chairman and ranking minority member of the Committee on Interior and Insular Affairs. The first reading of the bill will be dispensed with by this rule.

It provides for the consideration of the amendment in the nature of a substitute as an original bill for purposes of amendment under the 5-minute rule. The bill will be read for amendment by titles rather than by sections. The rule further provides for one motion to recommit, with or without instructions.

Two waivers of the Congressional Budget Act are provided by this rule for points of order against the bill. H.R. 5539, as introduced, authorizes the enactment of new budget authority in violation of the May 15 deadline of section 402(a). It also provides new contract authority in violation of the limitation of section 401(a) that new contract or borrowing authority may be effective for a fiscal year only to the extent of provisions in appropriations acts. The committee amendment cures these violations of the Budget Act. The Rules Committee included waivers on the recommendation of Chairman JONES of the Budget Committee. His letter is submitted herewith for the RECORD:

COMMITEE ON THE BUDGET,
Washington, D.C., May 3, 1982.

Hon. RICHARD BOLLING,
Chairman, House Rules Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that the Committee on Rules will soon consider H.R. 5539, Federal Reclamation Law Amendments to amend and supplement the Federal reclamation laws and for other purposes. As introduced, the bill would be subject to points of order under Section 402(a) and Section 401(a) of the Congressional Budget Act.

Section 402(a) of the Budget Act provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning of such fiscal year.

The bill, as introduced, authorizes the enactment of new budget authority. Since the bill would become effective upon enactment (Fiscal Year 1982), and since it was not reported on or before May 15, 1981, it would be subject to a point or order under Section 402(a) of the Budget Act.

Section 401(a) of the Budget Act provides that it shall not be in order to consider any bill which provides new contract or new borrowing authority unless that bill also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Various provisions of H.R. 5539 would provide contract authority for the Secretary of the Interior to enter into contracts for delivery of project waters. Since these provisions fail to limit the availability of such contract authority the bill would be subject to a point of order under Section 401(a) of the Budget Act.

However, I am advised that in mark-up the Committee on Interior and Insular Affairs adopted an amendment making any new authorizations contained in the bill effective October 1, 1982 and limiting any contract authority to amounts provided in advance in appropriation acts, thereby curing the existing Budget Act violations. Since a point of order would still lie against the introduced bill, it will be necessary to waive Sections 401(a) and 402(a) in order to permit consideration of the bill.

In view of the fact that the Committee amendment completely cures the Budget Act violations, I have no objection to technical waivers of Sections 401(a) and 402(a) to permit consideration of the bill and the Committee amendment.

With best wishes,

Sincerely,

JAMES R. JONES,
Chairman.

Mr. Speaker, the Federal reclamation program was begun in 1902 in order to encourage settlement and cultivation of the arid public lands in the West. The program has evolved as a vast water resource development program serving reclamation farms with an annual crop value of $7 billion. Its applications and interpretations are varied, complex, and ambiguous. The program presently provides for water from a Federal reclamation project to be supplied to up to 160 acres of irrigable land in a single ownership. Present interpretation permits water delivery to 320 acres owned by a married couple.

Chairman UDALL tells us that the reclamation program is in need of modernization in order to accommodate the range of family farms that currently exists in the West and to permit efficient profitable farming by a family unit. The Committee on Interior and Insular Affairs presents in H.R. 5539, as reported, an effort at compromise. The bill was reported by a voice vote with broad bipartisan support in the committee.

H.R. 5539 revised the program and introduces a new system for pricing the delivery of water. The number of acres under single ownership benefiting from the reclamation program is changed by the bill from 160 to 960 acres per family. The residence requirement, which has been erratically enforced, is eliminated. A two-tiered pricing system is set up, whereby larger operators, who lease lands in excess of 960 acres, will have to pay a full cost rate that recaptures the interest on the construction financing of the reclamation project. The small farmer, with 960 acres or less, will continue to receive the benefit of subsidized water. The full cost rate is intended to invoke marketplace regulation of the amount of acreage that can receive reclamation project water.

Mr. Speaker, the open rule provided by House Resolution 449 affords ample opportunity for the House to work its will on this controversial legislation. I urge my colleagues to support the resolution so that we can proceed to the consideration of needed modifications of the reclamation program.

□ 1615

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, the distinguished gentleman from Louisiana (Mr. LONG) has ably described the provisions of the resolution and the bill itself. The bill is merely an update of the 1902 Reclamation Act.

Needless to say, work has been going on for the past 6 years to hammer out legislation that would be agreeable to the various interests involved in the Reclamation Act. I believe that they have hammered out a satisfactory solution. I believe that the existing law needs to be updated. I would urge my colleagues to support the adoption of the rule and to support the bill when it is debated on the floor of the House.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. LONG of Louisiana. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. EMERY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 5, not voting 34, as follows:

[Roll No. 58]

YEAS—393

Addabbo	Boggs	Clinger	Dicks	Ireland	Paul
Akaka	Boland	Coats	Dingell	Jacobs	Pease
Albosta	Bolling	Coelho	Dixon	Jeffords	Pepper
Alexander	Boner	Coleman	Donnelly	Jeffries	Perkins
Anderson	Bonior	Collins (IL)	Dorgan	Jenkins	Petri
Andrews	Bonker	Collins (TX)	Dougherty	Johnston	Peyser
Annunzio	Bouquard	Conable	Dowdy	Jones (NC)	Pickle
Anthony	Bowen	Conte	Downey	Jones (OK)	Porter
Applegate	Breaux	Conyers	Dreier	Jones (TN)	Price
Archer	Brinkley	Corcoran	Duncan	Kastenmeier	Pritchard
Aspin	Brodhead	Coughlin	Dunn	Kazen	Pursell
Atkinson	Brooks	Coyne, William	Dwyer	Kemp	Quillen
Badham	Broomfield	Craig	Dymally	Kennelly	Rahall
Bafalis	Brown (CA)	Crane, Daniel	Dyson	Kindness	Railsback
Bailey (MO)	Broyhill	Crane, Philip	Early	Kogovsek	Rangel
Bailey (PA)	Burgener	Crockett	Eckart	Kramer	Ratchford
Barnard	Burton, Phillip	D'Amours	Edwards (CA)	LaFalce	Regula
Barnes	Butler	Daniel, Dan	Edwards (OK)	Lagomarsino	Reuss
Beard	Byron	Daniel, R. W.	Emerson	Lantos	Richmond
Bedell	Campbell	Dannemeyer	Emery	Latta	Rinaldo
Beilenson	Carman	Daschle	English	Leach	Ritter
Benedict	Carney	Daub	Erdahl	Leath	Roberts (KS)
Bennett	Chappell	Davis	Erlenborn	LeBoutillier	Roberts (SD)
Bereuter	Chappie	de la Garza	Evans (DE)	Lee	Robinson
Bethune	Cheney	Deckard	Evans (GA)	Lehman	Rodino
Bevill	Chisholm	Dellums	Evans (IA)	Leland	Roe
Bingham	Clausen	DeNardis	Fary	Lent	Roemer
Bliley	Clay	Derrick	Fascell	Levitas	Rogers
			Fazio	Lewis	Rosenthal
			Fenwick	Loeffler	Rostenkowski
			Ferraro	Long (LA)	Roth
			Fiedler	Long (MD)	Roukema
			Fields	Lott	Rousselot
			Findley	Lowery (CA)	Roybal
			Fithian	Lowry (WA)	Rudd
			Flippo	Lujan	Russo
			Florio	Luken	Sabo
			Foley	Lundine	Santini
			Ford (MI)	Lungren	Savage
			Ford (TN)	Madigan	Sawyer
			Forsythe	Markey	Scheuer
			Fountain	Marlenee	Schneider
			Fowler	Marriott	Schroeder
			Frank	Martin (IL)	Schulze
			Frenzel	Martin (NC)	Schumer
			Frost	Martin (NY)	Sensenbrenner
			Fuqua	Matsui	Shamansky
			Garcia	Mattox	Shannon
			Gaydos	Mavroules	Sharp
			Gejdenson	Mazzoli	Shaw
			Gephardt	McClory	Shelby
			Gibbons	McCloskey	Shumway
			Gilman	McCollum	Shuster
			Gingrich	McCurdy	Siljander
			Glickman	McDade	Simon
			Gonzalez	McDonald	Skeen
			Goodling	McEwen	Skelton
			Gore	McGrath	Smith (AL)
			Gradison	McHugh	Smith (IA)
			Gramm	McKinney	Smith (NE)
			Gray	Mica	Smith (NJ)
			Green	Mikulski	Smith (OR)
			Gregg	Miller (CA)	Snowe
			Guarini	Miller (OH)	Snyder
			Gunderson	Mineta	Solarz
			Hagedorn	Minish	Solomon
			Hall (OH)	Mitchell (MD)	Spence
			Hall, Ralph	Mitchell (NY)	St Germain
			Hall, Sam	Moakley	Stangeland
			Hamilton	Moffett	Stark
			Hammerschmidt	Molinari	Staton
			Hansen (ID)	Mollohan	Stenholm
			Hansen (UT)	Montgomery	Stokes
			Harkin	Moore	Stratton
			Hatcher	Moorhead	Studds
			Hawkins	Mottl	Stump
			Heckler	Murphy	Swift
			Hefner	Myers	Synar
			Heftel	Napier	Tauke
			Hendon	Natcher	Tauzin
			Hertel	Neal	Taylor
			Hightower	Nelligan	Thomas
			Hiler	Nelson	Traxler
			Hillis	Nichols	Trible
			Hollenbeck	Nowak	Udall
			Holt	O'Brien	Vander Jagt
			Hopkins	Oakar	Vento
			Horton	Oberstar	Volkmer
			Howard	Obey	Walgren
			Hoyer	Ottinger	Walker
			Hubbard	Oxley	Wampler
			Huckaby	Panetta	Washington
			Hughes	Parris	Watkins
			Hunter	Pashayan	Weaver
			Hutto	Patman	Weber (MN)
			Hyde	Patterson	Weber (OH)

Weiss	Williams (OH)	Wyden
White	Winn	Wylie
Whitehurst	Wirth	Yatron
Whitley	Wolf	Young (FL)
Whittaker	Wolpe	Young (MO)
Whitten	Wortley	Zablocki
Williams (MT)	Wright	Zeferetti

NAYS—5

Brown (CO)	Edgar	Yates
Dickinson	Kildee	

NOT VOTING—34

AuCoin	Evans (IN)	Morrison
Benjamin	Fish	Murtha
Biaggi	Foglietta	Rhodes
Blanchard	Ginn	Rose
Brown (OH)	Goldwater	Seiberling
Burton, John	Grisham	Smith (PA)
Courter	Hance	Stanton
Coyne, James	Hartnett	Waxman
Derwinski	Holland	Wilson
Dornan	Livingston	Young (AK)
Edwards (AL)	Marks	
Ertel	Michel	

□ 1630

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. KAZEN. Mr. Speaker, pursuant to House Resolution 449, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. KAZEN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5539, with Mr. FOWLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Texas (Mr. KAZEN) will be recognized for 1 hour, and the gentleman from California (Mr. CLAUSEN) will be recognized for 1 hour.

The Chair recognizes the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Federal reclamation program was begun with the enactment of the Reclamation Act of 1902. The law was an outgrowth of the earlier Homestead Act and the Desert Land Act. It established a program for Federal financial assistance for water resource development projects necessary for the irrigation of arid and semiarid lands in the West.

The program has grown into a major water resource development program. Although irrigation of lands for farming is its principal purpose, multipurpose projects also provide hydroelectric power, flood control, water for municipal and industrial purposes and recreational facilities.

Approximately 146,000 individual farms receive water from Federal projects. Many of these receive a full water supply while others receive supplemental water. These farms produce crops valued at almost $7 billion each year.

The 1902 act placed a limit of 160 acres on the quantity of irrigable land in a single ownership to which Federal irrigation water could be supplied. The provision has been interpreted to allow the delivery of water to 320 acres of land owned jointly by a husband and wife. The original act also required that the person owning the lands which would receive water be a resident on or near that land.

Most of the cost of construction of these reclamation projects is repaid to the United States through revenues from sales of water for municipal and industrial purposes, through the marketing of power produced by the projects and also by the irrigators. The irrigators are required to form an organization under State law, generally an irrigation district, which has the power to enter into contracts with the Secretary and to levy and collect taxes. The district then enters into a contract with the Secretary agreeing to repay that portion of the construction costs of the project which are properly allocable to irrigation. The repayment is to take place over a stated period of time, generally 40 years. Interest is not charged by the Federal Government upon this repayment obligation.

Mr. Chairman, the reclamation program has been administered without substantial change in the basic law for 80 years. As a result, it has been left to those who are charged with the administration of the program and the courts to interpret the law to meet specific situations not directly addressed in the law and to resolve conflicts when they have arisen. Over such a long period of time there have obviously been differing interpretations of the law. More importantly, however, there have been interpretations upon which the irrigators have relied for many years. For example, the law has been interpreted to allow the delivery of water to lands leased by an irrigator from another, even though the total lands held in such a farming operation may exceed 160 acres. In other words, there are situations in which a farmer owns no more than 160 acres but irrigates an additional number of acres which he leases. This could cover several hundred acres, but the Department has considered the operation to be within the law.

In reliance upon these administrative interpretations, very substantial investments have been made in farming operations which are in excess of 160 acres.

Earlier, I mentioned the requirement that the irrigators repay to the United States that portion of the project construction costs which are allocable to irrigation. Interest is not charged upon this obligation and the Secretary is required, in determining the repayment obligation of the irrigators, to take into account their ability to pay. This can and has resulted in a reduction of the total obligation in some cases. To the extent that there is not an interest charge on the repayment obligation and to the extent that it is reduced, the irrigators do receive a subsidy. That subsidy is intended to and does encourage farmers to make the required investment in the land and machinery which constitute the farm operation. That subsidy is intended to and does result in lower production costs which are passed on to consumers in the form of lower prices. That subsidy has resulted in making otherwise unproductive land productive. And, may I point out, it is only one of the literally hundreds of subsidies which the Congress has conferred upon all segments of our economy over many years.

In 1977, a Federal court mandated the Secretary of the Interior to promulgate new regulations for the enforcement of the reclamation law. In response, the Secretary proposed regulations which would require a strict enforcement of all of the requirements of the law and which, in a number of critical ways, would have reversed decades of administrative interpretations upon which the irrigators had relied. The regulations have not yet been finalized only because another Federal court determined that the Secretary must fully comply with all of the requirements of the National Environmental Policy Act before finalizing the regulations and that work has not yet been completed.

Understandably, the irrigators, in confusion and frustration, turned to the Congress in the hope and expectation of clarifying their position and creating certainty where it does not now exist.

Against this background, Mr. Chairman, let me explain how H.R. 5539 addresses and resolves the basic issues.

First, the bill makes it clear that residency shall not be a condition for the receipt of water from a Federal reclamation project.

In 1902, the Nation was literally in the horse and buggy days. However, in today's world of the automobile, many farmers who are actively engaged day by day in a farming operation do not live on the land. They may live in a city or town, close to schools and shopping centers some miles from the farm, yet work on the farm every working day of the year. While the

residency requirement may have seemed valid in 1902 to make certain that those receiving the benefits of the program would be the persons who actually worked the land, the requirement is no longer valid.

Furthermore, the Department has never enforced a residency requirement and to do so now would be disruptive, to say the least.

Second, the limitation on the amount of land owned by any person eligible to receive water from a project is increased from 160 to 960 acres, or its equivalent in acreage of less productive capability. The increase would only apply as to new contracts entered into between the Secretary and a district, as to any district which hereafter receives additional or supplemental benefits, and as to districts which have an existing contract and elect to have their contract amended to enable them to take advantage of the new acreage limitations, or to individuals in such districts who wish to come under the new provisions of the law even though the district does not make such an election. I might say that we would like to have been able to make all of the requirements of the new law automatically applicable to all existing contracts. However, to do this would be to unilaterally impose upon a district an increased repayment obligation beyond that provided in the existing contract.

I would point out, Mr. Chairman, that the definition of "person" in H.R. 5539 includes an individual, his or her spouse, and other dependents within the meaning of the Internal Revenue Code. Essentially, this means that the ownership limitation applies in such a way that the total of land owned by a family which is eligible to receive water would be 960 acres. Under present law, it has been possible for a husband to own 160 acres, the wife to own 160 acres, and each of the children in a family to own a like amount of land, with each parcel being eligible to receive water. This would not be the situation under H.R. 5539 in those districts which become subject to its provisions.

In providing for an increase in the acreage limitation, the committee recognized that 160 acres of land is simply not sufficient, except in very isolated cases, to support a viable farming operation in today's economy. While a farmer today has available to him better and more efficient machinery, that machinery is also very expensive. Labor costs are far above those of 80 years ago, or even 20 years ago. In order to produce better crops and to preserve the land, a farmer today must use chemicals and fertilizers which were unknown at the time the reclamation program was initiated and which also increase operational costs.

The acreage limitation increase contained in H.R. 5539 has the support of the administration. The same limitation on ownership was also supported by the previous administration, although the then Secretary of the Interior did not fully support those provisions of earlier bills which would have permitted the delivery of water to additional leased lands.

A third major provision of the bill, Mr. Chairman, establishes a limitation on the subsidy which I have discussed.

While our bill would permit a farm operation to exceed 960 acres by permitting an operator to lease additional lands to which water might be delivered, in return for this benefit, the district in which the lands are located, or an individual who elects to come under the provisions of the new law, would be required to agree to an increase in the construction cost repayment obligation which is attributable to the additional lands over and above 960 acres and which would be farmed as a part of the operation. Interest would be charged as to that part of the repayment obligation on the remaining balance due and the obligation would be computed without regard to the farmer's ability to pay. This would substantially reduce the subsidy as to any remaining repayment obligation in the existing districts and as to the repayment obligation in any new district.

I should point out, Mr. Chairman, that the irrigators also are required to pay the operation and maintenance costs of the project. The bill requires that these costs be calculated annually and modified as necessary to insure that the Government receives the full return of all money it has expended for operation and maintenance costs related to irrigation.

Small, family-type corporations conducting operations in those districts which elect to receive the benefits of the new law would be treated in the same manner as an individual, as would a larger corporation which was actually receiving project water on or before October 1, 1981. However, in the case of the larger corporation which had not received project water prior to October 1, 1981, the subsidy would be eliminated in its entirety.

The bill also mandates water conservation and, for the first time, would impose civil penalties for the violation of the reclamation laws.

Mr. Chairman, consideration of H.R. 5539 by the House today represents the culmination of almost 6 years of work by our committee—first through oversight hearings and then through extensive legislative hearings and markup sessions in both the 96th Congress and in the present Congress. It is a bipartisan product.

□ 1645

May I pause here, Mr. Chairman, to commend my counterpart on the subcommittee, the distinguished gentleman from California (Mr. CLAUSEN), for his tremendous help in seeing to it that this product has come to the floor today. He did outstanding work on this bill and contributed much to its provisions. And also to the ranking member of the full Committee on Interior and Insular Affairs, the distinguished gentleman from New Mexico (Mr. LUJAN), for his dedication to this work which is before us today.

Mr. Chairman, I could cite every single member of the entire committee for his contribution, without skipping a single one, with special emphasis and special consideration and gratitude going to the distinguished gentleman from Arizona (Mr. UDALL) for his guidance in this operation. His work, and the work of all Members on both sides of the aisle, has been tireless. They have worked diligently for the last 4 years to see to it that this product is before us today.

And, last, Mr. Chairman, but certainly not least, let me pay my respects and extend my gratitude to the staff of our committee. Without their able assistance and without their patience we would not be here today and we would not have this bill before us. So I say to the staff on both the majority and the minority side: You have my heartfelt thanks.

We are not, Mr. Chairman, beginning a new program. We are dealing with one which has evolved over a period of 80 years. During all of that time, there have been some abuses, as there are in any program of this nature. But, also, during that long period, there have been substantial investments made in labor, as well as in money, by persons who in good faith have relied upon the representations of their Government. They must be treated fairly, as must the Government itself. H.R. 5539 is a fair bill and I urge its support.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the distinguished gentleman from Texas.

Mr. WHITE. I thank the gentleman for yielding.

Mr. Chairman, I want to compliment the gentleman in the well for a monumental job, the chairman (Mr. UDALL), the gentleman from California (Mr. CLAUSEN), and the gentleman from New Mexico (Mr. LUJAN), in an effort to resolve equitably a problem that has been goading a large section of this country.

I have an irrigation and reclamation district in my area, in my congressional district and those adjoining my district, and this problem has been a barrier to clarification of their position. The gentleman has arrived at a realistic and fair solution, and I think it is a task that should be appreciated by all of the country, and I am sure the gentleman will receive the gratitude, as will the other Members who worked

on it, of those who have been having this obstacle in their path of verification of their position and in farming.

Mr. KAZEN. I thank my colleague for his generous words. I appreciate them.

Mr. CLAUSEN. Mr. Chairman, I yield myself such time as I may consume.

□ 1700

Mr. Chairman, as the ranking minority member of the Water and Power Resources Subcommittee, I have been involved in this effort to modernize reclamation law extending over the years, that particular law having first passed in 1902; as has been stated by so many of my colleagues who have preceded me here in the well, this particular reform is in fact long overdue.

I agree with the chairman of our subcommittee, the gentleman from Texas (Mr. KAZEN), with whom I have worked very closely in this process, as well as others, to say that H.R. 5539 is the product of some 4 to 6 years of hard work and effort, and I certainly want to concur in his comments in which he made reference to the very noble and extraordinarily professional effort put forth by the professional staff members of our Water and Power Resources Subcommittee.

I have seen professionals over the years, but when I think of the manhours they put into this effort, all of the way through the hearings process, the dialog and the discussions, I think that all of us would suggest that these people are truly professionals in the best sense of the word.

In addition to that, the working relationship that I have enjoyed with our chairman, the gentleman from Texas (Mr. KAZEN) has been excellent. He can best be described as an individual who has been extraordinarily steady, stable, positive, and firm in his resolve to bring out a good product; most importantly of all, he conducted himself in a fair manner that did credit to the committee as well as to himself as an individual.

Here is a chairman who is a great chairman because he lets the committee work its will. All the way through the discussion and dialog and the amending process, this individual, serving as our subcommittee chairman, went that extra mile to make certain that every individual on that committee had an opportunity to present their case in a fair manner.

So I certainly want to commend him as well as the outstanding leadership role of the chairman, the gentleman from Arizona (Mr. UDALL).

I also want to take just a brief moment to extend my appreciation to the ranking minority member of the full committee, the gentleman from New Mexico (Mr. LUJAN), because as the Members know, the gentleman from New Mexico (Mr. LUJAN), himself, put together and authored the original bill that was the framework or the backdrop of this legislation. I believe commendatory remarks also need to be directed toward my friend, the gentleman from California (Mr. PASHAYAN). This gentleman who is a truly professional lawyer, has not only represented his own constituency in the central valley of California, but all the way through this process he has also literally served as a technical adviser to many of us because of his extraordinary knowledge of water and reclamation law. And so the committee has greatly benefited by his contributions.

And as the chairman said, we could extend that to most of the members of the committee because there was a great bipartisan effort and I think it could be said that H.R. 5539 is as close to a bipartisan, consensus bill as is possible to attain under the circumstances. It comes after numerous hearings both here and in the impacted, Western reclamation States. The feeling among those directly involved in reclamation was almost unanimous that the law requires revision.

Mr. Chairman, my principal concern and my principal objective in reclamation reform has been to preserve the family farm unit. A lot of people talk about doing something for the family farm. This legislation does something specifically for the retention and the building of that family farm.

Obviously, the acreage limitation set in 1902 is, and has been, inadequate for the economic farm circumstances of 1982. The hope of the committee is that upward revision of the acreage limitation will enhance the economic viability and productivity of the modern family farm, and I place emphasis on the word, "modern," family farm.

Anybody who attended those hearings could see a measure of success as a result of the testimony presented by people who started out from scratch from a small family farm unit and then as a family unit they built up to and including a corporate family structure.

Well, upward revision of the acreage limitation is clearly required to increase farm efficiency and to justify the substantial, capital investment for equipment and machinery required for anybody who wants to remain competitive as a farmer or to become a farmer for the first time.

There has been and remains a great deal of uncertainty and ambiguity in the existing reclamation law. Too much has been left in that gray area. For example, existing law, if we do not change it, is silent on leasing. It neither specifically prohibits it nor expressly authorizes it.

So I agree with the other sponsors that that bill will serve in a positive fashion to clarify that and other important issues in reclamation farming.

It will also serve to validate some of the past practices of both reclamation administrators and responsible farmers who have acted and planned in reasonable reliance upon such practices.

The bill also repeals any residency requirements in recognition of today's practicalities.

Because of modern methods of transportation which did not exist 80 years ago, many of those actively engaged on a daily basis in a farming operation live many miles from the farm. Others receive—and this is a very key point—others receive through inheritance such lands that are maintained and operated by members of the deceased's family although some of those persons may not reside on or near the land.

Still others who are elderly may wish to retire to the city after living a lifetime on a farm and leave the land to their children to operate. But they clearly would want to protect their own vested interests in that particular property and so this legislation goes a long way toward relieving the burden of concern that many of the people had who are in that particular category.

Mr. Chairman, the bill also sets the record straight once and for all and makes clear that those Corps of Engineer projects not specifically designated by the Congress as part of a Federal reclamation project should not be covered by the acreage limitation or other provisions of Federal reclamation law.

In my view, this provision rectifies a situation which the Congress never intended and which probably should never have happened to begin with. It will also prevent the application of reclamation law to States outside the West. Wherever there is a flood control project or a corps project throughout the country, they live under the potential threat of having to have some sort of interpretation by which they actually could be subject to reclamation law; including the acreage limitation. This bill prevents that.

Mr. Chairman, due to the higher prices under the full cost pricing provisions of the bill, I expect that more will be recovered for the Treasury than will be expended from it for the increased administrative duties of the Department of the Interior. In other words, even though the Congressional Budget Office says the costs are impossible to estimate, I expect this bill to result in a net gain to the Treasury.

Mr. Chairman, the reclamation program is critical to the 17 Western States and will continue to have a very significant impact on the agricultural economy of the Nation as a whole.

I would hope that my colleagues would consider this bill on the merits in terms of whether it is good for the country as a whole, good for the

family farmer, and not on a regional or East-versus-West basis. I believe H.R. 5539 as reported out of subcommittee and the full Committee on Interior, and as it appears today, is in the national interest and is worthy of your support.

The administration, in a letter to the Speaker, indicated their support for the legislation without reservation and I would like to read that for the benefit of my colleagues:

Dear Mr. Speaker: We understand that the House of Representatives will soon consider passage of H.R. 5539, a bill to amend and supplement the Federal reclamation laws, and for other purposes. The Administration recognizes the need for reclamation reform legislation and strongly supports Congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

And finally, the Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Mr. Chairman, I strongly urge my colleagues to support this legislation and give it the kind of consideration that I think is long overdue.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from California.

Mr. PASHAYAN. I want to thank the gentleman for his kind words and to let this body know and let the committee know the gentleman himself, as the well's steady hand and wisdom, played a leading role as the bill progressed through the various stages in the committee and he should be recognized and commended for it.

Mr. CLAUSEN. I thank the gentleman very much.

Mr. WEAVER. Mr. Chairman, H.R. 5539 is the product of a well-financed campaign of a small but very wealthy group of agribusiness interests, multimillionaires and corporations. It is a bald-faced antifamily farm package of direct subsidies to the richest of America's agribusiness interests.

Ninety-six percent of all of America's farms receiving Bureau of Reclamation water are less than the 640 acres allowed under the present administration policy. Yet fewer than 3 percent of all reclamation farm operators receive nearly a third of all reclamation land in violation of the current 1902 law. H.R. 5539 would legitimatize this abuse of public trust and investment.

Not since the Great Depression has American agriculture faced conditions like those today. Small farmers are being devastated; the evidence is the rash of bankruptcies, foreclosures and farm auctions that are occurring all over the Nation.

Yet the benefits of H.R. 5539 flow directly to the very largest and richest of all farm operators. (See list attached of the largest landowners who would receive benefits under the bill.) Taking the average gross crop value per acre in California, where the lion's share of the benefits would flow, $830, and multiplying it by the allowable acreage which could receive this subsidized water, 960 acres, the yearly income for a farm of that size would be nearly $800,000. That stands in marked contrast to the better than 80 percent of all U.S. farms whose gross income is less than $50,000 a year.

How can Congress justify a fat subsidy to the richest agribusiness concerns in the Nation when the rest of the Nation's farmers are facing ruin? How is this possible when we are now considering a bill entitled the "Farm Crisis Act of 1982"?

The so-called full-pricing provisions of the bill are anything but. The Interior Committee tells us that the increase in revenues the bill will bring on account of full pricing of water will be a mere $3 million, while the CBO says that we could get $16 billion from full pricing.

Another section of the bill ends the requirement that the owners live on or near their farms, opening the way for absentee landlords and speculators to share in the subsidy.

One of the worst giveaways in the bill is the exclusion of Army Corps of Engineers projects from reclamation law coverage. This will allow the Nation's largest cotton grower, J. G. Boswell Co., to continue to receive Federal subsidies.

Ninety-seven percent of the farms in the Western States are in compliance with the 1902 reclamation law as it now stands. It is the corporate and agribusiness firms that are the ones in violation of that law and who are pushing this bill through Congress. This must not be allowed to happen. Make them give up excess acreage now getting reclamation water and comply with the old law.

It is time to end the constant pressures on family farms to bow to the forces of economic concentration and monopoly.

The backbone of America's agriculture is the small farm and we must act now to protect it.

LIST OF LANDOWNERS RECEIVING BENEFITS FROM H.R. 5539 IN CALIFORNIA

Owner	Acres	Project
J. G. Boswell Co.	88,212	Kings River.
	21,036	Kern River.
	23,980	Westlands.
	133,228	
Southern Pacific Land Co. (Southern Pacific R.R.)	106,680	Westlands.
Tenneco West, Inc.	64,941	Kern River.
Salyer Land Co.	29,060	Kings River.
Standard Oil Co.	11,593	Westlands.
Chevron USA, Inc.	13,014	Kings River.
Southlake Farms, Inc.	26,816	Kings River.
Westlake Farms, Inc.	19,817	Kings River.
Superior Farming Co. (Superior Oil Co.)	22,581	Kern River.

Mr. KAZEN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from California (Mr. MILLER), whose tremendous contribution to this effort made it possible to have this bill here this afternoon.

Mr. MILLER of California. Mr. Chairman, it is a rather historic moment at which this legislation is brought to the floor of the Congress. There have been years of controversy and haggling over the final design of this legislation, who would benefit from Government subsidies and who would not, who would be able to receive project water, and for how many acres.

This program has a long history. Federal reclamation was begun in 1902. It was begun when the landowners came to the Congress and struck a deal. If the Federal Government would use its credit, use its resources and its finances to develop water resources to irrigate the arid lands of the West, then those farmers after receiving the subsidies and benefits of this program for a period of time would make that land available to small farmers who desired to get into agriculture.

That was their promise. And they also promised that the projects would be repaid entirely by the beneficiaries.

The justification for reclamation over the last years has been that this program would foster small family farmers in the West, and that that worthy goal justified the substantial subsidy in this program and the tremendous Federal investment that was made.

Back in 1959, one of our former colleagues, Mr. Sisk, acknowledged that this fostering of small farms was the real goal of reclamation. "It is inevitable that under the impact of the reclamation laws these lands will break down into family size units which are cultivated by individual owners and their families," Representative Sisk said. The program has worked well. In fact the deserts have bloomed. Over 74 percent of the current farming operations, despite weak enforcement of the law, are under 160 acres and 97 percent of the farms will be under the new limitation 960 acres in this bill.

Yet, a problem has become apparent, and that is that 3 percent of the ownerships control 30 percent of the land in this program. Now some of those large farmers seek to break the faith with the bargain that they made with the people of the United States and with the U.S. Congress. They want to retain the subsidy, and the land, and the water, and the profits—all these benefits the reclamation program promised the small farmer—for themselves. We have got to review the goals of this legislation today in the 1980's and compare that with what was intended in the past, and I think

that is what this legislation does. This legislation does alter the goals of the program because it permits larger growers to participate as they have participated for decades because of weak enforcement of current law. We will allow larger farmers to participate, but we will not allow them to receive the Federal subsidies that were promised to their predecessors on the theory that the long-term beneficiaries of these projects would be small, family farmers.

This legislation adds new goals that are as significant to the 1980's as small farming was to the original planners in 1902. It adds the goals of water and energy conservation, the encouragement of alternative energy technologies such as drip irrigation which uses 1 percent of the water of open-furrow irrigation, laser levels, moisture testing, the use of pipelines rather than open ditches, and lined instead of unlined canals.

Currently the GAO tells us that we may be wasting as much as 50 percent of the irrigation water because of poor delivery, irrigation, and management techniques. This bill makes the conservation and the efficient use of water resources central goals of the reclamation program for the first time in the program's 80-year history. It does that by eliminating the unwarranted subsidies to large growers and by requiring cost accountability in water-project authorizations.

Certainly, this bill contains flaws. The acreage limitations in the bill are not ones that I personally favored. But by establishing that water conservation and recovery of subsidies from large growers are now central requirements of the reclamation program, we have drafted legislation which is a program which recognizes the changing needs of the people of this country and which is responsive to the need for appropriate resource management and the end of unjustified subsidies for the well to do who have too long postured as the independent, rugged farmers, while lining their pockets with subsidies intended for the family grower.

I have made some very great concessions in this legislation. In the past, I strongly opposed efforts to merely liberalize the acreage limitation. Over 6 years ago, when this debate first began, I declared my thorough opposition to any legislation which failed to address the need to eliminate unwarranted subsidies. But this legislation is as far as I can go. If there is any attempt to weaken with this legislation, to ramrod the Senate committee's proposal down the throats of the House in a conference committee, they will simply find out that many of us who have walked a great distance to meet the compromise of this legislation will no longer be able to participate. As was said yesterday in the Rules Committee hearing, such a violation of good faith would assure the defeat of this legislation for this session of Congress. We are here to improve and broaden the reclamation program, not to emasculate it and call it reform. I, for one, will not participate in that charade; in fact, I would gladly lead the effort to kill any legislation which weakens the bill before us today.

So I think that for those who are truly concerned about the use of water in the United States, who have been properly concerned about how this resource has been allocated in the past, whether or not we have managed it in the most efficient fashion, those who have been concerned about whether or not wealthy landowners have been the recipients of subsidies or not, can look to this piece of legislation as a real piece of reform. With the vigorous enforcement intended by our committee, it will encourage more efficient use of water in the future. In fact, it will require a much more realistic cost-benefit analysis for projects in the future which will require an abandonment of the budgetary wizardry by which white elephants have long been transformed into sacred cows in the Congress.

To achieve these goals, it is vital that the maximum number of irrigators be included under the terms of this act. To that end, the committee will require application of the new pricing provisions whenever contracts are signed, amended or extended, and will permit individuals to elect to come under the new law even if the district of which they are members refuses to do so.

Wherever and whenever possible, the Department of the Interior should use the provisions of this act and the reclamation laws to recover more fully for the taxpayers of the United States the costs of these projects.

Great potential for cost recovery exists. In California, where many of the larger farms which will be affected by the full cost recovery section are situated, repayment contracts currently exist only for $500 million out of a total of $2.7 billion attributable to irrigation, providing the Secretary with a great opportunity to assure that the provisions of this law are widely applied.

The legislation creates a two-tiered pricing policy, but requires changes in the calculation of water and repayment rates for all farmers regardless of farm size. While subsidies, in the form of the ability to pay discount and interest-free repayment of construction costs, would continue for farm operations of less than 960 acres, these irrigators will also be affected by the pricing reforms of H.R. 5539.

The bill requires full payment and the annual recalculation of operation and maintenance charges for water service for all irrigators, regardless of farm size. Although the Bureau of Reclamation currently calculates these costs on an annual basis, O. & M. charges have frequently been frozen in long-term contracts. Thus, in some areas farmers pay $3.50 an acre-foot or less for water which costs the Government many times that amount to deliver, despite the irrigator's much greater payment capacity.

Farmers operating more than 960 acreas would not only repay full O. & M. charges, but would lose the ability to pay discount, and would be required to pay interest on remaining unpaid construction costs. Large farms would therefore be eligible to participate in the program, but would be denied the substantial financial subsidies intended for smaller farmers.

The Secretary should use the opportunity of the new law to correct serious abuses in the calculation of ability to pay which result in unjustified subsidies. In its report of May 23, 1975, "More Effective Procedures Are Needed for Establishing Payment Terms and Development Periods for Irrigation Projects," GAO called for the revision of the Bureau's methods for calculating ability to pay. According to GAO, the Bureau frequently calculates ability to pay on the basis of the 320-acre farm allowed by current law, even in the case of farms much larger than 320 acres. Since the larger farm may be more profitable than the smaller farm, the larger farmers would enjoy an unjustified subsidy if his ability to pay were calculated on the 320-acre basis. Moreover, GAO noted, current practice allows the Bureau to reduce payment obligations based on a reduction in an irrigator's payment ability, but does not permit the Government to require larger payments when the irrigator's profits improve.

Ability to pay, for farmers with fewer than 960 acres to whom the discount is available in the future, should be calculated on accurate estimates of payment capacity based on a farm's true size and profitability in order to assure a fair return to the Government and to minimize unwarranted subsidization. Similarly, a farm with more than 960 acres would not be eligible for an ability-to-pay discount at all for acreage above 960. However, that additional acreage must be considered when determining the true ability of that farmer to pay for his eligible 960 acres.

Large-scale irrigators would lose the ability to pay discount entirely, and would be compelled to pay interest on all remaining capital costs. The intent of this requirement is to remove taxpayer subsidies from farms with acreage in excess of 960 acres.

Forgiven interest payments has long been the most costly subsidy in the reclamation program. Recent studies by the General Accounting Office

have documented the staggering scope of these subsidies, and challenged the rationale for them.

When these interest subsidies were authorized for irrigation users at the turn of the century, they were considered well-affordable because interest rates were very low, GAO noted last year. With today's high interest rates, more and more tax dollars are needed to provide interest-free financing for irrigators.

In the case of just three projects studied—Oroville-Tonasket, Tualatin, and Lakeview, Tex.—the interest subsidy will exceed $660 million. In another major study last year, GAO found that taxpayers will subsidize between 92 and 97 percent of six projects studied.

There is no intent by the committee, nor certainly on my part as author of these pricing reforms, to extract usurious repayment from irrigators. Rather, the legislative intent of these reforms is to eliminate unjustified and unintentional subsidies from those who can afford to pay benefits they receive, thereby stimulating improved management and more-efficient use of water resources.

Realistic water pricing will help to achieve these goals. Over a decade ago, the National Water Commission reviewed pricing policies in California and concluded that "a sharp boost in water-use efficiency and declines in consumption occurred after significant increases in price."

A decade later, the Department of Agriculture issued its report on the Nation's farms, "A Time To Choose," which endorsed legislation to allow more realistic pricing of water. Like energy, as long as water's price is not reflective of its value in use, conservation will be inadequate.

Potential savings from enhanced prices will be substantial. An Interior Department study in 1979 found that water is used at 40 percent efficiency when priced between $1 and $3. With a price increase to $10 an acre-foot, efficiency was improved by 50 percent. More realistic pricing of water in comparably arid areas has promoted the extensive use of water conservation technology. In Israel, twice as much crop is produced with the same amount of water we consume in the West. For example, high technology systems like drip irrigation are used to grow even row crops like cotton.

Realistic water pricing creates the economic incentive for technological innovation, whereas excessive subsidization encourages reliance on traditional wasteful methods. Much of our reclamation water is still delivered through unlined ditches, one of the major reasons that only half the water, according to GAO, is ever used on the crops for which it was intended.

Farmers can afford higher prices. In California, adjacent farms often receive water from two separate sources. Those receiving Federal, subsidized water pay as little as $3.50 an acre-foot while those receiving State project water, which is far less subsidized, are paying $22 to $29. Because of the fixed price contracts, moreover, the Federal customers will still pay $3.50 in 1990 while State project costs will have risen to $61–$70 an acre-foot.

Obviously, State project customers survive economically with the higher price. USDA economists Harry Ayer and Paul Hoyt found that higher prices resulted in reduced consumption, substantial water savings, and higher profits for irrigators. Ayer and Hoyt concluded that increasing water prices in Arizona from very low (50 cents per acre-inch) to medium high ($2 to $5 per acre-inch) would result in a 6-inch saving per acre, or a projectwide reduction of 3 percent. That volume of water, equivalent to 144,000 acre-feet, could provide water service to the entire city of Tucson for 2 years.

Moreover, Ayer and Hoyt concluded, farmers' profits could rise by 1 to 2 percent, even accounting for reduction in crop yields.

Lastly, it appears probable that the two-tiered pricing system embodied in H.R. 5539 may provide a greater stimulus to small farms than the legislative promise of the original reclamation laws. The continuation of the subsidy for smaller farms, according to a recent study by the University of California (Davis), hold more promise than for assuring the continuation of small farms in the reclamation program than the administrative or statutory mandates.

The original intent of the reclamation program, according to its chief sponsor, was to create an irrigation system which would impose no burden on the taxpayers of the country. It is evident that the reclamation program of 1982 imposes phenomenal burdens on the taxpayers. It is therefore essential, as we modify the law to satisfy the concerns of irrigators, that we also include long overdue reforms to mitigate the concerns of the taxpayers who have inadvertently assumed most of the repayment obligations of this program.

It would be fiscally irresponsible to alter the reclamation program without requiring those water pricing reforms. Without these reforms, how would we explain to those suffering substantial reductions in essential services, due to budgetary restrictions, that some of the wealthiest and most profitable corporations are to continue to receive subsidies from taxpayers?

How would we explain to farmers in the Midwest, the South, and other nonreclamation States that we use taxpayers' money to underwrite the profligate misuse of resources by competitors in the West?

How could we explain to an elderly citizen in New England whose energy assistance program is under assault, or to a commuter whose gasoline bills are astronomic that deregulation is a good policy when the oil companies sell gasoline and home heating oil, but that elimination of subsidies is not a good policy when we sell the taxpayers' water to the oil companies and other large-scale farming interests in the West?

There is no rationale. Regional equity, fiscal policy, responsible resource management and the goals of the reclamation program not only require the water pricing provisions included in the bill, but compel the Secretary of the Interior to utilize every method at his disposal to insure that these pricing guidelines are imposed as rigorously and as broadly as possible.

Mr. Chairman, this legislation has been a long time in coming to the floor of the House. The Members deserve a chance to vote on it. The reclamation farmers, most of whom comply with the law today, deserve to know what laws and regulations they must survive under. The taxpayers deserve to be relieved of the unconscionable burden of subsidizing those who can well afford to pay for the benefits they receive from the Government, and an amendment by the committee to improve on the pricing formula, as recommended by GAO, will hopefully be accepted tomorrow to insure even further that this bill ends unjustified benefits to those who can afford to pay.

With passage of this legislation, we turn the reclamation program to address the great questions of the remainder of this century—resource management and fiscal soundness—while retaining the original commitment to providing special aid to the small farmers who are the backbone of our country.

Mr. CLAUSEN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Wyoming (Mr. CHENEY).

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Mr. CHENEY. Mr. Chairman, I thank the gentleman for yielding.

I rise, Mr. Chairman, as chairman of the House Republican Policy Committee.

I have asked to revise and extend my remarks and to include in the RECORD at this point the statement adopted by the committee unanimously supporting the passage of H.R. 5539.

The House Republican Policy Committee supports passage of H.R. 5539, legislation that would bring federal water reclamation laws into line with national needs for the remainder of this century, and beyond.

Water—its wise use and conservation—is one of the most pressing issues looming on the national horizon. And nowhere are those questions of greater importance and concern than in the 17 western states affect-

ed by irrigation projects made possible under the federal Reclamation Act of 1902. The gross value of crops produced from such reclamation farms now approaches $7 billion a year, a significant share of our nation's vital agricultural industry and the nation's economic health.

The 1902 Act made federally-subsidized water available for farm irrigation projects. Recent court decisions, however, have made it clear that this 80-year-old statute no longer fully meets the needs of American agriculture and consumers. The law is badly in need of revision to insure sound farming, water conservation and economic policies in the face of growing agricultural demand. H.R. 5539, the product of extensive work by the House Committee on Interior and Insular Affairs, makes those needed changes.

The bill is the result of compromise between both sides of the House Committee on Interior and Insular Affairs. When H.R. 5539 was voted out of Committee by voice, only one Democrat voted against it, and no Republican.

Thus H.R. 5539 should be viewed as what it is, a bipartisan effort.

In the interests of meeting the nation's and world's food and fiber needs in the coming decades, and in interests of the wise and efficient conservation of our country's precious water resources, the House Republican Policy Committee supports passage of H.R. 5539.

Mr. Chairman, as a member of the Interior Committee, and someone who has watched and been involved in this debate for the last 4 years of my service in this House, I feel very strongly that we have after a great deal of effort by all the interested parties arrived at what is a good bill, a true, fair, bipartisan compromise, that does fundamentally reform where reform is needed, and it makes clear that we finally at last are going to adopt our basic reclamation law to the modern circumstances of the 20th century; so I would strongly urge its passage.

Mr. KAZEN. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California (Mr. COELHO), whose expertise and willingness to compromise on very difficult issues has helped the committee achieve what we have achieved in the form of the bill we have.

Mr. COELHO. Mr. Chairman, I would just like to compliment the gentleman from Texas (Mr. KAZEN) for the tremendous leadership that he and the gentleman from New Mexico (Mr. LUJAN) provided to the subcommittee and to our full committee in trying to make sure that all of us operated in an attitude of fairness and cooperativeness so that we could come up with this legislation that made sense for all the parties involved.

I also would like to compliment the gentleman from California (Mr. CLAUSEN) and the gentleman from Arizona (Mr. UDALL) in working with us to make sure that we could accomplish these things.

I particularly want to single out the gentleman from California (Mr. MILLER) for his attitude of cooperation and his effort to try to work out some of these very difficult problems that have existed for many, many years.

Mr. Chairman, I rise today to urge my colleagues to vote in support of H.R. 5539, a sorely needed measure to reform the outmoded reclamation laws. Before I explain the rationale for support of this measure, I would like to commend the leadership of both the House Subcommittee on Water and Power Resources, the Honorable ABRAHAM KAZEN and DON CLAUSEN, and the full Interior Committee, the Honorable MO UDALL and MANUEL LUJAN. This issue, after more than a half dozen years of often bitter debate, is now on the eve of resolution. From great diversity of opinion, these two gentlemen have wrought cohesion. H.R. 5539 represents a carefully constructed—artfully fashioned—compromise between these once diverse interests. I would urge my colleagues to consider the fragile nature of this legislation, and to reject attempts to alter what the committee has brought forth.

The Reclamation Act was passed in 1902 in response to pressures to stimulate the economic development of the West—economic development that would be contingent upon the availability of sufficient amounts of water. As was stated by Elwood Mead, one of the best known Commissioners of Reclamation, at the Trans-Mississippi Commercial Congress in Houston in 1900:

> The potentials of irrigation are, however, to be measured not alone by the possible extent of the agricultural industry, but by the development of other resources which they will make feasible. The best and largest use of the grazing lands, the utilization of the forest, the development of mines and quarries and the maintenance of railroads and commerce in the western half of the United States, all hinge upon the control and use of the streams in connection with the fundamental industry of agriculture.

Evidence that the West was crying for economic development was abundant. The East was becoming crowded and the westward migration was under way and intensifying. Jobs and industry were necessary in the West. There was an increasing demand for port and railroad facilities to expand trade with Asia. The political leaders of the Western States and territories were pressing the Federal Government for new opportunities for expanded commerce. Earlier legislation—Desert Land Act and the Carey Act among others—had not done the job. Pressure mounted for Government development of the major irrigation resources in the West.

Shortly after the passage of the act, however, certain pitfalls were discovered in the initial plan. For example, the residency requirement was relaxed to clarify that a farmer could live as much as 50 miles away from his farm—a considerable distance in those days.

In the nearly 80 years to follow, a great many changes have taken place, with economies of scale, and rural lifestyles changing considerably. It is time to address these changes—to bring the reclamation laws and policies in conformance with these fiscal realities.

Although this legislation has usually been discussed in terms of how it affects large farmers, the small farmers of the West also have a large stake in this legislation.

For the small farmer, the bill is important because it preserves his freedom to farm when and where he wants, to live where he wants, to expand if he is so inclined, and to leave his farm to his children.

There are those who believe that reclamation farmers should have to meet some kind of a participation test in order to get reclamation water. A participation test would require that landowners be involved in the day-to-day decisionmaking on the farm and that they derive a significant percentage of their income from farming. This would mean that a small farmer who relied to any degree on off-farm income—either the husband's or the wife's—would be ineligible to receive water from a reclamation project. This requirement would not make sense in our current economic state in which many, many small farmers must supplement their farm income by working at off-farm jobs. A participation requirement would work a hardship primarily on small farmers, not large ones.

This would also have an adverse effect on farmers who want to leave their land to their children. The children in all likelihood have their own families and their own careers and in most cases are living away from their parents' farm. A participation requirement would require the children to get back into farming—whether or not the farm was big enough to support all the children and their families.

Although most farms in the West are small, the freedom of reclamation farmers to own more than 160 acres if they want is important. Up to now, if they wanted to expand above 160 acres, they either had to have more children or do so on the basis of leased land. Under this bill, they can begin to acquire additional land if that suits their family's objectives. Ownership of land is important in the face of financial adversity after bad crop years.

And, of course, the specific provision that residency is not required of reclamation farmers is important to small farmers and to many older people who have moved off their ranches and are relying on rental income to provide a part of their retirement. Most knowledgeable attorneys do not believe that residency is a requirement of present law, but the official position of the De-

partment of the Interior since the Andrus years has been that residency is required. This bill makes it clear that such is not the case.

It would seem that a discussion of the California situation is warranted because there has been confusion about the state of affairs there.

I would like to clarify a generally held misconception about enforcement of the 160-acre limitation. While many mistakenly believe the myth that this limitation has not been enforced, or has been ignored in California, the fact is that because of inordinate political pressure put on administrators of the reclamation laws in California for more than 30 years, the acreage limitations have been enforced in California. I would ask unanimous consent to insert in the record of this proceeding, a copy of a compilation of Bureau of Reclamation statistics regarding compliance with reclamation law, and I would like to point out the fact that the Westlands Water District, often singled out for criticism as it is the largest reclamation district, is not listed as having lands illegally receiving project water.

Despite the early refusal of some of the major factors in the Westlands Water District to put their excess lands under recordable contract, they ultimately decided that it was in their best interest to put their farming lands under contract and have done so.

More land has been placed under recordable contract, and more excess lands have been sold, in the Westlands Water District than the combined total of all lands placed under contract and sold since the inception of the reclamation program.

Compliance with the limits on ownership of land in reclamation districts has given rise to leasing as a means of farming economically feasible units. As was pointed out in the Tulare Lake decision of 1976:

> In the Central Valley project, where almost complete compliance with the excess land laws has been attained, many individual landowners have leased their lands to individual operators. It has been said that farming of a number of separately owned tracts by a single operator may become the Reclamation equivalent of the condominium in the apartment house ownership operation.

While H.R. 5539 would clarify that farmers have the right to lease farmlands, it would also make clear the fact that the operator would have to—for the first time—pay full cost for all lands leased in excess of the farm operation size of 960 acres. I should mention that an increase from 160 acres to 960 acres is not a sixfold increase even though it looks that way. The present limitation is based on 160 acres per person, but the 960 acres would be per family of farming unit. Thus, a family of six under the present law will not gain anything under the new law if the ownership limitation is increased to 960 acres per family.

The bill contains provisions to enhance the credit opportunities for new farmers. It does this by building into the law certain provisions which make farm purchase and operating loans less risky for lending institutions. This will have the effect of making credit more easily obtainable from institutions of the farm credit system as well as from commercial banks and insurance companies.

The bill will clarify that irrigation waters which were developed at no cost to the United States and which have been commingled in project works, are not to be considered as project waters, as long as the commingling does not interfere with conveyance of the project water and does not require an increase in the capacity of the project. Existing practice of the Bureau of Reclamation will also be preserved in regard to exchanged waters.

This concludes the overview of the importance of the bill I wish to present. The struggle to reform this 80-year-old law should be brought to a close. H.R. 5539 is a compromise measure—a measure enjoying the support of Representatives from both sides of the aisles. Let us take the steps today to lay this controversy to rest. Let us take the steps today to bring reclamation law in conformance with the economic realities of farming in the eighties and beyond. I urge your vote in support of H.R. 5539. At this point I include the following:

State	Without deducting acres exempted by Andrus	After deducting acres exempted by Andrus
Idaho	32,555	19,881
Oregon	19,056	4,388
Wyoming	18,098	16,970
Texas	[1] 14,373	2,203
Montana	14,157	11,192
California	10,943	10,943
Washington	7,424	7,424
Nebraska	7,153	7,153
New Mexico	[1] 5,636	2,002
Arizona	4,536	4,536
South Dakota	4,470	4,470
Colorado	3,287	3,287
Oklahoma	2,853	2,853
Utah	1,327	1,327
Nevada	1,144	1,144
North Dakota	61	61
Kansas	0	0
Total	147,073	99,834

[1] A 1976 report by the Bureau of Reclamation shows 7,436 ineligible acres being served in New Mexico and 22,637 ineligible acres being served in Texas.

Arizona

District:	Acres
Wellton-Mohawk	1,104
Yuma Mesa	1,608
North Gila	468
Salt River	1,356
Total	4,536

Colorado

District:	Acres
Uncompagre	1,391
Collbran	420
Garfield gravity	48
Orchard Mesa	128
Casper-Alcona	305
Purgatoire	995
Total	3,287

California

District:	Acres
Foothill WD	94
Panoche WD	153
Sunflower WD	949
Elder Creek WD	821
Coachella Valley WD	3,329
Canal Water Rentals	4,070
Tule Lake I.D	1,527
Total	10,943

Idaho

District:	Acres
Farmers Co-op	160
Namp & Meridian	22
Pioneer I.D	436
Black Canyon No. 2 I.D	788
Mann Creek I.D	250
Michaud Flats I.D	1,324
Westside Canal Co	334
North Side Canal Co	10,954
A&B I.D	639
Idaho I.D	947
Milner Low Lift I.D	1,385
New Sweden I.D	899
Progressive I.D	1,542
Woodville Canal Co	20
Gem I.D	168
Ridgeview I.D	13
Twin Falls Canal Co	[1] 12,674
Total	32,555

[1] Districts exempt under Andrus letters.

Montana

District:	Acres
Bitter Root I.D.	59
Frenchtown I.D.	707
Huntley I.D.	48
Intake I.D.	90
Glasgow I.D.	1,429
Malta I.D.	4,929
Fort Belknap I.D.	750
Harlem I.D.	1,298
Greenfields I.D.	1,882
Lwr Yellowstone No. 1	[1] 2,193
Lwr Yellowstone No. 2	[1] 183
Zurich I.D.	[1] 589
Total	14,157

[1] Districts exempt under Andrus letters.

Nebraska

District:	Acres
Bridgeport I.D.	897
Mitchell	1,913
Northport I.D.	1,459
Pathfinder I.D.	1,337
Bostwick I.D.	143
H-RW	558
Farwell I.D.	432
Sargent I.D.	414
Total	7,153

Nevada

District:	Acres
Truckee-Carson	1,144

North Dakota

District:	Acres
Burford-Trenton	61

New Mexico

District:	Acres
Carlsbad I.D.	1,607
Vermejo Conservancy	395

Elephant Butte	[1] 3,364
Total	5,636

[1] Districts exempt under Andrus letters.

Oklahoma

District	Acres
Lugert-Altus	2,853

Oregon

District:	Acres
Ochocho I.D.	30
North Unit I.D.	61
North Bd. of Cont.	498
Medford I.D.	1,280
Tualitin I.D.	648
West Extension	1,676
Klamath Basin Improve. Dist.	195
Ady Dist. Improve. Dist.	[1] 275
Langell Valley I.D.	[1] 3,460
Individual contracts	[1] 7,170
Malin I.D.	[1] 41
Pine Grove I.D.	[1] 34
Midland Dist. Imp. Co.	[1] 11
Plena Dist. Imp. Co.	[1] 34
Horsefly I.D.	[1] 3,643
Total	19,056

[1]Districts exempt under Andrus letters.

South Dakota

District	Acres
Belle Fourche I.D.	4,283
Angostura I.D.	187
Total	4,470

Texas

District:	Acres
Reeves Co. W.D.	2,203
EL Paso Imp. Dist.	[1] 12,170
Total.	14,373

[1] Districts exempt under Andrus letters.

Utah

District:	Acres
Strawberry Valley	459
Weber Basin	414
Weber River	434
"Other"	20
Total.	1,327

Washington

District:	Acres
Columbia East	242
Columbia South	1,086
Quincy I.D.	2,460
Kittitas I.D.	740
Roza I.D.	744
Sunnyside Valley I.D.	1,402
Grandview I.D.	239
Well License program	511
Total.	7,424

Wyoming

District:	Acres
Eden I.D.	651
Heart Mountain	794
Bluff I.D.	1,088
Hanover I.D.	3,167
LeClair-Ricerton	313
Riverton Valley	1,497
Highland Bluff	2,987
Upper Bluff	216
Midvale	1,351
Goshen	4,749
Shoshone I.D.	[1] 1.128
"Other"	157
Total.	18,098

[1] Districts exempt under Andrus letters.

Mr. CLAUSEN. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from New Mexico (Mr. LUJAN), who is the ranking Republican member on the full committee, and has really been a champion of the reclamation reform legislation from the outset. When we switched hats, he became the ranking member on the full committee, where previously he had been the ranking minority member of the Water and Power Subcommittee; but he has done yeoman work, and I think that he will be recognized as a champion of reclamation reform.

Mr. LUJAN. Mr. Chairman, I rise in support of the bill and urge my colleagues on both sides of the aisle to resist prolonged debate so we can bring it to a quick vote and pass it today. Here is why:

First, every single issue involved in this very complicated subject has been debated down to its finest point during the many years that our committee has had it under consideration. There is not a single section—not a single sentence—in this bill that has not been argued, agonized, reworded, reworked, amended, and amended again in subcommittee, full committee, and in many informal meetings between Representatives of opposing factions. If ever there was a bill that epitomized the highest and best form of committee give and take, of individual and group compromise, H.R. 5539 is that bill.

As it lies before you, H.R. 5539 represents virtually an art form of the legislative process. Change any portion of it and you will find yourself involved in a serious unraveling of an entire skein of compromises that have been arrived at by your colleagues from 17 Western States. And I will remind you that only those 17 Western States are involved in this legislation.

So my first reason in asking you to support the bill is that it is the product of many years of study, hearings, debate, and compromise by our committee. Tinkering with amendments here on the floor could kill the bill.

Second, my second reason is more important than the first. I urge you to pass the bill because the hundreds of thousands of farmers and farm family members who will be directly affected by the bill not only need this legislation, but they demand that this Congress give them the legislative relief that has been refused them by two previous Congresses.

And let me get one point straight from the outset: The need for this bill does not stem from anything the farmers themselves have done. It stems from the failure of previous Congresses to modernize the 1902 Reclamation Act and bring its provisions into consonance with the realities of 20th century farming. It stems from the fact that, over the past 80 years, many of the changes that should have been made by the Congress were, instead, made by the executive branch through administrative practices.

Just, for instance, consider the single issue of the residency requirement. This is only one out of scores of issues involved in this bill, but it points up why the farmers demand legislative relief this year.

The 1902 Reclamation Act, which was patterned forcefully after the post-Civil War Homestead Act, gave the farmer the right to receive federally delivered water to 160 acres of land. The idea was to complete the settlement of Western lands by inducing families to move to, and farm the arid and semiarid lands that had not been taken up under the Homestead laws. For this reason, it required the farmer, as a condition of receiving water, to live "on or in the neighborhood of" the land to which water was delivered.

But within 20 years after the 1902 act was passed, the automobile and tractor had revolutionized American farm life. The car permitted the farmer to live closer to town and drive back and forth to his farm while the tractor made up the difference in time and cost. By 1923, the Congress recognized that there was no longer any public interest to be served by forcing the farmer and his family to live "on or in the neighborhood of" the farm. So when the Reclamation Act was given a legislative facelift in 1923, the residency requirement was left out.

And to this day, every administration, Republican or Democrat, has assumed that omission to mean that Congress intended to repeal the residency requirement. And no administration, Republican or Democrat, has attempted to enforce any residency requirement during the 49 years since the 1923 act.

But 5 or 6 years ago, as the result of a suit brought by a California group calling itself "Land for People," a Federal court held that Congress had not repealed the residency requirement. The court held, among other things, that the residency requirement of the 1902 act is still in force, and it ordered the Secretary of the Interior to promulgate regulations for its enforcement.

The then Secretary of the Interior, Cecil Andrus, drew up a set of regulations which required all of the farm families who had moved into town to move back to the farm or lose their rights to reclamation water.

Those regulations would also set up a national lottery, under which privately owned lands belonging to Western farmers would be handed over to lucky holders for a fraction of their actual value. But that is another issue altogether.

All in all, it is small wonder that the Congress has been deluged with demands from farmers that the law be changed so as to nullify those devastating regulations.

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In the final analysis what we have attempted to do in this bill is to increase the size of the family farm from 160 acres to 960 acres, in recognition of the fact that with the advent of the tractor and with costs of farming, the 160-acre limit of the year 1902 is no longer practical. The other feature is that anyone who wants to farm over 960 acres must pay the full cost of water.

The Congress should have modernized the 1902 act years ago, after they obviously served their purpose. Having failed to act in the past, we must act today and pass this bill which has been so carefully worked out by the Committee on Interior and Insular Affairs.

Mr. KAZEN. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, I do not plan to take very much time under general debate to go into the details of three amendments which I plan to offer.

I know that the legislation that has been discussed has been very delicately crafted, as most legislation around here is delicately crafted.

I think there are some major reforms provided within this legislation and I commend those on both sides of the House for their extended work in looking at the problems that have occurred since 1902 in trying to make that major change that is necessary in this legislation.

I will at the appropriate time offer three amendments, one dealing with strengthening the water conservation provisions of the legislation; one dealing with the deauthorization process, bringing it into some compliance with what is presently being done by the Army Corps of Engineers in deauthorizing legislation, and one dealing with a very complicated section of the bill which may go unnoticed by some, but has a great deal of interest to many people who may, in fact, not understand the provision. That is on page 17 of the legislation. It is the provision titled section 206, "Waiver of Sovereign Immunity."

I wonder if I could get the attention of the chairman and the ranking Republican on the committee to explain as succinctly as possible what those few lines of public law, in fact, do. This is section 206. Just let me read the first sentence:

SEC. 206. Consent is given to join the United States as a necessary party defendant in any suit to adjudicate, confirm, validate, or decree the contractual rights of a contracting entity and the United States regarding any contract executed pursuant to the Federal reclamation laws.

I wonder if someone cold enlighten the House as to what this particular section of the legislation means.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. KAZEN. Let me as best I can try to explain it, and I will have some of my other colleagues join in if they wish.

The irrigators strongly urged upon the committee a provision to be placed in the bill which would have validated all of the written representations made to them by any departmental official and would have validated all contract provisions in any contract they had entered into with the Government. The committee felt that such a blanket validation provision would be wrong. However, the committee did recognize that, in some instances, the contracting district and the people in it might have valid arguments which ought to be considered in the proper forum. For this reason, the committee approved an amendment which does no more than give the irrigation districts and their members access to the courts. It is simply a matter of making certain that the districts, or individuals who have a contract, may have their day in court. In making these contracts, the Government is acting in a proprietorial capacity and not in a sovereign capacity and there is no reason why it should be permitted to defeat a valid claim by pleading sovereign immunity.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. MILLER of California. I think the explanation of the chairman of the subcommittee is correct. Originally there was an attempt to come in and just provide for blanket validation of a lot of conditions that I personally could not accept, that I felt we were, in effect, putting the stamp of approval of the Congress of the United States on a lot of actions that were, in fact, in dispute. Honorable people on both sides dispute the facts; but by the same token, this is a program that, unfortunately, in its entire history has had a rather checkered past of interpretations by people in white hats and people in black hats.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. KAZEN. Mr. Chairman, I yield 2 additional minutes to the gentleman from Pennsylvania.

Mr. EDGAR. I yield to the gentleman from California.

Mr. MILLER of California. People have relied on those representations. In some cases those representations were made within the scope of the authority of the governmental official making them. In some cases I suspect that they were not.

An awful lot hinges on the outcome. We did not think that, given the involvement by the Government in many of these controversies, that the Government should then be able to walk away; so we said that we are not going to validate these. We are not going to give you language to validate these; but by the same token we are going to provide you access to the court to adjudicate these matters; so if they want to sue, fine, go into court and sue; but the Government cannot hide from those lawsuits.

Mr. EDGAR. Let me ask two quick additional questions since my time is limited, and I am sorry, I say to the ranking Republican, for not yielding—but two additional questions.

First, what would happen if we struck this provision from the bill?

Second, are there any court suits presently pending that would be impacted by this particular provision?

□ 1730

I think you would have to say probably without doubt there are some cases that would be impacted if it were struck. I do not happen to know what they are, but let me say the reason that I think the best justification for not striking it is that I am not convinced, as one who has been an advocate on the side of the Government, that the Government comes to these controversies with clean hands, so to speak.

So for the Government now to invoke sovereign immunity at this point, given a lot of representations that have been made in documentations that have been spread out over the last 50 years, I just simply think it would be unfair to provide this as a shield against what may be some very legitimate claims.

I do not necessarily agree with all claims that would or would not be made, but I do not think that the Government ought to simply be able to prevent these people from exercising their rights.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the ranking Republican.

Mr. CLAUSEN. Mr. Chairman, I will just make a very quick followup.

It was presented to me as simply allowing the farmers to actually sue the Federal Government when and where necessary to actually clarify their rights under reclamation law. That was the understanding I had, and I think it has been pretty well verified by the comments made by the distinguished gentleman.

Mr. EDGAR. Are there any major court battles that will be altered or impacted by this language?

Mr. CLAUSEN. I do not know of any.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. PASHAYAN. I should stick my neck out and say none I am aware of. Also, I should like to say that the main people who will take advantage of this are the very, very small farmers in the northwestern tier. They are the ones that have had problems with the Government, letters and that sort of thing, and the question is: Did the letters constitute a legal holding out to the farmers the reclamation law will or will not apply if and when the farmers in fact relied on the holding out of the Government?

This is the kind of thing the committee felt would be best tested case by case.

Mr. EDGAR. I thank the gentleman for his comments.

I do have an amendment to strike this provision. We are not going to get to the amending process, it looks like, tonight. We will have a few hours to look at the details.

I appreciate the gentleman's contribution, and I yield back the balance of my time.

Mr. CLAUSEN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. LAGOMARSINO), a member of the committee.

Mr. LAGOMARSINO. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 5539, which amends and supplements the Federal water reclamation laws.

I think we would all agree that farming methods have changed dramatically during the past 80 years. Revision of the Reclamation Act of 1902 is badly needed, to remove the uncertainty and confusion surrounding the act and subsequent amendments and court decisions, and to address the needs of modern agriculture.

Mr. Speaker, one of the most pressing issues in our Nation today is the efficient use and conservation of water. H.R. 5539 is a sound bipartisan effort by the House Interior and Insular Affairs Committee to insure the conservation of this precious natural resource, while, at the same time, meeting the growing agricultural demands of the Nation and the world.

The increase in the acreage limitation for Federal reclamation water for irrigation from 160 acres to 960 acres, appropriately modernizes the act to recognize the economics of larger scale farming.

Requiring full cost for reclamation water used in excess of the acreage limitation will not be an exorbitant burden on the larger scale farmers, since it will be consistent with the cost of the reclamation project at the time of its construction.

The repeal of the residency requirement is appropriate in light of the lack of its enforcement for decades.

Finally, the equivalency provision will help to equalize the productivity of class 2, 3, and 4 lands with class I lands.

H.R. 5539 is the product of several years of diligent work by the Interior Committee members, with the involvement and input of numerous interested parties. It is a good, fair, and reasonable solution, with broad-based support, which will lay to rest the controversial issues which have been looming over these water projects for a number of years.

I strongly urge all of my colleagues to join me in supporting this legislation.

Mr. CLAUSEN. Mr. Chairman, I yield 4 minutes to the very distinguished gentleman from Oregon (Mr. SMITH) who worked diligently on the committee.

Mr. SMITH of Oregon. I thank my colleague for yielding this time to me.

Mr. Chairman, it is frequently said that the reason for modernizing the Reclamation Act of 1902 is to bring it into line with present day agricultural practices—and that is true.

The 1902 act served its purpose when enacted as providing a means for encouraging settlers to develop an agricultural base in the arid regions of the West. Reclamation law has certainly had an impact on the economies of the 17 Western States affected by irrigation projects made possible under the 1902 act. In fact, the gross value of crops produced from these irrigated farms is now approximately $7 billion a year. There is actually only a small percentage of land covered by irrigation projects; however, the land is incredibly productive and is responsible for about 10 percent of this Nation's agricultural production. These projects serve several purposes in addition to meeting a growing agricultural demand which include the management of river basins, hydroelectric projects, recreation for the public, and adequate water supplies to municipal and industrial users.

The law is in need of revision and has been for a number of years. Several provisions have been sufficiently and fairly addressed in the bill such as acreage limitation, full-cost pricing, and residency requirements. I believe the bill, as reported out of the Committee on Interior and Insular Affairs, contains, for the most part, provisions establishing an equitable relationship between the Federal Government and the farms receiving benefits from the irrigation projects.

There are some additional reasons why I believe the 1902 act needs to be reformed which I would like to touch on. The first of these is the need to cure hundreds—perhaps thousands—of technical violations of the existing reclamation law. Because of these technical violations, many farms in the 17 Western States are ineligible to receive water from Federal reclamation projects even though they may be well under the acreage limitations.

Let me give you an example.

Under the existing law, a landowner who owned more than 160 acres is not eligible to receive water for more than 160 acres. If he sells the excess land to one of his neighbors, the new owner of that land may be ineligible to get water on his newly acquired land if he paid a price that had not been approved by the Secretary of the Interior. For the past several years, land in many of the reclamation states has been bought and sold without regard to the "price-approval" feature of reclamation law. One of the purposes of this new law is to wipe the slate clean on these situations and to say that any farmer who owns no more than 960 acres is eligible to get water. In other words, we want to "cure" a lot of these technical violations.

Another problem dealt with by this bill is to make clear that all landowners or irrigation districts which have paid off their repayment obligations are free of acreage limitations. In many cases irrigation districts and individuals have received letters or certificates from Secretaries of the Interior saying they had paid off their repayment obligations and their lands are therefore free of acreage limitations. As a result of Federal court cases, the validity of these letters and certificates has been thrown into doubt.

We intend, by this bill—under section 203(a)—to make clear that these cases where repayment has been made are free and clear of acreage limitations. We also believe that our action will validate certificates and letters issued by Secretaries of the Interior in the past saying that because of repayments completed, acreage limitations no longer apply. These certificates and letters have been issued to cover lands in irrigation districts in Texas, New Mexico, Oregon, Idaho, Montana, and Wyoming and possibly other States as well.

I urge passage of this legislation. It is badly needed throughout the West and it would send a clear signal to the agricultural community that the United States stands by its word.

Mr. CLAUSEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. PASHAYAN).

Mr. PASHAYAN. I thank the gentleman for yielding.

Mr. Chairman, let me begin by saying I have enjoyed working with my colleagues on the committee, the leadership shown by the gentleman from California (Mr. CLAUSEN), the gentleman from New Mexico (Mr. LUJAN), who was the author of the bill originally that got this whole thing going, my colleagues on the other side of the aisle, Chairman UDALL, Chairman KAZEN.

I should like to point out that Mr. MILLER has played a leading role in this. He is the principal proponent and author of the full-cost concept that appears in the bill, and that was one of the key elements that was able to bring the two sides together on this with the very interesting and philosophic differences that exist.

Mr. Chairman, you have before you a mighty compromise on an act that was passed eight decades ago. It is, from my point of view, not a perfect piece of legislation; yet, in the spirit of compromise, I support the bill, and urge my colleagues to vote "aye." I do not believe in theory that there is sufficient justification to apply acreage limitation, or for that matter necessarily a different cost structure, relative to the use of reclamation water, any more than to limit the commercial or the economic uses of other facilities financed by Federal moneys, such as highways, airports, seaports, and canals.

The social critics of the 1902 act derived their criticism from a belief that the main purpose of the act was social rather than economic. So it is they say that there is an inherent limitation on the number of acres a farmer can lease in the 1902 act, even though the act and its progency are silent on the question of leasing. So it is they say, even in today's modern world, that a farmer and his family must literally reside on the land in order to receive reclamation water, even though the 1926 act is silent on the question of residency and even though under the Homestead Act of 1862, a landowner once having gained fee simple absolute is at liberty to dispose of his land in the traditional manner long established in British and American law custom.

Mr. Chairman, the points of view of the social criticism of the 1902 act are arguable if in fact the act was social legislation. But I do not accept that the 1902 act was social legislation. But it is, as I say, not social legislation and it is economic and even expansionist in nature.

Mr. Chairman, let us review the history of the 1902 act, which I am sure shall make clear that the primary purpose and character of the 1902 act, far from social, was economic and expansionist.

HISTORY OF THE RECLAMATION ACT OF 1902

Certainly no one can read the history of the Bureau of Reclamation covering the depression years, the World War II era, and the post-World War II reindustrialization period, without agreeing that the Reclamation Act has evolved into a multipurpose industrial, agricultural, and municipal program. Nevertheless, there is a certain commitment to the past, which causes many people to feel that the program should be reestablished to what they perceive to have been its original purposes—even though they were not present at the time and their perceptions may not conform to reality.

It is thus necessary to understand what the original purposes really were. Unfortunately, much of the discussion and debate in recent years had been shaped to create the impression that the Reclamation Act was a social program.

Is there any historical evidence to justify a conclusion that there was an underlying motivation for the act relating to some national purpose of creating family size farms? Rather, if there is a recurring theme, it is the importance of creating new opportunities for homemaking and homebuilding to satisfy the needs of homeseekers. Some of the people who have appeared before congressional committees in the last few years—and many of the political and social scientists who serve as their gurus—have gratuitously translated "homeseekers" to mean "farm-seekers" and "homebuilders" to mean "farmbuilders," and "homeowners" to mean "farmers." These are faulty translations of words that had clear meanings in the latter days of the 19th century and still have the same meanings today. The meanings have been mistranslated in latter day writings to make them fit the particular social or political motivations of the writers.

It is true, of course, that in the years when we were largely an agrarian nation, being a homeowner not uncommonly meant being a farmer. However, terms of the push for a national reclamation program during the closing decades of the last century, the homeowning farmer was important because of the contribution he could make to economic development in the West, and not because of the desirability of the "family farm" as a social unit in some grand conception of American society.

In support of this proposition, I would offer a number of quotations.

The first is from a publication titled the "History of Public Land Law Development." It was prepared for the Public Land Law Review Commission in 1968 and it described the Reclamation Act of 1902 as "the greatest victory of the western states in securing to them the benefits of the economic exploitation of the public lands."

The man who many authorities believe to have been more responsible than any other for the passage of the Reclamation Act was George Hebard Maxwell, a lawyer from San Francisco who later settled in Phoenix.

Maxwell was a tireless worker and traveled throughout the country in support of a national irrigation program. In an appearance before the Trans-Mississippi Commerical Congress in Wichita, Kans., in 1899, he said that the West, if irrigated, would support "a dense and prosperous population greater in numbers that the entire population of the whole United States today." He went on to say:

> The enormous opportunities for increased home markets for our manufacturers and opportunity for home seekers which its reclamation would create, would make it worth the while of every manufacturer who wants markets, every wage earner who wants work, and every merchant who wants trade, every transportation company that wants traffic, and every man in America who wants a home on the land. . . .

Two years later, at a convention in Cripple Creek, Colo., Mr. Maxwell again held forth in support of a resolution urging support for a national reclamation program, saying that the resolution was the result of an article which had appeared in the Chicago Tribune "a week ago last Sunday," which would have been July 7, 1901.

An examination of the Tribune files discloses that the article in question was a glowing account of the future of the West under irrigation, based largely on an interview with J. J. Hill, president of the Great Northern Railroad. Mr. Hill talked about U.S. domination of the trade with Asia. Said the Tribune:

> Mr. Hill insists that the building up of such a trade will depend in great measure upon the development of the agricultural resources of the Pacific slope. To develop this he says that government aid in building irrigating canals will be necessary. Grain and flour will be the prime articles of export to the Orient.
>
> The execution of this work (irrigation) is the one thing needed to give the United States the domination of the Pacific Ocean commerce and the supremacy of the world's trade.
>
> People regard with amazement the present rapid growth of wealth in the United States, but this will be comparative poverty when with 20,000,000 people on the Pacific slope engaged in raising grain and manufacturing flour for the Orient, we can dispatch large freighters daily from each of the Pacific ports loaded with the manufactured goods of the Eastern factories, the cotton of the South, and the food products of the mountain valleys. Then a river of wealth will be turned into the United States, which will put to shame the visions of the wildest dreamers.
>
> While it (irrigation) would make homes for a multitude of settlers, the greatest benefits would come to the manufacturer of the eastern and middle western states and their employees, and to the cotton raisers and spinners of the south.

Frederick H. Newell, who later was to become the first head of the reclamation service, declared in a convention speech in 1899:

> The most important problem that can come to any body of public men, commercial or otherwise, in the West, is that of the increased utilization and development of the vacant lands both in public and private ownership. Before this question most of the other matters sink into comparative insignificance, for without an increase in population and productive capacity, the West cannot continue to furnish a market for the manufacturer or a field of operation for the

varied industries of the country. The utilization of the vast extent of vacant land is not something which should be left to the farmer; it is pre-eminently a matter for the business man, whether concerned in manufacturing, transportation, or in handling the products of others. In fact, the farmer, as such, has least concern with the development of the varied resources of the vast West. . . . To the merchant, however, the matter is entirely different.

Having advanced the position that the Reclamation Act was motivated by economic, rather than social objectives, there remains yet a problem of how to deal with the many references in the public discussion and official debate over the Reclamation Act which relate to "monopolists" and "speculators" and the need to keep Western lands out of the hands of "corporations."

Without in any sense trying to dispute this issue, let me try to highlight briefly for you what these issues were all about in the context of the conditions of that time.

First of all, it was recognized at the time that the earlier programs for the disposition of public lands in the West had largely been failures, and that the programs had led to widespread abuses by speculators, particularly the Desert Land Act of 1877 and the Carey Act of 1894, as well as the Homestead Acts and other Federal legislation opening up the public lands.

It was entirely consistent that proponents of western irrigation should be against letting land fall into the hands of speculators. It was not to the advantage of the Western States and territories to let public lands come under the control of those who would let the lands remain idle. This would not result in economic activity based on production. The Western States and territories had no interest in those who would make no investment of their own capital and labor but would rather seek to benefit from the appreciation in land values, which results from the investment of others. The States and territories wanted the land developed and put into production. The West wanted the increased population that would result from development, because commerce and trade would result.

There is an excellent discussion of the role of the family farm in the context of Western development in a study prepared by Harry Hogan for the National Water Commission in 1972. The study itself dealt with acreage limitations and it has a great chapter on the family farm titled "The Farmer and the Agrarian Myth."

Briefly, the study makes the point that while the Jeffersonian concept of an agrarian society has been used as the basis for legislative and political rhetoric since the early days of the Republic, the vision of the agrarian society has had little relationship to reality.

"If it ever had reality," Hogan wrote, "it ended with the time of the Revolution."

The farmer, Hogan concludes in the study, is and always has been basically an entrepreneur. Though his first needs were for himself and his family, his aim always was to produce more than he needed so he could sell his excess in the marketplace. As an entrepreneur, the farmer as he actually was, was considerably different from the mythical family farmer of song and story.

Nevertheless, the mythic family farm provided justification for a long series of Federal actions beginning in the middle of the 19th century. Though the mythical family farm provided the justification for the actions, the actions themselves were designed to meet the needs of the farmer as an entrepreneur. The study notes, for instance, that under the Homestead Act, the settler, once he had title to the land, could sell it for any purpose he chose. In the case of reclamation law, the actions failed to match the rhetoric because although the Congress imposed a limitation on ownership, it did not impose other conditions which would have assured that the projects were peopled by families and families only, living on and operating the farms. Even the residency requirements was interpreted soon after enactment in 1910 to mean within 50 miles—no trivial distance in those days—and when the act was restructured in 1926 the residency requirement itself was dropped.

Says the Hogan study:

Examination of the legislative history allows the selection of language of Congressmen and Senators to prove or disprove a Congressional intent to define a 'family farm' as having certain characteristics of ownership, operation and residence.

The legislative history is conclusive, however, only if it is examined with a preconceived conclusion. [Emphasis added.]

The National Water Commission study makes the point that if Congress had intended to bring about family farming without regard to "free market considerations," then it would have imposed—in addition to an ownership limitation—a restriction on the character of the operation; that is, by a family and family residence. The residency requirement, the study says, was "imprecise" and in any event was "soon abandoned both in program administration and in subsequent legislation."

Says the Hogan study:

The problem then becomes one of penetrating Congressional rhetoric about the "family farm" to establish whether Congress intended to help the intrepreneurial farmer whose operation was only incidentally a family farm, or only the mythic family farm. *The problem can be solved by looking at what Congress did as distinguished from what Senators and Representatives said.* [Emphasis added.]

The conlusions of Hogan's scholarly analysis stand in stark contrast to the words of the regulations proposed by the Department of the Interior, which refer to the amount of land "under the control of any one person" rather than "ownership" and which speak loftily of the purposes of the act as being:

First, to provide opportunity for a maximum number of farms on the land, and for deserving individuals to get a start in farming.

Second, to distribute widely the benefits of federally subsidized reclamation projects.

Third, to promote the owner-operated family farms.

Fourth, to preclude the accrual of speculative gain in the disposition of reclamation-benefited land.

Given the unreliability of congressional rhetoric as an indicator of what is actually occurring in a congressional enactment, it is helpful to look beyond the Congress and assess the mood of the constituency to which Congress was responding.

An illuminating view is provided by a reading of the contemporary newspaper accounts and the actual record of the hearings of a select committee of the U.S. Senate which travelled 14,000 miles throughout the West in 1889, gathering information about the desirability of and the need for the irrigation of the arid and semiarid West.

Usually traveling in a special train, the committee began its labors in St. Paul, Minn., on August 1, 1889. From there the select committee went to Sioux Falls and Huron, S. Dak.; Jamestown and Bismarck, N. Dak.; Glendive, Miles City, Billings, Bozeman, Helena, Butte, and Missoula, Mont.; North Yakima, Ellensburg, and Walla Walla, Wash.; The Dalles and Baker, Oreg.; Boise, Idaho; Salt Lake City, Utah; Carson City, Nev.; San Francisco, Tulare, Bakersfield, Los Angeles, San Bernardino, Riverside, Santa Ana, and San Diego, Calif.; Yuma, Phoenix, and Tucson, Ariz.; El Paso, Pecos, and Fort Worth, Tex.; Santa Fe and Las Cruces, N. Mex.; Dodge City and Garden, Kans.; Pueblo, Colorado Springs, Denver, Fort Collins, and Greeley, Colo.; Cheyenne, Wyo.; and Ogalalla, Nebr.; where they finished their work on September 19, 1889.

Wherever the committee went, it was accorded an almost royal welcome—although in Colorado Springs the welcoming party arrived late and the visiting Senators caught a streetcar to the Antlers Hotel, where they conducted their hearing in its bridal suite. Throughout its travels, the committee was provided with abundant information about what the impact of irrigation should be on the productivity of the land and what irrigation should do in the way of increasing land

values. The family farm was largely ignored.

There was intense interest in the committee's subject. On Friday, August 23, 1889, the San Francisco Chronicle carried 74 columns on irrigation, no less. It covered not only irrigation in the United States but throughout the world.

In an editorial on the same day, the Chronicle said of the extraordinary amount of space devoted to irrigation:

No fancy picture has been drawn, no gaudy or glittering colors have been used, but plain and simple facts have been stated, which must commend themselves to the consideration of all who are concerned for the future of our common country. We stand upon the threshhold of a great era of development, and if the article in question shall serve to attract attention to one of the most important of all national topics, the Chronicle will feel that it is well repaid for its labor.

Further insights into the the reasons for the passage of the Reclamation Act can be gained by a reading of the annals of the Trans-Mississippi Commercial Congress and the National Irrigation Congress in the latter years of the 19th century. The National Congress was founded in Salt Lake City on September 15, 16, and 17, 1891. A reading of the proceedings of that and subsequent sessions of the Irrigation Congress makes it clear that economic development of the West was the objective of reclamation. The National Irrigation Congess voted initially to ask the Federal Government to cede the federally owned lands in each State to the States, so that they might be sold and the funds used by the States for irrigation development. The Irrigation Congress in the ensuing years abandoned its request for cession of the Federal lands to the States and adopted a different course—Federal construction of irrigation projects. The important thing was to get economic development started and the National Irrigation Congress did not much care how this was to be brought about. They were flexible in outlook.

Elwood Mead, who later was to play a leading role in reclamation and is one of the best known of the Commissioners of Reclamation, told the Trans-Mississippi Commercial Congress in Houston in 1900:

The potentials of irrigation are, however, to be measured not alone by the possible extent of the agricultural industry, but by the development of other resources which they will make feasible. The best and largest use of the grazing lands, the utilization of the forest, the development of mines and quarries *and the maintenance of railroads and commerce in the western half of the United States,* all hinge upon the control and use of the streams in connection with the fundamental industry of agriculture. Since irrigation is essential to agriculture and the arid states, the extent and character of its development must surely measure the superstructure to be built upon that foundation. [Emphasis added.]

The Trans-Mississippi Commercial Congress, at the aforementioned convention in Cripple Creek, adopted a resolution calling for the reclamation of arid lands, and included as its justification:

The settlement of these arid lands would create new population in the West, and new home markets for our American manufacturers and merchants with marvelous rapidity, and would stimulate prosperity in every section of the country and among all classes of the American people.

The development of agriculture on irrigable lands of the West would greatly stimulate mining and the construction of new transportation facilities, and increase the home demand for the products of the western farmers in the mining regions of the West.

The countless millions of Asia would absorb all of the surplus of the ordinary farm products of the irrigated lands of the West, so that any competition between the farmers of the West and farmers of the East would be absolutely impossible.

The program favored by the Trans-Mississippi Commercial Congress was to bring water to the land, which would be made available for settlers "who will go upon the land and build their homes there, thus opening up opportunities for millions now homeless, and giving to everyone who wants it a chance to get a home on the land, thereby creating a dense population in the arid region, which will enormously increase the home markets for the products of all eastern factories and contribute to the general prosperity of the entire country."

On March 28, 1902, the Arizona Gazette carried an article with a Washington dateline which said:

George H. Maxwell, executive chairman of the National Irrigation Association, has returned to Washington after an absence of several weeks in the West. The change in public sentiment throughout the eastern states in the last two years in favor of national irrigation, which has found marked expression in the present session of Congress, is conceded to be largely due to the work of this national association, *a majority of which represent the largest commercial and manufacturing concerns in the country.* [Emphasis added]

In a later paragraph, Mr. Maxwell is quoted:

The whole strength of the irrigation movement in the East, and the reason for its remarkable growth, *has been the confidence of the business interest of the East that it was a movement which was really and genuinely proposing to make opportunities for settlers and create dense populations and make new markets,* and that men who wanted to build homes would have the benefit of the opportunities created by the government appropriations. [Emphasis added.]

After the passage of the Reclamation Act of 1902, the Trans-Mississippi Commercial Congress met in St. Paul. At that meeting, W. H. Wooldridge of Hinsdale, Mont., discussed the pitfalls confronting the West if sectional rivalries developed over which reclamation projects should be built first. He urged the delegates to the Commercial Congress to take a tolerant view of the interest of easterners in setting the priorities. He said:

The passage of the irrigation bill *was secured largely through the efforts of the eastern business men and manufacturers* and through the National Irrigation Association, of which most of these business men and manufacturers are members. It is safe to say that without the aid of this association, no irrigation legislation would have been possible. It was their fight and they won it. This being the case, is it not safe to leave the manner of the inauguration of the work to the same source? *Montana people are interested in the fullest possible development of the entire Western country.* It matters not to us what particular section or locality is recognized first. [Emphasis added.]

Evidence that the West was crying for economic development was abundant. The East was becoming crowded and the westward migration was underway and intensifying. Jobs and industry were necessary in the West. There was an increasing demand for port and railroad facilities to expand trade with Asia. The political leaders of the Western States and territories were pressing the Federal Government for new opportunities for expanded commerce. Earlier legislation—Desert Land Act and the Carey Act, among others—had not done the job. Pressure mounted for Government development of the major irrigation resources in the West. It was the railroads who were pushing the irrigation legislation, said the opponents.

There is no disagreement that there were many and repeated expressions of concern over absentee ownership and speculation. But those words, as used in the closing years of the 19th century, had an entirely different meaning than they do today. The concern then was that absentee owners would retard western development by reaping where they had not sown. Today, the criticism of "absentee owners and speculators," which in fact are largely nonexistent, is that they are too eager to expand economic development.

One example of the problems caused by speculators was cited by Elwood Mead, who was territorial engineer for the Wyoming Territory, when he appeared before the Senate select committee in Cheyenne on September 17, 1889. He said:

Unfortunately, the building of large canals to furnish water to the settlers on public lands gives rise to a condition of affairs which, while well understood here, is apparently not appreciated elsewhere. Before the canal is built, these lands are valuable only for grazing purposes, which value in most cases does not exceed 50 cents per acre.

The construction of a canal, however, carries with it the assurance of their reclamation, enhancing their value to that of farming land, so that without the purchase of a water right or without the owner of those lands having in any way contributed to

their improvement, their value is increased at a low estimate from $5 to $15 per acre. This unearned increment is due entirely to the expenditure and efforts of the ditch company which expects its return from the rentals of water to the settlers on the lands thus made susceptible of cultivation. If therefore all filings under the ditch were made by persons expecting to become cultivators of the soil, and who would at once become users of the water, no harm would come.

Unfortunately, however, our land laws make possible an entirely different result. This increase in value resulting from the construction of the ditch is a rich field for the speculator. Parties having no desire or intention of becoming farmers can through the Pre-Emption Law, the Homestead Law, and the Timber Culture Law obtain possession of 480 acres of this land without having to rent a gallon of water from the ditch company or in any way contribute to its maintenance or advantage. By the expenditure of 25 cents an acre, they can in the same way obtain a three years' option on 640 acres additional by desert entry. Thus it is that over 1,000 acres of land are withdrawn from honest settlement and the speculator or entryman is in a position to blackmail the ditch company as it is only by its buying him out and disposing of the land to bona fide farmers that it can derive any income from the water supply.

This situation of affairs has made it impossible in this territory to construct large ditches simply as common carriers of water. The success of the enterprise makes it necessary that the lands should at once be brought under cultivation, and to accomplish this there must be some control over their settlement. This neither the ditch company nor the authorities can attempt at present.

In other instances, a company would go out and develop an irrigation system—with private capital and watered stock—in expectation that they could then sell the land to settlers at high prices and sell or "rent" the water to them. Most of these speculative ventures went broke because either the people who bought land were not willing to endure the rigors of an agricultural life or they were ill-equipped to do so even if they had the spirit. Water "rents" are still a part of the jargon of irrigation in the West.

Speculation in public lands was not limited to eastern syndicates, Wall Street bankers, or any of the other assorted competitors of that or any other age. Individuals and families did the same thing. Many families claimed two or more separate parcels of land, farmed the one and held the other in the expectation that it should appreciate in value and bring a handsome profit when it was sold. Others claimed multiple parcels under different laws and then sold one or more parcels in order to raise the capital to develop the other.

For someone interested in a challenging intellectual assignment, an effort to rewrite the history of the Reclamation Act of 1902 in such a way that it will support the sociological objectives of the 1980's may have a certain allure, but the fact is that there is scant evidence of any clear direction from the Congress about what the specific "intent" was.

Here is President Theodore Roosevelt's celebrated declaration on reclamation law and settlement:

The reclamation and settlement of the arid lands will enrich every portion of our country, just as the settlement of the Ohio and Mississippi valleys brought prosperity to the Atlantic states. The increased demand for manufactured articles will stimulate industrial production, while wider home markets and the trade of Asia will consume the larger food supplies and effectually prevent Western competition with Eastern agriculture. Indeed, the products of irrigation will be consumed chiefly in upbuilding local centers of mining and other industries, which would otherwise not come into existence at all. Our people as a whole will profit, for successful home making is but another name for the upbuilding of the nation. [Emphasis added.]

Rather than being narrow in scope, as some would have it, President Roosevelt's concerns were sweeping and reflected the truly national character of the new irrigation program.

And in a report to the Congress in November of 1902, reporting on the first few months of work under the Reclamation Act of 1902, the Director of the U.S. Geological Survey said (with clairvoyant insight):

The law is so general in its terms that its success or failure may be said to rest almost wholly upon its administration. Congress has practically committed the whole matter to the Secretary of the Interior, and a volume might be, and probably at some time will be, written regarding the almost innumerable details which are not touched upon in the law.

In short, the 1902 act looks upon the farmer and his family as an economic and not a social unit, so to speak.

Thus the whole line of argument that the 1902 act requires a limitation on leasing is without historical foundation. The pricing structure in the bill, requiring a higher price for water to be paid by farmers operating farms larger than 960 acres, is an offshoot of that line of argument. Since the 1902 act was silent on leasing, I prefer to think that the due process clause of the U.S. Constitution bars any limitation on leasing, which the critics have so long suggested was inherent in the 1902 act.

CORPS OF ENGINEERS EXEMPTION

Let us now turn our attention to a particular part of the bill, section 202, which exempts projects constructed by the Army Corps of Engineers from the application of reclamation law, with certain exceptions. The Kings River in California, especially, has drawn the criticism of social reformers, and indeed is the subject of a lawsuit even to this day. But a review of the history of the 1944 Flood Control Act clearly reveals that reclamation law was never intended to be applied to the Kings River, or the Kern, Tule, and Kaweah Rivers.

Mr. Chairman, let us now turn to the history of the 1944 Flood Control Act in respect to reclamation and the Tulare Lake case.

Section 202 of the committee bill exempts without exception all projects constructed and operated by the U.S. Army Corps of Engineers under the 1944 Flood Control Act, from reclamation law.

The purpose of the corps exemption is to clarify that merely because a dam and reservoir built and operated by the corps has an irrigation function; it is not for that reason alone subject to Federal reclamation law. Instead, reclamation law can only apply lawfully under any one of two criteria: First, explicit statutory language designates the project as reclamation; or second, in addition to project works constructed by the corps, the Secretary of the Interior has provided works for an agricultural water supply.

The corps exemption was installed to clarify the existing law that was confused by the Ninth Circuit in *United States* v. *Tulare Lake Canal Company.* 535 F. 2d 1093 (9th Cir. 1976). Tulare Lake misconstrued congressional intent of the Flood Control Act of 1944 and the plain statutory language of section 8 to conclude that all or any corps projects having an irrigation function are, without more, subject to reclamation law.

The 1944 Flood Control Act in generic language authorized some 90 flood control projects, all across the United States.

In so doing, Congress created a class of equals in each and every project.

Thus Tulare Lake's application of reclamation law to corps projects must obtain not only throughout the ninth circuit (California, Washington, Idaho, Oregon, Nevada, Arizona, Montana, Alaska, Hawaii, and Guam) but also must serve as highest precedent throughout the United States, a subject of a writ of mandamus privately initiated.

At present, however, Tulare Lake is a test case, and the party at bar is the landowners of the Tulare Lake basin, a 200,000-acre land-locked flood plain into which the Kings River finally empties. Thus in particular, the Court applied reclamation law to all lands supplied with water from the Kings River, on which the corps has constructed and operates the Pine Flat Dam.

Both House and Senate committees received detailed testimony and written submissions regarding the specially adverse impact of reclamation law's application to both the large and small landowners on the Kings River.

In the last Congress, the full House committee rejected two amendments offered during markup to exclude Kings River from the corps exemption first by implicit then by explicit refer-

ence. The committee's rejection of the amendments was grounded principally on constitutional grounds, making it unnecessary to restate during markup all of the numerous factual and equitable grounds contained in the hearing record. The amendments would have violated:

First. Due process and equal protection concepts under the fifth amendment; and

Second. Article 1, section 9's prohibition against the enactment of bills of attainder.

The committee's action to keep the Kings River in the general corps exemption is discussed as follows:

I. Factual and Equitable Justification,

II. Constitutional Bar to the Exclusion of Kings River; and

III. Legislative History of Section 8 of the Flood Control Act of 1944.

IV. Letter from former Secretary of the Interior, Cecil D. Andrus, to Hon. Morris K. Udall, recommending that the Kings River be granted an exemption from reclamation law, of November 19, 1980.

V. Chart showing recent flooding in Tulare Lake Basin.

The principles discussed apply not only to any attempt to exclude the Kings River from the Corps exemption, but as well as the Kern, Tule, and Kaweah Rivers, or any other selected group from the general class of projects created by the 1944 Flood Control Act.

Confronted with a general Corps exemption that does not legislatively apply to one or a few among a class of equals, it is most likely that the courts would either strike down the exceptions or strike down the general exemption itself.

I. FACTUAL AND EQUITABLE JUSTIFICATION OUTLINE

I. The 1944 House Flood Control Committee Report made clear the Kings River landowners' understanding that if the Corps built the dam, reclamation law would not apply:

"Local (Kings River) interests are so strongly in opposition to a project built under reclamation law that they have stated that rather than have the project built by the Bureau of Reclamation they prefer no federal project at all."

2. Under the long-standing reclamation law principle of "payout", the repayment in full of allocated construction cost would cause acreage limitations to be permanently removed:

A. Kings River landowners relied in good faith on the repeated written assurances by the Interior Department (copies of which are appended) that "payout" would occur upon repayment, including the written official representations of:

The Interior Department's Secretary on November 2, 1950; March 2, 1954; and July 12, 1957.

The Commissioner of the Bureau of Reclamation on January 18, 1952 and November 9, 1952.

The Assistant Interior Secretary on May 5, 1954 and May 19, 1954.

The Interior Solicitor on August 9, 1957 and January 3, 1961.

B. The history of the Federal government's assertions of the validity of payout has been traced over half a century in a lengthy and detailed legal memorandum included in the hearing record;

C. Repayment eliminates the so-called "Federal subsidy" justifying acreage limitations under reclamation law; and

D. Twenty-two of the twenty-eight Kings River water districts have fully repaid a sum in excess of $12 million.

3. Because Kings River, like other Corps projects, has none of the fundamental reclamation characteristics, the application of reclamation law produces practical absurdities:

A. The project did not supplement nor did it add new water to the existing water supply;

B. The project did not irrigate arid or semi-arid lands, since the area was fully developed agriculturally long before the project was authorized;

C. The project did not bring additional public or private lands into irrigation;

D. The project did not add or improve any water distribution works, because an efficient and privately owned distribution system, built at a cost to private interests of almost twice the project cost, was operational before the project;

E. The landowners' water rights were perfected before the project was authorized, and are the same as the water rights under California State law which the June 16, 1980, Supreme Court landmark decision in *Bryant* v. *Yellen* (No. 79-421), the so-called Imperial Valley case, held to be so superior as to render acreage limitations inapplicable to the Imperial Valley's pure reclamation project;

F. The project was built as a flood control project but nonetheless, frequent serious flooding still occurs;

G. The project's irrigation functions are incidental; and

H. The Federal government owns no water or water rights of the Kings River.

4. The application of reclamation law in Kings River would be detrimental to all landowners, large and small:

A. Landowners owning excess acreage, the Ninth Circuit conceded in Tulare Lake, can choose not to use the storage and controlled water release services of the project, by-pass the dam, and by their so taking their water "free-flow", reclamation law will not attach;

B. If forced to choose, the large landowners will take their water "free-flow" to avoid reclamation law and the need to sell their land;

C. Without the large landowners' water to carry small landowners' water downstream during the dry months in the growing season, the small landowners will have more serious water loss through water seepage and evaporation, and, therefore, the important water conservation needs of all landowners on the Kings River will be defeated;

D. The surface water lost by small landowners because of "free-flow" will require them to undertake the expensive pumping of water from the underground supply, which is already dangerously low;

E. Because the large landowners, particularly in the Tulare Lake Basin, can store their "free-flow" water on their lands, the small landowners least able to bear the resulting financial burden will be the far more injured parties; and

F. The Water interests of Kings River's 20,000 large and small landowners are, therefore, mutually dependent, and all seek relief through the exemption.

6. The California State Legislature Joint Resolution passed in July, 1979, by a nearly unanimous combined vote of 112-2, petitioned the Congress to grant Kings River a reclamation law exemption (a copy of the full resolution is appended), the conclusion states:

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to enact legislation to specifically exempt the Kings River service area from the provisions of reclamation law. . . ."

II. CONSTITUTIONAL BAR TO THE EXCLUSION OF KINGS RIVER

Legislation that should exclude from the Corps exemption the Kings River, or other California Corps projects on the Kern, Kaweah or Tule Rivers, or legislation that attaches special conditions on the landowners for according them relief, while providing an unconditional and full exemption to all other similar Corps projects in other states that have an irrigation function, would be unconstitutional on its face. These would be unequal treatment of a selected member of a class of equals. Thus in a bill that should single out Kings River or the other California Corps project for special adverse treatment would violate:

(1) The Fifth Amendment guarantees of Due Process and equal protection, since such discriminatory legislative action is unreasonable, arbitrary, and capricious by its denial of equal treatment to equals; and

(2) Article I, Section 9's prohibition against the enactment of Bills of Attainder, because the exclusion in this context constitutes a legislative punishment by (a) interfering with property rights, (b) failing to further a lawful nonpunitive legislative purpose, and (c) implementing the proponents of the amendment's sole intent to punish identifiable parties.

1. Fifth Amendment Due Process and Equal Protection.—During the full Committee mark-up last Congress amendments to exclude Kings River from the Corps exemption were rejected principally on the grounds that they were unconstitutional and, therefore, unlawful. As the Supreme Court has long recognized, the guarantee of Due Process "secure(s) equality of law in the sense that it makes a required minimum of protection . . . which the legislature may not withhold." *Truax* v. *Corrigan*, 257 U.S. 312, 332, (1921). The Supreme Court has recognized that the Fifth Amendment guarantees equality to equals, in effect, equal protection. *See, Weinberger* v. *Wisenfeld*, 420 U.S. 636, 638 n. 2 (1975). Since the Flood Control Act of 1944 and subsequent flood control enactments authorized numerous Corps projects in other states with irrigation functions, including the Kings River Corps project, the law establishes a class of equals. Denial of reform to only one or a few of the projects in this class is a patent denial of equal treatment.

In *United States* v. *Tulare Lake Canal Company*, 535 F. 2d 1092 (9th Cir. 1976), the Ninth Circuit Court of Appeals held under Section 8 that *all* Corps projects having an irrigation function and created under the 1944 Flood Control Act are a class of equals, thereby necessitating the application of Reclamation Law to all:

"[The third sentence of Section 8] provides that *all* dams operated under the direction of the Secretary [of the Army] are to be utilized for irrigation only in conformity with the section, *i.e.*, under the reclamation laws; thus bringing under those laws dams for which no additional irrigation facilities are required." *Id.* at 1116.

The third sentence of Section 8 provides:

"Dams and reservoirs operated under the direction of the Secretary of the Army may be utilized after December 22, 1944, for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. *Provided*, That this section shall not apply to any dam or reservoir heretofore constructed in whole or in part by the Army engineers, which provided conservation storage of water for irrigation purposes." 43 U.S.C., sec. 390.

The Court's interpretation of Section 8 clearly pronounces a rule of general application, and not one applicable merely to Kings River or other California Corps projects alone.

Moreover, a significant analogy can be drawn between the discriminatory treatment of the four California Corps projects in last Congress' Senate version, S. 14, and the attempted amendment to the bill to deny Kings River equal treatment to all other Corps projects, and the legislation held unconstitutional by the Supreme Court in *Cotting* v. *Goddard*, 183 U.S. 79 (1901). In *Cotting*, the Supreme Court held that a state legislative enactment purporting to regulate a particular class of business, but in operation restricting by regulation only one company in the class, was unconstitutional as a violation of equal protection. The Court found that the legislation in question did not simply affect different companies differently in its indirect results. Nor was the classification based upon inherent differences in the character of the businesses. Rather, the legislation was unlawful as a positive and direct discrimination between persons engaged in the same class of business. *Id.* at 114-15.

While congress has the power to distinguish between competing interests in legislation in order to achieve broad public policy goals, the prerogative is limited by the Due Process Clause of the Fifth Amendment. Due Process secures equal treatment for equals under law, and it requires that the means selected to achieve a lawful legislative goal must have a real and substantial relation to the constitutional object sought to be obtained. that standard is not and cannot be met here since neither the legislative goal nor the means selected are lawful. No Congressional finding of fact or statement of purpose for reforming reclamation law has been, or can be, advanced to justify singling out the small and large Kings River landowners for a denial of the relief accorded to all other similar, flood control project landowners. Rather, the evidence developed during extensive congressional hearings suggests simply the reverse. Hence, any attempt to discriminate against the Kings River landowners should constitute the unreasonable, aribitrary and capricious legislation that the courts would be required to overturn.

2. *Bill of Attainder Under Article I, Section 9.*—Legislation that excludes Kings River or other California projects from the Corps exemption by name or description constitutes legislative punishment violative of the constitutional prohibition against Bills of Attainder in Article I, Section 9: "No bill of Attainder or ex post facto law shall be passed". Over one hundred years ago the Supreme Court described a Bill of Attainder as legislative punishment without a judicial trial. *Cummings* v. *Missouri*, 71 U.S. (4 Wall.) 277, 323 (1867). More recently, the Supreme Court in 1965 defined it to mean "legislative punishment, of any form or severity, of specifically designated persons or groups". *United States* v. *Brown*, 381 U.S. 437, 447 (1965). The punishment can be civil or criminal in nature.

If the following two elements are present, the law must be struck as a violation of the Bill of Attainder clause: First, isolation of a defined individual or group; and second, imposition of a type of punishment contemplated by the clause. *Nixon* v. *General Services Administration*, 433 U.S. 425, 469 (1977). Punishment may be recognized under any one of the following three tests: (1) historical experience; (2) function; and (3) legislative motive. *Id.* at 473-83.

The amendments to exclude Kings River by implicit or explicit reference satisfy the first essential element of a Bill of Attainder that the victim be clearly identified. The second essential element of punishment within the meaning of the clause, as articulated in *Nixon*, is satisfied under all three tests.

The historical experience test looks to past legislative abuses of power in the United States and England, including punitive confiscation of property by a sovereign. "A statutory enactment that imposes any of these (traditional property right) sanctions on named or indentifiable individuals would be immediately suspect". *Id.* at 173. The water rights to the Kings River were fully vested and perfected under California state law by private parties before the project was authorized. Acreage limitations, residency requirements and the anti-speculation provisions of reclamation law selectively applied constitute an unlawful interference with judicially recognized property rights in water of both large and small landowners. *See, California* v. *United States*, 438, U.S. 645, 670-673 (1978).

Under the functional test, the inquiry is "whether the law under challenge, viewed in terms of the type and severity of burdens imposed, reasonably can be said to further nonpunitive legislative purposes." 433 U.S. at 475-76. In view of the discriminatory treatment between projects included and excluded from the Corps exemption, without a showing of factual justification on the record, this test is fully met. Moreover, the record is practically uncontradicted as to the factual and equitable justification for an exemption. The amendment's proponents stated no substantive basis in the nature of a non-punitive legislative purpose.

The motivational test "inquir[es] whether the legislative record evinces a congressional intent to punish". 433 U.S. at 478. The record clearly reflects a motivation on the part of the amendments' proponents to prevent certain large landowners in the Tulare Lake Basin from gaining any benefit from the Corps exemption remedy, in full disregard of the factual and equitable circumstances, particularly in regard to small landowners. It is tainted as retaliatory in all respects. The punitive motivation is only heightened by the representations on the hearing record on behalf of small landowners that they will be the most serious victims of the proponents' stated large landowner targets because of the Kings River's natural physical characteristics, including the water supply damage which "free flow" would cause, the resulting further reduction in the precious ground water supply and the economic unfeasibility of farming on a small scale in the Tulare Lake Basin owning to flooding.

LEGISLATIVE HISTORY OF SECTION 8 OF THE FLOOD CONTROL ACT OF 1944

The legislative history of the Flood Control Act of 1944 was repeatedly asserted by critics as grounds that Kings River should be denied reclamation law relief. The factual and equitable grounds for supporting remedial legislation for Kings River go almost wholly uncontradicted.

The critics have relied upon the fallacious reasoning of the legislative history interpretations stated by the Ninth Circuit Court of Appeals in *United States* v. *Tulare Lake Canal Company* and those advanced by the Interior Department in the course of congressional hearings.

Listed below are the principal assertions of legislative purpose and intent made by the Ninth Circuit and stated therein is a brief corrective explanation.

1. *The Hill-Overton Colloquy.*—The Ninth Circuit places great reliance upon the Hill-Overton colloquy during the Senate Debate on the reference version of the Flood Control Act:

"Mr. HILL. There still seems to be confusion on the part of some Senators with reference to the application of reclamation laws in regard to some of these projects.

"I heard the distinguished senior Senator from Louisiana, when the bill was under consideration, and I think he made it very clear. However, I wish to ask this question: Is it not a fact that section 8 of this bill, as agreed to in conference, makes some reclamation laws applicable to the handling of irrigation water of any of the projects, including California projects, where it is found that irrigation may be carried out? I ask the Senator in charge of the bill whether it is not a fact that the President wanted the California project in this bill constructed under the Bureau of Reclamation so that the water policies would conform to reclamation law?

"Mr. OVERTON. The Senator is correct with respect to the projects in the so-called Central Valley of California. The President wrote me and the chairman of the subcommittee in this regard. However, in view of the fact that the Senate amendment made not only the California projects but all such projects subject to irrigation laws, and in view of the fact that the House concurred in this action by agreeing to Section 8 of the Senate bill, I am sure that the President will feel that we have met the problem that he raised. Section 8 of the bill clearly places reclamation uses of water from these projects under the Secretary of the Interior and under the applicable reclamation laws. No project in this bill which may include irrigation features is exempted from the reclamation laws.

"Mr. HILL. I thank the Senator.

"Mr. OVERTON. The Senate amendment made not only the California projects, but all such projects subject to the irrigation law. In view of the fact the House concurred in that action by agreeing to Section 8 of the bill, I am sure the Senator from Alabama will feel that we have met the question which he has raised. As I stated a while ago, Section 8 of the bill clearly places reclamation uses of waters from all projects authorized in this bill under the Secretary of the Interior, and under the applicable reclamation laws." 90 Cong. Rec. 9264 (1944).

As a preliminary matter, it is necessary to point out that this colloquy was "staged", and for that reason it must be discounted. *See*, Nutting, *The Planned Colloquy—What now?*, 46 A.B.A.J. 93 (1960). The colloquy took place after the Senate had completed its consideration of Section 8, and was apparently instigated by the Administration. However, even here Senator Overton remained convinced, as he was at other stages

of the debates, that the Interior Department's administration of reclamation law under Section 8 was limited to "surplus water", and in this way, vested water rights would not be interfered with.

If the Hill-Overton colloquy is to be relied upon at all, it must be for the propositions that (a) Section 8 was intended to be applicable to all Corps projects authorized by the 1944 Act; and (b) that "reclamation uses", meaning "surplus water", should be subject to the reclamation law jurisdiction of the Interior Department. He did not intend that vested water rights should be impaired. By the term "surplus water" he meant water made available by the project to which there was no vested right under state law. This is the only meaning which comports with the Members' understandings, sprinkled thoughout the debates, that vested water rights would not be interfered with, a legal concept which Western State Members were plainly aware, but more importantly, of which they were very protective.

"Surplus water" was under the Interior Department's jurisdiction, as Senator Overton understood the operation of Section 8 in the Senate version:

"Of course, the Senate will understand that, insofar as irrigation is concerned, all *surplus water* which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior." 90 Cong. Rec. 8625 (italic added).

Senator Overton associated "reclamation use" with Bureau of Reclamation jurisdiction, so that projects having predominant "reclamation uses" would be build by the Bureau, and those not having dominant "reclamation uses" would be built by the Corps under the inter-agency pack resolving the Corps-Bureau rift. To the extent of "surplus water", then, a Corps project would have a "reclamation use". Consider, the above with the following statement by Senator Overton in an exchange with Senator Murray:

"In the joint report submitted as a result of a conference and agreement between the Bureau of Reclamation and the Army engineers that policy has been carried out, and the reservoirs in which the predominant interest is conservation, irrigation, and reclamation are to be under the control of the Bureau of Reclamation and the Department of the Interior. Those in which navigation and flood control predominate are to be under the control and operation of the Army engineers. I think what the President has said is fair, and that policy is the one which is being pursued." 90 Cong. Rec. 8625.

"Surplus water" was defined in the course of House debates on a section related to the House version of Section 8. Congressman Whittington, Chairman of the House Flood Control Committee which reported out the Flood Control Bill, was questioned by Congressman Chenoweth:

"Mr. CHENOWETH. Will the gentleman define the word "surplus" used in Section 4 in referring to *surplus water?* In the West we have the doctrine of appropriation, for all water in a stream is appropriated. I anticipated a flood-control project where that water would be stored temporarily. *It would not be surplus water. It is appropriated for irrigation purposes. The gentleman does not mean to interfere with any appropriated water?*

"Mr. WHITTINGTON. No. I would think that this had primary reference to reservoirs for flood control. My general judgment, in answer to the gentleman's question, is that practically all of that water is surplus, and that may be disposed of, if the reservoir is for flood control." 90 Cong. Rec. 4125 (italic added).

Congressman Chenoweth subsequently stated:

"Mr. CHENOWETH. The gentleman from Nebraska is a recognized authority on irrigation law. He comes from an irrigation State. I would like to ask a question or two in order to clear up a couple of paragraphs here. The first is in respect to Section 4 where the Secretary of War is authorized to sell *surplus water.* What is the gentleman's observation as to *surplus water?* In our area all water has been appropriated, including floodwaters. They will be temporarily captured and placed in reserve, but would not be subject to sale. They belong to the appropriators who have already complied with statutes in appropriating it.

"Mr. CURTIS. It would be my opinion that water appropriated for irrigation is not *surplus water."* 90 Cong. Rec. 4133. (italic added).

The Senate adopted the Committee amendment of Section 8, as proposed by Senator Overton, stated by him to be word for word as recommended by Interior Secretary Ickes, 90 Cong. Rec. 8550, as provided in relevant part:

"Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing." 90 Cong. Rec. 8552.

The relevant language of section 8 as enacted provides:

"Dams and reservoirs operated under the direction of the Secretary of War may be utilized hereafter for irrigation purposes only in conformity with the provisions of this section, but the foregoing requirement shall not prejudice lawful uses now existing. Flood Control Act, ch. 665, § 8.58 Stat. 891 (1944) (current version at 43 U.S.C.A. § 390 (1979)).")

The only mention of Section 8 during the Senate floor consideration of the Conference version was the staged Hill-Overton colloquy. The understanding in the Senate was clear: Corps dams and reserviors were subject to reclamation law only as to "surplus water". If the conference version changed that, it was not brought to the Senate's attention. The Conference Report language was cloudy on the essential "surplus water" issue.

"Amendment No. 17: This amendment of the Senate replaces Section 6 of the House approved bill with certain modified language substantially as required by the Secretary of the Interior and constitutes Section 8 of the Senate approved bill. The Senate language will provide for more effective administration in relation to the various technical features of the Federal reclamation law. It establishes a procedure for the utilization of multiple-purpose projects for irrigation purposes when the Secretary of War determines upon recommendations of the Secretary of the Interior that a project operated under the direction of the Secretary of War may be utilized for irrigation purposes." H.R. Rep. No. 2051, 78th Cong. 2d Sess. 7 (1944).

The Administration's tactics were transparent. The Senate version of Section 8 was advanced, argued, and explained by Commerce Committee Chairman Overton. It was Senator Overton himself who asserted the "surplus water" argument. It was also Senator Overton who explained that the Senate version was word for word that of Interior Secretary Ickes. The Conference Committee report states that its version was substantially as requested by Secretary Ickes. This must, of course, cause the drafter's intent to be discounted. The rule stated by Sutherland, and explained more fully in part 2 below, would make reliance on the Secretary's intent impermissible.

2. *Reliance Upon the Administration's Written Correspondence.*—The Ninth Circuit placed great weight on the presumption that the Administration's interpretation and intent in drafting Section 8 was, a fortiore, adopted by the Congress. The *Tulare Lake* opinion's legislative history, 535 F.2d at 1098–1118, repeatedly cites and quotes the written correspondence to the Congress over the signatures of President Roosevelt and Interior Secretary Ickes. The Court states that these writings, in addition to those of Commissioner Bashore of the Bureau of Reclamation, were looked to to determine that acreage limitations were applicable to Kings River. *Id.* at 1099

The Court's strong reliance on these writings was erroneous. The Administration does not make law; the Congress does. The use of extra-legislative source materials expressing the views of the draftsmen has no binding legal force. As an exception to the general rule, weight can be properly attached to the drafter's views only if those views were clearly and prominently conveyed to the Congress during consideration of the bill, provided that there is reason to believe from the record that (1) the legislators' understanding of the bill was influenced by the drafter's communicated views and (2) the communication was so visible to the Members that the drafter's intent was understood in the context of the statutory language. 2A Sutherland, *Statutes and Statutory Construction* §48.12 (4th ed. 1973). These elements were not met.

The letters regarding acreage limitations and residency requirements, or any other limitations under reclamation law, were not a matter of debate at the time the letters were introduced into the record, or read. There is no basis whatsoever to conclude that the Members were fully informed or plainly understood the reclamation implications of Section 8. The debates make clear that the Members believed that vested water rights would remain intact and unencumbered. There is totally absent any evidence that the Members believed anything other than that if reclamation law were to be applicable to a Corps dam, it would be to "surplus water" or "reclamation water" only. This is the only interpretation that comports with the repeatedly expressed concerns for the possibility which vested water rights would be interfered with and the assurances by spokesmen for the bill that they would not. See, e.g., 90 Cong. Rec. 4125, 4141, 8428, 8616–17.

Interior Secretary Ickes was intent on making a record in order to shape legislative history. If for no other reason, his views, and those of President Roosevelt, were orchestrated to undo the fatal failure of their effort over a period of years to have all projects in the San Joaquin Valley, like the Central Valley of California built and operated by the Bureau. They failed in that attempt. Senator Bailey stated of Secretary Ickes: "He is clearly a partisan in matters of this type, and I believe I am safe in saying that he is something of a crusader. The judgment of partisans and crusaders is

always to be respected . . . but *they are not, by any means to be trusted.*" 90 Cong. Rec. 8316 (italic added).

3. *The Kings River Amendment.*—The *Tulare Lake* decision states that on the Senate floor a final attempt was made to bar the application of acreage limitations to the California projects authorized by the 1944 Act but that they were unsuccessful. 535 F.2d at 1108.

The Ninth Circuit is in error. There was no specific amendment offered to exempt Kings River, or the Kern, Kaweah, and Tule River projects, from the acreage limitations. The only possibly relevant amendments were those offered by Senator O'Mahoney and Senator Murray, but they are not on point.

Senator O'Mahoney offered an amendment to authorize the Secretary of the Army, the Corps, to make contracts for the use of "surplus water". 90 Cong. Rec. 8548. He also offered an amendment to Section 8 so that it "shall not apply to any dam or reservoir heretofore *or hereafter* constructed which supplements locally operated irrigation systems or other locally operated water facilities. . . ." 90 Cong. Rec. 8550. The amendments were not voted on. The amendments were referred to the Committee on Irrigation and Reclamation without objection. 90 Cong. Rec. 8850.

The other error is more apparent. It is a fact that Senator Murray offered an amendment to delete from the bill the Corps projects for the Kings, Kern, Kaweah, and Tule Rivers, not to save those projects from Section 8, but rather so that they could be "planned, designed, constructed, operated, and maintained as an integral part of the Central Valley project by the Bureau of Reclamation in accordance with established policies of the Bureau of Reclamation." 90 Cong. Rec. 8622-8623. This was a Roosevelt Administration inspired amendment and it was rejected. The Roosevelt Administration had consistently failed heretofore to have the projects for the four rivers included in the Central Valley project, a pure Bureau of Reclamation undertaking.

It is important to point out that in response to Senator Murray's defeated amendments, a victory and not a loss for Kings River, Senator Overton restated his understanding of "surplus water" in the context of Section 8:

"The able junior Senator from Montana has made considerable comment in reference to the Sacramento and San Joaquin Rivers and the Central Valley, in California. The principle to which I have just referred was carried out in respect to the projects contained in the bill which were authorized for those streams. The testimony shows, I think rather conclusively, that the projects herein authorized to be constructed by the Army engineers are some in which flood control predominates over irrigation. Of course, the Senate will understand that, insofar as irrigation is concerned, *all surplus water* which can be used for irrigation is turned over to the Department of the Interior, and the method of irrigation and the operation of the irrigation works are under the control of the Department of the Interior.

* * * * *

"Mr. President, the Assistant Chief of Engineers, as well as all the engineers who appeared before our committee, stated that they had absolutely no objections whatsoever to the irrigation and power amendments which were suggested by the Secretary of the Interior. They were similar to those suggested by the Senator from Montana, and were subsequently incorporated in the pending bill. The engineers stated that they were perfectly willing to turn over to the Department of the Interior control of the power generated for distribution, and were perfectly willing to turnover to the Bureau of Reclamation the distribution of *all surplus water* held back by the dams constructed by them, for distribution of which would come under the reclamation law, or would follow whatever method Congress might determine upon." 90 Cong. Rec. 8625 (italic added).

It deserves noting that the Supreme Court, in recently reversing the Ninth Circuit in the Imperial Valley decision, *Bryant* v. *Yellen*, No. 79-421 (S. Ct. June 16, 1980) stated that:

"[S]tatements by the opponents of a bill and failure to enact suggested amendments, although they have some weight, are not the most reliable indications of congressional intention. *Ernest & Ernest* v. *Hochfelder*, 425 U.S. 185, 204, N.24 (1976); *Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 367, 381-382, N.11 (1969). *Bryant*, Slip op. at 23."

4. *Section 8 Was Doomed At the Outset.*—Section 8 was born in several different versions, confusing technical water law terminology with the result that the inequities caused over the years now require this Congress' clarification.

Senator Bankhead, Chairman of the Committee on Irrigation and Reclamation gave a forceful warning to the serious implications of wedding reclamation law to a flood control bill through Section 8:

"If we proceed to enact legislation in this important field by this sort of method, by what might be called a rider to a flood-control program, without any hearing, without any consideration by the committee which has complete jurisdiction on the subject, *I submit to the friends of the principle of the irrigation and reclamation laws that they are entering upon a most dangerous proceeding and one which may sooner or later lead to the wreckage of the entire reclamation program.*" 90 Cong Rec. 8549 (emphasis added).

Senator Bankhead's prophecy was apparently correct.

5. *The Kings River Corps Project's Predominant Purpose.*—The Corps study, which laid the basis for the Kings River Project, judged flood control to be the dominant purpose of the dam. H. Doc. No. 630, 76th Cong., 3d Sess. 9 (1940). In considering authorization of Corps projects, including Kings River, the Senate floor manager for the Flood Control Act of 1944 recognized that Corps projects principally protected against floods, 90 Cong. Rec. 8625. Even today, the law authorizing the construction of dams under the Flood Control Act requires that flood control purposes predominate. 33 U.S.C. §§701, 701a.

Discussion of the Kings River Issue.—The Ninth Circuit states that both the Administration and the Kings River's views were exhaustively considered. The debates and reports do not support that statement. There is almost total lack of discussion of acreage limitations in particular. It is also true that both sides did not exhaustively state their case. Because the Corps was to build the project, Kings River did not anticipate reclamation law problems. In addition, all the Kings River water interests had vested before 1944, so that "surplus water" uses did not pose a problem. Indeed, no Kings River spokesman was necessary nor was one needed for all other California Corps projects. The Kings, Kern, Kaweah and Tule River projects did not require a member's active lobby; the only active lobby which existed was the one confined to Administration written correspondence. In effect, the Administration's attempt to write legislative history was self-serving and without legal significance.

7. *Contrasting language.* Subsection 202(a)(1) excepts the Corps exemption from projects that have ". . . by Federal statute explicitly been designated, made a part of, or integrated with a Federal reclamation project. . . ."

In stark contrast to the language of Section 8 relied upon by the Ninth Circuit, is Section 203 of the Flood Control Act of 1962 (P.L. 87-874, 76 Stat. 1173), applying reclamation law to the New Melones Project constructed by the Corps under the 1944 Flood Control Act:

"The New Melones project . . . is hereby modified substantially . . . *Provided*, That upon completion of construction of the dam and powerplant by the Corps of Engineers, the *project shall become an integral part of the Central Valley project and be operated and maintained by the Secretary of the Interior pursuant to the Federal reclamation laws.* . . . [Emphasis added.]

No statutory language even coming close to this exists in respect to the Kings River; certainly not Section 8. The contrasting language of the 1944 and the 1962 Flood Control Acts clearly shows Congress' intention to apply Reclamation law in the latter, and not in the former, case.

IV. LETTER FROM FORMER SECRETARY OF THE INTERIOR, CECIL D. ANDRUS, TO THE HONORABLE MORRIS K. UDALL, RECOMMENDING THAT THE KINGS RIVER BE GRANTED AN EXEMPTION FROM RECLAMATION LAW, OF NOVEMBER 19, 1980

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., November 19, 1980.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Your letter of September 30 pertaining to H.R. 6520, the Reclamation Reform Act of 1980, has been held at my desk awaiting an indication that Congress would act on this needed legislation before adjournment. It now appears that the House may well resolve the issue so permit me to respond to the Army Corps' provision of the bill.

Although we oppose the blanket exemption sought by some interests, I have revised our position with regards to the Kings River region in California. This is a unique area and difficult to understand unless you have actually visited the entire project as both you and I have done.

I have concluded that in the Tulare Lake Basin small-scale farming is not economically feasible. The high risk of economic loss is a practical and unavoidable obstacle for which there is no remedy now or in the foreseeable future. Only large farming operations can financially sustain the high costs of diverting the flood waters into selected large tracts of land divided into cells (and have the land to do so). The costs of having this acreage underwater for long periods of time and the financial loss of the crops in the flooded areas are financial risks which can only be offset against other profitable operations. Without large farms in Tulare Lake, large amounts of acreage would not be in agricultural production, and that would

in no way further the purposes and goals of the reclamation program.

Based upon additional and confirmed information, we have made two significant factual findings which compel us to support application of a Corps exemption of Kings River.

First, almost 200,000 of the total 1.1 million acres irrigated from the Kings River are located in a flood plain known as Tulare Lake Basin. Despite the construction of the Pine Flat Dam for flood control purposes, this basin continues to be inundated by massive flooding every few years. There is also more frequent and serious flooding between the large flood years, such as this year when there were large crop areas inundated.

Second, in the remaining 80 percent of the area irrigated from the Kings River outside the Tulare Lake Basin, there are over 46,000 nonexcess ownerships that are in farming operations similar to those in most other areas in the Central Valley Project where family farming predominates.

There are 868 owners of excess land in the Kings River service area with the largest in the Tulare Lake Basin where almost one-half of the excess land is situated. These lands are in farm operations which could operate on a "run of the river" schedule and be exempt from Reclamation law, but such a procedure would impair the productivity of the small farm operations that are upstream of the Tulare Lake Basin.

I, therefore, support the exemption of the lands in the Kings River area receiving water from the Corps of Engineers Pine Flat Dam from acreage limitation. To do otherwise would be irresponsible and would most likely jeopardize the many small operators to get at a few large operators.

Sincerely,

CECIL D. ANDRUS,
Secretary of the Interior.

V. CHART SHOWING RECENT FLOODING IN TULARE LAKE BASIN

[Chart not printed in RECORD.]

Mr. Chairman, I urge this House to vote in favor of the bill, as this legislation represents the fairest compromise between two radically different points of view as is practicably possible.

The 1902 act and its progeny were important players in manifest destiny, but it is high time that they be put in their proper resting place in history by this bill, by this Congress, by this Nation which so thoroughly depends on the final product of the land served by reclamation water—food and fiber.

The 1902 act and the 1926 act especially have served this Nation well. Let the 1982 act usher in a new era of prosperity for all.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield to the distinguished chairman of the subcommittee, the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, let me take this opportunity as chairman of the subcommittee to thank the gentleman and express my appreciation to him for the wonderful cooperation which he gave me, as chairman, and the entire committee.

The gentleman's expertise was invaluable. He attended the meetings faithfully, and for that I am very grateful.

Mr. PASHAYAN. Mr. Chairman, your leadership was exemplary. I appreciate your kind remarks.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Chairman, I also want to join in the remarks of my chairman, and first of all thank the gentleman for his kind remarks on my participation. But let it be known that he has been working for several years now recognizing the tremendous clashes of philosophic views that surround this issue to try to bring people together, and I would have to say that without his participation, it is highly unlikely that we would be here today.

I think that all of us who have been involved in this recognized divergent views of our constituents on this issue, and nevertheless I think we have provided what, in fact, is really a reform piece of legislation.

Mr. PASHAYAN. I appreciate the kind words of my colleague and I reflect the same sentiments to him and to the work he has done.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentlemen from California.

Mr. CLAUSEN. Mr. Chairman, I just asked the gentleman to yield so that I can add my comments to both the gentleman in the well, Mr. PASHAYAN, and to Mr. MILLER.

They developed a very constructive dialog. At times we had some heated exchanges, but it always ended up as a very constructive dialog and a debate during the course of the deliberation on the legislation. I think it will be recognized that all the way through this process, clearly the gentleman in the well and the gentleman from California (Mr. MILLER) really did yeoman work in terms of utilizing their great legal talents.

Mr. PASHAYAN. I thank my colleague, the distinguished ranking member.

Mr. KAZEN. Mr. Chairman, if the gentleman from California has no more requests for time, I yield such time as he may consume to the distinguished chairman of the full Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL) who, as I have previously said, without his leadership it would have been very difficult for us to have reached the compromises and the agreements that are embodied in this bill.

Mr. UDALL. Mr. Chairman, I have been an observer of the House for a long time now. One of the satisfying things about serving on the Committee on Interior and Insular Affairs has been the bipartisan approach we have to most problems, less of the combative arguments that are heard in some of the other committees.

It is true, as so many have said here this afternoon, that we had statesmanship and fairness on both sides of the aisle which enabled us to put together this compromise bill.

The gentleman from Texas (Mr. KAZEN) does not have many reclamation projects in his area or many Indians, for that matter. And yet he has been the leader this year in three major pieces of legislation coming out of the subcommittee.

GEORGE MILLER of California made this whole thing possible by knocking some heads together and talking sense to all of us.

The gentleman from California, Mr. COELHO, and Mr. PASHAYAN, our friend DON CLAUSEN, who brings a great deal of expertise and fairness to this job, and Mr. LUJAN, have also performed exceptional service in helping us put this together.

It took us about 100 years to start on the east coast and to develop America and to settle it. As the development pattern went west, we ran out of land where the Almighty delivered the water you needed for farms. Somewhere in the tier of States, the Dakotas and Nebraska, and Kansas, the patterns shift and there is not enough reliable water from rainfall.

We soon learned if we were going to settle the West and have farming and have a productive country, we were going to have to bring water to the land.

So it was that the 1902 act was enacted as a follow-on to the Homestead Act which has given away millions and millions of acres of publicly owned land to people who would get on the land and work the land and build their homes. And it was a good program. And the reclamation program which extended this idea to the arid States was a good program.

We started out in 1902, as someone said today, with the idea that the 160 acres was a pretty good farm, and it was. A family could live on that.

But times have changed and the country has to change with them. And so we tried these last 5 or 6 years to modernize this act. In fact, I have talked to half-a-dozen Interior Secretaries in my years here. All of them wanted to do it. It seemed insoluble. There were just too many contentious people involved, and interests, and we could not bring it together.

This year in 1982 I think we are going to finally modernize this law and end the confusion and conflict we have had about it.

□ 1745

Let me say something before we close this debate today to my good friends from the so-called Snow Belt, the Northern States in America. Some

of them have offered amendments and will offer amendments on similar legislation. I hate to see our country regionalized, and regional splits and fights develop, and we have tried to write a piece of legislation here which is fair to the whole country.

It is said by some that there is a subsidy here in this whole Bureau of Reclamation program. We are taxing people in one part of our country to build dams and canals in other parts of our country. It is true, there is a deliberate subsidy to promote the family farm. That is what the 1902 act was all about, to make the desert bloom.

Phoenix, in my State, is one of the major cities in America. There is simply no excuse for a town as big as Phoenix except for one thing: Theodore Roosevelt said, "Let's dam that Salt River and build some canals," and I suspect they take out of Phoenix every week in income taxes from people who would not be there except for that water project, an amount equal to the entire cost of the project.

But we did say in the reclamation law, we said something important. We said, "Yes, there are going to be subsidies here, but they ought to go to farmers, to families, and not to big corporations."

That is the charge that is made over and over again, with some basis that we are all concerned about. We talk about how much repayment we should have, what formula we should have. By and large, a similar function has been performed by the Corps of Engineers in the central and eastern parts of our country, and there has never been any repayment in most of those projects.

As a young boy, when I first started to read the weekly news magazines in the little farm town where I grew up, every spring one would see great floods in Illinois, Missouri, Kansas, Louisiana, and Arkansas. The spring flood was a regular news story, with people out with sandbags like we saw this year in Indiana, and places trying to stop the floods. We do not read that anymore. We do not read those stories in 1982 along the Mississippi and Missouri Rivers at least, where the Corps of Engineers had built these dams which, at public expense, we paid taxes for to see that those lands were not flooded, that farmlands were not destroyed, that communities were not washed out. We ended up in many parts of the East and the Middle West and the TVA region with big dams which provided recreation, provided water supply for our communities, provided for fish and wildlife, and all these other values.

This made us a better and stronger, more prosperous Nation. This was not money wasted. This was money to build up our land and settle America and make it a better country. We never attempted to send a bill to folks in Moline or Memphis, or Keokuk, or Kansas City saying, "Please remit, our dikes and flood control measures have saved you hundreds of millions of dollars."

This was an investment in national productivity. But in the national dialog for the last four or five decades we have had this big conflict that centers largely on the big corporations in America posing as barefoot family farms, getting heavily subsidized water to earn huge profits, largely in California and Arizona and some of the other reclamation States. As I say, these questions have been valid in some cases. There have been big corporations farming several thousand acres and making a lot of money with subsidized water paid for in part by the taxpayers from all over the country.

These abuses needed correction. That is what this bill is all about, in large part. There were abuses, and they should be stopped, and it needs correction. This bill does this job. It does not go as far as some would like, including myself, I suspect, but it is a solid compromise, a bipartisan compromise, and meets the test of ending the abuses and bringing fairness to this program.

It has been mentioned before today, but let me just lay it on the Members one time again, we have changed in this bill from 160 acres as a standard family farm, arbitrarily set, changed it to 960 acres in a day of tractors, big machinery and equipment, and crops that need a lot of land to grow economically. So, 97 percent of all the farms served by Bureau of Reclamation water will be under 960 acres. Write that down: 97 percent of all the farms will be under this new size we legislate for family farms, so we have taken care of most of the farms as far as abuses are concerned.

The other 3 percent of the farms receiving reclamation water have 31 percent of the land, and that is one of the major things we are trying to correct. That is wrong. We concede it. It has been the basis of this legislation, and we get at these 3 percent in two ways. In the first place, we are going to apply the law, and the Secretary will now know he has to stop. They have 10 years to divest themselves of the excess land. This will now be enforced, and the arguments about it will be settled by this legislation. Ten years from now, we will not have anybody over the 960-acre limitation, and so that is done.

I wanted to leave in the RECORD, if I can, a correction on two other points. Yesterday we were asked in the Rules Committee, and will probably get some argument tomorrow, that we were proceeding without the Congressional Budget Office estimate that is required under the rules before we take a bill to the floor. A letter was delivered to me today, dated May 4, from the Director of the Congressional Budget Office. I will put it in the RECORD as the official statement of the Director. The question of cost was raised. I will not read all of it at this time, but just this one point:

> Receipts to the Federal Government from the sale of irrigation water would be affected by this bill as a result of the full cost pricing provisions for water delivered to excess acreages.

The Director says:

> If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified above), at an average additional payment of $30–$40 per acre, the additional annual receipts to the Federal Government resulting from the full cost provisions of the bill would approach $10–$13 million per year.

The letter says that there could be some small addition to the administrative cost as we get this new system in operation, but this is not a revenue reducer, it is a revenue gainer. This is not costing the taxpayer money, and I hope my colleagues listening in and getting ready to vote on this tomorrow will keep that in mind. We do not cost the taxpayer; indeed, we should get additional money for the taxpayers as a result of this legislation.

Second, we had a good deal of debate, and again last week on another important bill, the Safety of Dams Act, which is critically important, as this act is. The administration had sent up a message that they were against that bill, and I understand behind the rail I think there was an impression around that the administration is also against this bill because it happens to deal with the same subject. I have a letter from the Acting Secretary of the Interior to the Speaker, dated May 5, which I will also put in the RECORD. In part, it says:

> The Administration recognizes the need for reclamation reform legislation and strongly supports congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

So I think, Mr. Chairman, that we bring a meritorious piece of legislation to the committee. I trust that the committee and the House will adopt it and approve it tomorrow.

Mr. Chairman, the letters follow:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 4, 1982.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 5539, a bill to amend and supplement the Federal reclamation laws and for other purposes, as ordered reported by the House Committee on Interior and Insular Affairs, March 15, 1982.

Under existing federal reclamation law, individual holdings of lands eligible for irri-

gation water are limited to 160 acres, and lands in excess of the limit must be disposed of by landholders within a suitable period of time. Although the limitation has not been aggressively enforced by the Bureau of Reclamation, the majority of landholders are in compliance with the law. There is no limit on the acreage allowed for water delivery to leased lands.

Title I of H.R. 5539 gives water districts the choice of continuing existing practices or renegotiating contracts under a new two-tier pricing plan. Under this new plan, a farmer can receive irrigation water at the current "subsidized" rate for a total of 960 acres of Class I lands (or its equivalent for less productive land), whether the lands are owned or leased, and can receive water at the "full cost" price defined in the bill for any additional lands. Under this provision, lands owned in excess of the 960 acre limit must still be placed under recordable contract to be sold. Individual farmers in districts which do not elect the two-tier plan can make an arrangement to do this on their own.

Title II of the bill eliminates the present residency requirement and exempts from acreage limitations certain lands, including those in water districts which have repaid contractual obligations or are served by Corps of Engineers projects. In addition, it authorizes the imposition of civil penalties for noncompliance and establishes hearing procedures for parties who are fined.

Proposed regulations implementing current law were published on August 25, 1977, by the Department of the Interior. These regulations reflect the Bureau's intention to strictly enforce existing law regarding acreage limitations. (If the Congress does not enact this or a similar bill, the proposd regulations are expected to go into effect by fiscal year 1983.) H.R. 5539 will affect both outlays incurred by the Bureau of Reclamation for administration and enforcement and revenues generated by the sale of reclamation water. It is expected that there will be small additional costs associated with contract renegotiations resulting from H.R. 5539. However, total administrative costs expected as a result of enactment of this bill are expected to be slightly less than under the proposed regulations, because under this bill the acreage limitation is increased, many districts are exempted from this limitation, and the current residency requirement is removed. (Such savings are unlikely to be more than $1 million per year.)

Receipts to the federal government from the sale of irrigation water would be affected by this bill as a result of the full cost pricing provisions for water delivered to excess acreages. However, because the bill allows water districts to continue existing practices until contracts are renegotiated (either to take advantage of the provisions of H.R. 5539, or for other reasons), it is impossible to estimate what the budget impact of the full cost pricing provisions will be. Using only the criterion of the size of farm opertions, and excluding Imperial Valley acreage, it appears that no more than 1.3 million acres might be subject to full cost pricing (based on the December 1980 Westwide Report). However, much of this land is served by Corps of Engineers projects or is otherwise exempted by H.R. 5539 from the full cost pricing provisions. In addition, only a small proportion of the eligible acreage might be expected to become subject to the full cost pricing provisions, because the water districts most likely to amend contracts would be those where most operations are under 960 acres.

If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified above), at an average additinal payment of $30-$40 per acre, the additional annual receipts to the federal government resulting from the full cost provisions of the bill would approach $10-$13 million per year.

Sincerely,

ALICE M. RIVLIN,
Director.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., May 5, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: We understand that the House of Representatives will soon consider passage of H.R. 5539, a bill "To amend and supplement the Federal reclamation laws, and for other purposes."

The Administration recognizes the need for reclamation reform legislation and strongly supports Congressional efforts to achieve this needed reform. The Administration supports H.R. 5539 and will continue to work with conferees to complete work on this legislation.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD PAUL HODEL,
Acting Secretary.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield.

Mr. PASHAYAN. Mr. Chairman, I just wanted to compliment the chairman once again for steering a steady course through waters that were turbulent and sometimes troubled, and simply to ask that it be clearly understood that when the chairman mentioned the acreage limitation in terms of ownership coming up from 160 acres to 960 acres, that our colleagues understand exactly what that means; that as the law stands now it is 160 per individual, so that if one had a family of 10 or 15 people, each of those persons individually could own 160 acres and they could have a combined operation in the case of 10 people of 1,600 acres; whereas the 960-acre limit is a limitation on a family unit, so that no family can own more than 960 acres regardless of size. There is that very important condition.

Mr. UDALL. The gentleman makes a very important point, and he has many times in the course of this legislation kept us straight on the details. It was artificial and ridiculous. I own a farm here and I have six children; you have one across the street, and you are childless.

Mr. PASHAYAN. I am also wifeless, Mr. Chairman.

Mr. UDALL. Right, and I get five times the size of farm that you get. So, it should not depend on the number of children. We ought to have a standard family farm unit. The gentleman has helped us get that.

Mr. PASHAYAN. That is what this bill does.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I just wanted to state for the record that I, too, have a copy of this letter the gentleman referred to in his remarks, from the Congressional Budget Office. Not only do we concur in the remarks that were contained in the letter itself, but also to verify the basic thrust of the gentleman's remarks where, as I said in my opening remarks, we would have a net gain for the Treasury as contrasted to the current situation where there is a net loss.

I want to compliment the gentleman for his leadership.

Mr. UDALL. I thank the gentleman.

● Mr. SHUMWAY. Mr. Chairman, I rise in support of H.R. 5539, a bill to amend and supplement Federal reclamation laws. This bill addresses one of the most successful programs ever undertaken by the Federal Government—the construction of federally funded irrigation projects. Ever since this program was enacted in 1902, huge tracts of previously unproductive land have converted into fertile acreage. Currently, there are about 150 reclamation projects which irrigate some 12 million acres of private land, or what amounts to approximately 20 percent of the total irrigated cropland in the West. Even though these projects cover only 1 percent of the Nation's farmland, they account for about 10 percent of America's farm production. This translates into a total crop value of $7.4 billion in 1980, at least half of which is produced in my home State of California.

As successful as this program has been, the 1902 Reclamation Act that authorizes the administration of these projects is woefully outdated. As you are well aware, one of this act's major provisions was to restrict the delivery of Federal irrigation water to 160 acres for an individual farmer. The inclusion of this restriction for the purposes of preserving the family farm is certainly a laudable goal and one that I fully support. However, changes in agriculture technology have allowed the family farm to grow in size since the 140-acre average farm that prevailed in 1902. Today, the average family farm is at least three times as large. The bill before us today reflects this trend toward larger farms and if enacted, would bring 97 percent of all Federal irrigated farms into compliance with the proposed 960-acre limitation. The remaining 3 percent which accounts for 30 percent of the total Federal project land would be required to pay full cost for water delivered above the bill's acreage limitation. Thus, while cutting subsidies for the larger agribusinesses, H.R. 5539 still supports the individual family farm

while at the same time recognizing that it has grown larger over the years.

Another aspect of this bill is that it would direct the Department of the Interior to make annual contract adjustments to reflect changes in project operation and maintenance costs. Under present law, O. & M. costs are fixed over the life of the contract and often do not represent actual costs. This provision, in conjunction with the proposed full cost charge for water delivered in excess of the 960-acre limitation, will significantly enhance Treasury revenues—an especially important consideration at a time of severe fiscal restraints.

Mr. SPEAKER, failure to adopt this bill would make a shambles of the reclamation program as currently consitituted under the 1902 act. The time is long past for reform of this outdated law. I urge my colleagues to join with me in support of H.R. 5539.●

Mr. CLAUSEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. KAZEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time has expired. Pursuant to the rule, the Clerk will now read by title the substitute committee amendment recommended by the Committee on Interior and Insular Affairs now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 5539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall amend and supplement the Act of June 17, 1902, and Acts supplementary thereto and amendatory thereof (43 U.S. 371).

DEFINITIONS

SEC. 2. As used in this Act, the term—

(a) "Secretary" shall mean the Secretary of the Interior;

(b) "Federal reclamation laws" shall mean the Act of June 17, 1902 (43 U.S.C. 371), and all Acts amendatory or supplementary thereto;

(c) "person" shall mean any individual, including his or her spouse, and including other dependents thereof within the meaning of the Internal Revenue Code (26 U.S.C. 152), who is a citizen of the United States or a resident alien thereof, or any partnership or association of such individuals organized under State law, or a domestic corporation which is not a member of an affiliated group and which does not have more than eighteen individual shareholders;

(d) "project" shall mean any reclamation or irrigation project, including incidental features thereof, authorized by the Federal reclamation laws, or constructed by the United States pursuant to such laws, or in connection with which there is a repayment contract executed by the United States pursuant to such laws, or any project constructed by the Secretary through the Bureau of Reclamation for the reclamation of lands;

(e) "project water" shall mean water developed or furnished by or through federally financed facilities for a Federal reclamation project as authorized by Congress and which is made available for agricultural purposes pursuant to a contract with the Secretary;

(f) "district" shall mean any conservancy district, irrigation district, or other organization which is established under State law and which has capacity to enter into contracts with the United States pursuant to the Federal reclamation laws;

(g) "contract" shall mean any contract between the United States and a district providing for the payment of construction charges to the United States and normal operation, maintenance, and replacement costs pursuant to the Federal reclamation laws or any water service contract;

(h) "recordable contract" shall mean a contract between the Secretary and a landowner in writing capable of being recorded under State law providing for the sale or dispositon of lands held in excess of the acreage limitations of the Federal reclamation laws including this Act; and

(i) "full cost" shall mean an annual rate as determined by the Secretary, that shall amortize the construction costs properly allocable to irrigation facilities in service, less payments, over such periods as may be required under reclamation law or applicable contract provisions, with interest. The interest rate used pursuant to this Act shall be determined by the Secretary of the Treasury on the basis of the average yield obtained by the Treasury upon its marketable public obligations sold during the fiscal year in which the expenditures by the United States were or are made, and which are neither due nor callable for redemption for fifteen years from date of issue, and by adjusting such average rate to the nearest one-eighth of 1 per centum: *Provided,* That normal operation, maintenance and replacement charges will be collected in addition to the full cost charge.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that sections 1 and 2 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KAZEN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MILLER of California) having assumed the Chair, Mr. FOWLER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE

Mr. KAZEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks, and to insert extraneous material, on the bill just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

COMMUNICATION FROM THE HONORABLE GUY VANDER JAGT, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable GUY VANDER JAGT, Member of Congress:

WASHINGTON, D.C., *May 3, 1982.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In accordance with the provisions of House Rule L(50), No. 5, this is to inform you that I have partially complied with a subpoena and notice of deposition in *Rose Hall Ltd., et al.* v. *Chase Manhattan Overseas Corporation and Holiday Inns, Inc.,* Civil Action No. 79-182 (District of Delaware), notice of which was laid before the House on March 24, 1982.

Pursuant to the provisions of House Rule L(50), No. 4, I determined that a portion of the documents sought by subpoena and in my possession evidencing communications between my office and various parties to the litigation, and between my office and agencies of the United States Government were material and relevant, and that compliance would be consistent with the rights and privileges of the House. Also pursuant to the provisions of House Rule L(50) No. 4, I have determined that certain documents in my possession are privileged and that my testimony in this case is neither material and relevant nor consistent with the rights and privileges of the House.

Sincerely,

GUY VANDER JAGT,
Member of Congress.

ANOTHER WASTE OF TAXPAYERS' MONEY

(Mr. ERTEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material:)

Mr. ERTEL. Mr. Speaker, I rise today to indicate that I have written a letter to Robert P. Nimmo, Administrator of the Veterans' Administration, concerning media reports alleging abuse by him of the public law concerning the prerequisites of his office. The reports indicate that he spent $46,000 on remodeling of his office, $8,000 for a bathroom for his office, and is leasing a 1982 Buick Electra for $7,250 a year.

I have had the occasion in the past to amend the HUD and Independent Agencies bill which makes it a violation of the law to expend moneys for personal chauffeurs, cooks, or cars which get less than 22 miles per gallon under EPA standards.

I have directed this letter to Mr. Nimmo asking him to explain how he had been able to justify these expenditures, especially in view of the President's admonition that the executive

branch should not spend moneys on the remodeling of their offices.

I am also going to address that to the President of the United States and try to find out the exact cause of this waste of taxpayers' money.

The letter read as follows:

WASHINGTON, D.C., *May 5, 1982.*

ROBERT P. NIMMO,
Administrator, Veterans' Administration, Washington, D.C.

DEAR MR. NIMMO: I am disturbed by media reports alleging abuse, if not outright violation of public law, of the perquisites of your office. Specifically, reports are that you have spent $46,416 on the remodeling of your office (a figure which includes more than $8,000 for just the bathroom), are leasing a 1982 Buick Electra for $7,250 per year and are using a federally paid driver to chauffeur you between home and work.

That the individual charged with the responsibility of meeting this nation's obligations to its veterans would spend taxpayer dollars extravagantly for office remodeling and chauffeured transportation between home and work is appalling. It is particularly appalling that you would take such action during the fiscal year the President's budget curtailed veterans educational, dental and burial benefits and during a period when the President is proposing to cut veterans entitlement programs by $234 million—cuts which, in my opinion, will fall most heavily on the most deserving of our veterans, those with service-connected disabilities.

These allegations demand a response. Therefore, I am requesting the following information:

1. an item-by-item breakdown of the cost of remodeling your office, including the cost of in-house labor performed by federal employees or employees of firms contracted to the federal government. How do you justify this expenditure in light of President Reagan's admonition that top officials of his Administration "set an example by avoiding unnecessary expenditures in setting up their personal offices?"

2. justification of the use of a federally-leased vehicle for transportation to and from your home in light of Public Law 97-101, Section 406, which specifies "None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between his domicile and his place of employment, * * *"

3. justification of the expenditure of federal funds for a 1982 Buick Electra in light of Public Law 97-101, Section 415, which I authored, specifying "None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon." Details are to include whether remittance for this automobile occurs monthly.

4. justification for a federally paid driver or chauffeur in light of Public Law 97-101, Section 414, which I also authored, specifying ". . . none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency." Details are to include your driver's annual salary and overtime compensation.

Finally, I also would appreciate knowing if you have any additional plans for remodeling in progress, have the benefit of a private dining room, or have any other personal servant on your payroll.

Because of the seriousness of the allegations and your apparent lack of sensitivity to the President's desire to set an appropriate government image for the American public, I would urge your immediate response.

Sincerely,

ALLEN E. ERTEL,
Member of Congress.

CUTS IN STUDENT ASSISTANCE PROGRAMS

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, today I am placing into the RECORD just one of the hundreds of letters I have received from students during the few months since the administration announced that it was seeking to cut back and eliminate many student financial assistance programs. This letter was sent to me by Mrs. Jacquelyn N. Poen of Nashville, Tenn., and serves as a poignant example of the reasons such student aid programs exist.

At a time when this country is facing a future with problems growing greater in complexity, we as a nation should be tearing down the barriers which inhibit those who would better themselves through education. For many of these individuals, education is the only bootstraps by which they will be able to lift themselves up to more productive lives.

For those who would dismantle our educational assistance programs—to stop this investment in America's future—I commend to you Mrs. Poen's letter in which she so eloquently expresses the human side of the questions my colleagues and I must face when we address the issue of cuts in student assistance programs:

Hon. BILL BONER,
Member of Congress,
Cannon House Office Building,
Washington, D.C.

DEAR MR. BONER: I am writing because of my great concern over the proposed student aid cuts for 1983-84. If the massive student aid cuts are passed, thousands of students will be unable to continue their education. As you know, higher education is essential in order to obtain employment in any occupation except unskilled labor. This is one reason for so much unemployment. The majority of jobs which are available require more education than the average person has, and employers are just not willing to train a person who does not have at least an Associate Degree.

I am female, over forty, and a former high school drop-out. I know what it is like to work long hours (sometimes 16 per day) for poverty wages in order to help support four children. My husband, who has only a high school diploma, has worked on the same job for 17 years and earns $8,500 annually. In 1967 I had the good fortune to obtain my high school equivalency diploma. This enabled me to get an office job for minimum wage, which at that time was $1.60 per hour. I became an L.P.N. in 1972 which increased my earnings to $2.65 per hour. In the summer of 1980 I was earning $4.45 per hour working in a local Plasma Center.

I enrolled as a part-time evening student at Volunteer State College in the summer of 1979. I was encouraged by one of the teacher's to apply for a BEOG, which I received in the fall of 1980 through the spring of 1981. I have been a full-time student since that time. I was told that I was not eligible for another grant in the fall of 1981, however, I did receive a student loan through the school. I will graduate in June of 1982 with an Associate of Science Degree in General Business Administration. I hope to find work in an administrative capacity so that I can earn a livable salary.

The point I wish to make is, people who have little, or no, formal education can not contribute very much to society. On behalf of the thousands of students who will not be financially able to continue their education if these massive student aid cuts are passed, I ask that you consider the benefits that higher education provides. An investment in education will not only benefit these students, it will benefit their families, their state, and their nation.

Sincerely,

JACQUELYN N. POEN,
Nashville, Tenn.

THE NEED FOR NEW U.S. INDUSTRIAL OBJECTIVES

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, the United Nations Association of the U.S.A. a private, nonprofit organization, recently issued a report on what our Government's industrial objectives should be.

The association's industrial objectives panel, comprised of 26 outstanding business, labor, and academic leaders, chose not to focus on economic planning or identifying sunset and sunrise industries, since similar efforts have ended in conflict and frustration in the past. Instead, the panel identified basic, long-term industrial objectives. From these they derived intermediate goals, which in turn clarified appropriate short-term policies. Finally, the panel examined Government policies which it considered useful and needed.

The panel was particularly interested in determining whether it is possible, within our system of government, to devise machinery or procedures for considering objections for economic activity without endangering decentralized competition, a fundamental tenet of our economic system.

The five industrial objectives which the panel identified are:

First, strengthening U.S. competitiveness at home and abroad;

Second, insuring national and economic security;

Third, achieving general price stability;

Fourth, promoting full employment; and

Fifth, enhancing the quality of life.

The four intermediate goals which link these objectives with specific policy recommendations are:

First, improving productivity;

Second, controlling inflation;

Third, establishing adjustment mechanisms; and

Fourth, encouraging the wise use of limited resources.

The panel recommended the following set of principles as guidelines for the development and implementation of a system of American industrial objectives:

First, the overriding industrial objective is to insure a strong economic base that will contribute to the quality of life of Americans and will promote a higher standard of living.

Second, when formulating broad economic goals and setting priorities, the Executive Office and Congress should give greater emphasis to the need for policies that will encourage the systematic rejuvenation of U.S. industry and will help to maintain an economic base critical to a strong economy and to national security.

Third, Government policies should promote a long-term, stable economic environment, assuring maximum employment and a climate favorable to industrial growth.

Fourth, sectoral and functional policies are essential to the attainment of industrial objectives. Micro policies should be devised that are consistent with macro goals, but Government should not attempt to identify winner or loser industries.

Fifth, through incentives and disincentives, Government policies geared toward industry will inevitably shift the allocation of resources within and among sectors. Insofar as practical, such policies should be designed so that they stimulate productive investment, rather than encouraging nonproductive uses of resources.

Sixth, governmental policies geared to the industrial sector will also shift the allocation of resources between or among income groups, but insofar as possible, they should be designed so that they do not result in a less equitable distribution of wealth or income.

Seventh, there should be a general governmental review of policies regulating the activities of U.S. industry in order to make them more coherent and consistent with one another and with the objectives outlined in this statement.

Eighth, human resources policies should focus on creating a highly trainable pool of entrants into the labor force and also on training the currently unemployed. A serious effort should be made at the high school level to insure that graduates are equipped with the basic learning skills that will enable them to absorb specific job skill training. In addition, technical studies should be encouraged at the post-secondary school level. Finally, specific job skill training programs should be expanded so that they promote labor's efficiency and mobility.

Ninth, in formulating a competition policy, policymakers should focus on both the international and the domestic dimensions of competition. Policies that insure that U.S. firms are competitive in domestic markets—not only with each other but with foreign firms located or selling in the United States—will do much to advance the international competitiveness of American firms.

Tenth, an active and highly competent trade office, which strongly represents the interests of the United States in the general agreement on tariffs and trade (GATT) and in other international organizations, which keeps exporters abreast of opportunities in international markets, and which exerts its influence to keep international markets open, should be maintained. Trade policies geared toward U.S. industrial objectives should not encourage beggar-thy-neighbor policies, but should counteract the adverse effects of the industrial policies of foreign governments on U.S. industry.

Eleventh, policies related to industrial objectives should be designed in such a way that both savings and investment are encouraged. While savings are of limited economic value if they do not result in more investment, investment itself will be limited if savings do not increase.

Twelfth, advisory committees composed of Government officials working in concert with labor, business, and public leaders would contribute to the efficacy of the policymaking process by integrating the objectives of each sector into the overall assessment of policy. Such committees would serve as a valuable information network and would significantly contribute to the consensus-building process that is crucial to the establishment of industrial objectives.

Mr. Speaker, MIT economist Lester Thurow has said that our economy is suffering from a thousand cuts and the solution will require a thousand Band-Aids. The principles which the UNA-USA report has provided will serve as a useful touchstone when debating those solutions.

I was particularly gratified to recognize that legislation I have introduced responds to a great many of the recommendations of the panel. My bill, the Productivity Incentive Act of 1982, is designed to encourage productivity, full employment, long-term savings, and price stability. It accomplishes these objectives by encouraging employers and employees to adopt a two-tier wage structure: a base wage and a periodic bonus based on corporate profits or cost savings. Such a wage structure, which predominates in Japan, gives workers a stake in the company's performance and thus a reason to look for ways to increase productivity and profits. It also gives the company a way to avoid laying workers off during adverse business conditions and a way to reduce wage inflation, one of the most persistent problems facing our economy. Finally, a substantial bonus would encourage workers to save, a benefit to themselves and to the economy generally.

PRESERVE TAX CUTS—CUT SPENDING

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, the Tax Foundation tells us that today is the day in which the average taxpayer finishes paying off taxes out of his or her paycheck for the year and starts earning real income.

I mention this only because of the very real possibility that those long-deserved tax cuts we passed last year will be tampered with.

In no way will our economy be benefited by dropping or watering down the first real tax cut for Americans in decades. In fact, I believe that any substantial raise in taxes will only prolong this recession and continue the suicidal spending path Congress has been nourishing for some 40 years.

We all know the solution to the budget problems. That is to curtail the taxpayer-consumption habit of this body and put some controls on these so-called entitlements which are eating up our private economy.

Budget deficits should not be cured by picking the taxpayers' pocketbooks. Deficits are the fault of Congress. It is our responsibility to control spending since we are the body that votes and approves a final budget.

I encourage you to read the Wall Street Journal editorial published today, "Deficit Shortfall," which I ask be printed after my remarks.

[From the Wall Street Journal, May 5, 1982]

DEFICIT SHORTFALL?

With the collapse last week of the Reagan-O'Neill budget compromise, the talk turns again to deficits. The budget stalemate, we are assured, can only mean bad news for the economy and the financial markets. In particular, the failure to reduce the "monster" deficits predicted for fiscal '83 and beyond will keep interest rates high and foreshorten any recovery from recession.

Now, big deficits are not good for the economy. But neither are high taxes, which a lot of born-again politicians are offering as the cure for the deficits. And before we tie

ourselves into knots over estimates of what the deficit will be in fiscal '83, '84 or '85, we ought to notice that no one knows what the deficit will be in fiscal 1982, which is already half over.

Thus the administration's own original deficit forecast of $45 billion for fiscal 1982 has now become $99 billion. Democrats and liberal Republicans, who have suddenly discovered the political uses of deficit panic after decades of ignoring the red ink their programs produced, predict $105 billion to $115 billion.

Yet actual results in the first half show that the deficit is running only slightly ahead of last year. In fact, in the first five months, it was running at the astonishingly low annual rate of about $57 billion, about the same as the total 1981 deficit, despite the current recession.

FEDERAL RECEIPTS, OUTLAYS, AND DEFICITS

[In billions]

	Receipts	Percent change prior yr.	Outlays	Percent change prior yr.	Deficit/ surplus
1981:					
Oct	45.5	17.0	63.6	13.0	(18.1)
Nov	44.3	13.0	54.9	14.4	(10.6)
Dec	57.4	17.4	76.9	36.8	(19.5)
1982:					
Jan	55.3	5.9	45.9	−22.3	9.3
Feb	43.0	46.7	57.8	−20.3	(14.8)
Mar	45.3	1.5	63.5	17.0	(18.3)
6 mos., 1982: total	289.6	11.1	361.5	11.0	(71.9)
6 mos., 1981: total	260.6		325.8		(65.2)
FY 1981: total	599.3		657.2		(57.9)

Source: U.S. Treasury and Lionel D. Edie Economics. Figures may not add due to rounding off.

The causes of this "deficit shortfall" are hotly disputed. Most mainstream economists think it was due to special factors that will reverse themselves in the second half. In particular they cite prompter payments of corporate tax liabilities due to a higher penalty for late returns, and slower-than-expected defense spending caused by inability of the Pentagon and other agencies to shovel the money out the door fast enough. The March figures seem to indicate just such a reversion to form.

But others think we may be seeing some longer lasting supply-side effects. Milton Ezrati of Manufacturers Hanover, for example, theorizes that people in high marginal tax brackets have been encouraged by the tax reductions and decline in inflation to shift from tangibles into interest-bearing securities and funds, thus broadening the tax base. That would be just the sort of thing supply-siders would have predicted.

And, ironically, the spending hold-down may reflect the very failure of Congress to produce a budget. Operating hand-to-mouth on the basis of continuing resolutions may be having just the desired restraining effect on the federal bureaucracy. There are worse ways to do business, though this method also tends to prevent a reordering of priorities between, say, social and defense spending.

Last, we remember the spending shortfalls of the mid-70s. The technicians told us then that it couldn't be happening, but it was. The seeming inability of the government to spend its allotted funds back then has never been fully explained, but this makes us all the more reluctant to dismiss out of hand the possibility of a deficit shortfall this year. There are more things in this world than the standard economic models ever dreamed of.

A high deficit for 1982 may yet materialize, though it will require a flat economy and a near-astronomical gap between receipts and outlays in the second half. Alan Greenspan, chairman of the Council of Economic Advisers under President Ford, says he sees nothing in the March or preliminary April figures to indicate that the trend has yet reversed itself, though he cautions against reading too much into that.

The real point is that nobody knows how 1982 will turn out. Yet the politicians are continuing to try to scare the pants off everybody about 1983, 1984 and 1985 with numbers plucked more or less from thin air. Their real aim, of course, is to force the President off his tax cuts. Their professed anguish about deficits is largely a political convenience. Nobody seriously believes that higher taxes will benefit the economy or reduce the deficit. We tried that route before with massive increases in taxes during the 1970s. At the end of the decade we were deeper in the hole than ever.

Deficits are bad, but they shouldn't be the only focus of economic policy. Even more important is whether fiscal and monetary policies are moving in the right direction. If they are, the deficits will take care of themselves. The deficit shortfall of the first half, despite the recession, is a powerful reminder that the numbers game now going on in Washington and the press should be taken with a large grain of salt.

INTRODUCTION OF JOINT RESEARCH ACT OF 1982

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, the gentleman from Illinois, Mr. HYDE, and my two colleagues from California, Mr. MINETA and Mr. MCCLOSKEY and I have introduced H.R. 6262, the Joint Research Act of 1982.

The purpose of this legislation is to clear away unnecessary antitrust uncertainty that may deter efficiency-enhancing joint research and development undertakings by firms in the United States. Joint research undertakings can avoid needless repetition of basic research and increase the return on available research dollars. Indeed, with the path cleared for appropriate joint activities, firms will have an incentive to increase total investment in research and development and undertake research projects that they could not finance on their own.

Many of our industries are faced with ever more sophisticated foreign competition. Leadership in these industries requires not only that firms stay on top of the latest technological developments; they must forge ahead with new discoveries of their own. Many of the foreign competitors of American firms benefit from Government research or other subsidies not available to finance the research of our own companies.

This legislation will grant no Government subsidy. Nor will it create any antitrust immunity. It simply will create a certification mechanism whereby the Department of Justice can examine in advance proposed joint research and development activity and certify appropriate activity against public or private antitrust exposure. If the certificate is erroneously issued, or if subsequent antitrust violations are uncovered, the Department may, after appropriate notice to the joint researchers, lift the certificate and restore full antitrust protections. Even during the period of certification, injured private persons could still obtain actual damages if they could establish violations of the antitrust laws.

An anomaly in our antitrust laws is that firms with a relatively small market share that could lawfully merge under our current merger guidelines may be fearful of undertaking joint research and development activities. Such joint undertaking among competitors could be viewed under some judicial holdings as per se violations of the Sherman Act, notwithstanding the freedom of such firms to take the ultimate merger step.

In some cases where the cost of basic research is high, a joint undertaking may offer the only opportunity for firms to undertake the research. In such cases, procompetitive results may attain from the venture even though the total size of the firms exceeds merger guidelines. Here again, uncertainty as to antitrust exposure could deter firms from undertaking such a cooperative venture.

The antitrust division has tried in recent years to clarify some of the uncertainties by issuing an "Antitrust Guide Concerning Research Joint Ventures" in November 1980. While this guide has provided constructive counsel for some firms, it can provide no assurance of how courts may ultimately interpret the antitrust laws in private antitrust suits, which today constitute over 90 percent of the antitrust suits filed in this country.

The Joint Research Act will allow the Justice Department to put its guide to work in a way that will provide concrete assurance to businessmen not only as to the department's views, but also how those views will hold up in potential private litigation. It will eliminate the harassment potential of private treble damage litigation without granting any antitrust immunity or undercutting the protections afforded by sound antitrust policy. Through this balanced legislation, we hope that we will take a small but significant step to encourage efficiency-enhancing joint research and development that can enhance the long-run competitive position of domestic firms.

JOHN LAWLER LEAVES HOUSE FINANCE OFFICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FAZIO) is recognized for 10 minutes.

● Mr. FAZIO. Mr. Speaker, the House of Representatives is—unfortunately—losing one of its top staff members. John Lawler, who has been chief of the Finance Office under the Office of the Clerk, is leaving Capitol Hill to accept a position with the Washington public relations firm of Gray & Co.

I wish to bring John's departure to the attention of the House and to offer him our best wishes. We regret to see him leave this position and we commend him for his service and hard work for the House, its Members, committee, and other offices.

I have particular knowledge of John's service in my position as chairman of the Subcommittee on Legislative Branch Appropriations. John has appeared before that subcommittee several times with representatives of the Clerk's Office to present budget testimony on House operations.

John came to Capitol Hill from Montana where he was raised in the town of Baker, He graduated from St. John's University of Minnesota with degrees in economics and accounting. He subsequently became a certified public accountant. He began his service with the U.S. General Accounting Office in 1971. In 1972 he began his career with the House of Representatives accepting the assistant chief position in Office Equipment Service under the Clerk, who was then the Honorable W. Pat Jennings. He was responsible as the top assistant to the chief for a multimillion-dollar program of equipment leasing and purchase and other administrative responsibilities in serving the House.

At age 24, John was appointed to head the House Office Supply Service, where new inventory systems and warehouse operations were established. Self-service was promoted as that office became one of the largest office supply operations in the area.

Within a year, the Clerk of the House selected John to head the entire financial operations of the House. At age 25, he was the youngest person to be appointed to that position. He has been directly responsible for budgeting and accounting of all House funds which exceed $400 million annually, auditing of accounts, disbursing funds and administering health benefits, retirement, life insurance, and other related employee programs.

I would like to summarize, briefly, some of the significant developments in the finance office during John's tenure as chief. Working with the Clerk's staff, House Information Systems, the Committee on House Administration, and our Subcommittee on Appropriations, John has:

Developed a highly competent professional staff providing nonpartisan professional services.

Supervised, during his tenure, a responsive, flexible computerized financial management system to replace a manual accounting and check-writing system. Today, technical functions from voucher processing to production of financial disclosure documents are expeditiously and accurately produced. These new systems have responded to many financial reforms and regulatory changes. Today, House disbursements are among the fastest in the Federal Government.

Managed proper fiscal and accurate forecasting of financial requirements which allowed budget requests to remain as low as possible. Budget estimates in most of the last 7 years have been within 2 to 3 percent of actual expenditures.

Prepared the budget estimates for the House and assisted the Clerk in testimony before the Legislative Branch Appropriations Subcommittee.

Mr. Speaker, John served under the supervision of the present Clerk, the Honorable Edmund L. Henshaw, Jr., who is to be commended for keeping John Lawler in his important position as long as possible.

We wish John and his wife, Joan, well in their new undertaking.●

● Mr. CLAUSEN. Mr. Speaker, I wish to take this opportunity to join with the members of the Congressional Flying Club in bidding farewell to one of our most dedicated and spirited members, John E. Lawler.

Our organization, comprised of Senators, Congressmen, and Capitol Hill staffers, is "one of a kind" on the Hill. Over its 20 year history, the Congressional Flying Club (CFC) has promoted education and advancement in general aviation in the Congress, in addition to allowing its members to enjoy one of life's most pleasing experiences: flight. John, in his capacities as treasurer and later as executive director of the club, has made many outstanding contributions to our organization through his creative genius and finely honed financial management skills.

John Lawler came to Capitol Hill from Montana, where he was raised in the town of Baker. After graduating from St. John's University with degrees in economics and accounting, he began his service with the U.S. General Accounting Office in 1971 as a certified public accountant. In 1972 he accepted the assistant chief position in Office Equipment Service with the House of Representatives, and from this position rose rapidly within the ranks of administrative service in the House, selected at age 25 by the Clerk of the House to head the entire financial operations of the House. John was the youngest person ever to be appointed to this position. He has been directly responsible for the budgeting and accounting of all House funds, which exceed $400 million annually, auditing of accounts, disbursing funds and administering health benefits, retirement, life insurance, and other related employee programs.

Those who have worked with John would be quick to recall his industriousness and his achievements in the area of financial reforms and regulatory changes, resulting in House budget estimates that have been within 2 to 3 percent of actual expenditures, and fast and accurate action in the production of financial disclosure documents and disbursements. I could go into greater detail concerning the accomplishments of this talented young man, but it will suffice to say that we value highly the contributions he has made to the U.S. Congress in his professional capacity.

However, it has been outside of this capacity that I and the membership of the Congressional Flying Club have come to know John Lawler and appreciate the spirit and enthusiasm he brings to the organizations of which he is a part. John has devoted hundreds of hours of management to the club, restructuring its financial organization, adding more aircraft to the fleet, and building up memberships. Serving as executive director from 1976 to 1980, he holds today an advisory position with the club. Interested aviators continue to earn their pilot's certificates under the flying programs he implemented.

John will be leaving Capitol Hill in the near future to accept a position with Gray & Co., a Washington, D.C., public relations firm. On behalf of the Congressional Flying Club and the Members of the House, I would like to wish John continued success in his future endeavors, and happiness to both he and his wife Joan in the years ahead.●

● Mr. MARLENEE. Mr. Speaker, I am especially proud to give recognition to the accomplishments of Montana's own "Red Baron."

Whether it is a small atoll in the Atlantic Ocean or a small amiss in the expenditure of the office, it has not escaped the eagle eye of the "Red Baron."

I find it indeed an accomplishment worthy of great proclamation when a lad from a small, windswept town captures for himself the title of House Finance Office Chief.

As an innovative, responsible, and creative accounting genius he has—at his young age—been sought out by many a congressional office for advice and counsel. I myself have depended on his advice a number of times.

I will miss John at the stick. He and Joni were and still are true friends.●

● Mr. WILLIAMS of Montana. I am pleased to participate today in this special order in honor of a fellow Montanan, John Lawler. All we Montanans on the Hill are particularly proud of John's fine service to this House. John and his staff in the House Finance Office are accessible, hard-working, and competent. John's leadership has resulted in effective and consistent assistance to Members of Congress. I congratulate John on his new venture and wish him every success. We'll miss him, but I'm confident that he leaves behind a fine-tuned operation that will continue his tradition of high-quality service.●

● Mr. DASCHLE. A very close friend, and valued employee of the House, is leaving the Hill to enter private business. While I am happy for him in his new position, which will certainly enhance his career, I am saddened that he is leaving, and the House will be the poorer for it.

John Lawler began his service in the House a decade ago in the Clerk's office serving as assistant chief in the Office of Equipment Service. At age 24, he was appointed head of the House Stationery Room where many of the innovations he began are still used today. Within a year John was selected by the Clerk of the House to head the entire financial operation of the House. At age 25 he was the youngest ever to hold this important position.

Those of us who serve in Congress, or work in the House, can really appreciate the chore John had. He dealt with a budget which now exceeds $400 million annually. Not only payrolls for Members and staff, but insurance benefits and other employee packages were controlled by John's office.

During his tenure as head of the House Financial Office, John developed a professional staff providing nonpartisan professional services. The House financial system is among the most efficient in the Federal Government.

Members and staff of the House will miss a truly dedicated and competent employee. I will miss a good friend who has provided my office with great service and without whose guidance and aid I would never have obtained my pilots license. The love of flying was just one more link in a chain of friendship I have formed with John Lawler over the past several years.●

□ 1800

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from California (Mr. FAZIO).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

THE EFFECTS OF "TIPONOMICS"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. LEWIS) is recognized for 60 minutes.

Mr. LEWIS. Mr. Speaker, I would point out to my colleagues that I have seldom taken time on the floor by way of a special order. But it occurred to me last week, as the American public was watching the House struggle with our budget crisis and as President Reagan, after waiting for several months for the leadership of this House to respond regarding his proposals for a budget, went the extra mile in an effort to compromise, only to have that budget compromise fall apart. The country was left in a stalemate and in a circumstance that absolutely undermines our ability to turn about our economy—and then as the Speaker, when discussing the matter with the press, indicated that the real reason for the stalemate was a fundamental philosophical difference between himself and President Reagan and his administration—it seemed to me it was about time that some of us came before the American public to talk about our problems as they really are.

As a practical fact of life, the American public in the last election finally had had enough of "business as usual." They rifled a message by way their ballot boxes and told us in the Congress that it was time to get off that 25-year pattern of spending and spending and more spending and a rate of growth of Government that had gotten to the point where literally Uncle Sam needed to go on a diet. The American public told this Congress that no longer could we afford to be moving down that path toward more than a trillion dollar national debt.

We have reached a point where there is a good deal of talk about a $125 billion deficit for a single year. The figures range between $90 and $180 billion, depending on which statistician is talking.

The public recognizes the heart of the problem. The fact is that just the interest on that national debt costs us nearly that entire $125 billion. Without the interest on that national debt, we would have a balanced budget with President Reagan's program of last year.

I think it is about time that the American public join with us and ask this one question: If indeed the leadership of this House does not agree with the Reagan proposals for the 1983 budget, for 1984 and 1985, then they have a grave responsibility to come before all of us and give us a clear picture of their alternative. What is their alternative?

Their alternative is very simple. It is to once again go back to their "business as usual"—that is, more spending at the Federal level, more taxes, and less defense.

For lack of a better term, I thought it would be worthwhile to call that "Tip O'nomics," for that is their proposal, to proceed on the same path that has taken us to the point where we face economic crisis.

Let us go back a bit and take a look at a few of the facts that are a part of recent history. It is significant for us to remember that in 1976, when the majority party in this House, the Democrats led by the same leadership had control of the House of Representatives and the Senate, but not the Presidency at that point the interest rate was only 6.35 percent, compared to a high 4 years later of almost 21½ percent after they controlled both houses and the Presidency.

It is critical for us to understand that when Jimmy Carter was elected President, the consumer price index was at 5.8 percent and it rose all the way to a high of 13.5 percent at the end of his administration. The deficit pattern continued, the economy began to go on the rocks, and as a result of it the money markets expressed their lack of trust in the kind of leadership we were experiencing in this House. That pushed interest rates, to that 21½ percent high. Then there was a change in 1980. The President suggested we begin a modern-day revolution.

He suggested the following steps: First of all, we must get on a path that would put our economic house in order, and the way to begin is to recognize what every American family understands, You cannot overspend your income year in and year out without eventually having to pay the piper. As a practical fact of life, the President recognized that time was running out, and the first step that is necessary to turn that corner is to begin to trim back the rate at which Government had been growing. So President Reagan took the Jimmy Carter proposals for 1982 and trimmed program after program.

I think it is important for all of us to recognize that in virtually every one of those instances where he was cutting back it was not a matter of cutting the actual dollars spent on those programs the year before; it simply reduced the growth on the part of many of those programs that had been around and were exploding to higher levels each fiscal year.

The reductions were an effort to begin to bring responsibility to our spending patterns.

Now, at another level the President suggested that the people were fed up with unnecessary redtape and unnec-

essary regulation at the national level. The President himself imposed absolutely astonishing changes in those agencies where he has direct executive control. He eliminated some 3,000 pages of redtape that were unnecessary and represented new regulations. The President literally, with his own pencil, began to turn the corner on regulatory reform.

Mr. and Mrs. America can tell us, if we have not been listening, that when they go down to a big Government office when they have got a problem, too often the person across the desk wants to treat them like a number. It is regulation, impersonality, big government, not caring about people but just caring about their own programs.

The President was saying that it is about time that "Uncle" went on a diet.

Another part of the revolution was to suggest that we actually ought to begin or that we actually could begin going in a direction whereby we took less and less of the average American's take-home pay for paying the bills of Government. Virtually the President sponsored an economic program that cut tax rates across the board over a 3-year period for every American family.

The point was this: Historically, around Congress we have enjoyed just before election time increasing a program here or there, giving a new kind of wrinkle to any number of general category aid programs, and then we decide, even though the benefits are going to be sent out before election time, that there is no way to pay for that now.

The President said, "Nonsense. From this point on the Federal Government is going to have to pay for it first." In the past we had gotten used to giving some kind of a tax break just before the election as well. It is easy enough to give a tax break, say, to some industry, for instance, in depreciation, and then the following year, after election, if you think you do not have enough revenue, to go in and eliminate that tax break because there are not too many constituents actually affected.

The Reagan program reduced taxes for 35 million American families, and indeed in the future, with marginal tax rates in place, it is going to be very difficult for Democrats or others to increase those taxes again.

So at this point in time the leadership is attempting to eliminate that income tax break for all Americans before it really is felt out there. Last year there was a little piece of it, one and one-fourth percent, that few could even begin to feel in actual disposable income. But they want to eliminate the future before it is in place because they know they will have a revolution on their hands if they try to raise taxes once the people get the tax break in their pockets.

Tip O'nomics is designed to communicate to the average citizen what the goals of Democratic economic policies actually are, but we must be willing to ask this question: Why does this leadership insist upon continuing down the path of "business as usual?" It is simple. It is because the leadership of this House believes that every problem must be solved by a new Government program or a bigger Government program. They actually believe it. Philosophically, if you believe that, then you probably will be supporting that kind of a pattern of government.

If you do not believe that, then you must recognize this: The leadership of the House—and I believe even including the Speaker—while they are very sincere, is composed of Democrats who are out of contact with the broad cross section of the American public, Democrats and Republicans alike. The Democrats in my district do not want more government. The Democrats in my district are convinced that they are taxed enough—if not too much. Indeed the Democrats in my district believe that it is long overdue for America to lead in the world and to lead from a position of strength, not to be in a position of having less defense. More spending, higher taxes, less defense, that is Tip O'nomics. That is "business as usual."

Mr. Speaker, last week the President came before us once again when the compromise fell apart. He asked each and every one of us to communicate our concerns to Members of the House. The reason that that message was most important is because of the reality that all 435 Members of this House are running for reelection every 2 years. The time to begin to communicate to them about this coming election is right now.

□ 1815

It is also fundamental to realize that we are in a circumstance at the moment that may very well be the turning in the crossroads. As of this moment we are living with the reality that nobody said it was going to be easy. When you have been on a path of 40 years of terrible economic policies, of overspending, of causing our children and grandchildren to be indebted for much of their lifetime, it is not easy to turn that around and there is bound to be some pain that is a part of it.

But just as important, on the other side of that, is the fact that there are so many things happening out there that will make a difference. There is beginning to develop a softening of interest rates in the money markets. I personally am convinced that we are just on the edge of pushing those high interest rates down. It is basic for Americans to realize this.

We had a high of 21.5 percent, and those were the interest rates when President Reagan came into office. Today they are approximately 16.5 percent. That is better but not good enough, but there is evidence that the pressures are on to begin to move those rates down.

Do my colleagues remember a year ago? None of us could hardly talk about another thing besides the inflation rate. The best kept secret in the world is that inflation is no longer a problem. The inflation rate at this point for the first 3 months of this year are running at an annual rate of 1 percent, a huge reduction in the inflation, as a result of sound economic policies beginning to be put into place.

Above and beyond that, it is fundamental for us to realize that there is new money flowing out there in the private marketplace which will provide tremendous opportunities for new investment, new productivity, and for jobs.

Nobody said it was going to be easy. It takes time for those programs to begin to have an impact.

But next, I think it is basic for us to understand that the major roadblock at this moment to allowing those interest rates to really begin to decline is the fact that the money markets and others are waiting for us to demonstrate that we actually are going to come to a compromise that makes sense out of the 1983 budget. A compromise that says that we can work together, and the Democrats and the Republicans alike want to move in the direction of making sense out of our budget so in turn our economy can respond.

It is my view there are at least some of those within the leadership of this House, those Democrats who are not in touch with the American public, the registered voter out there, Democrat or Republican, leaders in this House who actually do not want to see a compromise. They want to see a stalemate continued because some actually cynically believe that if you leave the economy in chaos then come November that means extra victories for the majority party in this House, extra victories that will allow them to continue the kind of control they have had for over 25 years, extra victories that will allow them to continue business as usual.

Remember, Uncle needs a diet and Tip O'nomics means business as usual, more Government spending, more taxes, and less defense.

● Mrs. HOLT. Mr. Speaker, we have had months of partisan fighting devoted to casting blame for the economic mess we are in.

The American people are sick of the partisan posturing and want us to get on with the business of correcting the problem.

I want to remind the House that we are legislators, and our business is to

achieve the compromises necessary to establish public policy.

Do not tell me that compromise is impossible on the budget, that we are so rigidly set in ideological molds that we cannot exercise the constitutional responsibility of Congress to establish fiscal policy.

We all know that high interest rates are wrecking our economy. We all know that interest rates are staying high because the financial markets are frightened by the monstrous budget deficits and the enormous Federal borrowing required to finance them.

Under the circumstances, we know that painful spending cuts are required. We also know that some kinds of tax increases are necessary to increase revenues.

The President is right when he says that congressional extravagance in prior years has caused the budget to run out of control and depress our economy. The Speaker is right when he claims that many of the programs we have created are just and compassionate efforts to help the less fortunate in our population. We all know of the need to rebuild our national defenses, but with prudent regard for what is necessary and affordable.

Surely, as we consider the hundreds of Federal programs in a budget exceeding $700 billion, there are many areas where substantial savings can be achieved by legislators with the will to achieve them.

Surely, in a vast and complicated tax code there are areas where we can raise more revenues without imposing unfair burdens on the productive work, savings, and investments of our citizens.

Mr. Speaker, the economic condition of our country is very serious, and I hope we will not waste much more time with partisan political attacks on each other in this House.

The fiscal policy of the National Government is the responsibility of Congress. Let us concentrate on that responsibility instead of indulging in politics as usual. The economic security of our country is at stake.●

GENERAL LEAVE

Mr. LEWIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

TURKEY IS VITAL TO THE SECURITY OF THE WEST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 30 minutes.

● Mr. FINDLEY. Mr. Speaker, "Vital to the security of the West." We hear these words so often that, after a time, they begin to sound hollow. Let me try, though, to make Turkey's importance to the West just as vivid and precise as I can.

Turkey's role in NATO is supposedly common knowledge. But again, is it? For example, how many realize that, at a time of growing resource constraints across Europe, the Turks still supply the largest land force army of any of our NATO allies? Of course, this army is—in large part because of our embargo—an extremely obsolescent one; yet its great intrinsic potential remains.

Turkey's ability to bottle up Soviet ships in the Dardanelles and to detect and intercept Soviet bombers headed toward the Mediterranean could decisively affect the outcome of a war in Europe. Just by having radar warning of attack from Soviet planes flying over Turkey, our 6th Fleet can take defensive measures capable of making the difference between life and death for our men in the U.S. 6th Fleet.

At a time when fears continue to mount over the prospect and consequences of a nuclear war, United States support for Turkish conventional forces actually helps to lower the nuclear threshold by allowing frontline NATO conventional forces to deteriorate further.

Of course, our problem's and Turkey's importance go far beyond NATO's southern flank. Though we sometimes—for the sake of convenience—divide the world into artificially distinct areas, history teaches us a different lesson. When Europe was attacked in World War II, we had to concern ourselves immediately with protecting our oil supplies in the Middle East. The next time around the sequence may be different. But regardless of sequence, a vital connection remains between the Eastern Mediterranean and the Persian Gulf. That connection should remain uppermost in our minds.

If we were to scan a map at this moment—looking eastward from the Mediterranean across the Red Sea, toward the Persian Gulf—we would be struck by one vivid fact: Our strategic interests increase at the very point that our military infrastructure and assets begin to decline. Where oil exists, we have little force to protect it; and next door to the oil lies the Soviet Union.

For the hard reality is that Turkey—one of the few other Western States to fight beside us in Korea—sits directly adjacent to Soviet invasion routes into the Persian Gulf and into Iran. By strengthening Turkey, especially in its eastern provinces—far away from Aegean; by improving Turkish bases and infrastructure next door to vulnerable Soviet supply lines into the Persian Gulf; we send a distinctly powerful—if quiet—deterrent signal to the Soviet Union.

And look at what is happening in this very region today. Iraq is crumbling under pressure from Iran. The Soviets fuel the conflict on both sides. Syria strikes a deal with Iran that further threatens moderate states in the region. Libya—directly across the sea from Turkey—becomes, along with Syria, a storehouse for sophisticated Soviet arms. And the young, radical mullahs of Iran eradicate the senior, conservative clergy of the country and strike deals for power with the Communist supported Tudeh party. Meanwhile, we talk of reducing aid to Turkey—our one bridgehead to the region as if we were divorced from all reality.

If the Falklands crisis has proven anything—tragic as that crisis is—it is that great powers sometimes have to protect their interests against aggression on short notice. For this, friendly states near the source of trouble, can make all the difference in the world. This country is not so rich in friends that we can continue to kick the few we do have so hard in the teeth.

The Turks, of course, are one of the very few NATO allies to recognize and acknowledge—despite pressure from the Soviets beamed daily into Turkey—that they can play a role in the defense of Western interests outside NATO: territorial boundaries. But how we can expect the Turks to expose themselves to risks on our behalf, if we take no risks for them; if we have no stake in their future; if we show ourselves unwilling to help them meet their most basic defense needs.

A look at the same map, however, suggests an answer to our dilemma—an answer this administration and the last had not the courage to recognize: Work more actively to support Turkey—the West's bridgehead to the Persian Gulf.

It is alarming to realize that the Soviets and their Eastern block clients have spent more in the last few years—well over a billion—in trying to destabilize Turkey through terrorism than the West has spent in trying to strengthen Turkey's defense forces.

Terrorism is a tragic problem which Turkey and individual Turkish citizens have repeatedly faced these past years. Just last night the honorary Turkish consul in Boston was murdered. A group called the Justice Commandos for the Armenian Genocide claimed responsibility. In February of this year, the same group claimed responsibility for the tragic assassination of the Turkish consul general in Los Angeles, Kemal Arikan. It is deplorable that such acts of terrorism and murder occur on U.S. soil.

In closing, I would like to review briefly the significant progress made

in United States-Turkish relations since Congress lifted the arms embargo in 1978. Turkey reopened U.S. bases on Turkish soil including critical intelligence bases which are used to verify strategic weapons agreements between the United States and the Soviet Union. Turkey and the United States have concluded a military base agreement and a prisoner exchange agreement. In addition, Turkey facilitated the return of Greece to the integrated military structure of NATO by accepting the formula for Greece's return. And Turkey has withdrawn more than 10,000 troops from Cyprus since 1978.

Turkey supports the intercommunal talks on Cyprus conducted by the Greek-Cypriot and Turkish-Cypriot communities under the auspices of the United Nations. While progress in these talks has not occurred at the rate we would like to see, the Turkish-Cypriot and Greek-Cypriot communities recently met with U.N. Secretary General Perez de Cuellar and agreed to meet twice weekly rather than once a week to step up pressure on themselves to make more progress. The Turkish side has proposed a map showing territorial changes and arrangements which they termed an opening offer and a negotiating position. I believe that Turkey is supporting the intercommunal talks in good faith. As a friend of Turkey and Greece and Cyprus, the United States should support these negotiations and encourage all the parties to them to strive to reach a just and fair agreement on Cyprus.

Mr. Speaker, I ask 5 days for Members to revise and extend their remarks.●

● Mr. LAGOMARSINO. Mr. Speaker, I wish to commend the gentleman from Illinois (Mr. FINDLEY) for his initiative in bringing this special order on Turkey before this body.

I believe it is imperative that we once again emphasize the vital role Turkey plays in the NATO alliance and the importance to the United States in maintaining close, friendly ties with the nation that bridges the East and the West. It serves no purpose trying to create divisiveness within the Atlantic alliance by suggesting we should support one nation against another within that alliance. The United States values our Turkish allies just as we value our Greek allies, because of our relationship with both of those nations, we must use our good will to help forge a solution to the problems confronting those two nations. We can only make a positive contribution by maintaining the respect Turkey and Greece have for the United States. So, it is vital that we not give the appearance of favoring one side over the other.

Turkey's importance to the United States and the Western alliance cannot be underestimated. Since the Soviet invasion in Afghanistan and the instability in Iran, Turkey remains as a significant source of strength in countering Soviet influence in the Middle East and Southwest Asia. The experience and Islamic heritage of the Turkish people combined with their Westward-looking leadership offer invaluable insights in understanding the trends and aspirations of that region. It would be extremely shortsighted of us to overlook that resource. As the situation in Iran and the Persian Gulf becomes more confusing and potentially more dangerous, it becomes all that much more important to support Turkey politically and militarily.

The takeover by the Turkish generals in 1980 did not represent a destruction of the democratic ideals of that nation. It saved it from the chaos and anarchy that had prevailed during the preceding years which promised only the collapse of the entire democratic system in Turkey.

The Turkish people overwhelmingly support the efforts to restore law and order, to revitalize the economy, to curb the political violence, and to reform the political environment. A Consultative Assembly was convened in October to draft a new constitution, which is to be completed by this summer. There will be a referendum in November and general elections a year later.

It is in U.S. interests to encourage and support the Turkish Government's efforts to carry out their timetable to restore full democracy to that nation. We must recognize the valuable role Turkey plays in the Western alliance and the great extent to which we rely on that nation in preserving our eastern flank.●

● Mr. PRITCHARD. Mr. Speaker, the more confused and dangerous the situation becomes in the Persian Gulf, the more important it is to recognize the political and military importance of Turkey. And now is such a time. We are witnessing a heating up of the Iran-Iraq war, which could throw the Iraqi domestic situation into turmoil. There are indications of growing Iranian cooperation with Syria, which could have broader ramifications for Middle East peace and stability.

Within Iran, the younger, more radical mullahs, possibly in coordination with the increasingly significant Communist Party, are toppling the more moderate of the ruling elements. Where this will lead is unclear. But its implications for U.S. interests are disturbing. And, of course, the tragic Soviet occupation of Afghanistan and the oppression of the Afghan people continue.

Turkey, which borders Syria, Iraq, Iran, and the Soviet Union, therefore, obviously remains a key country in the region. Indeed, the importance of Turkey to the Middle East has already been amply demonstrated during the October 1973 war, when military installations in Turkey detected the passage of Soviet nuclear warheads through the Dardanelles en route to Syria or Egypt and the mobilization of paratroopers at Soviet bases. This early detection permitted a timely U.S. response that averted a deeper Soviet involvement in the conflict with all its consequences. The Soviets, knowing their supply lines over and around Turkey could be cut, abandoned their plans.

In addition to recognizing the strategic importance of Turkey, however, it is important to note today that the current military government in Turkey is taking steps to restore that country to democracy. General Evren has announced a timetable for a return to full democracy. A Consultative Assembly was convened last October to draft a new constitution. This constitution is to be completed by the end of the summer; a referendum on the constitution will be held in November 1982; and general elections will occur in the fall of 1983. We all look forward to the restoration of full democracy in Turkey.

And we all continue to hope for a just and fair settlement on Cyprus. The Greek and Turkish Cypriot communities recently met with U.N. Secretary General Perez de Cuellar and both agreed to increase their negotiation sessions to twice weekly in order to step up self-imposed pressure for greater progress in the talks. The United Nations welcomed this development and so should we as a way of encouraging greater movement to solve this difficult problem. It is the U.S. ability to work cooperatively and positively with all the parties involved in the Cyprus situation—the Cypriots themselves, Greece, and Turkey—that will permit the achievement of an agreement on Cyprus.●

● Mr. DAN DANIEL. Mr. Speaker, when the history of this century is written, there will be other, more spectacular, tragedies reported but none will be sadder than the current situation in Cyprus.

The Cyprus problem has caused untold suffering to both Greek and Turkish Cypriots. The body of reporting on the situation there has lent itself more to emotionalism than reason and has become the stuff from which legends are made but not always the basis for rational actions.

Eight years have passed since the 1974 coup by the Greeks with the intention of annexation in violation of the 1960 international agreement. Turkey, as a guarantor of that agreement, felt compelled to intervene to preserve the independence of Cyprus and to protect the Turkish Cypriots.

Turkey and Greece have been friends of long standing for the United

States, and one might say, as in individual relationships, when friends fall out, the wise man takes no side. But there is a difference here. Over the years since World War II, Turkey has remained a staunch and steadfast ally of the United States, a responsible NATO ally, and a welcome trading partner. Greece, on the other hand and especially in recent years, has been a sometime friend—on our side when they saw advantage, but never completely closing the door to the Soviet Union. Indeed, the notion that the Cyprus problem be "internationalized" was a Soviet initiative, despite the fact that a majority of nations in the United Nations including all in the Western alliance, with the exception of Greece, support the intercommunal talks.

Nor is Greece displaying the attitude of a partner in other areas. Early last month, Peter R. Osborne, petty officer second class, was arrested while on leave in Greece due essentially to an inability to understand the plainclothes policeman who stopped him. The petty officer has been sentenced to 15 months in jail for resisting arrest and assault on a police officer. This is the third time in a matter of weeks such harsh sentences have been handed out, and I agree with others who feel this is politically motivated, since the sentences far exceed the severity of the crime. This is one more indication of the Greek disinclination to cooperate with NATO partners.

Since 1974, a degree of tranquility has prevailed on Cyprus. But while Turkey continues to safeguard the independence of the Cyprus Republic, Greece works to undermine its independent status. Turkey has pledged that its forces will be withdrawn as soon as an amicable settlement is negotiated.

If Greece is sincere in its efforts to seek solutions to the issues that mar its relations with Turkey, such readiness is deeply concealed and its existence a matter of guesswork. It is imperative to all parties concerned, particularly the NATO alliance, that peace and tranquility be restored to Cyprus.●

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Illinois (Mr. FINDLEY).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

NO MORE TOSCOS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, we are very lucky that the Colony oil shale project was controlled by a majority partner who was not federally subsidized. Exxon had its own money at risk, not the Federal Government's. And Exxon said going forward with the Colony oil shale project now makes no sense at all.

Compare Exxon's performance with TOSCO, which would have had 75 percent of its costs in the Colony project picked up by the Federal Government. Just 2 days before Exxon pulled the plug, TOSCO took out a full page ad in the Wall Street Journal portraying the Colony project as the best thing since latex. Consider what TOSCO said:

> The Colony project is under excellent control. In 2 years of actual field construction, costs and progress have met expectations.

Was TOSCO telling us they expected that the Colony project would cost $5 to $6 billion as Exxon now estimates? That they expected Exxon would make basic design changes going to the very concept of the project, as Exxon has done?

I could go on, but the most damning part of all is that this project, according to Chairman Noble of the SFC, is the best managed, best designed project of all the synfuels projects now in the works. What do we have to look forward to? This project was not controlled by a federally propped-up partner. We may not be so lucky the next time.

If we do nothing else in response to what happened to the Colony project, we at least ought to take steps to minimize the taxpayers' exposure to damage from future flights of fancy by synthetic fuel project sponsors on the Federal dole. Today I introduced a sense of the House resolution to make sure that the amounts of Federal money put at risk for the Colony oil shale project are not put at risk again.

Sections 151 and 152—particularly 152(c)—of the Energy Security Act and section 105(c) of the Defense Production Act, as well as the floor debate on the Energy Security Act, all indicate that Congress did not want the SFC to have two cracks at the billions of dollars it was authorized to use in assisting synthetic fuel projects. Despite these expressions of congressional intent, the SFC has taken the position that it may be entitled to use again the funding authority freed up by the collapse of the Colony project.

There must be no question about the disposition of this billion dollar authority. I hope my colleagues will join with me in protecting American taxpayers from another synfuel star like Colony.●

BOB CULLISON HAS RETIRED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 10 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, Robert "Bob" Cullison has announced his retirement from the minority professional staff of the House Committee on Veterans' Affairs. His leaving creates a void that will be difficult to fill.

Mr. Cullison has over 40 years of government service. He served in the U.S. Army in World War II. Thereafter he worked for the Veterans' Administration in Cincinnati, Ohio, as an educational specialist for 6 years while also attaining his law degree. During the fifties he was a special agent of the Federal Bureau of Investigation, specializing in cases involving interstate theft, white slavery, and extortion. While with the FBI he received several commendations and citations.

Mr. Cullison then returned to the Veterans' Administration where he had a number of executive assignments. Ultimately, he was the individual in VA central office who was responsible for checking for accuracy and uniformity in disability cases. He was the acknowledged expert in this very intricate field until his first retirement on January 1, 1975.

We were then able to persuade Bob to come to work with our committee as a reemployed annuitant. In these last 7 years his performance has been exemplary in every way. He has a vast knowledge of veterans law and procedures that has served the committee well. We will surely miss him but we wish he and Mrs. Cullison the very best in their retirement years.●

SAN FRANCISCO'S MISSION NEIGHBORHOOD HEALTH CENTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, community-based health clinics are under attack throughout the Nation and the future of the Mission Neighborhood Health Center in my district is in jeopardy.

The Mission Neighborhood Health Center was designed as a comprehensive health care center. It provides family-oriented medical services for more than 40,000 people. Many of these people do not speak any English, including recent immigrants to this country.

As a direct result of Federal budget reductions, the center's services have been seriously reduced. They have been forced to see fewer patients and to increase waiting time for appointments. Under these circumstances, it is

difficult for the center to meet the minimum health care needs of the community.

This reduction in services is yet another tragedy resulting from the Reagan administration's draconian budget cuts.

I would like to include in the RECORD a statement prepared by the Friends of the Mission Neighborhood Health Center. The statement follows:

COMMUNITY HEALTH CENTER SERVICES IN THE CITY AND COUNTY OF SAN FRANCISCO

In San Francisco, the Mission Neighborhood Health Center provides vital, high quality, low cost primary health care services to the Greater Mission District and San Francisco community at large. The center currently serves more than 40,000 individuals (over 17,000 families) of which the majority have incomes that fall at or below the federal poverty threshold. Mission Neighborhood Health Center is part of the national community health center network and programs like this one should continue to be funded for the following reasons:

Community health center provide the first-line access route to the overall health care delivery system for a very large clientele. This clientele consists of both whites and minority group members who may be indigent, but not eligible for medicare or medicaid, legal immigrants and aliens who have just arrived; those residents who speak little or no English; and those persons covered by medicare and medicaid. Most of these individuals find community health center programs to be far more accessible and in many cases the only accessible place, for obtaining primary health care.

Community health centers provide needed care at the time of greatest urgency. Community health centers are a vital resource in helping refugees and immigrants become settled and productive members of society. The time that they need help most urgently is when they first arrive, often with poor health due to malnutrition, lack of preventive health care, etc. Failure to treat these conditions can lead to a serious health problem later. Once these immigrants receive needed care, and work their way into the mainstream of American society they frequently transfer to the mainstream private medical sector for their health care.

The cost of services provided through community health centers is competitive with other providers. In terms of direct costs, community health centers are competitive. When[1] the nature of the clientele is considered (i.e., a more difficult population to service, suffering from poorer health in general), the low costs per patient visit are even more impressive. Furthermore, patient loads have increased sharply without commensurate increases in staff and with a high inflation rate.

Community health centers are held accountable to the clients served through mandated community control; to the funding sources through a rigorous programmatic and fiscal reporting system; to other providers through linkages; and to elected officials who vote on program authorizations and appropriations for these programs. Community health centers have been responsive to this close scrutiny by implementing cost containment and quality assurance procedures that have reduced the cost of services provided without lessening the quality of care.

Community health centers are effective means of controlling the cost of health care. They emphasize preventive health services. They provide primary health care before expensive hospitalization occurs. They provide an alternative to the misuse of expensively maintained emergency room services. They demonstrate that health care costs can be contained by emphasizing preventive and primary health care.

Community health centers contribute to the communities that they serve. They provide jobs to local residents, and they interact economically with other local business. They provide a model for orderly participation of the members of a local community in developing and managing a needed service. They generate referrals to the private sector for specialty services. They deliver health care services to portions of the community who have traditionally been medically underserved. They are important cultural bridges contributing to the assimilation of immigrants into American society. CHC forms an important part of the currently existing Community Health Care Delivery System.

MISSION NEIGHBORHOOD HEALTH CENTER (MNHC)

Clientele: This Center has been providing bi-lingual, bi-cultural health care services to residents of the greater Mission District and Hispanic Community at-large since 1967. Eighty-five percent of the patients are Hispanic origin particulary from Mexico, Central and South America. The predominant population in the catchment area is Latino, with significant numbers of other White, Black, Filipino, and Indo-Chinese clients. The majority of these patients are unable to communicate their medical problems or symptoms in the English language, and rely upon the unique bi-lingual, bi-cultural nature of the MNHC program to meet their needs.

The center currently serves more than 40,000 individuals (over 17,000 families) of which 56 percent have incomes that fall at or below the federal poverty threshold. The number of patients served has increased dramatically in recent years from a total of 25,000 annual patient visits in 1972 to the current estimated 55,000 per year.

Cost/services data	1980	1981
Number of patients registered	37,000	40,000
Average number of individuals registered per month	250	300
Number of encounters generated	50,000	55,000
Cost per M.D. encounter	$31	$24
Number of staff	83	80
Percentage of administrative costs	18	16
M.D. productivity level (patient visits per M.D. per year)	4,700	4,700
Annual ongoing operating budget	$2,586,663	$2,782,605

Trends: At present, 300 new patients are registered monthly. The patient load will continue to increase due to language and cultural access problems; the influx of immigrants from Central and south America, Asia, etc; and the absence of healty care entitlement or suitable reimbursement mechanisms to pay for services provided.

The most recent financial management information shows primary care visits cost $12.00 each; the cost per medical encounter is $24.00 each; and overall administrative cost for the program is at 16 percent. These costs will be further reduced through implementation of improved management and delivery systems. The average cost per medical user in 1980 was a modest $93.00.●

[1] CHC user cost per year in 1978 was $96 compared to $155 for a Medicaid user, and $172 for the average U.S. citizen.

Source: Bureau of Community Health Services; Medicaid State Tables; and National Health Expenditures.

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am, today, along with Mr. HANCE and other colleagues, introducing the Farm Crisis Act of 1982. This legislation is our response to the depression level economic condition of agriculture and is also our response to the inaction of the administration to deal aggressively in trying to improve the agricultural economy.

All the statistics point to the parallels between 1982 and the Depression years. As in the 1930's, when farm parity plummeted, parity has dropped more than 30 points to 58 percent and is getting worse.

As in the 1930's, when farm income plummeted to $120 billion, farm income has declined 39 percent in the last 2 years while an additional 25 percent decline is forecast in 1982 to a nearly identical level.

While merely 30 years ago, farm debt was only $12 billion, it is now $180 billion—eight times higher than net farm income.

As in the 1930's, when tens of thousands of farmers were forced off the farm, the weekly toll in 1982 stands at more than 1,100.

USDA reports on the number of FmHA loans delinquent, and the number of borrowers delinquent are also ominous. FmHA's quarterly report of January 1, 1982, says that 35 percent of farm ownership loans, 58 percent of farm operating loans, 59 percent of disaster emergency loans and 59 percent of economic emergency loans are delinquent. The March 31, 1982, FmHA Farm Loan Status Report indicates that 30 percent of FmHA borrowers are delinquent. So far this fiscal year, FmHA reports that they have sent out 23,602 servicing letters—these are letters to farmers who are having difficulty repaying their loans. And FmHA, after sending out about 600 acceleration notices—notices which tell a farmer to pay up his entire loan immediately or be sold out—from October 1981 through December 1981, has now mailed out 2,978 such notices as of March 31, 1982.

And on a very personal level, I have a notebook which contains 45 days of auction clippings from South Dakota newspapers. These auction notices cover March 13, 1982, to April 27, 1982, and in that very short time, 320 farm auctions took place in South Dakota.

All this goes to show that we need some action to help the farm economy. We need to get our production in line with market demands in order to get

our prices up. FmHA needs to do everything possible to keep farmers on the land. In conjunction with that, I would like to mention a separate piece of legislation that Congressman DORGAN and I have sponsored and which has now been approved by the full House Agriculture Committee as part of the Farmers Home Administration programs reauthorization bill (H.R. 5831). This bill says that a farmer, if he or she meets these criteria, is entitled to a deferral on his or her loan. In order to be eligible for a deferral, the farmer could be no larger than a family-size farmer, his inability to pay would have to be due to economic circumstances beyond his control, and he would have to be a good manager and would need to have a reasonable chance for repayment after the deferral period ended. I think this is a reasonable approach to dealing with a severe problem among FmHA borrowers.

The legislation also calls for FmHA to set out clear regulations and procedures regarding notification of deferral and other servicing remedies, something which now is a hodgepodge of statute and regulation. It is obvious from talking with many farmers and attorneys who represent farmers, that producers are often not aware of options available to them when they become delinquent, when FmHA sends a letter telling a farmer to sell his machinery, or when an acceleration notice is received. FmHA needs to let farmers know as soon as they get in any economic difficulty what various options are available. We do not want to have people in the situation of having only a couple days to try to seek legal advice before his farm is sold. Under this legislation, FmHA is also required to set out clear appeal procedures regarding denial of deferral and other servicing remedies.

The above-mentioned deferral legislation and the Farm Crisis Act of 1982 address some of the major problems of agriculture today. I include for the RECORD a summary of the Farm Crisis Act of 1982 and a copy of the bill. Please note in the last section of the summary that the Congressional Budget Office estimates that due to the amount of land taken out of production, and a corresponding reduction in deficiency payment and storage costs, our bill saves $899 million over the current farm bill.

PROVISIONS OF THE FARM CRISIS ACT OF 1982

The Farm Crisis Act of 1982 offers these specific provisions to deal reasonably, and within bounds of prudent federal spending constraints, with the problems posed by today's depressed agricultural economy:

1. Producers of feed grains, wheat, cotton, and rice who have already signed up to participate in the existing 1982 diversion program would have the additional option of diverting another 5 per cent of their acreage and being paid for that diversion. This would lessen demands on the federal budget, since it is cheaper to avoid producing additional units of commodities that are already in surplus supply, rather than making payments—price supports, storage, or otherwise—after the commodities have been produced.

In addition, the effect of reduced supplies would stimulate prices, thus reducing required target prices. And because of the late date in the 1982 season, the sign-up would be open until the end of the certification period. Haying and grazing would also be available to those farmers who have already planted.

The levels of diversion payments would be: Corn $1.25 per bushel; Wheat $2 per bushel; Rice $2.20 per hundredweight; Cotton 20¢ per pound. These would be calculated thus: Normal production x acreage diverted (equal to 5 percent of historically planted acres.)

2. A nationwide referendum would be held in July on whether farmers will lay aside 15 percent of their crop land for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 per cent of the farmers participating would be required for approval. If the referendum passed, loan rates would increase by 10 per cent. Failure to comply with the referendum provisions would mean denial of access to farm programs for three years.

3. If the referendum should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program when carryover reached certain levels:

For wheat, if domestic carryover grew to more than 5 per cent of world wheat utilization, a minimum 15 per cent acreage set-aside program would be implemented, and farmers would receive a 5 per cent loan rate increase. Farmers would also have the option to set aside 30 per cent of the previous year's plantings in return for a 15 per cent increase in the wheat loan. The set-aside acreage could be devoted to haying and grazing.

For feed grains, if domestic carryover grew to more than 18 per cent of total domestic and export use, a minimum 15 per cent set-aside program would be implemented, and farmers would receive a 5 per cent loan rate increase. Farmers also would have the option to set aside 25 per cent of the previous year's plantings in return for a 10 per cent increase in the loan rate.

For cotton, if total domestic carryover stocks of upland cotton at the end of the marketing year exceeded 4.2 mission bales, the Secretary of Agriculture would provide for a minimum 15 per cent set-aside, and farmers would receive an increase of 10 per cent in loan rates. Farmers would have the option to set aside 25 per cent of acreage, in which case the loan rate would be increased by 20 per cent.

4. It would be expressed as the sense of Congress that one billion dollars should be made available for the Agricultural Credit Revolving Fund, and expressed also as the sense of Congress that the Administration should take immediate action to begin negotiations with the government of the U.S.S.R. for a multi-year trade agreement.

5. The government would guarantee up to $250 million in loans for construction of on-farm storage facilities. This would make storage available for 500-600 million bushels of grain.

6. Use of the Economic Emergency Loan Program would be mandated, retaining the current $600 million cap. The program would be extended until September 30, 1983, and the cap on loan size would be lowered from $400,000 to $200,000.

7. The President would be directed to call a White House Conference on Agriculture to provide a forum for in-depth and long-range examination of agriculture's problems, solutions, and future potential.

8. The Secretary of Agriculture would be directed to survey and expedite bartering of U.S. government-owned agricultural commodities for strategic materials.

COST

The Congressional Budget Office estimates that because of the amount of land taken out of production, deficiency payments and storage costs will decrease and less grain will be redeemed, thereby saving $899 million over four years. This is a saving over the current law.●

RHODE ISLAND COMMEMORATIVE COIN SCANDAL SHOULD SERVE AS A WARNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, I have frequently stated my opposition to the private marketing of Olympic commemorative coins as called for in H.R. 6058. Unfortunately, the history of commemorative coinage in the United States is riddled with many glaring examples of the fraud and scandal that seems to go hand in hand with the private marketing of commemorative coins. While I have no particular desire to assume the role of the doomsday prophet, I think that we would be wise to heed Santayana's warning before it is too late. It is for this reason that I call your attention to the scandal surrounding the striking of half dollars to commemorate the tercentenary of the founding of Rhode Island.

On May 2, 1935, the Congress authorized the striking of 50,000 silver half dollars to commemorate the tercentenary of the founding of Rhode Island by Roger Williams. The coins were to be turned over to the Rhode Island and Providence Plantations Tercentenary Committee with the proceeds from the sale going to finance statewide celebrations of this event. The first 20,000 coins were to be struck at the Philadelphia Mint, with the remaining 30,000 to follow from Denver and San Francisco. The first sets were made available on March 5, 1936.

As it turned out, March 5, 1936, was a very confusing day. The Tercentenary Committee had received its first batch of coins and began to distribute them. When the committee turned 6,750 coins over to a Providence coin dealer, they were informed that this dealer had already received over 11,500 orders from all 48 States, Canada, and various foreign concerns. In an effort to fulfill these orders, the committee reduced the allocations to

other area dealers. This Providence dealer also had to purchase coins back from local recipients. According to the committee's treasurer, Arthur L. Philbrick, approximately 45,000 of the total issue were sold by noon, and the entire supply was depleted later that day.

In the meantime, the committee had been accepting mail orders from collectors since the previous November. When these orders could not be filled, the committee sent the collectors back their money, saying that all of the coins had been sold to Rhode Island natives. Rather than returning the original money orders and checks, the committee drafted new checks drawn on a Providence bank. Many consider it highly probable that the coin collectors' money had been used as a means of getting the coins from the mint.

At first glance, it appears that this commemorative coin program was a huge success since the demand seems to have far outweighed the supply. Unfortunately, it is not that simple, for many people became skeptical over the subsequent weeks and months. The coins were never advertised for sale by the Tercentenary Committee. In addition, there were only five members of the American Numismatic Association in the entire State of Rhode Island. The Providence coin dealer who received the 6,750 coins and supposedly exhausted his supply, immediately raised his prices from the original $1.50 to $7.50 and then to $9, a 500-percent increase.

Although no one knows where all of the coins went, we do know where they did not go: To the coin collectors who ordered them at the original price.

Lest you wonder, this was not an isolated case. There are numerous other similar examples of price fixing and improper coin distribution.

On March 13, 1937, in an article entitled "Money on the Make," the Saturday Evening Post called the minting of commemorative coins a racket. It then went on to say that:

> Commemoratives are coined to sell to collectors. Congress knows it; the lucky folks who finance celebrations, monuments and what not from their sale know it . . Collectors are beginning to realize that they can't have privately sold coins and keep their hobby too.

It is clear that everyone knew that the coin collecting community represented a huge section of the potential market for the sale of any commemorative coin. Yet, the private marketing of the coins only harmed coin collectors because of the abuse in pricing and distribution.

The situation got so bad that Congressman John J. Cochran of Missouri took the floor of the House on July 29, 1937, to introduce legislation that would prohibit the striking of commemorative coins. After discussing the Rhode Island situation, he said:

> . . . there are many more cases that can be cited showing beyond question where the coins were issued and distributed, not for the purpose of really commemorating an event, but for the purpose, not only to defray the cost of the celebrations, but to enable coin distributors to practically fleece the public.

And the most upsetting fact to Congressman Cochran was this:

> . . . appalling extent to which the coins have been exploited for private gain. . . When coins are gathered up by dealers and offered at such absurd premiums, the profits do not go to the organizations but to the individual merchants.

Thus, not only did the private marketing of these coins adversely affect the purchasers, it also took extreme advantage of the intended beneficiaries. It seems that the only ones who ever won were the marketers themselves.

Currently, there are two different proposals before this Congress designed to commemorate the 1984 Summer Olympics and raise money for our athletes through the sale of commemorative coins. H.R. 6058 calls for the coins to be sold to the public through private marketers. Under my bill, H.R. 6158, the coins would be sold directly to the public by the U.S. Mint, thereby avoiding the middleman and the scandal. We now must choose between these bills. Given the fact that scandals, like the one in Rhode Island, seem to erupt whenever private marketers are involved, I see no reason to approve that approach. Yet, for some reason, the proponents of H.R. 6058 seem bent on courting disaster by ignoring the lessons of history. In my mind, one mistake is one too many. The least that we can do is learn from one, thereby avoiding another.●

ARTURO VILLANUEVA RAMIREZ WINS WINTHROP ROCKEFELLER AWARD FOR DISTINGUISHED RURAL SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DE LA GARZA) is recognized for 30 minutes.

● Mr. DE LA GARZA. Mr. Speaker, this evening will be a very special one for me. One of my valued constituents, Arturo Villanueva Ramirez of Alamo, Tex., is being presented with a check for winning the Winthrop Rockefeller Award for Distinguished Rural Service. I plan to attend the ceremony at the U.S. Botanic Garden Conservatory during which he will receive the prestigious $10,000 award named after the late Governor of Arkansas because it was my privilege to have nominated Mr. Ramirez for this honor.

Mr. Ramirez is a former migrant farmworker who catalyzed community support to form a nonprofit water supply corporation which today serves thousands of people in the colonias of the lower Rio Grande Valley, mainly migrant and seasonal farmworkers and their families.

Although Military Highway Water Supply Corp. brought safe drinking water to the homes of many of the needy, there are still many areas of south Texas today without drinking water, and many other water supply corporations have come to me for help in securing water for a thirsty valley.

But the story of Military Highway Water Supply Corp., is a story about a group of people with a very big dream and very little money who overcame enormous obstacles to achieve that dream.

With your permission, Mr. Speaker, I submit the nominating petition which I sent to the National Rural Center, the nonprofit agency which handles the selection of award recipients, so my colleagues can read about this remarkable young man and his people:

WINTHROP ROCKEFELLER AWARD FOR DISTINGUISHED RURAL SERVICE NOMINATING FORM

NOMINEE'S WORK EXPERIENCE

Migrant and seasonal farmworker from 1956 (at the age of 8) through 1964 and intermittently through 1967

Teachers Aide, Youth Program Consultant and Visual Aids Coordinator for various public schools in lower Rio Grande Valley of Texas, 1969 and 1970.

Project Director, Youth Development Program for Colonias del Valle, a community based nonprofit organization operating in the rural areas of Hidalgo County and Cameron County, Texas. Advocacy work of the program led to the establishment of two community recreation parks and the completion of a major survey of need for potable water services for rural residents, 1970 and 1971.

Teacher Supervisor and Lead Instructor, manpower program sponsored by Colonias del Valle. Supervised seven instructors and taught in a program preparing 130 adults, mostly farmworkers, to find better jobs and get a college education, 1972.

Director of Field Operations, Colonias del Valle. Led community organizing efforts and negotiations with public officials to improve public services such as potable water supply, storm drainage, roads and school bus service, in very low income, Chicano settlements known as "colonias", where there was no available potable water supply, 1973 and 1974.

Manager, Military Highway Water Supply Corporation, 1974 through present.

PROJECT OR PROGRAM DESCRIPTION

Mr. Arturo Ramirez helped organize the Military Highway Water Supply Corporation (MHWSC) and has led the group from the point when it first hired a staff in 1974. Throughout, Mr. Ramirez has had the responsibility for providing MHWSC's overall leadership and direction. This includes organization work involved in signing up member-customers, overseeing the professional engineering work involved in the design of facilities, obtaining all the necessary permits, clearances and approvals from local, state and federal agencies, overseeing the operation and maintenance of the facilities after they were built and initiating new, related projects such as the development of wastewater facilities and the development

of a commercial and industrial tract of land near the geographic center of MHWSC's service area.

Here is the story of MHWSC's creation and accomplishments from the viewpoint of the organization:

"The Military Highway Water Supply Corporation serves an area generally consisting of the southern portions of Hidalgo and Cameron Counties in the Lower Rio Grande Valley of Texas. The area is bounded by U.S. Route 83 on the north, U.S. Route 281 on the west, the Rio Grande River on the south and the City of Brownsville on the east.

The principal road through the area is the east-west spur of U.S. Route 281, known locally as the "Military Highway." The road got its name in the days when it served as the major communications link among U.S. military installations along the Mexican border.

A number of small, rural communities are located on or near the Military Highway. They contain from several dozen to several hundred families each. They are generally referred to by the Spanish term "colonias," roughly translated as neighborhoods.

Though individually small, collectively the colonias of the lower Valley (including those outside the MHWSC service area) house over 10 percent of the region's population. Many were established a century and more ago by the first settlers moving north from locations in what is now central and northeastern Mexico. Others have grown up recently as housing subdivisions, created to provide less expensive homesites than those in the Valley's cities.

The colonias are not incorporated municipalities under Texas law. The local governmental unit is the county. The county governments do not provide any water supply or wastewater disposal services.

The predominant living conditions in the colonias are poverty and blight. The residents have very limited incomes. The largest single group of colonias workers consists of migrant or seasonal farmworkers. The lower Rio Grande Valley is the largest single "home base" area of migrant farmworkers in the entire United States.

Housing conditions are generally substandard. Until MHWSC built water supply facilities into these communities several years ago, they had no public utility services other than electricity. As a result, neither public programs nor commercial lenders could finance the development of standard housing.

The Military Highway Water Supply Corporation is a nonprofit utility corporation. Under its articles of Incorporation and By-Laws, it is organized as a cooperative—its utility customers are its members with the power to elect its Board of Directors on the standard one person-one vote basis. It is the largest cooperative venture controlled by low-income people in the lower Rio Grande Valley, and probably one of the largest in the country.

MHWSC was originally organized in 1970 and formally incorporated in 1971. It was established for the specific purpose of bringing the first reliable, public supply of potable water to the residents of the colonias. In addition to bring a precondition of any housing or economic development in the area, such a water supply was necessary to alleviate the serious health problems caused by waterborne diseases associated with the shallow wells used by many colonia residents and the contamination of water hauled by others from such unsanitary sources as irrigation ditches.

After several years of organizing work, MHWSC sought and obtained financing commitments from the U.S. Economic Development Administration and the U.S. Farmers Home Administration. These commitments—a $600,000 grant from EDA and a $1,890,000 loan from FmHA—enabled MHWSC to build its initial water supply facilities.

These facilities were completed late in 1977. They included two water treatment plants, three 100,000 gallon elevated storage tanks, one ground level booster tank, 145 miles of pipe and a small administrative and maintenance facility in Relampago, a colonia located on the Military Highway. Some 2,100 families received water from these facilities.

Since that time MHWSC has obtained an additional $2,300,000 in financing from EDA and FmHA and constructed additional facilities, increasing the capacity of the system and bringing the total number of MHWSC member-customers to over 4,000.

Building upon its proven record in community development (and under Mr. Ramirez' leadership) MHWSC has expanded its activities by:

Drawing up plans for the first wastewater systems designed for the larger of the colonias within the MHWSC area.

Assisting in housing development by helping MHWSC member-customers with basic home repairs and exploring the use of self-help techniques for new home construction.

Facilitating the development of a small industrial site adjacent to an international bridge in the central portion of the MHWSC service area.

IMPORTANCE

Over 4,000 very low income, predominantly migrant and seasonal farmworker families, totally approximately 22,000 people, in over 25 rural communities, have received safe, reliable drinking water services for the first time through the rural water supply cooperative which Mr. Ramirez helped to create. The process of creating the system has led to a change in the national rules governing the water-sewer programs of the U.S. Farmers Home Administration, and policy changes and proposed reforms in FmHA, the U.S. Economic Development Administration and the U.S. Environmental Protection Agency programs financing the construction of rural water or wastewater systems, as well as setting a national model for the organization of a large-scale rural water supply system providing services to very low income people at rates they can afford.

HOW IS IT FUNDED?

Operation and maintenance costs are met from the sale of water to MHWSC's member-customers. Construction financing has been obtained principally from the programs of Farmers Home Administration and the Economic Development Administration. Funding for other aspects of MHWSC's development work has been obtained from other public sector programs, including those of the U.S. Department of Housing and Urban Development, the U.S. Community Services Administration, the Texas Department of Community Affairs, and employment and training and anti-poverty programs administered by Cameron and Hidalgo Counties, and from private sector agencies including the Campaign for Human Development of the U.S. Catholic Conference, the Self-Development of People program of the United Presbyterian Church and the Texas District of the Lutheran Church-Missouri Synod.

LEADERSHIP

In what way or ways have rural people and/or communities benefited from the nominee's contribution?

Approximately 22,000 people in 25 rural communities in the lower Rio Grade Valley of Texas have thus far obtained potable drinking water services for the first time through the organization and construction of the Military Highway Water Supply Corporation's system, led by Mr. Ramirez. The people receiving the water service are also owners of the system, though MHWSC's structure as a utility cooperative. The availability of water supply services, at rates which the low-income residents of these communities can afford, is an essential precondition for housing improvement activity, new housing construction and the creation of new businesses and jobs in these areas.

MHWSC's example has served as a focal point for efforts at both state and federal levels to make policy changes in the programs which provide financial support for the construction of rural water and wastewater facilities. In its efforts to obtain financing from FmHA for the second stage of the construction of its water facilities, MHWSC was confronted with an interpretation of FmHA regulations that threatened to deny MHWSC any FmHA grant assistance on the grounds that its user rates were not as high as those of other water supply corporations, even though MHWSC customers could not afford higher rates. Mr. Ramirez led the effort to persuade FmHA to make a change in its permanent regulations permitting the Administrator of FmHA to waive the rules involved and approve grant financing at maximum legal FmHA terms for water-sewer systems serving very low-income communities.

In addition to this change which has been made in FmHA policy, Mr. Ramirez has focused national attention on other policy changes needed in the rules governing federal programs administered by FmHA, EPA and EDA, such as:

The need for special attention to the availability of utility services in unincorporated rural areas immediately adjacent to municipalities (called extra-territorial jurisdiction or ETJ in some states).

The need to require applicants for federal funding to set "membership" or "connection" fees imposed on new customers hooking into a utility systems; lines at levels which low income people can afford.

The need to identify low-income and minority group population concentrations on maps of projected service areas for facilities proposed for federal assistance in order to insure that such areas are not bypassed in the construction of federally-aided facilities.

The need to make changes in the enabling legislation for EPA's wastewater treatment works construction grants program to permit nonprofit organizations direct access to federal financing in rural areas where local public bodies are unable or unwilling to development of necessary wastewater systems.

Beyond the immediate result of the program or project, what distinguishes the nominee's leadership?

Mr. Ramirez has a proven ability to establish and maintain effective relationships with people at all levels involved in the delivery of rural utility services. He has been effective as a community organizer and leader, working one-on-one, with small groups and with communitywide organizations in small, low-income rural communi-

ties. He has been effective in dealing with property owners, in personally obtaining hundreds of easements to enable the MHWSC water lines to cross private land. He has been effective in dealing with local and state governments in obtaining the scores of permits and clearances required to enable the development of the system to proceed. And he has been effective in dealing with federal financing agencies, up to and including the Cabinet and subCabinet level leadership within the Department of Agriculture and Department of Commerce, as well as the Congressional delegation representing the lower Rio Grande Valley. His ability to make and keep long-term friends at all these essential levels involved in rural water supply issues has been crucial to the development of the MHWSC system and its accomplishments.

INNOVATION

MHWSC was built, in an organization and development sense, through a "grass roots" approach, largely initiated and led by present and former migrant farmworkers. Mr. Ramirez, the leader in that effort, is himself a former migrant worker, whose early education came in the migrant stream from the lower Valley of Texas, through Colorado and into Montana following the sugar beet and other crops.

The conventional approach to the development of rural water supply systems is to depend entirely upon public agencies to initiate, build and own the facilities involved, with the leadership supplied by highly educated professionals, such as consulting engineers.

MHWSC's system was not and could not have been built that way. The organizing work involved required an ability to relate directly to the low-income, Spanish-speaking families in the "colonias." The work in obtaining the clearances and approvals necessary to build the system required time and persistence that could not have been reimbursed at standard professional rates. In Texas, with laws and a tradition that have made county governments relatively weak with respect to the development of water and wastewater facilities, public bodies are not the customary vehicles for the establishment of water and wastewater systems. The ability to attract and retain the interest of agency officials at the national level is not common among leaders of local community based groups.

OBSTACLES AND HARDSHIPS

1. MHWSC had to be organized and develop its initial water supply system without any previously established source of operating or administrative funds. MHWSC was a new system. It was started without any funds. The federal programs to which it turned for support finance only construction, not administrative costs. Mr. Ramirez successfully overcame this obstacle by stimulating volunteer work in the individual communities to sign up MHWSC member-customers and by raising small sums through private and public agencies such as church groups and local employment and training programs. The fact that this was done is unusual enough. What made it almost unique, nationally, in the MHWSC case, was the scale of the system being developed—one that would serve several thousand households, not just several dozen.

2. MHWSC had to persuade federal financing agencies that it could repay a loan of $1,890,000 despite the fact that a significant proportion of its customers are migrant farmworkers who are away from the area for several months of the year and whose incomes are very low. Mr. Ramirez successfully overcame this obstacle through his personal persistence and persuasive abilities and an unwavering insistence that the federal agencies must provide enough grant, rather than loan, support to enable the MHWSC user rate structure to be fixed at levels low-income customers could afford.

3. MHWSC had to persuade federal agencies to set aside both published regulations and unwritten "rules of thumb" as part of the process of approving necessary funding for the construction of MHWSC facilities. Mr. Ramirez successfully overcame this obstacle through his persistence and ability to appeal to top agency leaders on the grounds that the unwritten and written agency rules conflicted directly with accomplishing the national objectives of the programs.

4. MHWSC had to establish a capability, without increasing the rates imposed on its low-income customers, to initiate new projects within its service area to bring better housing and more jobs to the people who live there. Mr. Ramirez has successfully overcome this obstacle by attracting support from programs not normally involved with rural utility system development, such as HUD's Neighborhood Self-Help Development program. This has given MHWSC the capability to stimulate housing improvement, design wastewater facilities and begin to develop a commercial and industrial tract of land near the geographic center of MHWSC's service area.

Additional examples of the obstacles confronted and overcome by MHWSC are described in other sections of this nomination.●

IN CONGRESS' COURT NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, Representative HENRY REUSS has provided the American people some sage economic advice during his many years in Congress, as a member and chairman of the House Banking Committee, and as chairman this year of the Joint Economic Committee.

The administration and Members of Congress would do well to consider the suggestions offered by Representative REUSS in the May 2, 1982, Washington Post. Congress has a responsibility to break the budget stalemate by enacting a budget ceiling/tax measure, Representative REUSS reminds us. The administration has a responsibility to approve it—even if such a measure is not completely to its liking. If necessary, Congress should draw upon the example of King John at Runnymede. We can force the administration to come to grips with it here and now. In the process, we must direct the Federal Reserve not to frustrate efforts to reduce the deficit by maintaining economically stifling interest rates.

I would like to share with my colleagues the column by Representative REUSS, "In Congress' Court Now."

The column follows:

[From the Washington Post, May 2, 1982]

IN CONGRESS' COURT NOW

(HENRY S. REUSS)

Early this week, President Reagan told a cheering U.S. Chamber of Commerce that any tampering with the July 1, 1983, tax measure was non-negotiable and last week, the day the House Banking Committee respectfully requested a moderate relaxation of the Federal Reserve's 5.5 percent monetary range ceiling, Chairman Paul Volcker told the Women's Economic Forum in New York that the Fed would persist in its present target ceiling no matter how much the deficit was brought under control.

Both Reagan and Volcker go out of their way to enforce each other's fetishes. Reagan has consistently cheered to the echo Volcker's over-tight money, even when it precipitated the recession last summer. Volcker, for his part, gratuitously observed to the ladies in New York that $90 billion or so could be lopped from the 1983 budget deficit without laying a finger on the president's July 1, 1983, tax measure—unfortunately, failing to specify how this miracle is to be achieved.

So here we are—stalemate on the first budget resolution, due on May 15, a debt ceiling extension also imminent, an economy and a society increasingly threatened, the world in turmoil and waiting for some sign that the United States has found its soul.

The president won't do it, the Federal Reserve won't do it. Where, under our constitutional system, is there strength to be found?

Congress has been my life work, and I have a great love for the old institution. It was for such a day as this, that we in Congress are called to the kingdom. In the impasse that lies ahead, Congress has a right and a duty to act for the public good. Here's how.

Let Congress, in its upcoming first budget and debt ceiling measures, present to Reagan the needed increase in the debt ceiling, with a rider providing for the repeal of the July 1, 1983, tax measure.

I know that the president has said, paraphrasing old Mayor Crump of Memphis, that Mr. Crump won't 'low no easy riders here. But as he sits in the Rose Garden contemplating whether to sign the debt ceiling/tax measure, he will have to face certain harsh realities.

If he vetoes, even though Congress fails to override, Congress may be in no mood to pass any debt ceiling legislation whatever if it contains no responsible way of ending the escalation of the debt. The president must know that large numbers of his own party are proclaiming that they will vote against such a naked piercing of the debt ceiling. Many Democrats, though for different reasons, would join them.

As the nation contemplates Mr. Reagan in the weeks ahead, he may not find it so easy to bring the nation to a halt by a veto and then try to blame it on Congress. And as soon as the debt ceiling/tax legislation is signed, the first budget resolution, which would then in good conscience direct the Federal Reserve to do its part and not frustrate the deficit-lowering process by tightening money further, can be finalized.

So all hinges on Ronald Reagan. But how could he be induced to sign a bill he doesn't like, even though the future of the nation is at stake? Is there any precedent in history for a ruler to sign into law a charter of which he disapproves?

Yes, there is a goodly precedent, one whose anniversary we shall all be celebrating on June 15. In 1215 the barons of England, frustrated at a ruler who combined great personal charm with a maximum of selfishness and obstinacy, came to King John at Runnymede, bearing the Magna Carta. King John signed, though he immediately, as a historian reports, "threw himself upon the ground in a fit of impotent rage, gnawing at sticks and hats of straw."

As with King John so with King Ron. Let the barons of Congress present to him, not a Runnymede, but in the rose Garden, a 1982 Magna Carta of Fiscal and Monetary Responsibility. Let the process of getting the legislation in place be a model on Congressional art and industry. Let the president's signature, which I hope he can give, go forth as a sign of a new national unity and a determination to let common sense triumph over dogma.●

NEED FOR EXTENDED BENEFITS TO REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. LOWRY) is recognized for 10 minutes.

Mr. LOWRY of Washington. Mr. Speaker, I would like to take a few minutes of the House's time to talk about a very serious problem, that of approximately 130,000 refugees in this country who as of the first of April were, by regulation of the Office of Refugee Relocation, cut off from all of their cash and medical grants.

These 130,000 people I am referring to are not eligible for other programs within the States that they live to provide them with any basic necessities of life. That is because these people I am referring to live in States that do not have two-parent AFDC programs or States that do not have a general assistance program.

What does that mean? The 130,000 I am referring to are families, most of them are Hmong tribesmen and Ming tribesmen that fought with the United States in Laos and Cambodia, that came here as political refugees as a result of that action and now, because of administrative changes, find themselves in the saddest and most serious of all states.

What the change is is that the Refugee Act of 1980 says that the U.S. Government will provide up to 36 months of cash and medical aid to refugees that came into this country. The Office of Refugee Relocation changed that 36 months to 18 months. So if you had been here longer than 18 months, the changing of that period of time means that that cash and medical assistance which you had been living on, the entire thing you had been living on was cut off the first of April.

I assume one of the reasons behind that action was that 18 months, for a lot of people, would be enough time to assimilate into our society and in our economy and have a chance to find a job. But, of course, right now the economic situation in this country does not make it very easy to find a job for a lot of skilled laborers, for a lot of woodworkers. If you happen to be in the States of Oregon and Washington, such as I am, where our unemployment is 12.9 percent, official, the simple fact of the matter is that while I think there is some sense in the philosophy that after 18 months it should be possible for somebody to find a job, that at least at this time that situation really is not relevant.

So these people simply find themselves with no support at all.

I am taking this time because I have been trying to figure out a way that this Congress would make a supplemental appropriation to restore back to the 36-month category that existed before this regulatory action by the Office of Refugee Relocation.

I am trying, I have been trying to get the attention of the leadership of this House to say we have people who are in this country and who are starving to death. Little kids are writing letters, are writing letters saying "What are we going to do?"

We are hung up in this procedural process deal that we cannot find a way to get an amendment on to a supplemental appropriation bill because we cannot get a rule to have an amendment on the floor.

I went to the Rules Committee and I asked the Rules Committee for a rule so that on the floor we could bring this subject up, and show some compassion for these people. But, no, we cannot do that because of the procedures.

I understand the problem with an amendment on the floor to an appropriations bill and I understand the wisdom behind that traditional position because obviously if we allow amendments on the floor to appropriation bills the Christmas tree problem is terrible, it just goes on and on and on. I understand that.

But there are times that we have to be willing to say let us address a clear emergency that is here. I implore the Members of this House to sometime in the next couple of weeks join with me to find a way that we can get an appropriation to recognize the needs of these people. I am confident we can do that, but I am taking this time just to try to bring that to everybody's attention.

I will again tomorrow and next week and in the future weeks be attempting to find a way to get that action before us.

People say, "Well, Lowry, you have those refugees in Seattle." Well, let me tell you, there are 10,000 in the State of Washington. There are 120,000 in the rest of the country. It is something that must be addressed.

I appreciate the time of the House to try and draw this to your attention, and I yield back the balance of my time.

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. ENGLISH) is recognized for 5 minutes.

● Mr. ENGLISH. Mr. Speaker, today we are introducing the Farm Crisis Act of 1982. This country, this administration, and Congress can no longer take a wait and see attitude about current farm policy. Americans must recognize and face up to the economic crisis now shrouding our Nation's farmers and rural communities. We must render immediate assistance to the farm economy before commodity and land prices slide irreversibly low, forcing many producers off the farm and posing a serious threat to consumers in the long run.

Mr. Speaker, farm income is at an all-time low. Not since the depths of the Depression have farmers received so little for so much. Economic projections for 1982 farm income look so bleak that USDA officials refuse to officially report them. Privately, however, USDA estimates that 1982 farm income will slide to a level between $13 and $18 billion, down from $24 billion in 1981.

Crops which cannot sell at or above cost force even the most efficient farmers into hard times. On January 1, 1982, the national farm debt totaled a historic high of $194 billion. Unfortunately, the Food and Agriculture Act of 1981 has not provided the necessary assistance to help farmers pull through these rough times. Neither has President Reagan nor USDA policy provided much hope. President Reagan has repeatedly refused to meet with congressional representatives from farm districts. USDA has tightened credit policies and unexplainably delayed allocation of funds earmarked for emergency economic assistance.

Farmers need immediate legislative assistance aimed at stabilizing crop and land prices. As a rule of thumb, a good farm program should enable farmers to make a fair profit while costing the taxpayers nothing. I believe that provisions included in the Farm Crisis Act of 1982 will do just this. Specifically, this bill will encourage and assist farmers to conserve resources, control production, stabilize prices, secure stable markets, and most importantly, it will enable farmers to stay in business.

I believe it is particularly important that farmers have a reliable acreage conservation and set-aside program. Farmers must know ahead of planting season what the farm program is going to be so they can make decisions and preparations for the next year. I be-

lieve that the wheat and crop set-aside provisions in this bill will provide farmers with an opportunity to stabilize supplies and control their own economic destiny. Decisions as important as crop acreage amounts should not be left up to the discretion of any one person. This bill will provide farmers a mechanism to achieve a price in the marketplace by requiring a voluntary acreage conservation and set-aside program mandated when levels of domestic carryover reach 5 percent of world consumption. By responding to huge carryovers, farmers can avoid overproduction which results in low farm income and high Government support payments. The Farm Crisis Act of 1982 will not cost taxpayers. It will in fact generate a savings of $899 million above the current law during the next 4 years.

Mr. Speaker, we are not presenting this bill as a miracle cure-all. We are presenting it and supporting it in an attempt to avert a crisis in American agriculture and the loss of thousands of this Nation's family farmers. Ultimately, it will be the consumers of this country who will pay if this crisis is not averted.●

CINCO DE MAYO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 5 minutes.

Mr. ROUSSELOT. Mr. Speaker, today many of my constituents and friends are celebrating Cinco de Mayo, a day which symbolizes the proud heritage of the Mexican-American community in many parts of our country, but especially southern California.

Contrary to popular belief, this day is not just the Mexican independence day. That day comes in September. Instead, this is the day that Mexico celebrates her coming of age and, frankly, just plain freedom.

The early half of the 19th century was not an easy time for the new Republic of Mexico. Internal fighting, coups, and minor revolutions bankrupt the nation. By 1860 Mexico had defaulted on payments to many of her European creditors. With the United States caught up in a civil war, and unable to enforce the Monroe Doctrine, French troops landed with the goal of establishing a European-based monarchy in Mexico which would protect their monetary interests.

Maximilian, the Archduke of Austria, was installed as the "emperor" and surrounded by foreign advisers. It did not take long for the Mexican people to organize against this activity.

On May 5, 1862, a small volunteer force of Mexican patriots, under the leadership of one of their generals, and many of the leaders, defeated a French force three times its size at the town of Puebla. This forced the French force back to the coast to regroup. Although the foreign force later returned and succeeded in establishing their goal, the battle of Cinco de Mayo remains for the Mexican people, and for many of us in this country, a symbol of Mexican valor in the face of superior odds, of profound love for their homeland and culture, and of the indominatable Mexican spirit of freedom.

Today in my district, as there has been for the past week, there will be singing and dancing, parades, music, and so forth, celebrating the love and pride of the Mexican culture and heritage which has become so much of our southern California tradition and added so much to our country.

I wish my colleagues and constitutents a very happy Cinco de Mayo.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SMITH of Oregon) to revise and extend their remarks and include extraneous material:)

Mr. FINDLEY, for 30 minutes, today.
Mr. CORCORAN, for 10 minutes, today.
Mr. HAMMERSCHMIDT, for 10 minutes, today.
Mr. LATTA, for 60 minutes, May 11, 1982.
Mr. MILLER of Ohio, for 60 minutes, May 11, 1982.
Mr. SMITH of Oregon, for 60 minutes, May 12, 1982.

(The following Members (at the request of Mr. KILDEE) to revise and extend their remarks and include extraneous material:)

Mr. REUSS, for 20 minutes, today.
Mr. PHILLIP BURTON, for 10 minutes, today.
Mr. DASCHLE, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. DE LA GARZA, for 30 minutes, today.
Mr. WILLIAM J. COYNE, for 5 minutes, today.
Mr. LOWRY of Washington, for 10 minutes, today.
Mr. ENGLISH, for 5 minutes, today.
Mrs. COLLINS of Illinois, for 60 minutes, on May 6, 1982.
Mr. ROUSSELOT, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. SMITH of Oregon) and to include extraneous matter:)

Mr. FINDLEY.
Mr. LOWERY of California.
Mr. LENT.
Mr. YOUNG of Alaska.
Mr. ROUSSELOT.
Mr. DOUGHERTY.
Mr. HAMMERSCHMIDT.
Mr. PETRI.
Mr. MARLENEE.
Mr. DANNEMEYER.
Mr. MADIGAN.
Mr. CLINGER.
Mr. YOUNG of Florida in 10 instances.
Mr. FISH.
Mr. RAILSBACK.
Mr. SNYDER.
Mr. LEE.
Mr. MCCLOSKEY.
Mr. GINGRICH.
Mr. DREIER in two instances.
Mr. LUJAN.
Mrs. HECKLER.
Mr. JEFFORDS.
Mr. LAGOMARSINO in two instances.
Mrs. FENWICK.
Mr. HOPKINS.

(The following Members (at the request of Mr. KILDEE) and to include extraneous matter:)

Mr. DOWNEY.
Mr. REUSS.
Mr. BLANCHARD.
Mr. SANTINI in two instances.
Mr. FORD of Michigan.
Mr. WILLIAM J. COYNE in two instances.
Mr. ST GERMAIN.
Mr. HAMILTON.
Mr. GEJDENSON.
Mr. OBEY in five instances.
Mr. MURTHA.
Mr. ROE.
Mr. ERTEL in three instances.
Mr. MOFFETT.
Mr. DE LUGO.
Mr. SEIBERLING in 10 instances.
Mr. FASCELL.
Mr. MAZZOLI in five instances.
Mr. FLORIO.
Mr. SHELBY.
Mr. LUNDINE.
Mr. APPLEGATE in two instances.
Mr. UDALL.
Mr. FARY in two instances.
Mr. COELHO.
Mr. HUBBARD.
Mr. MOTTL.
Mr. LAFALCE.
Mr. EDGAR.
Mr. LONG of Maryland in three instances.
Mr. DONNELLY.
Mr. RATCHFORD.
Mr. DWYER.
Mr. MINETA in two instances.
Mr. ROYBAL.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 79. An act for the relief of Joseph Y. Quijano, his wife Marichu Larrazabal Quijano, and his son Franz Joseph Quiljano and daughters Marie Estrella Quijano and Milche Marenjone Quijano; to the Committee on the Judiciary.

S.J. Res. 195. Joint resolution designating the week of May 2, 1982, through May 8, 1982, as "National Clean Air Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS SIGNED

Mrs. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker.

H.R. 1681. An act for the relief of Andre Bartholo Eubanks.

ADJOURNMENT

Mr. LOWRY of Washington. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 30 minutes p.m.), the House adjourned until tomorrow, Thursday, May 6, 1982, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3853. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on the Department of the Army's proposed sale of certain defense equipment and services to Greece (Transmittal No. 82-51), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

3854. A letter from the Chairman, District of Columbia Retirement Board, transmitting the second annual report of the District of Columbia Retirement Board, pursuant to Public Law 96-122; to the Committee on the District of Columbia.

3855. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the 10th annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91-345, as amended; to the Committee on Education and Labor.

3856. A letter from the Secretary of Energy, transmitting a report to the President and the Congress on the size of the strategic petroleum reserve, pursuant to section 1037, Public Law 97-35; to the Committee on Energy and Commerce.

3857. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense articles and services to Greece (Transmittal No. 82-51), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3858. A letter from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting a report on the proposed modification of the Lahontan Dam, Newlands project, Nevada, pursuant to section 5 of Public Law 95-578; to the Committee on Interior and Insular Affairs.

3859. A letter from the Deputy Executive Director, American Chemical Society, transmitting the annual report and audit of the organization for calendar year 1981, pursuant to Public Law 88-504; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FUQUA: Committee on Science and Technology. H.R. 5726. A bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983 and for other purposes; with amendments (Rept. No. 97-501). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 5890. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendments (Rept. No. 97-502). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WIRTH:

H.R. 6273. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 and the Motor Vehicle Information and Cost Savings Act to authorize appropriations for fiscal years 1983, 1984, and 1985, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DASCHLE (for himself, Mr. HANCE, Mr. JONES of Tennessee, Mr. HARKIN, Mr. ALBOSTA, Mr. BEDELL, Mr. DORGAN of North Dakota, Mr. ENGLISH, Mr. GLICKMAN, Mr. GUNDERSON, Mr. HIGHTOWER, Mr. LEATH of Texas, Mr. MARLENEE, Mr. MCCURDY, Mr. PANETTA, Mr. ROBERTS of Kansas, Mr. ROSE, Mr. SKELTON, Mr. STANGELAND, Mr. STENHOLM, Mr. SYNAR, Mrs. SMITH of Nebraska, Mr. WILLIAMS of Montana, and Mr. DE LA GARZA):

H.R. 6274. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture.

By Mr. DREIER:

H.R. 6275. A bill to change permanently the business of the U.S. Assay Office at San Francisco to the business of a mint, and to redesignate such assay office as the Mint of the United States at San Francisco; to the Committee on Banking, Finance and Urban Affairs.

By Mr. DYMALLY (for himself, Mr. DELLUMS, Mr. FAUNTROY, Mr. MCKINNEY, and Mr. BLILEY):

H.R. 6276. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to allow the issuance of revenue bonds to finance college and university programs which provide student educational loans; to the Committee on the District of Columbia.

By Mrs. HECKLER:

H.R. 6277. A bill to provide for the replacement of the Brightman Street Bridge, Fall River, Mass.; to the Committee on Public Works and Transportation.

By Mr. HOLLAND (for himself and Mr. MARTIN of North Carolina):

H.R. 6278. A bill to apply duty-free treatment to tetra amino biphenyl; to the Committee on Ways and Means.

By Mr. HUNTER (for himself and Mr. DREIER):

H.R. 6279. A bill to amend the Internal Revenue Code of 1954 to deny certain tax benefits to imported machinery and equipment, and for other purposes; to the Committee on Ways and Means.

By Mr. JENKINS:

H.R. 6280. A bill to amend the International Coffee Agreement Act of 1980; to the Committee on Ways and Means.

H.R. 6281. A bill to amend the act implementing the International Sugar Agreement, 1977; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 6282. A bill to repeal the provisions enacted in the Economic Recovery Tax Act of 1981 which extended the credit against the windfall profit tax on domestic crude oil for royalty owners, which reduced the rate of such tax on newly discovered oil, and which exempted from such tax independent producer stripper well oil; to the Committee on Ways and Means.

By Mr. MADIGAN (for himself, Mr. LENT, and Mr. LEE):

H.R. 6283. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to promote motor vehicle safety by establishing information disclosure and certification requirements applicable to the sale of certain used motor vehicles; to the Committee on Energy and Commerce.

By Mr. MATTOX:

H.R. 6284. A bill to require the Secretary of Transportation to prescribe regulations prohibiting the smoking of tobacco on commercial aircraft; to the Committee on Public Works and Transportation.

By Mr. MOTTL (for himself and Mr. SOLOMON):

H.R. 6285. A bill to require the National Highway Traffic Safety Administration to provide for the establishment by States of motor vehicle title and inspection requirements in order to promote traffic safety and deter motor vehicle theft, and for other purposes; to the Committee on Energy and Commerce.

By Mr. MOTTL (for himself, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. EDGAR, Mr. LEATH of Texas, Mr. BONER of Tennessee, Mr. MICA, Mr. DASCHLE, Mr. GRAMM, Mr. MURPHY, Mr. DORGAN of North Dakota, Mr. WON PAT, Mrs. HECKLER, Mr. WYLIE, Mr. HILLIS, Mr. SAWYER, Mr. MCEWEN, Mr. DUNN, Mr. SMITH of New Jersey, Mr. SMITH of Alabama, Mr. NAPIER, and Mr. NELLIGAN):

H.R. 6286. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty

over a weekend shall be considered to have worked a full basic workweek, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MURPHY:

H.R. 6287. A bill to amend title 18, United States Code, to strengthen provisions of such title designed to protect children against sexual exploitation; to the Committee on the Judiciary.

By Mr. PEPPER (for himself, Mr. BARNES, Mr. ERDAHL, Mr. FAUNTROY, Mr. FRANK, Mr. MITCHELL of Maryland, and Mr. STANTON of Ohio):

H.R. 6288. A bill to amend section 202 of the Housing Act of 1959 with respect to making loans under such section for innovative projects for the handicapped; to the Committee on Banking, Finance and Urban Affairs.

By Mrs. SCHNEIDER (for herself and Mr. SCHEUER):

H.R. 6289. A bill to provide for the establishment of a Federal program of research and development with respect to indoor air pollution; jointly, to the Committees on Energy and Commerce and Science and Technology.

By Mr. SEIBERLING:

H.R. 6290. A bill to increase authorizations of appropriations for land acquisition for Voyageurs National Park, Cape Cod National Seashore, Cape Lookout National Seashore, and Sleeping Bear Dunes National Lakeshore; to the Committee on Interior and Insular Affairs.

By Mr. WAXMAN (for himself, Mr. SENSENBRENNER, Mr. YATES, Mr. BINGHAM, Mr. FAUNTROY, Mr. MOFFETT, Mr. FASCELL, Mr. FOGLIETTA, Mr. LANTOS, Mr. MITCHELL of Maryland, Mr. GARCIA, Mr. LEHMAN, Mr. LOWRY of Washington, Mr. WHITEHURST, Mr. MILLER of California, Mr. EDGAR, Mr. FROST, Mr. DENARDIS, Mr. TRAXLER, Mr. HUGHES, Mr. SCHEUER, Mr. FRANK, Mr. WEISS, Mr. DWYER, Mr. GRAY, Mr. VENTO, Mr. BARNES, Mr. AUCOIN, Mr. ROE, Ms. MIKULSKI, Mr. SCHUMER, Mrs. COLLINS of Illinois, Mr. SIMON, and Mr. PEPPER):

H.R. 6291. A bill to amend title XVI of the Social Security Act to provide that reparations received by Holocaust survivors under the German Federal compensation law shall not be considered income for purposes of determining an individual's eligibility for supplemental security income benefits or the amount of such benefits; to the Committee on Ways and Means.

By Mr. WON PAT:

H.R. 6292. A bill to increase the amount of attorney fees payable in certain cases relating to claims to land on Guam and to extend the statute of limitations for such claims; to the Committee on Interior and Insular Affairs.

H.R. 6293. A bill to increase the amount of attorney fees payable in certain cases relating to claims to land on Guam and to extend the statute of limitations for such claims; to the Committee on Interior and Insular Affairs.

By Mr. McDONALD:

H.J. Res. 477. Joint resolution proposing an amendment to the Constitution of the United States relative to force and effect of treaties; to the Committee on the Judiciary.

By Mr. BAILEY of Pennsylvania:

H. Con. Res. 327. Concurrent resolution to protect the lobbying rights of veterans' organizations; to the Committee on Ways and Means.

By Mr. BINGHAM (for himself, Mr. SEIBERLING, Mr. PRITCHARD, Mr. FINDLEY, Mr. FASCELL, Mr. SOLARZ, and Mr. WOLPE):

H. Con. Res. 328. Concurrent resolution urging referral of the issue of sovereignty over the Falkland Islands (the Malvinas) to the International Court of Justice; to the Committee on Foreign Affairs.

By Mr. JACOBS:

H. Con. Res. 329. Concurrent resolution expressing the sense of the Congress with respect to the use of amounts from the Treasury for refurnishing or improvement of the executive residence at the White House; to the Committee on Public Works and Transportation.

By Mrs. KENNELLY (for herself and Mr. FRANK):

H. Con. Res. 330. Concurrent resolution expressing the sense of the Congress with respect to the Soviet Union's obligations under international law to allow Ida Nudel to emigrate to Israel, and for other purposes; to the Committee on Foreign Affairs.

By Mr. RAILSBACK (for himself, Mr. BEARD, Mr. GILMAN, Mr. COUGHLIN, Mr. DORNAN of California, Mr. DENARDIS, Mr. OXLEY, Mr. STARK, Mr. ENGLISH, Mr. SCHEUER, Mr. MATSUI, Mr. HYDE, Mr. FASCELL, Ms. MIKULSKI, Mr. HUTTO, Mr. RINALDO, Mr. RANGEL, and Mr. SHAW):

H. Con. Res. 331. Concurrent resolution urging the President to promote a declaration by the United Nations of an International Year Against Drug Abuse; to the Committee on Foreign Affairs.

By Mr. CORCORAN:

H. Res. 451. Resolution expressing the sense of the House of Representatives that amounts used for the loan guarantee to the Oil Shale Corporation (Tosco) for the Colony oil shale project shall not be recommitted by the U.S. Synthetic Fuels Corporation for any purpose; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ERTEL (for himself, Mr. MURPHY, Mr. BAILEY of Pennsylvania, Mr. EDGAR, Mr. NELLIGAN, Mr. GAYDOS, Mr. WALGREN, Mr. YATRON, Mr. WILLIAM J. COYNE, Mr. ATKINSON, Mr. FOGLIETTA, and Mr. SMITH of Pennsylvania):

H. Res. 452. Resolution expressing the sense of the House of Representatives that the Secretary of the Interior should use moneys from the abandoned mine reclamation fund to carry out a vigorous program to extinguish the mine fire in Centralia, Pa.; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 217: Mr. WOLPE.

H.R. 767: Mr. MINISH.

H.R. 768: Mr. CLAY.

H.R. 1595: Mr. BONIOR of Michigan.

H.R. 1648: Mr. HUCKABY.

H.R. 1711: Mr. BEREUTER and Mr. MARTIN of North Carolina.

H.R. 2347: Mr. BEARD.

H.R. 2417: Mr. MINISH and Mr. HUGHES.

H.R. 2832: Mr. FOGLIETTA.

H.R. 2936: Mr. DUNCAN.

H.R. 3035: Mr. GINGRICH.

H.R. 3117: Mr. MINETA, Mr. MITCHELL of New York, Mrs. KENNELLY, and Mr. ROE.

H.R. 3921: Mr. MITCHELL of New York.

H.R. 4147: Mr. BAILEY of Pennsylvania, Mr. MURTHA, and Mr. WALGREN.

H.R. 4340: Mr. MILLER of Ohio.

H.R. 4399: Mr. JENKINS, Mr. JEFFRIES, and Mr. MINETA.

H.R. 4454: Mrs. MARTIN of Illinois, Mr. BIAGGI, Mr. MCGRATH, Mr. SHAMANSKY, Mr. ROBERT W. DANIEL, JR., Mr. ROGERS, Mr. WIRTH, Mr. WILSON, Mr. FOLEY, Ms. MIKULSKI, Mr. HERTEL, Mr. GEJDENSON, Mr. ENGLISH, Mr. HAGEDORN, Mr. CONYERS, Mr. WORTLEY, Mr. BROOMFIELD, Mr. DERWINSKI, Mr. OBERSTAR, Mr. QUILLEN, Mr. EMERSON, Mr. SYNAR, Mrs. COLLINS of Illinois, Mr. HUTTO, and Mr. IRELAND.

H.R. 4510: Mr. SHARP.

H.R. 4550: Mr. DONNELLY.

H.R. 4773: Mr. MARTIN of New York, Mr. GOLDWATER, Mr. WIRTH, and Mr. HOPKINS.

H.R. 5193: Mr. DOWDY and Mr. BINGHAM.

H.R. 5242: Mr. BADHAM, Mrs. BOUQUARD, Mr. DELUGO, Mr. HUCKABY, Mr. SPENCE, and Mr. GUNDERSON.

H.R. 5268: Mr. WORTLEY, Mr. GUNDERSON, and Mr. EVANS of Iowa.

H.R. 5272: Mr. WHITTAKER.

H.R. 5322: Mr. GINGRICH.

H.R. 5324: Mr. DANNEMEYER and Ms. MIKULSKI.

H.R. 5404: Mr. DREIER and Mr. PAUL.

H.R. 5617: Mr. PRITCHARD.

H.R. 5649: Mrs. HOLT.

H.R. 5689: Mr. TAUKE and Mr. WINN.

H.R. 5705: Mr. BEILENSON, Mr. BLANCHARD, Mr. BROWN of California, Mr. EVANS of Indiana, Mr. GINGRICH, Mr. GORE, Mr. LELAND, Mr. RATCHFORD, Mr. SIMON, and Mr. STANGELAND.

H.R. 5717: Mr. RAHALL and Mr. GRAMM.

H.R. 5718: Mr. DYSON, Mr. MAVROULES and Mr. DE LUGO.

H.R. 5818: Mrs. CHISHOLM, Mr. CORCORAN, Mr. DOWDY, Mr. DWYER, Mr. EDGAR, Mr. FAUNTROY, Mr. FLORIO, Mr. FORD of Michigan, Mr. HUGHES, Mr. MITCHELL of Maryland, and Mr. ROEMER.

H.R. 5834: Mr. LAFALCE, Mr. OTTINGER, Mr. YATRON, and Mr. HEFNER.

H.R. 5846: Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. EDGAR, Mr. LEATH of Texas, Mr. BONER of Tennessee, Mr. MICA, Mr. DASCHLE, Mr. GRAMM, Mr. MURPHY, Mr. DORGAN of North Dakota, Mr. WON PAT, Mrs. HECKLER, Mr. WYLIE, Mr. HILLIS, Mr. SAWYER, Mr. MCEWEN, Mr. SMITH of New Jersey, Mr. SMITH of Alabama, Mr. NAPIER, and Mr. NELLIGAN.

H.R. 5894: Mr. GEJDENSON, Mr. RATCHFORD, and Mr. DENARDIS.

H.R. 5950: Mr. SCHUMER, Mr. WAXMAN, Mr. LOWRY of Washington, Mr. PEASE, Mr. KILDEE, and Mr. DYSON.

H.R. 6011: Mr. SMITH of Alabama.

H.R. 6077: Mr. LANTOS, Mr. FASCELL, Mr. MURPHY, Mr. BIAGGI, Mr. STARK, and Mr. MOLLOHAN.

H.R. 6085: Mr. DICKS and Mr. COUGHLIN.

H.R. 6105: Mr. FARY, Mr. PEPPER, Mr. DAN DANIEL, Mr. COURTER, Mr. GRAY, Mr. SUNIA, Mr. FOGLIETTA, Mr. DAUB, Mr. BARNARD, Mr. LEBOUTILLIER, and Mr. BETHUNE.

H.R. 6134: Mr. HAMMERSCHMIDT and Mr. MCDONALD.

H.R. 6136: Mr. GINGRICH, Mr. KINDNESS, Mr. NELLIGAN, Mr. WALGREN, Mr. ANDERSON, Mr. BEDELL, Mr. COATS, Mr. EVANS of Delaware, Mrs. MARTIN of Illinois, Mr. MURPHY, Mr. KOGOVSEK, Mr. MOTTL, Mr. BAFALIS, Mr. EDGAR, Mr. SOLOMON, Mr. BEREUTER, Mr. CRAIG, Mr. DASCHLE, Mr. COLLINS of Texas, and Mr. LUNDINE.

H.R. 6170: Mr. MINETA, Mr. MARRIOTT, and Mr. DASCHLE.

H.R. 6254: Mr. SCHEUER.

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H.J. Res. 323: Mr. SANTINI, Mr. DORNAN of California, Mr. WOLF, Mr. DORGAN of North Dakota, Mr. BARNES, Mr. DERWINSKI, and Mr. CORRADA.

H.J. Res. 350: Mr. BROYHILL, Mr. RALPH M. HALL, Mr. GRAMM, Mr. LEATH of Texas, Mr. HUNTER, Mr. EDWARDS of Oklahoma, Mr. SHAW, Mr. PURSELL, Mr. BRINKLEY, Mr. MCCLOSKEY, Mr. MARTIN of New York, Mrs. BOUQUARD, Mr. HATCHER, Mr. SKELTON, Mr. WHITE, Mr. MONTGOMERY, Mr. STATON of West Virginia, Mr. HAGEDORN, and Mr. QUILLEN.

H.J. Res. 359: Mr. BEREUTER, Mr. DUNCAN, Mr. HOYER, Mr. HUNTER, Mr. MCCOLLUM, Mr. MARRIOTT, Ms. OAKAR, Mr. SKELTON, Mr. TAUKE, and Mrs. SCHNEIDER.

H.J. Res. 411: Mr. BARNES, Mr. BENJAMIN, Mr. COATS, Mr. DAN DANIEL, Mr. DAUB, Mr. DIXON, Mr. ENGLISH, Mr. FROST, Mr. GINGRICH, Mr. SAM B. HALL, JR., Mr. HUTTO, Mr. LANTOS, Mr. LIVINGSTON, Mr. MARKEY, Mr. LEBOUTILLIER, Mr. MOORE, Mr. O'BRIEN, Mr. OBERSTAR, Mr. PEYSER, Mr. REUSS, Mr. ROEMER, Mrs. ROUKEMA, Mr. SHUMWAY, Mr. WEAVER, Mr. WINN, Mr. VENTO, and Mr. MCCLORY.

H.J. Res. 416: Mr. GUARINI, Mr. DUNCAN, Mr. LANTOS, Mr. SOLARZ, Mr. DERRICK, Mr. HOYER, Mr. REUSS, Mr. WALKER, Mr. DORNAN of California, Mr. MAZZOLI, Mr. MICA, Mr. DUNN, Mr. MYERS, Mr. HOPKINS, Mr. HAMILTON, Mr. DE LA GARZA, Mr. SAVAGE, Mr. HERTEL, Mr. LELAND, Mr. LONG of Maryland, Mr. BROWN of Colorado, Mr. LEACH of Iowa, Mr. LOEFFLER, Mr. LOTT, Mr. MARTIN of New York, Mr. ROUSSELOT, Mr. STATON of West Virginia, Mr. MCGRATH, Mr. ROBERTS of Kansas, Mr. SKEEN, Mr. BURGENER, Mr. NAPIER, Mr. MCCLORY, Mr. QUILLEN, Mr. BROWN of Ohio, Mr. OTTINGER, Mr. GRAMM, and Mr. SHELBY.

H.J. Res. 417: Mr. PRICE, Mr. GRAY, Mr. JACOBS, Mr. BLILEY, Mr. NOWAK, Mr. TRAXLER, Mr. KEMP, Mr. EVANS of Delaware, Mr. DORNAN of California, Mr. ADDABBO, Mr. ALEXANDER, Mr. MOORE, Mr. DONNELLY, Mr. BOWEN, Mr. HOWARD, Mr. HEFNER, Mr. BREAUX, Mr. LAGOMARSINO, Mr. EMERY, Mr. CORCORAN, Mr. GINN, Mr. BEILENSON, Mrs. BOUQUARD, Mr. BURGENER, Mr. RUSSO, Mr. FAUNTROY, Mr. GRADISON, Mr. MARKEY, Ms. OAKAR, Mr. MOLLOHAN, Mr. STANTON of Ohio, and Mr. TAUZIN.

H.J. Res. 444: Mr. EDWARDS of Oklahoma, Mr. MARTIN of New York, Mr. SHUMWAY, Mr. DANNEMEYER, Mr. WEBER of Minnesota, Mr. O'BRIEN, Mr. QUILLEN, Mr. GOODLING, Mr. HAMILTON, Mr. ADDABBO, Mr. REGULA, Mr. MORRISON, Mr. TAYLOR, Mr. BAFALIS, Mr. VANDER JAGT, Mr. YOUNG of Florida, Mr. SILJANDER, Mr. ATKINSON, Mr. COLEMAN, Mr. ROBERT W. DANIEL, Jr., Ms. FIEDLER, Mr. TAUKE, Mr. WIRTH, Mr. HANSEN of Idaho, and Mr. MYERS.

H.J. Res. 452: Mr. MCCURDY, Mrs. MARTIN of Illinois, Mr. FOGLIETTA, Mr. EMERSON, Mr. GLICKMAN, Mr. WHITEHURST, Mr. ROEMER, Mr. FRENZEL, Mr. HATCHER, Mr. MINETA, Mr. FORSYTHE, Mr. FAZIO, Mr. BREAUX, Mr. ANTHONY, Mr. BOWEN, Mr. LOWRY of Washington, Mr. ROBERT W. DANIEL JR., Mr. BEDELL, Mr. SKELTON, Mr. ZABLOCKI, Mr. O'BRIEN, Mr. LANTOS, Mr. DANIEL B. CRANE, Mr. RAILSBACK, Mr. TAUKE, Mr. WHITTAKER, and Mr. BEREUTER.

H.J. Res. 459: Mr. GOLDWATER, Mr. WHITE, Mr. ROE, Mr. YOUNG of Alaska, Mr. GRADISON, Mr. NAPIER, Mr. UDALL, Mr. WAXMAN, Mr. MCCLOSKEY, Mr. MARTIN of New York, Mr. LEACH of Iowa, and Mr. BROWN of California.

H.J. Res. 468: Mr. DERWINSKI, Mrs. HOLT, Mr. CORRADA, Mr. GINGRICH, Mr. HORTON, Mr. MARRIOTT, Mr. LANTOS, Mr. FORSYTHE, Mr. FAZIO, Mr. OBERSTAR, Mr. HUTTO, Mr. FRENZEL, Mr. HOYER, and Mr. DAUB.

H. Con. Res. 318: Mr. WEAVER, Mr. KINDNESS, Mr. ROE, Mr. RITTER, Mr. HATCHER, Mr. LUNGREN, Mr. FARY, Mr. SAWYER, Mr. SHAMANSKY, Mr. YATRON, Mr. SCHEUER, Mr. DWYER, Mr. HOPKINS, Mr. OBERSTAR, Mr. JOHN L. BURTON, Mr. EVANS of Delaware, Mr. GREEN, Mr. ERDAHL, Mr. DERRICK, Mr. BROYHILL, Mr. LEBOUTILLIER, Mr. ZEFERETTI, Mr. PARRIS, Mr. DONNELLY, Mr. MARTIN of New York, Mrs. FENWICK, Mr. REGULA, Mr. PRITCHARD, Mr. DAUB, Mr. HIGHTOWER, Mr. HEFNER, Mr. IRELAND, Mr. SAVAGE, Mr. JEFFRIES, Mr. ROGERS, Mr. COATS, Mr. LANTOS, Mr. ADDABBO, Mr. STARK, Mr. FASCELL, Mr. LONG, of Maryland, Mr. WILLIAM J. COYNE, Mr. GEPHARDT, Mr. FORSYTHE, Mr. STUMP, Mr. CHAPPELL, Mr. DAN DANIEL, Mr. MILLER of Ohio, Mr. OXLEY, Mr. SYNAR, Mr. MONTGOMERY, Mr. FINDLEY, Mr. MOLINARI, Mr. ANNUNZIO, Mr. GREEN, Mr. STENHOLM, Mr. RICHMOND, Mr. ROSENTHAL, Mr. GAYDOS, Mr. MCDADE, Mr. DOWDY, Mr. MAZZOLI, Mr. BURGENER, Mr. FRENZEL, Mr. FROST, Mr. WIRTH, Mr. O'BRIEN, Mr. BENJAMIN, Mr. SUNIA, Mr. RANGEL, Mr. MARKEY, Mr. WINN, Mr. FRANK, Mr. BARNARD, and Mr. MAVROULES.

H. Res. 394: Mr. HOPKINS and Mr. DICKS.

H. Res. 403: Mr. DWYER, Mr. HEFTEL, Mr. SAVAGE, Ms. FERRARO, Mr. GUARINI, Mr. SIMON, Mr. SHAMANSKY, Mr. EDGAR, Mr. ECKART, Mr. DAVIS, Mr. WIRTH, and Mr. MAVROULES.

H. Res. 427: Mr. BENNETT, Mr. BEREUTER, Mr. PEYSER, Mrs. CHISHOLM, Mr. MATSUI, Mr. JOHN L. BURTON, Mr. FORD of Tennessee, Mr. PEASE, Mr. FASCELL, Mr. WYDEN, Mrs. FENWICK, Mr. DOWNEY, Mr. GREEN, Mr. SCHEUER, Mr. CLAY, Mr. ADDABBO, Mr. MAVROULES, Mr. DELLUMS, Mrs. KENNELLY, Mr. GINGRICH, Mr. BROWN of California, Mr. WOLPE, and Mr. FLORIO.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Res. 371: Mr. MCDONALD.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

420. By the SPEAKER: Petition of the Associated Students of the University of Washington Board of Control, Seattle, Wash., relative to the proposed Federal financial aid programs; to the Committee on Education and Labor.

421. Also, petition of the Board of Selectmen, Sharon, Mass., relative to a Federal jobs with peace budget; jointly, to the Committees on Armed Services, Education and Labor, Energy and Commerce, and Public Works and Transportation.

422. Also, petition of Rockford Township, Winnebago County, Ill., relative to a mutual nuclear weapons freeze with the Soviet Union; jointly, to the Committees on Foreign Affairs and Armed Services.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5539

By Mr. EDGAR:

(To the committee amendment (in the nature of a substitute) to H.R. 5539.)

—Page 11, strike out line 17 and all that follows thereafter through line 23, and insert in lieu thereof the following:

WATER CONSERVATION

SEC. 109. (a) Each repayment contract or water service contract entered into or amended subsequent to the date of enactment of this Act by the Secretary or his designee pursuant to Federal reclamation laws or the Water Supply Act of 1958, as amended (43 U.S.C. sec. 390b), shall require the non-Federal party entering into such contract to develop and implement a water conservation program. This section shall apply to all such contracts regardless of their duration or any other prior contracts entered into by the Secretary or his designee.

(b) For purposes of this section, a water conservation program shall—

(1) apply to all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities;

(2) contain definite goals;

(3) include loss reduction measures and demand management practices which ensure that the available water supply is used in an economically efficient and environmentally sensitive manner;

(4) contain time schedules for meeting program goals and delineate actions to be taken by the Secretary or his designee in the event such schedules are not met; and

(5) provide for review and modification of the plan at not-to-exceed five-year intervals.

(c) When a district has been reported by a state agricultural or natural resource agency, within the state in which the district is located, to be wasting irrigation water, the Secretary is directed to add a surcharge of $2 per acre-foot of water delivered to said district. Funds received as a result of such surcharge shall be used by the Secretary to establish and implement a water efficiency improvement program for the said district to eliminate the waste of water. Such surcharge shall last for a minimum of one year and may be discontinued after one year if the Secretary finds that the waste of water by said district has been substantially eliminated.

—Page 17, line 12, strike out section 206 and redesignate subsequent sections accordingly.

—Page 26, after line 5, insert the following new title:

TITLE III—RECLAMATION PROJECT DEAUTHORIZATION

SEC. 301. As soon as practicable after the date of enactment of this title and at least once each year thereafter, the Secretary of the Interior, shall review and submit to Congress a list of those Reclamation projects, or any separable features thereof, and feasibility studies which have been authorized for a period of at least eight years without any Congressional appropriations within the last eight years. Each project and study so listed shall be accompanied by the recommendation of the Commissioner of Reclamation regarding deauthorization, together with his reasons for such recommendation. Prior to the submission of such list to the Congress, the Secretary of the Interior shall obtain the views of interested Federal departments, agencies, and instrumentalities, and of the Governor of each State wherein such project or study would be located, which views shall be furnished

within sixty days after being requested by the Secretary and which shall accompany the list submitted to Congress. Prior to the submission of such list to Congress, the Secretary of the Interior shall notify each Senator in whose State, and each Member of the House of Representatives in whose district, a project or study (including any part thereof) on such list would be located.

SEC. 302. Such list shall be delivered to both Houses on the same day and to each House while it is in session. A project or study on such list shall not be authorized at the end of the first period of ninety calendar days of continuous session of Congress after the date such list is delivered to it unless between the date of delivery and the end of such ninety-day period, either the Committee on Interior and Insular Affairs of the House of Representatives or the Committee on Energy and Natural Resources of the Senate adopts a resolution stating that such project or study shall continue to be authorized. For the purposes of this section, continuity of session is broken only by an adjournment of Congress sine die, and the days on which either House is not in session, because of an adjournment of more than three days to a day certain are excluded in the computation of the ninety-day period. The provisions of this section shall not apply to any project or study contained in a list submitted to the Congress within ninety days preceding the date of adjournment sine die of any session of Congress.

SEC. 303. The requirements of section 301 shall not be applicable to any project or study which has been included in a resolution adopted pursuant to section 302 until three years after the date of adoption of such resolution.

SEC. 304. The Secretary of the Interior shall, on request by resolution of the Committee on Energy and Natural Resources of the Senate or the Committee on Interior and Insular Affairs of the House of Representatives, review authorized projects and studies for inclusion in the list provided for in section 301 of this section. If any project or study so reviewed is not included in any of the first three lists submitted to the Congress after the date of the resolution directing its review, a report on the review together with the reasons for not recommending deauthorization, shall be submitted to the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives not later than the date of the third list submitted to Congress after the date of such resolution.

By Mr. EMERY:

(To the committee amendment)

—Page 6, line 5 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 13 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 20 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 19, line 7 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

—Page 12, strike section 202 and renumber succeeding sections accordingly.

H.R. 5922

By Mr. GREEN:

—Page 12, after line 21 insert the following new section:

SEC. 204. Any institution of higher education specifically identified in the conference report on the Education Amendments of 1980 (96-1337, p. 161) as an institution which should be recognized as a developing institution eligible for assistance from funds available under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982.

H. R. 6030

By Mr. HOLLENBECK:

—Page 5, strike out lines 8 and 9.

EXTENSIONS OF REMARKS

ROHM & HAAS CO., EMPLOYEES WIN PRESIDENT'S VOLUNTEER ACTION AWARD

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DOUGHERTY. Mr. Speaker, I am very pleased and quite proud to inform the House of Representatives that employees of the Rohm & Hass Co., have won the President's Volunteer Action Award. This honor was bestowed on local 61 of the International Union of Operating Engineers, Philadelphia, and its shop steward Richard Taylor, who recruited members to build physical therapy equipment for the city's Easter Seal Rehabilitation Center.

I recently visited the Rohm & Haas chemical plant in my district where Richie Taylor works. Both the company and Richie, along with all the members of local 61, ought to be very proud of this achievement. Because of their efforts, more than 2,000 Philadelphia-area handicapped children will benefit from the use of the rehabilitative equipment. These dedicated people deserve our thanks and congratulations.

Mr. Speaker, at this point in the RECORD I include the following:

THE WHITE HOUSE,
Washington, D.C., April 2, 1982.

DEAR FRIENDS: Today in America we have an unprecedented opportunity to renew the tradition of neighbor helping neighbor which made this nation great. Through acts of concern and compassion, we can rekindle the spirit of generous giving in our people and bring a personal message to the lonely, the needy and the forgotten that help and care are never far away. In so doing, we can demonstrate to the world that the social system which is most humane and most effective in meeting its members' needs is one which fosters both freedom and responsibility.

Throughout our nation's history, Americans have selflessly extended a helping hand to their neighbors in times of trouble and crisis. The energy expended by our citizens in these direct problem-solving activities is indispensable to the goal of maintaining and improving the quality of life available to all Americans.

My Administration is seeking ways, both new and old, to encourage voluntary action and private initiative and to ensure that these efforts receive the recognition they deserve. We must make the cause of voluntary service to our fellow citizens and our communities part of our daily lives, engaging the unique talents and resources of each individual at a new level of cooperation.

The President's Volunteer Action Awards Program is an excellent example of the public and private sectors working in partnership to meet human needs. I salute Action and Volunteer: The National Center for Citizens Involvement for their joint leadership on this vital program. The ongoing work accomplished by this year's award winners is a reflection of the contribution so many Americans make every day. In honor of these award winners, and of all those who labor with unheralded perseverance, I am proud to invite all Americans to join in appreciation and celebration.

RONALD REAGAN.

THE PRESIDENT'S VOLUNTEER ACTION AWARDS

The President's Volunteer Action Awards Program has been created to call public attention to the contributions of our nation's volunteers and to demonstrate what can be accomplished through voluntary action.

The 1982 President's Awards are co-sponsored by Volunteer: The National Center for Citizen Involvement, a private, nonprofit organization, and Action, the federal agency for volunteer service, with program management responsibility resting with Volunteer. In keeping with the President's call for greater private sector initiatives, funding for the program has come from private foundations and corporations.

Awards are made in the following categories: jobs, health, material resources, education, recreation and the environment, public safety, arts and humanities, with additional awards for special corporate volunteer efforts. The awards, sterling silver medallions especially created by Tiffany and Co. and contributed by Avon Products, are presented to the recipients by the President at a special White House ceremony.

Over 2,300 nominations were received from local, regional and national voluntary organizations, corporations and labor unions, civic and neighborhood groups, fraternal organizations and from Action's regional and state offices and its programs and grantees. Additional requests for nominations were generated by announcement of the program in news stories, by syndicated columnists and public service announcements on major radio networks. Nominations came from all 50 states, the District of Columbia and Puerto Rico.

Members of the National Voluntary Service Advisory Council private citizens appointed by the President to advise Action on policy and program, served as the final judges for the 1982 President's Volunteer Action Awards.

The President's Volunteer Action Awards is not a one-year program. Rather, it is a continuing annual effort to celebrate the American spirit of volunteering and citizen involvement.

LOCAL 61 OF THE INTERNATIONAL UNION OF OPERATING ENGINEERS, EMPLOYEES OF ROHM & HAAS CO.

Motivated by the good health of his own children and concerned about helping those children less fortunate, Richard Taylor responded to a news release requesting assistance in developing and building physical therapy equipment for the Philadelphia Easter Seal Rehabilitation Center.

Mr. Taylor, an employee of Rohm & Haas Company, an international specialty chemical business, and the shop steward of Local 61, recruited other union members to support this cause. Thirty-five other union members agreed to apply their carpentry skills and to provide the manpower necessary to build the needed equipment.

Mr. Taylor enlisted the support of the Rohm & Haas Company to provide the use of the plant's facilities in building the items and to allocate the funds necessary to buy all materials. It was his intention that no costs be incurred by the Easter Seal Society. All equipment was built on the union members' own free time.

Fifty-eight pieces of equipment—professionally built for strength and safety with a total value of approximately $3,000—have resulted from the project. More important than the financial savings to the Easter Seal Society, however, is the impact of the equipment on the children at the Rehabilitation Center. The rehabilitative equipment enables these handicapped children, aged 2 through 8, to become more independent and to better reach their own full potential. Norma Portnoy, director of the Rehabilitation Center, estimates that more than 2,000 children will benefit from the efforts of these volunteers.●

PHIL FRATTI

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, I rise to introduce my colleagues to Phil Fratti of Hershey, Pa.

I do so because as practitioners of the art of politics, I think we can benefit from Phil Fratti's methods. Specifically, I am reminded of an incident at College Park, Pa., in the not too distant past.

Penn State's Nittany Lions were scheduled to meet Nebraska's Corn Huskers on the gridiron. As is the custom, a delegation from Hershey, including Phil Fratti, attended the game. During the game's tailgating preliminaries, Phil Fratti was discovered in the Corn Husker camp enjoying warm beverage and good conversation.

In Nittany Lion country, less traitorous actions have ruined many a politician's career. Not so Phil Fratti's; when confronted about his transgression, Phil intrepidly explained, "They're Corn Huskers now, but next year they might be Hershey voters."

In today's vernacular, Phil Fratti is a politician willing to go the extra mile; clearly, in a team of politicians, Phil Fratti is the lead horse. During his 50 years as a Hershey resident, Phil has served as: President of the Milton Her-

shey School Alumni Association, president of the Lower Dauphin County Baseball League (5 years), president of the Hershey American Legion Social Club, president of the Hershey VFW Memorial Home Association, president of the Dauphin County Tax Collectors Association, president of the Hershey Italian Lodge, director and steward of the Hershey Marching Club, commander of the Hershey Veterans of Foreign Wars, Derry Township Assessor, and Derry Township Tax Collector.

This impressive listing does not exhaust Phil Fratti's career of public and community service. Phil, a veteran of World War II, also served as the senior vice commander of the Hershey Veterans of Foreign Wars before being elected its present commander. He is a past trustee and officer of the Hershey Volunteer Fire Company and remains an active member of the company. He continues to be active in the Dauphin County Fireman's Association, the Knights of Columbus, the Hershey Italian Lodge, the Hershey American Legion, the Grand Lodge of the Harrisburg Sons of Italy, the Middletown Elks Lodge, the Elizabethtown Moose Lodge, the Valley Trust Bank Advisory Board, and St. Joan of Arc Catholic Church.

I think, too, the family of Phil Fratti should be recognized. Phil is married to Jennie A. Plebani of Hershey. Together they are rightfully proud of their one son, seven daughters and four grandchildren.

Mr. Speaker, in closing, I am reminded of Mark Twain's observation that "* * * human nature is all alike; * * * we like to know what the big people are doing, so we can envy the * * *." Phil Fratti is one of the world's "big people" and as we can see, he has been doing and continues to do a lot.●

NONSENSE ABOUT GOLD

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. REUSS. Mr. Speaker, there follows an excellent statement by Prof. Milton Friedman which appeared in Newsweek Magazine of May 10, 1982, entitled "Nonsense About Gold."

NONSENSE ABOUT GOLD

During the silver agitation of the 1880's and 1890s, legislation was introduced into Congress requiring the U.S. Treasury to buy all the silver offered at the market price. The law was never enacted but it did provide me with a favorite exam question.

The question: "What would the market price of silver have been if that law had been enacted and rigidly adhered to?" The correct answer: Infinity. If there is an unlimited demand at an unspecified price then the price too will be unlimited. In practice, of course, the purchase of silver would have been terminated as the absurdity of the commitment became evident.

The Commission . . . I tell this tale because it is directly relevant to a recommendation adopted by the Gold Commission and contained in its recently released report: "We favor Treasury issue of gold bullion coins of specified weights . . . to be manufactured from its existing stock of gold and to be sold at a small markup over the market value of the gold content . . . Furthermore, we recommend that the coins shall be exempt from capital gains taxes and that the coins shall be exempt from sales taxes." (Incidentally, this is the only one of the commission's eleven recommendations that calls for any change in the status quo.)

Omit the words "a small markup over" and the first sentence repeats the silver fallacy except for sales instead of purchases. What would the market price be if the Treasury were to offer to sell an unlimited amount of gold (in the form of coins) at "market value"? Answer: Whatever price would be low enough to exhaust the Treasury's stock of gold. The offer simply consists of a thinly concealed auction of the entire stock over an indefinite period.

Consider the situation at the beginning of Treasury coin sales. Whatever the initial market price for gold, it could not subsequently rise because purchasers could always turn to the Treasury. But then other suppliers could get customers only by offering to sell at a lower price. This downward ratchet would in principle end only when the Treasury's gold stock was enhausted. In practice, this process would not be carried to its logical end. The frictions and delays involved in minting gold bullion into coins would slow it, and a sufficiently large "small markup over the market value" could restrict the quantity demanded to any desired extent. Finally, if it came to that, the law would be repealed when it became manifest what its effect would be.

Since I do not believe that the storage of gold should be a nationalized industry, or, indeed, a function of government at all, I have long favored auctioning off our gold stock to the highest bidder. However, the decision to do so should be made openly and explicitly, not by subterfuge.

The Gold Commission's recommendation that the coins minted by the Treasury—and presumably only such coins—be exempt from capital gains and sales taxes could give them a marked advantage over gold coins now being marketed by private domestic mints and foreign governments, thereby assuring the Treasury a monopoly—though this, too, is an activity that I believe could better be left to the free market. If the recommendations were rigidly adhered to, the monopoly would be temporary, lasting only until the gold stock was exhausted. However, a well-chosen markup could slow the rate of depletion of the gold stock to any desired extent.

The fallacy embodies in the commission's recommendations is not a profound secret. It was pointed out by the commission's own staff, as well as by outside observers, most notably by the American Institute for Economic Research, which has long been a strong advocate of a gold standard.

. . . Flunks: It is hard to reconstruct the mixed motives that led a majority of the eminent members of the Gold Commission to endorse such economic nonsense. When the silver agitation produced actual legislation requiring silver purchases, the laws specified a maximum amount that would be purchased each month. Similarly, the Gold Commission could have made a sensible recommendation—albeit one that I would not favor—by specifying limits on the amount to be coined.

Even before the commission reported, several measures had already been introduced into Congress embodying the same fallacy: Senators Steve Symms and Jesse Helm's Free Market Gold Coinage Act and Rep. Larry Craig's Free Market Silver Dollar Act. They will not be enacted, but at least they will provide future teachers of economics with some good exam questions.●

BUY-AMERICAN DEPRECIATION TAX ACT

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HUNTER. Mr. Speaker, today I introduced a Buy-American Depreciation Tax Act, an amendment to the Economic Recovery Tax Act of 1981. This bill will allow millions of Americans to stay on the job in beleaguered American industries.

There is general agreement that bold action is required to expand American industry. The administration, to its credit, has articulated an approach which includes the reduction of tax disincentives and the creation of productivity stimulants. However, the administration's major emphasis has been placed on substantial reductions in tax burdens on income from capital investments by accelerating depreciation deductions.

Depreciable property is now allocated to one of four classes with recovery periods of 3, 5, 10, and 15 years. Other business provisions of the act include: Increased investment credits for expenditures to rehabilitate older nonresidential structures, a temporary tax credit for certain increased research and development expenditures, and a 6-percent investment tax credit for 3-year equipment, while the 10-percent credit is retained for other eligible equipment.

The magnitude of the corporate tax reduction resulting from accelerated cost recovery schedule (ACRS) is quite substantial. In 1987, the corporate income tax cut resulting from ACRS will equal $50 billion and will be roughly equivalent to that which would result in a decrease in the corporate rate from the present 46 percent to 30 percent.

The Tax Act significantly reduces the tax burden on income from depreciable investments. Both the acceleration of depreciation deductions and, for some equipment, an increase in the investment tax credit will increase the after-tax rate of return on investment. This increased return, other things remaining the same, will tend to in-

crease the level of investment above what it otherwise would have been.

While the business tax reductions provided by the Tax Act will significantly lower tax rates on corporate profits and considerably restrict the future growth in corporate tax revenues, they will not necessarily stimulate production of domestic physical plants and U.S. based jobs for American citizens.

My bill simply requires that U.S. industry, in order to take advantage of the new accelerated depreciation schedule, must buy only U.S. manufactured depreciation recovery property. The bill provides that, if foreign recovery property is purchased by U.S. businesses, they will be able to depreciate it only at a rate four times slower than the 1981 Tax Act's accelerated schedule. In short, this bill limits accelerated depreciation to U.S. made property only.

In addition, my bill permits the use of the investment tax credit on new business buildings, as opposed to the current law which limits the credit to rehabilitation of existing structures. This should help the building trades by providing jobs and should also assist in the construction of new, modern physical plants for American industry.

Last, this bill eliminates the deferral of taxable income earned abroad by subsidiaries of American companies. We need to favor the domestic manufacture of goods and services in order to provide American jobs. Because of the favorable tax changes in the Economic Recovery Tax Act of 1981, deferral of tax on an American company's foreign subsidary is no longer needed or desired.

I believe that this bill greatly discourages foreign manufacturers and encourages American business to follow the example of those companies who are already using American workers to rebuild America's productivity.

This legislation should provide enormous benefits for the American economy because it will help stem the financial losses of the trade deficit. This deficit is caused, in part, because countries that refuse to share our open market policy are selling their products in the United States while preventing American business from selling products in their countries. To counteract this "closed market," we need to insure that American industry refurbishes itself with American made hardware by granting favorable depreciation schedules on American products.

I believe that this bill is critical in this time of high interest rates which have virtually crippled our industries' efforts to rebuild—a rebuilding effort that is crucial to the American way of life. Our manufacturing industry is simply too large a part of our American economic foundation for Congress to leave it to the mercy of foreign manufacturers whose countries' closed markets unfairly injure American industry. Without counterbalancing this injury by favoring American manufacturers' products through accelerated depreciation, America's manufacturing base will be built with foreign imported hardware. This defeats the goals of rebuilding American industry and domestic job creation.

It is my hope that you will join with me in sponsoring this important measure.●

IMPLEMENTATION OF THE HALIBUT CONVENTION

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, yesterday the House agreed to pass S. 2244, a bill which would implement the 1979 Halibut Convention between the United States and Canada.

Due to other official commitments, I was unable to be present when this bill was taken up by the House. I, therefore, enclose my remarks on the bill at this point in the RECORD.

REMARKS IN SUPPORT OF S. 2244, A BILL TO IMPLEMENT THE UNITED STATES/CANADA HALIBUT CONVENTION

Mr. Speaker, I rise in strong support of S. 2244, a bill which would implement the Halibut Convention signed by the U.S. and Canada in 1979.

The halibut fishery in the waters off the State of Alaska is very important to the fishermen in my State. For many years, Alaskan fishermen had to compete with Canadian fishermen who were also allowed to fish in U.S. waters. The 1979 Convention ended that competition by providing for a phase-out of Canadian fishing. To date, the Convention has been complied with on a voluntary basis; however, it needs to be formally implemented by law. This bill will do so.

I would like to call your attention to one section of the bill which has raised some concerns among some fishermen in Alaska. Section 5(c) allows the Regional Fishery Management Councils who have jurisdiction over the waters concerned to propose a limited access system for the halibut fishery. Such a system would have to comply with certain guidelines set forth in Section 303(b)(6) of the Magnuson Fishery Conservation and Management Act. If the system did not meet these guidelines, it could not be approved by the Secretary of Commerce.

Some fishermen in Alaska are worried that the North Pacific Fishery Management Council will adopt one particular form of access limitation. I think it should be made clear that the Congress is not endorsing any particular system. In fact, the Congress is not even proposing that a limited access system be established. Rather, it is the intent of this body that the Council look fully and fairly at all management systems that might be proposed, including those that do not involve access limitation. Further, it is our intent that the Secretary insure that the guidelines mentioned above are followed. All fishermen will have the right to propose management schemes to the Council, with the expectation that those schemes be carefully considered.

I would also like to make clear for the record that it is not my usual policy to agree to move a bill on the Floor without an opportunity for public input through Subcommittee and Committee hearings. However, we are faced with a problem: the 1982 halibut season starts on May 11th. If we do not pass a bill prior to that season, we will greatly delay the ability of the Regional Fishery Management Councils to establish a management system. Thus, at the request of the North Pacific Fishery Management Council, the United Fishermen of Alaska, the Alaska Longline Fishermen's Association, the Pacific Seafood Processors Association, and other fishing industry groups, I have agreed to the expedited passage of this bill.

Mr. Speaker, I urge that we pass this legislation today so that both the fish and the fishermen can benefit.●

ZIPPO LIGHTERS—50 YEARS AND GLOWING STRONGER

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. CLINGER. Mr. Speaker, this year, the Zippo Manufacturing Co., producer of the classic Zippo windproof lighter, celebrates its 50th anniversary of service. From its beginnings in a small Pennsylvania garage, Zippo has dedicated itself to the ideals upon which great institutions prosper: quality, integrity, and service. During the last half century, Zippo has expanded and developed becoming a model of responsible American industry.

Back in 1932, the Zippo lighter was designed by George G. Blaisdell in Bradford, Pa. Refashioning a clumsy but useful Austrian lighter, Blaisdell created an attractive lighter that was easy to handle. Except for improvements in the flint wheel and advances in case finishes, Blaisdell's original Zippo remains basically unchanged today. Some things are done best as they were in the past. Today, the Zippo lighter is manufactured with the same care and attention to detail—pride in producing a good product—and willingness to back it up that represents the legacy of George Blaisdell.

Zippo lighters achieved a place in American history during World War II when George Blaisdell arranged to produce them for the post-exchanges. Ernie Pyle, a famed war correspondent, was said to have written his shortest war story on a Zippo lighter in 1945. Pyle, while on board the U.S.S. *Cabot,* was being pressed by a young officer to reveal the ship's destination. He borrowed the officer's lighter and scratched into its side a single word: "Tokyo." The announcement of the

first all-out attack on Japan was signaled throughout the ship on a Zippo lighter.

Zippo has grown impressively over the last five decades. Its operations have expanded nationally and internationally through a wide network of sales representatives and additions to its physical plant. Furthermore, Zippo has broadened its line to include a pocket knife, a letter opener, a key holder, a money clip knife, a magnifier, a pillbox, an all-purpose knife, and a golf ball. All of these products are covered, just like the Zippo lighter, by a guarantee stating they will "work always or Zippo fixes them free." (Even the golf ball is guaranteed playable for 180 holes.)

A hometown company that remains in Bradford, Pa., Zippo owes a great deal of its growth and success to the hard work of its loyal employees. In times that have seen controversy over productivity and worker recognition, Zippo takes pride in its high degree of company morale and low turnover rate. Building on a foundation of mutual goals, the company and its workers have created an exemplary success story.

Zippo sees the 1980's as a decade of opportunity and a return to the values that produced the finest products and technology in history. Though its 50th anniversary is a milestone to be admired. Zippo anxiously awaits the years ahead as another golden opportunity to serve in the American business community.●

NATIONAL PARK LAND ACQUISITION AUTHORIZATIONS

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SEIBERLING. Mr. Speaker, I am today introducing legislation requested by the administration to amend the ceiling on authorizations for appropriations for land acquisition at three units of the national park system: Sleeping Bear Dunes National Lakeshore, Mich.; Cape Lookout National Seashore, N.C.; and Cape Cod National Seashore, Mass. Also included is a provision, supported by the administration, to amend the land acquisition ceiling for the Voyageurs National Park.

The legislation is necessary due to the fact that the Department of the Interior's fiscal 1983 budget request for the National Park Service includes funds for these areas in excess of the authorized ceiling.

In order to facilitate consideration of these matters, I have combined the legislation into one bill, the provisions of which are identical to those requested by the administration.●

CENTRALIA MINE FIRE RESOLUTION

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, today some of my colleagues from Pennsylvania and I have introduced a House resolution expressing the sense of the House of Representatives that the Secretary of the Interior should use moneys from the Abandoned Mine Reclamation Fund to carry out a vigorous program to extinguish the mine fire at Centralia, Pa.

The mine fire at Centralia has burned unabated for 20 years. Today it poses a hazard to the health, safety, and welfare of the people living in and around Centralia. Last year a young boy, while playing in his grandmother's backyard, fell into a hole made by the mine fire. Luckily, he grabbed onto the exposed roots of a tree and was able to be pulled out. On another occasion, the former mayor of Centralia was overcome by fumes from the fire seeping through his basement. He had to be rushed to the hospital. Hot spots have been detected under a main road holding the potential of new vents collapsing the highway. The fire appears to be nearing buried natural gas lines serving people in the town.

The Congress recognized that mine fires pose serious hazards to the public and that Federal assistance was appropriate. Consequently, Congress provided the Secretary of the Interior with the authority under the Surface Mining Control and Reclamation Act and funds from the Abandoned Mine Reclamation Fund, to take steps to put out mine fires.

On several occasions I have written to Interior Secretary Watt urging him to take effective steps to deal with this serious problem. His responses have been to defer action to the State. The State, not having achieved primacy, cannot undertake any meaningful program. The Centralia mine fire is a perfect case when the Secretary of the Interior should step in and put out the fire. However, unless we light our own fire under Mr. Watt, it seems clear he will continue to shirk his responsibility.

That is the purpose of this resolution: to spur the Secretary to use the authority and funds at his disposal to put out the Centralia mine fire. I urge my colleagues to join me in cosponsoring this resolution.

The language of the resolution follows:

Whereas the mine fire in Centralia, Pennsylvania, has burned unabated for 20 years;

Whereas the continuing presence of the fire is a threat to the public health, safety, and welfare in Centralia, Brynsville, and surrounding areas; and

Whereas the Secretary of the Interior has authority under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231-1243) to use moneys from the Abandoned Mine Reclamation Fund to extinguish the fire; Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Secretary of the Interior should use moneys from the Abandoned Mine Reclamation Fund under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231-1243) to carry out a vigorous program to extinguish the mine fire in Centralia, Pennsylvania.●

SPACE RACE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FUQUA. Mr. Speaker, as we try to sort out our priorities for the United States during the coming weeks and months and even years of budgetary decisions there is an obvious wish to reduce expenditures wherever possible; to reject bold programs leading to a stellar future in favor of timid responses to a troubled present.

Like most Members of this House, I, too, stand for austerity and a rational fiscal policy. So do the residents of the Second District of Florida who I am honored to represent and the people of Florida.

However, I believe this editiorial from the Florida Times-Union of Jacksonville, a conservative newspaper covering much of north Florida, succinctly states a case for pursuing the bold course in space which I have also sensed in talks with my own constituents and from others around the country who talk to me and write to me about our future.

[From the Florida Times-Union, Apr. 18, 1982]

SPACE-RACE QUESTION CHANGES FROM "CAN WE" TO "WILL WE"

Russia launched *Sputnik I* and the U.S. gasped.

Next *Sputnik II* circled the earth.

Lunik II hit the moon and *Lunik III*, launched only a month later, photographed the far side of the moon.

Then Senate Majority Leader Lyndon B. Johnson, D-Texas, charged that the U.S. space effort lacked "coordinated authority." He ordered an investigation by his Senate Committee on Aeronautical and Space Sciences.

Two weeks later Rep. Overton Brooks, D-La., announced extensive hearings in his House Committee of Science and Astronautics to find out why we were "lagging" so badly in space.

Senator Stuart Symington, D-Mo., at the time a presidential hopeful, chimed in that the United States was "doing a second-rate, second-best job" in space development.

That brief recount is background to the comment by soon-to-be-retiring Christopher

C. Kraft Jr., director of the Johnson Space Center.

Back when President John F. Kennedy first proposed a moon landing, Kraft was still struggling to figure out how to merely send an American into orbit.

Kraft recalls:

"I said, 'That guy's lost his mind.' That (a moon landing) was beyond my comprehension."

Kraft went on to point out how he feels today:

"You could name almost anything today and I'd say, 'Let's give it a try.' That's the real legacy of Apollo—not that we landed a man on the moon, but that we learned that if we set our minds to doing something we could do it.

"It was a very profound lesson for this country."

Kraft concedes that—his personal enthusiasm notwithstanding—there is still one distinct parallel between then—when we were "losing" the space duel—and today when we are the acknowledged leader.

Back then, as the congressional probes mentioned above went on to find out, it was not a lack of ability, on the part of the nation's scientific community but rather of will, of desire, of determination.

As for today, Kraft says:

"It's unfortunate we [he explained that by 'we' he meant national attitude] are not willing to be a little more aggressive in space, both from a commercial and a defense point of view.

"We somehow need to leap from the present concepts we have and decide what we need to do to checkmate those who would destroy us.

"[With determined effort] we could be there a lot sooner than we believe."

What Kraft is saying is very true. The big question behind any such challenge as the moon landing now would be not "can we" but "will we."●

STRATEGIC ARMS CONTROL

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMILTON. Mr. Speaker, the debate about strategic arms control is acquiring an increasingly high profile. I would like to share with my colleagues an article that appeared in yesterday's Boston Globe entitled "On-Target Arms Control." It concerns a proposal made by a member of our Intelligence Committee.

The article reads as follows:

ON-TARGET ARMS CONTROL

A couple of weeks ago in Moscow, members of a visiting American delegation were mystified when high-level Soviets asked about an American arms-control plan drafted by Rep. Albert Gore of Tennessee. Most of the Americans hadn't the faintest idea what the Soviets were talking about.

The Gore plan, published in the Congressional Record on March 22, is a "technical" proposal, based on a detailed study of specific weapons systems and the dangers they present. Compared with the broad-brush simplicities of schemes such as the "freeze," Gore's plan may have trouble attracting attention. For those who are thinking about the practical realities of arms control, however, Gore's proposed strategy is must reading. Experts in the field are likely to find it a more serious idea than the freeze.

Whereas the freeze is, technically, a blunderbuss, the Gore plan is a sharpshooter's rifle. It takes precise aim at the particular weapons systems that are widely regarded as the most dangerous because their characteristics could upset the nuclear balance between the United States and the Soviet Union.

The Reagan Administration's "window of vulnerability" argument stems from the development of a nasty, new generation of "counterforce" nuclear weapons that have begun to come on line. These missiles combine precise accuracy, large numbers of warheads and very fast arrival time in a way that places intense pressure on strategists on both sides to keep deterrent forces on a hair-trigger alert lest they be destroyed by an adversary's disarming first strike. Healthy respect for the other side's deterrent turns into unhealthy fear, perhaps coupled with the temptation to shoot first.

For the moment the Soviets have a theoretical edge because they have a larger number of super-accurate warheads already deployed. In a few years, however, the equation will run strongly in the other direction. Over 70 percent of the Soviet deterrent is based on land where it is and will continue to be, vulnerable to attack. The coming generation of the US submarine based missiles, the Trident 2, or D5, will be just as accurate as Soviet land-based missiles; and because these will continue to be hidden beneath the seas, and thus virtually invulnerable, the Soviets will soon face a much greater theoretical threat than the United States faces now.

These counterforce weapons are the engine driving the current strategic arms race. The shifting arguments to build the MX missile and shuttle it between gopher holes in the West, along with the new flock of cockamamie schemes to shoot down incoming warheads with rockets or laser beams in outer space, are all a direct result of the felt need to keep land-based missiles safe from a counterforce attack.

Gore's plan would do that. It would put an immediate stop to the "MIRVing" of weapons—adding multiple warheads in such numbers that the other side's launchers can be individually targeted. It would also restrict further refinements in accuracy. An early moratorium of this sort would represent a heavy frost, if not a freeze, on the arms race.

During this pause, synchronized reductions in the most threatening weapons held by each side would be negotiated. By the early 1990s, neither side would have any basis for fearing a disabling counterforce strike. Any new missiles built to replace those becoming obsolete would be small, capable only of carrying single warheads. That wouldn't create an ideal world, but it would lead to a much safer one.

Arms control specialists are starting to take notice of Gore's proposal. Asked for comment a week ago, a Democratic Senate staff expert replied he had barely heard of the plan and had not read it. A few hours later he called back saying, "This is the best piece of work I've seen out of the House in 13 years."

Reagan Administration arms negotiators Paul Nitze and Eugene Rostow, both celebrated hawks, are reportedly interested in the Gore plan. When the same item turns up on reading lists of the Kremlin, the White House and the loyal opposition, it's worth a look by everyone else.●

WAC ANNIVERSARY

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LOWERY of California. Mr. Speaker, 40 years ago, Oveta Culp Hobby said, in addressing the members of the first officer candidate class of the Women's Army Auxiliary Corps (WAAC):

May 14th is a date already written into the history books of tomorrow. Long established precedents of military tradition have given way to pressing need—you are the first women to serve. Never forget it—you have a debt and a date. A debt to democracy; a date with destiny.

On May 14, 1982, former members of the Women's Army Corps (WAC), formerly known as the WAAC, will celebrate the 40th anniversary of the founding of the corps. The WAC has probably fought as many battles for survival as any army in history. Although they did not resort to armed conflict and last-ditch bayonet stands, the WAC's struggle for recognition and the right to serve can be regarded as one of the finest examples of military achievement.

With the surrender of Japan following closely upon the cessation of hostilities in Europe, it seemed that women and the WAC were no longer needed. In August 1945, enlistments in the WAC closed, and by May 1946, the strength of the corps had dropped from more than 99,000 to 21,500. By summer of 1948, WAC personnel totaled 6,500 on active duty.

Fortunately, Mr. Speaker, Congress passed necessary legislation to prevent the WAC from disbanding in 1948. The Women's Armed Services Integration Act of 1948 gave servicewomen equal status with men, except that women would not be assigned to combat duties. The act further stipulated that women in the Armed Forces would enjoy the same privileges, security, and retirement benefits as men of corresponding grades; the same opportunity to attend service schools for training in the occupations appropriate to them; and equal chance for promotion.

Since 1948, many changes occurred in the Women's Army Corps as a result of the elimination of the draft, the women's liberation movement, and the WAC expansion campaign conducted in the 1970's. By an act of Congress, signed by President Gerald Ford in October 1975, the U.S. Military Academy at West Point, N.Y., was opened to women. In addition, combined basic training was initiated in

the fall of 1977. Today, as they have for the past 40 years, women in the Army are meeting their "debt to democracy" with honor, and are keeping that "date with destiny" with pride and dignity.

I join my colleagues in the House in congratulations to and admiration for the courageous women who boldly served in the Women's Army Corps. In the words of Mrs. Oswald Lord, WAC National Civilian Advisory Committee chairman in 1945:

These women were pioneers. Many of us wondered if the American sense of adventure and steadfastness had died with their grandmothers * * *. I know now that the American woman of today can take it as her grandmother did. With her sense of humor unimpaired, she has pioneered in a new field and has done her job well.●

CHRYSLER CORP.

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. BLANCHARD. Mr. Speaker, in the fall of 1979 the House Banking Committee's Subcommittee on Economic Stabilization initiated legislation to assist the ailing Chrysler Corp. When we took up the legislation, many people said it was a hopeless cause, and that the corporation would not make it.

Well, it is now 2½ years later, and I am happy to report that Chrysler remains America's third largest car company with renewed hopes for the future.

On April 22 of this year, the Subcommittee on Economic Stabilization conducted an oversight hearing to get a firsthand report from the corporation and the Loan Guarantee Board on just how the company is doing and what its prospects for the future are. Our witnesses were able to report to us that through the joint contributions of Government, business, and labor, which the loan guarantee program represents, Chrysler today is leaner, but stronger, than it was 2½ years ago. This accomplishment is manifested by the company's increased market share by 1 percent, its increased total dollar and unit sales, a cut in its break-even point to half the 1979 level, a cut of $1.2 billion in after-tax losses, an increase in its net worth and cash and marketable securities, improvement in its debt-equity ratio, and elimination of its total bank debt through a debt restructuring program. If the economy improves in the second half of this year, Chrysler expects a profit for 1982.

This is a truly remarkable achievement, Mr. Speaker, particularly in today's economic climate. It is due in large measure to the heroic efforts of Chrysler's "family" of workers, dealers, and suppliers, and to the company's management under the leadership of its chairman, Mr. Lee Iacocca. I would like to share with my colleagues Mr. Iacocca's statement at the April 22 hearing so they can know in more detail just how much Chrysler has accomplished.

The statement follows:

STATEMENT BY L. A. IACOCCA, CHAIRMAN OF THE BOARD, CHRYSLER CORP.

Mr. Chairman, I appreciate this opportunity to appear before your Commmittee to give you a sort of status report on what we've done (or tried to do) over these last, very long 2½ years since I first appeared before Congress.

The decision which was made here two and a half years ago—to form a tripartite coalition of government, management, and labor to solve a severe national problem—was a good decision for America. I would like to express our gratitude for your support and your confidence.

I would also like to report that we are in good shape, and getting better by the day.

My first appearance before this Committee took place 31 months ago. I don't mind telling you that it has been 31 months of sheer hell. However, the fact remains that if we had not gone through those fires of hell, 600,000 American workers would not have jobs now, and they would not have a secure future. The results have been worth the effort.

To put our performance in perspective, it might be useful to go back to 31 months ago and remind ourselves where the economy stood and what problems we all faced at that time.

Things were tough. There was great concern that Chrysler would never survive the recession then underway, even with the help of loan guarantees. The GNP had, after all, risen by only 4.1 percent in the third quarter of 1979. The annualized rate of domestic new-car sales was only 8.4 million units. Unemployment was at 5.8 percent. And the prime interest rate was slowly climbing to the 12 percent level.

No wonder some members of Congress were worried. But looking back, those now seem like the good old days.

Let's look at what's happened since then. The GNP hs just fallen 4.5 percent for the second straight quarter. The rate of domestic new-car sales has fallen to an average rate of 5.3 million units, the lowest level since 1958. Unemployment is at 9 percent, with more people out of work than at any time since the Great Depression. And thanks to a monetary policy established by the Fed to singlehandedly break the back of inflation (on the backs of cars and houses), the prime rate is now at 16.5 percent and showing no signs of coming down.

In my personal judgment, the day of infamy was October 6, 1979, when the decision was made to allow interest rates to float up and down like a yo-yo. We all became Friday watchers of the M-1B, and we had a lot to watch. The fact is that monetary policy has not been tried, and it has failed. We ought to face up to that fact.

For 200 years the prime rate never hit 12 percent. From 1935 to 1947 it didn't move at all. But it has gone up and down 75 times since October 6, 1979.

How does a businessman make a commitment to a long-term loan, or a consumer on a 4-year car payment or a 30-year mortgage, with that kind of volatility?

I believe it fair to point out that during this incredible period of national economic stagnation, in which the federal government incidentally has missed nearly all of its economic targets, we at Chrysler have fulfilled the commitments we made to the Congress two and a half years ago. The only targets we missed were the ones based on economic assumptions for inflation and interest rates—both beyond our control.

Here is a quick summary of what we have achieved so far:

We have a new management team made up of aggressive, and talented automobile men that I would not trade for any in the business.

We have streamlined our white collar staff from 40,000 to 21,000, for a savings of $1.2 billion in total salaries.

The UAW represented workers made substantial and historic concessions to help cut costs and make us competitive again. Our employees did what had to be done to save the company. They set a pattern. They started a landslide that's growing to the point that it may well save all of American industry.

We have cut our breakeven point to half the level of 1979.

We cut our after-tax losses in 1981 by $1.2 billion from our losses in 1980.

We eliminated our total bank debt of $1.3 billion through a debt restructuring program. We have essentially no more bank debt.

We increased our net worth to $800 million compared to $300 million at the end of 1980.

We have increased our cash and marketable securities to an all-time record high of $900 million, including $336 million from the sale of Chrysler Defense.

We have improved our debt-equity ratio from 6.1 to 2.5.

We have increased our fleet average fuel economy to 28 miles per gallon, double the level of 1974, and now the best in the industry.

We have sold, closed, or consolidated 20 obsolete plants, while totally renovating our assembly and power train plants with state-of-the-art technology.

We have improved our quality to the point that we can now offer the most comprehensive warranty in the industry—for 5 years or 50,000 miles: protection on the power train, protection against body rust, and free scheduled maintenance—for all our domestic automobiles.

We increased our unit sales over 1980 by 60,000 vehicles, led by our K-Cars which represents the most successful new cars in Chrysler's history.

We increased our market share by 1.0 percentage point, and we were the only domestic manufacturer to increase sales in 1981—up 11 percent.

We increased our total dollar sales by $1.6 billion over 1980.

We are streamlining our operation by reducing our total parts count from 53,000 in 1981 to 37,000 in 1984 despite the addition of all-new lines of cars and a front-wheel-drive van-wagon which will be unique in the industry.

We have reestablished our position in the truck market, with a total penetration of 10 percent.

We are number one among U.S. companies in Mexico, and we have been number two in Canada for 5 of the last 7 months.

We have strengthened our international links. We have a 15 percent equity ownership in Peugeot and a 15 percent share in

Mitsubishi Motors. We are working with both to develop new vehicles and new power trains.

We have 90 percent of our automobile offerings in the new technology of front-wheel drive. In two years, all of our car lines will be front-wheel drive—the first domestic car company to achieve that goal.

Based on an assumption that the economy will recover in the second half of this year, we project a profit for 1982 in the range of $150 million.

Finally, we have provided an enormous economic contribution—a return on investment, if you will—to the people of America. Since the Loan Guarantee Act was passed, we have paid wages and fringes to our employees of over $6 billion. We have bought over $10 billion of goods and services from over 16,000 suppliers, who in turn have helped keep hundreds of thousands of their suppliers in business. Chrysler has paid corporate taxes of $420 million. And our employees have paid state, local, and federal taxes of $41.2 billion—which, by the way, is the exact amount of guaranteed funds Chrysler has borrowed under the Loan Guarantee Act of 1979.

That would have been a good performance if the economic conditions of 31 months ago had continued as expected. Under the increasingly adverse conditions which have prevailed since then, the record our people compiled has been truly outstanding.

It stands as evidence that the workers and the management of Chrysler have fulfilled their promises to the nation. And it stands as evidence that the Chrysler Loan Guarantee Act of 1979 was sound economic policy. All of you here should take full credit. At least those who voted for it!

Now you may not want to take credit for the other $409 billion of federal loans and loan guarantees that were already outstanding when we first came to town in the fall of 1979. And you may not even know that the grand total has since climbed to $475 billion of guaranteed loans outstanding.

But everybody knows about Chrysler. For some reason—maybe because we are big, because we sell a very visible product, because we are outspoken—we are considered special. And we've had special attention.

We've lived through the slings and arrows of countless editorial writers and cartoonists who simply were not about to forgive us for having the nerve to ask for the same helping hand extended to thousands of others before us.

Try as we might, we still can't seem to get the news media to understand that we did not get a bail-out in the form of a gift or a grant of $1.2 billion in a brown paper bag delivered on my desk. We borrowed that money from private sources and we're paying high interest on it. On the last drawdown of $400 million, we are paying 14.9 percent interest.

Everybody is getting their money's worth, and everybody is protected. The federal government protected itself against an immediate one-year loss to the GNP of $2.7 billion, as calculated by the Treasury Department, if Chrysler had failed. The federal government has collateral and first call on $2.4 billion of assets to secure its position as a guarantor. It also has 14.4 million warrants for the purchase of Chrysler stock to compensate it for its risk, even though the law didn't call for it.

Finally, the Loan Guarantee Board is taking a full one percent fee at a cost to us of $12 million per year, double the minimum amount set by Congress.

I would like to suggest that the fee ought to be half of that. Six million a year would cover the budgeted expenses of the Loan Guarantee Board this year five times over. I have already made this suggestion to the Loan Board in writing, and I would like to make it formally at a meeting of the full Board. Unfortunately, there has yet to be a meeting of the Board since the new Administration took office 15 months ago.

I tell you all this by way of illustrating that there are still a lot of people—in this Congress, in the Administration, in the press—who continue to be ideologically opposed to what took place in the fall of 1979, who continue to repeat the myths and stereotypes that we heard in this very Committee during the debate on Chrysler, and who still wish we would just all go away and leave them alone.

Well, we're not going to ask for any more help for Chrysler, but we're not going to go away either. I wish I could afford to be so ideological. We at Chrysler were in a position in which we had to be practical, and the Congress joined with us in a great bipartisan effort to devise a practical solution which carried the House by a vote of 2 to 1. It shows it can be done.

From everything I can determine, it's time for another bipartisan effort to be practical again.

I said, when I testified here before, that Chrysler was on the leading edge of all the suffering that had resulted from the nation's economic and regulatory policies. I said that Ford and GM would be right behind us in reflecting the severity of the problem. I said that if we did not get on with a practical national program to restore the health and strength of our great industries, we were going to see permanent damage done to our industrial base, and to the hopes of those Americans who want the opportunity to improve themselves through the benefits of a good job.

I'm sorry to say that I was right. This nation now faces its biggest economic crisis since the Great Depression. And I believe it's time to take some practical action.

First—We have to get interest rates down, through a bipartisan program to cut the budget deficit in half. Take a five percent cut in defense, match it dollar for dollar with a cut in other social programs, add the revenue from a surtax on imported oil, and you have a $55 billion reduction in the deficit. The prime rate will drop. Consenting adults will engage in commerce again. And revenues will rise.

Second—Grant a $1500 personal investment tax credit to the buyer of any new car that gets over 25 miles per gallon. That will increase car sales by one million units a year, put 250,000 Americans back to work, and save a billion gallons of gasoline a year.

Third—We've got to get serious again about an energy policy. Slap a surtax on imported oil or an excise tax on gasoline at the pump, and send a message to the American consumer that the days of conservation are not over, big cars are not back to stay, and that gas is not there to be guzzled again.

Finally—This nation must face up to the fact that the Japanese auto makers have an unfair tax and trade advantage which is denying hundreds of thousands of Americans a fair shot at a job. The United States of America loses $1,750 of taxes on every Japanese car sold in this country, a portion of it the result of a Japanese tax policy which allows a Toyota to be sold for less in Washington, D.C. than it sells for in Tokyo. And we have an imbalance of trade of a neat $15 billion a year.

That's not fair trade, and the American people know it. They have a basic sense of fair play that simply will not allow it to continue, and I suggest that we listen to them before it's too late.

I know that legislation has been introduced or proposed covering every one of these courses of action. I know that some people question the specific numbers contained in these proposals. Well, the numbers are not cast in concrete, but the concepts are right. They will work. And I know the difficulties of gaining a consensus. But I believe it's time to get practical again, and to be bipartisan about it.

Time is running out on the American automobile industry and on the people you represent. I urge the Congress to set aside politics and ideology, as it did in the Chrysler case, and give serious consideration to the economic potential represented by these proposals.

Chrysler is in good shape, thanks to you and to a lot of hard working people across the country. With any small improvement in the economy, we could make sweet music in your ears and the ears of the workers of America. It's time to get the entire economy back in shape, so we can fulfill that promise as well.

Thank you, Mr. Chairman, and members of the Committee.●

SALUTE TO RHODE ISLAND WINNER, VOICE OF DEMOCRACY AWARD

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 27, 1982

● Mr. ST GERMAIN. Mr. Speaker, I am including in today's RECORD the award-winning speech delivered by Linda M. Jackson of Pawtucket, R.I., for which she was declared the Rhode Island winner in the 1982 Voice of Democracy Scholarship Award contest, sponsored by the Veterans of Foreign Wars of the United States. I am pleased to have the opportunity to salute Ms. Jackson, an outstanding and promising student. I am sure in the years to come she will be successful in her college and career endeavors.

Building America Together. If I were to expound upon the phrase "building America together," I could very well make a literal comparison with the construction of a house.

Our forefathers chose this new, undeveloped land as their home, just as a young couple may choose a plot of land for their dreamhouse. Cautiously, the advantages are weighed, and in the case of our nation, the many dangers and risks were also scrutinized.

As in the early traditional days of building a house, when friends and neighbors would come from miles around to help break the soil, so we followed in the same pattern. The Pilgrims came from overseas bringing experience and precious skills to the groundbreaking ceremony of our country. Whence the primary task of physical labor had been dealt with, our next step was to tend to the development of a government which would

be lead by the people and for the people in a fair and democratic way.

The success of our nation soon expanded around the world and our beaches were transformed into endless welcome mats for the oppressed and frustrated of less fortunate lands. Although the vast majority lacked economically, they were found abundant in culture, spirit and determination. Soon the population grew rapidly, and as in a similar domestic situation, an addition was deemed necessary for our house. Thus, the pioneering stage came into view.

Opening a new frontier was neither an easy nor a fearless task. Men and Women from all over left whatever they possessed so they may take part in the unfolding of yet another portion of our unexplored territory. Courage and determination were essential characteristics when breaking into the unknown, and so these qualities descended into the generations that followed. At times when it became necessary to defend our country from outside forces, these traits bloomed in our citizens. Pride, honor and dignity were carried with them as they defended our rights as a free creative people.

In showing our strength, we have ensconced ourselves a position above the rest. Strength, I refer to not only in a physical manner, but also one of ethics. Forceful displays come only as a last resort, when logic and reason are no longer acknowledged. Therefore we established ourselves as worldwide peacemakers, gaining universal respect.

As our nation thrived, so did our unquenchable thirst for knowledge. Not a stone has been left unturned as our most brilliant Americans have delved into the unknown. We have been accredited with having put the first man on the moon; astronomers forever exploring mysterious galaxies; and scientists striving for the cures of debilitating diseases.

Together, we broke the soil.

Together, we developed a foundation.

Together, we have expanded the regions of our house.

Together, we have made our house a home by adding to it culture, history, and respectability.

On a house, there will ultimately be placed a roof. On our country, however, a roof would never be built for it would serve only to stifle us.

No man, shall ever have the ability to repress this great nation. Our desire to search for the unknown, to strive for perfection, to reach for knowledge, and to grow so that we may live as one, will never be satisfied. Nor will man ever have the power to prevent us from doing in the future what we have been doing so successfully for the past two hundred and five (205) years, and that is "Building America Together."●

TRIBUTE TO AUTO RACING PIONEER MIKE CARUSO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LENT. Mr. Speaker, I rise to call to the attention of my colleagues an event of considerable historic interest taking place this month in the community of Hicksville, Nassau County, N.Y., in the Fourth Congressional District of Long Island, which I have the honor to represent.

On May 15, the Hicksville Gregory Museum is opening a unique and colorful exhibition of auto racing memorabilia, honoring the outstanding career of Mike Caruso of Hicksville, who won national recognition for his superlative efforts in automotive engineering and auto racing over five decades. Mike Caruso built and operated many championship racing cars; in the process, winning a nationwide reputation as a masterful and innovative designer, builder, and sponsor of racing cars.

Mike's life and career offer a great example of ability, grit, and determination in overcoming severe challenges. Forced to quit school at age 13 when his father died, Mike put his natural mechanical ability to work and won speedy success as an auto mechanic. So successful was he, in fact, that in 1922, though just 23 years old, Mike opened his own garage in Hicksville. Five years later, Mike bought his first racing car, and in 1929, started building his own auto racers. In 1935, Mike Caruso captured national racing attention with the very first midget auto racer he built. His engineering talents transformed an eight-cylinder Bugatti engine into a four-cylinder engine conforming to midget racing specifications, which won the 1937 National Auto Racing Circuit championship, with Ernie Gessel as driver.

Not content with this outstanding achievement, Mike Caruso turned his talents to the Offenhauser engine, perhaps the most famous of all racing car engines. In 1938, the "Offy"-powered Caruso No. 5 racer won the AAA Midget championship, and won the 1941 American Racing Car Driver Club championship.

When midget auto racing resumed after World War II, perhaps the most famed of all Caruso-built racers—the Black Deuce—took to the tracks, and won top honors in races across the country. In 1948, teamed with another Caruso racer—No. 3—the two Caruso products won first place in 91 out of 106 races.

Always an innovator, and always safety-conscious, Mike Caruso put the first roll cage on a midget car, inaugurated the safety throttle pullup, and installed safety chains on radius rods to protect against tie rod breakage.

Through the years, Mike's wife, Rose, and his sons, Louis and Mike, Jr., aided in the efforts of the Caruso racing team, which also included a number of famous drivers. Although Mike Caruso's expanding business interests drew more and more of his time, he kept running race cars and dabbling with experiments on them well into the 1970's. In 1978, Mike Caruso was elected to the Hall of Fame of the Eastern Old Timers Auto Racing Club—the first carowner so honored. Mike retained his tremendous interest in auto racing until his death early this year at age 82 ended his remarkable career.

Mr. Speaker, on May 15th, members of Mike Caruso's family, together with many of his friends and admirers, will gather at the Hicksville Gregory Museum for a program of reminiscence and fellowship opening the Mike Caruso exhibit. Among the many items of memorabilia from the Caruso era will be the famed midget racer, the Black Deuce. The exhibition will continue until Labor Day, and is expected to attract racing car fans from all over the country.

Mr. Speaker, I know my colleagues will join me in saluting the memory of Mike Caruso—a truly outstanding American, whose life and career typify the dedication, determination, inspiration, and ability which helped mold our Nation into greatness. Our congratulations, too, to the Hicksville Gregory Museum and the committee honoring Mike Caruso for their work in developing this exceptional exhibition. May it bring new understanding of Mike Caruso's great talents.●

INTRODUCTION OF NHTSA FUND ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WIRTH. Mr. Speaker, today I am introducing the Motor Vehicle Safety and Cost Savings Authorization Act, which will authorize funds for the National Highway Traffic Safety Administration (NHTSA) through 1985.

This past year has been one of transition for NHTSA. Instead of pursuing an aggressive safety program we have witnessed the rescission of several important and cost-effective safety and consumer programs. Therefore, with the introduction of this bill I am hoping to reiterate the congressional intent that created the agency: In 1966 when Congress established NHTSA, it unequivocably mandated that NHTSA establish a coherent safety program in order to reduce the appalling carnage on our Nation's highways.

While NHTSA safety programs have been responsible for saving hundreds of thousands of lives during the last decade, the agency's role at this juncture is even more critical. With cars getting smaller, it has been estimated that more than 70,000 Americans will die each year in automobile accidents unless major safety improvements are made. NHTSA must not take this mission lightly. In terms of both lives and dollars the NHTSA statute remains one of the most important health and safety laws we have.

I am hopeful that after passage of this legislation, NHTSA will realize the priority the Congress places on highway safety and will again begin to make some real effort toward reducing the automobile death toll. I believe that the President's budget request is adequate to continue NHTSA's mandate to save lives. However, I am deeply concerned about where priorities are placed in the agency. For example, we must not retreat from technological solutions in favor of modifying the behavior of drivers. This approach has failed over and over again. Additionally, NHTSA must continue to provide Americans with meaningful information about the cars they drive, as Congress envisioned when we passed the Motor Vehicle Information and Costs Savings Act. I will be working with Chairman BENJAMIN, of the Appropriations Subcommittee and with our counterparts in the Senate in insuring the NHTSA carry out its congressional mandate.

In addition to funding for activities under the National Traffic and Vehicle Safety Act and the Cost Savings Act, this bill includes a provision to clarify the rights of States in enforcing safety standards that are identical to Federal standards.●

FOSSIL R. & D. DEFERRALS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ERTEL. Mr. Speaker, I applaud the actions of the House in rejecting the President's request to defer funds for fossil energy research and development from fiscal year 1982 to 1983. Not only would such a deferral seriously compromise important research efforts currently underway, the real intent of the President's request is to terminate virtually all fossil energy research and development programs.

Subsequent to the issuance of the fiscal year 1983 budget requests, the administration realized that it has not requested sufficient funds to cover the termination costs of fossil R. & D. programs. The deferral request was a veiled attempt by the administration to have enough money to pay for all closeout costs so it could finish gutting fossil research.

The fallacy of this administration undertaking is obvious when we look at the specific projects which would have suffered deferrals. The pressurized fluidized bed-combined cycle pilot plant is one of the most promising new technologies for utility coal combustion. This project offers the potential of significant increases in coal combustion efficiencies while dramatically reducing the emissions from burning coal. This project would be killed by the administration.

Also slated for deferrals were the Bi-Gas pilot plant and the eastern shale development programs. The Bi-Gas plant is a fully integrated downstream gas cleanup system designed to provide information of general application for gasification systems. The eastern shale development program focuses needed attention on the important potential of this Nation's Eastern Devonian shale deposits which, with a little more development, can offer new natural gas supplies.

Other important research areas hit by the deferral request include: advanced combustion technologies, the liquid phase methanol process development unit, magnetohydrodynamics, and the fixed-bed gasifiers at Morgantown, W. Va., and Grand Forks, N. Dak. The list of promising fossil energy research which the administration would scrap goes on and on.

This administration has made a decision to forfeit our Nation's future energy security by terminating these and many other programs. The House is to be commended for rejecting the President's request.●

WOULD WAR WITH GAS MEAN HOLOCAUST?

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. GEJDENSON. Mr. Speaker, Congress will shortly be considering the fiscal year 1983 defense budget. In that budget, the administration has requested funding for the renewed production on lethal binary chemical weapons. Hearings on the chemical warfare weapons program are being held today and tomorrow in the Senate Appropriations Committee. One of the witnesses to be heard today is Dr. Matthew Meselson, the Nation's leading expert on chemical weapons. In light of the ongoing debate on nerve gas, I would like to share with my colleagues an interview of Dr. Meselson and Gen. Niles J. Fulwyler that appeared recently in the New York Times.

The article reads as follows:

WOULD WAR WITH GAS MEAN HOLOCAUST?

(By Richard Halloran and Caroline Rand Herron)

Should the United States produce new binary chemical weapons? The question is scheduled for debate in the Senate this week when Senator Mark O. Hatfield, Republican of Oregon, holds hearings in the Appropriations Committee and amendments to the Pentagon's authorization bill are offered on the floor. The Administration would like a go-ahead, and has asked for $32 million to develop the new munitions, which consist of two nonlethal components that are packaged separately and combine to form a toxic agent only after a shell or bomb is in flight. The amount is relatively small as military budgets go. But the question itself is highly charged. The Week in Review asked Maj. Gen. Niles J. Fulwyler, director of the Nuclear and Chemical Directorate, Department of the Army, and Matthew Meselson, professor of biochemistry at Harvard University, to talk about the pros and cons. Excerpts of their discussion with Richard Halloran, a correspondent in The Time's Washington bureau, and Caroline Rand Herron, an editor of The Review, follow.)

Question. Do we need more, better or any chemical munitions, and why now?

Mr. MESELSON. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the Army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General FULWYLER. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. MESELSON. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General FULWYLER. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. MESELSON. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General FULWYLER. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand different types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

Q. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General FULWYLER. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until in the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. MESELSON. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General FULWYLER. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. MESELSON. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General FULWYLER. You do not have access to——

Mr. MESELSON. Yes, I do, I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General FULWYLER. Still, I have concern about you making statements concerning the status of our stockpile, when I believe, Professor, you do not have timely information.

Mr. MESELSON. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of munitions are deteriorating at such a rate that in a few years we won't have any?

General FULWYLER. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

Q. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. MESELSON. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General FULWYLER. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. MESELSON. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General FULWYLER. That's correct, you're not shipping both at the same time. In the interests of safety, we would not plan to ship them on the same aircraft.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to prewarn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This undermines the deterrent to war itself.

General FULWYLER. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health hazard to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. MESELSON. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General FULWYLER. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. MESELSON. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

Q. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General FULWYLER. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. MESELSON. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communiqué with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALIATION BOOMERANG

General FULWYLER. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. MESELSON. I strongly disagree. If we could imagine the war happening in New Jersey——

General FULWYLER. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. MESELSON. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General FULWYLER. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. MESELSON. Yes, but I think that chemicals can bring that on.●

COPPER IN TROUBLE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SANTINI. Mr. Speaker, the U.S. copper industry is in trouble. The current economic recession is taking its toll on copper producers. Prices are the lowest they have been in 30 years and no less than five copper sites are on the verge of permanently shutting down. Under current conditions copper producers cannot possibly operate at a profit.

Copper is important. Not only is it critical to defense and U.S. industry overall, but the copper industry also provides an important source of employment and economic activity. Copper is usually mined and smelted in remote areas where there are few jobs available outside the copper industry. When a mine or smelter is shutdown, the result is usually economic disaster for the locality where the copper operations are lost.

The following article, which appeared in the Las Vegas Review Journal on April 18, 1982, is illustrative of the problems casued by the ailing copper industry. I urge all Members to read this article:

RECESSION HITS COPPER MINES

DOUGLAS, ARIZ.—Even during the Depression, Phelps Dodge Corp. ran its copper smelter in this border city 10 days a month. But then last week a recession caught up with the company, and all Arizona will feel the result.

The company announced on Wednesday it was suspending operations at its mines and smelters in Douglas, Ajo and Morenci, along with its Hildalgo, N.M., operation. In all, 3,800 workers will be jobless at least through June 1, with 3,200 of them in Arizona.

Unemployment in the nation's largest copper-producing state will jump 0.5 percent, to at least 7.8 percent as a result of the 3,200 layoffs at the Arizona facilities, officials say.

State revenues are expected to drop between $1 million and $4 million, and legislators are trying to cut the state budget while also considering plans to boost unemployment benefits.

Gov. Bruce Babbitt ordered that special unemployment centers be set up in the mining towns. The company has said the furloughs will be extended if the copper market remains depressed.

There were signs it was coming. For two months, workers at Phelps Dodge copper mines have been on four-day weeks because copper prices are at their lowest level in 30 years.

State experts estimate 80 percent of Arizona's 24,000 miners are laid off or working shortened hours. Most work in the state's copper mines, and Phelps Dodge was the biggest employer.

U.S. Sen. Dennis DeConcini, D-Ariz., has suggested the federal government purchase $1.5 billion in copper for the national stockpile to stimulate production.

Meanwhile, workers began assessing their ability to last out the shutdown, the first by Phelps Dodge for economic reasons since 1932.

"I got some savings, but I don't know how far they will go. I guess I'll just cross my fingers and hope they'll open up again in June," said Manuel Amarillas, a Douglas repairman with 26 years in Phelps Dodge service.

Ben F. Williams, Jr., mayor of this town of 13,000, also was crossing his fingers.

"You look down the road and you know that the copper industry can't recover until the auto industry does, and the home and general construction," Williams said. Douglas already had been hit hard by Mexico's peso devaluation, he said, and the company said months ago it was moving its western headquarters to Phoenix.

Elsewhere, the news was also bad.

"You can say goodbye to Greenlee County," said Dan Anderson, senior economist in the Arizona Department of Economic Security. "The mine (at Morenci) is just about the sole employer."

Greenlee County administrator David Perkins said the company probably provides, directly or indirectly, 90 percent of the personal income of Greenlee's 4,275 wage and salary workers.

At Morenci, an unincorporated Greenlee community of about 4,500 near the New Mexico border, Roy Faulkner said he may have to close the bowling alley he has managed for 10 years. He said business depended greatly on company teams in leagues.

In Clifton, the Greenlee County seat, Mayor Thomas B. Aguilar called the future bleak. Municipal employees already were on a four-day week because of economic conditions.

At Ajo, essentially a company town of about 5,100 in the desert 130 miles west of Tucson, restaurant owner Rose Doyle said she may have to let some help go and shorten business hours.

Phelps Dodge spokesman Jack Ladd said that in addition to state unemployment benefits—a maximum $95 a week for 26 weeks—furloughed employees are entitled to a company supplemental unemployment benefit of $50 a week for 26 weeks and, thereafter, $90 weekly for 26 more weeks. Legislators were considering boosting state aid to $130 a week.

Phelps Dodge said it would "work out some kind of arrangement" so idled workers living in company-owned housing at Ajo and Morenci can stay in their homes. Company-owned stores in the towns will extend credit, it said.

Legislative leaders estimated state revenues will drop by $1 million to as much as $4 million. They agreed to work toward cutting $10 million from the proposed 1983 budget of $1.65 billion, which already had been trimmed 10 percent.●

SHOULD THE UNITED STATES GO FOR A FIRST STRIKE AGAINST SOVIET WEAPONS?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. BROWN of California. Mr. Speaker, as we continue to debate the balance of nuclear power, it is important that we keep in mind the policies and philosophies behind deploying various nuclear weapons systems.

One of the arguments in favor of a major nuclear weapons buildup by the United States is the fear of a window of vulnerability, open to a Soviet first strike. Most observers know that with the current nuclear triad deployed by the United States, only our land-based missiles are theoretically vulnerable. The same cannot be said for the Soviet nuclear weapons, which are primarily land based.

Our greatest fear is a nuclear war. Our stated objective is deterrence. The United States wants to deter a nuclear war and believes the Soviets must never have a first-strike capability for deterrence to work. I agree with this.

Unfortunately, few in the United States seem to realize that the Soviet Union has legitimate fears about U.S. efforts to develop a first-strike capability against them. If we should develop such a system, combined with our refusal to renounce the first use of nuclear weapons, the Soviets fear we will use that capability.

Mr. Speaker, we must understand the causes of the arms race and we must understand how others perceive our actions. The truth is the United States is striving to develop a first-strike capability. The Soviet response is unpredictable, but most likely, it will lead to an even more dangerous situation than we have at present.

A recent article from Science magazine described how the United States moves toward a first-strike capability. I wish to insert this article in the RECORD at this time.

[From Science, May 7, 1982]

PENTAGON MOVES TOWARD FIRST-STRIKE CAPABILITY

(By R. Jeffrey Smith)

"Early this year, the U.S. land-based force of nuclear missiles became vulnerable—on paper—to destruction in a preemptive attack by the Soviet Union, which deployed highly accurate SS-18 and SS-19 missiles. A three-part response to this threat has been crafted by the United States. A new missile, the MX, is to be constructed and tested next year. The new missile is to be hidden in order to protect it from attack. And the missile will have a capability that matches the Soviet's new missiles: the capability to destroy missiles on the other side.

"Previous articles in this series explored why U.S. officials became alarmed about missile vulnerability and where the MX missile might be hidden. This article explores the impact of the MX's counter-military capabilities on prospects for arms control."

The Reagan Administration, in justifying its request for a tremendous buildup of nuclear weapons, has put forth the idea that the Soviets cannot be brought to the bargaining table unless they feel threatened. The idea is embodied in plans to build weapons with a "first-strike" capability, which could eliminate the ability of the Soviet Union to retaliate effectively after an attack by the United States.

This move toward a first-strike capability, which hits at the heart of the traditional concept of deterrence, is intended to force the Soviets into reducing their arsenal of weapons. But it might instead cause the Soviets to engage in their own military buildup. It could also result in the adoption of a so-called damage-limiting strategy by the Soviets, an attempt to reduce the effects of a U.S. attack by striking first during a tense international crisis.

The risk was created by the Administration's decision to construct a series of weapons accurate enough to destroy virtually any Soviet weapons. At the forefront is the MX, a new intercontinental ballistic missile. Each of the 1000 or so warheads to be deployed atop the MX is capable of destroying Soviet missiles, weapons depots, and military command posts. Another highly lethal missile is the Trident II, to be based on submarines. A third such weapon is the Pershing II, which under present plans is to be deployed in Europe next year. This weapon can destroy in a matter of minutes any military targets in Eastern Europe or western regions of the Soviet Union.

Of these, only the Trident II was initially approved by President Reagan; the others were authorized by his predecessors. The existing (but comparatively small) force of Minuteman missiles also has the capability to destroy Soviet military targets. In this sense, the United States has been moving toward the acquisition of a threatening first-strike capability for some time. Reagan's contribution has been to approve of this acquisition, and to accelerate it.

Administration officials give several reasons for this acceleration. One is that only by severely threatening the Soviet Union can a reasonable accommodation on nuclear arms be reached at the negotiating table. As Secretary of State Alexander Haig said recently, it is "unrealistic to believe that the Soviet Union will agree to reduce the most threatening element of its force structure, its heavy, multi-warheaded intercontinental missiles, unless it is persuaded that otherwise the United States will respond by deploying comparable systems itself."

A second purpose is to deter a limited nuclear attack by the Soviets. A credible deterrent, Haig says, "depends on having forces which are flexible enough to respond to a broad spectrum of threats so that whatever the circumstances and whatever the level of conflict, the Soviets never have an incentive to launch." He says that "if we are to deter the Soviet Union, we must put at risk those things, including their military capabilities, which they value most." In short, were the Soviets to begin a "limited" nuclear exchange, the United States would be able to wipe out anything remaining in the Russian arsenal.

The problem with such a plan is that it looks suspiciously like preparation for a U.S. first strike. And this is exactly what the Soviets have concluded. In a recent book, Whence the Threat to Peace, the Soviet Ministry of Defense surveyed U.S. plans for highly accurate weapons and concluded, "the politico-military leadership of the United States considers [these weapons] to be the means of delivering a preemptive nuclear strike." The MX, it says, "is intended for hardened targets, that is, delivering a 'nuclear knockout.'" The Trident II "will have the same combat capability as the MX ICBM, that is, it will be a first-strike weapon." The ministry claims that "in Pentagon thinking, surprise attacks with high-accuracy Pershing II missiles on the Soviet Union's strategic weapons would reduce the impact of a retaliatory blow against the U.S.A. in the event of aggression against the U.S.S.R."

Although this viewpoint could be dismissed as mere propaganda, a broad range of American sources hold a view identical to the Soviets'. Foremost among them may be General Lewis Allen, the Air Force Chief of Staff, who has testified that "it is not one of our objectives that it (the MX) have a counterforce first-strike capability. However, due to the rather small number of very large ICBM's which the Soviets have, it has proven difficult for us to eliminate a first-strike capability from MX. So, although it is not one of our goals, it is a fact that the MX program will have some first-strike capability."

By this, Allen means that the MX, in combination with the existing accurate Minuteman missiles, could destroy the bulk of the Soviet land-based missile force, all of its submarines in port, all of its hardened communication posts, and the bulk of its bomber force, trapped on the ground. What would be left, according to the calculations of Senator Mark Hatfield (R-Ore.) and others, is roughly 3 to 5 percent of the Soviet arsenal, on submarines at sea. And some of these submarines could be vulnerable to destruction by U.S. hunter-killer submarines and other weapons in the U.S. arsenal.

Henry Trofimenko, an official with the Soviet Institute of U.S.A. and Canadian Studies, recently wrote that "one may ask, in these circumstances, what are the guarantees for the opponent that the U.S. will show restraint, that the American strike will be only retaliatory rather than preventive? Upon what can the opposite side count?"

There are several potential Soviet reactions to this threat. One, advanced by officials in both the Carter and Reagan Administrations, is that the Soviets will attempt to deploy their land-based missiles in such a way that they would not be vulnerable to a first strike. Although this would undoubtedly result in a more stable international climate, it seems an unprofitable path to tread, given that the United States has been struggling with the same goal for its own missiles for several decades, and has yet to achieve any success.

A second possibility, according to officials from both Administrations, is that the Soviets could become interested in some form of ballistic missile defense. This, too, seems unlikely, as neither side is close to the development of a system that would actually defeat the other's threat.

A third possibility is that the Soviets will indeed be led to the bargaining table, possibly because of the cost involved in achievement of the first two options. Richard DeLauer, the Pentagon's top scientist, says that "what we're trying to do is dictate their investment strategy. That's the whole idea. Then maybe they'll sit down and take the President seriously and talk about reducing the numbers, which is the whole damn purpose of the exercise, to create a deterrent that will lead to some kind of arms reduction. Right now, there's no incentive for the Soviets to have an arms reduction."

What DeLauer and other Administration officials do not mention is a further potential Soviet response, which would be the least expensive from their point of view and clearly the most worrisome to the United States. The Soviets might, in response to U.S. acquisition of a first-strike capability, simply decide to launch their own missiles on warning of an attack from the United States. This possibility was described in the 1982 annual report of the Arms Control and Disarmament Agency, which was prepared under the Carter Administration but was omitted from the 1983 document prepared by Reagan appointees. "This could pose the most risk to crisis stability," the Carter document said, "because it could increase the chances of an accidental nuclear exchange and higher levels of destruction." Herbert Scoville, the president of the Arms Control Association, believes that this is one of the major risks of the weapons buildup proposed by President Reagan. R. James Woolsey, a former undersecretary of the Navy, says that the Trident II missile alone "incrementally tends to foster Soviet consideration of a launch-on-warning strategy."

Others say that the Soviets are inclined even now to launch first during a crisis. Dimitri Simes, a Soviet scholar at Johns Hopkins University, recently wrote that "the abundant Soviet military literature proves beyond doubt that, should nuclear war look imminent, Moscow may be prepared to launch-on-warning and to make every effort to reduce its own losses and to inflict the greatest possible damage on the enemy." The acquisition of a realistic first-strike capability by the United States might only exaggerate this tendency, as the Soviets themselves have pointed out.

Roger Wilkins, a senior fellow with the Joint Center for Political Studies in Washington, recently visited the Soviet Union, where he spoke with a former member of their negotiating team in the SALT talks. Wilkins, reading from his notes, said that the official delivered roughly the following warning: "The U.S.S.R. can't match the United States missile for missile. We can't do it economically. But we don't have to be a mirror. We will have to respond. The more you have in counterforce capability, the more there is a danger that the other side will build up and go to a launch-on-warning, with the computer element stepped up and the human element reduced. And of course, that's more dangerous."

U.S. officials can rightly point out that the Soviets have played hard and well at the counterforce game as well. It is the ability of their highly accurate SS-18 and SS-19 missiles to destroy roughly a third of the United States retaliatory capability that led, in part, to the development of the MX. But, as noted by Gerard Smith, chairman of the U.S. negotiating team for SALT I, this is not a circumstance where two wrong actions produce the right outcome. U.S. and Soviet vulnerabilities to a preemptive attack are not the same. The Soviets have fewer bombers and submarines on alert than the United States does, making them relatively more susceptible to surprise attack. The Soviets also have more of their missiles situated on land (75 percent as against 22 percent for the United States), where they could be more easily attacked.

The likelihood of an adverse, destabilizing Soviet response will be determined not by how the U.S. weapons buildup is presented to the American public, but by how it is viewed by the Soviet leadership. As acknowledged by the Reagan Administration's report on arms control, the question is "whether the Soviets interpret our overall strategic program as representing primarily an escalation of the threat to their strategic forces or recognize the new program's clear emphasis on retaliatory capability." It seems clear that the Soviets have chosen

the former, and the consequences—as yet unannounced—could be extremely dangerous.●

EDUCATION INVESTMENT IN HIGH TECHNOLOGY

HON. GILLIS W. LONG
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Louisiana. Mr. Speaker, the U.S. economy is already in the midst of an electronics revolution that will affect tens of millions of jobs during the decade of the 1980's. To make the most of that revolution, to seize the opportunities and limit the costs of economic adjustment, we will have to make a broad-based commitment to investment in America's single most important resource—our people.

Continuing education will become a way of life in hundreds of thousands of factories and offices as new technology comes on stream. The list of new devices on the market is already impressive—robots, worldwide telecommunications equipment, word processors, computer aided design and manufacturing systems, and home computers.

We will have to make similar adjustments in the classrooms in America. When the American student graduates from high school, he or she should have a solid grounding in language, science, and basic mathematics. The average student will need a command of the English sentence and sense of familiarity with the computer.

In a recently published article in the Wall Street Journal, Apple Computers and perhaps a number of other companies may step into the current void by donating hundreds of millions of dollars worth of basic computer equipment to the Nation's schools. The Apple program is not all altruism—they need adjustment in the tax laws to make the program feasible and they have an eye on building the future market for their own products. But what is startling about the Apple proposal is not that there may be something in it for them—that is how a free market usually works. It is the presence of a long-term vision that clearly foresees the meshing of private and public interests.

The story told by the Wall Street Journal also contains a warning for the country. The cofounder of Apple, a 27-year-old entrepreneur by the name of Steve Jobs, had been pushing the idea of enlarging the limits on corporate deductions for donations to educational institutions. Quite by accident, he found himself seated next to Representative STARK on a plane trip. The two struck up a conversation and the upshot was the introduction of Mr. STARK's Technology Education Act of 1982 which would make the changes in the law Mr. Jobs has suggested.

The good news is that two of the right people got together. The disturbing news is that it all happened by accident. What the country needs is a long-term vision of where we are going and what kind of investments we need to get there. Neither serendipity nor lightning strikes twice in the same spot.

APPLE WANTS A BIG TAX BREAK SO IT CAN GIVE ONE OF ITS COMPUTERS TO EVERY PUBLIC SCHOOL

(By Leonard M. Apcar and Marilyn Chase)

WASHINGTON.—If Congress approves, there could be an Apple in every schoolhouse in the country.

Not the kind polished for the teacher, but the sleek, expensive and hot-selling Apple II personal computer that has caught the fancy of high-tech buffs everywhere. Apple Computer Inc., based in Cupertino, Calif., wants to give one to each of the nation's more than 83,000 public elementary and secondary schools.

The idea amounts to a giveaway of at least $200 million on Apple's part, based on the $2,495 retail price of the computer and related equipment, instruction manuals and shipping costs. But Apple wants some compensation from Congress, first, namely a tax break of nearly $20 million. Without it, says Apple's chairman, Steven Jobs, "we'd go broke."

To make the trade-off possible, Congress must change the law. A company now can take a deduction for such a donation only if the company gives away carefully defined "scientific equipment" to colleges and universities strictly for research purposes. Computers given to lower-level schools aren't considered deductible.

PITCHING THE IDEA

So Mr. Jobs, Apple's 27-year-old cofounder and a computer-literacy zealot, has been pushing the idea on Capitol Hill and with just about any politician who will listen. By chance, he recently sat next to Rep. Fortney "Pete" Stark, a California Democrat, on a plane ride. The two got to talking, and Mr. Stark gave him his card. Mr. Jobs followed up with a telephone pitch for his idea and a quick lesson on how the law would have to be changed. "He was way ahead of me in terms of what was needed in legislation," Mr. Stark says.

Now Mr. Stark is a sponsor of the "Technology Act of 1982," which would change tax law the way Apple wants. "I think it's a great idea," the Congressman declares. The $20 million or so Apple estimates the government stands to lose in taxes doesn't bother Mr. Stark, despite Washington's big budget deficits. In an era of spending cuts for schools and social programs, he says, "we're getting a lot of bang for our buck."

Of course, Apple would get a lot of bang, too. In one stroke, Mr. Jobs and his colleagues figure there could be Apples in classrooms everywhere. Computer makers are jockeying for position in the potentially lucrative education market, and Apple hopes its ploy would keep it in front of the pack. Sales to schools will more than triple by 1985 from about $150 million last year, estimates Grant S. Bushee, vice president of Dataquest Inc., an A.C. Nielsen unit.

THE MARKETING ANGLE

"The idea hasn't escaped us," says Gregory Smith, Apple's educational marketing director, that the giveaway could yield "terrific multiples in future years" that would far exceed the value of the original gift.

For one thing, a school might like its Apple enough to decide to buy more. "Our experience shows that where a school buys one or two computers in one budget year, they'll typically buy three or four in the next," Mr. Smith says. In addition, "students influence their parents to buy," he adds. "Maybe dad was thinking of buying a microcomputer anyway; kids help choose."

Apple's Mr. Jobs doesn't say much about the marketing angle. He makes appeal in terms of a broader problem. "We're undersupplying engineers by a factor of three to one. U.S. kids have to take less math than Japanese or Russian kids. We're really blowing it." He adds: "Computer science is going to be very important for these kids. Human capital is as important to high technology industry as physical capital."

Mr. Stark's bill would allow Apple to make its entire donation in one year by raising temporarily the current ceiling on the size of such a deduction to 30% of a company's taxable income from 10%. The bill also would broaden existing law to include computers and giveaways to schools below the college level. Apple hopes other computer makers will join in once the law is broadened, although a spokesman says whether they do or not, Apple is committed to putting a computer in every public school.

Special-purpose tax bills aren't uncommon. But Apple officials seem a little surprised at how quickly their idea has found support on Capitol Hill. "It's not that hard to do this," says Michael Rashkin, Apple's director of taxes.

Still, politicians frequently get nervous about how others see specially tailored bills. "What's your story going to say?" an assistant to a Senator who is considering introducing a companion measure asked a reporter. Mr. Stark is careful to note that the law already contains certain restrictions so that companies can't inflate the amount of a deduction or "dump junk they can't sell to beat us out of a few bucks."

The bill requires that the donated equipment be unused and in the company's inventory no longer than two years. Moreover, the deduction is calculated by adding the manufacturing cost to one-half the difference between it and Apple II's retail price, and that total can't be more than double the company's cost to make the equipment.

Mr. Stark's bill already has 41 cosponsors, but whether it will pass a Congress preoccupied with huge budget deficits and the notion of raising taxes isn't clear. "It's a hard time to get something like this passed," concedes Apple's Mr. Rashkin. "I don't think it's impossible, but it would have been easier last year."

RESERVED COMPETITORS

Meanwhile, some of Apple's competitors are reserving their options about joining the computer giveaway.

Charles Phillips, senior vice president of Tandy Corp.'s Radio Shack unit, says: "I think Apple people are honorable people, but it can't be as charitable as it sounds. It's a little incredible that a company doing a half billion dollars in business would try to give away $200 to $300 million." In the fiscal year ended Sept. 25, Apple had earnings of $39.4 million, or 70 cents a share, on sales of $334.8 million.

Mr. Phillips, who contends Radio Shack is No. 1 in the educational market, explains the company already has its own program

of grants to schools. Radio Shack hasn't decided whether it would take advantage of the Stark bill, he addes. "The decision is up to our board."

Mr. Jobs believes that Apple's competitors are sure to join in. "It really is something for nothing, and I think the private sector will respond gallantly," he says.

In fact, he reports, "one competitor swears he isn't going to let a generation of kids grow up looking at our logo."●

A PALESTINIAN APPEAL FOR UNDERSTANDING AND JUSTICE

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FINDLEY. Mr. Speaker, Israel's withdrawal from the Sinai on April 25 can only be described as one of those rare and historic moments in history when mankind was able to make a significant and measurable step toward peace. It was even more remarkable in that it occurred despite: Deep misgivings on the part of some Israelis; the tragic assassination of President Sadat who, with Prime Minister Begin, made it possible; unceasing turmoil in Lebanon; and the illegal annexation by Israel of the Golan Heights.

Moreover, the withdrawal from Sinai proves that Israel can and will withdraw from occupied territories. This should give hope to Palestinians who live on the West Bank and Gaza and now feel the tremendous frustration of having their right to self-expression, economic advance, and self-determination denied by Israel without any Palestinian participation in basic political processes.

A difficult situation exists in the West Bank. I believe that it is now just a matter of time before the hunger for peace between Israelis and Palestinians becomes so consuming that they will be willing to make the compromises necessary to come to an agreement and achieve peace and mutual recognition. But unfortunately, at the same time, the frustration in the West Bank and Gaza is growing, at once making peace more urgent and yet more difficult to attain. The construction of new Israeli settlements, the expropriation by the Israeli Government of land traditionally farmed and owned by Palestinians, military censorship, curfews, imprisonment, demonstrations that all too often turn violent—all of this has become a part of the daily lives of Palestinians and Israelis, who both now seem to be trapped. Unless a monumental effort is made to reconcile growing Israeli-Palestinian differences, they could grow so wide as to make eventual peace unobtainable.

If Americans hope to promote peace, it is important to attempt to understand the views of the Palestinian people and their willingness to live in peace with Israel. Therefore, I would like to call to the attention of my colleagues a statement prepared by the major political Palestinian leadership on the West Bank and Gaza—including most mayors and leaders of religious, educational, and professional organizations. This is their statement. It is intended to show the impact of the Israeli occupation on the daily lives of Palestinians in the West Bank and Gaza as seen from their eyes. It is a compelling and grim document that everyone should read. It will make ever more understandable the urgent need for a peace settlement that will reconcile Israelis and Palestinians and insure justice for all parties in the Middle East.

TO THE AMERICAN PEOPLE FROM THE PALESTINIAN PEOPLE UNDER ISRAELI OCCUPATION IN THE WEST BANK, JERUSALEM, AND GAZA: AN APPEAL FOR UNDERSTANDING AND JUSTICE

THE VIEW FROM PALESTINE

We are the Palestinians from Palestine. There are 4.4 million of us.

Up until 1948, Palestinians lived and worked in Palestine. Palestinians carried a Palestinian passport. Palestinians have a Palestinian flag. Palestinian children read about their history and sang Palestinian songs. The first line of the Palestinian national anthem:

"Biladi, Biladi, Biladi.
Biladi laki hubbi wa fuadi"
(My country, my country, my country.
My country I give to you my love and my heart.)

Today, a Palestinian living on the West Bank and Gaza can get arrested for singing that song. Our song. He can get arrested for waving the Palestinian flag. Our flag. Israeli military occupation is an iron fist of military troops, military governors, and military orders. In the past 15 years, since 1967 when Israeli military occupation began, there have been over 850 military orders issued.

We Palestinians understand that Americans also have an interest in our region. Perhaps paramount is your concern for peace, security and stability in the Middle East. We share with you that desire.

However, stability can not be achieved by a repressive military rule over people who are determined to preserve their identity and unity in their land of birth. Both Israeli policy and practices contradict its claim for peace and security. The Palestinians will not yield to suppression, oppression, or intimadation. Israel's desperate attempts to do so will only invite instability and jeopordize everyone's hopes for peace and security.

The situation in the Israeli occupied Palestinian territory is serious. In contravention of the Geneva Convention and international law, Israel, the occupying power has:

ADDED NEW OR ENLARGED SETTLEMENTS

Before Begin, there were 30 illegal settlements. Today, East Jerusalem alone has 12 illegal settlements with 60,000 Israeli residents. The West Bank has 85 illegal settlements with a population of 30,000; the Golan Heights has 30 settlements with a population of 6,000; and Gaza has 30 illegal settlements with a population of 1,500. In 1981 alone 17 new settlements were erected in the West Bank, 3 in Gaza and 4 in the Syrian Golan Heights.

EXPROPRIATED LAND

Today, of the total land surface of mandated Palestine (1948), the indigenous Palestinian population hold 19 percent, while the Israelis have accumulated 81 percent. 42 percent of the West Bank land has been confiscated. East Jerusalem, with an estimated Palestinian population of 100,000 people, was illegally annexed in June 1980. In December 1981, the Syrian Golan Heights was annexed entirely. The population there has been on strike ever since.

RESTRICTED ECONOMIC PROSPERITY AND DEVELOPMENT

As a predominantly agricultural society, we make a living off our land. Water, more precious than oil in an arid region, is diverted to Israeli settlements. Thousands of acres of banana, citrus, olives, apricots and peaches were lost. The industrial sector has been severely hampered as the occupation authories have banned any economic assistance from the Arab world and have limited economic assistance from American and international humanitarian organizations, including UNWRA, UNDP, UNESCO, and WHO.

DESTROYED FAMILY HOMES AND BUSINESSES

In the past 15 years, more than 1,260 homes have been demolished and bulldozed. In 1981, at least 23 homes were destroyed and three others were sealed up for "security" reasons. The housing associations were prevented from acting. The average dwelling houses 15 family members; the number of homeless is much higher. Scores of businesses were marked, then welded shut in Gaza.

RESTRICTED FREEDOM OF MOVEMENT

Travel prohibitions and restrictions, extended curfews, road blocks, stops, searches and house arrests are part of our everyday life. Color-coded license plates and photo cards are assigned to all Palestinians and required for identification and military purposes. During 1981 alone, curfews were imposed on 15 towns, villages and refugee camps for periods ranging from 2-23 days; the affected population was over half a million inhabitants. Local leaders are regularly placed under house or town arrest for extended periods of time.

DETAINED AND TORTURED PRISONERS

Since the beginning of occupation, approximately 200,000 security prisoners and detainees have passed through Israeli prisons. That's nearly 20 percent of all inhabitants of the occupied territories. Throughout 1981, there were approximately 3,000 Palestinian political prisoners incarcerated. There were over 40 instances of torture reported in the Israeli press itself.

Subhuman prison conditions and Israeli torture practices used in interrogation to obtain confessions have been reported by: Amnesty International, The International Commission of Jurists, The Sunday Times, the Christian Science Monitor, The National Lawyers Guild, The Swiss League for Human Rights, The Israeli League for Human and Civil Rights, the U.N. Human Rights Commission, The U.N. Special Committee for Investigating Israeli Practices Affecting Human Rights of the Population of the Occupied Territories, and the U.S. Department of State.

ARRESTED AND DEPORTED PROMINENT FIGURES AND PALESTINIAN LEADERS

In the first ten years of occupation (Sept. 1977), the Israelis had deported 1,560 leaders—religious heads, doctors, lawyers, heads

of municipalities, pharmacists, engineers, union workers, academicians and students. The president of Bir Zeit University was expelled. In 1980, the elected Mayors of Hebron and Halhoul were deported. In 1981, another two Mayors were severely crippled in an assassination attempt.

CURTAILED ACADEMIC FREEDOM

On July 6, 1980, the Israeli authorities issued Military Order No. 854. The main features of this order are: All institutions of higher education now fall under the jurisdiction of the military authorities. All academic institutions are considered to be operating under a temporary license and are required to apply to the military authorities for the annual renewal of the licnese. (In October 1980, Bir Zeit Universitry, Al Najah College and Bethlehem University were informed by the military authorities that their licenses had expired). All individuals are obliged to obtain written approval from the military authorities before joining any academic institution, either as a student or as a faculty member. This college admissions procedure via military authorities applies to local residents as well as foreigners.

All texts, lesson plans and academic courses must be approved by the military authorities. Approximately 3,000 books have been banned from distribution in the territories by the military censor. Included are a biography of Abraham Lincoln, Alexander the Great, Christopher Marlow, Shakespeare, and Orwell's classic, *1984.*

CENSORING THE PRESS

Al-Fajr, the only English-language weekly bringing news directly from the Occupied Territories, was banned from publishing for several weeks last year. Its editor, Ma'moun el-Sayed, along with the editors of Al-Sha'ab, and Al-Tali'a, who all live in Ramallah, are forbidden indefinitely to travel any where in the West Bank, including Jerusalem where their offices are located. Israeli military censors, wielding unlimited authority, routinely cut a quarter of the materials submitted for publication. Many Palestinian journalist have been imprisoned, deported, or placed under house or town arrest. Threats against the Palestinian press have filtered down even to the local newspaper boy who attempts to sell the papers. Over the past years, dozens of young boys have been attacked.

VIOLATED INDIVIDUAL FREEDOM OF EXPRESSION

We are Palestinians. We are proud of our Palestinian people. We are proud of our cultural heritage and history. Proud of our country. Palestine.

Our Palestinian pride is something no one can suppress without fear of response—not even the Israeli military forces of occupation.

Our flag is the flag of Palestine. When it was raised recently on a West Bank campus, the university president along with several hundred students were arrested.

The colors of our flag are red, white, green and black. Palestinian artists are prohibited from using those colors because the Israeli military authorities find them 'offensive' and a 'threat' to security. In September 1980, the Israeli occupation authorities closed Gallery '79, the only permanent art gallery in the West Bank. Our young poets suffer the same fate. Last year, a 15-year old girl from Tulkarm on the West Bank was arrested and detained for possessing a collection of her own poems. Her crime: she used the word Palestine.

These practices do not occur occasionally, but daily. They are not incidental. They are the essence of a policy designed to fragment Palestinian unity, isolate Palestinian towns and villages from each other, and our leaders from the people. Our resistance constitutes the absolute rejection of the so-called Israeli Autonomy Plan which attempts to deceive World Opinion by claiming to substitute Military Rule with Civilian Rule. This attempted deception is a total mockery and travesty of human rights and would permit no true representation or sovereignty. No self government with respect to legislative power, judicial procedures, security or water and land rights would result.

The Palestinians desire peace, security, and stability for the Occupied Territory as well as for the whole Middle East.

Israeli occupation forces must withdraw from the West Bank, Jerusalem and Gaza. This is essential to normalization of the region and to the exercise of our inalienable human and national rights.

Our internationally recognized representative must be the active participant in any and all endeavors that discuss the fate of the Palestinians. We urge the American government to talk with our representative, and opt for the political advantage instead of military solution.

Military, economic and political support to the occupying power must be stopped. The 1,300,000 Palestinian people of the West Bank and Gaza have been under Israeli Military Occupation since 1967. Increasingly, brutal violations of human rights against the Christian and Muslim Palestinians are being conducted with U.S. military equipment in the name of "Preventive Security". The total U.S. aid to Israel between 1948 and 1981 has exceeded $40 billion.

The Palestinian people appeal to the American people in the name of the American Declaration of rights to stand with us today as you have stood before—for the right of men and women to live in peace and freedom and to self-determination.

We urge you to direct your State and national representative to take back control of your Middle East policy from the Israeli militarists and to develop an even-handed policy toward the Middle East, mindful of the American peoples' commitment to human rights, justice and freedom.

Among the drafters and sponsors of this message:

Mayor of Gaza, Rashad Shawwa
Mayor of El Bira, Ibrahim Tawil
Mayor of Oalqiliya, Amin Nasr
Mayor of Ramallah, Karim Khalaf
Mayor of Tulkarm, Hilmi Hannoun
Mayor of Anabta, Walid Hamdallah
Mayor of Duba, Mohamd M. Amr
Mayor of Beit Jala, Farah Al Araj
Elected Mayor of Jerico, Member of Municipal Council, Jamil o Nasser
Last vice-Mayor of Jerusalem, Amin Saleh Majaj
Mayor of Nablus, Bassam Shaka
Mayor of Bethlehem, Elias Freij
Rev. Faik Haddad, Anglican Archbishop, Bishop of Jerusalem
Chairman of the Union of Charitable Societies of Jerusalem, Dr. Amin Al-Khatib
President of the West Bank Society of Engineers, Ibrahim Dakkak
Chairman of the West Bank Society of Agricultural Engineers and Veterinarians
President of the West Bank Committee of Jurists
Representative of the Women of Jerusalem Society, Aminah Al Husseini
Last Director of Education for the Jerusalem District, H. Haydar
Director of Waqf and Islamic Affairs for Jerusalem, Hasan Tahboub
Mufty of Jerusalem and President of High Muslim Council, Saad Edin Al Alami
Representative of the Anglican Community-Church of England, Jerusalem, Samia Khoury
Representative of the Roman Catholic Community of Jerusalem, Yusef Khoury
Representative of the Greek Orthodox Community of Jerusalem, Zuhdi Al Hashweh
Representative of Beir Zeit University, Acting Chairman of the Board of Directors, Mohamad Saidi
Society of Women, Ramallah
Representative of the Faculty of Science, Jerusalem College of Science, Said Al Adin
Society of Pharmacists, West Bank and Jerusalem
Society of Women, Nablus District, Yusrah Salah
Society of Women, Jenin District, Adalat Metar
Society of Women, Jericho District, Ayshah Tijani
President of Detainees and Political Prisoners and Families Association, Khalil Abu Zayyad
Representative of the Society of Women, Bethlehem, Lydia Al Araj
President of the West Bank Society of Dentists, M. Naser Eddin
Chair, Gaza Lawyers Union, Abu Rahmah
President of the University Graduates Association, Hebron, Adib Qaisi
Representative of the Palestine Women's Association, Hebron, Yusra Shawar
President of Hebron University, Dr. Kharouf
The Gaza Society of Engineers
President of the West Bank Higher Education Society, Gabi Baramki
Representative of the Greek Catholic Community, Jerusalem
The Central Committee of the Red Crescent Society, West Bank, Gaza, and Jerusalem
The Faculty of Theology, University of Jerusalem
Representative of the Chamber of Commerce of Jerusalem, Fayek Barakat
The Gaza Medical Society
The Gaza Chamber of Commerce
Chair, Israeli League for Human Rights, Israel Shahak
Felicia Langer, Lawyer, Human Rights Activist
President of Al Najah University, Nablus, Munthir Salah
President of the West Bank and Jerusalem Medical Society, Dr. Samir Katbeh
The Student Council of Bethlehem University ●

WASTE AND ABUSE INFORMATION COLLECTION ACT

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. PETRI. Mr. Speaker, yesterday I introduced H.R. 6266, the Waste and Abuse Information Collection Act (WAICA). The purpose of this bill is to encourage employees of Government contractors and State and local governments to report waste, fraud,

and abuse in the handling of Federal funds and to protect these employees from reprisals by their employers.

THE PROBLEM OF WASTE AND INEFFICIENCY

Those of us in Congress are not strangers to the problem of waste and inefficiency. We work very hard at designing programs and choosing systems only to feel later that our efforts have gone down the drain because the money we appropriated simply did not go where it was supposed to go.

We have made some progress in reducing this problem. The Inspector General Act of 1978 and the Civil Service Reform Act were both good innovations, and we are benefiting from them. The administration is also to be lauded for the efforts of the President's Council on Integrity and Efficiency, located in the Office of Management and Budget.

Despite these efforts, we could still use more information. We order audits by the GAO and others, but we also need to be more in touch with the day-to-day handling of these Federal dollars so that we can insure that the dollars will not be wasted.

THE OPPORTUNITY

Waste, fraud, and abuse rarely occur without someone's being aware of it. Many times, only the perpetrators will know about a scheme, but often others, particularly fellow employees, will suspect that something fishy is going on. While the natural inclination of these employees might be to report wrongdoing, they may decline to do so because the conspirators, who are often superiors or may enjoy their support, are in a position to take reprisals. An important resource in the battle against fraud thus goes unharnessed. Similarly, even an employee who notices simple waste may be reluctant to antagonize superiors by reporting it if he has nothing to gain.

Only three things are needed to take advantage of this opportunity. First, employees must know how to report this information, and the information channel must be safe for the employee and efficient for the Government. The second requirement is that the employee have some protection from reprisal in the event his identity is discovered. The third requirement is that there be incentive awards to encourage reporting. While many will act out of civic duty, others may be spurred by the possibility of a reward. The awards will also help those for whom the protections may be inadequate. The awards should be available to all individuals, not just employees, since anyone may have information to contribute.

DESCRIPTION OF WAICA

1. INFORMATION AND INVESTIGATION CHANNELS

WAICA's first step is to expand upon existing resources to provide and publicize channels for reporting such information. The various hotlines already in existence are a good channel for reporting such information, and the Inspectors General are doing a fine job pursuing leads, but some coordination is needed. For instance, a recent study of the Civil Service system indicates that a key factor in motivating employees to report information is the availability of a later confirmation that the lead is being pursued. WAICA accordingly instructs OMB to insure that such confirmations are available. WAICA also authorizes OMB to prescribe regulations under which the Inspectors General can enter into cooperative agreements with appropriate State agencies. The bill also requires recipients of Federal funds to inform their employees of their rights under this legislation. This notice requirement is designed to be as inexpensive as possible, and it can help the employer by clearly designating which work is and is not covered by the protections. Finally, WAICA instructs the Inspectors General to maintain the anonymity of the contributors of information in pursuing leads.

2. PROTECTIONS FROM REPRISALS

WAICA's second step is to prevent superiors from taking reprisals against employees who provide information. Of course, many investigations can and will be carried out so that the employer is unable to pinpoint the initial contributor of the lead. Protection will obviously be unnecessary in such a case. Some leads, however, cannot be pursued without notifying the employer, and the employer may be able to conclude that a particular lead could only have originated from a certain source. Many employers will be pleased to know about fraud on the part of their employees, but some managers may be tempted to take reprisals against sources of such information. WAICA provides a remedy for any employee who has been unfairly victimized because of a good-faith disclosure.

The remedy is in the form of an administrative action subject to the normal procedures of judicial review. This approach is the least expensive and the most convenient from the perspective of the employee, employer, and agency. Hopefully, the agency will be able to induce a settlement in the course of its initial review of the employee's complaint. The formal remedies available to the agency and the court include reinstatement of position, rank, and duties, backpay, and other equitable relief. Of course, existing law provides that criminal immunity can be granted to a conspirator in an appropriate case.

Unfortunately, reinstatement may not be practicable in some cases: Once a mid- or upper-level manager loses the respect of his fellow leadership, the confidence so essential to his position may be very difficult to restore. If this individual is unable to gain an equivalent position elsewhere and if the employer is unwilling to reinstate him, WAICA requires the employer to make up the difference between what the employee once had and what he can now get. In addition to making the employee whole, this approach will present a significant deterrent to the Government contractor who would consider making a reprisal in the first place.

Hopefully, a situation will be fostered where the company itself will encourage the reporting of such information. Indeed, several large corporations, such as IBM and Allied Corp., have already implemented such programs voluntarily. Moreover, this approach can be seen as a step toward the quality work circle which has been such a success for the Japanese.

It should be stressed that WAICA does not leave the employer a captive of the whims of a disgruntled employee. These protections are not available to the employee unless he acts in good faith: Frivolous complaints do not trigger any rights. Also, WAICA leaves an employer free in any case to take any personnel action which has an independent justification and is not a retaliation. This is a reasonable balance of the interests of the employer and employee.

3. INCENTIVE AWARDS

WAICA's final step is to provide for a system of awards to these employees and other individuals so that they will have some positive incentive to report wrongdoing or waste. The awards are discretionary and are limited by the projected savings. The maximum award is a certain percentage of the savings, but this percentage declines as the savings get larger. A major factor to be taken into account when making these awards is the encouragement of other contributors of information. Another purpose is to help individuals whose protections may be inadequate. However, suffering reprisal is not a prerequisite to receiving an award. Since the purpose is to encourage the flow of information, individuals who are not covered employees are also eligible for these awards.

ANALYSIS

Inevitably, this program will have certain costs. Additional phone operators will have to be hired to receive leads, more investigators will be needed to pursue worthwhile information, and more attorneys will be used to recover the proceeds of fraud.

In effect, we have a choice: We either pay a certain amount for fraud and waste, or we pay a smaller amount to reduce them. From a cost-benefit perspective, we should spend money on reducing fraud until each dollar in prevention brings in only a dollar in fraud reduction. Wiping out all fraud would be prohibitively expensive, but

this proposal comes nowhere near that point. What this proposal seeks to do is to made good use of a most valuable resource, namely virtue-minded citizens. Certainly no one should be penalized for trying to save the taxpayers money, but that is exactly the consequence of refusing to enact this legislation.

The purpose of this bill is not to get recipients of Federal funds. Indeed, to the extent the public believes its tax dollars are being spent effectively, these worthwhile programs will enjoy more of the support they deserve.

In some particular cases, the returns will not justify the costs. WAICA contemplates many such situations. For instance, only contractors doing more than $150,000 worth of business with the Federal Government—$50,000 in the case of some medical programs—are covered. This threshold is not trivial. In fiscal year 1980, only 2.5 percent of all Federal procurement actions involved $10,000 or more, but these actions accounted for 90 percent of the total procurement expenditures. Small businesses thus will not receive harsher treatment under this bill. In addition, programs conducted by State and local governments with either block grants or funds from general revenue sharing are exempted altogether. There may be other cases where the returns will not justify the costs. I would appreciate being informed of these cases so narrow exclusions could be drafted.

H.R. —

A bill to provide for the operation of facilities for the collection of information concerning fraud, waste, or abuse in the expenditure of Federal funds, and to require, as a condition of the receipt of such funds, the protection from reprisal of contributors of such information, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Waste and Abuse Information Collection Act".

SEC. 2. The Director of the Office of Management and Budget shall provide for the operation of toll-free telephone facilities for the collection of information concerning fraud, waste, or abuse by any direct recipient of Federal funds under any contract, grant or loan application, or cooperative agreement. Such facilities shall, in accordance with regulations prescribed by the Director, be operated in a manner to assure that—

(1) complaints regarding such fraud, waste, or abuse by Federal contractors are promptly referred to the Inspector General or other appropriate official of the Federal agency responsible for the supervision of the contract;

(2) in making such referrals, the identities of individuals providing such information who request confidentiality are protected;

(3) individuals providing such information are notified of their rights under section 3 of this Act and of the opportunities for incentive awards under section 5 of this Act and are informed of any progress made in the investigation of their complaint.

SEC. 3. (a) In accordance with regulations prescribed by the Director of the Office of Management and Budget, each contract, grant and loan application, and cooperative agreement which is subject to the requirements of this section shall include the following representations and stipulations:

(1) that the direct recipient of Federal funds under such contract, application, or agreement (A) will not take any adverse personnel action with respect to any employee as a reprisal for providing, in good faith, information concerning fraud, waste, or abuse in the expenditure of such funds to any Federal officer or employee (or to an officer or employee of a State agency operating under a cooperative agreement in accordance with section 4), and (B) will not take any other action to infringe on the rights of employees with respect to conduct protected by this Act;

(2) that the direct recipient will place a notice, in a prominent location and in a form approved by the Director of the Office of Management and Budget—

(A) of the nature and extent of employee rights and remedies under this section and of the identity of the activities conducted with funds subject to this section,

(B) of the awards which may be available under section 5 of this Act, and

(C) of appropriate methods by which employees may provide information to any Federal officer or employee (or to an officer or employee of a State agency or instrumentality operating under a cooperative agreement in accordance with section 4) concerning fraud, waste, or abuse in a manner that protects the rights and privileges of the employee, including the constitutional privilege against self-incrimination;

(3) that the direct recipient will, if found by the responsible Federal agency to have violated paragraph (1) of this subsection, take such affirmative action as such agency may determine to be appropriate on the basis of harm suffered by the employee as a consequence of the violation, including reinstatement or hiring of an employee, with or without back pay, restoration of seniority or other rights, proper consideration for promotion, or other equitable relief, and payment of reasonable attorney's fees or other costs of obtaining relief;

(4) that the direct recipient will pay, if found by the responsible Federal agency to have violated paragraph (1) of this subsection, and if that agency determines that relief under paragraph (3) of this subsection is not appropriate, such damages as the agency may establish in lieu of or in addition to such relief; and

(5) that the direct recipient will require of any indirect recipient under any contract, grant or loan application, or cooperative agreement which is subject to the requirements of this section, compliance (in the same manner as a direct recipient) with the requirements of paragraphs (1), (2), (3), and (4).

(b)(1) The head of each Federal agency shall provide for the receipt and prompt investigation of complaints regarding adverse personnel and other actions in violation of the stipulations and representations made pursuant to subsection (a), and shall institute proceedings on any complaint for which there is reasonable cause to believe the allegations demonstrate such a violation. In designating a hearing officer for such a proceeding, the head of such agency shall ensure that the officer is independent and impartial and has not been involved in the operations to which the complaint relates.

(2) In any such action so instituted before an agency on a complaint—

(A) alleging a violation of the stipulations and representations required by subsection (a);

(B) containing or accompanied by a showing that the complainant provided, in good faith, information to a Federal officer or employee concerning fraud, waste, or abuse in the expenditure of Federal funds under a contract, grant or loan application, or cooperative agreement; and

(C) alleging that the complainant suffered some form of adverse personnel action as a consequence,

the agency shall find that such a violation occurred except to the extent that the agency determines that such personnel action (i) was not adverse, (ii)(I) was the result of some other legitimate purpose, and (II) was not a reprisal or retaliation for the action of the complainant in providing such information, or (iii) that the information was provided by the complainant without a reasonable belief that it was evidence of such fraud, waste, or abuse.

(3) Agency actions taken pursuant to proceedings under this subsection shall be reviewable in accordance with chapter 7 of title 5, United States Code.

(c) To the extent practicable, agency proceedings on complaints under this section shall be conducted at agency offices and in a manner convenient to the complaining employee.

(d)(1) A contract, grant application, or cooperative agreement is subject to this section if any non-Federal party to the contract, application, or agreement will receive more than $150,000 in any calendar year directly or indirectly from the Federal Government.

(2) A loan application is subject to this section if any non-Federal party to the application will receive a loan or loans from the Federal Government of more than $150,000 in any calendar year or a loan or loans guaranteed or insured by the Federal Government in any calendar year the total principal amount of which is more than $150,000.

(3) A grant application or cooperative agreement under title XVIII or XIX of the Social Security Act is subject to this section if any non-Federal party to the application or agreement will receive more than $50,000 in any calendar year directly or indirectly from the Federal Government.

(4) No grant application or cooperative agreement under any of the following provisions of law is subject to this section:

(A) the State and Local Fiscal Assistance Act of 1972;

(B) title I of the Housing and Community Development Act of 1974;

(C) chapter 2 of the Education Consolidation and Improvement Act of 1981;

(D) title XIX of the Public Health Service Act;

(E) title V of the Social Security Act;

(F) title XX of the Social Security Act; and

(G) the Low-Income Home Energy Assistance Act of 1981.

SEC. 4. (a) In accordance with guidelines prescribed by the Director of the Office of Management and Budget, the head of a Federal agency may enter into cooperative agreements with appropriate agencies and instrumentalities of State governments to provide for State assistance in the collection and initial investigation of (1) information concerning fraud, waste, and abuse, and (2)

complaints regarding adverse personnel and other actions in violation of the stipulations and representations made by the State government pursuant to section 3(a).

(b) Such agreements shall provide that information collected pursuant to subsection (a) (1) concerning fraud, waste, or abuse shall be provided by the State agency or instrumentality to the Inspector General or other appropriate official of the Federal agency concerned.

(c) Such agreements may provide that the State agency or instrumentality will institute proceedings on any such complaint for which there is reasonable cause to believe the allegations demonstrate such a violation. In designating a hearing officer for such a proceeding, the head of such agency or instrumentality shall ensure that the officer is independent and impartial and has not been involved in the operations to which the complaint relates. The findings of such hearing officer shall be transmitted to the Federal agency concerned, together with a record of the proceedings. If the Federal agency determines that the findings were made in accordance with section 3(b)(2), the Federal agency shall issue an order requiring such relief under section 3(a) (3) or (4) as may be appropriate in accordance with such findings.

(d) Such agreements may also provide for the rendering of recommendations of employees by the State agency or instrumentality for awards under section 5.

SEC. 5. (a)(1) The head of a Federal agency, upon the advice or after consultation with the Inspector General of such agency (or any other agency employee designated under subsection (b)), may pay a cash award to any individual (other than a Federal employee in the course of his regular duties) whose disclosure of fraud, waste, or abuse to the agency has resulted in cost savings for the agency. The amount of an award under this section shall be determined by the head of the agency on the basis of the factors in paragraph (2), but may not exceed the lesser of $500,000 or an amount equal to the sum of—

(A) 10 percent of the first $500,000,

(B) 5 percent of the next $4,500,000, and

(C) 3 percent of any additional amount,

of the agency's cost savings which the head of the agency, after consultation with the Inspector General of the agency (or other employee designated under subsection (b)), determines to be the total savings attributable to the employee's disclosure. For purposes of the preceding sentence, the head of the agency may take into account agency cost savings projected for subsequent fiscal years which will be attributable to such disclosure, but shall discount such future savings to their present value at 12 percent per annum.

(2) In establishing the amount of any award under paragraph (1), the head of the Federal agency shall take into account the importance of the information provided, the risk to the safety or welfare of the individual who provided the information, the need to provide an incentive to other individuals to take similar risks to provide such information, the degree of complicity of the informant in the fraud, waste, or abuse concerned, and the extent to which the informant is normally responsible for discovering and disclosing such conduct, but no proof of suffering as a consequence of taking such a risk shall be required.

(b) In the case of any Federal agency for which there is no Inspector General, the head of the agency shall, for purposes of this section, designate an agency employee who has responsibility for the supervision of audits and investigations of funds expended by that agency.

(c)(1) The head of the Federal agency shall submit to the Comptroller General documentation substantiating any award made under this section.

(2) The Comptroller General shall, from time to time, review awards made under this section and procedures used in making such awards to verify the cost savings for which the awards were made.

(d) For purposes of this section, the term "Federal funds recipient" means any recipient of funds from the Federal Government under any contract, grant or loan application, or cooperative agreement which is subject to this Act (as provided in section 3(d)).

SEC. 6. This Act shall take effect at the beginning of the first calendar quarter which begins more than 90 days after the date of enactment of this Act.●

MAINTAINING VIABLE WATER TRANSPORTATION

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WILLIAM J. COYNE. Mr. Speaker, the growth of coal production to ease American dependence on foreign oil and to increase U.S. coal exports to help our shaky trade balance are among the few good signs on today's economic landscape. Our record in these respects, however, is not as good as it could be due to neglect of our waterway transportation system. Barges carry a substantial portion of our coal from the mines to electric utilities, to industrial plants, and to ports for overseas shipment.

Stephen G. Young of Consolidation Coal Co., in a Pittsburgh Business Journal article, details this vital relationship between coal and barge transport. He also points to the Federal responsibility for improving outmoded and deteriorated locks and dams that now impede much waterway traffic. For this reason, I commend his remarks, which follow, to my colleagues.

STEPHEN G. YOUNG: FEDERAL FUNDING URGED FOR INLAND WATERWAYS OPERATIONS AND MAINTENANCE

(Pittsburgh's rivers—and the locks and dams which make them navigable—are among the area's most valuable resources. And Pittsburgh has a rich supply of another valuable resource—coal. Coal and the rivers seemed to have been destined for each other. Coal comprises about 65 percent of the total freight traffic moving through the Port of Pittsburgh, the busiest inland port in the country. And the rivers are the cheap- est available way to move coal over long distances.

(It is no wonder, then, that coal producers are concerned about the state of the rivers and the subpar condition of locks, dams and river terminals locally as well as nationally. During recent hearings by the U.S. House Subcommittee on Water Resources, Stephen G. Young, vice president for government affairs for Consolidation Coal Co. and vice chairman of the National Coal Association's government relations committee, testified about the association's concerns.

(The following is an excerpt from Young's testimony.)

Certain locks and dams at several locations on the Monongahela, Allegheny and Ohio rivers and others of our nation's inland waterways system are not adequate to handle present and projected traffic and some locks are in serious need of repair. Thus, the replacement of selected locks and dams is necessary in order to upgrade and expand waterways transportation capacity and levels of service.

The National Coal Association recognizes that the inland waterways system has had, and continues to have, a basic function in enhancing our national security. Further, we know firsthand that for coal—as well as for many other bulk commodities also of great significance to our national economy—the inland waterways system furnishes efficient, reliable and reasonably priced transportation. And inland waterways transportation causes little, if any, disruption to the communities through which frequent, high-volume, long-haul interstate shipments must pass, whether enroute to domestic destinations or to deep-draft ports involved in coastal and overseas shipments. Therefore, NCA believes the federal government has a critical role to play in the continued development and maintenance of the inland waterway system.

Unfortunately, a five-year lapse in funding of inland waterways improvements has seriously impaired the safety, capacity and efficiency of inland waterways, including the Ohio, Monongahela, Mississippi, Kanawha and Warrior rivers. Early improvements are considered essential on these waterways:

First, to arrest deterioration of the inland waterways transportation system.

Second, to expedite construction of selected lock and dam replacements in order to accommodate increased shipments of coal to domestic and overseas destinations.

Third, to develop and maintain an effective inland waterways transportation alternative to the railroads, thereby assuring effective competition which keeps rates reasonable and services adequate through the stimulus of market forces in the transportation section of our economy.

The average age of the 184 principal lock and dam installations is now 40 years and some have been in service more than 70 years. Without needed replacement and rehabilitation of inadequate and deteriorated locks and dam installations, preliminary findings of the National Waterways Study indicate that projected traffic at a number of installations will reach or exceed their practical capacity in the 1980s and 1990s. This will be a serious blow to the movement of coal, which now represents about 30 percent of total tonnage on the inland waterways system—a figure that is forecast to grow to about 50 percent by the turn of the century.

Safe, efficient and reliable inland waterways transportation utilizing the navigable rivers and intracoastal waterways system of our nation is of growing importance to the greater use of coal, our nation's most abundant energy resource. For many decades, coal has been carried in large quantities on the inland waterways system, including the Monongahela and Ohio rivers. This remains the case today, as shown by the 150 million tons of coal that moves annually on the

inland waterways, not including the Great Lakes. The inland waterways system carries about one ton out of every five tons of coal produced in the United States for part of the journey from mines to electric utilities, industrial plants and deep-draft ports—the principal domestic terminations for inland movements of America's coal.

NCA forecasts U.S. coal production to increase to a record 880 million tons this year, up nearly 10 percent from the strike-depressed level of 802 million tons in 1981 and up almost 7 percent from 1980. Rapid growth in overseas steam coal shipments, which excludes shipments to Canada, is forecast by NCA to increase from the record 33 million tons last year to 37 million tons, 12 percent more, in 1982.

Accompanying this growth in coal production will be substantial increases in the demand for competitive, longhaul, inland transportation services furnished by both rail and water carriers. And we expect coal transportation demands to continue to rise in future years as America's coal finds expanding markets here and abroad. The National Waterways Study in preliminary findings forecasts waterborne coal traffic to grow at a rate of 3.5 percent annually through the turn of the century.

The Ohio River and its key Upper Ohio Basin tributaries, particularly the Monongahela and the Kanawha rivers, together with the Mississippi and the Warrior rivers, are especially important now for movement of coal produced in the eastern, central and western coal-producing states. The Ohio River system itself now carries more than 100 million tons of coal each year. And even though navigable waterways in some instances are well outside of the immediate area in which coal is mined, the advantages furnished by waterways transportation cause coal shipments originated by other transport modes—including railroads—to be carried to inland ports and transloaded onto barges so as to realize the benefits of waterways transportation.

As the demand for America's coal grows here and in the world market, waterways transportation will have an increasingly important role in providing basic transportation capacity as well as viable competition with the railroads for the movement of coal. The railroads now carry about 550 million tons of coal a year, and they too will be called upon to provide substantially higher amounts of transportation service required to ship coal from mines to domestic user destinations and to deep-draft port terminals in the years ahead.

Both water and rail carriers have the capability of providing effective coal transportation service by virtue of state-of-the-art technology in water and rail transportation systems. Railroad unit trains carry 10 to 15 thousand tons of coal per train set and bargetows typically carry 20,000 to 25,000 tons of coal per movement, and as much as 60,000 tons per movement on the lower Mississippi River. Thus, their proven efficiencies and the associated economies of scale due to large-volume characteristics of water and rail shipments make water and rail carriers competitive where navigable waterways exist.

NCA considers such competition for the movement of coal to be a critical factor in keeping delivered prices of coal reasonable and thereby in enabling coal to capture a full share of the market for energy in the U.S. and overseas.

To ensure that water carriers can continue to compete effectively with railroads where navigation in possible, the Congress should act without further delay to authorize and fund critical inland waterways projects. These are required to expand capacity and level of service at several locks and dam installations, including overall rehabilitation or replacement of obsolete and deteriorating structures and related equipment utilized in lockage operations.

If such improvements are not authorized in a short time and construction does not proceed on an expeditious schedule for a selective program of lock and dam replacement and modernization, we stand to lose the vital economies and competition now provided by the inland waterways system for the movement of coal and other bulk commodities.

The stagnation in authorization and funding now characterized by the five-year hiatus in action on inland waterways improvement legislation must not be permitted to last any longer if we are to preserve the strategic soundness of the inland waterways system and its availability as the demand for competitive, cost-effective, energy-efficient transportation of bulk commodities grows in future years.

Some important funding that should be utilized in a timely manner to upgrade the system as intended under provisions of the Inland Waterways Revenue Act of 1978 exists in the Inland Waterway Trust Fund. Receipts to the trust fund are reported to be $21.6 million in fiscal year 1981 and an estimated $64.7 million in fiscal year 1982. And the income is expected to grow to more than $100 million per year by fiscal year 1986 under present law.

There have been no appropriations from the trust fund as yet. The revenues now held in the trust fund, we believe, should be utilized for critical navigation projects on inland waterways. Needs are known, project justifications have been demonstrated, and now project engineering, design and construction should be placed on an expedited implementation schedule so that the benefits attributable to critical improvement projects are not lost because of inability to use the trust fund in an effective manner.

For example, for more than a decade the Corps of Engineers has recognized that Lock and Dam Nos. 7 and 8 in the Monongahela River should be replaced. The locks were built in 1926 and are rapidly deteriorating, creating safety hazards and increasing maintenance-related delays. In addition, the lock chambers are so small—56 feet by 360 feet—that they are inadequate to handle modern barge traffic with the result that bottlenecks and prolonged delays are the norm rather than the exception.

In 1972, the Corps of Engineers recommended replacing Lock and Dam 7 at a new site (Grays Landing) 2.8 miles downstream from the existing site, and replacing Lock 8 at the existing site (Point Marion). The report recommended that the new locks be constructed to dimensions of 84 feet by 720 feet to better provide for existing and proposed navigation. The Secretary of the Army subsequently approved these projects.

In fiscal years 1975, 1976 and 1977, Congress appropriated funds for the Corps to proceed with the advanced engineering and design work on these projects. Since that time, however, work has been suspended on these projects pending specific authorization.

Two bills that would specifically authorize the replacement of Lock and Dam Nos. 7 and 8 were introduced in Congress last year. The House bill, HR 3619, sponsored by Congressmen Gaydos, Mollohan, Murphy, Bailey, Benedict, Atkinson, Marks and Staton, has been referred to the subcommittee. On the Senate side, Senators Heinz, Randolph, Glenn, Specter, Byrd and Ford have sponsored S. 1188 which would authorize the replacement of Lock and Dam Nos. 7 and 8 and the Gallipolis Lock and Dam on the Ohio River.

I strongly urge the Committee to support HR 3619 and the replacement of the likewise inadequate Gallipolis Lock as an important step in enhancing the economic well-being of the communities in this area.

In addition, NCA urges the prompt replacement of the Winfield Lock and Dam on the Kanawha River and the Oliver Lock and Dam on the Warrior River as well as the addition of a second 110 feet by 1,200 feet chamber at Lock and Dam No. 26 near Alton, Ill. on the Mississippi. All these locations, we believe, should be given priority attention because they are serious bottlenecks on the inland waterways system which are hampering the highest and best use of the entire system for movements of coal and other bulk commodities.

Locally, we are encouraged by the recent media accounts that the Army Corps of Engineers has reappraised how they might best reduce their operation and maintenance costs. Originally, we were faced with a complete shutdown of the Allegheny River and three locks on the Monongahela, with reduced operating hours on the remaining Monongahela locks and the five Ohio River locks closest to Pittburgh, and with the abhorrent spectre of deferred maintenance at some facilities. Now that the Corps has been able to forward an acceptable 1983 budget to Capitol Hill, we trust that Congress will agree that the recommended operation and maintenance funds are necessary to maintain the present inland waterway system.

NCA has considered recommendations advanced by the secretary of transportation on behalf of the administration with regard to implementation of cost recovery on the inland waterways system. Last month the NCA Board of Directors adopted the following position:

The nation's inland waterway system provides a transportation network which is vital to the national economy and our national security.

NCA believes the federal government has a critical role to play in the continued development and maintenance of this national arterial network.

NCA opposes the concept of full cost recovery for operation and maintenance and capital improvements of inland waterways.

Any increases in waterway user charges should: help cover navigation costs only; be phased in over a period of years; be applied on a system-wide basis as a fuel tax and not on a ton-mile basis; and be tied to the accelerated development and improvement of critical inland waterway projects.

In summary, NCA is most cognizant of the high value to the security and economy of our nation which can be directly attributed to a sound inland waterways system.

We believe that at a few points on this vital, arterial transportation network, Congress must act now to arrest deterioration and to upgrade capacity and service levels. Notwithstanding these observations, NCA considers that the concept of full recovery of operation and maintenance and capital improvement costs from commercial traffic is wrong because it ignores the fact that a sound inland waterways system benefits the

entire nation, not only the users of the waterways.

NCA also opposes changing from the present systemwide fuel tax to a new, cumbersome ton-miles fee procedure which would be applied in part on a segment-specific basis and in part, systemwide. Such a procedure would be unnecessarily complicated to administer and enforce and would require a whole new bureaucratic set-up to collect information on cargo movements which is not adequately reported at present.

A systemwide fuel tax, on the other hand, is easy to administer and enforce and the necessary administrative procedures are already in place. In addition, the fuel tax approach encourages the most fuel efficient tow configurations and increases the economic incentive to contract backhaul cargoes which permit the most efficient use of the inland waterway system.●

LOCAL CONTENT LEGISLATION NEEDED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FORD of Michigan. Mr. Speaker, the domestic automobile industry is a tragic mirror of the recession that is threatening our economic future. This single most important industry in the United States, to which one of six American workers owe their jobs either directly or indirectly, has not suffered such a severe economic tailspin since the Great Depression.

Sadly, while the current economic recession has worsened this industry's plight, it is not directly responsible for the decline. The reasons for that are manifold and complex, revolving around foreign imports. The consequence is that the car manufacturers and the millions of U.S. workers who depend on them for employment are feeling the pain of this recession much more severely than most other Americans.

And it seems clear, due to the pivotal role of the industry to the total economy, that we cannot expect a meaningful recovery from the recession until we treat the ailment that afflicts this industrial giant.

Before getting into specific recommendations, it is important to understand the role of this industry in our domestic economic affairs.

In 1981, even after 2 years of depressed sales and a flood of imports, autos employed about 2.2 million workers. The industry consumes 21 percent of all the steel used in this country, 50 percent of the malleable iron, 34 percent of the zinc, 12 percent of the primary aluminum, 13 percent of the copper and 60 percent of the synthetic rubber.

The automobile, moreover, is the most important element in the Nation's passenger transportation system. Auto travel accounts for more than 80 percent of all intercity passenger miles and approximately 95 percent of all travel within cities.

Despite its importance to the American economy, the past several years have seen a tremendous decline in auto industry sales, production and employment. At a time when the U.S. economy has been plunged into a recession, the auto industry has undertaken a massive and costly retooling program, and a flood of Japanese auto imports has reached our shores in unprecedented numbers. Between 1978 and 1981, imports from Japan jumped 37 percent for cars and 33 percent for trucks.

The impact of these imports should not be underestimated. In January 1982, 31 percent of all the cars sold in the United States were imports, and American car sales and production dropped to the lowest levels in two decades.

The rate of capacity utilization in the U.S. auto industry was an astonishing 43.6 percent, the lowest of any industry since the Government first began measuring utilization rates.

In human terms, the impact of this industry's depression is catastrophic. A quarter of a million auto workers are on indefinite layoff, and more than 750,000 auto-related jobs have been lost. In a single Michigan county, Wayne, more than 100,000 auto-related jobs have disappeared since 1978, and more are lost each month. The Federal Government lost $25 billion in tax revenues and payments to the unemployed in each of the last 2 years. The number of Michigan families receiving general assistance has tripled since 1978.

Steps must be taken quickly to preserve this vital industry. Now, during its retooling to produce small, fuel-efficient, front-wheel-drive vehicles, the auto industry is at its most vulnerable stage and import competition is most damaging.

The effect of auto imports is not limited to the damage they do to the American auto industry. The average Federal, State, and local tax revenue foregone each time an import substitutes for a domestic car is more than $1,700. At a time of cutbacks in Government at all levels because of serious budget problems, we can ill afford the billions of dollars of revenues we are losing because of auto imports.

The most sensible approach advanced so far to deal with the import problem is the domestic content legislation, which I am proud to cosponsor. H.R. 5133, the major content bill in the House of Representatives, is simple in concept. it would require that an auto company selling a specific number of cars in the United States guarantee that a certain percentage of the value of labor and components in those cars originate in North America. By 1985 the requirements would be:

Local content

	Percent
Less than 100,000 sales	0
Over 100,000 sales	25
Over 150,000 sales	50
Over 200,000 sales	75
Over 500,000 sales	90

The penalty for failing to comply is simple: The next year, the firm would be allowed to import only 75 percent of the vehicles and parts it imported the year before.

The benefits of the content bill are numerous. First, because it would force foreign manufacturers to produce their vehicles in the United States, H.R. 5133 would increase plant and equipment investments and greatly improve the financial position of the American parts industry. Many communities would benefit from these new investments and the construction industry would be an immediate gainer.

Doug Fraser, president of the UAW, has testified that H.R. 5133 would ultimately stimulate the creation of 868,000 jobs in vehicle manufacture and parts production, reversing the trend toward employment loss that has been accelerating in the last 3 years.

The huge U.S. trade deficit with Japan would be greatly reduced. The deficit is expected to approach $20 billion in 1982, more than half of it resulting from Japanese auto imports.

Moreover, as Business Week pointed out in an editorial last year, the domestic content approach is the least damaging to U.S. consumers who would continue to have a full range of choices, and the Japanese auto manufacturers, who would not be shut out of the lucrative American market. In addition, as Business Week stated:

> Another point in favor of the requirement is that it would have the free market to decide which U.S. suppliers got the Japanese parts business. Hot competitive bidding would put a premium on efficiency and reliability of products. The requirement, therefore, would not provide a shelter for incompetent, high-cost operations—as a tariff would. And it would not protect companies that yielded to union pressure and conceded overgenerous wage and benefit increases. The competing company that held the line on labor costs would be able to carry off the business.

Passage of this proposal would be an enormous help in pulling us out of the present economic quagmire.

No one has to be reminded that our economy is in serious trouble. We are sinking deeper every day. The so-called supply-side economic game plan of this administration has failed miserably.

Unemployment is over the 9-percent mark and is climbing. It is much higher than this when we take into account those who have grown discouraged and dropped out of the job market.

In Michigan the rate is 16 percent and there are, in real numbers, more people unemployed than there were during the Great Depression.

President Reagan promised to reduce inflation while cutting taxes 25 percent over 3 years. This was supposed to stimulate the economy.

It has not. By creating the largest deficit in history, and guaranteeing continued high interest rates, it has instead depressed the economy. And as long as interest rates remain high, as any businessman will tell you, the recession will worsen.

The two industries hit hardest by these high interest rates are autos and housing—the backbone of the U.S. economy.

There are ways to turn this economy around. The President, however, clings stubbornly to his discredited economic theories. Reagan says if it is not broken, do not fix it. But it is now apparent that the economy is broken and indeed does need fixing. The first priority is to reduce the budget deficits without destroying the social gains we have made over the last half century.

To accomplish this we propose:

Deferring the 1983 installment of the tax cut. The Congressional Budget Office says that this will result in about $37 billion in additional revenues. It would also signal the financial community that the Government is serious about reducing the deficit and lead to the reduction of interest rates.

Reduce the growth of defense spending, not cut military spending. This means that spending will continue to increase, but at a slower rate until interest rates comes down. Just a 3-percent reduction in growth would result in savings of more than $25 billion from the 1984 budget and provide more assurance to the lenders that the Government is serious about reducing the size of the deficit.

Moderate monetary policy. This would mean some kind of accommodation between the administration and the Federal Reserve Board—a tradeoff with the Federal Reserve Board easing the tight money policy and lowering real interest rates in return for adjustments in the tax cut and defense spending.

There are some other things we can do:

Place a maximum deduction of $5,000 a year on home mortgage interest.

Tighten the preferential treatment of capital gains.

Eliminate giveaway tax benefits to the oil and gas industries.

Moves such as these could save the Federal Government billions of dollars and would go a long way toward taking some of the pain out of balancing the budget on the shoulders of American workers.

At the same time, there is the urgent need to provide special help for autos and housing.

In place of the administration's housing plan, which proposes virtually no new subsidized housing, Democrats in the House have put forth a plan to promote $17 billion worth of new construction and housing rehabilitation. It would stimulate subsidized housing construction through tax-exempt bonds and one-time grant loans, giving the construction industry a much-needed boost.

Combined with these remedies, the proposed domestic content legislation for the auto industry would have a buoyant effect.

It is not that remedies to cure this economic malady have not been put forward. The problem is that they are being ignored.

We can afford to dally no longer. I, for one, do not want to wake up some morning to find that we have plunged into depression.

But I think that possibility, as horrible as it sounds, is real if we fail to take measures to protect this country's single most important industry at a time when our economy is already teetering on the brink of disaster.

The first priority, of course, is to turn around the national economy. There can be no recovery for the auto industry until the national recession created by administration blindness and naivete, is behind us.●

EIGHT VIETMAN VETS WHO CAME OUT WINNERS

HON. JOHN PAUL HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMMERSCHMIDT. Mr. Speaker, a recent article in U.S. News & World Report tells about eight Vietnam veterans who have adjusted well from their military experiences and who are now in the mainstream of society. The story indicates that the stereotyped Vietnam-era veteran that we often read about may be vastly overplayed and that the majority of them are well adjusted individuals who are making significant contributions to their communities, to their country and to other Vietnam veterans who may have had difficulties when they returned home from the divisive Vietnam war.

I commend the article to my colleagues and insert it in the RECORD:

[From U.S. News & World Report, Mar. 29, 1982]

Eight VIETNAM VETS WHO CAME OUT WINNERS

(By Wendell S. Merick)

They've succeeded despite great adversity—blindness, crippling wounds, deep public hostility. Now they help less fortunate war buddies make it.

No other veterans in U.S. history have endured the kind of hostility that confronted the GI's who came home from Vietnam, yet most have slipped into the mainstream of American society and today lead productive lives.

The passage has not been easy, and thousands more are still struggling to find their way. But the picture is changing significantly. What is happening is that large numbers of successful vets, those who have found their niche, are assisting in a widening effort to help others do the same.

All across the country these Vietnam veterans are banding together in a variety of groups to give aid and comfort to one another. At least 24 such organizations have sprung up, including one—the Vietnam Veterans Leadership Program—launched by the federal government.

In many of the programs, vets offer practical advice about how to get jobs and start businesses. In some, disabled ex-servicemen work with others handicapped by war wounds. All are equally intent on blasting the stereotype of the Vietnam veteran as a person with deep emotional problems.

"The time has come for the public to be made aware that many of us are much more successful socially, politically and economically than the derelict so often stereotyped by the media," comments William C. Stensland, a former marine who heads a veterans' program in Texas.

"It is very important to recognize that more than 80 percent of the Vietnam veterans, even with enormous difficulties, have come home and made the successful transition to civilian life," asserts Thomas W. Pauken, an Army veteran who heads the federal ACTION program. "I have been distressed to see veterans portrayed as losers, fools or dope addicts."

Among the hundreds of thousands of successful veterans are these eight who now are working to help their less fortunate Vietnam War comrades find their place in America—

HELPING OTHERS "GOOD FOR ME"

John D. Baines was at loose ends when he arrived home after two tours in Vietnam as an officer in the Navy Seabees. Today he is a pillar of the San Antonio establishment, owner of a real-estate-development firm with an annual business volume of more than 25 million dollars.

"People were very rude to us, very antimilitary," says Baines of his unsettling return to Texas in 1970. "There was no one to talk to about it. I was bitter. My reaction to those long-haired hippies was abrasive."

Baines, who played football at the University of Texas until sidelined by injuries, returned to college after his discharge from the Navy. He did not stay long. "I just couldn't concentrate on my studies," he says. "After four years it was hard to get back in the groove again."

Baines, now 36, quit college, then worked for construction and real-estate-brokerage interests in Texas. Ten years ago he opened his own business.

He feels that the image of the Vietnam veteran as a drug addict and criminal has made it difficult for many to win acceptance in civilian life. Especially harmful, says Baines, were reports that 60,000 or more veterans wound up in state prisons.

"They are talking about Vietnam-era veterans," says Baines. *"Era* is the key word. Only 13,000 are Vietnam War veterans, out

of 2½ million who served in Vietnam. That is less than half of 1 percent. Not much."

Baines recently began helping out in the Vietnam Veterans Leadership Program, a federal project that got under way in six cities last year and is being financed for three years with a modest 6 million dollars in federal funds. The goal is for the program to expand to 50 cities by 1984, when it is to become privately operated and financed.

So far, says Baines, his value to other veterans has been mainly as a sounding board. "We get together, and it does a lot of good for guys to get things off their chests," says the ex-Navy man. "I can immediately relate to them. It's going to do a lot of good for me, too."

"I'M GLAD I SERVED"

John F. Nash, Jr., 35, doubts that he would have wound up as a key congressional aide if the war had not intervened in his life.

"I turned over a new leaf in the Marine Corps," says the former platoon commander. "I hadn't been living up to my family's expectations, and life had been easy—sort of Camelot. It wasn't until the Marines that I realized we have a meritocracy society. A glib tongue isn't enough. I went back to school with a vengeance."

Nash, chief counsel of the Senate's Subcommittee on Regulatory Reform, went to Vietnam with reservations about the war but came back convinced he had done the right thing. "I'm so glad I served," he says. "I came back, and my conscience is clean."

But his stint in Vietnam earned him heavy criticism from some quarters. At one school where Nash tried to enroll, he recalls,"an assistant dean of admissions told me, 'We are not really partial to hired killers here.' "

Nash graduated from another school, the University of California, and then entered Georgetown University's Law School. While studying in Washington, he was offered a part-time job with Senator Paul Laxalt (R-Nev.), who later arranged for the subcommittee job.

In his spare time, Nash counsels Washington-area veterans on their troubles. He is hopeful that enough successful veterans will catch the spirit to make a difference. "Anybody who waits for the federal government to improve his lot is going to have a long wait," says Nash.

WE FEEL ESTRANGED

Richard Eilert, director of a veterans' project in Chicago, knows what it is to need a helping hand. Severely wounded in Vietnam, he has undergone 37 major operations in 13 years.

Eilert, 34, was a Marine enlisted man when a grenade blast ripped off most of his left leg, shattered his right one, broke both arms and caused other injuries. As he lay wounded, a North Vietnamese soldier shot him in the leg.

Once Eilert was up and about, he says, many people treated him with a puzzling indifference. "I found everything changed," says Eilert. "I couldn't get a date. Friends were not unfriendly—just cool."

He tried twice to return to college but quit because he felt out of place. "I always felt they were looking at me like I was John Wayne with cartridge belts hanging all over me," recalls Eilert. "There was no one to talk to."

Eilert eventually went to work for the Union Oil Company in California and wrote a book—soon to be published, he says—about his hospital experiences. He took over last year as director of the Vietnam Veterans Leadership Program in Chicago.

The program, he says, is vital to Vietnam vets because, for the first time, it gives them a place where they can discuss among themselves the feelings of alienation and disappointment that many have.

"Most Vietnam veterans don't belong to any organization," explains Eilert. "We feel estranged. I got tired of going to an American Legion club, for example, and getting bawled out at the bar for losing the war and for not knowing what combat really is."

SCALING THE HEIGHTS

Charles O'Brien, who lost a leg in Vietnam, was once cautioned not to try college because amputees have trouble climbing stairs. Last summer, the former Army Ranger was among eight handicapped persons who scaled the heights of Mount Rainier.

The Philadelphia lawyer's aim in the climb, hard enough for someone with both legs, was to demonstrate the worth of injured veterans and other disabled persons. It would, he thought, help build confidence and self-esteem.

O'Brien, 35, accepts no limitations as a result of his own injury. He has even learned to ski again. "I'm an amputee, and often that troubles me," he says. "It is hard to walk on an artifcial leg, and yet I had to because I couldn't allow my disability to interfere."

O'Brien, who says his younger brother performed alternative service as a conscientious objector during the war, feels too many who served in Vietnam have wasted time feeling sorry for themselves. "They nurtured each other's bitterness," he says. "I hate to call it self-pity, but that's what it was."

He concedes, however, that the public failed to give Vietnam veterans the measure of understanding and gratitude they had a right to expect from their countrymen.

In his own case, says O'Brien, some friends and acquaintances ended up feeling threatened by his war experience. "There was a degree of hostility because I hadn't taken the easy way out," he recalls. "So it was kind of an embarrassment to them."

O'Brien now does volunteer counseling in a veterans' program in Philadelphia. Through such efforts, he says, "we hope to help get jobs, help them start small businesses. That's what is needed."

STRAIGHT TALK ABOUT VETERANS

Street-level experience has taught Max Patterson that his fellow Vietnam veterans are no likelier to end up in jail than anyone else.

Patterson, 37, is police chief in Windsor, Conn., the only black ever to hold the post. Before that he was chief in Albion, Mich., and a campus policeman at Michigan State University.

The Vietnam veteran, says Patterson, is no special threat to society. But what is a problem, he argues, are public attitudes toward those who fought in the conflict. "People think veterans carry the guilt for the war rather than the government," says the former Army intelligence officer.

"I would be very hesitant to say the war, the year's experience in Vietnam, did anyone in," commented Patterson. "They would have been on that track before they ever went over there.

"Twelve months' negative experience in Vietnam was the final thrust that pushed them over."

In this, Patterson is supported by major studies that show little basis for the perception of Vietnam vets as troubled individuals, unable to fit into society. One federal survey finds fewer than 5 percent of all state-prison inmates ever served in Indochina. Still another survey indicates that 90 percent of vets 25 and older are employed. What's more, those who went to Vietnam are making more use of federal education benefits than have the veterans of earlier wars.

Patterson himself came out of Vietnam determined to improve himself. A college dropout before joining the Army, the Detroit native worked his way through Michigan State after his discharge, earning a degree in political science.

Now that he has settled into the job in Windsor, he is helping out in Vietnam veterans' groups. "I look at it from the standpoint of receiving a request to help someone like an old fraternity brother," says Patterson. "If there's something I can do, I am willing to make the effort."

DROPOUT WITH A DOCTORATE

There was a time, says Kip Becker, when he tried to hide from potential employers that he had piloted an Army combat helicopter in Vietnam.

Becker, 34, believes that most employers do not identify with the veterans of Vietnam the way they did with soldiers who fought in other wars. Thus, he reports, "I kept Vietnam off my résumé at first, and it kind of hurt to do that."

Now marketing-and-development director at Wilmington College in Delaware, Becker wants to see the day when all Vietnam veterans can do as he did and "get out of the closet." That is one of his goals as a volunteer worker in a veterans' group in Wilmington.

"I am not a joiner, but what I like about this program is that the people involved are able to get along," reports Becker.

He makes the point that "this organization cares about the ideas of veterans, what they have to say and what they need."

Becker, a college dropout before joining the Army, earned two master's degrees and a doctorate after his discharge from the service.

"In flight school and then Vietnam, I learned discipline," says Becker. "I learned that anyone has the intelligence to get where they want to go. I learned to persevere, and Vietnam focused me in a direction. It gave me the feeling that I could do it."

WINNING OVER BLINDNESS

Blinded by a booby trap and with little formal education, David L. Huffman found life especially hard after his tour in Vietnam as a Marine rifleman.

"When I first come back I was kind of wild," relates Huffman, 33, whose youth included eight years in an orphanage. "In 1970 I was in a car accident and broke both shoulders and my spine. I was two months flat on my back and another two months in a brace. I floundered for a couple of years, looking for unskilled employment, but I couldn't nail things down.

Huffman's salvation turned out to be the source of much of his childhood misery—school. After learning Braille, he completed high school, then earned two undergraduate degrees and a law degree from the Delaware Law School. He would like to carve out a career in international law.

Once the bar examinations are behind Huffman, he intends to devote most of his

spare time to helping other disabled vets—and to working toward a black belt in judo.

"I WANT TO HELP OTHERS"

Luis Sanz, a Cuban refugee, paid for his U.S. citizenship the hard way—with an 11-month stint as an Army combat medic in Vietnam.

Sanz, now 37, returned from Vietnam proud of what he had done for his adopted homeland. That's why he was shocked to find not all Americans were as pleased.

"Those were the years of antiwar demonstrations," says Sanz, who is today a faculty member at Georgetown University's Medical School.

"It was very frustrating for me. I kept very quiet about my service in Vietnam," he admits.

Although Sanz knew only a smattering of English when he returned to America, he zipped through college in three years, graduating at the top of his class, and then earned a medical degree at Georgetown University.

The unrelenting grind of medical school, says Sanz, plus his determination to do well, kept him from feeling the isolation that has troubled other Vietnam vets. "All I did was read and study," he says. "I put all my energies into my books.

"I'm not in the dumps," asserts Sanz. "I never was. I need no help, but I want to help others. That is the main point, getting people together, making contact with other veterans and helping them.●

EQUITY TAX ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DOWNEY. Mr. Speaker, yesterday I introduced H.R. 6257, the Equity Tax Act. Because of the interest this bill has created among my colleagues I include the text in the RECORD:

H.R. 6257

A bill to amend the Internal Revenue Code of 1954 to limit the reductions in individual income taxes to $700 in 1982 and an additional $700 in 1983, and to further increase Federal revenues through tax reform

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, ETC.

(a) SHORT TITLE.—This Act may be cited as the "Tax Equity Act of 1982"

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

(c) TABLE OF CONTENTS.—

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Sec. 201. Lower corporate income tax rates only apply to small corporations.

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TITLE I—PROVISIONS PRIMARILY AFFECTING INDIVIDUALS

SEC. 101. LIMITATION ON REDUCTION IN INDIVIDUAL INCOME TAX FOR 1982 AND 1983.

(a) REPEAL OF 1982 AND 1983 TABLES.—Subsections (a), (b), (c), (d), and (e) of section 1 (relating to tax imposed on individuals) are each amended by striking out the tables contained in paragraphs (1) and (2) and inserting in lieu thereof "The applicable table prescribed under subsection (g)."

(b) REDUCTION IN INDIVIDUAL INCOME TAX LIMITED TO $700 FOR 1982 AND $1,400 FOR 1983.—Section 1 is amended by adding at the end thereof the following new subsection:

"(g) SECRETARY TO PRESCRIBE TABLES FOR 1982 AND 1983.—

"(1) IN GENERAL.—Not later than 30 days after the date of the enactment of this subsection, the Secretary shall prescribe—

"(A) tables which shall apply to taxable years beginning in 1982, and

"(B) tables which shall apply to taxable years beginning in 1983.

"(2) METHOD OF PRESCRIBING TABLES.—Each table prescribed under paragraph (1) for a taxable year shall be the same as the corresponding table for such year enacted by the Economic Recovery Tax Act ot 1981; except that—

"(A) the maximum amount of reduction in tax liability under such table as compared to the corresponding table for taxable years beginning in 1981 shall be—

"(i) $700 in the case of taxable years beginning in 1982, and

"(ii) $1,400 in the case of taxable years beginning in 1983, and

"(B) the portion of such table which is not the same as the corresponding table enacted by the Economic Recovery Tax Act of 1981 shall consist of the rate brackets of the corresponding table for taxable years beginning in 1981, with proper adjustments in the amounts of tax liability.

In the case of any table for married individuals filing separate returns, '$350' and '$700' shall be substituted for '$700' and '$1,400', respectively, in subparagraph (A)."

(c) TECHNICAL AMENDMENTS.—

(1) RESTORATION OF MAXIMUM TAX ON PERSONAL SERVICE INCOME AND OF PRIOR LAW COMPUTATION OF ALTERNATIVE MIMIMUM TAX, ETC.—Paragraph (1) of section 101(f) of the Economic Recovery Tax Act of 1981 (relating to effective dates) is amended to read as follows:

"(1) AMENDMENTS OTHER THAN WITHHOLDING AMENDMENTS.—

"(A) IN GENERAL.—The amendments made by subsection (a) and paragraph (3) of subsection (d) shall apply to taxable years beginning after December 31, 1981.

"(B) MAXITAX, ALTERNATIVE MINIMUM TAX, PERSONAL HOLDING COMPANY TAX.—The amendments made by subsection (c) and paragraphs (1) and (2) of subsection (d) shall apply to taxable years beginning after December 31, 1983.

(2) MAXIMUM RATE ON CAPITAL GAIN.—Subparagraph (B) of section 102(c)(1) of the Economic Recovery Tax Act of 1981 is amended by inserting ", and before January 1, 1982" after "June 9, 1981".

(3) WITHHOLDING CHANGES.—Paragraph (3) of section 3402(a) (relating to changes made by section 101 of the Economic Recovery Tax Act of 1981) is amended by adding at the end thereof the following new sentence: "Notwithstanding subparagraph (B), the Secretary shall take into account the amendments made by section 101 of the Tax Equity Act of 1982."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

(2) WITHHOLDING AMENDMENT.—The amendment made by paragraph (3) of subsection (c) shall apply to remuneration paid after the 30th day after the date of the enactment of this Act.

SEC. 102. REPEAL OF INDEXATION OF INDIVIDUAL INCOME TAX AND OF DEDUCTIONS FOR PERSONAL EXEMPTIONS.

(a) IN GENERAL.—Section 104 of the Economic Recovery Tax Act of 1981, and the amendments made by such section, are hereby repealed.

(b) EFFECTIVE DATE.—The Internal Revenue Code of 1954 shall be applied as if section 104 of the Economic Recovery Tax Act of 1981 had never been enacted.

SEC. 103. DEDUCTION FOR NET CAPITAL GAIN LIMITED TO 50 PERCENT.

(a) IN GENERAL.—Subsection (a) of section 1202 (relating to deduction for capital gain) is amended by striking out "60 percent" and inserting in lieu thereof "50 percent".

(b) TRANSITIONAL RULE.—Subsection (c) of section 1202 is amended to read as follows:

"(c) TRANSITIONAL RULE.—If for any taxable year ending after June 30, 1982, and beginning before July 1, 1983, a taxpayer other than a corporation has a net capital gain, the deduction under subsection (a) shall be the sum of—

"(1) 50 percent of the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the net capital gain taking into account only gain or loss properly taken into

account for the portion of the taxable year after June 30, 1982, plus

"(2) 60 percent of the excess of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of net capital gain taken into account under paragraph (1)."

(c) SPECIAL RULE FOR PASSTHRU ENTITIES.—In applying section 1202(c)(1)(B) of the Internal Revenue Code of 1954 with respect to any passthru entity, rules similar to the rules of section 102(d) of the Economic Recovery Tax Act of 1981 shall apply.

(d) TECHNICAL AMENDMENT.—Subparagraph (B) of section 170(e)(1) (relating to charitable deduction for contributions of capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "50 percent".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to taxable years ending after June 30, 1982.

(2) CHARITABLE CONTRIBUTIONS.—The amendment made by subsection (d) shall apply to contributions made after June 30, 1982.

TITLE II—PROVISIONS PRIMARILY AFFECTING BUSINESSES

Subtitle A—Lower Corporate Income Tax Rates Only Apply to Small Corporations

SEC. 201. LOWER CORPORATE INCOME TAX RATES ONLY APPLY TO SMALL CORPORATIONS.

(a) IN GENERAL.—Subsection (a) of section 11 (relating to tax imposed on corporations) is amended to read as follows:

"(a) IN GENERAL.—A tax is hereby imposed for each taxable year on the taxable income of every corporation. The tax shall consist of a normal tax computed under subsection (b) and a surtax computed under subsection (c)."

(b) 19 PERCENT SURTAX.—Section 11 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) SURTAX.—The surtax is 19.25 percent of the amount by which the taxable income for the taxable year exceeds $100,000 but does not exceed $200,000."

(c) TECHNICAL AMENDMENT.—So much of subsection (b) of section 11 as precedes paragraph (1) thereof is amended to read as follows:

"(b) NORMAL TAX.—The normal tax shall be the sum of—".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

Subtitle B—Repeal of Special Leasing Rules

SEC. 211. REPEAL OF SPECIAL LEASING RULES.

(a) GENERAL RULE.—Paragraph (8) of section 168(f) (relating to special rule for leases) is amended by redesignating subparagraph (H) as subparagraph (I) and by inserting after subparagraph (G) the following new subparagraph:

"(H) TERMINATION.—

"(i) IN GENERAL.—Subparagraph (A) shall not apply to any agreement entered into on or after February 19, 1982.

"(ii) MASS COMMUTING VEHICLES.—Clause (i) shall not apply to the extent the agreement involves a qualified mass commuting vehicle (as defined in section 103(b)(9))."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to agreements entered into on or after February 19, 1982.

Subtitle C—Credits

SEC. 221. REGULAR PERCENTAGE OF INVESTMENT TAX CREDIT REDUCED TO 7 PERCENT.

(a) IN GENERAL.—Subparagraph (B) of section 46(a)(2) (defining regular percentage) is amended by striking out "10 percent" and inserting in lieu thereof "7 percent".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendment made by subsection (a) shall apply to periods after December 31, 1982, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1954.

(2) BINDING CONTRACTS.—The amendment made by subsection (a) shall not apply to property constructed, reconstructed, erected, or acquired pursuant to a contract which was, on June 30, 1982, and at all times thereafter, binding on the taxpayer.

SEC. 222. REPEAL OF FOREIGN TAX CREDIT.

(a) IN GENERAL.—Subsection (a) of section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by striking out "If the taxpayer chooses" and inserting in lieu thereof "In the case of a taxable year beginning before January 1, 1982, if the taxpayer chooses".

(b) CARRYOVERS.—Notwithstanding the last sentence of subsection (c) of section 904 of the Internal Revenue Code of 1954, in the case of a carryover under such subsection to a taxable year beginning after December 31, 1982, the amount of taxes deemed paid or accrued in such a year under such subsection shall be allowed as a deduction for such year.

Subtitle D—Provisions Relating to Oil and Gas

SEC. 231. TERMINATION OF CERTAIN CHANGES IN CRUDE OIL WINDFALL PROFIT TAX MADE BY ECONOMIC RECOVERY TAX ACT OF 1981.

(a) TERMINATION OF EXEMPTION FOR ROYALTY OIL.—

(1) IN GENERAL.—Subsection (b) of section 4991 (defining exempt oil) is amended by striking out paragraph (5), by redesignating paragraph (6) as paragraph (5), and by adding "and" at the end of paragraph (4).

(2) Subsection (f) of section 4994 (defining exempt royalty oil) is hereby repealed.

(3) Paragraph (9) of section 4995(a) (relating to adjustments to withholding) is hereby repealed.

(b) RESTORATION OF 30 PERCENT TAX ON NEWLY DISCOVERED OIL.—Paragraph (3) of section 4987(b) (defining applicable percentage) is amended to read as follows:

"(3) TIER 3 OIL.—The applicable percentage for tier 3 oil is 30 percent."

(c) TERMINATION OF EXEMPTION FOR CERTAIN STRIPPER WELL OIL.—

(1) IN GENERAL.—Subsection (b) of section 4991 (defining exempt oil), as amended by subsection (a), is amended by striking out paragraph (5), by striking out ", and" at the end of paragraph (4) and inserting in lieu thereof a period, and by adding "and" at the end of paragraph (3).

(2) Subsection (g) of section 4994 (defining exempt stripper well oil) is hereby repealed.

(3) TECHNICAL AMENDMENT.—Paragraph (2) of section 4992(c) (defining independent producer amount) is amended by striking out the last sentence.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to oil removed from the premises after December 31, 1982.

SEC. 232. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS WELLS.

(a) GENERAL RULE.—Section 613A (relating to percentage depletion) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

SEC. 233. REPEAL OF OPTION TO DEDUCT INTANGIBLE DRILLING AND DEVELOPMENT COSTS.

(a) GENERAL RULE.—Subsection (c) of section 263 (relating to intangible drilling and development costs in the case of oil and gas wells and geothermal wells) is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to taxable years beginning after December 31, 1982.

Subtitle E—Treatment of Foreign Income

SEC. 241. REPEAL OF THE TAX EXEMPTION FOR A DISC

(a) Section 991 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1982."

(b) Section 992(a) (relating to definition of DISC) is amended by adding at the end thereof the following new paragraph:

"(4) TERMINATION.—No corporation shall be treated as a DISC for any taxable year beginning after December 31, 1982."

(c) Section 995(b)(2) (relating to deemed distributions upon DISC disqualification) is amended by adding at the end thereof the following new subparagraph:

"(C) A corporation which, by reason of the provisions of section 992(a)(4), is a former DISC, for its first taxable year beginning after December 31, 1982, shall be treated, for purposes of this paragraph, as having failed to satisfy the conditions of section 992(a)(1) for such taxable year."

SEC. 242. TAXATION OF UNDISTRIBUTED PROFITS OF FOREIGN CORPORATIONS.

(a) GENERAL RULE.—Part III of subchapter N of chapter 1 (relating to income from sources without the United States) is amended by adding at the end thereof the following new subpart:

"Subpart H—Undistributed Profits of Controlled Foreign Corporations

"SEC. 987. AMOUNTS INCLUDED IN GROSS INCOME OF UNITED STATES SHAREHOLDERS.

"(a) AMOUNTS INCLUDED.—

"(1) IN GENERAL.—If a foreign corporation is a controlled foreign corporation (as defined in section 957) for an uninterrupted period of 30 days or more during any taxable year, every person who is a United States shareholder (as defined in section 951(b)) of such corporation who owns (within the meaning of section 958) stock in such corporation on the last day in such year on which such corporation is a controlled foreign corporation shall include in his gross income, for his taxable year in which or with which such taxable year of the corporation ends, his pro rata share of the corporation's earnings and profits for such year.

"(2) PRO RATA SHARE OF EARNINGS AND PROFITS.—A United States shareholder's pro rata share referred to in paragraph (1) is the amount—

"(A) which would have been distributed with respect to the stock which such shareholder owns (within the meaning of section 958) in such corporation if on the last day, in its taxable year, on which the corporation is a controlled foreign corporation it

had distributed pro rata to its shareholders an amount (i) which bears the same ratio to its earnings and profits for the taxable year, as (ii) the part of such year during which the corporation is a controlled foreign corporation bears to the entire year, reduced by

"(B) an amount (i) which bears the same ratio to the earnings and profits of such corporation for the taxable year, as (ii) the part of such year described in subparagraph (A)(ii) during which such shareholder did not own (within the meaning of section 958) such stock bears to the entire year.

"(b) EARNINGS AND PROFITS.—For purposes of this subpart, under regulations prescribed by the Secretary, the earnings and profits of any foreign corporation, and the deficit in earnings and profits of any foreign corporation, for any taxable year—

"(1) except as provided in section 312(m)(3), shall be determined according to rules substantially similar to those applicable to domestic corporations,

"(2) shall be appropriately adjusted for deficits in earnings and profits of such corporations for any prior taxable year beginning after December 31, 1982,

"(3) shall not include any item of income which is effectively connected with the conduct by such corporation of a trade or business within the United States unless such item is exempt from taxation (or is subject to a reduced rate of tax) pursuant to a treaty obligation of the United States, and

"(4) shall not include any amount of earnings and profits which could not have been distributed by such corporation because of currency or other restrictions or limitations imposed under the laws of any foreign country.

"(c) COORDINATION WITH ELECTION OF A FOREIGN INVESTMENT COMPANY TO DISTRIBUTE INCOME.—A United States shareholder who, for his taxable year, is a qualified shareholder (within the meaning of section 1247(c)) of a foreign investment company with respect to which an election under section 1247 is in effect shall not be required to include in gross income, for such taxable year, any amount under subsection (a) with respect to such company.

"(d) COORDINATION WITH FOREIGN PERSONAL HOLDING COMPANY PROVISIONS.—In the case of a United States shareholder who, for his taxable year, is subject to tax under section 551(b) (relating to foreign personal holding company income included in gross income of United States shareholders) on income of a controlled foreign corporation, the amount required to be included in gross income by such shareholder under subsection (a) with respect to such company shall be reduced by the amount included in gross income by such shareholder under section 551(b).

"(e) ADJUSTMENTS AND FOREIGN TAX CREDITS.—Under regulations prescribed by the Secretary—

"(1) Adjustments to the basis of stock on account of earnings and profits taxed under subsection (a) shall be made in the manner provided in section 961 (relating to increases and reductions in basis on account of the income tax treatment of subpart F income);

"(2) Elimination of double taxation of previously taxed earnings and profits when distributed shall be made in the manner provided in section 959 (relating to exclusion from gross income of previously taxed subpart F income); and

"(3) Corporations shall be deemed to have paid income, war profits, and excess profits taxes paid (or deemed paid) by foreign corporations to a foreign country or possession of the United States in accordance with the special rules set forth in section 960."

(b) TERMINATION OF SUBPART F.—Section 951 (relating to taxation of subpart F income) is amended by adding at the end thereof the following new subsection:

"(e) TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1982.—No amount shall be required to be included in the gross income of a United States shareholder under subsection (a) (other than paragraph (1)(A)(ii) of such subsection) with respect to a taxable year of a controlled foreign corporation beginning after December 31, 1982."

(c) TECHNICAL AMENDMENT.—Section 1248(d)(1) (relating to treatment of gain on sale of stock in certain foreign corporations) is amended by striking out "under section 951" each time it appears and inserting in lieu thereof "under section 951 or 987", and by striking out "under section 959" and inserting in lieu thereof "under section 959 or 987(e)(2)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

TITLE III—ESTATE AND GIFT TAX PROVISIONS

SEC. 301. RESTORATION OF CARRYOVER BASIS FOR DEATH.

Part III of subchaper O of chapter 1 (relating to basis rules) is amended by redesignating section 1023 as section 1024 and by inserting after section 1022 the section 1023 which was in effect before the enactment of Public Law 96-223, except that such section shall only apply to decedent's dying after December 31, 1982.

SEC. 302. REPEAL OF INCREASE IN UNIFIED CREDIT AND OF REDUCTION IN MAXIMUM RATES OF TAX.

(a) IN GENERAL.—Sections 401 and 402 of the Economic Recovery Tax Act of 1981, and the amendments made by such sections, are hereby repealed.

(b) EFFECTIVE DATE.—The Internal Revenue Code of 1954 shall be applied as if section 401 and 402 of the Economic Recovery Tax Act of 1981 had never been enacted.

SEC. 303. $500,000 LIMITATION ON ESTATE TAX EXCLUSION FOR ANNUITIES.

(a) IN GENERAL.—Subsection (c) of section 2039 (relating to exemption of annuities under certain trusts and plans) is amended by inserting "not in excess of $500,000" after "subsection (f))".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to estates of decedents dying after December 31, 1982.●

MILFORD MILL SENIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, May 6, 1982, 122 young men and women from Milford Mill Senior High School, Pikesville, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students, accompanied by Mr. Bill Zepp, Miss Elaine Stumpf, Mrs. Jean Walker, Mrs. Helen Walker, and Mrs. Gerry Spangler, will visit the Bureau of Printing and Engraving, the Supreme Court, and the Smithsonian Institutions. They will also tour the Capitol.

I am delighted these students have taken the opportunity to visit with us and I hope their interest in our Nation's political process will continue.

Students who will visit us Thursday are: Joann Ballard, Katrenia Brewer, Amy Douglas, Teresa Garner, Sandra Kennedy, Amy Klaff, Lisa Law, Thandiwa Moody, Demitria Scott, Lauri Scott, Tonya Smith, Cynthia Spangler, Kimberly Buchanan, Patty Cooper, Estella Dawson, Fran Downs, Anglela Johnson, Sonya Turner, LaVonne Walker, Carmen Williams, Orlando Wilson, Cathy Aldridge, Kevin Bass, Tresa Brandon, Robin Brown, Shelly Bundy, Lisa Cox, Alvin Crawley, Lisa Crocetti, Cynthia Dorsey, Judy Eccleston, Ellen Finnegan, Ellen Frizzell, Tanya Gadson, Hugo Jackson, Laurie Linville, Cory Lowry, Valerie Register, Karen Robinson, Rick Samuel, Therese Sisco, Shanel Scott, Susan Scott, Shari Walker, Joy Ward, LaNae Williams, Lisa Woodhouse, Monica Brockman, Donna Brown, Lisa Bush, Riley Cradle, Karen Christie, Bobbi Clark, LaWanda Conaway, Zina Cooper, Carl Easley, Phyllis Ervin, Rena Farmer, Senora Goins, Robin Gould, Kim Greene, Nancy Haas, Earl Jackson, Dwight James, Deric Jordan, Evelyn Lumpkins, Curtis Pullen, Al Pride, Katrice Royster, Randy Scroggins, Kimberly Snowden, Harold Sanders.●

VOLUNTARISM

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SNYDER. Mr. Speaker, America has always been a caring country. A country in which citizens worked together to make life better for all, from the frontier days when neighbors would get together at a barn raising, from Philadelphia, where Benjamin Franklin pioneered the use of voluntary organizations to establish the Nation's first public libraries, fire departments, and to pave the streets to make the community a better place for all.

In fact, in the early days of this Nation, it was this tendency of Americans to work together in a voluntary spirit of community that impressed foreign visitors more than our governmental institutions or the productivity of our business and industry.

That same spirit of voluntarism is still alive today—and I know of no place where it is exemplified any better than Ludlow, Ky., where, this month, on May 12, the Ludlow Life

Squad will celebrate its 50th anniversary.

As the oldest life squad in northern Kentucky, the Ludlow Life Squad has compiled a glowing record of achievement. That record is particularly noteworthy because the Ludlow Life Squad is a totally voluntary organization, organized and maintained by citizens of Ludlow—neighbors helping neighbors.

As was pointed out in a Kentucky State Senate proclamation honoring the life squad unit:

This department has never turned down anyone in need, offering its precious time and efforts. It has gone beyond the call-of-duty by raising money to buy its own equipment, necessities, and providing gasoline to power its vehicles. Its members, on their own, have sought education in the field of life sustaining measures to better provide for the victims they serve.

For 50 years, members of the Ludlow Life Squad have been making their community a better, safer place to live—and those 50 years provide poignant testimony to the strength of the same community spirit and volunteer spirit today which made this country so unique, 200 years ago.●

UNIVERSITY OF MIAMI SCHOOL OF LAW HONOREES

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FASCELL. Mr. Speaker, I am pleased to have the opportunity to recognize the newest members of the Society of Wig and Robe, the highest legal honor society at the University of Miami School of Law. I am especially pleased to note that two of these members, Tom and Amy Lehman, are the son and daughter-in-law of our colleague and my good friend, BILL LEHMAN. I am sure that BILL is extremely proud of Tom and Amy's accomplishments at the law school and joins me in extending our sincerest congratulations to the following students for their outstanding scholastic achievements:

WIG AND ROBE

The Society of Wig and Robe is the highest legal honor society at the University of Miami School of Law. The Society exists to promote and foster high scholarship and extracurricular participation in the University of Miami School of Law, and to promulgate the principles of moral and ethical character requisite to the profession of law. Selection for membership in the Society honors those students who, by their outstanding scholarship and participation in extracurricular activities, have made a notable contribution to the progress, growth, and high repute of the University of Miami School of Law.

The members of the Society extend congratulations to its newest members:

William Barry Blum, Mark J. Buhler, Philip J. Cole, David S. Garbett, Nancy P. Gordon, Burt S. Hellman, Laurel Myerson Isicoff, Arnold M. Jaffee, Gary M. Held, Marianne Hurd, Amy Lehman, Tom Lehman, Michael Magaril, Kathleen Mahoney, Steven A. McLaughlin, Christine L. Mendoza, Steven R. Parson, Sharon Quinn, David K. Robbins, Laurie Rosen, Alan Sackrin, David Simon, Darlene Stosik, Donna Aronson Zukoff.●

THE NUCLEAR WEAPONS FREEZE: DON'T FIGHT CITY HALL

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. WILLIAM J. COYNE. Mr. Speaker, the nuclear weapons policy of this country is now on the national agenda. The reason? The people put it there. Their fears about quick and total destruction, encouraged in part by the saber rattling of the current administration, have forced a national reexamination of our nuclear strategy.

The recent congressional debate on a United States-Soviet nuclear weapons freeze comes not as a result of congressional committee hearing or a high budget media campaign. Congress is considering the issue because citizens have acted, in numerous forums across the land, to bring this issue to the fore.

The city council of Pittsburgh, the legislative body on which I had the pleasure to serve prior to my election to Congress, has called for the initiation of negotiations for a mutually verifiable nuclear arms freeze between the United States and the Soviet Union. In so doing, Pittsburgh becomes the first major city to petition the Congress on the nuclear freeze. I am confident that popular referendums in a number of localities this fall will result in many more petitions.

Each of us, at one time or another, has pondered the possibility of nuclear destruction. That prospect has been a central part of the lives of those who came of age after World War II. Intimidated perhaps by the sheer enormity of the consequences of nuclear war, many of us chose to put the idea somewhere in the back of our minds.

We have been forced to consider the prospect of nuclear war with more alarm as a result of recent talk of "nuclear warning shots" and of a "survivable" nuclear war. While the reasons for the current surge of interest in nuclear policy may be discouraging, there is reason for hope in view of the tremendous interest shown thus far in the nuclear freeze campaign.

Mr. Speaker, there is an old maxim in American politics: "You can't fight city hall." I hope this proves to be the case for this Congress when it comes to the nuclear freeze resolution adopted by the Pittsburgh City Council. I want to share with my colleagues the text of that resolution.

The resolution follows:

RESOLUTION No. 340

Whereas, on March 30, 1982, the City Council of Pittsburgh held a hearing on the effects of a nuclear attack upon the City; and

Whereas, the unanimous opinion of physicians who testified was that a nuclear attack would destroy the City and immediately kill or seriously injure most of its citizens; and

Whereas, radioactive fallout and other environmental effects would contaminate or destroy the air, food, water and other life-sustaining resources in a wide area surrounding Pittsburgh and thereby lead to radiation sickness, malnutrition and epidemic infectious disease in survivors for months following attack; and

Whereas, medical facilities and personnel would be helpless to aid the overwhelming numbers of ill and injured immediately and in the months after attack; because hospitals, health workers and supplies would be destroyed both in Pittsburgh and, simultaneously, in the numerous other U.S. cities; and

Whereas, nuclear war is mutually suicidal for participants, and portrayal of it as winnable or survivable in any degree is dangerous because it fosters false complacency and obscures the catastrophic consequences of nuclear attack: Now, therefore, be it

RESOLVED, That this Council urges President Reagan and Pittsburgh's federal legislators to initiate negotiations between the United States and the Soviet Union and other nuclear powers to mutually and immediately freeze development of additional nuclear weapons and to mutually and eventually dismantle all nuclear arsenals, for the future of mankind.●

A TRIBUTE TO DANA RENEE MORALES

HON. MANUEL LUJAN, JR.

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LUJAN. Mr. Speaker, I would like to take this opportunity to share with my distinguished colleagues the winning speech from the State of New Mexico as entered in the Veterans of Foreign Wars' Voice of Democracy contest. Dana Renee Morales of Albuquerque, N. Mex., had the privilege and honor of winning the contest in New Mexico and I believe my colleagues will appreciate the theme of the speech, "Building America Together." We should be proud of our young Americans, and I beleive that this young woman is a very good example.

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM NEW MEXICO WINNER—DANA R. MORALES

Building America Together, that is the topic of the Voice of Democracy Orator contest this year. When I heard the topic the first thing to enter my mind was the vision of a building. Of course, my meanings were a little confused but then I began to define my building. A strong, sturdy foundation was the beginning. Resting on this founda-

tion were the bricks, held together with mortar to make it durable. The building is a beautiful one, classical in design, modern in its structural strengths! My building protects those inside against the storms and ravages of the outside world.

Once my building was complete in my mind, I tried relating this image to our topic. Building America Together: building, the making of; America, a country; together, in cooperation. We are making a country in cooperation. The great sturdy foundation of this building is America and her Constitution, our Constitution. The first architect of our America very carefully drew plans, chose the finest materials and laid a foundation that has been able to hold upon its solid base two centuries of conflicts, disasters, strife and a glorious, proud people. A people who have become the bricks of my building. You, I, and our neighbors are the basis of America, the bricks. Each, a single brick, by itself nothing, but together with thousands of others a brick wall that stands as a tribute and a pillar of strength for our country, America. The people of America are her walls because they have explored her, tamed her, helped to preserve her, and have made her name synonymous with freedom, with glory, with beauty and with home. A home for all who need her. My building is truly a grand monument.

Yet, one very important aspect has been forgotten and without it my building will tumble to the ground in a cloud of dust. I have forgotten the mortar which holds the bricks to the foundation and the bricks to each other. Each past experience like mortar on the bricks has brought us together. The blood, sweat and tears of thousands of Americans is the mortar of my building.

American pioneers—soldiers—scientist among others have all in some way given of themselves to help the mortar create a bond between us that is impenetrable. The wars, the depression, the loss of some of our great leaders brought us tragedy, still our building has stood strong. Even when bits of mortar fall and bricks loosen from neglect, the building, America, revitalizes herself with the knowledge of our natural and human resources, with the knowledge of individuality and freedom for all, with the knowledge of a people who came and still come to America because they are drawn here by a compelling need. The need for freedom, for opportunity, for the love of a nation's ideals. America is that nation.

Resting on the foundation and held in by the bricks and mortar are the ideals that make America. These ideals make up and fill the many rooms of my building. Rooms which have no locks, no doors so that they are forever open, then all people may freely enter and share in the wealth and glory and pride and beauty of this building, this America.

We have from the first few to the millions of today built an America strong in her structural simplicity. We will, each of us, continue to build her together for America is not just a building or a monument but a home and perhaps the home of the world.●

GEORGE TRAIN RETIRES

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LEE. Mr. Speaker, colleagues, I wish to take the opportunity today to bring to your attention the retirement of a man whom few of you have met. There are constitutents, though, in every one of your congressional districts who are familiar with his work and they have been richly rewarded because of the acquaintance.

His name is George Train and this weekend I will take great pride in joining many of his friends, neighbors, and associates in honoring George as he retires from the position of president of the Finger Lakes Association (FLA) in my home State of New York. It is a position that he has held for 22 years.

I venture to say that those of my colleagues in this House who hail from the most distant reaches of our Nation have heard about the Finger Lakes, a rich and beautiful land of hills and glacier-formed lakes, agriculture, and industry which has attracted visitors from throughout the world. Many have chosen to stay to make this area their home. Most came because of the enthusiasm of George Train in his leadership position.

Since 1960 when Mr. Train assumed the job of FLA president, the already well-established organization has flourished. The association itself is the oldest regional tourism promotional agency in the country, started in 1919, and today the largest of its kind serving New York State. Though it was well footed with 356 members when Mr. Train became president, today it holds nearly 1,900 members. Its budget has multiplied to 10 times that of 1960; its publications have multiplied by more than 4 times and today those publications reach almost three-quarters of a million readers.

The association itself, in Mr. Train's tenure, has become a highly respected and admired voice in national tourism circles and within the industry itself. Its current executive director, Mr. Conrad T. Tunney, is familiar to many of you in this Chamber as a representative on the National Tourism and Travel Advisory Board created by Congress just last year.

It is obvious to you by now that George Train is a dynamic leader, an organizer, and an important figure in the lives of my constituents and those in my neighboring districts. But there is more—possibly more revealing—information which you should know about the man who has dedicated these last 22 years to the well-being of the Finger Lakes area of New York State.

The job was a second career for George Train.

In 1960, at the age of 68, he accepted election to the Finger Lakes Association presidency after retiring from the position of city manager of the city of Auburn, N.Y. Since then he has worked tirelessly on behalf of the region. His success is evident where ever in the Finger Lakes one may travel. He has helped to create an association which has more economic impact on the upstate area than any other single business. He has done the work which has brought literally millions of dollars to our region. And he has done it entirely as a volunteer. There is not now and has never been a salary associated with the position of association president. When he toured the U.S. travel and tourism shows at the age of 80, he was not salaried for the hours he spent on his feet or on his job.

Colleagues, I believe that George Train—today 90 years of age—represents the finest in American spirit. I will have the opportunity to personally congratulate, and thank him, for his work. I ask you today to join with me in the recognition due for such an outstanding career of service to the betterment of his neighbors. The thanks of this Nation are extended to George today.

Thank you for this opportunity.●

HOUSE RESOLUTION 8

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. APPLEGATE. Mr. Speaker, the U.S. court system is at it again. John Hinkley, now on trial for attempting to assassinate the President of the United States, now after more than a year since the shooting is now being tried after having been medically determined to be sane. But the judge, the Honorable Barrington D. Parker of the U.S. district court in the District of Columbia, says that the prosecution must now legally prove beyond a reasonable doubt that Hinkley is sane, adding that the defense will not be burdened by having to prove insanity.

What kind of twisted judicial logic is that? Here we have a man who tried to kill the President and wounded three other people, yet a high-powered law firm argues he was insane at the time of the shooting and Judge Parker tells the prosecution to prove him wrong. Remember House Joint Resolution 8?●

MARYLAND'S SECOND CONGRESSIONAL DISTRICT POLL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, more than 21,000 residents of Maryland's Second Congressional District responded to my districtwide questionaire.

Although many of my constituents voiced continued support and affection for the President, there is growing doubt about his policies. Almost 60 percent said they are not better off now than a year ago; only 4 in 10 thought the President is doing a good job.

People are most concerned about their economic outlook. They want lower interest rates and are concerned about their social security retirement benefits.

Some comments:

I'm 64 years old, not in good health, but I have to work part time to make ends meet. Prices, taxes, etc, keep rising. All my savings are gone due to doctors' and hospital bills. Now there are rumors that Social Security will be frozen. Please do something.

My pay raises have not kept up with inflation.

I work full time and part time to make ends meet. Only the strong survive.

It's hard to believe that a single person making my salary—$25,000—has to count pennies. Working just to make ends meet is not an American dream.

Please vote against any reduction in Social Security benefits or any attempt to reduce cost-of-living increases.

Nine out of ten want Congress to make sure their social security benefits are protected. Younger workers are especially concerned that social security will not be around by the time they are ready to retire.

I have fought for many years to protect the retirement benefits of America's workers. I shall continue my fight to preserve the integrity of the social security system and to insure that everyone rightfully entitled to benefits receives them.

Eighty-six percent of those replying said interest rates must be lowered to help the housing, auto and steel industries. One typical comment:

Interest rates are killing our country. I can't afford a home for my wife and child.

Lower interest rates are a must for a healthier economy. Reducing our national debt is essential to lowering interest rates. I have sponsored a resolution calling for the Federal Government to operate under a balanced budget except in times of national emergency, and to provide for systematic repayment of our national debt.

Aside from their wallets, residents of Baltimore County are worried about crime. Nine in ten agreed we need to crack down on crime nationwide.

"Improve the courts, make the criminal pay for his crime so we can walk the streets again. We are prisoners in our homes," said one.

I am sponsoring the Justice Assistance Act of 1981 to provide Federal seed money toward improving local criminal justice systems, including victim and witness assistance, juvenile crime prevention, career criminal prosecution, "Sting" operations, and antiarson activities. My bill has already won approval of the House Judiciary Committee. It now awaits House and Senate floor action. When asked about defense and foreign affairs issues, my constituents clearly want an America with muscle—not fat—in her defense. Almost 7 in 10 agreed we should continue our military buildup, but many had reservations.

The build-up should be continued, but in a lesser degree in order to slow down the deficit spending and work toward a balanced budget.

Our defense must be strong and we need to continue military buildup. However, what Reagan suggests is too great.

Sixty-two percent thought we should stop selling grain to the Soviets. The same number felt we should continue our defense of Europe through NATO. Commenting on both questions, one man said:

It does not make sense to feed our so-called enemy. We should continue our defense of Europe only if they start doing their part—back us against our enemy.

We should go back to Carter's idea of helping foreign countries help themselves with tools, food, medicine, etc.

I agree entirely. As Chairman of the Appropriations Subcommittee on Foreign Operations, I have been working to redirect our foreign assistance program by opposing military aid to poor countries and to push for capital-saving technology to help the poor help themselves instead of depending on handouts from the U.S. taxpayers.

The questionnaire and results follow:

SUMMARY OF 1982 QUESTIONNAIRE

[Second Congressional District of Maryland]

	Yes	No	Not sure
YOU—Are you better off now than a year ago?	33%	56%	11%
PRESIDENT REAGAN—Is he doing a good job?	46%	47%	7%
DEFENSE—Continue military buildup?	69%	28%	3%
RUSSIA—Stop grain to Soviets?	62%	33%	5%
NATO—Continue US defense of Europe?	62%	32%	6%
INTEREST—Lower rates to help housing, auto and steel?	86%	10%	4%
TAXES—Raise taxes on tobacco, alcohol and gasoline?	62%	33%	5%
SOCIAL PROGRAMS—Turn back to states?	57%	37%	6%
SOCIAL SECURITY—Maintain retirement benefits?	91%	7%	2%
CRIME—Launch nationwide crackdown?	90%	7%	3%
POSTAL SERVICE—Is it getting better?	16%	75%	9%

HUNGER FOR JOBS

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. OBEY. Mr. Speaker, Members of Congress are often told by the administration and others that there are plenty of jobs available for people if they would just look for them. That may be true where some people come from, but where I come from people are used to working and feel humiliated when they do not have the opportunity.

Existing national policy is keeping 10 million people unemployed. If any Member believes that most of these people would not accept a job if they could find one, I invite them to read the article which I am submitting for the RECORD at this time. This story, which appeared in the Superior, Wis., Evening Telegram on April 27, 1982, tells of 1,100 people who were applying for 85 jobs over a 5-day period at the Superior, Wis., Job Service Office.

This Government had better quit singing "Prosperity Is Just Around the Corner" and start adopting policies that make it possible to start turning that corner and do it now.

1,100 SEEK EMPLOYMENT AT INN HERE

(By Deb Krieg)

Over 1,100 people applied for 85 jobs in five days. Not a surprising turnout says Jacquie Coleman, Wisconsin Job Service district director in Superior, especially in these recessionary times.

Nor is it surprising considering unemployment in Douglas County hovered around 11.4 percent in February. Last month's unemployment figures were not available, but Coleman believes that they could be "significantly" higher than the previous mark.

What was surprising was that wages were of little significance to the applicants who flocked to the Tower Avenue office, sometimes by the dozens to apply for employment with the Radison Inn & Yacht Club, located on Barker's Island and scheduled to open May 28.

Due to this company's policy no wages were advertised or discussed at the screening sessions which began last Monday. What Coleman would say was that the company had done a wage survey in the area and they were "comparable if not better," to other positions.

"People are more interested in finding employment right now than with wages," Coleman emphasized.

Even employes in her office—those who specialize in job placement, had first-hand experience last month in an employment search when cutbacks left four people out of work.

Those extra bodies would have made a difference in the 22-person operation last week, Coleman explained. "I even had to conduct interviews. It was hectic at times but we squeaked by," she said.

Applicants interviewed for positions ranging from waiter-waitresses to barmaids-bartenders to housekeeping supervisor, maintenance and reservation personnel.

Coleman said the interviews resembled the ones conducted when 1,000 people applied for work at Prange's when the Mariner Mall began its operation over a year ago. "That was a recessionary time, too," she said, adding that she doesn't foresee this type of interviewing again . . . for some time.

Because of the response, the Job Service officials were no longer accepting appointments for interviews for Radison employment Monday. By Wednesday they are expected to complete the preliminary interviews.

"We have the job orders and the necessary qualifications. Mainly what we were responsible for was the recruiting of applicants and their screening. Those who meet the qualifications will be notified and will be interviewed toward the end of next week by Radison officials here."

While there will be about 1,000 disappointed people, Coleman points out their time was not "lost."

"Their (applicants) names will remain in our files which will entitle them to other jobs as they become available. The Radison interviewing process has been great for updating our files," she said.●

AID TO POLAND

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FARY. Mr. Speaker, May 3 was the anniversary of the Polish Constitution of 1791. It was a time when the Polish people's cherished dream of independence and freedom was realized. Today, the situation in Poland is very grim. Peaceful demonstrations in support of the Solidarity Union have been harshly put down by the government. Thousands of Polish citizens have been jailed and put in detention. The economy remains in a state of shambles. I am calling on the President, along with several of my colleagues, to cancel all postal fees on packages containing food, medicine, and clothing.

Enclosed is a copy of a letter that I am sending to the President asking for his assistance. I am extending the deadline before mailing this letter. If other Members would like to cosign, please contact my office.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C.

President RONALD REAGAN,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It has been over four months since the imposition of martial law in Poland. The Polish people have suffered through a long hard winter, experiencing severe shortages in food, clothing, and medicine. In addition, the Polish government has raised food and fuel prices ranging from 300 to 500 percent.

Since the suspension of all food aid to Poland on December 17, 1981, the only American supplies reaching the Polish people have been through private and volunteer agencies. Representatives of CARE and Catholic Relief Services have pointed out that the impact of the shortages has been borne by the most vulnerable groups in the population (aged, children, and the sick). They further claim that this assistance is getting to those most in need, and not the government. But, this aid is only a small portion of what is needed to help alleviate this severe problem.

Mr. President, we urge you to recommend to the Postmaster General the cancellation or reduction of all postal fees for packages containing food, medicine, and clothing mailed to Poland. This action will enable Americans to help the Poles while bypassing the Polish government.

May 3 is the celebration of the Polish Constitution Day of 1791. This is the day when all free Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty. It would only be fitting for us today, in 1982, to show our Solidarity with the Polish people through the cancellation of postal fees for aid packages to Poland.

Sincerely yours,

JOHN G. FARY,
Member of Congress.●

FARM BUREAU OPPOSES SMALL BUSINESS INNOVATION ACT

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. McCLOSKEY. Mr. Speaker, the American Farm Bureau Federation, representing 3 million families nationwide, has announced its opposition to the Small Business Innovation Act (H.R. 4236). Their letter follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., May 3, 1982.

Hon. PAUL MCCLOSKEY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MCCLOSKEY: We understand that the House of Representatives may begin consideration of H.R. 4326, the Small Business Innovation Act, in early May. As you know, the bill requires federal agencies, including the U.S. Department of Agriculture, to allocate three percent of their research funds to small businesses.

Farm Bureau opposes H.R. 4326 because the allocation of three percent of USDA formula funds to small business firms to conduct research is not the most appropriate way to promote the well-being of small research firms or to stimulate agricultural productivity.

The allocation requirement would negate the small increases in formula funding recently received by the USDA. In addition, the number of small firms specializing in agricultural research is limited. A diversion of USDA research funds to them could mean exceptionally large contract awards without necessarily increasing the quantity or quality of agriculture research.

Farm Bureau asks you to consider the effects of the bill and to oppose it because it provides no real benefit to either the small business or the agricultural communities.

Sincerely,

JOHN C. DATT,
Secretary and Director,
Washington Office.●

FALL RIVER RECOGNITION DINNER MAY 5, SPONSORED BY CHAMBER OF COMMERCE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. HECKLER. Mr. Speaker, the Fall River Chamber of Commerce this evening will recognize with an awards dinner seven outstanding citizens who have given years of professional and volunteer service to their fellow men, women, and children. We are in a time, Mr. Speaker, when the services provided by such unselfish contributors to the public welfare are in greater demand. Therefore, it is all the more important that such invaluable service be suitably recognized and honored. Mr. Speaker, the seven of whom I speak are: Fred Dolan, retired assistant sports editor of the Fall River Herald-News; Helen Chatterton, currently labor secretary for the United Way; Marjorie Kenney, former head nurse of obstetrical services at New Haven Hospital; Margot Cottrell, president and art director of the Merimtime Museum; Jim Rogers, owner of Rogers Cigar Store in Fall River; Robert Karam, vice president of Feitelberg Agency Insurance and Karam Insurance Agency; and William Shea, chief armorer of the Brockton Armory. Mr. Speaker, the list of their services and accomplishments are so long, so varied I will simply submit the attached articles from the Fall River Herald News and the Brockton Enterprise into the CONGRESSIONAL RECORD. After all, their deeds have always—and will continue to speak for themselves.

[From the Fall River, Mass., Herald News, Mar. 27, 1982]

CHAMBER OF COMMERCE TO HONOR SIX OUTSTANDING CITIZENS

The Greater Fall River Area Chamber of Commerce will honor seven outstanding citizens with a Recognition Dinner Awards night on May 5 at the Venus deMilo.

Otto A. Wahlrab, chairman of the awards committee said, "The recognition is being presented to these people who have dedicated their time to community involvement."

Chosen for the award are Fred Dolan, Helen Chatterton, James Rogers, Marjorie Kenney, Bill Shea, Margot Cottrell and Robert Karam.

Dolan retired from The Herald News in 1971 after 45-years of service. He entered journalism in 1926 as a general assignment reporter after having served for some time as a baseball scorer for the sports department of the Evening Herald. For many years he covered Durfee High School sports. His last 20-years at the The Herald News were spent as assistant sports editor.

As a sports writer, he encouraged and aided groups and individuals involved in presenting sports events of all types.

He has been actively involved in the United Way, Wartime Civil Defense and was president of the First Friday Club. His

sports activities include director of the city little league and the Twilight league, St. Anne's Junior baseball league, Scholarship City baseball league, Young Robins baseball team, organized the baseball Pony league, a member of the Durfee Boosters, and helped the late Michael Brien, superintendent of the North Burial Grounds, organize the amateur baseball league for 18-years-olds and younger.

Dolan has been the director of Toys for Tots, The Herald News and Slade bowling leagues, the Boys' Club, the Fall River Senior Citizens Center, officer of council of the Knights of Columbus, chairman of the Boy Scouts at Sacred Heart parish and a member of the Niagara Neighborhood Association.

Helen Chatterton is currently the labor secretary for the United Way and was with the International Ladies Garment Workers Union for 19-years, serving as union member and chairlady on the executive board. She is on the Professional Advisory Board of the District Nursing Association, a delegate to the labor council of the Musicians' Union and assistant treasurer of People, Inc. She is also a volunteer at the Chamber of Commerce and Corrigan Mental Health Center.

Chatterton donates her free time to transporting patients to the Retina Clinic at Mass. General Hospital, Boston Childrens' Hospital and the dialysis clinic in Providence. She also assists elders with social security and helps people obtain food, assistance, housing and work.

A graduate of Connecticut College and Yale University Graduate School of Nursing, Marjorie Kenney has been a Clinical Instructor of Surgery, Gynecology and Obstetrics at Yale, head nurse of Obstetrical Service at New Haven Hospital and instructor of Orthopaedic Nursing at the Truesdale Hospital School of Nursing.

She has served as president of the PTA of the Christian School of Greater Fall River, the Choir Guild of the Church of the Ascension, Bristol South Women's Auxiliary to Massachusetts Medical Society, the Women's Club of Fall River, the Ninth Street Day Nursery, Inc. and the president and founder of the Friends of the Fall River Symphony Orchestra. Kenney was also the founder and chairman of the Diversionary Activities Volunteer Program at Charlton Memorial Hospital from 1973 to 1981 and a volunteer at Truesdale Hospital for 22-years.

Margot Cottrell, a Swansea resident, is the president and art director of the Marine Museum, one of the coordinators of the Vera Cruz stops in Fall River, vice-president and director of the Friends of the Bluffs in Swansea, a member of the Advisory Committee of the Heritage Park Steering Committee, director of the Home for the Aged, the Women's Board of Truesdale Hospital and the Fall River Arts Council.

Cottrell has served on the board of the Animal Rescue League, Friends Academy PTA, Gardner School PTA, the Old Colony Youth Committee, the Youth Fellowship Program, and the Junior League. Graduating in 1972 from SMU with high honors, Cottrell has taught in Providence and Dartmouth schools.

Jim Rogers is owner of the Rogers' Cigar Store in Fall River. He is one of the founders of Big Brothers of Fall River, chairman and founder of Christmas in Fall River, president of the Miss Massachusetts Scholarship Pageant, coordinator of the March of Dimes Superwalk, president of the Citizens Scholarship Foundation, past chairman of the Fall River Easter Seals, past coordinator of the Area Save the Bay and past president of the Fall River Jaycees.

Rogers is a graduate of Providence College and Boston College.

Robert Karam, a graduate of SMU, is vice-president of Feitelberg Agency Insurance and Karam Insurance Agency, Inc. He has been with the Fall River Trust Co. and a teacher in the Fall River school system. He is a member of the National Association of Life Underwriters, a charter member of the Bristol County Estate Planning Council, chairman of the Fall River Industrial Development Commission, the Private Industry Council and former chairman of the Fall River Planning Board.

He is also a member of the Fall River Regional Task Force, Fall River Industrial Finance Authority, Massachusetts State Heritage Park Committee, SMU Foundation President's Club, board of directors of the Bank of New England and president of JOBS for Fall River, Inc.

Bill "Shifty" Shea, chief armorer of the Brockton Armory, has been very active in sports for many years. He was a team member of the Sts. Peter and Paul, Maplewood and Legion leagues. After lettering for the Coyle Warriors, he was semi-pro in the Blackstone Valley League and coached for the Fall River Legion baseball team and the Federal Little League. In 1979, he was freshmen coach at Connolly. Shea was the founder the National Guard Junior Basketball League, serving as coach for three years and director for 10-years.

A National Guard veteran in the rank of sergeant major, he is training director of the noncommissioned officers in the Academy of the 211th Artillery Batallion

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SHEA TO BE HONORED AT CHAMBER DINNER

Bill Shea, chief armorer of the Brockton Armory, will be honored along with six other area residents on May 5, at the 14th annual Recognition Dinner of the Greater Fall River Chamber of Commerce, at the Venus de Milo Restaurant.

Shea is sergeant major in the National Guard and is training director for non-commissioned officers in the 211th Field Artillery Battalion.

Active in sports for many years, he played for SS Peter and Paul in the Maplewood League and also for American Legion baseball. He was a standout at Coyle High School and went on to play semi-pro ball in the Blackstone Valley League. He also coached for the American Legion and for the Federal Little League.

In 1979, he was freshmen coach at Bishop Connolly High School. He was founder of the National Guard Junior Basketball League, serving as coach for three years and director of 10 years.

The Recognition Dinner will honor, in addition, Helen Chatterton, Margot Cottrell, Fred Dolan, Robert Karam, Marjorie Kenney and James Rogers.●

WETIP

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DREIER. Mr. Speaker, one thing on which we all can agree is that skyrocketing crime rates have become one of this Nation's most persistent and alarming problems. One need only turn to one's neighbor or family to discover yet another victim of fraud, theft, assault, or worse. But rather than frighten you with stories and statistics with which I'm sure you are all familiar, I would like to call to your attention one organization that is fighting back—and winning. WeTIP, a crime prevention program based on law enforcement and community cooperation, celebrates this year its 10th anniversary of outstanding service to the State of California.

Founded in February 1972 by retired Los Angeles County sheriff's deputy, Bill Brownell, WeTIP, standing for West End turn in pushers, began as an attack on drug traffic. Citizens with information on drug activity were urged to call WeTIP's number and relay their message to specially trained volunteer operators. Pertinent information would then be immediately conveyed to police, fire, and sheriff's departments, U.S. Customs, DEA, IRS, and Postal Inspection Services. What differentiates WeTIP from other citizen activist groups, however, is that all informants remain completely anonymous; operators instruct callers not to give their names, assigning them instead a code name and number. In this way, citizens may contribute to the safety of their community without fear of criminal revenge or reprisal.

Community response to WeTIP's policy of dedicated law enforcement and confidentiality has been nothing less than enthusiastic. In 10 years, enforcement officials have used WeTIP information in over 3,400 arrests, leading to over 1,500 convictions, confiscated over 49 million dollars' worth of illegal, dangerous drugs and narcotics, and recovered $1,700,000 in stolen property.

So great was its success in cleaning up West End drug traffic that in 1977, WeTIP expanded its services to encompass a war on all major crime. The results speak for themselves: In less than 5 years, WeTIP information has aided in over 36 murder arrests, and over 290 successful apprehensions of criminals committing robbery, burglary, fraud, rape, assault, and auto theft. Its arson program alone has resulted in 81 arrests and 49 convictions, involving $10 million of arson damage.

Assistant Director Miriam Eckert feels the key to WeTIP's success lies in total community involvement. West End citizens, working on a volunteer basis, gave over 350,000 hours of their time during the last year alone. Few organizations embody the true spirit of voluntarism as WeTIP does; few can claim its rate of success in providing all citizens with a real and invaluable service, that of protecting their prop-

erty, their families, and even their lives.

In 1981, the media joined this crime prevention effort when KABC-TV Los Angeles and WeTIP together established Eyewitness Anonymous. On May 2, 1982, ABC ran the first in a series of programs called "Counterattack: Crime in America," based on crimes solved by calls to WeTIP. At the same time, WeTIP is going national in scope, with a nationwide hotline operating 24 hours a day. Assisting in publicizing this new program will be Actor George Kennedy, national honorary chairman for 1982-83.

President Reagan has praised WeTIP as a "shining example of true community involvement." I hope you will join us in offering the many thousands of WeTIP volunteers our grateful congratulations for a job very well done.●

SMALL BUSINESS INNOVATION RESEARCH ACT

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LUNDINE. Mr. Speaker, in the near future the House will consider H.R. 4326, the small business innovation research bill. This bill, which already has been approved by the Senate and is endorsed by the President, establishes a small business R. & D., set-aside in Federal agencies with research budgets that exceed $100 million. The set-aside program designed in the bill is modeled after successful programs underway at the National Science Foundation and Department of Defense that provide a three-phase approach to determining the feasibility of an idea and developing it to a point where commercialization can occur in the private sector.

This bill is being challenged in the House by those who fear that this program will do damage to our ability to conduct basic research. As a member of the House Science and Technology Committee, I reject that notion. The program that will be administered under this bill is both flexible and directly applicable to the conduct of both basic and applied research in mission-oriented agencies. Even if it were not, an examination of the funding patterns of the top five R. & D. agencies reflect that the money for the set-aside could be taken solely out of applied research funds if the agency so desires.

I intend to support passage of this legislation in the House for the following reasons:

Innovation, that is, our ability to take the results of basic research and technology development and diffuse them though our society has been failing in recent years. Because innovation is important to bringing down inflation, improving productivity, and stimulating economic growth, we must reverse this trend.

One of the most significant influences the Federal Government has on innovation is through R. & D. policy. Small businesses have been found to be as much as 24 times as innovative as large firms, yet they receive only 3.5 percent of total Federal R. & D. funding.

Because small firms are more innovative, a greater reliance on their talents by the Federal Government can result in reduced costs for equal or superior research results connected to the missions of our Federal agencies.

The National Science Foundation program on which this set-aside is based is flexible enough to permit the agencies to determine their own priorities for small business funding. This program will not handicap in any way the efforts of Federal agencies to conduct high-quality basic research.

Agencies have been reluctant to initiate efforts to increase small business involvement in their research programs. Therefore, a small, but meaningful set-aside is needed to set a meaningful program in motion.

Look forward to debating these conclusions which I have reached after examining testimony before the Science and Technology Committee during the forthcoming debate on this issue in the House.●

DULANEY SENIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Wednesday, May 5, 1982, 154 young men and women from Dulaney Senior High School, Timonium, Md., journeyed to Washington for a firsthand look at their Nation's Capital.

These students, accompanied by Dr. Maynard Keadle, Mr. Anthony Capezio, Mr. Robert Webster, and Mr. James McNamara, toured the Capitol and observed committee hearings on their own.

I am delighted these students have taken the opportunity to visit with us and I hope their interest in our Nation's political process will continue.

Students visiting us Wednesday are: Kathie Ahearn, Linda Amrhine, Susan Anderson, David Arsenault, Jane Arthur, David Ashe, Ron Barrans, Ernie Bradbeck, Mike Armstrong, Joe Aversa, John Anderson, Tammi Bennett, Nathan Bolick, Karen Bonner, Maribeth Bowden, Debbie Budzynski, Linda Borsetti, Leo Bittner, David Benson, Jeff Baranco, Kim Buffington, Mark Conklin, Scott Engles, Beth Slotke, Sue Zuidema, Teri Thomas, Sherry Hood, John DeFelice, Dave Deuterman, Michael Dudek, Brian Edgar, Caryl Edington, Debbie Ehman, Pam DeHaven, Debbie Domojych, Anne Darres, Joann Tweed, Anthony Terosa, Laurie Rider, Laurie Holthaus, Karen Barger, Kathleen Straub, Joyce Croft, Laura Flanaga, Cheryl Falk, Susan Crooks, Mike Espendieri, Colter Wickmeyer, Steve Christ, Darla Deardorff, Kym Lucero, Kim Gardner, Tim Tarplay, David Underwood, Patti Durmoweiz, Walter Reckord, Karen Hollenbaugh, Susan Fisher, Tammy Flater, Rob Fleischmann, Brian Garver, Debbie Gier, Elizabeth Gallentine, Jeff Forwood, Mike Goodall, Milton Glasser, Brooke Kuhl, Susan Grandizio, Kim Scott, John Fraser, James Grane, Richard Gray, Claire Hall, Bob Hallet, Nancy Green, Susan Heisler, Amy Harper, Laurie Hammond, Cynthia Cox, Mark Hooker, Beth Isenock, Rick Jedlicka, David Kates, Priscilla Johnson, Greg Im, John Kane.

Jackie King, Paul Langrehr, Matt Mann, Sheryl Kocha, David Kim, Cindy Krol, Kojii Kubota, Kequan Luu, Janet Lyon, Kim Lyons, Susan MacKenjie, Tim Martin, Michelle McLain, Greg Hoffmaster, Brian Michael, Ann Macedo, Susan Macedo, Doug Myers, Kathy Mendel, Alycia Murray, Anne McNeil, Ron Milstead, Joe Neubauer, Lee Pasquale, Katie Payne, Te Person, Karen Plath, Lee Michael, Farda Nodjomian, Joan Over, John Pezzulla, Lisa Perrera, Tracey Nozemack, Chip Powderly, Mary Quananta, Dawn Regula, Bob Richardson, Stacey Roberts, Edward Russell, Karen Scharfe, Brenda Shaffer, Michael Pipitone, John Ryder, Dianne Sichau, David Smith, Tracey Smith, Danna Starkey, Paul Roop, Andrea Smyth, Cari Speno, Robert Sichau, Steve Rayner, Kevin Twit, Cathy Tyer, Olga Valanos, Richard Wagner, Trung Tien, John Toomey, Sarabeth Whedbee, William Taylor, Jamie Watson, David Wesley, Hans Wittelsberger, Anne Wolfe, Kent Wyckoff, Jenni Woody, Terry Will, and Lori Thomassen.●

RAMP FUNDING

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MURTHA. Mr. Speaker, as Congress talks about urgent spending priorities, I want to talk about one not included in this bill—Rural Abandoned Mine Program (RAMP) funding.

For the information of the Members, I have an amendment prepared to provide an additional $40 million in this fiscal year for RAMP funding. As

a member of the Interior Appropriations Subcommittee, I will be offering amendments for this and further funding during the markup of the budget for next year, if it is not included this year.

Now, while many of the people in Washington may not consider the use of RAMP funds to be urgent, I want to report that in Pennsylvania's 12th Congressional District, the need is urgent.

These funds are created by a coal tax of 35 cents per ton on strip-mined coal and 15 cents per ton on deep-mined coal. Some 20 percent of the payments are eligible for use in the RAMP program. At the present time, though, those funds are not being spent. In Somerset County, coal operators have contributed almost $3.7 million to the fund. Yet we have $1.5 million worth of projects ready to go, and another $3.5 million are in the planning stage. We cannot go ahead, however, because of a lack of funds.

In Armstrong County, we have $983,379 worth of projects ready to go. Again, we lack the funds to get it done.

Now, just what are we talking about with these funds? We are talking about reclaiming valuable land that has long been abandoned by coal mine operators. They are eyesores—and very often they are distinct hazards. The Soil Conservation Service has received over 1,800 high-priority applications for reclamation assistance. They have had since October 1, 1981, 51 priority 1 projects with the needed reclamation of 100 percent ready for contracting. However, contracting funds have not been available. We would need $18 million to handle these priorities. Furthermore, nationwide, we have over 182 projects at a cost of $58 million that are more than 50 percent planned and can be funded if the money is made available through the appropriations process.

It is important to note that we are also talking here about putting people to work on these projects. At a time when unemployment is rising across the Nation, it is ridiculous that we do not spend this available money to create jobs as well as public improvements.

Now, many people may say, what is the difference? Why does it matter if we delay some of these projects? Well, let me answer this:

Ugly, and often dangerous abandoned land remains untouched;

Taxes paid by coal operators remain unused;

Unspent money gathers no interest for the Government; in fact, we have already lost about $13.5 million in interest that could have been used;

Inflation reduces the buying power of the funds, 10 to 14 percent less reclamation can be purchased each year for the same amount of money;

RAMP applicants become discouraged, lose interest, and we may lose the opportunity to reclaim the land.

I plan, Mr. Chairman, to continue my efforts to make sure the importance of this program is realized, and that the funding is made available. It should be a priority for our rural areas. It will help the economy; it will help the community. I plan to continue to explore every possible way to free more of these funds for use in Pennsylvania and the 12th Congressional District. I will definitely be offering budget amendments during the markup for next year, and still hold hope that we can free some funds before that time. This program is being overlooked by Congress; it is important; it is vital for our coal mining area. I will continue to pursue its full use.●

KEEP THE TAX BREAKS FOR THE LITTLE MAN

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. GINGRICH. Mr. Speaker, R. Emmett Tyrrell had a column in the May 3 Washington Post that does an excellent job of exposing a big untruth.

That big untruth is that the liberal leadership of this body cares about poor Americans and has a program to make them better off. In reality, says Mr. Tyrrell, the leadership seeks to do nothing this year, while interest rates sizzle and the housing industry burns, and hopes the President gets the blame in November. Then a more liberal House will come back in 1983 to, as Tyrrell says, "inflate the currency, buy off more voters, and allow taxes to rise."

Let me say a word about taxes. The President must not be led astray from the fundamentals of his tax cut program. He must continue to turn a deaf ear to the siren songs of the media and the leadership that chant: get rid of the 1983 tax cut. I want to assure President Reagan right now that enough Members will support him on a veto of any budget that undoes or delays that 1983 tax cut.

That tax cut, and the one 2 months from now, are vital to the working families of this country. In the Washington Post of April 23, Thomas Edsall made mincemeat of the charge that the remaining Reagan tax breaks are primarily for the rich. Said Edsall:

[F]rom another vantage point, the Democrats' position would appear to be significantly unfair to the working and middle class constituents they want to protect. Because the 1981 tax bill immediately reduced the top rate on unearned income from 70 to 50 percent, and the capital gains tax rate from 28 to 20 percent, the very rich have already gotten most of the benefits they can expect from the legislation.

For those earning $200,000 of more annually, repeal of the 10 percent tax rate cut scheduled to go into effect July 1, 1983, would mean the loss of only 5 percent of all their likely tax breaks under the legislation. For everyone else, however, repeal of the third year would represent a loss of 32 to 40 percent of the breaks.

Let us face facts: The individual income tax rate cuts are not a significant contributor to Federal deficits, so tampering with them won't make much of a dent in the deficit trend.

The real cause of present and future deficits is first, uncontrolled Federal spending and second, the recession. President Reagan wants to further reduce spending, and his tax cut program will reduce personal income tax rates 20 percent in the next 14 months—the best conceivable medicine for a sluggish economy.

What does the leadership want to do, given that objective reality? When we can get them to say anything at all, they, first, ignore the need to cut spending and second, say we should undo or dilute the coming income tax cuts.

This ought to prove beyond the shadow of a doubt that the leadership does not know what they are doing—or, if they do know, that the American people cannot afford to let them get away with it.

Mr. Tyrrell's Washington Post column follows:

[From the Washington Post, May 3, 1982]

TIP O'NEILL WEEPS FOR ORPHANS

(By R. Emmett Tyrrell)

I have long considered those who disparage our president for his Hollywood roots supremely obtuse. Every American pol is, *au fond*, an artist in false face, or he is no pol at all. An aspiring statesman might be brave, bold, and brilliant. He might also be abounding in Christian charity and all the desiderata glorified by the masters of your local mental health association, but unless he can actually demonstrate these personal treasures he might as well be a sausage.

Last Wednesday Ronald Reagan was not the only actor sitting in the ornate President's Room of the Senate discussing a budget compromise. There was also the Hon. Thomas P. (Tip) O'Neill, who, had he not been engaged in the political arts to these last four decades, might very well have become a Shakespearean player of the first rank. What a rumpled and roisterous Falstaff he would make! Trimmed down and cross-gartered, he would make a splendid Malvolio; and with suitable alterations he is the Constable Dogberry! Watching him profess his solicitude for the poor and the lame and the halt reminds the theatergoer that here is one of the great greasepaint moralizers of all time.

The illustrious Speaker blubbers that the Reagan administration is thrusting orphans and cripples into the cold. He laments the cruelties of their budget cuts. He does not reveal that the budget for fiscal 1983 is an estimated $38.1 billion more rotund than fiscal 1982; or that the budget for fiscal 1982 will probably expand in real terms by at

least 5 percent over fiscal 1981 with the growth in non-defense roaring along, gouging a record 17.4 percent of the GNP, up from 15.9 percent in fiscal 1979.

He does not reveal that the Reagan administration is cutting only the rate of budgetary growth that he and his spendthrift colleagues built into the budget by passing idiotic laws that enjoin the government to pay more and higher benefits whether the funds are available or not and whether the taxpayers have approved or not.

He pretends to be totally ignorant of one of Washington's most appalling realities, namely: the growth of the federal budget is wholly out of control, insulated from the will of the American people by a Keystone Cops guard of liberal Democrats and oldtime pork barrelers who have no intention of cutting it back.

With great flourishes of emotion the illustrious Speaker is explaining how he has saved the little fellow from the Reagan budget cuts. He is not explaining that he also wants to deny the little fellow the pleasure of the third round of the Reagan tax cuts. Even with the present round of Reagan tax cuts, taxes went up 15.8 percent in the last calendar year. But the Speaker wants more tax revenue and he wants it from the very same little fellow whom he claims to protect. Bear in mind that the Democratic leadership through the Brodhead Amendment has already lowered the top tax rate on the highest personal incomes from 70 percent to 50 percent. As Rep. Jack Kemp is pointing out, the Reagan cuts will merely preserve a tax cut for the ordinary American, the fellow earning less than $60,000. Only a player of consummate skill could claim as the Speaker did last week that this final Reagan tax cut is a "program of giving billion-dollar tax cuts to the rich."

Yet the Speaker's most breathtaking bit of theater is his insistence that he wanted a budget compromise. Actually all the accommodation came from the president, as he backed off on his tax policies and his budget cuts and his defense increases. The entitlement programs were hardly touched. All the Hon. O'Neill will agree to is more spending and heavier taxes. If the president does not yield the Speaker will gladly sit back and watch the economy stumble along until the fall elections when he will blame the economy on the president and hope for more Democratic seats. Then he can return to his age-old policies of inflating the currency, buying off more voters, and allowing taxes to rise.

Nonetheless, the Speaker did do the republic some good last week. By sticking so stubbornly to the profligate policies of the past he saved the president from doing dreadful damage to the administration's own policies. The president's willingness to do violence to his own program of tax and budget cuts was an amazing spectacle. It showed how deeply influenced he now is by the pragmatic Republicans. They believe they can stay in power by ingratiating themselves to the big spenders. Once again, the pragmatic Republicans have been proved wrong.●

EHLERS GENERAL STORE CELEBRATES 120TH ANNIVERSARY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. APPLEGATE. Mr. Speaker, during this past weekend—on May 1, 1982, to be specific—the Ehlers General Store, located in my congressional district of Zoarville, Ohio, celebrated its 120th anniversary in business, certainly an achievement for any business, large or small. In order to familiarize my colleagues with this history-rich event, I include in the CONGRESSIONAL RECORD a description of the general store's part as written by Mrs. Sterling (Emma) Stone, the wife of one of the past owners of the store. I hope that the Members of the House will take the time to read this very interesting historical account.

HIGHLIGHTS OF THE HISTORY OF EHLERS GENERAL STORE, ZOARVILLE, OHIO (1862-1982) 120TH ANNIVERSARY

(By Mrs. Sterling (Emma) Stone)

Charles Ehlers, a member of the Separatist Society of Zoar, was made overseer of their land and industries in Sandy and Fairfield Townships near One Leg Creek. In 1862 he became Station Agent and established the Ehlers General Store across the tracks from the new station. The original village, laid out in 1854 had been known as "Fairfield" until the station was built. Then it was called "Zoar Station" until the time of the division of the Zoar Society when it was renamed Zoarville. During this time, Ehlers also became Postmaster; the post office being located in the store until May 1979. He and his family received the store as their share when the Separatist Society disbanded in 1898.

The Zoar Society also operated their Cheese House—Cow Barns, Ice House, and a large furnace in the Zoar Station Area.

Robert and Howard Stone, brothers, took over the responsibility of helping operate the general store at a very early age, and became the next owners. Ray Stone, their brother, has been a pillar in the managment of the store for over 50 years. He retired in 1979.

During this time before the turn of the century, the Stone brothers operated two smaller outlets of Ehlers General Store for several years in the mining towns of neaby Johnstown and New England. Food and merchandise from the store in Zoarville was transported to these areas via horse and wagon. These nearby stores flourished until the mines were closed.

The town was moved to higher ground across One Leg Creek when in the 1930's the Muskinghum Watershed Conservancy District took over much of this land. Robert and Howard Stone then purchased the old flour mill owned and operated by the Separatists of Zoar in the early days and moved it to its present site along Route 800 in new Zoarville.

Every board and beam in the Zoar Flour Mill was numbered as it was being dismantled and moved. Two teams of horses pulling a longwagon was used to move this dismantled flour mill to its present location. These beams were then placed intact and reconstructed as the present General Store. The store is 3 floors high plus a full basement. The shape of the building and the inside are a duplicate of the original Zoar Flour Mill. An old Tuscarawas County Atlas shows the Zoar Flour Mill and the similarity of Ehlers Store.

Sterling Stone, son of Robert Stone began working in the store at a very young age. After two years in the military service during World War II, he continued working there with his father and two uncles. After the death of his father in 1953, Sterling continued the partnership with his uncle, Howard Stone. After the death of Howard Stone in 1969, David Stone, son of Sterling Stone, became an employee of the store after having completed his army service during the Vietnam War. Timothy Stone, another son of Sterling Stone, has been an employee also and returned after two years of service with the United States Navy. The store was incorporated in 1976.

Since the death of Sterling Stone in 1979, the store has been operated by his sons David and Timothy and son-in-law Raymond Nist.●

EXPRESSING SENSE OF HOUSE OF REPRESENTATIVES CONCERNING SOLIDARITY SUNDAY

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. HECKLER. Mr. Speaker, we observed Solidarity Sunday on May 2. For 11 years, the Greater Council on Soviet Jewry has sponsored this event, where thousands of Americans of all faiths march and rally in support of the Soviet Union's 3 million oppressed Jews. Again this year we are showing our solidarity with these people who, denied the freedom to observe their religion at home, are further denied the choice of emigration to a place of freedom.

This year, our collective voice must be firmer and more insistent, for this year has seen fewer and fewer Jews granted permission to leave. From a 1979 peak of 51,320, the 1981 emigration total has slipped to only 9,447. February 1982 saw just 283 Jews allowed to leave the Soviet Union, as compared to 3,827 during the same month in 1979. And so, as we call upon the Government of the Soviet Union to honor its international commitments—the Helsinki Final Act and the universal declaration of human rights—we must do so with an added urgency on behalf of all those waiting for permission to leave.

Sadly, emigration is not the only problem faced by the Soviet Jewish community. The heightened persecution, the growing incidence of officially sanctioned anti-Semitism, the increase in arrests of Jewish citizens—all of these demonstrate the absence of religious freedom of Jews within the Soviet Union. Schoolchildren are

taunted, families are harassed, Hebrew and Jewish culture classes are disrupted. Anti-Zionist propaganda is on the rise, and merely expressing the desire to go to Israel is grounds for dismissal from any position of responsibility. It is also used as as reason for denial of employment.

Solidarity Sunday again provides an expression of the determination of freedom-loving people of all faiths and nationalities that the Jews of the Soviet Union will not be forgotten. We will not let the Government of the Soviet Union forget either—that their own constitution forbids such treatment of its citizens. We will maintain the pressure and continue to speak out for the basic human rights denied these 3 million Jews.●

DEFICITS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for May 5, 1982, in the CONGRESSIONAL RECORD:

DEFICITS

Members of Congress are asking themselves, why projected deficits in the federal budget are soaring. The deficits are expected to increase steadily for the foreseeable future, even after economic recovery, unless present taxing and spending policies change.

A year ago, President Reagan proposed a federal budget with a deficit of $23 billion in 1983 and a balance in 1984. Today, he reports that the deficit for the latter year, without drastic measures to "keep the lid on", will soar to $182 billion. The budget negotiators on both sides in Congress have accepted that figure as reliable even though it represents an increase of $25 billion from a figure in use just two months ago. Expenditures will probably climb from $742 billion this year to $1,013 billion by 1985, but tax revenues will climb much more slowly due to huge tax cuts in the works and to sluggish economic growth. Revenues are estimated to rise from $623 billion this year to $780 billion by 1985, making the deficit $233 billion in that year. What disturbs members of Congress is not just the unprecedented size of the deficits, but also the fact that the deficits are mushrooming. They know that without some progress in bringing the deficits down, the economy is likely either to remain in recession or to become highly inflationary again once economic growth picks up.

The first point is to acknowledge that no one really has a thorough knowledge of how the economy works and how it interacts with the federal budget. There are, however, several generally accepted reasons for the grim news on deficits. Unrealistic assumptions about what would happen in the economy account for some of the gap between projected and actual deficits. Every administration wants to look good, so its budget projections are optimistic. The optimism is not dishonest since economic forecasting is a complex and inexact science, but the result is that the initial deficit projections are invariably low. It is also true that small inaccuracies in budget projections of employment, growth, and inflation in the economy can lead to enormous mistakes in the budget figures. Another reason for the gap is the recession. Because of it, unemployment has been higher and government revenues lower. Since the recession has persisted longer than anyone expected, projected revenues have fallen even further. Cost reductions in the federal budget have been less than anticipated, but government outlays have been more. The major areas where additional future outlays are seen are social programs, military programs, and interest payments. The lower inflation rate of the past year has also contributed to the budget imbalance because a slowdown in inflation reduces the receipts of government more readily than it reduces the spending. But even with these plausible explanations of the problem, members of Congress are still shaking their heads. They have seen the deficit figures climb week after week, regularly exceeding the best guesses of the experts only a few weeks before.

This year's struggle with the budget has put us in a position I would not have thought it possible to occupy just a few years ago. So strong has the growth in the deficit been that we now hear that $100 billion in red ink (which is the goal sought by the budget negotiators) will be considered evidence of budgetary restraint and fiscal integrity. Thus, the reality is that without major adjustments to both the taxing and spending sides of the budget, the deficit will be out of control. A shortfall of more than $300 billion in 1986 is not unrealistic. Most members of Congress would agree that the economy cannot tolerate such fiscal excess on the part of the federal government.

The deficit figures lie at the heart of the budget negotiations now going on in Washington. While every member of Congress agrees that the size of the deficit should be reduced, there is wide disagreement on whether to achieve that reduction on the spending side, the taxing side, or both sides of the budget. Some legislators want to trim the deficits by cutting domestic programs. Other legislators want to accomplish the same goal by reducing military spending. Still others argue that raising taxes is the only way to get the federal government's books back in order. Unfortunately, many of these legislators tend to allow deficits if the deficits are for what they consider to be worthwhile purposes.

I believe that Congress has developed an unfortunate tolerance for unbalanced budgets. It must rid itself of that tolerance as soon as possible. I do not subscribe to the view, now quite fashionable among some of the experts, that deficits do not matter. Deficits do matter in several important ways. They drive up the operating cost of government because interest on the debt must be paid. They breed additional deficits by boosting the interest payments on each successive deficit. They spur inflation by increasing demand in the economy. They raise interest rates because public sector borrowing crowds out private sector borrowing, making credit more costly for everyone. The task of financing the deficit drains away private savings, pushes up interest rates, and drags down the economy.

Despite the problems and deep differences, the budget negotiators must "hang in there" and keep negotiating to produce a budget with a greatly reduced deficit this year and steadily declining deficits in future years. If the President and Congress fail to find a compromise which clears the way for a lower deficit and puts the budget on the path toward balance, our economic difficulties will not be resolved. The President and Congress must continue to try to break the impasse into which they have fallen.

I do not think that the American people expect miracles. If we produced a balanced, credible plan which progressively cut the deficits and strengthened key sectors of the economy over time, they would be satisfied.●

COUNCIL OF JEWISH FEDERATIONS

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FISH. Mr. Speaker, the Council of Jewish Federations held its quarterly meeting in Washington, April 22-25, 1982. The council, which is celebrating its 50th anniversary, represents more than 185 Jewish federations in communities throughout the country. These federations and their beneficiary agencies provide a wide array of health, education, and social services to the needy. At their recent meeting the board of directors adopted several resolutions which express the council's concern about our Nation's public social policy. I urge my colleagues to take note of these resolutions from a vital sector of our society voluntary agencies.

RESOLUTIONS APPROVED BY THE BOARD OF DIRECTORS OF THE COUNCIL OF JEWISH FEDERATIONS, INC., APRIL 25, 1982

In November 1980 the CJF General Assembly adopted a resolution stating that "an unfair portion of the burden of our economic situation should not be imposed on that portion of the population least able to bear it—the poor, the aged, the unemployed and minorities."

This position was reaffirmed by the CJF Board in April 1981 and again at the General Assembly in November 1981.

One year later, after the enactment of federal budget reductions of more than $35 billion for human services and the elimination of many programs targeted to the needs of the poor, the disabled, the aged and children, it is evident that these cutbacks have indeed hit hardest at poor and near-poor families and individuals. Millions of American citizens already have fallen through the promised "social safety net" and many more are hanging by a thread. Our Federations are now faced with increased requests for basic life-sustaining assistance: food, energy assistance for heating bills, medical care.

These service cutbacks come at a time when the general economy is in a deep recession and unemployment is at record high levels. As a result, Federations and their beneficiary agencies are seeing once productive, middle-income wage earners in need of job retraining and placement assistance. Yet federal funds for these programs were drastically reduced last year.

Federations and CJF have special roles to play. We must work at many levels and in many capacities to try to prevent a further unraveling of our social fabric; to provide assistance to those in need of help; and to maximize the resources in our own community in order to fulfill our role as a compassionate and just people.

To that end, the Public Social Policy Committee recommended and the Board of Directors approved the following resolutions:

RESOLUTION TO PUBLIC OFFICIALS

The Council of Jewish Federations, speaking on behalf of community-wide organizations in 185 Jewish communities throughout the United States, expressed its deep concern about the impact of federal budget cuts on millions of individuals and families in our nation. These Americans, who are bearing a disproportionate share of the reductions in federal funding, have seen their hopes and aspirations frustrated.

The Council of Jewish Federations firmly opposes any additional cutbacks in those human service programs that provide a lifeline to the neediest in our society. The poor, the working poor, the elderly, children, and the handicapped are already bearing an unfair portion of the burden of the budget reductions enacted last year. We urge those entrusted with social policy to act with compassion and justice and reverse the devastating impact of the current economic situation.

One of this nation's priorities has been, and must continue to be, to assist its citizens to be as productive as possible, to allow each individual to achieve his or her potential, and to provide adequate funding and programs for those who are unable to provide for themselves.

Federations have identified persons about whom they have the greatest concern. They are the aged, the children, the unemployed, single parent families, and families with marginal income. They have indicated that the following major programs, already cut and endangered by further cuts, have created the greatest problems for these people: social services block grant, medicaid, nutrition programs for the elderly and children, employment and training programs, rent subsidies for the elderly, food stamps, education programs.

It has been demonstrated over the last year that the voluntary sector cannot effectively replace cutbacks of such magnitude in public support.

Faced with the economic realities of the past eighteen months and the stresses they place on the social fabric of our country, we urge that there be a reversal of the policies that have brought about this continued erosion of human and social services.

RESOLUTION FOR FEDERATIONS

The Board of Directors of the Council of Jewish Federations recognizes the severity of the impact of present federal budget reductions and is concerned about the devastating effects of further reductions. Federations have identified persons about whom they have great concern. They are the aged, the children, the unemployed, single parent families and families with marginal income. They have indicated that the following major programs, already cut and endangered by further cuts, have created the greatest problems for these people: medicaid, social services block grant, nutrition programs for the elderly and children, employment and training programs, rent subsidies for the elderly, food stamps and education programs.

Federations and their beneficiary agencies must study and share the facts about current and future effects of budget reductions so that the Jewish community can more effectively meet its responsibility.

As citizens and Federation leaders we have a responsibility to keep our public officials and opinion-makers informed about the impact of public policies on specific human costs. This is especially true when we have expert knowledge based on our close relationship to human service programs.

Actions by several Federations working together and state-wide associations of Federations have proved to be very effective. We urge Federations to join state-wide coalitions where they exist and to consider establishing a state presence where they do not.

Federations should work closely with their Community Relations Councils in social action programs.

Federations should seek out other appropriate community and religious organizations that are providing or concerned with human services and join in coalition with them.

Federations should consider advocacy on behalf of these goals a matter of high priority and should share their experiences with other Federations and the Council.●

INTERNATIONAL YEAR AGAINST DRUG ABUSE

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. RAILSBACK. Mr. Speaker, today I am introducing a concurrent resolution with other members of the Select Committee on Narcotics Abuse and Control that would urge the President to promote a United Nations International Year Against Drug Abuse. My colleague, Senator PAULA HAWKINS who has formed a Senate Drug Caucus is introducing the resolution in the Senate. I would like to commend her efforts in the Senate to promote awareness of the drug problem and programs to fight it.

We are aware of the drug problem in this Nation. In 1980 over 40 metric tons of cocaine were imported into this Nation and 11,000 metric tons of marihuana. It has been estimated that over $79 billion in illegal drugs are sold annually. But the drug problem is not limited to this Nation alone. Over 90 percent of illegal drugs are produced abroad and drug abuse throughout other nations in the world has not decreased. Through efforts of this administration and the Vice President's task force there has been progress in the reduction of the flow of drugs. However, drug abuse remains one of our Nation's most serious and vexing domestic problems. Unfortunately many of the victims of this situation are adolescents and children.

This resolution will hopefully serve as a catalyst to enhance the awareness of the drug problem and stimulate international action. I urge my colleagues to support this resolution and efforts on every level to fight illegal drugs nationally and internationally.●

DO WE HAVE A NATIONAL ENVIRONMENTAL POLICY?

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. RATCHFORD. Mr. Speaker, 12 years after the first Earth Day, a national day of concern for the environment, serious questions are once more being raised about our commitment to clean air, clean water, protection of people from hazardous wastes and protection of plants and animals from endangerment or extinction.

Some of these questions were poignantly raised in a column which recently appeared in the Hartford Courant. Its author, Doug Costle, is a former administrator of the Environmental Protection Agency and commissioner of environmental protection for my own State of Connecticut.

Mr. Costle's remarks follow:

ENVIRONMENTAL POLICY: WANDERING IN THE DARK

(By Douglas M. Costle)

As the 12th anniversary of Earth Day arrives today and I ponder the current state of our environmental policy, I am reminded of a 19th-century botanist named Thomas Nuttall.

While a competent enough botanist, Nuttall suffered from one problem—he kept getting lost. In fact being lost was not an occasional problem with poor Nuttall. It could almost be called routine.

On one expedition, a search party was organized when he failed to return to camp. As they approached Nuttall, however, he assumed the worst: an Indian war party. Naturally he tried to escape. As he ran, so did his rescuers. They ran faster. So did he. Three days later, after forging streams and blundering through underbrush, Nuttall, having traveled in a circle, accidentally stumbled on his camp. When the exhausted rescue party finally caught up with him, they were, to paraphrase Queen Victoria, not amused.

I'm afraid that, like Nuttall, our national environmental policy has not only managed in the past year to get itself lost, but has transformed distracted wandering about from an occupational hazard to a primary occupation.

The current secretary of the interior, James Watt, shows an unprecedented indifference to the real mandate of his position: the preservation of our natural heritage for generations yet to come.

At the Environmental Protection Agency, draconian budget cuts will reduce research by two-thirds and turn enforcement, as one observer puts it, into a velvet glove beneath a velvet glove. The result is that the professional staff it has taken a decade to hire and train is being systematically driven out. Never has there been such a hemorrhage of good people from EPA as there is occurring right now.

The dollar figures show that EPA will be cut in half just as its workload doubles as a result of all the programs, enacted in the '70s and now reaching the critical point of implementation.

The tragedy of all this is that, in the dozen years since the first Earth Day, we have seen solid progress. We created a working institution, EPA, which, having attracted thousands of dedicated and extraordinarily skilled people, was progressively improving the quality of our air and water.

All of this was accomplished during six successive bipartisan Congresses and under three administrations, two Republican and one Democratic, none of which ever allowed partisan politics to enter into the administration of our environmental laws.

Is the Reagan administration turning its back on conservation because it is receiving a new set of signals from the people? I think not. Indeed, there is incontrovertible evidence that this is not at all the wish of the American people. Far from unconcern about the environment (and even further from a desire to destroy the EPA) the American people overwhelmingly support strong environmental programs. Testifying before Congress last October, pollster Louis Harris said that ". . . not a single major segment of the public wants the environmental laws made less strict," and that "this message on the deep desire on the part of the American people to battle pollution is one of the most overwhelming and clearest we have ever recorded in our 25 years of surveying public opinion."

These attitudes are rooted in 12 years of growth in environmental awareness. On the first Earth Day, only a handful of people knew the meaning of the word "ecology." Today, any schoolchild can define it. Environmental protection—by which we mean the husbanding of our natural resources for long-term gain rather than shortsighted squandering—has become a permanent part of our political value system.

Nevertheless, the dichotomy between the expressed desires of the American people and the response of its current leadership indicates that something more than common sense persuasion—or even evangelism—may be required in the years ahead. Some environmentalists believe that political action is the answer for the '80s.

In Connecticut, a group called "ELECT" is devoting itself to the support of General Assembly candidates with a demonstrated concern for conservation issues. Similar groups are forming across the country. This new grassroots, or "green vote" movement, as it has been dubbed, gives renewed zest to the environmental movement at a critical time. It tells us that all is not lost, that the environmental movement, unlike poor botanist Nuttall, is capable of finding its bearings and is, indeed, already on its way back to its original vigor.●

CALL TO CONSCIENCE VIGIL

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MAZZOLI. Mr. Speaker, for the past few years I have taken part in the congressional call to conscience vigil in an attempt to draw attention to the plight of Soviet Jews and other prisoners of conscience who are seeking freedom and emigration from the Soviet Union.

Let me just say, Mr. Speaker, how proud I am of my hometown of Louisville, Ky., for opening its doors to those who have been able to leave the Soviet Union. Since 1973 some 432 Soviet Jews have come to Louisville, where the Jewish community's American resettlement program has won national recognition for its success in helping these people adjust to their new lives in America.

It is unfortunate, Mr. Speaker, that between 1979 and 1981 the number of exit visas granted to Soviet Jews has dropped by 82 percent. In particular, I am concerned about the plight of the Yakov Beilin family.

Yakov Beilin is a forestry technician who lives in a small Jewish community in Tula. Most of his family, eight aunts an uncles who previously lived in Vilna, were exterminated with their young children during Worl War II.

In 1973, Mr. Beilin's father died after a long illness. Before he died, his last stated wish was that his family move to Israel where his only sister resided. This request the widow Beilin decided to fulfill.

Yakov Beilin's mother was granted permission to emigrate to Israel, but Yakov Beilin, his wife, and two children were refused. Despite her age and frailty, Yakov Beilin's mother decided to make the move.

His mother remains most distressed by being separated from her family. She writes:

I have but one desire. I beg you to help me bring my son and his family to Israel. The few years that I have left to live I would like to spend together with him.

Mr. Speaker, as one of many concerned Members participating in this year's vigil, I hope the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Soviet Constitution and the Helsinki accords, and reunite the Beilin family and other Soviet families in similar circumstances.●

SPENDING IS THE PROBLEM

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HUBBARD. Mr. Speaker, the Kentucky New Era, Hopkinsville, Ky., one of the largest daily newspapers in my district, said in a recent editorial that the Government's money problems are the result of the excessive spending practices of Congress. The editorial, which was sent to me by Dr. George S. Beard of Hopkinsville, is very appropriate during these discussions on the 1983 budget. I believe the editorial should be shared with my colleagues and I wish to do so at this time. The editorial follows:

Many in Congress are using their criticisms of President Reagan's projected budget deficit to hide from their obvious responsibility to reduce federal spending.

Even top congressional leaders from the president's own party have announced their alarm over the projected deficit and warned him Congress wouldn't stand for it.

But Sen. Bob Dole didn't offer to help by cutting off federal funds to Kansas wheat farmers, and Sen. Jesse Helms didn't suggest an end to subsidies for tobacco farmers in North Carolina.

We aren't suggesting these steps, either. We are suggesting that Congress, which has the final responsibility for balancing the budget, has shown little inclination to do as much in recent history.

Amiable as always, the president advised his worried cohorts that Congress would have "running room" to work down the deficit.

But later clarification of the president's position makes clear that running room does not include tax increases or defense cuts.

There still is great public support for the Reagan program, although the outcry from other elected officials inevitably is causing many to waver.

And it's fair to say that the president has not responded adequately to his critics who blame the enormous new deficits on his increased defense spending and tax cuts.

Martin Feldstein, professor of economics at Harvard University and president of the National Bureau of Economic Research, offers a convincing response to those critics.

Dr. Feldstein recently wrote, ". . . it would be wrong to say that the . . . deficit figure is due to a massive cut in personal tax rates. The 25 percent reduction . . . will be just enough to prevent bracket creep from raising the share of income that is taken in taxes.

"It would also be wrong to say that the prospective deficit is due to a major rise in defense spending since the 7 percent a year real increase . . . would raise defense spending only from 5.5 percent of GNP in 1980 to 6.5 percent in 1984."

Feldstein vigorously opposes canceling personal tax cuts or increasing other taxes now because this would reduce pressure on Congress to hack away at unnecessary government spending.

The Reagan scenario for licking the deficit problem—and it is a serious problem—calls for an economic upturn later this year.

He has pointed out that a drop of 1 percent in unemployment would shave $25 billion from the deficit.

We continue to believe the president's theory should be given a chance to work before Congress returns to the same old way of doing things.

The government's money problems are the result of spending too much, not collecting too little.●

CLEAN AIR IS GOOD BUSINESS

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. JEFFORDS. Mr. Speaker, as the debate over the reauthorization of the Clean Air Act continues in Congress, I believe it is important for all Members to keep in mind the popularity of this law throughout this country. Moreover, those who argue that economics dictate a need to weaken the act should bear in mind that clean air is important to a sound economy in many areas. My State of Vermont is a clear example of this and some in the business community have broken with their national counterparts who support the so-called dirty air bill, H.R. 5252. The following editorial from the Brattleboro Reformer indicates that many Vermonters recognize that clean air is good business.

VERMONT AND CLEAN AIR

Sam Lloyd is businessman. But his recent record as a Vermont legislator is what makes him important on the public scene. As a member of the Vermont House and chairman of its Natural Resources Committee, Lloyd took many stands that led to the protection of Vermont's environment, from the bottle bill to Act 250.

His environmental work and his bow ties came to symbolize the man of integrity from Weston.

Now Lloyd has taken another stand. He angrily quit the Vermont State Chamber of Commerce this month because of an environmental stand the chamber would not take.

Following the example of the U.S. Chamber of Commerce, the Vermont chamber is supporting a bill which would amend—and weaken—the federal Clean Air Act. The wayward bill is endorsed by the Reagan administration. The state chamber also has been promoting a state bill which would authorize interstate advertisers to place directional signs on Vermont's highways.

"It just dumbfounds me, "Lloyd said in quitting the state chamber. "I don't see how they can do these things."

He said the directional signs, which would point motorists to ski areas and other Vermont attractions, could weaken the state's roadside billboard law for off-premise sites.

As for the Reagan-endorsed, "Clean Air Act", someone with Lloyd's environmental interests could not stomach a measure which could, in his view significantly weaken environmental controls—especially when such an act could adversely affect Vermont.

In his resignation letter to the state chamber, Lloyd said the amended bill could, if made law, be "devastating to our natural environment—and thus, in the long run, to our business community."

In that vein, Senator Robert Stafford, R-Vt. said the proposed act fails to meet the problem of acid rain born from midwestern factories and coal plants. The pollutants drift northward and eastward and, falling earthward, kill lakes in Canada and the northeastern United States, including in Windham County.

Senator Stafford, the chairman of the Senate's Environment and Public Works Committee, has chosen to think of his state first and Reagan politics second by opposing the act. A man of integrity in his own right, Stafford calls it the "dirty air bill."

Senator Stafford thus went against his party and his president to oppose a measure he thinks is harmful for Vermont.

For the same reason, Lloyd quit an oranization that has obviously benefits for him as a businessman.

Those are acts of integrity and leadership. But in going along with Reagan-endorsed "dirty air bill," the Vermont chamber is supporting a measure that could harm both the state's beauty and its business in the long run.

That's not leadership. It's just blindly endorsing the Reagan administration.●

SEXUAL ASSAULT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SANTINI. Mr. Speaker, I am appalled by the unprecedented increase in sexual offenses in the United States, and I would like to share with my colleagues an article which recently appeared in the Las Vegas Review-Journal. The views of Florence McClure—head of the Las Vegas Rape Crisis Center—which are found therein, shed light on the growing problem for my State and for the Nation.

I would like to draw attention to the fact that in this Nation, there is a rape on the average of every 7 minutes. In my own State of Nevada there has been a 28-percent increase in reported offenses of sexual assault within a year. Steps must be taken to reduce drastically the number of acts of this nature, which can cause humiliation and distress in the lives of those offended.

[From the Las Vegas Review-Journal, Nov. 1, 1981]

INDECENT EXPOSURE CASES ON INCREASE IN LAS VEGAS

(By Richard Cornett)

In the early 1970s, "streaking" was the "in" thing to do.

On college campuses, subways and live television talk shows, brazen men and women stripped down and "flashed" through crowds in a naughty, yet devilishly humorous display.

It appears the social phenomenon is making a comeback, at least in Las Vegas, but the act carries its traditional labels—"gross lewdness" and "indecent exposure"—and it's nothing to be laughed at. It is turning into a serious problem, according to local authorities.

"This town is getting sick," said one Metropolitan policeman after a recent incident.

This week a woman reported that a man pulled up alongside her car at a Las Vegas intersection, exposed himself out the car window and masturbated in front of her.

When police captured a Cuban who was found to be a repeat offender, police said, he was arrested and hauled into court last week. He had masturbated in front of three small children at "Fantasy Park."

According to police records, there has been a 40 percent increase over last year in indecent exposure cases. Last month, 15 were reported.

The question arises: Is the individual who engages in such an act considered dangerous and prone to violence? Or is he on par with a voyeur, exhibitionist or peeping Tom?

Florence McClure heads the Las Vegas Rape Crisis Center and is considered by many people to be a local authority on sex crimes. She lectures at area high schools about rape, indecent exposure and other sexual offenses.

"These types of individuals gain sexual satisfaction from their lewd sex acts in front of strangers," McClure said. "It's equal to a sexual climax when they hear women and children scream when they are seen naked.

"Usually the flasher doesn't have a good relationship with his peers or is unable to cultivate a lasting relationship with the opposite sex."

McClure said that typical flashers are not known to commit rape or other forms of violence. On the contrary, they feel sexually inferior. They are just attempting to achieve sexual pleasure in their own perverted way.

She warns the worse thing a victim can do is laugh.

"They use the act as a way to gain sexual fulfillment. When someone outright laughs at him he can easily be thrown into a state of turmoil and depression."

Of the 15 cases reported last month, according to police reports, five involved Hispanic males.

"We don't know if it's their culture or what. But Hispanics are reported as the top offenders in this category," one policeman said. "They are really committing a disproportionate amount of this type of crime."

McClure said Hispanics deal with such a crime in their own countries by deadly warfare with the family of the offender. Thus the matter is resolved through the family unit and seldom is learned by outsiders.

However, many Hispanic women living in the United States are realizing police take care of such matters and turn the crime over to the proper authorities. The bottom line? There's more Hispanics committing crimes of indecent exposure because more of them are being reported, McClure said.

According to Sgt. John Somolovich of Metro's sexual assault detail, a flasher typically hangs out in local parks and schools, but he may show up in empty parking lots at shopping centers or outside department stores.

He warns victims of this crime should not attempt to apprehend the suspect but ignore him, get a description and inform police.

MILITARY OPPRESSION IN POLAND CONDEMNED

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ZABLOCKI. Mr. Speaker, the repression in Poland continues despite the token release of some of the thousands of internees who have been held

without charge by the Communist military regime since they were seized on December 13, 1981. During the months that have elapsed, the suffering people of Poland have never been far from the minds and hearts of the American people.

Mr. Speaker, in the past 12 months hundreds of thousands of food parcels have been delivered to those most in need through the cooperative efforts of private relief organizations and the Catholic Church in Poland. Moreover, public demonstrations and gatherings throughout our Nation have offered expressions of support for the cause of human rights in Poland, accompanied by condemnations of the Soviet-endorsed military rule which has pitted Pole against Pole.

Mr. Speaker, because they represent the thoughts of millions of our citizens, I would like to share with our colleagues just two of the many resolutions I have received, one from a national organization, the American Council of Polish Cultural Clubs, and the other from the Pulaski Council in my own district:

Whereas, the American Council of Polish Cultural Clubs, a national association of Americans of Polish descent, is dedicated to the goal of promoting a better understanding of Poland's rich cultural heritage, liberal tradition and commitment to freedom and,

Whereas, the military dictatorship inflicted upon the Polish nation on December 13, 1981 under pressure of the Soviet Union is stifling free expression, denying academic freedom, imposing total censorship, prohibiting communication and is in every way thwarting the will of the Polish people in violation of the United Nation's Declaration On Human Rights as well as the Helsinki Accords, be it

Resolved, That the American Council of Polish Cultural Clubs condemns the Soviet-inspired military takeover of Poland, the suppression of Solidarnosc, the jailing of its leaders, the denial of democratic processes and freedom of assembly and what is, in fact, a total subjugation of the Polish nation.

The Council commends the actions of the United States government and those of its allies in condemning the renewed enslavement of the Polish people.

The Council cautions however against what appears to be a tendency toward allowing the unfortunate present situation in Poland to become a status quo. It urges therefore that the United States maintain a firm commitment to the freedom of the Polish people.

RESOLUTION

We, the Polish Americans of Milwaukee, Wisconsin, representing various civic, veterans, religious, and cultural organizations, gather here today at Kosciuszko Park, under the auspices of the Pulaski Council, to pay tribute to the Polish Constitution on its 191st Anniversary of May 3, 1791.

We hereby adopt the following resolution:

Whereas, This progressive Constitution emboded the new ideas of justice, democracy and freedom;

Whereas, Poland became one of the first pioneers of the important components of modern, true democracy declaring the fundamental principle that all power in free society is derived from the will of the people;

Whereas, The imperialistic neighbors from the West and East for centuries have forced the Polish freedom-loving people to live in slavery.

Whereas, Since the adoption of the Constitution all Poland's generations took up arms in struggles to resist foreign occupation and to restore free and independent Poland;

Whereas, After 36 years of Red oppression the Solidarity Movement won from the regime some freedom which soon has been destroyed by the imposition of Martial Law and a wave of brutal repression;

Whereas, Once again brave people of Poland have been imprisoned by the military junta, which attacked all patriotic segments of their own nation;

Whereas, the Jaruzelski junta continues to violate the Helsinki Accords and the United Nations Covenant on Human Rights;

Therefore be it resolved:

1. We condemn the Soviet Union for instigating its puppet Polish Military Communist regime;

2. We thank President Reagan, the American Labor Union and all American people for their support of the Polish Solidarity Movement and the self-determination of the Polish nation;

3. We appeal to our government:

To impose more effective total economic sanctions against Soviet Russia; total trade and credits embargos,

To bring the Polish crisis before the Security Council of the United Nations,

To demand the restoration of all full rights for the Polish "Solidarity" Labor Union,

To demand that Martial Law be revoked and all Solidarity leaders with Lech Walesa be freed as the first step to deal with Jaruzelski's regime.

4. We appeal from Milwaukee to the entire American nation for mobilization of its moral and spiritual forces for the decisive struggle against communism, Soviet imperialism and its agents who enslaved Central-East Europe.

Communism is attacking us relentlessly with psychological, political and economic weapons.

In this mortal contest every American must become a soldier of liberty.●

TORRES: MARXIST-LENINIST PRINCIPLES GUIDE FLSN

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LAGOMARSINO. Mr. Speaker, the following statement by a member of the general staff of the Sandinista Peoples Army in Nicaragua is further evidence of the Marxist-Leninist ideology of the Sandinista regime in Nicaragua.

TORRES: MARXIST-LENINIST PRINCIPLES GUIDE FLSN

The 112th birthday of Vladimir Ilich Lenin was commemorated at the Jose Benito Escobar workers federation last night.

The event was headed by Brigade Commander Hugo Torres, member of the General Staff of the Sandinist Peoples Army; Soviet Ambassador German Shlyapnikov; Socorro Galan, president of the Nicaraguan Association of Friends of the Socialist Countries; and the members of the Executive Committee of the Nicaraguan Labor Coordination Organization, as well as delegates from the diplomatic corps of the socialist countries accredited to our country.

In greeting the birth of the leader of the working class, Galan stressed the importance of integrating the peoples to the efforts for peace, friendship and solidarity as set by Lenin's fruitful life.

In his speech, Shlyanpnikov referred to the giant boost that the October Revolution, led by Lenin, gave to the peoples of the world. He said that the winds of the revolutions and the Leninist ideas continue to blow the sails of social progress and the hopes of humankind are based on them.

In the final part of his speech, the Soviet ambassador emphasized that his government, faithful to the Leninist postulates for peaceful coexistence, recently proposed a summit between Ronald Reagan and Leonid Brezhnev. This meeting, he added, could be held in Switzerland or Finland this year to discuss the problems of disarmament but this proposal has not received an answer from the White House yet.

Meanwhile Torres said: The principles of Marxism-Leninism, wisely applied to the reality of our society, guided the revolutionary actions of the FSLN, the Nicaraguan people's vanguard, to the victory over the dictatorship. Through Lenin, Torres continued, we learned of a different world as explained by Carlos Fonseca and German Pomares. Lenin said that the people needed a vanguard in order to succeed and the Nicaraguan people succeeded because they had the FSLN which knew how to interpret the people's will and their best aspirations and how to study the relationship between the oppressors and the oppressed, he noted.

Torres stressed that the Nicaraguan vanguard, through Sandino and Fonesca, knew how to apply the principles of the international revolution by adjusting them, in a creative manner, with the country's reality. He also emphasized that the existence of the Soviet Union and the socialist sphere have prevented imperialism from unleashing all its aggressive potential in the world.

He concluded by saying that it is not possible to talk about the defense of the revolution if it is not carried out through the joint action of workers, students and peasants as prescribed in the Leninist doctrine.●

NASA SALUTES CAMDEN, N.J. STUDENTS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FLORIO. Mr. Speaker, I would like to join the National Aeronautics and Space Administration in honoring some of my constituents from the city of Camden.

I am pleased that NASA has honored my request to send an astronaut, Lt. Col. Guion S. Bluford, Jr., this May 10, to the city's two high schools as a tribute to the students who have built an experiment that will probably

go into space aboard the Shuttle later this year. If all goes according to plan, the students, and the scientific community, will find out whether a weightless environment has any effect on the social structure of a colony of living creatures, namely carpenter ants.

NASA deemed this experiment significant because we have never sent an entire colony of creatures into space before. Observing how the ants react to a prolonged weightless state might provide information useful to future human space colonists.

The educational program under which the experiment was developed is called Orbit '81, and it has already provided some very useful information.

It has shown that the private sector, with a relatively small investment, can help the school systems in its communities. In this case, RCA Corp., will pay the $10,000 fee to get the experiment aboard the Shuttle.

Since this program started 4 years ago, the company's engineers from nearby plants have lectured the students, answered their questions and exposed them to the work-a-day world of engineering.

The South Jersey Chamber of Commerce, another representative of the private sector, assisted the school district with a grant to develop an enriched 4-year science curriculum for the Orbit '81 students.

As a result, the program has achieved its primary objective—that of interesting minority students in science. Enrollments in courses such as chemistry and physics have risen. The teachers say this is due in large part to the interest created by Orbit '81.

Several of the Orbit '81 students who will be graduating this June have changed their college plans to pursue science careers.

There has been another important result, too, and I would like to quote one of the students in summarizing it.

"I think this program has given the city a positive outlook as to what its students can do," said Lorenzo Holloway, a senior at Camden High. "When you go to an urban high school, people tend to look mostly at athletics. But this has given them a chance to look at the academic side."

I would like to add that the success of these students has given anyone looking at urben schools a chance to look at the bright side.

Mr. Speaker, for the benefit of my colleagues, I would like to request that the following material be entered into the RECORD.

PROPOSED AGENDA: LT. COL. GUION S. BLUFORD, JR., MAY 10, 1982, CAMDEN, N.J.

Time	Place/event	Person responsible
9:00 a.m.	Camden City Hall, Key to city, meet city officials.	Mayor Primas.
10:00 a.m.	Woodrow Wilson H.S., meet principal school officials.	R. Gottschall, principal.
10:25 a.m.	Assembly WWHS, Student presentation, remarks by Lt. Col. Bluford.	N. Timpanelli, Orbit '81 coordinator.
11:05 a.m.	Q. & A. with students, tour of lab and view experiment.	Do.
Noon	Lunch, WWHS	Do.
1:00 p.m.	Arrive Camden H.S. meet principal, other school officials.	R. Cream, principal.
1:30 p.m.	Assembly CHS, student presentation, remarks by Lt. Col. Bluford.	F. Reiss, Orbit '81 coordinator.
2:00 p.m.	Q. & A. with students, tour of lab and view experiment.	Do.
3:00 p.m.	Press conference CHS, Lt. Col. Bluford, RCA, school and city officials.	D. Shore, RCA coordinator.
6:30 p.m.	Reception	Do.
7:00 p.m.	Dinner	Do.
8:00 p.m.	Lt. Col. Bluford's speech (general topic)	Do.

Point of contact: T. N. Chavis, (609) 338-6308, assistant coordinator, RCA.

FACT SHEET: ORBIT '81

GENERAL DESCRIPTION

Orbit '81 was conceived in November 1977, at a meeting between NASA officials and community leaders in the Philadelphia region.

Mrs. Riletta Cream, principal of Camden High School, said there was a need for a program to interest minority students in science. Irving K. Kessler, an RCA executive vice president, offered to pay NASA's $10,000 fee to get a student-built experiment into one of the space shuttle's "getaway special" canisters.

In January of 1978, the Camden School board approved the concept. Mr. Kessler appointed David Shore, RCA Division Vice President of Business Development, as coordinator of a program to provide technical and financial assistance to Camden and Woodrow Wilson high schools.

Mr. Shore dubbed the program Orbit '81, anticipating three years of science training that would culminate in a completed experiment.

In May of 1979 a group of students from both schools selected an ant colony as the subject for their experiment because ants have an observable social structure, and for other reasons: 1) ants have hard external skeletons capable of withstanding the force of launch; 2) ants have a life cycle which allows for observation of births and deaths in weightlessness.

To record their data, students decided to train video and movie cameras on the ant colony during the planned one-week mission of the space shuttle.

GETAWAY SPECIAL PROGRAM

The small "getaway special" payloads which NASA accepts for voyages on the space shuttle, are handled on a space-available basis, generally in a first-come, first-served sequence.

The five-cubic-foot canister (about the size of a 30-gallon trashcan) must not draw upon the shuttle's services beyond three on-off controls operated by an astronaut.

The GAS program, as it is called, was created to encourage use of space by researchers from industry and the general public, foster enthusiasm about space among the young, and generally increase knowledge of space.

Users must pay a fee and meet NASA's safety and a scientific requirements.

Approximately 300 companies, schools and individuals have reserved GAS payloads for future shuttle missions.

Many of the experiments will test the possibility of using the low gravity of space to improve industrial processes and materials. Others, such as the Orbit '81 experiment, seek results on the effect of weightlessness on organisms.

CONDITIONS

Before implementing a program, RCA and school district officials agreed on several conditions:

(1) The experiment had to be significant. It could not be a cause for ridicule because it was too elementary.

(2) A minimum of three years of enriched science courses would be necessary.

(3) The experiment had to be a team effort, rather than the work of one student because the team approach is closer to how problems are solved in industry.

(4) As much as possible, the student-body of both schools had to be involved. Thus, journalism students published an Orbit '81 newsletter. Industrial arts students assisted in fabrication and assembly and art students promoted the project with posters. When Dr. Robert Frosch, NASA administrator, visited the schools, home economics students prepared a special "space meal," and the music department played a "space concert." Also, the dramatics department put on a "space skit." The choir sang an Orbit '81 song.

(5) Student interest should be enhanced by lectures, field trips, assemblies and other means.

CURRICULA

Both Camden and Woodrow Wilson high schools have a core group of about 15 Orbit '81 students. In addition, students from journalism, industrial arts, and art curricula have been active participants in the program.

All Orbit '81 students have taken "space science" courses (one each year) developed by the faculty and administrators from both schools.

Space science covers such topics as the space environment, the space shuttle, and the shuttle's "getaway special" program.

At Camden High School, teachers and administrators selected Orbit '81 students in their freshman year, based on previous abilities in science and mathematics. Students who accepted were expected to participate in Orbit '81 for four years. They took space science each year and worked on one of the experiment's three teams—computer, ants or engineering design.

The computer team developed flow charts for a microprocessor to control the experiment's cameras, lights and other equipment. Another group studied the ants to observe their behavior and discover the conditions needed to keep them alive during the experiment. A third team developed a design to place all the equipment within the NASA canister, which is about the size of a 30-gallon trashcan.

At Woodrow Wilson High School, participation in Orbit '81 was left open to volunteers, regardless of previous academic achievement. Interested students could participate for any number of years, according to Mr. Nick Timpanelli, the program's adviser. Some students, he said, chose to participate for only one year. Others have remained in the program for four years.

EXPERIMENT

The ants will be placed in a specially designed farm that has a wooden frame and non-glare plexiglass.

An RCA consumer-grade video camera and a movie camera, each powered by their own batteries will be used to record the activities of the ants. These cameras, and a fluorescent light will be controlled by an RCA microprocessor. The video camera will record lift off and immediate weightless activities, and the super 8mm camera will photograph the ants periodically.

The video camera will be connected to a recorder in the canister. The individual frames of the movie film will provide still pictures of the ant colony.

The ants will be kept at a temperature between 75 and 85 degrees. If the canister gets too hot or cold a rod, which is connected to a temperature sensor and controlled by a solenoid, will be raised to touch the canister lid, transferring heat. A fan, also controlled by the microprocessor, will circulate air when necessary.

The students chose an ant colony for their experiment because it has an observable social structure that might be affected by prolonged weightlessness, information that might help future human space colonists. During the scheduled one-week shuttle mission, some ant eggs probably will hatch, while other ants die. Such observations might provide more insights into the affect of weightlessness.

RCA'S ROLE

RCA will pay NASA's $10,000 fee to get the Orbit '81 experiment into a "getaway special" canister.

Engineers from plants and the staff of RCA's Government Systems Division have lectured students on computers, computer software, amateur radio satellite terminals, and electronic test equipment.

Students have taken several field trips to RCA plants in southern New Jersey (Princeton, Camden and Moorestown).

The division's engineers have served on an advisory committee for the students' design of the experiment. In addition, the division has donated more than $300,000 worth of surplus electronic test equipment to both high schools.●

IN SUPPORT OF SOLIDARITY SUNDAY FOR SOVIET JEWRY

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mrs. FENWICK. Mr. Speaker, last Sunday, May 2, was celebrated around the United States as Solidarity Sunday for Soviet Jewry. I would like to take this occasion to speak out in support of Soviet Jews and all Soviet people who want to emigrate from the Soviet Union or practice their religion with the freedom we in the United States take for granted.

In 1979, 51,320 exit visas were granted to Soviet Jews. In 1981, the number fell to 9,447. Besides the drastic decrease in the number of exit visas granted, we can only guess at the number denied. The Soviet Union is filled with prisoners of conscience, refusenik scientists, and victims of religious harassment.

Soviet Jews are not accorded even the basic human right to practice their religion. They are under the constant threat of harassment by the security forces who break into private homes, disrupting families, confiscating property, threatening physical harm, and arresting specifically those Jews involved in the study of Hebrew.

If the Soviet Union were truly devoted to its proclaimed ideals of freedom and equality there would be no need to threaten its own citizens with reprisals, physical harm, and even jailing, simply for exercising their basic human right to practice their religion. There would be no need for the erection of barriers to freedom of emigration. Unfortunately, the Soviet Union is not devoted to these proclaimed ideals. Unfortunately, the concept of freedom has long ago been forgotten by the Soviet leadership. Unfortunately, it is the people of the Soviet Union, like Soviet Jews, who are forced to suffer from this repressive system.

We in the United States, who have these cherished freedoms must never take them for granted, but must exercise those freedoms on behalf of others, like Soviet Jews. To all those Jews who suffer from the repression that is such a central part of Soviet Government, may I wish you freedom from that oppression, the opportunity to practice your faith in peace, the opportunity to emigrate, and finally, Shalom.●

TAX FREEDOM DAY

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. HOPKINS. Mr. Speaker, today, May 5, 1982, is Tax Freedom Day. For the first day this year, American workers have worked enough this calendar year to pay their portion of the national tax bill, and they are now working for themselves.

This year, Tax Freedom Day falls 3 days earlier than last year. I am pleased with this improvement, which is small, but it represents an improvement, nonetheless. I am proud to have contributed to this tiny liberation of hard-working Americans through my vote for the Economic Recovery Act, and my efforts to trim inflation. As a result of the tax cut which went into effect last October 1 and the much lower rate of inflation this year, each of us now has 3 additional days per year we can truly call our own—3 days during which our efforts are devoted toward achieving our own financial goals, not enriching Uncle Sam.

It is ironic that Tax Freedom Day this year should occur amidst talk of repealing the individual tax reductions. The President and those of us who believe the tax cut is needed to boost the economy do not want to tamper with the 10-percent tax cuts that are supposed to go into effect in July of both 1982 and 1983. But, the big spenders who depend on big taxes want to delay or take away these tax cuts.

I find this very curious. If the big spenders are successful in delaying or cutting out the second- and third-year tax cuts, they will be hurting the very people they are claiming to help—the poor and the middle income taxpayers. Last year, only a 5-percent tax cut was implemented—and it was in October, so it actually only amounted to a 1¼-percent cut. But the result was actually a net increase in taxes after social security taxes went up in January. So, middle and lower income people did not get much benefit from the first year of the tax cut.

That is why it was installed as a phased-in, 3-year tax cut package. I intend to back the President in his refusal to take away these tax cuts—and, from the messages I have received back home this week, most people agree that these tax cuts should remain in place. I will oppose any attempt to repeal the tax reductions now in law. It is my firm hope that, in the very near future, we will celebrate Tax Freedom Day well before May Day. American workers will than have something truly worth celebrating.●

CINCO DE MAYO—A DAY OF GLORY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. FARY. Mr. Speaker, today is May 5, Cinco de Mayo, which is celebrated by Mexicans and Mexican Americans as the beginning of a revolution against foreign domination. It is the anniversary of the 1862 Battle of Puebla, in which Mexican forces against overwhelming odds defeated French invaders. The battle itself was not of great military importance since the victory represented only a temporary setback for the French troops; it nevertheless appealed to the imagination of the Mexicans and gave them the moral confidence they needed to win victory in the long run. May 5, a national holiday in Mexico, is therefore celebrated with festivities by Mexicans both at home and in the foreign countries.

To the people of Mexico, the Battle of Cinco de Mayo symbolizes the defeat of the French empire in their nation. The defenders of Puebla are honored as champions of Mexican

freedom, self-determination and independence. Those who fought on the 5th of May personify the ideal of devoted and sacrificial love for country, as they chose to pit themselves aganist fatal odds rather than support those of their countrymen who sought to deliver Mexico into the hands of a foreign invader.

In Puebla, the Mexicans for the first time took a stand against the invaders and succeeded without foreign assistance of any kind in soundly beating a superiorly trained and equipped army. Thus, Cinco de Mayo became a symbol of the victory of the human spirit over all military odds, and demonstrated that unity could be achieved among a people that had been torn with internal dissension for almost half a century. The drama that unfolded at Puebla is the source of a strong sense of national consciousness and national pride among the Mexican people.

Today, the Battle of Cinco de Mayo remains for the Mexican people a revered symbol of Mexican valor in the face of superior odds, of the profound love of Mexicans for their homeland, and of the indomitable Mexican spirit. Mr. Speaker, we must all join in celebrating this great anniversary of Mexican valor.●

CONGRESSIONAL SALUTE TO THE HONORABLE MARC THOMAS FINN OF WAYNE, N.J., "PAUL HARRIS FELLOW," ROTARY CLUB OF WAYNE

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ROE. Mr. Speaker, on Wednesday, May 12, the residents of my hometown of Wayne, Eighth Congressional District, and State of New Jersey will join together with our fellow Rotarians in testimony to an outstanding community leader, distinguished citizen, and good friend, the Honorable Marc Thomas Finn of Wayne, N.J., whose standards of excellence throughout his lifetime have earned him the most highly coveted honor of being chosen the "Paul Harris Fellow" of the Rotary Club of Wayne—the highest award that Rotary can bestow upon any of its members. In recognition of Tom's esteem among the officers and members of the Rotary Club, they have declared May 12 as M. Thomas Finn Day. I know that you and our colleagues here in the Congress will want to join with me in extending our heartiest congratulations to Tom Finn and share the pride of his good wife Eva and daughter Bernadette in applauding this milestone of achievement in his most illustrious and rewarding lifetime of fulfillment and purpose.

The Rotary Club of Wayne is one of our Nation's most prestigious affiliates of Rotary International whose motto: "We make a living by what we get—we make a life by what we give"—"service above self"—and their good deeds in helping others, young and adults alike, have served to inspire all of us. Tom Finn has by his example and lifetime of dedication to these same true American ideals personified exemplary leadership in his outstanding responsible service to our people.

Mr. Speaker, our "Paul Harris Fellow" Tom was born in Passaic, N.J., attended local schools, and is a graduate of St. Johns Cathedral High School, Paterson, N.J. He received his B.A. degree from Fordham University and his M.S. degree from Rutgers, the State university.

We are deeply appreciative of his service to our country in the armed services. He attended Fort Benning Officers Candidates School and served as captain in the infantry in the European Theater of Operations, World War II. He is now captain (ret.) of the Reserve Infantry.

Mr. Speaker, we are especially proud of Tom's compassion, dedication, and untiring efforts on behalf of our young people as a highly respected educator in the Paterson school system, and particularly his outstanding public service over the years on the Paterson Board of Education.

His personal commitment to the economic, social, and cultural enhancement of our community has been a way of life for him. His business acumen and expertise has enabled him to achieve success in the business community. His is president of Finns Mobile Home Park and continues to vigorously pursue his leadership endeavors in the mobile home industry with Finns Mobile Home Sales and Shamrock Mobile Units.

Some of his additional affiliations with professional and civic organizations and in public service to our people include:

Wayne Township Board of Adjustment,

Wayne Township Council,

Rotary International,

Wayne Elks,

Wayne American Legion, Veterans of Foreign Wars, Disabled Veterans,

Wayne Knights of Columbus,

Director—Saints and Sinners—Lou Costello Fund,

American Irish Historical Society,

Irish American Cultural Society,

Parish Council—Holy Cross—Wayne, and

Wayne Chamber of Commerce.

Mr. Speaker, all of us who have had the good fortune to know Tom applaud his many accomplishments which have truly enriched our community, State, and Nation. It is a great pleasure to call your attention to this distinguished gentleman and seek this national recognition of all of his good deeds. I know you will want to join with the Rotary Club of Wayne, N.J., in honoring our good friend Tom as an outstanding citizen and great American. We do indeed salute the Wayne Rotary Club's "Paul Harris Fellow"—the Honorable Marc Thomas Finn.●

SALUTE TO CINCO DE MAYO

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DANNEMEYER. Mr. Speaker, today is a special day in the hearts and minds of Mexican Americans and all freedom-loving people. For 120 years ago today on May 5, 1862, Mexican Gen. Ignacio Zaragosa led a well-armed and well-equipped army to meet a French assault on the Mexican capital. After a daylong battle, Napoleon III's army was turned away.

This festive day of Cinco de Mayo is a celebration of patriotism, love of country, and independence for the Mexican people. Parades, readings from literature and history, and all types of cultural events will help to bring life to this celebration all across our Southwest as well as in our neighbor to the south. Since we share the basic values of liberty and individual accomplishment, all freedom-loving peoples have good reason to pause in thankfulness for God's blessings and to rejoice in the independence and freedom we enjoy.

So, Mr. Speaker, I wanted to take this moment to salute the festive occasion of Cinco de Mayo, our Mexican-American community, and the cause of freedom for all people.●

ABINGTON HIGH SCHOOL: THE "MARCHING CHAMPIONS"

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DONNELLY. Mr. Speaker, the "marching champions" of Abington High School have consistently brought honor and distinction to their school, their town, and to Massachusetts. This outstanding high school band has just won yet another prestigious band competition, placing first in the 1982 Cherry Blossom Festival Parade here in our Nation's Capital.

To those of us who know the Abington High School band, their victory came as no surprise. Their talent, teamwork, and dedication have earned

them many honors and an international reputation.

Four years ago, the band won first place at the International Blossom Festival at Niagara Falls, Canada. In 1978, they also carried first place honors in the Massachusetts Marching and Field Show Competition.

In 1979, Abington rose to the top of the 125 high school bands competing in the Shenandoah Apple Blossom Festival in Winchester, Va., taking first place in the concert and color guard competitions and second place in the parade competition. That year, they also won first prize in the Massachusetts high school marching band parade competition, class A, and the New England marching and parade championship. The band successfully defended its Massachusetts title in 1980.

At last year's International Band Festival in Toronto, Canada, the Abington High School band won first place honors for best band front and best drum major. In October, the band carried top honors among Massachusetts competitors at the Music Bowl band competition, conducted at the University of Massachusetts.

The victory in the 1982 Cherry Blossom Festival Parade marked the second time the Abington High School band has won this important event. Abington carried top honors in 1977, when the band was made up of a completely different group of students.

As the marching champions braved torrential rains to perform their best for the thousands of people from throughout the United States and the world who lined Constitution Avenue, one commentator remarked that they looked like a rainbow that had fallen out of the sky.

Band director Paul K. Smith and each of the 183 members of the Abington High School band and auxiliary is a source of great pride to Abington and to all of Massachusetts.

To any of my colleagues in this House who doubts that the younger generation exhibits the virtues of discipline and hard work, or who begins to despair about "the kids today," I offer an invitation to Abington, Mass. to meet the fine young men and women who constitute the marching champions.●

WILMINGTON COORDINATING COUNCIL TO HONOR OUTGOING OFFICERS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ANDERSON. Mr. Speaker, on Wednesday, May 12 the Wilmington (California) Coordinating Council will hold its annual installation and awards luncheon. Part of the luncheon will be devoted to honoring the council's outgoing officers. The retiring officers this year are president, Frank Pacino, M.D.; vice president for programs, Joyce Dixon; and vice president for publicity, Norman Schultz.

Dr. Pacino brought to his term in office a wealth of experience in the medical field as well as a tradition of demonstrated caring for his community. Dr. Pacino received his M.D. from the University of California's College of Medicine in 1962, and supplemented that with a master's degree in public health from Loma Linda University in 1971. He has served as a district health officer with the Harbor/Torrance District of Los Angeles County's Department of Health Services. In 1975 he was elected president of the American Association of Public Health Physicians. He is president-elect of the California Chapter of the Public Health Physicians Association and served as president of the California Chapter in 1970. He has just recently completed a year as president of the Physicians Association of Los Angeles County.

Joyce Dixon also has a long personal history of community contribution. After receiving a B.S. in social work from Bluffton College in Ohio in 1962, Ms. Dixon went on to obtain in 1964 a B.S. in elementary education from Central State University in Ohio. In 1969, she received a M. Ed. in counseling and guidance. In the years following her formal education, Ms. Dixon has provided her skills to several community organizations across the country, including the Welfare Department of Montgomery County in Ohio, the Springfield Massachusetts Welfare Department, the Grand Forks Air Force Base school in North Dakota, the Mills Lawn Elementary School in yellow Springs, Ohio, the Central State University in Wilberforce, Ohio, the United Way's Neighborhood Youth Corps of Los Angeles, and the Neighborhood Youth Association of Los Angeles.

Ms. Dixon is an active member of such organizations as the American Personnel and Guidance Association, the Coordinating Council of Carson and San Pedro as well as Wilmington, the Alpha Kappa Alpha Sorority, Inc., and Kappa Delta Pi.

Norman Schultz, head counselor at the Banning Carson Community Adult School, has likewise made a significant contribution to his community, particularly in the field of adult education. Mr. Schultz has devoted his educational career to insuring that his adult students receive the best possible counseling. Adult education is an often-overlooked portion of our Nation's total education and Mr. Schultz's contribution has not been insignificant. His dedication is underscored by his service as president of the Adult Educators' Association of Los Angeles, and president of the Los Angeles Adult School Counselors' Association. On the State level he has served as both treasurer and president of the California Adult and Continuing Education Counselors' Association.

Mr. Speaker, these three have obviously made important and admirable contributions to their community, and I, along with my wife, Lee, would like to commend them for their service and wish each of them many happy years in the future.●

GI BILL VERSUS EDUCATION GRANTS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. EDGAR. Mr. Speaker, last week I introduced H.R. 6190, legislation amending title 38, United States Code, exempting GI bill education benefits received by a veteran or eligible survivor from the eligibility criteria for Federal education assistance.

Prior to enactment of the Omnibus Budget Reconciliation Act of 1981, previous law assessed GI bill readjustment benefits as income allowing those veterans, especially those attending high-cost schools, to compete on an equal basis with their peers for additional education assistance from the Federal Government. Current law (section 2013 of title 38) continues to exempt or disregard GI bill benefits in determining the needs or qualifications of participants in any public service employment program, job training program, or any other manpower training (or related) program financed in whole or in part with Federal funds. That provision was based on two assumptions:

First, the Vietnam-era GI bill is basically an income assistance allowance, unlike the World War II education program which provided direct education tuition assistance.

Second, historically, all GI bills were designed to provide readjustment assistance in granting benefits to those who have served their country in wartime to help make up for the time, experience, and earning capability which those who did not serve continued to enjoy.

The unique nature of the GI bill led the Congress to exempt these benefits from the eligibility criteria for other Federal assistance programs. Rather than penalize the veteran, his widow, and his orphan further because of this service, and undermine the basic purpose of the program, my bill would expand that provision to include Federal education assistance as well.

Over the past year, the House Veterans Affairs Subcommittee on Educa-

tion, Training, and Employment, which I chair, has clearly documented the continuing serious readjustment problems encountered by hundreds of thousands of Vietnam-era veterans. This evidence led our subcommittee to recommend and the Congress to approve overwhelmingly Public Law 97-72. The bill provides a 2-year targeted extension of the 10-year delimiting period for certain Vietnam-era veterans to utilize many GI bill education, job training, and vocational assistance courses. At the same time, our subcommittee is well aware of the continuing concern within the Vietnam veteran community for taking advantage of their remaining GI bill entitlement before the end of their original 10-year period or the termination of the program entirely in 1989. In many parts of the country even this assistance is totally inadequate to support the veteran while he is attending a high-cost institution with low Federal or State support.

Last year the Congress was forced to terminate the VA's education loan program, which had originally been designed to help certain veterans attending high-cost schools augment their GI bill benefits. At the same time budget cuts also completely eliminated education assistance under social security for the widows or eligible survivors of those killed in combat, or who died of service-connected causes. The present Federal education loan provision merely places another restriction and another layer of cuts on these deserving Americans.

Mr. Speaker, while H.R. 6190 would amend veterans law covered under title 38, United States Code, the bill is also jointly referred to the House Education and Labor Committee. I would like to thank the Hon. PAUL SIMON, chairman of the Education and Labor Subcommittee on Post Secondary Education for taking the time to review this legislation and for his interest in scheduling hearings on the matter in upcoming weeks. I urge my colleagues to review these arguments and join me in cosponsoring the legislation.●

IMPROPRIETY OF THE FALKLAND ISLANDS RESOLUTION

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. ROYBAL. Mr. Speaker, yesterday's passage of House Resolution 441 was anything but a proud moment for the House of Representatives. Although I advocate the withdrawal of Argentine troops from the Falkland Islands, I believe that House Resolution 441 was an ill-timed and ill-considered means of expressing this or any other view regarding the Falkland/Malvinas crisis.

Coming as it did on the heels of the sinking of Argentina's cruiser *General Belgrano*, the vote on House Resolution 441 could be misinterpreted as an expression of our support for Great Britain's attack. Considering the uncertain circumstances surrounding the *Belgrano* incident, I am concerned that the untimely passage of House Resolution 441 could jeopardize a negotiated settlement.

One of the most distressing aspects of the resolution is its commitment to provide "full diplomatic support" to Great Britain in the event that peaceful means fail to end the crisis. Because the term "full diplomatic support" lacks clear definition, it is reminiscent of the 1964 Gulf of Tonkin resolution that was used to justify our involvement in the Vietnam war. I thought that the experience of the Gulf of Tonkin resolution had taught us to be cautious and judicious in our reaction to foreign conflicts. Instead, in our rush to support Great Britain, we forged ahead yesterday without the benefit of a recorded vote to commit ourselves to what may be an untenable position on the Falklands/Malvinas crisis. I only hope that those who were responsible for bulldozing House Resolution 441 through the House fully comprehend its ramifications.●

WIN MUST GET ADEQUATE FUNDING

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MOFFETT. Mr. Speaker, I strongly support the $76.8 million emergency supplemental funding for the work incentive program, more commonly known as WIN. This is one of the most sensible and cost-effective programs we have in the job training area, yet the administration has slashed it drastically, in another of its mean-spirited budget cuts.

The WIN program offers job counseling, job training and job placement services to adults receiving benefits from the aid for dependent children program (AFDC). The goal of WIN is to break the cycle of poverty, by requiring AFDC recipients to participate in the counseling and placement services that WIN offers. Numerous studies have found that WIN does indeed work—that it is able to successfully train and place AFDC recipients in paying jobs, thus getting them off AFDC and into the labor market.

Since this administration has endlessly proclaimed the virtue of work, and constantly derides welfare bums, its budget cuts in a clearly effective program that reduces the welfare roles simply makes no sense. Although the administration had originally requested a fiscal year 1982 funding level of about $320 million for WIN, it agreed with cuts made by the Republican-controlled Senate Appropriations Committee in December 1981 which reduced that sum by the $76.8 million we are being asked to approve today. Meanwhile, the White House, in another of its so-called economy moves, has requested a 22-percent increase in its own operating funds for fiscal year 1983—an increase totaling a staggering $450 million. Perhaps we could avoid increasing the fiscal year 1983 deficit by taking the $76.8 million for WIN out of the $450 million the White House claims it needs, on top of the $2 billion that it is already allocated.

In sum, Mr. Speaker, it is essential that we approve the $76.8 million emergency supplemental for WIN.●

EXPLANATION

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LAFALCE. Mr. Speaker, in January 1982, Representative BOBBI FIEDLER of California indicated that she wished to become a cosponsor of H.R. 4326, the Small Business Innovation Development Act. Unfortunately, her name was inadvertently omitted from the official list of cosponsors of this measure.

I wish at this time, therefore, to note that Representative FIEDLER is a supporter of H.R. 4326.●

SOCIAL SECURITY STUDENT BENEFITS

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MOTTL. Mr. Speaker, the termination of social security student benefits as a result of passage of the Omnibus Reconciliation Act last year does a real disservice to the educational system and future productivity of our country. A number of bills have been introduced to rectify this injustice which was done to the children of retired, disabled, and deceased workers who had long been planning for and counting on this financial assistance to put their children through college.

I am the sponsor of H.R. 5193 which calls for the total restoration of the social security student benefit program. However, since the Ways and Means Committee has not yet taken action on any of these bills, I am

asking you to join in a bipartisan move to unite the efforts of the more than 160 sponsors and cosponsors of remedial legislation by lending your support to H.R. 6183. This bill would extend the college enrollment deadline from May 1 to October 1, 1982. We need to consolidate our efforts to insure expeditious passage of legislation that allows this year's high school class the opportunity to complete 4 years of college education with the aid of social security student benefits. Please cosponsor H.R. 6183.●

JOHN E. THURMAN

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. COELHO. Mr. Speaker, it is an honor for me to rise today to pay tribute to a dear friend and outstanding representative, John E. Thurman, who is retiring from the California State Assembly, when his term expires at the end of this year. John has represented the people of the 27th assembly district for the past 10 years. His career in public service began in 1960 when he was elected to the Board of Education of the Hart-Ransom Union School District. John was then elected to the Stanislaus County Board of Education, where he served until he was elected to the State legislature in 1974.

John Thurman's contributions to the people of California have been recognized in many forms. The County Supervisors Association of California presented him with their President's Award for his concern for county governments; and the Stanislaus County Medical Society has cited him for his outstanding efforts to improve the availability of health care facilities for his constituents. John has been recognized by countless other groups, including the Big Brothers of Greater Modesto, Progress Valley Association of Health Facilities, Stanislaus County Safety Council, Muscular Dystrophy Association, the Boy Scouts, the Planning Agency for the Aging, the Disabled American Veterans, and the American Legion.

As chairman of the assembly agriculture committee, since 1974, he has provided strong leadership and has worked hard to insure fair representation for California agriculture.

John Thurman exemplifies the philosophy that government exists to serve the people. The fine example of public service, which John has provided, serves as a model for all of us in elective office. John will indeed be missed by his friends, colleagues, constituents, and fellow representatives of the people. I would like to wish John and his lovely wife, Julie, health and happiness in the years ahead.●

SOYBEAN RESEARCH ADVISORY INSTITUTE

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SHELBY. Mr. Speaker, the soybean is a high-protein commodity and has many varied uses. In fact, the soybean has become the economic superstar of American agriculture. In addition to being the No. 1 cash crop of our Nation, soybeans are also the No. 1 cash export of the United States. This is quite a feat in and of itself when one realizes that our Nation dominates grain exports in the world market. Approximately 60 percent of the total world exports of grain originate in the United States. Last year, approximately $8.6 billion in U.S.-produced soybeans and soybean products greatly contributed to our balance of payments. It is widely recognized that our foreign trade debt would be in total shambles if it were not for U.S. agricultural sales abroad.

Unfortunately, the tremendous rise in soybean production in America has not resulted from increased yields but from expanded acreage. In the past decade, soybean acreage has grown from 42 million acres to 70 million acres. When contrasted with other agricultural commodities, such as corn whose yield per acre has increased from 26 bushels per acre in 1929 to approximately 110 bushels per acre today, average soybean yields have increased only about one-third bushel per acre annually over the last quarter of a century.

Our record of soybean research is not laudable and, in fact, is minuscule relative to outlays for corn and cotton research. Obviously, there is a vital need to find the means to increase soybean yields through expanded research efforts and through grower education. As a result of an amendment to the Agriculture and Food Act of 1981, a task force, known as the Soybean Research Advisory Institute, will be created. This task force should enhance the opportunity for achieving the desired soybean yield breakthrough.

I urge Secretary Block to move expeditously and appoint the 11 members that will comprise the Soybean Research Advisory Institute in order that the task force may begin immediately assessing the effectiveness of the ongoing soybean research programs in the United States. I look forward to the comprehensive report to be submitted by the Advisory Institute no later than March 1, 1983, to the Agriculture Committees of both Chambers of Congress in anticipation of a course of action designed to increase soybean yields.

Mr. Speaker, all of us want what is best for our farmers, our consumers, our taxpayers, and our Nation. I strongly believe that the Soybean Research Advisory Institute meets these objectives.●

HOUSE RESOLUTION 427—WILDERNESS LEASING

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. UDALL. Mr. Speaker, today, I am very pleased and gratified to announce that more than 100 of my colleagues have joined with me and Representative SILVIO CONTE in cosponsoring our resolution opposing oil and gas leasing in the Nation's wilderness areas.

House Resolution 427 expresses our belief that these areas, and other lands formally recommended for wilderness, should be the last places where we permit mineral leasing. It recognizes that the Wilderness Act of 1964 grants until December 31, 1983 discretionary authority to issue such leases, but points out that previous administrations have chosen not to exercise this authority, and for good reason. It calls on Secretary James Watt to refrain from approving any such leases, but warns that if he does, Congress will take appropriate action to prevent their issuance. Finally, the resolution opposes the imposition of any arbitrary deadlines or artificial restraints on Federal land managers in the consideration of future additions to the national wilderness preservation system.

In the coming weeks, the Interior and Insular Affairs Committee, of which I am chairman, will be addressing the need for legislation in this controversial and important area. This moderate and responsible resolution provides a solid basis on which to begin that consideration.

If you have not had an opportunity to add your name to the growing list of cosponsors to House Resolution 427, I urge you to do so by having your staff contact either Mark Trautwein of my office at x58331, or Missi Tessier with Representative CONTE at x55335.

COSPONSORS OF HOUSE RESOLUTION 427 AS OF MAY 5, 1982

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Bennett, Mr. Bereuter, Mr. Bingham, Mr. Boland, Mr. Bonior, Mr. Bonker, Mr. Brinkley, Mr. Brodhead, Mr. Brown of California, Mr. John L. Burton.

Mrs. Chisholm, Mr. Clay, Mr. Conte, Mr. Corrada, Mr. D'Amours, Mr. Daschle, Mr. Dellums, Mr. de Lugo, Mr. DeNardis, Mr.

Dicks, Mr. Downey, Mr. Dwyer, Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. Evans of Delaware.

Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Ms. Ferraro, Mr. Florio, Mr. Foglietta, Mr. Foley, Mr. Ford of Tennessee, Mr. Frank, Mr. Gejdenson, Mr. Gingrich, Mr. Gore, Mr. Gray, Mr. Green, Mr. Harkin, Mr. Hertel, Mr. Howard, Mr. Hughes.

Mr. Jeffords, Mr. Kastenmeier, Mrs. Kennelly, Mr. Kildee, Mr. Long of Maryland, Mr. Lowry of Washington, Mr. Markey, Mr. Matsui, Mr. Mavroules, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Morrison, Mr. Murphy.

Mr. Neal, Mr. Panetta, Mr. Patterson, Mr. Pease, Mr. Peyser, Mr. Porter, Mr. Pritchard, Mr. Ratchford, Mr. Richmond, Mr. Rodino, Mr. Roemer, Mr. Sabo, Mr. Scheuer, Ms. Schneider, Mrs. Schroeder.

Mr. Seiberling, Mr. Shannon, Mr. Solarz, Mr. St Germain, Mr. Stark, Mr. Studds, Mr. Sunia, Mr. Swift, Mr. Udall, Mr. Vento, Mr. Volkmer, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Williams of Montana, Mr. Wirth, Mr. Wolpe, Mr. Won Pat, Mr. Wyden, Mr. Yates.

Total 102.●

A TRIBUTE TO REV. VIRGIL NELSON

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the contributions of my constituent, Rev. Virgil Nelson, of the community of Ventura, Calif.

Rev. Virgil Nelson is the director and founder of Project Understanding, an organization designed to provide aid and assistance to people and bring an end to racism, hunger, oppression, and injustice by building bridges rather than walls between persons and groups. It seeks to do this through its eight basic ongoing programs: "Focus on Food," a program providing food to those in crisis situations—last year it provided food to 1,356 people; "Food Share," a program comprised of 400 volunteers who gather crops left in fields after the harvest and distribute them to the needy—last year it gathered and distributed 346 tons of food; "C.H.O.W.," otherwise known as Anti-Hunger Coalition, which holds conferences on world hunger; "Summer Food Service for Children," which serves over 2,100 lunches and snacks daily to needy children; "How to Get Food and Money: The People's Guide," a booklet that identifies local resource services for the needy; "Ventura County Women's Employment and Education," a function to assist women in locating employment in the private sector, enabling them to get off welfare programs and become self-supporting; "Ventura Walk Against Hunger," raised $15,000 in 1980 in a show of concern for local and world hunger; and "Habitat Housing," to enable low-income families to buy houses interest free at the cost of materials only.

As leader of Project Understanding, Rev. Virgil Nelson demonstrates a deeply felt concern for the welfare of others, and is a tremendous asset to the Ventura community. For his selfless help of many needy people, as well as his inspiring leadership in the battle against all forms of oppression, I ask that my colleagues join me in recognition of this deserving man and the service he is performing.●

CALL TO CONSCIENCE VIGIL 1982: BERNARD AND ZINA SHURAVIETSKY

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DWYER. Mr. Speaker, 1 year ago this month I addressed the Congress in behalf of Bernard and Zina Shuravietsky as part of the Call to Conscience Vigil.

Today, their situation has not changed; in many ways it has worsened, but they still have not abandoned their hope of reunification with family members here in the United States.

It is appropriate today, too, to note the Solidarity Sunday activities May 2 in New York City when thousands of dedicated people gathered in behalf of Soviet Jewish families like the Shuravietskys who suffer daily the loss of basic rights and alienation under Soviet totalitarianism.

For the Shuravietskys that totalitarianism has taken the form of job discrimination, imprisonment, and repeated denials for exit visas to visit Zina's elderly, ailing parents. They all hope fervently to make their family whole once more, despite the unrelenting despair and frustration they must face as refuseniks.

As with so many others who have dared to defy the Soviet state in the name of simple human justice, life for the Shuravietskys and their two children is a constant struggle, reflective of a worsening record of human rights violations in the Soviet Union.

The congressional commitment to Soviet Jews has been traditionally a strong one. We must continue in that fight, so that individuals like Bernard and Zina Shuravietsky can find the peace they so richly deserve.●

A VISIT FROM PIKESVILLE MIDDLE SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Thursday, May 6, 1982, 113 young men and women from the Pikesville Middle School, Pikesville, Md., will journey to Washington for a firsthand look at their Nation's Capital.

These students accompanied by their teachers, Cynthia Schulz, Angelina Simpson, Alfred Sanders, Elmer Murray, and Thomas Wilcox, will tour the Capitol, the Smithsonian Institution and other museums.

I am delighted these students are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Students visiting us Thursday are: Jonathan Abramowitz, Jason Benford, Floyd Brown, Rodney Crawford, Robert Dodd, Brian Fruman, Jason Glasser, Michael Graham, Brian Green, Jonathan Guth, Daniel Hawtof, Stephen Hettleman, Rudolph Holley, David Jacob, Ira Katz, Sharon Brockington, Gloria Davis, Modupeh Davies, Olga Dean, Michellene Deaouvlt, Sotario Dyson, Karen Garber, Danielle Grzbien, Beth Guggenheim, Tina Hager, Lauren Halle, Karen Hendricks, Dawn Rich, Rodney Monk, Gregg Levin, Pam Hameroff, Kevin McMichael, Russell Murray, Rebecca King, Jennifer Koors, Ami Nash, Carol Kennedy, Shelley Millet, Alisa Kahn, Kelly Kennai, Heather Hoover, Paul Levy, Jon Lever, Ben Meisels, Alan Moskowitz, Jason Kotik, Jon Lefko, John Morrow, Jerry Newberger, Tony Magginson, James Ming, Steven Marks, Aaron Lewitinn, David Kaufman, David Lindenbaum, Charles Kines, Saul Tocker, George Uhler, Jason Vitaliano, Duane Wilkinson, Ethan Yankellow, Thomas Ziegler, Tonya Sturdavant, Teresa Sugar, Amy Talbott, Stacy Thaman, Sara Kim Tossman, Michelle Uhlfelder, Lori Wasserman, Marni Wiener, Claudia Weinstein, Lissa Weiss, Aretha White, Amy Yohe, Demian Seely, Jordan Segall, Anthony Shipley, Walter Smith, Allen Siegel, Andrew Siegel, Alexander Shuster, Adam Smolen, Andrew Stern, Marc Sussman, Donald Rice, Daniel Ritzes, David Robinson, Thayer Robinson, Scott Rodman, Daniel Rosen, Michael Rosenblatt, David Russel, Patrick Russell, Eric Rutkin, Steven Sackey, Richard Scherr, Jason Reed, John Pride, Jeffrey Peres, Carey Newborn, Michael O'Sullivan, Heather Landes, Tracey Laws, Darla Lee, Jessica Lintz, Emily Serpick, Marlo Shavers, Julie Snyder,

Elise Song, Jody Spector, Ayelet Steiman, Rosalie Steinberg, and Julie Stonesifer.●

H.R. 6283—USED MOTOR VEHICLE SAFETY ACT OF 1982

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. MADIGAN. Mr. Speaker, today I am introducing the Used Motor Vehicle Safety Act of 1982, a bill which will promote motor vehicle safety by requiring sellers of used cars to make important information available to consumers regarding the condition and safety of used cars that are offered for sale. Unlike the FTC used car rule, which the Energy and Commerce Committee voted to disapprove this morning, this bill really helps the consumer.

The Used Motor Vehicle Safety Act of 1982, amends title I of the National Traffic and Motor Vehicle Safety Act of 1966, to require all sellers of used cars to perform two simple tasks.

First, the seller must disclose information on the present working condition of certain components of the car. A second provision requires the seller to certify the safe operation of selected components of the car. I would like to briefly elaborate on these important requirements.

Section 126(b) requires the seller to disclose to the consumer safety-related information on the present working condition of the tires, engine, battery, and brakes. For comparative purposes, information on the original performance or operation of each component must also be supplied.

Consumers in the used car market are often unsure of the present operating condition of the used car they are buying. The quality of a car's operation is a key factor in making a purchase decision. Sellers know or can easily discover, at minimal cost, the working condition of the car they are selling. Consumers often do not have access to that information. By requiring the seller to furnish the consumer a written disclosure of the condition of the tires, battery, engine, and brakes, this legislation will provide the consumer with better information, which is otherwise difficult to obtain. With this in hand. A consumer will be able to assess, on his own, the value of the car. As a result, he or she can make a more informed purchasing decision.

Since the present working condition of the tires, battery, engine, and brakes also bears directly on the safety of the vehicle, a consumer will be better informed as to the car's safety.

Section 126(c) of the bill requires the seller to certify in writing that the brake system, headlights, horn, steering system, taillights, and tires are in a safe operating condition—in other words the car is roadworthy. By its very nature, the safety certification will insure the consumer that essential safety components are in good working order. Obviously, this will directly promote the safety of used cars sold in the marketplace.

If a consumer should later find that a certified component was not in a safe operating condition at the time of sale and he notifies the seller within 10 working days of sale, he may request the seller to repair or replace the component. In such a case, the seller may choose instead to rescind the sale and return the buyer's money. This remedy available to the consumer will not only promote the safety of used cars but will also give him the ability to enforce the certification requirement by requesting the seller to repair the car.

This bill gives the consumer a further remedy. If the seller elects to repair the component, rather than rescind the sale, and does not do so within 10 working days, section 126(d) permits the buyer to rescind the contract of sale. This will hasten repair by the seller and give the consumer an effective remedy in the event that a seller cannot or will not repair the car.

Section 126(c) incorporates the safety certification into the contract of sale. Any inconsistent statements contained in the contract will be superseded by the certification. The rights given to the consumer by this bill can then be self-enforced by allowing the consumer to sue a seller for civil damages for breach of contract.

A consumer may waive, at his option, the disclosure and certification requirements of the bill. By allowing a waiver, the consumer is free to bargain down the price of the car, knowing that the car is not certified as to its operating condition. These "as is" sales are common in the marketplace. Often a buyer will pay a low price for a car and will undertake repairs himself. The ability of the consumer to engage in such a sale is preserved in this legislation.

The disclosure and certification requirements of the bill may also be enforced by the chief law enforcement official of a State, on behalf of consumers. In the absence of State enforcement, the Secretary of the Department of Transportation may exercise such authority. Since the State or the consumer himself will be the primary enforcers of the bill's requirements, Federal expense and involvement will be minimal.

Existing State law on the disclosure of information and certification by sellers of used cars will not be superseded by the bill, as long as the State law is equal to or more stringent than the bill's requirements. In this way, State law and authority will be respected.

In summary, Mr. Speaker, the Used Motor Vehicle Safety Act of 1982 is a bill which consumers of used cars need. Its requirements are simple, effective, and involve minimal Federal involvement and expense. For these reasons, I strongly urge all my colleagues to join me as cosponsors of this important legislation.●

LEGISLATION TO REOPEN SAN FRANCISCO MINT

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. DREIER. Mr. Speaker, I would like to take this opportunity to introduce legislation to clear up inaccuracies surrounding a fine Government institution which has served this Nation well. I call upon my colleagues to restore the San Francisco assay office to its rightful status as a mint, which, in practice, it has been for over 15 years.

In 1955, San Francisco's coinage operations were shut down after over 100 years of service as a mint due to expansion and modernization of the Denver and Philadelphia Mints. Its services deemed unnecessary, the San Francisco operation was reserved for assay functions. Public Law 87-523, approved July 11, 1962, repealed obsolete laws relating to the mint and changed the San Francisco Mint's designation to that of an assay office.

A critical coin shortage, which developed in the mid-1960's, marked the San Francisco office's return to coin production. Though one section of the Coinage Act of 1965 reiterated the provision on assay functions, it also stated that—

> Until the Secretary of the Treasury determines that the mints of the United States are adequate for the production of ample supplies of coins, its (San Francisco) facilities may be used for the production of coins.

The mint has been producing coins ever since; in 1980 alone, it struck $32,267,900 in dollars and pennies, and over 2 million 1980 proof coin sets.

Correspondence I have received from the numismatically inclined and concerned citizens alike indicates strong feeling in favor of such a change. A southern California newspaper recently exhorted Congress to "restore it officially to the numismatic hall of fame * * * give it back its name as a mint."

In the interest, then, of both numismatic history and the mint's employees, I urge your careful consideration of this legislation.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 6, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 7

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
Savings, Pensions and Investment Policy Subcommittee
To hold joint hearings on S. 2214, providing for incentives to increase the rate of personal savings and investment by increasing the percentage of tax exempt net interest income to 25 percent, making dividend income eligible for the 25 percent exemption, changing the enactment date to 1 year earlier, and eliminating the deductibility of consumer interest expense (with certain exceptions) on a gradual basis; to be followed by the Subcommittee on Taxation and Debt Management holding hearings on S. 2281, proposed Technology Education Act, and S. 1928, proposed M.D.L. 235 Settlement Discounts Tax Act of 1981.
2221 Dirksen Building

9:30 a.m.
Appropriations
Labor, Health and Human Services, Education, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1114 Dirksen Building
Budget
Business meeting, to continue markup of the first concurrent resolution on the budget for fiscal year 1983, setting forth recommended levels of total budget outlays, Federal revenues, and new budget authority.
6202 Dirksen Building
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To hold hearings on S. 1877, S. 1908, S. 1909, S. 1941, and S. 2481, bills providing for the reinstatement and validation of certain U.S. oil and gas leases, S. 2095, directing the Secretary of the Interior to issue a certain oil and gas lease, and S. 2146, extending the lease terms of various Federal oil and gas leases.
3110 Dirksen Building
Joint Economic
To hold hearings on the employment/unemployment situation for the month of April.
2128 Rayburn Building

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
Business meeting, to mark up proposed legislation authorizing funds for environmental research and development programs; and other pending business.
4200 Dirksen Building
Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine adverse drug reactions from immunization, Federal efforts in preventive medicine, and characteristics of certain diseases.
4232 Dirksen Building

MAY 10

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for activities of the Secretary of the Senate, Sergeant at Arms, Architect of the Capitol, and the Congressional Budget Office.
S-128, Capitol

10:00 a.m.
Commerce, Science, and Transportation
To hold hearings on S. 1929, establishing an Interagency Committee on Smoking and Health to coordinate Federal and private activities to educate the public about the health hazards of smoking.
235 Russell Building
Energy and Natural Resources
To hold hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.
3110 Dirksen Building

11:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

1:00 p.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the General Accounting Office, and the Government Printing Office.
S-128, Capitol

2:00 p.m.
Joint Economic
To hold joint hearings with the House Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs on U.S. policy toward the Persian Gulf.
2172 Rayburn Building

MAY 11

8:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.
1114 Dirksen Building

9:00 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
235 Russell Building
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building
Office of Technology Assessment
The Board, to hold a general business meeting.
H-139, Capitol

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Judiciary.
S-146, Capitol
Foreign Relations
To hold hearings on nuclear arms reduction proposals.
4221 Dirksen Building
Governmental Affairs
Intergovernmental Relations Subcommittee
To resume oversight hearings on the implementation of block grants.
357 Russell Building
Labor and Human Resources
To hold oversight hearings on the Department of Labor's investigation of alleged abuses with the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building
Labor and Human Resources
Aging, Family and Human Services Subcommittee
To hold hearings on the extended family.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Institute of Building Sciences, Federal Home Loan Bank Board, and National Credit Union Administration.
1224 Dirksen Building
Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building
Armed Services
To hear and consider the nomination of General John W. Vessey, Jr., Army of the United States (major general, U.S.

Army), to be Chairman of the Joint Chiefs of Staff.
1202 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on Latin America regional, Asia regional, Africa regional and the Sahel development programs.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for programs which fall within the jurisdiction of the subcommittee, receiving testimony from public witnesses.
1318 Dirksen Building

Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

MAY 12

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up S.2367 and S.2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation.
5302 Dirksen Building

Judiciary
To hold hearings on S.675 and S.1530, bills establishing a Commission to study the jurisdiction of Federal and State courts and to make recommendations with respect to revision of Constitution and Federal law.
357 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings on Communist bloc intelligence activities on Capitol Hill.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.
4232 Dirksen Building

2:00 p.m.
Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds, and Office of Management and Budget Circular A-98, relating thereto.
3302 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold organizational business meeting.
301 Russell Building

MAY 13

9:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building

*Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.
5302 Dirksen Building

Small Business
Business meeting, to consider pending calendar business.
424 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

Governmental Affairs
Congressional Operations and Oversight Subcommittee
To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.
3302 Dirksen Building

1:30 p.m.
Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for territorial affairs of the Department of the Interior.
1114 Dirksen Building

Judiciary
To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.
2228 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.
1223 Dirksen Building

Foreign Relations
To hold hearings on the nomination of Robert Anderson, of the District of Columbia, to be Ambassador to the Dominican Republic.
4221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

MAY 14

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.
S-128, Capitol

10:00 a.m.
Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 18

9:30 a.m.
*Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.
235 Russell Building

*Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the De-

partment of Housing and Urban Development.
1224 Dirksen Building

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on Federal property management and disposal.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
1223 Dirksen Building

MAY 19

9:30 a.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Select on Indian Affairs
To continue oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

MAY 20

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.
235 Russell Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.
3302 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural, Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings on S. 1844, permitting the development of coal pipelines as part of the national energy transportation and distribution system.
3110 Dirksen Building

MAY 21

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

MAY 24

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Foreign Relations
Business meeting, to mark up certain nuclear arms reduction proposals.
4221 Dirksen Building

MAY 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

10:00 a.m.
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

MAY 27

10:00 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environment Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

JUNE 17

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.
5110 Dirksen Building

SEPTEMBER 21

10:30 a.m.
Veterans Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

MAY 6

9:30 a.m.
Select on Indian Affairs
Business meeting, to consider pending calendar business.
6226 Dirksen Building

MAY 10

10:00 a.m.
Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 6, 1982*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

On this National Day of Prayer we express our thanksgiving, O God, for the rich blessings that have been bestowed upon our Nation. We praise Your name, O Almighty God, that Your providence has lead us, strengthened us, and nurtured us in years past. As You have created all people in Your image, so You have created us to be filled with Your spirit and do the works of righteousness and peace. As we meet the trials and opportunities of our generation we earnestly pray that You would continue to shower Your blessings upon this Nation and upon all people, that we, being open to Your Word, may continue to build on those spiritual traditions that are our heritage. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. LEVITAS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appear to have it.

Mr. LEVITAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 352, nays 15, not voting 65, as follows:

[Roll No. 59]

YEAS—352

Addabbo	Bailey (MO)	Blanchard
Albosta	Bailey (PA)	Bliley
Alexander	Barnard	Boggs
Anderson	Beard	Boland
Andrews	Bedell	Bonior
Annunzio	Bellenson	Bonker
Anthony	Benjamin	Bouquard
Applegate	Bennett	Bowen
Archer	Bereuter	Breaux
Atkinson	Bethune	Brinkley
Badham	Bevill	Brodhead
Bafalis	Bingham	Brooks
Broomfield	Gingrich	Mavroules
Brown (CA)	Glickman	Mazzoli
Brown (CO)	Gonzalez	McClory
Broyhill	Gore	McCloskey
Burgener	Gradison	McCollum
Burton, Phillip	Gramm	McCurdy
Butler	Gray	McDade
Byron	Green	McEwen
Campbell	Gregg	McGrath
Carman	Guarini	McHugh
Carney	Gunderson	McKinney
Chappell	Hagedorn	Mica
Chappie	Hall (OH)	Mikulski
Clausen	Hall, Ralph	Mineta
Clinger	Hall, Sam	Minish
Coats	Hamilton	Mitchell (NY)
Coelho	Hammerschmidt	Moakley
Coleman	Hance	Moffett
Collins (IL)	Hansen (ID)	Molinari
Collins (TX)	Hansen (UT)	Montgomery
Conte	Hartnett	Moore
Conyers	Hawkins	Moorhead
Corcoran	Heckler	Morrison
Coughlin	Hefner	Mottl
Coyne, William	Heftel	Murphy
Craig	Hendon	Myers
Crane, Daniel	Hertel	Napier
Crockett	Hightower	Natcher
D'Amours	Hiler	Neal
Daniel, Dan	Hillis	Nelligan
Daniel, R. W.	Holland	Nelson
Dannemeyer	Hollenbeck	Nichols
Daschle	Holt	Nowak
Daub	Hopkins	Oakar
Davis	Horton	Oberstar
de la Garza	Howard	Obey
Deckard	Hoyer	Oxley
DeNardis	Hubbard	Parris
Derrick	Huckaby	Pashayan
Dicks	Hughes	Patman
Dingell	Hunter	Patterson
Dixon	Hutto	Paul
Dorgan	Hyde	Pease
Dornan	Ireland	Pepper
Dougherty	Jeffords	Perkins
Dowdy	Jeffries	Peyser
Downey	Jenkins	Pickle
Duncan	Johnston	Porter
Dunn	Jones (OK)	Price
Dwyer	Kastenmeier	Pritchard
Dymally	Kazen	Pursell
Dyson	Kennelly	Quillen
Eckart	Kildee	Rahall
Edgar	Kindness	Railsback
Edwards (CA)	Kogovsek	Ratchford
Edwards (OK)	Kramer	Regula
Emerson	LaFalce	Reuss
Emery	Lagomarsino	Rhodes
English	Lantos	Richmond
Erdahl	Leach	Rinaldo
Erlenborn	Leath	Ritter
Evans (DE)	LeBoutillier	Roberts (KS)
Evans (GA)	Lee	Roberts (SD)
Fary	Lehman	Robinson
Fascell	Leland	Rodino
Fazio	Lent	Roe
Fenwick	Levitas	Rogers
Ferraro	Lewis	Rosenthal
Fiedler	Livingston	Rostenkowski
Fields	Loeffler	Roth
Findley	Long (LA)	Roukema
Fish	Long (MD)	Rousselot
Fithian	Lowery (CA)	Rudd
Flippo	Lowry (WA)	Russo
Florio	Lujan	Sawyer
Foley	Luken	Scheuer
Ford (TN)	Lundine	Schneider
Fountain	Lungren	Schulze
Fowler	Madigan	Schumer
Frenzel	Markey	Seiberling
Frost	Marlenee	Sensenbrenner
Fuqua	Marriott	Shamansky
Gaydos	Martin (NC)	Shannon
Gephardt	Martin (NY)	Sharp
Gilman	Matsui	Shaw
Shelby	Stokes	Weiss
Shumway	Stratton	White
Shuster	Studds	Whitehurst
Simon	Stump	Whitley
Skeen	Swift	Whittaker
Skelton	Synar	Whitten
Smith (AL)	Tauke	Winn
Smith (IA)	Tauzin	Wirth
Smith (NE)	Taylor	Wolf
Smith (NJ)	Thomas	Wolpe
Smith (OR)	Traxler	Wortley
Snowe	Udall	Wright
Snyder	Vento	Wyden
Solarz	Volkmer	Wylie
Solomon	Walgren	Yatron
Spence	Wampler	Young (FL)
St Germain	Watkins	Young (MO)
Stangeland	Waxman	Zablocki
Stark	Weaver	Zeferetti
Staton	Weber (MN)	
Stenholm	Weber (OH)	

NAYS—15

Barnes	Goodling	Roemer
Clay	Harkin	Sabo
Dickinson	Jacobs	Schroeder
Forsythe	Miller (OH)	Walker
Gejdenson	Mitchell (MD)	Yates

NOT VOTING—65

Akaka	Evans (IA)	Mollohan
Aspin	Evans (IN)	Murtha
AuCoin	Foglietta	O'Brien
Benedict	Ford (MI)	Ottinger
Biaggi	Frank	Panetta
Bolling	Garcia	Petri
Boner	Gibbons	Rangel
Brown (OH)	Ginn	Rose
Burton, John	Goldwater	Roybal
Cheney	Grisham	Santini
Chisholm	Hatcher	Savage
Conable	Jones (NC)	Siljander
Courter	Jones (TN)	Smith (PA)
Coyne, James	Kemp	Stanton
Crane, Philip	Latta	Trible
Dellums	Lott	Vander Jagt
Derwinski	Marks	Washington
Donnelly	Martin (IL)	Williams (MT)
Dreier	Mattox	Williams (OH)
Early	McDonald	Wilson
Edwards (AL)	Michel	Young (AK)
Ertel	Miller (CA)	

□ 1115

So the Journal was approved.

The result of the vote was announced as above recorded.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries, who also informed the House that on April 28, 1982, the President approved and signed a joint resolution of the House of the following title:

April 28, 1982:

H.J. Res. 448. Joint resolution to authorize and request the President to issue a proclamation designating April 25 through May 2, 1982, as "Jewish Heritage Week."

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

The message also announced that the Senate had passed joint resolutions and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 131. Joint resolution designating "National Theatre Week";

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day";

S.J. Res. 182. Joint resolution to designate January 1983 as "National Snowmobiling Month";

S.J. Res. 189. Joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day"; and

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO SIT TODAY DURING DEBATE AND CONSIDERATION OF LEGISLATION

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be granted permission to sit during the debate and consideration of legislation this afternoon.

The SPEAKER pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Wisconsin?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman assure us that there will be no markup of any important legislation, or is the committee just having hearings?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. We are in the markup stage. As the gentleman from California knows, all authorizing committees must complete their consideration and markup of authorizing legislation by May 15, and if we are going to meet that deadline, I would hope the gentleman would not object.

Mr. ROUSSELOT. Further reserving the right to object, as the distinguished chairman knows, this legislation is very important that we are bringing up here today because we have been told so.

Is the gentleman sure he wants his members to miss all of this important debate?

Mr. ZABLOCKI. I am sure that the members of the Foreign Affairs Committee will not miss much of this important debate even if they do not stay in the committee.

Mr. ROUSSELOT. I see.

On the basis of that explanation, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CLEAN AIR ACT

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS of California. Mr. Speaker, it is my pleasure to join with my distinguished colleagues today in voicing our strong support for an extension of the Clean Air Act. I want to be quite clear here in stating my total objection to H.R. 5252, a bill which would roll back hard-won protections for public health and which ignores the overwhelming public desire for strict smog control.

Every public opinion poll indicates the public's strong support for tougher regulations to combat pollution. A Harris poll released earlier this week showed that 83 percent of the public support a stronger Clean Air Act. Yet, H.R. 5252 will freeze or reverse the progress we, as a Nation, have made toward clean, healthy air over the past decade.

My colleague from southern California, HENRY WAXMAN, has led the fight for cleaner air. He has attempted to streamline some of the more cumbersome provisions of the act, while extending the act's protection to include pollution from acid rain and hazardous pollutants. His efforts deserve our thanks and our support.

The Clean Air Act is not only sound environmental policy but sound economic policy and should not be relaxed, as some suggest. It would be a disservice to our country and a hypocrisy of the House of Representatives to attempt to portray H.R. 5252 as anything else than it really is, the Dirty Air Act of 1982.

MOTHER'S DAY

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as everyone knows, this weekend is Mother's Day and I want to just focus on a couple of things.

So often we forget why Mother's Day was started. It was started by a woman named Anna Jarvis, and the reason she started it was she was very concerned that we, as adult children, forgot about the plight of our elderly parents. It has since gotten blown up and expanded in many ways. The commercialization now focuses us much more on "wants" than on "needs" of our mothers. Her desire was we use the day to focus on needs.

Today, almost 40 women's groups released a study of the needs of women and how they have not been addressed in the Reagan budget. It is called "Inequity of Sacrifice: The Impact of the Reagan Budget on Women." The report focused on how women and children were the ones who bore the heaviest brunt of the last Reagan budget cuts and we hope that people will read the report and the next budget will be much fairer.

I hope every Member gets a copy of the analysis of the Reagan budget. It is excellent and it is very, very well documented.

We must work to have Government focus on needs and not wants. Cards and chocolates will not sweeten up the neglect of women in the budget again this year.

I also think everyone who is a parent in America today has to be agonizing for the parents in Argentina and the parents in Great Britain who are looking once again at how the world's political processes have failed and their young 18-year-olds are being sent off to war. Let us pray for a cease-fire and an end to the watery deaths.

WHITE HOUSE IS BACK TO POLITICS AS USUAL

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, the White House is back to politics as usual. Two days ago, the President urged his party members forward into a cynical attack on the Democratic opposition. The new strategy is to blame the opposition for the recession, and credit Republicans for progress on inflation. However, the Republicans cannot have it both ways. They cannot claim credit for one aspect of the economy and disavow responsibility for other aspects of the economic situation.

That strategy must have a curious effect on nearly 9 million Americans whose only profit from Reaganomics has been lower priced products to buy with their unemployment benefits.

The public is not interested in this latest, self-serving strategy of the President. There is no interest around the country in electioneering, in cutting political losses, or in blaming Democrats for the failures of fancy economic formulas.

The interest is in results—measured in human terms, not political terms. The interest is in jobs, in affordable housing and automobiles, and in lower deficits.

□ 1130

INTRODUCTION OF NATIONAL CRUDE OIL PROFIT-SHARING ACT OF 1982

(Mr. WOLPE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLPE. Mr. Speaker, today, I and Congresswoman CLAUDINE SCHNEIDER, together with our colleagues BOB EDGAR, JIM JEFFORDS, JIM OBERSTAR, and MARY ROSE OAKAR, are introducing "The National Crude Oil Profit-Sharing Act of 1982."

While the product of a northeast-midwest coalition task force, we believe that this legislation will have as much significance and appeal for a California or a Georgia as for a Michigan or a Rhode Island.

The central premise of our bill is that the basic energy resources of this country—oil, coal, and natural gas—should be viewed as American resources, and that the benefits derived from the taxation of these resources should be enjoyed by all of America, not just by the petroleum industry or by those States who, by geological chance, find these resources within their borders.

Our legislation addresses simultaneously three of the most critical problems confronting the American economy. First, it would generate substantial new Federal revenues to reduce the soaring Federal deficits by establishing a National Crude Oil Profit-Sharing Tax.

Second, 25 percent of the revenue from the new tax would be used to establish an economic development and energy block grant program to revitalize our aging industrial base, assist local government in restoring infrastructure systems, and encourage energy-efficiency improvements and the utilization of renewable energy technologies.

Third, it would attack the growing fiscal disparities between a handful of States that are net energy producers and the vast majority of States that are net energy consumers.

We hope that this legislation will be considered very seriously by the Members of this body. A fuller explanation of the bill will shortly appear in the CONGRESSIONAL RECORD.

THE HOUSING STIMULUS BILL

(Mr. PATTERSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PATTERSON. Mr. Speaker, next week it appears that the Members of this House will have an opportunity to cast their votes for a 1982 housing stimulus bill. I wish to take this opportunity to commend the leadership for its efforts in cutting through the procedural jungle in an effort to make this happen.

I wish also to commend my colleagues on the other side of the aisle, without whom this could not have been achieved.

I wish to commend the Housing Subcommittee, which by a 23-to-4 vote has approved the legislation in question.

The fact of this cooperation from the leadership, from the other side of the aisle and from the Housing Subcommittee on a bipartisan basis has come about because of the great urgency and need for housing. This will be our one chance to give the economic recovery stimulus we must have this year. The need for housing is now. Thousands of families will be able to achieve the American dream of homeownership. Approximately 140,000 jobs will be created—jobs urgently needed in an industry with over 20 percent unemployment.

The housing industry infrastructure that has to be there to build needed homes—one-half of whom are near going out of business today—will be revitalized by these efforts. The housing stimulus bill is needed right now to provide more housing, more jobs, and economic recovery. The $1 billion for this year will generate $950,000,000 new Federal revenues, and build 75,000 new homes for waiting American families who will be able to buy because of this act.

We need the support of all Members of this House to cast their votes next week for the 1982 housing stimulus bill. It may be our first and last chance to achieve the kind of housing legislation our American economy needs this fiscal year.

EXXON ABANDONS COLONY OIL SHALE PROJECT IN COLORADO

(Mr. KOGOVSEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KOGOVSEK. Mr. Speaker, by now we are all aware of the recent decision by the Exxon Corp. to abandon its activities on the colony oil shale project in Colorado. This came as a complete surprise and shock to most of us. We are not seeing the light at the end of our energy tunnel. Nor is all well in Camelot, as I was told during my recent trip to the shale tracts. The cooperative effort between industry and Government that was hailed as a necessity in 1979 is no longer seen, and this recent event is a clear demonstration that industry cannot mitigate the impacts and develop the technology alone. We cannot afford to be lulled back to sleep in our fight for energy independence. Otherwise, the "boom" and "bust" will be with us for a long, long time.

Now that everyone is analyzing the situation, we hear a lot about how much Tosco will make and Exxon will lose. But will anyone take the time to analyze the fact that this country is still dependent on foreign oil? Will anyone make a concerted effort to ease the "bust" in Colorado, or help see that this does not happen again in our country?

Let us face it, nuclear, solar, and synfuels are in trouble, and our national commitment to these developments, particularly synfuels, still makes sense. Government must play an active and progressive role. Because if it does not, our children's children will be seeing the same "boom" and "bust" that we have just witnessed. And the sad thing is that we will still be dependent on foreign oil.

WORLD CUP CHAMPIONS

(Mr. WEBER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEBER of Ohio. Mr. Speaker, it is my pleasure to speak about a U.S. victory over Russia in athletic combat.

We all remember the excitement and pride we shared 2 years ago when the U.S. hockey team beat the Soviet Union and went on to win the gold medal in the 1980 Winter Olympics.

As those who will be watching network television on Saturday will know, similar heroics recently occurred in my home district of Toledo, Ohio, where the U.S. wrestling team defeated a tough Soviet team and captured the 10th annual World Cup of International Wrestling.

I salute the U.S. coach, Dan Gable, and all of the wrestlers and assistant coaches of the U.S. team for their fine victory and strong spirit, the result of long hours of hard work and discipline. The new World Cup champions deserve our recognition as worthy representatives of the United States in this international competition.

APPALLING LACK OF LEADERSHIP ON URGENT SUPPLEMENTAL APPROPRIATION

(Mr. LIVINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Speaker, the lack of leadership evidenced by the failure to bring the urgent supplemental appropriation bill up for consideration is appalling. We must allow this Chamber to work its will.

Yesterday, the gentleman from Massachusetts (Mr. CONTE) informed this body of the consequences that will follow if we do not act on this bill immediately. The failure to allow this body to do its duty and meet the responsibilities of Congress constitutes gross negligence. In the process, the

safety of millions of inhabitants of the lower Mississippi River region is imperiled.

Mr. Speaker, the urgent supplemental appropriation bill contains $17 million for the Coast Guard, a portion of which will enable the Coast Guard to reopen three very important vessel traffic system stations in New York, San Francisco, and New Orleans.

The VTS station in New Orleans assists in marine traffic monitoring and traffic control for the entire lower Mississippi River from Baton Rouge to the Gulf of Mexico. This area includes hundreds of miles of tributaries as well as the intercoastal waterway. If we do not act before next Monday, May 10, the remaining personnel currently on standby at the New Orleans VTS station will be transferred to other duties. The Coast Guard assures me that once this occurs it would take at least 6 months for the VTS station to reach a 45-percent level of operational capability once funding is restored after May 10.

To reach 100 percent operational capability will take an entire year. The Coast Guard has already delayed these impending transfers once, and without some sign of action from this body they will not grant another delay.

By keeping this station closed we continue to subject residents of this region to the possibility of grave environmental danger, and even bodily injury. Since the VTS station was put on standby last March 15, we have already experienced a collision resulting in a 4,000-gallon oilspill in the Mississippi River, the prime drinking water source for millions of people.

Over 167 million tons of cargo carried by 14,000 vessels pass through the lower Mississippi River and its tributaries annually. A large amount of tonnage that passes through these waters is of hazardous nature because of the numerous petrochemical plants that are located along the river.

Mr. Speaker, allow this body to work its will. Do not hold American citizens, and the vital services upon which they depend, hostage to a congressional procedural fight over which they have no control.

NATIONAL ORCHESTRA WEEK

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, we will soon be considering House Joint Resolution 375, a resolution to designate the week beginning June 13, 1982, as "National Orchestra Week."

This is a just and fitting tribute to our Nation's 1,572 symphony and chamber orchestras. We are fortunate indeed to have not only the largest number of orchestras in the world, but also some of the finest.

In addition to providing entertainment and inspiration through their performances, America's orchestras provide their communities with a broad range of services such as education programs, regional and national tours, free park concerts, small ensemble performances, and other special activities.

Last year, as a result of these activities, more than 23 million Americans attended orchestra concerts, and millions more heard performances on radio, television, records, and tapes. This interest and support is great commentary on our Nation and an indication of the importance placed on the broad dissemination of culture.

Herbert Spencer, the philosopher said, "Architecture, sculpture, painting, music and poetry, may truly be called the effervescence of civilized life." But, "Music," he added, "must take rank as the highest of the fine arts—as the one which, more than any other, ministers to human welfare."

I urge all of my colleagues to support this tribute to our Nation's symphony and chamber orchestras.

ATTEMPT TO TORPEDO EVANS-CORCORAN AMENDMENT ON HOUSING LEGISLATION

(Mr. CORCORAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORCORAN. Mr. Speaker, according to rumors which I heard late yesterday and an article which appeared in this morning's Washington Post, I understand that you and the majority leader, JIM WRIGHT, have engineered an agreement which would torpedo the so-called Evans-Corcoran amendment in favor of housing legislation to be introduced by members of the Democratic Party.

Mr. Speaker, after more than 5 weeks of trying to get consideration of our housing amendment, which would transfer funds from the Synthetic Fuels Corporation for housing purposes to the Department of Housing and Urban Development, you probably think I am outraged by this news.

Mr. Speaker, you are wrong. I am simply disappointed in your leadership, but not surprised.

Mr. Speaker, I do not quarrel with the proposed housing amendment as I understand it, except in one fundamental respect—the source of funds. I think the source of money for the emergency housing initiatives ought to come from the already authorized and appropriated funds of the Synthetic Fuels Corporation. And I would hope that when the Rules Committee meets to reconsider its position on the rule for the urgent supplemental appropriations bill, as a matter of fairness you would give us the opportunity to offer our amendment in order that the House of Representatives can decide whether we put new funds into housing programs or use already appropriated money from the Synthetic Fuels Corporation.

NATIONAL DAY OF PRAYER

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, it is appropriate for us to take a few moments to note that this has been proclaimed National Day of Prayer by President Reagan.

One of the first actions of the Continental Congress in 1774 was to proclaim the first Thursday in May as a day for fasting and public prayer across the entire Thirteen Colonies.

When the Continental Congress met, the first question they debated was, "Shall we begin with prayer?"

The question was hotly debated. Then, as now, the Congress was filled with men of strongly held opinions.

Finally, Sam Adams, who was the "father of the American Revolution," arose and said:

> I am not a bigot. I am willing to listen to a prayer from any gentleman of piety and virtue, if he is also a friend of our country.

His statement of tolerance and respect settled the debate. A clergyman was quickly sent for, and he became the first Chaplain of the American Congress.

Later the Delegates to the Continental Congress decided that it would be a positive step to proclaim a day of prayer for all the people of the Thirteen Colonies.

Proclamations were issued in words that ring true to followers of the Christian, Jewish, Muslim, Hindu, Buddhist and other world faiths. On the first Thursday in May in the year 1775, the men and women who were to fight in our war for independence gathered together in public prayer.

The resultant public celebration set a tone for religious tolerance and respect that has been preserved in this country. The sense of spiritual unity which was created has guided our Republic through times of trouble during the past 207 years.

Our practice as a nation praying together, relating faith and events, has created bonds of tolerance that have prevented the violent religious conflicts which periodically wrack other countries.

In the fall, we all offer thanksgiving for the fruits of the harvest and the blessings which have been showered upon this country. In the spring, it is appropriate that we offer a day of prayer to rededicate ourselves and our

Nation to the ideals and principles which hold us together.

EVANS-CORCORAN HOUSING INITIATIVE GIVES MEMBERS A REAL CHOICE

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, lately I have stood in this well and asked you to schedule the urgent supplemental, so that I could offer an amendment to assist our hard-pressed housing industry, and help Americans buy homes.

The amendment I intended to offer with the gentleman from Illinois (Mr. CORCORAN) would have transferred funds from the Synfuels Corporation, which subsidizes major oil companies, and put it into a program to stimulate our housing industry—an industry that impacts on millions of people across the country.

Our plan attracted so many of my colleagues on the other side of the aisle that the majority leadership figured they needed their own approach.

Typically, their new plan will simply appropriate new funds to put into housing assistance. This approach from the born-again budget balancers in the House leadership adds to the deficit and does not reduce subsidies to Mobil, Tenneco, and the rest.

Mr. Speaker, the Evans-Corcoran housing initiative gives Members a real choice—subsidizing big oil, or helping Americans buy homes. I urge my colleagues to reject budget-busting bailouts that will only worsen the already bloated deficit and push up interest rates; and support our initiative by defeating the previous question on the rule for the urgent supplemental.

NATIONAL NURSES RECOGNITION DAY

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, last year I introduced a bill which became law, declaring today May 6, 1982, as National Nurses Recognition Day. On this day, across the country ceremonies and events are being held to commemorate the tens of thousands of people who are engaged in this necessary and dedicated profession.

One week from today the Vice President will honor America's nurses with a ceremony in his office. Participating will be Mrs. Carol Lewis, a nurse from Albuquerque, N. Mex., who initiated the concept of a National Nurses Recognition Day, also Mrs. Barbara Nichols of Madison, Wis., who is the president of the American Nursing Association, and Brig. Gen. Hazel W. Johnson, Chief of the Army Nursing Corps, who will represent the thousands of Army, Navy, and Air Force nurses who have served so valiantly throughout our history.

The nursing profession plays a major role in our health care industry in their ability to provide medical services in concert with the physician and in many instances reduce cost by freeing physicians's time. The nursing profession has been significant in helping us to provide quality health care at reasonable cost to the general public.

I have just recovered from a minor surgical operation and can attest to the first class professionalism of these very important people.

It is fitting that we honor these dedicated men and women who are and have been a major part of the finest medical system in the world.

Mr. Speaker, I ask my collegues to join with me today in saluting these fine people on National Nurses Recognition Day.

ACID RAIN

(Mr. GREGG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREGG. Mr. Speaker, last night and yesterday in New Hampshire the rain fell. It was a rain which had an acidity level of approximately 4.1. That is just a little bit higher than orange juice. The effect of that acid rain is that it is killing the aquatic life in New Hampshire.

Studies have shown it is not only killing the aquatic life in New Hampshire. It is killing the aquatic life in Canada. Close to 10,000 lakes in Canada have been identified as dead. Close to 2,000 lakes in northern New England and New York are identified as dead.

Furthermore, a recent study by a major forest products corporation in Canada concluded, that as a result of acid precipitation, we have seen a significant reduction in forest growth. There is also the distinct possibility that acid precipitation is affecting the growth agricultural products.

Further, we know for a fact that we are having to treat the reservoirs in New England in order to neutralize the acidity of those lakes so they will not impact adversely the health of New England citizenry.

The National Academy of Sciences, the foremost force in American science, has concluded that the overwhelming circumstantial evidence points out that acid rain is related to emissions from utility plants in the Midwest.

We must move, and we must move positively, on the issue of acid rain. I think the time has come for this Congress to stop giving the issue lip service and to address it with tough language in the Clean Air Act.

PRESERVE THE CLEAN AIR ACT

(Mr. DENARDIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. DENARDIS. Mr. Speaker, Clean Air Week gives us the opportunity to recognize the accomplishments of the single most effective piece of environmental legislation ever passed. The Clean Air Act of 1970 is a successful and popular law which has made our Nation a cleaner and healthier place to live.

We must not rest on our laurels, however. We have had a great start but must continue to fight to maintain and improve the quality of our country's air. As a cosponsor of House Resolution 252, the "Commitment to the Clean Air Act Resolution of the 97th Congress," I strongly encourage the Energy and Commerce Committee to report a bill that will maintain the spirit of the original clean air legislation. Rather than retreat and ignore over a decade of progress, we must preserve the Clean Air Act where it has worked well, simplify it where it has been unduly complex, and strengthen it in areas we have failed to address in the past.

In deliberating over the details of this vital issue, we must keep in mind that the quality of life of future generations in our great country depends on the action we take now. Let the celebration of Clean Air Week start us on our course of providing a healthy tomorrow for our children.

SHELL GAME ON HOUSING AID

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I would hope that the members of the press who are covering the progress on the Evans-Corcoran housing bill will report the fact that the alleged funds that are to be transferred from the Synfuels Corporation are simply budget authority funds. On the surface, it appears from this action that efforts are being made to transfer funds that already exist from the Synfuels Corporation to assist the ailing housing industry when, in effect, no funds have been appropriated for outlays, which means that the $1 to $2 billion which would be appropriated under Evans-Corcoran would add that much to the deficit. There is, therefore, no money available for this transfer, and what we actually have here is a shell game to try to confuse the public.

I would hope that the members of the press who are following this shell game will look under the shell to see what is there in order that the public might be advised.

PRESIDENT HAS NO MANDATE FROM SENIOR CITIZENS

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, last Thursday, April 29, I was asked to speak to a group of senior citizens from my district. I spoke to a group of approximately 3,000 seniors gathered together in Hilo on the big island of Hawaii. These elderly citizens were concerned about the prospect of what Reaganomics will do to them and to the quality of their lives. These seniors told me that they were very happy with the programs which were designed and implemented for them. These senior citizens came to meet with me in Hilo to let me know that the policies of the Reagan administration spell economic and social disaster for them.

Present at that meeting were panelists and experts who spoke to problems faced by senior citizens both across this Nation and in Hawaii. Housing, medicare, legal aid services, and the future of social security were some of the issues discussed during that 2-day session.

Before I left that meeting, I was presented with a petition of over 3,000 signatures. I was asked to deliver that scroll personally to the President of the United States. I was asked to let the President know that the senior citizens of Hawaii are concerned about their welfare under his program of "economic recovery." I was asked to represent the will and views of my constituents. I was asked to bring proof positive to the President that he does not have the mandate of the 3,000 seniors from Hawaii who signed that petition. Being a Democrat, I doubt that the President will see me. Nonetheless, I want to share this petition with you.

This is what the petition said:

PETITION TO THE PRESIDENT

As members of Society, we, the undersigned, have come to recognize that adequate income, health care, housing, and other staples of life will be available to older people only if a national effort is maintained in mobilizing resources. Over the past 45 years, we have steadily worked toward the achievement of this national effort to meet basic needs for survival.

The elderly know what it takes to survive having endured the crash of 1929, and the depression that followed, having fought World War II, and having supported successive generations through wars, revolutions, and recessions. We knew the deprivations of the aged prior to the social legislation that gave hope to the elderly and served as a catalyst for the development of the Social Security, Medicare, Medicaid, Food Stamps, Legal Services, Older Americans Act, Housing, and other vital programs.

We now see these programs dwindle away as you try to get your FY 1982-83 budget proposal passed. We are losing hope for a future that we had always looked forward to. We, therefore, urge you to reconsider your proposed budget plan which will, in effect, reduce income maintenance, Social Security, and human service programs which we truly need.

Mr. Speaker, I urge my colleagues to listen to the voice of my people when the President's budget is considered. We cannot, and should not, sacrifice the very welfare of our Nation's elderly population on the altar of political expediency.

I urge my colleagues to make sure that we do not abandon our Nation's elderly in an effort to reduce the size of our deficit. To abandon our senior citizens would be unforgivable.

CROPS SUFFERING FROM AIR POLLUTION

(Mr. BEDELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEDELL. Mr. Speaker, as the Energy and Commerce Committee resumes markup of the amendments to the Clean Air Act I wanted to bring to the attention of my colleagues the mounting evidence indicating that crop yields are suffering as a result of air pollution. In the view of one study done by the National Academy of Sciences, air pollution is considered "an unwitting constraint on agricultural production efficiency."

Specifically, a recent study by the National Crop Loss Assessement Network, a research program funded in part by the U.S. Environmental Protection Agency, showed that ozone alone is cutting the yield of corn, wheat, soybeans, and peanuts by about $3.1 billion annually—a tenth of the total value of these four crops. Furthermore, the loss could be even greater if other pollutants were included in this study.

This finding is but one of a number of studies that point to the need for a strong Clean Air Act that addresses ambient air quality standards. Discussion addressing the present regulations for ambient air quality standards often consider the economic and social implications of the act but seldom is the economic and social implications of another industry—agriculture—discussed.

I urge my colleagues to review the Library of Congress issue brief "Agriculture: Impact of Air Pollution." This brief raises the issue of air pollution as it affects agriculture and is critical as we continue to address the reauthorization of the Clean Air Act.

PRIVILEGES OF THE HOUSE—PROVIDING FOR CONSIDERATION OF H.R. 5922, URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. LOTT. Mr. Speaker, I rise to a question of privilege.

Mr. Speaker, pursuant to clause 4(c) of House rule XI, I call up House Resolution 415 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 415

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, and the provisions of section 311(a) of the Congressional Budget Act of 1974. (Public Law 93-344) are hereby waived only against the initial consideration of said bill in the House: *Provided, however*, That it shall be in order, when each of the following paragraphs of the bill is read, and before debate thereon or amendment thereto, to make a point of order that the paragraph contains new budget authority for fiscal year 1982 which would cause the appropriate level of total new budget authority or total budget outlays set forth in the second concurrent resolution on the budget for fiscal year 1982 (S. Con. Res. 50) to be exceeded in a manner which would be proscribed by section 311(a) of the Congressional Budget Act if such paragraph were considered as a separate bill, and if the Chair sustains any such point of order the paragraph in question shall be stricken from the bill without further action of the House: page 4, lines 1 through 4 ("Special Institutions-Howard University"); page 4, lines 5 through 12 ("Related Agencies—Action—Operating Expenses, Domestic Programs"); page 10, lines 1 through 9 ("Bureau of Alcohol, Tobacco and Firearms—Salaries and Expenses"); page 11, lines 3 through 6 ("Department of Commerce—General Administration—Salaries and Expenses"); page 11, lines 7 through 12 ("Economic Development Administration—Salaries and Expenses (Transfer of Funds)"); and page 11, lines 13 through 16 ("National Oceanic and Atmospheric Administration—Operations, Research, and Facilities"). During the consideration of said bill, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived: beginning on page 2, lines 4 through 10; beginning on page 2, lines 11 through 17; beginning on page 2, lines 18 through 24; beginning on page 3, lines 8 through 15; beginning on page 4, line 16 through page 7, line 10; beginning on page 7, lines 11 through 18; beginning on page 7, line 20 through page 8, line 8; beginning on page 9, lines 3 through 6; beginning on page 9, lines 12 through 16; beginning on page 10, lines 10 through 13; and beginning on page 12, lines 12 through 21.

□ 1200

The SPEAKER. The gentleman from Mississippi is recognized for 1 hour.

Mr. LOTT. Mr. Speaker, I yield, for the purposes of debate only, the usual 30 minutes to a majority member of the Rules Committee should the majority choose to use its time, but reserve to myself the balance of that time not used by the majority.

Pending that, I yield myself such time as I may consume.

Mr. LOTT. Mr. Speaker, I have invoked this rarely used procedure because of the critical nature of the funding included within the urgent supplemental appropriations bill and the need to proceed to its consideration without further delay.

It has been more than 6 weeks since the Appropriations Committee reported the urgent supplemental for fiscal year 1982. During these 6 weeks, the majority leadership has repeatedly delayed its consideration, while the funding for many critical programs has been almost exhausted. The consequences of further delay would be disastrous. Without immediate action on this supplemental, thousands of personnel will be laid off, the guaranteed student loan program will shortly run out of money, and other critical functions will cease, including the processing of sorely needed social security checks.

Mr. Speaker, House Resolution 415 provides for consideration of the urgent supplemental appropriations in the Committee of the Whole under the 5-minute rule with general debate to be determined by unanimous consent prior to resolving into the committee.

The rule reported by the Rules Committee waives section 311 of the Budget Act for certain provisions of the bill. Points of order against paragraphs in the bill which are not protected under the rule will be in order prior to debate on such paragraphs. If the Chair sustains points of order against these provisions, they will be stricken from the bill without further House action.

(Note.—Section 311 of the Budget Act prohibits the consideration of any bill, resolution, or amendment which provides new budget authority or outlays which exceed the ceilings established in the current budget resolution.)

The rule also waives clause 2 (which prohibits unauthorized appropriations and legislation on general appropriations bills) and clause 6 (which prohibits reappropriations of funds) of Rule 21 against certain provisions in the bill.

While the rule waives points of order against provisions in the bill itself, it does not restrict nor does it prohibit amendments. Therefore, H.R. 5922 will be considered under the general rules of the House applicable to appropriations bill, effectively limiting the types of amendment which may be offered. There will be an effort to defeat the previous question on the rule in order to allow an amendment to the bill which would otherwise not be in order.

Mr. Speaker, I regret that use of this procedure has been necessary but it is time that we got to work around here. This legislation is indeed urgently needed, and we can no longer afford to delay its consideration merely because it is convenient to the majority leadership.

Mr. Speaker, I now yield 5 minutes to the distinguished gentleman from Delaware (Mr. EVANS), for the purposes of debate only.

Mr. EVANS of Delaware. Mr. Speaker, I thank the gentleman for yielding. I rise in opposition to ordering the previous question on the rule.

Mr. Speaker, I am delighted that the gentleman from Mississippi (Mr. LOTT) has brought this rule to the floor of the House, because I do believe that the urgent supplemental appropriations for fiscal year 1982 are in fact urgent. I was beginning to wonder whether they were quasi-urgent, or semi-urgent or not so urgent, but they are urgent.

I think all of us agree on this, but there is something else that we need to do in terms of urgency; that is, to get this economy of ours moving, to give people an opportunity for jobs. One industry in America that affects the economy probably more than any other industry is the housing industry. It is in dire need of assistance.

We need to provide some assistance to the housing industry, generating American jobs, without hurting other industries and without increasing the interest rates and aggravating the already seriously bloated Federal deficit. So, the gentleman from Illinois (Mr. CORCORAN) and I came up with an idea about 6 or 7 weeks ago. We propose to transfer already authorized and appropriated funds from the Synfuels Corporation, which subsidizes some of our most successful major national energy companies, and transfer those funds to assist the home buyer and the homebuilder and the realtor, and tens of thousands of craftsmen and small business people all over America.

Mr. Speaker, the initiative we are going to make will assist housing now. It may be too late to provide assistance in the fall of 1982 or in 1983. The program we have will provide immediate assistance, start homebuilding, put tens of thousands of Americans back to work, and get this economy moving again.

I thank the gentleman from Mississippi very much for yielding. I would like to point out one thing further in connection with our initiative. That is, this funding will be used in conjunction with the mortgage revenue bond program that in many areas of our country is already in place, ready to go. Anything else that we do, Mr. Speaker, requires time, and we do not have the luxury of that time.

I thank the gentleman for yielding.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, I rise in opposition to ordering the previous question on the rule.

Mr. CORCORAN. Mr. Speaker, I appreciate the fact that the gentleman from Mississippi has yielded time, and I particularly appreciate the fact that under these very difficult circumstances he has resorted to this quite infrequently used opportunity to protect our rights.

Mr. Speaker, in a sense, in this joint effort with my friend from Delaware (Mr. EVANS) I have been something like the producer in a play; and that is that it has been my responsibility to find the funds for the financing of the housing initiative which Mr. EVANS, the gentleman from Delaware, has been pursuing for quite some time. I also want to acknowledge the fine hand of our colleague from Ohio (Mr. BROWN) in helping to draft our amendment. Without his help, our housing assistance would not be able to benefit States, such as Ohio, which for various reasons do not have mortgage revenue bond authority.

In order to put this into perspective, let me just say that in these days of budget crisis that we, in order to face our responsibilities and to protect the interests of this country, ought to be making a very urgent effort to find places where we can cut back on spending by the Federal Government. And I cannot think of a better target for that kind of revision or potential elimination than the boondoggle known as the Synthetic Fuels Corporation.

Mr. Speaker, to put the matter in some perspective, you will recall that we passed that legislation in the throes of a great stampede. In fact, not only was the Congress stampeding itself into the Synthetic Fuels Corporation, but business and industry as well. At that time, then President Carter had come down from Camp David. He talked about the malaise in this country. Everybody was looking for something positive to do, and all of a sudden this idea about Synthetic Fuels Corporation developed. It started here in the House. The Banking Committee was involved, the Education and Labor Committee was involved, the Interstate and Foreign Commerce Committee was involved, and it started as a $3 billion demonstration program. But, when it came back from the other body, Mr. Speaker, it had a price tag of $88 billion because they really wanted to do something positive and, of course, politicians love to give the appearance of doing something positive.

Mr. Speaker, I think times have changed. I think we need to tighten down on the budget of the U.S. Government, and I think secondly, that we ought to look realistically at the world energy condition as we find it today. In this country, because of a change in Federal energy policy long overdue, we now have domestic oil production up.

We now have people employing the most efficient ways to use energy. Conservation is up. In fact, as the Wall Street Journal pointed out just days ago on its front page, our demand for energy has been falling faster than any forecaster could predict. And this is not just the soft demand of a recession: it is the 10 years of structural changes in the way we use energy. We are, in other words, far more efficient in our use of oil than we can show data for. Another reason is that alternative energies are more in use.

One of the goals of the Synthetic Fuels Corporation was that by 1992 we would back out 2 million barrels of foreign oil from the OPEC cartel.

□ 1215

Mr. Speaker, since we decided wisely to get the Government out of the business of controlling the price of oil and get the Government out of the business of allocating the distribution of oil in this country, in 18 months we have achieved that objective already. We have backed out 2 million barrels of crude oil. We don't need to commit $88 billion of taxpayer money to the Synthetic Fuels Corporation.

The SPEAKER. The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

Mr. LOTT. Mr. Speaker, I have time remaining, but I would be happy to yield to the distinguished chairman of the Rules Committee if he would like some time. I do want to reserve the balance of my time, and I am yielding for the purposes of debate only. I would be pleased to yield to the gentleman.

Mr. BOLLING. Mr. Speaker, may I inquire, does the gentleman yield the usual 30 minutes?

Mr. LOTT. I yield the usual 30 minutes to the gentleman from Missouri (Mr. BOLLING), for the purpose of debate only, yes, Mr. Speaker.

Mr. BOLLING. Well, Mr. Speaker, that is the first courtesy that the gentleman has shown on the floor of the House today. I have been here a long time, and this is the first time I have seen this done. I do not mean bringing up a rule after the time has passed, but it is the first time in my experience that I ever saw any member of the committee bring up anything without warning the chairman.

I heard about this when somebody called my office. I do not know whether any of you care about process or fairness after this particular effort—this may be a declaration of war for all I know—but I would like you to understand that so far as I know, not only in terms of my own experience, which is relatively extensive, but also in terms of anything that I know about the events that took place in the Rules Committee prior to my serving on it—and those events cover quite a few decades—this is the first time in American history that this particular tactic has been employed.

I have, as a member of the Rules Committee, and more recently as the chairman of the Rules Committee, tried to operate on a principle which I think is enormously important, both for the minority and the majority, and that principle is that on process, never surprise. I have tried to see to it that everybody is warned so they may deal intelligently and judiciously with whatever comes up. I do not expect to serve in this place very much longer; which I regret in some ways, although it is a matter of my own choice, but I do not expect to forget this.

Now, I would think it would be very smart for those of you who elected BOB MICHEL to the position of minority leader to listen carefully to his views of fairness, which are, I think, quite like my own.

There is no real problem in handling this problem that the gentleman has presented us. It just is terribly important to understand that if we are going to go through the rest of this year, which is bound to be difficult and ugly, we should know early on as to how we are going to do it. It does not seem to me intelligent to start out the key part of the year this way.

In the process of coming over here as quickly as I could when I learned of this particular approach, I happened by a happy coincidence to come over with the chairman of the Appropriations Committee, and I learned from him that he had just sent me a letter, which I had not received until I got here, dealing with this problem and asking for a new hearing on a new rule.

I do not know whether any of the Members are aware of what went on during committee consideration of this rule and the difficulty that we had—and I talk about a difficulty that was bipartisan, even multipartisan—as between the Appropriations Committee, the Budget Committee, and the Rules Committee. We dealt with a very, very intricate problem, and we tried to deal with it in a way that was fair to the administration, to the Republican minority, and to the majority. The proposal from the chairman of the Appropriations Committee is for a new rule which would include a good many of the things that were not given waivers in the old rule, things originally proposed by the Appropriations Committee. It would also include some language that would deal with the problem of the housing question in an orderly fashion.

I do not really know whether I say it strongly enough. It was not only what was done in the rule, but it was the implication of the proposal on housing that makes it so difficult for us to deal with the whole situation in a time of grave concern about deficits, when the administration is making it very clear now—as they made it clear last night, I guess—that it is equally concerned about the problem of deficits and after the gentleman from Mississippi and I have spent a very substantial amount of time in 13 meetings that preceded the meeting between the President and the Speaker, if we are going to have some kind of guerrilla warfare going on to make points for one or two Members, it is terribly important that we know it.

We have a process that we must commit ourselves to. We have to do something on an urgent basis about the level of deficits. We have to do something that is as nearly a bipartisan effort as can be made. The first one has failed, and it seems to me that there ought to be a little pause to take thought about this before we really get into the substance.

This is one of the most complicated rules that was ever presented to the House. It would be somewhat simplified if we get through this matter and get back to having a new rule.

Mr. Speaker, I am going to stop and reserve the balance of my time in the hope that we will not have to carry on the charade which bodes very ill for the process in this institution. This is a very serious matter, and I hope there will be a little pause for some consultation on it. I reserve the balance of my time.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished minority leader, Mr. MICHEL, was mentined. I would like to point out that he supports this rule, he is not for defeating the previous question, and he is in that position because he feels as I do that the urgent supplemental appropriations bill has been delayed an inordinate amount of time.

The procedure that has been used is a rule of the House. It is a legitimate rule. It has been used in the past. The rule is there, and it is one that was written, as I understand, for a very good reason, and that was to prevent the majority of this House from delaying the business of the House indefinitely.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will yield in just 1 minute.

Mr. Speaker, this procedure has been used, as the gentleman knows, as late as September 1980, involving legislation on the National Visitors Center. So it is not an unprecedented procedure. The rule is there for a good reason, and we are trying to move the rule on the urgent supplemental reported from the Rules Committee, complicated though it may be, because it has been pending here for weeks.

Mr. BOLLING. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I will be glad to yield to the chairman of the committee.

Mr. BOLLING. Mr. Speaker, I did not raise any question about the rule. I know the rule. I have even considered using it. I may have used it; I have forgotten.

I am just talking about what passes for common courtesy in an institution like this. That is the point that I am making. I am not talking about the rule. Of course, I know the rule.

But that is not the point. I have said repeatedly as chairman of the Rules Committee and as a member, I have always attempted to see to it that members were not surprised. I am not affronted as an individual. I can play as rough a game of surprise as anybody in town. What I am suggesting is that I do not believe that it makes any sense on whatever day this is—and this is the 6th of May—to set the tone of guerrilla fighting in this institution.

Mr. LOTT. Mr. Speaker, if I could reclaim my time, what about the common courtesy of allowing Members to be heard and to present their case, even though we may not agree with them? We felt very strongly that some Members who had a legitimate proposal were going to be cut off from opportunity by going back to the Rules Committee after the Rules Committee had already considered this issue.

Mr. Speaker, I yield now to the gentleman from Massachusetts.

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, the gentleman asked a question. What about that question? Did the gentleman not ask a question of me?

Mr. LOTT. I yield to the gentleman from Missouri for a further response.

Mr. BOLLING. Mr. Speaker, the answer to that, very simply, is that the Members came up after the matter had been reported, as far as I know, without having brought it up in the Appropriations Committee and asked for a particular waiver. That waiver was not granted by the Rules Committee. The only way they could get at that waiver after the Rules Committee reported what it did was by voting down the previous question. That is the simple explanation. They were using a somewhat unusual process.

But the point I am making, I do not believe, has been answered. The point I am making is this: Is this the introduction of months of guerrilla warfare, or what are we up to?

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. CONTE), for the purpose of debate only.

Mr. CONTE. Mr. Speaker, I do not want to get into this guerrilla warfare, but I will tell you one thing: The public out there is laughing at this Congress.

Here we have the financial world looking at this Congress to see if they can put their house in order, and we are acting like guerrillas. Here they are arguing that they want to take a billion from synfuels over here for housing and the Democrats want a billion dollars for housing out of the general revenue. What do we think the American public thinks of us? I am against the Evans proposal, and I told him so. I told him last week, the gentleman from Delaware (Mr. EVANS), not to meddle in our bill. "Leave it alone." I said, "I'll tell you why. The executive branch has told me they are going to veto this bill if we add any amendments." I am not going into the merits of either amendment at this time.

They are going to veto this bill if we add anything onto it.

Do you know what you are doing? The Democrats are upping the ante. Both of you are wrong. I will tell you what you are doing. You are doing a disservice to this country; you are doing a disservice to the Treasury; you are doing a disservice to thousands and thousands of people who will be RIF'd if this urgent supplemental is not passed.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I will be glad to yield to my good friend, the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, I think the gentleman makes a good point. This is a terrible rule that the Rules Committee reported. It is a bad rule, the worst I have ever seen in 23 years, but what they propose to substitute for it is equally bad.

Mr. CONTE. Mr. Speaker, I agree with the gentleman.

Mr. SMITH of Iowa. We ought to have a whole new rule.

Mr. CONTE. I will vote for the rule; I will ask everyone to vote for the previous question.

Everybody wants to have their day in court. They want their cake, and they want to eat it, too. Rome is burning and they are playing their fiddles. This is not the place nor the time to put a housing bill in, whether it is a Republican housing bill or whether it is a Democratic housing bill.

Let us pass a clean bill here, let the Senate pass a clean bill, and let us stop these thousands and thousands of people that are going to be RIF'd.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. CONTE. We have $1,300 million in here for student loans. My good chairman BILL NATCHER and I worked hard to get $1,300 million for student loans. They are going down the drain.

Mr. LOTT. Mr. Speaker, I will be glad to yield 2 additional minutes to the gentleman from Massachusetts (Mr. CONTE), who is doing such a great job. I yield that time for debate purposes only.

Mr. WRIGHT. Mr. Speaker, if the gentleman will yield, I am not exactly clear, because of the confusion over the parliamentary situation, as to the upcoming vote. Is the gentleman from Massachusetts asking a vote for the previous question or against the previous question?

Mr. CONTE. No, I am going to vote for the previous question. I am for the rule, I am for a clean bill, but I am against putting this housing in here.

I have got a letter in the CONGRESSIONAL RECORD from Mr. Stockman saying that he is recommending a veto if a housing provision is put into this bill.

Now, do you realize what you are doing? You Members from Florida or California, you have Coast Guard stations. They are going to close them down unless we pass this bill. The Coast Guard may have to close 31 search and rescue stations around the country, seven vessels, nine search and rescue aircraft, three air stations, and four vessel traffic systems, which will cripple the drug interdiction program in Florida and reduce search and rescue operations at the height of the boating season. And here you are, fiddling around wanting to put your little pet project in here.

I say, lay off. Let us pass it. Let us pass the supplemental and leave it alone.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. But if we pass this rule that is proposed, Mr. Speaker, we will also close down some fruit frost recognition and weather stations and a number of little things that are terribly important. The rule itself is bad, too.

Mr. CONTE. Mr. Speaker, the gentleman from Iowa is right. But you know what we are going to do. Those little things work both ways. We have a pay supplemental that we have to pass and we can add many of these projects. I am sure the gentleman from Mississippi (Mr. WHITTEN) will take the floor and tell us that within 4 weeks we will have a pay supplemental. You could put housing amendments on that bill. I say, leave this bill alone.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I would like to recognize and associate myself with the gentleman's remarks with regard to the urgency of the situation we do have in Florida

The President's task force is finally making significant gains, and for the first time in this decade we can say in Florida that we have the "druggies" on the run. We can say that we have

brought the import of drugs down to a trickle, and if we do not get some supplemental appropriation, which is so important and is contained in this bill and must survive, all of the processes we have to go through and all the efforts will be for naught.

□ 1230

We are winning this battle. We have finally got this thing on the run and it is imperative that we support this rule and that we support the bill.

Mr. CONTE. Let me give you some other figures. If we do not pass this and have it signed by May 14, 924 inspectors in the Health and Human Services Department who fight waste, fraud, and abuse will be furloughed for 82 working days. Without this supplemental, 2,700 personnel in the Employment and Training Administration will receive furlough notices Monday of next week. Without this supplemental the Bureau of Labor Statistics and the Employment Standards Administration will furlough 5,621 people this week.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

I have just asked the ranking minority member of the committee to read the letter that I just received from the chairman of the Appropriations Committee. Depending somewhat on his reaction to that, although I am sure he is not going to like the last paragraph, I think my present plan is to support the previous question and see if we can win on that rather sensible proposal. Then if we succeed, proceed to vote on the rule, of course, and adopt the rule, but with the understanding that we are not going to function under that rule today.

I have the letter from the chairman of the Appropriations Committee which would put into the rule, or which proposes to put into the rule all of the items that were left out in the previous confusion that I tried to describe, so that all of the items that were not made in order, in effect, would be included. In other words, everything that came from the Appropriations Committee would then be included in the new rule.

I do not want to mislead my colleagues at all. There would be a new provision that deals with housing.

Mr. MYERS. Will the gentleman yield?

Mr. BOLLING. I will be glad to yield.

Mr. MYERS. I wonder if the gentleman might not share with the entire House the contents of this letter? It is a little unfair to talk about a letter we have not seen.

Mr. BOLLING. I will be glad to in a moment. The only copy I have is in the hands of the minority leader, and I will be glad to have him read it.

Mr. MYERS. I think that it would be well if somebody read the letter.

Mr. BOLLING. I have difficulty because of the speed of the proceedings.

Ms. FIEDLER. Will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentlewoman from California.

Ms. FIEDLER. I am grateful to the Rules Committee for the fact that they did not include the $48 million for the Coast Guard station, but I am interested in knowing, as a member of the Budget Committee, how many additional dollars the gentleman is talking about including in the next bill.

Mr. BOLLING. I have to be a little rough about this. I think the chairman of the committee told me it was about $30 million and someone else told me it would be about $40 million of those items that were not given waivers. Then, beyond that, on the housing matter, what I have in the letter from the chairman is rather unspecific. It says, "* * * from $500 million to $1 billion." But it would be in that order. It would be perhaps as much as $1.4 billion. I think no more than that, or perhaps no more than $540 million.

Ms. FIEDLER. Will there be an opportunity for the Members to review the additional appropriations, to actually see a copy of that?

Mr. BOLLING. Hopefully, if the process I suggest, which is passing this rule and not using it, coming in with a new rule which then includes the other things that I mentioned in general, Members would have a normal amount of time.

Presumably the Appropriations Committee would come to the Rules Committee perhaps on Tuesday, and if we reported out a rule on that same day, it would be available to come up the next day.

Ms. FIEDLER. I thank the gentleman very much.

Mr. BOLLING. That would be my intention.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentleman.

Mr. SMITH of Iowa. I fully support what the gentleman is now doing. I very much object to that rule. But all we are talking about is something like $33 million. There is nothing to keep the members from reducing something else $33 million in a $4 billion bill if they think the amount is too much.

So I fully support what the gentleman is now doing.

Mr. BOLLING. I repeat. I want to be sure people understand that what I am suggesting is that I am going to seek votes to vote for the previous question. Then I am going to seek votes to pass the rule. But I do not intend the matter to go beyond that.

I understand that there will be full cooperation from the chairman of the Appropriations Committee.

Then I will convene the Rules Committee early next week to follow his suggestion, which includes granting waivers for other items in the urgent supplemental bill, and will add, I gather, approximately $33 million. That is the closest I can come to a precise figures plus an amount for housing, which will be somewhere between a half billion and a billion.

That rule will then be brought up, and we will operate under that rule.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to my distinguished friend.

Mr. WHITTEN. I have listened to my colleague, the chairman of the Rules Committee, and I assure him that we have and will continue to cooperate fully.

May I digress one moment and say that our Committee on Appropriations has tried to cooperate with our President. Last year our supplemental bill embraced $14.3 billion out of the $15.1 billion in restraint requested by the administration.

We have a country that needs action and we cannot afford to let this problem delay some much needed supplementals. I know that we may have differences between the House and the other body and between the legislative and the executive. Goodness knows we have problems but now is a time for us to move ahead.

I have sent the letter to the chairman of the Rules Committee and I meant every word of it. I acknowledged in the letter that I understood other Members were seeking to include other items, and in my opinion, were going to try to include them in this bill.

So let us vote on this resolution and go ahead as the Chairman has suggested with another meeting of the Rules Committee. It is too important to delay any longer the $1.3 billion for student loans, the $2.4 billion for sewer grants and the funding for the Coast Guard and the weather stations.

Let us pull together and get something done. You might win, we might win but the country would lose if we delay any further.

Mr. BOLLING. Would the gentleman permit me to read the letter?

May I inquire, Mr. Speaker, how much time I have?

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Missouri has 17 minutes remaining.

Mr. BOLLING. I will read the letter. It is addressed to me.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 5, 1982.

Hon. RICHARD BOLLING,
Chairman, Committee on Rules, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the Rules Committee may be asked to meet to consider modifications to the rule

reported for consideration of H.R. 5922, the Urgent Supplemental Appropriation Bill.

As you know, the rule does not extend the so-called section 311 waiver to the conference report. Recognizing the propensity of the Senate to amend appropriation bills, we feel that this situation could place the House conferees in an awkward negotiating position. I do not believe we have been placed in this position heretofore.

Additionally, the rule reported protects most of the paragraphs in the bill from points of order under section 311 of the Budget Act. It does not, however, protect six items recommended by the Appropriations Committee totaling some $30 million of the $4.9 billion in the bill. As I mentioned to you, some of our Members are concerned that these items in which they are interested will be stricken and added back by the Senate leaving them on the spot.

Apparently, the Rules Committee may be asked to provide special waivers to allow an amendment for a program in the range of $500 million to $1 billion not recommended by the Appropriations Committee, not requested by the Administration, and not authorized. Considering the few items in the Committee bill involving a relatively small amount of money not protected by the present rule, the disadvantage in which the House conferees could be placed, and the lapse of time since the rule was reported with no action on a revised budget resolution, perhaps these items might also be reconsidered.

I recognize the difficult position confronting all of us but I felt I should share these thoughts with you. Best regards.

Sincerely,

JAMIE WHITTEN, *Chairman.*

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. CORCORAN. I appreciate the fact that the chairman of the Rules Committee has yielded. I just have one question.

There has been reference to the housing initiative which may be proffered next week or at some future point. This concerns me because I think there has really been a question concerning consideration of this urgent supplemental now for over 5 weeks and that is in connection with this new housing initiative that may be a part of the urgent supplemental bill.

Are we talking about a new authorization of $1 billion? Are we talking about a new appropriation of $1 billion? Or will this come from already appropriated funds?

Mr. WHITTEN. Will the gentleman yield to me?

Mr. BOLLING. I yield to the gentleman from Mississippi.

Mr. WHITTEN. If the gentleman followed the letter which I wrote to the chairman of the Rules Committee, I merely stated that it was my understanding that this matter would possibly come up. Not being the author of such amendment, I do not know what it would contain or how it would come up, but I am sure any new rule would include a presentation by the Rules Committee as to what is intended.

What I said was I understood that this rule would be modified to include such a provision. But I do not have knowledge about just how it would be worded or what is involved. But I did acknowledge that was in line with what was going to be requested, which I did understand to be the truth.

Mr. CORCORAN. I wonder if the chairman would indulge me for one further question?

Mr. BOLLING. I will be glad to.

Mr. CORCORAN. I thank the distinguished chairman and the gentleman from Missouri.

I think most of us are aware that what we are talking about here is legislation that has been considered by the Committee on Banking, Finance and Urban Affairs of this House. We are talking about a new authorization from general revenues.

There has not been an authorization up to this point. There has not been an appropriation. So since we are talking about the fiscal year 1982 budget, what we are going to do, if we adopt that kind of recommendation, particularly with the restrictions that I fear there would be, where we would not be given the opportunity to consider perhaps transferring the financing for the program from the Synthetic Fuels Corporation, that that would be an added expense to the Federal budget for fiscal year 1982.

I think that is a question that the House of Representatives ought to be able to resolve rather than the leadership in and of itself.

I wonder what kind of protection might we have in the future rule and what kind of financing are we going to have for this program.

Mr. BOLLING. Given the gentleman's real delicacy about his concern for the protection of this rule, I am sort of at a loss to know how I would proceed on that. My guess is we will proceed in a reasonable process which would include perhaps an authorizing bill that authorized a billion extra money, new money, and having passed that, perhaps under suspension, that we might then have in the rule on the appropriations bill a provision that would make in order some part of that $1 billion.

In so doing, we would have accomplished the gentleman's objective, I take it, but not in exactly the way the gentleman sought to achieve it.

Mr. CORCORAN. I appreciate the delicacy of the gentleman's comments. It would, I think, as the gentleman has expressed it, achieve the objective of providing assistance for housing. But surely not in the way in which it ought to be financed from the standpoint of the gentleman from Illinois.

I thank the gentleman.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am glad to yield to the gentleman from California.

Mr. LEWIS. I thank the chairman for yielding.

I have been listening to this debate with great care and I must say I was moved by the chairman's comments concerning problems around the House regarding procedure, the suggestion that we might be getting into an unusual kind of warfare here and, frankly, I would be very disturbed to see us move in that direction.

I have not been here long enough to know as much as the gentleman does about procedure. But I have had a good deal of experience with politics, and I think I can recognize politics when I see it.

The Rules Committee, if I am not mistaken, and the public does not really know this, has approximately 11 members of the majority party of the House and 5 members of the minority party. It is, in my recollection, a matter of fact that on the 22d of March my office received a call indicating that we had an urgent meeting of the full Committee on Appropriations the following morning. I learned that the reason for the meeting was that we had a supplemental appropriation that was extremely urgent. It was extremely urgent because of the fact that there were virtually thousands of jobs on the line. We would run out of money if we did not pass the supplemental. We would have to RIF employees that we really need, that there was a pool of money involving student loans out there that was going to go dry unless we moved that bill on the 23d of March. This had been languishing before that in the policy process.

It is also my understanding that just after that meeting on the 23d it was learned that two of the gentlemen of the minority who were not able to affect the Rules Committee because of those numbers, wanted to do something about the housing problem.

□ 1245

They suggested that because we had $14.6 billion in the synfuels program, largely designed to help big oil companies, it would not be a bad idea to take $1 billion of those dollars out, make them available for lower cost loans, to get stimulation behind our housing problem.

When it was learned that there was a good deal of sympathy for such thought, rather than taking the money out of general revenues, to take the money from big oil, the leadership, who does control the Rules Committee but does not control all of the House, the leadership scrabbled around, and we have been sitting for 3 weeks now while that urgency moves forward.

And today, finally, when my colleague from the Rules Committee, frustrated by those numbers he deals with constantly, said, "We are not going to allow the minority to be

kicked around any more, we are not going to allow the American people to be kicked around——"

Mr. BOLLING. Will the gentleman pause for a moment on my time?

Mr. LEWIS. They brought forth this resolution.

Mr. BOLLING. Will the gentleman pause for a moment on my time? This is my time. Your side has time, and I think I have been reasonably generous with my time. But I would hope you would wind up your question soon.

Mr. LEWIS. I will be glad to get to my question in just a moment. But it is important for me to make sure that I am operating on the right premise.

It seems to me that it is clear that politics is involved here.

Mr. BOLLING. Let me say to the gentleman——

Mr. LEWIS. It became clear this morning, when my colleague from——

Mr. BOLLING. Could I answer the gentleman's question?

Mr. LEWIS. I have not asked the question yet, Mr. Chairman.

Mr. BOLLING. My patience and my time are running out.

Mr. LEWIS. I will be just a moment.

When my colleague from California (Mr. PATTERSON) for whom I have the greatest respect, particularly I respect his sense for politics, announced his program for housing——

Mr. BOLLING. Mr. Speaker, I refuse to yield further.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) does not yield to the gentleman from California any further.

Mr. LEWIS. I thank the gentleman.

The SPEAKER. The gentleman from Missouri has the time.

Mrs. SMITH of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. Mr. Speaker, before I yield to the gentlewoman from Nebraska, I would like to make this comment: I am perfectly capable of raising the ante on this, in terms of why we have had some delays in this Congress. We will debate that at great length at a later time. It has something to do with that great program of the President of last year and its effect on the economy this year, but I do not intend to pursue it.

The delay in the institution was largely caused by an effort initiated by the administration to seek to come to a bipartisan conclusion of the budget problem.

I said the other night what I feel today, that it is terribly important that we end up doing something about the budget problem. I think we better lower the level of partisanship on that subject until we are sure that together we have not destroyed the economy of the country.

So I would like very much to accept the fact that this is political, but accept also the fact that it is very important to try to deal with it in a reasonably civilized fashion. It is an enormously difficult situation. I can get as political or more political than anybody I have ever seen around here, but I do not believe we are going to have the solution this year unless we work together, whether we like it or not. And that being the case, I am trying to deescalate this problem and come up with a solution that will give you an opportunity to express yourself, to vote and see what you can win, but at least know what you are doing.

That is about all I am trying to get done.

Mr. Speaker, I am delighted to yield to the gentlewoman from Nebraska.

Mrs. SMITH of Nebraska. I thank the gentleman for yielding.

Did I understand correctly that when the rule is reconsidered, it will include consideration of the $33 million that were not protected under the current rule and which left out the $2 million for weather stations on which my distinguished colleague from Iowa stated the Subcommittee on Commerce, Justice, State, and Judiciary had many hours of hearings and which are extremely crucial and important.

Mr. BOLLING. My memory is that there are 38 weather stations involved, and I think it is very important to a great many Members. I have every intention, if I can prevail in the Rules Committee, of including that item.

Mrs. SMITH of Nebraska. I thank the gentleman.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the distinguished minority leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Speaker, my objective is to move the supplemental. It has been alluded as to how urgent it was and still is, and that it ought to be moved along.

The gentleman from Mississippi (Mr. LOTT) was perfectly within his rights under the rules of the House to take the action that he did today. That is his prerogative.

Yesterday, in my 1-minute address to the House, I expressed concern that we were again delaying the urgent supplemental, for what reason I was not altogether sure except that I had known earlier that the two gentlemen, Mr. EVANS of Delaware and Mr. CORCORAN of Illinois, had a housing initiative requiring no additional revenues, but simply taking $1 billion of the $15 billion from synfuels allocations for use as a housing initiative. That was a very simple kind of thing to do. It did not require any further unbalancing of the budget, since synfuels is not going anywhere, and it at least would do something in a positive way. But I cautioned them to the extent that if you voted down the previous question for your one item, there may very well be other items added to that, and you run that risk. And I had to tell them, quite frankly, that if it was anything over and above what the Appropriations Committee, under the direction of the gentleman from Mississippi and the gentleman from Massachusetts (Mr. CONTE), in dollars was agreed to, the President might very well have to veto it, and that would include whatever might happen in the other body.

So I do not want any illusion about the fact that there can be some give here. There cannot be. I want to see the urgent supplemental moved. I regret that, frankly, it was delayed for the sake of whatever credit there might have been attained from a housing initiative. But I think we better get back to the main thrust of what the urgent supplemental is all about and vote up the previous question, get on with consideration of the supplemental, and then pass it, without all of this additional emoluments, or whatever.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, the gentleman is absolutely right. I think what I said in the well of the House has fallen on deaf ears. This urgent supplemental should be acted upon by this House without the Evans amendment, without the Democrats amendment. It should be sent over to the Senate.

The gentleman has been on the Appropriations Committee as long as I have, 24 years, and the gentleman knows what those fellows on the other side are going to do. They will up the ante. They are not going to sit back and take a half a billion or a billion. They will put the Lugar bill in. And then we get a veto, we are going to close these Coast Guard stations in California, in Florida, we are going to RIF about 10,000 people. Let us act like responsible legislators, adopt the rule and take it up today. We have had more damn time off in this Congress, we have broken every record in the history books. Let us do it today. Where the hell are we going?

Mr. MICHEL. I thank the gentleman for his contribution.

I want to refer to that last paragraph of the chairman's letter to the chairman of the Rules Committee—that does concern me a little bit—in which the gentleman says "apparently the Rules Committee may be asked to provide special waivers to allow an amendment for a program in the range of a half billion to a billion."

Now, that, to me, suggests there is something there in the wings that we cannot buy, the President cannot buy downtown. I would prefer to stick with the original rule that foreclosed that possibility.

89-059 O-85-17 (Pt. 7)

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. CORCORAN. I thank my friend, the gentleman from Illinois, for yielding.

Mr. Speaker, let me just ask one question, and that is: In conjunction with the so-called Evans-Corcoran amendment, has not the administration—and I do not know the current circumstances—but up to this point has not the administration taken a neutral position on that particular amendment?

Mr. MICHEL. Yes; that is true.

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, may I say to my colleague, the minority leader—and I appreciate my relationship with him through the years, and his statement, too—I put that paragraph in the letter, based on information which came from Members on his side of the aisle whose names I shall not call; I enjoy my relationship with them. But I was advised by Members on your side of the aisle that the problem had been worked out so that a program on housing would be considered by the Rules Committee. That being true, and not knowing how such an amendment would be written, I did think I should call the situation to the attention of the chairman of the Rules Committee in the letter along with these other matters.

Again I had been advised that it would be included from Members on your side.

Mr. MICHEL. I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. PATTERSON).

Mr. PATTERSON. I thank the gentleman for yielding.

Mr. Speaker, I think the discussion here shows that there is not only an urgency to pass a supplemental appropriations bill but also an appropriation is needed to meet the housing crisis.

The Evans-Corcoran proposal is for $1 billion. It is a mortgage revenue bond subsidy. It would take a minimum of 90 days to put into place. It returns no revenue to the Treasury, and it takes from the synfuels area budget authority only. There is no outlay. Without budget outlay you cannot build one house with it.

The Patterson-AuCoin proposal, which I hope will be considered next week, is also a $1 billion program. It is mortgage rate assistance. It can be implemented in 30 days. It has a recapture provision and it will provide revenues to the U.S. Treasury that will more than pay for itself.

Keep in mind that we have to have real budget outlays in 1982 in order to have housing built this summer to keep the building industry alive, to employ building trades workers, and to make affordable housing available, which altogether will pay its own way as it stimulates the economy all over this great Nation.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GREEN) for debate purposes only.

Mr. GREEN. I thank the gentleman from Mississippi for yielding to me and for his initiative this afternoon.

I would simply like to point out to the Members, as the ranking minority member of the HUD and Independent Agencies Appropriations Subcommittee, that any delay on this bill is holding up some very important construction money. There is $2.4 billion in waste water treatment appropriations in this urgent supplemental. That could certainly be a shot in the arm for the construction business. Over 30 States are having their projects grind to a halt. There are 110,000 units of housing in this bill, 78,000 units of section 8, and another 32,000 units of unsubsidized housing that would be helped by additional tandem funds.

I strongly urge Members on both sides of the aisle: Do not load this bill up like a Christmas tree and head for a veto; do not delay the bill. We can give this economy an important shot in the arm now in housing and in other construction areas if we move ahead with the bill. Do not delay. Let us take it up today and get it on its way. This could be very important for our economy.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished majority leader the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, it is somewhat difficult to view the present situation in a dispassionate way, but let us try to do that. Let us try to be reasoned and calm.

The gentleman from Mississippi (Mr. LOTT) is within his rights under the rules to bring up this matter. He does, however, violate the tradition that has been unbroken for the 28 years that I have observed this House. I have never seen this done before. I am told by the gentleman from Missouri (Mr. BOLLING), who has been here for 34 years, that he has never seen it done before.

Let us try to follow orderly procedure. I believe the gentleman from Mississippi was aware of the fact that we already had scheduled this bill for consideration on the House floor next week. We planned to have it then. We still do.

I urge you to vote for the previous question and vote for the rule, on the understanding that has been described to you by the chairman of our Rules Committee, Mr. BOLLING, in order that we may have orderly procedure and may all understand exactly what we are doing when we do it.

Let me say just a couple of things about the proposal that has been advertised as the so-called Evans-Corcoran amendment. It is confusing to say the least. When Mr. EVANS speaks, the gentleman from Delaware, one gets the impression he wants to help housing. When Mr. CORCORAN speaks, I get the impression he wants to kill the synthetic fuels program of the country. You cannot really do both.

In fact, I want to correct one glaring misrepresentation. It is incorrect to believe that you can follow the proposal suggested by Mr. EVANS and Mr. CORCORAN, without adding exactly that amount of money to the deficit this year. Every penny that is transferred from the Synthetic Fuels Corporation to give out in interest subsidies will add to the deficit. If it is a $2 billion bill, you would be adding $2 billion to the deficit. The Evans-Corcoran ploy is deceptive if it masquerades under any other presumption. I simply ask that you know what you are doing if you support it. If you want to do that, it is all right. If you want to do away with the synthetic fuels programs, if you believe that our energy problems are all over, if you think that what happened to us twice in the last decade cannot happen again, that there no longer could be long queues lined up at gasoline stations or that we are not any longer at the mercy of the Arabs, if you want to kill that program and stop our long-range efforts to make ourselves energy independent, just know what you are doing.

And you would not be helping the deficit situation at all by pretending that you were simply transferring moneys already appropriated. Those synthetic-fuel moneys were not earmarked for outlays this year, not one penny of them. I have a letter here from the Synthetic Fuels Corporation. It makes that point clear. Every single penny included in the so-called Corcoran-Evans proposition would add to this year's deficit, every penny of it. Not a penny of it is earmarked for outlay this year otherwise than if their proposal were adopted. So if it is a $2-billion proposal, it would be adding $2 billion to the deficit.

The next thing I want to say is, contrary to one suggestion that I have heard on the floor, that there is a position, apparently, by the administration. I hold in my hand a letter dated May 4 to the Honorable ROBERT MICHEL, signed by David A. Stockman, May 4, 2 days ago, in which he said:

> The administration opposes extraneous amendments to the bill, including housing stimulus programs not related to our request for urgent supplemental appropriation.

I am sure the administration's opposition is based upon what I have just said, that it would add to the deficit.

So let us know what we are doing. I support the move of the gentleman from Missouri. I think all Members of the House have the responsibility to support the chairman of the Rules Committee under orderly procedures. Vote for the previous question, vote for the rule, if you will, and then let us do this in the regular, orderly process by which this House can act to address these urgent supplemental questions, including the urgency of the housing needs of this country.

□ 1300

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. WRIGHT. I yield back the balance of my time.

The SPEAKER. The gentleman has 3 minutes remaining.

Mr. LOTT. Mr. Speaker, did I understand the Chair to say 2 or 3 minutes?

The SPEAKER. Three minutes.

Mr. LOTT. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I do not know whether the American people and the Speaker or the Members of this body are confused now about the status of this motion? I seem to sense there is agreement about moving the previous question, but I want to reiterate the plea that I made last week and have made over and over again. And we have all heard from constituents in our districts and the only way we can reiterate that plea is again to ask the chairmen of the Rules Committee and the Appropriations Committee to move the urgent supplemental—and I am referring to the fact that the students and their parents are being held hostage to this urgent supplemental.

Students are not able to apply for their loans. Time is running out. The State of New Jersey is not processing loans and not even giving out applications.

Those States that are processing loans are actually charging the Government 16-percent interest on the loan applications that are being made.

I must ask my colleagues, and both of the chairmen, please move the urgent supplemental. The students desperately need this help. We are now in May and the funds are running out. We are disrupting the educational plans of thousands, if not millions of students for the next school year.

Mr. LOTT. Mr. Speaker, may I ask, how much time do I have remaining?

The SPEAKER. The gentleman has 1 minute remaining.

Mr. LOTT. Total?

The SPEAKER. The gentleman is correct.

Mr. LOTT. My Speaker, I think we need to make a couple of very important final points.

Make no mistake about it. For my colleagues who would like an opportunity to vote on the Evans-Corcoran initiative, this is apparently going to be the only opportunity.

I want to emphasize that both the chairman of the Rules Committee and the distinguished majority leader are saying the same thing as the minority leader. They are urging a vote for the previous question and for the rule to consider the bill under an orderly procedure.

Mr. EVANS of Delaware. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank the gentleman for yielding.

I want to ask the gentleman a question. I think the choice is fairly clear.

Does a yes vote continue subsidies for major energy companies and a no vote on the previous question provide some assistance to home buyers and homebuilders and small business people all over the country?

Mr. LOTT. Mr. Speaker, we need to recognize that there is a serious problem here. This is an urgent supplemental appropriations bill. If we do what the Rules Committee is apparently now talking about, it will go back up to the Rules Committee. If we do not take it up today, they will add $500 million to $1 billion in a housing initiative and the Senate will up the ante. We may very likely have a veto and no housing initiative and no urgent supplemental.

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Illinois.

Mr. CORCORAN. I think the gentleman makes a good point.

● Mr. BROWN of Ohio. Mr. Speaker, I commend the leadership of Congressmen CORCORAN and EVANS in attempting to accomplish two important goals. The first would provide immediate assistance to the housing industry. The second would scale back a Synthetic Fuels Corporation bloated by the congressional spending hysteria of 1980.

By linking these two goals, the Corcoran-Evans amendment would provide fiscally responsible housing assistance. This assistance would be available not only to States with preexisting revenue mortgage bond programs but to States like Ohio which, at present, have no such programs. I thank the gentlemen from Illinois and Delaware for working with me to assure that Ohio could benefit from their efforts.

Ohio has a State constitution which does not presently authorize mortgage revenue bonds. I drafted a proposal to provide that Ohio and three other States, would still get their fair share. The Secretary of Housing and Urban Development would be required to provide another means to distribute Ohio's share to Ohio builders and home buyers. I thank my colleagues for helping me help Ohioans who want their own fair share of the American dream.

I have been and continue to be a supporter of a synthetic fuels program. But especially in these times of record unemployment and high interest rates, I think it makes eminent good sense to take a small portion of the $15 billion in funds remaining to the Synthetic Fuels Corporation and to use that money to help Americans purchase houses, and thereby aid the construction industry and workers in that industry who have been among the most seriously affected by this recession.

Particularly when I hear that the Synthetic Fuels Corporation now plans to claim the funds released as a result of the collapse of the TOSCO project and to use those funds again, I see that all my worst fears about this wonderful Synfuel Corporation created by the Energy Security Act are coming true.

It truly is acting as a sui generis "Jack the Ripper."

When the Democratic leadership brought the Energy Security Act back from conference with a price tag of $90 billion—yes, $90 billion—higher than the House-passed $3 billion bill, I objected. I predicted that a worthwhile seed program had been corrupted in conference. The primary authors of the bill promised this House that the synthetic fuels fund would not be a revolving fund. It would be a one-time sum from which every agreement would be subtracted. I quote from the CONGRESSIONAL RECORD of the day this House adopted the conference report:

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the gentleman from Ohio (Mr. BROWN), has made a number of criticisms of S. 932 today and in a previous "Dear Colleague" letter, and I would like to reply to them.

He refers to the Corporation as "legally undefined." I think the Corporation is quite legally defined within the many pages of the very legislation before us. The idea may be difficult to fully comprehend, but this is a new one-of-a-kind Federal entity for a special purpose and with a set lifetime.

Now when the gentleman refers to $20 billion and then an additional $68 billion as if these were sums of money the U.S. Government is actually going to spend, I must respectfully disagree. These sums represent mostly private capital which will be generated into synthetic fuels development through the use of various Federal guarantees.

These sums will be spent only if everything completely fails, but with the skyrocketing prices of foreign oil I think that is hardly likely or even a possibility.

The $20 billion authorization is contained in this bill but it is subject to the appropriations process. The sum really is a set-aside

in the unlikely event the program is a total failure and we cannot even recover a nickel of our investment. However, as each contract or guarantee is made, the amount of money is deducted from the total authorization dollar-for-dollar to the maximum liability and cannot be used again. In effect, it is a bookkeeping scorecard.

Mr. Speaker, the Synthetic Fuels Corporation is attempting to do what the authors promised they could not do. If the TOSCO funds are released to the Synthetic Fuels Corporation instead of being returned to the Treasury as provided by the letter and spirit of the act, then we were truly "had" by those who would spend billion after billion without reason.

For the Democratic leadership to defend this synthetic fuels program—every penny of this program—while professing such concern about the deficit is the worst kind of hypocrisy. The same brand of hypocrisy with which the original legislation was corrupted.

I have been spending a great deal of time with the people of Ohio. I know how they would vote given the choice between $1 billion from synfuels and $1 billion for housing. I, for one, will vote as their representative, not as the representative of "Big Oil" and those who want to milk the Synthetic Fuels Corporation sacred cow for every drop they can get.

We would have left $13.9 billion for synthetic fuels development by transferring $1 billion to housing. Mr. Speaker—remember—that is $10.9 billion more than in our original synfuels program bill before the Senate and the majority leader ganged up on the taxpayers in conference.●

● Mr. WOLF. Mr. Speaker, I rise in opposition to the motion ordering the previous question.

I oppose the previous question motion because we have the opportunity today to discuss and approve a home buyers' assistance amendment which will give a much-needed signal to the American people that we are serious about getting this country moving again. In the past, the housing, building, construction, and associated industries have played key roles in boosting the Nation's economy and I believe they can be a motivating force now. We must seize this opportunity to restore the country's faith and hope in the American dream—homeownership.

Most of my colleagues are faced with the same recession crunches with which I am faced in the 10th District of Virginia. One result of this economic slump is unemployment, especially in the area of building and construction.

Ideally, the Congress should act to restore fiscal responsibility by bringing Government spending down, the deficit down, and high interest rates down. This would restore productivity to our land and prosperity to our people. As we have seen, however, interest rates have remained high, the deficit has blossomed, and we, in Congress, continue to let Government spending control us; we do not control it. As long as this trend continues, we can expect further economic hardships and a prolonged recession.

We must act now to stimulate areas of the economy which have the potential for increasing our Nation's productivity.

I urge my colleagues to vote "no" on the motion on the previous question for the rule on H.R. 5922, the Urgent Supplemental appropriations, and join me in voting "yes" on the home buyers' assistance amendment. We can take a positive step today in turning the economy around through this action.●

● Mrs. SCHNEIDER. Mr. Speaker, it is my intention to vote "no" on ordering the previous question on House Resolution 415, the rule for consideration of H.R. 5922, the urgent supplemental appropriations bill, and I urge my colleagues to do likewise.

My "no" vote is not to delay consideration of H.R. 5922, which contains vitally needed funds for education assistance, sewer construction grants, and other governmental functions. In my opinion, the failure to consider this bill in a more timely fashion has led to uncertainty on the part of students and their parents as well as by local and Federal officials. I urge the leadership to relent and bring this bill up at once.

At the same time, Mr. Speaker, I believe that House consideration must be under an open rule. Traditionally, we have considered appropriations bills under open rules allowing for appropriate amendments—and in this case, the Evans-Corcoran amendment could not be more appropriate. Our housing industry is in a state of depression. Interest rates in excess of 16 percent continue to plague those desiring to purchase a home, and the Evans-Corcoran amendment will provide relief. The funds to be provided are already appropriated, and let us not play a shell game with the budget authority/outlays argument. The funds designated by the Evans-Corcoran amendment have already been appropriated to the Synthetic Fuels Corporation for use as loan guarantees. Proponents of the rule—and those who would deny relief to the housing industry and to home buyers—argue that new funds are needed rather than those previously appropriated to the SFC since the Evans-Corcoran amendment would not, in their opinion, save any new outlays.

Well, permit me, Mr. Speaker, to use an analogy. Just because you have money in a savings account and go out to borrow money does not mean the savings will never be used. To so argue would be specious and beside the point. The plain fact is that the leadership's plan would add to the deficit, and the Evans-Corcoran amendment would not involve appropriation of a single, solitary new cent. The leadership's plan means borrowing more money, and the Evans-Corcoran plan means allocating already committed funds more effectively.

Let us get the housing industry out of its depression. Let us let home buyers purchase homes at reasonable interest rates. Let us put life into the guaranteed student loan program and Pell grants. Let us get needed sewer funds out and put them to work.

Mr. Speaker, I urge my colleagues to vote "no" on the previous question and I urge the leadership to get this bill to the floor, without any more unnecessary delay. The country is waiting for badly needed funds for these programs. The choice is between leaving funds which can be spared with big oil companies or allocating them more effectively and quickly for the housing industry.●

The SPEAKER. All time has expired.

Mr. LOTT. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EVANS of Delaware. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 240, nays 158, not voting 34, as follows:

[Roll No. 60]

YEAS—240

Addabbo	Byron	English
Akaka	Chappell	Evans (GA)
Albosta	Cheney	Fary
Alexander	Clay	Fascell
Anderson	Clinger	Fazio
Annunzio	Coelho	Ferraro
Anthony	Collins (IL)	Fiedler
Applegate	Conable	Fithian
Aspin	Conte	Flippo
Bailey (PA)	Conyers	Florio
Barnes	Coyne, William	Foley
Bedell	Crockett	Ford (MI)
Beilenson	D'Amours	Ford (TN)
Benjamin	Daschle	Fountain
Bennett	de la Garza	Fowler
Bevill	Dellums	Frost
Bingham	Derrick	Fuqua
Blanchard	Dickinson	Garcia
Boggs	Dicks	Gaydos
Boland	Dingell	Gejdenson
Bolling	Dixon	Gephardt
Bonior	Dorgan	Gibbons
Bonker	Dowdy	Glickman
Bouquard	Downey	Gonzalez
Bowen	Dwyer	Gore
Breaux	Dymally	Gramm
Brinkley	Dyson	Gray
Brodhead	Early	Green
Brooks	Eckart	Guarini
Broomfield	Edgar	Hall (OH)
Brown (CA)	Edwards (CA)	Hall, Sam
Burton, Phillip	Edwards (OK)	Hamilton

Hance
Harkin
Hawkins
Hefner
Heftel
Hertel
Hightower
Holland
Howard
Hoyer
Hubbard
Hughes
Hutto
Ireland
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lantos
Leath
Lehman
Leland
Levitas
Livingston
Long (LA)
Long (MD)
Lott
Lowry (WA)
Luken
Lundine
Markey
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Mollohan
Montgomery
Mottl
Murphy
Myers
Natcher
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Oxley
Panetta
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Vento
Rahall
Volkmer
Rangel
Walgren
Ratchford
Washington
Reuss
Watkins
Rhodes
Waxman
Richmond
Weiss
Rinaldo
White
Roberts (KS)
Whitehurst
Roberts (SD)
Whitley
Robinson
Whitten
Rodino
Williams (MT)
Roe
Wright
Roemer
Wyden
Rose
Wylie
Rosenthal
Yates
Rostenkowski
Yatron
Roukema
Young (MO)
Roybal
Zablocki
Rudd
Zeferetti
Russo
Sabo
Savage
Sawyer
Scheuer
Schroeder
Schumer
Seiberling
Shamansky
Shannon
Sharp
Shaw
Shelby
Simon
Skelton
Smith (IA)
Smith (NE)
Solarz
St Germain
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauzin
Udall

NAYS—158

Andrews
Archer
Atkinson
Badham
Bafalis
Bailey (MO)
Beard
Benedict
Bereuter
Bethune
Bliley
Brown (CO)
Brown (OH)
Broyhill
Burgener
Butler
Campbell
Carman
Carney
Chappie
Clausen
Coats
Coleman
Collins (TX)
Corcoran
Coughlin
Courter
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daub
Davis
Deckard
DeNardis
Dornan
Duncan
Dunn
Edwards (AL)
Emerson
Emery
Erdahl
Erlenborn
Evans (DE)
Fenwick
Fields
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goodling
Gradison
Gregg
Gunderson
Hagedorn
Hall, Ralph
Hammerschmidt
Hansen (ID)
Hansen (UT)
Hartnett
Heckler
Hendon
Hiler
Hillis
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hunter
Hyde
Jacobs
Jeffords
Jeffries
Johnston
Kazen
Kramer
Lagomarsino
Latta
Leach
LeBoutillier
Lee
Lent
Lewis
Loeffler
Lowery (CA)
Lujan
Lungren
Madigan
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
McCollum
McDonald
McEwen
McGrath
Miller (OH)
Mitchell (NY)
Molinari
Moore
Moorhead
Morrison
Napier
Neal
Nelligan
O'Brien
Parris
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Ritter
Rogers
Roth
Rousselot
Schneider
Schulze
Sensenbrenner
Shumway
Shuster
Skeen
Smith (AL)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Staton
Stump
Tauke
Taylor
Thomas
Traxler
Trible
Walker
Wampler
Weaver
Weber (OH)
Whittaker
Winn
Wirth
Wolf
Wolpe
Wortley
Young (AK)
Young (FL)

NOT VOTING—34

AuCoin
Barnard
Biaggi
Boner
Burton, John
Chisholm
Coyne, James
Derwinski
Donnelly
Dougherty
Dreier
Ertel
Evans (IA)
Evans (IN)
Foglietta
Frank
Ginn
Goldwater
Grisham
Hatcher
Jones (TN)
Kemp
Marks
Mattox
Murtha
Nelson
Santini
Siljander
Smith (PA)
Stanton
Vander Jagt
Weber (MN)
Williams (OH)
Wilson

□ 1315

Messrs. SNYDER, MARRIOTT, PRITCHARD, THOMAS, MOORE, RALPH M. HALL, LATTA, REGULA, and SAVAGE changed their votes from "yea" to "nay."

Ms. MIKULSKI changed her vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CORCORAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 338, nays 54, not voting 40, as follows:

[Roll No. 61]

YEAS—338

Addabbo
Akaka
Albosta
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Atkinson
Bailey (PA)
Barnes
Beard
Bedell
Bellenson
Benedict
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Bliley
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown (CA)
Brown (OH)
Burgener
Burton, Phillip
Byron
Campbell
Carman
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Conable
Conte
Conyers
Corcoran
Courter
Coyne, William
Crockett
D'Amours
Daniel, R. W.
Daschle
Daub
Davis
de la Garza
Dellums
DeNardis
Derrick
Dicks
Dingell
Dixon
Dorgan
Downey
Duncan
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erlenborn
Evans (DE)
Evans (GA)
Fary
Fascell
Fazio
Fenwick
Ferraro
Fiedler
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gejdenson
Gephardt
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gradison
Gramm
Gray
Green
Guarini
Gunderson
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (UT)
Harkin
Hartnett
Hawkins
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hillis
Holland
Hollenbeck
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jones (NC)
Jones (OK)
Kastenmeier
Kazen
Kennelly
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Lantos
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (LA)
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Luken
Lundine
Lungren
Markey
Marlenee
Marriott
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (MD)
Mitchell (NY)
Moakley
Moffett
Molinari
Mollohan
Montgomery
Mottl
Murphy
Myers
Napier
Natcher
Neal
Nelligan
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Ottinger
Oxley
Panetta
Parris
Pashayan
Patman
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Porter
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Rodino
Roe
Roemer
Rogers
Rosenthal
Rostenkowski
Roth
Roukema
Roybal
Rudd
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schulze
Schumer
Seiberling
Sensenbrenner
Shamansky
Shannon
Sharp
Shaw
Shelby
Simon
Skeen
Skelton
Smith (IA)
Smith (NE)
Snowe
Solarz
Solomon
Spence
St Germain
Stark
Staton
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tauke
Tauzin
Taylor
Thomas
Traxler
Trible
Udall
Vento
Volkmer
Walgren
Wampler
Washington
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams (MT)
Williams (OH)
Winn
Wirth
Wolf
Wolpe
Wortley
Wright
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)
Zablocki
Zeferetti

NAYS—54

Archer
Badham
Bailey (MO)
Bethune
Brown (CO)
Broyhill
Butler
Collins (TX)
Coughlin
Craig
Crane, Daniel
Crane, Philip
Daniel, Dan
Dannemeyer
Deckard
Dickinson
Dornan
Edwards (AL)
Erdahl
Fields
Forsythe
Frenzel
Gingrich
Goodling
Gregg
Hagedorn
Hansen (ID)
Holt
Hopkins
Jeffries
Johnston
Kramer
Lujan
Madigan
Martin (IL)
McCollum
McDonald
Moore
Moorhead
Morrison
Paul
Petri
Rousselot
Schroeder
Shumway
Shuster
Smith (AL)
Smith (NJ)
Smith (OR)
Snyder
Stangeland
Stump
Walker
Weber (OH)

NOT VOTING—40

Aspin	Dreier	Murtha
AuCoin	Ertel	Oberstar
Bafalis	Evans (IA)	Rangel
Barnard	Evans (IN)	Rose
Biaggi	Foglietta	Santini
Boner	Frank	Siljander
Burton, John	Ginn	Smith (PA)
Chisholm	Goldwater	Stanton
Clay	Grisham	Vander Jagt
Coyne, James	Hatcher	Weber (MN)
Derwinski	Jones (TN)	Wilson
Donnelly	Kemp	Young (MO)
Dougherty	Marks	
Dowdy	Mattox	

□ 1330

Mr. CLAUSEN changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LOTT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, as amended, the Chair appoints as members of the U.S. Group of the North Atlantic Assembly to be held May 27 to June 1, 1982, in Madeira, Portugal, the following Members on the part of the House:

Mr. PHILLIP BURTON of California, chairman;

Mr. HAMILTON of Indiana, vice chairman;

Mr. BROOKS of Texas;

Mr. ANNUNZIO of Illinois;

Mr. ROSE of North Carolina;

Mr. GARCIA of New York;

Ms. OAKAR of Ohio;

Mr. ROSENTHAL of New York;

Mr. BROOMFIELD of Michigan;

Mr. WHITEHURST of Virginia;

Mr. BURGENER of California; and

Mr. ROTH of Wisconsin.

PERMISSION FOR SUBCOMMITTEE ON THE PANAMA CANAL/OUTER CONTINENTAL SHELF OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT TODAY DURING 5-MINUTE RULE

Mr. JONES of North Carolina. Mr. Speaker, I ask unanimous consent that the Subcommittee on the Panama Canal and Outer Continental Shelf of the Committee on Merchant Marine and Fisheries be permitted to meet this afternoon while the House is operating under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. WALKER. Mr. Speaker, reserving the right to object, I reserve the right to object to ask the gentleman whether or not this has been cleared with the minority.

Mr. JONES of North Carolina. To the best of my knowledge, it has, sir.

Mr. WALKER. The ranking member agreed with this request?

Mr. JONES of North Carolina. I have heard no objection.

Mr. LENT. If the gentleman will yield, I am the ranking minority member on the subcommittee. We have no objection to the bill coming up this afternoon.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

FEDERAL RECLAMATION LAWS AMENDMENTS

Mr. KAZEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. KAZEN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 5539, with Mr. FOWLER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose on Wednesday, May 5, 1982, sections 1 and 2 of the committee amendment in the nature of a substitute had been considered as having been read and open to amendment at any point.

Are there any amendments to sections 1 or 2?

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN: Page 4, line 6, strike all that follows the period through the colon on line 14 and insert in lieu thereof: "The interest rates used pursuant to this Act shall be determined by the Secretary of the Treasury on the basis of the weighted average yield of all publicly held, interest bearing, marketable issues sold during the fiscal year in which the expenditures by the United States were or are made, but shall not be less than five per centum per annum:".

Mr. KAZEN. Mr. Chairman, this amendment incorporates suggestions made by the General Accounting Office with respect to the interest rate used in the full cost formula. This amendment will perfect the full cost formula so that it will more accurately reflect the actual cost to the Government for constructing these water projects.

The formula, as it presently reads, would utilize the average yields obtained by the Treasury upon its marketable public obligations which are neither due nor callable for redemption for 15 years from date of issue.

This amendment would require that the Secretary of the Treasury use the weighted average yield of all publicly held, interest-bearing, marketable issues sold during the fiscal year in which the expenditures by the United States were or are made.

The General Accounting Office pointed out to us that, in some years, the Treasury Department does not sell 15-year bonds. Furthermore, by weighting the average yields of all the bonds (long-term and short-term) sold during the fiscal year in which expenditures were or are made, we will more accurately reflect the actual cost to the Government for constructing these projects.

Finally, this amendment would place a floor on the interest rate so that in no case could it be less than 5 percent per year. Without this floor, the interest rate for some projects could be in the 2- to 3-percent range because when those projects were built in the 1930's and 1940's, interest rates were quite low.

□ 1345

Mr. Chairman, I urge adoption of the amendment.

Mr. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as I understand it, this amendment was drafted to satisfy the concerns of the Government Accounting Office, and so I see no reason to oppose it. In fact, it may very well serve, as the chairman has stated, to clarify the full cost definition which will help in the revenue generating process under the bill. So, I do support the amendment.

But, I would also like to engage in a colloquy and ask some questions of the chairman with regard to that particular provision. The first question is, Does this interest rate apply to all past project construction costs, or is it intended to apply only prospectively to new projects yet to be funded or authorized?

Mr. KAZEN. Will the gentleman yield?

Mr. CLAUSEN. I will be happy to yield.

Mr. KAZEN. Yes. The interest rate is applied to all of the remaining construction costs on projects which have been completed. That is, to the balance due. It applies to all of the construction costs on projects yet to be funded or authorized.

Mr. CLAUSEN. Would this mean, then, that in a calculation for the cost of water to a recipient, that the calculation will be adjusted each year based upon the formula contained in the gentleman's amendment? In other words, will the average weighted yield for each year determine the interest rate for that year on all costs to water recipients under the bill? Could this also apply on a yearly basis to repayment contract provisions for project construction, or will that repayment rate remain constant under the terms of a repayment contract?

Mr. KAZEN. The interest rate is the weighted average of interest rates for the year in which the expenditure was made by the Government. It remains constant as to the particular amount expended in that year. For example, if $5 million were spent in 1977 and $10 million in 1978, the interest rate would be computed for 1977 and applied on the $5 million and the rate would be computed on the $10 million for 1978. That rate would be charged on each of those amounts over the balance due on that particular year's expenditure, over the remaining life of the repayment contract.

The principal amount repayable will remain constant. Please note that the formula provides for amortization.

I can give the gentleman an analogy:

If a developer were to build three different buildings over a period of 3 years, one each year, financed by the same lender, he might borrow a certain amount the first year to build the first building. The lender would compute the interest on that amount over the life of the loan according to the prevailing rate for that year. He would do the same for the additional amounts borrowed in the second and third year. The total amount borrowed might be $300,000 but there would be a different interest rate charge on the first hundred thousand, and on the next hundred thousand and so on, according to the prevailing rate in each of the years in which the money was advanced.

The only difference here is as to projects which have already been completed and upon which some repayment has been made. Interest would not be charged on the amount which has been repaid, but only on the balance of the contract obligation. The Secretary will prorate the amounts already paid back to each of the years in which the construction money was actually spent.

I hope that answers the gentleman's question.

Mr. CLAUSEN. I thank the gentleman for that clarifying legislative history on his amendment.

Mr. Chairman, I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN).

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments to sections 1 and 2, the Clerk will read.

The Clerk read as follows:

TITLE I

NEW AND AMENDED CONTRACTS

SEC. 101. (a) The provisions of this title shall be applicable to any district which:

(1) enters into a contract with the Secretary subsequent to the effective date of this Act;

(2) has an existing contract with the Secretary which is amended to enable the district to receive supplemental or additional benefits not previously authorized by law.

(b) Any district or individual which has an existing contract with the Secretary as of the effective date of this Act may, within two years of such date, make a written request to the Secretary for his approval that such contract be amended only to conform with the provisions of this title: Provided, That the Secretary shall extend the period in which to file the request if the request cannot be made due to circumstances beyond the control of the district. If the Secretary determines that the proposed amendments would conform with the provisions of this title, he shall consider the contract so amended for purposes of this Act. Such an amendment shall be binding upon the district or individual and the Secretary for the duration of such contract.

(c) In the absence of an amendment to a contract approved by a district or a request therefore, as provided in subparagraphs (a) and (b) of this Section, a person may elect to be brought under the provisions of this title by executing an election in a form approved by the Secretary to comply with this title. The district shall thereupon deliver project water to and collect from such persons, for the credit of the United States, the additional charges required by this title and assignable to the person making the election.

LIMITATION ON OWNERSHIP

SEC. 102. No project water shall be delivered by the Secretary pursuant to a contract, or contracts, for the irrigation of lands in private ownership, whether situated in one or more districts, which exceed nine hundred and sixty acres of class I land or its equivalent.

PRICING

SEC. 103. (a) Notwithstanding any other provision of law or contract to the contrary, the Secretary shall not enter into any contract with a district which provides for the delivery of project water, nor shall he deliver project water to lands held by any person whether as the owner thereof or as a tenant, in excess of nine hundred and sixty acres of class I land or its equivalent, in the aggregate, whether situated in one or more districts at a price which is other than the full cost thereof as defined herein: *Provided,* That any contract entered into pursuant to this subsection shall contain a provision requiring that the full price which shall be charged for project water delivered to lands held by any person in excess of nine hundred and sixty acres, as provided by this Act, shall be paid only by that person, and shall not be assigned, either wholly or in part, to any other person.

(b) The Secretary may enter into a contract with a district which provides for the delivery of project water to any person for land held by such person as the owner thereof or as a tenant, not in excess of nine hundred and sixty acres of class I land or its equivalent, in the aggregate, whether situated in one or more districts, at a price to be fixed by him pursuant to the Federal reclamation laws in effect prior to the effective date of this Act or, in the case of an amended contract, upon the terms and conditions established by such contract prior to the date of its amendment.

CORPORATIONS

SEC. 104. Notwithstanding the provisions of this title or any other provisions of this Act, a corporation having more than eighteen individual shareholders shall be treated as a person under the provisions of section 103 only if such corporation was receiving, or had received, project water on or before October 1, 1981: *Provided, however,* That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all of the project water delivered for use on lands owned or leased by it: *Provided further,* That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

CERTIFICATION

SEC. 105. As a condition to the receipt of project water for the irrigation of lands in a district which becomes subject to the provisions of this title, each landowner and lessee within such district shall furnish the district, in a form prescribed by the Secretary, a certificate that they are in compliance with the provisions of this Act. The Secretary may require any lessee to submit to him, for his examination, a complete copy of any such lease executed by each of the parties thereto.

EQUIVALENCY

SEC. 106. Upon the request of any district, the acreage limitations imposed by this title shall apply to the irrigable lands classified within such district by the Secretary as having class I productive potential or the equivalent thereof in larger acreage of less productive potential, as determined by the Secretary, taking into account all factors which significantly affect productivity, including but not limited to topography, soil characteristics, length of growing season, elevation, adequacy of water supply, and crop adaptability.

SEC. 107. (a) Project water made available in the operation of reclamation project facilities constructed after the enactment of this Act may not be delivered for use in the irrigation of lands held in excess of the ownership limitations imposed by the Federal reclamation laws, including this Act, unless and until the owners thereof shall have executed a recordable contract with the Secretary requiring the disposal of their interest in such excess lands within a reasonable time. Such reasonable time shall be established by the Secretary, but shall not exceed ten years after the recordable contract is executed by the Secretary in accordance with

the terms and conditions required by the Federal reclamation laws generally.

(b) Lands held in excess of the ownership limitations imposed by the Federal reclamation laws, including this Act, which, on the date of enactment of this Act, are receiving delivery of project water made available by the operation of existing reclamation project facilities may continue to receive such deliveries only—

(1) if the disposal of the owner's interest in such lands is required by an existing recordable contract with the Secretary, or

(2) if the owners of such lands have requested that a recordable contract be executed by the Secretary.

(c) All recordable contracts covering excess land sales shall provide that a power of attorney shall vest in the Secretary to sell any excess lands not disposed of by the owners thereof within the period of time specified in the contracts. In the exercise of that power, the Secretary shall sell such lands through an impartial selection process only to qualified purchasers according to such reasonable rules and regulations as he may establish: *Provided*, That the Secretary shall recover for the owner the fair market value of the land, unrelated to project water deliveries plus the current fair market value of any improvements thereon.

(d) Excess lands which are hereafter disposed of in compliance with any provision of the Federal reclamation laws, or this Act, may be considered eligible to receive project water made available through the operation of project facilities only—

(1) if they are held by nonexcess owners under this title or any other applicable provision of the Federal reclamation laws; and

(2) if their title is burdened by a covenant prohibiting their sale, for a period of ten years after their original disposal to comply with the Federal reclamation laws or title I of this Act, for values exceeding the sum of the value of the newly added improvements and the value of the land as increased by market appreciation unrelated to the delivery of project water. Upon expiration of the terms of such covenant, the title to such lands shall be freed of the burden of any limitation on subsequent sale values which might otherwise be imposed by the operation of section 423e of title 43, United States Code.

OPERATION AND MAINTENANCE COSTS

SEC. 108. (a) Notwithstanding any other provision of this title, the price of project water delivered by the Secretary pursuant to a contract with a district shall be at least sufficient to recover all operation and maintenance charges which the district is obligated to pay to the United States.

(b) Whenever a district enters into a contract or requests that its contract be amended pursuant to this title and each year thereafter, the Secretary shall calculate such operation and maintenance charges and shall modify the price of project water delivered under the contract as necessary to reflect any changes in such costs by amending the district's contract accordingly.

(c) This section shall not apply to districts which operate and maintain project facilities and finance the operation and maintenance thereof from non-Federal funds.

WATER CONSERVATION

SEC. 109. Each contract entered into or amended pursuant to this title shall require the district to develop and implement an effective water conservation program which shall contain definite goals, appropriate water conservation measures, and time schedules for meeting the water conservation objectives.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDEE: Page 7, strike out lines 9 through 22 and insert in lieu thereof the following:

SEC. 104. Notwithstanding any other provision of this Act, the Secretary may enter into a contract which provides for the delivery of project water to any corporation having more than eighteen individual shareholders only at a price which is full cost of all the project water delivered for use on lands in excess of 160 acres owned or leased by it: *Provided, however*, That the Secretary may enter into a contract which provides for the delivery of project water to any such corporation which was not receiving, or had not received, project water on or before October 1, 1981, only at a price which is full cost as herein defined of all the project water delivered for use on lands owned or leased by it: *Provided further*, That any such corporation shall, in any event, be subject to the restrictions contained in section 102.

Mr. KILDEE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. KILDEE. Mr. Chairman, we were told yesterday that this bill was written with great diligence by very capable men, and it certainly has. They tell us also that the bill has been so fine tuned that except for the last amendment, it could not bear any amendments. But those who put the bill together, as we all know, like any other group, did not ascend Mount Sinai to bring this bill to us. For the most part, these men are from the 17 States that receive the water, and they certainly have a very understandable bias.

But, I think we have to have a national imprint on this bill, because the cost of this water is paid for by people of all the 50 States. The bill that I seek to amend would really legalize that which the court has declared to be illegal. It is a very modest amendment—perhaps too modest—but one that I feel ought to pass.

Under the bill which we have before us, corporations of more than 18 shareholders currently receiving reclamation water would be required to pay full cost for all acres over 960 acres. My amendment merely says that such corporations will pay full cost for all acres over 160. That is the amount set in the 1902 law that we have been discussing, which the court says has been violated. We are really talking about 800 acres of subsidized water which they have been getting beyond the limits of that 1902 law, and we are not talking about family farms. We are talking about large corporate farms.

Just for example, the J. G. Boswell Corp., which farms about 24,600 acres of land covered by this bill in westlands, is not a small corporation. It has sales of $160 million, according to the 1982 Dun & Bradstreet Directory. Southern Pacific Land Co., which is a subsidiary of the Southern Pacific Railroad, has about 106,000 acres in westlands. The agricultural economist, Phil Leveen, estimates that the subsidy to that company was worth about $100 million in 1975.

The gross profits of the Southern Pacific in 1 year was $2.8 billion—not a small family farm.

Now, the 1902 bill was originally enacted to encourage family farms. We should not really be in the business of subsidizing large, profitable corporations.

According to the Department of Interior acreage limitation environmental impact statement, only 516 out of a total of 47,638 reclamation farms are operated by corporations with 10 shareholders or more. That is 1.1 percent operated by those with 10 shareholders or more. Since my amendment gives 18 as a number of shareholders, it would affect less than 1.1 percent of the farms.

Every one of these farms is operated by an absentee operator who lives more than 50 miles from the farm. I think that some of the spirit of the 1902 law should be retained. We merely are saying that they will pay full cost for additional 800 acres for reclamation.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. I will be glad to yield.

Mr. PASHAYAN. Is the gentleman aware of what a recordable contract is?

Mr. KILDEE. Yes, I am.

Mr. PASHAYAN. Is the gentleman aware that Southern Pacific's land is under recordable contract?

Mr. KILDEE. I am aware of that.

Mr. PASHAYAN. Would the gentleman explain to the Members what a recordable contract is, or would he like me to do it?

Mr. KILDEE. A contract to sell the land.

Mr. PASHAYAN. That is right, so that when the gentleman says Southern Pacific has that land, and the other corporations the gentleman mentioned, the gentleman failed to mention that that land is under

recordable contract under the Secretary, to be divested.

Mr. KILDEE. Yes.

Mr. PASHAYAN. Well, I wish the gentleman had mentioned that, because it paints the picture in an entirely different color.

Mr. KILDEE. How many acres will they have after divestiture?

Mr. PASHAYAN. No more than 960. Is the gentleman aware of the testimony of former Secretary Cecil Andrus 2 years ago on this very subject?

Mr. KILDEE. I was not on the committee at that time.

Mr. PASHAYAN. May I inform the gentleman and inform the other members of the committee that Secretary Andrus said that the corporations to which the gentleman has alluded were in compliance with the law?

Mr. KILDEE. That is a matter that the court may dispute.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, a similar amendment was considered by the committee and rejected. In drafting this legislation, the committee gave very careful consideration to the question of corporation ownerships and corporate operations on lands within Federal reclamation projects.

As approved by the committee, the bill would permit corporations to own land eligible to receive water under the same limitations applied to an individual, or a family unit, 960 acres. Corporations which have more than 18 individual shareholders and which were not receiving project water on or before October 1, 1981, would be required to pay full cost for all of the land which they may own or operate in a project. Those larger corporations which were actually engaged in a farming operation and receiving water on or before October 1, 1981, would receive water for the first 960 acres they farm at the existing rate, but would be required to pay the higher full cost for any lands farmed in excess of 960 acres, the same as an individual. They are, so to speak, grandfathered in.

Mr. Chairman, the committee took the action it did in regard to corporations for good reason.

Once again, we were faced with the fact that the Department had interpreted the reclamation law almost from the very day it was enacted, 80 years ago, to permit corporate farming and to permit corporations, regardless of size, to be treated in the same manner as any individual.

In reliance on the years of administrative interpretations which permitted corporate operations and permitted leasing, substantial investments have been made by some corporations having more than 18 shareholders in farming operations.

The amendment would change the rules under which the program has been administered for many years and would retroactively penalize corporations which have, in good faith, relied upon the interpretations of those who are assigned the responsibility to administer the law.

Under the circumstances, I believe the committee has done the best that can be done.

□ 1400

Mr. LUJAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will tell the gentleman from Michigan (Mr. KILDEE), the author of the amendment, that I have a certain amount of sympathy with what he is attempting to do here. As a matter of fact, I am one who believes that everybody should pay the full cost of water for all the acreage. However, I think that companies that are now operating these farms do have contracts for receiving water; they do have those recordable contracts as the gentleman from California mentioned, and they are as a matter of fact in compliance with the law.

So I see no reason to create a distinction between some of them just because they are small or they are big. If we are going to charge the full cost of water for everyone, I might join the gentleman in such an amendment, but to discriminate against someone just because of size certainly is not a fair thing to do.

We often grandfather situations that exist, and in this particular case we have said, "Well, if you were complying with the law, then you will continue to receive that same amount of water that everybody else does."

So, Mr. Chairman, I think the amendment is highly discriminatory because it discriminates against someone just because they happen to be big, and I do not think that is the way we ought to move in legislating.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. LUJAN. I am happy to yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I am constrained to observe that at least some of the corporations mentioned by the author of this amendment are not exactly as large as Chrysler Corp., which I believe received quite a helping hand from the Federal Government in the gentleman's home State.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think that my colleague, the gentleman from Michigan (Mr. KILDEE) offers a good amendment to this particular proposal, and I rise in support of it.

If we look at the history of reclamation law, we see that one of its primary purposes was the promotion of the family farm unit. This amendment strengthens the family farm by assuring that the benefits of reclamation go to the family farmer and not large corporations, as presently permitted in parts of this particular bill.

The number of family farm operations affected by this amendment, with the number of reclamation aspects, is less than 1.1 percent of all reclamation farms. We are talking about a distinct minority, one that achieves a tremendous windfall benefit under the legislation as crafted by the committee.

The Federal Government should not be in the business of subsidizing large profitable corporations, but that is exactly what will happen if the committee bill is allowed to stand as it is. It is well known that large corporations in the past have assembled huge parcels of reclamation land. While the committee bill makes a small effort to recover Federal costs on a large percentage of these vast acreages, it falls far short of the goals of reclamation law by allowing existing farm corporations, regardless of size or profitability, to receive an unqualified subsidy of Federal water on the first 960 acres of corporation farmland.

By putting a limit on the size of corporations that receive subsidized reclamation water, the Kildee amendment, this first amendment, is helping to insure that it is the family farmer who will receive the benefits of reclamation, as, I believe, was originally intended by the authors.

I think that some of the authors here today have already categorized this as a bailout for these particular industries. I think we ought to face up to the fact that it does go back and change the initial intent. Simply because rules and regulations were put into effect over a period of years that circumvent the policy that was expressed by this Congress is no reason for us to go back now and try to place a mantle of legality over those particular contracts, and that is exactly what is happening in this particular measure. It is a compromise brought to its lowest common denominator that modifies court decisions and that modifies the intent of what this law is supposed to be addressed to. We have held extensive hearings. I served for 6 years on the committee, and I was involved in that subcommittee initially in 1977 and 1978 when the court was coming forth with rulings regarding this particular issue, and all this measure H.R. 5539 is an attempt by this Congress to frustrate the implementation of the proper policy that was established with regard to this policy and throw a mantle of legality over the rules and regulations, that have circumvented the intent of the original reclamation law and subsequent amendments.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the gentleman from California (Mr. PASHAYAN) indicated one company of the companies I mentioned that had recordable contracts on its acres.

May I point out to the gentleman another clarification, that under the recordable contract they have 10 years in which to dispose of that property. In that 10 years they will receive millions of dollars, many millions of dollars of subsidized water paid for by the taxpayers of this country.

Mr. PASHAYAN Mr. Chairman, I am not so sure of that.

Mr. VENTO. Mr. Chairman, I did not yield to the gentleman. I am yielding to the gentleman from Michigan (Mr. KILDEE). If the gentleman wants me to yield to him, I will do so after the gentleman from Michigan completes his statement.

Mr. KILDEE. Also, Mr. Chairman, the figure, 18, was not thought of by me. It was mentioned by the gentleman from New Mexico (Mr. LUJAN), who said that is discriminatory, but the figure was taken from the very bill that these gentleman brought to us, saying it was such a fine tuned bill.

This number, 18, is the number they arrived at, looking at how to treat new corporations after October 1.

So I will go along with accepting the number, 18. They did not find it discriminatory, nor do I.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the 10-year period of recordable contracts is something that has been long established, and it is deemed to be an equitable measure because it does involve divestment, after all, of private property.

In fact, the leasing of this land from some of these corporations the gentleman mentioned is the very device by which people not now farming in that area are able to come in. A young farming family may well not be able to afford to purchase the land, so they must lease the land in order for them to have some time to accumulate enough capital and then to purchase. So the recordable contracting system has worked very well for small family farms.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, the gentleman from California (Mr. PASHAYAN) would have us believe that the only solution to this particular problem is to let Boswell and other large corporations hold that land for an extra 10 years after circumventing the process for many years.

I submit to this committee that if that is the best solution we can come up with, if the best solution is to provide a windfall to these corporations so we can help the little farmers, there ought to be another way that we can set up a financing mechanism that would deal with this particular problem. But that is not what is being proposed here. What is being proposed is to continue the injustices and to continue the circumvention of the law that has existed in the past.

Mr. Chairman, I urge that the Members vote aye on the Kildee amendment.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has expired.

(On request of Mr. PASHAYAN, and by unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the gentleman, I am afraid, is coloring the whole issue with a paint that is not accurately disposed.

Once again, no less a critic of the whole reclamation system than former Secretary Cecil D. Andrus stated this in committee: In answering the question, are all these corporations mentioned and others in compliance with the law? His answer was, "Yes, they are in compliance with the law."

I am sure the gentleman would not want to leave the impression that heretofore they were out of compliance.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, let me say that if they were in compliance with the law as such, it would not be necessary for us to bring up the type of amendment we are bringing up to resolve what is obviously an uncertainty with regard to the rules and regulations that have been developed.

I think all of us understand what the intent of the law was as initially passed. There have been subsequent rulings which have the force and effect of law, and Secretary Andrus was forced to suggest that they were in compliance with those, but I think that the end result has been a circumvention of what the intent of that law was. Court cases, I believe, have established various precedents that indicated inconsistencies with the initial law.

I think what we are doing here is trying to resolve it. I think the committee should receive some credit for trying to do that, but I just think it ought to be done on the basis of equity. I do not think that awarding the extra acreage, as has been done here in terms of the 800 acres for corporations, is right, and as to the 10-year expression that the gentleman gives as the only mechanism that we can use to get the little farmers in by giving the big corporations 10 more years of low-cost water, I think that is inappropriate. That is the point that I make.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to my friend, the gentleman from California (Mr. COELHO), a member of the committee.

Mr. COELHO. Mr. Chariman, I thank the gentleman from Minnesota (Mr. VENTO).

First, I would like to say, when the gentleman talks of circumvention of the law, I do not know of anybody, including the gentleman in the well, who can give us a specific example of where anybody involved circumvented the law.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. VENTO) has again expired.

(On request of Mr. COELHO, and by unanimous consent, Mr. VENTO was allowed to proceed for 2 additional minutes.)

Mr. COELHO. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield to the gentleman from California.

Mr. COELHO. Mr. Chairman, as I say, I do not know of any circumstance where any individual in this particular area the gentleman is referring to has been in violation of the law or has circumvented the law.

Secretary Andrus was no supporter of the program, but he could not come up with any such instance, nor could any of the people who have fought the program.

Now, I am one of those who have tried to bring some order out of this whole chaos that has existed here, but the only way we can do it is if we deal with it in a very intelligent manner and in a low-key manner and try to deal with the facts. We have done that, and the subcommittee has done a great job in trying to put something together that makes sense.

Mr. Chairman, I do not want my colleagues on this side of the aisle to feel that there has been circumvention or violation of the law. That has not existed, and I am opposed to the gentleman's characterization.

Mr. VENTO. Mr. Chairman, the gentleman knows what a low-key personality I am.

Mr. KILDEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Michigan.

Mr. KILDEE. Mr. Chairman, I want to repeat that we are talking in my amendment about 800 acres for which the companies will have to pay the full price of the water. Certainly 800 acres of cost is not going to bankrupt Southern Pacific or the Boswell Co. We are only talking about 800 acres. If they pay full price, they can have well over the restricted acreage. Taking the difference between 160 in my amendment

and the 960 in your bill amounts to only 800 acres. Certainly they can pay the cost of those 800 acres.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, the committee injected the idea of a two-track system and made a policy decision that the acreage did apply in all cases, and the gentleman is suggesting that we bring back to life a two-track system. I am afraid that is apt to open up to further problems.

Mr. VENTO. Mr. Chairman, if I may reclaim my time, the gentleman is suggesting that we treat corporations different than we treat a small operation or partnership. I think that is consistent with the policy that should be followed. I think the 800-acre windfall is not necessary. I think there are other adequate provisions in this bill which characterize it and deal with the problem and the compromise. I do not think this is one.

Mr. Chairman, I ask for an aye vote on the Kildee amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KILDEE. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 62]

Akaka	Bliley	Clinger
Albosta	Boggs	Coats
Alexander	Bonker	Coelho
Anderson	Bouquard	Coleman
Andrews	Bowen	Collins (TX)
Annunzio	Breaux	Conable
Anthony	Brinkley	Conte
Applegate	Brodhead	Conyers
Atkinson	Brooks	Corcoran
Badham	Broomfield	Coughlin
Bailey (MO)	Brown (CA)	Courter
Bailey (PA)	Brown (CO)	Coyne, William
Barnes	Burgener	Craig
Bedell	Burton, Phillip	Crane, Daniel
Beilenson	Butler	Crane, Philip
Benedict	Byron	Daniel, Dan
Benjamin	Campbell	Daniel, R. W.
Bennett	Carman	Dannemeyer
Bereuter	Carney	Daschle
Bethune	Chappell	Daub
Bevill	Chappie	Davis
Bingham	Cheney	de la Garza
Blanchard	Clausen	Deckard
Dellums	Johnston	Railsback
DeNardis	Jones (OK)	Rangel
Derrick	Kastenmeier	Ratchford
Dickinson	Kazen	Regula
Dicks	Kennelly	Reuss
Dingell	Kildee	Richmond
Dixon	Kindness	Rinaldo
Dorgan	Kogovsek	Ritter
Downey	Kramer	Roberts (KS)
Duncan	LaFalce	Roberts (SD)
Dunn	Lagomarsino	Robinson
Dwyer	Lantos	Rodino
Dymally	Latta	Roe
Dyson	Leach	Rogers
Early	Leath	Rosenthal
Eckart	LeBoutillier	Rostenkowski
Edgar	Lee	Roth
Edwards (AL)	Lehman	Roukema
Edwards (CA)	Leland	Roybal
Edwards (OK)	Lent	Rudd
Emerson	Levitas	Russo
Emery	Lewis	Sabo
English	Livingston	Savage
Erdahl	Loeffler	Sawyer
Erlenborn	Long (LA)	Scheuer
Evans (DE)	Long (MD)	Schneider
Fary	Lott	Schroeder
Fascell	Lowery (CA)	Schulze
Fazio	Lowry (WA)	Schumer
Fenwick	Lujan	Seiberling
Ferraro	Luken	Sensenbrenner
Fiedler	Lundine	Shannon
Fields	Madigan	Sharp
Findley	Markey	Shaw
Fish	Marlenee	Shelby
Fithian	Marriott	Shumway
Flippo	Martin (IL)	Simon
Florio	Martin (NC)	Skeen
Foley	Matsui	Skelton
Ford (MI)	Mavroules	Smith (AL)
Ford (TN)	Mazzoli	Smith (IA)
Forsythe	McClory	Smith (NE)
Fountain	McCloskey	Smith (NJ)
Fowler	McCollum	Smith (OR)
Frenzel	McCurdy	Snowe
Fuqua	McDade	Snyder
Garcia	McEwen	Solarz
Gejdenson	McGrath	Solomon
Gephardt	McHugh	Spence
Gilman	McKinney	St Germain
Gingrich	Mica	Stangeland
Glickman	Michel	Stark
Gonzalez	Mikulski	Staton
Goodling	Miller (CA)	Stenholm
Gore	Miller (OH)	Stokes
Gradison	Mineta	Stratton
Gramm	Minish	Studds
Gray	Mitchell (MD)	Stump
Green	Moakley	Swift
Gregg	Moffett	Synar
Guarini	Molinari	Tauke
Gunderson	Mollohan	Tauzin
Hagedorn	Montgomery	Taylor
Hall (OH)	Moore	Thomas
Hall, Ralph	Moorhead	Traxler
Hall, Sam	Morrison	Udall
Hamilton	Mottl	Vento
Hammerschmidt	Murphy	Volkmer
Hance	Myers	Walgren
Hansen (ID)	Napier	Walker
Hansen (UT)	Natcher	Wampler
Harkin	Neal	Washington
Hartnett	Nelligan	Watkins
Hawkins	Nelson	Weaver
Heckler	Nowak	Weber (MN)
Hefner	O'Brien	Weber (OH)
Heftel	Oakar	Weiss
Hendon	Oberstar	White
Hertel	Ottinger	Whitehurst
Hightower	Oxley	Whitley
Hiler	Panetta	Whittaker
Hillis	Parris	Whitten
Hollenbeck	Pashayan	Williams (MT)
Holt	Patman	Williams (OH)
Hopkins	Patterson	Winn
Howard	Paul	Wirth
Hoyer	Pease	Wolf
Hubbard	Pepper	Wolpe
Huckaby	Perkins	Wortley
Hughes	Petri	Wyden
Hunter	Pickle	Wylie
Hutto	Porter	Yates
Hyde	Price	Yatron
Ireland	Pritchard	Young (AK)
Jeffords	Pursell	Young (FL)
Jeffries	Quillen	Zablocki
Jenkins	Rahall	Zeferetti

□ 1430

The CHAIRMAN. Three hundred and sixty Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Michigan (Mr. KILDEE) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair advises the Members that this is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 220, noes 160, not voting 52, as follows:

[Roll No. 63]

AYES—220

Addabbo	Gibbons	Nelligan
Akaka	Gilman	Nowak
Albosta	Gingrich	Oakar
Annunzio	Goodling	Oberstar
Applegate	Gramm	Obey
Atkinson	Gray	Ottinger
Bailey (PA)	Green	Oxley
Barnes	Gregg	Parris
Bedell	Guarini	Patman
Beilenson	Gunderson	Patterson
Benjamin	Hagedorn	Paul
Bennett	Hall (OH)	Pease
Bereuter	Hall, Ralph	Perkins
Bingham	Hamilton	Petri
Blanchard	Hance	Price
Boland	Harkin	Pursell
Brodhead	Hartnett	Rahall
Brown (CO)	Heckler	Railsback
Brown (OH)	Heftel	Rangel
Burton, Phillip	Hertel	Ratchford
Byron	Hightower	Regula
Carman	Hiler	Reuss
Carney	Hollenbeck	Richmond
Chappell	Hoyer	Rinaldo
Clinger	Hughes	Ritter
Coats	Ireland	Rodino
Collins (IL)	Jacobs	Roe
Collins (TX)	Jeffords	Roemer
Conte	Jenkins	Rogers
Conyers	Johnston	Rosenthal
Coughlin	Kastenmeier	Rostenkowski
Dannemeyer	Kennelly	Roth
Daschle	Kildee	Roukema
Daub	LaFalce	Roybal
Davis	Lantos	Russo
Deckard	Latta	Sabo
Dellums	Leach	Savage
DeNardis	LeBoutillier	Sawyer
Derrick	Lee	Scheuer
Dingell	Lehman	Schneider
Dorgan	Lent	Schroeder
Downey	Levitas	Schulze
Dunn	Long (MD)	Schumer
Dwyer	Lundine	Seiberling
Dymally	Madigan	Sensenbrenner
Dyson	Markey	Shannon
Early	Martin (NY)	Sharp
Eckart	Mavroules	Shuster
Edgar	McCurdy	Simon
Edwards (CA)	McDade	Smith (AL)
Emery	McDonald	Smith (IA)
English	McEwen	Smith (NE)
Erdahl	McGrath	Smith (NJ)
Evans (DE)	McHugh	Snowe
Fary	McKinney	Solarz
Fenwick	Mica	Solomon
Fields	Mikulski	St Germain
Findley	Miller (CA)	Stangeland
Fish	Miller (OH)	Stark
Fithian	Minish	Stenholm
Florio	Mitchell (MD)	Stokes
Ford (MI)	Moakley	Studds
Ford (TN)	Moffett	Tauke
Fuqua	Molinari	Traxler
Garcia	Mottl	Vento
Gaydos	Murphy	Volkmer
Gejdenson	Natcher	Walker
Gephardt	Neal	Washington

Watkins	Williams (OH)	Yates
Waxman	Wirth	Yatron
Weaver	Wolf	Zablocki
Weber (MN)	Wolpe	Zeferetti
Weber (OH)	Wortley	
Weiss	Wyden	

NOES—160

Alexander	Forsythe	Mollohan
Anderson	Fountain	Montgomery
Andrews	Fowler	Moore
Anthony	Frenzel	Moorhead
Archer	Frost	Morrison
Badham	Glickman	Myers
Bailey (MO)	Gonzalez	Napier
Benedict	Gore	Nelson
Bethune	Gradison	Nichols
Bevill	Hall, Sam	O'Brien
Bliley	Hammerschmidt	Panetta
Boggs	Hansen (ID)	Pashayan
Bonker	Hansen (UT)	Pepper
Bouquard	Hawkins	Pickle
Bowen	Hefner	Porter
Breaux	Hendon	Pritchard
Brinkley	Hillis	Quillen
Brooks	Holt	Roberts (KS)
Broomfield	Hopkins	Roberts (SD)
Brown (CA)	Howard	Robinson
Broyhill	Hubbard	Rudd
Burgener	Huckaby	Shaw
Butler	Hunter	Shelby
Campbell	Hyde	Shumway
Chappie	Jeffries	Skeen
Cheney	Jones (OK)	Skelton
Clausen	Kazen	Smith (OR)
Coelho	Kindness	Snyder
Coleman	Kogovsek	Spence
Conable	Kramer	Staton
Corcoran	Lagomarsino	Stratton
Courter	Leath	Stump
Coyne, William	Leland	Swift
Craig	Lewis	Synar
Crane, Daniel	Livingston	Tauzin
Crane, Philip	Loeffler	Taylor
Daniel, Dan	Long (LA)	Thomas
Daniel, R. W.	Lott	Trible
de la Garza	Lowery (CA)	Udall
Dickinson	Lowry (WA)	Walgren
Dicks	Lujan	Wampler
Dixon	Luken	White
Dornan	Lungren	Whitehurst
Duncan	Marlenee	Whitley
Edwards (AL)	Marriott	Whittaker
Edwards (OK)	Martin (IL)	Whitten
Emerson	Martin (NC)	Williams (MT)
Erlenborn	Matsui	Winn
Fascell	Mazzoli	Wright
Fazio	McClory	Wylie
Ferraro	McCloskey	Young (AK)
Fiedler	McCollum	Young (FL)
Flippo	Michel	
Foley	Mineta	

NOT VOTING—52

Aspin	Dowdy	Marks
AuCoin	Dreier	Mattox
Bafalis	Ertel	Mitchell (NY)
Barnard	Evans (GA)	Murtha
Beard	Evans (IA)	Peyser
Biaggi	Evans (IN)	Rhodes
Bolling	Foglietta	Rose
Boner	Frank	Rousselot
Bonior	Ginn	Santini
Burton, John	Goldwater	Shamansky
Chisholm	Grisham	Siljander
Clay	Hatcher	Smith (PA)
Coyne, James	Holland	Stanton
Crockett	Horton	Vander Jagt
D'Amours	Hutto	Wilson
Derwinski	Jones (NC)	Young (MO)
Donnelly	Jones (TN)	
Dougherty	Kemp	

The Clerk announced the following pair:

On this vote:

Mr. Frank for, with Mr. Santini against.

Mr. GONZALEZ, Mr. WILLIAM J. COYNE, and Mrs. SCHNEIDER changed their votes from "aye" to "no".

Mrs. COLLINS of Illinois, Messrs. GINGRICH, FINDLEY, FUQUA, and NELLIGAN, and Mrs. SCHNEIDER changed their votes from "no" to "aye".

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. EMERY

Mr. EMERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EMERY: Page 6, line 5 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 13 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 6, line 20 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Page 19, line 7 strike the words "nine hundred and sixty" and insert in lieu thereof: "six hundred and forty".

Mr. EMERY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. EMERY. Mr. Chairman, I am offering this amendment to change the acreage limitation contained in title I of H.R. 5539 from 960 to 640 because it is an unnecessary extension of the current law, and weighs the whole bill in favor of a few large landholders. Present administrative practice allows an extension from the 160-acre limit of 640 acres for a family of four. In addition, the equivalency provisions of the law allow the extension of amounts of acreage that can receive irrigation under the Reclamation Act. A 640-acre limit is therefore not an absolute limit on land available for irrigation, but it is more realistic and does not skew this bill in favor of any particular farm owners.

The facts and data available tell the real story. The Interior Department draft environmental impact statement, issued in December 1980, which addressed the impact of new regulations on western farms, showed that approximately 96 percent of farms under reclamation projects are less than 640 acres in size. If we extend that acreage to 960, the percentage under reclamation becomes only 97 percent. Who, then, are we really serving by changing the acreage limitation to 960 acres? We are serving a few large farms and their owners.

Mr. Speaker, it seems to me that the intent of this act will be shifted away from helping the small farmer if we pass H.R. 5539 as it is presented to us today.

It is important that we keep this law within the bounds of sound farm policy and sound fiscal policy. By setting acreage limitation at 960 acres, we are asking the American taxpayer to subsidize large farming operators. The Interior DEIS showed the subsidy per acre under this law to be about $800 per acre. If we allow the acreage limitation to go to 960 acres, we will be subsidizing about 3 percent of farms eligible under this program to the tune of $1.4 million.

Nowhere has the justification for this extension of acreage limitation been adequately explained, and I am offering my amendment as part of the effort to make this bill a more responsible piece of legislation. Eighty percent of farms in America gross less than $50,000 per year, and it is unfortunate that, after spending so much time discussing the disastrous plight of the farmer, we are asked to approve a bill that skews the benefits of this proposal to favor large farms that have financial resources of their own.

□ 1445

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from New Mexico.

Mr. LUJAN. I thank the gentleman for yielding.

I would just like to point out to the gentleman what has happened here. We tried to define what the optimum size of a farm should be for a family to be able to make a living on. There are many studies, one from New Mexico State University, that shows that the size of a farm in order to make a living should be somewhere around 1,000 acres.

The Senate figures call for a family size farm of 1,200 acres. I really believe that what the gentleman is attempting to do, to lower it down to 640 acres, is not an adequate size to really define what the average family size farm ought to be.

I was simply explaining to the gentleman what we attempted to do, to define the size of a farm where a family could make a living. Obviously, the gentleman disagrees that it takes 960 acres, that one could do it on 640, but most of these studies do show that it takes about 1,000 acres.

Mr. EMERY. I thank the gentleman for his comment. My concern and the reason for offering the amendment is that it appears to me that the formula written in the bill does provide a greater subsidy to larger operations and in fact does not provide the incentives for the small farm.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman for yielding.

I appreciate the gentleman's amendment and I am going to support it. I think that there are a lot of farms in Minnesota and throughout other parts

of the country that get along with a lot less than 640 acres. I think it is just a matter of whether you think you only have to have those with big enough equipment.

As a matter of fact, when we went to California in the area there and saw it we had people come before us and testify it depends on what you plant. If you plant grains, if you plant other things, it takes a considerably smaller area in order to sustain a good operation, a profit operation.

So I think the gentleman's amendment that he makes would still provide for acreage of four times the amount of 160 which was initially intended around the turn of the century. I do not think that considers the quality and type of land and the type of subsidy that is going with it. That is a good and adequate amendment. I think that type of compromise goes light years toward meeting a realistic need in terms of what is adequate. Maybe that is one of the reasons all farmers are going out of business because of this idea. You have to keep growing bigger and bigger and you have to have more and larger equipment.

The CHAIRMAN. The time of the gentleman from Maine (Mr. EMERY) has expired.

(At the request of Mr. VENTO and by unanimous consent, Mr. EMERY was allowed to proceed for 5 additional minutes.)

Mr. VENTO. If the gentleman will yield further, in summary, I comment the gentleman for his amendment. The committee makes an effort and provides six times the land of 160 acres, 960, and I think that four times is adequate in terms of considering the subsidy that we are granting, in terms of Federal reclamation law, in terms of the particular proposal.

So I think the gentleman makes a good effort here and I think it deserves the support of this committee.

Mr. EMERY. I thank the gentleman for his comments and certainly in my part of the country, and I think probably in the gentleman's area as well, farming operations are in fact a great deal smaller than even the 640 figure which my amendment would provide for a limitation.

I think that our strategy ought to be to try to encourage various farm policies that move toward small farming operations because it will provide jobs.

Mr. VENTO. This does not really specify what the size is. It says if you have anything over 640 acres you have to pay the full price in terms of the water. It is a way of accomplishing an end in itself so that the resources can be spread around more.

If the Federal Government has money to provide in these areas is it not responsible to provide other types of agricultural programs not just to load up all the dollars, all the subsidies for one select group that happened to be fortunate enough to end up with all the reclamation land and various projects? That is the point.

This does not set the size. It just says what the value of reclamation is that they can have. If they want it they can have 2,000 acres, but they have to pay the difference in terms of what water costs.

Mr. EMERY. The gentleman is precisely right.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. EMERY. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would just like to compliment the gentleman on his amendment. I think it is a good amendment. I think it sets a more reasonable acreage level to protect the small farmer without having the Federal Government in times of very limited Federal dollars make commitments to the much larger farm.

So I think the gentleman's amendment is a good one. I hope that the House will accept it. I do not think we need a lot of debate on it. It makes a rational approach, particularly in that it is four to six times larger than in existing law.

Mr. EMERY. I thank the gentleman.

Mr. KAZEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the gentleman's amendment which would lower the acreage limitation in the bill from 960 to 640 acres.

The figure in the bill is based upon testimony taken from literally hundreds of witnesses over a period of 6 years.

Even former Secretary of the Interior, Cecil Andrus, a noted environmentalist, agreed that 960 acres would be a proper acreage limitation on the amount of land eligible to receive subsidized water.

The committee found that, in most areas, 960 acres would be required to support a family farming operation, not, Mr. Chairman, a corporate farming operation but a family farming operation.

Mr. Chairman, the investment a farmer must make in an irrigated farming operation is substantial.

For example, you cannot efficiently water or irrigate unleveled land. It must be leveled at a cost of several hundreds of dollars per acre.

There are no rolling hills in an irrigation project. Sprinkler systems, which are frequently employed in the interest of water conservation, do not come cheap.

The water must be pumped from the main canals and, in the case of flood irrigation, ditches and laterals constructed within the farm unit.

And, of course, there is the cost of machinery, which has skyrocketed in recent years, the cost of fuel, of labor, of seed, of fertilizer. On top of all this is the interest the farmer must pay on the investment.

Mr. Chairman, all of these factors were taken into consideration by the committee. The 960-acre limitation is not a figure pulled out of the air. It is a figure supported by facts.

I tell my colleagues that some of the colloquy on the floor here this afternoon reflects the differences in the farming sections of this country.

I ask the gentleman from Maine: What is the gentleman's annual rainfall in Maine and how does it compare to Colorado, to Arizona, to the Western States? What is the comparison of the land area, the irrigable land area in the gentleman's section as compared to the West?

There is logic to what the committee has brought here this afternoon. It is based on fact, and I urge defeat of the amendment.

Mr. CLAUSEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, as the distinguished chairman of the subcommittee has very eloquently presented his position, that is the position of the committee. This was discussed in depth in the committee itself. The figure of 960 acres is something that was not pulled out of the air. I will admit it is arbitrary by nature, but it was a figure based upon the hearing records and the testimony that was provided not only in California but also here in Washington.

What we are trying to do is come up with a reasonable consensus of what we thought would help to define a productive unit and add to the viability of that productive unit of a family farm.

When we talk about the equivalency formula, the equivalency formula was specifically incorporated into the act in the legislation so as to give recognition to the variables of productive capacity of the type of soils other than the class 1 lands.

And so, Mr. Chairman, I would strongly urge the rejection of the amendment. You cannot compare. You simply cannot compare the agricultural production potential on an acreage basis of land in Minnesota, in Maine, with those that are in the West.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. CLAUSEN. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

Let me bring this fact to the attention of my colleagues.

The other body has a bill, the companion bill to this one that we are debating today. Does the gentleman know what the acreage limitation in

that bill is? It is 1,280 acres in ownership and 2,080 acres in total that pays no subsidy. Compare that to what our committee has brought before us this afternoon.

Mr. CLAUSEN. Mr. Chairman, I urge the rejection of the amendment.

Mr. UDALL. Mr. Chairman, I move to strike the requisite number of words.

Mr. STUMP. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. STUMP. Mr. Chairman, the amendment we are now considering to reduce acreage limitations from 960 to 640 acres would substantially impact, and could possibly end, many farms which depend on reclamation water for their subsistence and operation.

The size of farm operations is a difficult question. Farm size must be adequate to allow an economic return to its owner. The tremendous increases in the operations associated with farming including equipment, fuel, fertilizers, pesticides, and labor, with absolutely no control over the costs of these items or the price for which the farm product will be sold, requires the farmer to be more efficient and farm more land to spread the costs in order to stay in business.

The committee has worked long and hard to remedy the deficiencies of the 1902 Reclamation Act and to arrive at an acreage figure which is representative of the average farming family. The family farm is not the exception in farming that so many people feel it is. Rather, it is the rule. The 960 acres of the bill is an improvement over the existing 160-acre limitation, which I believe should be repealed altogether.

The success of agriculture does not lie in the redistribution of land or limiting farm size, and I do not believe that was ever the intent of the 1902 act.

I urge my colleagues to vote against this amendment.

Mr. UDALL. Mr. Chairman, I hope the committee will stay with the Interior Committee on this issue and that we can vote shortly, and I think we have a good chance of finishing up here this afternoon at a reasonable time.

Just a couple of quick points, if I can. One hundred and sixty acres, the old figure from 1902, is arbitrary. It could have been 240 or 120 or any figure. It was the judgment of Congress in those days that that was about the right size for the family farm unit, which is what we were trying to promote then and continue supporting now.

The 960 figure was frankly more than I wanted. I think I started out substantially lower than this. We negotiated and debated and had amendments and went back and forth. The 960 figure is about as far as I could go. But I think it is a fair figure. If my colleagues will look at the kind of machinery needed for lettuce and some of these big vegetable crops, if you go to Washington or Oregon or Illinois or Iowa or Kansas, you will see that most farm operations are much bigger than the kind of things we are talking about here.

We have to negotiate on the other side when we go to the conference committee and I think the 960 figure is about right.

I would urge my colleagues to stay with us.

The point has been made, and I reiterate it: This 960 figure is now supported by the Secretary of the Interior—and I am not among his great admirers on much of his policy—but the study that the new administration made came out at 960 acres. Cecil Andrus, who was much closer to my thinking in all of these areas, made a study, and the last administration recommended a bill, and it was 960 acres.

So I think all of us ought to stand together. I think my colleagues ought to give our committee the benefit of the doubt.

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Mr. Chairman, it is very clear that the figure 960 acres, depending on where you come from in this country, will have different meanings to you.

There are those I suspect—a rather limited number, who, nevertheless, would go back to the existing law of 160 acres, but I do not think that that is realistic. I am not sure that is necessarily good for American agriculture.

The 960-acre figure, as the gentleman from Arizona (Mr. UDALL) has pointed out, is a figure that we have compromised on. It has some basis in fact, based on studies that have been done over the years by lending institutions on how much money they would loan to farmers in some of these areas, on the Department of Agriculture, the Department of the Interior, and those figures are ranged. They have truly ranged from 640 acres to 90. Some people suggested 1,280.

□ 1500

But the committee made this determination and made this determination based upon a trade and the trade was this: that we would grant you 960 acres, but even for those farmers under 960 acres, we were going to change the manner in which they paid for their water. No longer were we going to deliver water to them cheaper than it cost the Federal Government to bring the water to their land. They were going to pay full operation and maintenance. No longer were we going to calculate the ability to pay under a blanket assessment that every farm was 100 or 640, or whatever. We were trying to tell the Department of the Interior they ought to assess the ability to pay based upon the size of the farming operation.

For those people over 960, what we said is that you are going to pay what we have defined as full cost. We have determined that you are going to pay operation and maintenance. You are going to pay the full interest based upon prevailing interest rates at the time that the Federal Government spent the money. That portion which is allocated to you, you are going to pay the full freight. No more are you going to get a subsidy, as has been the situation now, and that was the tradeoff.

The question was to get this program out of the Treasury's pocket, to get it out of the taxpayer's pocket, and the tradeoff was that we would expand the size of the farm to some increment, to 960; but, in fact, it was going to start paying its own way.

I think that that is a fair proposition. I think it is a proper compromise, because we know that there are other benefits. There are benefits in terms of the efficiency with which water is used, the question of whether we will have to build as many projects in the future.

The water conservation that has been involved is the subject of numerous studies, that these pricing changes will bring that about. That was the trade.

We quit subsidizing the project, and we let them farm a few more acres.

I would hate to see that that is undone. I do not think that this is a situation where, if you impose the 640 acres, you send us to conference in a stronger position. Given our situation, you may, in fact, send us to conference in even a weaker situation with the Senate, which has an absolutely unacceptable bill.

I would hope that the House would reject the amendment.

Mr. KAZEN. Mr. Chairman, would the gentleman yield?

Mr. MILLER of California. I yield to my chairman.

Mr. KAZEN. Is it not true that under present law a man and his wife and four children are entitled to 960 acres?

Mr. MILLER of California. That is exactly right. They would be entitled to the full subsidy. Under this provision of the law, that subsidy would be erased.

Mr. PASHAYAN. Mr. Chairman, will the gentleman from California yield?

Mr. MILLER of California. I would be delighted to yield.

Mr. PASHAYAN. I just want to say that the gentleman from California should be commended. This is a subject he has spent a lot of time on. He has compromised from his point of view. I have compromised from my

point of view, because I would come in at a higher acreage if I had my own way.

I urge the committee to adhere to the decision of the Interior Committee. This is a sensitive issue and it is vital to the whole compromise that has been put together here.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the amendment.

Mr. Chairman, it is interesting to listen to the concerns about all the problems that California has and its uniqueness in terms of agriculture.

Let me tell you that the litany of concerns that has been expressed so ably by our chairman, the distinguished gentleman from Texas (Mr. KAZEN), are also problems that are affecting family farms across this Nation in terns of high interest rates.

I want to tell you one other factor that they have to depend upon. They have to depend upon that it rains correctly and that is one thing that those in California impacted with this legislation do not have as big a problem. In other words, we are reducing the risk for those in California. When we ask them to reduce the risk by stabilizing prices and commodities in terms of other crops, we find that we are met today repeatedly, and I do not say inappropriately, with limitations.

I am saying to you and I am saying to the others that are uniquely affected, and they are uniquely affected by this reclamation law, that they are going to have to start sharing the burden.

We are not saying that the ideal size is in terms of this. All we are suggesting is that the subsidy ought to go to 640 acres. It ought not to be 6 times 160 acres; that is, 960 acres, the size of what was initially intended in terms of subsidized land was after all 160 acres. We are saying that 4 times is adequate—640 acres. That is enough of a subsidy. Maybe we will have some money left so that we can meet the needs of other farm groups throughout the country.

About the ideal size, I think that is debatable. I can cite sources that say 640 acres is the right size.

The point is that in some of these operations, 960 acres, there are instances in certain parts of California that are covered by this that the incomes approach a million dollars, that people that have 960 acres have incomes of a million dollars.

Now, do you think that that person that is earning that kind of money on a 960-acre plot, that is a millionaire, do you think that he ought to pay his own fair share over 640 acres?

I think the amendment of the gentleman from Maine (Mr. EMERY) suggests that maybe we ought to let those in these high-income areas, pay their fair share.

We have a provision in this bill, incidentally, I call my colleagues' attention to, called equivalency, which permits some adjustment and some temperament of the 960 acres to deal with those acres that are not in that high-production, high-income category.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to my colleague, the gentleman from Montana, the unsubsidized water State of Montana, I might add.

Mr. MARLENEE. I might ask the gentleman from the downtown St. Paul area what the average size of a farm in his area is.

Mr. VENTO. Well, I think the average size in Minnesota probably is about 400 or 500 acres.

Mr. MARLENEE. I see, 400 or 500 acres. What is the average profit off that farm?

Mr. VENTO. I could not quote that. I will tell you this, this year Minnesota farmers are not making any money. This year the farmers in Minnesota, like so many other areas, are losing money. They are going bankrupt. That is why I think it is especially important and it is ludicrous for us to get up here and start saying how much of a subsidy we are going to give to these particular California reclamation farmers, and that is what we are really doing here. We are taking money from one group and giving it to another at low interest rates and all sorts of other advantages that we are giving them. That is what really concerns me in terms of the legislation that we have before us.

I think the 640-acre subsidy is enough. They still get the price supports. They still get all the other benefits, the low interest loans, the commodity supports of course, are important to all of us that come from States that have an agricultural economy. It is just a question of whether this really ought to go as far as it goes.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield to the gentleman from Montana.

Mr. MARLENEE. Well, does the gentleman have any idea what the average size farm in Montana or Wyoming or Idaho is?

Mr. VENTO. I expect in those States they would be significantly larger in those particular areas.

Mr. MARLENEE. Would the gentleman not concede naturally that the profit on those farms is not in excess of what you have from your 500 acres in Minnesota?

Mr. VENTO. Well, let me ask the gentleman, I anticipated the point. On page 8 of the bill, is the gentleman familiar with the equivalency provisions of this particular bill or not?

Mr. MARLENEE. I am acquainted with the equivalency provisions.

Mr. VENTO. Well, does the gentleman understand the purpose of that is to recognize in terms of adjusting size to fit the productivity of various areas.

What this amendment will do is set 640 as the base in terms of where we are going. From there you could work your way up.

I point out again to the gentleman, this amendment does not limit a farm to 640 acres. All it suggests is that that size farm will get the subsidy.

I want to point out that this 640-acre water subsidy does not go to a lot of area farms throughout this country. They do not get water subsidies for acre 1 and I think 640 is enough subsidy for the areas that we are talking about with regard to reclamation, which are in California almost exclusively.

Mr. KAZEN. Mr. Chairman, would the gentleman yield?

Mr. VENTO. I yield to the gentleman from Texas.

Mr. KAZEN. The gentleman understands that this amendment is reducing the subsidy even under the present law, does he not?

Mr. VENTO. Well, I think the present law is one that is subject to interpretation by the gentleman and by myself and by the courts and by the Secretary.

Mr. KAZEN. All right, but let us be fair about it. Each individual member of a family is entitled to 160 acres. A man and his wife and four children, a family unit, would be entitled to 960 and this amendment is reducing it.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(By unanimous consent, Mr. VENTO was allowed to proceed for 1 additional minute.)

Mr. VENTO. The gentleman makes a good point I guess that we could expand the size of this by the size of the family. I come from a family of eight children, and, therefore, the amendment would discriminate against large families versus small families. Is that the idea? I mean, I do not know what the logic is with respect to this concern.

Mr. KAZEN. Mr. Chairman, will the gentleman yield further?

Mr. VENTO. I yield.

Mr. KAZEN. This bill holds it to 960 per unit, per whole family unit, regardless of how many.

Mr. VENTO. I see the gentleman's point, but I am saying for a family unit that 640 is adequate. I do not know what the size of the family or the family has to do with it. I think it is adequate. I think that is the question.

I urge an aye vote on the amendment.

□ 1510

Mr. PASHAYAN. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, I should like simply to pick up on the point made by the esteemed chairman of the subcommittee.

Under the law as it exists today, each individual is entitled to 160 acres, not westwide but per district. That is to say, if the family of the gentleman from Minnesota (Mr. VENTO), 8 children, a mother and a father, 10, each of them could own 160 acres or 1,600 acres total, subsidized, per water district, and that could amount to many tens of thousands of acres throughout the reclamation area.

Mr. VENTO. Mr. Chairman, will the gentleman yield on that point?

Mr. PASHAYAN. I will not yield at this minute. I am not saying you would do it, but you could.

Under the committee bill, instead of saying that each individual can own up to 160 acres and then combination farm as many as possible with subsidized water, a family unit can own no more than 960 throughout the entire West. It seems to me that is a considerable reduction from what the present law is.

I should like to add that the matter of equivalency is entirely irrelevant to the setting of this figure, because equivalency is put in to augment, with less arable land, land that is considered to be fully arable. It is irrelevant in setting this figure. It has no bearing whatsoever.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield to the gentleman.

Mr. VENTO. I appreciate the gentleman's pointing that out.

Now, equivalency, in my judgment, is not irrelevant because you are talking about the differences between land. I think there are differences, and clearly, I think that that provision is one that belongs in this legislation, by those who placed it there, to work out the relative values.

The gentleman thinks it is the intent of this law, in other words, that every member of my father's family ought to have 160 acres or does he think it was the intent of the law that a family unit have 160 acres? I think it is the latter. The gentleman thinks it is the former.

So I want to point out to the gentleman as we go to remedy this, I think by giving it four times the size is a very generous subsidy. Indeed it is within our power to redefine the regulations and rules and is in fact what H.R. 5539 is about or attempting to do.

Mr. PASHAYAN. What the gentleman thinks is irrelevant on that point; what I think is irrelevant. What is relevant is what the Department of the Interior thinks and has thought for 80 years, and that is to say that the law provides, the letter of the law provides, that each individual can own 160 acres, and it has been interpreted to mean that 160 acres be owned by the husband, by the wife, and as many children as they have, as many cousins as they have.

I hope the gentleman will agree that this is a reduction of that principle. He may not.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will not yield.

The gentleman may not agree that it is a significant enough reduction, but it is a reduction.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I might also add, in addition to the 160 acres of ownership, the current law is silent on leasing. So those individuals can actually go out and lease more lands, and this puts a constraint on them by bringing it back to subsidized water for 960 acres per land holding.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I hope this amendment is defeated, and I find it amusing that those who rise in support of this amendment have precious little experience in agriculture. The amendment to limit is offered by my good colleague, the gentleman from Maine, which is as far removed from the arid Western States as one can get and still remain in this country.

Yes, granted they have small farms, but they also have a larger profit margin that the western farms, which are more arid, more widely dispersed. We have a problem of distamce. They have the problem of pumping the water. The idea is the arability of the land, the class of land, the amount of water available, the distances traveled that some of the people here that are trying to limit have little or no conception about.

Mr. PASHAYAN. I agree with the gentleman from Montana.

Mr. COELHO. Mr. Chairman, I rise in support of the position taken by the gentleman from California, in the well.

Is the gentleman running out of time, Mr. Chairman?

The CHAIRMAN. The gentleman has 30 seconds remaining.

Mr. COELHO. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from California.

Mr. COELHO. Mr. Chairman, I just think it is rather interesting that everybody in the Western part of this country has finally put together a package that makes sense for the western region—liberals, conservatives, Democrats, Republicans. We put it together, we have moved it through the subcommittee and through the full committee with very little opposition, if any. And then we come to the floor and we have people outside the western region who do not understand agriculture and do not understand the whole issue that is extremely complicated on water law, and so forth, who are now trying to tell us that we should not be able to resolve this problem.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PASHAYAN was allowed to proceed for 2 additional minutes.)

Mr. COELHO. I would hope that people from other regions would understand that this is a very bipartisan package.

I do not like a lot of the provisions that are in this bill, but neither do people on the other side. We have gotten together in a very honest, working relationship to put something together that makes sense.

There are not many limitations on the program that exists today. This bill provides limitations all over the place, brings some order out of chaos, and yet we have people who do not understand or are unwilling to understand the problems that exist in western agriculture, in western reclamation.

I would just ask that some of those from other regions of the country give us the same consideration that we give to them in many of their regional problems.

Mr. PASHAYAN. For example, does the gentleman from California have in mind some of the special considerations for the costs of home fuel? When we say "special regional consideration," is that the sort of thing the gentleman from California has in mind?

Mr. COELHO. That is one of them, but there are a lot of others.

Mr. PASHAYAN. There are, indeed.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I would like to speak to the comment the gentleman just made.

Reference has been made to a number of us who live outside of the West. If you want to talk about farming techniques and farming size, I think there are questions to be raised. But I resist and resent the kind of implication that those of us who live outside of a particular region of the country ought not to have comment.

There have been many opportunities that I have had in the well of the House over 8 years to observe Members fighting for their particular issues or projects who have used the same ar-

gument, and I have had the opportunity to remind them, as I remind the gentleman, that the people in our part of the country also have to share part of the cost. They pay taxes, too.

Mr. PASHAYAN. Mr. Chairman, if I may regain my time for just a moment, I share the sentiment of the gentleman from Pennsylvania, just as the people in my region have to share the special costs for the provisions of home fuel.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. EDGAR and by unanimous consent, Mr. PASHAYAN was allowed to proceed for 1 additional munute.)

Mr. PASHAYAN. My colleague from California was simply trying to point out this is an issue that is very complicated, it is regional, and it is perfectly understandable that other regions do not have the understanding in depth. And he is quite right when he says that this bill represents a coming together of liberals and conservatives, Republicans and Democrats, and I should hope people outside the West will acknowledge that.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Chairman, since I am the one who started this long debate today, I just thought I might make a comment or two about the regional implications of any piece of legislation.

Congress represents the entire country, whether you live in California or Hawaii or Maine, and I do not think that I ought to abdicate my right to comment.

Mr. PASHAYAN. I do not think anybody suggests you do.

Mr. EMERY. I understand the gentleman's comments, and I understand in the heat of debate we all have strong feelings about things.

I compromised, too, because there are other amendments and other concerns that I have that I am not going to address this afternoon, so I can focus my attention on one thing that I am concerned about.

If the tenor of the House of Representatives deteriorates to the point where Members from one part of the country cannot feel free to comment on national policy, I think we better reassess the way we operate.

Mr. PASHAYAN. I have not suggested that.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. PASHAYAN was allowed to proceed for 1 additional minute.)

Mr. PASHAYAN. The gentleman has raised an important point. I am not suggesting, nor shall I suggest, that anyone is not free to comment. I hope the gentleman is not suggesting that I have suggested that.

Mr. EMERY. If the gentleman will yield further, I certainly appreciate the gentleman's comments. I know that he has gone into this debate with great concern for his own area, with very sincere and strong convictions, as I do as well.

I pledge to the gentleman, as I am sure he would pledge to me under the same circumstances, that when our respective States face difficult problems, we will try to help each other out.

Mr. PASHAYAN. I think that is the spirit in which my colleague, the gentleman from California (Mr. COELHO) made his remarks, and I agreed.

One other point, if I may.

The reclamation water goes to land that is dry, a vast desert area. And what it does is to permit men and women to change a desert into a garden. This kind of land does not exist largely on the eastern seaboard, and this natural geographic difference is reason that the committee felt 960 acres was the fairest accommodation.

□ 1520

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, we have had an active debate on this amendment and on several other amendments, and I just want to commend my colleague from Maine for his last comment and also for this particular amendment.

I think these are national issues, and I think we need a healthy sense of regionalism, and each region of the country ought to look at its particular concerns and its particular needs. But, I think when we bring a bill to the floor we have to recognize that all of us in all regions of the country, setting national policy, have to tone that national policy to meet certain needs for the Nation.

I think there are two words that are important to this debate. The first one is the word "targeting." In times of limited budget expenditures we must target dollars as carefully as possible. The gentleman's amendment is a targeting amendment, to target the limited funds to those smaller farms and those smaller acreages.

I think the second word important to this debate is the word "flexibility." I think there are divisions between regions, and for some time we have supported spending in the neighborhood of 75 cents out of every dollar of Army Corps of Engineers money in the South and West, and spending all our Bureau of Reclamation money in 17 Western States to provide fresh water to farmers.

We will argue in a few moments about whether or not it is Federal water or whether it is Federal subsidy, but in fact the Federal Government is expending large dollars trying to help communities in the South and West, and I think the gentleman is right in offering his amendment to narrow the focus, target it well, and to make it flexible enough so that those in the West and in the South will recognize some of the concerns in our region.

So, I commend the gentleman for his amendment, and I urge favorable consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. EMERY).

The amendment was rejected.

AMENDMENT OFFERED BY MR. EDGAR

Mr. EDGAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDGAR:

Page 11, strike out line 17 and all that follows thereafter through line 23, and insert in lieu thereof the following:

"WATER CONSERVATION

"SEC. 109.(a) Each repayment contract or water service contract entered into or amended subsequent to the date of enactment of this Act by the Secretary or his designee pursuant to Federal reclamation laws or the Water Supply Act of 1958, as amended (43 U.S.C. sec. 390b), shall require the non-Federal party entering into such contract to develop and implement a water conservation program. This section shall apply to all such contracts regardless of their duration or any other prior contracts entered into by the Secretary or his designee.

"(b) For purposes of this section, a water conservation program shall—

"(1) apply to all uses of water which is provided from, or conveyed through, Federally constructed or Federally financed facilities;

"(2) contain definite goals;

"(3) include loss reduction measures and demand management practices which ensure that the available water supply is used in an economically efficient and environmentally sensitive manner;

"(4) contain time schedules for meeting program goals and delineate actions to be taken by the Secretary or his designee in the event such schedules are not met; and

"(5) provide for review and modification of the plan at not-to-exceed five-year intervals."

(c) When a State agricultural or natural resource agency has found and published a report or document determining that a district within that same state is wasting irrigation water, the Secretary is directed to take appropriate actions, which may include a surcharge on water service.

Mr. EDGAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EDGAR. Mr. Chairman, after a great deal of debate and a great deal of consideration, I am offering an amendment to strengthen the water conservation provisions in this legislation. I hope that I have some agreement from both the majority and minority sides that the language that we

are using in this compromise amendment is agreed to by both sides.

Let me share with my colleagues the purpose for offering this amendment. The purpose of this amendment is to strengthen the water conservation provisions of section 109 of the committee bill. Water supply is looming as the next resource crisis facing our country, and I believe that the reclamation program should gear up to stretch existing supplies in a cost-effective manner.

Water conservation programs should become the rule rather than the exception on reclamation projects. During 1980, the Bureau delivered over 30 million acre feet, or nearly 10 trillion gallons of water, for all purposes. We cannot afford to pass over any reasonable opportunity for improving efficiency of this delivery system, as this amendment seeks to do.

The provisions of the amendment differ from the water conservation section in the bill in two important ways:

First, the amendment would require water conservation provisions in new municipal and industrial water supply contracts entered into by the Bureau, as well as irrigation contracts. Similarly, the amendment calls for conservation from all use and covered by a given contract.

Second, the amendment is more flexible than the text of the committee bill in that the amendment would provide for periodic review and modification of the water conservation plan, based upon the district's actual experience and accomplishments, advances in state-of-the-art, and so forth.

Mr. Chairman, we must begin to target our water resource development dollars, both public and private, more effectively. I believe that water conservation can provide our biggest bang for the buck. If the vagaries of the weather over the last 5 years have taught us anything, they have driven home the need to manage our water supplies more creatively.

The amendment responds to this urgent need, and I hope that it can be considered a noncontroversial amendment.

Mr. Chairman, I urge adoption of the amendment.

Now, I have added a paragraph (c), and fine-tuned that paragraph down to one sentence. There was concern that we were asking for a surcharge on the water used, and many people wanted to argue the definition of whether or not the Federal Government had responsibility and in fact owned the water.

Mr. Chairman, we changed the nature and the shape of the amendment in such a way that the Secretary is directed to take appropriate actions, which may include a surcharge on water service when a State agricultural or natural resource agency has found and published a report or documented that a district within that same State is wasting irrigation water.

I would like to draw to the attention of the committee a report that was issued by the California Department of Water Resources, Southern District, entitled "Use of Water for the Imperial Irrigation District."

I know that this project was exempted specifically from law last year, and I think that is unfortunate, but in the contents of this report studying the problems of waste, it does list on page 30 several specific recommendations for improvements, for conservation changes, and for ways that we can deliver water in a much more conservative-minded way.

I urge my colleagues to support this amendment. I have background data that I would like to share with them if they are at all interested. I urge support for this strengthened language.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, as I have stated in my discussion with the gentleman, I had some serious reservations about the previous subsection (c). This subsection (c) now has been revised with the modifications that were made on suggestions from the gentleman from California (Mr. COELHO); is that correct?

Mr. EDGAR. That is correct.

Mr. CLAUSEN. So, therefore, while I believe that the provisions in the legislation we now have are more realistically obtainable as well as implementable, I am prepared to go along in a spirit of compromise and accept the gentleman's amendment.

Mr. EDGAR. I thank the gentleman for his support.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I want to say to the gentleman from Pennsylvania that I really agree with what he is trying to do with his amendment and his goal, because we have got to have conservation of water in this country. In my own State, when we authorized the central Arizona project through Congress, we were forced to agree—and I am glad we were—that we would stop overpumping the ground water as a condition of getting new Federal water.

I did have some specific doubts about the wording and composition of this amendment, and I appreciate the changes that were made in subsection (c). I would be prepared to support this amendment with that understanding, if the gentleman would agree with me that under (b)(1), where we talk about applying to all uses of water, that the words "project water," that is intended to mean project water, the irrigation projects we are talking about, and the same change in (c). I think the gentleman intends that.

Mr. EDGAR. The gentleman does intend that.

Mr. UDALL. With that understanding, I will be glad to support the amendment.

Mr. EDGAR. I thank the gentleman for his support.

□ 1530

The CHAIRMAN pro tempore (Mr. PICKLE). The question is on the amendment offered by the gentleman from Pennsylvania (Mr. EDGAR).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title I?

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not prepared to offer an amendment at this time, but I have moved to strike the last word in order to make this explanation.

The first title of the bill deals with the whole issue of full cost. In the 17 Western States the Bureau of Reclamation provides water for irrigation projects to about 11 million acres, and today pending before the House is legislation which contains a provision that will collect the full cost of the water from the water users.

This, of course, is a radical departure from the purpose of the reclamation program. Historically, the amount of water that could be provided to a single farmer was limited—that is an acreage limitation—so that as many farmers as possible would benefit and the benefits would only be provided to working family farmers who lived on their lands. The legislation changes that fundamental purposes by eliminating residency and greatly expanding the acreages permitted to receive federally subsidized water.

The Department of the Interior and the Bureau of Reclamation prepared in the past couple of years the first major studies on reclamation in the West. From the studies we know, for instance, that 97 percent of the farms are less than 960 acres.

That means, from the very start of consideration of full-cost pricing, that 97 percent of the reclamation farms in the West would not be subject to the full-cost provisions of this proposed law. In effect, to begin with, full cost could only apply to a very small percentage of the farms.

However, this small percentage irrigates approximately one-third of the irrigated lands or about 2.5 to 3 million acres.

Obviously, then, according to the new policy contained in this legislation, the full-cost pricing formula would not apply to approximately 8 million acres. But, would the policy then require the application of full-

cost pricing to the remaining 3 million acres. A close examination of the legislation again reveals that certain districts and areas are totally exempt from the law. For instance, in the last Congress, the Imperial Irrigation District was legislatively exempted from the law. That district contrained approximately 500,000 acres.

In this legislation there is a provision totally exempting certain Corps of Engineers projects from any application of this law, notwithstanding a unanimous court ruling that the law should have applied to these western districts where the Federal Government regulates the flow of flood waters and provides irrigation releases. That means, in California, where some of the largest reclamation farms are located, the full-cost pricing will not apply. That means that another 2.2 million acres will be exempt from the pricing provisions.

This unquestionably begs a question. If almost 8 million acres is not subject to the provisions of full cost by definition, and another 2.2 million are exempt, to whom does the full-cost definition apply.

Another way to consider the same issue is to ask the question: What are the anticipated revenues from the enactment of this provision? However, the committee report fails to contain the required CBO estimate. We do not know what it will cost to administer this legislation, nor are we advised of the revenue projections pursuant to this legislation.

It is interesting, however, to review the Senate report on similar legislation. A CBO estimate of the impact of full-cost pricing indicates that, optimistically, as much as a mere $10 to 12 million may be realized.

When all is said and done, we are told it is full cost. We are promised it is full cost. But, in the final analysis, the full-cost formula will produce a mere $1 per acre westwide increase in revenues.

This is hardly full cost. It may be partial full cost. it may be limited full cost. But mostly, it is phony full cost.

Mr. Chairman, I wonder if some member of the committee could answer a couple of questions that relate to this full-funding concept. Is the committee prepared to answer the question of how much revenue they anticipate will be generated? Specifically, the question I would like to ask of the committee is: How much revenue do you anticipate will be generated by the provisions of full cost in title I?

Mr. UDALL. Mr. Chairman, will the gentleman yield to me?

Mr. EDGAR. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, in the general debate yesterday I produced a letter which we had received from the Congressional Budget Office relating to the estimated costs of this legislation, and Director Rivlin, as I recall—and I had the letter put in the CONGRESSIONAL RECORD yesterday in that debate—said that mostly there would be administrative costs. There would be additional administrative costs in putting this new program into operation, but in the last paragraph she says: "If the full cost of water delivery were received on 325,000 acres (25 percent of the acres identified * * *), at an average additional payment of $30 to $40 per acre," she estimated the revenues "would approach $10 to $13 million per year" in additional revenue.

So I make the point again that this bill does not cost; this bill is a revenue-raiser on balance.

Mr. EDGAR. Mr. Chairman, may I ask, how does that work out in terms of per-acre-feet? Does the gentleman know what the cost per acre would be?

Mr. UDALL. I do not have the per-acre-feet. The estimate from the Congressional Budget Office was per acre, per year, and the assumption they were using was in the $30 to $40 range per acre, per year.

So the gentleman would have to make an assumption as to how many times you irrigated and how much each time. It depends on the crops and the soil, and so on.

Mr. EDGAR. Will every farmer in the reclamation program pay the full cost, eliminating the Federal subsidy?

Mr. UDALL. Well, up to 960 acres the subsidy goes to whoever owns the farm under the new rules. Beyond that the theory and the purpose of the bill is that everybody pays.

Mr. EDGAR. There is some indication that only 1 out of 10 farmers would have to pay. Is that the gentleman's impression?

Mr. UDALL. Well, if you start from the point that 97 percent of all the farm units will be under the 960 acres, obviously the majority of the farmers will not pay the full cost. They will be getting the subsidized water, but the 3 percent above that represents 30 or 31 percent of the land.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from Arizona (Mr. UDALL) for the answers to those questions.

I have a number of other questions I had intended to ask. I will not, however, take the time of our colleagues to ask the questions, although they do have some significant impact.

I have a shopping list of fairly large and substantial farms that the Bureau of Reclamation claims will probably pay little or no full cost under this particular provision, and I will share that privately with my colleagues.

Mr. Chairman, I thank the Members for their patience at this time.

The CHAIRMAN pro tempore. There being no further amendments to title I, the Clerk will read.

The Clerk read as follows:

TITLE II

RESIDENCY NOT REQUIRED

SEC. 201 Notwithstanding any other provision of law, the receipt of project water pursuant to a contract with the secretary under the Federal reclamation laws, including this Act, shall not be conditioned on residency on or near the lands to which the project water is delivered.

CORPS OF ENGINEERS PROJECTS

SEC. 202. (a) Notwithstanding any other provision of law to the contrary, neither the acreage limitation nor the other provisions of the Federal reclamation laws, including this Act, shall be applicable to landholdings receiving benefits from Federal water resource projects constructed by the United States Army Corps of Engineers, unless—

(1) the project has by Federal statute explicitly been designated, made a part of, or integrated with a Federal reclamation project; or

(2) the Secretary, pursuant to his authority under the Federal reclamation law, has provided project works for the control or conveyance of an agricultural water supply for the lands involved.

(b) Notwithstanding any other provision of this section to the contrary, obligations that require water users, pursuant to contracts with the Secretary, to repay the share of construction cost and to pay the share of the operation and maintenance and contract administrative cost of a Corps of Engineers project which are allocated to conservation storage or irrigation storage shall remain in effect.

APPLICABILITY

SEC. 203. The acreage limitations of section 102 of this Act or the acreage limitations provided in any other provision of the Federal reclamation laws shall not apply to lands in a district—

(a) after the obligation of a district for the repayment of the construction costs of the project facilities used to make project water available for delivery to such lands shall have been discharged by a district (or by a person within the district pursuant to a contract existing on the date of enactment of this Act) by payment of periodic installments throughout a specified contract term, including individual or district accelerated payments where so provided in contracts existing on the date of enactment of this Act: Provided, That the appropriate district with respect to which the contractual repayment obligation shall have been discharged may request, and the Secretary shall provided, a recordable certificate acknowledging that the acreage limitation provisions of the reclamation law no longer apply to such lands;

(b) so long as the lands are held by a trustee, individual or corporate, in a fiduciary capacity for a beneficiary or beneficiaries whose interest in the lands served do not exceed the limits imposed by the Federal reclamation laws or title I of this Act: *Provided,* That the provisions of section 103 of title I shall be applicable to each beneficial interest if the lands are subject to the provisions of title I;

(c) when the lands served receive only a temporary, not to exceed one year, supply made possible as a result of—

(1) an unusually large project water supply not otherwise storable for project purposes; or

(2) infrequent and otherwise unmanaged flood flows of short duration;

(d) acquired by involuntary foreclosure, or similar involuntary process of law, by bona fide conveyance in satisfaction of mortgage, by inheritance, or by devise: *Provided,* that such lands were eligible to receive project water prior to such transfer of title or the mortgaged lands became ineligible to receive water after the mortgage is recorded but before it is acquired by involuntary floreclosure or similar involuntary process of law or by bona fide conveyance in satisfaction of mortgage: *Provided further,* That if, after acquisition, such lands are not qualified under the Federal reclamation laws, including this Act, they shall be furnished temporarily with a project water supply for a period not exceeding five years from the effective date of such an acquisition, delivery of project water thereafter ceasing until the transfer thereof to a landowner qualified under such laws: *Provided further,* That the provisions of section 103 of title I shall be applicable separately to each acquisition under this subsection if the lands are subject to the provisions of title I;

(e) which are isolated tracts found by the Secretary to be economically farmable only if they are included in a larger farming operation but which may, as a result of their inclusion in that operation, cause it to exceed the limitations imposed by the Federal reclamation laws, including this Act; and

(f) the provisions of section 103 of title I herein shall be applicable to the lands described in subsections (e) and (f) of this section if such lands would otherwise be subject to the provisions of section 103 of title I.

RELIGIOUS OR RELIGIOUS CHARITABLE ORGANIZATIONS

SEC. 204. An individual religious or religious charitable entity (including but not limited to a congregation, parish, school, ward, or chapter) which owns, operates, or leases any lands within a district shall be treated as a person under the provisions of this Act, regardless of such entity's affiliation with a central organization or its subjugation to a hierarchical authority of the same faith.

(1) If such individual entity is not the owner of record of any such land, it shall be treated as a person so long as—

(i) said owner of record is a religious or religious charitable organization which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, as amended;

(ii) the agricultural produce and the proceeds of sales of such produce are directly used only for charitable purposes;

(iii) said land is operated by said individual religious or religious charitable entity (including but not limited to a congregation, parish, school, ward, or chapter); and

(iv) no part of the net earnings of such religious or religious charitable organization shall inure to the benefit of any private shareholder or individual.

(2) If the lands operated by such religious or religious charitable organization are otherwise subject to the provisions of title I of this Act, they shall be subject to the provisions of section 103 of this Act.

CONTRACT REQUIRED

SEC. 205. Project water temporarily made available from reclamation facilities in excess of ordinary quantities not otherwise storable for project purposes or at times when such project water would not have been available without the operations of those facilities, may be used for water quality, irrigation, municipal, or industrial purposes only to the extent covered by a contract requiring payment for the use of such project water, executed in accordance with the Reclamation Project Act of 1939, or other applicable provisions of the Federal reclamation laws.

WAIVER OF SOVEREIGN IMMUNITY

SEC. 206. Consent is given to join the United States as a necessary party defendant in any suit to adjudicate, confirm, validate, or decree the contractual rights of a contracting entity and the United States regarding any contract executed pursuant to the Federal reclamation laws. The United States, when a party to any suit, shall be deemed to have waived any right to plead that it is not amenable thereto by reason of its sovereignty, and shall be subject to judgments, orders, and decrees of the court having jurisdiction, and may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances. Any suit pursuant to this section may be brought in any United States district court in the state in which the land involved is situated.

EXTENSIONS OF TIME UNDER RECORDABLE CONTRACTS

SEC. 207. In the event that the owner of any lands in excess of the acreage limitations of the Federal reclamation laws has heretofore entered into a recordable contract with the Secretary for the disposition of such excess lands and has been prevented from disposing of them because the secretary may have withheld the processing or approval of the disposition of the lands (whether he may have been compelled to do so by court order or for other reasons), the period of time for the disposal of such lands by the owner thereof pursuant to the contract shall be extended from the date on which the Secretary again commences the processing or the approval of the disposition of such lands for a period which shall be equal to the remaining period of time under the recordable contract for the disposal thereof by the owner at the time the decision of the Secretary to withhold the processing or approval of such disposition first became effective.

EXCESS CROP RESTRICTIONS

SEC. 208. Notwithstanding any other provision of law, any restriction prohibiting the delivery of project water for the production of excess basic agricultural commodities in reclamation project service areas shall extend for a period of no longer than ten years after the date of initial authorization of such project.

SMALL RECLAMATION PROJECTS ACT

SEC. 209. Section 5(c) of the act of August 6, 1956, as amended (43 U.S.C. 422e), is further amended to strike therefrom the words "one hundred and sixty" and insert in lieu thereof the words "nine hundred and sixty".

PENALTIES

SEC. 210. (a)(1) Any person, district, or other entity who violates any provision of this Act or the Federal reclamation laws by knowingly accepting project water to which such person is not entitled by reason of the acreage limitation under this Act or the Federal reclamation laws and any other person, district, or other entity who violates any provision of this Act relating to the payment of full cost for project water deliveries to land in a landholding in excess of nine hundred and sixty acres, or who knowingly falsifies any information provided to the Secretary pursuant to this Act, shall be liable to the United States for a civil penalty which is not less than an amount equal to twice the fair market value of the project water delivered to the land involved in violation of any such provision. For purposes of assessing the penalty under this paragraph, the fair market value of such project water shall be determined by taking into consideration the cost of private irrigation, ground water pumping costs, and other factors considered relevant by the Secretary.

(2) Any person, district, or other entity who knowingly violates any provision of this Act or of the Federal reclamation laws, other than any provision referred to in paragraph (1) of this subsection, shall be liable to the United States for a civil penalty in an amount not to exceed $5,000 for each such violation. Each day such a violation continues shall, for purposes of this section, constitue a separate violation.

(3) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this section. The amount of such penalty when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owed by the United States to the person charged.

(b)(1) Any civil penalty for a violation referred to in subsection (a) of this section shall be assessed by the Secretary by an order made after an opportunity for a hearing. Before issuing such an order, the Secretary shall give written notice to the person to be assessed of this intent to issue the order and shall provide him an opportunity to request a hearing on the order, within fifteen days of the date the notice is received.

(2) Any hearing held under paragraph (1) of this subsection shall be conducted in accordance with section 554 of title 5, United States Code. In any such hearing, the Secretary may administer oaths and subpenas for the attendance and the production of relevant papers, books, and documents. In the case of refusal to obey any subpena served upon any person or entity pursuant to this section, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the United States and after notice to such person or entity, shall have jurisdiction to issue an order requiring such person or entity to appear and comply with the requirements of the subpena. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(c) Any person who requested in accordance with subsection (b)(1) of this section a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing such penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia or the court of appeals of the United states for any circuit in which such person resides or transacts business. Such a petition may be filed within the thirty-day period beginning on the date the order making such assessment was issued. The court shall hear any action under this subsection on the record made before the Secretary and shall sustain the Secretary's order if it is supported by substantial evidence on the record considered as a whole.

(d) If any person fails to pay an assessment of a civil penalty—

(1) after the order making the assessment has become a final order (in the case of a person who does not file a petition for judicial review under subsection (c) of this section); or

(2) after a court in an action brought under subsection (c) of this section has entered a final judgment in favor of the Secretary, the Attorney General may recover the amount assessed (plus interest at currently prevailing rates from the date of the expiration of the thirty-day period referred to in subsection (c) of this section or the date of such final judgment, as the case may be) in any action brought in any appropriate district court of the United States. In any such action, the validity, amount, and the appropriateness of such penalty shall not be subject to review.

ADMINISTRATIVE PROVISIONS

SEC. 211. (a) Nothing in this Act shall repeal or amend any existing statutory exemptions from the acreage limitation provisions of the Federal reclamation laws.

(b) The Secretary may prescribe regulations and shall collect all data necessary to carry out the provisions of this Act and other provisions of the Federal reclamation laws.

(c) Section 3 of the Act of July 7, 1970 (43 U.S.C. 425b) is amended by striking the phrase "for a period not to exceed twenty-five years" following the term "project water".

(d) Any nonexcess land which is acquired into excess status pursuant to involuntary foreclosure or other process of law, conveyance in satisfaction of mortgage, inheritance, or devise, may be sold at its fair market value within five years without regard to any other provision of this Act or of section 46 of the Act entitled "An Act to adjust water rights charges, to grant certain relief on the Federal irrigation projects, and for other purposes." approved May 25, 1926 (43 U.S.C. 423): *Provided*, That if the status of the mortgage land changes from nonexcess to excess after the mortgage is recorded and is subsequently acquired by the lender by involuntary foreclosure or similar involuntary process of law or by bona fide conveyance in satisfaction of the mortgage, such land may be sold at its fair market value: *Provided further*, That nonexcess lands subject to a covenant under section 107(d)(2) of this Act shall be sold for not more than the greater of the current value as determined under section 107(d)(2) of this Act or the amount necessary to satisfy the mortgage, other than a purchase money mortgage which shall be satisfied by sale for not more than the value as determined under section 107(d)(2).

(e) The provisions of any contract entered into prior to October 1, 1981, by the Secretary with a district, which define project or nonproject water, or describe the delivery of project water through nonproject facilities or nonproject water through project facilities to lands within the district, are hereby authorized and validated on the part of the United States.

(f) Effective October 1, 1982, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act: Provided, That authority to enter into contracts, to incur obligations, or to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

PUBLIC PARTICIPATION

SEC. 212. Section 9 of the Reclamation Project Act of 1939 (43 U.S.C. 485h) is amended by adding at the end the following new subsection:

"(f) No less than sixty days before entering into or amending any repayment contract or any contract for the delivery of project water for irrigation purposes (including any contract for the delivery of surplus or interim project water whose duration is longer than one year) the Secretary shall—

"(1) publish notice of the proposed contract or amendment in newspapers of general circulation in each region and otherwise notify interested parties which may be affected by such contract or amendment, together with information indicating to whom comments or inquiries concerning the proposed actions can be addressed; and

"(2) provide an opportunity for submission of written data, views and arguments, and shall consider all substantive comments so received.".

COORDINATION OF WATER CONSERVATION PROGRAMS

SEC. 213. The Secretary is authorized and directed to enter into memorandums of agreement with those Federal agencies having capability to assist in implementing water conservation measures to assure coordination of ongoing programs. Such memorandums should provide for involvement of non-Federal entities such as States, Indian tribes, and water user organizations to assure full public participation in water conservation efforts.

SEC. 214. The first proviso in the third paragraph of section 1 of the Act of April 4, 1910 (36 Stat. 269, 270), as amended by the Act of August 7, 1946 (60 Stat. 866, 867) is hereby repealed.

SEVERABILITY

SEC. 215. If any provision of this Act or the applicability thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. KAZEN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN: In section 203, page 15, line 18, strike out "subsections" and insert in lieu thereof "subsection" and in line 19 strike "(f)".

Mr. KAZEN. Mr. Chairman, this is simply a technical amendment. The reference in line 19 to subsection (f) is a reference to a subsection which was deleted from the bill in the committee amendment in the nature of a substitute.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, we are prepared to accept this technical amendment.

Mr. KAZEN. Mr. Chairman, let me state further that it is strictly a technical amendment, and it refers to a section that was taken out by the substitute.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KAZEN

Mr. KAZEN. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment offered by Mr. KAZEN:

In section 205, page 17, line 6, strike the words "water quality" and the comma following the word "quality".

Line 11, strike the period following the word "laws" and insert thereafter the following ", *Provided, however*, That the Secretary shall have the authority to waive such payments for water described in section 203(c)(2)."

Mr. KAZEN. Mr. Chairman, section 205 of H.R. 5539 provides that—

Project water temporarily make available from reclamation facilities in excess of ordinary quantities not otherwise storable for project purposes or at times when such project water would not have been available without the operations of those facilities, may be used for water quality, irrigation, municipal, or industrial purposes only to the extent covered by a contract requiring payment for the use of such project water . . .

The amendment would strike the words, "water quality." The requirement is impractical since water quality improvement may benefit a fairly large segment of the public and there is rarely, if ever, any single organization or group of persons who are benefited and might fairly be held liable to pay for the water released for water quality improvement purposes.

The Commissioner of Reclamation advises that the Bureau makes voluntary releases of water from the facilities of central water project in California for the purposes of providing better water quality in the Sacramento-San Juan Delta, and in the words of the amendment, if the words the amendment were to delete were to remain in the bill and become law, the Bureau would no longer be able to do this.

Also the present practice of the Bureau of Reclamation is to release floodwaters free of charge to mitigate possible damage due to flooding downstream. The amendment would preserve the existing practice which is instrumental in preventing damage to both life and property.

Mr. Chairman, the Department of the Interior supports this amendment.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. KAZEN. I am delighted to yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I would like to generally associate myself with the remarks of our chairman, the gentleman from Texas (Mr. KAZEN), in support of the amendment because unless it is adopted, the results of leaving the language in, ac-

cording to the Bureau of Reclamation, could actually be counterproductive in terms of water quality.

Then, finally, if I understand the basic thrust of the amendment, there would be a clear division of responsibility along these lines: That if there is an economic interest in the water, the water user would pay for it, but if there is a water quality interest which is in effect a public interest, then the incremental cost associated with the water quality would be paid for by the Federal Government.

May I ask the gentleman, is that correct?

Mr. KAZEN. Mr. Chairman, that is correct.

Mr. CLAUSEN. Mr. Chairman, I support the amendment.

Mr. KAZEN. Mr. Chairman, I thank the gentleman from California.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Texas (Mr. KAZEN).

The amendment was agreed to.

□ 1540

AMENDMENT OFFERED BY MR. BEDELL

Mr. BEDELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BEDELL:

Strike all of section 208, page 18, and insert in lieu thereof the following new section:

Notwithstanding any other provision of law, no water from any Federal reclamation project authorized after the date of enactment of this Act shall be delivered within ten years from the date irrigation water is first made available to construction blocks within such project for the irrigation of any basic agricultural commodity, as defined in section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1423(c)), or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would be marketed is in excess of the normal supply, as defined, in the case of extra long staple cotton, in section 301 (b)(10)), as amended, and for such other commodities, as defined in section 1107 of the Agriculture and Food Act of 1981 (7 U.S.C. 1310a), unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

In addition, notwithstanding any other provision of law, in the case of any Federal reclamation project authorized before the date of enactment of this Act, any restriction prohibiting the delivery of project water for the production of excess basic agricultural commodities shall extend for a period no longer than ten years after the date of the initial authorization of such project.

Mr. BEDELL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. BEDELL. Mr. Chairman, irrigation projects normally carry a clause prohibiting the use of water for such projects to irrigate crops in surplus for a period of 10 years after authorization of the project. This amendment would change the language to provide that such a policy would apply 10 years after first delivery of water from the project.

The purpose of the current practice is to discourage delivery from Federal water projects to grow more crops precisely at the same time as taxpayers are asked to pay those same farmers not to produce such crops.

Unfortunately, large projects frequently do not start delivery of water for at least 10 years after authorization. Small projects may take much less time than large projects.

Mr. KAZEN. Mr. Chairman, will the distinguished gentleman yield?

Mr. BEDELL. I yield to the gentleman from Texas.

Mr. KAZEN. We have had occasion to study the gentleman's amendment and as far as we are concerned we have no objection to it.

Mr. BEDELL. I thank the gentleman.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from California.

Mr. CLAUSEN. There is one concern where I think we need to have some clarifying comments from the gentleman in the well. It is my understanding the amendment itself does not apply in any way to any currently authorized project; is that correct?

Mr. BEDELL. That is correct. It applies only to projects that are authorized after the enactment of the bill.

Mr. CLAUSEN. I guess I would ask one further question. We had this 10-year date apply after the date of the initial authorization of the project itself. What is wrong with that?

I think when I saw the gentleman's original amendment he had a 10-year period after the completion of the project, but what is wrong with the committee language?

Mr. BEDELL. I thank the gentleman for his help. The fact of the matter is this amendment has been changed considerably by suggestions from other Members of the House.

The first change that was made was the original amendment said that it would apply to all projects not more than 10 percent completed. That is changed in this amendment so it applies only to projects that are not yet authorized.

The second proposal was that originally the amendment said that it would apply after completion of the project. It was brought to the author's attention that sometimes delivery of water starts prior to the time that the project is completed and, therefore, the wording was changed so that it applies to after the first delivery of water to a construction block grant and would apply then to that area which would seem to be the most fair time of all.

Mr. CLAUSEN. I had some serious reservations, as I stated to the gentleman, about the thrust of his amendment. But I believe, with the assurances, on the basis of this colloquy, and the revisions the gentleman made in the amendment, we are prepared to go along with it.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. BEDELL. I yield to the gentleman from Indiana.

Mr. MYERS. I thank my colleague for discussing this earlier. But there is one question that has come up in my mind. Does this affect in any way the benefit-cost ratio in considering the feasibility of these programs?

Mr. BEDELL. For future projects?

Mr. MYERS. Yes.

Mr. BEDELL. It indeed may well affect it.

Mr. MYERS. Then I would ask the gentleman, because there might be a time right now when we have a crop in surplus, but because of some catastrophe in the country we might want to change our mind and produce that crop, and it seems like we are locking ourselves into something here where we would not know what we might need in the future.

I think for any current year that I would not disagree with the gentleman, but when we start impacting on the benefit-cost ratio we might be reaching too far.

Mr. BEDELL. Does the gentleman understand that this is the current practice to put into the legislation, authorizing legislation, that it would not be permitted to continue?

Mr. MYERS. There are a lot of current practices that I do not agree with. I think we might be shortsighted. We have already proven that with the energy problem we have in this country.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Iowa (Mr. BEDELL).

The amendment was agreed to.

Mr. EDGAR. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to offer an amendment to strike the waiver of sovereign immunity from the legislation because of some confusion that I had over this particular provision.

I entered into a colloquy with the chairman on this issue yesterday under general debate and I have decided at this time not to offer the amendment.

I do have one question that I would like answered, if I could, just because it has come up several times in discus-

sion. I wonder if someone on the committee could answer this specific question?

Does section 206 impact at all or have any jurisdiction over the Westland Irrigation District court suit that is presently pending?

Mr. KAZEN. Will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Texas.

Mr. KAZEN. To the best of my information, I am told that it would have no impact on that case.

Mr. EDGAR. The gentleman is suggesting it has absolutely no impact on that case?

Mr. KAZEN. To the best of my knowledge, it does not.

Mr. EDGAR. It is not the gentleman's intention that this provision would cover that?

Mr. KAZEN. No, sir.

Mr. EDGAR. I thank the gentleman for his comments.

I think the record is clear. No one on either side believes it has impact there, so I will not offer the amendment.

Mr. Chairman, the purpose of the amendment I had intended to offer was to strike section 206 of the committee bill in its entirety. Section 206 lays out in bland "legalese" language the circumstances under which the U.S Government may be sued in disputes over reclamation contracts. I am concerned that the committee report is not more forthright in describing the special interest aspect of this provision.

The Westlands Water District of California, the largest irrigation district in the reclamation program, has been receiving water for many years at highly advantageous terms. According to Westlands' interpretation of its own contractual rights, this district is entitled to receive an enormous quantity of water—approximately 1.2 million acre-feet, which is about 390 billion gallons—each year until the year 2008, at today's bargain basement rates.

The Interior Department has acknowledged that these current rates do not even come close to meeting the barest cost to the Federal Government of providing this irrigation service to Westlands. Mr. Chairman, even when fully discounted at the current discount rate used by the Water Resources Council, and even assuming that the cost of service to the Government will not go up at all over the next 26 years, the net present value to Westlands of their current contractual arrangement—if upheld by the courts—is some $80 million.

Quite understandably, Mr. Chairman, Interior Departments under both Republican and Democratic administrations have been attempting to use all the legal means at their disposal to strike a better bargain for the taxpayers with the Westlands Water District. Why in the world do we in this body want to jeopardize the Department's ability to do so?

Mr. Chairman, section 206 is a lawyer's fix. It is special interest legislation with a capital "S," to the tune of $80 million of real money. Enactment of this provision would make a mockery of our attempts to put the reclamation program on a sound business footing, while making no significant contribution toward the cause of family farming. Section 206 was neither sought nor recommended by the Reagan administration. However, in light of the chairman's strong assurances that this section 206 does not apply to the Westlands Water District of California, I will not offer my amendment.

AMENDMENT OFFERED BY MR. ERLENBORN

Mr. ERLENBORN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ERLENBORN: Page 26, after line 5, insert the following new title:

"TITLE III

"AUDIT COMPLIANCE

"SEC. 301. (a)(1) The Inspector General of the Department of the Interior shall undertake a review of all audit reports prepared by the Department of the Interior since January, 1977, pertaining to Bureau of Reclamation water resource projects, including, but not limited to,

"(A) 'Review of the Central Valley Project—Bureau of Reclamation', January 1978;

"(B) 'Review of Repayment Status of Pick-Sloan Missouri Basin Program and Individually Authorized Projects', July 1978;

"(C) 'Review of Municipal and Industrial Water Activities, Central Valley Project', September 1979;

"(D) 'Review of Colorado River Storage Project and Related Individual Participating Projects', September 1980;

"(E) 'Review of Central Arizona Project, Lower Colorado Region', September 1980;

"(F) 'Review of Selected Economic and Financial Aspects of the Fryingpan—Arkansas Project', August 1980; and

"(G) 'Review of Balance Sheet and Repayment Status as of September 30, 1980, Southern Nevada Water Project', August 1981.

"(2) No later than 90 days after the date of enactment of this Act, the Inspector General shall prepare, and transmit to the Secretary of the Interior, and to the Congress, a list of recommendations based upon the review of audit reports which he has conducted pursuant to paragraph (1) of this subsection.

"(b) No later than 270 days after the date of enactment of this Act, the Secretary of the Interior shall implement all recommendations which have been made by the Inspector General pursuant to paragraph (a)(2) of this section, unless he earlier informs the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, in writing, of his detailed reasons for not implementing such recommendations."

Mr. ERLENBORN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. UDALL. Mr. Chairman, I reserve a point of order against the pending Erlenborn amendment.

The CHAIRMAN pro tempore. The gentleman from Arizona (Mr. UDALL) reserves a point of order on the amendment.

Mr. ERLENBORN. Mr. Chairman, I have furnished each side of the aisle a copy of the amendment.

Mr. Chairman, the purpose of this statement is to require the Department of the Interior to give careful consideration to the recommendations which the Department's own auditors have been making to remedy the unbusinesslike practices and mismanagement now occurring in the reclamation program. The amendment would direct the Inspector General of the Interior Department to perform a summary review of recent reclamation audits, compile recommendations for departmental action, and submit these recommendations to Congress and to the Secretary within 90 days of the date of enactment of this legislation.

The Secretary, in turn, is directed to implement all such recommendations within 270 days after the date of enactment, or provide the appropriate authorizing committees with a detailed, written report outlining his reasons for failing to do so.

Mr. Chairman, at least seven audits of reclamation project accounts have been completed during the last 5 years by the Office of the Inspector General and its predecessor. Based upon these audits, the Inspector General had this to say in his semiannual report covering the last half of fiscal 1980, and I quote:

> We concluded that substantially more attention is required in the planning and management of all aspects of these projects to assure that the beneficiaries, rather than the general taxpayers, bear the burden for reimbursable water and power costs. This fundamental principle of Reclamation law has not been followed consistently. Consequently, some projects have resulted in substantial subsidies to project beneficiaries through low water and power rates.

Thus, the general taxpayers have been subsidizing these water projects in two ways: First, as a result of the explicit subsidies built into Federal reclamation law; and second, as a result of the planning and management deficiencies on the part of the Bureau of Reclamation.

Regrettably, the most recent semiannual report of the Inspector General chronicles abuses that have yet to be corrected, long after their discovery. For instance, the IG notes that "revenue and repayment prospects for the reimbursable municipal and indus-

trial water function of the Central Valley project are in serious financial trouble now and for the foreseeable future, absent changes in basic operating policies. We projected deficits at the end of the scheduled repayment period of $1.2 billion for M. & I. water operations."

The IG notes that this audit was discussed in his last three semiannual reports. Elsewhere he notes that the audit of the repayment status of the Pick-Sloan Missouri Basin program—which had found that substantial costs would not be repaid to the Federal Treasury until the 22d century—was carried in his last five semiannual reports.

Mr. Chairman, when those of us on the Government Operations Committee framed the Inspector General Act of 1978, we intended to make auditing and financial accountability a higher priority within Federal agencies. Nevertheless, important information has been turned up by these water project audits, and the Department of the Interior has been glacial in its pursuit of remedies. Now it is time to tell the Department to take this responsibility seriously.

I would be delighted to learn of aggressive action to put the reclamation program on a more businesslike basis. Out of concern that such action may not be immediatedly forthcoming, however, I am offering this amendment. Let us put a stop to the bureaucratic shuffling and get some answers on these water project repayment accounts.

I urge the adoption of the amendment.

□ 1550

POINT OF ORDER

The CHAIRMAN pro tempore (Mr. PICKLE). Does the gentleman from Arizona insist on his point of order?

Mr. UDALL. I do, Mr. Chairman, and I make a point of order that the amendment now pending, offered by the gentleman from Illinois, is not germane to the bill.

This bill deals with irrigation policy. It is not so broad as to encompass all aspects of the reclamation program. We are not writing a comprehensive law to govern all features of reclamation projects.

The amendment is clearly not pertinent to irrigation. It places a new duty on the Inspector General that is not now a part of the Reclamation Act of 1902, or any act amending or supplementing any part of that 1902 legislation.

For that reason, I think the amendment is clearly not germane, and I insist on the point of order.

The CHAIRMAN pro tempore. Does the gentleman from Illinois desire to be heard,

Mr. ERLENBORN. Briefly, Mr. Chairman, I would say that, in my opinion, the amendment is germane. The bill before us does address reclamation policy. Part of that is involved in the resolution of these audits that also have to do with reclamation policy and, more importantly, the implementation of that policy.

The Inspector General has already the general duties, as outlined in this amendment. The Inspector General, as a matter of fact, has made audits in the seven cases that are specifically mentioned in the amendment, and that is (A) through (G), the seven particular projects. Some or all of those have been subject to audit, and recommendations have been made.

The duty of the Inspector General is not a new duty. The Inspector General is supposed to make audits and make recommendations. This is no new duty whatsoever. And certainly the duty imposed on the Secretary of the Interior is not new, though the implementation and carrying out of that duty might appear to be new. That is the purpose of the amendment—to see that the duty of the Department of the Interior to respond to audit recommendations by the Inspector General is done in a prompt manner.

The CHAIRMAN pro tempore. The Chair would like to inquire of the gentleman from Illinois if his amendment is limited to irrigation policy and irrigation recommendations?

Mr. ERLENBORN. The answer, Mr. Chairman, is yes.

Reading from the amendment, it says: "* * * pertaining to Bureau of Reclamation water resource projects * * *."

The CHAIRMAN pro tempore. Does the gentleman from Texas (Mr. KAZEN) seek recognition on this point?

Mr. KAZEN. If the Chair would allow me, within the duties of the Department of Reclamation also come water resources, power, and several other elements of energy and not only irrigation; water for municipal and industrial uses, water for recreation, flood control, and many other purposes, many other duties that the Department has besides irrigation.

The CHAIRMAN pro tempore (Mr. PICKLE). The Chair is concerned about the amendment, in that it is not clear what type of recommendations may be implemented as a result of this amendment. If it is a question between auditing power rates as opposed to irrigation rates, that would be a serious question.

But just on the question of germaneness, and accepting the assurances of the gentleman from Illinois, there are provisions in sections 205, 206, 210, and 213 of the bill that might go beyond irrigation policy continued in the reclamation laws. To the extent that this amendment is limited to irrigation recommendations, and since there are diverse provisions in the bill with respect to reclamation policy involving water uses for other than irrigation purposes, the Chair then will rule that the amendment is germane, as a new title, to the committee reported bill as a whole. The Chair overrules the point of order.

Mr. UDALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will speak only briefly. At least I was not aware of this amendment until today, a few moments ago, actually. It may well be that we need an audit or a series of audits, and I do not see how anybody in this day of concern about waste and fraud can be against it.

But why do we pick out these particular ones? Are there others that should be audited? What is the rationale for that? Our committee had no testimony. I would like to have had a little bit of testimony. I would have liked to have had departmental comments about how much it would cost to do these audits, and so on.

The amendment, on page 2, says "* * * the Secretary of the Interior shall implement all recommendations which have been made by the Inspector General * * *" within 270 days or advise the committees why he has not. Those recommendations might cover things that require legislation, change of power rates, all kinds of expenditures. I suggest the purpose of the gentleman's amendment is commendable; but I do not think the Committee ought to accept this amendment at this point.

Mr. ERLENBORN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Illinois.

Mr. ERLENBORN. Mr. Chairman, I think the gentleman is laboring under the misapprehension that this requires new audits. If the gentleman will read the first paragraph of the amendment, it says:

> The Inspector General of the Department of the Interior shall undertake a review of all audit reports prepared by the Department of the Interior since January, 1977, pertaining to Bureau of Reclamation. . . .

This does not impose a duty to conduct a new audit. It merely asks the Inspector or directs the Inspector General to review audits already undertaken where recommendations have already been made to the Secretary.

Mr. UDALL. I had noticed that distinction, although I do not think it undercuts my arguments about additional work, additional recommendations have to be implemented promptly, and so on.

Mr. ERLENBORN. If the gentleman will yield, if those reasons exist, all the Secretary of the Interior has to do then is inform the gentleman's committee of those reasons under this amendment.

Mr. UDALL. Well, in the exercise of our oversight authority, I would be glad to look into these things, either through hearings or otherwise, with the Department; but I am a little loath to approve an amendment of this kind at this point, with so little background on it.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I do not know whether this would persuade the gentleman from Illinois to withdraw his amendment, but that is what I was going to suggest. I think that, rather than this being a part of this particular bill, I would be inclined to want to support a request to the chairman that he assign the responsibility to the oversight and investigations section of our Interior Committee, to get into the subject matter of which the gentleman from Illinois is attempting to address in his amendment.

I think it would be more in the way of a proper function for the Oversight Committee, because I do not know how far reaching this particular amendment is. I am not personally affected by it. My own congressional district is outside of the areas of concern. But I do believe that he has a right to have his case heard, and I think that if the gentleman could give him the assurances of an Oversight Investigation Committee maybe we could ask him to withdraw the amendment and we could pursue it in further legislation if he is not satisfied.

Mr. UDALL. If the amendment is defeated, I would intend to work with Chairman KAZEN, who has primary jurisdiction, his subcommittee, or any of the other subcommittees, and I would prefer to proceed in that fashion.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. ERLENBORN. Mr. Chairman, on that I demand a division.

On a division (demanded by Mr. ERLENBORN) there were—ayes 6, noes 16.

Mr. ERLENBORN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1610

QUORUM CALL VACATED

The CHAIRMAN pro tempore. One hundred Members have responded. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

When the point of order of no quorum was called, the House was considering an amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I ask unanimous consent to withdraw my demand for a recorded vote.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Chair recognizes the gentleman from Arizona (Mr. UDALL).

Mr. UDALL. Mr. Chairman, I ask unanimous consent that the Chair vacate the division vote and the voice vote on this pending amendment.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN pro tempore. The voice vote and the division vote are vacated.

The question is on the amendment offered by the gentleman from Illinois (Mr. ERLENBORN).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there other amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDEE: On page 19, strike all of line 16 and words "and sixty acres," on line 17.

Mr. KILDEE. Mr. Chairman, I have spoken to the chairman of the subcommittee on this. This is a conforming amendment to conform with the amendment previously adopted.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. KILDEE. Yes.

Mr. KAZEN. We have looked at the amendment and because of an amendment previously adopted, this amendment should be adopted in order to conform.

Mr. KILDEE. I thank the gentleman.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to title II?

AMENDMENT OFFERED BY MR. KILDEE

Mr. KILDEE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KILDEE: Pursuant to clause 6 of rule XXIII, Mr. KILDEE submits the following amendment to H.R. 5539:

Page 20, strike out lines 10 through 15.

Mr. KILDEE. Mr. Chairman, the bill provides for a penalty for anyone who receives water that he is not entitled to or does not pay the full cost for water or furnishes false information.

Now, these acts are either in law or in fact are done knowingly. For the Secretary to assess the penalty, he has a great deal of discretion already, and in determining the penalty there is a great deal of discretion; so I think to waive the penalty is really to perhaps invite violations. This law has not always been strictly enforced in the past, but I think we should not send a signal that it should not be strictly enforced in the future.

Mr. PASHAYAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, let me just say, I am not entirely in agreement with the chairman of the committee on this one issue, simply because in his role under this bill the Secretary is more or less made a prosecutor. I think prosecutors need some flexibility in how they make the charge and prosecute it. It is not always an advantage that a prosecutor either has to go all the way or none of the way. It is sometimes better for him to strike some ground in between; but I join with the chairman for the sake of getting this done. I shall not object.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I will be glad to yield.

Mr. CLAUSEN. Mr. Chairman, this amendment is apparently based on a basic mistrust or suspicion of the Bureau of Reclamation and their administrative personnel. There has been no specific basis for this suspicion articulated. Perhaps the amendment is based on the general feeling that the professionals within the Bureau cannot be trusted, but in my experience I know of no justification for that. I believe Congress should give general policy guidance to the Bureau and then let them do their job.

Mr. Chairman, it may be possible to construe section 210 (a)(1) such that a farmer can violate this law without knowing about it, because the word "knowingly" before the word "violates" was left out on line 14, page 19 of the bill.

On another point, regardless of other concerns I have about this amendment, this bill is supposed to help the family farmer, not make his existence even more complicated. It is just as unreasonable to expect every

irrigation farmer to know all of Federal reclamation law based on statutes, regulations, and Solicitor's opinions, as it is to expect every taxpayer to know all of the Internal Revenue Code.

In the bill, the Secretary is tasked with bringing actions for the civil penalties where appropriate. To tell the Secretary he may not waive the civil penalties is like taking away a prosector's discretion, which is generally regarded as a bad idea.

I am inclined to go along with the chairman's suggestion, but I want to warn the gentleman, I think we are going to have to address this further in conference, because there are some problems with it.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. PASHAYAN. I would be glad to yield to the chairman.

Mr. UDALL. I thank the gentleman for his comments.

I want to concur with the gentleman from California (Mr. CLAUSEN) in that we will have some time between now and the conference committee to take a look at the impact of this and perhaps to modify it if that is indicated.

Mr. PASHAYAN. Mr. Chairman, I join the chairman and the gentleman from California (Mr. CLAUSEN) in that feeling.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Michigan (Mr. KILDEE).

The amendment was agreed to.

Mr. HARKIN. Mr. Chairman, I rise in opposition to the bill H.R. 5539. For a piece of legislation that portends to be an omen of water reform in the 1902 Reclamation Act, I find it only fraught with loopholes that benefit the already benefited.

Last year, the Congress passed a farm bill that cut $6 billion in program benefits, reducing the cost of the total program over a 4-year period by one-third. Then this same Congress turns around and wants to provide unlimited benefits, not in cast mind you, but in liquid gold, to a small elite who have farmed the Government for years. It just does not make sense.

These reclamation farmers, and particularly those in the Westlands Water District, have not limited themselves to this liquid gold water subsidy but have been the beneficiaries of other farms programs—many of the largest farms in Westlands have received USDA payments not to grow crops, low yield disaster payments, FHA low-interest loans, and preferences from promotion programs. One of these farmers became somewhat noted when "60 Minutes" did a story on his FmHA loans. He obtained more than $17 million in FmHA 40-year low-interest loans. This same gentleman farms on approximately 20,000 acres served by Federal water projects.

H.R. 5539 is fundamentally unfair. The Agriculture and Food Act of 1981 states:

> The express intent of Congress that no (Agricultural or agriculture-related) program be administered in a manner that will place the family farm operation at an unfair economic disadvantage.

Yet H.R. 5539 would: First, provide unlimited access to taxpayer-subsidized water to some of the Nation's wealthiest farms and corporations; and second, actively encourage the consolidation of farms and agricultural production, and invite absentee investment in farmland, in reclamation areas across the West. In so doing, it makes a mockery of 80 years of legislative mandates and judicial determinations to distribute the benefits of the reclamation program widely to resident family farmers. Consideration of this measure is all the more unfair in this time of widespread financial pressure on farmers across the Nation.

In July 1979, former Secretary of Interior Cecil Andrus provided Congress with a list of the 10 largest farming companies and individuals in the reclamation program. They exist basically in three areas. First, the noted Westlands Water District in California; second, Kings River, Calif.; and third, Kern River, also in California. All of these are found in the San Joaquin Valley.

Who are the farmers in these areas:

SOUTHERN PACIFIC LAND CO.

Southern Pacific is frequently singled out as a major corporation in farming. Though they are not in the farming business directly, the company leases out all of its holdings.

OIL COMPANIES

Several major oil companies are getting federally subsidized water for their farming operations. Standard Oil will tell you that they do not take the surface water provided to the Westlands Water District. That is true. However, they have benefited handsomely from the recharge of the groundwater by the virtue of the Federal Government's success in providing surface water to all of their neighbors. Joining Standard, but taking water directly are Getty Oil, Chevron, USA, Inc., Tenneco, and Superior. Between them they farm more than 100,000 irrigated acres in just three districts in California.

BOSTON RANCH/J. G. BOSWELL CO.

The Boswell operation farms almost 150,000 acres in Westlands, Kings, and Kern, and other districts. Boswell received $1 million set-aside payments from the U.S. Department of Agriculture a decade ago, and was in the middle of the Cotton, Inc. scandal that was uncovered a few years ago.

There are plenty more examples. The bottom line is that all of these farms, and many more are seeking unlimited federally irrigated water—forever. Under the reclamation laws proposed by the pending legislation, the smallest of these reclamation farms would be 960 acres. That farm, unlike a midwest farm, will produce, on the average, $1 million in crop revenues.

The smallest reclamation farm, in other words, will be larger than 97 out of 100 farms in America today—based on income, not acreage. Those same farms want unlimited subsidies from the Bureau of Reclamation. They do not want to pay for the water and have actively fought provisions, even mild ones, that would have increased the price of water.

There is clearly an uneven policy emerging. The Western States are getting these subsidized benefits—extremely large benefits—at the same time that the Midwest farmer is being told to "go to the marketplace."

A vote in opposition to the bill is a vote for the real family farmer.

● Mr. VENTO. Mr. Chairman, I rise in opposition to H.R. 5539. At a time when we as Members of Congress are expending a great deal of time and effort in seeking ways to lower budget deficits, I find it unconscionable that this House can consider passing a bill that provides a windfall for a select few through a pirating of the Federal Treasury.

The providing of heavily subsidized water to certain groups of large farmland owners flies in the face of the problems we face with depressed farm prices and the need for continued price supports and set asides. The GAO reported in March 1981 on six irrigation projects and found that not a single one would yield enough crop production to cover the full cost of the water supplied. Irrigators would be repaying less than 10 percent of the Federal Government's actual cost according to the GAO.

The distinguished director of the Congressional Budget Office, Alice Rivlin, testified earlier this year about the contradictions involved in the subsidization of irrigation water. She state that "these subsidies encourage wasteful use of water in regions that may no longer need subsidized development." They also distort farmers decisions about which crops to grow. Market gluts can occur, driving the market values of those commodities downward, in turn prompting the Government to raise values artifically by means of price supports. Under current policy, the Federal Government will invest roughly $3.8 billion from 1983 through 1987 in irrigation facilities. Of this amount, roughly $275 million would be recovered with charges now in place.

H.R. 5539 falls far short of carrying on an important aspect of the 1902 reclamation law, namely the promotion of the family farm. I find it objectionable that this bill would repeal the residency requirement, without offer-

ing any alternative. Such action seems destined to promote absentee ownership, to the detriment of the quality of rural life. Further, allowing subsidized water to be received on farms as large as 960 acres goes far beyond the acreage needed to promote an efficient family farm operation. Are we really promoting the family farm when, by the Department of Interior's own estimate, fewer than 3 percent of all reclamation farm operators control nearly a third of all reclamation land?

Both those in favor and those opposed to H.R. 5539 agree that reclamation law needs revisions. If there is going to be a Federal policy of subsidizing irrigation water, benefits should be dispersed to the largest number of people possible, while promoting the small efficient family farm. To validate past abuses in reclamation programs though, as H.R. 5539 does, only serves to dampen the social goals of reclamation law and replace it with economic greed that is unjustified now or at any other time. H.R. 5539 is fraught with the potential for misuse and misrepresentation in the reclamation program. Its passage, especially at a time of tight fiscal restraint would be a disservice to the American taxpayer and a slap in the face to the vast majority of family farmers.●

● Mr. EDGAR. Mr. Chairman, the purpose of the amendment I intended to offer is to provide a mechanism for routinely considering the deauthorization of dormant water resource development projects of the Bureau of Reclamation. The structure of the amendment is directly analogous to the language of Section 12 of the Water Resources Development Act of 1974 which applies to projects of the Army Corps of Engineers. Projects that are authorized but not funded by Congress for 8 consecutive years or more are submitted each year on a list to Congress for consideration for deauthorization.

Over an extended period of time, it is not surprising that circumstances change, forecasts go awry, and some water projects do not get built. In the interest of keeping the current construction program tightly focused on today's needs, and in the interest of security and elementary fairness to affected property owners in the project area, we need a mechanism to clean out the deadwood in the billion dollar backlog of authorized, but unfunded reclamation projects.

The only substantive changes from the language of the existing law pertaining to corps projects are as follows. First, the review mechanism covers feasibility studies as well as projects authorized for construction. Second, the proposed language does not extend discretion to the Secretary of the Interior to omit reporting on any dormant reclamation projects, or to unilaterally remove such a project from the deauthorization eligibility list once it is submitted to Congress. And finally, if either of the authorizing committees in the House or Senate adopt a resolution disapproving a deauthorization, such project becomes eligible for relisting if no appropriations are made for 3 additional years.

The 1974 act upon which this amendment is based has wiped scores of dormant Corps of Engineers projects off the books, through a cooperative review process involving the States and the Congress, as well as the executive branch. What is good for the goose is certainly good for the gander in this instance, and I urge the adoption of the amendment.

First, why does the gentleman want to raise the issue of projects on this bill. The bill only considers general reclamation policy, not individual projects. The subject of project deauthorization is an important gap in current reclamation policy. We have a general policy on deauthorization for the Corps of Engineers, and we should have one for the Bureau of Reclamation as well. Thus, it is appropriate to establish this policy in this bill, which makes a number of other important policy changes.

Second, why should we let the executive branch automatically deauthorize projects previously authorized by Congress?

No project is automatically deauthorized. The Interior Department simply submits a list of those projects that have not been funded for 8 years. Either the House Interior Committee or the Senate Energy Committee has ample time—90 days when Congress is in session—to act by simple committee resolution to keep any project authorized.

What about the States? Do not their concerns and wishes count for anything?

The views of the States are certainly important. The amendment requires the Secretary to elicit the views of each affected State, and to include such views in the report accompanying the list of projects that have not been funded for 8 years.

Why does the gentleman want to deauthorize feasibility studies? What is the harm in keeping studies around?

For the same reasons that we have chosen to individually authorize feasibility studies in the first place, rather than just provide authority for the Secretary to study anything.

First, we want the reclamation program to address current needs, not spend money studying projects that someone thought were a good idea decades ago.

Second, we want to take the slack out of the program, and not allow this or other administrations too wide of discretion in spending money on water projects—whether studies or actual construction.

Third, inactive feasibility studies may still be perceived as a lingering threat to private property and natural resource values in the affected area.●

The CHAIRMAN pro tempore. Are there any other amendments to title II?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN pro tempore. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker pro tempore (Mr. MINISH) having assumed the chair, Mr. PICKLE, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5539) to amend and supplement the Federal reclamation laws, and for other purposes, pursuant to House Resolution 449, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

□ 1620

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. VENTO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 228, nays 117, answered "present" 1, not voting 86, as follows:

[Roll No. 64]

YEAS—228

Akaka	Beilenson	Boland
Albosta	Benedict	Bolling
Alexander	Benjamin	Bonker
Anderson	Bennett	Bouquard
Andrews	Bereuter	Bowen
Archer	Bethune	Breaux
Badham	Bevill	Brinkley
Bailey (PA)	Bliley	Brooks
Bedell	Boggs	Broomfield

Brown (CA)	Hagedorn	Natcher
Brown (CO)	Hall, Ralph	Neal
Brown (OH)	Hall, Sam	Nelson
Broyhill	Hammerschmidt	Nichols
Burgener	Hansen (ID)	Oakar
Butler	Hansen (UT)	Panetta
Byron	Hartnett	Parris
Campbell	Hawkins	Pashayan
Carman	Hefner	Patman
Carney	Heftel	Patterson
Chappell	Hendon	Pepper
Chappie	Hightower	Perkins
Cheney	Hiler	Pickle
Clausen	Hillis	Porter
Coats	Holt	Price
Coelho	Hopkins	Quillen
Coleman	Howard	Railsback
Collins (TX)	Hoyer	Ratchford
Conte	Hubbard	Roberts (KS)
Corcoran	Huckaby	Roberts (SD)
Coyne, William	Hunter	Robinson
Craig	Hutto	Roe
Crane, Daniel	Jeffries	Roemer
Crane, Philip	Jenkins	Rogers
Daniel, Dan	Johnston	Rousselot
Daniel, R. W.	Jones (NC)	Rudd
Dannemeyer	Jones (OK)	Sabo
Daschle	Kazen	Seiberling
Daub	Kindness	Shaw
Davis	Kogovsek	Shelby
de la Garza	Kramer	Shuster
Derrick	Lagomarsino	Skeen
Dickinson	Lantos	Skelton
Dicks	Latta	Smith (AL)
Dixon	Leath	Smith (NE)
Dornan	Leland	Smith (NJ)
Duncan	Lewis	Snyder
Dwyer	Livingston	Spence
Dymally	Loeffler	St Germain
Dyson	Long (LA)	Stangeland
Eckart	Long (MD)	Staton
Edwards (AL)	Lowery (CA)	Stenholm
Edwards (OK)	Lowry (WA)	Stokes
Emerson	Lujan	Stump
English	Lungren	Swift
Erdahl	Marlenee	Synar
Erlenborn	Marriott	Tauke
Fary	Martin (NY)	Tauzin
Fascell	Matsui	Thomas
Fazio	Mazzoli	Udall
Fiedler	McCloskey	Wampler
Fields	McCollum	Watkins
Flippo	McCurdy	White
Foley	McDonald	Whitehurst
Ford (TN)	Mica	Whitley
Fountain	Miller (CA)	Whittaker
Fowler	Mineta	Whitten
Frenzel	Minish	Williams (MT)
Fuqua	Mitchell (MD)	Williams (OH)
Gejdenson	Moakley	Winn
Gephardt	Mollohan	Wolf
Gibbons	Montgomery	Wortley
Glickman	Moore	Wright
Gonzalez	Moorhead	Wylie
Gore	Morrison	Young (AK)
Gradison	Myers	Young (FL)
Gramm	Napier	Zablocki

NAYS—117

Annunzio	Findley	Kennelly
Applegate	Fish	Kildee
Atkinson	Fithian	LaFalce
Bailey (MO)	Florio	LeBoutillier
Barnes	Ford (MI)	Lee
Bingham	Forsythe	Lehman
Blanchard	Frost	Levitas
Bonior	Garcia	Lundine
Brodhead	Gilman	Madigan
Burton, Phillip	Gingrich	Markey
Clinger	Goodling	Martin (IL)
Collins (IL)	Gray	Martin (NC)
Conable	Gregg	Mavroules
Conyers	Gunderson	McDade
Coughlin	Hall (OH)	McGrath
Deckard	Hamilton	McHugh
Dellums	Hance	Mikulski
Dingell	Harkin	Miller (OH)
Dorgan	Heckler	Moffett
Dougherty	Hertel	Molinari
Downey	Hollenbeck	Mottl
Dunn	Hughes	Nelligan
Edgar	Ireland	Nowak
Edwards (CA)	Jacobs	Oberstar
Fenwick	Kastenmeier	Obey
Ferraro	Kemp	Ottinger
Oxley	Roybal	Walgren
Pease	Russo	Walker
Petri	Sawyer	Washington
Rahall	Scheuer	Waxman
Rangel	Schroeder	Weaver
Regula	Schumer	Weber (MN)
Reuss	Sensenbrenner	Weber (OH)
Rinaldo	Sharp	Weiss
Ritter	Solarz	Wirth
Rodino	Solomon	Wolpe
Rosenthal	Studds	Wyden
Roth	Traxler	Yates
Roukema	Vento	Yatron

ANSWERED "PRESENT"—1

Holland

NOT VOTING—86

Addabbo	Frank	Pursell
Anthony	Gaydos	Rhodes
Aspin	Ginn	Richmond
AuCoin	Goldwater	Rose
Bafalis	Green	Rostenkowski
Barnard	Grisham	Santini
Beard	Guarini	Savage
Biaggi	Hatcher	Schneider
Boner	Horton	Schulze
Burton, John	Hyde	Shamansky
Chisholm	Jeffords	Shannon
Clay	Jones (TN)	Shumway
Courter	Leach	Siljander
Coyne, James	Lent	Simon
Crockett	Lott	Smith (IA)
D'Amours	Luken	Smith (OR)
DeNardis	Marks	Smith (PA)
Derwinski	Mattox	Snowe
Donnelly	McClory	Stanton
Dowdy	McEwen	Stark
Dreier	McKinney	Stratton
Early	Michel	Taylor
Emery	Mitchell (NY)	Trible
Ertel	Murphy	Vander Jagt
Evans (DE)	Murtha	Volkmer
Evans (GA)	O'Brien	Wilson
Evans (IA)	Paul	Young (MO)
Evans (IN)	Peyser	Zeferetti
Foglietta	Pritchard	

□ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Holland for, with Mr. Stark against.

Mr. Jones of Tennessee for, with Mr. Addabbo against.

Mr. Santini for, with Mr. Zeferetti against.

Mr. Evans of Georgia for, with Mr. Volkmer against.

Mr. Courter for, with Mr. Emery against.

Mr. Dreier for, with Mr. Green against.

Mr. Pritchard for, with Mr. Horton against.

Mr. Rhodes for, with Mr. Lent against.

Mr. Taylor for, with Mrs. Schneider against.

Mr. Trible for, with Mr. Schulze against.

Messrs. BARNES, DOWNEY, YATRON, NELLIGAN, and RINALDO, Mrs. KENNELLY, Mrs. SCHROEDER, Mr. NOWAK, and Mr. LEHMAN changed their votes from "yea" to "nay."

Mr. JOHNSTON changed his vote from "nay" to "yea."

Mr. HOLLAND. Mr. Speaker, I have a live pair with the gentleman from California (Mr. STARK). If he were present he would have voted "nay." I voted "yea." I withdraw my vote and vote "present."

Mr. HOLLAND changed his vote from "yea" to "present."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KAZEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore (Mr. HUBBARD). Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1640

LEGISLATIVE PROGRAM

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of inquiring of the distinguished majority leader what the schedule is for the remainder of the day and for next week.

Mr. WRIGHT. Mr. Speaker, will the distinguished acting minority leader yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. I am pleased to advise the gentleman that there is no further legislative business planned for today nor the remainder of this week.

We have a full schedule for next week, however. The two most important items for next week are the emergency housing authorizations, scheduled in a bill which will be brought up on suspension on Tuesday, and the urgent supplemental appropriations scheduled for Wednesday or conceivably, Thursday.

I will recite the remainder of the program.

On Monday we will meet at noon and have at least eight bills which are scheduled for action under a suspension of the rules. I believe the gentleman has the listing of those eight available to him, and those are available to all of the Members.

Any votes required on motions to suspend the rules will be postponed until Tuesday so that there will be no votes on Monday.

On Tuesday we will take up the emergency housing authorization legislation under a motion to suspend the rules, and we will have recorded votes on any of the suspensions debated Monday on which recorded votes have been demanded.

Thereafter, on Tuesday, we will take up the Pre-Trial Services Act, an open rule, 1 hour of general debate, and a bill called the Trails System Act, also an open rule with 1 hour of general debate.

In addition to that we hope on Tuesday to be able to complete action on a bill from the other body, S. 146, establishing the Camden, S.C. Historic Preservation.

Then we meet at 3 p.m. on Wednesday and at 11 o'clock on Thursday and if we meet on Friday, at that hour.

We will take up H.R. 5922, the Urgent Supplemental Appropriation Act, and H.R. 4326, the Small Business Innovation Research Act, subject to the granting of a rule.

Of course, adjournment times will be announced daily, and conference reports could be brought up at any time. Any further program will be announced at a later date.

Mr. LOEFFLER. I wonder if the distinguished majority leader might inform the membership as to what time on Tuesday the first vote might occur, since I would suspect many Members may be returning Tuesday morning.

Mr. WRIGHT. Since the House meets at noon on Tuesday, it is altogether possible that we might get rather quickly to a vote on one or more of the bills scheduled for suspension. Probably not before about 1 o'clock or 12:45 at the earliest, inasmuch as there are 40 minutes of debate allowed for H.R. 6275.

But I would recommend that Members plan to be here as quickly after noon as possible because it is conceivable, even probable, that there will be several votes on suspensions, and particularly the one on the emergency housing authorization bill.

Mr. LOEFFLER. I thank the distinguished majority leader. I would like to pose one final question. Does the gentleman anticipate the House being in session on Friday next?

Mr. WRIGHT. We will not be in session tomorrow. I think it is probable we may be able to finish our legislative business and thus avoid a Friday session next week as well, but I am not in a position to promise that with absolute finality at this point.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to my friend from Nebraska.

Mr. DAUB. I would like to address a question to the distinguished majority leader. Is the majority leader aware of any vote that has been scheduled when, in fact, the State has been holding its primary so far in this particular year of our 96th session?

Mr. WRIGHT. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. Yes. That has happened on a number of occasions on Tuesdays. We have had votes. Where it is possible early in the session, I think the gentleman is aware we try to accommodate States, and particularly when there is a date on which a number of States will have primaries coexisting.

However, yes, there is a precedent for going ahead with legislative business, notwithstanding the fact that some States would be having a primary.

If it is possible early in the session, when the legislative schedule is not so crowded, we always try to accommodate.

Mr. DAUB. And the fact that the Nebraska primary is on Tuesday next was considered in determining that the housing vote would be scheduled for this coming Tuesday at noon?

Mr. WRIGHT. I would say to the gentleman that it was not because of the Nebraska primary that we scheduled this legislation. We certainly have no desire to penalize Members from Nebraska and appreciate their desire to be at home. It just simply could not be avoided under the circumstances because of the nature of the emergency supplemental appropriation bill, because of the desire of so many Members to have action taken this week, because of the manifest desire of a great many Members to have some housing action precede the hour of the vote on the emergency supplemental bill, and there just was no way that we could avoid having votes on Tuesday.

Mr. DAUB. I thank the gentleman for his reply, recognizing that we have been so busy around here that we have to do this next Tuesday.

Mr. WRIGHT. I hope that the gentleman is not just worn down to a nub because of the busy schedule.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

This is certainly one of the more ambitious schedules we have had in the course of this year's proceedings. I just have a couple of questions.

The bills for Tuesday indicate open rules, 1 hour of debate. Are those rules that have been previously passed?

Mr. WRIGHT. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman.

Mr. WRIGHT. The rules have not been adopted on the floor. They have been granted by the Rules Committee, and the rules will have to be adopted prior to taking action on the bills.

I am advised that there is no controversy relating to the rules, however, they being open rules and 1 hour of debate.

Mr. WALKER. I noticed that the supplemental appropriations, which last week we called the urgent supplemental appropriations, and I guess it has gotten more urgent this week, but I noticed that it is not mentioned with regard to the rule. Is the rule which we adopted today on the floor going to be the rule under which that bill is considered?

Mr. WRIGHT. I think the gentleman may be aware that there will be another rule which will allow certain additional material to be considered in that urgent, immediate supplemental appropriation bill.

Mr. WALKER. So, in other words, that also would be subject, then, to the rule being granted, as per the schedule; is that correct?

Mr. WRIGHT. Presumably so.

Mr. WALKER. I thank the gentleman very much for yielding.

Mr. WRIGHT. As the gentleman knows, it is always possible to bring appropriation bills up without adopting rules, but in this case I think the gentleman may reasonably conclude that a rule will be offered and adopted.

Mr. BEREUTER. Will the gentleman yield?

Mr. LOEFFLER. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I would like to ask a question of the distinguished majority leader, if he would be willing to entertain it.

I am wandering, since it is consistent with House rules if the majority leader would consider postponing the votes on the suspensions to be heard on Monday until business on Wednesday.

□ 1650

Indeed, there may not be any suspensions which require a vote, but it would help some of us to be able to address those, those of us from a primary State, if that could be delayed not 1 day, but 2 days, as the House rules allow.

Mr. WRIGHT. Under the rules of the House, we could indeed delay them for one more day. And, as a practical matter, if it is a request made in behalf of the Members from Nebraska, or any other State, if there be other States that hold primaries on Tuesday, I think we could grant that request and hold over all votes on any of those bills, save and except solely for the emergency housing authorization bill which needs to be adopted on Tuesday.

If the gentleman is requesting in behalf of the Nebraska delegation that we postpone any votes ordered on suspensions heard Monday until the first order of business Wednesday, I think we could do that as a courtesy to the gentleman and his colleagues from that State.

Mr. BEREUTER. I thank the gentleman for his answer and for his courtesy. I am not one to delay the vote on the emergency bill at all, but I would request that the majority leader consider and I do make the request that you delay the votes on the supensions

to be heard Monday until Wednesday of next week, 2 days later.

Mr. WRIGHT. Very well. In that case, I am sure that the gentleman and his colleagues on his side of the aisle will be considerate, as I will ask my colleagues on my side of the aisle also to be, in not compounding votes unnecessarily or demands for votes, just for the sake of delaying things. If we have a good gentleman's understanding that there will not be any effort just simply to demand a recorded vote on everything that comes up on Monday, I think as a courtesy to the gentleman from Nebraska and his delegation and his great State, we ought to do that; and I will just enter into that kind of a covenant with the gentleman right now.

Mr. BEREUTER. I thank the gentleman for his interstate cooperation. It will not be the part of the Nebraska delegation to encourage additional votes, and we will encourage our colleagues of the same attitude.

Mr. WRIGHT. The gentleman does understand that the agreement does not apply to the emergency housing authorization bill.

Mr. BEREUTER. I understand.

Mr. LOEFFLER. I thank the distinguished majority leader.

Mr. WRIGHT. We may have a vote on the Pretrial Services Act. That is conceivable. I do not know how insistent the authors of that legislation are likely to be. But on the suspensions that will be held on Monday, we can put those off until Wednesday as an accommodation to the delegation from Nebraska.

Mr. LOEFFLER. If the majority leader might also give some consideration to, for instance, delaying the pretrial vote, or the trials system vote, in the event there is not heavy press, in order that Members can get back to make those votes, if the gentleman will at least give consideration to the request, it would be appreciated.

Mr. WRIGHT. If the gentleman will yield for a question—I am not familiar with the airline schedules from Omaha or from Lincoln, or where people come from. What time would people vote and get back here, if they were intent on doing so?

Mr. LOEFFLER. I yield to the gentleman from Nebraska for a response to the majority leader's inquiry.

Mr. BEREUTER. I thank the gentleman for yielding.

Some of us could be back at 12:30. Others simply could not be back that day. So it would accommodate at least one, perhaps two, of the delegation if it could be after 12:30.

Mr. WRIGHT. I thank the gentleman. It is the custom in Nebraska to get up early, I know.

Mr. BEREUTER. There is only one plane, Mr. Majority Leader.

Mr. LOEFFLER. I thank the distinguished majority leader.

PERMISSION FOR ALL COMMITTEES TO HAVE UNTIL 5 P.M. MONDAY, MAY 17, 1982, TO FILE REPORTS

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that all committees have until 5 p.m. on Monday, May 17, 1982, to file reports, and that reports filed by that time be considered to have been filed within the time permitted by section 402(a) of the Congressional Budget Act of 1974 with respect to fiscal year 1983.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT TO MONDAY, MAY 10, 1982

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

E. CLAIBORNE ROBINS: A MAN OF REMARKABLE ACHIEVEMENTS

(Mr. BLILEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLILEY. Mr. Speaker, I would like to take this opportunity to share with you and our colleagues the remarkable achievements of one of my constiutents, a man who has always made the city of Richmond and the Commonwealth of Virginia proud, Mr. E. Claiborne Robins.

In guiding one of America's largest pharmaceutical corporations, A. H. Robins, Co., Inc., Claiborne Robins has put service to his State and country, and, above all, his fellowman, well ahead of material pursuits. His company, under his direction, has devoted untold attention and resources to the eradication of the diseases that plague mankind.

And so it is appropriate that this man, E. Claiborne Robins, will be honored in our home city of Richmond, Va., on June 3 by B'nai B'rith International. For his many years of devotion to the needs of the Richmond community and the Commonwealth of Virginia, Robins will receive B'nai B'rith's Great American Traditions Award.

Even in being so honored, Claiborne Robins will continue the steadfast service and concern that has marked his life. The proceeds from the June 5 dinner in his honor will be used to support B'nai B'rith Hillel Foundations at the University of Richmond, Robins' alma mater, and the five Richmond chapters of the B'nai B'rith Youth Organizations, both of which provide cultural, religious, educational, and social programs for the community.

Previous award winners will gather to honor Claiborne Robins as they have been honored, and, in so doing, highlight his many achievements throughout a long and celebrated career.

Claiborne Robins' successful professional career has spanned half a century, beginning in 1933 when he joined the family pharmaceutical firm. But even before joining the company that was to become his major lifework, Robins had achieved notoriety.

Claiborne Robins attended the University of Richmond, where he graduated Phi Beta Kappa, while excelling in sports. Robins was elected to the University of Richmond Athletic Hall of Fame in 1980, and to the Virginia Sports Hall of Fame in 1979.

Upon graduation from the University of Richmond, Robins successfully completed his degree at the Medical College of Virginia School of Pharmacy. It was then, in 1933, that Claiborne joined A. H. Robins. Shortly thereafter, in 1936, Claiborne became president and chief executive officer of A. H. Robins, and chairman of the board in 1970.

Robins' professional career has been punctuated by numerous awards and recognitions of service. To name but a few, Claiborne Robins has received the "Pharmacist of the Year" award in 1967, and the "Business Leader of the Year" award in 1969.

But by far the most impressive credentials of this man are the myriad awards for service to his fellowmen. It is in this area that Claiborne Robins transcends categorization as a professional and business success and distinguishes himself for time immemorial. By his unswerving attention and devotion to people, he has inspired others like him to help their fellows.

And for this service, Claiborne Robins has been recognized time and again. Robins has always been a leader in the medical, educational, and professional organizations to which he belongs. He serves on the boards of the Crippled Children's Hospital, the University of Richmond, Richmond Memorial Hospital, and countless other cultural and charitable institutions. Among his many awards from the

Commonwealth of Virginia, Claiborne Robins can be the most proud of the "Thomas Jefferson Award for Public Service." And Robins can look with pride to being awarded the Liberty Bell Award from the Richmond Bar Association, the Service to Mankind Award from the Sertoma Clubs, the Jackson Davis Award for Distinguished Service to Higher Education in Virginia from the Virginia Conference of the American Association of University Professors, and the Edward A. Wayne Medal for Distinguished Service from the Virginia Commonwealth University. And no fewer than four colleges have awarded him with honorary degrees.

In short, E. Claiborne Robins, whom I know as a friend, is also an inspiration to me and everyone who knows him. His service to Virginia and to the United States knows no bounds. His contributions to commerce and development have been overshadowed only by his devotion to humanity. Claiborne Robins, while always serving America, has made it more important to serve Americans.

1981 ANNUAL REPORT OF FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Post Office and Civil Service:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

REPORT OF COMMODITY CREDIT CORPORATION FOR FISCAL YEAR ENDED SEPTEMBER 30, 1981—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Agriculture:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

□ 1700

REPORT WITH RESPECT TO DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-175)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Thursday, May 6, 1982.)

CLEAN AIR WEEK

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VENTO. Mr. Speaker, May 2-9 has been proclaimed as National Clean Air Week by the American Lung Association. I believe this is an appropriate time to focus our attention on the increasingly controversial issues surrounding the reauthorization of the Clean Air Act, and the importance that we not lose sight of the overwhelming support of our friends and constituents back home for keeping the Clean Air Act strong and effective.

In the State of Minnesota alone, strong public support of the Clean Air Act was demonstrated in a petition presented to me with approximately 5,000 signatures of Twin City area residents. I am also proud to tell you that the Minnesota State Legislature took a strong initiative last month when it passed the Acid Rain Reduction Act. I submit a copy of the act for the RECORD and hope that acid rain remedies will be reflected in our future actions with respect to national policy regarding air quality.

I continue to be impressed and astonished by the consistency of the results obtained by poll after poll on the subject of protecting the environment. In the expectation that we will be asked to vote on the changes in the Clean Air Act before this session of Congress is over, I would like to share with you some samplings of results from recent public opinion polls.

A recent poll in the New York Times said that:

> Air pollution was named by nearly a fifth of the public as the most important environmental problem . . . There was two to one support for maintaining current air pollution laws among both Democrats and Republicans, and among union households.

In a February 1982 Newsweek poll, in answer to the question:

> Do you think Federal spending in protecting the environment should be cut further, increased or remain the same?

Forty-four percent said they felt it should be increased, 37 percent said it should remain the same and only 9 percent said environmental protection money should be cut.

The well-known pollster, Louis Harris, in addressing the Environmental Industry Council in March 1982 said:

> Make no mistake about it, there is as strong a mandate from the American people to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society. For example, in just the latest of several tests we have made on this issue, a startlingly high 82-14% majority favors strict or stricter enforcement of the Clean Air Act.

Harris went on to say:

> The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental cleanup efforts—and will regard such cuts as threatening the very quality of life in this last quarter of the twentieth century.

While the American people have stongly stated their support of a strong Clean Air Act, it is difficult to follow through with their wishes when the administration has cut back on the enforcement budget for EPA and supports a bill that would substantially alter the original intentions of the Clean Air Act.

I believe these samplings are accurate representations of the kind of results that have been obtained in every major poll taken over the past year. The message is clear: Americans—regardless of political persuasion, economic status or geographical location—oppose weakening the Clean Air Act. I hope you will, too. At this point I include the following:

H.F. No. 1789

Be it enacted by the Legislature of the State of Minnesota:

Section 1. [116.42] [Legislative intent.]

The legislature recognizes that acid deposition substantially resulting from the conduct of commercial and industrial operations, both within and without the state, poses a present and severe danger to the delicate balance of ecological systems within the state, and that the failure to act promptly and decisively to mitigate or eliminate this danger will soon result in untold and irreparable damage to the agricultural, water, forest, fish, and wildlife resources of the state. It is therefore the intent of the legislature in enacting sections 1 to 4 to mitigate or eliminate the acid deposition problem by curbing sources of acid deposition within the state and to support and encourage other states, the federal government, and the province of Ontario in recognizing the dangers of acid deposition and taking steps to mitigate or eliminate it within their own jurisdictions.

Sec. 2. [116.43] [Acid deposition defined.]

As used in sections 1 to 4, "acid deposition" means the wet or dry deposition from the atmosphere of chemical compounds, usually in the form of rain or snow, having the potential to form an aqueous compound with a pH level lower than the level consid-

ered normal under natural conditions, or lower than 5.6.

Sec. 3. [116.44] [Sensitive areas; standards.]

Subdivision 1. [List of areas.] By January 1, 1983, the pollution control agency shall publish a preliminary list of countries determined to contain natural resources sensitive to the impacts of acid deposition. Sensitive areas shall be designated on the basis of:

(a) the presence of plants and animal species which are sensitive to acid deposition;

(b) geological information identifying those areas which have insoluble bedrock which is incapable of adequately neutralizing acid deposition; and

(c) existing acid deposition reports and data prepared by the pollution control agency and the federal environmental protection agency. The pollution control agency shall conduct public meetings on the preliminary list of acid deposition sensitive areas. Meetings shall be concluded by March 1, 1983, and a final list published by May 1, 1983. The list shall not be subject to the rulemaking or contested case provisions of chapter 15.

Subd. 2. [Standards.] (a) By January 1, 1985, the agency shall adopt an acid deposition standard for wet plus dry acid deposition in the acid deposition sensitive areas listed pursuant to subdivision 1.

(b) By January 1, 1986, the agency shall adopt an acid deposition control plan to attain and maintain the acid deposition standard adopted under clause (a), addressing sources both inside and outside of the state which emit more than 100 tons of sulphur dioxide per year. The plan shall include an analysis of the estimated compliance costs for facilities emitting sulphur dioxide. Any emission reductions required inside of the state shall be based on the contribution of sources inside of the state to acid deposition in excess of the standard.

(c) By January 1, 1990, sources located inside the state shall be in compliance with the provisions of the acid deposition control plan.

Sec. 4 [116.45] [Reports to the legislature.]

By January 1, 1986, the agency shall submit its acid deposition control plan to the appropriate substantive committees of both houses of the legislature. By January 1, 1987, and each two years thereafter until January 1, 1991, the agency shall submit to the legislative committees a report detailing the reduction of sulphur dioxide needed to meet the requirements of section 3 and the progress which has been made to meet those requirements.

Sec. 5. Minnesota Statutes 1981 Supplement, Section 116C.69, Subdivision 3, is amended to read:

Subd. 3. [Funding; assessment.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities. The assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of developing the acid deposition control plan required by sections 1 to 4; this amount shall be certified to the board by the executive director of the pollution control agency. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the general fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for developing the plan required by sections 1 to 4. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 6. [Appropriation.]

The sum of $81,455 is appropriated from the general fund to the agency for the purposes of this act; for fiscal year 1983, the assessment pursuant to section 5 shall not exceed this amount.

Sec. 7. [Effective date.]

Section 5 is effective June 1, 1982. Sections 1 to 4 are effective July 1, 1982.

□ 1145

CLEAN AIR WEEK

(Mrs. SCHNEIDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHNEIDER. Mr. Speaker, I think it is appropriate during Clean Air Week to address one of the most important questions the Congress will have to answer as we move toward reauthorization of the Clean Air Act—whether the auto emission standards, one of the great success stories in pollution control, will be kept intact or substantially weakened, as some have proposed.

The importance of the Clean Air Act to public health is made obvious when the health effects of two major pollutants from automobiles—carbon monoxide and nitrogen oxides—are examined. Automobiles account for 40–50 percent of the total NO_x emission nationwide—and about 80 percent of all manmade carbon monoxide released in the United States. We have made real progress in reducing these pollutants by controlling tailpipe emissions from automobiles. The 1 gram per mile NO_x standard has reduced NO_x emissions 76 percent when compared to precontrol vehicles—the 3.4-gram-per-mile-carbon-monoxide standard has reduced CO emissions by 90 percent. All 1981 gasoline powered automobiles were able to meet the NO_x standard, while 70 percent were able to meet the CO standard, with the rest receiving temporary waivers.

Why is it so important to maintain the existing standards? Because both carbon monoxide and NO_x represent a real threat to human health. Carbon monoxide depletes the blood's oxygen supply, which can result in serious damage to the heart, lungs, and nervous system. Studies conducted in the Los Angeles area found that mortality rates increased with concentrations of CO in the atmosphere. People afflected with heart disease—one out of every four men over 45 and one out of every seven women—are particularly vulnerable.

While we are debating the economic costs of pollution control, it is important not to lose sight of the fact that the auto emission standards were designed to protect human health from the very real threat posed by air pollutants. Let us keep the auto emission standards intact—they are not expensive, they are working, and they are vital to the public's health. At this point I include the following:

RHODE ISLAND LUNG ASSOCIATION POSITION PAPERS, THE CLEAN AIR ACT—1981

The attached Rhode Island Lung Association (RILA) position papers focus on the key health-related issues currently being debated in the reauthorization process. The content has been guided by an ad hoc advisory group whose membership includes five RILA Board members and representatives from the Audubon Society of Rhode Island, the Conservation Law Foundation of Rhode Island, Ecology Action for Rhode Island, the League of Women Voters of Rhode Island, the Rhode Island Department of Environmental Management's Division of Air and Hazardous Materials, and the Rhode Island Office of Statewide Planning.

INTRODUCTION

The Clean Air Act passed by Congress in 1970 and amended in 1977 is up for reauthorization this year by a Congress committed to reducing Federal regulations and expenditures. Because the Rhode Island Lung Association's primary purpose is the prevention and control of lung disease it is deeply concerned that Congress reauthorize a reasonable, workable Act which will protect the public health from the adverse effects of air pollution. Of special importance is protection of susceptible, high-risk segments of the population. These number some 90 million and include the elderly, persons with heart disease and chronic respiratory diseases such as asthma, emphysema, and bronchitis, children, fetuses and the newborn. Pressure from special interests are jeopardizing the public health provisions of the Act.

The current debate touches on all the major provisions of the Act. Many proposed changes would seriously weaken key elements of the nation's air pollution control efforts. Opponents are using the backdrop of a troubled economy and dwindling energy supplies as excuses to weaken the Act. A review of recent economic and energy studies related to air pollution control does not support their case.

A significant number of proposals pretend to make the Act more workable, but in reality eliminate essential public health and en-

vironmental provisions. Among the many groups offering weakening amendments are the: American Paper Institute, Business Roundtable, Chemical Manufacturers Association, Heritage Foundation/Reagan Transition Team, National Association of Counties, and United States Chamber of Commerce. Much of the criticism aimed at the Act is unfounded and, if reflected in legislation, will result in serious regression in air quality and prevent continuing progress in air pollution control.

This paper is the result of the Rhode Island Lung Association's analysis of the key positions that have been published to date. The major business/industrial proposals have been examined as have those of groups working to preserve the integrity of the Act, including the American Lung Association, League of Women Voters of the United States, National Audubon Society, Natural Resources Defense Council, Sierra Club and Northeast States for Coordinated Air Use Management.

RILA has also examined the report by the National Commission on Air Quality (NCAQ) which is an important basis for debate on reauthorization. The NCAQ is a thirteen member commission charged by Congress to analyze the nation's air pollution control policies and programs and to recommend changes.

RILA's long experience in the complexities of air pollution control and its assessment of the current debate confirm that although the Act is one of the most complex laws in the United States, it is due to the complexity of air pollution control itself rather than to poorly constructed legislation. We support streamlining and updating certain provisions but the Clean Air Act should be left largely intact. The basic structure and provisions of the Act aimed at protecting the health of the entire population with a margin of safety should not be changed.

The following pages reflect our conviction that a strong national mandate for clean air must be renewed.

THE ECONOMY AND CLEAN AIR

Issue

Because of the country's serious economic difficulties many people are questioning whether we can afford to continue the pollution control programs established over the last decade. In the area of air pollution control, many are asking such questions as to whether the country can justify its costly investment in air pollution controls and whether it can afford to lose jobs to clean air laws.

Response

To evaluate the legitimacy of such concerns we have reviewed the many studies conducted to assess the costs and benefits of pollution control, especially air pollution control.

Most of the research falls into two categories: that assessing the costs of air pollution damage, and that evaluating the costs of air pollution control programs. Unfortunately, there are a host of methodological problems which prevent valid direct comparisons of costs with benefits. However, despite these difficulties, when the studies are taken as a whole they in no way support the pessimism currently being expressed about the impact of air pollution abatement.

In fact, the data shows that uncontrolled air pollution causes extensive damage in the United States, measured in billions of dollars per year, even at conservative estimates. Some studies suggest that economic benefits of control equal or exceed costs borne by the nation's consumers.

A review of studies examining abatement costs shows that air pollution programs have an insignificant impact on such prime economic indicators as unemployment, the Gross National Product and the Consumer Price Index. Reliable data indicates this low level of impact is expected to continue in the foreseeable future (mid 1980's). At regional and/or local levels, no serious or widespread economic impacts have been documented or are expected.

MOBILE SOURCE REQUIREMENTS

Because cars are major sources of air pollutants, the CAA requires: motor vehicle makers to control new car emissions via the Federal Motor Vehicles Emission Control Program, implementation of auto emissions inspection and maintenance programs and reasonably available transportation control measures; e.g., carpools, vanpools, improvements to bus systems. As with other Clean Air Act measures, there are proposals to modify all of these programs.

While RILA supports certain statutory changes in these programs, we urge Congress to examine the overall impacts of proposed amendments on control of mobile source emissions. What appear to be small changes in the various programs can add up to have serious public health consequences.

The Federal motor vehicle emission control program (FMVECP)

Before explaining RILA's reasoning on specific FMVECP proposals, we must stress our overall conviction of the need for Congress to retain an effective FMVECP. It is the single most effective program for controlling auto and truck emissions. For example, in Rhode Island 40,000 tons of volatile hydrocarbons need to be reduced to meet the ozone standard; 31,374 tons can be controlled in one year by the FMVECP alone. Even major efforts to control stationary source hydrocarbons (HC) are small in comparison; e.g., 7,000 tons of HC's from over a dozen industrial source categories ranging from gasoline terminals and degreasing operations to surface coating. If it were not for the FMVECP, Rhode Island would not be able to meet the ozone or carbon monoxide health standards.

Issue

At present there are proposals to weaken carbon monoxide (CO) tailpipe emission standards on autos; 1984 HC and CO standards for gasoline powered heavy trucks, and the nitrogen oxide (NO_x) standard for all light duty diesels through the 1984 model year. RILA opposes them all.

Responses

The CO auto standard

The association rejects the proposed change in the CO auto emission standard from the currently mandated 3.4 gpm 1981-1982 standard to 7.0 gpm.

Auto makers have already demonstrated their ability to meet the 3.4 gpm CO standard. Almost half of the American cars produced in 1981 meet the 3.4 gpm standard.

The ability of many areas, including Providence, Rhode Island to meet the ambient CO standard is based on the 3.4 gpm limit. Doubling the current limit to 7.0 gpm will push attainment dates beyond the current 1987 target and unnecessarily expose the population in high CO areas.

1984 model year HC and CO standards for gas powered heavy trucks

We do not support the recommendation to weaken standards for gas powered heavy trucks. As more and more autos are replaced with newer cleaner cars, heavy duty gasoline powered trucks will be important contributors to air pollution. The currently mandated HC and CO standards for 1984 gas powered heavy trucks would require application of catalyst technology that has been effectively demonstrated with light duty vehicles. Implementation of these two requirements may be one of the most cost effective ways to further reduce pollution for which technology is readily available.

The statutory NO_x standard for light duty diesels through the 1984 model year

We do not support the proposal to change the NO_x standard from 1.0 to 1.5 gpm. There is a direct relationship between NO_x levels and photochemical smog formation and all reasonably available NO_x controls should be maintained. The currently mandated light duty diesel NO_x standard is attainable without application of unreasonable technology.

II Inspection and maintenance (I/M)

Issue

The current Act requires states to implement inspection and maintenance programs in areas that will not attain ozone or carbon monoxide standards by 1982. A number of groups, including the American Automobile Association and the Reagan Transition Team, have called for deletion of the mandatory requirement for I/M.

Response

The Rhode Island Lung Association strongly opposes this recommendation because I/M is a cost effective, reasonable complement to the Federal Motor Vehicle Emission Control Program (FMVECP). I/M is designed to ensure that cars are being maintained according to manufacturers' specifications while in use. There is abundant evidence nationally and in Rhode Island that in-use vehicles substantially exceed emissions standards because of inadequate engine and/or exhaust control device maintenance. For example, in Rhode Island some 18% of the in-use cars tested fail to meet standards. In addition to unnecessarily polluting the air, these autos are major fuel wasters.

Another proposal for change in I/M programs has been made by the NCAQ. The Commission recommends that I/M programs be required only in urban areas with populations greater than 500,000 where peak 1981 air pollution levels are 50% greater than either the ozone or CO ambient standard, instead of in all areas exceeding the ozone or CO standard as of December 31, 1982. Unfortunately, the NCAQ gives no rationale for its proposed I/M criteria change and offers no information on the proposal's impact relative to meeting ozone or CO standards.

RILA has considered the impact of this proposal on Rhode Island and finds it undesirable. Even though ozone and CO standards are regularly violated in the state, only those autos housed in metropolitan cities and towns would be subject to emissions testing and maintenance. Cars from towns such as Charlestown, Coventry, Cumberland, Narragansett, and South Kingstown would not be required to be inspected for emissions. This would create serious administrative and enforcement problems in a program that is now equitably operating statewide.

Because of these difficulties and the absence of supporting rationale for the NCAQ recommendation, we urge retention of the

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current criteria for mandatory I/M programs. In addition and of equal importance, we have seen no evidence that current criteria are out of date or unworkable.

III Transportation control measures (TCM's)

Issue

The current Act mandates analysis of such measures (TCM's) as carpooling, vanpooling, bus system improvements and traffic flow improvements for areas that will not attain the ozone and CO standards by 12/31/82. If measures are "reasonably available" they must be included in SIP's. The NCAQ's recommendation for deletion of mandatory TCM's is based on the very small emissions benefits of these control measures.

Response

Detailed TCM analysis in Rhode Island has substantiated that most but not all of the measures have small emissions benefits.

RILA agrees with the overall thrust of the NCAQ recommendation with two important exceptions. First, we view TCM's as important for central business districts and other high traffic density areas with difficult CO problems. Unlike other pollutants, CO is a highly localized problem tied directly to autos; therefore TCM's such as traffic flow improvements or auto restricted zones may be keys to solving CO problems in high vehicular traffic areas. We urge Congress to retain CAA provisions for mandatory TCM's in such areas.

Second, a difficult problem under current law has been to define what is a "reasonably available" measure. Congress should define this and "significant emissions reduction." If significant reductions of vehicular emissions can be realized from certain TCM's, then their implementation should be required.

SKELTON FARM PROGRAM

(Mr. SKELTON asked and was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, American agriculture today is facing its greatest crisis since the days of the Great Depression. Real farm income is at its lowest level since the 1930's, prices for most major farm commodities remain low, and interest rates are still unacceptably high. During a recent trip to my congressional district, I stopped by a small-town newspaper office. While there I learned that farm sale announcements in the last 5 months exceeded the total for the previous 5 years.

The situation I found in this one small town in west central Missouri is not unusual. It is a scene that is being repeated in farming communities throughout the State of Missouri, the entire Midwest, even the Nation. Nationwide, farm bankruptices have reached a near 50-year high. It is becoming clear that current farm programs are inadequate to deal effectively with this situation. Thus, I believe it is necessary, Mr. Speaker, that Congress take legislative action to strengthen the farm economy. The following are areas where I believe Congress can act to mitigate the problems posed by today's depressed agricultural economy:

(1) EXPORTS

The Agricultural Export Credit Revolving Fund was authorized in last year's farm bill in an amendment which I consponsored with our colleagues Congressman GLICKMAN and Congressman STENHOLM. It now must be funded so that it can help create new markets for U.S. farm products and expand existing ones. I have introduced H.R. 5776, a bill to provide an initial, partial appropriation of $250 million for the fund. In addition, the administration should begin negotiations toward a multiyear trade agreement with the Soviet Union, and should actively pursue the possibility of bartering U.S. Government-owned agricultural commodities for strategic materials needed for U.S. national defense.

(2) CURB OVERPRODUCTION

Many current farm problems stem from the fact that supply exceeds demand; if this situation continues, the Federal Government will be forced, under current law, to make large price support payments to farmers, and then be faced with the cost of storing this grain. It would be cheaper to avoid producing these commodities that are already in surplus supply. Therefore, I endorse proposals to allow farmers who have already signed up to participate in the existing 1982 diversion program to have the additional option of diverting another 5 percent of their acreage and being paid for that diversion. I encourage the Secretary of Agriculture to closely monitor 1982 production with the idea of using his existing authority to institute a paid diversion for the 1983 crop year if 1982 production figures are high.

(3) ON-FARM STORAGE

A program of direct Government-guaranteed loans for the construction of on-farm grain storage facilities should be reinstated. This program was a sound one which made money for the Government and enabled farmers to construct facilities to manage their surplus commodities more efficiently.

(4) WHITE HOUSE CONFERENCE ON AGRICULTURE

The purpose of this conference would be to study current problems in the agricultural sector of the economy and to develop recommendations for legislation and administrative action regarding short-term and long-term solutions to such problems. This conference would be invaluable in focusing national attention on the plight of U.S. farmers, and in demonstrating to nonfarmers the immense stake they have in preserving a viable farm economy.

(5) CREDIT

The Secretary of Agriculture should activate the economic emergency loan program, and the authority for this program should be extended through the 1983 crop year.

(6) BRUCELLOSIS CONTROL PROGRAM

Livestock producers in my State of Missouri have made great progress toward eliminating this dread livestock disease, through a cooperative Federal-State program. However, proposed Federal budget cuts threaten to set them back. This program should be fully funded or many Missouri cattlemen may well face extreme economic hardship.

(7) GRAIN ELEVATOR BANKRUPTCIES

The bankruptcy laws should be amended to guarantee a farmer's ownership of commodities stored in public warehouses that go bankrupt. The legislation should legitimize the warehouse receipt as a document of title, place holders of warehouse receipts in a priority position, and expedite the distribution of assets to warehouse receipts holders.

(8) AGRICULTURAL CONSERVATION PROGRAM

This program has been the target of penny-wise and pound-foolish budget cutters for years. Congress should continue its tradition of restoring full funding to the ACP program, a program which has made an invaluable contribution to soil conservation practices throughout the years. Soil and water conservation must be a top national priority.

In addition to these recommendations, Mr. Speaker, there are a couple of proposals I want to mention which are definitely not needed:

I am against the proposed Federal animal welfare laws. Congress should reject proposals which move toward establishing Federal standards for the treatment of farm animals. Enactment of any measure of this kind would be unwarranted government interference at it worst. No one cares more for the welfare of his livestock than the producer whose economic livelihood depends on it. He does not need the Government to tell him how to perform this task.

I am also against changing the meat grading standards. The current USDA proposal to loosen meat grading standards should be withdrawn from consideration. It would only result in a loss of confidence in the cattle industry, and in consumers paying more for less.

Mr. Speaker, many of these recommendations, along with some others, are contained in the recently introduced Farm Crisis Act of 1982, legislation which I am pleased to cosponsor. This bill will not solve all of the economic problems plaguing U.S. farmers, but it is a significant step in the right direction and I urge all House Members to give it their full support.

It is important to emphasize, Mr. Speaker, that these recommendations can be enacted even with today's strict budgetary constraints, and that they pose no threat to consumers. For example, the Congressional Budget Office estimates that the Farm Crisis Act of 1982 will result in a total savings in budget outlays of $899 million over a 4-year period. It would accomplish this through decreased deficiency payments and storage costs. If a full $1 billion were appropriated for the Agricultural Export Credit Revolving Fund, the CBO estimates that by its 4th year of operation, the fund alone would be saving the Government $441 million through reduced outlays for commodity programs.

Mr. Speaker, all Americans have a stake in the preservation of a market-oriented farm economy, centered around the owner-operated family farm. Agriculture is the Nation's No. 1 industry and its health is vital to the entire economy. If our family farms are to survive and continue to lead the way in American exports and productivity, we must deal with the problems of high interest rates, low prices, and the preservation of our soil and water resources. To fail to do so risks losing the industry that more than any other has taken our Nation to prominence in the world.

THE CLEAN AIR ACT

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUNDINE. Mr. Speaker, in the upcoming weeks, this legislative body will face critical decisions on a critical environmental issue—reauthorization of the Clean Air Act. During the debate on this issue we will be confronted with a choice on the one hand between streamlining our efforts to preserve existing health based standards and goals for controlling emissions from stationary and mobile sources, or on the other hand, relaxing standards and timeframes for achieving and maintaining our clean air goals.

The most often relied upon justification for relaxation of existing clean air standards and goals evolves around the claims by some that environmental regulation has negative impacts on productivity and economic growth. Assertions have been made by some business groups that the Clean Air Act has cost the private sector $16 billion in compliance costs each year, but has only yielded $8 billion in benefits. In addition, the Clean Air Act is often cited as a significant contributor to jobs lost in some of our most depressed industries such as autos and steel.

A close look at existing data and studies to date reveals that these contentions are unfounded. A recently completed review by the public interest economic foundation of the data available on this subject through the Environmental Protection Agency, Bureau of Economic Analysis of the Department of Commerce, U.S. Bureau of the Census, and McGraw Hill led to the following conclusions regarding the aggregate effects of the Clean Air Act on the economy:

First, output has remained essentially unchanged, with only a modest reduction of approximately 0.1 percent per year. When these changes are adjusted to take into account benefits not reflected in market transactions, real output has increased.

Second, unemployment was 0.1 to 0.2 percent lower per year than it would have been without clean air legislation.

Third, prices increased very slightly, from 0.1 to 0.2 percent per year. Considerations of benefits not reflected in market transactions suggests that air pollution controls have had virtually no effect on inflation.

Fourth, labor productivity, as conventionally measured, has been essentially unaffected, with a reduction of less than 1 percent per year reported by the most adverse studies.

Fifth, Clean Air Act benefits have exceeded compliance costs. The most comprehensive survey to date estimates benefits of $21.4 billion, and costs of $17 billion.

Sixth, compliance expenditures by the private sector have remained stable since 1975 in real terms on average less than 3 percent of gross private domestic investment.

On balance, the Clean Air Act has helped us progress toward a healthier, more productive society. We would be making a serious mistake to identify the Clean Air Act as a significant cause of our current economic difficulties, or relaxation of clean air standards as a significant factor in revitalization of our troubled industries. I, together with my colleague Congresswoman SCHNEIDER have begun and will be continuing to circulate a number of dear colleagues in the weeks ahead which explore the economics of the Clean Air Act. I urge you to join us in examining this aspect of this issue carefully. When you do, I think you will find that the Clean Air Act has had a positive impact on innovation, job creation, and economic productivity.

CLEAN AIR WEEK

(Mr. LEWIS asked and was given permission to address the House for 1 minute and to revise and extend his remark.)

Mr. LEWIS. Mr. Speaker, the focus this week on clean air is cause for celebration. We have had the Clean Air Act for 10 years. This act has achieved documented improvement in air quality to the betterment of public health, welfare, and environmental quality. The structure of the act is sound and its impact is clearly evident.

However, there is a sobering aspect of our focus this week as well. All Americans need to be reminded that while Congress is now reviewing the Clean Air Act, strong efforts are now underway to weaken its standards. Americans must continue to place pressure on Congress, reminding their Representatives that they care about the quality of the air they breathe.

During this session, my colleague BRUCE VENTO of Minnesota and I have introduced a major environmental resolution (H. Res. 252) which reaffirms the importance of the Clean Air Act. It specifically expresses the basic commitment of the House of Representatives to the goals and structure of the Clean Air Act as amended in 1977. In addition, it recognizes that modification of either the goals or structure would impair the effectiveness of a landmark statute that has brought remarkable progress in the nationwide effort to reduce air pollution.

There is no question that we cannot allow the impressive gains we have made in our fight against air pollution to be wiped out. Clean air is fundamentally important for the health and well-being of every citizen of the United States. My own involvement in fighting air pollution began when I served as a member of the assembly in California. During my service in the State legislature, I served as chairman of the subcommittee on air quality and successfully authored legislation establishing the south coast air quality management district in southern California.

Since my involvement some years ago, Americans have become even more concerned about the air they breathe. A Louis Harris poll taken last fall found that by 80 to 17 percent, a sizable majority of the public nationwide does not want to see any relaxation in existing Federal regulation of air pollution.

Yet, despite this concern, we still have a tremendous educational job to do. My own district is as heavily impacted by smog as any part of our country. However, we have learned that as people live in polluted air, there is a tendency to get used to it—a tendency which causes us to be unwilling to make some of the personal sacrifices that are necessary if the air is really going to be clean again.

We have made much progress as a result of public pressure placed upon Detroit. The automobile coming off the assembly line today is light-years ahead of that huge gas guzzler of a decade ago. Our next major effort

must concentrate upon what happens to that car 6 months later when running untuned on our Nation's highways. It is the major source of air contamination.

Fundamental to the concern over dirty air is the fact that it does and is shortening people's lives. The impact of smog upon people's health should be obvious to everyone. We have a great job to do—developing data, demonstrating the impact upon health, and communicating it to the American people.

WORKING MOTHER'S DAY

The SPEAKER pro tempore (Mr. HUBBARD). Under a previous order of the House, the gentlewoman from Illinois (Mrs. COLLINS) is recognized for 60 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I take this time to mention the fact that I had hoped that today we would be able to consider House Joint Resolution 174, which is the Working Mother's Day resolution that I hoped to have passed.

This resolution will be amended to designate the Sunday before Labor Day, September 5, as just that, "Working Mother's Day." I had hoped it would be done today because I think coming just before this coming Sunday, which is Mother's Day of 1982, it would have served to reinforce and support working women in their endeavors.

The changing social and economic roles of women are in part reflected by the fact that they comprise 42.3 percent of the total labor force and of that amount, 39.7 percent are working mothers. Many of these women are working out of economic necessity to supplement an income, or as in too many cases, to provide the sole family income; approximately 45.1 percent of single women in the work force are heads of their families. Others are working for personal fulfillment outside of the home. The economic impact of the increasing influx of women laborers serves to boost consumer spending, lower wage gains, and to add to the growth in productivity. One cannot deny the extraordinary contributions working women have made and continue to make to our social and economic environment.

Mothers working outside of the home are daily confronted with the responsibilities of their job in addition to the duties required in their other roles as mother and homemaker, and at the end of a long day, they return home to spend many more hours tending to the needs of their family and household, One example of the setbacks women encounter in their jobs is that full-time female workers earn only 64.7 percent of what male workers do in an average week. Another specific problem many working mothers face is finding and affording adequate day care for their young children, a situation which prompted me to introduce H.R. 2387, the Child and Family Development Act, which would promote quality child care programs for all children and their families who need such services and would provide a means of assessing and carrying out these necessary services. It is important that we as policymakers assist in serving the needs of workingwomen and their families.

Mothers whose work focuses upon the upright raising of their children, running errands, preparing meals, working in the home; often assuming household maintenance and repair themselves, and always working to provide the necessary ingredients of a loving family and homelife, are worthy of praise and recognition for their imputed value to society.

The old adage, "A woman's work is never done," has certainly withstood the test of time. There is nothing novel about mothers working in the labor force and at home; they have been doing so for generations.

□ 1710

What is remarkable and worth public recognition, I think, is the proposal, such as House Joint Resolution 174, which I hope will be passed very, very shortly.

● Ms. FERRARO. Mr. Speaker, all mothers are working mothers. But those 16 million American women with children under 18 who work outside their homes carry a special burden and make a special contribution to our society. They deserve their own special day of recognition.

This Sunday we will celebrate the traditional Mother's Day with the traditional gifts of flowers and candy. Because women are almost half of the Nation's work force, in many homes this Sunday it will be mom's earnings that make it possible to purchase these gifts. And in 5.6 million households, Mom is the sole support of her family.

Some of our political leaders just do not understand this. One of them is President Ronald Reagan. A month or so ago, the President suggested that unemployment in our Nation is high because of women seeking jobs. He implied that if women would just stay home and look after their families, the record unemployment which his bankrupt economic program has helped to create would somehow just vanish.

It is just not so. The vast majority of women in this country work because they need to work. We all know they are not in it for the high pay. Women still make an average 59 cents for each $1 earned by a man. They do it because they love their families and want to give them the sort of life that only an adequate income can provide. And they do it to survive.

Not only are working mothers helping their families but they are strengthening their country as well. As bad as our economy is at the moment, think how much worse it would have been without the productive labor and tax contribution of the 12 million women who have entered the work force since 1970. Their work has made it possible for their families to buy consumer goods and establish savings for the future which they would otherwise have had to forego.

This joint resolution would grant working mothers the extra recognition they deserve by declaring the Sunday before Labor Day "Working Mother's Day." I am proud to be a cosponsor of this measure and I urge its adoption.●

● Mr. RANGEL. Mr. Speaker, it is appropriate that as Mother's Day approaches we honor this Nation's working mothers who contribute to their families' incomes at the same time that they are contributing to the economic well-being of our country.

More than half of American mothers are in the work force. Even mothers with children under 6 are increasingly entering the work place. Most mothers who work do so out of economic necessity, and children whose mothers work live in families that have higher incomes than children of nonworking mothers. One-fourth of all children live in families where the father is unemployed or absent. Working mothers make their contribution to the economy while, at the same time, they bear most of the responsibility for the care of their families.

As we honor these working mothers, we must also ask who is taking care of the children? Do we as a Nation back up our claim to being child centered? What is the present administration doing to guarantee that every American child has access to good child care?

Title XX, the largest single source of federally funded day care, only reaches a fraction of the children who require this service. This program has been severely cut and is targeted for future cuts. Food and health programs that serve the children of working mothers have also been cut and further cuts are projected. An estimated 2 million children receive no supervision after school. Millions of children are in informal, unlicensed centers, where care may be good, or it may be disastrous.

I believe that as we honor the Nation's working mothers, we must commit ourselves to a Federal policy that guarantees that every child whose mother works receives the best possible care at the appropriate cost. We need to know what the needs are and then establish a policy to assure every child an environment that provides adequate food, adequate health and the nurturance that is essential

for good physical, social and intellectual development.●

● Ms. MIKULSKI. Mr. Speaker, I am pleased to address my colleagues on the day we declare the Sunday before Labor Day as Working Mother's Day.

Every mother is a working mother whether or not she is being paid wages for what she does. Women worked in the fields of southern Maryland for hundreds of years, planting and harvesting crops, trying to make a little money to feed their families. Immigrant women worked 12 hours a day in the textile mills of New England, and the garment factories of the New York ghettos. American women are working today in the factory, the office, the construction site, and the fast food chain restaurants—then we go home and put in a second shift in the household.

Too often women's work has been unrecognized, unorganized, and underpaid. Women who work outside the home are part of a vicious cycle. Because there is inadequate child care and too little help with family responsibilities, women working outside the home often must leave the paid work force for awhile, or work part time which means losing pension rights and other benefits most workers enjoy.

The work of women has helped to build this country. The most valuable and concrete recognition of women workers will exist when women have average earnings equal to men, and when full-time mothers are not penalized for bearing and raising children.●

● Mr. SIMON. Mr. Speaker, I would like to state my support for Senate Joint Resolution 53, which establishes September 6, 1982 as "Working Mothers' Day."

The number of mothers who are employed outside the home has increased rapidly over the last several decades. In 1947, 18.6 percent of women with children under age 18 were in the labor force. By 1980, this percentage had more than tripled, reaching 56.7 percent. For mothers of children under 6 years of age, the increase in labor force participation has been even more dramatic. In 1947, only 12 percent of mothers of preschool children were employed outside the home. By 1980, this percentage had increased fourfold to 46.7 percent. In other words, 6.5 million children under age 6 have mothers who are employed. Furthermore, one-third of these preschoolers have mothers who are single or married to men who earn less than $10,000 per year.

Unfortunately, the availability of quality day care has not kept abreast of this rapid increase in the number of employed mothers, a phenomenon which causes me great concern. According to a national study conducted for the Department of Health and Human Services in 1977, there are 900,000 day care center slots in the Nation. In addition, there are 5.2 million places in family day care homes. An additional 1.6 million children are cared for in their own homes by a relative or nonrelative. This totals approximately 7.8 million day care slots. However, this leaves approximately 5 million children who do not have identifiable child care arrangements. There are at least 1.8 million "latchkey" children who are home alone after school while their parents work. Current estimates suggest that quality day care is not available to approximately 5 million children. Furthermore, the latest Bureau of Census reports show that the numbers of preschoolers will increase significantly over the next 10 years as the baby boom generation moves into the childbearing years. By 1990, 60 percent of mothers of preschool children are expected to be in the labor force, as well as 70 percent of mothers of school age children.

The need for day care is a significant problem. While I am pleased that Congress has set aside a day to honor working mothers, I am saddened that neither the administration nor the Congress is taking steps to address the need for day care. We are currently ignoring the problem, and even worse, the Federal programs which do support day care have been substantially reduced.●

GENERAL LEAVE

Mrs. COLLINS of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the resolution just discussed in this special order.

The SPEAKER pro tempore. Is there objection to the request of the gentlewomen from Illinois?

There was no objection.

THE SUPPLEMENTAL APPROPRIATIONS BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ), is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, for weeks the House, I guess, as well as the Senate, has been maneuvering over amendments to the supplemental appropriations bill, the amendments being to create a massive new stimulus for the housing industry. Of course, since this originates in the House, most of the outward maneuvering is here at the House level.

There is no question that the housing industry is in trouble. There is no question that it needs help. The trouble is that all the maneuvering by eager would-be rescuers threatens to swamp and sink the lifeboat. Housing needs to be given help, but we must also make certain that what we actually end up doing will result in fact in help, not harm.

The best course of action for the House to take would be to enact the comprehensive housing bill that was approved by the Housing Subcommittee yesterday, of which I have the honor of chairing.

The bill provides an ample stimulus package for home construction. It is a package that employs a proved and ready-to-go mechanism for administering assistance to home buyers. It is a package that has been carefully crafted, a package that will without question do exactly what it sets out to do.

The so-called Evans-Corcoran amendment would not, on the other hand, necessarily prove workable. In the first place, it gives the illusion that no added outlays would be created, which of course is absurd.

Now, this is a central question, because here in the last few years I have witnessed a great erosion in the institutional processes of the parliamentary procedure in the Congress. Whenever anybody does that, whether it is an individual or a collective body, it is, in fact, deluding itself. We are really not serving the public well.

It is the introduction of the image principle now so current in politics, where those contending for political support from the people and using the package approach of the high-priced publicity merchants package the candidacies like soap and other things that are merchandized on TV. The image is created, but images eventually must give way to reality and the image here created up to now with respect to the Evans-Corcoran approach is based on a fallacy and on an illusion and that is that there is no additional outlay called for in their multibillion dollar approach; the reason being that they maintain that all they are asking for is transferring of funds from the so-called Synfuel or Synthetic Fuels Corporation financial setup both as to budgetary authority and what we call budgetary outlay, or more importantly, what they call appropriations; but merely transferring the money does not mean that it has no effect on what they define as budgetary outlays. Of course, it does.

The funds available to the corporation represent guaranteed funds. Taking the money and using it for a quick stimulus package results in added outlays of a considerable size. This perhaps explains why the administration itself, the present administration, is opposed to the Evans-Corcoran approach.

The illusion that no economic consequences result from this transformation may be convenient, but it is, nevertheless, an illusion.

Using this approach is merely a back-door way of crippling the Syn-

thetic Fuels Corporation on the one hand, and it is an unfair, as well as unwise tactic, on the other hand.

Furthermore, the Evans-Corcoran approach involves a requirement that the Secretary of HUD set up and have in operation a unique billion dollar-plus subsidy program to work in tandem with State housing finance agencies.

Now, there is no question that those of us familiar with the workings of housing programs, both on the Federal level as well as State levels, know that this is doubtful that it could be done within the time envisioned in this emergency approach. If the housing industry needs help right now in fiscal year 1982, that is, there is a better way to do it. That better way is through legislation that I am offering together with the chairman of the full Committee on banking, the gentleman from Rhode Island (Mr. ST GERMAIN) in the form of H.R. 6294.

The emergency stimulus needs of the housing industry are taken care of by H.R. 6294 without destroying, as the Evans-Corcoran approach does, the comprehensive program that is needed for the overall needs of the housing industry and the people of this country.

H.R. 6294, what is more, has already been heard, approved and voted out of the committee and the subcommittee. It will create a billion dollar stimulus for housing construction starts immediately. It can be in place and in operation without delay. It embraces a maximum amount that the industry could absorb within the remaining months of this fiscal year, without doing what the administration obviously fears and that is setting off again the inflationary pressures beyond those limits that the administration so proudly boasts as having been responsible for thus far this year.

In every respect, the bill meets the present emergency more effectively than the Evans-Corcoran bill. At the same time, this stimulus program would mesh smoothly with the stimulus created in the comprehensive housing bill, H.R. 6296, so that at the end of the fiscal year we would have in being a stimulus program that would be carried out in the fiscal year 1983, providing $3½ billion to help for new home construction.

In short, the program I am offering not only meets the present emergency, but results in far more total assistance for housing.

More importantly, enactment of my emergency bill, H.R. 6294, as contra-distinguished from H.R. 6296, will enable the Congress to move ahead without doing violence to the essential overall housing policy that must be enacted.

□ 1720

We cannot in good conscience enact a program in the form of the Evans-Corcoran amendment that grants $2 billion in subsidies for the middle-income citizens of the country and a segment only of the country, while killing help for the overwhelming majority of the citizens of the country.

That is what the practical effect of the Evans-Corcoran approach would be. It would shove aside the people who need the help the most, the majority, in the name of rescuing an industry that would, ironically enough, ultimately receive far greater benefits through the enactment of the program I am recommending in these two bills.

Let us use good sense and proceed in a dispassionate manner. Let us use the clear line of reason by acting in two steps, and acting in accord and in concert with the generally accepted procedures of the House. Let us use a regular authorizing and appropriation process.

What we are calling for is a two-step process. First, enactment of H.R. 6294, a $1 billion emergency housing stimulus program for fiscal year 1982. This is immediate, ample, and more than ample help for housing in timely fashion which can realistically be utilized without incurring the risk of these inflationary pressures that so much effort and sacrifice has been poured into trying to curb.

Second, enactment of H.R. 6296, the comprehensive housing bill for fiscal year 1983, a bill that will continue and carry through additional housing stimulus efforts, efforts that in total will far exceed anything envisioned in the tunnel-vision Evans-Corcoran amendment. It will be more effective. It will start work immediately, not 4, 5, 6 months from now.

The Congress for many years followed a comprehensive approach in housing legislation, and that is what we must do now. If we fail to follow a comprehensive approach, the housing industry will suffer, and what is more important, millions of innocent citizens will see their housing situation dramatically deteriorate and worsen.

We have to think not just about the immediate demands of an insistent and rather aggressive lobby organization, but about the needs of the country. The Evan-Corcoran suggestion answer the demand of the lobby, but only at the cost of the real interests of the country and the overwhelming majority of the citizens therein.

The comprehensive housing bill provides assistance for the construction of rental housing through a new and flexible subsidy program. This new approach enjoys the support of both sides, or the majority, overwhelming majority of the committee of jurisdiction, and is a great improvement over the old section 8 multifamily assistance program.

The bill provides for assisted housing in rural areas, and for continuation of programs to assist Indian housing authorities. It is indeed and in fact the all-American housing bill of 1982.

The bill provides adequate operating subsidies for the Nation's low-rent public housing, for continuation of the FHA insurance program, for continuation of the secondary mortgage market operations of Fannie Mae and Ginnie Mae. Every one of these provisions is needed to insure that we have housing that is affordable for the poor, the middle, and every single major segment of American society alike, and to insure that the housing industry can return to health.

More than this is needed, of course. A stimulus program alone will do no good, nor will even a comprehensive housing program work well unless we have a healthy thrift industry, which is the aim of another bill approved by the House Banking Committee and its Financial Institutions Subcommittee by our distinguished chairman of the full committee, Mr. ST GERMAIN.

In addition to all of that, we must have lower interest rates, but I think my record in that respect, and the efforts in that direction, span almost 16 years of effort here. So my colleagues can see what a nettlesome situation that problem is. But it also has to be eventually resolved.

We cannot rescue housing by embracing just one element of a sensible program. We cannot help housing by grasping at on single straw. We have to see the problem for what it is. It is an interrelated, complex set or series of situations.

Administration hostility to any kind of housing effort at all, not just the hostility to the Evans-Corcoran approach, is one of the things that for one year we have been attempting to overcome, because we feel that the administration's lack of interest in a housing program, an affirmative housing program, is due to it having been overwhelmingly concentrating on the budgetary, on that tunnel-vision approach, where the computer inexorably looks at mathematical figures and not at humans and has been given the targets.

But I think that 1 year later now there has been some thinking reform in this approach and that there will be the realization of what the factual situation is, what the human needs of this country are.

There is not a member of this House who has been back, and I think that everyone this year of necessity has been back, that would not testify to the fact that we have a housing problem, a crisis. There is no question about that.

So that we have to respond in what I would consider sensible, dispassionate, detached, if possible, unemotional, stable form of answer, not a knee-jerk reaction, not a crisis.

And this is a temptation in a stimulus program, that in jumping up we will follow this illusive illusion and end up serving nobody's good interests.

As I said, we have to see it as it actually is, as any thinking Member knows, a series of interrelated problems and situations, very frustrating. The sickness of the thrift industry, the economic malaise. And I am not interested in saying that this was a cause of it, Reaganomics or Jimmy Carter.

My constituents back home give me the impression they do not want to know who is to blame. They want to know what we are doing about it. And this is what we are worrying about.

The more we get together and forget about who is to blame for this, that and the other, and the malaise and the economic system, and say "Look, what can be done at this point," preferably within the traditions and framework of our institutions and our tried and true experiences, which is what we are holding to.

The practices of the House itself offer a course of distinguished contribution to the greatest miracle in the world in 40 years, which was the housing of America through these programs. Nobody questions that Americans are the best housed, though that does not mean that we can be complacent and say we do not have very serious problems, in fact, a crisis. Of course we have. Because this country is not straitjacketed. This is a burgeoning, dynamic people and country. It is on the move every day. It will never subject itself to straitjacketing. And therefore it keeps growing.

We have more people, many millions more, 100 million more than in 1940. But we have had wars, we have had depressions. And yet America was able to devise these programs, spend the money, give them the priority, build homes, fulfill the American dream, which is what has been shattering around our heads here for the last few months, the last couple of years.

Now, I am not interested in saying who is to blame, who is not. That is negative. That is wasting our substance on a fruitless exercise.

But I am intensely interested, and I think every Member I know here has been sober and serious, and I do not know anyone who is not, no matter what our differences are. After all, we have 435 Members. If we cannot even have unanimity with some of us that have been married 40 years with our spouses, we can certainly hardly expect unanimity in a body of 435, and certainly the whole structure of our party approach and all is that it tends to have contention and debate.

□ 1730

Because, out of that nettle of problems and troubles and dangers we pluck this flower of success in achieving the successful programs that house Americans. Here in America in 1940 over 60 percent of the housing stock of this country was deficient, substandard, inadequate, poor housing. One-third were ill-housed, was the language of the President then. Forty years later, in 1980, there were only 6.5 percent. If that is not an achievement, these are programs that obviously worked, so these are what the decisions now are all about.

I have worked hard to bring about a housing program that meets the overall needs of the country. It is a compromise program—and if I were acting only on the basis of my own wishes, the bill would be far different from what it is. But I am not acting for myself alone. I am acting to provide the best program that is possible; a program possible for the greater interests of the greatest number within possibility and the realm of political possibility, a program that meets the basic needs of the country, a program that both sides of the aisle can and do support, and above all that is comprehensive and practical.

We must reject illusory, self-defeating moves such as the Evans bill. What we have to deal with is a problem that is not only urgent, but complex.

The program I am offering and urging is one that takes care of the immediate emergency, offers a complete program for fiscal 1983, and a program that meets all the basic needs we have in housing. It is a sound program, worked out with great effort, and through the cooperation of every member of the Housing Subcommittee.

I urge my colleagues to enact H.R. 6294 when it is offered next week, as the best and clearest way to meet the housing emergency right now, and then later to join me in enacting the comprehensive housing bill that will continue and expand the emergency stimulus program, while at the same time extending and expanding the many other other elements that must go into our national housing effort.

THE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, the continuing impasse over the fiscal year 1983 budget and determining the course that Federal spending is to take for the next several years is a frustrating and nonproductive experience, the benefits of which we can well do without. Whether you support the President's position, the Speaker's, one of the Senate versions, or one of your own, or none of the above, I am sure we are all agreed on the imperative to act and act quickly. The longer we drag out this process, the worse the fiscal and economic consequences will be.

What we see emanating from the dank recesses of this maze known as the budget process are little more than cascading cobwebs of doubt and deception, like haphazard clues strewn about in an Agatha Christie mystery. The problem is, of course, that nobody can figure out "whodunit." Not even last year, and certainly not in previous years, have we been confronted by such disparity among forecasts of both spending and revenues. Estimates of the fiscal year 1983 deficit vary from $107 to $198 billion—an 85 percent differential—depending upon who you listen to and when, the difference of $91 billion representing a greater amount than the entire Federal budget in 168 of our 195 years (1789-1983), an amount nearly equal to the budget in 1961, the first year of John F. Kennedy's administration. And this is only the difference in the estimated size of the deficit. If indeed the pessimistic projection of $198 billion is realized, that deficit will exceed the entire budget for every year up to 1971. This is not only frightening, it is absurd. It need not happen.

It is high time to stop being intimidated by all the computers at the disposal of all the "experts" who are supposed to know the facts, interpret them, and relate to us their intelligent appraisals. It has become a standing joke that, as soon as one of these "projections" is issued, it is obsolete. They seem to be more a product of wishful thinking, or of willful doom and gloom. It is truly ironic that, in previous years, it was almost a certainty that administration forecasts would be rosy and overly optimistic. We have now come full circle and are bombarded with $200 billion deficits at a time when Treasury statistics do not indicate anything of the sort. Meanwhile, it is sowing confusion and fear among both the financial circles and the citizenry. It is time to stop the nonsense. Nonsense. Webster's New Collegiate Dictionary defines nonsense as: a: words or language having no meaning or conveying no intelligible ideas; b: (1): conduct, language, or an idea that is absurd or contrary to good sense; (2): an instance of absurd action.

Not a few of us would categorize what we have seen thus far in the name of budget "compromises" as lacking intelligible ideas. The deficit—whatever the amount—is singularly absurd and contrary to good sense. And the misdirected meanderings of Congress in meeting the problem has most assuredly been an exercise in absurd action. Nonsense.

I don't believe that the Keystone Kops atmosphere which has thus far permeated the deliberations has in any way displayed or taken into consideration that most elemental of traits found so abundantly in the oft-maligned creature, the "man-in-the-street." Oh, not the occasional man in front of the TV camera being interviewed man in the street." But rather the average Joe, John Q. Public, your constituent and mine, the guy we all see and understand when we watch an old Frank Capra movie (you know the one, he is usually played by Jimmy Stewart). And this trait is commonsense. Oh, he can do some wild and crazy things. But when crunch comes to crunch, he does what is necessary. Plain old horse sense.

Well, this is the same sense which hints that we should come in out of the rain, not walk in front of a speeding bus, and not play footsie with a copperhead. It also manifests itself as that little voice which tells us not to spend more than we have. And, as most of us do, when we occasionally ignore that advice and spend beyond our means, there is that inevitable day of reckoning when the accounts must balance. So it must be with the Federal Government. The American people want a balance budget; 85 percent want further reductions in the budget (Newsweek, March 15, 1982) as opposed to 10 percent who favor increased taxes. They want the haggling and the nitpicking to stop. They realize far better than Congress gives them credit for that deficits fuel high interest rates. And those rates are what is impeding economic recovery.

We in Congress must realize that, if we do not take immediate corrective action, events may shortly be beyond our control. Only three more States need to call for a constitutional convention before we are presented with a fait accompli. And there are many Members who, although they may favor a balanced budget amendment, are uneasy about the prospect of a convention which quite possibly may undertake a few more changes to the Constitution. The alternative, of course, is to support pending legislation, such as Senate Joint Resolution 58 (H.J. Res. 350), which would require that future budgets be balanced. I support this initiative as a means to force Congress to come to grips with fiscal reality.

In the meantime, however, we need to send an unmistakable message to the credit markets and business and finance centers of this country. Rosy pictures and promises would not sell. Threats and intimidation do not wash. Nothing less than a greatly diminished deficit will convince these interests that we mean business. And until then, interest rates will hover menacingly high.

Accordingly, I believe we should consider taking the steps necessary to bring outgo in line with income. The first challenge in this exercise is, of course, to protect estimated revenues. In checking Treasury reports for the past 3 years, one finds a remarkable consistency at the 6-month threshold. For 1979, 1980, and 1981, the 6-month total receipts comprised 43.27, 43.97, and 43.49 percent of the full-year total receipts—for an average of 43.58 percent. Applying this proportion to fiscal year 1982 receipts, we can estimate a total of $664.5 billion for the year; less 2.5 percent to account for the 10-percent tax cut affecting the final quarter of the fiscal year, the net is $647.9 billion. This is a wee tad above the $628.4 billion which the administration forecast on April 9, revised to $623 billion last week.

Of course, like all other methods of computing estimates, this one is fraught with peril as well. Revenue and outlay figures are inextricably tied to economic indicators, if not determined by them at least influenced by them. Consequently, the slightest change in the inflation rate, or unemployment, or GNP, to name a few, can cause considerable variance from initial projections. This accounted for the majority of the administration's increase in expected deficits—high unemployment and interest rates coupled with low productivity.

Conversely, action undertaken to force a major reduction in the deficit will impact upon these same indicators. Federal Reserve Board Chairman Paul Volcker, testifying before the Senate Banking Committee in February, stated that a reduction of $20 billion in the deficit would realize a drop of 2 to 3 points in interest rates. Depending upon the source, it has been estimated that each percentage drop in interest rates would, in turn, result in savings of from $2 to $10 billion in interest paid on the public debt—a savings in spending which counts as decreased outlays. In addition, the psychological as well as material boost that cutting the deficit would have on Wall Street can hardly be termed minimal.

I would therefore seek to trim whatever is necessary from the fiscal year 1983 budget to substantially balance it. This level is now estimated by the administration to be $645 billion. I expect it to be closer to $683 billion. Considering that this occurred during a time of tax cuts and recession, and considering that the average annual increase in revenues for the past 3 years is 11.65 percent, it is not unreasonable to expect a modest increase of 8.11 percent. Thus, receipts total $700.4 billion; less 2.5 percent to account for the second phase of the tax cut (affecting just the final quarter of the year) results in net receipts of $682.9 billion. This is the bottom line. This is the figure which outgo will have to approximate.

To achieve the magnitude of reductions to approximate Federal income, I have compiled a list of 298 cuts totaling $80 billion. To this figure must be added the $48.7 billion in cuts which the administration originally proposed; $128.7 billion in cuts, you have got to be kidding. Not at all. This is not some casual figure flippantly tossed out for a giggle or two. Nor does it originate from some medieval tome found in the Library of Congress under "Hun, Atilla the. Budget-Cutting Made Easy."

Rather, it is the deliberate screening of Federal spending for excess, one-time measures such as freezing entitlements for 1 year, inclusion of part of the President's proposals, and estimated savings based upon revised economic indicators. It should not be overlooked that some of the very enlargements to both budget outlays and projected deficits result from the cause and effect relationship mentioned above: The larger the deficit, the higher the interest rates; the higher the interest rates, the lower productivity and employment.

The cause and effect reverses when deficits are reduced: The lower the deficit, the lower the interest rates; the lower the interest rates, the higher productivity and employment. And so on. So there is considerable leeway here as to how much actually needs to be cut. Much of the projected deficit is composed of interest payments which will automatically decline according to the size of the cut. In addition, lower interest rates and higher employment will materially affect revenues as well as outlays no longer needed.

The following chart indicates the rapid-fire changes which have been made in budget forecasts.

[In billions of dollars and fiscal years]

	(A) Receipts [1]		(B) Outlays [2 4]		(C) Deficits [3]	
	1982	1983	1982	1983	1982	1983
OMB–February	626.8	666.1	745.0	773.3	−118.2	−107.2
OMB–April	628.4	665.1	749.8	782.8	−121.4	−117.7
OMB–baseline	627.4	647.3	761.1	820.7	−133.7	−173.4
OMB–revised	623.0	645.0	763.2	842.8	−140.2	−197.8
OMB–projection	647.9	682.9	747.5	692.0	−99.6	[5] −9.1

[1] Fiscal year 1981, $599.3 billion.
[2] Fiscal year 1981, $678.2 billion.
[3] Fiscal year 1981, $—78.9 billion.
[4] Includes off-budget (which comes to $10.348 billion in 1983).
[5] If off budget spending were not included, there would be a small surplus.

Whichever figures you choose to accept, do not be alarmed. After all, they are just numbers. Intimidating as they are. Perhaps downright menacing. What we ought to be alarmed about are the consequences from doing nothing to bring column B more in line with column A, and from failing to eliminate column C altogether.

Members are of course free to act according to their requirements and consciences. I ask only that you consider the consequences of failing to curb out-of-control Federal spending and allowing the country to sink deeper into the abyss of red ink and disaster. A recent editorial appearing in the Wall Street Journal, entitled "Deficit Shortfall" discusses the possibilities in greater detail and, at this point, I would like to insert it in the RECORD:

DEFICIT SHORTFALL?

With the collapse last week of the Reagan-O'Neill budget compromise, the talk turns again to deficits. The budget stalemate, we are assured, can only mean bad news for the economy and the financial markets. In particular, the failure to reduce the "monster" deficits predicted for fiscal '83 and beyond will keep interest rates high and foreshorten any recovery from recession.

Now, big deficits are not good for the economy. But neither are high taxes, which a lot of born-again politicians are offering as the cure for the deficits. And before we tie ourselves into knots over estimates of what the deficit will be in fiscal '83, '84 or '85, we ought to notice that no one knows what the deficit will be in fiscal 1982, which is already half over.

Thus the administration's own original deficit forecast of $45 billion for fiscal 1982 has now become $99 billion. Democrats and liberal Republicans, who have suddenly discovered the political uses of deficit panic after decades of ignoring the red ink their programs produced, predict $105 billion to $115 billion.

Yet actual results in the first half show that the deficit is running only slightly ahead of last year. In fact, in the first five months, it was running at the astonishingly low annual rate of about $57 billion, about the same as the total 1981 deficit, despite the current recession.

FEDERAL RECEIPTS, OUTLAYS, AND DEFICITS

[In billions]

	Receipts	Percent change prior yr.	Outlays	Percent change prior yr.	Deficit/surplus
1981:					
Oct	45.5	17.0	63.6	13.0	(18.1)
Nov	44.3	13.0	54.9	14.4	(10.6)
Dec	57.4	17.4	76.9	36.8	(19.5)
1982:					
Jan	55.3	5.9	45.9	−22.3	9.3
Feb	43.0	46.7	57.8	−20.3	(14.8)
Mar	45.3	1.5	63.5	17.0	(18.3)
6 Mos., 1982: Total	289.6	11.1	361.5	11.0	(71.9)
6 Mos., 1981: Total	260.6		325.8		(65.2)
FY 1981: Total	579.3		657.2		(57.9)

Source: U.S. Treasury and Lionel D. Edie Economics. Figures may not add due to rounding off.

The causes of this "deficit shortfall" are hotly disputed. Most mainstream economists think it was due to special factors that will reverse themselves in the second half. In particular they cite prompter payments of corporate tax liabilities due to a higher penalty for late returns, and slower-than-expected defense spending caused by inability of the Pentagon and other agencies to shovel the money out the door fast enough. The March figures seem to indicate just such a reversion to form.

But others think we may be seeing some longer lasting supply-side effects. Milton Ezrati of Manufacturers Hanover, for example, theorizes that people in high marginal tax brackets have been encouraged by the tax reductions and decline in inflation to shift from tangibles into interest-bearing securities and funds, thus broadening the tax base. That would be just the sort of thing supply-siders would have predicted.

And, ironically, the spending hold-down may reflect the very failure of Congress to produce a budget. Operating hand-to-mouth on the basis of continuing resolutions may be having just the desired restraining effect on the federal bureaucracy. There are worse ways to do business, though this method also tends to prevent a reordering of priorities between, say, social and defense spending.

Last, we remember the spending shortfalls of the mid-70s. The technicians told us then that it couldn't be happening, but it was. The seeming inability of the government to spend its allotted funds back then has never been fully explained, but this make us all the more reluctant to dismiss out of hand the possibility of a deficit shortfall this year. There are more things in this world than the standard economic models ever dreamed of.

A high deficit for 1982 may yet materialize, though it will require a flat economy and a near-astronomical gap between receipts and outlays in the second half. Alan Greenspan, chairman of the Council of Economic Advisers under President Ford, says he sees nothing in the March or preliminary April figures to indicate that the trend has yet reversed itself, though he cautions against reading too much into that.

The real point is that nobody knows how 1982 will turn out. Yet the politicians are continuing to try to scare the pants off everybody about 1983, 1984 and 1985 with numbers plucked more or less from thin air. Their real aim, of course, is to force the President off his tax cuts. Their professed anguish about deficits is largely a political convenience. Nobody seriously believes that higher taxes will benefit the economy or reduce the deficit. We tried that route before with massive increases in taxes during the 1970s. At the end of the decade we were deeper in the hole than ever.

Deficits are bad, but they shouldn't be the only focus of economic policy. Even more important is whether fiscal and monetary policies are moving in the right direction. If they are, the deficits will take care of themselves. The deficit shortfall of the first half, despite the recession, is a powerful reminder that the numbers game now going on in Washington and the press should be taken with a large grain of salt.

□ 1740

Mr. DANNEMEYER. The editorial observes that the deficit in this current fiscal year, 1982, which ends September 30, is more likely to be closer to $57 billion than it is to the $99 billion postulated by the administration.

In closing, I think we should ask ourselves one fundamental question which will determine how any of us vote on the issue. Do we philosophically believe that there is a direct or indirect relationship between deficits, inflation, and high interest rates?

If you answer that question no, there is no such direct or indirect evidence to indicate that correlation, you would be inclined to go along with approving this projected deficit of $90 or $60 or $180 or whatever it turns out to be.

But if you believe, as this Member from California does, that there is a direct or indirect relationship between deficits and inflation and high interest costs, then you would come to the conclusion, as I have, that the principal reason preventing economic recovery in this country today is the fiscal irresponsibility of the U.S. Congress, which heretofore has not exhibited the courage to match the outgo with the income.

Some here want to increase the income to match the outgo. This Member from California prefers to cut the spending to match the income.

The irony of all of this is that the American people, by polls, are almost begging us to do this; and why do we not do it? The answer is I do not think we have the courage, the conviction in this institution to do what is necessary because we are too much attuned to the collective impact of special interests who want this spending continued, rather than paying attention to the taxpayers who are paying for it.

I would submit, in closing my remarks, Mr. Speaker, that the most responsible thing we can do in this House in this year of seeming impasse is to present several alternatives on the floor of the House where Members can vote to express the level of spending and the level of deficit they choose to pursue for the next fiscal year. Then we each, if we are seeking reelection to this august body, can campaign in November on how we voted on that issue.

I am not suggesting that one Member should vote different than his constituency on the issue, but I think based on the polls that this Member from California has read that the people of this country just are pleading with us to get our fiscal house in order. I think it would be helpful for the country if we had a national referendum on spending levels and deficit levels through the medium of the Members being able to explain in November how they happened to vote for the spending cuts or against spending cuts.

□ 1750

What better way can we run a democracy than let Members vote on the issue and then let voters evaluate how Members have voted?

I only hope the Rules Committee of this House will permit such a rule for consideration on the floor of the House.

FORTY MILLION AMERICANS NEED LOCAL NIGHTTIME RADIO SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, licensing of radio broadcast stations is governed by section 309 of the Communications Act of 1934. In general, applicants for broadcast licenses must satisfy the FCC that they are legally, technically, and financially qualified and that operation of the proposed station would be in the public interest. One of the primary considerations in granting applications and assigning broadcast frequencies is to avoid interference with other stations on the same channel.

In AM radio broadcasting, the audio waves are transmitted by groundwaves, which follow the contour of the ground, and at nighttime by skywaves, which dart upward into the atmosphere and are reflected back to Earth by electrical particles in the ionosphere. During daylight, skywave signals are lost, and radio stations rely primarily on groundwaves to transmit broadcasts. At night, skywaves cover tremendous distances and greatly expand the range of radio transmission. But skywaves also cause interference to local stations, and therefore the FCC has forced the small stations off the air. Accordingly, under current FCC rules, roughly one-half of U.S. AM broadcasting stations cease operation from sunset until sunrise to eliminate interference to the skywave service of the remaining stations.

The classification scheme adopted for the 107 U.S. AM radio channels in the late 1930's following passage of the Communications Act of 1934 relied heavily on nighttime skywave transmission to extend radio service to rural areas. The plan provided for 60 clear channels and 41 regional channels. Reliance upon skywave service, however, necessarily required that local service be limted. Thus, only 6 channels were allocated for full-time local use even though the act clearly expresses a preference for local service. Still, such a plan was satisfactory in the 1930's because there was a need to extend quickly nationwide radio service at night and skywave signals appeared to be the fastest, least costly way to do so, notwithstanding the fact that skywave service is very unreliable and causes a great deal of mutual interference.

Technological developments have dramatically changed the nature of broadcasting over the past 50 years. Today, with the much greater degree of sophistication in television and radio broadcasting, communities across the Nation are no longer dependent upon nighttime skywave radio service to bring them the national news and provide entertainment.

They are presented with a myriad of electronic communications capabilities in addition to AM and FM radio broadcasting, ranging from television, translator and cable television interconnected nationally by satellite, microwave radio and landline, and soon broadcasting satellites. These various communications media are vigorously competing for the attention of consumers over vast geographical areas, and they have had to develop program formats with broad national appeal.

Unfortunately, these changes in the nature of broadcasting services have been made at the cost of new programing for local markets with diverse needs and interests. Local communities throughout the United States can enjoy live satellite broadcasts of sports events around the world. Yet, many of these same communities, in which some 40 million Americans live, still have no local nighttime AM service. While presented with a host of national telecommunications services, many Americans still cannot receive adequate local nighttime AM radio service.

The need for such local service is compounded by the recent trend of population migration to rural and nonmetropolitan areas. Between 1970 and 1974 the growth rate in such regions was nearly double that of counties with cities of 25,000 or more people. The 1980 census reveals that this trend has continued. And the people in these communities have demonstrated a decided preference for local AM radio service. Reliance on nationwide nighttime skywave service has decreased markedly in recent years.

Supporting this is a study commissioned by the FCC to determine the extent to which the 25 nationwide class 1-A clear channel radio stations continue to be utilized and relied upon by small towns, and rural areas. One part of the survey studied nighttime radio listening habits in 114 counties in remote "white areas," that is, areas in which there is no good FM reception. According to the FCC standards of engineering, no clear, interference-free AM radio signal could be received in any of these counties except from class 1-A clear channel stations. Nevertheless, the survey revealed that only 25 of the white area counties, or less than 25 percent, reported any listening to class 1-A clear channels stations. The other 89 counties surveyed showed no listening to class 1-A clear channel stations whatsoever.

The study revealed that, notwithstanding poor reception from local radio stations near these remote areas, most of the nighttime radio listening was to stations in the general area. The Arbitron study shows clearly that radio listeners do not rely on the nighttime broadcasts of distant stations, but instead prefer local programing even if there is poor reception.

The conclusion that radio listeners prefer local programing is bolstered by additional findings in the Arbitron report. A second part of the survey studied the daily listenership of the individual class 1-A clear channel stations beyond their "home market" areas. Arbitron collected 159,689 diaries in which radio listeners kept records of the radio stations to which they listened. The average percentage of mentions for class 1-A stations outside the stations' home market areas was only 1.3 percent. Again, as DBA noted, it is apparent that radio listeners prefer to listen to broadcasts of nearby stations.

Noble though it may have been in its origin, the continued protection of nighttime skywave radio service works a travesty upon rural Americans by failing to acknowledge and satisfy their much greater current need and desire for local service. Thus, in granting applications for broadcast licenses, or for the transfer or modification of existing licenses, the Federal Communications Commission should no longer consider the skywave signal of any broadcasting station in determining whether harmful interference will result from the applicant's proposed broadcasting frequency.

The bill I am introducing today directs the Commission to do just that—to assign local stations without regard to potential interference they may cause to the skywave of clear channel stations. Frankly, it is a step long overdue. Since the Arbitron study shows that most people do not listen to the skywave signal anyway, and since present FCC standards prevent over 40 million Americans from listening to their local AM radio station at night, it is time for a change. The bill I am introducing will bring about that change, and I invite my colleagues to join me in cosponsoring it.

Text of bill follows:

H.R. 6306

A bill to amend the Communications Act of 1934, as amended, to prohibit consideration of skywave signals in determining whether to grant an application for a license

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That:

Section 309(a) of title 47 of the United States Code, the Communications Act of 1934, as amended, is amended to read as follows:

"(a) Subject to the provisions of this section, the Commisson shall determine, in the case of each application filed with it to which section 308 of this title applies, whether the public interest, convenience, and necessity will be served by the granting of such application, and if the Commission, upon examination of such application and upon consideration of such other matters as the Commission may officially notice, shall find that public interest, convenience, and necessity would be served by the granting thereof, it shall grant such application. In making a determination whether to grant such application, the Commission shall not consider interference to the skywave signal of any broadcasting station in determining

whether harmful interference will result from the applicant's proposed broadcasting frequency."●

BILL TO ASSIST MILITARY IN ALASKA AND HAWAII

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

● Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today to "provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed."

The Office of Management and Budget advises me that there is no objection to this proposal from the administration's standpoint. This authority now exists for those in areas outside the United States. The authority was obtained in 1965 with the idea of providing dependents of military personnel the same benefits afforded members of the Foreign Service. The language however limits the provisions of that section to members stationed outside the United States.

The intent of the Foreign Service Act amendments is to pay the expenses of transporting a dependent to a suitable hospital or clinic in the instances where medical facilities are lacking or not adequate. Members of the military stationed in Hawaii and Alaska often do not have the medical facilities to care for certain diseases or problems. Many times people have to be transported from Alaska or Hawaii to centralized care centers in Washington or California. They are not transported by Government aeromedical evacuation when not locally available. Such flights generally operate on a fixed schedule.

Often a patient is released at a time when there is no plane returning to his/her home. They must wait or pay for commercial transportation. This can be a miserable experience for someone just coming out of the hospital and also possibly detrimental to the persons recovery. The other alternative of holding the person in the hospital until such a time that there is a plane available does not make sense either as it ends up costing more than the return flight no doubt.

Another problem results when an emergency arises. Scheduled aeromedical evacuation flights are designed for routine procedures in the specialized care facility at the distant location. When an emergency arises—for example the birth of a premature baby—there is a need for transfer to the specialty center. For those in Alaska, the specialty center would be Madigan Army Medical Center near Fort Lewis, Wash. At the end of 1977 the entire cost of the commercial fare, round trip including the cost of appropriate attendants was a little over $1,000. The same costs for a priority C141 round trip from Fairbanks to Seattle was a little more than $20,000 and for a C130 it was $7,200.

The number of patients involved for the Department of the Army from Alaska to an Army medical facility in the continental United States is about one per month. The actual expenditure is minimal and any cost resulting from this act will be negligible. As you can see from the above figures, money will be saved.

I request my colleagues support of this bill and I look forward to its passage.●

TELECOMMUNICATIONS LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 10 minutes.

● Mr. CORCORAN. Mr. Speaker, one of the ironies of Washington that I think would amaze most casual observers of the legislative scene is how often we find ourselves debating a bill that purports to do one thing but actually would accomplish just the opposite. One current and good example of this, I think, is the Telecommunications Act of 1982, H.R. 5158, which is currently before the Energy and Commerce Committee after having been approved by the Telecommunications, Consumer Protection and Finance Subcommittee in late March.

As a member of the committee, I am reviewing the bill. The proponents of this legislation claim its approval is essential in order to keep telephone rates from skyrocketing and to maintain the viability of local operating companies throughout the country which will be separated from the Bell System; action is needed, it is said, because of the anticipated approval of the Bell System—Department of Justice antitrust case settlement. Also, they say the intent of the bill is to deregulate the telecommunications industry, making it more vigorous and competitive and further benefiting the American public. Those are all laudable goals.

Yet, the bill reported to the full committee contains many provisions which would cause local telephone rates to be higher than they would be under different policies and, in some instances, higher than in the absence of those provisions. These and other parts of the bill do not appear to promote the health of the local telephone companies. While in many instances the increased regulation proposed by the legislation appears to be necessary, it is not clear that all aspects of the increased regulatory arrangements in the bill are warranted. As an advocate of free and fair competition—another stated aim of the bill—I am dismayed that portions of it seem to grant competitive advantages to certain parties, even at the expense of those paying local phone company bills.

Approval of the bill by the subcommittee by a unanimous vote does not, therefore, indicate to me that committee consideration will be free of controversy. Apparently, improvements can be made.

Illinois has highly urbanized and truly rural areas to be served by telephone. The range of telephone user interests are found among our people. Sizes of local telephone companies vary dramatically. All Bell System components (Western Electric, Bell Laboratories, Teletype Corporation, A.T. & T. Long Lines and Illinois Bell) have facilities in Illinois. Fairness to all who would be affected by changes in the telecommunication environment is thus very important to our State.

Let me cite one matter addressed by the bill at this time, to illustrate how approval of the bill in its present form could have an adverse impact:

I was appalled recently to learn that the Japanese offer the most modern automobile telephone service in the world—the so-called cellular mobile service—in more cities than we do in the United States. Cellular mobile telephone service was developed by the Bell Telephone Laboratories. It was tested for years—quite successfully I might add—in Illinois; the Federal Communications Commission last year gave its approval for the service to be introduced throughout the country. Within 5 years, I am told, this service could be available in 50 or more cities across the land. The bill the committee will consider, though, would force the FCC to reevaluate that order should it believe the pent-up demand for mobile telephone service should be addressed; however, the FCC could not, as it did, decide that local telephone companies are especially suited to operate these systems. This provision of the bill would also further delay the introduction of this service for which thousands of Americans have been clamoring. Is it any wonder that our preeminence in world markets is in jeopardy when we develop a high-technology product and, 10 years later, find ourselves trailing foreign nations in its application because of our own restrictions?

It seems to me that, at a time when America needs to be competitive in world markets, the last thing we need to do is unreasonably impede and restrict our industries, especially one which has the ability to compete worldwide. I am not surprised that so many employees of Bell System facilities in Illinois have been flooding my office with mail opposed to H.R. 5158,

given its provisions which would unfairly, unnecessarily, and adversely affect the system. They know what it will do to their jobs; they know what it will do to their ability to compete with foreign firms.

I am certainly among those who believe that Congress should set national communications policy, and I agree that the Communications Act of 1934 which has been guiding us for nearly 50 years needs to be updated. I support fairness in competition and oppose unwarranted regulation, however, and the bill must be improved in those regards. I also advocate insuring the viability of companies providing local telephone service; again, improvements can be made in the bill reported by the subcommittee toward that end. When the Energy and Commerce Committee marks up H.R. 5158, our State's economy and that of our country must be justly treated, as must our citizens. It is my hope that a beneficial bill will be approved this year, but we must get beyond the broad contentions that the bill works only to the advantage of the local telephone service customers and promotes fair competition and look at the specifics to truly assure that these laudable goals are actually reflected in the bill.●

FEDERAL LABOR TROUBLES LOOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, evidence is mounting that we in the Federal Government are doing a dismal job of managing the largest labor force in the world.

Unrest is rife. Our best and most qualified people are leaving. In many agencies and departments morale has plummeted. Yet we continue to deceive ourselves into believing that all is well.

We had better start looking at reality.

Last month an independent study of employee relations at the Federal Aviation Administration warned that unless steps are taken to correct serious management problems, a crisis similar to the one that erupted with air traffic controllers last summer is inevitable. The study, commissioned by the FAA and the Department of Transportation, concluded that FAA managers close their eyes to people problems and concentrate on hardware.

Similar conditions are to be found all through the Federal Government. Just this week. Wayne L. Horvitz, a highly respected labor-management consultant and former Director of the Federal Mediation and Conciliation Service, testified before the Investigations Subcommittee of the Post Office and Civil Service Committee.

He described the problem as a fundamental one and warned that if we continue to ignore it we can expect more illegal Federal strikes.

For the edification of colleagues who cling to the myth that Federal workers are pampered, well-paid, and the recipients of overgenerous benefits, I recommend the reading of Mr. Horvitz' views:

STATEMENT OF WAYNE L. HORVITZ

My name is Wayne L. Horvitz, I am a private labor-management consultant, mediator, and arbitrator residing in Washington, D.C. From May 1977, until December 1980, I was Director of the Federal Mediation and Conciliation Service of the U.S. Government. During that period I was directly or indirectly involved in almost all of the major labor disputes that took place in the United States. I have been involved in the labor-management field in one capacity or another for 35 years.

I appreciate the opportunity to appear before this committee and I applaud your interest and concern.

As we all know, thousands of air traffic controllers have been fired for an illegal strike. In addition, the Federal Labor Relations Authority has taken away the union's bargaining rights and it has, for all practical purposes, ceased to exist. The public initially cheered the Government's forthright action but more and more there is a sense that all is not well, that substituting activity for real action is not a sensible long-run strategy.

But the extravaganza is clouding the fact that the problems which produced this regrettable and perhaps avoidable confrontation remain. The issues involved in this strike, including the failure of an employer to adequately recognize employee grievances, will continue to affect public sector managers and public sector unions at all levels of government unless something is done to recognize that there is a fundamental problem in the relationship in this relatively new labor sector. Confrontations not only will continue to arise, but will get worse. It is fairly safe to predict that, without some action by the Federal Government as an employer, there will be, in time, more "illegal" Federal strikes.

Seasoned observers of public sector collective bargaining have been watching the trend toward concerted action by public employees through their unions for some time. Firefighters, the police, hospital workers, and teachers have become the trade union movement's militants. This militancy has produced an increasing number of public sector strikes, often in defiance of State or local law. So Americans in recent months and years have watched with disbelief as firemen on strike have watched houses burn, policemen have picketed their own stations, and school teachers have gone to jail.

What has brought this on? Part stems from the explosive growth of public sector employment. This accelerated the growth of public sector unions. These unions, lacking any collective bargaining experience of their own, sought to adapt the lessons and experience of private sector bargaining. Until recently, the growth of union representation and the uses of the lessons of private sector collective bargaining ran along generally parallel lines. Only the question of whether or not public employees should have the right to strike plagued this new area of collective bargaining.

This is a troublesome issue to many because Americans, including those who have chosen careers in various branches of public service, have always accepted the tradeoff between public sector employment and the private sector. Blue collar and white collar workers in private industry have freedoms that public sector workers do not, such as the right to strike. But there also are risks: the constant threat of large-scale layoffs, and other factors which affect job security is one example.

Indeed, security of the job, a wide range of protective benefits, liberal leave policies (a summer off for teachers), and early and generous retirement policies were and in many cases still are hallmarks of that difference. Public workers willingly accepted responsibility for the continuity of services the public expected of them in return for these rewards. The majority of the states, the Federal Government, and numerous other public jurisdictions put laws on the books barring strikes by their employees.

But in many instances, the laws were and are honored in the breach. And now, for the first time in history, Federal workers are talking militancy and strike. In unions whose names are hardly household words, rumblings of collective unity and militant responses are troubling Federal sector managers. Kenneth Blaylock, President of the largest union of Federal workers, the American Federation of Government Employees, has stated, for example, that Federal workers are going to be militant if only because the older, more passive generation is retiring.

What has changed? The public's perceptions of the rights and duties of its public servants may not have changed, but the public employee's perception of his or her responsibilities to the employer have. This perception has changed because these employees believe that the bargain they struck with the public has been broken—not by them, but by the public and by the public's elected and appointed officials.

On top of the reduction of revenues brought on by taxpayer resistance (Proposition 13 and 2½ are known to everyone) have come severe cuts in Federal assistance. States, cities, hospitals, school boards, and other public service jurisdictions are scurrying to find the necessary economies. Because government is a service industry, and service industries are labor intensive, labor costs are highly visible and, presumably, controllable. So the drive is on to reduce jobs and forgo wages and benefits reinforced by the Administration's steps to cut Federal operating costs and personnel.

Public employees understandably feel threatened and their feeling is that they are the victims of bad faith bargaining. Layoffs of all public workers are the order of the day. The word is out that public jobs are not secure. Health benefits may be cut, pensions may be threatened, even after long years of service.

What can be done? Not much, if we continue to concentrate efforts, emotions, and resources on struggling with the question of who does or does not have the right to strike. The evidence is ample that, absent other alternatives, people will find ways to get attention to their problems whether their grievances are real or imagined—even if this means an "illegal" strike.

And it is no longer sufficient to talk only about alternatives to the strike. Arbitration

of new contracts, mediation, fact finding with or without recommendation, legislative review, and legislative decision-making on crucial issues such as wages have all enjoyed varying degrees of success and failure and will continue to do so when acceptable to the parties. It is not the fault of the mediators, arbitrators, and fact finders if the results of their deliberations do not get to the roots of the problems even if they "solve" the immediate crisis. Public managers and employee organizations are being less than candid with themselves and their constituencies if they lay off their bets on third party dispute mechanisms. In the long run, final resolution procedures are, of course, needed if an alternative to strikes in the public sector is required, but they will not work if that is all that happens in this new world of financial constraint, reorganization of public services, and reductions in personnel. Two minor events with respect to the difficulties with air traffic controllers are instructive in this respect.

In the midst of the crisis last summer Secretary Lewis was asked on the CBS program "Face the Nation" to respond to charges that the Federal Aviation Agency was "a bad boss to work for." He replied, "I think it's probably a legitimate charge. We are not out to make this kind of a problem three or four years from now." On April 29, 1982, the New York Times headlined, "Flight Controllers Say Training Lags." I would like to make that article a part of this record if someone has not already done so.

But for my purpose, the interesting part of the article refers to the problems of morale only in part related to the slow rate at which qualified additional controllers were entering the system. Let me quote from another part of this story.

"STUDY FINDS LOW MORALE

"Interviews this week with controllers at the radar center that regulates air traffic at Los Angeles International Airport and another F.A.A. facility at nearby Palmdale, which guides planes on the "en route" portion of their flights, confirm findings of a study commissioned by the aviation agency and released last month that morale is low among many controllers.

"The report concluded that many of the same kinds of antagonisms between operational controllers and agency management that led to union militancy and last summer's strike were still prevalent, and it warned that unless these problems were corrected they could lead to a confrontation between the agency and the controllers who remained on the job.

"The study asserted that many controllers were convinced that the aviation agency 'has little concern for employees, poor upward communication sensitivity and weak management support systems,' and that management attitudes were regarded as 'centralized, rigid and insensitive.'"

When one talks about the need for early warning systems this may well be the kind of thing we should be talking about. As we saw so dramatically last summer, something was going on. Perhaps something still is. Why aren't we, from all appearances, paying attention? Let me suggest one or two reasons.

Collective bargaining in the Federal sector and particularly the negotiation of contracts with grievance machinery terminating in binding arbitration of disputes arising during the term of the Agreement is a relatively new phenomenon. Attitudes of labor and management are, therefore, less mature than in other areas of private and public life. The experience of the parties is fresh, limited, and often unsophisticated. Unfortunately, Federal sector managers and union officials are repeating many of the earlier mistakes of their private and public sector counterparts. Managers on the whole are uneasy and at times resentful of the presence and apparent power of unions over decision-making, despite the fact that the right of review is part and parcel of the Agreement; unions, on the other hand, feel that they have been given little or no power over the fundamental issues and decisions, particularly in the economic area, that affect their lives. One result is that they build major disputes out of minor issues and major issues go unattended. There is no escape from some of the consequences of this dilemma. Congress is unwilling to give Federal workers the right to strike or to cede decision-making power over wages and benefits to independent arbitration by or through the Federal Services Impasses Panel. Nor is the Congress likely to legislate full collective bargaining, with compulsory arbitration as the end point of the impasse procedure, for other special groups as was done in the Postal Reorganization Act.

Of course, some things can be done to improve present procedures. FMCS is trying to force early entry mediation and to create artificial deadlines in a variety of ways. Coordination with the Panel to improve and refine this has progressed but these things I fear must be listed under the heading of constructive tinkering.

There is a lesson in the recent experience, however, that can be turned to useful advantage. But to do so we must look at the whole of the industrial relations structure in the Federal Government and, for the moment at least, turn away from the popular debates about the right to strike and the viable substitutes for it. We must, in fact, look closely at the crucial issue of day-to-day relations between the parties.

If there is one shining example of the early warning system at work, it can be found in the grievance machinery of the standard labor agreements so common in the private sector. Labor relations history is crowded with examples of the myriad number of ways that this procedure, properly used, can be a communication device, an early warning mechanism of a high order, and a repository and safety valve for a variety of issues that first surface in these procedures. The working relationships that develop and the problems that are managed in this process vary, of course, with the views that the parties have of the mechanism itself. Some treat it rigidly and confine its uses, others treat it liberally and expand its uses. But that is a choice made by the parties, and the procedure is flexible enough to embrace all comers.

In some important instances, the parties have added to this informal/formal process by creating, in addition, ongoing structures for continuing interaction outside of the grievance machinery and outside of the normal collective bargaining process. These labor-management committees, as they are often called, have been established on various levels: an industry, a plant, a company, and, in the public sector, in a city or region. They are enjoying more attention these days as problems of joint survival caused by competition and financial constraint and interest in the quality of working life have increased. The Federal sector is not immune to these pressures.

Sometimes the parties themselves are quite capable of establishing and nurturing such interaction. Other times they seek the help of third parties—mediators and/or consultants. The Congress, in the last session, recognized the need for encouraging this type of activity. The Federal Mediation and Conciliation Service is administering that portion of public law 95-524, the Labor-Management Cooperative Act of 1978.

Particularly because of the absence of other safety valves in the Federal sector, it seems to me that this committee should find ways to encourage the establishment of the mechanisms necessary to encourage this kind of ongoing dialogue. In my judgment this is the only early warning mechanism that can surface problems early enough to allow time for solutions to be fashioned. But to do so requires more than a statement.

Concurrently, the office of Personnel Management must look more closely at the state's or the Government's commitment to collective bargaining. Significant portions of our national labor policy have now been extended by law to cover Federal workers, but those minimal legal requirements can be handled or mishandled in many legal ways. Federal sector managers and Federal sector unions need considerably more education as to the history of this nation's commitment to the institution of collective bargaining. Managers and union officials need much more exposure through training to the techniques that make the institution work. The adversarial relationship can be healthy but it is not the whole story of current industrial relations.

If my analysis of the problems of the public sector generally and of the Federal sector in particular is correct, nothing less than affirmative action by Federal sector managers to bring representatives of their workers into the decision-making process on an ongoing basis will provide both the early warning that is needed and a mechanism for solving the problems before they reach flood stage. If this is done, the unions will have to respond in new ways that will benefit all.●

CLEAN AIR WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, while citizens around the Nation are observing Clean Air Week this week, Californians have a special stake in defending the Clean Air Act against attack. The legislation now before the House Energy and Commerce Committee would be a disaster for health and the environment in California. The California Air Resources Board predicts it would set back our air quality control program by at least a decade.

This bill would expose the majority of people in our State to polluted air for years to come. It would defy public support for cleaning up our smog problem. It would be a ripoff for California auto consumers. And it would increase the acid rain that threatens to ruin our lakes in the Sierras and can even sting your eyes in the form of Los Angeles "acid fog." I will strenuously oppose such amendments and will instead support strong Clean Air Act amendments such as those pro-

posed by Representative HENRY WAXMAN.

Mr. Speaker, the extreme proposals to gut auto emissions standards under consideration by the committee would especially jeopardize California. By allowing car makers to double tailpipe emissions of nitrogen oxides for cars sold outside of our State, these amendments would put pressure on California to weaken its own strong State standards. Otherwise, such legislation would probably limit the selection of models available in California and make them more expensive. Moreover, it would cut back California's consumer-protecting warranties. Discarding pollution controls that are already in use will not provide the needed relief for the auto industry.

Meanwhile, the nitrogen oxide pollution that will result is the prime source of acid rain in California. State officials report that our rainfall averages 10 to 100 times more acidic than normal, with acid fog in Los Angeles 2,000 times stronger—strong enough to corrode metal.

Despite these problems, California is fortunate that our State has produced the leader of the battle to protect the Clean Air Act in the House, our colleague Representative HENRY WAXMAN. I have cosponsored his moderate and constructive clean air bill and urge my colleagues to follow his lead on amendments.

I am encouraged by recent committee votes refusing to relax air quality in national parks and wildernesses or to rollback deadlines for meeting health standards as much as proposed. I hope these decisions will mark a turning point toward producing a bipartisan bill that is fair to all the American people.●

H.R. 6300, THE TAX COMPLIANCE ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 10 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, today I am introducing the Tax Compliance Act of 1982. Earlier this year Senator DOLE, chairman of the Senate Finance Committee, introduced a similar measure in the Senate, S. 2198, the Taxpayer Compliance Improvement Act of 1982. I commend his efforts in this regard, and I share his belief that in the interest of fairness to the large number of taxpayers who do comply with the tax laws, every effort must be made to insure that our tax system is not undermined by the actions of a few who flaunt or otherwise ignore its rules.

The bill I am introducing today contains many provisions similar to those proposed in S. 2198. In preparing this bill, the provisions of the Senate bill were carefully studied. In many cases, those suggestions were adopted while taking into account comments and recommendations that have been received from the public since the introduction of the Senate bill. The bill that I am introducing today also contains provisions in two major areas—foreign transactions and the illegal sector—that were not included in S. 2198 but are consistent, I believe, with its basic philosophy. Preliminary estimates indicate that the increased revenues under this act could be as high as $3 to $4 billion. Today, I am also announcing that the Committee on Ways and Means will begin hearings on this bill and related legislative proposals on May 18, 1982.

I want to briefly summarize each title of the bill and present the rationale for including these provisions in the bill.

TITLE I: CRIMES, ABUSIVE TAX SHELTERS, FRAUD, ET CETERA

Title I contains a number of provisions designed to deal more effectively with the types of transactions that occur in the course of illegal activities, with abusive tax shelters and tax frauds, and with tax protester activities.

A. ILLEGAL ACTIVITIES

The bill contains provisions which permit a presumption of jeopardy with respect to collecting the tax on cash that is linked to illegal activities or cash that has no known owner. The provisions of present law which provide for expedited administrative and court reviews of any jeopardy assessment by the IRS are retained in full.

The bill also requires that Treasury obligations, State and local tax-exempt bonds, and most private sector debt obligations issued after December 31, 1982, be in registered form. Bearer bonds present serious problems for tax administrators and are often used in illegal activities and to evade Federal taxes. The solution to this problem is to require registration of debt obligations that are generally issued to the public, and the bill takes this approach for newly issued obligations. To reduce the burdens of compliance with this requirement, book entry systems of registration are authorized and most commercial debt will be excluded by exemptions provided for short-term obligations and for obligations not offered to the public. Registration in conjunction with the expanded information reporting requirements included in the bill should substantially close the tax gap with respect to interest payments, obviating the need to institute withholding on such payments.

B. ABUSIVE TAX SHELTERS

A new penalty is established to apply to those promoting or selling abusive tax shelters. In addition, the IRS is authorized to seek an injunction against those persons subject to the penalty. These measures are intended to deter those who organize, promote, and sell tax shelter schemes based on representations of fraudulent tax benefits or of tax benefits that are based on grossly overvalued assets or services. Under present law, the taxpayer who invests in such a scheme may be subject to penalties but the promoter is not.

C. OTHER PENALTY PROVISIONS

The bill also increases the fraud penalty of present law by adding a time sensitive element, based on 50 percent of the interest payable on the underpayment due to fraud.

A new civil penalty is proposed to apply to those who aid, advise, or otherwise participate knowingly in the understatement of the tax liability of another person (including corporations). This penalty is directed to those persons who are not subject to the preparer penalties of present law because they do not prepare the tax return but who are otherwise involved in deliberate understatements of tax.

Finally, a new penalty of $500 will apply for filing a tax return that is frivolous on its face. A growing number of taxpayers annually file returns which fail to disclose any item of income or deduction on the basis of claims that have no legal foundation or which devalue the items of income and deduction based on a "gold standard" computation. These returns pose a serious administrative burden to the IRS and individually may take years to resolve. It is hoped that a flat dollar penalty assessed at the time of filing will discourage this type of tax protest.

D. ADMINISTRATIVE SUMMONS

The bill revises the summons procedures to require a taxpayer who wishes to challenge a summons to begin a proceeding in court within 20 days. Under present law, the taxpayer need only send a letter to the IRS and the third party recordkeeper within 14 days to stay compliance with the summons, and then the IRS must initiate a court action to enforce the summons. A small proportion of taxpayers challenge third party summons presently, but of those who do, the vast majority never appear in court. In this situation, the taxpayer has gained delay in enforcement of the summons, while the IRS has been required to devote resources to the enforcement effort. The change proposed is intended to place a greater initial burden on the taxpayer to challenge the summons, but thereafter the burdens of proof are to remain the same as under present law.

In addition, the bill clarifies the point at which an administrative summons may not be used by the IRS. Under the proposal, the IRS could not use these procedures while a referral to the Justice Department for prosecution is in effect.

TITLE II: INFORMATION REPORTING

Title II contains a number of provisions designed to improve and expand the information reporting system. These changes are essential if information reports are to effectively substitute for withholding on sources of income other than wages. For those situations where no information returns are presently required, delayed effective dates are established to provide adequate startup time. Generally, the first returns would not be filed until January of 1984.

Information returns are required on payments of interest and original issue discount for most existing bearer instruments, including Treasury obligations and corporate debt obligations, as well as for registered instruments (generally required under present law). In addition, information reports are required from brokers and dealers on gross proceeds from certain property transactions, from States on State and local tax refunds, from those making insurance reimbursement payments for casualty and theft losses, from those making certain payments for services in the course of trade or business and from those who sell products to others for direct resale.

Each of these areas represent problems of underreported income or taxpayer error in reporting items of income and expense. Accordingly, a statement is also to be furnished to the taxpayer by the payer.

Provisions are also included to improve the present reporting system by increasing the penalties for failure to file required reports or to provide or supply a required taxpayer identification number. Further, after notice from the IRS, if a taxpayer fails to provide a correct taxpayer identification number, the payer will be required to withhold at a rate of 10 percent until the failure is corrected. In addition, large payers could be required to file on machine readable media. Finally, the bill also contains a provision included in the Senate bill to exempt the reporting requirements and related rules and regulations required or authorized from the provisions of Paperwork Reduction Act of 1980.

TITLE III: WITHHOLDING ON PENSION PAYMENTS

Title III establishes a voluntary withholding system for pension payments similar to that proposed in S. 2198. The administration believes that a more effective withholding system which applies both to annuities and other types of distributions from pension plans will assist taxpayers in better understanding and complying with the tax laws in regard to pension payments and will relieve these taxpayers of estimated tax burdens and penalties. The version of voluntary withholding contained in this bill attempts to address most of the criticisms of these provisions in S. 2198. For example, the bill permits individuals to elect out of withholding on annuities. The election will remain in effect until revoked. The bill also contains ample notice requirements of the rights to elect in or out of withholding and taxpayers are given adequate time in which to make these elections.

The bill also requires the Treasury Department to establish, by regulations, the reporting and recordkeeping requirements that are essential for improving the quality of the information necessary to determine the proper tax treatment of pension distributions and for assuring the availability of such information to participants and the IRS. The bill explicitly recognizes the difficulties of meeting these requirements in certain cases with respect to existing recordkeeping systems and allows a 2-year cleanup period.

Finally, the tax on premature distributions from an IRA is increased from 10 to 15 percent to improve, at current rates of interest, the effectiveness of that tax in discouraging premature withdrawals.

TITLE IV: FOREIGN TRANSACTIONS

Title IV contains provisions deemed necessary to improve tax compliance with regard to foreign transactions. The bill establishes venue in the U.S. District Court for the District of Columbia for enforcement of a summons where the U.S. person is outside of the United States. A number of reporting and filing requirements that apply to foreign personal holding companies, foreign corporations and foreign trusts are simplified and conformed. The bill also revises the penalty that applies under present law to failures to furnish information or file reports.

Finally, the bill contains provisions to govern the treatment of foreign transactions where books, records, and other documentation are not made available to the IRS to substantiate the nature of the transaction. In such cases, foreign payments will be considered income, and items of deduction and credit will be denied. The bill also specifies that when such documents are not made available to the IRS, after notice and request, the documents may not be admitted as evidence in court unless the taxpayer can establish a reasonable cause for failing to supply them earlier. These changes are necessary to address the problem where taxpayers fail or refuse to adequately substantiate foreign transactions that effect their U.S. tax liabilities during administrative proceedings and then appear at the courthouse steps with the records that had been previously requested.

TITLE V: INTEREST PROVISIONS

Title V provides new rules for calculating interest on certain underpayments and overpayments and establishes an interest surcharge on substantial underpayments. With respect to late filed returns, the bill provides that no interest is due on refunds if the IRS pays the refund within 90 days. Presently, the law provides a 45-day grace period for all returns after which interest is payable from the due date of the return; this rule is retained for timely filed returns.

In addition, the time period for computing interest on net operating loss or capital loss carrybacks and credit carrybacks is changed to begin on the due date for filing the return, including extensions granted, rather than from the end of the tax year. Further, no interest will be paid generally until a return is filed in processible form.

The bill also contains an administration proposal to provide for daily compounding of interest on underpayments and overpayments, versus semiannual compounding included in the Senate bill.

Finally, the bill adds a "no fault" penalty equal to 20 percent of the interest payable on the underpayment for substantial understatements of tax. This interest surcharge also differs from the "no fault" penalty on understatements contained in the Senate bill, in that no disclosure requirement is included. A substantial underpayment is defined as one that exceeds the greater of $5,000 or 10 percent of the tax due; in the case of a return where the underpayment is 50 percent or more of the tax due, the dollar threshold would be lowered to $500. The Secretary of the Treasury is allowed to waive this penalty where the taxpayer has a reasonable basis for the understatement and acted in good faith.

TITLE VI: PARTNERSHIP AND SUBCHAPTER S CORPORATION AUDITS

Title VI, subtitle A, contains a number of provisions included at the request of the administration to provide consolidated administrative and judicial proceedings for the determination of partnership items at the partnership level. Subtitle B provides similar rules for the determination of subchapter S corporation items at the corporate level.

A explanation of the provisions of H.R. 6300 follows:

EXPLANATION OF H.R. 6300, THE TAX COMPLIANCE ACT OF 1982—OVERVIEW

The Tax Compliance Act of 1982 would improve compliance with the income tax laws by adopting a number of new provisions which address six specific compliance challenges. First, the bill would discourage willful disregard for the income tax system by criminals, tax shelter promoters, fraudulent tax advisors and tax protestors. Specifically, there would be new provisions allowing the Internal Revenue Service to use jeopardy and termination assessment procedures to tax cash connected with illegal activities. Significant restrictions would be placed on the issuance of bearer debt obligations to the public, thus restricting one medium of exchange in the illegal sector. New civil penalties would be imposed on

promoters of abusive tax shelters, persons assisting in the presentation of false tax documents, and persons filing tax protest returns. In addition, taxpayers would be required to assume a greater burden to block third-party recordkeeper summonses.

Second, the information reporting system would be significantly expanded and strengthened. Reporting would be required on accruals of corporate original issue discount and interest on certain bearer instruments, on independent contractors and direct sellers, or certain broker transactions, including barter exchanges, on State and local tax refunds, and on casualty insurance reimbursements. The penalties for failure to comply with information reporting requirements would be increased and a withholding tax would be imposed on persons who fail to supply their taxpayer identification numbers or to supply incorrect numbers.

Third, compliance with respect to pension and annuity payments would be strengthened through improved recordkeeping and reporting and imposition of withholding in the absence of an election by the taxpayer not to have withholding apply.

Fourth, reporting, examination and litigation with respect to tax liability on foreign activities would be streamlined through provisions designed to permit simplification of returns and information statements on such activities, to strengthen the penalties for failure to file required returns and statements, and to assure access to records maintained outside the United States.

Fifth, the rules relating to computation of interest on both underpayments and overpayments of tax would be amended to require compounding, to limit interest payments when taxpayers fail to file returns or claims for refunds or adjustments promptly, and to increase the cost of substantial underpayments.

Finally, the bill would simplify the administration examination of income tax issues arising with respect administrative proceeding with respect to partnerships and subchapter S corporations by providing for a single administrative proceeding with respect to such issues. The bill would also provide for review of the administrative determination in a single judicial proceeding.

TITLE I—CRIMES, ABUSIVE TAX SHELTER, FRAUD, ETC.

Part 1—Treatment of items used in illegal activities

Section 101.—Special Rules With Respect to Certain Cash

In the usual case, the Secretary may not assess and collect a tax deficiency unless he follows certain procedures designed to allow the taxpayer to first contest the existence and amount of the deficiency. These procedures include written notice of deficiency followed by a 90-day period during which time the taxpayer may petition the Tax Court for review of the Secretary's determination. No assessment may be made until after this 90-day period has expired or until after a decision of the Tax Court is final. Jeopardy and termination assessment procedures are provided when the Secretary believes the collection of a tax will be jeopardized by delay. These procedures permit immediate assessment and collection of the tax; that is, the taxpayer is denied the opportunity to contest the liability prior to payment.

Jeopardy assessment

If the Secretary believes that the assessment and collection of a deficiency of income, estate, gift or certain excise taxes will be jeopardized by delay, he may assess such deficiency and demand its immediate payment. Examples of cases in which the Secretary may reasonably believe that collection of a tax is in jeopardy include cases in which the taxpayer intends to conceal himself or his property from the Secretary, remove his property from the United States, or dissipate his property. If after assessment, notice, and demand the taxpayer fails to pay the assessed amount, the Secretary may immediately enforce collection.

The taxpayer is entitled to an expedited review by the Internal Revenue Service of the determination of jeopardy and the reasonableness of the amount assessed. After review by the Internal Revenue Service, the taxpayer is also entitled to a review by the appropriate United States District Court. In the District Court, the Secretary has the burden of proving that the determination of jeopardy was reasonable under the circumstances, while the taxpayer has the burden of proof with respect to the amount assessed. This review procedure is directed only at the reasonableness of the jeopardy assessment and the amount assessed. The District Court's opinion is nonappealable, and is not a determination of the actual existence or amount of any deficiency due from the taxpayer.

The taxpayer is also entitled to a separate review by the District Court or Tax Court of the actual existence of any tax deficiency on which the jeopardy assessment was based.

Termination assessment

When the Secretary finds that the collection of an income tax with respect to the current or immediately preceding taxable year (before the due date of the return for the preceding taxable year, with extensions) is in jeopardy, he may immediately terminate the taxable year, and assess and demand any deficiency he reasonably believes owing with respect to the tax period ending on the date of assessment. The taxpayer is entitled to the same administrative and District Court review of the termination assessment as is the case with jeopardy assessments. The taxpayer is also entitled to normal District Court or Tax Court review of the Secretary's determination that a deficiency for that taxpayer existed. To facilitate this review, the Commissioner must mail a notice of deficiency to the taxpayer within 60 days of the later of the due date of the taxpayer's return for the taxable year of the termination assessment, or the date the taxpayer files such return.

Both the jeopardy and termination assessment procedures require the Secretary to determine that there is a deficiency in tax and that the collection of this deficiency is in jeopardy. These procedures are not, therefore, well suited to cases in which the Secretary has reason to believe that a tax is owing with respect to an amount of property (for example, cash), but cannot determine the proper owner of such property.

The bill would define two cases in which the Secretary could presume that the collection of an amount of income tax is in jeopardy. First, if a person possesses, controls, or deposits, or has recently possessed, controlled, or deposited cash or its equivalent, and the Secretary believes that such cash represents gross receipts from, or funds used in, an illegal activity, then the Secretary will be able to presume for purposes of the jeopardy or termination assessment provisions (1) that the entire amount of the cash is gross income, and (2) that the collection of the tax owing with respect to such gross income is in jeopardy.

Second, if an individual in physical possession of more than $10,000 of cash or its equivalent (cash) denies ownership of the cash and cannot reasonably identify the true owner, then the Secretary will be permitted to presume, for purposes of the jeopardy and termination assessment provisions (1) that the collection of tax on such cash is in jeopardy and (2) that the cash is taxable to a single individual at the 50-percent rate. It is anticipated that the Internal Revenue Service would not assess on the same cash twice. Notices with respect to the assessment and the right to contest the assessment would be given to the person found in possession of the cash; however, the true owner could come forward and challenge the assessment and would be retroactively substituted for the possessor for all purposes as of the date of the original assessment. In addition, the true owner would continue to have the same rights as exist under present law to recover his cash.

The bill would provide that, for purposes of any law requiring reporting of monetary instruments in excess of $5,000, transported between the United States and a point outside the United States an attempt to transport or do certain other acts shall be subject to the same reporting requirements as apply to the act of transporting.

These amendments would be effective on the day after enactment.

Section 102.—Obligations Required To Be Registered

Under present law, the tax status of debt obligations is generally the same regardless of whether the obligation is issued in registered form or in bearer form. However, in the case of certain State and local obligations relating to housing or energy programs, interest on the obligations is exempt from Federal income tax only if the obligation is issued in registered form. Unregistered (bearer) obligations are often used in commercial dealings as effective substitutes for cash. Such obligations may also be used to conceal untaxed income or as a medium of exchange in illegal activities.

The bill would discourage the issuance of bearer instruments to the general public by denying certain tax benefits on such obligations and by prohibiting the issuance of bearer obligations by the Federal Government. Specifically, the Second Liberty Bond Act would be amended to require that every obligation of the United States or any agency or instrumentality thereof must be in registered form. In addition, interest on an obligation of a State or local government would not be exempt from Federal income tax unless the obligation is issued in registered form. In the case of obligations issued by other persons such as corporations, trusts, and partnerships, the issuing entity would not be permitted a deduction for interest paid on any obligation required to be registered which was not in registered form and the holder would not be permitted any loss deduction with respect to such unregistered obligations. For purposes of these new rules, an obligation could be considered issued in registered form if the right to principal and interest is determined by entries on the books of the issuer.

In the case of obligations issued by other than governmental units, registration would be required on all obligations except (1) obligations issued by a natural person, (2) obligations not of a type offered to the public, and (3) obligations with a maturity at issue

of less than one year. Thus, most commercial paper would be exempt from the registration requirements. The Secretary would be given authority to require registration of short-term and non-public obligations if, with respect to specific types of obligations, he determines that such obligations are used frequently to evade Federal taxes.

These new registration requirements would apply to obigations issued after December 31, 1982.

Part II—Abusive tax shelters

Section 111.—Penalty for Promoting Abuse Tax Shelters, et cetera

Present law contains no penalty provision specifically directed at promoters of abusive tax shelters and other abusive tax avoidance schemes. When a promoter sells a tax shelter that is premised on misrepresentations of the tax law, the existence of the investment assets, or the value of property or services, the promoter is not subject to any civil tax penalty unless some action of the promoter is connected with the preparation or presentation of a false or fraudulent return or other document. In such a case, the promoter may incur a civil penalty if his actions constituted return preparation. An injunction against further violation of the return preparer rules could also be sought. If the promoter is not a return preparer, then the only remedy available to the Government is criminal prosecution for aiding, assisting in, procuring, counseling or advising the preparation or presentation of a false or fraudulent return or other document under the internal revenue laws.

The bill would impose a new civil penalty on persons who organize or participate in the sale of abusive tax shelters. An abusive tax shelter is any partnership or other entity, any investment plan or arrangement, or any other plan or arrangement having a purported effect on Federal tax liability in connection with which the person makes or furnishes either (1) a false or fraudulent statement with respect to the allowability of any tax benefit or (2) a gross valuation overstatement (whether or not the accuracy of the statement is disclaimed). A gross valuation overstatement would be a statement of the value of services or property which exceeds 200 percent of the correct value and which is directly related to the amount of any deduction or credit allowable to any shelter participant. The penalty for promoting an abusive tax shelter would be the greater of $1,000 or 10 percent of the gross income derived or to be derived from the activity. If the Internal Revenue Service cannot determine the gross income from an activity for an entire year, it may assess the penalty on a portion of such gross income. The Secretary would be given authority to waive all or part of any penalty resulting from a gross valuation overstatement, when there was a reasonable basis for the valuation and the valuation was made in good faith. The mere existence of an appraisal is not, of itself, sufficient to show either reasonable basis or good faith. As in the case with the civil fraud penalties, the burden of proof in imposing the penalty would be on the Secretary. This penally would be in addition to all other penalties provided for by law and would apply beginning on the day after the date of enactment.

Section 112.—Action to Enjoin Promoters of Abusive Tax Shelters, et cetera

Present law provides that civil action may be brought by the United States to enjoin any person who is an income tax return preparer from (1) engaging in any conduct subject to penalty under the income tax return preparer provisions or under the criminal tax laws, (2) misrepresenting his qualifications, (3) guaranteeing a refund or credit, or (4) engaging in any other fraudulent or deceptive conduct that substantially interferes with the proper administration of the tax laws. Injunctive relief may be granted by the appropriate United States District Court if the court finds that such relief is appropriate to prevent recurrence of the prohibited conduct.

The bill would permit the United States to seek injunctive relief against any person who has engaged in conduct subject to the penalty for the organization or sale of abusive tax shelters. These actions would be brought in the District Court of the United States for the district in which the promoter resides or has his principal place of business. If a citizen or resident of the United States does not reside in or have a principal place of business in any U.S. judicial district, such citizen or resident would be treated as a resident of the District of Columbia. The amendment would take effect on the day after the date of enactment.

Section 113.—Procedural rules applicable to penalties under sections 6700, 6701, and 6702.

Under present law, the burden of proof is on the Secretary in any proceeding in which the issue is whether an income tax return preparer has willfully attempted to understate the liability for tax of any person (*i.e.*, violated section 6694(b)).

The bill would provide that the burden of proof would be on the Secretary in imposing the tax shelter promoter penalty (sec. 111 of the bill), the civil penalty for assisting in presentation of false documents (sec. 122 of the bill), and the penalty for frivolous returns (sec. 123 of the bill). The deficiency procedures would not apply to any of these penalties. Instead, provision is made for District Court review of the assessment after the taxpayer pays 15 percent of the penalty. This is generally the same procedure used in the return preparer area.

Part III—Fraud, false documents, frivolous returns

Section 121.—Fraud penalty

If any portion of an underpayment of tax is due to fraud, present law imposes a civil penalty (as an addition to tax) equal to 50 percent of the entire underpayment. If part of an underpayment is attributable to negligence or intentional disregard of rules and regulations, the penalty under present law is equal to 5 percent of the entire underpayment plus 50 percent of interest payable on the portion of the underpayment attributable to negligence or intentional disregard of rules and regulations for the period beginning of the last date prescribed for payment of the tax and ending on the date of assessment of the tax.

The bill would increase the civil penalty for an underpayment of tax which is due at least in part to fraud by providing that in addition to the 50 percent penalty on the entire underpayment, there would be a penalty equal to 50 percent of the interest payable on the portion of the underpayment attributable to fraud for the period beginning on the last date prescribed for payment of the tax (without regard to any extension), and ending on the earlier of the date of assessment or the date of payment of the tax. Under the bill, the negligence penalty would not apply when the fraud penalty has been assessed. This increase to the fraud penalty would parallel the increase in the negligence penalty enacted in the Economic Recovery Tax Act of 1981.

The amendment would apply to taxes the last day for payment of which is after the date of enactment.

Section 122.—Penalties for documents understating tax liability

Present law provides a criminal penalty for willfully aiding, assisting in, procuring, counseling, or advising the preparation or presentation of a false or fraudulent return, affidavit, claim or other document under the internal revenue laws. The criminal penalty is a fine of up to $5,000 or 3 years imprisonment, or both. There is no comparable civil penalty on persons who aid or assist in the preparation or presentation of false or fraudulent documents. However, income tax return preparers who willfully understate the liability for tax of any person are subject to a penalty of $500 per return.

The bill would provide for a new civil penalty on any person who aids, assists in, procures, or advises, the preparation or presentation of a return, affidavit, claim or other document under the internal revenue laws which the person knows will likely be used in connection with any matter arising under the tax laws, and which the person knows will (if used) result in an understatement of the tax liability of another person. This penalty, which would be $1,000 for each return or other document ($5,000 in the case of returns and documents relating to the tax of a corporation) could be imposed whether or not the taxpayer knew of the understatements. The burden of proof in imposing the penalty would be on the Secretary. The return preparer penalties would not apply to any person with respect to a return or claim for refund, if the new penalty for documents understating tax is imposed on that person. However, this penalty would apply in addition to all other penalties provided by law. This penalty would apply beginning on the day after the date of enactment.

Section 123.—Penalty for Frivolous Returns

Under present law, a taxpayer who files a protest return (such as one refusing to pay tax because the U.S. is no longer on the gold standard) may be subject to a penalty for failure to file a return. This penalty, however, is measured as a percentage of the underpayment of tax. Thus, if a taxpayer has paid the correct amount of tax through estimated tax or wage withholding, there is no penalty for filing a protest return.

The bill would provide for an assessable penalty of $500 on the filing of any document which purports to be a return of tax if (1) the document does not contain information from which the substantial correctness of the amount of tax shown on the return can be judged or contains information that on its face indicates that the amount of tax shown on the return is substantially incorrect, and (2) such conduct arises from a position taken by the taxpayer on the purported return which is frivolous or from a desire to delay or impede administration of the Federal income tax laws. The penalty would be imposed, therefore, only on purported returns that are patently improper. Since it would be unnecessary to determine the taxpayer's true tax liability before imposing the penalty, the bill would permit immediate assessment of the penalty. Thus, asessment of the penalty would not affect the final tax determination. The deficiency procedures, under which the taxpayer would receive advance notice before assessment would not apply to the penalty. There is,

however, provision for district court review of the assessment (se. 113 of the bill). The penalty would be in addition to all other possibilities provided by law and would apply to documents filed after the date of enactment.

Part IV—Administrative summonses

Section 131.—Special Procedures for Third-Party Summonses

Under present law, if an administrative summons is served on a third-party recordkeeper sommoning that person to produce the records of the business transactions or affairs of a person other than the person summoned, then notice of the summons must also be given to the person whose records have been summoned (the taxpayer) within 3 days of the day on which the summons was served. Such notice must be accompanied by a copy of the summons served and must contain directions on how the taxpayer can stay compliance with the summons. For these purposes, a third-party recordkeeper is a bank or similar financial institution, a consumer reporting agency, a credit card company, a brokerage house, an attorney, or an accountant.

The taxpayer can stay compliance with a third-party summons if the taxpayer notifies the recordkeeper in writing within 14 days not to comply with the summons and mails a copy of this notice to the Secretary by registered or certified mail. To enforce the summons after the taxpayer gives notice to the recordkeeper, the Secretary must seek an order of a United States District Court compelling compliance, at which time the third-party recordkeeper or the taxpayer must assert its defenses for noncompliance. No examination of the summoned records can be made until the expiration of the period for notice not to comply or, if such notice is given, until the court authorizes examination.

Under the bill, a taxpayer, who is entitled to notice of the summons and who wishes to prevent compliance by the recordkeeper, would be required to begin a court proceeding to quash the summons within 20 days after notice of the summons was given. When a court proceeding is initiated, the taxpayer would be required to mail (by registered or certified mail) a copy of the petition to the recordkeeper and the Secretary. In the same court proceeding, the Secretary could seek to compel compliance with the summons. The recordkeeper would have the right to intervene in the proceeding to quash the summons, and would be bound by any decision in such proceeding, even if it did not intervene. No examination of the summoned records would be allowed before the close of the twenty-third day after notice of summons was given, or if a proceeding to quash was begun, until the court so ordered. The amendment would apply to summonses served after December 31, 1982.

Section 132.—Duty of Third-Party Recordkeeper

Under present law, a third-party recordkeeper is bound to respond to a valid summons for records relating to a taxpayer unless the taxpayer stays compliance by notifying the recordkeeper not to comply within 14 days of receipt of notice of the summons. A result of this procedure is that a third-party recordkeeper may be hesitant to start assembling the taxpayer's records or to comply with the summons until it is absolutely certain that the taxpayer has not sought to stay compliance.

The bill would require a third-party recordkeeper to proceed to assemble requested records upon receipt of the summons and to be prepared to produce the records on the date specified for their examination. Thus, the recordkeeper would not be permitted to wait until after the 20-day period in which the taxpayer would have the right to seek to quash the summons before assembling the summoned records. After expiration of a 23-day period, the bill would permit the Secretary to certify to the recordkeeper that no proceeding to quash had been initiated. Any recordkeeper who makes a disclosure of records pursuant to a court order or in reliance on the Secretary's certification that no proceeding to quash had been commenced would not be liable to the taxpayer for the disclosure. The provision would take effect on the day after enactment.

Section 133.—Limitation on Use of Administrative Summonses

Present law has been interpreted as permitting the use of administrative summonses by the Internal Revenue Service only for the investigation of civil tax liabilities. Thus, the Supreme Court has ruled that the administrative summons is not available once the Internal Revenue Service has decided to pursue criminal prosecution of the case. The issue of whether the Service has decided to seek criminal prosecution has led to protracted litigation in many summons cases.

The bill would provide a "bright-line" test for determining whether an administrative summons may be used. Such a summons could be used in any inquiry under the internal revenue laws as long as there had been no referral of the case to the Attorney General with a recommendation for criminal prosecution. The ability to use an administrative summons would be revived if the Attorney General notified the Internal Revenue Service that he declines to prosecute or that there has been a final disposition of the criminal proceeding. The amendment would take effect on the day after enactment. Each taxable period or event would be treated separately.

TITLE II—IMPROVED INFORMATION REPORTING

Part 1—Expanded reporting

Section 201.—Transactions Involving Certain Obligations

Under present law, any person making payments of interest, whether as principal or nominee, aggregating $10 or more in a calendar year must file an information return with the Secretary and send an information statement to the interest recipient. Similarly, any corporation which has outstanding any evidence of indebtedness in registered form with respect to which there is $10 or more in original issue discount includible in the gross income of any holder in any calendar year must file a return with the Secretary stating the aggregate amount of the original issue discount so includible and send an information statement to such holder.

For purposes of this reporting requirement, "interest" is defined as interest on evidences of indebtedness of corporations issued in registered form, and to the extent provided for by regulation, interest on corporate bearer obligations of a type offered to the public; interest earned on bank deposits and on amounts paid by various financial institutions; interest paid on certain amounts held by insurance companies; and interest on deposits with stockbrokers and securities dealers. Interest does not include amounts paid on exempt governmental obligations (to the extent provided by regulations), interest paid by or to certain foreign persons, or amounts paid with respect to taxfree covenant bonds for which there is withholding. Likewise, by regulation, no payments of interest to or by the United States, a State, the District of Columbia, a foreign government, or a political subdivision of a State or foreign government, or an international organization need be reported. However, the Secretary is granted authority to require any corporation making a payment of interest, other than interest as defined above, to file such returns as the Secretary may require.

An obligation is "registered" for this purpose if it is registered as to both principal and interest (if any interest is payable) and if it can be transferred only by the surrender of the old instrument and (1) the reissuance of the old instrument to the new holder or, (2) the issuance of a new instrument to the new holder.

The bill would expand both the categories of interest specifically subject to the information reporting requirements and the categories of persons liable to report such interest.

The bill would expand the definition of "interest" for information reporting purposes to include interest on any evidence of indebtedness issued in registered form or of a type offered to the public (other than any evidence of indebtedness with a maturity of less than 1 year, which is held by a corporation). However, interest does not include any amounts paid by any natural persons, in addition to the other exceptions under present law. Also, reporting would be required with respect to State and local obligations issued after December 31, 1982, unless such obligations were issued in registered form.

In addition, the bill would expand the reporting requirement with respect to original issue discount by providing that, for purposes of the information reporting provision, any original issue discount includible in the gross income of any holder of a corporate obligation would be treated as a payment by the corporate issuer of such original issue discount in that calendar year, whether or not the obligation is in registered form. The amount treated as paid would be equal to the entire amount of the original issue discount accruing during the calendar year without reduction for any amortization of the excess of the purchase price of the evidence of indebtedness paid by any transferee over the transferor's adjusted basis. The Secretary would also be authorized to prescribe regulations under which a payor could be required to report interest on a transactional, rather than an aggregate annual basis. Thus, under such regulations, interest or OID on bearer obligations could be reported at maturity.

Finally, the bill would require that any person, including any governmental unit or agency thereof, any corporation, trust, estate, or partnership, but not including any natural person, file such returns as the Secretary may require by regulation, regardless of the amount paid. In addition, the bill would provide that, to the extent provided in regulations, any financial institution, broker, or other person who collects interest for a payee (or acts as a payee's middleman), would be obligated to file any information return and information statement due on the transaction; no other person would have a reporting obligation with respect to any such payment.

This provision would be effective with respect to any amount of interest paid after December 31, 1983.

Section 202.—Returns of Brokers

Present law requires that every person doing business as a broker make a return, when required under regulations issued by the Secretary, showing customer names, and such details regarding profits and losses, and such further information as the Secretary may require. There are, currently no regulations issued under this section.

Under the bill, section 6045 (dealing with information returns by brokers) would be revised.

First, the bill would add a new subsection to require that brokers required to file returns with the Secretary also furnish, on or before January 31 of the calendar year following the calendar year with respect to which the return is filed, a statement to each customer setting forth the broker's name and address and such other information as is required to be shown on the return. This statement would serve to recapitulate for the customer the transactions engaged in by him during the previous calendar year and would aid the customer in filing an accurate income tax return.

Secondly, the bill would define the term "broker," as used in section 6045, to include dealers and any other persons who regularly act as middlemen for profit with respect to transactions in property, as well as barter exchanges. This definition would not include persons, such as wholesalers, who act for their own account.

Finally, it would be anticipated that the Secretary will prescribe new regulations under this section at least with respect to security and commodities brokers and dealers as soon as it is practicable. These regulations would require reporting of gross proceeds, and also may require details regarding profits and losses where appropriate.

This provision would be effective on the date of enactment. However, to assure that the persons affected by the new filing requirements could prepare to comply, the regulations issued under this provision should not take effect until after 1982.

Section 203.—Information Requirements for Payments to Nonemployees

Present law generally requires persons who are engaged in a trade or business to file information returns with respect to payments to other persons, in the course of such trade or business, aggregating $600 or more in the taxable year. This reporting obligation, subject to various exceptions, applies to payments of salaries, wages, commissions, fees, other forms of compensation for services, and other fixed or determinable gains, profits, or income. These information returns generally must contain the name, address, and identification number of the recipient of the payment, and the aggregate amount paid. Persons subject to this reporting requirement must provide the recipient of the payments with a statement showing the payor's name, address, and identification number, and the aggregate amount paid.

The bill would provide a separate reporting requirement for payments to persons who are not employees and would impose a new reporting requirement with respect to certain direct sales. Under the bill, a person engaged in a trade or business who pays amounts in the course of that trade or business to any person (payee) for services performed would have to file with the Internal Revenue Service an information return reporting such payments (and the name, address, and identification number of the payee) if the payments during the calendar year were $600 or more. Also, the payee would have to be furnished with a statement setting forth the name, address, and identification number of the person making the return, and the aggregate amount of the payments.

In addition, the bill would provide a new information reporting requirement for certain direct sellers. The new requirement would apply if a person, in the course of a trade or business, sells products aggregating $600 or more to any buyer engaged in selling such products on a direct-sale basis or selling such products to other persons so engaged. In general, the person making the sale would have to file an information return setting forth the aggregate amount of the sales to the buyer and the name, address, and identification number of the buyer. The buyer would be furnished with a statement setting forth the name, address, and identification number of the seller, and the aggregate amount of sales to the buyer.

A resale of products would be on a direct-sale basis, and, thus, subject to the bill's new information reporting requirements, if the resale is on a buy-sell basis, a deposit-commission basis, or similar basis specified in Treasury regulations, and in a home or otherwise than in a permanent retail establishment. (A transaction would be on a buy-sell basis if the seller is entitled to retain part or all of the difference between the price at which he purchases the product and the price at which he sells the product as his remuneration for the transaction. A transaction would be on a deposit-commission basis if the seller is entitled to retain part or all of the deposit paid by the customer in connection with the transaction as his remuneration for the transaction.)

Failures to comply with these information reporting requirements would be covered generally by penalty provisions present in the Code (and as revised by sections 211-213 of this bill). Specifically, for purposes of the backup withholding provisions (sec. 213) of this bill, any person making a sale on a direct-sale basis would be treated as having made a payment to the buyer equal to the value of the goods sold.

The new information reporting requirements would apply in calendar years beginning after 1982.

Section 204.—State and Local Income Tax Refunds

Refunds of State or local income taxes that were deducted in a previous taxable year are includible in a taxpayer's gross income to the extent the deduction gave rise to a tax benefit. Under present law, there is no requirement that information returns for such refunds be filed with the United States or that refund recipients receive information statements on such refunds during the tax filing season.

The bill would require that information returns for State and local income tax refunds, credits, or offsets aggregating $10 or more, paid to any individual, be filed with the Internal Revenue Service. Such return would report the aggregate amount of any such refund payments, credits or offsets, and the recipient's name and address. It would be anticipated that States and local governments could satisfy such obligations through voluntary information exchange agreements such as those now currently in effect between the United States and several States. A statement with respect to each such return would have to be furnished to the recipient of the refund during January of the calendar year following the calendar year in which the refund is made. This new requirement would apply to refunds, credits, and offsets made after December 31, 1982.

Section 205.—Casualty Reimbursements

Present law allows an individual to deduct personal losses (in excess of $100) sustained during the taxable year that arise from fire, storm, shipwreck, or other casualty, or from theft, if such losses are not compensated for by insurance or otherwise.

Under present law, there is no requirement that persons paying compensation for casualty losses file information returns with respect to such reimbursements with the Service, nor that information statements be furnished to the recipients of the reimbursements.

The bill would subject reimbursements for casualty and theft losses to the general information reporting at source requirements, under section 6041(a). An information return would be required for a reimbursement of $600 or more; likewise, an information statement would be required to be furnished to the recipient of the reimbursement. The provision would be effective for payments made after December 31, 1982.

Part II—Provisions to improve reporting generally

Section 211.—Increased Penalties for Failure To File Information Returns

Present law imposes a penalty on any person who fails to file, on the date prescribed (with extensions), information returns including returns relating to certain information at source involving payments of $600 or more, payments of dividends aggregating $10 or more, payments of patronage dividends aggregating $10 or more, payments of interest aggregating $10 or more, payments of certain fishing boat operators, income tax withheld, or payments of wages in the form of group-term life insurance. The penalty is $10 for each such failure, but the total for all such failures during a calendar year cannot exceed $25,000. The penalty is not imposed if the failure is due to reasonable cause and not to willful neglect.

The bill would increase the penalty for failure to file the information returns noted above to $50 per failure, the total amount for all such penalties for any calendar year not to exceed $50,000. The bill would provide a new penalty for failures due to intentional disregard of the filing requirements. In such circumstances, the penalty would not be less than 10 percent of the aggregate amount of the payments not properly reported. Finally, the bill would expand the category of returns covered by these provisions to include returns for payments to nonemployees and payments to customers by brokers and dealers.

This provision would apply to all returns the due date of which (without regard to extensions) is after December 31, 1982.

Section 212.—Increase in Civil Penalty on Failure To Supply Identifying Numbers

Present law imposes a penalty of $5 per failure on any person who is required by regulations (1) to include his taxpayer identification number (TIN) in any return, statement or document; (2) to furnish his TIN to another person; or (3) to include in any return or statement made with respect to another person the TIN of such other person; and who fails to comply with such requirement at the time prescribed. The penalty is not imposed if the failure is due to reasonable cause. In practice, this penalty is rarely, if ever, imposed.

The bill would increase the $5 penalty to $10 with respect to the TIN requirement, in

case (1), and to $50 in cases (2) and (3), above. This would be effective for returns the due date of which (without regard to extensions) is after December 31, 1982.

Section 213.—Extension of Withholding to Certain Payments Where Identifying Number Not Furnished or Inaccurate

Present law imposes a penalty of $5 per failure on any person who is required by regulations to include his taxpayer identification number (TIN) in any return, statement or document, to furnish his TIN to another person, or to include in any return or statement made with respect to another person the TIN of such other person, and who fails to comply with such requirement at the time prescribed. The penalty is not imposed if the failure is due to reasonable cause. Present law does not impose any withholding obligation on any payor making a payment subject to an information reporting requirement based on whether the payor has received a TIN, or a correct TIN, from a payee.

The bill would provide for withholding at source at a tax rate of 10 percent if a taxpayer fails to supply a TIN or supplies an incorrect TIN to another person who must file certain types of information returns with respect to payments to the taxpayer. The types of payments subject to this withholding requirement would include payments of dividends and interest, and payments from brokers and certain dealers. The determination of whether such payments were subject to this withholding requirement would be made without regard to the minimum threshold amounts that apply for purposes of information reporting.

Also, this new withholding provision would apply to payments of rents, salaries, wages, commissions, fees, or other forms of compensation for services and other fixed or determinable gains, profits, or income, and certain payments to independent contractors or by direct-sellers, but only when (1) the aggregate amount of the payments to the payee during the calendar year equals or exceeds $600, (2) the payor was required the preceding year to file an information return for such payee, or (3) the payor was required the preceding year to withhold on such payments to the payee.

Generally, payment of amounts subject to this new withholding provision would be treated as "wages" paid by an employer to an employee and subject to the various provisions applying to collection of income tax at source on wages.

If the TIN is not supplied, the payor-filer would start withholding when any payments are made. If the TIN is incorrect, the payor would start withholding upon notice from the Secretary that the taxpayer has failed to supply the correct TIN. (A copy of such notice would also be required to be mailed to the taxpayer.) Generally, such withholding would continue as long as the taxpayer failed to supply or correct his TIN.

The bill would require the Secretary to provide for exemptions from the backup withholding provisions during periods in which a person is awaiting receipt of an identification number.

This provision would apply to payments made after December 31, 1983.

Section 214.—Information Returns

In general, returns required by the tax laws must be made according to the forms and regulations prescribed by the Secretary. As a general rule, these returns must be in written form except that in certain cases the return may be made by filing the required information on magnetic tape or other medium, provided that the prior consent of the Commissioner is obtained. There is no statutory or regulatory requirement that any particular return be filed on magnetic tape or in other machine-readable form. Under present law, the Internal Revenue Service generally does not refuse to accept, as filed, returns filed by taxpayers in good faith even though the return may not be complete enough for the Commissioner to determine whether or not the amount of tax shown on the return is mathematically accurate. Because such returns cannot be mathematically verified, the Commissioner cannot promptly refund amounts due to taxpayers, thereby incurring needless interest expense to the United States.

The bill would require the Secretary to prescribe regulations providing standards for determining which returns must be filed in machine-readable form. In prescribing these regulations, the Secretary would be required to take into account the cost, among other factors, of the filing requirement to the taxpayer.

Section 215.—Paperwork Reduction

Under present law (Paperwork Reduction Act of 1980), information collection requests must be referred to the Office of Management and Budget for approval. The OMB has taken the position that this requirement applies to Treasury Regulations as well as to tax forms.

Under the bill, the Paperwork Reduction Act of 1980 would not apply to any rule or regulation promulgated under the Internal Revenue Code or to any information collection request that the Secretary determines to be authorized by the Code or by any rule or regulation.

TITLE III—PENSIONS AND OTHER RETIREMENT INCOME

Part I—Withholding provisions

Section 301.—Withholding on Pensions, Annuities, and Certain Other Deferred Income

Present law

Under present law, income tax generally is not required to be withheld from benefits paid under a tax-qualified pension, profit-sharing, or stock bonus plan, under a tax-sheltered annuity program or under an IRA (an individual retirement account or annuity or a U.S. retirement bond). Also, payments under a commercial annuity contract generally are not subject to withholding. Tax is required to be withheld, however, if a voluntary withholding request by the recipient is in effect.

Withholding required

Under the bill, tax would generally be withheld from all designated distributions (the taxable part of payments made from or under a pension, profit-sharing, stock bonus, or annuity plan, a deferred compensation plan where the payments are not otherwise considered wages, an IRA, or a commercial annuity contract). The withholding rate would be determined by the nature of the distribution. Tax would be withheld on periodic payments (typically, annuity payments) as if those payments were wages paid by an employer to an employee for the appropriate payroll period (subject to the usual rules for personal and other exemptions from withholding). It is anticipated that the Secretary of the Treasury would provide guidance to determine the appropriate payroll period. Withholding would not be required with respect to the first three months of periodic payments, although the payor and payee could agree to earlier withholding.

For nonperiodic distributions, tax generally would be withheld at a 10 percent rate. In the case of total distributions under qualified pension, etc., plans (sec. 401(a) or 403(a)), tax would be withheld under special rules designed to reflect the 10-year forward income averaging and capital gains treatment provided for lump sum distributions. It is anticipated that the exclusion for death benefits could be taken into account to the extent provided by Treasury regulations.

Elections

Under the bill, recipients could elect not to have the withholding rules apply. For periodic payments, an election would be effective until revoked. In the case of nonperiodic distributions (including total distributions under qualified plans), an election not to have income tax withheld generally would be required for each such payment. However, the bill would allow a recipient's election to apply to more than one nonperiodic distribution from the same payor to the extent provided by Treasury regulations. For example, regulations could permit an annual election to have no tax withheld from amounts paid from an individual retirement account during a year.

Payors would be required to notify recipients of the right to elect not to have the withholding rules apply. For periodic payments, the notice would be required not earlier than 2 months before the date of the first payment, and not later than the date of the first payment. For purposes of the withholding rules relating to periodic payments, if the payments are suspended (for example, by reason of a retiree's return to the service of the employer), the first periodic payment made after the suspension would be treated as a first periodic payment. In addition, the bill would require that payors of periodic payments notify payees at least once each year of the right to make or revoke the withholding election.

With respect to a nonperiodic distribution, the bill would require the payor to provide notice of the right to elect not to have income tax withheld at the time of the distribution. The bill also would permit Treasury regulations to require earlier notice by the payor in certain cases. For example, unless recipients of lump sum distributions are notified of their rights to elect not to have withholding apply before they receive their distributions, they may be unable to transfer the full amount eligible for a tax-free rollover. In order to prevent this result, it is anticipated that Treasury regulations will require that recipients of total distributions from qualified plans be informed before plan distributions are made of their right not to have withholding apply. In order to provide participants with a reasonable time in which to make this election, it is anticipated that this notice will generally be required to be provided no more than 90 days and no less than 30 days before the time of the distribution.

Coordination with other provisions

The rules of the bill for designated distributions would not apply to amounts paid as wages subject to the usual wage-withholding rules. In addition, the rules of present law for income tax withheld from wages would apply to amounts withheld from designated distributions. With respect to designated distributions, the bill would replace the provisions of present law which permit

voluntary withholding on amounts paid as an annuity.

Reports

To improve compliance, the bill would provide for reporting of necessary information by employers, plan administrators, and issuers of insurance or annuity contracts. The reports would include the name, address, taxpayer identification number, and certain other information with respect to each payee who elects not to have the withholding rules apply. As under present law, penalties would apply to any person failing to provide a required report, unless the failure was determined to be due to reasonable cause and not due to willful neglect. The form and manner of reporting would be determined under regulations prescribed by the Secretary of the Treasury.

The bill also would provide a new penalty if the data base needed for reports is not maintained. The penalty would apply whether or not reports are due for the period during which the recordkeeping failure occurs. No penalty would be imposed for failure to meet the recordkeeping rules when the failure is due to reasonable cause and not willful neglect. Also, no penalty would be imposed for a recordkeeping failure that is due to a prior failure with respect to which the penalty has already been imposed or which occurred before 1983, if all reasonable efforts have been made to correct the prior failure.

Effective dates

In general, the withholding rules would apply to designated distributions made after December 31, 1982. For purposes of applying the rules to periodic payments which commenced prior to January 1, 1983, the first periodic payment after December 31, 1982, is considered the first periodic payment made. Thus, no withholding would be required with respect to any periodic payment made before April 1, 1983. The reporting requirements and voluntary withholding rules would be effective on January 1, 1983, and the recordkeeping penalties would be effective on January 1, 1985.

Part II—Provisions relating to individual retirement accounts

Section 311.—Increase in Penalty for Premature Distributions

Present law provides for a 10-percent excise tax on certain early distributions from an IRA, from accumulated deductible employee contributions or from an H.R. 10 plan. Generally, an early distribution is one made before age 59½, unless it is made on account of death or disability.

The bill would increase the rate of the excise tax on early distributions from 10 to 15 percent. The increase would apply to distributions made after December 31, 1982.

Section 312.—Partial Rollovers of IRA Distributions Permitted

Under present law, distributions from an IRA are eligible for tax-free rollover treatment only if the entire amount of the distribution is rolled over to another eligible retirement plan. In contrast, distributions from qualified plans are eligible for tax-free rollover treatment to the extent of an amount so transferred. The bill would allow similar partial rollovers for IRA distributions made after December 31, 1982.

TITLE IV—TRANSACTIONS OUTSIDE THE UNITED STATES

Part I—Access to records

Section 401.—Jurisdiction of Court and Enforcement of Summons in the Case of Persons Residing Outside the United States

Under present law, an administrative summons may be directed to a U.S. person outside the United States. However, it may not be enforceable because section 7604 and other operative sections of the Code fail to specifically confer venue to enforce the summons on a District Court except when a person "resides or may be found" in a judicial district of the United States. Because a U.S. citizen or resident living abroad may not reside in or be found in a judicial district of the United States there may be no district court that can enforce a summons served on such a person.

In these situations, the bill would establish venue for summons enforcement actions involving U.S. citizens or residents living abroad in the United States District Court for the District of Columbia. This would be accomplished by treating a citizen or resident of the United States who does not reside in any U.S. judicial district, and who is not found in any U.S. judicial district, as residing in the District of Columbia for tax purposes relating to jurisdiction of courts and enforcement of summons.

This provision would be effective on the date after the date of enactment.

Section 402.—Treatment of Foreign Transactions With Respect to Which There Are Not Adequate Books and Records

Under present law, in general, the burden of proof in tax matters is on the taxpayer. He is required to submit evidence sufficient to establish his deductions or the tax effects of transactions. Taxpayers have an obligation to maintain adequate books and records, and are required to maintain such books and records as the Secretary requires (section 6001). Special rules require U.S. shareholders of controlled foreign corporations to maintain books and records relating to transactions of those corporations (section 964).

Despite these rules, the Internal Revenue Service has had problems dealing with foreign transactions. These problems have arisen in the context of illegal income as well as legitimate business transactions. For example, one common method employed by U.S. persons to launder drug profits is to carry the cash to a tax haven, deposit it with a small bank, and then have the bank lend the proceeds back to the dealer. The loan is fully documented. The IRS might try to assert a deficiency against the dealer. However, a properly documented phony loan transaction can make such a deficiency difficult to sustain.

At times taxpayers engaged in manipulative transactions overseas can refuse to provide books and records to an IRS agent, or can use delaying tactics in the hope of getting a better settlement. At times they will not produce the documentation until they are in court when it can be difficult to look behind it. Often, tax haven bank or commercial secrecy laws carrying criminal penalties for violation are cited as the reason for failing to produce the requested information. Also, numerous cases have occurred where taxpayers engage in transactions with foreign financial institutions which they claim are not related to them. In fact, they may control the institution or the funds being used.

The bill would generally limit the ability of a taxpayer who has refused to provide items of documentation of foreign transactions requested by the Internal Revenue Service to prove his view of those transactions in the court. This would be accomplished by requiring any court having jurisdiction over the issue to prohibit the introduction by the taxpayer of any foreign-based documentation covered by a document request relating to the item unless that documentation is provided to the Internal Revenue Service within the time provided in the bill.

An exception to the general rule would be provided if the taxpayer establishes to the satisfaction of the court that the failure to provide the documentation as requested was due to reasonable cause. Under the bill, the fact that providing the information violates local law is not reasonable cause. Thus, it is anticipated that it would be more difficult to establish reasonable cause when requested documentation is in a tax haven.

The bill would also create a presumption that any amount received from a foreign jurisdiction is income (rather than, for example, a loan) unless the recipient produces documentary evidence that establishes to the satisfaction of the Internal Revenue Service that the amount is not income. Likewise, there would be a presumption that any tax benefit purporting to arise in a foreign country would be denied unless, on request of the Internal Revenue Service, sufficient documentary evidence were provided to establish the true nature of the transaction.

The bill would establish safeguards so that the taxpayer would have adequate time to produce requested documentation. It is anticipated that the Secretary would extend the time limit where, for example, local procedures which take a relatively short additional period of time can be followed by the taxpayer to obtain the requested documentation. Also, the Commissioner would have to describe the requested information in some detail, and would have to state with specificity the reasons why what has been produced by the taxpayer is not adequate.

The bill would also provide that if the provisions relating to admissibility, the presumption that a foreign item is income, or the denial of a tax benefit, apply to a taxpayer because of a request for information arising out of any trade or business (or other activity) of the taxpayer, then the Secretary may require that the taxpayer maintain documentation for the trade of business in the United States, at a place designated by the Secretary. This provision would not apply if a court determines that the taxpayer's failure to produce the requested information was due to reasonable cause.

This provision would be effective for formal document requests mailed after the date of enactment of this Act.

Part II—Information returns

Section 411.—Penalty for Failure To Furnish Information With Respect to Foreign Corporations

Under present law, a U.S. person who controls a foreign corporation is required to furnish the Internal Revenue Service with tax-related financial and shareholder information concerning the corporation (section 6038(a)). The Secretary is authorized to prescribe regulations setting forth the specific information to be furnished. The penalty for failure to furnish the required information is a 10 percent reduction of the U.S. person's foreign tax credit. Additional five percent reductions are provided for continued failures to file.

Despite complaints about inadequate reporting of transactions of controlled foreign corporations, penalties generally are not imposed under section 6038(b). In part this is because the penalty is complicated. It also may be unduly harsh in some cases.

The bill would simplify the penalty for failure to furnish information with respect to a controlled foreign corporation by adding a fixed dollar penalty for failure to furnish the required information. The penalty would be $1,000 for each failure to furnish information for an accounting period (generally a taxable year) of the foreign corporation. Additional $1,000 penalties would be provided for each 30-day period (or fraction thereof) during which the taxpayer continues to fail to produce the requested information.

The bill would give Internal Revenue Service agents a simple straight-forward penalty to impose where reports with respect to controlled foreign corporations are not filed or are inadequate. However, the potentially significant penalty of a reduction in foreign tax credit would be retained, and could be imposed where the Internal Revenue Service considers it appropriate. In such a case, the amount of the reduction in the foreign tax credit would in turn be reduced by the amount of the fixed dollar penalty imposed.

This provision would be effective for annual accounting periods ending after the date of enactment.

Section 412.—Returns With Respect to Foreign Personal Holding Companies

Under present law, each person who is an officer or director of a foreign personal holding company, and each 50-percent or greater U.S. shareholder of a foreign personal holding company, is required to file certain reports with respect to that corporation (section 6035). The first report is a monthly report of the stock holdings in the corporation. It is due on the 15th day of each month for which a report is required. However, the Secretary is authorized to delay the filing of this report to a due date that is on the 15th day of a later month. By regulations the Secretary has delayed the filing date and required filing after the close of the foreign corporation's taxable year. The second report is a report of the income of the foreign corporation. It must be filed within 60 days after the close of the taxable year of the foreign personal holding company to which it relates.

Today, the Internal Revenue Service requires persons engaging in international transactions, and persons who transfer assets to foreign entities, to file a number of different forms. Often, a person may have to file more than one form covering the same foreign entity for the year. The Internal Revenue Service would like to combine a number of these forms into one and generally require that it be filed after the close of the filer's taxable year. However, the filing dates tied to the date of a transaction for certain reports described below (section 413 of the bill), as well as the filing dates for reporting relating to foreign personal holding companies, make it impossible for these forms to be combined.

The bill would change present law to make it possible for the Internal Revenue Service to include the foreign personal holding company reports in the combined international report. In particular, it would authorize the Commissioner to designate the time when the foreign personal holding company reports and returns must be filed.

In addition, the bill would clarify the information that must be included in a return. The persons required to file the reports would also be clarified. The bill would change present law by placing the reporting obligation on any 10-percent shareholder of a foreign personal holding company as well as officers and directors. Under present law, the shareholder must be a 50-percent shareholder and must be a U.S. person. As under present law, ownership would include both direct and indirect ownership of stock.

Whether or not a person is required to file a return is determined on the date the return is required to be filed. If, on that date, no person would be required to file (because, for example, the corporation has been dissolved) then filing would be required by the persons who were officers, directors or 10-percent shareholders on the last day of the corporation's taxable year for which there was a person required to file.

If more than one person would be required to file, the Commissioner could permit only one of them to file.

This provision would apply to taxable years of the foreign corporation beginning after the date of enactment.

Section 413.—Delay in Date for Filing Certain Returns Relating to Foreign Corporations and Foreign Trusts

Under present law, a return must be filed by U.S. persons who are officers or directors of certain foreign corporations and by U.S. persons who acquire at least a five-percent interest (or an additional 5-percent interest) in a foreign corporation (sec. 6046). The return must be filed within 90 days of the event that triggers the duty to file.

A return must also be filed by certain persons transferring property to a foreign trust, including a grantor or a fiduciary (sec. 6048). Once again, the return must be filed within 90 days of the triggering event, in this case creation of the trust or a transfer to the trust.

As described under the explanation of the foreign personal holding company reporting requirements (section 412 of the bill), the Internal Revenue Service is considering consolidating a number of international reporting forms. The specific reporting dates tied to a triggering event, rather than a taxable year, would make it impossible to include these reports relating to foreign corporations and trusts in the combined report.

The bill authorizes the Commissioner to delay the reporting of the transactions covered by sections 6046 (foreign corporations) and 6048 (foreign trusts) until some date after the 90th date after the transaction. This would give the Commissioner the flexibility needed to include these reports in the combined foreign report.

This provision would apply to returns filed after the date of enactment.

Section 414.—Technical Amendment Relating to Penalty Under Section 905(c)

Under present law, if a foreign tax for which a U.S. foreign tax credit was taken is refunded the taxpayer must notify the Secretary of the refund (section 905(c)). The Secretary then redetermines the taxpayer's tax and notifies the taxpayer of the amount due. Interest on any additional tax does not begin to run until the taxpayer receives the refund of the foreign tax. This rule is in contrast to the general rule for payment of interest which is that interest is imposed on any amount of tax that is due but not paid on the last date prescribed for payment (section 6601).

Section 2(c)(1) of the Act of December 28, 1980 added a sentence to section 905(c) that appears to provide that if a taxpayer does not notify the Commissioner of an adjustment in foreign taxes then interest on an underpayment of tax caused by an adjustment of the taxpayer's foreign taxes paid will begin to run from some point in time before the taxpayer received the refund of the foreign tax. This provision was intended to penalize a taxpayer for failing to notify the Commissioner of a refund of foreign taxes. However, it is ambiguous, and also unnecessary because the same Act that added it also added a penalty to the Code (section 6689) for failure to report a redetermination of foreign tax.

The bill would repeal the last sentence of section 905(c), effective for years to which the Act of December 28, 1980 applies.

TITLE V—COMPUTATION OF INTEREST

Section 501.—Interest To Be Compounded Daily

Under present law, interest payable to or by the United States under the tax law is not compounded.

Under present law, interest payable under the Internal revenue Code would be compounded daily. This compounding requirement would apply beginning in 1983 to amounts of interest attributable to periods before 1983 but remaining unpaid as well as all other interest accruing under the internal revenue laws after 1982.

Section 502.—Restrictions On Payment Of Interest On Certain Refunds, etc.

In general, under present law, interest on refunds, credits and offsets runs from the date of overpayment, which is usually the date prescribed for filing the particular return. Further, under present law, if an overpayment of income tax is refunded within 45 days after the last date prescribed for filing the return, or if later, within 45 days after the date the return is filed, no interest is payable on the overpayment. An overpayment resulting from a net operating loss carryback, net capital loss carryback, or credit carryback (including a foreign tax credit carryback) is treated as having occurred at the close of the year in which the carryback arose.

Under the bill, no interest would be paid on a refund claimed on late return if the refund is made within 90 days after the return is filed, if the return is filed after the last date prescribed for filing such return (determined with regard to extensions). Under the bill, for purposes of the payment of interest on overpayments a return would not be treated as filed until it is filed in processible form. Likewise, an overpayment resulting from a net operating loss carryback a net capital loss carryback, or credit carryback (including a foreign tax credit carryback) would be deemed not to have occurred prior to the due date (with extensions) of the return for the year in which the carryback arose. The provisions regarding late returns and processible returns would be effective for returns filed after the 30th day after the date of enactment; the provision regarding interest overpayments due to carrybacks would be applicable to interest accruing after enactment.

Section 503.—Nondeductible Interest Surcharge for Substantial Understatement

Under present law, a penalty is imposed on the failure to pay tax shown or required to be shown on a return, or if any part of any underpayment is due to negligence of intentional disregard of rules and regula-

tions, certain valuation overstatements, or civil fraud. These penalties either are not imposed if the failure is due to reasonable cause, or they require the Service to carry a positive burden or proof. Reasonable reliance on the advice of a tax advisor generally will prevent application of the fraud and negligence penalties.

In 1981, the Congress enacted a "no-fault" penalty on valuation overstatements. Under that penalty, if a taxpayer makes a large error in placing too high a value on property which results in an understatement of tax, then a penalty measured as a percentage of the underpayment resulting from the valuation overstatement is imposed. Although the penalty is imposed without regard to fault, the Secretary may waive all or part of the penalty if there was a reasonable basis for the valuation and it was claimed in good faith.

The bill would provide for a no-fault interest surcharge that would be nondeductible and payable because of any substantial understatement of tax. A substantial understatement would be one that is at least 10 percent of the taxpayer's actual tax liability and $5,000 or at least 50 percent of the actual tax liability and $500. In these cases, there would be an interest surcharge equal to 20 percent of the interest payable with respect to any underpayment due to the understatement. Thus, the interest surcharge would be 4 percent of the underpayment so due per year, based on the current interest rate of 20 percent. This interest surcharge would be collected as an assessable penalty and applied for the period beginning on the last date prescribed for the payment of the tax (without regard to any extensions) and ending on the date of assessment of the tax (or, if earlier, the date of payment of the tax).

The Secretary could waive all or part of the surcharge if the taxpayer showed that there was a reasonable basis for the understatement and that the taxpayer acted in good faith. A waiver might be appropriate, for example, if the taxpayer made a good faith mistake in deciding the proper timing of a deduction. In contrast, a waiver would probably not be appropriate in the case of an understatement arising out of a transaction entered into primarily for tax purposes. In addition, the mere existence of an opinion letter or an appraisal standing alone would not necessarily establish either the reasonable basis for the taxpayer's position or his good faith.

This surcharge would apply to returns due after December 31, 1982. The substantial understatement surcharge would not apply to that portion of an understatement subject to the section 6659 valuation overstatement penalty.

TITLE VI—TAX TREATMENT OF PARTNERSHIP AND SUBCHAPTER S ITEMS

Part I—Partnership items

Sections 601, 602, 603, and 604.—Partnership Audits

Under present law, the determination of each taxpayer's own tax liability is made in proceedings between the Internal Revenue Service and the person whose tax liability is in dispute. Thus, any issues involving the income, deductions, or credits of a partnership are determined separately in litigation or otherwise with each separate partner whose tax liability is affected by partnership items even though the contested issue with respect to partnership items is identical for each partner. Statute of limitations apply at the individual level based on the individual's own return filing. The partnership return filing does not affect the statute of limitations applicable to the partners (except in the case of certain federally registered partnerships).

The administration has requested that its partnership audit proposals be included in the compliance bill. Under their proposal, the tax treatment of items of partnership income, loss, deductions, and credits would be determined at the partnership level in a unified partnership proceeding rather than in separate proceedings with the partners.

Partnerships would continue to file information returns and notify each partner of that partner's share of items of income and loss, etc. Partners generally would be required to file returns consistent with the partnership return or notify the IRS of the inconsistency. Failure to notify would allow the IRS to automatically assess and collect any tax attributable to the inconsistency.

Partners would be given notice of the beginning of a partnership audit proceeding and of the final determination made by the Internal Revenue Service at the audit. Partners with less than a one-percent profits interest in large partnerships would need to form a group having at least a 5-percent interest to receive notices. Partners would have a right to participate in partnership level proceedings.

If the Internal Revenue Service determines that the partnership income was underreported, the partnership would have the right to contest the Internal Revenue Service determination in court. If no litigation were brought on behalf of the partnership, individual partners could not challenge the determination. The partnership may bring such a court action in the Tax Court. Court of claims, or the U.S. District Court for the district where the partnership's principal place of business is located. The partner disignated by the partnership as the "tax matters partner" generally would choose the court of review but other partners could bring suit if the "tax matter partner" failed to do so. Partners generally could not bring separate suits with regard to their own tax liability arising from partnership items but could contest their remaining tax liability under existing law. In the case of suits in the district court or Court of Claims, the party bringing suit on behalf of the partnership must pay the amount of tax by which it's own liability would be increased by the IRS determination. In the case of a suit brought in the Tax Court, no tax could be assessed and collected until after the proceedings were final. Any court decision would be subject to review by appellate courts.

Generally, an additional period of limitations for assessing tax liability attributable to partnership items would apply. The period would be three years from the filing of the partnership return, extended by the pendency of court proceedings, and for one year thereafter. Partners could not separately contest partnership determinations following a court proceeding, except for computational errors in adjusting the partners' tax liability.

The bill would make clear that a foreign partnership must file a U.S. return if any of its partners (limited or general) are U.S. persons. Failure to file a return would result in the disallowance of any loss or credit to any partner. The Secretary would be given authority to waive the reporting requirement in appropriate cases. The bill would also require reporting by a U.S. person who acquires or disposes of an interest in a foreign partnership.

Part II—Subchapter S items

Section 611.—Subchapter S Audits

The bill would provide that the determination of items of subchapter S corporations income and loss would be conducted in a unified proceeding with the corporation rather than with each shareholder individually. Generally, the rules applicable to the proposed partnership audit proceedings would apply to subchapter S audit proceedings. However, because subchapter S corporations are limited as to the number and type of shareholders, the proceedings would not need to be subject to all of the partnership rules (e.g. rules applicable to partnerships with more than 100 partners).●

H.R. 6295, THE CORPORATE TAKEOVER TAX ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 10 minutes.

● Mr. STARK. Mr. Speaker, today I am introducing the Corporate Takeover Tax Act of 1982. The objective of the bill is to make the tax system more nearly neutral with respect to corporate takeovers. The tax system should create neither special benefits from nor impediments to mergers, acquisitions, or reorganizations. Unfortunately, our present tax system creates a motive for takeovers quite apart from any opportunity to improve the utilization of productive assets. When the tax advantages of a takeover become significant it is as if the U.S. Treasury provides a part of the funds used to finance the takeover.

Under the present law, corporate takeovers can be structured to achieve the same tax benefits to the buyer as a direct purchase of assets without incurring the tax consequences to the seller which would occur with a direct sale of assets. In other words, a transaction which is substantively an asset purchase can be structured to achieve avoidance or deferral of depreciation and investment tax credit recapture. The availability of these techniques conflicts with several tenets of sound policy; that is, the tax consequences of a transaction should be based on its substance rather than its form, there should be neutrality of treatment for essentially identical transactions, and taxpayers should not be able indirectly to achieve that which cannot be achieved directly.

Present law also permits nearly unfettered discretion to step up the basis of some of an acquired corporation's assets so as to gain new depreciation deductions and retain for other assets the acquired corporation's favorable tax attributes. The undue degree of selectivity of treatment available under present law is illustrated by the recent U.S. Steel-Marathon takeover. According to some press accounts, a partial liquidation of Marathon would achieve a stepped-up basis for selected assets (the Yates oilfield) and certain other

assets, including LIFO inventories (if LIFO recapture is postponed under pending legislation) while, under the consolidated return regulations, there would be no recapture of any unearned investment tax credits and there would be deferral of the tax for recapture gains for intangible drilling costs, depreciation, et cetera. The tax attributes relating to the other assets would continue with the continuing Marathon subsidiary under this scenario. According to one article, there would be as much as $500 million in merger-related tax benefits in the first year with another $400 million in deferred taxes relating to LIFO reserves.

Finally, present law does not adequately deal with tax-motivated takeovers of companies having net operating loss and investment tax credit carryovers. The need for more adequate rules to restrict trafficking in loss companies is greater now because of current economic conditions and because the investment incentives provided by the Economic Recovery Tax Act of 1981, including the accelerated cost recovery and investment tax provisions, will make more companies attractive takeover targets for tax reasons.

The bill would repeal the partial liquidation provisions of present law and, in their place, make it clear that a distribution in redemption of stock would qualify for capital gains treatment to the shareholder to the extent attributable to the termination or distribution of a business conducted for 5 years. However, present exceptions to the requirement that gain be recognized to a corporation distributing appreciated property in a stock redemption would be repealed. In this way, there would be parity of treatment for a case when stock is purchased, and then redeemed with a property distribution, and a case when the property is directly purchased. Moreover, these changes would reduce the unwarranted selectivity available for the treatment of the assets of an acquired corporation. The bill would not affect the present-law rule which permits a corporation to be completely liquidated without recognition of gain. A basis step-up cannot be achieved in such a case without complete recapture. Complete liquidation also results in a termination of the corporation's tax attributes. To protect the requirement that gain be recognized on other stock redemptions, the bill would require gain to be recognized in certain complete liquidations where a target company has spun off or distributed some of its assets to a subsidiary.

The bill deals with liquidations of an acquired subsidiary by repealing the present law provisions under which property distributed to the acquiring corporation receives a stepped-up basis. In its place, the bill would allow an acquiring corporation to elect to treat the acquired corporation as having sold all of its assets in a 12-month liquidation and then reincorporated. As a result of this treatment, there would be depreciation and investment tax credit recapture from the deemed sale and the tax attributes of the "old" company would be extinguished. However, the basis of all assets of the acquired company would be adjusted to reflect the purchase price paid by the acquiring corporation for the stock. To this extent, the tax treatment of the acquisition would be similar to an asset purchase from a company which had elected a 12-month plan of liquidation. Thus, unlike existing law, a stepped-up basis will no longer be available where liquidation of an acquired corporation is postponed for several years after its stock is purchased, yet its favorable tax attributes are available to the acquiring corporation through a consolidated return. This result under existing law is inconsistent with treatment of the acquisition as a purchase of assets. When the election is made, tax attributes of the "old" corporation would no longer be available on the acquiring corporation's consolidated return because the old corporation would be treated as terminated when its stock is acquired. The election would apply to all members of an affiliated group acquired as a result of the stock purchase which become members of an affiliated group with the acquiring company.

The rules I have described are intended to discourage corporate takeovers motivated by unwarranted tax advantages. However, these specific rules are designed to implement an overriding general rule that would be added to existing law by the bill. Under this rule, a step-up in basis of all of a corporation's assets can be achieved under other provisions of existing law, including the consolidated return regulations, only if complete recapture occurs as though the corporation sold all of its assets in a 12-month liquidation; to obtain a step-up of only selected assets, there will be recognition of all gain, including recapture items, with respect to those assets.

The bill would simplify and improve the tax rules dealing with trafficking in net operating loss and credit carryovers. The rules presently applicable, or those adopted under the 1976 Tax Reform Act and scheduled to be effective in 1984, do not adequately deter tax-motivated takeovers of loss companies.

The bill would prescribe uniform continuity of ownership rules for shareholders of a loss company whether a loss company is acquired by purchase, by a corporate reorganization involving the loss company, or in part by a corporate reorganization and in part by a purchase. The presently applicable rule that losses may be carried over in full in a purchase acquisition merely because the trade or business of the loss company is continued would be eliminated. To allow normal shareholder turnover, there would be no reduction of carryovers when there is 60 percent or more continuity of ownership by shareholders of the loss company. In other words, the reductions in carryovers would occur when ownership by those who were shareholders in the loss year falls below 60 percent of a loss company. Uniformly, for purchase acquisitions and reorganizations, the portion of the loss that could be carried forward would be 2½ percent for each percentage point by which the old shareholders retain more than 20 percent of the loss company. The bill completely eliminates carryovers only when the old shareholders' ownership falls below 20 percent to conform with the present law rules under which the attributes of an acquired company are generally usable in full under the consolidated return rules by an acquiring company controlling 80 percent or more of the stock of an acquired company.

Under the bill, losses would be preserved for continued ownership from the taxable year in which the loss was incurred to the taxable year to which the loss would be carried forward. This would be more rational than either present law or the provisions of the 1976 act which arbitrarily compare ownership changes during a 2- or 3-year period ending with the carryover taxable year. Under those rules the test for ownership changes is not made with reference to those who were shareholders when losses were actually sustained. To facilitate the determination of ownership continuity ownership in the loss year and the carryover year would be compared only for shareholders who actually or constructively own 5 percent or more of the company's stock at either time. For this purpose, all small shareholders would be aggregated and treated as a single shareholder. Thus, in the case of a widely held company, the computation and recordkeeping problems attributable to tracing the top 10 or 15 shareholders, as under present law or under the 1976 act provisions, would be alleviated.

In comparison to the 1976 act, the bill would simplify the operating rules by not containing a concept of "participating" stock. Many commentators have indicated that the concept was an unnecessary complexity under the 1976 act.

Under the bill, the changes relating to partial liquidations, stock redemptions, and liquidations of subsidiaries would apply with respect to liquidations and redemptions occurring after August 31, 1982. The changes relating to net operating loss and credit carryovers would apply to acquisitions

and mergers occurring after December 31, 1982.

Mr. Speaker, I believe that it is essential that the Congress strengthen and improve the tax rules applicable to corporate takeovers. The bill I am introducing today would do that in several ways.

The Subcommittee on Select Revenue Measures will hold hearings on this bill and related legislative proposals on May 24, 1982. At that time, I will be most anxious to receive the constructive comments and observations of economists, tax practitioners, and academicians.

An explanation of the provisions of H.R. 6295 follows this statement:

EXPLANATION OF H.R. 6295, THE CORPORATE TAKEOVER TAX ACT OF 1982

TITLE I

1. Present law

Partial liquidations.—If a corporation seeks to acquire assets from a second corporation, a direct purchase results in taxation to the second corporation of any gain realized on the sale. Instead, the acquiring corporation, through a tender offer, may acquire stock of the second corporation and then have it redeemed for the assets. If the redemption qualifies as a partial liquidation, generally requiring a contraction of the second corporation's business, the second corporation pays no tax on the gain except to the extent that prior depreciation, intangible drilling costs, etc., are required to be recaptured. When the acquiring corporation obtains control (80 percent of the second corporation's stock), the acquiring and acquired corporations become eligible to file a consolidated return and the consolidated return regulations make it possible through a partial liquidation to obtain a basis step-up for distributed assets with no gain recognized except that recapture gain (for past depreciation, intangible drilling costs, etc.) is recognized but, under the regulations, deferred while the property remains in the consolidated group. Further, there is no investment tax credit recapture when property is transferred from one member of a consolidated return group to another.

Stock redemptions.—In other cases, gain is generally recognized when a corporation redeems its stock with appreciated property but there are exceptions, two of which are particularly relevant in takeover situations, i.e., a distribution in complete redemption of a 10-percent stockholder and a distribution of a 50-percent owned subsidiary.

2. Statement of problem

The vagueness of the "partial liquidation" concept permits considerable discretion in selecting assets that can be stepped up with favorable tax consequences and without affecting the tax attributes of the distributing corporation. Thus, one problem is undue selectivity. A second problem is avoidance of gain recognition on what is in substance a sale of assets. A third problem is the availability of a basis step-up without current taxation of recapture income and without investment tax credit recapture. (The third problem is dealt with generally under title II of the bill.)

3. Bill provisions

Title I of the bill would repeal the partial liquidation provisions as well as certain exceptions in section 311(d)(2) of present law that permit a corporation selling its subsidiary's stock to escape taxation of the gain. Capital gain treatment would be retained for shareholders who receive property from a trade or business conducted for at least 5 years by the distributing corporation (currently defined as a partial liquidation). In appropriate circumstances, a series of distributions in complete liquidation of a corporation, defined under present law as a partial liquidation, will continue to be treated as a complete liquidation.

Section 336, as amended by the bill, would continue to provide for nonrecognition of gain or loss to a corporation on distributions in complete liquidation. However, if within 5 years of a complete liquidation, either (1) there was a distribution qualifying under section 355 and the liquidating corporation is either the controlled corporation or the distributing corporation, or (2) the liquidating corporation transferred property within such period (other than a de minimis transfer) in a transaction in which gain or loss was not recognized under section 351, gain or loss will be recognized to the liquidating corporation. This gain recognition requirement would not apply, however, to the complete liquidation of a subsidiary in which the basis of distributed assets is carried over to the parent.

4. Effective date

The amendments made by title I of the bill apply to distributions occurring after August 31, 1982.

TITLE II

A. Stock purchase treated as asset purchase

1. Present law

When one corporation purchases 80 percent or more of the stock of a second corporation during a 12-month period and then liquidates it, the transaction is treated as a purchase of assets and basis is stepped up without recognition of any gain but recapture is required for past depreciation, etc. This treatment is available even though the plan of liquidation need not be adopted until 2 years after the qualifying stock purchase and the liquidation need not be completed for an additional 3 years. In the meantime, the acquired company's tax attributes, such as loss and credit carry-forwards, can be used on the acquiring company's consolidated return, and, when liquidated, the acquired company's recapture income can be offset by any losses of the acquiring company.

2. Statement of problem

If the assets were purchased directly, the acquiring company would be unable to avail itself of the purchased company's tax attributes and recapture income taxed to the selling company could not be offset by losses of the acquiring company. Continuation of the acquired corporation's tax treatment in the manner permitted by existing law is inconsistent with treating the transaction as an asset purchase but can go on for as long as the parties wish, up to the 5-year limit.

3. Bill provisions

Section 201 of the bill would replace the provision of existing law with an election treating a purchased subsidiary as if it had sold all its assets when the qualifying stock purchase occurred. Since, as the "old" corporation, it would be considered terminated on such date, its tax attributes would not be available on the purchasing company's consolidated return. Generally, the election would apply to all members of an affiliated group after a qualifying purchase of the stock of the parent corporation. A conforming amendment to existing law would require that all members of an affiliated group be liquidated when any member elects nonrecognition of gain or loss on sales made in the course of a 12-month liquidation. The preceding provisions are designed to restrict selectivity of treatment for particular assets and thereby provide consistent treatment for all assets involved in an acquisition or liquidation.

4. Effective date

The elective provision added by section 201 of the bill applies where the qualifying stock purchase takes place on or after September 1, 1982. The amendment with respect to 12-month liquidations would apply to plans of liquidation adopted on or after September 1, 1982.

B. Toll charge for basis step-up

1. Statement of problem

Taxpayers should not be able to frustrate the objectives of the bill by resort to other provisions of existing law. A principle that the other rules in titles I and II reflect is that the cost for a step-up in basis for an acquired corporation's assets is complete recapture, with no deferral, for investment tax credits, past depreciation, intangible drilling costs, etc. A second principle is that a distribution of assets by an ongoing corporation may result in a basis step-up only if all gain (not merely recapture items) with respect to such assets is recognized.

2. Bill provisions

Section 202 of the bill would state these two principles as explicit rules of law overriding the provisions of existing law, including the consolidated return regulations, to the extent they otherwise would permit avoidance or deferral of recapture or gain recognition. Current recapture will be required when basis is stepped up to the same extent as though the liquidating corporation sold all its assets in a single transaction to which section 337 applies.

3. Effective date

The amendments made by section 202 apply to distributions on and after July 1, 1982.

TITLE III

A. Special limitations on loss and credit carryovers

1. Present law

Present law provisions restricting the carryforward of losses and credits of a corporation after a change in ownership are ineffective. Continuation of the loss company's trade or business after its stock is purchased preserves the carryforwards and, when a loss company is a party to a merger or other reorganization, a minimal retention of ownership by the loss company's shareholders in the surviving corporation may result in retention of carryforwards. The 1976 Tax Reform Act revised these rules but widespread criticism of that provision has led to several postponements of its effective date. Currently, the 1976 revision is scheduled to become effective in 1984.

2. Statement of problem

More effective rules to restrict trafficking in loss companies should be part of any legislation dealing with unwarranted incentives for takeovers. The investment incentives provided by the 1981 Act, particularly the accelerated cost recovery system and investment tax credit provisions, will increase the number of takeover targets with loss carryforwards and excess credits.

3. Bill provisions

Section 301 simplifies the rules, making availability of carryforwards dependent on continued ownership of those who were shareholders in the loss year, unlike existing law or the 1976 revision which measure ownership changes over a limited look-back period from the carryover year.

If loss year shareholders retain a 60-percent interest in the carryout year, carryforwards are unaffected and if their interests fall below 20 percent, carryforwards are eliminated. Carryforwards are reduced by 2.5 percent for each one percentage point by which the loss year shareholders' interests drop below 60 percent. Complete elimination at 20 percent correlates with the point (80-percent ownership) at which tax attributes of an acquired company become fully available to a takeover company on a consolidated return.

The rule applies uniformly whether changes in ownership result from stock purchases, reorganizations, or otherwise (such as a non-pro rata redemption or spin-off), and only changes resulting from death or by gift are expressly excepted.

To facilitate comparison of ownership between the loss year and carryforward year, the rule requires identification only of shareholders whose interests are 5 percent or greater, applying constructive ownership rules. Comparison of the aggregate ownership by shareholders with less than 5 percent interests would be made as if all such shareholders, without identification, constituted a single shareholder.

4. Effective date

The amendments made by section 301 of the bill would apply generally to stock acquisitions and reorganizations occurring on or after January 1, 1983. Transitional rules are provided to integrate the new rules with the provisions of prior law.

B. Reorganizations constituting changes in form

1. Present law

Existing law defines as a reorganization "a mere change in identity, form, or place of organization, however effected" (hereafter described as an "F" reorganization). Existing law also requires that the taxable year of a transferor corporation in a reorganization be closed on the date of transfer and precludes the acquiring corporation from carrying back a post-reorganization loss to a taxable year of the transferor corporation. However, F reorganizations are excepted from these limitations in recognition of the intended scope of such reorganizations as embracing mere formal changes which do not require that the reorganized corporation be viewed as a new entity.

2. Statement of problem

A number of court decisions have expanded the F reorganization definition in recent years to include fusions of active affiliated companies as long as there is sufficient identity of proprietary interest and there is uninterrupted business continuity. One case treated the merger of 123 affiliated corporations as an F reorganization. The exceptions for F reorganizations from the requirements of existing law closing the taxable year of a transferor corporation and restricting loss carrybacks, are not appropriate to fusions of two or more active business corporations.

3. Bill provisions

Section 302 of the bill would limit the F reorganization definition to a mere change in identity, form, or place of organization of a single corporation.

4. Effective date

Section 302 applies to reorganizations taking place on or after September 1, 1982.

VOODOO ENVIRONMENTAL PROTECTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. WYDEN) is recognized for 5 minutes.

● Mr. WYDEN. Mr. Speaker, in the midst of National Clean Air Week, information has surfaced that once again demonstrates the administration's reluctance to maintain the clean air standards necessary to protect the health of our environment and our people.

A recent internal memo from the EPA Assistant Administrator for Air to the Agency's Administrator, Anne Gorsuch, recommends an administrative change in the way compliance with the ambient carbon monoxide health standard is ascertained.

The proposal would increase from one to five the allowable violations, or exceedances per year of the carbon monoxide standard. The net result from this sleight of hand would be an average increase of 33 percent in the level of carbon monoxide considered healthful in our cities.

We have all heard a lot about voodoo economics.

The EPA's recommended rule change to the carbon monoxide standard is an example of voodoo environmental protection.

Just as voodoo economics claims we can simultaneously cut taxes, hike defense spending and balance the budget, voodoo environmental protection says that by waving a magic wand and shifting some numbers around on paper, we can convince people they are breathing cleaner air.

Well, it simply cannot be done—and, furthermore, the Congress is not going to stand for it being tried.

I cannot help but feel we have all been taken for a ride.

Last August, Anne Gorsuch released 11 principles President Reagan adopted for rewriting the Clean Air Act, including one supporting existing health-based ambient standards.

Many of us were pleasantly surprised at the President's support for current health standards.

The internal EPA memorandum demonstrates that our sense of relief was premature.

Not only does this represent a retrenchment from the President's earlier commitment; it represents a blatant attempt to slip through by rule what the administration knows full well it could not get through Congress.

What we have here is a wolf in sheep's clothing. By burying this relaxation in the health standard in the jargon of exceedances, the ultimate result—the effective average increase in the health-based carbon monoxide (CO) standard by 33 percent—is less apparent.

One thing is sure, however, this change would allow more pollution, especially in areas where most of our population lives and works.

In my own city of Portland, Oreg., where more than 150,000 elderly and young people already suffer from unhealthily high levels of carbon monoxide, this change would relax the standard by 21 percent.

In Medford, Oreg., the situation is worse: an effective 50-percent relaxation in the standard.

Such a relaxation makes attainment of the health standard easier on paper, but it's voodoo to ask Portland and Medford residents to imagine the air is cleaner, when in fact it is dirtier.

In short, we are saying to the States: Behave as if your air is cleaner by ignoring the 5 worst days of pollution.

That is like the NCAA allowing coaches to toss out the five worst grades of each player in calculating whether they meet scholastic eligibility rules.

It is voodoo environmental protection at its best when you simply wave a wand and change the criterion by which you measure who complies and who does not.

Under this method of protection, the number of nonattainment areas for carbon monoxide by the end of 1982 drops from 110 to 39.

Unfortunately, we cannot adjust the level at which adverse health effects occur from breathing carbon monoxide as easily as we can change numbers on a piece of paper.

Nor can wand waving make the air cleaner and people any healthier.

We can do better than voodoo environmental protection.

And we must.

As members of the Energy Committee continue our markup of the Clean Air Act, we are discovering the grounds for compromise are right beneath our feet.

The administration's continued efforts to end run the Congress on such an important matter as a change in the ambient health standard can only disrupt this bipartisan consensus emerging on Clean Air Act amendments.●

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, May 3 is the 191st anniversary of the first democratic Constitution of Poland, and is a time to celebrate and to honor the strong bond between our country and the people of Poland. On Monday, May 10, a "Solidarity Express" special

train will leave Chicago with a shipment of relief supplies for the Polish people. This train is a tribute to Americans of Polish descent who have contributed so generously to this relief effort, and reaffirms our mutual commitment to the universal principles of self-determination and freedom.

The Polish Constitution of 1971, adopted a few years after our own Constitution, stands out not only as one of the great achievements in Polish history, but also as a milestone in the history of mankind. It peacefully transformed, without bloodshed, revolution, or disorder, a repressive government of a select few into a representative government of all the people. This extraordinary document enunciated and echoed many of our own country's most cherished freedoms: liberty, majority rule through elections by secret ballot, religious toleration, and equal justice under the law. What makes this Polish proclamation even more important is that it marked the beginning of democratic advances into central and eastern Europe.

Unfortunately, because of the continual oppression and the partitioning of Poland by its autocratic neighbors, these newly acquired freedoms for the people of Poland were short lived. Nevertheless, the Constitution still maintains its vitality as a beacon of hope in the face of absolutism, tyranny, and repression.

For weeks after the Constitution was approved, celebrations were held in the cities and towns in Poland and expressions of enthusiasm flowed in from all freedom-loving people throughout the world. It is, therefore, fitting that parades should be held in honor of this momentous triumph in the struggle to achieve representative government.

I was proud to join the officers and members of the Polish National Alliance at Chicago's annual Constitution Day parade on May 1, and a copy of the 3-day program in commemoration of Polish Constitution Day follows:

SATURDAY, MAY 1, 1982

Program at reviewing stand, Dearborn and Washington Streets, 12 noon

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, Accompanied by U.S. 81st Army Band, Fort Sheridan, Illinois.

Parade Narrators: Mrs. Helen M. Szymanowicz and Mrs. Lottie S. Kubiak.

Grand Marshal: Honorable Jane M. Byrne, Mayor, City of Chicago.

Assistant grand marshals: Honorable Eugene Moats, President, Service Employees International Union, AFL-CIO Local 25; and Honorable Bernard Puchalski, President, Iron Workers Dist. Council of Chicago and Area.

Parade coordinator: Larry Rzewski.

Program at Richard J. Daley Center, 1:30 p.m.

Welcome: Mr. Joseph I. Sikora, Commissioner, District 13, Polish National Alliance.

Invocation: Most Reverend Alfred L. Abramowicz, DD, Auxiliary Bishop, Vicar General.

Master of ceremonies: Honorable Aloysius A. Mazewski, President, Polish National Alliance, President, Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Jane M. Byrne, Mayor, City of Chicago.

Principal address: Honorable Charles Z. Wick, Director, U.S. International Communication Agency.

Address: Honorable Jerzy Mohl, Solidarity Union Official.

Benediction: The Right Reverend Joseph K. Zawistowski, Bishop, Western Diocese, Polish National Catholic Church.

SUNDAY, MAY 2, 1982

Assembly for solemn mass: 10:00 a.m.—Holy Trinity School Hall, 1123 Cleaver St.

March to Church: 10:15 a.m.—to Holy Trinity Church, 1118 Noble St.

Solemn mass: 10:30 a.m.—Rev. Casimir Tadla, CR, Pastor, Principal Celebrant: Co-Celebrants—Rev. Zbigniew Gorecki, S. J.; Rev. John Stephen, CR, Homilist—Rev. Zbigniew Gorecki, S.J.; Choir under direction of Mr. Joseph Labuda.

MONDAY, MAY 3, 1982

Wreath laying ceremony: 10:30 a.m.—at General Thaddeus Kosciuszko monument, 13th and Lake Shore Drive.

Executive committee: Helen M. Szymanowicz, Chairman, Roman Kolpacki, Commissioner Dist. 12 PNA; Genevieve Wesolowski, Commissioner Dist. 12 PNA; Joseph I. Sikora, Commissioner Dist. 13 PNA; and Kazimiera Pytel, Commissioner Dist. 13 PNA.

Since the beginning of our country's existence, millions of men, women, and children of Polish ancestry have come to our shores, bringing with them the same spirit of human dignity and freedom embodied in the Polish Constitution of 1791, as well as the rich heritage of their own culture. Their presence and contributions to America have helped shape our country into the great democracy it is today.

Mr. Speaker, I am honored to join Americans of Polish ancestry in my own city of Chicago and all over the country who pause to pay tribute to those who have bravely struggled and sacrificed so much to achieve liberty, and to those who continue today to carry on this same effort against overwhelming odds, with the desire to decide the course of their own destiny. Let us never forget the timeless guiding principle in the 1791 Constitution which states, "All power in civil society should be derived from the will of the people," and let us always be prepared to defend ourselves against those who would deprive us of this most cherished right.●

CONTRACTING OUT UNDER OMB CIRCULAR A-76

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. LEATH) is recognized for 5 minutes.

● Mr. LEATH of Texas. Mr. Speaker, today I am introducing legislation which will limit the Office of Management and Budget's authority to require the Veterans' Administration to convert services performed by Federal employees in VA hospitals to contract.

On April 27, 1982, Chairman G. V. (SONNY) MONTGOMERY of the Committee on Veterans' Affairs Subcommittee on Oversight and Investigations held a hearing concerning an OMB proposed draft revision to their circular A-76, "Policies for Acquiring Commercial or Industrial Products and Services Needed by the Government." This revision proposes drastic measures to dictate conversion to contract for those services with 25 or less employees without requiring cost comparison studies to demonstrate the cost effectiveness of such conversions. The OMB proposal would also mandate that new requirements be satisfied by contracting out without even considering if it would be less expensive to do the work with in-house personnel. Chairman MONTGOMERY invited Mr. Donald E. Sowle, Administrator of the Office of Federal Procurement Policy of OMB, to our hearing to explain the reasons for the proposed revision, which totally ignores the cost comparison process in determining which VA activities should be converted to contract. Mr. Sowle declined to appear, and I can readily understand his reluctance to try to explain such capricious and irresponsible recommendations. Other witnesses at the subcommittee hearing were quick to point out that the proposed revision was an unabashed and flagrant abuse of taxpayers' moneys, and would probably signal the demise of the Federal work force as we know it today. The president of the National Federation of Government Employees, Mr. James Peirce, told us that his organization considered the proposed revision to the circular so onerous to Federal employees that they had requested that Mr. Sowle resign from OMB.

Other committees of the Congress are also concerned with this OMB drive to convert the Federal work force to contract. In my other committee, the Committee on Armed Services, in H.R. 6030, the Department of Defense Authorization Act of 1983, we placed a 1-year moratorium on the performance of cost studied and new contract conversions under OMB circular A-76 during fiscal year 1983.

The Armed Services Committee considered that the contracting out program had gotten out of hand when the Department of Defense, acting on the

direction of OMB, submitted its fiscal year 1983 budget request with 17,000 civilian spaces subtracted from the civilian personnel ceiling account in anticipation that conversion of specific functions to performance by a private contractor would prove feasible.

My fellow members of the Committee on Veterans' Affairs and I consider high quality health care for our veterans to be our No. 1 priority. We see this headlong rush to convert VA hospital services to contract by OMB to be a major threat to the quality of medical treatment now being received by this Nation's veterans.

This irresponsible action must be stopped, and the bill that I am introducing today will stop it in the Department of Medicine and Surgery of the Veterans' Administration.

Mr. Speaker, this is not a partisan issue and the bill that I am introducing today is cosponsored by the chairman of the full Committee on Veterans' Affairs, the gentleman from Mississippi (Mr. MONTGOMERY), the ranking minority member of the full committee, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), and 20 other members of the committee. I wanted to make these remarks to my colleagues so they will be aware of the bill. Those of you who would like to join us in cosponsoring this legislation should contact the staff of the Committee on Veterans' Affairs by calling extension 53608. The chairman of the full committee has assured me that my bill will be given consideration, and we hope to include it in a measure that will be before the House by the end of June.●

FARM CRISIS ACT OF 1982

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 15 minutes.

● Mr. ALEXANDER. Mr. Speaker, on Tuesday my colleagues and I revealed some of the problems facing our farm communities. A combination of low farm prices and high interest rates are literally suffocating the farm economy, the life of this Nation's economic health.

As the result of the inaction of this administration on farm issues and because of its apparent inability to accept the fact there is a crisis in the farm section, I have joined with my colleagues as a cosponsor of the Farm Crisis Act of 1982.

The problem in the farm economy is basically one that may be addressed in two ways—increasing demand for our products or reducing supply. This bill contains measures to increase demand by encouraging export trade. If approved by Congress this bill will make clear the intention of Congress that $1 billion be made available for the Agricultural Credit Revolving Fund so that export trade financing is available.

This bill also contains measures to reduce supply, at least until export trade can be developed to the point that our farmers may find markets for the commodities their hard work has produced. Farmers would have the option of diverting another 5 percent of their acreage and being compensated for that diversion. This would, in the long run, be less of a drain on the Federal coffers than the existing program because it is cheaper to avoid producing additional commodities than to make payments—price supports, storage or otherwise—after the commodities have been produced.

In the interim period—between the adoption of this bill and the turnaround in the farm economy—the farmer will see more immediate relief through the interim credit financing of the Farmers Home Administration's economic emergency loan program.

The most important thing that can be said about this bill is that it offers assistance to the farmer when he is at his point of greatest need since the depression, but, at the same time, it is estimated to save $899 million over 4 years when compared to the cost of the current administration's farm policy program.

It will do more for less.●

THE UNEMPLOYED WILL NOT BE USING THEIR TAX BREAKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WILLIAM J. COYNE) is recognized for 5 minutes.

● Mr. WILLIAM J. COYNE. Mr. Speaker, it appears that calculated, long-term unemployment is an integral part of the administration's economic strategy. This cruel policy is especially unfair if we consider that rewarding the already well-to-do with new tax breaks is another important part of the administration's economic recovery plan.

We should never forget that there are millions of unemployed who do not qualify for the administration's much-ballyhooed tax cut—a tax cut which deepens our Federal deficit, thereby contributing to exorbitant interest rates.

President Ronald Reagan rather callously suggests that those without work should read the Washington Post help wanted section. No matter how many times you read those ads, you will find very few openings for unemployed steelworkers—nor will you find those listings in the Pittsburgh Press or the Pittsburgh Post-Gazette. What does the administration offer Pittsburgh, a city with an area unemployment rate of 10.6 percent? More of the same. High interest rates, inflated military budgets, and a digging-in of the heels in defense of tax breaks for the wealthy.

I would like to share with my colleagues some employment figures which show rather starkly the effect of the Reagan recession on steel industry employment:

EMPLOYMENT OF HOURLY EMPLOYEES IN THE DOMESTIC STEEL INDUSTRY[1]

	1980	1981	1982
January	320,310	291,000	252,000
February	319,271	292,536	
March	317,531	294,648	
April	314,826	298,352	
May	297,824	300,012	
June	276,572	297,625	
July	264,897	296,301	
August	263,620	292,703	
September	268,415	286,000	
October	281,000	225,000	
November	285,000	261,000	
December	288,788	250,000	

[1] American Iron and Steel Institute.

Mr. Speaker, this Congress has a responsibility to aid those citizens thrown out of work as the result of mistaken economic decisions made at the Federal level. Special attention must be given to employees, such as those in the steel and auto industry, whose unemployment seems destined to be long term.

Accordingly, I am today joining my colleague from Tennessee, Representative HAROLD FORD, in sponsoring H.R. 6085, a measure which would provide an additional 13 weeks of unemployment compensation for jobless workers. The situation is so dire that we should consider as well an extension of unemployment benefits by 26 weeks, until we are out of this recession.

I am also pleased to cosponsor H.R. 5284, a measure by Representative DENNIS ECKHART which would correct the mistake Congress made last year in changing the "trigger" mechanism for extending unemployment benefits from a national figure to a State-based figure. If you are a steelworker and your industry is suffering, you should not have to reside in a high-unemployment State in order to receive extended benefits. While this type of calculation may add up over at the Office of Management and Budget, it does not add up to the worker who sees his or her benefits cut off after 26 weeks, with no job to turn to.

Mr. Speaker, the administration may choose to turn its back on the unemployed, but this Congress cannot. I would like to share with my colleagues an article which appeared in today's New York Times which describes what unemployed steelworkers in the Pittsburgh area are doing to help each other. Those of us in Congress need to decide soon what we can do to help them.

The article follows:

STEEL UNION GIVING AWAY FOOD TO JOBLESS WORKERS

HOMESTEAD, PA., May 5.—Laid-off steelworkers lined up for free bread, milk and canned goods today as their union opened a food bank.

Retired members of the United Steelworkers of America volunteered their time to hand out grocery bags filled with canned meat, tuna fish, soup, beans and other staples for those whose unemployment benefits were nearly exhausted.

Union officials said they were prepared to hand out 250 to 300 bags of food today. Distribution will continue once a week until supplies are gone, they said.

Nearly a third of the 7,000 workers at the United States Steel Corporation's Homestead Works have lost their jobs.

"We're talking about feeding people who have nowhere else to go for help," said Mike Stout, a grievance officer for the union. "We want to make sure people at least can get by and at least have soemthing to eat to ride through this crisis."

About two dozen men and women, some accompanied by their children, waited in the hallway of a vacant school in this blue-collar town east of Pittsburgh for the 10 A.M. opening of the food bank.

"We're in a soup line, " said Jim Davis of Homestead, who said he was laid off after 26 years on the job.

"I lose all my manhood to do this," said Mr. Davis, 50 years old, as he carried two bags of groceries for his family. "But what can I do? You have to eat. It's very bad, and it's not getting any better."

The food is being given to union members whose unemployment benefits have expired, to those who are on extented benefits and to heads of households who are out of work.

The food giveaway was financed by a benefit rock concert, raffles and donations at mill gates. The union is planning more concerts and other events to raise funds to keep the food bank going.●

A WAY OUT OF THE BUDGET DEFICIT, HIGH INTEREST RATE IMPASSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 45 minutes.

● Mr. REUSS. Mr. Speaker, there follows a letter which Mr. UDALL, Mr. MILLER, and I sent yesterday to the chairmen of the Committees on the Budget and Ways and Means, Mr. JONES of Oklahoma and Mr. ROSTENKOWSKI.

WASHINGTON, D.C.,
May 5, 1982.

Hon. JAMES JONES,
Chairman, Committee on the Budget, House of Representatives, Washington, D.C.
Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means, U.S. House of Representatives, Washington, D.C.

DEAR JIM AND DANNY: With the economy in such bad shape and the President unwilling to make any concessions on taxes or military spending, the Committees on the Budget and on Ways and Means must now assume responsibility for forging an acceptable budget and tax program.

The elements of such a program are widely recognized. We must have a budget which lowers the deficit dramatically from this day forward, until there is a reasonable prospect of budget balance in a few years. We must protect vital social programs, including Social Security. We must allow for an increase in our military forces. And we must improve the fairness of our tax system by undoing many of the excessive tax breaks and loopholes for wealthy individuals and businesses which were enacted last year, as well as continuing to seek out and eliminate excessive, wasteful, unfair and unnecessary tax preferences which have long been on the books.

We expect the Budget Committee will meet this challenge, and produce a program which provides for budget deficits dramatically lower than would occur under current policy assumptions, while doing so more fairly and realistically than the President has proposed in his Budget. At the same time, we expect the Ways and Means Committee to produce a tax package which contributes constructively to reducing the deficit, and which restores some of the progressivity to our tax code which was lost last year in the enactment of Kemp-Roth and other excessive new tax preferences. We offer our support to you in these efforts.

The truth, however, is that these efforts alone are not enough. The purpose of deficit reduction is to permit lower interest rates and so to foster a rapid recovery from the present recession. Actions taken now to lower the deficit in years ahead are definitely needed. But they will not lower interest rates now, and will not foster economic recovery now, unless they are accompanied by an easing of monetary policy now. And the Chairman of the Federal Reserve Board has said, clearly, emphatically and without reservation, that he refuses to change his monetary policies unless Congress orders him to do so.

The Federal Reserve should therefore be instructed in the Budget Resolution to adjust its monetary targets for 1982 in order to assure full recovery and lower interest rates. This measure, taken in conjunction with steps toward fiscal responsibility outlined above, would engender a rapid reduction in the deficit, from two sources: lower interest payments on the national debt, and higher revenues from the more rapid recovery of the economy which would then occur.

With monetary policy during 1982 we have a special problem. For 1981, the Federal Reserve announced that it would try to achieve money growth of between 3 and 6 percent. Instead, it achieved only 2.2 percent money growth for the year. Then, in February 1982, the Federal Reserve announced that the money growth target range for 1982 had been set 2.5 to 5.5 percent from a base that was severely depressed by the failure to attain even the bottom of the 1981 target range.

So far this year, the Federal Reserve has actually permitted money growth of 8.9 percent at an annual rate, which is much more in line with the requirements for economic recovery than the announced targets. But this rate of growth presents its own problems.

If the Federal Reserve decides to stick with its M1 growth targets of 2.5 to 5.5 percent, the fact that money growth has exceeded the upper limit during the first four months means that growth will have to be severely restricted between May and December. For example, to hit a 4 percent money growth rate for 1982—the midpoint of the range—would require less than 1 percent money growth for the rest of this year, much less than the actual growth rate of last year. How could such monetary stringency give us anything but even higher interest rates and continued recession?

On the other hand, the Federal Reserve may decide to let the current rate of money growth continue through the rest of the year. But if the Fed does this without publicly revising upward its monetary target ceiling, it will make a mockery of the requirements of the Humphrey-Hawkins Act. Worse, it will add to the uncertainty that currently prevails in the financial community. The result will be unnecessary upward pressure on interest rates as lenders demand higher uncertainty premiums.

We propose that the 1983 Budget Resolution include instructions to the Federal Reserve to announce new monetary growth targets for the year. One way to do this would be for the Federal Reserve to announce a feasible six-month target beginning July 1, 1982, rebased to the level of the money supply in the second quarter of 1982. Such an action would clearly convey that the Federal Reserve intends only a once-for-all correction, and not a sustained, potentially inflationary increase of the money growth rate.

It would be nice if Congress could reach an agreement with the Federal Reserve without the necessity for a formal congressional instruction. Unfortunately, it appears that this will not be possible. Just late last month, the House Banking Committee, by a vote of 26 to 14, called on the Federal Reserve to agree to link a loosening of its monetary targets to congressional action which reduces the deficit. Federal Reserve Board Chairman Paul A. Volcker rejected the Banking Committee's overture the same day. Accordingly, the Federal Reserve has aligned itself with the intransigence of the Administration, and will have to be dealt with in the same way—by formal instruction in the appropriate format.

The 1975 precedent, H. Con. Res. 133, establishes that an instruction embodied in a Concurrent Resolution of Congress is binding on the Federal Reserve. Therefore, a simple statement of policy in the Budget Resolution, effective when the President signs the tax measure, will suffice:

"The Federal Reserve shall ease its present 5.5 percent monetary growth ceiling, so as to permit full economic recovery and lower interest rates."

There is no need, in our view, to put the Federal Reserve in a straitjacket of congressionally imposed monetary targets or congressionally mandated technical procedures. The Federal Reserve is quite capable of reading, understanding, and acting in response to a general policy directive, and Congress is quite capable of distinguishing compliance from inaction.

In the case of the Administration, a sterner format is necessary. The President has indicated he might veto tax legislation which incorporates significant deficit-closing increases. Therefore, this measure must be adopted in a form which the President would find extremely distasteful to veto. Only one such vehicle is available: the debt ceiling increase, which, like the Budget Resolution, must be enacted within the next few weeks. The Ways and Means Committee thus can attach needed revenue legislation to the debt ceiling extender and report a conglomerate debt-and-taxes bill to the Floor for prompt action. We need not decide at this time what steps would be necessary in the event the President vetoes such a bill.

Prompt action by the Budget and Ways and Means Committees along the lines sug-

gested above provides the best remaining hope of preserving the budget process from destruction and of avoiding a political stalemate which would make economic recovery impossible and imperil the American economy. We are confident that an appeal to the good sense and patriotism of Democrats and Republicans alike can lead to the adoption of a budget on a bipartisan basis if we act now. Success cannot be guaranteed, but the stalemate leaves us no choice but to act.

Sincerely,

MORRIS K. UDALL,
GEORGE MILLER,
HENRY S. REUSS,
Members of Congress.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. CHISHOLM (at the request of Mr. WRIGHT) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. GONZALEZ, for 60 minutes, today.

(The following Members (at the request of Mr. TAUKE) to revise and extend their remarks and extraneous material:)

Mr. DANNEMEYER, for 30 minutes, today.

Mr. FINDLEY, for 5 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. CORCORAN, for 10 minutes, today.

Mr. COLEMAN, for 15 minutes on Monday, May 10.

(The following Members (at the request of Mrs. COLLINS of Illinois) to revise and extend their remarks and include extraneous material:)

Mr. FORD of Michigan, for 10 minutes, today.

Mr. PHILLIP BURTON, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. STARK, for 10 minutes, today.

Mr. WYDEN, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. SAVAGE, for 5 minutes, today.

Mr. LEATH of Texas, for 5 minutes, today.

Mr. ALEXANDER, for 15 minutes, today.

Mr. WILLIAM J. COYNE, for 5 minutes, today.

Mr. REUSS, for 45 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HARKIN, prior to the vote on H.R. 5539 today.

(The following Members (at the request of Mr. TAUKE) and to include extraneous matter:)

Mr. MCGRATH.
Mr. BEARD.
Mr. MCKINNEY.
Mr. WHITEHURST.
Mr. RAILSBACK.
Mrs. SCHNEIDER in four instances.
Mr. ERDAHL.
Mr. SHUMWAY.
Mr. COURTER.
Mr. ERLENBORN.
Mr. PRITCHARD.
Mr. BEREUTER.
Mr. GREEN.
Mr. HOLLENBECK.
Mr. EVANS of Iowa.
Mr. MADIGAN.
Mr. LENT.
Mr. ROBERTS of South Dakota.
Mr. YOUNG of Florida.
Mr. FINDLEY.

(The following Members (at the request of Mrs. COLLINS of Illinois) and to include extraneous matter:)

Mr. OTTINGER in two instances.
Mr. LUKEN.
Mr. FASCELL in three instances.
Mr. WYDEN.
Mr. KILDEE.
Mr. MOTTL.
Mr. AUCOIN.
Mr. MILLER of California.
Mr. BIAGGI.
Mr. WOLPE.
Mr. DOWNEY.
Mr. FARY.
Mr. UDALL.
Mr. SCHUMER.
Mr. PEPPER.
Mr. YATES.
Mr. MINETA.
Mr. STARK.
Mr. FORD of Michigan.
Mr. BONIOR of Michigan.
Mr. SHANNON.
Mr. SIMON in five instances.
Mr. ZEFERETTI.
Mr. WALGREN.
Mr. O'NEILL.
Mr. MCDONALD in five instances.
Mr. BRODHEAD.
Mr. OBERSTAR.
Mr. ROSTENKOWSKI.
Mr. LONG of Maryland.
Mr. EDGAR in two instances.
Mr. RODINO.

SENATE BILL, JOINT AND CONCURRENT RESOLUTIONS REFERRED

A bill, and joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2488. An act to strengthen and improve the management of civilian personnel within the Defense Intelligence Agency; jointly, to the Committees on Armed Services, Post Office and Civil Service, and the Permanent Select Committee on Intelligence.

S.J. Res. 131. Joint resolution designating "National Theatre Week"; to the Committee on Post Office and Civil Service.

S.J. Res. 160. Joint resolution to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

S.J. Res. 182. Joint resolution to designate January 1983 as "National Snowmobiling Month"; to the Committee on Post Office and Civil Service.

S.J. Res. 189. Joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day"; to the Committee on Post Office and Civil Service.

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month; to the Committee on Post Office and Civil Service.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on May 5, 1982, present to the President, for his approval, bills of the House of the following titles:

H.R. 1624. A bill for the relief of Theresa Macam Alcalen;

H.R. 1796. A bill for the relief of Jacobo Cosio-Franco;

H.R. 1977. A bill for the relief of Maria Gloria (Joy) C. Villa; and

H.R. 3478. A bill for the relief of Mrs. Haruko Kuboto Smith.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until Monday, May 10, 1982, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of a House committee concerning the foreign currencies and U.S. dollars utilized by it during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Barnes, M. D.	1/3	1/5	Colombia		249.87						249.87
	1/5	1/6	Nicaragua						79.98		79.98
	1/6	1/9	Dominican Republic		225.00						225.00
	1/9	1/12	Haiti		257.50						257.50
	1/12	1/14	Jamaica		194.00						194.00
Military transportation							6,770.40				6,770.40
Barton, D. P.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Bell, W. L.	1/16	1/18	Hong Kong		200.00						200.00
	1/18	1/20	Malaysia		188.00						188.00
	1/20	1/22	Singapore		212.00						212.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		500.25						500.25
	2/3	2/6	Philippines		375.00						375.00
Commercial transportation							4,167.39				4,167.39
Berdes, G. R.	3/2	3/4/	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Boyer, R. K.	1/7	1/13	Haiti		560.00						560.00
	1/13	1/15	Dominican Republic		170.00						170.00
	1/15	1/21	Bahamas		864.00						864.00
Commercial transportation							817.00				817.00
Carson, J.	3/14	3/18	Haiti		300.00						300.00
Commercial transportation							539.09				539.09
Chambers, F. M	1/28	1/31	Costa Rica		174.00						174.00
	1/31	2/2	Nicaragua		184.00				21.77		205.77
	2/2	2/7	Honduras		125.00						125.00
	2/7	2/10	El Salvador		180.00		296.52				476.52
Commercial transportation							944.48				944.48
Chester, J. C	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Crockett, G. W	1/13	1/16	New Guinea		270.00						270.00
	1/18	1/19	Fiji								
Military transportation							6,716.65				6,716.65
	3/11	3/12	Barbados		207.56						207.56
	3/12	3/15	Grenada		133.00						133.00
	3/16	3/18	Haiti		322.10						322.10
Commercial transportation							1,418.00				1,418.00
Daoust, M. E.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Dornan, R. K.	2/28	3/2	El Salvador		225.00		103.94				328.94
Commercial transportation							654.00				654.00
Erdahl, A.	3/2	3/4	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Fascell, D. B	1/4	1/6	Belgium		196.0		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Fatemi, F. S.	3/1	3/4	Switzerland		267.00		682.02				949.02
Commercial transportation							2,572.00				2,572.00
Fortier, A. B.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Fox, J. E.	1/18	1/22	Cuba		375.00		100.00				475.00
Commercial transportation							229.00				229.00
Friedman, E.	1/16	1/18	Hong Kong		200.00						200.00
	1/18	1/20	Malaysia		188.00						188.00
	1/10	1/22	Singapore		212.00						212.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		587.25						587.25
Commercial transportation							4,391.46				4,391.46
Galey, M. E.	2/26	3/6	Austria		774.00						774.00
							1,220.00				1,220.00
Gilman, B. A.	1/18	1/20	Cuba		249.00		100.0				349.00
Commercial transportation							214.00				214.00
Goodman, M.	1/21	1/22	Hong Kong		100.00						100.00
	1/22	1/27	Indonesia		385.00						385.00
	1/27	2/2	Thailand		500.25						500.25
	2/2	2/8	Philippines		450.00						450.00
	2/8	2/10	Japan		168.50						168.50
Commercial transportation							4,422.00				4,422.00
Grant, J. T	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Grunberg, C. A.	3/23	3/26	England		206.00		17.65				223.65
Commercial transportation							1,828.00				1,828.00
Hyde, H. J.	2/14	2/19	Italy		425.00		706.09				1,131.09
Commercial transportation							3,963.00				3,963.00
Huber, R. T.	3/2	3/4	Belgium		186.00		22.69		82.25		290.94
	3/4	3/7	Poland		291.00		7.21		261.03		559.24
	3/8	3/9	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Military transportation							4,348.00				4,348.00
Ingram, G.	1/5	1/12	Domican Republic		525.00						525.00
	1/12	1/13	Antigua		146.00						146.00
	1/14	1/19	Barbados		819.00						819.00
Commercial transportation							1,618.00				1,618.00
Johnson, V. C.	1/3	1/5	Colombia		152.85						152.85

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/5	1/6	Nicaragua						79.98		79.98
	1/6	1/9	Dominican Republic		225.00						225.00
	1/9	1/12	Haiti		260.00						260.00
	1/12	1/14	Jamaica		194.00						194.00
Military transportation							6,770.40				6,770.40
Kurz, R. J.	1/7	1/13	Haiti		560.00						560.0
	1/13	1/15	Dominican Republic		170.00						170.00
	1/15	1/20	Bahamas		720.00						720.00
Commercial transportation							1,311.00				1,311.00
Lantos, T. P.	1/4	1/6	Belgium		196.00		48.10		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Majak, R. R.	1/6	1/12	Dominican Republic		450.00						450.00
	1/12	1/13	Antigua		146.00						146.00
	1/13	1/14	Dominica								
	1/14	1/19	Barbados		819.00						819.00
Commercial transportation							1,171.00				1,171.00
Palmer, E. J.	2/10	2/12	Austria		172.00						172.00
	2/12	2/19	Pakistan		607.00						607.00
Commercial transportation							3,407.00				3,407.00
Perugino, M. R.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Pubillones, L.	1/28	1/31	Costa Rica		210.00						210.00
	1/31	2/2	Nicaragua		172.00				21.77		193.77
	2/2	2/7	Honduras		85.00						85.00
	2/7	2/9	Belize		156.00						156.00
Commercial transportation							944.40				944.40
Rosenthal, B. S.	1/24	1/27	Israel		270.00		333.00				603.00
	1/27	1/30	Greece		225.00				49.67		274.67
Commercial transportation							3,711.00				3,711.00
Schlundt, V. M.	1/7	1/13	Haiti		560.00						560.00
	1/13	1/15	Dominican Republic		130.00						130.00
	1/15	1/21	Bahamas		863.66						863.66
Commercial transportation							867.00				867.00
Schollaert, J. T.	2/10	2/12	Austria		172.00						172.00
	2/12	2/19	Pakistan		607.00						607.00
Commercial transportation							3,407.00				3,407.00
Smeeton, T. R.	1/28	1/31	Costa Rica		195.00						195.00
	1/31	2/2	Nicaragua		154.00				21.77		175.77
	2/2	2/7	Honduras		375.00						375.00
	2/7	2/10	El Salvador		300.00		296.52				596.52
Commercial transportation							879.52				879.52
Winn, L.	1/4	1/6	Belgium		196.00		48.19		17.03		261.22
	1/6	1/10	Netherlands		445.00				37.15		482.15
	1/11	1/12	Switzerland		190.00		61.69		9.46		261.15
Military transportation							2,957.15				2,957.15
Total for 1st quarter											142,009.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLEMENT J. ZABLOCKI, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3860. A letter from Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice of the Army's decision to convert to contractor performance the guard service activity at Fort Knox, Ky., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3861. A letter from the Deputy Chief of Naval Material (Contracts and Business Management), transmitting the Navy's semiannual report of research and development contracting actions of $50,000 and over, covering the period October 1, 1981, through March 31, 1982, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

3862. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's fourth annual report on its administration of the Fair Debt Collection Practices Act of 1977, pursuant to section 815(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

3863. A letter from the Chairman, Council of the District of Columbia, transmitting D.C. Act 4-182, "District of Columbia Arson Reporting Immunity Act of 1982," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

3864. A letter from the District of Columbia Auditor, transmitting various reports issued by his office, pursuant to section 455 of Public Law 93-198; to the Committee on the District of Columbia.

3865. A letter from the Secretary of Education, transmitting notice of delay in submitting an analysis of the unique educational needs of Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific Islands, and the Northern Mariana Islands, as required by section 1204(b) of the Education Amendments of 1980; to the Committee on Education and Labor.

3866. A letter from the Under Secretary of State for Security Assistance, transmitting estimate and justification for annual arms sales program, pursuant to section 25(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

3867. A letter from the Attorney-Adviser, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

3868. A letter from the Assistant Secretary of Treasury for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3869. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3870. A letter from the Executive Director, Pension Benefit Guaranty Corporation, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3871. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE: Committee on Armed Services. H.R. 6068. A bill to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes (Rept. No. 97-486, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAWKINS: Committee on House Administration. H.R. 6132. A bill to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan; with amendment (Rept. No. 97-503). Referred to the Committee of the Whole House on the State of the Union.

Mr. SWIFT: Committee on House Administration. H.R. 6256. A bill to authorize appropriations for the Federal Election Commission for fiscal year 1983; with amendment (Rept. No. 97-504). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ST GERMAIN (for himself, Mr. GONZALEZ, Mr. PATTERSON, Mr. AUCOIN, Mr. WYLIE, and Mr. MCKINNEY):

H.R. 6294. A bill to provide supplemental authorization in order to stimulate the sales and production of housing; to the Committee on Banking, Finance and Urban Affairs.

By Mr. STARK:

H.R. 6295. A bill to amend the Internal Revenue Code of 1954 to reduce the tax incentives for corporate takeovers; to the Committee on Ways and Means.

By Mr. GONZALEZ (for himself, Mr. ST GERMAIN, Mr. FAUNTROY, Mr. PATTERSON, Mr. LAFALCE, Mr. BLANCHARD, Mr. LUNDINE, Ms. OAKAR, Mr. VENTO, Mr. GARCIA, Mr. LOWRY of Washington, Mr. MITCHELL of Maryland, Mr. HUBBARD, Mr. D'AMOURS, Mr. SCHUMER, Mr. FRANK, Mr. WILLIAM J. COYNE, and Mr. HOYER):

H.R. 6296. A bill to amend and extend certain Federal laws which establish housing and community and neighborhood development and preservation programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. RODINO:

H.R. 6297. A bill to authorize appropriations to carry out the activities of the Department of Justice for fiscal year 1983, and for other purposes; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6298. A bill to amend title II of the Social Security Act to help eliminate certain improper benefit payments and other abuses (involving claimants who reside in foreign countries) under the old-age, survivors, and disability insurance program, and to provide for crediting the trust funds with the amount of certain uncashed social security benefit checks; to the Committee on Ways and Means.

By Mr. ATKINSON:

H.R. 6299. A bill to amend the Unfair Competition Act of 1916 to provide for further relief in the event of unfair foreign competition; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. ROSTENKOWSKI:

H.R. 6300. A bill to improve compliance with the internal revenue laws; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 6301. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income amounts which are received from a public retirement system and which are attributable to services as a Federal, State, or local policeman and fireman; to the Committee on Ways and Means.

By Mr. BROWN of Ohio (for himself, Mr. STANTON of Ohio, Mr. KINDNESS, Mr. WILLIAMS of Ohio, Mr. WEBER of Ohio, Mr. ECKART, and Mr. OXLEY):

H.R. 6302. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the disposal of surplus property to States and local governments for correctional facility use; to the Committee on Government Operations.

By Mr. DUNCAN:

H.R. 6303. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification and reform; to the Committee on Ways and Means.

By Mr. ECKART:

H.R. 6304. A bill to prohibit the repeal or modification for a period of 3 years of certain regulations of the Federal Highway Administration relating to the maintenance of logs by drivers employed by motor carriers; to the Committee on Public Works and Transportation.

H.R. 6305. A bill to amend the Internal Revenue Code of 1954 to provide employers a nonrefundable tax credit for hiring certain unemployed workers and to provide certain unemployed workers a refundable tax credit for retraining expenses; to the Committee on Ways and Means.

By Mr. FINDLEY:

H.R. 6306. A bill to amend the Communications Act of 1934, as amended, to prohibit consideration of skywave signals in determining whether to grant an application for a license; to the Committee on Energy and Commerce.

By Mr. FLORIO:

H.R. 6307. A bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FLORIO (for himself, Mr. MOFFETT, and Ms. MIKULSKI):

H.R. 6308. A bill to insure rail safety, provide for the preservation of rail service, transfer responsibility for the Northeast corridor improvement project to Amtrak, and for other purposes; to the Committee on Energy and Commerce.

By Mr. FOGLIETTA:

H.R. 6309. A bill to require prior notification to affected employees and communities of closure and relocation of businesses and to provide job placement assistance to employees affected by closure and relocation of businesses; to the Committee on Education and Labor.

By Mr. FORD of Michigan:

H.R. 6310. A bill to amend title 5, United States Code, to provide for additional premium pay and other changes in personnel law applicable to certain employees of the Federal Aviation Administration in order to assure the prompt return of the Federal air traffic control system to full capacity, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GEPHARD (for himself, Mr. CONABLE, Mr. HEFTEL, and Mr. HANCE):

H.R. 6311. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. GUARINI (for himself, Mr. MINISH, Mr. WAXMAN, and Mr. SCHEUER):

H.R. 6312. A bill to make certain unauthorized ticket resales an offense under title 18 of the United States Code; to the Committee on the Judiciary.

By Mr. HARKIN (for himself, Mr. COELHO, Mr. ERDAHL, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. ROSE, Mr. STANGELAND, Mr. ROBERTS of Kansas, Mr. STENHOLM, Mr. VOLKMER, Mr. WHITLEY, and Mr. DE LA GARZA):

H.R. 6313. A bill to assure the production of an adequate supply of pure and wholesome milk to meet the needs of markets of the United States, to assure a reasonable level of returns to dairy farmers and stable prices for milk and dairy products for consumers, to maintain production capacity sufficient to meet anticipated future needs, and for other purposes; to the Committee on Agriculture.

By Mr. HARKIN (for himself, Mr. COELHO, Mr. HAGEDORN, Mr. HATCHER, Mr. JEFFORDS, Mr. JONES of Tennessee, Mr. ROSE, Mr. STANGELAND, Mr. VOLKMER, and Mr. WHITLEY):

H.R. 6314. A bill to enable milk producers to establish, finance, and carry out a coordinated program of dairy product promotion to improve, maintain, and develop markets for dairy products; to the Committee on Agriculture.

By Mr. LEATH of Texas (for himself, Mr. MONTGOMERY, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. BRINKLEY, Mr. MOTTL, Mr. EDGAR, Mr. SAM B. HALL, JR., Mr. APPLEGATE, Mr. BONER of Tennessee, Mr. SHELBY, Mr. MICA, Mr. DASCHLE, Mr. STUMP, Mr. DOWDY, Mr. GRAMM, Mr. MURPHY, Mr. DORGAN of North Dakota, Mr. WON PAT, Mrs. HECKLER, Mr. MCEWEN, Mr. SMITH of New Jersey, and Mr. NAPIER):

H.R. 6315. A bill to amend title 38, United States Code, to enhance the quality of care for veterans in medical facilities operated by the Veterans' Administration by insuring the provision of such care and necessary related services by Federal employees; to the Committee on Veterans' Affairs.

By Mr. MICA:

H.R. 6316. A bill to rescind the tax benefits provided during 1981 to Members of Congress in the form of living expense deductions; to the Committee on Ways and Means.

By Mr. NICHOLS:

H.R. 6317. A bill to revise the manner in which the October 1, 1982, pay increase for members of the uniformed services is to be determined, to make various adjustments in military personnel and compensation programs, and for other purposes; to the Committee on Armed Services.

By Mr. OTTINGER:

H.R. 6318. A bill to prohibit the export and use abroad of certain nuclear technol-

ogies and materials; to the Committee on Foreign Affairs.

By Mr. PORTER:

H.R. 6319. A bill to suspend the application of the wage and hour requirements of the Fair Labor Standards Act of 1938 for the employment of full-time students during the summer of 1982; to the Committee on Education and Labor.

By Mr. RATCHFORD:

H.R. 6320. A bill to amend the Social Security Act to provide that the receipts and disbursements of the social security trust funds shall not be included in the totals of the budget of the U.S. Government and to provide improvements in the management of such trust funds; to the Committee on Ways and Means.

By Mr. RINALDO:

H.R. 6321. A bill to prevent and discourage misrepresentations and deceptive omissions of material facts by used vehicle dealers concerning warranty coverage and the mechanical condition of used vehicles; to the Committee on Energy and Commerce.

By Mr. ROYBAL:

H.R. 6322. A bill to amend the Food Stamp Act of 1977 to require that individuals who are elderly or disabled and who live in certain types of group living arrangements be treated as individual households; to the Committee on Agriculture.

By Mr. SCHEUER (for himself, Mr. BLANCHARD, Mr. BROWN of California, Mrs. SCHNEIDER, Mr. WALGREN, and Mr. WHITE):

H.R. 6323. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Science and Technology.

H.R. 6324. A bill to authorize appropriations for atmospheric, climatic, and ocean pollution activities of the National Oceanic and Atmospheric Administration for the fiscal years 1983 and 1984, and for other purposes; to the Committee on Science and Technology.

By Mr. SILJANDER:

H.R. 6325. A bill to provide a temporary exemption from certain provisions of the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 relating to prohibited transactions for the purchase of certain bonds sold to fund residential mortgages and domestic motor vehicle loans and to provide for interest-reduction payments by the Secretary of Housing and Urban Development to assist with the financing of the purchase of certain residential dwellings and domestic motor vehicles; jointly, to the Committees on Education and Labor, Ways and Means, and Banking, Finance and Urban Affairs.

By Mr. SIMON:

H.R. 6326. A bill to require the Secretary of Labor to conduct a study regarding the establishment and use of a consumer price index for older persons; to the Committee on Education and Labor.

By Mrs. SMITH of Nebraska:

H.R. 6327. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program; to the Committee on Interior and Insular Affairs.

By Mr. SOLOMON:

H.R. 6328. A bill to amend the Federal Property and Administrative Services Act of 1949 to allow volunteer fire departments and emergency rescue squads to receive donations of Federal surplus personal property; to the Committee on Government Operations.

By Mr. STRATTON (for himself and Mrs. HOLT):

H.R. 6329. A bill to authorize appropriations for the Department of Energy for national security programs for fiscal year 1983, and for other purposes; to the Committee on Armed Services.

By Mr. WOLPE (for himself, Mrs. SCHNEIDER, Mr. JEFFORDS, Mr. EDGAR, Mr. OBERSTAR, and Ms. OAKAR):

H.R. 6330. A bill to amend the Internal Revenue Code of 1954 to impose a Federal severance tax on crude oil, to provide that the proceeds of such tax be deposited into a trust fund for block grants to States for energy and economic development, and to limit the amount of taxes imposed by States on oil, gas, and coal; jointly, to the Committees on Ways and Means, Energy and Commerce, Public Works and Transportation, and the Judiciary.

By Mr. YOUNG of Alaska:

H.R. 6331. A bill to provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed; to the Committee on Armed Services.

By Mr. BROWN of Ohio (for himself, Mr. OXLEY, Mr. CORCORAN, Mr. SHARP, Mr. TRAXLER, Mr. DANNEMEYER, and Mr. WEBER of Ohio):

H.J. Res. 478. Joint resolution to designate October 1982 as "National Car Care Month;" to the Committee on Post Office and Civil Service.

By Mrs. FENWICK (for herself, Mr. EMERY, and Mrs. SCHNEIDER):

H. Con. Res. 332. Concurrent resolution on placing the Small Business Administrator on the Cabinet Council on Economic Affairs; to the Committee on Small Business.

By Mr. FITHIAN:

H. Con. Res. 333. Concurrent resolution expressing the sense of the Congress that the U.S. Government should immediately cease to purchase any Iranian crude oil; to the Committee on Foreign Affairs.

By Mr. JEFFRIES:

H. Con. Res. 334. Concurrent resolution expressing the sense of the Congress that no amnesty should be granted to aliens present illegally in the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H. Con. Res. 335. Concurrent resolution expressing the sense of the Congress with respect to efforts to achieve further cooperation among the member countries of the North Atlantic Treaty Organization (NATO); to the Committee on Foreign Affairs.

By Mr. PICKLE:

H. Res. 453. Resolution authorizing the transfer of original documents of the House of Representatives to the Lyndon Baines Johnson Library; to the Committee on House Administration.

By Mr. EDGAR:

H. Res. 454. Resolution expressing the sense of the House of Representatives that veterans' benefits and entitlements be considered "Veterans Rights"; to the Committee on Veterans' Affairs.

By Mr. MARLENEE (for himself and Mr. ENGLISH).

H. Res. 455. Resolution expressing the sense of the House with respect to an immediate resumption of negotiations with the Government of the Soviet Union for an extension of the existing long-term grain sales agreement, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

370. By the SPEAKER: Memorial of the Legislature of the Territory of Guam, relative to the history of Guam's electric utility from its inception to the present; to the Committee on Interior and Insular Affairs.

371. Also, memorial of the Legislature of the State of California, relative to the refugee resettlement programs in California; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOWLER:

H.R. 6332. A bill for the relief of Jeannette Hall Robertson; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 6333. A bill for the relief of Nery De Maio; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 808: Mrs. SNOWE, Mr. CARMAN, Mr. GRAY, Mr. ATKINSON, and Mr. MOLLOHAN.

H.R. 1310: Mrs. SNOWE, Mr. BADHAM, Mr. BEARD, Mr. CAMPBELL, Mr. CARNEY, Mr. JAMES K. COYNE, Mr. DAUB, Mr. DORNAN of California, Mr. DOUGHERTY, Mr. DUNCAN, Mr. ERDAHL, Mr. FINDLEY, Mr. FORSYTHE, Mr. GINGRICH, Mr. HARTNETT, Mr. HOLLENBECK, Mr. HORTON, Mr. HOWARD, Mr. HYDE, Mr. KOGOVSEK, Mr. LOTT, Mr. MCDADE, Mr. MITCHELL of New York, Mr. MURPHY, Mr. OBERSTAR, Mr. OTTINGER, Mr. PASHAYAN, Mr. PORTER, Mr. PRITCHARD, Mr. RAHALL, Mr. RINALDO, Mr. ROUSSELOT, Mr. SAWYER, Mrs. SCHNEIDER, and Mr. WINN.

H.R. 1918: Mrs. FENWICK.

H.R. 1960: Mr. MCHUGH.

H.R. 2208: Mr. SEIBERLING.

H.R. 4147: Mr. ZEFERETTI, Mr. STUMP, Mr. LAGOMARSINO, and Mr. OTTINGER.

H.R. 4158: Mr. SABO.

H.R. 4786: Mr. CLAUSEN, Mr. FOGLIETTA, and Mr. PORTER.

H.R. 4828: Mr. ERDAHL, Mr. LAGOMARSINO, Ms. MIKULSKI, Mr. OBERSTAR, Mr. SMITH of Iowa, Mr. WEISS, Mr. LEBOUTILLIER, Mr. HUBBARD, Mr. YOUNG of Alaska, Mr. D'AMOURS, Mr. DOWNEY, Mr. CROCKETT, Mr. GILMAN, Mr. LELAND, Mr. GRAY, and Mr. LANTOS.

H.R. 4912: Mrs. SCHNEIDER and Mr. SHANNON.

H.R. 5067: Mr. FRENZEL, Mr. HORTON, Mr. ROE, and Mr. WHITTAKER.

H.R. 5076: Mr. HAWKINS.

H.R. 5192: Mr. BAFALIS, Mr. DICKS, Mr. ROSE, Mr. SAWYER, Mr. SENSENBRENNER, and Mr. WOLPE.

H.R. 5338: Mr. LAFALCE.

H.R. 5503: Mrs. HOLT, Mr. HOYER, and Mr. BLILEY.

H.R. 5575: Mr. STUDDS and Mr. RICHMOND.

H.R. 5576: Mr. HORTON and Mr. RICHMOND.

H.R. 5588: Mr. DAUB and Mr. PORTER.

H.R. 5593: Mr. FUQUA.

H.R. 5687: Mr. AKAKA and Mr. GEJDENSON.

H.R. 5691: Mr. FOLEY, Mr. MURPHY, Mr. CHAPPIE, Mr. FORD of Michigan, Mr. TRAXLER, Mr. WON PAT, Mr. WIRTH, Mr. SKELTON, and Mr. FASCELL.

H.R. 5759: Mr. FORD of Tennessee.

H.R. 5762: Mr. SIMON, Mr. LELAND, Mr. D'AMOURS, Mr. SHAMANSKY, and Mr. OTTINGER.

H.R. 5840: Mr. FOGLIETTA, Mr. FRANK, Mr. JEFFORDS, Mr. DE LUGO, and Mr. BEDELL.

H.R. 5920: Mr. ROEMER, Mr. ROGERS, Mr. PHILIP M. CRANE, Mr. MCGRATH, Mr. BROWN of Colorado, Mr. WINN, Mrs. HOLT, Mr. WORTLEY, Mr. LUNGREN, Mr. ENGLISH, Mr. DERWINSKI, Mr. MURPHY, Mr. MCDONALD, Mr. IRELAND, and Mr. BARNARD.

H.R. 5954: Mr. JOHN L. BURTON, Mr. EDGAR, and Mr. MURPHY.

H.R. 5969: Mr. PEPPER, Mr. OBERSTAR, Mr. MITCHELL of Maryland, Mr. DWYER, Mr. VENTO, Mr. MAVROULES, Mr. BONKER, Mr. BIAGGI, Mr. FRANK, Mr. HUGHES, and Mrs. BOUQUARD.

H.R. 5999: Mr. PEPPER.

H.R. 6009: Mr. COATS, Mr. CORCORAN, Mr. DOUGHERTY, Mr. HARTNETT, and Mr. MADIGAN.

H.R. 6015: Mr. PEPPER, Mr. JOHN L. BURTON, Mr. BIAGGI, Mrs. BOUQUARD, Mr. SHAMANSKY, Mr. DONNELLY, Mr. CONYERS, Mr. ROEMER, Mr. SUNIA, Mr. MURPHY, Mr. HUGHES, Mr. WINN, Mr. UDALL, Mr. WEISS, Mr. WOLF, Mr. FRANK, Mr. COURTER, Mr. EMERY, Mr. LEBOUTILLIER, Mrs. SCHROEDER, Mr. ROSENTHAL, Mr. WAXMAN, Mr. LEHMAN, Mr. WHITTAKER, Mrs. HOLT, Mr. FORD of Michigan, Mr. KINDNESS, Mr. FAZIO, Mr. LOWRY of Washington, Mr. YOUNG of Florida, Mr. DENARDIS, Mr. MINETA, Mrs. COLLINS of Illinois, Mr. CLINGER, Mr. DAN DANIEL, Mr. RAILSBACK, Mr. RICHMOND, Mr. EDWARDS of California, Mr. WYDEN, Mr. AKAKA, and Mr. DIXON.

H.R. 6058: Mr. CARMAN, Mr. LUNDINE, Mr. LAFALCE, Mr. NEAL, Mr. DIXON, Mr. BURGENER, Mr. BLANCHARD, Mr. LOWRY of Washington, Mr. BONER of Tennessee, Mr. BROWN of California, Mr. DREIER, Mr. FRANK, Mr. THOMAS, Mr. LEWIS, Mr. MCKINNEY, Mr. LOWERY of California, Mr. PARRIS, Mr. WORTLEY, Mr. CLAUSEN, and Mr. ROUSSELOT.

H.R. 6085: Mr. WILLIAM J. COYNE.

H.R. 6087: Mr. FAZIO, Mr. GEJDENSON, Mr. EDGAR, Mr. WEISS, Mr. BEDELL, and Mr. HUGHES.

H.R. 6100: Mr. ROGERS.

H.R. 6143: Mr. LEBOUTILLIER.

H.R. 6159: Mr. LOWERY of California.

H.R. 6161: Mrs. HECKLER, Mr. PAUL, Mr. LONG of Maryland, Mr. PORTER, Mr. FRANK, Mr. HORTON, Mr. ANNUNZIO, Mr. DERWINSKI, Mr. MITCHELL of Maryland, Mr. RITTER, Mr. MINISH, Mr. MCCLOSKEY, Mr. OTTINGER, Mr. EDGAR, Mr. SMITH of New Jersey, Mr. BARNES, Mr. COURTER, Mr. ECKART, Mrs. FENWICK, Mr. GREEN, and Mr. WORTLEY.

H.R. 6170: Mr. HORTON, Mr. FLIPPO, Mr. RATCHFORD, Mr. HAGEDORN, Mr. YATES, Mr. MOTTL, Mr. MURPHY, Mr. WHITEHURST, Mr. NELLIGAN, Mr. RODINO, Mr. FRANK, Mr. ROSENTHAL, Mrs. OAKAR, Mr. BEILENSON, Ms. MIKULSKI, Mr. ROEMER, Mr. BEVILL, Mr. FLORIO, and Mr. MINISH.

H.R. 6183: Mr. MORRISON, Mr. FROST, Mr. DERWINSKI, Mr. DASCHLE, Mr. FLORIO, Mr. SMITH of Iowa, Mr. MCGRATH, Mr. DOUGHERTY, Mr. CLINGER, and Mr. WRIGHT.

H.J. Res. 151: Mr. PHILIP M. CRANE, Mrs. SCHROEDER, Mrs. COLLINS of Illinois, and Mr. Evans of Indiana.

H.J. Res. 225: Mr. CAMPBELL, Mr. MONTGOMERY, Mr. HEFNER, Mr. HYDE, Mr. YOUNG of Florida, Mr. ROE, Ms. FERRARO, Mr. ALBOSTA, Mr. FORD of Michigan, Mr. WHITTAKER, Mr. DUNN, Mr. ERDAHL, Mr. MARKEY, Mr. HUTTO, Mr. QUILLEN, Mr. ATKINSON, Mr. BIAGGI, Mr. WRIGHT, Mr. SPENCE, Mr. LONG of Maryland, Mr. NATCHER, Mr. MURTHA, Mr. OXLEY, Mr. LOTT, Mr. MCDADE, Mr. DWYER, Mr. JAMES K. COYNE, Mr. THOMAS, Mr. HUGHES, Mr. FAUNTROY, Mr. HORTON, Mr. JONES of North Carolina, Mr. WYLIE, Mr. HAGEDORN, Mr. UDALL, Mr. ROSE, and Mr. LEVITAS.

H.J. Res. 363: Mr. O'BRIEN.

H.J. Res. 386: Mr. ATKINSON, Mr. BAFALIS, Mr. BENNETT, Mr. DAUB, Mr. DENARDIS, Mr. EDWARDS of Oklahoma, Mrs. FIEDLER, Mr. HAMMERSCHMIDT, Mr. LEE, Mr. MARKEY, Mr. MOORHEAD, Mr. O'BRIEN, Mr. OTTINGER, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. SMITH of Pennsylvania, Mr. WALGREN, Mr. MOTTL, Mr. ERDAHL, and Mr. FRANK.

H.J. Res. 420: Mr. BENEDICT, Mr. DE LA GARZA, Mr. DICKS, Mr. DAUB, Mr. EDGAR, Mr. FROST, Mr. HERTEL, Mr. LANTOS, Mr. LIVINGSTON, Mr. MAZZOLI, Mr. MCCLORY, Mr. MCEWEN, Ms. MIKULSKI, Mr. PORTER, Mr. SHAW, Mr. SCHEUER, Mr. SIMON, Mr. WAXMAN, and Mr. YATRON.

H.J. Res. 437: Mr. ROBERTS of Kansas, Mr. SCHEUER, Mr. MURPHY, Mr. PETRI, Mr. HEFNER, Mr. MARKEY, Mr. JEFFRIES, Mr. PERKINS, Mr. PEYSER, Mr. BEVILL, Mr. DWYER, Mr. RAHALL, Mr. ADDABBO, Mr. WILLIAMS of Ohio, Mr. SHUMWAY, Mr. WIRTH, Mr. DOUGHERTY, Mr. CORRADA, Mr. FAZIO, Mr. YATRON, Mr. REGULA, Mr. SMITH of Pennsylvania, Mr. BINGHAM, Mr. HERTEL, Mr. GRAY, Mr. WEISS, Mr. OBERSTAR, Mr. MATSUI, Mr. EMERSON, Mr. FORSYTHE, Mr. KRAMER, Mr. WILLIAM J. COYNE, Mr. FORD of Michigan, Mr. EVANS of Delaware, Mr. BOLAND, Mr. HANSEN of Idaho, Mr. DAUB, Mr. LEE, Mr. FAUNTROY, Mr. MOTTL, Mr. HOYER, Mr. FRENZEL, Mr. GREEN, Mr. FISH, Mr. MINISH, Mr. DICKS, Mr. ROGERS, Mr. HUGHES, Mrs. HOLT, Mrs. BOUQUARD, Mr. CORCORAN, Mr. KINDNESS, Mr. CROCKETT, Mr. CLINGER, Mr. PORTER, Mr. HIGHTOWER, Mr. WAXMAN, Mr. SUNIA, Mr. RALPH M. HALL, Mr. WASHINGTON, Mr. WINN, Mr. RINALDO, Mr. YOUNG of Alaska, Mr. FORD of Tennessee, Mr. ZEFERETTI, Mr. MORRISON, Ms. OAKAR, Mr. YOUNG of Florida, Ms. FERRARO, Mr. VENTO, Mr. FOGLIETTA, Mr. RATCHFORD, Mr. DAVIS, Mr. GORE, Mr. MILLER of Ohio, Mr. MAVROULES, Mr. HOWARD, Ms. MIKULSKI, Mrs. HECKLER, Mr. MURTHA, Mr. EVANS of Delaware, and Mr. SIMON.

H.J. Res. 438: Mr. GORE, Mr. HOYER, Mr. FISH, and Mr. GRAY.

H.J. Res. 444: Mr. STOKES, Mr. MCCLOSKEY, Mr. FORSYTHE, Mr. MOTTL, Mr. BROWN of Colorado, Mr. NELLIGAN, Mr. HOPKINS, Mr. SKELTON, Mr. BREAUX, Mr. AKAKA, Mr. D'AMOURS, Mr. SMITH of Iowa, Mr. COURTER, Mr. MAVROULES, Mr. LONG of Louisiana, Mr. ALEXANDER, Mr. PATTERSON, Mr. MOLINARI, Mr. SCHUMER, Mr. KINDNESS, Mr. TRIBLE, Mr. ZEFERETTI, Mr. LAFALCE, Mr. NOWAK, Mr. DE LUGO, Mr. WHITTAKER, Mr. HILLIS, Mr. RAILSBACK, Mr. MOORE, Mr. PHILLIP BURTON, Mr. RUSSO, Mr. LATTA, Mr. ANDERSON, Mr. BUTLER, Mr. ROGERS, Mr. ROBERTS of South Dakota, Mr. MARLENEE, Mr. EMERY, Mr. FOUNTAIN, Mr. CRAIG, Mr. DAUB, and Mr. MILLER of California.

H.J. Res. 451: Mr. SHELBY and Mr. DORNAN of California.

H.J. Res. 453: Mrs. BYRON.

H. Con. Res. 276: Mr. RICHMOND, Mr. HUGHES, Mr. EDWARDS of California, Mr. FAUNTROY, Mr. MITCHELL of Maryland, Mr. EDGAR, Mr. OTTINGER, Mr. BARNES, Mr. STARK, Mr. FRANK, Mr. JEFFORDS, Mr. LAFALCE, Mr. GRAY, and Mr. GEJDENSON.

H. Con. Res. 281: Mr. SMITH of New Jersey, Mr. DOWNEY, Mr. HUGHES, Mr. WEISS, Ms. MIKULSKI, Mr. GORE, Mr. ROE, Mr. SOLARZ, Mr. WASHINGTON, Mr. MCHUGH, Mr. ECKART, Mr. BEDELL, Mr. GOODLING, Mr. FAZIO, Mr. GRAY, and Mr. JAMES K. COYNE.

H. Con. Res. 292: Mr. TAUZIN, Mr. OBERSTAR, Mr. MONTGOMERY, Mr. MURPHY, Mr. BONKER, Mr. BOWEN, Mr. WIRTH, Mr. BEVILL, Mr. ROTH, Mr. LAGOMARSINO, Mr. FAZIO, Ms. FERRARO, Mr. HATCHER, Mr. RAHALL, Mr. LAFALCE, Mr. EMERSON, Mr. ZEFERETTI, Mr. GRAY, Mr. TRAXLER, and Mr. MOLLOHAN.

H. Con. Res. 297: Mr. BENEDICT, Mr. ROBERT W. DANIEL, JR., Mr. DECKARD, Mr. MARLENEE, Mr. NAPIER, Mr. SMITH of Oregon, Mr. WHITTAKER, and Mr. MOTTL.

H. Con. Res. 312: Mrs. FENWICK.

H. Con. Res. 318: Mr. GINN and Mr. DERWINSKI.

H. Con. Res. 322: Mr. ROTH and Mr. BAFALIS.

H. Res. 367: Mr. MARKEY, Mr. BEARD, Mr. JOHN L. BURTON, Mr. BOWEN, Mr. CHAPPELL, Mr. BROYHILL, Mr. HOPKINS, Mr. BIAGGI, Mr. CONYERS, Mr. COUGHLIN, Mr. CORRADA, Mr. ROBERT W. DANIEL, JR., MR. CONTE, and Mr. DONNELLY.

H. Res. 377: Mr. BEDELL, and Mr. MURPHY.

H. Res. 422: Mr. DORGAN of North Dakota, Mr. UDALL, Mr. FORD of Tennessee, Mr. PATTERSON, Mr. DWYER, Mr. ERTEL, Mr. FOLEY, Mr. DINGELL, Mr. PRITCHARD, Mr. SAVAGE, Mr. GEJDENSON, Mr. LANTOS, Mr. DAVIS, Mr. JOHN BURTON, Mr. RAHALL, Mr. MOLLOHAN, Mr. HOLLAND, Mr. VOLKMER, Mr. FORSYTHE, Mr. STARK, Mr. Brown of California, Mr. JACOBS, Mr. DELLUMS, Ms. OAKAR, Mr. YATES, Mr. D'AMOURS, Mrs. CHISHOLM, Mr. EVANS of Indiana, Mr. FUQUA, Mr. CROCKETT, Mr. LUNDINE, Mr. HOYER, Mr. MAVROULES, Mr. HOLLENBECK, Mr. AUCOIN, Mr. SCHUMER, Mr. DYMALLY, Mr. LONG of Maryland, Mr. BONIOR of Michigan, Mr. GARCIA, Mr. MARRIOTT, Mr. WAXMAN, Mr. DOUGHERTY, Mr. BEDELL, Mr. JAMES K. COYNE, Mr. WEBER of Minnesota, Mr. MCEWEN, Mr. GREEN, Mr. BROWN of Colorado, Mr. DELUGO, Mr. GORE, Mr. HERTEL, Mr. YATRON, Mr. SHAMANSKY, Mr. VENTO, Mr. LAFALCE, Mr. ROSENTHAL, Mr. HARKIN, Mr. NEAL, and Mr. GRAY.

H. Res. 426: Mr. MINISH.

H. Res. 435: Mr. JONES of North Carolina, Mr. EMERSON, Mr. DASCHLE, Mr. JEFFRIES, Mr. HILLIS, Mr. KINDNESS, Mr. HATCHER, Mr. O'BRIEN, Mr. CONYERS, Mr. THOMAS, and Mr. CORCORAN.

PETITIONS, ETC.

Under clause 1 of rule XXII.

423. The SPEAKER presented a petition of the Western College Association, Oakland, Calif., relative to student financial aid; which was referred to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5922

By Mr. GREEN:

—Page 12, after line 21, insert the following new section:

SEC. 204. Any institution of higher education, specifically cited in the conference report on the Education Amendments of 1980 (Report No. 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

SENATE—*Thursday, May 6, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God, we thank Thee for this National Day of Prayer proclaimed by the President at the request of Congress. May we take it seriously. May the people take it seriously. May the churches take it seriously. Deliver us from perfunctory religious observance today. Keep us from making this simply a "tip the hat to God" day. We are in trouble; the world is in trouble and we need Thy help.

More than 200 times in the past the leadership has called the Nation to prayer in time of crisis. We thank Thee for such a precedent. Help us to be true to that legacy. In our human pride, forbid, Lord, that we should wait until the world blows up in our face before we are willing to humble ourselves to seek Thy face, to turn from our wicked ways and pray. Help us, Lord, before we reach the outer limits of pride and indifference, to call upon Thee, to confess our need, to trust Thee. We make this supplication in the name of Him Who loved us and gave Himself for us. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE SCHEDULE

Mr. BAKER. Mr. President, this morning, after the recognition of the two leaders under an abbreviated time, there will be special orders in favor of four Senators, after which there will be a period for the transaction of routine morning business.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. President, I ask unanimous consent that after the execution of the special orders there be a brief period for the transaction of routine morning business to extend not past the hour of 10:30 a.m. in which Senators may speak for not more than 3 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. I may say, Mr. President, if the full time for the four Senators is utilized, that will leave only moments for morning business and it may be possible later in the day to provide additional time for routine business if Senators so require.

Mr. President, I said on yesterday and the day before that Thursday is our regular late evening and that Senators should be on notice of the possibility of a late session tonight, not extraordinarily late, but past the dinner hour.

I once again urge Senators to make their plans in accordance with that probability.

DEPARTMENT OF DEFENSE AUTHORIZATION BILL

I hope that we can move with dispatch on the Department of Defense authorization bill, and I urge Senators to offer their amendments if indeed they have amendments. If we have not finished tonight, and that appears to be a very dim prospect indeed, then we will be in session tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. If the Senate is in session tomorrow, does the majority leader expect rollcall votes?

Mr. BAKER. Yes. Mr. President, I would hope for rollcall votes tomorrow. That has not been our practice until now, but I regret to say to the minority leader, my friend, that as we must proceed now with the passage of the DOD authorization bill, as we will perhaps have a budget resolution upcoming soon and other matters of importance, including the Voting Rights Act which I want to schedule as soon as possible, I think it is important that we readjust our schedules to accommodate for that calendar requirement.

Mr. ROBERT C. BYRD. If it should become obvious—and I do not know that it would—at this date that a session on tomorrow will not complete action on the Department of Defense authorization bill would the majority leader still comprehend a meeting on tomorrow?

Mr. BAKER. Mr. President, I really regret to tell the minority leader this, but I would. I feel now that we have to make as much progress as we can on this measure. If we can finish the bill tonight then I would not expect to ask the Senate to be in tomorrow. But I do not really see this in prospect at this time. I would welcome that prospect but I do not see it.

I would expect then to be in session on Friday. Were it not for the fact that we have the budget resolution, we have the Voting Rights Act, we have the third urgent supplemental to deal with when it is received by the Senate from the House of Representatives, I would not do that. But we have the Memorial Day recess facing us at the end of the month and, frankly, I would like to see us extend that Memorial Day recess for a few days, if possible, and if it is possible I would hope to make an announcement on that in the next little while. That, too, would be contingent on how much progress we make on these matters.

But taking all of that into account, I reluctantly came to the judgment it would be necessary to ask the Senate to remain in on Friday and have votes on Friday of this week, even though it might appear that we cannot finish the Department of Defense authorization bill.

THE BUDGET RESOLUTION

Mr. ROBERT C. BYRD. When does the majority leader anticipate the final reporting of the budget resolution from the committee?

Mr. BAKER. I have not yet had that information given to me by the chairman of the Budget Committee. But I will say I have requested the chairman of the Budget Committee to report that resolution as soon as possible, and as soon as we receive it and it qualifies under the rules and statutes I intend to ask the Senate to proceed to its consideration.

Mr. ROBERT C. BYRD. So it is the intention to proceed with the Department of Defense authorization bill until the budget resolution is reported. If the Department of Defense authorization bill has not been completed by that time what would be the leader's intent?

Mr. BAKER. I do not know. The minority leader is putting a question I had not thought to have to deal with because I hope we can finish this bill before we have to take up the budget resolution. But I will have to think about that a little bit.

Mr. ROBERT C. BYRD. The distinguished majority leader and I have

privately discussed the possibility of taking down the Department of Defense authorization bill until the budget resolution could come before the Senate first, it being the feeling of most Democrats certainly that the budget resolution should precede action on the Department of Defense authorization bill.

Is the majority leader in a position to indicate what the chances are of our doing that?

Mr. BAKER. Yes.

Mr. President, on yesterday afternoon the distinguished minority leader advised me that there was a feeling on his side of the aisle expressed in caucus, I believe yesterday, that the bill should be deferred, temporarily laid aside—that is, the Department of Defense authorization bill—until we receive the budget resolution.

I indicated to the minority leader at that time that I would depend heavily on the advice of the chairman of the committee, Senator TOWER. I did indeed talk to Senator TOWER yesterday afternoon, as I have reported privately to the minority leader. I do not report any indication that he would be agreeable to that arrangement. I will talk to him again today. Of course, if he were to decide to do that I would acquiesce in his wishes. But as of this moment I cannot say any more.

I would be pleased after we finish this colloquy to speak with the Senator from Texas, the chairman of the committee, and I can assure the minority leader I will do so without trying to affect his prejudgment on that request.

Mr. ROBERT C. BYRD. I can certainly appreciate and do appreciate the situation the majority leader is in. When he is asked by a chairman of a committee to proceed with a bill I can understand the majority leader's leanings toward proceeding because I have experienced the same situation.

I do feel it would have been better if we had had the budget resolution preceding the Department of Defense authorization bill because otherwise it takes a fourth of the budget outside the budget configuration.

Mr. BAKER. The Senator is correct, it does. It is the biggest item in the budget, and that ordinarily would be the way to proceed.

I have to confess to the minority leader though that at the time I made the commitment to Senator TOWER to schedule this matter I was not sure when we were going to get a budget resolution, and I am pleased in the extreme that Senator DOMENICI and the Budget Committee have now reported a resolution or are prepared to do so. That may put a different light on it. So I will talk to the chairman of the Armed Services Committee today, and if there is something further to report I will be happy to give that information to my friend, the minority leader.

Mr. ROBERT C. BYRD. I thank the majority leader.

Mr. BAKER. I thank the minority leader.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have used, I am afraid, more than my time allocated to the two leaders, and I yield back the time remaining.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 5 minutes I have be combined with the 15-minute order and that I may reserve that time.

The PRESIDING OFFICER (Mr. DANFORTH). Without objection, it is so ordered.

RECOGNITION OF SENATOR THURMOND

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina is recognized.

TRIBUTE TO W. CLEMENT STONE ON HIS 80TH BIRTHDAY

Mr. THURMOND. Mr. President, I rise today to pay tribute to a great American, W. Clement Stone, who celebrated his 80th birthday on May 4. He is, Mr. President a man who epitomizes success through hard work and achievement.

Indeed, the name Clement Stone has become synonymous with the word success. He has written several books on the subject and is the publisher of a popular magazine for achievers. His entire life has been dedicated to the proposition that initiative, hard work, and purpose can accomplish anything.

In short, Mr. President, Clement Stone is the kind of American that has made this country strong. He believes that people—when motivated properly—can do great things. His long list of accomplishments stands as a monument to that belief.

He has been the president and director of Combined American Insurance Co., of Dallas, Tex.; the chairman of the board and chief executive officer of the Combined Insurance Co. of America, in Chicago, Ill.; and the president and director of Hearthstone Insurance Co., of Boston, Mass. He was also the head of First National Casualty Co., in Wisconsin.

Clement Stone was also the recipient of the Horatio Alger Award, an honor bestowed only on men and women dedicated to success through hard work and determination.

His success has been shared, however, with his fellow man. Clement Stone has generously supported a broad range of business, humanitarian and political efforts, and his contributions to those groups will endure for generations to come.

On his 80th birthday, Mr. President, Clement Stone can look back on a lifetime of accomplishment, and all of us can look forward to many more years of achievement by this great and patriotic American.

To Clem and his lovely wife, I extend my best wishes for a happy birthday and many happy returns.

Mr. RANDOLPH. Mr. President, we happily use these few minutes at the beginning of another Senate session, to salute a truly good and gallant American—W. Clement Stone.

There are critical concerns Members shall debate this day.

There are men and women in our country who have made contributions not only in the making of money but in building better lives. In the life of W. Clement Stone, as Time magazine has written, he has the Midas touch for making money, a flair for it, "that he is equally skilled in giving it away."

The charities of W. Clement Stone, joined in often by his beloved wife, Jessie, are meaningful. In the United States of America, a youngster eking out a few pennies on the streets of Chicago selling newspapers, has now celebrated his 80th birthday, as the able Senator from South Carolina (Mr. THURMOND) has said. If you were to talk with Mr. Stone by telephone and ask him how he feels, he would respond, "I feel terrific." And he really means it, because he has boundless energy. He has not only substance to his life and works, he also has a constant conviction of the building of a better world. Stone has a brilliant record of leadership.

I call attention to the fact that W. Clement Stone, in the foundation shared by his wife, since 1959 through dedication and understanding, has given gifts in the amount of more than $70 million. They have invested these dollars in the building of a better America, a better world, better boys and girls through youth programs, aid to education and in the rehabilitation of those who have committed acts against the law, helping in so many ways the philanthropies which are the heart of an America. We must continue to be a vital people, concerned not only with our individual strengths, but flowing from us that leadership exemplified by Mr. Stone worldwide as well as his native Chicago area.

By action of the Congress and proclaimed by our President, we again celebrate National Prayer Day. Mr. Stone calls for divine help as he lives a constructive Christian life.

I have known Clement for more than 25 years. He has been an inspiration to me and unnumbered thousands of men and women and the youth of our country. W. Clement Stone, at the age of 80, is going strong.

AN OUTSTANDING AMERICAN'S BIRTHDAY

Mr. ROBERT C. BYRD. Mr. President, some skeptics today question the American dream. They talk about our complex and difficult times. In what some have called an "age of limits," the doubters often claim that nobody can expect anything but modest success.

To W. Clement Stone, however, bleak thoughts like those are anathema. Clement Stone is an embodiment of the classic American dream. Just as important, almost daily, he sees dozens of men and women "making it"—seeing their own dreams becoming real. And he sees those dreams becoming real, because W. Clement Stone is usually the inspiration behind those same men and women.

Clement Stone is a 20th century phenomenon, but his story is as old as the United States itself. He began selling newspapers on Chicago's South Side at the age of 6. By 16, he had sold his first insurance policy. And by 20, with less than $100, he started his own insurance agency. Today, W. Clement Stone heads one of our country's largest, most successful financial enterprises—the multibillion dollar Combined Insurance Co. of America.

But Clement Stone's horizons are not narrow. He has been an active supporter of the Boys Clubs of America, the National Music Camp and the Interlochen Academy of Fine Arts, and the American Foundation of Religion and Psychiatry. He is an author, publisher, executive, counselor, and friend to other great men, and, above all, an outstanding citizen. On Capitol Hill, we are most indebted to him currently for his help in establishing our own congressional award program.

Clement Stone once wrote, "You become what you think." Certainly, he reflects his own cherished values and dreams—patriotic, accomplished, generous, bold, exact, successful, and visionary. He sets a pace that he has challenged thousands to match through his books, his companies, and his own efforts.

Some weeks ago I had occasion to call Clement Stone on the telephone. I said: "Hello, how are you?"

He said: "I am healthy, happy, and terrific."

That was his response, and that is the kind of outgoing and exuberant reaction that he has, and that I think epitomizes his whole outlook on life. He is just enthusiastic about life.

I call attention to Clement Stone's accomplishments that are great, great because our system is a great system, the kind of system in which he believes.

His birthday was May 4, and I know I speak for many of our colleagues in wishing Mr. Stone a happy birthday and offering him our warm regards for many years to come.

Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I wish to join with the distinguished minority leader in expressing my good wishes to Mr. Stone on the occasion of his birthday. I have had the opportunity in the past 2 days to visit with him and extend those wishes personally, but I wish the RECORD to show the evidence of my admiration and respect for a great American whose great initiative and example will be long remembered in this Nation and will be a guiding light for this and future generations.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina has 7 minutes remaining.

Mr. THURMOND. Mr. President, I yield back my time.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

NATIONAL DAY OF PRAYER

Mr. NICKLES. Mr. President, today as our country is observing the National Day of Prayer, I want to thank God for the fact that I was fortunate enough to be born and raised as a citizen of the United States of America. And, I want to say that as we observe this special day, I hope we do more than just observe. I hope that as Senators, as Americans—all Americans—we will participate in this National Day of Prayer. It seems that many times we only pray in moments of crisis or when the problems are very, very severe. And when you think about yesterday's activities in the Falkland Islands, we have a lot of reasons for prayer.

While even that crisis alone is sufficient cause to pray, there are others which demand our prayers. I think of the Middle East and the problems that seem to continually go on there. I think of the thousands and thousands of people who have lost their freedom and their lives in Poland and Afghanistan. I think of the political turmoil and problems going on throughout Central America and El Salvador, Honduras, Guatemala, and Nicaragua.

I think of some of the domestic problems that we have. We have 10 million people who are unemployed. We have record interest rates. We have some severe economic problems.

For these concerns and others, we need to seek divine intervention and guidance, because all of these problems seem to be more than what we, as people, are able to cope with. And yet, at the same time we mention needs for which to pray, we should also mention the need to be thankful to God for the fact that as Americans we have so very much.

We live in the greatest and freest country in the history of mankind. We probably eat better than the people of any other country have ever eaten, enjoying even a surplus of food. We have better housing today than at any other time or any place in history. Our health care is better and our education system is better. Indeed, we have quite a lot for which to be thankful.

But, most of all, I think if we were to give a prayer of thanksgiving, it should be for the fact that we are free people; that we have been able to achieve an unlimited or unequaled degree of freedom. When I speak of freedom, I mean personal freedom, economic freedom, and religious freedom. With such an abundance, we might well ask, "What is it that separates us, as Americans? Why are we so fortunate?

We are able to work where we want, worship where we want, and do what we want. We have liberties unequalled anywhere in the history of mankind. What has separated us from all other countries?

I believe that it is because God has blessed America. I think that our forefathers fought for and, in many cases, died to give us a system of government that was really designed to protect those very freedoms that have separated us from all other countries.

Our forefathers stated their objectives very well in 1776 in the Declaration of Independence, when they wrote:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness. That to secure these rights, Governments are instituted among Men . . .

The real reason our Government was instituted was to secure our God-given rights of life and liberty and the pursuit of happiness. For this ideal, our forefathers sacrificed greatly, in many cases, making the supreme sacrifice of laying down their lives so that we could claim these freedoms as our heritage. The abundance that this country enjoys today is a direct result of this heritage—our freedom.

And so today, as we are giving a prayer of thanksgiving, let us be mindful of all of the millions of people that do not have these freedoms and who would give everything and anything that they have to be where we are and what we are: citizens of the United States of America.

For this heritage, I really and truly do believe that it is appropriate, on this National Day of Prayer, that we, as leaders in the Senate, as people in Government, and as American citizens stop to pause and thank God for the blessings that He has bestowed upon us.

Now, there might be some who say, "Well, isn't a National Day of Prayer a violation of the separation of church and state? Surely that shouldn't be done."

I think that this question shows a little bit of ignorance about the history of our country. Our forefathers certainly felt the freedom to acknowledge a Creator in the Declaration of Independence. George Washington publicly prayed for the United States of America, a prayer which I will enter into the record. He said:

Almighty God:

We make our earnest prayer that Thou wilt keep the United States in Thy holy protection.

Mr. President, I ask unanimous consent that George Washington's prayer for the United States of America be printed in the RECORD at this point.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

PRAYER FOR THE UNITED STATES OF AMERICA

Almighty God; we make our earnest prayer that Thou wilt keep the United States in Thy holy protection; that Thou wilt incline the hearts of the citizens to cultivate a spirit of subordination and obedience to government. . . . And finally that Thou wilt most graciously be pleased to dispose us all to do justice, to love mercy and to demean ourselves with that charity, humility and pacific temper of mind which were the characteristics of the Divine Author of our blessed religion, and without a humble immitation of whose example in these things we can never hope to be a happy nation. Grant our supplication, we beseech Thee, through Jesus Christ our Lord. Amen.—GEORGE WASHINGTON.

Mr. NICKLES. Abraham Lincoln in the Gettysburg Address, at a time of real crisis in our country, said that, "This Nation under God shall have a new birth of freedom."

These and other countless examples clearly show that our forefathers believed in God and continually asked for guidance. I think that we as leaders need to do the same today, not only to solve our problems, but also to acknowledge and thank Him for the many blessings that have been bestowed upon us.

In the last 20 years it seems as if our Government has certainly been moving away from the real concept of God protecting and guiding America. The Supreme Court decision in 1961, the first High Court ruling that came out against voluntary prayer in public schools, provides very clear and convincing evidence of this trend.

This decision banned voluntary prayer during school hours. At that time, 13 States had laws which granted public school students the right to recite the Lord's prayer. Suddenly our U.S. Supreme Court no longer permitted a simple acknowledgment of God in the classroom.

Two years later, in 1963 the Court ruled, that Bible reading would no longer be allowed in our public schools.

In both of these cases, the Supreme Court based their arguments on the first amendment.

Mr. President, I would like to read the appropriate portion of the first amendment. It says:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . .

At the time the first amendment was passed, our forefathers knew the serious problems which had resulted in England when the national church was established. Like our forefathers, I do not want our Federal Government involved in supporting a church. However, I do think we must look at the entire first amendment to understand it's true application. This is where the Supreme Court made a real travesty of justice and misinterpreted the first amendment by not taking into consideration the amendment's clause guaranteeing "the free exercise thereof" of religion.

Our courts are telling us, "No, you cannot have voluntary prayer in school." They have effectively gone into every town in the United Sates and said that the U.S. Government is not going to allow this school or that child to say a nondenominational prayer, or post the Ten Commandments, or read a Bible verse. If this is not prohibiting the free exercise of religion, then what is?

I have no desire to impose my religious views on anyone. I just hope and pray that everyone would have the opportunity to exercise the freedom of religion as guaranteed so plainly, so perfectly, I think, in the first amendment, but so grossly misinterpreted by the courts.

Unfortunately, this false view of the first amendment not only continues, but is affirmed and reaffired by recent Supreme Court decisions. A case in point: Almost a year ago a small group of students in Guilderland High School in New York decided to get together in school and pray before class started. The students did not ask for any administrative help or subsidies. All they wanted was a meeting room in the school. What they got was a Federal court ruling that declared voluntary prayer in public schools was unconstitutional, whether or not class was even in session. That decision was recently upheld by the Supreme Court when it turned down an opportunity to examine the case.

It seems further ironic that the High Court ruled in December of 1981 to allow voluntary prayer in public universities. The Court then reasoned that elementary and secondary school students are more impressionable than college students. The inconsistency of these decisions demonstrates a determination to keep parental values outside of school, where impressionable children spend an enormous amount of time.

Supreme Court Justice Potter Stewart best summed up the injustice of the Court's action when he said:

Schools play such a central role in a child's formation that to not allow any religious exercise in the system is to place religion at an artificial and state-created disadvantage. A refusal to permit religious exercises is not seen as a realization of State neutrality but, rather, as the establishment of a religion of secularism.

Mr. President, if nothing is done to change these decisions or the makeup of the Court, then not only are we barring God from the classroom, but I believe we will see a continued tendency to view government as the almighty, providing the solutions to all of our problems. I think that this would be a mistake that we in leadership would not like to see thrust upon our children.

What can be done? I think something has to be done to restore the fundamental balance that our forefathers sought in the first amendment. And that balance includes both allowing for the free exercise of religion and protection from the establishment of religion. And so, what are our options for restoring this balance?

We can pass a constitutional amendment, an idea I support and call for today, which would reverse the Court's ruling. That is one alternative.

We could follow Senator HELMS' proposal and pass legislation that would limit the jurisdiction of the courts under article III, section 2 of the Constitution. I would support that.

Most preferably, however, would be for the Court to reverse their stance on this issue. They have made mistakes in the past. The Dred Scott decision, if you will remember, was certainly a mistake. I believe that mistakes were made in the 1961 and 1963 cases which now need to be reversed. By reviewing a similar case and reversing their ruling, the Supreme Court could restore voluntary prayer in schools, removing the Federal Government's heavy hand from the issue.

Hopefully, this is in the scheme of things to come. If not, we may have to change the makeup of the Court, and hopefully, with such a change, the Court will change its posture on this particular issue.

Personally, I think that this is the solution to a lot of the so-called social issues that we have before us today. Most of these issues only became issues because the Supreme Court misinterpreted the Constitution. I am speaking of abortion, school prayer, and busing.

As Senators, we are sworn to uphold the Constitution, and the Constitution, in the first amendment, says quite plainly that Congress shall not pass a law prohibiting the free exercise of religion.

We have, as our responsibility, the protection of freedom of religion as our forefathers intended.

So whether it be through a constitutional amendment, whether it be

through limiting the jurisdiction of the courts, or through a change in the opinion of the Supreme Court, I am hopeful that we really will see some change.

In the interim, we as legislators need to do everything we can possibly do to restore those freedoms. Because to follow the philosophy or, in my opinion, the absurdity of those who oppose such freedom, will mean the continued secularization of our Nation. It would mean the removal of the Senate Chamber's words, "In God We Trust." Certainly we would eventually be prevented from opening the session with Reverend Halverson's prayer, a beautiful prayer. Perhaps our children would have to stop saying the Pledge of Allegiance because it says "One nation under God, with liberty and justice for all."

If we want to separate it all, maybe we ought to take the motto of "In God We Trust" off our dollar bills and coins.

No, Mr. President, I do not think so, because what would be left, except, perhaps, taking Christ out of Christmas. Maybe we should not have Christmas as a Federal holiday because it is a religious holiday.

I think the reasoning of the proponents of this type of secularism is wrong. I hope and I pray that they will examine the issues that are involved and realize that they are wrong.

Mr. President, we are the only country in the world that has, as our national motto, "In God We Trust." I very much trust in God and hope and pray that He will guide our colleagues, guide our President, and guide world leaders throughout.

I hope that He will be able to continue to give us His guidance and His blessing so that in 10 years, 20 years, or even 100 years from now His children and our children will be able to come into this Chamber and say, "I thank God I am an American and we still live in the greatest, the freest, and the most blessed country in the history of mankind."

RECOGNITION OF SENATOR KASTEN

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin is recognized.

Mr. KASTEN. I thank the Chair.

S. 2499—FEDERAL TRADE COMMISSION REAUTHORIZATION

Mr. KASTEN. Mr. President, I am pleased today to introduce legislation to reauthorize the Federal Trade Commission and make several important changes in the Federal Trade Commission Act.

As Consumer Subcommittee chairman, I chaired 2 days of hearings last July and 2 additional days of hearings in March on oversight and authorization of the FTC. The witnesses at these hearings, members of the Commerce Committee, and many others have had worthwhile ideas for improvements in the FTC's legislative mandate.

Over this period, two bills were introduced in the Senate and referred to our committee: S. 1984, sponsored by Senator MCCLURE, and S. 2221, sponsored by Senator CANNON. These specific legislative proposals have been an especially useful source of guidance.

Mr. President, it has not been an easy task to assimilate this material, determine which proposals are both politically feasible and based solidly in the record, and reduce these proposals to legislative language. In the process of preparing this bill, I have been forced, for one reason or another, to omit certain proposals, both major and minor, that I hope and expect to act on at a more appropriate time.

One such proposal involves recommendations to define by statute the FTC's authority over deceptive advertising. Witnesses at our hearings, including FTC Chairman Miller and representatives of the business community, raised valid concerns about the FTC's track record in deception cases and about the need to address together the FTC's authority over "unfair" and "deceptive" practices.

While I share these concerns, I am troubled by the lack of consensus on this issue and the fact that specific legislative proposals have continued to be revised following our hearing. I believe the interests of the public, the Congress, and the proponents of these deception proposals will be best served by a systematic study of this issue and additional hearings. I hope that, through such study, a consensus could develop on "deception" similar to the consensus that has developed over the course of time on a definition of "unfairness" so that we may consider this issue again promptly in the next Congress.

I have also sought to postpone considering any change in the traditional scope of the FTC's antitrust authority.

Mr. President, as a former small businessman, I am firmly committed to enforcement of our antitrust laws. The market is without doubt our best regulator of business conduct. Yet, in this era of deregulation, it is essential that Government maintain an active antitrust enforcement program to insure that markets remain competitive.

I believe that major proposals to change the FTC's antitrust mission must be approached cautiously and studied carefully. Considering the gravity of the major economic issues confronting Congress and the consumer protection issues to be addressed in connection with the FTC authorization, I believe consideration of these antitrust issues must be deferred.

Mr. President, I believe the bill I am introducing today strikes an appropriate balance in some difficult areas between the interests of consumers and the need for regulatory reform. The reform effort is a continuing one, and I look forward to continued study of these issues. I look forward as well to the Commerce Committee's consideration of this legislation, now scheduled for Tuesday, May 11, and to working with members of the committee and other Senators in this important effort.

Mr. President, I ask unanimous consent that my Federal Trade Commission authorization legislation and an accompanying section-by-section analysis be printed in the RECORD directly following these remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Amendments Act of 1982".

UNFAIR ACTS OR PRACTICES

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) For purposes of this section, unfair acts or practices are acts or practices that have caused or are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition".

STATE ACTION

SEC. 3. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(o) Notwithstanding any other provision of this Act, the Commission shall not find a method of competition to be unfair if, in an action under the Sherman Act of July 2, 1890 (15 U.S.C. 1 et seq.), such method of competition would be held to constitute State action.

"(p)(1) Notwithstanding any other provision of this Act, the Commission shall not use its authority to prohibit unfair or deceptive acts or practices under this section or section 18 to invalidate any State statute or any duly promulgated State agency regulation prescribing the scope of practice of any State-licensed professional.

"(2) For purposes of this subsection—

"(A) "State" means a state, territory, or commonwealth of the United States, or the District of Columbia;

"(B) "State-licensed professional" means any person performing tasks subject to State licensure where the State requires, as a prerequisite to practice in a profession, a post-graduate degree from an accredited institution of higher learning legally authorized or recognized to train members for such practice; and

"(C) "scope of practice" means the permissible duties or tasks which a State-licensed professional is authorized by law to perform, including the education, experience,

or training requirements required by State law as a condition of licensure.".

COMPENSATION IN PROCEEDINGS

SEC. 4. Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

MAXIMUM PENALTIES

SEC. 5. (a) Section 5(1) of the Federal Trade Commission Act (15 U.S.C. 45(1)) is amended by adding at the end thereof the following: "Where a final order of the Commission is based upon a finding that acts or practices are unfair or deceptive, the maximum civil penalty for any related series of violations under this subsection shall not exceed $1,000,000.".

(b) Sections 5(m)(1)(A) and 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1) (A) and (B)) are amended by adding at the end of each provision the following: "The maximum civil penalty for any related series of violations under this subsection shall not exceed $1,000,000.".

KNOWING VIOLATIONS OF CEASE AND DESIST ORDERS

SEC. 6. (a) Section 5(m)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 45(m)(1)(B)) is amended by inserting ", other than a consent order," immediately after "order" the first time it appears therein.

(b) Section 5(m)(2) of the Federal Trade Commission Act (15 U.S.C. 45(m)(2)) is amended by inserting immediately before the period at the end thereof the following: ", and such defendant may seek review of the Commission's determination that the act or practice which formed the basis for the issuance of the cease and desist order is an unfair or deceptive act or practice".

CONGRESSIONAL REVIEW OF RULES

SEC. 7. (a) The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating sections 24 and 25 as section 25 and 26, respectively, and by inserting after section 23 the following new section:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 24. (a)(1) Notwithstanding any other provision of law, any final rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(2)(A) Notwithstanding any other provision of law, no recommended final rule of the Commission may become effective until the expiration of a period of forty-five days of continuous session of Congress after the date on which the rule is received by the Congress under paragraph (4) of this subsection. If before the expiration of such forty-five-day period, either appropriate committee orders reported or is discharged from consideration of a resolution of disapproval with respect to such rule, such rule may not become effective if within thirty days of continuous session of Congress after the date on which such committee orders reported or is discharged from further consideration of such resolution, one House of Congress agrees to such resolution of disapproval of the rule and within thirty additional days of continuous session of Congress after the date of transmittal of the resolution of disapproval to the other House, such other house agrees to such resolution of disapproval.

"(B) Whenever an appropriate committee reports a resolution of disapproval pursuant to this paragraph, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(C) Notwithstanding subparagraph (A) of this paragraph, a recommended final rule may become effective at any time after the day on which either House of Congress defeats a resolution of disapproval, and, in the case of the Senate, a motion to reconsider such resolution is disposed of.

"(3)(A) Except as provided in subparagraph (B) of this paragraph, if Congress adjourns sine die at the end of a Congress prior to the expiration of the periods specified in paragraph (2)(A) of this subsection with respect to a recommended final rule, the rule shall not become effective during that Congress. The Commission may transmit such rule at any time after the first day of the following Congress in accordance with paragraph (4) of this subsection, and the periods specified in paragraph (2)(A) of this subsection with respect to any such rule shall begin on the date such rule is transmitted to the Congress.

"(B) If—

"(i) Congress adjourns sine die at the end of a Congress prior to the expiration of the periods specified in paragraph (2)(A) of this subsection with respect to a recommended final rule;

"(ii) the Commission transmits such recommended final rule to the Congress at least forty-five days of continuous session of Congress prior to the day on which Congress adjourns sine die at the end of a Congress; and

"(iii) either House of Congress does not adopt a resolution of disapproval with respect to such recommended final rule prior to the day on which Congress adjourns sine die at the end of a Congress,

such rule may become effective at any time after the day on which Congress adjourns sine die at the end of a Congress.

"(4)(A) On the day on which a recommended final rule is transmitted for publication to the Federal Register, the Commission shall transmit to the Secretary of the Senate and the Clerk of the House of Representatives a copy of the complete text of such recommended final rule and a copy of any other materials transmitted to the Federal Register with such rule.

"(B)(i) If either House of Congress is not in session on the day on which a recommended final rule is transmitted for publication to the Federal Register, the periods specified in paragraph (2)(A) of this subsection with respect to such rule shall begin on the first day thereafter when both Houses of Congress are in session.

"(ii) The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive recommended final rules and materials transmitted under this paragraph on days when the Senate or the House of Representatives, as the case may be, is not in session.

"(C) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended final rule and the materials transmitted with such rule, the Secretary and the Clerk shall transmit a copy of such rule and such materials to the appropriate committees.

"(b)(1) If a recommended final rule of the Commission is disapproved under this section, the Commission may issue a recommended final rule which relates to the same acts or practices as the disapproved rule. Such recommended final rule—

"(A) shall be based upon—

"(i) the rule making record of the recommended final rule disapproved by the Congress; or

"(ii) such rule making record and the record established in any supplemental rule making proceedings conducted by the Commission in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rule making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of Congressional debate and consideration of the resolution of disapproval with respect to the rule.

"(2) The Commission, after issuing a recommended final rule under this subsection, shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives in accordance with subsection (a) of this section, and such rule shall only become effective in accordance with such subsection.

"(c) Congressional inaction on or rejection of a resolution of disapproval with respect to a recommended final rule shall not be deemed an expression of approval of such rule.

"(d) The provisions of this subsection and subsections (a) (3) and (4), and (b) (2)(B) and (4)(D) of this section, are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions of disapproval; and they supersede other rules only to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(e) Except as provided in subsection (h) of this section, resolutions of disapproval shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(f)(1)A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a resolution of disapproval has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended final rule to which such resolution relates, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(B) If the committee to which a resolution of disapproval transmitted from the other House has been referred does not report such resolution within 20 days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in writing by one-fifth of the Members, duly chosen and sworn, of the House of Congress involved, and is highly privileged in the House and privileged in the

Senate (except that it may not be made after a resolution of disapproval has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. An amendment to the motion is not in order.

"(g)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a resolution of disapproval shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a resolution of disapproval, or when the companion resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding the provisions of rule XXII of the Standing Rules of the Senate or any other rule of the Senate or the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such resolution. The motion is highly privileged in the House and privileged in the Senate and is into debatable. An amendment to the motion is not in order.

"(3) Debate on a resolution of disapproval shall be limited to not more than two hours (except that when one House has debated its resolution of disapproval, the companion resolution shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled, by the majority leader and the minority leader or their designees. A motion further to limit debate is not in order. An amendment to, or motion to recommit, the resolution is not in order. A motion to reconsider shall be in order only on the day on which occurs the vote on adoption of the resolution of disapproval, and shall not be debatable. Any other motions shall be decided without debate.

"(h) If a resolution of disapproval has been ordered reported or discharged from the committee of the House to which it was referred, and that House receives a resolution of disapproval with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If prior to the disposition of a resolution of disapproval of one House, that House receives the companion resolution of disapproval from the other House, the vote in the first House shall occur on the resolution of disapproval of the other House.

"(i) For purposes of this section—

"(1) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(2) the days on which either House is not in session because of an adjournment or recess of more than fifteen days are excluded in the computation of days of continuous session.

"(j) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Energy and Commerce of the House of Representatives, or the Committee on Commerce, Science and Transportation of the Senate, as the case may be;

"(2) 'Commission' means the Federal Trade Commission;

"(3) 'resolution of disapproval' means a concurrent resolution of the Congress, the matter after the resolving clause of which is as follows: 'That the Congress disapproves the recommended final rule issued by the Federal Trade Commission dealing with the matter of ————, which rule was transmitted to the Congress on ————.', the first blank being filled with the title of the rule and such further description as may be necessary to identify it, and the second blank being filled with the date of transmittal of the rule to the Congress; and

"(4) 'rule' means any rule promulgated by the Commission pursuant to the Federal Trade Commission Act (15 U.S.C. 41 et seq.), other than any rule promulgated under section 18(a)(1)(A) of such Act (15 U.S.C. 57a(a)(1)(A)) and any other interpretive or procedural rule.".

(b)(1) Any interested party may institute such actions in the appropriate district court of the United States, including actions for declaratory judgment, as may be appropriate to construe the constitutionality of section 24 of the Federal Trade Commission Act, as added by subsection (a) of this section. The district court shall immediately certify all questions of the constitutionality of such section 24 to the United States court of appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) of this subsection shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought not later than 20 days after the decision of the court of appeals.

(3) It shall be the duty of the court of appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1) of this subsection.

(c)(1) The amendmend made by subsection (a) of this section shall take effect on January 1, 1983.

(2) The provisions of section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1) shall apply to any rule submitted before January 1, 1983, nothwithstanding the time limitation contained in section 21(i) of such Act.

(3) Any rule which is submitted to the Congress by the Federal Trade Commission on or after January 1, 1983, including any rule resubmitted after (A) adoption of a concurrent resolution of disapproval with respect to such rule, or (B) due to adjournment sine die of the Ninety-seventh Congress before expiration of the time for Congressional review specified in section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57a-1), shall be subject to the provisions of section 24 of the Federal Trade Commission Act, as added by subsection (a) of this section.

AFFIRMATIVE RELIEF

SEC. 8. (a)(1) Unless the Federal Trade Commission has complied with paragraphs (2) and (3) of this subsection, the Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of issuing an order under section 5(b) of such Act which relates to unfair or deceptive acts or practices, and which contains remedial requirements other than a requirement to discontinue the act or practice.

(2) The Commission shall not issue any such order until it has conducted an analysis showing that the potential benefits from such additional relief would outweigh the potential costs.

(3) The Commission shall transmit a copy of any analysis conducted under paragraph (2) of this subsection to the Senate Committee on Commerce, Science and Transportation and the House Energy and Commerce Committee. Such transmittal shall be made within 10 days after the date on which such an order is served.

(b) The requirements of subsection (a) of this section shall not form the basis for any challenge to such an order in any court, without regard to whether the challenge is made as part of or independent of the judicial review of such an order permitted under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

PREVALENCE OF UNLAWFUL ACTS OR PRACTICES

SEC. 9. Section 18(b) of the Federal Trade Commission Act (15 U.S.C. 57a(b)) is amended by adding at the end thereof the following:

"(3) The Commission shall issue a notice of proposed rulemaking pursuant to paragraph (1)(A) only where it has reason to believe that the unfair or deceptive acts or practices which are the subject of the proposed rulemaking are prevalent. The Commission shall make a determination that unfair or deceptive acts or practices are prevalent under this paragraph only if it has issued cease and desist orders regarding such acts or practices, or any other information available to the Commission indicates a pattern of unfair or deceptive acts or practices.".

EFFECTIVE DATE OF CEASE AND DESIST ORDERS

SEC. 10. (a) Section 5(g)(2) of the Federal Trade Commission Act (15 U.S.C. 45(g)(2)) is amended to read as follows:

"(2) Upon the sixtieth day after such order is served, if a petition for review has been duly filed, except that any such order may be stayed, in whole or in part and subject to such conditions as may be appropriate, by—

"(A) the Commission;

"(B) an appropriate court of appeals of the United States, if (i) a petition for review of such order is pending in such court, and (ii) an application for such a stay was previously submitted to the Commission and the Commission, within the 30-day period beginning on the date the application was received by the Commission, either denied the application or did not grant or deny the application; or

"(C) the Supreme Court, if an applicable petition for certiorari is pending; or".

(b) Section 5(g)(3) of the Federal Trade Commission Act (15 U.S.C. 45(g)(3)) is amended to read as follows:

"(3) For purposes of section 19(a)(2) and section 5(m)(1)(B), if a petition for review of the order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed; or".

(c) Section 5 (g)(4) of the Federal Trade Commission Act (15 U.S.C. 45(g)(4)) if amended to read as follows:

"(4) In the case of an order requiring a person, partnership, or corporation to divest itself of stock, other share capital, or assets, if a petition for review of such order of the Commission has been filed—

"(A) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals and no petition for certiorari has been duly filed;

"(B) upon the denial of a petition for certiorari, if the order of the Commission has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(C) upon the expiration of 30 days from the date of issuance of a mandate of the Supreme Court directing that the order of the Commission be affirmed or the petition for review be dismissed.".

CIVIL INVESTIGATIVE DEMANDS

SEC. 11. (a) Paragraphs (2), (3), and (7) of section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a) (2), (3), and (7) are amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(b) Section 20(b) of the Federal Trade Commission Act (15 U.S.C. 57b-1(b)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

(c) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)) is amended by striking "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by a law administered by the Commission".

AGRICULTURAL COOPERATIVES

SEC. 12. (a) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of conducting any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled "An Act to authorize association of producers of agricultural products", approved February 18, 1922 (7 U.S.C. 291 et seq.), commonly known as the Capper-Volstead Act, is not a violation of any Federal Antitrust Act or the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of conducting any study or investigation of any agricultural marketing orders.

TRADEMARKS

SEC. 13. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1983, 1984, or 1985 under section 25 of such Act, as so redesignated in section 7, for the purpose of taking any action under section 14 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" (15 U.S.C. 1064), commonly referred to as the Lanham Act, with respect to the cancellation of the registration of any mark on the ground that such mark has become the common description name of an article or substance.

COMMERCIAL ADVERTISING

SEC. 14. Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting immediately before the period at the end thereof the following: ": *Provided*, That the Commission shall have no authority under this section or section 18 to prohibit or otherwise regulate any commercial advertising on the basis of a determination by the Commission that such commercial advertising constitutes an unfair act or practice in or affecting commerce.

CREDIT UNIONS

SEC. 15. (a) Section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(b)(1) Section 6(a) of the Federal Trade Commission Act (15 U.S.C. 46(a)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(2) Section 6(b) of the Federal Trade Commission Act (15 U.S.C. 46(b)) is amended by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4),".

(3) The second proviso in section 6 of the Federal Trade Commission Act (15 U.S.C. 46) is amended—

(A) by inserting immediately after "section 18(f)(3)," the following: "Federally insured credit unions described in section 18(f)(4) from the Commission's powers defined in clause (b) of this section; and

(B) by inserting immediately after "in business as a savings and loan institution" the following: ", in business as a Federally insured credit union,".

(c)(1) The second sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended by inserting immediately after "paragraph (3))" the following: "and the National Credit Union Administration Board (with respect to Federally insured credit unions described in paragraph (4))".

(2) The last sentence of section 18(f)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(1)) is amended—

(A) by striking "either such Board finds that" and inserting in lieu thereof "any such Board finds that";

(B) by inserting "or Federally insured credit unions described in paragraph (4)," immediately after "paragraph (3)," each place it appears therein; and

(C) by inserting immediately after "with respect to banks" the following: ", savings and loan institutions or Federally insured credit unions".

(3) Section 18(f) of the Federal Trade Commission Act (15 U.S.C. 57a(f)) is amended by redesignating paragraphs (4), (5) and (6) as paragraphs (5), (6) and (7), respectively, and by inserting immediately after paragraph (3) the following:

"(4) Compliance with regulations prescribed under this subsection shall be enforced under section 120 of the Federal Credit Union Act (12 U.S.C. 1786) with respect to Federal credit unions and section 206 of the Federal Credit Union Act (12 U.S.C. 1786) with respect to other insured credit unions.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 16. Section 25 of the Federal Trade Commission Act, as redesignated by section 7 of this Act, is amended—

(1) by striking "and" after "1981, "; and

(2) by inserting immediately before the period at the end thereof the following: "not to exceed $60,838,000 for the fiscal year ending September 30, 1983; not to exceed $55,100,000 for the fiscal year ending September 30, 1984; and not to exceed $54,600,000 for the fiscal year ending September 30, 1985".

EFFECTIVE DATE

SEC. 17. (a) Except as provided in subsection (b) of this section and section 7(c) of this Act, the provisions of this Act shall take effect on the date of enactment of this Act.

(b) The amendments made by sections 2, 3, 8 and 10 of this Act shall apply only with respect to cease and desist orders issued under section 5 of the Federal Trade Commission Act (15 U.S.C. 45), or to rules promulgated under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a), after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order which was issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease and desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Commission prior to the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS OF FEDERAL TRADE COMMISSION AMENDMENTS OF 1982

SECTION 1—TITLE

The title of this legislation is the Federal Trade Commission Amendments of 1982.

SECTION 2—UNFAIR ACTS OR PRACTICES

This section would add a new subsection to Section 5 of the Federal Trade Commission Act to define unlawful "unfair acts or practices" as acts or practices that have caused or are likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or competition. This definition would circumscribe the Commission's consumer unfairness authority for both rulemakings and case-by-case adjudications.

SECTION 3—STATE ACTION

This section would add two new subsections to Section 5 of the Federal Trade Commission Act to impose new limitations on Commission preemption of state law.

First, with respect to the Commission's antitrust authority the "state action" defense would apply, just as it now does under Sherman Act litigation, to immunize con-

duct required by the state pursuant to an actively supervised state regulatory scheme.

Second, with respect to the Commission's consumer protection authority, the Commission would be prohibited from invalidating any state statute or any duly promulgated state agency regulation prescribing the permissible scope of practice of any state-licensed professional; including state statutes or regulations prescribing educational, experience, or training regulations for licensure. "State-licensed professional" is defined to mean any person performing tasks subject to state licensure where that state requires a post-graduate degree as a prerequisite to practice.

SECTION 4—COMPENSATION IN PROCEEDINGS

This section would repeal the Commission's authority under Section 18 (h) of the FTC Act to compensate participants in trade regulation rulemakings.

SECTION 5—MAXIMUM PENALTIES

This section would amend Sections 5(l), 5(m)(1)(A), and 5(m)(1)(B) of the FTC Act to place a maximum of $1,000,000 on the total civil penalty that may be imposed under these sections for a related series of violations of a Commission consumer protection order or rule.

SECTION 6—KNOWING VIOLATIONS OF ORDERS

This section would amend Section 5 (m)(1)(B) of the FTC Act (which gives the Commission the authority to go to federal court to seek civil penalties against one company for a knowing violation or an order entered against a different company) to permit the defendant to challenge in court the legal basis for the Commission's prior order, thereby codifying the U.S. District Court decision in *United States* v. *Braswell.* This section would also clarify that only litigated cease and desist orders, not consent agreements may be the basis for a 5(m)(1)(B) civil penalty action.

SECTION 7—CONGRESSIONAL REVIEW OF RULES

This section would revise and extend the expiring authority for two-House Congressional review of Commission trade regulation rules. As modified, the Congressional review process would mirror the veto provisions of S. 1080, the Regulatory Reform Act. The current requirement for expedited court review of the constitutionality of the veto provision would be retained, however.

SECTION 8—AFFIRMATIVE RELIEF

This section would require the Commission, before ordering affirmative remedies (such as corrective advertising) in its consumer protection cases, to conduct an analysis showing the the potential benefits from such additional relief would outweigh the potential costs. The Commission would be required to send this analysis to the House and Senate Commerce Committee. The requirements of this section would not be judicially reviewable, and they would be in effect only for the length of the authorization.

SECTION 9—PREVALENCE

This section would amend Section 18(b) of the FTC Act to provide that the Commission may issue a notice of proposed rulemaking only where it has reason to believe that the challenged conduct is prevalent in the industry.

SECTION 10—EFFECTIVE DATE OF ORDERS

This section would amend Section 5(g) of the FTC Act to end the present requirement for an automatic stay of Commission cease and desist orders pending appeal, and provide instead that Commission orders may be stayed by the Commission itself or by the courts (within their discretion) during the appeal process.

SECTION 11—CIVIL INVESTIGATIVE DEMANDS

This section would extend the "civil investigative demand" document procedures contained in Section 20 of the FTC Act, which now apply to Commission investigations under its consumer protection authority, to investigations concerning any act or practice or method of competition declared unlawful by a law administered by the Commission. Principally, this amendment would have the effect of requiring that Commission antitrust investigations, as well as consumer protection investigations, be conducted pursuant to Section 20.

SECTION 12—AGRICULTURAL COOPERATIVES

This section would extend, for the length of the authorization, the expiring prohibitions on (1) Commission study, investigation, or prosecution of any agricultural cooperative for conduct exempt from antitrust scrutiny by the Capper-Volstead Act, and (2) Commisson study or investigation or agricultural marketing orders.

SECTION 13—TRADEMARKS

This section would extend, for the length of the authorization, the expiring prohibition on Commission actions under the Lanham Act to invalidate trademarks.

SECTION 14—COMMERCIAL ADVERTISING

This section would amend Section 5(b) of the FTC Act to prohibit on a permanent basis Commission rulemakings and other cases which prohibit or otherwise regulate commercial advertising on the basis that the advertising constitutes an unfair act or practice.

SECTION 15—CREDIT UNIONS

This section would exempt credit unions from Commission jurisdiction on the same basis that banks and savings and loans are now exempt. Credit unions are regulated by the National Credit Union Administration.

SECTION 16—AUTHORIZATION OF APPROPRIATIONS

This section would reauthorize the Commission for three years at Office of Management and Budget recommended funding levels: $60,838,000 in fiscal year 1983; $55,100,000 in 1984; and $54,600,000 in 1985.

SECTION 17—EFFECTIVE DATE

Unless otherwise provided, this legislation will be effective upon enactment.

SOCIAL AND ECONOMIC EFFECTS OF NUCLEAR WAR

Mr. PROXMIRE. Mr. President, I have been reporting to the Senate on a study by Katz & Osdoby on the social and economic effects of nuclear war. For the last 8 or 10 meetings of the Senate, I have reported on the various effects of a limited nuclear war, a surgical strike, according to these experts.

This morning I should like to get into the consequences of an attack against economic targets and relate this very, very thoughtful and careful study that has been made by two outstanding experts. Here is what they find:

The test of any effective strategic nuclear deterrent is its ability to answer any "surprise" attack with a counterattack so powerful and destructive that an adversary would face such great damage to its society as to be "unacceptable." Hence, an apparently successful first strike would be a pyrrhic victory at best. Comparing the consequences to society of different levels of nuclear attack, we now consider how much of an arsenal is needed to achieve this goal.

The nature of defining "How much is enough?" has changed with the dramatic increase in warheads attributed to the appearance of multiple independent reentry vehicles (MIRVs) and the parallel development of increased accuracy and reliability of land- and sea-based missiles.

It is now possible to target selectively for maximum damage key components of the U.S. or Soviet economic and urban infrastructure, using only a small proportion of the current nuclear arsenal—for either a first strike or counterattack. The combination of technological advances in weaponry plus the highly integrated nature of technical/industrial societies results in potentially devastating damage from a relatively small attack. To demonstrate this potential, the attacks hypothesized for this consideration use only a fraction of existing nuclear weapons. As already noted, this scenario takes place in the U.S., but there is ample evidence that the Soviet Union would be just as vulnerable—or even more so—to such a disciplined attack.

In our hypothetical scenario, 34 major categories of industry were assumed as targets. Standard Industrial Classification (SIC) codes were used to identify these major categories. The study established the geographical distribution, capacity and location, by plant, of these major industries. The 71 largest metropolitan areas for 1980 were assumed to be the major initial targets, since they contain the largest concentration of the 34 critical industries.

The attacks (designated A-1 the largest to A-4 the smallest) range in size from 800 weapons, with a total destructive power equivalent to about 500 megatons to 400 weapons totaling 150 equivalent megatons. For comparison the Soviet SS-18s (which represent 308 out of approximately 1,600 of the USSR's ICBMs) are estimated to have over 2,400 warheads, each with the destructive power of at least one megaton.

These attacks had two elements: 100(A-4), 200(A-3), 300(A-2) and 500(A-1) one megaton weapons used against the 71 U.S. chief urban centers containing 60 percent of U.S. manufacturing capability; and a second part in which 200-300 smaller 100 kiloton weapons were employed specifically to destroy eight key elements of the economy such as petroleum refining, iron and steel works, nonferrous metals (aluminum, zinc, copper, lead), drugs, electrical distribution products, and engines and turbines, which would reduce these industries to only 2 to 3 percent of their pre-attack capacity. No fallout is produced in these attacks. Selective use of weapons producing fallout would increase the effects described below.

The largest or "reference" attack—A-1—uses 500 one-megaton warheads and 200-300 smaller 100 kiloton warheads. It is based on data developed in a 1970 study entitled "Potential Vulnerabilities Affecting National Survival" prepared for the Army's Office of Civil Defense. The FVANS study assumed a nuclear attack intended to cripple the national economy recovery capabilities of the United States. Its purpose was to determine the number and variety of weapons needed to accomplish this objective.

Mr. President, in subsequent reports to the Senate, I will discuss the casualties and economic effects, the impact on various regions, the selected industries, the effect on the food supply in this country, the energy effects, the medical effects, and other consequences.

NEW TEXTBOOK EXPOSES STUDENTS TO THE CRIME OF GENOCIDE

Mr. PROXMIRE. Mr. President, I need not remind you of the importance of recounting the past. Failure to remember errors of our forebears leaves open the possibility that we may commit those same mistakes.

Over the past 30 years, a plethora of literature on the Holocaust has been published to keep the lessons of that tragedy alive. However, there is no guarantee that most citizens will ever read any of these publications.

Our public school system provides a setting for mandatory exposure to important issues and events. Unfortunately, the history materials in our secondary schools are sorely lacking in their coverage of the Holocaust. For a number of reasons, traditional textbook publishers have eschewed the subject. One publisher wrote:

> The topic probably is regional in localities where there is a strong Jewish community; I suspect that there are a number of things already available for free from various Jewish groups . . . [Anyway,] to me much of this is ghoulish.

"Facing History and Ourselves: Holocaust and Human Behavior," a new textbook geared toward high school classes, fills this vacuum. The approach of the authors is highly humanistic; the book often extends far beyond the factual material to question the students' emotions and perceptions in tense and unusual situations. In so doing, the book shows the student how easily one can lose compassion for others and let him or herself get swept away by a charismatic leader.

Furthermore, the authors explore the growth of anti-Semitism before Hitler ever came to power. This forces the students to question their own prejudices toward cultural groups, including the Jews.

In addition to the Holocaust, the authors present the case of genocide against the Armenians. In this way they are able to place the crime of genocide in a more conceptual framework.

Mr. President, I applaud the authors of this fine work, Margot Stern Strom and William Parsons, for stimulating discussion on and bringing wider understanding to an issue that hurts just to contemplate. By educating a new generation about the crime of genocide, Strom and Parsons are helping to protect cultural groups for years to come. It is the duty of the Senate, as well, to prevent the crime of premeditated mass murder.

Mr. President, to further this objective, I urge the immediate consideration and passage of the Genocide Convention.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BURDICK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. WALLOP). Without objection, it is so ordered.

RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as the Senator from North Dakota needs.

GERIATRIC MEDICINE

Mr. BURDICK. Mr. President, in the reconciliation act passed last year, Congress enacted language authorizing the Federal Government to assist schools of medicine with programs of geriatric medicine. So far, however, this program has not been funded. For fiscal 1983, the administration has not requested any funds for the program, saying that geriatric education would be adequately covered by their programs for primary care physician training.

Mr. President, the Wall Street Journal recently carried an excellent article that illustrates clearly, I think, why this approach is inadequate. The article, by Michael Waldholz, discusses the problems that can be solved when elderly patients are properly diagnosed by physicians with geriatric medical training. It also points out how few of these doctors we now have practicing. The article does not go into detail about the growing number of older people in our society, but the facts are clear: Between 1980 and the year 2030, the total population is expected to grow by over 40 percent, but the elderly population will more than double. And the population over 85, those most likely to need specialized care, will almost triple.

Senate Aging Committee hearings, especially one I held last November in Grand Forks, N. Dak., have made the same points that this article makes—we need to plan for the future and begin training more health professionals in the special needs of the elderly. I recommend the Wall Street Journal article to my colleagues, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SCHOOLS BEGIN TO STRESS NEED FOR SPECIALISTS IN TREATING THE ELDERLY

(By Michael Waldholz)

Walter N. Roman was robust until he reached the age of 85. Then, suddenly, he began to act senile. He was confused, lost his memory and became hostile. His doctor, who had been treating him for a mild heart condition, suggested that he enter a nursing home.

"I was imagining things," Mr. Roman now recalls, nearly two years after his brush with dementia. "My grandchildren tell me I said things I don't remember saying."

In their desperation, Mr. Roman's family sent him to a geriatric clinic at New York's Bellevue Hospital. It is one of the handful of such programs that exist in the U.S. There, Dr. Michael L. Freedman found in Mr. Roman a problem sometimes encountered in elderly heart patients. The heart medicine he was taking wasn't being excreted properly by his kidneys; the high levels of the drug in his body caused a condition mimicking senility. Once taken off the medicine, Mr. Roman returned to normal.

INATTENTIVE TO THE ELDERLY

The treatment Dr. Freedman administered didn't involve a miracle cure, though as far as Mr. Roman and his family are concerned, the recovery was indeed miraculous. And few doctors in America are trained to detect what Dr. Freedman did. Gerontologists, the physicians and other professionals who specialize in the study of old people, say that scandalously little attention is paid to the special problems of the aged. And that is true even though patients over 65 account for one-fourth of hospital stays and for 30 percent of the nation's $220-billion-a-year health bill.

Gerontologists blame the inattention on ignorance and prejudice. "Most doctors just aren't trained to understand the normal process of aging," says Dr. Robert L. Kane, a professor of medicine at the University of California at Los Angeles Medical School. "Normal is often treated like disease," he says, "and disease is often ignored."

Thus, it isn't unusual for the medical problems of the elderly to be incorrectly diagnosed, inadequately treated or completely missed. Drugs, alone and in combination, can create problems such as Mr. Roman experienced, particularly in patients who are being treated for several diseases concurrently. Until recently, there had been scant research on many illnesses common among old people, including dementia and incontinence.

Gerontologists say that untold millions of dollars are spent on inappropriate care. And patients and their families are enduring unnecessary physical discomfort and anguish. At least some of the 1.3 million Americans in nursing homes would not be there if they had access to specialized treatment.

Until a few years ago, there were few special programs to treat the elderly outside of nursing homes, nor were there many specialists in geriatric medicine. Five years ago only a few medical schools offered so much as one course in geriatrics. More than half of them do now, but there still are fewer than 40 geriatricians in the country and only six fellowship programs to train more specialists.

"There's an enormous need for more doctors" schooled in geriatrics, says Dr. Robert N. Butler, who heads the National Institute of Aging and who, in September, will take over the new department of geriatrics at the Mount Sinai School of Medicine in New York. Dr. Butler says that he hears regularly from people with elderly family members. They "like their own doctors," he says, "but feel a need now for something more."

Hospitals, too, have become concerned about burgeoning populations of elderly patients who are well enough to be discharged but too fragile to go home. When patients can't find, or can't afford, skilled nursing facilities, they stay on longer in hospitals.

There is just such a shortage of nursing homes in Rochester, N.Y., where on any given day roughly 240 hospital beds are occupied by aged patients with no place else to go. To break the logjam, Rochester's six hospitals have set up the nation's first citywide geriatric assessment program. A doctor, a nurse and a social worker cooperate to speed the recovery of patients, improve their functioning and get them out of Rochester's hospitals.

But few hospitals employ such expert talent. Mount Sinai Medical Center in Chicago, for instance, for seven months has been trying to hire a geriatrician. Dr. Maurice A. Schwartz, the hospital's chairman of medicine, says that "that's an unusually long time" to be looking fruitlessly for a doctor to fill a position.

The medical profession has been slow to respond to the need for geriatricians, and the need is growing. The population over 65 is expected to reach 30 million by 1990, up from 26 million today. A 1980 Rand Corp. study noted that although 10 percent of the population already is over 65, a poll of practicing physicians found that only 0.2 percent of doctors regarded care of the aged as an important part of their practice.

Much of the felt need for geriatrics training has come from two government actions. In 1976, Congress created the National Institute of Aging, which has promoted the first research programs within nursing homes and has backed university education and research in geriatrics. In 1978, the national Academy of Science's Institute of Medicine, in a study financed by the government, urged the courses in geriatrics be included in every medical-school curriculum. The recommendation has brought about fast growth in such programs.

Despite an increase in interest, people in the field believe that the needs of the elderly won't be served until a new generation of medical students has been educated differently about treating the aged. "I tell my medical students if they want to do something easy, stay out of geriatrics." says Dr. Richard Besdine, a practicing geriatrician and professor of medicine at Harvard Medical School. Caring for the old, he says, requires patience and an acceptance that success with a patient usually means improvement rather than cure.

Students traditionally have been infected early in their training with the idea that treating the chronically sick elderly patient is a no-win undertaking. Dr. Neil Resnick, a young physcian who trained under Dr. Besdine, says that first-year students may see old people as "sweet and venerable, like their grandparents," but after four years of indoctrination "they know that old patients are the worst. They think of them as hypochondriacal, foolish, demented, incontinent, nonresponsive, all-around pains in the neck. 'Who needs this?' they think."

Negative attitudes are reinforced by the sorts of contact medical students have with elderly patients. Dr. Resnick adds: "Students see patients when they are the sickest, when their reserves are depleted. They often are angry or scared, and they are hostile. Students rarely see what can be done for them or experience, the satisfaction of trying."

Dr. Resnick is a graduate of one of only six geriatric fellowship programs in the U.S. each of which is designed to produce teachers of geriatrics. The first of these programs, the one at the Jewish Institute of Geriatric Care on Long Island in New York, began six years ago. The 527-bed facility appears to be a nursing home, but it can boast of accomplishments few nursing homes can match: About one-fourth of its patients eventually are sent home. The program emphasizes rehabilitation of stroke victims, amputees and other debilitated patients.

The Long Island facility is unusual. Nursing homes seldom employ full-time doctors, particularly physicians with specialized training in geriatrics. The institute's founder and medical director Leslie S. Libow, patterned the facility after teaching hospitals, the best of which "attract the brightest doctors, encourage research and provide facilities to teach medical students and young doctors," Dr. Libow says. "I thought, Why can't we do the same in a nursing home?"

BACK TO NORMAL

The institute stresses rehabilitation, getting older patients for whom improvement is possible back to a normal existence. "In geriatrics," Dr. Libow says, "the general rule is that improvement of functioning is everything." Thus, it is not unusual to see even double leg-amputees in their 70s and 80s being encouraged to walk again.

Moritz Nudel, whose broad shoulders and firm handshake make him seem younger than 89, goes each day to the institute's outpatient center, preparing to walk on artificial limbs. He lost one leg several years ago to a circulatory disorder, his remaining leg was removed recently. Asked whether he had considered the possibiity of not being able to walk, Mr. Nudel says, "No my wife wants a whole man."

Geriatric care requires more than medicine, involving as it does some attention to the patient's psychic needs and living conditions. And that is why NIA's Dr. Butler believes that "doctors have to come off their high horse and be willing to work within a team of health and social workers. For a geriatrician, these people can be his most important tool." Medical treatment of the aged differs, too.

Diseases manifest themselves differently in older patients, and treatement differ. For example, researchers now know that drug dosages standardized in studies of younger patients often aren't right for old people, particularly for patients who are taking a variety of drugs that interact. And diseases often are misdiagnosed, particularly as senility.

SENILE OR JUST DEPRESSED?

Dr. Jack Rowe, a professor at Harvard Medical School, says that many older patients are thought to be senile, or demented, when in fact they merely are depressed. "While a younger person might say he feels down, an older person who is depressed will act withdrawn, confused, and he'll lose intellectual abilities," Dr. Rowe says. "If correctly diagnosed, this depression can be treated. Instead of being put away in a nursing home, he can be rescued."

Some diseases that commonly affect the old still are largely ignored by medical science. Dr. Rowe says that that is true of incontinence, the loss of bowel and bladder control. The problem, he says, may account for 25 percent of nurses' time in homes and hospitals. "Yet, until recently, all research concerned itself with incontinence in bedwetting children or middle-aged women," he says. If incontinence were better understood and better treated, many people in nursing homes wouldn't be there. "A family can deal with almost anything but incontinence," says Dr. Rowe. It often is the last straw, he says.

Doctors who treat the aged say that one role for the geriatrician is to intervene where medical care is doing as much harm as good. Dr. Frederick Sherman, a geriatrician at New York's Mount Sinai hospital, tells of a recent patient admitted to the hospital unable to walk because of gangrene in two toes. The man, 87, blind, diabetic and deaf, was, nonetheless, independent until he was hospitalized.

Once institutionalized, the man became despondent. He had trouble urinating because he was bedridden. He got bedsores and became constipated. As a result of his discomfort, he became uncooperative. To calm him down, he was given tranquilizers that made him sleepy and obstinate.

Dr. Sherman examined the patient and was able, he says, to improve the man's hearing right away simply by cleaning his ears of impacted wax. He sent home for the man's hearing aid. The next step is to get him walking again.

"The patient, in the condition he's in, is a prime candidate for a nursing home," says Dr. Sherman. The geriatrician's challenge is to get him on his feet and back home instead.

SALVATORE MARTOCHE, U.S. ATTORNEY FOR THE WESTERN DISTRICT OF NEW YORK

Mr. BURDICK. Mr. President, Mr. Salvatore Martoche has been offically approved by the U.S. Senate for the position of U.S. attorney for the western district of New York. I must say that I feel my State of North Dakota deserves some credit for this nomination and the success of this young man, as Mr. Martoche is a graduate of the Law School of the University of North Dakota. Also, his wife, Mary Dee, is from Bismarck, N. Dak., and a graduate of the University of North Dakota. I am certain Mr. Martoche will do an outstanding job as U.S. attorney for the western district of New York. I extend my sincere good wishes on the appointment to Sal, and extend good wishes to Mary Dee and the children.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may continue to reserve my time but that the Senate may proceed with morning business if the distinguished majority leader so agrees.

Mr. BAKER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DAY OF PRAYER

Mr. HEFLIN. Mr. President, as a member of the Washington Committee for the National Day of Prayer, I am enthusiastic about responding to the Presidential proclamation and helping to coordinate a celebration that will clearly pronounce the positive power of prayer.

Thursday evening, May 6, 1982, at the DAR Constitution Hall here in Washington, a rally will be held to celebrate this Day of Prayer. A superb and enlightening program featuring many talented speakers, including our own fine Chaplain, the Reverend Richard C. Halverson, has been planned to entertain those who attend.

More than 200 years ago, our Nation was begun with a large portion of the foundation laid upon the personal religious convictions of the early settlers of this country. Those early Americans believed religion to be a necessary undergirding for a successful structure, so much so that George Washington, in his "Farewell Address" could say:

> Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports.

Paralleling this thought, the next President, John Adams, stated that:

> Statesmen may plan and speculate on liberty, but it is religion and morality alone upon which freedom can securely stand.

Again, religion and morality.

It is vitally important that we keep this advice in mind today, at a time when America's very spiritual heritage is in jeopardy, at a time when we face trying challenges, at home and abroad, economically, defensively and morally. At a time like this, we must remember that "* * * it is religion and morality alone upon which freedom can securely stand."

I have indeed been very pleased to have the opportunity to serve on the Washington Committee for the National Day of Prayer. As the son of a minister, I was raised in a very religious atmosphere, and my parents helped instill in me a strong belief in the power and wisdom of prayer. Ever since, throughout my life, I have often turned to prayer, in times of happiness and stress.

I hope that the National Day of Prayer will be a meaningful experience for millions across America. I hope that it can help, by striking a nerve of the country, and beginning the firming up of our foundation of religion and morality.

In the Bible, Matthew 21: 22 says, "and all things, whatsoever ye shall ask in prayer, believing, ye shall receive." My prayer is that the National Day of Prayer can have a real impact and can help spread a belief in the positive power of prayer, because I believe that America needs both prayer, and to pray.

I invite you to attend the DAR Constitution Hall for the National Day of Prayer rally. I hope many of you will be there, and together we can affirm America's belief in prayer.

After all, as Pope Pius XII said:

> Man is great only when he is kneeling.

U.S. FIRE ADMINISTRATION

Mr. HEFLIN. Mr. President, I am pleased today to express my support for Senate Concurrent Resolution 89 introduced by my distinguished colleague, Senator GLENN. This resolution expresses the sense of the Congress that the U.S. Fire Administration continue its research on arson, and its support for arson and fire prevention programs on the State and local levels.

Because of the rise in deaths and property destruction in the last several years due to arson, it is vitally important that we continue to support the efforts of the U.S. Fire Administration in combating this vicious crime. Nationwide, approximately 1,000 persons are killed annually due to arson, and nearly 10,000 others are injured in these fires. Property losses amount to as much as $1.3 billion, and indirect losses are estimated at over 10 times this amount.

In my own home State of Alabama, there was a 10-percent increase in fires due to arson in 1981 over the previous year. According to statistics gathered in the "Crime in Alabama Report," a total of 1,217 arsons were reported in Alabama last year, which was responsible for property damage of almost $13 million. The statistics include not only structural damage, but also loss of crops and timber. Arson is a malicious and premeditated crime, and we, as a nation, must not tolerate the loss of lives and property due to this criminal act.

If we are to have a coordinated and comprehensive antiarson program in this country, we must continue to support areas of research developed by the U.S. Fire Administration. One important program for which the agency is responsible is the arson information management system (AIMS). AIMS has already been successfully utilized in apprehending and convicting arsonists in some States, and it has great potential for assisting in future arson cases. The agency has also established juvenile "fire setter" counseling programs, which have dramatically reduced the number of second offenders. And the Fire Administration has developed numerous programs in the areas of public education assistance, firefighter safety, fire prevention, and increased public awareness of crimes related to arson. Furthermore, the agency has established the Arson Resource Center, which publishes the Arson Control Guide for Volunteer Fire Departments.

For many years now, I have been deeply concerned over the devastating effects of this crime and the need for public awareness of the tragic losses we face each year. I first introduced legislation on this issue in 1979, and have consistently supported efforts designed to aid in the fight against arson. In light of the successful efforts of the Fire Administration in reducing national fire losses through training, planning, and education, I believe it is imperative that we not withdraw our support of the agency, financially or otherwise.

Mr. President, I strongly believe that this legislation is necessary to continue the efforts in preventing arson and its devastating effects. I urge support of this resolution so that we may achieve these results.

THE COMPLETED CONTRACT METHOD OF ACCOUNTING

Mr. HEFLIN. Mr. President, I speak at this time in opposition to the administration's proposals to eliminate the completed contract method of accounting for multiyear contracts.

The completed contract method of accounting allows a taxpayer to defer reporting income from a contract until that contract is completed and accepted. It also allows the taxpayer to deduct some expenses during the term of the contract. This accounting method is a traditional accounting technique which was first recognized for income tax purposes in regulations published in 1918. However, the administration, in its 1983 tax and budget package, has proposed to eliminate this long-established accounting technique.

For 60 years, the completed contract method of accounting has been recognized as the appropriate accounting method for the construction industry, due to the unique nature and inherent risks that exist in the construction business. These risks include: Working on different sites which are not controlled by the contractors; variable weather and soil conditions for each construction project; a set bid price

given before actual costs can be determined; payment retentions by the owner; changes, modifications, or claims during the contract term which require the expenditure of large sums by the contractor before the contractual right to collect from the owner; and intense competition within the construction industry that forces profit margins to be exceedingly small in relation to total gross contract accounts. Because of these risks, profit will generally be known only after the completion of the construction project when the owner has accepted the contract and all claims and disputes have been settled.

Construction firms do not generally have the capital resources of other major industries, and the completed contract method of accounting allows a construction contractor to make full use of interim payments. These payments make up a significant portion of working capital which a contractor uses to run his business. If sufficient liquid assets are not available, the contractor must either default or borrow in an attempt to continue ongoing operations.

As we are all well aware, the construction industry is suffering under the harshest economic conditions in many years. Construction contractors are struggling to survive under 17-percent interest rates in an industry where the unemployment rate is greater than 18 percent. These high interest rates have a devastating impact on the construction industry by constraining construction starts and impairing the cash flow for capital and operation expenses. Placing more restrictions on working captial by imposing a tax on interim contract proceeds, as the administration proposes, will result in further restraining the cash flow needed to pursue new work, and will force the industry to seek more outside financing for their projects. This action, along with the current economic climate, could be the death blow to many marginally financed construction contractors. In turn, the closing of these businesses would only add to the high unemployment rate in this country, and apply further downward pressure on the sagging economy.

Mr. President, the construction industry is one of this country's most important industries, and every American reaps the benefits of its success. Removing this necessary means of reporting income and paying taxes would create a tremendous hardship on an already depressed construction industry. I urge my colleagues to join me in opposing the administration's ill-advised proposals to eliminate the completed contract method of accounting.

CONCLUSION OF MORNING BUSINESS

Mr. TOWER. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. Under the previous order, morning business is closed.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The clerk will state the pending business by title.

The assistant legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

(The following proceedings occurred during Mr. DIXON's remarks and are printed at this point in the RECORD by unanimous consent:)

ORDER TO TEMPORARILY LAY ASIDE S. 2248 UNTIL TUESDAY, MAY 11, 1982

Mr. BAKER. Mr. President, I feel like Chicken Little. I have been probed so many times now about a Friday session and a late session this evening, the most recent time being less than an hour ago, that I am reluctant, even though I feel impelled, to admit that I must now retract virtually everything I said.

Mr. DIXON. That is the mark of a statesman.

[Laughter.]

Mr. BAKER. The distinguished chairman of the Armed Services Committee has indicated to me, I think in a statesmanlike way, that he feels the better part of discretion would be to temporarily lay aside this bill while his committee examines the content of the budget resolution considered by the Budget Committee last evening, and determine how it may impact on this measure. I commend him for that.

I have presented to the distinguished minority leader, and to the chairman of the committee a proposed unanimous-consent request to accomplish the purpose I have described. I will state it now for the consideration of the minority leader, both the chairman and the ranking minority member of the Armed Services Committee, and all Senators.

Mr. President, I ask unanimous consent that at the close of business today S. 2248 be temporarily laid aside and remain in that status until no earlier than Tuesday, May 11, 1982, when it shall be resumed as the pending business whenever the majority leader, after consulting with the minority leader, so indicates.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, I think this conforms with an orderly budget process as laid out in the Budget Reform Act. It seems to me it is far better to consider this piece of legislation following, at least, the reporting of the budget resolution.

I should also think that any changes, any cutbacks, any modifications of the present authorization should be done by the Armed Services Committee, rather than here on the floor, so as to bring that measure in conformity with the budget resolution as nearly as possible. So I think this is an orderly procedure. It has been cleared on this side of the aisle. It has been cleared with Mr. LEVIN and Mr. BUMPERS, who had intended to offer the motion to recommit. I believe this agreement achieves the objective of this motion to recommit.

I compliment the majority leader and I compliment the manager of the bill. I also thank Mr. STENNIS for his assistance in the matter. There is no objection.

Mr. TOWER. Mr President, reserving the right to object, and I shall not object, I would simply like to state that we would hope that Senators would offer amendments to the bill today. As a matter of fact, if there are amendments that are pending that would delete money from the bill, it would be nice to act on that right away so that we in the committee would know what kind of adjustments we are going to have to make, if it turns out that we will not have to make as big adjustments on this bill as perhaps originally proposed.

Mr. BAKER. Mr. President, if the Senator would yield, I hope all Members take account of that suggestion from the chairman of the Armed Services Committee. I think not only is it appropriate, but it is unique. I do not believe I have ever heard him before encouraging Members to bring amendments to the floor.

Mr. TOWER. That does not mean I will support those amendments.

Mr. STENNIS. Mr. President, if the Senator will yield, I want to highly commend the three Senators that have worked this out. I think it serves every purpose of sound legislation and avoids some things we could have gotten into that would have been confusing, at least. So I am glad to have the bill move along as it has.

Mr. ROBERT C. BYRD. Mr. President, I again compliment the majority leader, Mr. TOWER, and Mr. STENNIS. I again say that I think it is better for the Armed Services Committee to have another opportunity to look at this budget and work its will before bringing it back to the floor, especially

if it should precede the budget resolution.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request is agreed to.

Mr. BAKER. Mr. President, I thank all Senators. I especially thank the chairman of the Armed Services Committee and the ranking member and the minority leader. It greatly simplified my job to try to schedule the business of the Senate.

While I do not relish the thought of now countermanding the suggestion I made this morning that we will be in late tonight, we will now not be in late tonight. I would expect the Senate to be here until no later than 6 o'clock. And while I had admonished sternly that we would be in on Friday no more than an hour ago, we will not be in session on Friday, absent extraordinary circumstances. And where it produces such a good result, I am happy to eat that crow.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader for his announcement so that all Senators may be on notice that there will be no session tomorrow.

● Mr. LEVIN. Mr. President, let me begin by expressing my appreciation to Senator BYRD, Senator BAKER, and Senators TOWER and STENNIS for the way in which they have handled this issue.

Since I was prepared, along with Senator BUMPERS, to move to recommit this bill, I want to take this opportunity to comment briefly on one issue related to the unanimous-consent agreement. I do not believe that this agreement—or the motion to recommit, if it had been made and adopted—should be seen as setting any kind of precedent relative to the propriety of authorization bills being considered by the Senate prior to the first concurrent budget resolution. While we are now going to put off final decisions on the defense authorization bill in order to allow the Armed Services Committee to renew needed budget cuts, that action is a result of the unique set of circumstances we face this year, and not a judgment about the need for a budget resolution prior to consideration of this bill or any other authorization bill.

We face a unique set of circumstances this year which made it desirable to postpone consideration of this bill until after the Budget Committee had acted. Those circumstances involved huge increases in the deficit and the President's willingness to change his defense recommendations, and the immediacy of the Budget Committee's action—events which took place after the bill was reported to the floor. And now, with the action of the Budget Committee on a lower defense function, it becomes imperative for the Armed Services Committee to use its expertise to find a way to match our defense policy with our growing economic constraints.

So, while this action is not a precedent, it is a wise decision. I want to express my deep appreciation to Senator BUMPERS and, again, my thanks to Senators BYRD and STENNIS for their help and to Senators BAKER and TOWER for their cooperation.

(Conclusion of subsequent proceedings.)

Mr. TOWER. Mr. President, what is the controlled time situation?

The PRESIDING OFFICER. There is 1 hour equally divided on the amendment of the Senator from Pennsylvania (Mr. SPECTER), amendment No. 1397, as amended.

AMENDMENT NO. 1397, AS MODIFIED

Mr. TOWER. Mr. President, I yield such time as he may require to the distinguished chairman of the Committee on Foreign Relations (Mr. PERCY).

Mr. PERCY. Mr. President, I thank my distinguised colleague for yielding.

First, let me say once again that I agree with the intent of the amendment of the Senator from Pennsylvania. The principle of it is well-established. There should be a summit. I have said a number of times before that it is inconceivable to me that you would have two buttons in the world, one in Moscow and one in Washington and not have the two people meet together and talk together, the two people who have the power to push those buttons, to not have any possibility of miscalculation.

There is a great deal to be talked about. The President himself has called for a summit meeting and offered to meet with President Brezhnev in New York in June. This was not acceptable to the Soviets for a number of reasons, possibly the health of President Brezhnev himself, so it has been arranged that there will be a meeting, I feel absolutely positive, health permitting, in October.

The President wants this summit. The issue is not then whether there is going to be one. It is just when the summit will be.

My only problem with the amendment is that I simply feel that if this amendment is favorably voted on, it would establish a precedent for the other nine resolutions on arms control that are before the Committee on Foreign Relations. We are having hearings on arms control next week. Secretary Haig will testify on Tuesday. Senator SPECTER is cordially invited to testify on Wednesday.

I would rather we follow the regular procedure. These resolutions have been referred to the Committee on Foreign Relations. Let us have those hearings and let us take them up in an orderly way and not encumber this particular bill.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield 15 minutes to the distinguished Senator from Illinois (Mr. DIXON).

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I thank my colleague and friend, the junior Senator from Pennsylvania, for his sponsorship of this amendment. And I thank him for the opportunity to share that sponsorship with him and to spend the last 2 days and this morning in this Chamber discussing an issue that I think is fundamentally important to this country and to the world.

When the Senator came to me, Mr. President, a couple of weeks ago and asked me to cosponsor what at that time was his resolution, I read it and I felt that it reflected the attitude of the overwhelming majority of the people of my State. It clearly did that. While I felt that it was not very strong tea, I was delighted to share his views in the form of that resolution.

When he came to me on Tuesday and said that he would offer that resolution in the form of an amendment to this bill, I was delighted to cooperate. And when I came here on Tuesday and saw this whole matter unfold, I was amazed to find all of the important leaders of the Senate on the other side here in the front row to express a variety of views in opposition to this amendment. It looked like the administration had rolled out onto the floor of this Senate all of its heavy artillery—the chairman of the Foreign Relations Committee, my warm and good friend, the senior Senator from my State, whose views I greatly respect; the chairman of the Armed Services Committee, the Senator from Texas; and my friend, the Senator from Virginia, the chairman of the Strategic Services Subcommittee and a former distinguished Secretary of the Navy.

And I wondered why this administration, which already has evidenced in public places its interest in this matter, would take that position. I read the remarks in the CONGRESSIONAL RECORD of Tuesday by my warm friend, the senior Senator from my State, with whom I have enjoyed an excellent relationship in this body. And if any other Senators from any other State have a better relationship with their colleague from their own State, I know of none. And so I thought I would want you to hear what he said. I quote from the CONGRESSIONAL RECORD:

> When you have two buttons in the world, one in Moscow and one in Washington and two men with the power to press them and they have not met, then they ought to meet and talk about the most important single subject that has faced mankind, whether we are going to move in a direction where we might exterminate ourselves.

Now, I am amazed, as a man who served two decades in a legislative body that had a rule of germaneness that was adhered to, that anybody would come to this Chamber and argue a rule of germaneness or argue that something ought not to be considered on a bill on this floor. If there is any place that violates that rule more than this body, including the townhall or city council of the smallest village of America, I do not know of it.

This body has put cost-of-living adjustments for Senators on the black lung bill, so, germaneness is a ridiculous argument against what the Senator from Pennsylvania and I want to do.

My good friend, the respected chairman of the Armed Services Committee, has been talking here for a couple of days, and I have listened to everything he said. And nothing that he said—I say in due respect to him, he is a fine man—had anything to do with what the junior Senator from Pennsylvania and the junior Senator from Illinois, two back-benchers, want to do here.

Let me see what he talked about. He talked about mutual assured destruction, and asked a lot of questions about that.

What does that have to do with having a summit where two leaders talk about the greatest problem in the world today?

He talked about how you communicate with a submarine. I am going to confess in a public place, and I hope the people in my State will not feel too badly about it: I do not know how you communicate with a submarine. But what does it have to do with two great leaders talking?

He suggested at one time that maybe we are crawling to Brezhnev. I will read this amendment in a minute. If it indicates crawling, then it is a new use of the terminology.

Mr. President, sometimes I think we fear very simple language in this place.

Let me tell you what this amendment does, I say to Senators who are listening on their squawkboxes. It has eight paragraphs in it and a final clause.

The Senator from Texas took the eight paragraphs, so we do not have to talk about those eight paragraphs, though there is nobody in the world who would disagree with it. All those eight paragraphs say is that nuclear war is a terrible thing and will bring horrible destruction to the world. Everybody agrees on that and so does the Senator from Texas.

The only thing he disagrees with us about is the final paragraph. He wanted another one, so we took his. We have his in there. The whole issue, as I stand before you this morning, has nothing whatsoever to do with mutual assured destruction, how you communicate with a submarine, whether you crawl to Brezhnev, or a nickle's worth of anything else. It has eight paragraphs everybody agrees with, and the language of the Senator from Texas. This is what we are voting on. Listen to it. I quote it directly, word for word.

It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause, and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

That is what it says. That is what it says. It does not have anything to do with first strike options. It does not have anything to do with submarines. It does not have anything to do with anything that has been discussed here for the last couple of days by those who oppose this piece of work. All it says is that this great country wants its great leader to go to Brezhnev on a summit and talk.

It has been suggested here that that may be less than the appropriate thing for our great country. I am amazed to hear that. We are arguing the appropriations for our great military in this country. My colleague, the junior Senator from Pennsylvania, has indicated he voted for the MX. He voted for the B-1. So did I. He indicated he supported the President most of the time. I have seen that record. He certainly has. The junior Senator from Illinois supported the President 56 percent of the time. If the administration is against this, I am amazed. It is the 56 percent that I supported him that I am trying to explain away in my State, not the 44 percent of the time I did not.

But if the administration opposes this, then I do not understand it. I do not understand it.

I want to say this in conclusion: We listen to too much of one another in this Chamber. We put into things more than is in them. We ought to listen to what the people are saying back home.

There is a fine Senator here, the junior Senator from Missouri (Mr. DANFORTH). Once, before he came to this place, he ran for the Senate and was defeated. He ran against a great institution, the then Senator from Missouri, Stuart Symington, who was a giant in this place. He ran against him and he was defeated in a very, very close election. It was astonishing. No one thought he would get close.

What did he do in the next campaign? He went all over Missouri, to the hamlets, to the small towns, to the big cities, and he said one thing: "I hear you. I hear you. I hear you." And the people of Missouri elected him and he came here because of that, because he heard them.

The people of America are telling us they want to do something about this, not talk about whether there are eight or nine paragraphs, and whether we ought to have it in the committee, or whether it might offend the President. It is simple language and it says a simple thing. It says we want our leader to talk to their leader.

Well, I made my speech. I recognize that all the artillery is out. I suppose my friend, the junior Senator from Pennsylvania, and I will get rolled this morning. I have been in public service a long time and only in this place a short time. I have been rolled a lot of times in my time in politics. One more time will not hurt.

But I want to say we are right. It was my pleasure to associate with a fine, young colleague who had the nerve to come to this place and to tell the truth.

My daddy told me when I started in politics a long time ago that the truth will fit anyplace, and the truth is the people of this country want to do what the junior Senator from Pennsylvania and I are asking the President to do.

I thank my colleague for letting me have the honor to join him in this very decent cause.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I yield myself such time as I may use.

Mr. President, I am very grateful to the distinguished Senator from Illinois (Mr. DIXON) for those stirring comments and for his eloquent manner of expressing some very fundamental truths.

In approaching this amendment which restates a resolution which the distinguished Senator from Illinois and I had introduced on April 19, it was our intention to set forth a very gentle recommendation to the executive branch. It was a gentle recommendation in that it called upon the President to take action to have summit talks with his Soviet counterpart, President Brezhnev.

It was a gentle recommendation because it followed President Reagan's explicit campaign promise when he ran for the Presidency in 1980 to seek an early summit conference. It followed pronouncements which had come from the President and which had come from the Secretary of State and from other officials in the executive branch about the desirability of a summit.

Mr. President, this matter would not have been called forward on the Department of Defense authorization bill in the form of an amendment had it not been for the Monday statement which came out of the White House that there were no plans to proceed with the summit conference. When the distinguished Senator from Illinois

(Mr. PERCY), the chairman of the Committee on Foreign Relations, says that there is not a question of whether there will be a summit but when there will be a summit, I respectfully say that it is not so clear that there will be a summit. That question has yet to be resolved with finality. It is something that the administration has as an objective. It is something which the administration has spoken about for the future. The timing is of great importance and it is possible to delay an event so long that it ceases to be a matter of when but becomes a matter of whether in fact such a summit will be held. It is my view that there ought to be great and momentous efforts made in this direction and that a gentle recommendation from the Senate is most appropriate.

Mr. President, when the question was raised in debate yesterday and the day before about the possibility of this amendment undermining U.S. foreign policy, I said, and the record will confirm it, that I shall be willing to listen and that I would maintain an open mind if it did appear that there is an undermining of U.S. foreign policy. I do not believe, with all due respect for the executive branch of the Government, that the foreign policy of the United States is the exclusive province of the executive branch. The Senate has a very vital role to play in that foreign policy. The Senate is called upon to ratify treaties; the Senate is called upon to examine foreign relations matters; the Senate is called upon to make appropriations for this bill, the Department of Defense authorization bill. It is my view as a legal matter that the amendment now pending is most germane and most relevant because, simply stated, if this Senator and this body are being asked to vote in favor of in execss of $200 billion for defense, much of it involving nuclear arms, then it is very relevant and very germane for this Senator and this body to express an opinion that, while we agree we must be strong, we make a gentle recommendation to the executive branch that nuclear arms reduction talks be initiated.

Notwithstanding that view, Mr. President, I agreed last night, at the suggestion of the very distinguished Senator from Virginia (Mr. WARNER), to listen once again to the executive branch. Yesterday evening, for approximately an hour and 20 minutes, the distinguished Senator from Virginia (Mr. WARNER), and I, members of our staffs, and representatives of the Department of State and the National Security Council discussed the matter. I paid close attention to the issues which were raised and gave great deference to our great national leader, President Reagan, and appropriate deference, in my personal judgment, to the role of the President as the leader of my party. At the conclusion of those discussions, I said I would sleep on the matter, and I did. I have reflected on it.

Mr. President, it is my considered judgment that this amendment does not interfere with U.S. foreign policy, but, in fact, promotes it. I say that because, notwithstanding the very substantial efforts of the executive branch on arms control and their sense of importance for a summit, I believe that a statement by the U.S. Senate of our view of the importance of proceeding in that direction will, in fact, strengthen the hand of the President and will, in fact, promote the kinds of preparation and the kinds of activites which will ultimately lead to such a summit.

In the dicussions last night, there was an issue raised about the language of "at the earliest possible date," with the suggestion that that might force the hand of the President. As I have already indicated to the distinguished Senator from Texas and the distinguished Senator from Virginia, I am prepared to modify that language, to delete it and to insert in its place "after appropriate preparation with a goal of achieving concrete results." The language of "appropriate preparation with a goal of achieving concrete results" is, in my view, an amplification of achieving the summit at "the earliest possible date." I do not propose in this amendment to set a date. It is plain on its face that I do not. I believe in appropriate preparations and have said so. I do agree with the concept of having a realistic goal of achieving concrete results. All of that, to me, is equivalent to the language of "at the earliest possible date."

Mr. President, I know the distinguished Senator from Virginia is present to respond and I shall reserve the remainder of my time. I yield the floor.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I wish to address our side of this issue in a very calm and collected manner. I thank the Senators from Pennsylvania and Illinois for their initiative. As stated by the chairman of the Committee on Foreign Relations, the distinguished senior Senator from Illinois (Mr. PERCY), we all join in respecting our colleagues for this initiative.

Mr. President, I say to my colleagues, who will soon be called upon to cast their vote, there comes a time in our careers where we have to place a measure of trust in our colleagues who have been given the responsibility for certain areas of legislation. This particular resolution, in the considered judgment of the leadership of the Senate, and the viewpoints of the leadership are unanimous, properly rests in the domain of the Committee on Foreign Relations.

I am fully aware, as was clearly indicated by the distinguished Senator from Illinois (Mr. DIXON), that procedures of the Senate do allow a measure of this type to be brought up in connection with any legislation. But it is the unanimous judgment of the leadership and the Members of the Senate, while paying respect to the courageous initiative of our two colleagues from Pennyslvania and Illinois, that this resolution not at this time be voted upon favorably.

Again, I call on my colleagues to place a measure of trust in those of us who work in this area.

As was stated by the distinguished Senator from Pennsylvania last night, we went to the White House. In the room occupied by the National Security Council, the Situation Room, we spent 1½ hours with the senior spokesman for the President of the United States on the NSC staff and a senior spokesman for the Department of State, both of whom had consulted with their respective superiors—in the case of the NSC, the President; in the case of the Department of State, the Secretary of State. I found the discussion very informative. We carefully reviewed, in my judgment, every aspect of the resolution at hand. There are several very important reasons that were stated by both the White House staff and the staff of the Department of State as to why this resolution should not be voted on at this particular time.

I am not suggesting, nor has the Senator from Pennsylvania suggested, that those reasons be shared publicly today. Therefore, I call upon my colleagues to, quite frankly, place a measure of trust in my judgment that those reasons are valid, that the Members of the Senate should respect them. Members of the Senate should recognize that the threshold issue is that under the Constitution of the United States the President is the chief architect of the foreign policy, and it is his judgment as expressed by his representative that at this particular moment this particular resolution should not be voted on by the Senate.

Our colleagues have, quite properly, expressed what they perceive to be the will of the people of the United States; namely, that this country with its elected leader, the President, go forth and show a measure of leadership in trying to resolve the seemingly intractable problem of arms control.

Last night we reviewed the history of each of the major summits between the leaders of the Soviet Union and the President of the United States and assessed the results of those summits. I think history has recorded there have been more summits that have been highly successful than those less successful, and the margin of difference between those that were success-

ful and those that were less successful in many respects hinged on the timing.

It seems to me, in fairness to our colleagues, that each one of them would want to have the benefit of the wisdom of the President, the Secretary of State, and others entrusted with the decisionmaking on summit before they want to be recorded with respect to the resolution offered by the Senators from Pennsylvania and Illinois; in other words, to have enjoyed and profited by the wisdom of the history that was shared with us last night.

In conclusion, Mr. President, Members of the Senate, I call upon our colleagues to repose a measure of trust in the leadership of the Senate, particularly the chairman of the Armed Services Committee, whose experience and service in this body spreads over several summit meetings, and the chairman of the Foreign Relations Committee, whose experience, likewise, spreads over the history of these various summit meetings. While we are not at liberty to share those reasons, I am willing to state that, unqualifiedly, I approach this in a totally nonpartisan spirit, a spirit in the best interest of the United States and in a spirit of achieving peace in the world, an integral part of that peace being a resolution of this problem of arms control, indeed, arms reduction, as stated by the President of the United States.

I call on my colleagues again to repose a sense of trust in the leadership of the Senate who are privy to the various reasons as to why at this particular time we should not vote on the resolution by the distinguished Senators from Pennsylvania and Illinois.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I want to reinforce what the distinguished Senator from Illinois, the chairman of the Foreign Relations Committee, said in connection with this matter.

It occurs to me that when the administration strongly opposes an amendment that addresses itself to delicate and difficult matters of negotiation with the Soviet Union, they deserve a hearing. There has been no hearing on this amendment, and we have not had the opportunity to have the administration give testimony to give us an opportunity to make some judgment as to whether or not this adversely impacts on the ability of the administration to successfully negotiate arms reduction.

They apparently believe that this amendment will be counterproductive, and if they believe that, since we all passionately want a reduction in nuclear arms, it seems we should hear them out and give them an opportunity to explain why they believe it would be counterproductive.

I strongly suggest that my distinguished colleagues, who are the cosponsors of this amendment, put it over until next week. We obviously are going to be on this bill on Tuesday, and I imagine, unless some miracle occurs, we will be on it on Wednesday. There is even the possibility we will be on it on Thursday. I pray that we will not be on it on Friday, but I think that it would at least give the days of Tuesday and Wednesday for this amendment to be considered. It seems to me that is the rational and responsible approach.

I do not know why the time urgency of acting on it today rather than, say Tuesday or Wednesday of next week, after the Secretary of State has testified before the Foreign Relations Committee and after the Senator from Pennsylvania himself has testified. This is not an orderly way to do business. The committee system in this Senate is established for a purpose, and that is that we may screen and deliberate on legislation in an intensive way before it is submitted to Senators for consideration on the floor. They are then armed with the findings of the appropriate committee.

Certainly, the Armed Services Committee has not held hearings on this issue because it is not within our jurisdiction to do so. If this amendment were offered to the DOD authorization bill in the House, it would be immediately rejected because it would be out of order; it is not germane. Should this amendment prevail, it would be superfluous because it would be dropped in conference, not because of any reluctance on the part of the Senator from Texas and other members of the Armed Services Committee to try to sustain a Senate position in conference but because a point of order would lie against it in the House.

We have had that problem in conference many times over with amendments that are offered to our bills, not only Armed Services but other committees on which I serve, indeed, every committee in the Senate, I suppose, where we have had to give way to the House because the rule of germaneness applies there.

It seems to me, in the interest of rationally proceeding, in the interest of hearing the administration in a formal way before the appropriate committee, that the cosponsors would be willing to put this measure over until Tuesday or Wednesday, and I urge them to do so and would help try to secure a Senate agreement that would permit them to bring that amendment up, perhaps even at a time certain, next week.

I suggest that in the interest of orderly procedure, in the interest of obtaining the perspective of the administration as to why they view this amendment as being counterproductive to the whole peace process.

I have served in the armed services in one war and as a member of the Armed Services Committee. I have spent a great deal of time in Vietnam with our troops in the field, and I have seen enough of war to know that war is a detestable and repugnant way for men and nations to resolve their differences.

Even conventional war is terrible enough. Nuclear war is almost too terrible to contemplate. I think you will find that in the professional military, those who have seen the most of war are those who are most passionately desirous of avoiding war.

The whole idea behind this enormous arsenal we are trying to fund with this bill is to deter aggression against us, to preserve the peace. We have no offensive designs on anyone. The United States is not an imperious nation. We want to protect our sea lanes, our sources of raw materials, our markets abroad, from the standpoint of the outreach of our foreign policy and the implementation of our military to achieve foreign policy objectives.

So I assure the cosponsors of the amendment that I am as desirous of seeing nuclear arms reduction as they are. It is unthinkable to me that the United States would deliberately start a war. I suggest again that the United States is acting with great restraint in keeping the peace. Since 1955, the Soviet Union has not. That is a fact that weighs heavily on any urgings that may emanate from this body to go to the conference table.

Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time consumed be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I yield 3 minutes to the distinguished Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Pennsylvania because it impinges upon the President's prerogative to formulate and conduct foreign policy.

My distinguished colleague from Texas, Chairman JOHN TOWER, argued this point most eloquently in his article, "Congress Versus the President,"

that appeared in a recent issue of Foreign Affairs magazine.

As Chairman TOWER so cogently demonstrated, Congress intrusions into these matters have often resulted in a disjointed and confused foreign policy that alienates or perplexes our allies. This amendment is more of the same.

Furthermore, the devastation that would occur in a nuclear war need not be written in our law. We are fully cognizant of what would happen. We cannot become embroiled in the emotions of the day. Our purpose is to provide this Nation the means necessary to deter aggression in all forms.

It serves no useful purpose to debate what will happen if we fail to do our jobs here.

Mr. President, I urge all my colleagues to join me in rejecting this amendment.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield 3 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, more and more this body is working around the Constitution and in no more dangerous field can the Senate operate than in what we are talking about now.

It has not been many years since we passed the War Powers Act which I think was probably the worst piece of legislation that ever got through this body.

The President is the Commander in Chief of this country, not just the Army, Navy, Marines, and the Air Force. He is the man who determines when this country is going to war. It is his decision. It is his button to push, not ours. And the Founding Fathers very wisely took that prerogative away from us because Congress at that time nearly lost the Revolutionary War through the total lack of knowledge of its Members on the subject of war or diplomacy.

And here we are again arguing about a resolution. It seems innocuous. We want to see the President have a powwow with Brezhnev. That is not our business. We can make an expression that we would like it, but it is the President's prerogative and his only, and I think we are treading on very dangerous grounds when we again repeat the steps that we went through that wound up in the War Powers Act, which, if I were an enemy of the United States, I would welcome with open arms. I would start a war with this country and then I would hire every good Madison Avenue advertising agency to convince Congress that the war was wrong and in 90 days Congress would stop the war and the United States would lose it.

This is the kind—I am not going to use the language I could, but it is the kind of thing that we are doing, doing and doing that is disrupting this country. It is making us look ridiculous in the eyes of the world.

I certainly hope that at the proper time a motion is made to table this matter so that we can get on with the business that we are here to be engaged in, the question of whether or not we are going to defend the United States of America.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. After some discussion with the cosponsors of the amendment, I believe that an accommodation has been arrived at.

Mr. SPECTER. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I thank the Senator from Texas for yielding. I would like to just say one word in brief response to the comments of the distinguished Senator from South Carolina——

Mr. TOWER. Mr. President, will the Senator proceed on his own time?

Mr. SPECTER. Yes—and the distinguished Senator from Arizona that in proposing this amendment the Senator from Pennsylvania is mindful of the primary responsibility of the executive branch for foreign policy.

But the Senator from Pennsylvania is equally mindful of the responsibilities of each U.S. Senator and the U.S. Senate as a body, and that in a time when each of us is being called upon to vote on a very material Department of Defense authorization bill that the Senator from Pennsylvania deems it appropriate, germane, and relevant to at least make the gentle recommendation, as characterized earlier, that the President move toward summit talks.

As indicated by the Senator from Texas, there has been an accommodation reached with respect to the request for deferring the vote on this matter. During the course of the last quorum call I received a telephone call from Secretary of State Haig who requested that the vote not be held today. After some discussion with the Secretary of State I agreed that I would defer seeking a vote on this amendment but would insist, in agreeing to that deferral, that the vote be held as the first order of pending business when this matter is considered on Tuesday next.

The Senator from Texas and the Senator from Virginia have requested that we set it for a time certain at 3 p.m. on Tuesday, and, while that may not be the first order of business, that is acceptable from my point of view. I have consulted with the distinguished Senator from Illinois (Mr. DIXON) and explained in some greater detail to him my conversation with Secretary of State Haig, and the Senator is agreeable as well to this arrangement.

Mr. TOWER. Mr. President, if I may state it this way: Our consent agreement to return to the bill on Tuesday does not specify a time. I would assume that we would return to it probably at 10:30 or 11 o'clock in the morning, subsequent to the recognition of the two leaders and any special orders, return to the bill that is. But there is a probability, too, that we will be in recess from, say, 12:30 until 2, as is normally the case, to accommodate the Republican and Democratic caucuses.

I wonder if we might state the consent agreement this way: that it be made the pending business at 3 p.m. Tuesday next, provided the Senate has returned to the consideration of the bill. If it has not returned to the consideration of the bill at that time it will be the pending business at such time as the Senate returns to the consideration of the bill.

Mr. SPECTER. Under that arrangement if the Senate has not returned to this bill by 3 p.m. on Tuesday, it would be the first order of business when this bill is considered.

Mr. TOWER. That is correct. if we return to it at 4 o'clock, then it would be the first order of business. What we are saying here is it will not come up before 3, and the rationale for that is to permit the Foreign Relations Committee to hold a very important meeting that morning.

Mr. DIXON. Mr. President, will the Senator Yield?

Mr. TOWER. I yield.

Mr. DIXON. Mr. President, reserving the right to object, and I am sure I will not object, I would like to say to the Senator from Texas, the Senator from Virginia, and the Senator from Pennsylvania that I would like to clear that with this side.

Mr. TOWER. I undersand that. We have propounded the agreement, and I have to clear it on our side.

Mr. WARNER. Mr. President, I wish to express my appreciation to both the Senator from Pennsylvania and the Senator from Illinois for their understanding of this matter. Frankly, their action just stated, in my judgment, is an act of statesmanship, and I pay my respect to both of my distinguished colleagues for their willingness to recognize the importance of the issue before the Senate and to recognize this compromise.

The PRESIDING OFFICER. It is my understanding of the Chair that this has not yet been propounded as a unanimous-consent request.

Mr. TOWER. I intend to propound it, and we want to clear it on both sides.

Therefore, Mr. President, I suggest the absence of a quorum, and I ask

unanimous consent that the time be charged to neither side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. STAFFORD). Without objection, it is so ordered.

Mr. BAKER. Mr. President, it appears that it will take a little while to obtain a unanimous-consent agreement cleared on both sides in respect to the further disposition of the Specter amendment. Rather than burn up a lot of time waiting for that clearance, I ask unanimous consent that the Specter amendment be temporarily laid aside; that the Senate proceed to the consideration of the Quayle amendment, which is the next amendment; with the further understanding that on the disposition of the Quayle amendment, the Specter amendment recur as the pending amendment, at which time I hope to have a unanimous-consent agreement to deal with that measure in a permanent way.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. QUAYLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1400

Mr. QUAYLE. Mr. President, the pending business before the Senate is the amendment I offered yesterday concerning the retention of the Department of Defense dependents' schools within the Department of Defense.

This amendment will simply undo a process that was established in 1978 when we created the Department of Education and transferred the overseas schools to the Department of Education.

One of the issues confronting the military strength and the national security of this country today is the quality of life of our soldiers, their dependents, their spouses, their families; and I believe we would be doing a great disservice and would be harming that quality of life if this transfer were to take place.

I should like to read a few quotations from the present Secretary of Education, Secretary Bell. He is the Secretary who is going to receive the responsbility of managing and operating the Defense school system if we do not change this. This is what the Secretary of Education says:

> The maintenance and operation of this school system is inextricably interwoven with the total Defense operations and to insert a third party into such an interdependent system would result in major inefficiencies. Matters of fiscal control and accountability, personnel relationships, and the logistical support systems necessary to maintain the schools would all have bifurcated policy sources inevitably leading to less than optimum conditions of teaching and learning for 136,000 deserving students.

We are talking about 136,000 students.

The Secretary of Education goes on to say:

> The Department of Education has little experience in dealing with the sensitivities of foreign country relationships with the military forces.

Mr. President, he is absolutely right. The Department of Education does not have any connection with foreign countries. The Department of Defense does; the Department of State does; the Department of Education does not.

The Secretary goes on:

> We are also ill-equipped to instantaneously adjust logistical arrangements in a far-flung school system and to adequately anticipate the urgency of Defense strategic planning and movement.

Mr. President, I point out that I am reading a letter from the Secretary of Education, Secretary Bell. This is an indictment of policy that will take place in May of 1983 unless Congress acts, and I have all reason to believe that Congress will act.

Finally, the Secretary says:

> We are more than willing to lend technical assistance to the Department of Defense in such matters as educational planning, development of instructional programs, evaluating the administration or operation of schools, improving relationships between schools and parents, or in any educationally related areas.

He is offering assistance, but he says: "I do not want the responsibility. I do not want the transfer. I want to maintain the status quo and to keep the overseas schools where they are."

Mr. President, I point out that the statistics show—the statistics being the SAT scores—that the students of overseas schools do better compared with their counterparts in the American public schools. So perhaps we might be able to take some guidance or use the techniques that are being employed by our overseas schools and how they achieve these skills in the current system and transfer some of that expertise and study and learning experience and understanding to our American public schools.

The Secretary of Education is not alone in his support for this amendment. The administration supports it. OMB supports it. The Department of Defense supports it. Many people support it. The people who represent the teachers in the overseas schools support it. Teachers in that school system support it. The parents support it, and I am sure that the children would support it.

That was one of the more disturbing aspects in the whole debate of creating the Department of Education in the first place.

People were more interested in brick and mortar than they were in the education of our children. That should have been the primary concern as we went forward. So today, as we debate this, I hope we will put in primary focus the people whom we are concerned about with this amendment who happen to be the dependents, the school children who are going to school now.

All the testimony we have had shows that if this transfer were to take place their education would be disrupted and it would have a debilitating effect not only on the Department of Defense but on the families and ultimately the children.

The Secretary of Education says he does not want the responsibility. He says it should be left to the Department of Defense.

I hope we do keep in mind that what we are talking about is education for students and our children who are overseas. That has a long, long history of success. That success has come about through a coordinated effort within the Department of Defense, working with the families, working within the military command, the military operations, and there is no good reason at all to see this transfer come about.

Mr. President, if you go back and you read the debate on the creation of the Department of Education, and I was not in this Chamber—I was across the hall—if you go back and read the debate, the reason at that time that they had to have the Department of Defense overseas schools in this Department was to give it some credibility in numbers for creating the Department of Education in the first place. The reason is that 9,000 people are or will be incorporated in this transfer. That more than doubles the present personnel of that Department right now which is going down.

So I can see that the argument was not on its merits. It was simply on its numbers. The argument was not concerned about the education of those 136,000 children who are presently within the military. The argument was we have to create that Department of Education; the only way we are going to be able to legitimately justify that is if in fact we can get 15,000 or 16,000 people in the Department. Otherwise, why create it?

Well, we have created it. This amendment does not do anything about the Department of Education. We can fight that battle another day.

But what this amendment does is to prohibit the transfer of the overseas schools in May 1983 and also, Mr. President, I wish to point out that it was put in as May 1983 for a very obvious reason: When they created this Department of Education there was an obvious concern as to were we doing the right thing? Otherwise, the transfer would have taken place in 1979, 1980, 1981. Why 1983? This thing was created in 1978. The reason it is in 1983 is that there was concern expressed then but in a political rush, going back to a political commitment President Carter made to the National Education Association to get their endorsement, the Department of Education had to be created.

Politics became important, and the education of the children did not. But there was enough political sensitivity to make sure that those overseas schools were not transferred immediately. They waited until May 1983.

It is May 1982. As my good friend, the Senator from Iowa knows, by golly if we do not do something now this transfer is going to take place.

I think we are going to do something now. I do not know what kind of opposition will come from this amendment. I am sure there will be those who will speak in opposition to it with great sincerity, great intelligence, background, and dedication, not only to the Senate but to education in general.

This is not an education issue. This is a Government operation and a structural issue within the Armed Forces of the United States. That is the issue before us.

Anyone who supports this is not dealing with the education issue, per se. We are trying to make sure that the quality of life, the quality of education for these 136,000 schoolchildren remains the best possible.

The Secretary of Education says the best way to do that is to keep it there. The Secretary of Defense says that the best way to do that is to keep it there. The administration says to do that. The people who represent the teachers and parents say to do that. It is a fairly impressive list of people who want to keep this in the Department of Defense.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. QUAYLE. I am glad to yield to my friend from Iowa.

Mr. JEPSEN. Mr. President, a letter from those who are opposing this bill states:

> A system this large and important should fall under the responsibility of an education agency rather than a defense agency, whose primary mission is totally unrelated to education.

As chairman of the Subcommittee on Manpower and Personnel I suggest that for many years the leader in education has been the military, whether it be in foreign language schools, college, technical schools, "Join the Service and Learn a Trade," the GI bill, extension courses, continuing education, graduate education, or the great education that students received at West Point, Annapolis, and the Air Force Academy. They were the leaders of the finest education, and we did that in the military long before and somehow managed to get by with the rating of excellent in all these areas before we ever had a Department of Education on the Federal level.

It is obvious—as my distinguished colleague from Indiana has said, "Let us tell it like it is"—the direction for these schools' administration came into being with the establishment of the Department of Education by then-President Carter and the National Education Association which was fulfillment of a campaign promise, and they indeed took the net and reached out and pulled in everything they could to try to not only justify their existence at that time but also to insure that, when the day comes, as it has come, when the people of this country speak out loud and clear as they begin to disassemble this, there would be many obstacles in the way, and hopefully these little odds and ends would be the glue that would hold the Department of Education together and prevent it from being reorganized.

I also point out in the same letter they state:

> The Quayle amendment seeks to amend P.L. 96-88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee * * *.

We have many things in the DOD bill, everything from contracting out security to firefighting, to the people who establish laundromats in various bases, and we are not restricted to just exclusively buying weapons systems, and I point out, as the chairman of the Subcommittee on Manpower and Personnel, we have the pay and benefits bill. We are talking about the bonuses for education. We are looking and exploring the possibility of a new GI bill of some sort.

We have continuing education programs for professional people in the services. We look at that.

We held hearings yesterday on our problems with the shortcomings we have in the medical service area and the medical fields of our various Reserve and Active Forces, and we talk a lot about education and schooling there.

I suggest that we are very much involved in the education area and have been for many, many years.

Now, they also state that the administration has submitted no legislation to this body. I would ask them to consider the repeal of section 302 on March 26, 1982, in a letter from the Department of Defense with a proposed bill, and it says "to be enacted by the Senate and the House of Representatives of the United States of America in Congress assembled." It seems to me that is rather clear and decisive evidence that there has been legislation submitted for the consideration of Congress. So I hope that we will not vote on the basis of the Department of Education's PR and smoke screen that they are trying to throw, a rather desperate one, as they are being reorganized on a very intelligent basis and a very sensible basis, I might add, contrary to what some of those who represent that Department would have you believe, that they are going in with a meat ax and chopping it all to pieces. It is being very carefully attended to by a gentleman who was responsible primarily for putting it together in the first place.

It is a very unique situation. I think they are doing it with care, with love, with attention, and with compassion and concern for education.

Before yielding back, Mr. President, I ask unanimous consent that Polly Gault and Bruce Post be granted the privileges of the floor during the debate on S. 2248.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. I now yield back the time and I thank the distinguished Senator from Indiana very much. I commend him for his work on this amendment. It is very key and very important to the morale that we now have existing in the armed services of our country, the men and women who wear the uniform, and wear it proudly.

I commend the Senator for doing everything he can to make sure that this momentum we have going continues. This is a very key part of it because the education of those 136,000 children is very important, and they have been doing very nicely before it was ever transferred in this one big sweep when they created the Department of Education.

I am sure it will continue on its excellent plane with the administration and the responsibility for it left where it ought to be, and that is with the Department of Defense.

Mr. QUAYLE. I thank the Senator from Iowa for his remarks. He is chairman of the Manpower Subcommittee and he knows very well what kind of disruption this would cause to the morale of the troops. He has been very involved in this issue and other issues, and he speaks with firsthand knowledge as to what kind of an effect this would have if we go forward and allow this transfer to take place in May 1983.

Mr. President, I have just received a "Dear Colleague" letter dated May 6,

1982. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON LABOR AND
HUMAN RESOURCES,
Washington, D.C., May 6, 1982.

DEAR COLLEAGUE: Today, when the Senate considers S. 2248, the Department of Defense Authorization bill, we ask you to join us in opposing Senator Quayle's amendment which prohibits the transfer of authority for the Department of Defense Dependents Schools (DODDS) from the Department of Defense to the Department of Education as required by the Department of Education Organization Act.

As Chairmen of the committees with direct jurisdiction over the structure of the Department of Education and federal education programs, we want you to consider these facts:

First, Congress specifically required the transfer for this reason: the overseas schools have a student enrollment which would make them the 11th largest school district in the U.S. A system this large and important should fall under the responsibility of an education agency rather then a defense agency, whose primary mission is totally unrelated to education.

Second, the Quayle amendment seeks to amend Public Law 96-88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee, not the Committee on Armed Services;

Third, the Administration has submitted no legislation to this body asking it to consider the repeal of Section 302 of Public law 96-88, the section which authorizes the transfer of the overseas dependents schools from DOD to ED; and

Fourth, no hearings have been held by the Senate regarding the proposed repeal of the transfer law.

For these important reasons, we ask you to join us in defeating the Quayle amendment to S. 2248.

Sincerely,

ROBERT T. STAFFORD,
Chairman, Subcommittee on Education, Arts and Humanities.
WILLIAM ROTH, Jr.,
Chairman, Committee on Governmental Affairs.

Mr. QUAYLE. I would like to discuss this "Dear Colleague" letter, Mr. President, and to go through a couple of points. The first point raised says:

First, Congress specifically required the transfer for this reason: the overseas schools have a student enrollment which would make them the 11th largest school district in the U.S. A system this large and important should fall under the responsibility of an education agency rather than a defense agency, whose primary mission is totally unrelated to education.

Now, Mr. President, as to "totally unrelated to education," they educate 136,000 students. They have been doing this since 1946. The individual services operated these schools until 1976. They have been doing it since that time and we are now in 1982. I do not know how we can say that their primary mission, as far as education is concerned—when you take a section of the overseas schools within the Department of Defense that is their primary mission. Obviously, the Department of Defense is to provide for the national security of this country. Obviously, the Department of Defense is to do that.

How are they going to do it? They are going to do it by getting quality individuals in our Volunteer Army situation, and how are we going to get those people into the service? If we have a good system to provide not only good education for their dependents, but to enhance the quality of life. So, sure, it is not the primary mission of DOD, and nobody is going to argue with that, but it is certainly an area in the Department of Defense where they have great expertise and experience and, furthermore, they have done it with a great deal of efficiency.

I just got back to the SAT scores. The SAT scores of these 136,000 students are better on a comparative basis that those in the public schools here at home.

So I concede as to the letter that, sure, the primary mission of DOD happens to be the national security protection of the country, but how are we going to do it?

Furthermore, I would say that the primary mission of the overseas schools within the Department of Defense is the education of those 136,000 students, and they have been doing that with a great deal of efficiency.

Second, the letter says:

Second, the Quayle amendment seeks to amend Public Law 96-88, the Department of Education Organization Act, an issue totally unrelated to the questions of DOD procurement and a matter within the jurisdiction of the Governmental Affairs Committee, not the Committee on Armed Services;

I would just like the record to show that a bill that I introduced on July 14, 1981, was referred to the Senate Armed Services Committee. So I do not know how, in fact, we can say that the issue is totally unrelated to the Committee on Armed Services, unless there was some sort of drastic mistake made by the Parliamentarian when it was referred to this committee. It has been referred to the Armed Services Committee.

The third argument is:

Third, the Administration has submitted no legislation to this body asking it to consider the repeal of Section 302 of Public Law 96-88, the section which authorizes the transfer of the overseas dependents schools from DOD to ED; and

My good friend, the distinguished chairman of the Manpower Subcommittee, Senator JEPSEN, pointed out that as of March 26, 1982, in fact the administration did submit it. Furthermore, I have a letter here from David Stockman, and I will just read part of it:

As evidenced by the draft bill submitted to Congress by the Defense Department on March 26, 1982, the administration supports the retention of the Defense dependents' overseas school system within that Department. Secretary Weinberger, Secretary Bell, and I support your interest in this regard.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C. May 6, 1982.

Hon. DAN QUAYLE,
U.S. Senate,
Washington, D.C.

DEAR DAN: It is my understanding that you will be offering an amendment to the fiscal year 1983 Defense Authorization bill, S. 2248, to retain the Department of Defense Dependents Overseas Schools in Defense.

As evidenced by the draft bill submitted to Congress by the Defense Department on March 26, 1982, the Administration supports the retention of the Defense Dependents Overseas Schools system within that Department.

Secretary Weinberger, Secretary Bell, and I support your efforts in this regard.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. QUAYLE. Mr. President, I think we have to get back to the basic issue, and that basic issue is what are we going to do about the overseas schools? The issue is are we going to transfer them to the Department of Education, which the Secretary of Education does not want, the Secretary of Defense does not want, OMB Director, the administration, do not want; the parents of the students do not want it—at least the representatives of the parents do not want it; representatives of the teachers of the overseas schools do not want this transfer?

Mr. President, I think that passage of this amendment will certainly take care of the problem that was created back in 1978. We all knew it was a problem then, and that is why we put on the 1983 date, 5 years after the creation of this bill, when this transfer is going to take place. We did that for obvious reasons: to give Congress an opportunity to come back and to correct this mistake.

Mr. President, we have that opportunity by the passage of this amendment. I hope that it is passed through overwhelming support because it is the only proper thing to do.

Mr. TOWER. Mr. President, I rise in support of the amendment offered by the distinguished Senator from Indiana to retain control of the Department of Defense dependents schools within the Department of Defense.

In my opinion, transfer of the control of school operations from the Defense Department to Education would be a tragic mistake. It is essential that DOD retain authority over the schools in order to facilitate overall Defense

planning. The Defense schools are an integral and coordinated part of the total Defense support structure, and schools policies now incorporate many unique military considerations arising out of mission, operational, and morale requirements. There is an intangible but important bond between educators, school policymakers, and military commanders that would be lost upon such a transfer. The current system works extremely well, as evidenced by the schools' accreditation and student scores on the scholastic aptitude test.

Finally, I strongly believe that efficiency is clearly eroded when authority for one function is divided between two Federal agencies.

I, therefore, urge the adoption of the Quayle amendment.

Mr. President, we are prepared to bring this to a vote. I understand that Senator ROTH wants to be heard on this matter and the distinguished occupant of the chair wants to be heard. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

(Mr. QUAYLE assumed the chair.)

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, with regret, I find that I must rise to oppose the amendment offered by the distinguished Senator from Indiana (Mr. QUAYLE), who is now presiding. That amendment would prohibit the scheduled transfer of authority for military dependent schools from the Department of Defense to the Department of Education.

Before I detail my specific objections to this amendment, I would like to recall for my colleagues a brief history of the Department of Defense schools (DODDS).

For more than 20 years, DOD overseas schools operated without specific authority. Then, in 1978, as the distinguished Senator from Indiana has pointed out, Congress enacted Public Law 95-561, which gave these schools their first legislative authorization.

At that time, questions were raised regarding whether or not passage of this Defense Dependents' Education Act of 1978 would prejudge any subsequent proposal to include administration of these schools within the responsibilities of a new Department of Education, which was then under consideration.

Answering these concerns, Congressman JOHN ERLENBORN, who offered the overseas dependents' schools amendment in 1978, stated:

> Finally, I would note that this amendment does not prejudice the question of a Department of Education. Although I am opposed to that Department, if the Congress so chooses the schools could be placed in that new Department.

In 1979, Congress exercised its option by providing for the transfer of overseas dependent schools from the DOD to ED in the Department of Education Organization Act, Public Law 96-88. The transfer under Public Law 96-88 is to be achieved within 3 years of the effective date of that law, or, in other words, by May 4, 1983, again, as the Senator from Indiana pointed out.

There were a variety of reasons for promoting this transfer. First, it was felt that education was not the primary mission of DOD. Representatives of DODDS also testified in favor of the transfer. And supporters argued that such a large educational enterprise as the overseas schools, whose student enrollment would make it, as has been pointed out, the 11th largest school district in the United States, should be administered by an educational agency.

Whatever the arguments, pro or con, Congress approved the transfer. Discussions have been held between representatives of the Department of Defense and the Department of Education on the details of the transfer. Also, Secretary Bell, in accordance with the law, has submitted to Congress a plan describing the arrangements necessary to accomplish the transfer and effectively administer the schools.

This amendment represents another attempt by the Department of Defense to endrun the committee system of the Senate. Last year, attempts to ignore requirements in the Omnibus Reconciliation Act affecting impact aid schools were rejected on the floor. This year, DOD is attempting to achieve its ends without submitting its request to the appropriate committee, the Governmental Affairs Committee. I would hope, Mr. President, that our recent complaints about the violence done to the committee process during reconciliation will be fresh in our memories as we consider this proposal.

Therefore, given the requirements of the law, its legislative history, and the discussions and arrangements which have taken place, I ask my colleagues to reject this amendment. In doing so, the Senate will uphold more than just the law: It will uphold the accepted procedures by which the committees of the Senate do business.

Mr. President, I yield the floor.

(Mrs. KASSEBAUM assumed the chair.)

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Madam President, I rise to oppose the amendment of the distinguished Senator from Indiana. This amendment would prevent the transfer of the overseas schools for dependent children from the Department of Defense to the Department of Education. This transfer is required by Public Law 96-88, the Department of Education Organization Act.

My concerns with this amendment are both substantive and procedural in nature. I hope that after the Senate has had the opportunity to hear the two sides of this issue that it will move swiftly and decisively to defeat the proposed amendment.

Section 302 of the Department of Education Organization Act requires that the responsibility for the operation of the overseas schools for military dependents (DODDS) be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. By law this transfer must be completed by May 4, 1983.

The decision to approve this transfer of responsibility was made unanimously by the Committee on Governmental Affairs after holding 1 full day of hearings on the issue during its debate over the Department of Education Organization Act. In the course of the committee consideration, the transfer received the support of virtually all of the interested parties, including the overseas school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense. The Overseas Education Association, I might point out, holds exclusive recognition for the 7,000 DOD teachers.

Now why did the proposed transfer gain such broad support? I think that the reasons are quite clear. Let me begin by saying that the overseas schools represent a sizable undertaking. In school year 1980-81, the DODDS school system consisted of 10,904 staff, 270 schools located in 20 countries, and 135,624 students. In fiscal year 1981, the total estimated cost of operating the schools, including construction and procurement costs, was $414 million. If the DOD overseas school system were located in the continental United States it would rank as the Nation's 12th largest elementary and secondary school system.

One can reasonably ask what link a school system has with the Department of Defense. These schools do not have any direct relationship to the Nation's defense preparedness. They do not teach subjects or skills related to the military. In short, the schools are not tied to the mission of the Defense Department. Rather, the purpose of these schools is strictly to educate the dependents of our military personnel overseas.

Because the task of these schools is one of education, they far more logically belong in the Federal level de-

partment charged with educational responsibilities. Once in the DE, the overseas schools will have complete and direct access to the best educational resources and the most desirable teaching techniques that our Nation can offer. The schools will be brought out of their current isolation in DOD and into the mainstream of our education system. This relationship not only will improve the quality of education overseas, but also will smooth the transition of students who alternate between overseas schools and schools here at home.

Of equal importance is the fact that this transfer will provide a legislative base for these overseas schools to operate from, rather than the past practice of authorization solely by the congressional Appropriations Committees. This legislative base will help to insure greater continuity and planning, certainty for the administrators of the overseas schools.

For all of these substantive reasons, the transfer of the Defense Department overseas schools should proceed as legislated. Beyond these points, however, Mr. President, I have procedural concerns with this amendment. The proposal would negate a reorganization proposal considered and unanimously accepted by the Committee on Governmental Affairs. Because it is a reorganization, it is clearly within the jurisdiction of the committee. Yet the proposed amendment has not been the subject of reconsideration or approval by the members of the committee.

The amendment therefore is highly irregular in its approach to reorganization, and I urge that it be defeated on these procedural grounds as well.

Madam President, in the long run we will have better educated, more capable citizens because of this change of authority. I therefore urge my colleagues to defeat this amendment and to let the transfer proceed as legislated.

I yield back the floor.

Mr. QUAYLE. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

Mr. QUAYLE. I ask for the yeas and nays, Madam President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. QUAYLE. On the procedure issue, I will point out to my good friend and colleague, it was not referred to the Senate Armed Services Committee. This issue was going to be dealt with when the Department of Education bill was to come before the Senate. There is no chance for the Department of Education bill coming before the Senate now. As far as I am concerned, it is certainly dead this session and maybe in limbo for quite some time.

Second and more importantly is the substance. The substance is, Is this the right thing to do? The answer is yes. The administration supports it. The Defense Department supports it.

I read a letter that was a tremendous indictment by the Secretary of Education on how he could not take care of the transfer that was taking place. They knew in due time that Congress would change its position, and that is why it was not to be completed until 1983.

We ought to be concerned about the quality of life of our troops, the morale of the families, and the 136,000 students, all who support retention with the DOD.

Mr. TOWER. Will the Senator yield?

Mr. QUAYLE. I yield to my distinguished chairman.

Mr. TOWER. There is another factor: What kind of education are our children going to get? The distinguished Senator suggested that under the Department of Defense they would be better educated. I happen to be an educator by trade, a professional educator. I have taught the product of public schools in this country. I happen to know that education programs tend to be adminstered by education administrators who have a great number of courses in education in college, but not much depth, very often, in subject matter. I submit that a program that is run by so-called educationists seldom produces a better education product that a program run by genuine academic intellectuals.

Mr. QUAYLE. I thank the distinguished educator-Senator from the State of Texas, the distinguished chairman of the Armed Services Committee.

I might point out that these 136,000 students that are within that overseas school do better on a comparative basis, on their SAT scores, than do the ones in the American public schools. Obviously, if the Senator wants to talk about the quality of education, the quality of education remains in the overseas schools. There is no need to change it. The Secretary of Education does not want to change it. He does not want to assume this responsibility. I urge my overwhelming endorsement to keep the overseas schools within the Department of Defense.

● Mr. HART. Mr. President, I oppose Senator QUAYLE's amendment, to prevent the transfer of the overseas schools for dependent children (DODDS) from the Department of Defense to the Department of Education.

These schools, established under the impact aid law, are operated on military bases where public education is not available to the children of military personnel in nearby areas, either because of geographic or financial considerations, or because of legal prohibitions preventing these children from receiving public education.

My opposition to the amendment to prevent the transfer of these schools to the Department of Education results from both procedural and substantive reasons.

We should, first of all, remember that the transfer has been repeatedly approved by this body. Section 302 of the Department of Education Organization Act, Public Law 96—88, requires that the operation of Overseas Schools for Military Dependents be transferred from the Secretary of Defense to the Secretary of Education no later than 3 years after the creation of the Department of Education. The deadline for this transfer is May 4, 1983.

In passing the Reconciliation Act of 1981, the Senate specifically stated that these schools—although funded by DOD—were to be administered by the Secretary of Education. In addition, the body reaffirmed the language contained in the reconciliation bill when it approved Senator STAFFORD's amendment to the Defense appropriations bill last December.

Moreover, the Governmental Affairs Committee, which has jurisdiction over such Government reorganizations, has not held any hearings on this issue. The Education, Arts, and Humanities Subcommittee, which has jurisdiction over the impact aid program, has not considered the issue in any way—other than to reaffirm that administrative jurisdiction over impact aid schools should remain with DOE.

But the transfer should be opposed not simply because it contradicts repeated judgments of this Chamber. The transfer is also in the best interests of the over 135,000 students enrolled in the 270 DODDS schools in 20 foreign countries.

The function of these schools is not to teach military subjects or skills but to educate the dependents of overseas military personnel. Little overt connection exists between these schools and defense preparedness. It seems logical that the task of educating these students properly belongs with the Federal department charged with the responsibilities for education.

Transferring these schools to DOE would give these students access to the highest quality of education and teaching resources our Nation can give its young people. By bringing these schools into the mainstream of our educational system, the transfer would also ease transition problems faced by students who alternate between schools abroad and schools at home.

The Government Affairs Committee unanimously approved the transfer. The transfer has received the support of almost all of the people affected by the change, including the overseas

school administrators, the Overseas Education Association, the European Congress of Parents, Teachers, and Students, and the Department of Defense.

For these reasons, I hope my colleagues will join me in opposing this amendment so that the transfer can proceed as called for by law.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Indiana. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—59

Abdnor	Glenn	Lugar
Andrews	Goldwater	Mattingly
Armstrong	Gorton	McClure
Baker	Grassley	Moynihan
Bentsen	Hatch	Murkowski
Boren	Hatfield	Nickles
Brady	Hawkins	Packwood
Byrd, Harry F., Jr.	Hayakawa	Percy
	Heinz	Pressler
Chafee	Helms	Quayle
Chiles	Huddleston	Rudman
Cochran	Humphrey	Schmitt
Cohen	Inouye	Simpson
D'Amato	Jepsen	Stennis
Danforth	Johnston	Stevens
Denton	Kassebaum	Symms
Dole	Kasten	Thurmond
Domenici	Laxalt	Tower
East	Levin	Tsongas
Garn	Long	Warner

NAYS—38

Baucus	Ford	Pell
Biden	Hart	Proxmire
Boschwitz	Heflin	Pryor
Bradley	Hollings	Randolph
Bumpers	Jackson	Riegle
Burdick	Kennedy	Roth
Byrd, Robert C.	Leahy	Sarbanes
Cannon	Mathias	Sasser
Dixon	Matsunaga	Specter
Dodd	Melcher	Stafford
Durenberger	Metzenbaum	Weicker
Eagleton	Mitchell	Zorinsky
Exon	Nunn	

NOT VOTING—3

Cranston	DeConcini	Wallop

So Mr. QUAYLE's amendment (No. 1400) was agreed to.

Mr. QUAYLE. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 1397, AS MODIFIED

Mr. BAKER. Madam President, I understand that the request that I am about to put has been cleared on both sides of the aisle and by the distinguished chairman of the Armed Services Committee and the distinguished ranking minority member. I will state it now for their consideration as well as the consideration of other Senators.

I ask unanimous consent that when the Senate resumes consideration of S. 2248, the Department of Defense authorization bill for fiscal year 1983, the pending amendment be the Specter printed amendment No. 1397, as modified, but no earlier than 3 p.m. on Tuesday, May 11, with debate on the amendment limited to 1 hour, the time to be equally divided between and controlled by the Senator from Texas (Mr. TOWER) and the Senator from Pennsylvania (Mr. SPECTER).

Mr. TOWER. Madam President, reserving the right to object—and I do not intend to object—is their inherent in that unamimous-consent request the temporary laying aside of the amendment today? It is the pending business now. That is not stated in the request.

Mr. BAKER. Madam President, we will have to provide for that, in addition. It would automatically be laid aside when we close business today. But I am perfectly willing to supplement this with the request that the Specter amendment now be temporarily laid aside.

Mr. TOWER. That was the intent of the cosponsors and the managers of the bill.

Mr. BAKER. Madam President, I amend the request to include that request.

I ask unanimous consent that the Senate temporarily lay aside the pending amendment—that is to say, the Specter amendment No. 1397, as modified. I further ask unanimous consent that when the Senate resumes the consideration of S. 2248, the Department of Defense authorization bill, the Specter amendment No. 1397, as modified, then be the pending amendment, but in no event shall that occur prior to 3 p.m. on Tuesday, May 11; and that debate be limited and controlled as prescribed previously.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The text of the agreement follows:

Ordered, That at the hour of 3:00 p.m. on Tuesday, May 11, 1982, if the Senate is considering S. 2248 (Order No. 475), a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes, the amendment proposed by the Senator from Pennsylvania (Mr. Specter), No. 1397, as modified, be resumed with time on the amendment limited to 1 hour, to be equally divided between the sponsor and the manager of the bill, and that time on any second degree amendment thereto be limited to 30 minutes, to be equally divided between the sponsor and the Senator from Pennsylvania.

Ordered further, That the Majority Leader, after consultation with the Minority Leader, may return S. 2248 as the pending business of the Senate whenever he so indicates on Tuesday, May 11, 1982, or thereafter.

Ordered further, That if the Senate proceeds to the consideration of S. 2248 after the hour of 3:00 p.m. on Tuesday, May 11, 1982, the amendment by the Senator from Pennsylvania (Mr. Specter) shall automatically become the pending amendment.

Mr. TOWER. Madam President, I see that the Senator from Maine (Mr. MITCHELL) is seeking the floor for the purpose of offering an amendment. I hope he will be recognized.

I ask whether the Senator intends to ask for the yeas and nays on his amendment.

Mr. MITCHELL. I do.

Mr. TOWER. I wish to advise Senators, then, that we will have another rollcall vote. I do not expect this debate to consume more than an hour, unless the Senator from Maine wants to use a geat deal of time. I just want to advise Senators that there will be another record vote, probably in the next hour or so.

Mr. MITCHELL. I will ask for the yeas and nays as soon as I submit the amendment, while Senators are in the Chamber, if the Senator from Texas has no objection.

UP AMENDMENT NO. 910

(Purpose: To prohibit the use of authorized funds to enter into contracts for the performance of firefighting or security functions at military installations or facilities)

Mr. MITCHELL. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Maine (Mr. MITCHELL) proposes an unprinted amendment numbered 910.

Mr. MITCHELL. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

Sec. . None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility.

Mr. MITCHELL. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The yeas and nays were ordered.

Mr. MITCHELL. Madam President, joining me in offering this amendment are Senator DODD, Senator JACKSON, Senator WEICKER, Senator PERCY, Senator SARBANES, Senator PELL, and Senator DIXON.

The purpose of the amendment which we now offer is to insure that two functions critical to the effective operation of military installations remain under the direct control of the facilities' commanding officers. The two functions are fire protection and base security. The amendment specifically prohibits any funds authorized in this act or any future act from being used by the Federal Government to enter into contracts with private sector firms for the provision of base firefighting and security services.

The House Committee on Armed Services, in its report on the Defense authorization bill, has called for a 1-year moratorium on all Pentagon contracting out. It has done so because abuses in the program have become evident, not because it disagrees with the fundamental assumption on which the contracting out effort is based. This assumption is, that whenever private sector firms can deliver necessary, quality goods and services at a cost roughly equal to, or lower than, the inhouse delivery cost, without jeopardizing the national interest, such firms should be permitted—indeed encouraged—to do so.

My amendment is not offered in an attempt to challenge this assumption nor to undermine OMB's overall contracting-out policies. In fact, the amendment seeks to insure that the program is not abused or is not used for the wrong purposes.

OMB Circular A-76 governs the contracting-out process. Though, the document focuses on the comparative cost of financing in-house operations and contract operations, it also states that "certain functions are inherently governmental in nature, being so intimately related to the public interest as to mandate performance by Federal employees."

Underlying my amendment is the belief that the safety and security requirements of our military reservations are "intimately related to the public interest," that the maintenance of base security and safety is a function which is "inherently governmental" in nature; and that base firefighters and security personnel should remain under the direct control of the commanding officers of the installations to which they are assigned.

High ranking Pentagon officials do not hold this view, despite the fact that at the installation, command, and higher levels, the dangers of contracting out essential services are frequently recognized. To illustrate this, permit me, Madam President, to read into the RECORD portions of a one page memorandum to all major Air Force Commands dated March 5, 1982, and signed by Gen. Robert C. Mathis, Air Force Vice Chief of Staff.

General Mathis writes:

Recent budget decisions as well as the fiscal year 1984 draft Defense Guidance, make it apparent that we will continue to be pressed for substantial contracting—we have been directed to convert 3,000 spaces to contract in fiscal year 1983, and OSD projects an additional 20,000 spaces for fiscal year 1984-88. Unfortunately OMB uses contracting as a way to reduce civilian end strength without having to acknowledge the resultant degradation in defense capability. While we have tried to reverse this attitude, it is evident that civilian end strength considerations are becoming more and more overriding. . . .

Later in the same memorandum, General Mathis writes:

Since high-level OSD and OMB officials view contracting as a panacea for reducing civilian employment in the federal government, I want you to evaluate the impact future contracting will have on readiness, sustainability, and flexibility in meeting your mission requirements. Our recent world wide A-76 conference, convened to identify contact candidates, reinforces our view that extensive contracting will risk degrading wartime capability. . . .

The Vice Chief of Staff concludes his memorandum with the following warning:

Unless we change current contract thinking among highest officials, we are slowly going to transition to an efficient peacetime force which cannot respond to wartime commitments—we cannot let that happen. Therefore I request your personal involvement in this critical issue.

Those were the words of the Air Force Vice Chief of Staff 2 months ago.

I suggest that the on-going Pentagon effort aimed at contracting-out base firefighting and security services at military installations around the country is a perfect example of the danger to which the Vice Chief of Staff refers.

Do we want our military bases to be susceptible to security guard and firefighters strikes? A major problem of this type has yet to occur but would certainly be more likely if the Department of Defense is successful in contracting-out firefighting and security services at the 95 additional installations which are now being considered for such a change.

Additional arguments exist for retaining firefighting and security functions under the direct control of base commanding officers. I will briefly cite these arguments by using the case of Portsmouth Naval Shipyard, an industrially funded activity located on the Piscataqua River in Kittery, Maine.

If, as is currently proposed, base firefighting and security functions are contracted-out, the following results would occur:

First, the Shipyard Commander's ability to meet his personal responsibility under article 0732 and 0735 of the United States Navy Regulations regarding safety and physical security of his command would be restricted because personnel performing these functions would no longer be under his command.

Second, responsibilities for security and fire protection would be fragmented for ships in commission while in the shipyard between the shipyard commands, the ship's commanding officer, the security forces contractor, and the fire protection contractor. Depending upon the actual incident, serious questions arise as to who is in charge. Any delay in giving or carrying out an order could result in loss of or serious damage to a Navy ship or loss of life.

Third, the integrity of the nuclear propulsion systems maintained and serviced at Portsmouth could be compromised. The servicing of nuclear-powered combatant ships at Portsmouth necessitates that security and firefighting personnel have specialized training and be operationally integrated with radiological control and other shipyard personnel in case of an emergency or accident involving radioactivity. To have the security and fire protection personnel in such situations not responsible to the Government officials in charge, but to a private business firm, is unacceptable.

Fourth, the mutual support agreements which Portsmouth Naval Shipyard has with local government in Maine and New Hampshire would be undermined. The support which such agreements provide would be lost because local goverments would probably be reluctant to continue such agreements with a private contractor. Furthermore, it is doubtful that a contractor could be required to enter into such agreements.

Fifth, last, the shipyard commander, under a contract guard situation, would be placed in a position of not having direct control over a contract guard even though he would be liable for a contract guard's actions under the Federal Tort Claims Act (28 U.S.C. 2371 et seq.). Portsmouth Naval Shipyard security guards have citizens arrest rights under Federal common law delegated through the shipyard commander's authority to provide for the security of his installation. This direct delegation cannot be extended to non-governmental employees.

Madam President, I cite the example of Kittery's Portsmouth Naval Shipyard because I am familar with its operational mission and the existing contracting out proposals which it faces. I must emphasize, however, that the points I have raised with respect to Portsmouth's situation are not original or exclusive to it. They are, in fact, contained in a communication dated January 20, 1982, to Vice Admiral E.B. Fowler, the Commander of the Naval Sea Systems Command

from that command's Executive Director for Industrial and Facility Management. In other words, the arguments I have just stated here come directly from a memorandum earlier this year from the Executive Director for Industrial and Facility Management of the Naval Sea Systems Command.

Portsmouth's case is not unique. Many of the problems I have cited apply to the many other installations and facilities which are now being examined for possible contracting-out of firefighting and base security functions.

This is a serious problem, but one which can be quickly remedied by legislative action along the lines of my amendment, I urge its adoption by the Senate.

Mr. JEPSEN. Madam President, I rise in opposition to the amendment by my distinguished colleague from Maine. The effect of the amendment would stop ongoing in-house versus contract cost studies involving about 125 activities, 8,000 manpower spaces, and could result in a cost of well over $50 million.

I emphasize that as of today we have 34 actual contracts for firefighting that have been contracted out. They have been contracted out at an estimated $50 million-plus less than the amendment by my distinguished colleague from Maine would effectuate.

I also point out that included in these 34 contracts which are let out and put out on a practical, realistic basis, they include a large number if not the great majority of all our Army ammunition plants.

I suggest that if we had problems with fire prevention we would not have all our Army ammunition plants under these contracts. It would be rather costly and needless to say a little bit exciting to have fires that were not properly handled or prevented at ammunition depots, and for years they have been covered by private contracts.

The proposed amendment would also prevent the Department of Defense from analyzing firefighting base security functions on a case-by-case basis which has always been the case, thereby exempting activities for legitimate national defense reasons which they have always done. Installations which cannot be contracted out for national defense reasons are exempted from the cost-study process.

I would point out at this time that the first consideration in the review process under the Office of Management and Budget circular A-76 is military readiness. If contracts would degrade readiness, the activity is retained in-house.

The initial determination as to applicability of national defense, that is readiness, is made by the installation commander. Each decision is reviewed at successive command levels, and finally by an Assistant Secretary of the military department to insure that military readiness issues are properly considered.

Other activities performed by Government employees are routinely performed by the private sector and are subject to that cost study process to determine the most cost-effective method of operation. The processing includes the conduct of a management study of an in-house activity to produce an organization which can compete equitably with industry.

I would also point out that a blanket prohibition on contracting out of base security and firefighting activities would prevent the Department of Defense from achieving operational efficiencies.

It would cost the taxpayers more money. It would thwart the administration's efforts to reinvigorate the private sector. Contractor performance of firefighting and security has been highly successful at such diverse installations as the Bangor Trident base and almost all Army ammunition depots. The assumption that contracted-out professional firefighters would not have been as effective as civil servants are not borne out by experience. Contracts do contain no-strike clauses, and the Department has contingency plans in the event of strikes.

I point out to you that as far as Government employees, to whom the Senator is referring, and unions of Government employees, tax-supported, dues-paying union members, tax-paid union members, as far as striking, the only strike we have ever had in this area that deals with national security has been PATCO.

A labor dispute in California did not occur when the shipyards were operated by the Navy, and it had no effect on readiness currently.

As I mentioned before, we do have 34 firefighting activities under contract, and in each case the services are satisfied with the contractor's performance.

To date we have had no problems which have been reported.

I appreciate the intent of the amendment of the distinguished Senator from Maine. I understand the support of the large number of workers who are in the area in the shipbuilding yards in his State, I appreciate that. But I would just suggest that we have a national picture to look at, that of the entire country. We have a time here trying to work and bring reality into budgeting. We are trying to reinvigorate the private sector, and to throw roadblocks, yes, and worse, into that, to absolutely prohibit by law the private sector from being able to do business with the Government, which is contrary to every basic economic thing we are trying to do in this Nation at this time, and it is not warranted. I would oppose the amendment and ask my colleagues to do likewise.

I thank the Chair.

Mr. STENNIS. Mr. President, is time controlled?

The PRESIDING OFFICER (Mr. DENTON). There is no control of time.

Mr. STENNIS. Well, Mr. President, I seek recognition in favor of the amendment.

The PRESIDING OFFICER. The Senator is recognized.

Mr. STENNIS. Mr. President, this is not a new subject matter with me altogether, but I did not know about the pendency of this amendment and did not know that this question was coming up.

Mr. President, this is a very serious business to have, be it large or small, an operation of our military services concerning security and firefighting where the commanding officer does not have control of the situation and, therefore, cannot be held for total accountability.

I am familiar with a relatively small naval air training station's operation. This amendment deals with the firefighters that are going to meet that plane that is coming down afire; that plane is going to try to land out there on those runways, and it is already afire.

With just a statement of those bare facts, Mr. President, it shows you have to have men who know what they are doing, who have been not only approved by the Navy or whatever branch it is but under accountability to the commanding officers there who are running those training exercises and exercising their own responsibility, their own careers which are at stake.

Now here to come up with an amendment on the floor—I certainly did not know about it myself, and I do not know how much attention this subject matter was given by the committee—but to come up and change here by mandate of law such a far-reaching function as this regarding safety and security, the safety of the crews, the pilots, the planes that are being used, to make that change certainly seems to me as if it should be done only after the most intense and thorough investigation and consideration, if at all.

I know the intentions are good with reference to those who will oppose the amendment. But I very earnestly plead here for further consideration of this subject, and if a change is going to be made after a notice, due notice, and a chance to develop the facts and be heard, why, let it be on some other bill. There will be other opportunities here with other military bills other than appropriation bills, as I recall.

So I hope the Senate will vote for the amendment so as to preclude the

facts that I have related here from happening under it.

Mr. President, I respectfully support the amendment and I hope the Senate will.

Mr. JEPSEN. Mr. President, will the Senator yield for a few questions?

Mr. STENNIS. Yes, I yield.

Mr. JEPSEN. I was listening very closely when the Senator was indicating his concern, and I respect it, about how a base commander would not have control. What we are talking about here is this: How much more or less control does the base commander have over civilian Government workers or just plain civilian workers which he contracts for?

I would point again to the fact that the problem we have had has not been with contracted-out civilian workers; our only problems that we have had with any type of control have been, the best example has been, the PATCO union. There was nothing to stop those civilian Government workers from striking. They just went ahead and did it.

So this matter of control by a base commander of civilians, whether they be civilian Government workers on civilian workers that he contracts for, would be an awfully fine line, it seems to me.

Mr. STENNIS. Well, I say control, I mean by that that the man who is the commander of this unit, whatever it is, these people come in there through tests, including civil service tests or something akin to it, and there is an absolute control there before they can be accepted and get in a line of duty there, which has to satisfy that command in order for them to stay there.

I do not know anything about that. The Senator makes some reference about a union or something of that kind getting into it. I do not know anything about that. I had not heard anything about that and cannot believe that they are controlling legislation on the floor on a matter of this kind.

I can see the Senator's point about wanting to save money. But at what expense? What expense in life and safety and security? There is a time when you have to draw the line.

So I hope that the matter can be settled for the time being. If something needs to be done, it can be done after further proof and in-depth hearings.

Mr. TOWER. Mr. President, I reject the notion that nonunion workers will be less diligent than union workers. That has not been our experience in the Sun Belt States at all. As a matter of fact, there are many instances of much higher productivity in the return of the labor dollar in areas where the union labor is not strong than where it is.

I am not saying anything disparaging about union workers. I am just saying that there is nothing to indicate that nonunion workers are less diligent or less likely to do a job than union workers.

The fact is that we have never had an experience of a strike of contracted-out workers, but there have been numerous strikes precipitated over the country by public employees and their unions. And PATCO is a prime example. That had a crippling effect on our air transport in this country for a period of time. We adjusted to it, but it is one of the reasons the airlines are in trouble, because of the PATCO strike.

So it seems to me that perhaps we reduce the likelihood of strikes by contracting out.

I further would suggest, Mr. President, that if we adopt this amendment, it is an exercise in hypocrisy by the Senate. We are continually badgering DOD to save money—save money, avoid cost overruns, get more efficiency in your operations, get rid of waste, fraud, and abuse—then we mandate an additional $50 million or $60 million in expenditures and get nothing more for it.

How are we going to pay that $50 million or $60 million? Well, we can ground a squadron of airplanes. We can tie up a couple of ships before they end their useful service life. We can cut a division. At what price are we going to pay for proscribing and denying the Secretary of Defense the ability to make sound management decisions? And that is what we are talking about.

If we are going to get into the business of micromanagement here in the Congress, we had better be prepared to spend not less but more on defense to pay for the inefficiencies that we ourselves mandate. I hope that the amendment of the Senator from Maine will be rejected.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MITCHELL. Mr. President, I would like to make just a few brief comments. First, at no time in my remarks did I make any suggestion that this involved union and nonunion. I do not think it has any bearing on the issue. I do not suggest that it has any bearing on the issue. The response to that is a response to an argument that has not been made.

Second, the figure of $50 million to $60 million has been suggested. What is the substantiation? What is the basis for that? No evidence whatsoever has been offered in support of the allegation.

Third, it was suggested that a number of facilities now have contracting-out. That is true. Most of them are Government-owned, contractor-operated facilities in which the entire facility is contracted out. And so whether or not this portion of it—base ssecurity and firefighting—is to be contracted out is a completely irrelevant point with respect to those installations that are now under Government control.

Finally, not one word has been said in response to the statement earlier this year by the Executive Director for Industrial and Facility Management of the Naval Sea Systems Command, the five points which I stated before, and I would be interested in hearing what the response is to that.

The Executive Director said that the commanding officer of the shipyard will be liable for a contract guard's actions under the Federal Court Claims Act even though he has no control over that guard. He cannot delegate his authority to a nongovernmental employee. What is the answer to that contention by the Executive Director of the Naval Sea Systems Command?

That same Executive Director said that the mutual support agreements which shipyards have with local governments would be undermined. What is the answer to that allegation by the Executive Director of the Naval Sea Systems Command?

That same Director has said that a shipyard commander's ability to meet his responsibility under the U.S. Navy regulations regarding safety and physical security of his command would be restricted because the personnel performing these functions would no longer be under his command. What is the answer to that allegation, that statement, that assertion by the Executive Director of the Naval Sea Systems Command?

He also said that responsibilities for security and fire protection would be fragmented for ship's in commission while in the shipyard between the shipyard commands, the ship's commanding officer, the security forces contractor, and the fire protection contractor. He suggested that this would raise serious questions as to who is in charge and any delay in giving or carrying out an order may result in loss of or serious damage to a ship or loss of life. What is the answer to that assertion?

Finally, especially where we are dealing with vessels that are nuclear powered, nuclear propulsion systems, the servicing of those ships would necessitate security, and firefighting personnel have specialized training and be operationally integrated with radiological control and other shipyard personnel in case of an emergency or accident involving radioactivity. The Executive Director of the Naval Sea Systems Command says that to have that situation in which the security and fire protection personnel are not responsible to the naval commander is unacceptable. What is the answer to that assertion?

Five specific assertions to which not one word of response has been made.

The only response that has been made has been an argument about unions and nonunions, which nobody has said anything about. It is the classic strawman argument: Bring up an argument that nobody made, attack that argument, and suggest that is the reason for defeating the amendment.

I ask that a response be made to the arguments that I have made, not to arguments that have not even been raised here on the floor.

Any objective, careful consideration of the amendment would lead to the conclusion that it should be supported. This, as the distinguished Senator from Mississippi said, is a very serious matter to take base security in U.S. military installations, those involving nuclear-powered vessels, as well as others, and turn them over to a private contractor outside the responsibility of the base commander. It is wrong, it is foolish, and it will not save any money. It will do harm to the national security.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I rise in strong support of the amendment offered by the junior Senator from Maine (Mr. MITCHELL). I ask unanimous consent to be considered as an original cosponsor of his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. Mr. President, as everyone knows, this amendment is designed specifically to deal with the two functions of firefighting and base security at our military installations.

Mr. President, I have the honor to represent the submarine base in New London, Conn., where, as the distinguished senior Senator from Mississippi has pointed out, we have a fleet of nuclear-powered submarines, a highly volatile, potentially dangerous situation, where the greatest degree of expertise is absolutely essential to maintain the safety not only of the personnel on that base but, obviously, of the civilian population that surrounds Groton and New London.

So I happen to believe that this amendment is extremely important from a security standpoint as well as a safety standpoint.

The Senator from Maine has correctly pointed out over and over again that he is not opposed, nor am I opposed, nor are those who support this amendment opposed, to all contracting out of functions that can be performed by entities, private contractors, other than governmental personnel. I think there are a number of instances where contracting out makes good sense. If you are going to be able to save some money and do the job more efficiently, then certainly that ought to be done. But it is just as wrong to say that you are going to insist upon contracting out in almost every instance as it is to say you are going to preclude it in every instance.

I happen to believe that this particular amendment is absolutely essential.

It has also been pointed out, Mr. President, that the base commander of a military installation must have direct authority over personnel whose duty it is to protect the base. That is absolutely essential.

He has that unambiguous authority over civilian-military personnel. He would not, however, have the same authority over private contractors.

It was pointed out a moment ago that there was a distinction between union and nonunion workers and the right to strike. It was pointed out by the distinguished chairman of the Armed Services Committee, the Senator from Texas, about the PATCO situation.

No one suggests that the PATCO situation was lawful. It has been declared as an unlawful act.

The distinction, I think, should be made with private contractors who have the right to strike. There would be no recourse at all. There are governmental employees who, in violation of the law, strike. We have a recourse there. When you have a situation with private contractors who are not covered under the same provisions, they could, in fact, strike and we would have no recourse at all. Not only is the possibility of firefighters or security forces to strike in a military installation unacceptable, but the simple fact that a strike is legally possible contains hidden costs in themselves.

Mr. President, faced with this possibility, a base commander must plan for it. Contingency plans must be drawn up and other base personnel must be trained to fill in if the contractor fails to meet his or her commitments. So there are additional costs involved that you have to consider with private contractors in these two instances.

I would also point out the contractors are apt to have higher rates of employee turnover as they seek to keep their costs down, unlike civil service employees who have a vested interest in continuous service to the Government. That is also an important point in terms of cost.

Unfortunately, Mr. President, contracting out on military facilities is often used to circumvent civilian personnel ceilings. In the face of continuing drawdowns of civilian personnel ceilings, military commanders often have no other choice than to contract out important services, and I do believe it is sometimes necessary to contract out. If contracting out can result in substantial savings for some services, there is nothing wrong with it, and it ought to be done. But if it is done to circumvent personnel ceilings, then it is not justified.

I think it is going to end up costing this Government a lot more than has been suggested by those who oppose this amendment.

I would also point out that the services can be contracted out if it is determined that it will cost 10 percent less than to continue the service in-house. Of course, a comparison between in-house and contracting is likely to be between a veteran civil service staff and a newly hired contract work force. Obviously, there will be an immediate cost difference. What happens when the contractor is awarded the contract? Unfortunately, there are few controls on substantial increases in the price of service once the competition has been eliminated.

Though I have been discussing the pitfalls of contracting out in general, it is particularly a bad idea when you are talking about such essential services as firefighting and security.

As I pointed out earlier, the Navy is planning to contract out the firefighting force of the New London submarine base. Those firefighters are a highly trained force, especially trained to deal with fires of high-explosive ordnance and nuclear materials. It is not an ordinary firefighting force. It is a much more serious matter than that. I believe it would be a mistake, Mr. President to allow a contractor with a high turnover rate to deal with these highly specialized fire situations.

Mr. President, I strongly support this amendment. I think it is going to result in a substantial cost saving to the American taxpayer, not to mention, of course, the protection we are going to be afforded in the vital services necessary for our national security.

Mr. President, I yield the floor.

Mr. JEPSEN. Mr. President, I would like to respond and then I hope we would get on with a vote on this amendment.

I refer to the points brought up by my distinguished colleague from Maine.

First of all, let us make one thing very explicit, very clear. That is that we are not advocating contracting out. By contrast, the amendment of the Senator from Maine is advocating absolute prohibition, no latitude, no flexibility, no management discretion at all, and, therefore, inhibiting contracting out.

We are not advocating contracting out. We are saying leave the flexibility in order that people can make intelligent decisions, as I and many of my colleagues happen to believe people engaged in activities outside of Government can do.

I came here with an attitude that it was us or they, unlike some people who happen to have been here a few years. It turns to "we."

I still have firefighting people out in the State of Iowa, with an ordnance depot out there, and I am aware of the International Association of Firefighters. I would point out very quickly that the American Federation of Government Employees and the International Association of Firefighters are the ones who have been supporting and pushing this amendment.

Frankly, I can understand the American Federation of Government Employees and the International Association of Firefighters. But is the International Association of Firefighters asking that the civilian fire departments in some of these areas where they represent them as a union simply cut the economic throats of those folks in those areas when it comes to supporting their fellow national leaders back here, the American Federation of Government Employees? I would hope not.

I would point out, Mr. President, that the question was raised about where do we get this estimate of $50 million. That is based on DOD analyses that if only 50 percent of the planned contracting out for firefighters and basic security functions are completed, $50 million will be saved.

I would ask what indication the Senator has that this is not true, or wherever he gets the figures that state it is not true.

It is absolutely true.

Mr. President, I hope we can come to a quick vote up or down on this. I am convinced that commonsense will prevail. It always does. Commonsense indicates that we are not advocating contracting out. But we are giving the realistic and basic facts of life, to give latitude to those folks who are commanders and otherwise in the area of utilizing the most economic means where national security is concerned.

There has not been one example, not one, where national security or defense has been concerned that they have not handled it properly.

I would also point out that we have a lot of empty bases around this country. There are civilian facilities in local communities that are maybe surrounding these bases. Having this amendment passed would mean that they were going to have to seek out and ship in Government employees again, with a separate organization and so on, kick the local economy right in the teeth, saying that, "Unless you have a special thing, a card that says you are a Government employee, we cannot trust you."

Baloney.

The American people do not believe that. They do not buy that. Let us get on and vote this thing, vote it down, and get onto something else.

Mr. STENNIS. Mr. President, I shall be quite brief.

We are getting in an awful hurry, Mr. President, wanting to vote this amendment down in a few minutes. I have never heard this subject brought up at our Committee on Armed Services in all the time I have been there. It might have been. It was not discussed, as I understand it, this year or any time recently, when I was around. I understand it was not brought up this year.

We talk about saving money, Mr. President. The only way we are going to save any money, as I see this matter, is to have competitive bids. That is the only way. It is the only way to get at it. If we have competitive bids, we are going to be calling for bids every year or every 2 years. It is certainly a major disturbing factor in this field of security and safety, with literally thousands of these special involved pieces of machinery almost in daily use. That adds greatly to the danger.

Mr. President, with great respect to everyone about this matter, let us not make such a major change in the law in this particular field, where there is real danger involved, on the supposition that it is going to save some money. Let us not rush into it—we have plenty of time—until the facts are more developed and we get some additional opinions in here from witnesses who are testifying under their responsibilities. I hope this amendment will pass, Mr. President.

Mr. TOWER. Mr. President, let me point out that it is not the committee that is changing the law. This amendment seeks to change a law that is in existence. That is to say, it seeks to narrowly proscribe the Department of Defense on a management issue. We have held no hearings on it, no hearings at all. It was not brought up in committee. I cannot understand why it was not brought up in committee, but it was not. No interested party that I know of asked the committee to consider it or to hold hearings on it.

I should be delighted to hold a hearing on it if the Senator from Maine wants to withdraw his amendment, because he is the one who is altering the existing situation. If we are going to legislate in an orderly way, we ought to have a committee hearing on this amendment. I hope the Senator from Maine will withdraw his amendment and permit us to do that.

Mr. MITCHELL. Mr. President, I suggest we proceed to vote.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Maine.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Arizona (Mr. DECONCINI) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote or to change their vote?

The result was announced—yeas 50, nays 47—as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—50

Baucus	Ford	Mitchell
Bentsen	Hart	Moynihan
Biden	Heflin	Nunn
Boren	Heinz	Pell
Bradley	Hollings	Percy
Bumpers	Huddleston	Pryor
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Johnston	Roth
Chafee	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Cochran	Levin	Specter
Cohen	Long	Stennis
Dixon	Mathias	Tsongas
Dodd	Matsunaga	Weicker
Eagleton	Melcher	Zorinsky
Exon	Metzenbaum	

NAYS—47

Abdnor	Glenn	McClure
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Packwood
Boschwitz	Hatch	Pressler
Brady	Hatfield	Proxmire
Byrd, Harry F., Jr.	Hawkins	Quayle
	Hayakawa	Rudman
D'Amato	Helms	Schmitt
Danforth	Humphrey	Simpson
Denton	Jepsen	Stafford
Dole	Kassebaum	Stevens
Domenici	Kasten	Symms
Durenberger	Laxalt	Thurmond
East	Lugar	Tower
Garn	Mattingly	Warner

NOT VOTING—3

Cranston	DeConcini	Wallop

So the amendment (UP No. 910) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. METZENBAUM. Mr. President, I move to lay that motion on the table.

Mr. TOWER. Mr. President, I ask for the yeas and nays.

THE PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Ohio to lay on the table the motion to reconsider the vote by which the amendment was agreed to.

On this motion, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Wyoming (Mr. WALLOP) is necessarily absent.

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON) and the Senator from Ari-

zona (Mr. DECONCINI) are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona (Mr. DECONCINI) would vote "yea."

The PRESIDING OFFICER (Mr. HAYAKAWA). Is there any other Senator wishing to vote?

The result was announced—yeas 50, nays 47, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—50

Baucus	Ford	Mitchell
Bentsen	Hart	Moynihan
Biden	Heflin	Nunn
Boren	Heinz	Pell
Bradley	Hollings	Percy
Bumpers	Huddleston	Pryor
Burdick	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Cannon	Johnston	Roth
Chafee	Kennedy	Sarbanes
Chiles	Leahy	Sasser
Cochran	Levin	Specter
Cohen	Long	Stennis
Dixon	Mathias	Tsongas
Dodd	Matsunaga	Weicker
Eagleton	Melcher	Zorinsky
Exon	Metzenbaum	

NAYS—47

Abdnor	Glenn	McClure
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Packwood
Boschwitz	Hatch	Pressler
Brady	Hatfield	Proxmire
Byrd, Harry F., Jr.	Hawkins	Quayle
	Hayakawa	Rudman
D'Amato	Helms	Schmitt
Danforth	Humphrey	Simpson
Denton	Jepsen	Stafford
Dole	Kassebaum	Stevens
Domenici	Kasten	Symms
Durenberger	Laxalt	Thurmond
East	Lugar	Tower
Garn	Mattingly	Warner

NOT VOTING—3

Cranston	DeConcini	Wallop

So the motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

UP AMENDMENT NO. 911

(Subsequently numbered amendment No. 1442)

Mr. MOYNIHAN. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York (Mr. MOYNIHAN), for himself and Mr. ROBERT C. BYRD, proposes an unprinted amendment numbered 911.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. TOWER. Mr. President, will the Senator from New York yield?

Mr. MOYNIHAN. I am happy to yield for a question.

Mr. TOWER. There was sort of a gentleman's agreement that the Senator from California and the Senator from Georgia would offer the next amendment. We have been searching out people to offer amendments and they volunteered to come forward. This is one that we do not know about. Of course, the Senator is within his rights gaining the floor. It is one that appears to be nongermane to this bill.

Could the Senator withhold that amendment and let these other gentlemen go ahead?

The PRESIDING OFFICER. Is there objection to dispensing with the further reading of the amendment? Without objection, it is so ordered.

The amendment is as follows:

At the end of the language of the bill proposed to be stricken insert the following:

The Social Security System is vital to the well being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

The President on February 19, 1981, promised the American people that Social Security retirement benefits would be exempt from his Administration's federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of federal programs; and

On May 20, 1981, by a vote of 96 to 0, the Senate unanimously rejected the President's May 12 plan to make deep and precipitous cuts in Social Security benefits; and

The President on September 24, 1981, said that Social Security benefits were not being cut and that he would soon appoint a Commission to study Social Security financing issues; and

The President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among three Social Security trust funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations. Therefore be it declared

That the May 5, 1982, unfair action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years is hereby rejected;

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

UP AMENDMENT NO. 912

(Subsequently numbered amendment No. 1443)

Mr. ROBERT C. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 912 to unprinted amendment numbered 911.

In lieu of the language proposed to be inserted, insert the following:

The Social Security System is vital to the well being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

The President on February 19, 1981, promised the American people that Social Security retirement benefits would be exempt from his Administration's federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of federal programs; and

On May 20, 1981, by a vote of 96 to 0, the Senate unanimously rejected the President's May 12 plan to make deep and precipitous cuts in Social Security benefits; and

The President on September 24, 1981, said that Social Security benefits were not being cut and that he would soon appoint a Commission to study Social Security financing issues; and

The President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among three Social Security trust funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations. Therefore be it declared

That the May 5, 1982, unfair action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in Social Security benefits over the next three fiscal years is hereby rejected; and be it further declared

That the Congress shall take no action affecting Social Security until Congress has considered the recommendations of the National Commission on Social Security Reform.

(The name of Mr. RANDOLPH was added as a cosponsor to UP Amendment No. 911 and UP Amendment No. 912, by unanimous consent.)

Several Senators addressed the Chair.

The PRESIDING OFFICER. The minority leader has the floor.

Mr. ROBERT C. BYRD. Mr. President, I would hope that there would be no immediate motion to table the resolution and that there could be a time agreement for debate on the amendments. Of course, at that time, if there were a motion to table, it would be in order.

Mr. TOWER addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I do not yield the floor.

Mr. TOWER. I am sorry. I thought the Senator had concluded.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we could get some agreement.

Mr. TOWER. Mr. President, obviously we cannot make such an agreement right now. This, of course, comes up totally as a surprise to everybody. Sen-

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ator BAKER, I am sure, is not aware of it. It is certainly not germane to the bill that we are considering. It is certainly politically inspired. It is a partisan, political resolution, obviously, and is brought up in connection with a DOD authorization bill. It has not relevancy. So I do not think that we can agree to anything at this point. I, therefore, suggest the absence of a quorum.

Mr. ROBERT C. BYRD. Mr. President, I do not yield for that purpose. I still have the floor.

The PRESIDING OFFICER. The minority leader still has the floor.

Mr. ROBERT C. BYRD. Mr. President, I would hope that we could have some agreement whereby there would be some debate on the amendments. It could be 30 minutes, it could be an hour, whatever. But I would not like to see a motion to table entered summarily without any opportunity to discuss the amendments.

So I am willing to suggest the absence of a quorum, with the understanding that I retain the floor once the quorum call has ended, if that is agreeable.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TOWER. Mr. President, it seems to me that it would have been an orderly thing for the honorable gentlemen on the other side of the aisle to give us some indication that this was going to come up. Obviously, it was intended to be a surprise. It is, of course, obviously a political ploy and should be recognized as such.

I am not prepared to give the consent agreement that the Senator from West Virginia be recognized once a quorum call has been dispensed with. Therefore, perhaps he could go ahead and hold the floor for a while. He, obviously, would like to filibuster on this issue, and so let him begin.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, this is no filibuster. I think that the attention of the country ought to be called to the fact that the action by the Budget Committee was an action which, at the expense of the older people of the country, would preserve the Kemp-Roth tax scheme. The distinguished Senator from Texas refers to the amendment as a ploy. Of course, many things have been going on recently, and even prior thereto, which could be designated by one side or the other as being political. But certainly the amendment has been offered in accordance with the rules, and in good faith, so I have no apology for having offered the amendment.

Last night, the Senate Budget Committee gave its approval to a budget plan which would mortgage the future of this Nation's social security beneficiaries in order to finance the continuation of a broad and radical experiment called Kemp-Roth. That plan, endorsed by the President, calls for $40 billion in unspecified and arbitrary changes in our Nation's social security system. It is a plan which suffers from the same defects that characterized the President's previous budget proposal—a program which is fundamentally unfair. It does not specify what will be done in respect to the social security system. It simply calls for $40 billion in unspecified and arbitrary changes. I would take that to mean cuts.

Last night's actions by the Republican-controlled Senate Budget Committee demonstrate once again the Kemp-Roth tax cut leaves no program safe, no tax unthinkable, and no promise to the American people secure.

I am not prepared to support $40 billion in unspecified and arbitrary social security cuts.

Just a year ago on May 20, 1981, the Senate overwhelmingly rejected the President's May 12 plan to make deep and precipitous cuts in social security benefits by a vote of 96 to 0. We said then, and we say again today, that we will not stand by and allow social security to be raided in order to reduce the deficits under the President's budget.

Last year the President promised the American people safety nets in social programs, to be exempt from any Federal budget-cutting scheme. These programs included social security retirement benefits, medicare, and veterans' pensions.

Today we find that failure to employ realistic economic and budgetary assumptions at the beginning of Reaganomics has turned the idea of a social safety net, particularly for this Nation's elderly citizens, on its head, and holes are ripping through the safety net.

I am not prepared to see $40 billion in social security benefit cuts over the next 3 fiscal years to finance major tax reductions for this Nation's wealthiest citizens. I am not prepared to see cuts in social security benefits designed purely to reduce the Federal budget deficit.

I am not prepared to see the people of West Virginia who have to depend upon social security suffer cuts in their benefits designed to reduce the Federal budget deficit.

I am not prepared to see the people of West Virginia who have to depend on social security benefits suffer those benefits cut in order to preserve the folly of the Kemp-Roth scheme.

I only wish that my friends on the other side were not prepared to continue theorizing with the economy. The theorizing is now coming home to rest in a dangerous fashion; in the real lives of people. We now appear ready to accept any cut in the social security program by virtue of the action taken by the Budget Committee. But most of us on this side of the aisle do not intend to support that.

Only last May, the Senate overwhelmingly rejected the President's plan of $88 billion in social security benefit cuts over the next 5 years. Also last year, the Senate rejected the administration's plan to reduce by 40 percent the retirement benefits of those individuals who elect to retire at age 62 instead of age 65. That request was for an immediate cut of tremendous dimension. We felt it was unfair, it was precipitous, and cruel. It went against the President's promise that social security would be included in the safety net.

So we in the Senate sent a message that was loud and clear to the administration that such a cut would not be supported by the U.S. Senate. The request were eventually withdrawn.

Last year, five times we on this side of the aisle attempted to preserve social security minimum benefits for retired Americans. The administration's budget would have eliminated the social security retirement benefit this past March. The administration was able to get that package of budget cuts enacted, because it had a clear majority in the Senate and a working majority in the House. It was able to get that legislation enacted.

Five times we on this side of the aisle attempted to preserve that minimum social security payment. Five times we were defeated by a party-line vote until the heat of the kitchen became so intense and the protests from the country so loud, that the President last September went on television asking the Congress to restore the minimum payment, which he himself had requested cut and fought for.

When he did that, our friends on the other side of the aisle joined with us in restoring the minimum social security benefits for retired Americans.

Now we see the Republican Committee on the Budget proposing $40 billion in cuts in the social security program. They do not label them as cuts in the budget. I think, however, that it is very clear that is what it means, even after all the promises that have been made by this administration that social security would be secure.

The President appointed a task force last December and indicated last September when he was on television that he would appoint a task force that would report back by the end of this year, after the election, its recommendation to deal with the social security program.

The President appointed five persons to serve on that task force, the Speaker appointed five persons to serve on that task force, and the distinguished majority leader in the Senate was allowed to appoint five persons. He, in turn, allowed me to pick two of them I selected the distin-

guished Senator from New York (Mr. MOYNIHAN) the ranking member on the Social Security Subcommittee, and Mr. Lane Kirkland, head of the AFL-CIO. That task force is to report back after the election.

It seems to me that any action dealing with social security prior to the report of the task force would certainly be precipitous and premature.

The pending amendment is an effort to call to the attention the American people and to the elderly community of this Nation that those elderly people are not, indeed, protected by the safety net, as promised by the President.

Mr. MOYNIHAN. Will the distinguished monority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. MOYNIHAN. We have heard it said in this Chamber that this amendment comes as a surprise. I wonder if the majority leader would give me his thoughts on the following statement?

On Tuesday of this week, May 4, Mr. Larry Speakes, deputy press secretary to the President, speaking for the President, briefed the press. I now read from the wire service report by Mr. Dean Reynolds of United Press International. The paragraph says:

"Social Security cuts," he said, "should not be used to balance the budget."

This is a principle that the President's Commission on Social Security Reform has insisted upon. Social security contributions belong to the fund, belong to the people who contributed to that fund for their retirement insurance, for their dependents, should they themselves become disabled or should they die.

Yesterday morning, Mr. President—this is one day after Mr. Speakes' statement—the distinguished chairman of the Committee on the Budget offered a budget proposal—in the morning. It had as an element a line that said, "Social security solvency," which cut from the budget zero money for fiscal 1983—there did not seem to be any need—$3 billion in fiscal 1984, $11 billion in fiscal 1985. That was yesterday morning.

Yesterday evening, at 7 o'clock, the same chairman proposed a new budget that had, if I may say, a quite astonishing line, line No. 9, entitled "Social Security Commission Solvency Recommendations." Mr. President, the Social Security Commission has made no recommendations. From a morning proposal by the chairman to provide $14 billion for these purposes over the next 3 years, in the evening, we had a $40 billion proposal from the chairman: $6 billion in fiscal 1983, $17 billion in fiscal 1984, $17 billion in fiscal 1985. This was within 24 hours of the statement that social security cuts should not be used to balance the budget.

When I asked of the distinguished chairman, was he contemplating increases in social security taxes, "Certainly not" was the reply. Therefore, cuts can be the only possible way to attain the $40 billion.

Mr. President, I ask the minority leader, would that not have come as something of a surprise to him?

Mr. ROBERT C. BYRD. That would come as something of a surprise to me; it absolutely would have.

Mr. MOYNIHAN. We want to be careful about whose honor we question and how we characterize other people's behavior, Mr. President. I do not want to speak of a breach of faith. But has there not been a profound misunderstanding here? Was it not the minority leader's clear understanding, when he had the graciousness to appoint me to the President's Commission, that we were to report at the end of the year, as the President had proposed on September 24 of last year, when he announced his intention to create such a Commission? Was that not the Senator's understanding?

Mr. ROBERT C. BYRD. That was my understanding based on the President's statement made during a nationally television address last September. It was my understanding at the time I designated the name of the distinguished Senator from New York (Mr. MOYHIHAN) as one of the members of that task force.

Mr. MOYNIHAN. Mr. President, can the leader then give us an explanation, or can he speculate, as to how an agreement could be broken, an agreement reached after much debate on this floor and in the other body and conferences between the two, after some give and take on both sides? It was reached because of the realization that this is an issue that affects the lives of too many Americans—36 million Americans, almost 10 million of them children or dependents—about a third of whom have no other income save social security and most of whom could not be above the poverty level without the social security, which they have earned and to which they are entitled——

Mr. ROBERT C. BYRD. And to which this Government is committed.

Mr. MOYNIHAN. And to which we are committed. How could this commitment be broken by a straight party vote, speaking of political ploys, and the question not arise of a breach of an understanding? That is a painful thing to raise in this body, and it clearly was not the intention by the members of the Committee on the Budget.

I ask the minority leader this: Does he think there might have been a connection between the fact that the President's budget was rejected unanimously by the Committee on the Budget at 3:30 yesterday afternoon, and that this document appeared at 7 o'clock in the evening? Does he think there might have been some connection there?

Mr. ROBERT C. BYRD. Mr. President, I do not think it goes beyond the greatest stretches of the imagination to think there might have been some connection. I was not surprised to see the President's budget voted down. I must say that I was not greatly surprised to see it voted down unanimously.

I think that the distinguished Senator is right. He serves on that committee.

All of a sudden, this proposal emerged in the shank of the afternoon or the darkness of the night that proposes to mortgage the future of 35 million or 34.5 million Americans to keep in place the folly of the third year of the Kempt-Roth tax scheme.

Mr. MOYNIHAN. Does the Senator object to my suggesting that the response was not nearly so much immediate as it was precipitate, that the committee was panicked, and in the course of that panic, it became irresponsible? I do not suggest that any memeber of that committee intended an irresponsible act, but this body having solemnly undertaken not to affect social security benefits until a select commission had reported, it precipitately chose to cut $40 billion in 3 years, having that very morning suggested that, at most, a cut of $14 billion might be in order. Suddenly, $26 billion more was needed.

Would the Senator correct my arithmetic? Would it not be the case that this comes to approximately a benefit reduction of roughly $1,100 for 36 million Americans?

Mr. ROBERT C. BYRD. Mr. President, I should have to depend upon the calculations of the distinguished Senator from New York.

Mr. MOYNIHAN. It cannot be far from that, Mr. President. If it were $1,000, it would be $35 billion. Then another $1,115, and we would be about $40 billion; $40 billion, Mr. President.

The Senator knows we have become very vague about these things. A billion minutes ago, St. Peter was 14 years dead.

Mr. ROBERT C. BYRD. That represents $40 per minute.

Mr. DOLE. Will the Senator yield?

Mr. MOYNIHAN. The minority leader has the floor.

Mr. DOLE. Mr. President, I do not want to interfere with this political charade, but I would like to speak about the facts later on.

Mr. ROBERT C. BYRD. The Senator will have his chance.

The PRESIDING OFFICER. The Senator from West Virginia has the floor. Will he yield to the Senator from Kansas?

Mr. ROBERT C. BYRD. Mr. President, the Senator from Kansas said he did not want me to yield.

Mr. DOLE. Mr. President, I just wanted to suggest that the Senator used that billion-minute example a month ago and some time has passed since then.

Mr. MOYNIHAN. Mr. President, the precise date of St. Peter's demise is a matter of some dispute.

Mr. President, it may be some people's desire to make light of this decision, but there is a social contract in this Nation and social security is one of the most important elements of it. The great majority of our people of working age and their dependents, over 90 percent, are covered by social security. We were shocked, were we not, I ask the minority leader, when, with no notice on May 12, 1981, the President sent us a message which proposed a 40-percent reduction in benefits for persons retiring at age 62 as of January 1 this year? Most persons do retire at age 62. Why? Because they are ill or they have no work.

Mr. President, it was said at the time this was necessary to save the social security funds from extinction.

But, Mr. President, I ask the minority leader, who reads everything, to my astonishment and dismay, as I cannot, if he read the Budget in Brief this year? In the Budget in Brief, which accompanies every large Presidential budget, he will find and I ask him if he remembers this because his memory is photographic, at least with respect to the procedures of this body—that starting on page 8 there is a section, "The Deficit Problem, Its Origins."

Remember, we were told on May 12 it was time to save the social security fund. Now we are talking about the largest peacetime deficit in history. Its origins? The President in his Budget in Brief gives three reasons. First he says:

> In the near term the most important setback to our budgetary timetable is the recession now under way.

It is a recession, a man-made recession, if I may say. The second major factor:

> Widening the deficit projection is interest payments on our trillion-dollar debt.

It is the result of the highest interest, true interest, real interest rates in the history of the United States.

And Mr. President, I ask the leader if he recalls on page 10 the following paragraph:

> The final factor contributing to the worsening of the deficit outlook is that all of the budget savings that we have planned for last year were not actually achieved. Most importantly, our plan to insure the short and long run solvency of social security was discarded by the Congress. In an effort to eliminate the partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan.

Mr. President, right there in the Budget in Brief is the third factor accounting for the deficit.

Mr. TOWER. Mr. President, a point of order. I submit that the Senator from New York ask a question.

Mr. MOYNIHAN. Mr. President, I ask the minority leader does he not agree that this statement in the Budget in Brief is not consistent with the proposition that those May 12 cuts were planned purely for the benefit of the solvency of the program itself but, rather, to balance the budget?

The PRESIDING OFFICER. The minority leader has the floor and must yield for a question.

Mr. TOWER. Mr. President, I suggest the Senate rule be enforced that the speaker may yield only for a question.

Mr. MOYNIHAN. Mr. President, parliamentary inquiry. Did I not phrase my statement in the form of a question?

The PRESIDING OFFICER. The Senator from West Virginia has the floor. He must yield only for a question, not for a statement.

Mr. ROBERT C. BYRD. Mr. President, I understand that. Some questions have to be prefaced by a paragraph or so as the premise on which the question is based.

Mr. President, I remember the days when there was no social security and the old folks, if they no longer could work, had to stand at the gates of their children with their hats in hand, and if their children could not take them in, there was nowhere left to go except over the hill to the poorhouse.

I remember the old county poorfarms in the county where I lived. Then there was a President, who was a crippled man, who came to the leadership of this country. His name was Franklin D. Roosevelt. He and a Congress, which was mostly Democratic, enacted the social security program which eliminated those old county poorfarms, the old county poorhouses, and this country entered into a commitment with the people of this country, young and old, that if they paid into the system and became eligible for benefits as a result of their contributions into that system, this Government was committed to make benefit payments upon retirement which were publicly understood.

This Government has kept its commitment to these elderly citizens thus far.

Last year, the administration, after indicating that the social security program was within the safety net, and that the elderly people in this country had nothing to fear, sent up $88 billion in proposed social security cuts to the Congress. Among those cuts was one to which I referred a little earlier, one which said that if an individual elected to retire at age 62, he would get only 55 percent instead of 80 percent of his promised benefits. In any event, the reaction from this body was immediate and it was definite. The administration backed away from that proposal in a hurry.

The Kemp-Roth tax cut was enacted over the objections of many of us on this side of the aisle. We tried to point out the fact that it would result in huge deficits. We took our stand. We tried to tie the third year of the Kemp-Roth cut to the performance of the economy and to the size and the trend of the budget deficits, but we did not have the votes. So the Kemp-Roth tax cut went into effect. We predicted that it would result in huge deficits.

We also said it was unfair in that it was not geared toward the middle and lower income people, but they were the ones who were suffering. The tax cut was oriented toward the very wealthy, and 40 percent of the tax cut went to 5 percent of the taxpayers.

Mr. SASSER. Mr. President, will the minority leader yield for a question?

Mr. ROBERT C. BYRD. Yes, I yield at this time.

Mr. SASSER. Does the minority leader understand that the chairman of the Social Security Subcommittee has said that he would not raise social security taxes to take into consideration this $40 billion cut in funding for social security?

Mr. ROBERT C. BYRD. It has been reported that he has.

Mr. SASSER. That is my information, also, I say to the minority leader.

If we are in a situation in which the chairman of the Social Security Subcommittee is saying that he will not raise social security taxes to cover this $40 billion shortfall, then indeed this would appear to be a $40 billion cut in social security.

Mr. ROBERT C. BYRD. It would appear to be that.

Mr. SASSER. I ask the minority leader this: It is my understanding that there are approximately 35 million recipients of social security benefits presently in this country. Is that accurate or nearly accurate?

Mr. ROBERT C. BYRD. As I understand, more than 35 million.

Mr. SASSER. Using my rudimentary arithmetic—which is not always accurate, I am quick to confess—it appears that a rough calculation would indicate that over the 3-year period, this $40 billion cut would amount to $1,111, on the average, per social security recipient. That is what I get by dividing 36 million into $40 billion.

Is it not also the majority leader's understanding that the President——

Mr. ROBERT C. BYRD. The minority leader.

Mr. SASSER. The minority leader.

Is it not also the minority leader's understanding that the President said just this morning, in effect, that there would be no cut in the cost-of-living

adjustment for July, so far as social security recipients are concerned?

Mr. ROBERT C. BYRD. I thought the Senator was referring to something he had said.

Mr. SASSER. The question I propound to the minority leader is this: It is my understanding that this morning the President said there would not be a cut in the upcoming COLA, but what we are faced with is a cut of $40 billion in social security over a 3-year period.

At the present time, it is my understanding that the cost of the COLA, given the increase in the consumer price index over the past 12-month period, would amount to about $13 billion. The point I am getting to and the question I wish to ask the minority leader is this: Is not a cut of $40 billion considerably in excess of the $13 billion that would take into consideration the COLA that we have to deal with this coming year?

Mr. ROBERT C. BYRD. That is correct.

Mr. SASSER. And are we not indeed facing a cut almost three times larger than we would be facing had this cost-of-living adjustment not been scheduled in the past year?

Mr. ROBERT C. BYRD. We would, indeed.

Mr. RIEGLE. Mr. President, will the minority leader yield further at this point?

Mr. ROBERT C. BYRD. For a question only.

Mr. RIEGLE. I intend to pose a question.

I am wondering if the minority leader has had a chance to see what is called here the modified Domenici plan, which is now apparently the Reagan plan, that was presented last night and approved within the Budget Committee on a straight party-line vote by the Republicans. Has the minority leader had a chance yet to see this worksheet?

Mr. ROBERT C. BYRD. I have had a chance to see it.

Mr. RIEGLE. Because I want to inquire of him about two lines on this worksheet that go directly to the amendment he is putting forward here.

If the minority leader has it before him, I want to inquire if he is aware that in the first line, called the Baseline Deficit, there is a major adjustment that has been made which exceeds $100 billion. That item has to do with the fact that the Budget Committee, in conjunction with the Reagan White House, made a decision to treat one function in the budget, the defense function, different from the way it is treating all the other functions. As a result of that different treatment, they have ballooned the defense function over this time period by a figure in excess of $100 billion. That special increase in defense spending is built into this line called the Baseline Deficit.

The reason I inquire about this is that what has happened here is that if one then drops down to the line numbered 9, which the minority leader's amendment addresses—namely, $40 billion in social security cuts—by having this hidden increase up at the top line and then the $40 billion cut lower down on the sheet for social security, in effect what is happening here is that the social security system is being raided.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. To produce the money to cover this hidden increase in defense spending up at the top line which is buried in the total.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. So the minority leader has seen that sheet and is aware of that.

The problem, it seems to me, in showing this relationship is that not only is it a dishonest presentation in terms of this budget sheet I hold up here—because it obviously is an exercise in sleight of hand—but also, I think it illustrates exactly what we saw last year—namely, an attempt by the Reagan administration to start to tear the social security system apart, to loot the system, to withdraw the money, to pay for other things in the budget that they think are more important.

I gather, then, that the minority leader has seen this sheet, which shows precisely how this has been done.

I ask one other question: Does the minority leader's sheet show this item No. 9, which contains the $40 billion worth of social security cuts?

Mr. ROBERT C. BYRD. Yes; I see that.

Mr. RIEGLE. Does the minority leader's sheet use the language "Social Security Commission Solvency Recommendations"?

Mr ROBETT C. BYRD. My sheet does show that, yes—"Social Security Commission Solvency Recommendations."

Mr. RIEGLE. The reason I ask that question is that last night, when this sheet was presented, there was amazement in the committee because none of us was aware of the fact that the Social Security Commission had made any recommendations; and, in fact, it has not made any recommendations.

Mr. ROBERT C. BYRD. And is not expected to make any recommendations until after the election.

Mr. RIEGLE. That is exactly right.

The minority leader points out the timing of the election. What is being done here is that this is a time bomb designed to raid and to loot the social security system, but to do it right after the election, not beforehand. They want to make provision for looting it, but they do not want to confess that is what they are doing; and they want to postpone the actual actions until right after the election. I think their obvious intent is that they think somehow they are going to be able to fool people, at least until the election is over.

Mr. ROBERT C. BYRD. What is the question?

Mr. RIEGLE. The question I have is this: I am wondering if it is not appropriate for us to ask that, on this worksheet, this caption be completely changed, because it is misleading. I think it is obviously not an honest portrayal. I believe it should be called "Social Security Cuts." I hope, if the minority leader agrees, we might suggest that it be relabeled and properly labeled just "Social Security Cuts."

Mr. ROBERT C. BYRD. I would personally hope that it would be omitted entirely, but if there is going to be any reference to it, I would hope it would be designated for what it is, because it is not appropriate to refer to the Social Security Commission solvency recommendations when that Commission has made no recommendations and is not scheduled to make any recommendations until after the November election.

So I would say that it is—

Mr. DOLE. Mr. President, will the minority leader yield?

Mr. ROBERT C. BYRD. It is certainly not an accurate statement; and, in fact, it has no place in this table. But if it were labeled "Social Security Cuts," then we would know exactly what is being talked about; and it could not be placed under the pretense of the "recommendations" of a Commission which has not submitted any such recommendations, which has not reported yet, and which will not be reporting until the end of the year as the President stated last September.

Mr. DOLE. Mr. President, will the minority leader yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. Why not just speed up the Commission's work? We are in a crisis and the minority leader may want to do the responsible thing. He could amend the resolution to mandate that the Commission, of which the Senator from Kansas and the Senator from New York are members—might report on September 1. That way we may not have to delay or reduce the checks next July, when the fund will technically be broke. If we follow the course recommended by the four people speaking—who, incidentally, are running for reelection this year—[Laughter]—the fund will be unable to pay benefits on time.

Mr. ROBERT C. BYRD. Of course, the distinguished Senator from Kansas runs for reelection occasionally, himself, and he is taking quite a leading part in opposition to my own reelection, I might say, to my regret. I

hope he would reconsider what he has just said.

Mr. DOLE. About the date?

Mr. ROBERT C. BYRD. No, not about the date.

Mr. DOLE. I think it is a fact that the four people who have spoken are running for reelection. Is that not a fact?

Mr. RIEGLE. If the Senator will yield, it is three of us.

Mr. ROBERT C. BYRD. Yes; that is the fact.

The PRESIDING OFFICER (Mr. CHAFEE). The minority leader has the floor.

Mr. ROBERT C. BYRD. At least, this Senator is running for reelection.

Mr. DOLE. My point is that we should take the politics out of this discussion. Get the Commission to report by September 1, allowing us to study its recommendations before the election, and we might be able to work out some of the system's problems.

Mr. ROBERT C. BYRD. It was the President who proposed the Commission. He proposed it in the September 1981 televised address to the Nation. He proposed the Commission, but waited 3 months before establishing it. He proposed the date when it would report its findings.

Mr. DOLE. I know we have a crisis on our hands that we do not want.

Mr. ROBERT C. BYRD. Why does not the Senator then propose to the President that he get the Commission to report back earlier?

Mr. DOLE. We do not need to do it by September.

Mr. ROBERT C. BYRD. The Senator is on the side of the President.

Mr. DOLE. I am on the right side.

Mr. ROBERT C. BYRD. It is a President of the Senator's party.

When he refers to my reelection, yes, I am running for reelection. So will the Senator one day.

Mr. DOLE. I may not run again.

Mr. ROBERT C. BYRD. That will be his decision, but I am a candidate, as the Senator states. But that has nothing to do with this.

Mr. DOLE. I am sure it does not. But I think, in the event it would have anything to do with it, it would seem to me that the best course to follow would be to get the Commission to report and to report as quickly as possible. We do meet on Monday, May 10, and if we could adopt a resolution here commending the Commission for the outstanding work we have done in the first two meetings and telling us to report to Congress maybe by September 1, we can deal with this crisis. We must deal with this crisis before next July when those people the Senator is concerned about may not receive a check. By taking that course of action, we would be doing a service to everyone.

Mr. ROBERT C. BYRD. The Senator is in much better position than I to explain why the President selected the date himself. I did not select the date. It was the President's recommendation that there be a task force appointed and it was his statement to the Nation last September that he would ask that Commission to report back after the election. He must have had some reason for that.

Unlike my friend from Kansas, I would not assign a political reason for the President's selection of the reporting date. But it was the President who said that the Commission will report back after the election.

Mr. DOLE. Does the Senator object to the President issuing an Executive order to speed up the work of the Commission?

Mr. ROBERT C. BYRD. I want the Commission to complete its work and the President for some good reason of his own I suppose—I would not say it was political—but for some good reason——

Mr. DOLE. I do not think the President has ever done anything political.

Mr. ROBERT C. BYRD. I do not know about that. I am saying that the President selected the date, not the Senator from West Virginia.

Mr. DOLE. But the Senator from West Viginia would not object if he changed the date?

Mr. ROBERT C. BYRD. I am saying the recommendations have not come forth yet. What I am objecting to is the use of that language "Social Security Commission Solvency Recommendations" in this action by the Budget Committee yesterday.

Mr. DOLE. Does the Senator believe——

Mr. ROBERT C. BYRD. Will the Senator let me finish? I will give him a chance to ask all the questions he wants.

Mr. DOLE. We do have jurisdiction of this program in the Finance Committee.

Mr. ROBERT C. BYRD. I have the floor at the moment.

Mr. DOLE. I appreciate that.

Mr. ROBERT C. BYRD. I am trying to answer the Senator's questions.

I object to this line No. 9 "Social Security Commission Solvency Recommendations, $6 billion in 1983, $17 billion 1984, $17 billion in 1985, making a total of $40 billion."

Who knows what the recommendations are? Can the Senator say? I am not asking a question because I am not supposed to do that while I hold the floor. But I ask a rehetorical question: Can anyone say what those recommendations are? Where did the Budget Committee get these figures? Where did the Budget Committee get these figures? I am asking a rehetorical question.

Mr. MOYNIHAN. I will answer it.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am asking a rehtorical question.

Mr. DOLE. I can inform the Senate that the Budget Committee got them from the Congressional Budget Office. we are going to be about $7 billion short come July 1, 1983.

Under the Senator's plan—which is no action—we will not be able to mail checks to beneficiaries and will have to wait until enough money comes in to mail out the checks or we will have to reduce the checks. I do not think the Senator or any other Senator who spoke this afternoon wants that to happen.

I just checked the Executive order issued by the President. It states that the Commission shall make a report to the President by December 31, 1982. So there is no prohibition to an earlier report. I am certain the Senator from New York will join the Senator from Kansas urging the Commission to report by September 1.

Mr. MOYNIHAN. May I ask a question?

Mr. ROBERT C. BYRD. If I could just say this, then, perhaps it should have been the Congressional Budget Office.

Mr. DOLE. That is a bipartisan group headed by a Democrat.

Mr. ROBERT C. BYRD. According to figures by the Congressional Budget Office, thus and so. This says, if I read—it is plain English—"Social Security Commission Solvency Recommendations." What do we know? What commission has reported back yet? Why is that statement used when the commission has not reported back?

Mr. DOLE. Strike that label out.

Mr. ROBERT C. BYRD. Eliminate the $40 billion?

Mr. DOLE. No; the label.

Mr. ROBERT C. BYRD. I am saying eliminate the $40 billion in the social security cuts.

Mr. DOLE. The Senator from West Virginia does not want to pay the beneficiaries? He does not want the people in West Virginia to get their full checks?

Mr. ROBERT C. BYRD. Exactly, I do.

Mr. DOLE. How does the Senator propose to do it?

Mr. ROBERT C. BYRD. I do not want them to be cut.

Mr. DOLE. How does the Senator propose to pay the benefits—raise taxes? Does he want to raise taxes?

Mr. ROBERT C. BYRD. I proposed to defer the third year of the Kemp-Roth tax scheme that got us into all the trouble anyway.

Mr. DOLE. That is not social security.

Mr. ROBERT C. BYRD. Defer that 3 years.

Mr. DOLE. The Senator from West Virginia voted for it.

Mr. ROBERT C. BYRD. Will the Senator let me finish?

Mr. DOLE. Sure.

Mr. ROBERT C. BYRD. The third year of the Kemp-Roth tax cut if it were deferred would save $76 billion.

Mr. DOLE. The Senator from Michigan also voted for the tax cut.

Will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order. I know what my rights are on the floor.

Mr. DOLE. I am sure the Senator does.

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from West Virginia has the floor and only will yield for a question.

Mr. ROBERT C. BYRD. Mr. President, the Kemp-Roth tax cut, if the third year were deferred, would save $76 billion by 1985. If the tax indexing were deferred, there would be an additional $10 billion saved in 1985.

So there are ways to achieve the goal, the overall goal, that the Budget Committee has attempted to reach, and I commend the chairman of that committee for the effort that he has made to come out with a budget package.

I am simply saying that it was the Kemp-Roth scheme that got us into this great difficulty, to a considerable measure at least. Last year, some of us predicted huge budget deficits down the road if that tax cut went into effect. We said in the beginning it was not fair. It was not fair to the middle income people. It was not fair to the lower income people of this country. Forty percent of the tax cut went to 5 percent of the taxpayers.

And the budget document that the President sent up here to Congress, everyone recognizes, was not credible because it was based on false assumptions. It predicted a $91½ billion budget deficit in 1983, an $83 billion deficit in 1984, and a $72 billion deficit in 1985.

When the truth was known, the more likely deficits are $183 billion in fiscal year 1983, $216 billion in fiscal year 1984, and $233 billion in fiscal year 1985.

So not only is it ROBERT C. BYRD now who is saying that today—I said it last year—many others on this side of the aisle said it last year.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Not yet. But I will shortly.

Mr. DOLE. I will wait.

Mr. ROBERT C. BYRD. The Senator will not have to wait long.

So what we really see is not only ROBERT C. BYRD who said it last year and the Democrats who said it last year, but today we see the investment community, we see the business community of this country, we see the Business Roundtable, we see the National Association of Manufacturers, we see outside independent financial analysts saying that the Kemp-Roth third year should be deferred.

The President's program is in place. We gave the President everything he asked for. We gave him his budget cuts of $35 billion last year and then another 4 percent across the board in December. We gave him the Kemp-Roth tax cut for 3 years.

I personally asked the President in the Oval Office, when he was talking with me and some other Senators and House Members, if he would be willing to tie the third year of the tax cut to the performance of the economy and to the size and trend of the budget deficits so that if, indeed, we were not on the glidepath toward a balanced budget in 1984—which at the time he said we would be and which at that time he sincerely believed we would be but which he later reversed himself on—then that we tie that third year to the performance of the economy so that we would not exacerbate the budget deficit by piling deficit on top of deficit.

The President did not agree, and I know he was sincere in believing that his plan was the right thing, but he got the whole program. It is in place, and it has not worked. We have heard a lot of talk that we have to wait until the program is in place. We have heard that a long time, but we made the business tax cut retroactive all the way back to the beginning of that last year.

Nobody is quarreling with that. But the administration got the whole thing. It rammed the Kemp-Roth tax scheme through Congress. In addition to that, the administration supported the tight monetary policy, so you have expansive fiscal policy and tight monetary policy here, tight monetary policy which the administration has supported and, as a result, we have had an increase, a great increase, in unemployment; we have high interest rates. We also have these massive prospective deficits which are causing the investment community not to invest, and which are not producing the results that the administration predicted would be produced upon enactment of its supply-side economic policies.

So now we find ourselves in this terrible situation in which we have to take some strong actions in order to bring those budget deficits down.

There are those of us who believe that the actions that ought to be taken to bring the budget deficits down are to defer the third year of the tax cut. We are not saying eliminate it, but defer it until such time as the economy can stand it, and also defer the tax indexing until such time as the economy can stand it; and in connection with a more prudent fiscal policy, also have a less restrictive monetary policy so that interest rates will come down and businesses will invest, and people will be put back to work.

With each increase of 1 percent in unemployment, it costs the Federal Government an additional $25 billion to $30 billion. That is added to the deficit. With each $100 billion added to the deficit we have to also include something like 14 percent on top of that.

So, yes, we would suggest that the way to bring the deficits down is to defer the third year of the Kemp-Roth tax cut, and that the tax indexing be deferred, and that the Pentagon's budget be more carefully scrutinized for reductions—reductions in the proposed increase in defense spending.

It is my understanding that the Defense Department is one of the few agencies of the Government that does not have an Inspector General whose role it is to ferret out waste, fraud, and abuse. Surely there must be some mismanagement, some waste in a budget of that size.

So it seems to me that there are many actions that could be taken to reduce the budget deficits. We all want to work together to see that done. But what we are concerned about is that we not do it on the backs of the old people who have been promised a social security payment, and to which this Government is committed and which agreement we all entered into in good faith.

Now I yield to the distinguished Senator, with my apologies, because he has been waiting; I yield for a question.

Mr. DOLE. I just wanted to verify, if the Senator from West Virginia could respond. I understand there was a motion yesterday to defer the third year of the tax cut, and the Senator from New York voted "No;" the Senator from Tennessee, who has spoken, voted "No," and the Senator from Michigan, who has spoken, voted "No."

I refer to the tax program as Roth-Kemp, in deference to Senator ROTH. I always put ROTH first. If we repeal any of it it is going to be KEMP's half. We'll save ROTH's part.

But I just think the RECORD should indicate that the question is whether or not we take away the working man's tax cut. Maybe there are more people who receive social security than people who work, but I do not think so. There are 115 million people paying into the system, and 36 million people receiving benefits.

My question is if the Senator from West Virginia would be willing maybe to state his program for saving the social security system. The Congress has been under the control of the Democratic Party for a quarter of a century or more. The last Democrat initiative with regard to social security was in 1977. A bill was passed to enact six tax increases for the working people and their employers, small business people in Kansas and West Virginia.

There are still three of those tax increases yet to take effect. I just ask the Senator from West Virginia what he would do if it came July 1983 and we cannot mail out the checks to the recipients of West Virginia because the system is technically broke?

Mr. ROBERT C. BYRD. Well, the Senator is asking an iffy question.

He refers to the years in which the Democrats were in control of Congress. I have often heard that kicked around, but it is conveniently overlooked that the other party has been in control of the White House at least 18 years out of the 30 I have in Congress. I have been on Capitol Hill for 30 years now, and the White House has been in the control of the Republicans for 18 years out of the 30. It is the President who sends up the budget documents.

When I came to the House of Representatives, I came in on the Eisenhower landslide, the opposite party, of course. But Mr. Eisenhower was elected for two terms; then Mr. Nixon, and after Mr. Nixon, of course, who was forced to resign, then Mr. Ford, and now Mr. Reagan for 2 years, so that is 18 years our of the last 30, the 30 years I have been serving here, the Chief Executive of this country has been a member of the other party.

When we talk about how many years Congress has been under the control of the Democrats, let us not forget the other half, that other equal and coordinate branch of the Government, the executive branch, which has been under the control of the Republicans for 18 out of the 30 years I have served. It is like those buckwheat cakes up in Preston County, no matter how thin they are, there are always two sides.

You talk about one side, about the Congress, being in control, but there is the other side. The Executive sends up the budget. We only have one President. He is the leader of the country, and when he tells the elderly community of this country that it is going to be included in the safety net I think the elderly people ought to be able to believe it.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. Yes, I will yield for a question.

Mr. KENNEDY. I wonder whether the Senator had the opportunity to see the President on television this morning, when he congratulated the Budget Committee on its work and embraced the position of the committee. All the members of the Democratic Party on the committee rejected that position, but all the members of the Republican Party accepted it. I wonder whether the Senator had any opportunity to see that press conference?

Mr. ROBERT C. BYRD. I did not see the entire press conference. I got in on the last 30 seconds of it, I would say.

Mr. KENNEDY. Would the Senator agree with me that the President has stated time after time that social security recipients will not be hurt by his economic program and his recommendations? Does the Senator remember that? I know the President made that statement on a number of different occasions, and he reiterated that statement again this morning.

Mr. ROBERT C. BYRD. Yes.

Mr. KENNEDY. I wonder whether the Senator feels there is an inconsistency in the President's position. On the one hand, he endorses the proposal of the Budget Committee for a $40 billion cut in social security; on the other hand, he says that social security beneficiaries will not be hurt by his program. Does the Senator see an inconsistency in that?

Mr. ROBERT C. BYRD. Yes.

Mr. KENNEDY. Does the Senator believe that senior citizens all over this country now know that their social security position is going to be imperiled over the next 3 years if this recommendation of the Budget Committee is accepted?

Mr. ROBERT C. BYRD. Yes, I see an inconsistency in that.

Mr. KENNEDY. Does the Senator also believe that the working men and women of this country who paid into the social security system over a lifetime are entitled to rely on the promise of social security? Does the Senator agree that there is a basic, fundamental issue of commitment and trust by the Federal Government that is as old as the establishment of the social security system? Does he agree that the working people of this country and those who represent them in the Congress and Senate of the United States are entitled to rely on the promise made by the Government in social security?

Mr. ROBERT C. BYRD. I would say that is a basic principle of trust. And it is not just the elderly people—not just the elderly people—who are affected by this inconsistency to which the distinguished Senator has referred. It is also the young people of the country. After all, they are having a difficult time making ends meet. At some time in the future, they are going to expect to receive what is committed to them, their just due, from the payments that they will have made over the years into the system. And so it is a fundamental problem of trust in the system.

Mr. DOLE. Will the minority leader yield?

Mr. ROBERT C. BYRD. I will in just a moment.

Mr. KENNEDY. Would the Senator agree with me that the enormously unfair economic policy of this administration has resulted in massive tax cuts for the wealthy, massive budget cuts for the needy, record deficits, record high interest rates, and record unemployment? Does the Senator agree with me that the unfairness and ineffectiveness of the President's economic policy has put the country in this plight? Does he agree that the President is now asking the senior citizens of this Nation, who have worked long and earn their social security benefits in their twilight years, to bail out this administration's inequitable and unfair economic policy?

Mr. ROBERT C. BYRD. I agree with the Senator. One of the things that has caused the problem with the social security program has been the increase in unemployment. There are fewer people now who are paying into the system. In addition to that, there are additional people being forced to retire earlier because of the recession than they otherwise had planned to retire, and this produces a drain on the social security trust funds. So these two forces, working together, have conspired to create problems for the social security program that otherwise would not have occurred.

Mr. KENNEDY. The Senator has been in the Senate a number of years and has ably represented the people of West Virginia. During that time, Democrats and Republican Presidents alike have faced serious economic challenges in seeking to provide economic growth, price stability, and justice. Can the Senator from West Virginia think of any time—any time—since the enactment of the Social Security Act that any President of either party has cut back on this basic pledge to millions of working people and retirees in order to bail out a failed and flawed economic policy? Has any President before now ever acted in this way, to pull the rug out from under our social security recipients? Can the Senator think of any other time, in all the ecomomic exigencies that this country has ever faced, when such a harsh and unfair recommendation has been made? Does the Senator agree that if this program, which has now been embraced by the President and many Members of this body, is accepted then we are basically pulling the rug out from under millions of social security recipients?

Mr. ROBERT C. BYRD. At no time do I recall, and I began my service in the House, I am proud to say, under President Truman. I served 17 days under President Truman. I was sworn in on January 3, 1953, and he served until January 20 of that year. But at no time have I seen or heard any President of either party take that position.

I do recall the man who is now our President, indicating on more than one occasion, his own belief in a voluntary social security system. I must say that I have been somewhat surprised at the inconsistent statements that

have been made regarding the President's position on this matter. I am sure that many elderly citizens in this country have been seriously concerned. Of course, one of the administration's actions that sent the greatest shock wave of fear throughout the elderly community was the statement OMB Director David Stockman made last May, that the most devastative bankruptcy in the history would occur about November 3 of this year because the social security system would no longer be able to send out monthly checks. That is the kind of statement that sent fear through the elderly community.

I might say that the SOS Coalition—Save Our Security—which is composed of approximately 100 organizations, representing between 35 and 40 million people—union movement, the aging, the disabled, and so forth—the executive committee of the SOS Coalition has just met and endorsed the amendment that has been presented here this afternoon by Mr. MOYNIHAN and myself. I want to say that I am glad to have the support of that coalition.

Mr. LONG. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised first I would yield to the Senator from Kansas for a question and then I will yield to the Senator from Louisiana for a question.

Mr. DOLE. Through the minority leader, I would like to ask the Senator from Massachusetts, who just recited a totally analytical, objective, free of any partisanship evaluation of the system, what he might recommend? I think it is one thing for people to stand up here and make speeches about the system, but we have a responsibility that, sooner or later, somebody is going to have to address.

I know some do not want to do that. The Senator from Kansas is not too excited about it. But sooner or later, when all the funds have been used up in the social security system, we are going to have to address the problem. We are going to have to tell the American people, the beneficiaries, that, "Well, we had a great time playing politics with this issue, but we just could not come to grips with it. So we will have to delay your check 15 days while a little money comes in or reduce the benefits."

I say to the Senator from West Virginia that the current level of reserves in the combined trust funds equals barely 2 to 2½ months' benefits. CBO—the Congressional Budget Office, not the Republican Party or the White House—estimates that the $6 billion called for in the budget proposal—and that is assuming continued interfund borrowing—will merely hold reserve levels at 19 percent for 1983 and 15 percent for 1984 and 1985. That is considerably below the reserve on hand today.

So I would just ask the Senator from West Virginia, in as objective way as I can—and I hope the people who have spoken understand that there is a problem. The problem is not going to go away by passing some resolution that might have political impact. The problem is going to be worsened, unfortunately, if we keep indulging in political rhetoric with nobody addressing the problem.

I commend the Budget Committee. I commend Congressman BOLLING and members of the so-called gang of 17 who, for 5 weeks, worked on this problem and others. There were Democrats and Republicans there. Never once was there a partisan word about social security. We tried to find a solution.

I would hope that the Senator from West Virginia would withdraw the present resolution and maybe have just a simple resolution asking the Commission to speed up its work. If he could do that, we would really make some headway.

Mr. ROBERT C. BYRD. Is the Senator asking me a question?

Mr. DOLE. I was just asking for the solution of the Senator to this problem. Senator KENNEDY had a great statement, but no solution. I have not heard a solution yet. I have heard a lot of good political statements. So far everyone who has spoken is a candidate this year.

Mr. ROBERT C. BYRD. Of course, the Senator from Kansas has been relating political statements.

It was the President who requested and established the Commission. The President stated that he wanted an independent commission to perform free from political considerations.

I would say in answer to the question of massive Federal budget deficits, defer the third year of the Roth-Kemp tax cut.

Mr. DOLE. Kemp-Roth.

Mr. ROBERT C. BYRD. That is $76 billion in 3 years.

Mr. DOLE. But the Senator from New York and the Senator from Michigan voted against that yesterday.

Mr. ROBERT C. BYRD. I understand that.

Mr. MOYNIHAN. May I ask a question? Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised the Senator from Louisiana to yield to him first, if I may.

Mr. LONG. May I ask the Senator, Has the Senator to his knowledge, had anyone making less than $30,000 a year ask him to cut the social security benefits for these dear old people?

Mr. ROBERT C. BYRD. I have not heard it.

Mr. LONG. Has he had the experience of having some people who make a lot more than $30,000 a year urge him to vote to cut back on social security benefits?

Mr. ROBERT C. BYRD. Yes; I have heard one or two well-to-do people in this country say they would be willing to see a cutback in social security. They apparently did not have any relatives who had to depend on it.

Mr. LONG. Mr. President, may I say to the Senator that the Senator from Louisiana has had the experience of having some very nice people, some very patriotic Americans, people who undoubtedly have the interest of the Nation at heart as the good Lord gives them the light to see it, suggest to the Senator that, "We just must cut these social security benefits or the Nation is going to come to some very unhappy end."

Is the Senator aware of the fact that we just got through cutting taxes for those kinds of people by $750 billion?

Mr. ROBERT C. BYRD. $749 billion.

Mr. LONG. Is the Senator aware also of the fact that these little working people did not get most of the tax cuts? The first $100 billion was pretty much loaded for those who were doing very well indeed.

Is it not true that the ordinary little working person really has not had anything but a 5-percent cut, and he has had his social security tax go up at the same time?

Mr. ROBERT C. BYRD. There is no question about it. It amounts to an increase, as a matter of fact.

Mr. LONG. Can the Senator tell me that his experience is the same as mine? I have not had a working person yet ask me to cut social security.

Mr. ROBERT C. BYRD. No; I do not recall having a working person ask me to do that.

Mr. LONG. In other words, is it true that those who seem to be anxious to cut the social security benefits seem to be very successful people who already enjoy an enormous tax cut? I voted for it. I was happy to do so. I am pleased to see them doing very well indeed. But has the Senator ever asked some of those people the simple questions such as:

> Have you ever been to these nursing homes and seen those dear old people on those beds? Have you ever talked to those desperate souls about their plight and their situation? Have you ever seen the tears in their eyes talking about how tough it is to get by at all?

Has the Senator shared my experience that every time you ask that of these wealthy people if they want to cut social security, they usually do not answer at all, and that is usually the answer, or if they do answer, they say no, they are too busy making money? They do not go through these nursing homes and see these dear old souls who have no more than a $200-a-month check or maybe $300-a-month

check, with perhaps $5 left over after they pay expenses.

Mr. ROBERT C. BYRD. Those on social security are worrying about how they are going to pay for their energy bill, their electric bill.

Mr. LONG. Has the Senator had the experience of visiting with people and explaining to them that we had to pass a social security tax some time ago which most Democrats, including the minority leader, voted for, to pay for these social security benefits? Is the Senator familiar with the fact that some of us were accused of voting for the biggest tax increase in history when we voted to come up with the tax money to pay for these benefits?

Mr. ROBERT C. BYRD. Yes; and it took some courage for the Congress to do that.

Mr. LONG. Is the Senator aware of the fact that there were some very good people who voted for it, and went out and faced all the criticism that went with voting for the tax increase?

Mr. ROBERT C. BYRD. Yes; and in the elections they were accused of passing the highest tax increase in the country.

Mr. LONG. Yes, we did.

But some of us, including the minority leader, then the majority leader, assumed the burden of going in there and voting to pay the taxes to fund this program.

Mr. ROBERT C. BYRD. Absolutely, so that this Government could keep its commitment to the old folks of this country.

Mr. LONG. Is it not true that while, of course, the income tax is not being used to finance the social security tax, cannot the Senator look at that situation and see something rather relevant here, that what has been done is that we have been asked to vote for the biggest tax cut in history, with the very wealthy people doing very, very well indeed, and then being told that we cannot afford to take care of these dear old people, that we will have to cut their checks.

Can the Senator see that a dollar is a dollar? If worse came to worse, we could use some of that $750 billion to take care of these dear old people.

Mr. ROBERT C. BYRD. Unquestionably.

Mr. DOLE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. I promised to yield to the Senator from New York first.

Mr. DOLE. Can I ask one question——

Mr. ROBERT C. BYRD. I ask unanimous consent that I may yield for the purpose of a question, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I get the feeling here that we are about to fund social security with the general fund. I did not know that was being recommended by the Democrats.

Mr. LONG. This Senator is just saying that we ought to find the money to pay it. That is all I am saying. May I say to the Senator that a dollar in taxes is a dollar in any event. We necessarily cannot ignore the fact that we have had the pleasure of voting $750 billion in tax cuts, and having done all of that should we come in here now and say, "Hold on, we cannot afford to care for these dear old people any more. We just cannot afford that."

Mr. ROBERT C. BYRD. Or, as we heard last year from the Office of Management and Budget: "They can get on welfare."

Mr. LONG. I do not intend to use the income tax money for the social security tax. I would much prefer to pay it with the social security tax. That is how I would prefer to vote. But I could never vote to say that these very pitifully poor people, drawing the minimum social security benefits, should have their benefits cut in the face of penurious circumstances because we in the Congress thought we could not afford to take care of these dear old folks anymore.

Of those making $30,000 or less, I have not had the first one ask me to cut social security, not one of them. I ask myself why is it that it seems to be hurting these wealthy people so much and does not seem to be the same kind of burden to the working people who are paying a much higher percentage of their income to support this program than the people who are complaining?

I would share the view of the Senator from West Virginia that, sure, we must trim wherever we can to balance the budget.

But I hope that we do not scare these dear old people to death that we are going to let their benefits be drastically cut. There are some who do vote to do that, and I, for one, will not do that.

Mr. JOHNSTON. Will the Senator from Louisiana yield for a question?

Mr. ROBERT C. BYRD. Mr. President, I have the floor. I first promised to yield to the distinguished Senator from New York and then I shall yield to the distinguished Senator from Louisiana.

Mr. MOYNIHAN. I thank the minority leader.

Mr. President, with respect to the statement of the distinguished chairman of the Senate Finance Committee about whether the Senator from Louisiana was suggesting using the trust fund money of the social security system, the first thing is to say that there is a now not inconsiderable amount of general revenue funds going into the system. We shall leave that aside. But two things: according to the board of trustees of the Federal old age survivors insurance and disability insurance trust funds, the social security system would require no increase in revenues during the 1980's under the President's budget assumptions. I ask the Senator from West Virginia, is he not aware that by the testimony of the trustees, the President's budget assumptions show the system is solvent during this present 1982?

Mr. ROBERT C. BYRD. That is my understanding.

Mr. MOYNIHAN. That is the statement, Mr. President. The tables are right here for anyone who wishes to examine them.

Mr. ROBERT C. BYRD. The Senator is a member of the Commission, Mr. President, so I am sure he would not say that if it were not true.

Mr. MOYNIHAN. The next point is that almost the first decision the Commission made is that social security revenues should not be used to offset deficits elsewhere in the budget. That is the first decision we made and, given that, it seems to me that action regarding the social security system should await our recommendations, which will be forthcoming.

Mr. ROBERT C. BYRD. Of course, I am not in a position to be aware of that, Mr. President, but I know the Senator from New York is a member of that Commission. I recognize that he speaks with knowledge and accuracy as a member.

Mr. MOYNIHAN. I thank the Senator.

Mr. DOLE. Will the Senator yield for a question?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Kansas for a question.

Mr. DOLE. Mr. President, it might be good to keep the record straight on this side of the debate and I shall do what I can.

I want the record to indicate that between 1982 and 1991, we are going to collect over $2 trillion in social security taxes from people of all income groups. I guess the question is, are we not taxing people enough already. That is the problem. We are taxing people too much. Many of the young people referred to are paying more in social security taxes than they are paying in income taxes.

I ask the distinguished minority leader if he intends to proceed with this for some additional time or will there be an opportunity for this side to express views. We do not want to violate the procedures of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I do not intend to hold the floor for very long. I am very willing to vote on this immediately or, if it is a tabling motion, it is quite agreeable to me. I would like to see a vote one way or the other, on a tabling motion or up or down on the amendment. I do not insist on an up-or-down vote.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may I say further to the distinguished Senator from Kansas that I shall keep the floor for a couple of minutes and then I shall yield it. Does he have a question?

Mr. DOLE. That was my question. I just wanted to know whether I can sit down or must stand up.

Mr. ROBERT C. BYRD. Oh, yes, the Senator may be at ease, Mr. President.

Mr. RIEGLE. Mr. President, would the minority leader care to hold the floor 1 minute longer to respond to a question from me as the Senator from Michigan?

Mr. ROBERT C. BYRD. Yes, Mr. President.

Mr. RIEGLE. In the discussion the Senator has had, either with the President in attendance or his economic advisers present, has he been able to get a sense of why it is that this administration has been attacking social security in one form after the other, literally since they have come to office? Let me make my question very specific.

Last year, it was the minimum benefit under social security, the proposal to eliminate that. As the Senator will remember, I am sure, we got that out here on the floor. We finally succeeded in saving that benefit for some people but not for others.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. That was the first attempt.

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. Then, Mr. President the attack on the COLA's by this administration. They wanted to change the COLA formula which has been in effect to try to adjust for the cost of living so older people would be able to keep up with these rising costs for health care and food. Does the Senator recall that?

Mr. ROBERT C. BYRD. Yes.

Mr. RIEGLE. Then it was the attack on the early retirements system, Mr. President, the 40-percent reduction and the early retirement benefit for those who have to go out at age 62 because their health is shot or their job has disappeared. Does the Senator recall that attack by this administration?

Mr. ROBERT C. BYRD. I do, Mr. President.

Mr. RIEGLE. Now we have this brand new attack, the $40 billion cut in social security which the President endorsed last night, endorsed again this morning in the Senate Committee on the Budget. And we do not know where those cuts will be made. We do not know who the victims will be. It can be anybody under social security that is going to be the person who has to bear these cuts.

Has the Senator had any way of determining why it is that this administration feels that the social security system has to be targeted time and time again by these assaults?

Mr. ROBERT C. BYRD. No; it is America's most successful and popular domestic program. Mr. President, I yield to the distinguished majority leader without losing my right to the floor for the purpose of his making a unanimous-consent request which has no reference to this particular amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. I thank the Senator.

ORDER FOR RECESS TODAY UNTIL MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, as I announced earlier today, we shall not be in late tonight, since the DOD authorization bill will be automatically taken down at the conclusion of business today under the order entered earlier this morning. I estimate the Senate will be in until approximately 6 p.m. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon on Monday next.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what was the Senator's question?

Mr. RIEGLE. Has the Senator from West Virginia ever seen an occasion where any administration has launched these successive attacks, one after the other, on the entire social security system?

Mr. ROBERT C. BYRD. The answer is no, Mr. President.

Mr. RIEGLE. Has the Senator been able to get any sense of why it is that the social security system seems to be at the top of the hit list of this administration?

Mr. ROBERT C. BYRD. I cannot answer that question, Mr. President.

Mr. MOYNIHAN. Would the distinguished minority leader yield for a question from me?

Mr. ROBERT C. BYRD. Yes.

Mr. MOYNIHAN. Does he think it might be that the social security system is at the top of the list of the programs this administration wishes to debilitate, if not destroy, because the people involved are at the bottom of the American economic system?

Mr. ROBERT C. BYRD. I think that is a reasonable conclusion to draw, Mr. President.

Mr. MOYNIHAN. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, social security is one of our most enduring institutions. Its core is a compact between the American Government and its citizens. It will do great danger to this country if we allow social security to become a pawn in the budget process. Arbitrary and sudden cuts of the nature contained in the budget document undermine this compact between the Government and its citizens and make the people wonder if the Government will keep its promises.

Mr. President, I have one other thing to say. That is with reference to the Roth-Kemp plan.

According to the Congressional Budget Office, in 1982 an average family with an income of $10,000 to $20,000 gets $220 in tax breaks. In the same year, a family with an income of $80,000 gets a tax break of $8,430. These figures clearly demonstrate who benefits from the taxcut scheme.

Mr. President, I am going to yield the floor. I thank those who have participated, and I certainly have no desire to keep the distinguished Senator from Kansas from getting the floor any longer. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I thank the distinguished minority leader, and I appreciate his yielding during the course of debate.

The Senator from Kansas would just like to say that this is just a prelude of what is going to happen, I assume, for the next several months. I hope that sooner or later we will come to grips with the serious economic problem we have in this country. We have deficits staring us in the face of $182 billion in fiscal 1983 and larger deficits in 1984 and 1985. To those who are concerned about these people who get big tax benefits, the Senator from Kansas is happy to announce that we hope to bring to the floor a tax package that will address some of the very concerns that you and this Senator both have. The Senator from Kansas believes that the tax code has been too generous to certain income groups. We will find out how strongly those views are held when it comes to voting on a minimum tax for corporations, which we would like to expand to include individuals. We will see how strongly those views are held when it comes to repealing or modifying safe harbor leasing, when it comes to addressing pension reform, and when it comes to a number of other areas that have been around for a long time in the tax code, long before we heard of the Tax Reduction Act of 1981. This Senator believes these issues should be addressed.

I say, sincerely as I can, that I hope we can increase the $95 million in revenues suggested by the Budget Committee over a 3-year period. That, for the most part, can be done without

taking the tax cut away from the working men and women in this country.

Face it. Once that 10-percent tax cut of July 1, 1982, takes place, there will be silence on both sides of the aisle about the next 10-percent cut in July of 1983. If not, we would be saying to the working people in Michigan and Kansas and every other State, "Oh, we are going to take away your tax cut; you are getting too much out of Government. You are not paying enough taxes."

Once the working people start feeling that tax cut, even though it may not be as much as some would like, Roth-Kemp or however you want to refer to it—it is the President's tax program—there will not be enough votes in this Senate to defer the third year. You may be sure that there will be an opportunity. We will make certain that everybody has an opportunity to vote on whether or not they want to take away the working man and the working woman's tax cut due in 1983.

While we stand here and discuss social security—I guess you could call it a discussion, if you use the word loosely—we should also reflect on what we may be doing to the working people in this country if some in the other party have their way about the third year of the tax reduction.

So I hope that as we prepare for a long hot summer and a lot of debate on this and every other issue, we will keep in mind that we do have a real problem in social security. The Senator from New York is aware of that. The Senator from West Virginia is aware of that. The Senator from Kansas is aware of that. It is a problem that is not going to go away.

Last year we did the courageous thing in Congress. I must confess we found all the courage we could and decided that, since we would not do anything we should do, we would authorize borrowing money from the two funds in the program that had a little surplus and put them in the fund that did not have any money.

That is how we approached it last year. The Senator from Kansas voted for that so I am not excluding this Senator.

But come June of 1983, we will have to make another decision. We can still carry on a little interfund borrowing in 1983 but in 1984, which happens to be another election year, there would not be any more money to borrow.

We can stand here all day and point fingers at the White House or at somebody who has long since gone and say we did not address the problem in social security. The problem is we are either going to have to reduce the growth of benefits, increase taxes, fund social security with general revenues, or we are going to have to make some basic structural reforms that are phased in over a period of years.

I might say in that regard that 12 Members of Congress in the so-called Gang of Seventeen who sat around for 13 different meetings are aware of that. As the Senator from Kansas said earlier, there was not one partisan note raised during those 5 weeks of discussion about how we were going to address social security. We know there is a problem. We know we have to change some things. We know that we do not want to raise taxes any more. We know that working people pay too much in taxes now. We know that young people pay more social security taxes in many cases than they pay income taxes. We know we should not fund the system with general revenues. We know we do not have any general revenues. We know the present debt is $1,000,078,900. We know we are going to ask the Senate in 30 days to increase the debt ceiling so the Government can pay its bills.

I am reminded that every time I talk to my mother about social security, she mentions that a lot of people who get it do not need it. But it does not work that way. I think the elderly are the most unselfish people that I know. They understand that they want this system to be here when their children and grandchildren are old enough to receive benefits. We can play the game and try to fool the people about social security, but someone is going to have to address the problem. It is going to be Democrats and Republicans, this Senator hopes, working together.

That is the reason for the Advisory Commission. That is why the Senator from West Virginia placed the Senator from New York on that Commission. That is why the Senator from Tennessee, the majority leader, placed this Senator on the Commission. But I do believe, if we really want to see this problem addressed, we will do our best to speed up the Commission's work. I note the Executive order does not state any deadline. It says by December 31, 1982. And so perhaps the Senator from New York will join the Senator from Kansas on Monday to see if we cannot speed up the process. We can meet more often. We only meet once a month. There is a lot of work being done; the staff is doing a tremendous job. But it seems to me that this problem is one that should be, hopefully, addressed this year.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. DOLE. Yes, I yield.

Mr. MOYNIHAN. I want to say, if the Senator will permit an observation, the Commission meets Monday, and I would be more than willing to have this matter discussed when the Commission meets. But might I ask him, in the deliberations of the Gang of Seventeen—as unhappy an appellation as I have recently encountered in American public discourse—was it ever proposed that part of a budget agreement include a $40 billion 3-year reduction in social security payments?

Mr. DOLE. Yes, that was discussed and it was called a solvency test.

Mr. MOYNIHAN. $40 billion?

Mr. DOLE. I would have to check the figures, but that's fairly close.

Mr. MOYNIHAN. Is the Senator not aware—and we are going to work together on this; in the end we are going to solve it or it is not going to be saved—yesterday morning the distinguished chairman of the Budget Committee, responding to the solvency issue and the CBO judgment, included no moneys for fiscal 1983, $3 billion for fiscal 1984, $11 billion for fiscal 1985? That was Mr. DOMENICI's proposal. Then the President's budget was defeated 20 to zero. Then at 7 o'clock it was a $40 billion social security cut with no consultation, no explanation and, when asked for, none was available except from the distinguished Senator from Colorado, who said that it would not include any tax increases.

That is not the spirit in which we went through conference committee on the Social Security Amendments of 1981, nor has it been the spirit in which we have been meeting as a Commission.

Mr. DOLE. Let me just say I understand that 6, 17, and 17 were figures agreed to by the Congressional Budget Office. I am no longer a member of the Budget Committee, but, whether it says solvency or whatever, we can disregard that. The problem is we are going to have to save it in the Finance Committee——

Mr. MOYNIHAN. Yes.

Mr. DOLE [continuing]. With the help of the distinguished Senator from New York and the Senator from Louisiana and others who have spoken.

I have promised the Senator from Utah that I would yield the floor.

Mr. MOYNIHAN. Might I simply ask the last question?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Surely, there was a considerable recalculation by the Congressional Budget Office between 11 o'clock in the morning and 7 o'clock at night.

Mr. DOLE. They have done that in the past. I assume that they can do that between 11 and 7.

Mr. MOYNIHAN. Under certain kinds of instruction.

Mr. DOLE. I do not know much about the Congressional Budget Office, but the Budget Committee produces reserves of 17 percent of outgo on a fiscal year basis, which is close to 12 percent to 13 percent on a calendar year basis, which is barely enough to send out the checks.

Mr. GARN. Mr. President, will the Senator yield?

Mr. DOLE. I yield the floor.

The PRESIDING OFFICER. (Mr. WARNER) The Senator from Utah.

Mr. GARN. Mr. President, I have been here not quite 8 years, but never in that time—and I have heard a great deal of partisan rhetoric come from both sides of the aisle, Democrat and Republican—but I do not think I have ever listened to more blatantly partisan, more blatantly rhetorical baloney than I have listened to today.

I am angry. I am angry at this body. I am angry at Congress—and I do not care which party, Republicans or Democrats—because there are weak-kneed, gutless politicians on both sides who will not face up to the issues or the problems of this economy.

I want to cite a few figures, and I guess I am about as sensitive to high interest rates as anybody, as chairman of the Banking Committee. When I became chairman at the beginning of 1981, the prime rate was 21.5 percent. I guess some here would say that is Ronald Reagan's fault, because he was elected the previous November. The rate was 20 percent around the time he was elected, I guess we can try to blame Ronald Reagan for that too, or Paul Volcker.

Congress loves to find scapegoats, to find somebody else to blame—everybody but ourselves. So let us look at a few facts.

My colleagues are entitled to their own opinions, but they are not entitled to their own facts. Let us not look at JAKE GARN facts, or Republican facts, or Ronald Reagan facts—just cold hard facts. You find some rather startling statistics.

It took a 174-year history of this country for the Federal Government to spend $100 billion in 1 year. Do you realize that was 20 years ago, in 1962? John Kennedy was President, and we finally passed the $100 billion mark. That defended the country. It provided for the social welfare programs.

President Kennedy proposed a supply-side tax cut proportionately at that time. It produced more revenue than it lost. Supply-side economics is not new.

It took 174 years to spend the first $100 billion; 9 more years to spend the second $100 billion; 4 more years to spend the third $100 billion.

It just staggers my imagination to think that although I have been here only 7½ years, I was here when Gerald Ford recommended a budget of $295 billion, and we passed $318 billion. So this Senator has been here to see a $300 billion, a $400 billion, a $500 billion, a $600 billion, a $700 billion budget in just 7½ years. But it took 174 years to spend the first $100 billion.

We have a trillion dollar debt. We are refunding a third of it in turning it over at high interest rates because previous administrations, both parties, said, "Interest rates will come down. So let's borrow for short term. Don't get those long-term commitments." Now we have interest on the national debt of $115 billion and rising. Think of that. Twenty years ago, we ran the entire country for $100 billion, and now we are spending more than $115 billion a year for interest.

These are facts, not anybody's opinions; they are just facts. We have an exploding budget. It is out of control. It is like a snowball rolling downhill, gathering speed and size as it goes.

The longer we play partisan politics and refuse to try to slow it down, the problem will get worse. If my Democratic colleagues succeed in this ploy—blame it all on Ronald Reagan, blame it all on Republicans, bumper stickers with "Vote Democratic," "Save Social Security"—I pity them if they win; if they get 40 seats in the House, if they retake the Senate majority and run the committees again and have done nothing about the entitlements. Boy, do I pity those who are in control 2 or 3 years down the road.

I deal with the long-term money managers on a daily basis, and they have been misled over and over again for many years, through several administrations, by Congresses and Presidents who promised to balance the budget. Why should they believe it? It has never come true. There has never been a budget, since I have been here, that has even come close to what anybody recommended at the beginning of the year. But we hear all about these tremendous changes in the Ronald Reagan budget.

Look at any other President's budget. Look at what we did in June 1980. In this body, we passed a first concurrent budget resolution and told the American people, just before the election of 1980, that we were going to have a $200 million surplus. I voted against it, and I got in trouble at home.

A lot people said, "JAKE GARN, what's wrong with you? You always said you're for a balanced budget. Now you finally had an opportunity to vote for one and did not."

I said, "If you believe that's a balanced budget, you believe in the tooth fairy."

I voted against it. By September, we were supposed to pass the second budget resolution. We had a lame turkey session of Congress that year. We usually called it "lame duck," but that is too kind. It was a lame "turkey" session. It was the first one in a Presidential election year since 1968.

We came back and lied to the American people again and said there was going to be a $24 billion deficit. That is what we gave to Ronald Reagan when he became President. And we made sure to extend the debt limit to the end of January, so Ronald Reagan's first action is to raise the debt limit and say he has a $24 billion deficit.

These are all facts, and anybody can check them in the RECORD. What did we end up with for 1981? We were facing a $70 billion deficit for 1981. The President came in with $14 billion of rescissions and ended up with about $56 billion. I read in the press that Ronald Reagan was responsible for that 1981 deficit, too. He had not even been elected President when we approved that budget, let alone being sworn in, but now we hear that one is his, too. It would have been $14 billion bigger without him. Now we hear that we have huge deficits because of tax cuts. Tax cuts have done it all—we hear—if we just do away with those we will be alright. that is what we have heard, raise taxes and gut the defense budget.

I have never seen so many born again converts to balanced budgets who never voted for them before. But now it is politically popular to vote for them, so now we have born again converts to balanced budgets.

Look at the elements of the Federal budget, and you know where the growth is. It is in the entitlements program. We can demagog it all we want and say we are going to protect those 36 million people, on social security.

There is a heck of a lot more at stake than just balancing the budget. I agree with the statements that have been made about guaranteeing the pensions of those 36 million people and all the millions who will come after.

The matter of solvency has been mentioned here today, too. I was here 4 or 5 years ago and I was here on this floor when it was said that all we had to do was increase social security taxes and it would guarantee the solvency for 75 years. I wonder if I can believe anything I hear on this floor. Not much has come true in the 8 years I have been here. I have heard budget estimates, promises—but it has been just rhetoric, no action.

We are facing a $182 billion deficit, but we are not going to touch social security. I think politicians are generally rather shortsighted, when they fear to even discuss social security.

I have talked to the elderly in my State. They understand the problem and the nature of these budget problems when they are not misled and lied to. I told them, "Nobody is talking about taking away your pension. Nobody is talking about reducing it. But people are only talking about reducing the amount of increase. You won't lose anything you already have." They understand that and it does not really worry them as much.

If you are in the long-term money market, you are making 30-year mortgages, due in the year 2012. People want you to make mortgage loans, and you project your money costs to 1990 and 1995, and beyond, not 1983 and 1984. Those are not out years in the view of long-term money markets. They are next week; they are the day after tomorrow. Money lenders are looking at 1990 and 1995 and the year 2000 to see what the fiscal situation will be. They say, "Those people in the Congress are not doing their job. They can cut this and that and make speeches and maybe even balance the 1983 budget. So what? Until they slow that entitlement snowball so that the long-term borrowing levels are downward, we cannot afford to lower interest rates. There is no way to bring them down."

They are not that stupid to borrow short and lend long and get caught.

The savings and loan industry is on its back. We are going to have 1,000 mergers within the next year because they are losing money because of being tied down with old low interest mortgages.

Some of the best businesses in this country are on the verge of bankruptcy, not the ones that were underfinanced and undercapitalized and poorly managed and failed; those are long since gone. In my State now we are talking about old line third and fourth generation businesses that have been well run that are on the verge of bankruptcy. Many of them have already failed.

We still have 18 percent interest rates. We have record high unemployment. And now we are playing partisan politics for this election.

I think maybe it is time the American people should demand that we forget whether we are Republicans or Democrats and do what is necessary and face up to the arithmetic of those entitlement programs, just the arithmetic. We cannot have 53 percent of the budget, in round numbers, still increasing at 16 percent annually and about 47 percent of it decreasing at 8 percent annually and kid the American people that it is ever going to balance.

We do not even have to take algebra to figure that one out. Even a Senator should be able to figure that gap that will continue to spread and the people who lend money are going to look at that spread and are going to say, "We are not going to lend money at low interest rates."

So when the demagoguery and baloney and partisanship on whichever side it falls; when the administration——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. GARN. In just a minute. I would love to yield to the Senator from Arizona, but I am too wound up at the moment.

Mr. GOLDWATER. OK.

Mr. GARN. It is just absolutely startling to me. I have six kids and one due in a month. Who is going to explain to me how they are ever going to buy a house? How are they going to do that with these kinds of interest rates? How are they going to qualify? Where are they going to get the money?

But, no, it is more important to make sure we blame Ronald Reagan and Republicans because they have a consistent program of attacking social security and were insensitive to the needs of the elderly. Baloney. I went through a situation with my father dying 11 years ago and my mother running out of money and only having social security to live on. I know what the problem is. We lied to my mother. My sisters and I just simply took care of her checking account and filled in the difference when she overdrafted and did not ever tell her because her pride would not allow her to take the help. I know what it is. I did not come from a rich family.

These people on social security should know we are destroying their system. Apart from the budgetary problems, we are destroying their system, by neglect, and by hiding from the problem. We should quit demagoging it and come to grips with it and have enough political courage to stand up and tell them what the problem is. We have to have the courage to do something about it and demonstrate that we are more concerned about automobile sales in this country and people going back to work and sending the proper signals to the financial markets than caring who gets reelected this fall.

I hope the American people are smart enough to place a plague on both parties if this continues. If these interest rates are still that high I hope they blame every incumbent and say: "You have not done your job. You have let this happen. You built a $1 trillion debt." And when we try to look for scapegoats in Ronald Reagan or Paul Volcker or anyone else, let us look at another fact that is indisputable that no one can argue. The Constitution of the United States is very plain. It says that only Congress can appropriate money. So no President from George Washington to Ronald Reagan has ever spent one dime not appropriated by Congress, not one.

So we can try to blame him, but a President, any President, can only recommend a budget; he can plead, yell, scream, shout, threaten, and veto, but he does not spend one dime that we do not appropriate.

So who are we kidding? We created this problem. We created that $1 trillion debt. We continue to refuse to solve it and it is not Paul Volcker's fault and it is not Ronald Reagan or George Washington or anyone else. We have the power of the purse strings, and that is a fact from which we cannot hide.

So when are we going to face up to it and stop the kind of rhetoric that has been on this floor today looking for a partisan political advantage? Or do we want the $182 billion deficit?

I will guarantee Senators we can do away with Roth-Kemp, we can do away with the whole tax cut, we can raise taxes, we can gut the military—do not worry about the Soviet threat—we can do all of that and we still will not balance the budget until we do something about these automatic index programs. Until we reduce that growth we will still have high interest rates and people will wonder what happened—did we not balance the budget?

There is another factor on the taxes that are ignored, even after the so-called Reagan tax cuts which in reality are not cuts at all; they are reductions in the increase—that is all they are—reductions in the increase. The American people are carrying the highest tax load in the history of this country. More than 23 percent of the gross national product is being taxed away at the national level and when we add State and local government taxation to that it exceeds 40 percent. That is a higher level of taxation than was necessary to finance World War II, when the vast majority of our budget was for military and we had more than 12 million men under arms; more than necessary to finance World War II.

Again the growth in the Federal budget over a 20-year period is astronomical. That is the reason for high interest rates, and as much as I favor a balanced budget there is something else that needs to be considered when we balance the budget. We can do it two ways. We can do it by increasing taxes or reducing expenditures, and by these great massive borrowings we crowd out available venture capital in the private sector; we take money away that would be available for mortgage loans and automobile loans and seed for our farmers to plant their crops in the spring.

We make that unavailable when Government is out competing for $100 billion and financing a $1 trillion debt at high interest rates. It does not matter what the product is. If there is a shortage of it the cost of it goes up. And Government is creating a shortage of money in the private sector.

So, simply balance the budget, and I am in favor of that. But is it that simple? Suppose we increase taxes to do it? What good would a $1.2 trillion balanced budget do for this economy? We would not be borrowing it but we would still be absorbing it from the

private sector. The level at which we balance it is important.

This Senator would rather have an unbalanced budget with Government taking 18 or 19 percent of the gross national product than a balanced budget at 26 or 27 percent. We would have lower interest rates. We would have a more stable economy.

There needs to be more money in the private sector for modernization of plants and equipment. Japanese fingers are not faster than ours. They are not brighter. They are not more intelligent. But they have modern steel plants. They have modern automobile plants. We do not. We have old ones as in my State that are not efficient anymore and need substantial upgrading. But let us not give them the incentive to make that investment. Let us not leave the money with them to put in new blast furnaces, and so on, to modernize their plants to be productively competitive with the Japanese. Let us instead play the game that it is all Ronald Reagan's fault, it is big business' fault. Let us have an adversary relationship with no cooperation. Let us keep holding them down and say the answer to all our problems is cut the military and increase taxes.

It has worked wonderfully the last 30 or 40 years, has it not?

I did not intend to ramble on so long or to sound so cynical, but this Senator is angry. Wherever the shoe fits someone should start wearing it. We should start facing up to the nature of this problem, and again I do not care which side of the aisle faces up to it. There should not even be an aisle on this issue. Let us be honest with the American people. I think we will find they are far ahead of most of this Congress. And then there is something we should do which will never pass but I think it would be one heck of a good idea. We should have a constitutional amendment that limits the President to one 6-year term, limits Senators to two 6-year terms, and limits Representatives to three 4-year terms and then sends us home.

I do not think the Founding Fathers intended that we have professional legislators who spend their whole lives on the banks of the Potomac. George Washington went home. Thomas Jefferson went home. Most of them did. They were part-time legislators giving part of their life to public service. But not today. Now we plan to stay 30 or 40 years.

I think it would be a very good idea. Sure, we would lose some experience. Sure, we would lose some good old boys. But I think that loss would be made up for in a little intestinal fortitude, a little statesmanship. There would be people who did not have to worry about whether they are doing the right political thing but try to do what was right.

But again I repeat if it is not solved, and we still continue to see these businesses drop, I hope there is a plague on everyone who is an incumbent and that they are blamed for not solving the problem.

It is a disgrace to allow interest rates to go on like this. It is a disgrace to allow these good old-line businesses to fail.

I will now yield to the Senator from Arizona before I go on for another half hour.

Mr. GOLDWATER. Mr. President, as a long-time Member of this body I do not think I have ever heard a more honest statement of the truth than what I have just listened to.

I think the American people will be eternally grateful to my friend from Utah for having had the guts to say what is long overdue in this body.

I sat here this afternoon and I listened to the garbage from the other side of this body talking about social security. My friend from Utah talked about arithmetic. About a year ago I asked the head of social security where is this money that the American people have put in, in the form of social security since the middle 1930's? I have been doing it. Where is it? As I recall we were going to send it to Washington, it was going to go into a box someplace, our money, not the Federal money but our money. I do not know how many trillions have been put in.

Nobody in this Government has ever been able to answer the question of mine as to how much money have the American people put into social security and how much money is left.

I have come long ago, nearly 20 years ago, to the idea that this system is going bankrupt. We were warned last year that possibly by October of this year social security would be bankrupt.

I think that is what we have to face, not whether we are going to trim $40 million or $40 billion or $10 billion or whether we are going to increase the taxes on these poor young people graduating from college and going to work at $15,000 to $20,000 a year, and having to pay $2,000 a year in social security.

That is not the question. The question is where is the money? You say that no President has ever spent money, and I want to differ. Presidents, starting with Franklin Roosevelt and Harry Truman and others, have spent the money out of these so-called cigar boxes where your money and my money and the money of all the American people who have paid in on social security is supposed to be.

They have stolen this money. We have not authorized the expenditure. No committee I have ever heard of in this body has ever authorized the spending of a dime on social security. But you find for me $1 in those so-called cigar boxes where our money is supposed to be, and I will do anything the Senator wants to do. I think that is what we have to face up to.

We are broke in social security, and the sooner we level with the American people, tell them that and then devise some way, if we can, to pay them back or pay them what is their own money, not our money but what belongs to them, then we will do them a favor.

I want to again thank my friend from Utah for saying what none of us has had the courage to say. We owe the Senator for it forever.

Mr. GARN. Mr. President, I thank the Senator from Arizona.

Mr. DOLE. I want to commend the distinguished Senator from Utah for the statement he made. I want to get some material into the record with reference to this debate. Do I have the floor?

The PRESIDING OFFICER (Mr. DURENBERGER). Yes, the Senator from Kansas has the floor.

Mr. GARN. The Senator from Georgia asked me to yield and I had already given up the floor.

Mr. DOLE. Mr. President, I yield to the Senator from Georgia for a question.

Mr. MATTINGLY. Mr. President, I thank the Senator from Kansas.

I would like to congratulate the Senator from Utah (Mr. GARN) for the statement he has made. I hope everybody, not only in the gallery and back in the rooms, but I hope everybody in this country will read it in the newspapers and hear it on radio because he has clearly put the problem in this country.

The statements of Senator GARN and Senator GOLDWATER are the reasons why I ran for the U.S. Senate and why I am so glad I am here, because it is time people started laying it down just exactly the way it was.

We are not here to demagog, we are here to solve problems, and what he has so clearly placed in the record today is the problem of our country and the solution to that problem, and it ought to be in the history books.

Anything that can be attributed to solve these problems is in his statement.

I would just like to add one further comment and that is that we all know that we ought to lay demagoguery aside because I am tired of it, too. It is all the entitlement programs, Senator GARN, you are exactly right. They have only been in effect, indexed for what, 7 years, and we have overcompensated for $21 billion in just 4 years by miscalculation. That is something that everybody in this body needs to acknowledge.

I would just like to, in conclusion, again commend the Senator for the fine oratory he has exhibited and the meaningful comments he gave. That is

the reason why I am proud to be here and, Senator, I am really proud of you.

Mr. DOLE. Mr. President, I thank the distinguished Senator from Georgia and again commend the Senator from Utah for a statement that needed to be made and was factual.

We cannot change the facts, as the Senator from Utah stated. I would just like to take a few minutes and then I will yield the floor.

I understand there may not be a vote on this today, but just to make the record, because sooner or later the Finance Committee and then the full Senate will have to wrestle with the problem.

I would like to have printed in the RECORD a story which appeared in the Washington Post of Saturday, February 13, 1982. The headline reads "Survival of Social Security Is Increasingly Doubted by Public." The survey was made by the Washington Post and ABC News opinion on what younger people thought about social security. I ask unanimous consent to have the results printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 13, 1982]

PUBLIC INCREASINGLY DOUBTS SURVIVAL OF SOCIAL SECURITY

(By Dan Balz)

AUSTIN.—Coming as it did from a high school senior, the question was a shocker. "Will Social Security be around when we get it?" the student asked the visiting congressman.

"Yes, very definitely," replied Rep. J. J. (JAKE) PICKLE (D-Tex.) almost reflexively. But then Pickle, who is chairman of the House subcommittee on Social Security, turned the question back on the students. How many of you think Social Security will exist when you retire? he asked.

Pickle was shocked again. Even though he had just assured them that Social Security will last forever, nearly half the students said they did not believe him. The seniors in this government class at Pflugerville High School reflect a deepening public cynicism about the Social Security system that may be far stronger than is generally believed.

Americans do not believe the political promises about Social Security, especially younger Americans who are paying in their contributions now through payroll deductions but do not believe the benefits will be around for them to collect when they retire.

According to a new Washington Post-ABC News opinion survey, an overwhelming number of citizens under the age of 45 think that Social Security will have disappeared by the time they are eligible to receive it. The poll, taken in late January, found that 66 percent of the respondents under 45 believe Social Security won't be there. Among those age 18 to 30, 74 percent are skeptical.

These poll findings, and the comments of other citizens interviewed in sample precincts, are striking because of the depth of cynicism about the reliability of a political commitment that was the heart and soul of the New Deal and has served the elderly for nearly 50 years.

Politicians in Washington have been reluctant to tamper with the basic provisions of Social Security, fearing instant political reprisal from the retired people who are recipients. But, if young and middle-aged citizens now believe that they will be eventually betrayed on Social Security's promises, that sentiment might push the debate toward enactment of long-range reform plans such as a phased reduction of benefit levels in order to insure the system's survival.

Interviews with citizens around the nation reveal an almost nonchalant fatalism about the future of this basic government guarantee. Bob Kulp grew up in Chicago and moved to Texas last year. He is in his mid-20s and works in the cleaning business. Sitting one morning in his home in Houston, he was asked whether he thought he would ever receive Social Security.

"No," Kulp said without hesitation. "I feel every dime I put in, I won't get back. I don't plan on seeing any of it."

There was no passion in his voice, no sense of outrage that the government would not make good its promise to provide him with a retirement income, just an acceptance of a new reality. "It doesn't bother me," he added. "It's just away of life."

Karren Woolf, a Pomona, Calif., housewife, no longer expects to receive Social Security. "But we're investing money," she said recently, "and my husband has a profit-sharing thing at work, and we think that will be ample. But we do think it's a shame that we're putting this money into Social Security and won't get it back."

Kathy Hudak, who works for a brokerage firm in Texas, said: "I think it will be wiped out. We put into it, but I don't think we'll get it back."

The Social Security issue is so volatile politically that public officials won't even broach the subject of the system's demise. Most of them now take it as part of their job to reassure an increasingly skeptical public that government retirement benefits will be protected, seemingly at any price.

"Anybody who stops to think about it knows it's too important to the American people," Rep. Pickle said.

But in their own minds, many Americans are coming to the conclusion that the politicians are wrong, and no amount of official rhetoric from Washington seems likely to change that skepticism in the near future.

"I don't think my husband and I will ever see it," said a middle-aged woman who did not want to be identified. "I don't think my children will either. We're not planning on it anymore."

Ronda Hobbs of Houston shares that cynicism—and more. "I don't think it will exist"—when she retires—"but I think we'll pay in for 10 or 15 years and then it won't be there," she said. "You don't feel like you have any control over it at all."

Washington has done much to undermine the credibility in the system. Recurring "crises" in the Social Security trust fund balances have convinced some people there is no long-term solution to the program's solvency. Other people have been turned off by the continual sparring between the two political parties. Some believe that politicians are as interested in scoring points on one another as in restoring the system to financial health.

"Tip O'Neill wants it to die so he can beat Reagan over the head with it," said Mike Fry, a young political cartoonist in Austin.

The huge tax bill approved by Congress last year has coincidentally undermined confidence in Social Security. A young woman was in a midtown Manhattan bank in early January and found it almost like a carnival midway, with banners and signs urging customers to open the new Individual Retirement Accounts that were authorized by Congress.

When she cynically commented to a middle-aged teller that the exhortation to set up IRAs was really just a ploy for preparing the public for the day Social Security collapses, the teller promptly agreed with her.

The aggressive competition for these new IRA accounts has prompted banks around the country to run newspaper and television ads warning the public that Social Security cannot provide for them in their old age. "Excuse me," says a man with a poor French accent in one ad running in New York. "Can you spare $5.15 for a cup of coffee?" This message has added to the public doubts.

The Post-ABC News poll differed from earlier attempts to measure public attitudes on Social Security in asking people bluntly: "There's been lots of discussion about the financial condition of the Social Security system. Do you think Social Security will exist or not when you retire?" The phrasing of the question is more provocative than many public opinion analysts would like but it reveals the full scope of curbstone skepticism.

"I don't think it will be there," said Becky Helmreich of Houston. "A long time ago I came to the opinion that it wouldn't be there."

Another woman, in her late 40s, initially said, "I hope to believe it will exist." She paused for a moment and then responded, "Not really,"

The poll showed that there is a clear generational link to attitudes toward the future of Social Security. Those 18 to 30 years old are the most pessimistic, followed by those 31 to 44 years old. But a majority of respondents over the age of 45 express faith that the system would exist when they retire. Only 57 percent of those between 45 and 60 believe Social Security will last until their retirement age, compared with 82 percent of those older than 60.

Women are more pessimistic than men, with 64 percent of women saying the system will not survive, compared with 54 percent of men. Broken down racially, the pool showed that 64 percent of blacks have no faith in the future of the system, compared with 58 percent of whites.

The polling was conducted Jan. 22-30, which means half was done before President Reagan's State of the Union address and half afterward.

Of those interviewed before the speech, 58 percent said the system would not exist and 39 percent said it would, a difference of 19 points. After the speech, that margin grew to 27 points, with 61 percent saying they would not receive Social Security and 34 saying they would, suggesting at a minimum that citizens were not reassured by the president's remarks.

Social Security represents perhaps the most lasting promise ever made by the government to the people, and its originator, President Franklin D. Roosevelt, intended to make that compact as binding as possible.

"We put those payroll contributions there so as to give the contributors a legal, moral and political right to collect their pensions . . . ," Roosevelt once said. "With those taxes in there, no damn politician can ever scrap my Social Security program."

Most older Americans—and politicians of every age—still see the program as a legal and moral commitment, but the younger

generation that matured on Vietnam and Watergate and saw other solemn promises abandoned is much more skeptical.

The attitude on Social Security may be only one part of an overall distrust of the federal government. Another question in the same Post-ABC poll suggests that younger Americans may be more cynical about other elements of American life that are taken for granted by older generations.

One precept of society is that if you work hard, eventually you will get ahead. Presented with that statement, respondents under the age of 45 are almost evenly split on whether they believe that is true, with 51 percent agreeing and 47 percent disagreeing. Those over 45, however, agreed by a 2-to-1 ratio.

In recent years, the evidence of skepticism about the future of Social Security has grown in proportion to publicity given to the system's financial problems. Congress enacted major payroll tax increases in 1977 in an attempt to shore up the system, but the weak economy already has overrun those changes.

A bipartisan committee is now studying the problem, and sometime next year there will be another major effort to restructure the system, which faces a shortage of funds in the mid-1980s and a long-term deficit of more than $1 trillion.

A CBS-New York Times poll taken last year found that 24 percent of respondents said they had no confidence in the system's ability to provide retirement benefits for them or their spouses, with another 49 percent saying they had only a little confidence.

The same poll showed that 75 percent of respondents between the ages of 25 and 34 said they doubted that the system would provide them with the full benefits to which they were entitled.

Twenty years ago, there were 5 workers for every Social Security recipient. Today there are 3.3 and by the year 2030, it is estimated there will be only 2. That means less revenue per recipient in the system or a greater burden on those of working age.

Compounding the problem is the added life expectancy of retirees. In 1940, the life expectancy of men aged 65 was 12.1 years, but today it is 14.3 years and by the turn of the century it is projected to be 16.4 years. Life expectancy for women has increased even more rapidly. That means retirees will draw money out of the system longer in the next century.

"It's already running out of money," said Tanya Fain of Austin. "By the time I get there, there won't be any money left."

Mr. DOLE. I think this is where we have missed the boat. Citizens under the age of 45 were asked what they think about social security. The poll, taken in late January, found that 66 percent of the respondents under 45 believed social security would not be there when they retire. Among those aged 18 to 30, 74 percent are skeptical. We have certainly added to that skepticism this afternoon. We have had a lot of outstanding Members of this body—up for reelection—march to the floor and say, "Well, President Reagan is trying to gut the social security system." If your are in that age bracket and you are wondering what is happening, I am certain you are distressed to hear that we are trying to gut the social security system.

It just seems to this Senator that we ought to stick to the facts. I know it is difficult. We do not always do it on this side of the aisle, and I do not think it is always done on the other side of the aisle. It is not a requirement in this body that we know the facts. It is not a requirement that we know anything, and that is probably the reason for our success. [Laughter.]

But in any event we are going to have to address the real problem in the next few months.

Again, I cannot be as articulate as the distinguished Senator from Utah, but I have some books here that contain facts. This is a Congressional Research Service summary of the 1982 Social Security Board of Trustees' report. Back in 1950 we had enough money on hand, 138.7 months worth of expenditures, to pay benefits to all the beneficiaries. By 1960 those reserves had shrunk to 22.3 months; by 1965 it was 13; by 1970 it was 11; by 1975 it was 8; by 1980 we were down to 3.5 months. Now we are down to 2.6 months.

Mr. MOYNIHAN. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. Yes.

Mr. MOYNIHAN. Because he is so careful and responsible in these matters.

Mr. DOLE. I read it right out of the book.

Mr. MOYNIHAN. Yes. But in 1950 is it not the case that the social security system as a payment system was 10 years old?

Mr. DOLE. Yes, that is a fact—very good.

Mr. MOYNIHAN. And that it takes time until you have a mature system, and in the early part of any insurance system its reserves build up and then, hopefully, they reach the point where what goes in comes out?

Mr. DOLE. No, I do not quarrel with that. But I would say as late as 1970 we had almost 1 year's worth of benefits in reserve.

Mr. MOYNIHAN. Right.

Mr. DOLE. The system was fairly mature by 1970.

Mr. MOYNIHAN. And in the mid-nineties we expect it to be back up to 2 or 3 years' reserves, because we will have had large demographic changes. Nothing is happening to our system that has not happened to all maturing social insurance systems.

Mr. DOLE. Well, except the Senator from Kansas might say this system may be overmatured. We are about to go too far in that direction, and that is why I think we must stick to the facts.

I do not have any quarrel with those who want to get reelected. Social security is a good issue. If you can make enough people believe, people in New York, Michigan, West Virginia, Tennessee, and Massachusetts, that the Republicans are trying to do in social security, they will probably gain some votes. But I believe the people who are really concerned about the social security program and concerned about their children and their grandchildren realize that we are in trouble. They know we are in trouble.

This system is in trouble, not because of the outstanding efforts of the distinguished Senator from Louisiana, I might add, who did, as he indicated, the responsible thing in 1977 in saying, "OK, if we are going to have benefits, you are going to pay for them."

But that does not suggest, and I do not think the Senator from Louisiana intended to suggest, that we cannot take a look at some basic reforms in the program that do not cut benefits but reduce the rate of growth in certain benefits, phased in over a period of time.

I would say, Mr. President, before I yield, that that is a matter that has been worked on for months and years by the Congressman from Texas, Congressman PICKLE, on the House side and by many Members of the Senate, including the distinguished subcommittee chairman, Senator ARMSTRONG of Colorado.

Let me yield first to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding. I just wanted to join in the commendation that was made to the Senator from Utah (Mr. GARN) for the remarks that he made. I think they were eloquent. They were, in my judgment, at least, exactly on the mark about what the problem is in this body and what confronts this country.

I could not help but note an ad that was placed in a local newspaper just the other day, a full-page ad put in by Lone Star Cement, I believe it was. Maybe there were others involved in it. It said that west of the Potomac the country is hurting; the people east of the Potomac have not heard that yet.

I think there are an awful lot of people across this country that are concerned about what is happening to this country, and they are getting tired of politicians playing politics with their future. That is what we have here today.

I think one of the things that the Senator from Kansas might have added to his notation of the problems with respect to the social security system and the decline in the reserve balance that is there, is that in the face of the most massive tax increase in the history of this country designed to finance that structure, which is in place today, which has two other elements that will come in in the future, it will still leave us in the deficit position.

And with respect to the idea that all insurance companies run through a

period of deficits or declining balance, that is nonsense. It has no application to the problem that we are confronting in social security today.

And if I have one problem that the people communicate to me about social security, it is precisely what the Senator from Kansas is saying: The old people are afraid that their system is not sound and secure; the young people do not believe it will be when they get around to it. What they expect of all of us is to be responsible enough to adopt a system that is, indeed, secure enough that every one of us on the floor of the Senate and on every platform across this country can say, with utter and complete honesty and candor, that we have done what was necessary to maintain the solvency and the security of that system.

Mr. President, there is not one of us in this Chamber today that can honestly say, without some adjustment of either the benefit level or tax level, that the system is secure. There is no insurance commissioner in any State in this Union that would approve the social security system today on the same basis that they examine the investments people make in buying life insurance.

I know a little about that. I am no expert in it. But I am absolutely confident that what I say is technically, factually correct. I would invite anybody else in this body to tell me that I am wrong and prove it.

Mr. President, I thank the Senator from Kansas for yielding. Again, I say, as far as I am concerned, this is a matter beyond politics. It is also a question, in my judgment, that perhaps we may indeed find that it is good politics to be responsible rather than irresponsible. I thank the Senator for yielding.

Mr. DOLE. I thank the Senator from Idaho. I will yield to the junior Senator from Idaho in just a second.

We probably ought to discuss this until those who spoke earlier have a plan of their own. It may take a week or two; may be longer. It is one thing to stand up and condemn what is happening, but it is another thing to be responsible and advance a plan of your own.

So I would hope that by Tuesday of next week, or Monday, whenever we get back to this resolution, that the other side will have their own plan. Their current plan is to do nothing, obviously, and try to blame it on the President; try to blame the Republicans for acting irresponsibly. But if we do not do something by July of 1983 and the checks cannot go out or the full checks are not paid, then we will really see the reason to act.

I yield to the junior Senator from Idaho.

Mr. SYMMS. I thank the distinguished chairman of the Finance Committee for yielding. I would just like to say, as a member of both the Budget Committee and the Finance Committee, that we have been grappling with this problem all year.

In my State, the big problem is high interest rates. We have a State that is interest rate sensitive. The most irresponsible thing, in my opinion, that this Senate could do would be to state that we are not going to deal with the social security problem, before the Finance Committee even has an opportunity to work on it. The social security program needs our immediate attention.

Mr. President, I ask unanimous consent to have printed in the RECORD a report from the Public Policy Education Fund from Grove City College in Pennsylvania.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

PUBLIC POLICY EDUCATION FUND, INC.,
Grove City, Pa., February 1981.

SPECIAL REPORT NO. 10: SOCIAL SECURITY—IS REFORM POSSIBLE?

(By Hans F. Sennholz)[1]

Charitable acts which sooth the human heart, heal painful wounds, and give relief to distress, stay with us forever. To many of its ardent supporters, the Social Security System seems to rest on this pillar of social living. But, unfortunately, they are confusing charity with politics, benevolence with power, and sharing with taking. Thoughts of charity probably never occurred to the founders of the Social Security Systems that have come into existence since the 1880's. The German system, which pointed the way to all others, was born in a play of power that was intended to redirect the allegiance of the working classes from Marxism to nationalism. The American Social Security System, which was one of the last in the Western world, was born as a full-employment measure during the Great Depression. Charity as a benevolent act called for by religious or moral concern, had no part in its inauguration, either.

THE TRANSFER SYSTEM—AN IRONIC FAILURE

But no matter what we may think of the motive powers that gave birth to the Social Security Systems of the past, we cannot deny that today's American version is the greatest political transfer system ever devised. In 1981 it is estimated that the United States Social Security System will pay $135 billion to 19.8 million retired workers, 2.9 million disabled workers and their 13.2 million dependents and survivors. More than 100 million workers and their employers are expected to pay $130 billion in payroll taxes to cover these costs.

Ironically, in most of its endeavors, the transfer state accomplishes the very opposite of what it sets out to achieve. The Social Security System, with all its political intentions, is probably the most spectacular failure of them all. Born during the Great Depression, it was originally intended to be a full-employment measure, as mentioned above. Social security would retire older workers, thereby opening up more jobs for younger workers. But the unemployment problem it was intended to solve, is still with us, with all its urgency and severity. This is so even though Social Security is now received by nearly all senior Americans. So, Social Security has failed utterly as an employment measure. Millions of Americans walking the streets in idleness and dejection are testimony to that.

The System was intended to endow every person with the right to a minimum income upon retirement, lest he should become dependent upon his family and others. But, undoubtedly, it has weakened the will to independence, and has subjected most retirees to dependence upon the discretion and benevolence of politicians.

Politicians determine the conditions of eligibility. They define the concepts of "covered employment," retirement age, limits of earned income, the tax rates on covered workers and employers, ceilings on taxable wages, etc. They define the rights of a covered worker's dependents to additional benefits. In other words, there is not a single phase of our Social Security program that does not depend on the politicians' notions of social justice and economic adequacy.

Though the promise of Social Security to create full-employment has turned out to be a false one, and though Social Security recipients are now dependent upon the impersonal welfare state for sustenance, still Social Security seems to have wide-spread support. Why is Social Security favored by so many?

The Social Security program taxes the professional class in order to support lower-income retirees. But even among the latter, it injures the active and diligent who prefer to continue to work after 65. The laborer, too, loses his right to full monthly benefits if he should earn more than $417. He loses $1.00 in benefits for each additional $2.00 earned over $5,000 per year. In other words, to many workers after 65 it is more profitable to work only part time, merely earning the permissible wage that does not deprive them of their benefits. Many others, especially the unskilled and untrained, do not work at all because the potential labor income is too small when compared with Social Security benefits. In both cases, the System supports and encourages the inactivity of less productive workers with funds that are taken from active professional people. These continue to be taxed, regardless of age, as long as they are rendering services and earning labor incomes.

In 1980, employees were paying taxes on the first $25,900 of wages at a rate of 6.13 percent, amounting to $1,587.67. Bearing in mind that the employer's contributions actually are fringe benefits that are earned by employees, their total tax liabilities amount to $3,175.34. In 1981 and 1982, maximum wages subject to taxation will go up to $29,700 and $31,800 respectively, which means that the maximum tax is scheduled to rise about 33 percent from $3,175.34 in 1980 to $4,261.20 in 1982. In short, the Social Security System is extracting an ever larger share of income from the working population. It redistributes earned income from one social class to another, and thereby breeds hostility and conflict. It encourages idleness rather than fruitful activity, political dependence rather than self-reli-

[1] Dr. Sennholz is one of the clearest voices of economics today. In more than 400 publications and five books he has discussed all aspects of the American financial and economic dilemma. In public lectures and speeches throughout the country he is continually reaching college youth and professional organizations expounding the virtue of balanced budgets, honest money and individual self-reliance. Since 1956 Hans Sennholz has been Professor of Economics and chairman of the Economics Department at Grove City College, Grove City, Pa. His most recent book (1979) is The Age of Inflation.

ance, spending rather than thrift. And, above all, it has incurred a two trillion dollar deficit which it is now loading on the backs of future generations.

NEEDED REFORMS

In the coming years and decades the Social Security System will undergo many changes and alterations. No system can forever live beyond its means and shift an ever growing burden of debt to future generations. Sooner or later the victim generations may resent the shifting and endeavor to lighten their load through realistic reductions in benefits or outright repudiation of inherited tax liabilities via inflation or other default devices.

There can be no genuine reform of the Social Security System until we become aware of the truth of its massive redistribution. To this end the following reforms are offered:

1. *Information to Recipients*—To restore a commonplace truth and realism, every recipient of Social Security benefits should be informed of the nature and source of his benefits. Every check should carry a stub that reveals the dollar amount *contributed* to the System by him and his employer and the cumulative amount of benefits received by him as of that check.

2. *Means Test Applied*—When the total benefits received in retirement by a recipient exceed the contributions made during the productive years, the recipient should undergo a *means test.* A millionaire who has received an amount equal to his contributions should receive no more. A poor retiree who is lacking the means of support should continue to draw his benefits. But they should be truthfully called "Social Security assistance."

3. *Parent and Child*—When Social Security assistance seems to be called for, the children of a retired worker should be given an opportunity to contribute to the support of their parents. As the parents are responsible for their children, so are children responsible for their parents. No Social Security System should eradicate this moral law and Biblical commandment.

4. *Conscientious Objectors*—The System should not violate the religious and moral principles of conscientious objectors. Even in such a vital matter as national defense, American society has always respected the principles of those Americans who refused to bear arms or participate in military service. The same respect should be accorded to all religious and moral objectors to Social Security.

5. *Relief for Young Workers*—To grant relief to the primary victims of the System and abate the frantic shifting of burdens to future generations, we should seek to protect our youth by limiting its losses. To this end it is proposed that no worker should be forced to contribute more than twice the amount he would pay to a private insurer for identical coverage and benefits.

The financial dilemma of the Social Security System is giving rise to numerous reform proposals. Many turn out to be new concoctions of the same old redistribution medicine, prescribing new victims for old beneficiaries. These proposals however, begin with truth and information, which are the seeds for a true reform. Reformation is a work of time. A national institution, however wrong and harmful it may be, cannot be totally changed at once. We must rebuild and regenerate the moral awareness that will slowly bring people to adopt what would offend them if it were introduced by legislation and force.

SOCIAL SECURITY—PUBLIC ASSISTANCE OR EARNED BENEFITS?

Some simply revere Social Security because it was a product of the New Deal. They regard Social Security as an ancient political cow, that is, as sacred. Others cite personal examples to "prove" that Social Security is irreplaceable. "Where would Aunt Lucy be today without Social Security?" they may gravely say.

Nevertheless, the most common argument is more aggressive than these sentiments. Say Social Security recipients, current and future, "I paid in, I contributed, therefore I deserve benefits." Such a statement discloses probably the most common misconception about Social Security. Most recipients apparently sincerely believe that they are drawing out in benefits what they actually paid in from their pay checks. But, of course, the connection between benefits received and former payments is a very weak one.

Simple calculation easily ascertains that many present beneficiaries withdraw in several months what they contributed since the initiation of the System. After they have received the equivalent of their own contribution, the "right" to old-age income obviously constitutes the right to support by the state and ultimately by his taxpaying fellowmen. The term "insurance", in this respect, means public assistance.

A simple example may illustrate the case. Let us assume that a married person who regularly paid his payroll taxes since the initiation of the System retired after twenty years of coverage, on January 1, 1957. Let us also assume that he contributed the maximum payable under the law. From 1937 through 1949, he contributed 1 percent on $3,000 annual income, $30 per year, or a total of $390 in 13 years. In 1950, he paid 1½ percent on $3,000 or $45. From 1951 through 1953, his payment amounted to 1½ percent on $3,600 or $72. In 1955 and 1956, his taxes amounted to 2 percent on $4,200 or a total of $168. Altogether he paid no more than $837 during the first 20 years of coverage. If we add an equal amount of "employer contribution", which actually came out of his pay, his total contribution to the System amounted to $1,674.

In 1957, this payment entitled a retiring couple to receive $162.80 in monthly benefits, which since then have been raised to $516 per month. In other words, in 1957 they received in ten months and eight days the equivalent of their total contributions. His life expectancy, however, amounted to approximately 13 years, hers to 18 years. If they are still alive today, twenty-three years later, they are collecting every three months and eight days what they paid in since the beginning! Their total benefits have exceeded $50,000 on total contributions of $1,674 or 30 times more than they paid in.

Take a more recent example calculated by U.S. News and World Report. Assume that a married person retired on January 1, 1980. His wife also is 65. If he paid the maximum tax since the program started in 1937, Social Security took $11,202.97 in payroll taxes. His employer also paid that sum. He received no interest on his contribution, but he did get a form of life insurance. In the first year of retirement, he will get back in benefits $11,154.90, almost as much as he paid in during the past 43 years. And the benefits will keep coming, probably in higher checks, as long as he lives. He, too, will receive more than he and his employer paid in.

But how is it economically feasible that the Social Security Administration can pay many times more in benefits than it actually receives in contributions? Part of the answer is that for many years it merely extended the compulsory coverage to an ever-widening circle of taxpayers. As long as additional millions of workers were added to the rolls, workers who were taxed but remained ineligible for payments because they had not yet reached retirement age, the means for the beneficiaries' support were secured. But, at the same time, the System created more and more future liabilities in order to stay solvent for the moment. Moreover, both the tax rates and the taxable income of the working population were raised sharply, which managed to yield the revenue needed for current outlays. At the present, payroll taxes again are falling short of the benefits. And, according to the Social Security Administration itself, the actuarial deficit, or unfunded liability, amounts to more than $2.1 trillion, which forebodes much higher payroll taxes in the future.

A TRANSFER SYSTEM BUILDS ON VICTIMS

The Social Security System, as so many other redistribution programs, divides society into two distinct classes—the beneficiaries and the victims. This ominous development should not surprise us. If it is true that the first generation has received a multiple of benefits over its contributions, the following generation must bear the burden of debt and receive less than they pay in. The Social Security System is promoting consumption and benefits for the present generation at the expense of future generations. On a massive scale, it redistributes income and wealth from young taxpayers to the older beneficiaries, so that today the young are victims and the elderly beneficiaries.

Physicians, dentists, attorneys, corporate executives and other professional people, together with independent businessmen, almost invariably belong to the class of victims. This occurs because of the "earnings limits" from age 65 to 72. In spite of their accumulated contributions, workers lose their rights to a portion of their monthly benefits if they continue to earn $417 in monthly fees. Only when they reach an age of 72 are they entitled to their full benefits, even when earning income. It should be obvious that any physician who, at age 65, is on his feet and in possession of his faculties is earning more than $417 per month or $5,000 per year.[2] But how many can expect to live long enough to collect what they paid in during a long professional career.

Mr. SYMMS. Dr. Sennholtz, the author of this report is one of the most distingushed economists in this country. He makes the point in his article and in private correspondence to me that one of the reasons interest rates are so high is the lack of confidence that the financial markets have in Congress. They do not believe that Congress can come to grips with this outflow of funds from the social security program and other programs. He makes that point that 250,000 millionaires now receive social security bene-

[2] Income limits apply only to "earnings". So called unearned income—pensions, dividends, interest on savings, and other investments are not counted.

fits at a cost of $2,225,000,000 annually.

It is true that the person who lives on $300 or $400 a month needs some help and assistance. I think there is no one in this Senate that wants to take that away from him. I think we have to be realisitic at this point in time. If this resolution that my good friend from New York has offered were to pass this Senate, it would send a signal clear across this country: "No, the Congress is not going to do anything about spending. They are going to print money and borrow money and raise taxes and continue to decimate the economy that is struggling very hard to get back on its feet."

For that reason, I hope that when this comes up again the Senate will table the amendment. I hope that the Budget Committee, the Finance Committee and all of Congress will give the American people an opportunity to have their elected representatives work out a feasible solution to guarantee the security of the retired citizens in the country and also take care of some of these inequities. We can assure fiscal solvency and still guarantee the retirement benefits for those people who need it.

I hope this amendment will be tabled so that the proper committees can work their will. I am sure that the chairman of the Finance Committee, with the help of the distinguished Senator from Louisiana and the rest of us on the committee, including the Senator from New York, is not going to do anything that is going to jeopardize the future of the citizens of this country in any way. We are not going to do anything that is going to take away the checks of these people.

I just hope that all Senators will show statesmanship and table this motion when the time comes so that we can deal with this important problem in a fashion that does not become partisan. We owe the people of this country that much.

If this resolution were given a great deal of credibility and passed, you would see a reversal of what has been happening in the downward trend in interest rates. I think interest rates are heading down. If we pass this budget, we will see interest rates coming down. This will help restore economic activity.

I thank the distinguished chairman of the Finance Committee, the acting floor manager of the bill, for yielding this time.

Mr. DOLE. Mr. President, I ask unanimous consent to yield to the Senator from Rhode Island without yielding my right to the floor. Then I will be happy to answer questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, the action of the Budget Committee yesterday would cut social security spending by $6 billion in fiscal 1983, $17 billion in fiscal 1984, and $17 billion in fiscal 1985. This would make a total of $40 billion in cuts in the program. The sheer magnitude of the impact of the social security program on the lives of our citizens I believe is known to all of us. Fully 36 million elderly Americans receive benefits from the old age and survivors and disability insurance trust funds each year. For about 60 percent of these people, Mr. President, such payments are at least half of their monthly income. This program is simply essential to the daily well-being of so many of our older citizens.

The Budget Committee's action to cut $40 billion out of the program in the next 3 fiscal years, therefore, takes on special meaning. I believe that we can take a step of this impact only in the light of very careful study, and the recommendations by the National Commission on Social Security Reform, which must report to Congress and the President by December 31 of this year. Specifically, Mr. President, the Commission is charged to review relevant analyses of the current and long-term financial condition of the system, identify problems that threaten its solvency, analyze solutions, and provide appropriate recommendations that will assure "both the financial integrity of the social security system and the provision of appropriate benefits."

Mr. President, I share the deep concern that has been voiced by the chairman of our Finance Committee as to the current condition of the social security fund and the need for us to approach it responsibly. I, for one, as a member of the Finance Committee, am prepard to share in that effort.

It appears that the Budge Committee has prejudged the work and the recommendations of the Commission. The Budget Committee has set a figure of $40 billion which may or may not be the correct figure. I do not believe we should be mandating major changes in the social security system in the context of a debate about the budget. The current deficit-reducing exercise, important as it is, should not drive or force action on the social security system, which, if we are forced to change, should only be the result of a very thorough, careful, nonpartisan study of the short- and long-range demographic and financial factors that influence the system, namely, the study commission that has been created.

I am aware that there is concern that the old age and survivors trust fund will become insolvent on July 1, 1983, unless action is taken that this apprehension is considered a reason to change the system now in the context of the budget debate.

I should point out that the immediate problem of possible insolvency of this trust fund can be corrected by an extension of the interfund borrowing authority contained in Public Law 97-123, which would permit the managing trustee of the funds to borrow from the disability insurance and health insurance trust funds in order to cover any potential shortfall in the old age and survivors trust.

Extending this authority through 1983 would give us the time to consider the financial condition and the appropriate solutions to the problems of the system in an atmosphere less charged by the exigencies of the budget crisis. In short, Mr. President, I am opposed to the action of the Budget Committee. I am pleased that the July 1 cost-of-living adjustment will be paid on time. That is something I have supported for many months.

But I do not believe the Budget Committee in the context of the budget debate should mandate any given amounts of cuts, therefore requiring major changes in the social security system.

Mr. President, I am prepared to join my colleagues, especially the chairman of the Finance Committee and others, who are deeply concerned about the future of this fund. This is a matter that causes us all grave concern.

The chairman of the Finance Committee has cited the lack of confidence in the fund that exists among our younger people. That is a shocking condition, but it is understandable in view of the stories that have appeared about the solvency of the fund.

It is my desire to consider the social security fund solely in the context of the viability of the fund, and with the goal of perpetuating it so it will be there for current beneficiaries and future beneficiaries as well.

Mr. MOYNIHAN. Will the Senator from Rhode Island allow a question? May I do that?

Mr. DOLE. Go ahead.

Mr. MOYNIHAN. I am going to put a hard question to the Senator from Rhode Island. We have heard a lot about responsibility on this floor and about who will face up to the hard political choices. We are yet to find one of those hard political choices. That was when the then-chairman of the Committee on Finance put through the 1977 amendments that provided the revenues that will take this system into the 21st century, and it has been called a political act.

I want to ask the Senator from Rhode Island did he or did he not vote in favor—did he vote for or against that measure?

Mr. CHAFEE. I voted for that measure.

Mr. MOYNIHAN. For that measure. And I heard the speech of the Senator from Utah. Did he vote for or against that measure?

Mr. CHAFEE. You should have asked him that question. [Laughter.]

Mr. MOYNIHAN. He voted against it.

Mr. CHAFEE. You have answered your own question. [Laughter.]

Mr. MOYNIHAN. And the Senator from Idaho has made an historic speech that aroused our friend from Arizona. Did the Senator from Idaho vote for or against that measure? He voted against.

And did the most distinguished Member on this floor, the chairman of the Finance Committee, vote for or against? He voted against.

Mr. DOLE. I may have had a pair. [Laughter.]

Mr. MOYNIHAN. Mr. President, I ask unanimous consent to put the voting record into the RECORD at this point.

There being no objection, the information was ordered to be printed in the RECORD, as follows:

SENATE VOTING RECORD—No. 631

SOCIAL SECURITY FINANCING

Bill No.: H.R. 9346, "Social Security Amendments of 1977."

Subject: Passage of the bill to restore the social security programs of old age, survivors, and disability insurance to financial soundness in both the short range and long range; to reduce from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; to increase the earnings limitation for recipients aged 65 to 70 to $4,500 in 1978 and to $6,000 in 1979; to provide a $250 college tuition tax credit; and to make certain changes with regard to the Aid to Families with Dependent Children (AFDC) program.

H.R. 9346: Vote Nos. 608, 611-614, 616, 617, 619-631.

Result: Bill passed.

Yeas (42)

Democrats (33 or 77%): Bayh, Burdick, Byrd, Harry F., Jr., Byrd, Robert C., Clark, Cranston, Culver, Durkin, Ford, Glenn, Gravel, Hart, Hathaway, Hollings, Inouye, Jackson, Kennedy, Long, Magnuson, Matsunaga, McIntyre, Melcher, Metzenbaum, Moynihan, Nelson, Pell, Proxmire, Randolph, Riegle, Sarbanes, Stennis, Talmadge, Williams.

Republicans (9 or 37%): Baker, Case, Chafee, Danforth, Javits, Mathias, Stafford, Thurmond, Young.

Nays (25)

Democrats (10 or 23%): Allen, Anderson, Chiles, Church, Eagleton, Haskell, McGovern, Nunn, Stevenson, Stone.

Republicans (15 or 63%): Bellmon, Curtis, Dole, Domenici, Garn, Griffin, Hansen, Laxalt, Lugar, McClure, Roth, Schmitt, Schwieker, Tower, Wallop.

Not Voting (31)

Democrats (18): Abourezk—2, Bentsen—2, Biden—2PN, Bumpers—2AY, Cannon—2, DeConcini—2, Eastland—2, Huddleston—2, Humphrey—2AY, Johnston—2, McClellan—2, Metcalf—2, Morgan—2PN, Muskie—3PN, Ribicoff—PY, Sasser—2AY, Sparkman—2AY, Zorinsky—2.

Republicans (13): Bartlett—2, Brooke—2, Goldwater—2, Hatch—2, Hatfield—2PN, Hayakawa—2, Helms—2PN, Packwood—2, Pearson—2, Percy—2PY, Scott—1, Stevens—2PY, Weicker—2.

Live Pairs (2)

Present and giving: Heinz(PY), Leahy(PY).

Receiving: Biden(PN), Muskie(PN).

General pairs: Hatfield-Stevens, Helms-Percy, Morgan-Ribicoff.

Explanation of absence: 1—Official Business, 2—Necessarily Absent, 3—Illness, 4—Other.

Symbols: AY—Announced Yea, AN—Announced Nay, PY—Paired Yea, PN—Paired Nay.

Analysis of Issue Voted on:

Party Cohesion: Democrats—77%, Republicans—63%.

Measure of Party Support on Issue as Voted on:

For (42): Democrats—33 or 79%, Republicans—9 or 21%.

Against (25): Democrats—10 or 40%, Republicans—15 or 60%.

Prepared and Compiled by Senate Democratic Policy Committee, Robert C. Byrd, Chairman.

MAJOR PROVISIONS

Restores the social security programs of old age, survivors, and disability insurance to financial soundness in both the short range and the long range; reduces from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; increases the earnings limitation for recipients aged 65 to 70 to $4,500 in 1978 and to $6,000 in 1979; provides a $250 college tuition tax credit; and makes certain changes with regard to the Aid to Families with Dependent Children (AFDC) program;

"Decoupling"—Revised benefit formula for future retirees: Makes existing law cost-of-living increase provisions apply only to individuals who are already on the benefit rolls at the time each increase occurs; applies a new automatic adjustment mechanism to the benefit formula for new retirees using wage indexing which will avoid the present overindexing; provides semiannual cost-of-living adjustments for benefits when the inflation rate is 4 percent or greater in a 6 month period;

Increase in amount of earnings subject to employer tax: Raises the base for employer taxes to $50,000 effective 1979 and to $75,000 effective 1985; makes a similar increase under the railroad retirement program;

Increase in amount of earnings subject to employee (or self employment) tax: Increases the amount of annual earnings subject to the employee or self-employment tax by four $600 increases over present law levels up to $30,300 in 1985;

Tax rate increase: Modifies the social security tax rate schedules to bring in additional revenue by increasing the percent paid by employer and employee each from 5.85 percent in 1977 to 7 percent in 1985 to 9.20 percent in the year 2011 and after;

Refund of taxes paid by State and local governments and by nonprofit organizations: Authorizes an appropriation from general revenues to provide State and local governments and nonprofit organizations a 10 percent refund of social security taxes;

Benefits for dependent spouses: Reduces benefits payable under social security to dependent spouses, including surviving spouses, by the amount of any civil service retirement benefit payable to the spouse applicable only to future applicants for social security benefits for spouses;

Modification of earnings limitation: Reduces from 72 to 70 the age at which income earned by a social security recipient will not reduce social security benefits; increases the earnings limitation from $3,000 to $4,500 in 1978 and to $6,000 in 1979; provides that thereafter the earnings limitation level will increase automatically as wage levels rise;

College tuition tax credit: Establishes a refundable tax credit of up to $250 for each dependent attending college, university or higher vocational school full time;

Distribution of social security checks: Requires timely delivery of social security checks when the normal delivery day falls on a weekend or holiday;

Limitation on retroactive social security benefits: Prohibits retroactive reduced benefits in cases involving entitlement before age 65;

State and local welfare costs: Provides $400 million in additional Federal funding of welfare costs as a means of providing fiscal relief to State and local governments for fiscal year 1978, half of which would be distributed to States on the basis of their relative expenditures for aid to families with dependent children (AFDC) and the other half under the general revenue sharing formula;

Earned income disregard: Requires States to disregard the first $60 earned monthly by an individual working full time—$30 if working part-time—plus one-third of the next $300 earned plus one-fifth of amounts earned above this and allows child care expenses, but not other work related expenses, to be deducted before computing an individual's earned income;

Demonstration projects: Broadens and makes more explicit the provision of law relating to State demonstration programs so as to permit States to achieve more efficient and effective use of funds for public assistance, to reduce dependency, and to improve the living conditions and increase the incomes of persons on assistance;

Quality control and incentives to reduce errors: Establishes a program of fiscal incentives as part of the AFDC quality control program to encourage States to reduce errors; provides that States which have dollar error rate of, or reduce their dollar error rates to, less than 4 percent but not more than 3.5 percent of the total expenditures would receive 10 percent of the Federal share of the money saved as compared with Federal costs at a 4 percent payment error rate;

Access to wage information for AFDC verification: Allows States to acquire accurate wage data from earnings information in records maintained by the Social Security Administration and State employment security agencies; and authorizes the Secretary of HEW to establish necessary safeguards against improper disclosure of the information.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I want to thank my colleague for that exchange. It is very constructive.

Mr. McCLURE. Will the Senator yield?

Mr. DOLE. I promised to yield to the Senator from Wyoming, but I will be happy to yield for a moment.

Mr. McCLURE. I just wanted to observe that there are some Members of the Senate who forget. They get confused that decibels and logic are interchangeable. To yell louder or more persuasively does not change the facts

any. It may be more entertaining. I am sure that is part of the problem.

People of this country are not expecting such great debaters as they are expecting concrete action from us. I am afraid that sometimes around here late in the day it gets a little boring, and we depart a little from the usual practices of debate on the floor. Some Members sometimes raise their voices in that process because they want to wake up the press gallery.

None of us, of course, would ever care about the press gallery.

Mr. DOLE. They are awake.

Mr. McCLURE. I meant whether or not they are here. I do not want to put them back to sleep. Maybe the Senator from New York will entertain us again and we will wake up the press galleries again just in time for the Senator from Wyoming to make his speech.

Mr. MOYNIHAN. I would be happy to read the voting record again. I can read it very quietly.

Mr. DOLE. I do not want to offend the press. They are not asleep. It is just that what they write puts you to sleep, but we will not go into that.

I do want to yield to the Senator from Wyoming who has a statement.

I would say to my colleagues that I do not believe we will vote on this today. I think the measure ought to be fully discussed for the next several days so that the American people understand we have two courses to follow.

One would be to pass some resolution that might not be meaningful but that would lead the American people to believe that we have somehow addressed the problem in the U.S. Senate. The other would be to discuss fully the real problems of social security, including how young people feel about social security and the fact that 70 percent in the age group from 18 to 30 do not even think there will be a system when they retire because we have not faced up to the problems. Again, I suggest that we cannot all agree on how we do that.

Mr. President, this Senator believes we can make some basic reforms in the program and we believe we shall have bipartisan support for those basic reforms. I hope we keep that in mind as we debate the issue.

I ask unanimous consent that I may yield to the Senator from Wyoming without losing my right to the floor. Then I shall be happy to respond to questions.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair recognizes the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I wondered if the Senate might have gotten caught in that windmill of activity there from the arm waving. That is the way we drive windmills in Wyoming, too. I have listened to this debate on the communications system and I want to address just about 4 minutes of remarks to it.

It is interesting to hear the debate as we grapple with this issue of retirements. I know, because I chair the Veterans' Affairs Committee and the problems there are going to be significant with regard to a freeze on compensation and pension. I admire the courage of the Senator from Kansas, the canny Senator from Kansas, who does an extraordinary job in this area.

Mr. President, in those 2 or 3 minutes of remarks of mine in these last weeks and months as I have addressed the issue around the country, wherever I may be, I say to people something rather simple: Let us say that you simply got rid of every Republican left in the U.S. Senate and you got rid of every Republican left in the House of Representatives, and you got rid of the Republican President. What are you then going to tell the American people about who is to blame about social security?

What an extraordinary, larded system it is. There is no slot machine in Nevada that will ever pay off as it will, with all the bars. An extraordinary thing. Here it is: You start in the social security system in 1973, pay the maximum contribution, retire after a full lifetime, and you get it all back in the first 18 months. Is anybody else paying off like that in the country? Show me the plan.

Mr. RIEGLE. Will the Senator yield?

Mr. SIMPSON. No, not at this time, I will not yield. I have a very short period of time, then you can splatter it around.

How about this one? When you pay in 1 buck, you get out 5½ bucks. That is the way the system is weighted now: for every buck in you get out 5½. There were 90 people paying in 40 years ago. Now there are 3.3 paying in and one taking out. In 40 years, there will be two paying in and one taking it out. You really do not have to be a mathematical whiz to figure out where that is going to go.

Do not worry about the old people in social security, worry about the guy who is 30 years old who watches us posture on this issue in this Chamber and says, "What are you guys going to do?"

I had a terribly novel thought about the whole system. Let us take the best pension plan in America, private or public, you name it, or a consensus of that plan. Sweeten it 10 percent and call it the social security system. For then, the very first time in history, for heaven's sake, it will have reflected that you get out something in relation to what you pay in.

People are tired of the posturing and pin the tail and all the things that go on with regard to social security. They simply say, "Why don't you get off your duffs and do something instead of trying to use it as a device to get yourself reelected?"

Thank God for the commonsense of Americans. People, thank heaven, never believe what politicians have to say. I guess that is why the country has survived for 200 years. But I tell you, Mr. President, they can figure this one out. They do not have to be wizards to figure out where this system is going.

It is an absurd and ponderous system, perishing in its own great weight. And when it goes down as we gleefully talk about it in the political process and play political games with it, there will be no more joy in Mudville as there will in New York.

I thank the Chair.

Mr. RIEGLE. Will the Senator, now that he has finished, yield a moment? He raised a question.

Mr. SIMPSON. I do not have the floor.

Mr. DOLE. I am happy to yield for that purpose.

Mr. RIEGLE. I thank the Senator.

Mr. President, I do not want to be contentious with my friend from Wyoming. He asked if there are any other pension plans that pay off faster than the social security system. I think if he will check, he will find that the congressional retirement program pays off faster than the social security system. So there is at least one that I am aware of.

That is something that I think is some cause for embarrassment. There is at least one and it is that one.

Mr. SIMPSON. Mr. President, I ask the Senator from Michigan if he voted to support the pension plan of the U.S. Senate and whether he intends to enjoy the benefits at the conclusion of his tenure here?

Mr. RIEGLE. I can say to the Senator that that pension plan, when it was established, was done long before I came and long before the Senator from Wyoming came. I have no way of knowing what its precise history was in the beginning.

I raised the point because he made an assertion of fact that I think is incorrect. I wanted to add that because I think it corrects the statement made earlier.

Mr. SIMPSON. Mr. President, I still inquire if I may have a response to the latter part of my question as to whether the Senator from Michigan will be enjoying the benefits of that pension plan at the conclusion of his tenure?

Mr. RIEGLE. Well, we shall see if he will or not.

Mr. MOYNIHAN. If the Senator will yield, may I suggest that the Senator from Michigan will be in the body so long he will never have the opportunity to draw a pension. His widow might.

Mr. SIMPSON. Mr. President, I may well not have that opportunity after I

cast my vote in the area of social security.

Mr. RIEGLE. Will the Senator from Kansas yield to me for a brief comment I would like to make on the rest of this issue, or would he prefer that I wait until he yields the floor?

Mr. DOLE. If I may make one other comment, I shall be happy to yield the floor, because I believe we have exhausted this subject, and everyone else, if not ourselves. I think this needs more discussion. In fact, this discussion will be very helpful when we meet Monday afternoon in the Social Security Commission. We will see what the Commission members think of the resolution. Maybe that would be one way.

Perhaps the more responsible approach would be to discuss this at length until those who proposed it come up with the way they intend to deal with social security. Maybe we should speed up the Commission's work.

There are some very basic facts about social security which should be in the record. I shall take just a minute and then yield the floor. The social security cash benefit programs—old age and survivors insurance and disability insurance—spent $145 billion in 1981. Spending on these programs will reach $163 billion this year. Including medicare, social security will spend $200 billion this year.

Benefits are provided on a monthly basis to retired workers and their dependents, disabled workers, and their dependents, and to survivors of deceased workers. All cash benefits are adjusted annually to reflect increases in the Consumer Price Index.

Thirty-six million people of all ages and more than 9 out of 10 of the Nation's elderly receive social security benefits. One-third of the people receiving social security benefits are under 65.

That is the benefit side.

The taxing side is there are 116 million people who pay social security taxes. They are going to pay about $2 trillion in social security taxes over the next decade. Workers pay a tax of 6.7 percent on the first $32,400 of covered earnings, with an equal amount paid by employers. For the self-employed, the rate is 9.35 percent.

As I mentioned earlier: For one-quarter of America's taxpaying households, social security taxes are higher than income taxes. If, as economists argue, workers end up paying the employer's share of the tax in the form of lower wages, 51 percent of taxpaying households pay more to social security than to the IRS.

The earnings base increases annually as average wages in the economy grow. The tax rate will be increased again because of amendments passed in 1977, as previously alluded to, and there are three more social security tax increases coming whether or not we do anything else. There is another tax increase for workers and employers in 1985, another tax increase for workers and employers in 1986, and another tax increase for workers and their employers in 1990.

I conclude today's discussion of this very important issue, very serious issue, very controversial issue, very sensitive issue, by suggesting that this Senator does not consider raising additional taxes on working people, on small business people, or on employers to be a good option. This Senator does not believe that going to general revenues is a good option.

I think we are faced with a set of very difficult choices, but I am convinced that, at the appropriate time, there are enough Republicans and Democrats in this body to make those difficult choices. That is the way it must be done, on a bipartisan basis. I hope, after we discuss this resolution for a few days, it is withdrawn, and we go on about the business of trying to bring down interest rates and lower taxes.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, who has the floor?

Mr. DOLE. I just yielded the floor.

Mr. BAKER. Mr. President, all I want to do is inquire about how much more time we need on this measure. I had indicated earlier that we would conclude about 6 o'clock and perhaps have a brief period for the transaction of routine morning business. I have no desire to abbreviate the remarks that any Senator wishes to make, but I would like to know, as a matter of information.

Mr. MOYNIHAN. Mr. President, may I say that I have introduced a measure and have not yet had the floor to discuss it. I should like to do so for approximately 3 minutes.

Mr. BAKER. I thank the Senator from New York, the Senator from California, and the Senator from Michigan.

Mr. RIEGLE. I wish to speak for probably 4 minutes.

Mr. BAKER. All right. Mr. President, it does appear it will be closer to 6:30 than 6 o'clock, and I will plan to provide a brief time for the transaction of routine morning business.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I think we have had a helpful discussion today, and I am well prepared to have it carry over until Tuesday. But I felt it necessary to suggest that there were charges of partisanship that were not appropriate. In 1977, when the last basic changes in the system were made, 60 percent of the Republican Members of this body voted against those changes. That is not a very strong record of fiscal responsibility. It is not one we need raise, except if it is to be said that there is difficulty in the system, that somehow must be the failure of the Democratic Party. I offer the gentle thought that for generations the Republican Party was haunted by its opposition to social security when it was first proposed. Then it was thought that this opposition had died down. But now it has been brought back, Mr. President. And we hear things said that suggest an unfamiliarity with the principles of the system. We are suddenly hearing about social security for the truly needy. We heard today of a means test; some Members on the opposite side of the aisle suggested that the program should have a means test.

Social security is not a welfare system. It is an insurance system. People obtain their benefits by right. They are entitled to them, hence the term "entitlement."

It is not to be reduced to a question of who is the beneficiary of Government favor. This is an insurance system. It may be that the party that initiated it will in the end have to be the party that preserves it. Certainly that was so 5 years ago when the matter of refinancing came forward.

I would say to the chairman of the Finance Committee, for whom I have the greatest respect, as he must surely be aware, that in the early part of yesterday, when it was proposed to decrease social security benefits by some $14 billion, nobody on the Democratic side raised this issue. It was only when the proposal came back in the evening as $40 billion that we asked what had happened. I think we had a right to ask what had happened because no explanation had been given us, no consultation.

Mr. DOLE. Is the Senator directing a question?

Mr. MOYNIHAN. No; I was saying to the Senator, as a good friend and for whom I have the deepest regard, that he might want to know, when the first proposal from the chairman was presented yesterday morning that there were in effect tax increases, or benefit reductions anticipated at a measure of $14 billion over 3 years, not a word was said on our side of the table. But then at the end of the day, it was $40 billion, without consultation, without explanation. That required our objection, and that is what we have offered today and not more.

I say that it is a strange thing suddenly to hear the social security system depicted in terms that suggest it has never really been absorbed as an idea. It does not require a means test, as one gentleman said today. It is not something that should only go to the truly needy. It is an insurance system.

There are aspects of the social security system from which I hope no one receives any benefit whatever. It is a happy person who never receives medicare, is never in a hospital and a happy person who never receives disability insurance.

Mr. DOLE. Will the Senator yield for one comment about the 1977 vote?

Mr. MOYNIHAN. Yes.

Mr. DOLE. Again, I did not vote for the tax increases in 1977. I think many of us felt that that was a time we should have addressed structural reforms in the system rather than increasing taxes on working people and employers. But that is a different view. We were told if that bill passed we would be in good shape until the year 2030, as I recall. I think that is in the committee report.

Mr. MOYNIHAN. Right.

Mr. DOLE. And here we are 5 years later, three tax increases later for working people and employers, small business people, everybody, and we have further financial difficulty.

Mr. MOYNIHAN. That we do.

Mr. DOLE. We did make one major change, though, in 1977. We decoupled. that was a basic change.

Mr. MOYNIHAN. Correcting a mistake.

Mr. DOLE. That is one this Senator supported in the committee—and a very tough vote, I might add.

But, again, I believe we can find out from the Budget Committee where the additional figures came from. I do know that in this group of 17, where there were 12 Members of Congress, 5 from the Senate and 7 from the House, we discussed the solvency test for social security. We even discussed establishing a commission patterned after the Pay Commission which would determine what the rate of increase should be each year. We discussed it in a number of meetings. As this Senator said earlier, there was never a partisan reference, however. We knew how touchy social security was and is. It is like yelling "fire" in a crowded theater even to mention social security in the Finance Committee.

So certainly I do not quarrel with anybody's right to have a different view. I had a different view in 1977. But I hope we can resolve the real problem, and that is by making basic changes. That cannot be done in the Budget Committee. That must be done in the Senate Finance Committee. The Senator from New York is on both committees and is going to have a very important role to play. I thank the Senator.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, I believe the Senator from Michigan wishes to speak on the matter but that concludes our particular debate today.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I wish to make two points at the conclusion of this debate.

First of all, there are Senators who now serve in the Senate on the other side of the aisle who have gone before committees of Congress and have formally proposed that the social security system be dismantled and abolished. That concept, I think, permeates the thinking of a lot of people in the Reagan administration. I do not know what the President's personal views are on it. I have doubts about it. I have doubts about his belief in the system and about his views as to how necessary the system may be to the country and to the people who have needs it helps meet.

I am convinced in my mind that this administration, through a series of initiatives, is out to dismantle a large part of the social security system.

Other Senators, including those on the floor now—whether or not it be the chairman of the Finance Committee—can say they have a different opinion and do not think that is their purpose. That is fine. That is his view, and he is entitled to it. I am expressing my view.

I am convinced that there are a number of people in this administration who are intent on dismantling as much of social security as they can.

I cite again the effort to eliminate the minimum benefit under social security, the attack last year on COLA, the attack on the COLA adjustments which was carried out in the Senate Budget Committee, the proposal of the administration for the 40-percent reduction in the early retirement benefit, and now the President signing on last night with this unspecified $40 billion cut over the next 3 years in the social security system, to land on whoever it might land on. We do not know who will be hurt. It is unspecified at this point.

It reminds me of the philosophy I heard expressed back in the days of the Vietnam war, when some of the same people who are in this administration were involved in a policy in Vietnam that was characterized at one point by the need to destroy villages in order to save them. I think that is what is happening here. What we are seeing is an effort by a number of people to destroy the social security system in the name of saving it. Whether their motives are correct ones in the sense that they do not mean to have the effect of destroying it, or whether their motives are such that it is their intent to destroy it, as I am convinced it is with some, nevertheless, the effect is the same.

I think that the sustained attacks on social security make it clear that there are those in this administration who, in fact, do want to dismantle and do away with as much of social security as they can.

I think the seniors of this country and those who believe in the social security system and who are not of an age that they are receiving payments from the social security system should inundate Washington—this Congress, this President—with letters as to their feelings about the social security system; because I do not think the President has gotten the message yet and I do not think the leaders of his party have gotten the message yet as to how the people of this country feel about social security.

We have had a lot of commentary today about all the defects of the system, that people in this age group or that age group do not support the social security system. I think what we need is literally thousands and tens of thousands of letters coming to Washington, if that is what it takes, to wake people up to the fact that this program does have broad public support, does meet the needs of people; that it is sound, that it is necessary, that it has to be maintained, that it should not be attacked, that it should not be dismantled, that it should not be taken apart piece by piece

When any Senator comes to the floor and sheds big crocodile tears about the fact that the social security system for some people who have been in it in fact returns more in benefits than a person has paid in over a period of time—and there are other illustrations of people who pay in and never collect a dime—one cannot generalize here in terms of anything that has any real meaning with respect to all the individual cases across the country.

But, rather than come in here and shed big crocodile tears about the meager benefits people receive under social security, if somebody wants to do something about dealing with the abuse of retirement programs, let us deal with the abuses of the congressional retirement program, because the congressional retirement program pays out money far greater when measured against the percentage contributed than does the social security system.

So if somebody wants to come in and talk about the fact that the social security system is too lavish because people get too much in the way of benefits—which I think is nonsense, and I refute that notion—let them come in first to clean up the congressional pension plan. Let us do something about that, and I will help them do it, because I think the congressional pension payments are too lavish and I do not think they are justified.

If you want to talk about a big, unfunded liability, look at the pension liabilities that are building up for Members of Congress. Yes, if we want to

talk about the problem, let us talk about it; but let us talk about it where the problem is far worse, and that is in the pensions that the Members of Congress afford themselves, and where in fact we have lavish public financing.

Talk about general revenue financing: we have plenty of it in the congressional retirement system. If we are going to go after a retirement system, let us start at home. Let us deal with that and put it on a pay-as-you-go basis. Once we have bitten that bullet, let us then go on to the question of people making windfall gains out of social security.

We 100 Senators from the 50 States talk to people in our States all the time, in a variety of situations. I believe I have talked with as many people in my State who are on social security as any other Senator. What I find in hundreds and thousands of cases is that I am talking to citizens in my State who are absolutely living in a destitute-type situation even though they are receiving social security benefits. Social security benefits do not provide any windfall for anybody, for the most part, if we are going to talk about averages across the country.

To suggest that a person who is living alone and receives a benefit of $100 or slightly more, or $200, is an abuse of the financial system and to say that people who have participated over the years and are eligible for payments should not receive benefits of that kind is avoiding the point. I think it is an act of personal and national selfishness.

Some illustrations were given here today by the Senator from Louisiana (Mr. LONG) when he asked who gripes the most about social security. Is it the working person, to use his illustration, who is earning from $30,000 a year, down to the lower income levels? They do not complain about it, because they know how vital it is to keep body and soul alive once a person reaches retirement age.

It would be nice if we had big pension plans across the country that covered every citizen. If the Government were willing to finance private pension plans for every citizen as lavishly as we dip into the Treasury to fund our own pension plan, we would be able to get the job done without social security, but we do not do that.

We practice a double standard around here. Congress is dipping in for a special living expense tax credit this year to the extent of $19,000 a year. It is unjustified, in my view. It is wrong, in my view.

We are in here crying and complaining about the financial stress the country is in and the big deficits, and yet we reach into the pot and grab something for ourselves. That was wrong. I do not see any people coming in here to deal with that inequity. It is a lot easier to come in and tee off on the senior citizens who are covered by social security.

Last year who was it the administration jumped on first—the people getting minimum benefits under social security, 75 percent or so were elderly women living by themselves who are living literally right at the margin of poverty. We finally restored that but not until we brought that issue up on the floor time and time and time again and finally forced the other side to back off on this issue.

When I see the people on the other side of the aisle who are gung-ho to cut another $40 billion out of the social security payments and protections for the next 3 years, when I see them come in here to do something about the congressional pension plan, to do something about undoing the tax break last year, then I will say I see the same standard being applied across the board. But we are not going to see that, and the country does not see it, and that is one of the reasons the country is disillusioned.

So I say let us defend the social security system and let us keep it intact and let us keep these protections intact.

When the vote comes I hope the people in the country will have taken account of what this is all about and the letters and the telephone calls will be coming in here and the colleagues on both sides of the aisle will decide to support this amendment by the minority leader and to put ourselves on record as protecting the benefits that we have committed ourselves in the past to provide for people and for which they have worked over a lifetime and contributing to and which they have a right to depend upon when they reach retirement age.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas,

Mr. DOLE. Mr. President, I do not intend to engage in any further discussion with the distinguished Senator from Michigan. I thank him for his usual objective analysis of the problem.

Mr. RIEGLE. The Senator is quite welcome.

Mr. DOLE. Right; and I expect to hear that same speech at least 20 or 30 more times before the year is out. I just hope that when we get into tax legislation, the Senator from Michigan will be alert to some of the things we want to do as far as taking care of the people he mentioned.

If the Senator from Michigan wants to get into pension reform, that is going to be an issue in the tax bill itself. I assume he has been working on congressional pension reform ever since he arrived. He has been so eloquent about it today. I should think in 6 years he has developed a reform proposal.

But in any event, we do have a problem in social security. That problem is not going to go away simply because of speeches by the Senator from Michigan, although I understand the politics of it. Some of us do have to deal with the problem. We do not have the luxury of simply making speeches, we have to be responsible.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. DOLE. About being responsible?

Mr. RIEGLE. Will the Senator yield for a question?

Mr. DOLE. Yes; I yield for a question.

Mr. RIEGLE. Why is it not as appropriate or more appropriate for us to deal with the abuses in our own pension program where it is substantially underfunded, as the Senator knows? The Senator knows that Members of Congress pay very little into the pension plan and get it all back very quickly, and they make a windfall gain over the next period of years and, as a matter of fact, the public is paying for that. Is the Senator willing to move on that first?

Mr. DOLE. First, I want to know the facts.

Mr. RIEGLE. Does the Senator not know the facts? The Senator should know the facts.

Mr. DOLE. This is not a matter the Finance Committee has jurisdiction over.

Mr. RIEGLE. I suggest the Senator take a look at it.

Mr. DOLE. As strongly as the Senator from Michigan feels about it, I am surprised he has not taken care of it by now. If the Senator has any influence at all he certainly would have solved that problem. But it is nice to raise it in a speech that might get a few headlines back home. I understand that.

But some of us have to deal with the social security problem. Some of us cannot just stand up and make endless speeches. We have to solve the problem. We have to solve it because some other people will not. They just make speeches.

If the Senator wants the social security system to go broke in 1983 then we do not do anything. We follow the Senator's plan. But that is not the plan that is responsible. If the Senator does not want the people in Michigan to have checks in 1983 or if he wants them to have delayed or reduced checks we will follow the Riegle plan which is no plan. You just continue to make lot of speeches to make a few headlines and let the people suffer.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I really do not want to interrupt Senators, but I had announced earlier that we were going to quit at 6 p.m. and it is soon going to be 7 p.m.

I still need a brief period for the transaction of routine morning business.

I wonder if we could continue the debate when we take the bill up again next week?

Mr. RIEGLE. Mr. President, will the majority leader yield for just a moment?

Mr. BAKER. Yes.

Mr. RIEGLE. It is only for this point. I will not delay it.

The Senator who just had the floor referred to my remarks as a Riegle plan. That is clearly not the case. I just want the record to show what I am asking for is a continuation of current law. So what I am asking for is the existing plan of the United States of America presently in effect. I am not proposing anything different from that, and I resent the characterization.

I thank the Senator.

The PRESIDING OFFICER. The majority leader.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, if no other Senator now seeks recognition to speak on the pending bill or any amendment thereto, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 7 p.m. in which Senators may speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO FORMER U.S. REPRESENTATIVE LEO O'BRIEN

Mr. STEVENS. Mr. President, on Friday, the Nation will pay its respect to Congressman Leo O'Brien who died earlier this week. Alaskans, in particular, remember with special fondness this New York Congressman, who was one of our strongest advocates and leaders in the fight for statehood.

It was more than 20 years ago, when, as chairman of the House Subcommittee on Territorial and Insular Affairs, Leo O'Brien played a key role in laying the groundwork and steering the Alaska statehood bill through Congress. As legal counsel for the Department of the Interior at that time, I had the privilege of working on that bill with this dedicated and fairminded American, who we dubbed the "Quarterback of the Alaska Statehood Act"

Leo O'Brien lived to see Alaska begin to fulfill the promise of greatness he saw in our State. He foresaw that economic benefits from Alaska's natural resources and mineral wealth would flow throughout the entire Nation, but at the same time perceived that the rest of the country would have to help solve the complex problems involved in the development of the Nation's 49th State.

"We have taken to us a new brother but he must be helped as he struggles with the immense new problems of statehood," O'Brien said at the time, adding "But, I am sure, every ounce of help we give Alaska, financial or otherwise, will be repaid in pounds or even tons."

It was not just the future economic benefits for the Nation that motivated Congressman O'Brien; he was equally concerned that the Americans living in the far north territory be treated fairly and equitably as they were admitted into the union.

Leo O'Brien was a man of great humanity and vision. With his death, Alaska lost one of its best friends.

Mr. President, in 1958 when Alaskans came to Congress to seek support for the statehood bill, one of our prominent leaders that helped coordinate the valiant effort was the publisher of the Fairbanks Daily News Miner, Mr. Bill Snedden, a longtime, personal, and dear friend of mine.

I ask unanimous consent that the editorial Mr. Snedden printed in Wednesday's News Miner be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TRIBUTE TO LEO O'BRIEN

Alaska and Alaskans lost a great friend and leader Tuesday with the passing of Leo William O'Brien, 81, in Albany, N.Y.

A newspaper man who was first elected to Congress in 1952 representing the 30th District of New York State, Congressman O'Brien shortly became interested in contributions our then territory of Alaska could make to the United States by admittance as a full-fledged state.

Alaska's then delegate to Congress (and later United States Senate) E.L. "Bob" Bartlett worked closely with Rep. O'Brien when the New York congressman was elected chairman of the Subcommittee on Territorial and Insular Affairs. As chairman, Mr. O'Brien found that he had more control over Alaskan affairs than did Alaska's own delegate, or even Alaska's elected legislators and appointed governor. In addition to delegate Bartlett, a New Orleans businessman, George Lehleitner, who had no personal ax to grind other than being interested in simple justice for Americans living in Alaska, started working closely with a small group of dedicated individuals who felt strongly that our great state of Alaska would make a substantial contribution to our United States when we could be admitted as a state of the union.

An informal, bipartisan dedicated group of Alaska's statehood advocates formed in the nation's capital—all of whom considered partisan politics secondary to the best interests of our country. Included were the then legal counsel for the Department of Interior, Ted Stevens, now Alaska's senior United States senator; and another newspaper man, Secretary of the Interior Fred Seaton. This group along with the elected "Alaska Tennessee Plan Congressional Delegation" of William A. Egan, Ernest Gruening, and Ralph Rivers, worked closely and effectively in laying the groundwork for the political strategy which would result in enactment of the Alaska Statehood bill.

Congressman O'Brien played a very important key role when he introduced the Alaska bill, steered it successfully through committees and later was the general commanding our forces in the House floor fight over enactment of the bill.

Several times previously bills to grant statehood for Alaska had been introduced, but none had passed through the many barriers involved before approval by both houses of Congress. Rep. O'Brien truly made history when he steered the Alaska bill through the House of Representatives. Later his identical bill went through the United States Senate, with no amendments, and received final approval in that body on June 30, 1958.

O'Brien was born in Buffalo, graduated from Niagara University and then moved to Albany, where he spent the next 30 years in journalism, working for a total of 15 newspapers.

Alaskans owe a debt of gratitude to several key people responsible for enactment of the statehood bill. Many important and vital roles were played by various individuals. However, the initial catalyst of the Alaska Statehood movement in the United States House of Representatives was a great American of vision whose dedication and ability set the stage for Alaska to become the 49th state or our Union of States:

Leo William O'Brien earned the respect, admiration and undying gratitude of all Alaskans. He will long be fondly remembered in our 49th state.

COSPONSORSHIP OF SENATE CONCURRENT RESOLUTION 89 IN SUPPORT OF THE U.S. FIRE ADMINISTRATION

Mr. BRADLEY. Mr. President, recently I joined Senator GLENN and 14 other Senators in cosponsoring Senate Concurrent Resolution 89, expressing the sense of the Congress that the U.S. Fire Administration should continue to develop its antiarson and fire safety programs in concert with State and municipal governments.

I have cosponsored this resolution to show my strong disapproval of the administration's proposals in the 1983 fiscal year budget to virtually abolish the U.S. Fire Administration. Minimal funds would be available to continue the National Fire Academy, but no money is proposed for the other research, technology, and management work of the USFA.

Mr. President, the Fire Administration has made important contributions to the public safety in fighting fires. It would be extremely unwise to abolish these programs. I am submitting for the informantion of my colleagues a short factsheet which briefly highlights some of the major accomplishments of the Fire Administration and the agencies which preceded the USFA. The contributions of the agency include the promotion of

smoke detectors, the creation of improved firefighter protective clothing, an effective national attack on arson, and the improved collection and dissemination of fire information.

According to the 1980 national fire experience survey, over 6,000 persons were killed and over 30,000 injured as a result of fire in 1980. And, as bad as these statistics are, they do not adequately reflect the great human pain and suffering which continues to plague our Nation. Just a few days ago there were two fires in Hudson County, N.J., that killed 11 children and 5 adults. The story of these fires in Hoboken and Jersey City is just one more grim tragedy in a series of grim tragedies occuring across America. For the thousands of persons who are killed or injured in fires every year, we should not reduce our commitment to the U.S. Fire Administration.

In addition to these great losses in injuries and death, there are staggering economic costs. In 1980 fire caused over $3 billion of damage to residences and over $6 billion in total property loss. For the billions of dollars in property loss due to both general fires and arson, we should not reduce our commitment to the U.S. Fire Administration.

Across this Nation there are thousands of men and women who have made firefighting their profession. Approximately 10,000 professional firefighters live and work in my home State of New Jersey. For these brave individuals who put their lives on the line as part of their jobs, we should not reduce our commitment to the U.S. Fire Administration.

And, Mr. President, in addition to these professionals, there are several hundred thousand firefighters across this Nation and well over 50,000 individuals in New Jersey who not only put their life on the line to fight fires, but they do so on a volunteer basis.

Just 1 week ago in my State 76 volunteer fire companies responded to a series of three fires that swept through the pinelands. Were it not for their efforts, surely the loss of life and property would have been far more severe than it was.

For these extraordinarily courageous men and women who sacrifice much to fight fires as volunteers, we should not reduce our commitment to the U.S. Fire Administration.

In recent years we have made some progress in fighting fires. I ask my fellow Senators and colleagues to support this resolution so that this progress may continue.

I ask unanimous consent to print the factsheet in the RECORD.

There being no objection, the fact sheet was ordered to be printed in the RECORD, as follows:

MAJOR ACCOMPLISHMENTS OF THE U.S. FIRE ADMINISTRATION AND ITS PREDECESSORS

1. The National Fire Academy, which trains the fire service leaders of tomorrow and develops and distributes state-of-the-art course work for regional, state and local fire training facilities. This year, the academy will have trained more than 15,000 students through its resident and field programs. By training the trainers, the Academy will be able to reach students at a rate of nearly 40,000 per year in 1983 and succeeding years.

2. Increased home use of Smoke Detectors, through development and dissemination of statistics on effectiveness and usage, targeted to particular audiences; reviews and analyses of relevant legislation; and prototype public education materials. When the USFA was formed, smoke detectors were installed in less then 5% of all households, but by 1982, that percentage had risen to well over 50%. The USFA's contribution to broadened use of smoke detectors has included production and promotion of over 50 reports, brochures, fact sheets, articles, prototype posters and decals, sample TV and radio public service announcements, and other materials, all targeted to particular detector issues and particular audiences. The USFA also has stimulated and coordinated smoke detector promotional efforts by dozens of private firms, service organizations, local fire departments and others.

3. An effective, affordable Home Sprinkler System. Two USFA research projects paved the way by assessing the market potential and obstacles to acceptance of home sprinklers, and their potential impact on the more than 4,000 fire fatalities and $2 billion in fire loss that occur in private dwellings each year. Other USFA projects provided the engineering breakthroughs needed to create a viable system. The USFA then organized and coordinated both the successful tests required to show that the system works and the effort to adapt the National Fire Protection Association's 13-D consenus standard to conform to the new technology. Major testing laboratories, such as Underwriters Laboratory and Factory Mutual Research Corporation, have approved for sale at least one company's version of the new system.

4. Improved Firefighter Protective Clothing in an integrated ensemble, proven capable of sharply reducing the current high rates of firefighter fatalities and injuries—160 to 175 deaths and 100,000 injuries per year. The new ensemble provides increased protection and mobility by reducing overall ensemble weight by 40% while adding only 25%-30% to the cost, relative to current gear. The new ensemble also provides better protection against heat, cuts, punctures and impact.

5. Improved Data on National Fire Problem, leading to improved Federal government and private sector decisionmaking and a better, more detailed public understanding of the size and nature of the fire problem. Data from more than 9,000 fire departments in 40 states and the District of Columbia, assembled in the National Fire Incident Reporting System, has been used in major ways by more than 20 companies, the Consumer Product Safety Commission, the Occupational Safety and Health Administration, the Department of Housing and Urban Development and several committees of Congress. The USFA responds to several thousand inquiries a year from federal agencies, the press, researchers, private citizens, private companies, industry associations and standards-setting organizations.

6. Increased State and Local Fire Problem Identification Capability, through participation in the National Fire Incident Report System (NFIRS), which provides greater standardization, sufficient detail for decision-relevant analysis, easy to use computer packages and training in analytic techniques. The USFA has provided hundreds of training sessions and answered tens of thousands of inquiries from state and local government officials. The USFA has documentation on dozens of major uses of USFA data in state and local government decisions, ranging from Washington State legislation on heating devices to a Dallas, Texas ordinance on roofing materials to the sprinklering of a public library in Bensalem Township, Pennsylvania.

7. National Attack on Arson. The USFA has developed and implemented a national strategy for coordinating federal, state and local public and private sector efforts to attack one of the nation's fastest growing crimes, which accounts for more than $1.5 billion a year in direct losses and nearly a quarter of all fires. Starting with the USFA's Report to Congress on Arson, the USFA's program has addressed all but one of the report's 67 recommendations, established Arson Task Forces in more than 250 communities, and initiated a Federal Arson Task Force which coordinates the initiatives of 12 Federal agencies involved in arson. These and other programs have produced significant impacts in many communities—an 18% drop in arson and suspicious fires in Phoenix, and a 50% drop in Seattle, coupled with a doubling of arrest rates, to mention a few. The USFA also operates the nation's most comprehensive Arson Resource Center.

8. Nationwide Public Education Network, whereby local experts and resources in public fire education are able to benefit from one another. Workshops in public fire education planning have been provided to fire service network representatives in all 50 states. Millions of children have been reached by the Sesame Street Fire Safety Education Program, and millions of adults have been reached by other USFA public education materials, producing documented increases in their fire safety knowledge and behavior.

9. Improved Fire Department Management Tools, including Fire Defense and Emergency Response Planning (Master Planning), and Municipally Sponsored Fire and Homeowners Insurance programs (MFI). Technical assistance on master planning has been provided to 138 communities; 48 communities in 45 states have already adopted plans; and more than a dozen of these have reported cost sayings or reduced fire problems as a result. The cost savings are in the millions of dollars and stem from such things as reduced insurance costs, improved station location and comprehensive fire prevention planning.

10. National Focal Point for fire protection. This was a need articulated in the 1973 report of the National Commission on Fire Prevention and Control. The USFA has provided this focal point, as demonstrated by the hundreds of fire departments that have sought to participate in its programs, the hundreds of testimonials provided to the USFA by the fire community, and the tens of thousands of inquiries received each year from groups of all kinds which look to the USFA for reliable information on the topics in which they are interested.

A MEMORIAL FOR FDR

Mr. BRADLEY. Mr. President, I was recently struck by an article which appeared in the American Oxonian by Bryce Nelson. The article, which I shall submit to the RECORD to be published in its entirety, questions the appropriateness of a large monument as a tribute to President Franklin D. Roosevelt.

Mr. Nelson suggests what seems to me to be a more fitting tribute—the preservation of "FDR's trees"—222 million trees planted from 1935 to 1942 as a part of the Prairie States forestry project.

I have asked that Committee on Environment and Public Works to examine the proposal of Mr. Nelson and I commend it to my colleagues as, perhaps a more appropriate reminder of the vision of our 32d President.

I ask unaminous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A MEMORIAL FOR FDR

(By Bryce Nelson)

While crossing the Great Plains "Dustbowl" in July of 1932 as he sought the presidency, Franklin D. Roosevelt conceived the idea of planting large numbers of trees to reduce the wind erosion which was then killing the Plains.

FDR had seen with his own eyes the black blizzards of blowing topsoil and swirling sand which drove farmers off their land, stopped auto traffic at midday, and deposited dusty debris over cities as far away as New York and Washington, and on the decks of ships in the Atlantic.

"This is my baby," Roosevelt later said of the projet to plant 100-foot wide shelterbelts or windbreaks in long, east-west strips along farmers' fields to reduce erosion and to protect crops from the hot winds out of the south. Unlike many of man's grandiose schemes, this dream had practical result.

More than 222 million of "FDR's trees" were planted in the Prairie States Forestry Project from 1935 to 1942. From the Dakotas, these shelterbelts stretch south a thousand miles into the Texas Panhandle in a 200-mile wide belt in the transitional area between the Tallgrass Eastern Prairies and the Shortgrass Western Plains.

"Never before or since has man planted so many trees in so few years under such trying environmental conditions," wrote John R. McGuire, then chief of the U.S. Forest Service, in a 1976 foreword to an impressive study of Plains trees by Wilmon H. Droze, a Texas scholar.

FDR's trees have not only protected crops, livestock and humans from the high winds, the piercing winter cold and the scorching summer heat of the Plains, but they have also provided places for farm children to play, for families to picnic, for game animals and birds to flourish. These half-mile long rows of conifers and deciduous trees have provided unusual places of natural beauty and human refuge in a largely treeless region so sparse and lonely that early travelers called it the "Great American Desert."

The project's first tree, an Austrian Pine planted on the cotton farm of Horace E. Curtis 46 years ago this spring, survives as does the satisfied farmer who supervised the planting of that first group of shelterbelt trees five miles west of Willow in southwestern Oklahoma. Many of the other shelterbelt trees—a living memorial to one of man's most ambitious efforts to temper nature—still stand, but time is taking its toll.

Given very little national attention since FDR's death in 1945, the shelterbelt project has become a program of largely forgotten trees.

While the trees were planted with Federal financial assistance, the plantings were done on private land with maintenance left to individual farmers. As the memory of the duststorms of the "Dirty Thirties" has faded, many farmers and agri-business operators have allowed their shelterbelts to deteriorate. As these windbreaks lose efficiency in shielding crops and farmhomes, high costs pressure some farmers to bulldoze the shelterbelts and plant crops in the cleared land. There is little educational work to inform farmers of the benefits of keeping these trees.

"It's not that people on the Plains don't appreciate trees," explains David F. Van Haverbeke, a research forester in Lincoln, Nebraska. "There just isn't any cost-sharing program to give a lot of farmers the economic incentive to keep them up."

As all too many of FDR's trees are bulldozed and burned, Washington officials, mostly unaware of the shelterbelt project, discuss what kind of memorial the nation should have to honor the 32nd President. Congress approved an FDR memorial 26 years ago, but the nature of the memorial has been hotly debated ever since.

The chairman of the FDR Memorial Commission, Eugene J. Keogh, formerly a Democratic Congressman from New York City, has been trying to persuade Congressional authorizing committees to hold hearings on a revised plan by landscape architect Lawrence Halprin to build the FDR Memorial on the western edge of the Tidal Basin near the Jefferson Memorial in Washington.

This revised $23 million plan is a scaled-down version of a $50 million Halprin design. In the latter part of the Carter Administration, Secretary of the Interior Cecil D. Andrus announced that administration's opposition to this more elaborate plan. Andrus said that its construction and operating costs "are remarkably high" and added that "President Roosevelt himself made it very plain that he did not want a large, costly monument erected to his honor in Washington." The sole monument to FDR in Washington is a simple marble stone on Pennsylvania Avenue near the National Archives.

Andrus emphasized that he understood the desire among FDR's many admirers for a suitable memorial by the time of the 100th anniversary of FDR's birth—January 30, 1982—and suggested the renaming of a park in Washington. "As a leading conservationist, and a celebrated planter of trees on his estate at Hyde Park, N.Y., he surely would believe such recognition appropriate if he were among us today," he said.

On the Plains, however, FDR's trees are already in place and bringing benefits. With a little extra effort, the nation could come to regard these shelterbelts as a suitable living memorial to that "celebrated planter of trees." Now, there is neither a center where the history and purpose of the shelterbelt project is explained nor even highway historical markers pointing to the existence of these trees.

Even if Congress did not want to fund a historical center on the Plains to explain FDR's trees, it might spare something to make education on the shelterbelts available and to give farmers some economic or tax incentive to renovate existing shelterbelts and to plant more trees where needed. The nation would regain manyfold whatever was spent on such a plan in the form of sustained agricultural productivity and protection of necessary farmland, especially important now that large parts of the Plains face another potentially devastating period of drought.

Trees meant a lot to FDR; he listed his occupation as "tree grower" when registering to vote in New York, William R. Emerson, director of the Franklin D. Roosevelt Library at Hyde Park, points out. "The planting of these shelterbelt trees was very close to FDR's heart," says Emerson. "Nothing except the rebuilding of the Navy was so close to his life and concerns. Attention to these shelterbelt trees would be the most seemly observation of the 100th anniversary of his birth in 1982."

While it might seem a bit unusual to advocate a memorial to a Democratic president during a frugal, Republican administration, many remember that Ronald Reagan supported FDR throughout Roosevelt's lifetime and that, even in the 1980 campaign, Reagan often wrapped himself in FDR's words and memory. In fact, he often seemed more aware of the importance of FDR's legacy than did his Democratic opponent.

It somehow seems possible and fitting that President Reagan could lead in designating a living memorial to a president whose wisdom helped sustain farmland in Reagan's native Midwest and whose economic initiatives helped Reagan's own family survive in Illinois during the Great Depression of the Thirties.

FEDERAL STUDENT FINANCIAL ASSISTANCE

Mr. BURDICK. Mr. President, the concerns regarding Federal student financial assistance are ongoing. The speculation about the size of the proposed cuts and the possible changes in student eligibility make it difficult for both students and institutions to plan for the future.

That funding for education is a wise and necessary investment in the future is widely recognized We need more scientists, more engineers, more technicians, more computer operators. We need a highly educated citizenry to make the wheels of this very technological, post-industrial society turn. It takes 20 years to provide this kind of education. Cuts now cannot be made up later. Education lost now is lost forever.

Cutting education in order to pay for military programs, as this administration is proposing to do, is like cutting off our nose to spite our face—for an educated citizenry, in itself, is one of our best defenses. Not only do we need an educated military to operate and maintain the complex equipment we now have, but the better educated American workers are, the higher their productivity and income. Each

young person who graduates from high school and earns an advanced college degree over a lifetime will earn and pay taxes on over half a million dollars more than someone who does not graduate from high school. Looked at from this perspective, the cuts proposed by the administration are terribly short sighted.

If the cuts proposed for 1983 by the administration are enacted, it is estimated that the amount of financial aid available in North Dakota would be cut $7.48 million for the 1983–84 school year compared to the 1980–81 school year. This reduction represents half of North Dakota's financial aid. Nearly 2,000 graduate students in our State would be denied guaranteed student loans and forced to apply for auxiliary loans—loans which are not expected to be available in North Dakota even if students could afford the 14-percent interest and in-school interest payments.

The administration has stated that the current high level of guaranteed student loan subsidization inflates the level of Federal credit activity in the economy and thus contributes to high interest rates. The logic of this assertion fails me. Were it not for the high interest rates, the subsidy would not need to be at such a high level. The GSL program does not cause high interest rates, but this administration's high interest rates are a devestating factor in the student loan program. The Congressional Budget Office has indicated that a 1-percent drop in interest rates will lower guaranteed student loan costs from $200 to $250 million.

The director of the student financial assistance program in North Dakota, Mr. Clark Wold, has made several important points about the state of the financial assistance program which I wish to bring to the attention of the Senate. He points out that the several programs must work in conjunction with each other. The administration has been slow to finalize regulations for the Pell grant program. Students who are attempting to obtain financial aid in the form of grants cannot be expected to seek aid in the form of loans until the direct aid is finalized. The point is, a delay in implementation of certain programs renders the other programs ineffective. This is simply another method of making student aid less accessible.

I believe Mr. Wold's other remarks are timely and worthy of consideration by Members of Congress and by members of the administration. Mr. President, I ask unanimous consent that Mr. Wold's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA STATE
BOARD OF HIGHER EDUCATION,
Bismarck, N. Dak., April 20, 1982.

Hon. QUENTIN BURDICK,
U.S. Senator,
Russell Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: I should like to thank you for your part in the passage of the continuing resolution signed on March 31, 1982. As a result of that action five of the six major student financial assistance programs are now final. Institutions have been notified of their tentative allocations for SEOG, CWSP, and NDSL, and as soon as the Pell Grant payment schedule and regulations are available, we should be able to inform students as to the disposition of their applications for student financial assistance.

While the funds for these programs as well as State Student Incentive Grants are final, there remain several areas of concern for students and student financial aid administrators alike. Perhaps the most significant is the supplemental appropriation for the Guaranteed Student Loan Program. While we certainly support the supplemental, we would ask you to resist any efforts to amend the Guaranteed Student Loan Program itself through the appropriations process.

Timing is not only a critical factor in the Pell Grant Program, but is fast becoming an issue with speculation about the Guaranteed Student Loan Program. Assuming that amendments were to be made, it is likely that a mid or late summer effective date would be chosen. Such a date would for all practical purposes halt the flow of Guaranteed Student Loan applications until that time. Processing would then be backed up for weeks, thus preventing students from receiving their checks for fall term in a timely manner. The August, 1981, effective date for the origination fee can serve as a reminder as to the problems such could cause.

I would suggest that the Guaranteed Student Loan Program be left alone for at least another year. The changes implemented as of October 1, 1981 haven't even been tested for an entire cycle yet. Even though we know the $30,000 cap will slow Guaranteed Student Loan volume, it needs at least a one year cycle to test its effectiveness in slowing loan demand.

I would suggest, too, that the cost of the Guaranteed Student Loan Program is not a fault of the program, but rather of high interest rates. Data from the Congressional Budget Office reveals that a one percent drop in interest rates will lower Guaranteed Student Loan costs from $200–250 million.

I cannot support raising the origination fee from five to ten percent as a cost savings mechanism. While it may save dollars in the short run, students will have to borrow 10 percent more to be able to yield loan proceeds sufficient to meet their costs. Over the long run, then, paying interest on the larger loans may be counterproductive.

Finally, as the Fiscal Year 1983 budget comes into focus, we stand ready to react to the proposed cuts that may affect student financial assistance in particular and education in general.

Thank you for your continued support.

Sincerely,

CLARK J. WOLD,
Director, Student Financial Assistance Program.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1981—MESSAGE FROM THE PRESIDENT—PM 133

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

To the Congress of the United States:

Pursuant to the provisions of Section 13, Public Law 806, 80th Congress, I hereby transmit the report of the Commodity Credit Corporation for the fiscal year ended September 30, 1981.

RONALD REAGAN.

THE WHITE HOUSE, *May 6, 1982.*

REPORT ON DEVELOPMENTS CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 134

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to Section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. Section 1703(c), I hereby report to the Congress with respect to developments since my report of September 22, 1981, concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979.

1. The Iran-United States Claims Tribunal provided for in the Claims Settlement Agreement of January 19, 1981 has been established at The Hague in the Netherlands. Some 5,000 claims were filed with the Tribunal by the January 19, 1982, deadline. These included 2,795 "small" claims (less

than $250,000 each) of U.S. nationals and 18 "official" claims of the U.S. against Iran. Although the Tribunal has not yet completed its initial processing of all the claims, it now appears that there are, in addition, some 630 "large" claims, in the amount of $250,000 or more each, of U.S. nationals against Iran and as many as 1500 claims by Iran against the U.S. and its nationals. The Department of State, with the assistance of the Departments of the Treasury and Justice and other concerned government agencies, is coordinating the United States response to the Iranian claims and is preparing to assist U.S. nationals with claims against Iran.

2. Four important issues, concerning the $1 billion Security Account established in the Netherlands Settlement Bank to pay Tribunal awards, which were not resolved in negotiations with Iran were referred to the Claims Tribunal. Written submissions have been made and oral arguments have been heard. The Tribunal may decide these issues within the next few weeks. These issues concern (1) the disposition of the interest accruing on the funds in the Security Account; (2) indemnification of the Settlement Bank of the Netherlands and its parent, the Netherlands Central Bank, as manager of the funds deposited with the Settlement Bank, against any claims relating to the Security Account; (3) payment of the administrative fees of the Settlement Bank; and (4) payment of settlements with U.S. claimants worked out directly between the U.S. claimants and Iran.

3. Since my report submitted to Congress last fall, there have been no major regulatory amendments or transfers of assets by or through the U.S. government under the January 19, 1981 agreements with Iran. However, I attach herewith three excerpts from the *Federal Register* that deal with the Iranian Assets Control Regulations. The first is a notice reminding U.S. account parties, on whose behalf standby letters of credit were issued by U.S. banks in favor of Iran or Iranian entities, of the January 19, 1982 deadline for filing claims with the Claims Tribunal. The second is an amendment to the Iranian Assets Control Regulations which amends the licensing procedure for account party establishment on company books of substitute blocked accounts in favor of Iran, in lieu of payments by banks to Iran under standby letters of credit in favor of Iran. The amendment provides extra time for obtaining a license or for establishment of such substitute blocked accounts by account parties in cases involving court orders barring payments to Iran under standby letters of credit.

Also attached is the amendment to the Iranian Assets Control Regulations that appeared in the *Federal Register* on December 7, 1981. It required U.S. banking institutions to register with the Office of Foreign Assets, Department of the Treasury, if they intended to assert claims against the escrow account at the Bank of England that was established with the deposit of $1.4 billion in January 1981. That account was established pursuant to Paragraph 2(B) of the January 19, 1981 Undertakings of the Governments of Iran and the United States, primarily for the purpose of paying non-syndicated debt claims of U.S. banks against Iran. The list of banks that registered was provided to Iran to facilitate the settlement of those bank claims against Iran.

4. Over the last six months, there have been several technical discussions with officials of Iran in The Hague concerning various aspects of the implementation of the agreements of January 19, 1981. These meetings have contributed to a better understanding of the differences between our two governments and the ways in which they might be resolved. We are continuing to explore ways in which the Tribunal's arbitral process can be made more efficient.

5. Several financial and diplomatic aspects of the crisis with Iran have not yet been resolved and continue to present an unusual and extraordinary threat to the national security and foreign policy of the United States. I shall continue to exercise the powers at my disposal to deal appropriately with these problems and will continue to report periodically to Congress on significant developments.

RONALD REAGAN.

THE WHITE HOUSE, *May 6, 1982.*

ANNUAL REPORT OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE FOR 1981—MESSAGE FROM THE PRESIDENT—PM 135

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with Section 5347(e) of Title 5 of the United States Code, I hereby transmit the 1981 Annual Report of the Federal Prevailing Rate Advisory Committee.

RONALD REAGAN.

THE WHITE HOUSE, *May 6, 1982.*

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 1:47 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 2244. An act to give effect to the Protocol Amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, signed at Washington, March 29, 1979.

The enrolled bill was subsequently signed by the President pro tempore (Mr. THURMOND).

ENROLLED BILL PRESENTED

The Secretary reported that on today, May 6, 1982, he had presented to the President of the United States the following enrolled bill:

S. 2244. An act to give effect to the Protocol amending the Convention for the Preservation of the Halibut Fishery of the Northern Pacific Ocean and Bering Sea, at Washington, March 29, 1979.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3398. A communication from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, notice of approval of a guaranteed non-REA loan in the amount of $55 million to Sam Rayburn G. & T., Inc., San Augustine, Tex. for new generation facilities; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3399. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to provide for a Department of Defense Military Retirement and Disability Fund; to the Committee on Armed Services.

EC-3400. A communication from the Assistant Secretary of the Army for Installations, Logistics, and Financial Management transmitting, pursuant to law, a report on a decision made to convert the refuse collection and disposal activity at Fort McPherson, Ga., to performance under contract; to the Committee on Armed Services.

EC-3401. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a report on a foreign military sale to Greece; to the Committee on Armed Services.

EC-3402. A communication from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to revise the entitlement to and adjustment of retired or retainer pay for members of the Armed Forces; to the Committee on Armed Services.

EC-3403. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting, pursuant to law, notice that the Navy intends to exclude the Comptroller General from examining records of the contract with British Petroleum of Greece, Ltd., for delivery of aviation gasoline to the U.S. Naval Support Activity, Souda Bay, Crete; to the Committee on Armed Services.

EC-3404. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, notice that the Department has provided up to $80 million of emergency military assistance to El Salvador; to the Committee on Armed Services.

EC-3405. A communication from the Deputy Chief of Naval Material transmitting, pursuant to law, the semi-annual report for October 1, 1981 through March 31, 1982 on the Department's research and procurement actions of $50,000 and over; to the Committee on Armed Services.

EC-3406. A communication from the Secretary of Transportation transmitting, pursuant to law, a seventh annual report of the department on its activities related to administration of the Deepwater Port Act; to the Committee on Energy and Natural Resources.

EC-3407. A communication from the Secretary of the Interior transmitting, pursuant to law, a report for fiscal year 1981 relative to matters contained in the Helium Act; to the Committee on Energy and Natural Resources.

EC-3408. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation to implement the Customs Convention on Containers, 1972; to the Committee on Finance.

EC-3409. A communication from the Deputy Director of the Office of Management and Budget transmitting three drafts of proposed legislation relating to Government contracting and procurement processes; to the Committee on Government Affairs.

EC-3410. A communication from the District of Columbia Auditor transmitting, pursuant to law, a report entitled "Revenue Estimates in Support of Fiscal Year 1982 Supplemental"; to the Committee on Government Affairs.

EC-3411. A communication from the Chairman of the Federal Home Loan Bank Board transmitting, pursuant to law, a report on its activities under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-797. A joint resolution adopted by the House of Representatives of the State of Idaho; to the Committee on Agriculture, Nutrition, and Foresty:

"A JOINT MEMORIAL

"We, your Memorialists, the House of Representatives and the Senate of the State of Idaho assembled in the Second Regular Session of the Forty-sixth Idaho Legislature, do hereby respectfully represent that:

"Whereas, the concept to the land interchange program was originated under the Carter administration in 1980; and

"Whereas, the land interchange program between the Bureau of Land Management and the United States Forest Service is intended to interchange ownership of lands between the two entities; and

"Whereas, the land interchange concept is new and there has not been sufficient time for proper review and adequate input by the people who would be affected by the land interchange program; and

"Whereas, because the concept is new and the ramifications of any such interchange are unknown at this time, but such interchange could dramatically impact the citizens of the State of Idaho as well as the citizens of the remainder of the western states.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein, that until the public has had time to consider the ramifications of any such land interchange and has had time to offer sufficient input to the agencies, a moratorium should be placed on any such interchange for a period of two years.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to President Ronald Reagan, the Director of the Bureau of Land Management, Bob Burford, the Director of the United States Forest Service, Max Peterson, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-798. A concurrent resolution adopted by the Legislature of the State of Arizona; to the Committee on Armed Services:

"A CONCURRENT MEMORIAL

"Whereas, the Soviet Union has exploited United States peace initiatives to build up its strategic and conventional warfare capabilities; and

"Whereas, this has given the Soviet Union the means to support increasingly bolder worldwide aggression; and

"Whereas, there is basis for concern that the Soviets have developed forces far exceeding their legitimate needs for self-defense; and

"Whereas, the Soviet Union has demonstrated an unwillingness to live by international law; and

"Whereas, the United States is the one world power that can stop Soviet expansionism; and

"Whereas, the general principles of a national strategy of peace through strength would be:

"1. To inspire, focus and unite the national will and determination to achieve this goal of peace and freedom.

"2. To achieve overall military and technological superiority over the Soviet Union.

"3. To create a strategic defense and a civil defense which would protect United States citizens against nuclear war at least as well as the Soviets defend their citizens.

"4. To accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or locks the United States into a position of military inferiority.

"5. To reestablish effective security and intelligence capabilities.

"6. To pursue positive nonmilitary means to roll back the growth of communism.

"7. To help our allies and other noncommunist countries defend themselves against communist aggressions.

"8. To maintain a strong economy and protect our overseas sources of energy and other vital raw materials; and

"Whereas, it will take an enormous effort to achieve the adoption of a national strategy of peace through strength.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the President and Congress of the United States pursue and adopt a national strategy of peace through strength.

"2. That the State of Arizona does join and pledge its support to the campaign for peace through strength.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-799. A resolution adopted by the College of Chaplains urging the United States Government to adopt an immediate policy and practice not only of a nuclear arms freeze, but also of a nuclear arms reduction; to the Committee on Armed Services.

POM-800. A resolution adopted by the Iowa Lumbermans Association urging action to bring down mortgage and interest rates and to revitalize the housing, auto, and farm equipment industries; to the Committee on Banking, Housing, and Urban Affairs.

POM-801. A resolution adopted by the Home Builders Association of Victoria, Texas pledging no support for any party or candidate until a budget for fiscal year 1983 is approved by Congress with a deficit not to exceed 50 billion dollars; to the Committee on the Budget.

POM-802. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 40

"Whereas, The National Weather Service Fire Weather Program is a core element necessary to protect life and property in California and the United States, and any reduction in current levels of service would endanger the public and reduce the safety of fire line personnel; and

"Whereas, The proposed 1983 fiscal year budget for the National Weather Service contains drastic reductions from the current level of service, including the closure of 53 weather offices, staff reductions at 34 other offices, and the elimination of the agricultural weather program (including the fruit frost warning program); and

"Whereas, Proposed closures in California include the Fire Weather Offices at Redding, Eureka, and Fresno, and with staff reductions at offices in Los Angeles and Riverside; and

"Whereas, The impact on the California Department of Forestry will mean:

"(a) The department's ability to protect life and property in high hazard wildland fire areas would be greatly reduced, especially during periods of high fire danger weather.

"(b) Travel time for mobile units for special forecasts on large fires would be greatly increased and backup personnel unavailable, thereby greatly reducing effectiveness in controlling fires and increasing the destruction and loss from wildlife.

"(c) The department would have to rely on fire weather forecasts which cover large geographical areas, and fire managers would not have site-specific weather data to plan fire control activities, thereby reducing planning and fire control effectiveness.

"(d) The department would not have meteorological support for smoke, fuel, and chaparral management programs which can prevent major wildland fire losses; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of California respectfully memorializes the President and Congress of the United States to fully fund the National Weather Service Fire Weather Program at existing budgetary levels; and be it further

"Resolved, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, to each Senator on the Senate Appropriations Subcommittee on State, Justice, Commerce, and Judiciary, and to each Representative on the House Appropriations Subcommittee on Commerce, Justice, State, and Judiciary."

POM-803. A resolution adopted by the Interstate Mining Compact Commission recommending that the process of removing burdensome and counterproductive regulatory provisions be accelerated and extended to include consideration of amendments to Public Law 95-87; to the Committee on Energy and Natural Resources.

POM-804. A resolution adopted by the Interstate Mining Compact Commission applauding the efforts of the Office of Surface Mining to provide an effective State-led surface mining regulatory program; to the Committee on Energy and Natural Resources.

POM-805. A resolution adopted by the Interstate Mining Compact Commission urging the Secretary of the Interior to take appropriate action to make the American Mine Land Program effective; to the Committee on Energy and Natural Resources.

POM-806. A resolution adopted by the Interstate Mining Compact Commission supporting the proposed budget submitted by the Office of Surface Mining relating to titles IV and V of the Surface Mining Control and Reclamation Act of 1977; to the Committee on Energy and Natural Resources.

POM-807. A resolution adopted by the Interstate Mining Compact Commission urging acceleration of the transfer of regulatory power to the States in accordance with section 702(c) of Public Law 95-87; to the Committee on Energy and Natural Resources.

POM-808. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

A JOINT MEMORIAL

"Whereas, nuclear power was intended to be and was sold to American taxpayers as cheap, plentiful power; and

"Whereas, the inherent safety of nuclear power has been demonstrated over the last twenty-five years in terms of lack of fatalities, and is the safest form of power available; and

"Whereas, nuclear power is losing its acceptability because of extremely high costs associated with design, construction and regulatory problems, which high costs have forced the minimum economic size of nuclear power plants to above the 1,000 MW level, far too large for present application in Idaho or states of similar size; and

"Whereas, Idaho prefers nuclear power to coal, for environmental reasons, if it were economical; and

"Whereas, clean, stable, cheap nuclear power will stabilize energy costs; and

"Whereas, talent is available at the Idaho National Engineering Laboratory to pursue productive nuclear programs, and no state is more receptive to clean nuclear power than Idaho; and

"Whereas, without a continuous construction program, the need for research and development will eventually disappear, endangering further work at the Idaho National Engineering Laboratory.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully urge the United States Department of Energy and the Nuclear Regulatory Commission to initiate a program, preferably at the Idaho National Engineering Laboratory, to cut costs and standardize designs, and to design and standardize a low-cost nuclear reactor plant in the 500 MW range.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Ronald Reagan; the Secretary of the Department of Energy, James Edwards; the Chairman of the Nuclear Regulatory Commission, Joseph Hendrie; the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-809. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"A JOINT MEMORIAL

"Whereas, the United States is facing a severe crisis in energy production; and

"Whereas, the technology now exists in this country to substantially solve this energy lack; and

"Whereas, the Northwest has been a leader in the development of hydroelectric energy, using nature's renewable resource; and

"Whereas, in most years more water flows in the reaches of the Snake River system than can be caught in the existing reservoirs, to be used for hydroelectric generation; and

"Whereas, the technology now exists in this country to capture the water flows for development into electricity without substantially damaging the environment and the ecosystem through the development of hydroelectric generating projects with a nameplate capacity of fifteen megawatts or less; and

"Whereas, these hydroelectirc generating projects can be installed and be productive in a shorter period of time than either a coal-fired or nuclear generating plant; and

"Whereas, the President of the United States has requested everyone to join in an attempt to make our county energy-independent; and

"Whereas, the people of Idaho support the full development of all safe, nonpolluting forms of electrical energy; and

"Whereas, the use of these hydroelectric generating projects can be and is easily integrated into the electrical power system; and

"Whereas, the federal government has, in many instances, developed stringent, time-consuming regulations and laws regarding the siting and licensure of these hydroelectric generating projects; and

"Whereas, the states can, in most instances, perform the same functions regarding siting and licensure of these hydroelectric generating projects as the federal government, at a reduced cost, while preserving the environment.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and Senate concurring therein, that Congress enact appropriate legislation which would give siting and licensing authority over all aspects of hydroelectric generating projects with a nameplate capacity of fifteen megawatts or less to the States.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the Secretary of the Department of Energy, the Secretary of Interior, the Secretary of Agriculture, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-810. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"A JOINT MEMORIAL

"Whereas, one of the foremost concerns of all Idahoans is the creation and retention of job opportunities; and

"Whereas, the Idaho National Engineering Laboratory contractors in Eastern Idaho are the largest private employers in Idaho, providing more than 8,000 jobs; and

"Whereas, some of the projects at the site are being completed with a potential loss of several thousands of jobs within the next five years; and

"Whereas, a Replacement Production Reactor (RPR) will create 3,500 new long-term jobs; and

"Whereas, the national defense of our country is of paramount importance; and

"Whereas, the Idaho National Engineering Laboratory has been involved for many years in nuclear testing for this defense; and

"Whereas, two replacement production reactors will be built to provide for advance weaponry; and

"Whereas, invaluable contributions to nuclear safety have been accomplished at the site; and

"Whereas, the steam generated from this project can be sold to a private utility which can generate 1,000 to 1,500 megawatts of low cost electricity; and

"Whereas, the solid support of the state's congressional delegation and state government officials and entities is beneficial in obtaining preference for this project.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we encourage the siting of this project at the Idaho National Engineering Laboratory and that the Department of Energy is requested to designate Idaho as the location for one of the reactors.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the Secretary of Energy, James B. Edwards, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-811. A resolution adopted by the Southern Governors' Association urging the improvement of facilities and strategies for marketing Southern coal; to the Committee on Energy and Natural Resources.

POM-812. A resolution adopted by the Nebraska Unicameral; to the Committee on Environment and Public Works:

"LEGISLATIVE RESOLUTION 256

"Whereas, multiple purpose dams and reservoirs in Nebraska and other states with interstate streams that enter Nebraska have provided numerous benefits for irrigation water supplies, hydroelectric power generation, flood control and protection, recreation, and fish and wildlife; and

"Whereas, the federal government has reaffirmed that the rights over use of water and priorities for such use shall remain the sole prerogative of the individual states; and

"Whereas, excessive federal regulations, restrictions, and requirements can adversely affect the rights of the states to water use, preferences, and priorities; and

"Whereas, operation of man-made dams in Nebraska and other states has been consistent with state and federal requirements and individual state priorities for the beneficial use of surface water; and

"Whereas, the federal Environmental Protection Agency has determined that dams should not be considered point sources of pollution to be made subject to additional stringent federal licensing and permit procedures under the federal Clean Water Act; and

"Whereas, the federal district court of the District of Columbia on January 29, 1982, ordered that the Environmental Protection Agency must designate dams as point sources of pollution; and

"Whereas, such designation will impose excessive restrictions, regulatory requirements, and costs on the operation and management of water projects involving dams, may lead to extensive future litigation, and may threaten future operations of dams for supplying water crucial to irrigation projects, hydroelectric energy production, and other beneficial purposes: Now, therefore, be it

"Resolved by the members of the eighty-seventh legislature of Nebraska, second session:

"1. That designation of man-made dams as point sources of pollution is not necessary and will impose excessive federal restrictions, requirements, and regulations on the operation of water projects to the detriment of the State of Nebraska and the United States; and

"2. That additional federal regulation of water projects poses a threat to the sovereignty of the states in their exclusive rights regarding water use, priorities, and beneficial purposes in the future; and

"3. That the Executive Branch of the United States Government is urged to appeal the January 29, 1982, decision of the federal district court of the District of Columbia, in the case of National Wildlife Federation vs. Anne Gorsuch, Administrator, U.S. Environmental Protection Agency; and

"4. That the United States Congress is urged to enact legislation to specifically exempt dams as point sources of pollution under the National Pollution Discharge Elimination System (NPDES) of sections 301(a) and 402(a) of the Clean Water Act and Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. sections 1311(a) and 1342(a) to clarify the application of the Clean Water Act to dams, to render null and void the decision of January 29, 1982, and to prevent future litigation to determine dams as point sources of pollution; and

"5. That the Clerk of the Legislature is directed to provide copies of this resolution with notification of its approval by the Legislature, to: All members of the Nebraska delegation serving in the U.S. Congress; the Secretaries, Majority Leaders, and Minority Leaders of the United States Senate and U.S. House of Representatives; the U.S. Secretary of the Interior; the U.S. Attorney General; the Administrator of the U.S. Environmental Protection Agency; the President of the United States; and the Governor of Nebraska."

POM-813. A resolution adopted by the Southern Governor's Association relating to the development of a regional water policy; to the Committee on Environment and Public Works.

POM-814. A resolution adopted by the Southern Governor's Association endorsing the completion of the Tennessee-Tombigbee Waterway; to the Committee on Environment and Public Works.

POM-815. A concurrent resolution adopted by the Legislature of the State of Minnesota; to the Committee on Environment and Public Works:

RESOLUTION

"Whereas, acid rain is becoming our number one environmental problem across the United States and Canada with a potential of destroying agricultural crops, forestry, aquatic life, and causing damage to structural buildings; and,

"Whereas, the long-range transport of atmospheric pollutants can cause acid rain far from the emission source and is a growing interstate and international problem; and,

"Whereas, current provisions in the Clean Air Act are not adquate to address the problems of acid rain, and present and future generations will be more adversely affected by delayed action; and,

"Whereas, acid rain contributes to the increasing levels of heavy metal concentrations in public reservoirs and waterways which can pose a potential threat to human health; and,

"Whereas, acid rain has destroyed aquatic life in lakes, retarded certain forest and agricultural crop growth, and corroded metals and public buildings and statues; and,

"Whereas, in the Voyageurs National Park and our own Boundary Waters Canoe Area, recent tests show high acidity in the lakes which scientists fear will cause serious damage to their whole ecosystems if the conditions remain unchecked; and,

"Whereas, the problem of acid rain is a serious threat to the tourism component of Minnesota's economy and the friendly relations with our neighbors in Canada; Now therefore, be it

"Resolved by the Legislature of the State of Minnesota, That the President and Congress should take immediate action to reduce the sources of acid rain by amendment to the Clean Air Act, or by separate legislation, and by providing adequate funding to the Environmental Protection Agency for monitoring and enforcement: Be it further

"Resolved, That the Secretary of State of the State of Minnesota is instructed to transmit certified copies of this resolution to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, and to the Ambassador of Canada to the United States."

POM-816. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Environment and Public Works:

"A JOINT MEMORIAL

"Whereas, the United States District Court for the District of Columbia has held that the Environmental Protection Agency must issue regulations covering dams as a point source category under Section 402 of the Clean Water Act, P.L. 92-500; and

"Whereas, in the opinion in the case of *'National Wildlife Federal vs. Gorsuch'* issued on January 29, 1982, Judge Joyce Hens Greene ruled that certain water quality conditions associated with dams and reservoirs should be dealt with as a 'discharge' of pollutants prohibited by Section 301 of P.L. 92-500; and

"Whereas, Judge Greene has rejected the Environmental Protection Agency's long held position that the National Pollutant Discharge Elimination System does not apply to releases from reservoirs and the Court has held that the Environmental Protection Agency has violated a nondiscretionary duty in failing to regulate dams with NPDES permits; now, therefore, be it

"Resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring, That P.L. 92-500 be amended to eliminate the application of NPDES permits to discharges from reservoirs; and be it further

"Resolved That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the Secretary of State and presiding offficers of the Houses of the Legislatures of each of the other States in the Union, the President of the Senate and the Speaker of the House of Representatives of Congress, and the congressional delegation representing the State of Idaho in the Congress of the United States."

POM-817. A joint resolution adopted by the Legislature of the State of Idaho; to the Committee on Finance:

"A JOINT MEMORIAL

"Whereas, the United States Justice Department has filed an Amicus Curiae brief with the United States Supreme Court in the Chicago Bridge and Iron case opposing the unitary method of taxing multinational corporations;

"Whereas, this action reverses a United States Treasury Department's decision not to 'intervene in the various ongoing litigation,' and ignores the Treasury Department's commitment to consult with state officials; and

"Whereas, the Justice Department's brief against the states' position would restrict state taxing authority in ways substantially similar to the Mathias/Conable bill (S. 655/H.R. 1982). Now, therefore be it

"Resolved by the members of the Second Regular Session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring therein, That we express our concern and state our opposition both to the intervention of the Justice Department in the Chicago Bridge and Iron case and to the Mathias/Conable bill, for the following reasons, among others:

"(a) These actions contradict recent efforts by the Reagan Administration and the Congress to return responsibility and authority to the states;

"(b) These actions will cost 33 states (including the District of Columbia), now facing big reductions in federal aid, a total of over $700 million of revenue;

"(c) These actions will impose new, detailed federal regulations on state taxing authority;

"(d) These actions will put small, in-state businesses at a competitive disavantage by increasing their relative tax burden;

"(e) These actions will subsidize American investment overseas by allowing multinational corporations to "hide" American-made profits in foreign subsidiaries;

"(f) These actions will take away state tax incentives for foreign business investment in 18 states that choose not to tax these profits;

"(g) These actions will subsidize foreign investment in American farmland and business by sheltering the profits of foreign investors from effective state taxation;

"(h) These actions clearly threaten the states, including those that do not currently use the unitary method, with a massive increase in tax avoidance by creating a new foreign tax shelter for profits made in the states; and

"(i) These actions would effectively tie the hands of state governments and legislatures, and force the states to use the cumbersome, and often ineffective, "arm's length" method of determining the taxable income of multinational corporations. Be it further

"Resolved, That the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, the Attorney General of the United States, the Secretary of the Treasury of the United States, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-818. A resolution adopted by the House of Representatives of the State of Michigan; to the Committee on Finance:

"RESOLUTION

"Whereas, The serious financial difficulties of the American automobile industry have played a major role in the economic recession which has gripped the country. A key factor in the decreased strength of the American automobile industry is the escalation in recent years of foreign manufacturers' share of the American car market. Hundreds of thousands of jobs have been lost as a result; and

"Whereas, In a realistic approach to this threat to the economy and to the American work force, there has been introduced into the United States House of Representatives a measure which could mitigate this situation without calling for quotas or tariffs on imports. This bill, H.R. 5133, would provide that each foreign made car sold in the United States contain specific percentages of parts manufactured in the United States. The bill sets a schedule which would begin by requiring that foreign cars sold in 1983 must be made from 30 percent American parts or labor. The scale would increase by year and depending upon the volume of sales for a model; and

"Whereas, Estimates of the impact of such legislation indicate that as many as 800,000 American working men and women could be expected to gain employment. The effect of this kind of measure would obviously be a positive force throughout all segments of the economy as well; and

"Whereas, Clearly, the seriousness of our economic difficulties and the erosion of a cornerstone of our industrial strength have reached the point where action needs to be taken; now, therefore, be it

"Resolved by the House of Representatives, That the members of this legislative body hereby memorialize the Congress of the United States to adopt H.R. 5133, which would provide that foreign made automobiles sold in the United States utilize certain percentages of American made parts and labor; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan Congressional delegation."

POM-819. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind, Inc. supporting the continuation of block grants to States and restoration of funding to previous levels; to the Committee on Finance.

POM-820. A resolution adopted by the Southern Governors' Association relating to the use of Industrial Development Revenue Bonds to enhance productivity and create new jobs; to the Committee on Finance.

POM-821. A resolution adopted by the Southern Governors' Association opposing Federal plans to implement the proposed delay of drawdown cash management procedure; to the Committee on Finance.

POM-822. A resolution adopted by the Southern Governors' Association opposing further cuts in state employment service funding for fiscal year 1983 and supporting such revisions of the FUTA formula that would provide for an equitable system of allocation of funds; to the Committee on Finance.

POM-823. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Finance.

"A CONCURRENT RESOLUTION

"Whereas, the volume of textile and apparel imports to the United States increased by eleven percent in 1981 in comparison with 1980; and

"Whereas, this increase resulted in a nineteen percent jump in the textile apparel trade deficit; and

"Whereas, the actual dollar value of textile imports was 5.8 billion dollars in 1980, up thirteen percent; and

"Whereas, certain foreign countries are exporting textile products to the United States at such an astonishingly lower cost of production for the sole object of obtaining American currency; and

"Whereas, the United States' textile industry is in desperate need of immediate measures to protect its domestic production and market so as to obviate the social scourges of unemployment and want, which endanger the economic fabric of this nation. Now, therefore, be it

"Resolved by the House of Representatives, the Senate concurring:

"That Congress is memorialized to take whatever measures necessary, including the enactment of suitable legislation, to control and equalize the competitive advantage of foreign textile producing and manufacturing countries over domestically produced textile products. Be it further

Resolved, That copies of this resolution be forwarded to the Vice President of the United States, the Speaker of the United States House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C."

POM-824. A joint resolution adopted by the Legislature of the State of Alabama; to the Committee on Finance:

"RESOLUTION

"Whereas, the Alabama penal system is suffering severe economic strain; and

"Whereas, compliance with Federal court orders have caused great financial hardships upon the state general fund; and

"Whereas, social security income being paid to state prisoners who have no dependents should be paid to the state to help contribute to the cost of housing and feeding said prisoners; now therefore, be it

"Resolved by the Legislature of Alabama, both Houses thereof concurring, That the Alabama Congressional Delegation and the entire United States Congress is memorialized to enact legislation requiring that all social security income due a state prison inmate shall be paid into the state general fund while the recipient is in prison. Be it further

"Resolved, That copies of this resolution be sent to each member of the Alabama Congressional Delegation and the presiding officer of the U.S. Senate and the U.S. House of Representatives so that they may know of our sentiments."

POM-825. A concurrent resolution adopted by the legislature of the State of Mississippi; to the Committee on Foreign Relations:

CONCURRENT RESOLUTION

"Whereas, approximately 2,500 American servicemen and civilians are missing and/or otherwise unaccounted for as a result of the Vietnam conflict; and

"Whereas, the conscience of every American should be troubled on behalf of the families of our prisoners of war and those still missing who are subjected to unrelenting mental anguish and a sense of futility in their quest for information about their loved ones; and

"Whereas, it is the United States government's statutory responsibility to ensure the return of all prisoners of war and the accounting of missing personnel as well as the repatriation of remains of those who perished serving our nation; and

"Whereas, the increasing number of eyewitness reports of Americans in captivity in Southeast Asia continues to fill the hopes of the POW/MIA families that priority efforts will be made to exact a precise accounting of these men; and

"Whereas, new initiatives at every level of government should be taken to secure the safe return of these servicemen and civilians; and

"Whereas, it is fitting that the Mississippi Legislature should petition the United States Congress on behalf of our prisoners of war and those servicemen and civilians still missing to ensure that the Congress take whatever steps are necessary to secure the fullest possible accounting: Now, therefore, be it

"Resolved by the Mississippi State Senate, the House of Representatives concurring therein, That we do hereby memorialize the Congress of the United States of America to take whatever action is necessary, immediately, publicly and forcefully, to obtain the identity and seek the release of our prisoners of war and to secure the fullest possible accounting of those still missing as a result of the Vietnam conflict by the use of private and public agencies, whether through national or international auspices.

"Be it further resolved, That copies of this resolution be forwarded to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives and

to each member of the Mississippi Congressional Delegation."

POM-826. A resolution adopted by the legislature of the State of Minnesota; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, the horror of a nuclear holocaust is universally acknowledged; and,

"Whereas, all cities in the northern hemisphere could be destroyed by nuclear warfare in 30 minutes; and,

"Whereas. the United States has enough nuclear weapons to destroy every Soviet city of 100,000 at least 40 times and the Soviets can destroy ours 22 times; and,

"Whereas, the current strategy of the Soviet Union and the United States together calls for the production of at least 20,000 additional nuclear warheads and a new generation of delivery systems during the next decade; and,

"Whereas, the federal government is planning to spend more than $1 trillion on the military in the next five years and at least $100 billion of that will go for nuclear weapons resulting in an unbalanced budget, major unemployment, and high interest rates; and,

"Whereas, Minnesotans will pay about $400 million in federal tax dollars for nuclear weapons in 1982 alone; and,

"Whereas, the expenditure of this Minnesota money on nuclear weaponry rather than basic human services will reduce federal support to Minnesotans for mass transit, agriculture, housing, education, energy, medical care, and many other programs: Now, therefore, be it

"Resolved by the Legislature of the State of Minnesota, That it supports a mutual freeze by the United States and the Soviet Union on the testing, production, and deployment of nuclear weapons and of missiles and new aircraft designed primarily to deliver nuclear weapons.

"Be it further resolved, That the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the Secretary of the State of the United States, the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives, and to the Minnesota Senators and Representatives in Congress."

POM-827. A resolution adopted by the Wooster, Ohio, city council calling for a halt in the nuclear arms race; to the Committee on Foreign Relations.

POM-828. A resolution adopted by the St. Paul, Minn., city council supporting a mutual freeze by the United States and the Soviet Union on various stages and aspects of nuclear armament and its implementation; to the Committee on Foreign Relations.

POM-829. A resolution adopted by the legislature of the State of California; to the Committee on Foreign Relations:

"HOUSE RESOLUTION No. 37

"Whereas, Borrowing by the federal government has driven interest rates in the United States to unprecedented high levels for many months, and the loss of funds from capital markets, as a result of that borrowing, is hurting investment and economic growth; and

"Whereas the high interest rates have led to a virtual depression in the construction industry, and this crisis has left vast numbers of construction workers out of work, and is worsening the already serious shortage of housing units in California; and

"Whereas this shortage is, in turn, driving housing prices and rental costs beyond the reach of middle income and low income Californians; Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California respectfully memorializes the President and Congress of the United States to make reduction of federal borrowing, and therefore interest rates, the top priority issue of the federal government; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

"HOUSE RESOLUTION No. 37, AS AMENDED

"Whereas borrowing by the federal government has driven interest rates in the United States to unprecedented high levels for many years, and the loss of funds from capital markets, as a result of that borrowing, is hurting investment and economic growth; and

"Whereas the high interest rates have led to a virtual depression in the construction industry, and this crisis has left vast numbers of construction workers out of work, and is worsening the already serious shortage of housing units in California; and

"Whereas this shortage is, in turn, driving housing prices and rental costs beyond the reach of middle income and low income Californians: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the State of California respectfully memorializes the President and Congress of the United States to make reduction of federal borrowing, and therefore interest rates, the top priority issue of the federal government; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM-830. A resolution adopted by the church council of the Lutheran Church of the Reformation of Washington, D.C., calling for a halt to the nuclear arms race; to the Committee on Foreign Relations.

POM-831. A resolution adopted by the legislature of the State of New York; to the Committee on Foreign Relations:

"RESOLUTION No. 173

"Whereas according to the Yalta Agreements, the beloved nation of Poland was clearly promised the right of free elections: "The Polish Provisional Government of National Unity shall be pledged to the holding of free and unfettered elections as soon as possible on the basis of universal sufferage and secret ballot."; and

"Whereas the most beloved Country of Poland has been under communist rule for the past thirty-six years; the historical rationale for this imposition is, itself, most questionable: having fought so bravely against the Nazi hordes, Poland, as its history so tragically indicates, was an abandoned pawn in the power struggle ensuing subsequent to the end of World War II; and

"Whereas it may be rightly argued that expediency and indifference allowed this nation to be swallowed, wholly and without regard, to its legitimate aspirations for nationhood; geographic proximity, political naivete on the part of allied leaders, disingenuous diplomacy on the part of an astute and calculating Stalin, all may be obliquely advanced to assuage the conscience of the West; and

"Whereas as Mr. John F. Kopczynski an outspoken defender of civil liberties, has written: "Let those nations in that great alliance for human freedom now reaffirm the commitments to Poland"; and

"Whereas it, nevertheless, remains a cruel and tragic fact of modern history that the beloved Country of Poland, so Christlike in its patience and so susceptible to the manic machinations of others, with most definite and clearly discernible allegiances and affiliations, deeply Occidental, has been, for all practical purposes, abandoned by the Western nations of our world; and

"Whereas there is, moreover, an ironic, and until recently unnoted, awakening of nationalism within the Polish nation: as cited by the distinguished executive director of the American Institute of Polish Culture, Mr. Alexander T. Jordan, the constant censorship and relentless suppression of freedom on a daily and topical basis, has resulted in the renaissance of Polish nationalism directly responsible to the inspiring, albeit enforced, proclivity of Polish intellectuals and historians to re-examine the valiant history of their beloved nation; such re-examination has, moreover, rekindled the flame of true patriotism; indeed, what nation on earth could catalogue or produce a record of resistance to oppression even remotely comparable to that of Poland; and

"Whereas in this same regard, what nation, in all of Europe, has so valiantly, throughout its history, resisted the onslaughts of Russian aggrandizement and oppression; the beloved Country of Poland is no stranger to the callous designs of its eastern Neighbor who has long sought to digest Her fertile fields and green plains, who has long schemed to enslave Her valiant people, and who has labored, so fruitlessly, to destroy Her Christian faith, and in doing so, Her Occidental allegiances; and

"Whereas it is, moreover, most apparent that the mythological Phoenix, that lone and beautiful bird who rose to glory, so also, will the Polish eagle of freedom re-assert its immortal and eternal claim to nationhood as it is so clearly manifested in the Solidarity Movement; and

"Whereas the Soviet oppression of the Polish nation is relentless and dualistic: not only has it effected the abrogation and denial of personal liberty, but also, through ineptitude and indifference, through a haphazard, ill-managed, and ill-conceived forced industrialization, it has accomplished the disruption of the Polish economy as manifested in the scarcity of basic food and, indeed, the lack of simple necessities for even a modest standard of living; and

"Whereas the renaissance of Polish nationalism is ubiquitous throughout that beloved nation; as Mr. Jordan notes, the nationalism that is emerging has no taint of elitism, nor is it limited to an enlightened intelligentsia; it is rather pervasive and inspiring, it touches all, reaching far across the great Atlantic to the hearts of its exiled sons and daughters; and

"Whereas the Polish nation ranks fifth in the world in ship building; ranking tenth in industrialization, most economists agree that left unregimented, free from the meddlesome communist bureaucracy, Poland,

with skilled labor and free ports, with vast reserves of coal and fertile agricultural land, would soon emerge as a nation of wealth, with a strong trade surplus and viable internal economy; and

"Whereas with the absence of a structured class system in Poland, communist rule having abolished, most unwittingly, older and autocratic divisions, there has emerged a new unity of purpose, a spirit of national will unparalleled in the history of that beloved nation; it is this spirit of unity and purpose, this indentification of nationhood, which cries out for our recognition and concern; and

"Whereas it is, moreover, the sense and collective circumspection of this Legislative Body that we address this budding declaration for nationhood, that this most treasured nation of thirty-five million, beloved Poland, with millions more constituting the citizenry of our own America, many of whom since the very beginning of our nation have so bravely given their lives in the cause of liberty, not be abandoned: Now, therefore, be it

"Resolved, That this Legislative Body pause in its deliberations and rightfully petition President Ronald W. Reagan and the Congress of the United States to urge the immediate lifting of the imposition of martial law in Poland the prompt implementation of free elections as provided in the Yalta Agreements; and be it further

"Resolved, That copies of this Resolution, suitably engrossed, be transmitted to President Ronald W. Reagan and to the Congress of the United States."

POM-832. A resolution adopted by city council of Berea, Ohio, urging the establishment of a permanent, international nuclear weapons ban; to the Committee on Foreign Relations.

POM-833. A resolution adopted by the House of Representatives of the State of Kansas; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas the world today is increasingly troubled by international strife; and

"Whereas relatively recent technological advances have enabled international conflicts to have potentially disastrous consequences for all humankind; and

"Whereas the resolution of conflicts, whether personal, local, national or international, can best be accomplished by the use of trained personnel; and

"Whereas the systematic use of trained personnel in the resolution of international conflicts could save this nation and others countless billions of dollars and untold human suffering; and

"Whereas legislation has been introduced in both the United States House of Representatives (HR 5088) and the United States Senate (S 1884) which is co-sponsored by Congressman Dan Glickman and Senator Nancy Kassebaum, respectively, to establish the National Peace Academy: Now, therefore, be it

"Resolved by the House of Representatives of the State of Kansas, That we urge the United States Congress to establish a National Academy of Peace and Conflict Resolution dedicated to training persons in peaceful conflict-resolution techniques; and

"Be it further resolved, That the chief Clerk of the House of Representatives be directed to send enrolled copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each member of the Kansas Congressional Delegation."

POM-834. A resolution adopted by the city council of Rockland, Maine, urging the United States and the Soviet Union to adopt a mutual freeze on the testing, production, and deployment of nuclear weapons; to the Committee on Foreign Relations.

POM-835. A resolution adopted by the council of the city of New Philadelphia, Ohio, calling for a halt to the nuclear arms race; to the Committee on Foreign Relations.

POM-836. A resolution adopted by the city council of St. Cloud, Minn., supporting a mutual freeze with the Soviet Union on the testing, production, and deployment of nuclear weapons and delivery system; to the Committee on Foreign Relations.

POM-837. A resolution adopted by the Inter-Tribal Council of California, relating to low-income housing assistance—BIA; to the Select Committee on Indian Affairs.

POM-838. A resolution adopted by the New York League of Business and Professional Women proposing the substitution of the Equal Legal Rights Amendment for the Equal Rights Amendment; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 2109. A bill to extend the Commodity Exchange Act, and for other purposes (Rept. No. 97-384).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board.

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving;

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation thay they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KASTEN:

S. 2499. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HUMPHREY:

S. 2500. A bill to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. EAGLETON (for himself, Mr. MATHIAS, Mr. PELL and Mr. PRYOR):

S. 2501. A bill to authorize appropriations for the National Historical Publications and Records Commission for the fiscal years 1983, 1984, and 1985; to the Committee on Governmental Affairs.

By Mr. DIXON (for himself, Mr. RIEGLE, Mr. CRANSTON, Mr. DODD and Mr. SARBANES):

S. 2502. A bill to amend the Urban Mass Transportation Act of 1964; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOMENICI:

S. 2503. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS:

S. 2504. A bill to amend section 331A of the Consolidated Farm and Rural Development Act to defer payment of principal and interest; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART (for himself and Mr. CRANSTON):

S. 2505. A bill to prohibit the export and use abroad of certain nuclear technologies and materials; to the Committee on Foreign Relations.

By Mr. BENTSEN (for himself, Mr. TOWER and Mr. SYMMS):

S. 2506. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. CRANSTON, Mrs. HAWKINS, Mr. HELMS, Mr. LAXALT, Mr. PRESSLER, Mr. SCHMITT, and Mr. SYMMS):

S. 2507. A bill to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 2508. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that operating capacity must increase for purposes of the energy credit allowed for intercity buses, and for other purposes; to the Committee on Finance.

By Mr. PERCY (for himself and Mr. DIXON):

S. 2509. To amend the Internal Revenue Code of 1954 to clarify the exception from foreign base company income for foreign corporations not availed of to reduce taxes; to the Committee on Finance.

By Mr. CHILES:

S.J. Res. 196. A joint resolution proposing an amendment to the Constitution prohibiting total outlays of the Government from exceeding total receipts of the Government, and requiring reductions in taxes and outlays; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DANFORTH (for himself and Mr. BENTSEN):

S. Res. 386. A bill to express the sense of the Senate on the goals of the United States for the November 1982 meeting of ministerial-level representatives to the general agreement on tariffs and trade; to the Committee on Finance.

By Mr. CHILES:

S. Res. 387. Resolution to acclaim the New World Festival of the Arts, to be held throughout Greater Miami and Dade County, Fla., June 4, 1982, through June 26, 1982, as a major cultural and artistic event; to the Committee on the Judiciary.

By Mr. BAKER (for himself and Mr. ROBERT C. BYRD):

S. Res. 388. Resolution to authorize representation by the Senate Legal Counsel of a Senate employee in the case of *United States of America* v. *Anthony Accardo, et al;* considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN:

S. 2499. A bill to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes; to the Committee on Commerce, Science, and Transportation.

(The remarks of Mr. KASTEN on this legislation appear earlier in today's RECORD.)

By Mr. HUMPHREY:

S. 2500. A bill to amend the Federal Power Act to reduce conflicts in the licensing of hydroelectric powerplants and to expedite the development of and simplify the regulation of hydroelectric powerplants and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWERPLANT AMENDMENTS OF 1982

● Mr. HUMPHREY. Mr. President, today I am introducing a bill to amend the Federal Power Act for the purpose of protecting the property rights of damsite owners in the Federal hydropower licensing process.

As all of us are aware, there has been a great rekindling of interest over the past few years in the development of hydroelectric energy. This has been especially true in New England, where literally thousands of existing dams which have lain dormant for years are now being considered for redevelopment. Through a combination of rising alternative energy prices, marketing guarantees under the Public Utility Regulatory Policies Act, and strong Federal tax incentives, hydropower has once again emerged as a clean and economically attractive alternative to imported oil.

One problem arising from this hydropower boom, however, has been the increasing incidence of speculation and "claim jumping" through the Federal hydropower licensing process. Under part I of the Federal Power Act, the Federal Energy Regulatory Commission has the responsibility for licensing all developments on navigable waters, U.S. lands, or which affect interstate or foreign commerce. This means that virtually all hydroelectric projects in the United States are subject to FERC licensing jurisdiction.

The most troubling aspect of this far-reaching jurisdiction lies in the Federal Power Act's eminent domain authority, which gives a licensee the power to condemn all property necessary for project development. This gives developers a strong incentive to bypass private negotiations and State property law by applying directly to the FERC for a hydropower license. And naturally, some developers choose to "hedge their bets" by filing applications on 20 or 30 sites at one time.

This incentive to speculate has also created the potential for serious delays in the Federal licensing program. The number of preliminary permit and license applications filed with the FERC has skyrocketed from less than 100 in 1979 to over 1,800 in 1981. Roughly half of these are competing applications, where more than one party has applied for the rights to develop the same dam. And with the FERC's budget and staff resources having remained roughly constant over these years, delays are inevitable.

Over the past 8 months, my Subcommittee on Energy Regulation has joined with the Water and Power Subcommittee of the Energy and Natural Resources Committee to hold a series of four hearings on ways to streamline the Federal hydropower licensing process. One recurrent suggestion in these hearings was that the Federal Power Act be amended to simplify and make more equitable the FERC process for determining who among competing applicants should be awarded the development rights to a given dam-site.

Under the present system, the FERC must go through an elaborate process for choosing between competing applicants at contested sites. There are several critical features of this mechanism. First, if any prospective developer meets the qualifications for a license exemption as provided by section 408 of the Energy Security Act, he will generally be awarded the development rights. If, as in the majority of cases, an exemption is not in order, then the FERC must determine whose plans are best adapted to the "comprehensive development of the waterway." This is further complicated by the existence of various preferences under the Federal Power Act and relevant regulations; persons "first to file" are given a priority in the award of a preliminary permit for site study, preliminary permit holders are accorded a priority in licensing, and States and municipalities are given a public preference when filing for either preliminary permits or licenses. Virtually countless combinations of competing applications can arise under this system, and because all is underscored by the condemnation authority which comes with a license, little regard need be given by applicants or the FERC to the issue of who owns the actual hydro site.

The bill I am introducing today seeks to address this need by providing two powerful incentives for prospective developers to acquire the necessary property interests before coming to the FERC for a license. The first is an unambiguous owner preference in the permit and licensing process. This will both protect the property interests of site owners (including State and municipal site owners) and reduce the posibility for delay in the FERC licensing process. Second, the bill explicitly establishes the traditional measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act. By significantly curbing developers' enthusiasm for bypassing negotiations with damsite owners, this will lead to a much healthier development climate for hydroelectric energy in this country.

Mr. President, it is my intention to hold hearings on this measure as soon as possible, and in the meantime I am perfectly open to my colleagues' suggestions on how this legislation may be modified or improved upon. I ask unanimous consent that the bill and an accompanying section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2500

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Act Amendments of 1982."

SEC. 2. Section 3 of the FPA, 16 U.S.C. 796, is amended by adding the following new subpart (23) to read:

"(23) Qualified exemption applicant means any person, state, or municipality which has met the requirements of an application for exemption from Part I of the Federal Power Act as provided by Section 30 of this Act, Section 408 of the Energy Security Act of 1980, 16 U.S.C. 791, or other provisions of this Act and which has the property interests necessary for the development of the proposed hydroelectric project, exclusive of any property interests necessary for a transmission right of way."

SEC. 3. Sections 7(b) and 7(c) of the Federal Power Act, 16 U.S.C. § 800 (b) and (c), are redesignated Sections 7(d) and 7(e) respectively.

SEC. 4. Section 7 of the Federal Power Act, 16 U.S.C. 800, is hereby amended to add the following new subsections (a), (b) and (c):

"(a) Except as provided in subsection (d) of this Section, the Commission shall give preference to a qualified exemption applicant, unless the plans for the development of the proposed project by a license applicant or a preliminary permit applicant are substantially superior to the plans of the exemption applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(b) Except as provided in subsection (d) of this Section, in issuing preliminary permits hereunder or in issuing licenses where no preliminary permits have been issued, the Commission shall give preference to applications therefor by any person who has the property interests necessary for the development of the proposed project, exclusive of any such property interests owned by federal governmental entities and exclusive of any property interests necessary for a transmission line right-of-way, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the owner applicant for the development of the waterway and the conservation and utilization in the public interest of the water resources of the region.

"(c) Except as provided in subsection (d) of this Section and subject to the preference provisions of subsection (a) and (b) of this section, in issuing preliminary permits hereunder or licenses where no preliminary permits have been issued, the Commission shall give preference to applicants therefor by states and municipalities, unless the plans for the development of the proposed project by another license applicant or applicant for a preliminary permit are substantially superior to the plans of the state or municipality for the development of waterway and the conservation and utilization in the public interest of the water resources of the region; and as between other applicants not granted a preference under subsections (a), (b) and (c) of this section, the Commission may give preference to the applicant, the plans of which it finds and determines are best adapted to develop, conserve and utilize in the public interest the water resources of the region."

SEC. 5. Section 21 of Federal Power Act (16 U.S.C. 814) is hereby amended to add the following sentence after the sentence ending with the word "$3,000." In all cases arising under this section, the measure of the amount of compensation to be paid by any licensee shall be based on the highest and best use for which the property subject to condemnation may be put.

SEC. 6. This act shall be applicable to any hydroelectric project which is not subject to Subsection (d) of Section 7 of this Act and with respect to which no preliminary permit, license or exemption has been issued by the Commission on the effective date of this Act.

SECTION-BY-SECTION ANALYSIS OF DRAFT AMENDMENTS TO FEDERAL POWER ACT

SECTION 2

This section defines a qualified exemption applicant for purposes of the priority in licensing accorded by Section 4 of the draft amendments. The first requirement for this status is compliance with the conditions of any current or future federal licensing exemption provision. The second requirement for this status is ownership of the property interests necessary for development of the proposed project, exclusive of any property interests necessary for a transmission right of way. The requirement for all necessary property interests codifies the current Federal Engery Regulatory Commission (FERC) exemption regulation on this point and is intended to ensure, to the maximum extent possible, that projects with property rights conflicts do not qualify for the expedited exemption treatment. It should be noted that this definition is also consistent with the current FERC policy of not granting exemptions on projects involving substantial federal property interests.

SECTION 3

This section merely renumbers the existing subsections of Section 7 of the Federal Power Act respecting federal development. These subsections are not changed by the draft amendments.

SECTION 4

The provisions of this section establish the proposed new permitting and licensing priority system.

Proposed subsection (a) provides that a qualified exemption applicant (defined in Section 2 of the draft amendment as a site owner) will prevail in the hydropower licensing process unless a competing license or preliminary permit applicant proposes a substantially superior development plan. This provision favors exemption applicants more strongly than the current FERC regulations and should eventually reduce the number of license or preliminary permit applications which compete with exemption applications for any given site. Site owners who contemplate filing an exemption application, but are unable to do so because of a lack of data, may protect their site by applying for a preliminary permit. The draft amendments, Section 4(b) (discussed below), also provide site owners with a stronger priority in situations involving competing preliminary permit applications.

Proposed subsection (b) provides that in issuing both permits and licenses the FERC shall give preference to applications by persons, including public entities, which have all the necessary property rights for development. This preference would be good against any applicants except those holding a preliminary permit. The property interests required for this preference do not include transmission right of ways. Unlike the exemption preference, this preference is available to a qualified exemption applicant proposing a project involving substantial federal property interests, so long as the applicant holds all other property interests necessary for project development. As is true for the exemption preference, an opposing applicant must submit a substantially superior proposal to prevail. Any person, state or municipal entity or any combination thereof could qualify for the owner preference. It should be noted that this section would protect all state and municipal applicants which own interests in a dam site sufficient for development, when those applicants have not filed first. In the strictest sense, this does little to abridge the current municipal preference for truly motivated municipalities who could avail themselves of state eminent domain provisions to acquire the necessary property rights for development.

Proposed subsection (c) preserves the current municipal preference against all applicants except qualified exemption applicants and site owners, again in a stronger version with the substantially superior language. As between other applicants, the current language of the Federal Power Act and, hence, the first in time rule, is also preserved.

SECTION 5

This section explicitly establishes the traditional measure of damages in eminent domain proceedings for any condemnation under the Federal Power Act. This should also reduce the enthusiasm for attempts to bypass negotiation with dam site owners, as well as clearly establishing a fair measure of compensation for such takings.

SECTION 6

This section covers the phase in time for the amendments. Permit, exemption or license applications pending on the effective date of the Act would be subject to the new rules. The amendments would not be applicable to those sites where a permit, exemption or license has been granted by the FERC prior to the effective date of this Act, nor would they be applicable in cases where a FERC decision on competing applications has been appealed as of the effective date of the Act.●

By Mr. EAGLETON (for himself, Mr. MATHIAS, Mr. PELL, and Mr. PRYOR):

S. 2501. A bill to authorize appropriations for the National Historical Publications and Records Commission for the fiscal years 1983, 1984, and 1985; to the Committee on Governmental Affairs.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

● Mr. EAGLETON. Mr. President, I am introducing today a bill to reauthorize the National Historical Publications and Records Commission (NHPRC) at the level of $4 million annually for fiscal years 1983 and 1984, and $5 million for fiscal year 1985. I am pleased to have as cosponsors Senator PELL, who represents the Senate on the NHPRC and Senators MATHIAS and PRYOR, who have a longstanding interest in the work of the NHPRC.

Twice during this Congress, I have expressed my belief that Congress has been tragically shortsighted in our approach to the challenge of preserving the Nation's precious historical legacy. The National Archives remains under the control of the General Services Administration (GSA), despite compelling evidence that this relationship has been detrimental to morale and performance at the Archives (CONG. REC. June 24, 1981, S 6912). Moreover, Congress has to date acquiesced in crippling budget cuts for the National Archives, which have resulted in substantial reductions in a range of services offered by the Archives. These cuts totaled 15 percent of the Archives budget in 1 year alone. And because the Archives' budget includes high fixed costs for maintenance, security, and operation of the Archives' facilities by GSA, funds for the Archives' operating programs actually declined 23 percent in 1 year. (CONGRESSIONAL RECORD, March 18, 1982, S 2372).

The NHPRC is a part of the National Archives and plays a vital role in preservation, documentation and publication of our Nation's important historical papers. Along with the Archives, NHPRC has suffered from Congress failure to accord proper respect to the importance of history. Although the NHPRC has traditionally produced substantial accomplishments at a very modest funding level ($4 million in fiscal year 1981), the House of Representatives unexpectedly chose not to reauthorize NHPRC last year. NHPRC has limped along, thanks to the earmarking of $1 million, through the appropriations process, out of the Archives budget. The bill we introduce today seeks to rectify the mistake of last year by giving NHPRC a separate authorization and by restoring its funding to the level of fiscal year 1981. This bill also provides a 3-year authorization, in an effort to reassure the community of historians, archivists and librarians working with the NHPRC that Congress is committed to the important mission of the NHPRC. Given last year's debacle, the need for this message should be unmistakable.

The NHPRC has made an enormous contribution to the preservation and publication of the historical materials relating to America's past. Through its publications program, NHPRC has begun to lay before the American people documentary editions, free from partisan interpretation, concerning the Founding Fathers and the creation of the Government: such as the papers of Thomas Jefferson, the First Federal Congress, and the early years of the Supreme Court. Their editions have gone beyond Government as well, to cover military affairs, social concerns, labor and the arts and sciences.

In its records program, launched in 1974 under the Ford administration, the NHPRC provides support to State and local historical societies, archives, libraries and associations to insure the discovery and preservation of valuable historical documents, especially those in imminent danger of destruction. For example, the Social Law Library in Boston is using an NHPRC matching grant of $37,780 to arrange, clean, deacidify, and buffer valuable documents from the Suffolk County Interior Court of Common Pleas. These documents covered the court's cases from 1699 to 1820. The 360,000 documents saved from certain destruction by the forces of time and nature covered the early history of law and society and the American Revolution. Works by such men as John Adams, John Hancock, and Paul Revere form a major part of these valuable records. There are many other instances of records in this Nation which require immediate attention, as did those in the Social Law Library.

Additionally, the NHPRC has recognized that the tasks facing archival institutions, manuscript repositories and researchers demand far more than the efforts of a single Federal agency. The Commission has favored projects which show financial commitment from a number of sources, and the Commission's funds represent less than half of all moneys used by the projects. The Commission's grants are not intended to replace the support of other Federal, State and local agencies, nonprofit institutions and organizations; nor have they. Rather, they have supplemented and expanded such programs throughout the country and stimulated private giving.

In 1963, Justice John Harlan observed that the work of the Commission "touches the concerns of all who hold positions of responsibility in public life, indeed, of every thoughtful citizen, though enjoyed in purely private endeavors."

Mr. President, I believe that NHPRC funding should be restored to its previous level, and I strongly oppose the idea that a decent level of authorization for NHPRC can occur only at the expense of the Archives. We owe it to ourselves to fund both.

Our House colleague TIM WIRTH put the importance of these matters eloquently in a recent letter:

> The documentary record of this country's heritage, the yellow and faded documents fighting the ravages of time, must not be a budget afterthought. We must face the reality that lethargy and unconcern will surely bring a grave loss, one that Americans of all classes and policital persuasions will share.

And as Samuel Gannon, Executive Director of the American Historical Association, put it: "A land without history is a will-o'-the-wisp at the mercy of every transient impulse and enthusiasm of the moment."●

By Mr. DIXON (for himself, Mr. RIEGLE, Mr. CRANSTON, Mr. DODD, and Mr. SARBANES):

S. 2502. A bill to amend the Urban Mass Transportation Act of 1964; to the Committee on Banking, Housing, and Urban Affairs.

FEDERAL PUBLIC TRANSPORTATION ACT OF 1982

Mr. DIXON. Mr. President, I am pleased to introduce, along with my distinguished colleague from Michigan, (Mr. RIEGLE), and my distinguished colleagues from California (Mr. CRANSTON), Connecticut (Mr. DODD), and Maryland (Mr. SARBANES), the Federal Public Transportation Act of 1982.

This legislation reauthorizes Federal mass transportation programs through fiscal year 1986. More than that, it restructures Federal assistance, reducing regulatory burdens, and simplifying transit assistance programs.

The legislation builds on past successes of the Federal assistance programs, and it is important to recognize that the mass transit program has been a success.

Since Federal assistance to urban transportation systems began in 1964, public transit service and ridership have greatly increased. Thousands of new buses and hundreds of new rapid transit cars have been purchased. The cycle of persistent deterioration in public transportation has been arrested.

However, Mr. President, we cannot yet declare victory and retire from the field.

The financial problems facing public transportation are still severe. In fact, they are growing, and growing rapidly, due, in no small part, to the economic and budgetary problems facing our economy and all levels of government.

I believe there is a continuing need, therefore, for substantial Federal funding unless we want to return to the pre-1964 era of deterioration, of bankruptcy, of failure.

Meeting these needs at a time when some estimates put the fiscal year 1983 Federal budget deficit at over $180 billion will not be easy. However, I think it can be done and that it must be done.

Federal spending in all programs must be restricted; public transportation is no exception. However, it is shortsighted and counterproductive to force the transit programs and other Federal infrastructure programs to bear a disproportionate share of that necessary restraint. Public transit moneys are an investment. The transit programs, the highway program, and other Federal infrastructure programs help provide the foundation that makes economic growth possible. Unless we want to retire our Nation's transit systems, highways, and other infrastructure systems from service, we must provide the funds necessary to operate and maintain them, and where necessary and desirable, for prudent expansion.

Buses and rail cars, and railroads and highways do not stop getting older and worn out because funding is cut. Investments not made now must be made up later, and probably at a much higher cost.

Legislation to extend Federal transit assistance must provide sufficient funding and permit those funds to be used in a flexible way, to insure that the public investment in transportation facilities and service is preserved and not thrown away.

Mr. President, the Federal Public Transportation Act of 1982 meets these objectives.

It provides a reasonable, but tight, level of funding. Since mass transit took major cuts in spending last year, I think the burden is on those proposing further disproportionate cuts.

This legislation provides for no real growth in Federal mass transit assist-

ance over current levels through fiscal year 1986. Since current transit spending has already been cut by 25 percent from previous years levels, it should be clear that the authorization levels in the legislation are modest and restrained.

Second, it continues operating assistance. Without it, many smaller public transportation systems will be forced to either cut service back severely or even to shut down completely. And, although Federal assistance is a small percentage of the operating budgets of large systems, they will be hurt, too.

For example, the CTA in Chicago has already raised fares almost 100 percent in the past 2 years, and simply has no way to replace Federal subsidy moneys. Losing these funds, therefore, would mean less service and further large declines in ridership.

The operating assistance program has not been without controversy. However, it has provided valuable assistance in the past, and the continuing need for it is clear.

Further, I do not believe that the debate on whether Federal operating assistance should continue belongs in consideration of transit program reauthorization legislation. The proper forum to debate the question is the administration's New Federalism proposal. Only there can the question of what is the proper relationship between the Federal Government and local governments be properly considered in all its complexity.

Third, it helps transit systems restrain the growth in their costs, and encourages them to be more productive and efficient.

Given the pressures on the budgets of all levels of Government, I think it is imperative that we make sure that all subsidy moneys are spent productively and efficiently.

Fourth, it simplifies and reforms the program. Eliminating unnecessary regulatory burdens and simplifying the application and review process will help make the program more efficient, without sacrificing important Federal policy objectives.

The legislation provides the bulk of transit assistance—75 percent—through a formula block grant program, while providing sufficient discretionary funding—25 percent—to enable transit systems to meet unusual, nonroutine capital needs.

The block grant formula is carefully balanced, providing some assistance based on the level of transit service provided, while continuing to meet the needs of new transit systems.

Mr. President, I think the need for this legislation is clear. I look forward to discussing the bill with my colleagues. I believe it can provide the basis for action by the Senate Banking Committee on which I am pleased to serve.

I would be remiss, however, if I did not take this opportunity to congratulate my distinguished colleague, Senator D'AMATO on his transit legislation, S. 2377.

I think his bill contains a number of good and worthy proposals, and I look forward to working with him and the other members of the Banking Committee, on transit issues, both in the committee and on the Senate floor.

Mr. President, I ask unanimous consent that the bill, and a summary of the legislation, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2502

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Public Transportation Act of 1982".

DIRECT TRANSIT ASSISTANCE FUND

SEC. 2. (a) The caption of section 4 of the Urban Mass Transportation Act of 1964 is amended to read as follows: "DIRECT TRANSIT ASSISTANCE FUND".

(b) Section 4(b) of such Act is repealed.

(c) Section 4 of such Act is amended—

(1) by redesignating subsection (a) as subsection (b); and

(2) by inserting after "Sec. 4." the following:

"(a) To finance assistance under sections 3, 5, and 18 of this Act, there are authorized to be appropriated not to exceed $3,360,000,000 for the fiscal year ending September 30, 1983; $3,606,000,000 for the fiscal year ending September 30, 1984; $3,848,000,000 for the fiscal year ending September 30, 1985; and $4,110,000,000 for the fiscal year ending September 30, 1986. Of the sums appropriated under this section, 25 per centum shall be available to the Secretary for obligation for projects approved pursuant to section 3 of this Act, and 75 per centum shall be apportioned pursuant to section 5(a) and made available for the purpose of sections 5 and 18 of this Act. Of the funds available for obligation under section 3, not less than 6 per centum or more than 7 per centum shall be used for the purposes of section 8 of this Act and for the deployment of innovative techniques and methods pursuant to subsection (f) of this section. Any appropriation pursuant to this subsection for the purposes of sections 3 and 5 of this Act shall remain available for three years following the close of the fiscal year for which such appropriation is made.".

(d) Subsections (c), (d), and (e) of such section are repealed.

(e) Subsection (f) of such section is redesignated as subsection (c) and amended to read as follows:

"(c) There are authorized to be appropriated to carry out the purposes of sections 6, 10, and 11 of this Act, and for administrative costs, including salaries and necessary expenses, not to exceed $75,000,000 in the fiscal year ending September 30, 1983; $80,000,000 for the fiscal year ending September 30, 1984; $85,000,000 for the fiscal year ending September 30, 1985; and $90,000,000 for the fiscal year ending September 30, 1986. Amounts appropriated for the purposes of sections 6, 10, and 11 shall remain available until expended.".

(f) Subsections (g) and (h) of such section are redesignated as subsections (d) and (e), respectively.

(g) Subsection (i) of such section is redesignated as subsection (f) and is amended by striking out the words "available pursuant to section 4(c)(3)(A)" and inserting in lieu thereof "appropriated for the purposes of section 3".

LETTERS OF INTENT

SEC. 3. Section 3(a)(4) of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting after the first sentence thereof the following: "At least thirty days prior to the issuance of a letter of intent under this paragraph, the Secretary shall notify, in writing, the Committee on Public Works and Transportation of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, of the proposed issuance of such letter of intent.";

(2) by striking out "in section 4(c)" and inserting in lieu thereof the following: "to carry out section 3"; and

(3) by adding at the end thereof the following: "Funding for programs covered by letters of intent issued prior to the date of enactment of the Federal Public Transportation Act of 1982 shall be given priority in making grants under this section after the date of enactment of such Act.".

FORMULA CAPITAL AND OPERATING ASSISTANCE PROGRAM

SEC. 4. (a) The caption of section 5 of the Urban Mass Transportation Act of 1964 is amended to read as follows: "FORMULA CAPITAL AND OPERATING ASSISTANCE PROGRAM".

(b) Subsection (a) of such section is amended to read as follows:

"(a) The Secretary shall make grants to recipients for the purpose of assisting the payment of the construction and operating costs of public mass transportation systems, subject to the provisions of this Act and other applicable laws. Grants under this section and section 18 of this Act will be made from funds appropriated pursuant to section 4(a) of this Act for this section and in amounts apportioned in accordance with the following formula:

"(1) 55.71 per centum of the funds appropriated under section 4(a) shall be made available to urbanized areas with a population in excess of 200,000 based on a formula so that each urbanized area receives the sum of—

"(A) 50 per centum of the amount available under this paragraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area or part thereof bears to the total bus revenue vehicle miles in all urbanized areas;

"(B) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area or part thereof, as designated by the Bureau of the Census, bears to the total population of all such urbanized areas as shown by the latest available Federal census; and

"(C) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary. As used in this section, the term 'density' means the number of inhabitants per square mile.

"(2) 3.96 per centum of the funds appropriated under subsection 4(a) shall be made available to urbanized areas with popula-

tions in excess of 200,000 based on a formula so that each urbanized area or part thereof receives an amount which bears the same ratio to the amount available under this paragraph as the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in such urbanized area or part thereof bears to the sum of the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in all such urbanized areas.

"(3) 29.83 per centum of such funds shall be apportioned to such urbanized areas or parts thereof on the basis of a formula so that each urbanized area receives—

"(A) 50 per centum of the funds available under this paragraph multiplied by the ratio which the total rail revenue vehicle miles operated in or serving the urbanized area bears to the total rail revenue vehicle miles operated in or serving all urbanized areas; and

"(B) 50 per centum of such funds multiplied by the ratio which the rail route miles in the urbanized area bears to the total number of rail route miles in all urbanized areas.

No single State's portion of an urbanized area shall receive more than 36 per centum of the funds apportioned under this paragraph.

"(4) 7.5 per centum of the funds appropriated shall be made available to State Governors for use in urbanized areas with a population of less than 200,000 on the basis of a formula under which each State receives the sum of—

"(A) 45 per centum of the amount available under this paragraph multiplied by the ratio which the population of such urbanized areas in the State bears to the total population of all such urbanized areas in all States as shown in the latest available Federal census;

"(B) 45 per centum of such funds multiplied by a ratio for such urbanized areas determined on the basis of population weighted by a factor for the average density for urbanized areas in such State as determined by the Secretary; and

"(C) 10 per centum of such funds multiplied by the ratio which the total bus revenue vehicle miles operated in all such urbanized areas in the State bears to the total bus revenue vehicle miles in all such urbanized areas in all States.

"(5) 3 per centum of the funds appropriated shall be made available by the Governor of each State for use in nonurbanized areas pursuant to section 18 of this Act.".

(c) Section 5(c) of such Act is amended to read as follows:

"(c) The amount of funds apportioned to an urbanized area under this section which may be used for operating assistance shall not exceed the amount available to such urbanized area for operating assistance in fiscal year 1982, except that where an urbanized area became an urbanized area for the first time under the 1980 census, such urbanized area may use up to 50 per centum of its apportionment under this section for operating assistance.".

(d) Section 5(d) of such Act is amended to read as follows:

"(d)(1) To receive a grant under this section for any fiscal year, a recipient—

"(A) shall continue to comply with title VI of the Civil Rights Act of 1964, subsections (e), (f), and (g) of section 3 of this Act, and sections 8, 13, 16, and 19 of this Act; and

"(B) shall submit a statement of activities to be funded under this section prepared pursuant to subsection (g), a description of its proposed use of funds, and the certifications required by this section.

"(2) Upon receipt of the statement, description, and certification described in paragraph (1), after finding that a recipient is in compliance with paragraph (1)(A), and after compliance with the National Environmental Policy Act of 1969, using the provisions of subsection (f) or otherwise, the Secretary shall make the amounts determined pursuant to subsection (a) available to the recipient.".

(e) Section 5(f) of such Act is amended to read as follows:

"(f) To receive a grant under this section, the recipient must certify that—

"(1) the recipient has or will have the legal, financial, and technical capacity to carry out the proposed project;

"(2) the recipient has the authority to apply for the grant under this section;

"(3) the recipient will carry out the project in compliance with the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 and section 7 of this Act;

"(4) the recipient will have satisfactory continuing control, through operation, lease, or otherwise, over the use of the facilities or equipment assisted hereunder and will maintain such facilities and equipment in operational order;

"(5) the recipient will use a competitive procurement process, as defined or approved by the Secretary, will not use procurements utilizing exclusionary or discriminatory specifications, and will carry out procurements in compliance with section 401 of Public Law 95-599;

"(6) the recipient will comply with the National Flood Insurance Act of 1968;

"(7) the recipient has complied with the requirements of subsection (g); and

"(8) the recipient has available and will provide funds from other than Federal sources as required by subsection (e).".

(f) Section 5(g) of such Act is amended to read as follows:

"(g) Each recipient shall—

"(1) make available to the public information concerning the amount of funds available under this section and the range of activities that the recipient proposes to undertake with such funds;

"(2) develop a proposed statement concerning activities to be funded in consultation with interested parties, including transportation users, public officials, and public and private transportation providers;

"(3) publish a proposed statement in such manner to afford affected citizens, private transportation providers, or as appropriate, local elected officials an opportunity to examine its content and to submit comments on the proposed statement and on the performance of the recipient; and

"(4) hold one or more public hearings to obtain the views of citizens on mass transportation.

In preparing the final statement, the recipient shall consider any such comments and views and shall, if deemed appropriate by the recipient, modify the proposed statement. The final statement shall be made available to the public.".

(g) Section 5(h) of such Act is amended to read as follows:

"(h)(1) In order to assure that the policies of the National Environmental Policy Act of 1969, and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this section, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may, under regulations issued by him, provide for the release of funds to recipients who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

"(2) The Secretary shall approve the release of funds in accordance with the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds, the applicant has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the applications and releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

"(3) A certification under the procedures authorized by this subsection shall—

"(A) be in a form acceptable to the Secretary;

"(B) be executed by the chief executive officer or other officers of the applicant qualified under regulations of the Secretary;

"(C) specify that the applicant has fully carried out its responsibilities as described under paragraph (1) of this subsection; and

"(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary to the extent that as the provisions of such Act or other such provisions of law apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.".

(h) Section 5(i) of such Act is amended to read as follows:

"(i) The Secretary shall not make a grant under this section unless he finds that the proposed uses of such grant are part of the approved program of projects required by section 8 of this Act.".

(i) Section 5(j) of such Act is amended to read as follows:

"(j) As soon as practicable after receiving the submissions required in this section, the Secretary shall enter into an annual projects agreement with the Governor, his designee, or the recipient of the urbanized area.".

(j) Section 5(k) is amended by striking out paragraphs (1) and (2) and by striking out "(3)" in the last paragraph.

(k) Section 5(l) of such Act is amended to read as follows:

"(l)(1) Each recipient of assistance under this section shall submit to the Secretary annually, at a time determined by the Secretary, a statement concerning the use of funds made available under this section, together with an assessment by the grantee of

how such use compares to the statement of activities prepared under subsection (g). The Secretary may conduct, or require the recipient to have independently conducted, reviews and audits as may be deemed necessary or appropriate by the Secretary to determine whether (A) the recipient has carried out its activities in a timely and effective manner and has a continuing capacity to carry out those activities in a timely and effective manner; and (B) the recipient has carried out those activities and its certifications and has used its Federal funds in a manner which is consistent with the requirements of this Act and other applicable laws. Audits of the use of Federal funds shall be conducted in accordance with the accounting standards of the General Accounting Office. In addition, the Secretary shall, not less than once every three years, perform a full review and evaluation of the performance of a recipient in carrying out the recipient's program, with specific reference to compliance with statutory and administrative requirements, and consistency of actual program activities with the statement of proposed activities required under subsection (d) of this section and the planning process required under section 8. The Secretary may make appropriate adjustments in the amount of annual grants in accordance with the Secretary's findings under this subsection, and may reduce or withdraw such assistance or take other action as appropriate in accordance with the Secretary's review, evaluation, and audits under this subsection.

"(2) The provisions of section 1001 of title 18, United States Code, apply to any certification or submission under this Act. In addition, if any false or fraudulent statement or related act within the meaning of section 1001 of title 18, United States Code, is made in connection with a certification or submission under this Act, the Secretary may terminate and seek appropriate reimbursement of the affected grant or grants directly or by offsetting funds available or to be available under this Act.".

(l) Section 5 is amended by adding at the end thereof the following:

"(o) A recipient may request the Secretary to approve its procurement system. If, after consultation with the Director of the Office of Federal Procurement Policy, the Secretary finds that such system provides for competitive procurements, the Secretary shall approve such system. Such approval shall be binding unless withdrawn. This subsection does not affect the certification required by subsection (f)(5).".

SMALL URBAN AND RURAL AMENDMENTS

SEC. 4. (a) Section 18(a) of the Urban Mass Transportation Act of 1964 is amended by striking out "section 4(e)" and inserting in lieu thereof "section 4(a)".

(b) Subsection (c) of such section is amended by striking out "three years" in the first sentence and inserting in lieu thereof "two years".

SUMMARY OF FEDERAL PUBLIC TRANSPORTATION ACT OF 1982

Funding level:	*Billions*
Fiscal year 1983	$3.4
Fiscal years 1983-86 (total)	15.2

These funding levels represent the Congressional Budget Office's current policy baseline.

Program structure:

The bill creates a "Direct Transit Assistance Fund" using a single authorization and allocates funds on a percentage basis among the major transit programs as follows:

Discretionary capital grant program (Section 3 of the existing Urban Mass Transit Act)—25%.

Formula capital and operating assistance program (based on Section 5 of the Urban Mass Transit Act)—75%.

Allocation of Block Grant funds:	*Percent*
Cities over 200,000	89.5
Cities under 200,000 but over 50,000	7.5
Small urban and rural	3.0
Total	100.0

Block Grant apportionment formulas:

Cities over 200,000—

55.71%—Bus formula—50% allocated on the basis of population and population density factors. 50% allocated on the basis of the system's share of bus revenue vehicle miles.

3.96%—Bus productivity formula—distributed on the basis of expense per bus passenger mile.

29.83%—Rail formula—50% allocated on the basis of share of fixed guideway route miles; 50% allocated on the basis of share of fixed guideway revenue vehicle miles. No recipient in one state could receive more than 36% of the funds allocated under the rail formula.

Cities under 200,000 but over 50,000—

7.5%—90% distributed on the basis of population and population density factors; 10% distributed on the basis of share of bus revenue vehicle miles.

3.0%—Small Urban and Rural (Section (8))—distributed on the basis of formula in current law.

Total=100%.

Operating assistance:

Operating assistance is retained. However, no transit system could use more for operating purposes than it received in fiscal year 1982.

Planning funds:

Would come out of the Section 3 capital grant program (no less than 6%; no more than 7%).

Matching ratios:

50/50 Federal/local matching ratio for operating assistance purposes.

80/20 Federal/local matching ratio for capital grants (from Section 3 and Section 5).

Programmatic revisions:

Transit systems would not longer have to submit applications for each individual project to be funded (except the requests for discretionary capital grants). Instead, under the block grant program, they would merely submit a statement of activities. Transit systems could self-certify their compliance with most statutory and administrative requirements except civil rights and labor.

Transit system activities subject to Secretarial review, audit and evaluation.

Letters of intent:

Existing letters of intent would be given priority for funding out of the discretionary fund.

The Secretary of Transportation shall notify the Senate Banking Committee and the House Public Works within 30 days of the issuance of any letter of intent.

STATEMENT OF SENATOR DONALD W. RIEGLE, JR.

Mr. President, I rise to cosponsor the legislation offered by the distinguished Senator from Illinois (Mr. DIXON), a fellow member of the Committee on Banking, Housing, and Urban Affairs. This bill proposes a carefully crafted, balanced, and fiscally responsible approach to meeting the very critical mass transit needs of our Nation.

Mr. President, this body has maintained a consistent and strong commitment to better mass transit service for almost 20 years. During that time we have evolved from a country going through a period of uncontrolled growth, without awareness of some of the costs of such growth, to a country sensitive to rational development and the economic, environmental, and energy needs of our communities. The Federal mass transit program has been a key element in this awakening. It has played a major role in the revival of our cities and in the rational planning of our transportation networks.

Despite all this carefully nurtured progress, this administration has proposed—as it has in so many other areas—short-sighted and destructive changes to an important program that may save a few dollars in the short run but may carry costly and difficult implications for the American people in the long run.

The Department of Transportation has submitted legislation to the Congress that would complete a 32-percent reduction in transit funding between 1981 and 1983 and would continue the administration's ill-advised pledge to end Federal operating assistance to transit systems.

This is a one-two punch that will knock out a lot of transit service in this country. In my State's largest city, Detroit, it is conservatively estimated that the administration's proposal would mean a 50-percent cut in transit service. The grim economic realities facing my State make it impossible for the State or local governments to replace lost Federal assistance.

This story is repeated in large and small cities all over the country. The opposition to the administration's approach is widespread and impressive, with advocates of mass transit all over the country calling on Congress to reaffirm that an effective mass transit program is in the national interest.

Mr. President, I believe the legislation we are introducing today answers that call. It achieves a number of goals which are necessary to assure the continuation of a workable and efficient transit program:

First, it would reauthorize the program for 5 years at the funding level identified as the CBO baseline for current transit program activity. This is the minimum level at which I believe the program could operate without forcing significant cutbacks in service.

Second, the proposed legislation would preserve operating assistance at no higher than 1982 levels. This would avoid the devastating impact of the phase-out proposed by the administration which, according to the American

Public Transit Association, would mean the shutdown of 25 percent of the Nation's transit systems—47 percent of small transit systems face shutdowns—and major service cutbacks or fare increases in almost all the rest. The leveling off of transit operating assistance would send a clear signal to our cities and States that the Federal Government has a limited role to play in underwriting operating deficits and that it is the responsibility of transit operators to get costs under control and improve productivity.

Third, the program would be restructured to create an equitably distributed, predictable, and stable source of both operating and capital assistance through a formula program that would distribute 75 percent of the program funds. There would continue to be a discretionary fund, made up of 25 percent of the funds, which would be available for major rehabilitation programs, fleet expansions, development of new systems where prudent, and other worthy projects for which formula funding is inadequate.

Fourth, it creates a new distribution formula designed to balance the interests of small and large communities, and bus and rail systems. By utilizing a formula based both on population and service factors, we accomplish the equitable distribution of funds that has been a long-sought goal of this program.

Fifth, it would establish, for the first time, a distribution mechanism that reflects the productivity of transit operations and therefore rewards those systems that strive to reduce costs and provide more service.

Sixth, it would provide a sensible level of deregulation for the program which maximizes local discretion and reduces Federal regulations, while assuring effective review and evaluation by the Department of Transportation to protect the interests of the Federal taxpayer.

Seventh—and very important—this legislation preserves the increasingly popular and effective section 18 program of capital and operating assistance to transit services in small communities and rural areas.

I want to commend my colleague from Illinois for his leadership in working to preserve this program which is vital not just to the largest cities of our country, which have long understood the importance of good mass transit, but also to hundreds of smaller cities and towns that have followed the lead taken by the Federal Government in promoting mass transit as a way to make our communities more livable.

I know we are joined by Senators on both sides of the aisle who oppose the approach taken by the administration. The Federal commitment to transit has always had bipartisan support, and I am pleased that this has not changed.

The Banking Committee meets next week to mark up transit legislation. The legislation we are introducing today contains the principles we believe should and will be adopted by the committee.

By Mr. DOMENICI:

S. 2503. A bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease; to the Committee on Energy and Natural Resources.

REINSTATEMENT OF AN OIL AND GAS LEASE

Mr. DOMENICI. Mr. President, I am introducing today a bill to authorize the Secretary of the Interior to consider a petition for reinstatement of a certain oil and gas lease for the benefit of a small New Mexico gas and oil firm. A brief description of the events relating to this lease is presented now to indicate my reasons for introducing this bill.

The New Mexico gas and oil company, Atom Inc., has a gas and oil lease on Federal land in Sandoval County, N. Mex. The company was drilling a gas well on the lease on the expiration date of the lease, February 28, 1978, an action by which officials of the company felt the lease would be extended and the company's rights thereunder preserved. The officials of the company were aware that royalty payments on the lease were required, but they understood, incorrectly as it turned out, that this lease fell into the category of "minimum royalty," meaning that company would be billed for royalty payments by the appropriate Federal Government agency.

Unfortunately, as to this lease, royalties were not billed but due on a certain date, February 28, 1978, in this case. On April 12, 1978, the company was notified that the lease would be terminated for nonpayment of the royalty. The company immediately ceased operations on the well they were drilling and sent a check that same day for the amount of the rental fee, $401.50, seeking to have the lease reinstated.

The Bureau of Land Management determined, in accordance with the provisions of 43 CFR 3108.2-1(c), that it was without power to reinstate the lease because "the rental was tendered more than 20 days after the anniversary date of the lease."

Mr. President, I feel there are extenuating circumstances in this matter which justify the enactment of a bill which simply gives the Secretary of the Interior more flexibility than he and his subordinates have under existing regulations. Specifically, this bill would authorize the Secretary to reinstate the lease in question if the Secretary is satisfied that the "failure to pay timely was either justifiable or not due to lack of reasonable diligence."

In this case, it is obvious and everyone agrees that there was no intention or effort to avoid payment of the royalty since it was tendered immediately when the company was advised that it was overdue. Further, Mr. President, when the company had already spent over $37,000 on the lease, there would be no reason to fail to pay the royalty payment of only $401.50, an amount that is only 1.1 percent of the total invested in the lease. That entire investment will have been for nothing if the lease is not reinstated and that just doesn't seem fair or reasonable to me.

Finally, I have checked with the responsible Federal agency on another relevant question; namely, would anyone be adversely affected by the reinstatement of this lease? I have been advised by the Albuquerque Office of the U.S. Geological Survey that there would be no adverse effect on any person or business firm that can be presently identified since no one else is automatically entitled to the lease. Since no one else would be hurt by the reinstatement and since no one else has invested in the lease, it seems entirely fair and reasonable to provide the flexibility for the Secretary to reinstate the lease to the people who have invested over $37,000 in its development for energy production.

Stated another way, Mr. President, in the absence of intention not to pay and when no one else is hurt, it just seems unfair and illogical to me to take the lease away from people who, but for this unintentional mistake, would be entitled to whatever benefits may flow from their investment, an investment which is not jeopardy because of royalty payment of only 1.1 percent of that investment was not sent in when due.

By Mr. BAUCUS:

S. 2504. A bill to amend section 331A of the Consolidated Farm and Rural Development Act to defer payment of principal and interest of loans; to the Committee on Agriculture, Nutrition, and Forestry.

THE CRISIS IN AGRICULTURE

● Mr. BAUCUS. Mr. President, there is a lot of talk across the country and in Congress these days of the dismal state of the farm economy. One point that everyone agrees on is that action is needed to turn around declining farm prices and improve net farm income—which has fallen to the lowest level since the Great Depression of the 1930's.

I met with Secretary Block today to offer him my support in any efforts he takes to improve farm prices. I told him I will be looking for action beyond the current reduced acreage program and the potential of increased exports

for alleviating our grain surpluses and improving market prices.

The Secretary agreed that we need to work on a long term agreement with the Soviets to reestablish our position as a reliable supplier of grain. He also said that he would be announcing the 1983 commodity programs early enough to give farmers a chance to plan their operations.

Secretary Block also appeared on the MacNeil-Lehrer Report last night to address the problems of farm foreclosures by FmHA and the availability of farm credit. I share the concern in the agricultural community over the ability of farmers to repay loans under the current economic conditions.

I recently held a meeting in Billings, Mont., with farmers, ranchers, bankers, Federal Land Bank representatives, and the State Director of the Farmers Home Administration. I believe we calmed the fears of a lot of farmers that FmHA would be instituting massive foreclosures. But the number of forced foreclosures do not tell the whole story.

Newspapers in Montana are more and more frequently running farm auction notices. FmHA is sending out letters to many of its borrowers to set up meetings to discuss their operations and the prospects for the future.

There is fear, there is uncertainty in the minds of a growing number of Montana farmers over whether farm prices will improve soon enough to keep them in operation.

In the past few weeks, there has been a lot of talk in Congress that the 1981 farm bill is working—that farm prices will improve—that the reduced acreage program will cut surplus stocks and bolster market prices. I think it is good to face the future full of optimism. But I also feel we have to face the future realistically.

The farmer that is delinquent in his loan repayments now with no foreseeable improvement in his situation can not survive on promises of prosperity.

Mr. President, I am today introducing a bill that would allow farmers to defer payment of the principal and interest on their loans. The language of this bill is identical to the language included in the House reauthorization of the Farmers Home Administration. I fully intend to offer the bill as an amendment during the Senate consideration of that measure.

The Secretary now has the authority to defer payments of farm loans. This bill would simply allow farmers to request a deferral on a case-by-case basis.

There are proposals in Congress to place a moratorium on FmHA foreclosures. This language stops short of that action by treating each loan and each farmer on an individual basis.

The Secretary and the State Director of the FmHA for Montana assure me that there will be no significant increase in farm foreclosures. This bill puts teeth into their commitment and gives farmers further assurance that they will be able to ride out the present period of depressed prices.

This bill will not improve the state of our agricultural economy. It will guarantee that farmers are still in operation when prices improve.●

By Mr. HART (for himself and Mr. CRANSTON):

S. 2505. A bill to prohibit the export and use abroad of certain nuclear technologies and materials; to the Committee on Foreign Relations.

NUCLEAR NONPROLIFERATION ACT AMENDMENTS OF 1982

● Mr. HART. Mr. President, in conjunction with Congressman OTTINGER, I am introducing today a bill to reverse a dangerous trend in administration policy, and to restate—legislatively—the United States' unwavering commitment to preventing the worldwide spread of nuclear weapons. The administration's poor record on nonproliferation issues generally, and its emerging—and frightening—policy on the use of plutonium as a nuclear power reactor fuel, has convinced me of the need for this legislation.

I am pleased to have Senator ALAN CRANSTON as cosponsor.

The bill has four provisions:

First, it confirms in law our longstanding and consistent policy of prohibiting the export of "sensitive nuclear technology"—that is, technology such as spent fuel reprocessing and uranium enrichment that would enable a country to build nuclear weapons.

Second, the bill prohibits foreign countries from reprocessing spent reactor fuel produced from either nuclear material or equipment supplied by the United States, and from using or retransferring any separated plutonium until Congress can find that effective safeguards will be applied and that adequate sanctions exist against violations of nonproliferation commitments.

Third, the bill closes a loophole in existing law. It prohibits U.S. corporations from using their overseas licensees, affiliates, or subsidiaries to bypass existing limitations on nuclear exports to countries that do not otherwise meet the conditions for receiving nuclear exports from the United States. At least two corporations have such plans today.

Finally, it requires the Nuclear Regulatory Commission to find, as a condition for U.S. nuclear exports, that international safeguards will provide the United States with notice of a diversion of nuclear material well before the material could be used to build a weapon.

Mr. President, it is vital for Congress to consider this bill now. From distant rumbles in Western Europe, public concern about our ability to prevent the use of nuclear weapons has grown to a crescendo in the United States. There are now over a dozen resolutions before Congress on controlling nuclear weapons.

Yet these efforts to freeze, limit, or reduce the number of strategic nuclear weapons held by the superpowers address only part of the problem. We face an equal, if not a greater, danger: the grave and growing risk that nuclear weapons will "trickle down," or proliferate, to countries that do not have them now or even to terrorist groups, increasing the threat of nuclear war, terrorism, or blackmail.

This bill would sharply limit the worldwide production and use of separated plutonium, the raw material for nuclear weapons. Such an effort is the cornerstone of an effective nuclear nonproliferation policy.

A growing number of countries are seeking separated plutonium to fuel their nuclear power reactors. Others are seeking the technology to produce it. According to some forecasts, by the end of the century, tons of separated plutonium will move each year in international commerce, vastly increasing risks of theft or diversion for building weapons.

The administration, however, appears to view this situation with complacency. As a candidate in 1980, President Reagan said that nuclear proliferation "is not any of our business." The administration's subsequent actions and statements reveal little or no commitment to nonproliferation efforts, and dramatically underscore the need for this bill.

Here is the administration's record:

The administration decided in principle to permit the transfer of sensitive enrichment technology to Australia. It contended that if American corporations participated in the Australian uranium enrichment program, the United States would be able to advance its nonproliferation goals. How the administration intends to influence the Australian program remains unclear. Yet this feeble rationale was used to support a radical departure from established policy. The administration sanctioned the export of sensitive nuclear technology—something no administration has done before. This sets a precedent that will make it more difficult to deny similar requests for sensitive technology from other nations—and easier for other nuclear suppliers to fill them.

Brazil has a contract with the U.S Department of Energy (DOE) for separated plutonium, a contract which gave the United States precisely the leverage the administration is seeking in Australia and elsewhere. Under the contract and U.S. law, Brazil is required to meet stringent standards for

receiving enriched uranium fuel from the United States. The contract also required Brazil to pay a substantial penalty if it used fuel from other countries. Unfortunately, the administration has chosen to exempt Brazil from the penalty clause, allowing Brazil to use fuel from other nations without penalty. So much for using commercial leverage to achieve our nonproliferation goals.

The press has reported DOE plans to use plutonium obtained from commercial spent reactor fuel to build nuclear weapons. Although DOE denied immediate plans to do this, it also opposed legislation to foreclose the option. Using commercial spent fuel to build nuclear weapons would link our civilian and military nuclear programs and set the worst possible example for the world. Continued pleas to other countries not to use their civilian nuclear power programs to build nuclear weapons would have no credibility.

Fortunately, the Senate last month voted overwhelmingly in favor of legislation to prohibit DOE from pursuing that option.

The Department of Energy authorized Japan to begin full capacity reprocessing of U.S.-supplied reactor fuel in its Tokai Mura plant. Although Japan was already reprocessing smaller quantities, and although Japan probably is a negligible proliferation risk, both facts are outweighed by the undesirability of legitimizing further the commercial production and use of plutonium. Indeed, Japan already plans to build a new commercial-scale reprocessing plant, and wants U.S. approval for recycling plutonium from U.S.-controlled spent reactor fuel in its nuclear power reactors. Other countries will undoubtedly cite the Japanese precedent in seeking approval of similar requests.

The United States and other countries are negotiating with Mexico on a substantial expansion of its nuclear power program. Mexico has shown an interest in gaining access to sensitive uranium enrichment and spent fuel reprocessing technology. As various nuclear supplier countries and their companies compete for a share of Mexico's nuclear market, they may be tempted to "sweeten the deal" by offering sensitive technology. In fact, the administration has refused to rule out this possibility, saying, "We believe it is premature to specify whether and under what circumstances the United States might actually transfer sensitive enrichment or reprocessing technology to Mexico."

The administration has already announced its intention to grant advance, programmatic approvals for foreign reprocessing of U.S.-controlled spent fuel and use of the extracted plutonium. It apparently will distinguish between countries presenting few proliferation concerns and those posing a greater risk. We can anticipate that certain countries, for example, Japan and the Euratom countries, will receive approval more readily than others.

Mr. President, the administration's actions on nuclear exports raise disturbing questions about its commitment to curbing the spread of nuclear weapons—questions that may be answered all too clearly if we continue on this dangerous and inappropriate course.

First, the policy trend toward export of sensitive technology—even to nations posing negligible proliferation risks—could undermine U.S. nonproliferation efforts. At present, U.S. law (section 307 of the Nuclear Nonproliferation Act of 1978) prohibits—with few exceptions—any nuclear exports to any country that transfers sensitive nuclear technology to a nonnuclear weapons state. If current trends continue, however, we will begin regularly to export sensitive nuclear technology ourselves. We will be engaged in precisely the trade that we now prohibit our nuclear trading partners from engaging in.

Second, the trend is dangerous, given the inadequacy of international safeguards on civilian nuclear materials and facilities. In November 1981, the Nuclear Regulatory Commission warned the Congress:

> The NRC is concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities. In addition, we are not confident that the member states would be notified of a diversion in a timely fashion.

In response to specific questions about the effectiveness of safeguards for highly enriched uranium (HEU), spent fuel reprocessing and separated plutonium, the NRC stated:

> [B]ecause they can be transformed readily into weapons, we cannot count reliably on inspection alone to provide warning of diversion of HEU and separated plutonium in time to prevent assembly if the necessary preparation work has been done . . . Inspection of large-scale reprocessing plants presents a number of particularly difficult technical problems. While progress is being made, it is clear that significant problems will remain for the foreseeable future.

Even the International Atomic Energy Agency, the Agency responsible for administering the international safeguards regime, concedes that effective safeguards do not now exist for separated plutonium used as a nuclear power reactor fuel.

Third, there is no economic justification for using plutonium rather than uranium to fuel nuclear power reactors. World uranium reserves greatly exceed demand and will last well into the next century. During the past decade, the price of uranium dropped from $60 per pound to today's price of approximately $20 per pound. Only an eightfold increase in uranium prices would economically justify reprocessing spent fuel for use in power reactors.

Today, however, the excess of world uranium enrichment capacity and low uranium prices offer a unique opportunity for countries to obtain secure stockpiles of uranium for nuclear reactor fuel.

Fourth, the policy trend relies on the shaky justification of leverage. The administration contends that, as a reliable supplier, the United States can use its commercial leverage to advance U.S. nonproliferation goals. But there is a catch: Once the United States exercises its leverage, it is no longer a "reliable supplier." Moreover, becoming a reliable supplier of sensitive nuclear technology and materials makes sense only when there are reliable customers. Given doubts about the effectiveness of international safeguards, however, we may become the reliable suppliers of our own destruction.

Finally, the policy trend would undermine our nonproliferation efforts by setting the wrong example for other countries. Our past restraint in not exporting sensitive nuclear technology has brought similar restraint on the part of other nuclear supplier countries. Our example and diplomatic efforts led West Germany to deny Brazil the technology for a complete nuclear fuel cycle, and led to France's refusal to provide reprocessing plants to South Korea and Pakistan. Our policy has slowed the spread of these dangerous technologies throughout the world. There is no reason to abandon this policy now. The bill I am introducing today will help the United States reassert its moral leadership in the nuclear export field.

Mr. President, this bill also addresses a problem beyond the export of sensitive nuclear technology and the use of separated plutonium. It closes a loophole in existing law that weakens our nonproliferation efforts. The Westinghouse Electric Co. plans to circumvent U.S. nuclear export controls by offering a $1.1 billion, 900-megawatt nuclear power reactor to Pakistan through affiliated companies in Spain. Although the Nuclear Non-Proliferation Act prohibits direct nuclear exports to Pakistan, because it has neither accepted full-scope safeguards nor entered into an agreement for peaceful nuclear cooperation with the United States, the law does not cover such indirect transactions.

The sale to Pakistan is particularly ill advised. The country has expressed a strong desire to obtain the capability to build nuclear weapons, and the IAEA reported last fall that it cannot guarantee Pakistan is not diverting nuclear materials for military purposes.

In another instance, two American firms, Edlow International and

SWUCO, Inc., served as brokers for 100 tons of enriched uranium sold to South Africa by companies in France, Belgium, and Switzerland. Their involvement directly contradicted our policy of opposing direct sales of enriched uranium to South Africa. It undercut our attempts to persuade South Africa to sign the Non-Proliferation Treaty and to submit all its nuclear facilities, including a plant capable of producing weapons-usable highly enriched uranium, to international safeguards.

The bill would close this loophole in current law by prohibiting a U.S. corporation from using offshore subsidiaries, licensees, or affiliates to export nulcear materials and technology to countries that do not otherwise comply with the requirements of the laws of the United States.

The final section is this bill would resolve a debate that has continued since the 1978 enactment of the Nuclear Non-Proliferation Act: Whether, as a condition of U.S. nuclear exports, the Nuclear Regulatory Commission must find not only that international safeguards will be applied, but also that these safeguards will provide "timely warning" of any diversion of nuclear materials. The bill requires the NRC to make both findings before approving an export.

I doubt whether the Congress intended the NRC to approve a nuclear export while questioning the ability of international safeguards to detect diversion or theft of nuclear materials. Growing concerns about the adequacy of international safeguards make it imperative that the NRC have this explicit authority.

Mr. President, our very future depends on the ability of the United States and other countries to prevent the further spread of nuclear weapons. Halting nuclear proliferation is perhaps the most difficult problem of this age. We make the problem more difficult if we abdicate our position of leadership.

For years, the United States has discouraged transfers of sensitive nuclear technology and the use of separated plutonium as a fuel for nuclear power reactors. Yet this administration, with its apparent desire to place commercial profits over nonproliferation goals, seems willing to make the United States a merchant of danger, perhaps even death.

The United States must not permit the "Fifth Horseman" of nuclear terrorism to ride down on some defenseless city. Yet, it rides nearer every time spent reactor fuel is reprocessed to extract plutonium. The United States must not become the supplier of its own doom. This bill will help restore good sense and credibility to our nuclear nonproliferation policy. I urge its prompt consideration by the Congress.

Mr. President, I ask unanimous consent that the text of the bill be printed at the conclusion of my statement.

I also ask unanimous consent that the text of a related resolution I introduced last week calling for a multilateral, verifiable halt in the production of separated plutonium, for any purpose, follow the text of the bill. The statement introducing the resolution can be found at 7858-7859 in the Tuesday, April 27, CONGRESSIONAL RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2505

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Nuclear Nonproliferation Act Amendments of 1982".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the spread of highly enriched uranium and separated plutonium, or the direct capability to manufacture or otherwise acquire such materials, poses a grave threat to the security interests of the United States and to continued international progress toward world peace and development;

(2) technologies for the enrichment of uranium or other isotopic separation of special nuclear materials, for the reprocessing of nuclear fuel, and for the production of heavy water have been used in the production of highly enriched uranium and separated plutonium;

(3) effective safeguards do not now, and will not soon, exist for highly enriched uranium and separated plutonium and for the technologies (including technologies relating to uranium enrichment and other isotopic separation, nuclear fuel reprocessing, and heavy water production) from which such materials are produced;

(4) if exported, these technologies would turn separated plutonium and highly enriched uranium into articles of commerce and thus would gravely increase the risk that nuclear weapons will spread to non-nuclear-weapon states;

(5) it has been the longstanding and consistent policy of the executive branch of the United States Government to prohibit the export of these technologies;

(6) the supplier guidelines of the Nuclear Suppliers Group reflect a consensus among supplier countries to exercise restraint in the supply of these technologies to non-nuclear-weapon states;

(7) a congressional affirmation of this policy can strengthen United States leadership, by example, in persuading other nuclear supplier countries not to export these technologies;

(8) the reprocessing of spent nuclear fuel and the use of separated plutonium and highly enriched uranium cannot be carried out under conditions that will ensure "timely warning" to the United States of any diversion;

(9) in the absence of effective safeguards and international sanctions against violations of non-proliferation commitments, reprocessing and the use of resulting materials subject to United States control would significantly increase the risk of proliferation and should not be approved; and

(10) the activities of United States firms directly or indirectly engaged in foreign nuclear commerce can have a significant effect on United States foreign policy and national security interests and should therefore be licensed by the United States Government.

PRODUCTION OF HIGHLY ENRICHED URANIUM AND SEPARATED PLUTONIUM

SEC. 3. Section 402(b) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2153a(b)) is amended to read as follows:

"(b) Notwithstanding any other provision of law, major critical components of any facility for, and information and other assistance which is relevant to, the enrichment of uranium of other isotopic separation of special nuclear material, nuclear fuel reprocessing, or heavy water production may not be exported or otherwise provided under any agreement for cooperation (except an agreement for cooperation pursuant to subsection 91c., 144b., or 144c. of the 1954 Act) or under any authorization by the Secretary of Energy under subsection 57b.(2) of the 1954 Act. For purposes of this subsection, the term 'major critical component' means any component part or group of component parts which the President determines to be essential to the operation of a complete facility for the enrichment of uranium or other isotopic separation of special nuclear material, for nuclear fuel reprocessing, or for heavy water production.".

REPROCESSING AND RETRANSFERS OF SEPARATED PLUTONIUM

SEC. 4. Chapter 11 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 132. PROHIBITION ON REPROCESSING AND ON RETRANSFERS OF SEPARATED PLUTONIUM.—

"a. Until such time as the Congress enacts a joint resolution in accordance with subsection b. of this section—

"(1) the Secretary of Energy may not grant any approval (under section 131 or otherwise) which is required under any agreement for cooperation (including associated agreed minutes), other agreement, understanding, or assurance, for; and

"(2) an agreement for cooperation (including associated agreed minutes) or other agreement, may not permit;

the reprocessing, or the use or retransfer of any plutonium in quantities greater than 500 grams resulting from the reprocessing, of any special nuclear material which is exported by the United States or produced through the use of any nuclear materials and equipment or sensitive nuclear technology exported by the United States. Paragraph (2) applies with respect to any agreements for cooperation, including any amendments to an agreement for cooperation, associated agreed minutes, or other agreements, which are entered into after May 6, 1982.

"b. The prohibitions contained in this section shall remain in effect until such time as the Congress enacts a joint resolution declaring that the Congress finds that—

"(1) effective international safeguards, which will provide timely warning to the United States of any diversion well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device, can be applied with respect to reprocessed special nuclear material and to separated plutonium; and

"(2) international sanctions against violations of non-proliferation commitments

have been established which are adequate to deter non-nuclear-weapon states from diverting reprocessed special nuclear material and separated plutonium to the manufacture of nuclear explosive devices.".

LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE

SEC. 5. (a) Chapter 11 of the Atomic Energy Act of 1954, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 133. LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE.—

"A. Activities described in subsection b. of this section by any person subject to the jurisdiction of the United States—

"(1) may be engaged in only if authorized under an agreement for cooperation;

"(2) shall be considered to be exports for purposes of the procedures and requirements of section 126, section 127, and section 128, except that any such activities relating to transfers or retransfers of components, items, and substances shall be considered to be exports for purposes of the procedures and requirements of section 109 b.; and

"(3) shall require a license from the Nuclear Regulatory Commission.

"b. The requirements of subsection a. apply with respect to any transfer or retransfer, including any activity which directly or indirectly assists in any way the transfer or retransfer, outside the United States of—

"(1) any source or special nuclear material (including transfers or retransfers of title to any such material),

"(2) any production or utilization facility or any technology pertaining to any such facility,

"(3) any sensitive nuclear technology, or

"(4) any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109 b.,

regardless of the country of origin.".

(b) Section 234 a. of that Act is amended by striking out "or 109" and inserting in lieu thereof "109, or 133".

ADEQUACY OF IAEA SAFEGUARDS

SEC. 6. (a) Section 127 of the Atomic Energy Act of 1954 is amended—

(1) in paragraph (1) by inserting "(A)" immediately after "(1)"; and

(2) by inserting immediately after paragraph (1)(A) as so redesignated, the following:

"(B) The IAEA safeguards to be applied will be adequate to provide timely warning to the United States of any diversion of—

"(i) any such special nuclear material, or

"(ii) any special nuclear material used in any such facility or produced through the use of any such material, facility, or technology,

well in advance of the time at which a nonnuclear-weapon state could transform the diverted material into a nuclear explosive device.".

(b) Section 109 b. of that Act is amended by inserting immediately before the semicolon at the end of clause (1) of the second sentence ", and those safeguards will satisfy the 'timely warning' requirement described in paragraph (1)(B) of section 127".

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Whereas nuclear explosions, whether caused by strategic nuclear war or by bombs placed by terrorist groups, would kill or injure millions of persons, destroy population centers, devastate industrial and technological bases, and threaten civilization; and

Whereas both the expansion of existing nuclear weapons arsenals and the spread of nuclear weapons to countries or terrorist groups not now possessing them, would increase the probability that such destruction and devastation could occur by design, accident, or miscalculation and thus would pose the gravest risk to the security of the United States and the world; and

Whereas separated plutonium is both the basic ingredient for making nuclear weapons and an alternative fuel for nuclear power reactors; and

Whereas if separated plutonium is used as a nuclear power reactor fuel, thousands of pounds of separated plutonium eventually could move each year in international commerce; and

Whereas the world's existing uranium resources and uranium enrichment capacity easily can meet all requirements for nuclear power fuel for the foreseeable future, thus rendering economically unjustifiable the use of separated plutonium as a nuclear power reactor fuel; and

Whereas separated plutonium cannot be adequately protected or safeguarded against diversion or theft to build nuclear weapons; and

Whereas there have been no further negotiations since 1975 among the nations that possess the technology for producing separated plutonium to limit the future export of such technology; and

Whereas the continued and increasing production and use of separated plutonium not only would permit weapons states to expand their nuclear weapons arsenals, but also would increase the chance that new countries or terrorist groups would acquire the means to detonate a nuclear bomb: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the United States, the Soviet Union, and other countries possessing the technology to produce separated plutonium should, without delay, enter into negotiations leading to a verifiable halt in the further production of separated plutonium and the export of the technology for such production so as to prevent separated plutonium from becoming an article of domestic and international commerce; to reduce the risk that nonnuclear weapons countries or terrorist groups will acquire the means to detonate a nuclear bomb; and to halt the expansion of nuclear weapons arsenals around the world; and

(2) the United States and other nuclear supplier and consumer nations should promptly begin negotiations leading to an agreement to reject the commercial use of separated plutonium as a nuclear power reactor fuel, to base civilian nuclear power technology only on nonweapons usable fuel, and to make available abundant, secure, and economic supplies of natural and low-enriched uranium for that purpose.●

By Mr. BENTSEN:

S. 2506. A bill to amend the Internal Revenue Code of 1954 to exempt holdings in independent local newspapers from taxes on excess business holdings of private foundations; to the Committee on Finance.

INDEPENDENT NEWSPAPER SURVIVAL

● Mr. BENTSEN. Mr. President, I am today introducing a bill to help preserve independent newspapers by exempting holdings in independent local newspapers from taxes on excess business holdings of private foundations.

In 1969 section 4943 was added to the Internal Revenue Code. Under this section, all private foundations will be prohibited after May 26, 1989, from owning more than 50 percent of the assets of stock of any business enterprise owned by them on May 26, 1969.

My bill would permit the private foundations which presently own interests in independent daily newspapers to continue that ownership. In addition, it would encourage individuals who own controlling interests in other independent newspapers to bequeath their interests in these newspapers to private foundations since ownership by the private foundation could be continued for more than the present 5-year mandatory divestiture period. Such bequests would accomplish at least two very worthwhile objectives.

First, a significant amount of assets would be irrevocably committed to charitable purposes.

Second, locally owned, independent newspapers would be preserved.

Under current law, continued ownership of independent newspapers is very difficult. If the newspaper is owned by a private foundation, section 4943 mandates its sale. If the newspaper is owned by an individual, the payment of the Federal estate tax obligations incurred upon the death of the principal owner often necessitates sale. The proposal would permit the ownership of only one independent, local newspaper by a private foundation.

To insure the continuation of a broad-based, independent, free press in the United States, the policy of Congress should be to encourage, rather than discourage, the ownership of independent local newspapers throughout the country. The bill I am introducing today would promote that objective.●

By Mr. HAYAKAWA (for himself, Mr. CRANSTON, Mrs. HAWKINS, Mr. HELMS, Mr. LAXALT, Mr. PRESSLER, Mr. SCHMITT, and Mr. SYMMS):

S. 2507. A bill to require a properly executed warrant before an officer or employee of the Immigration and Naturalization Service may enter a farm or other agricultural operation; to the Committee on the Judiciary.

PROTECTING THE FOURTH AMENDMENT RIGHTS OF FARMERS

Mr. HAYAKAWA. Mr. President, today I am introducing a bill to require the Immigration and Naturalization Service (INS) to obtain a properly executed search warrant prior to entering a farm or other agricultural operation. Joining me as original cospon-

sors are Senators CRANSTON, HAWKINS, HELMS, LAXALT, PRESSLER, SCHMITT, and SYMMS.

Currently, the INS must obtain a warrant prior to entering any place of business excepting farms and ranches. Congress must not allow this exception to continue to exist. Farmers are entitled to the same standard of protection that other businessmen enjoy. Simply because a farm is a factory without walls, the Border Patrol blatantly applies a different set of rules.

Farmers have been denied a basic right which is guaranteed under the fourth amendment—protection from unreasonable search and seizure. INS statistics show us that 8 percent of the illegal aliens employed in the United States are working in agriculture. However, almost 50 percent of undocumented alien workers apprehended are in agriculture.

These statistics reflect a bias in the enforcement activities of INS. They demonstrate that the INS is selectively enforcing the law by going to the industry where it is the simplest and most cost effective to carry out the law. This must be changed.

The Border Patrol argues that because agricultural lands are "open fields", they are beyond the scope of protection of the fourth amendment. Their agents need not obtain consent, a search warrant, or show probable cause that some criminal activity is occurring prior to entering a farmer's fields. In short, Border Patrol agents enter agricultural land at will to search for undocumented workers.

However, unlike traditional "open field" cases where law enforcement officers see the so-called "fruit of the crime", the only thing the Border Patrol witnesses are human beings working in the field. It is not until the Border Patrol illegally enters the field that an illegal versus legal status can be determined.

My amendment does not establish any special protection for farmers. It merely guarantees them the same rights and protections enjoyed by every other employer in our Nation. Likewise, the agricultural workers will be protected from the antagonism of impulsive interrogation by the INS.

Harassment of agricultural employers and employees by the INS has gone on for years—agriculture is an easy target. Field workers are easy prey. The bias against agriculture is well ingrained in the Immigration and Naturalization Service. In fact, the President's 1983 budget for the INS included the following justification:

Interior enforcement—Resources in this activity are focused upon locating undocumented aliens who are within the United States following successful entry or violation of status after legal entry. Apprehensions are made through inspection of farms and ranches, by investigation of information about the location of documented aliens, and through investigative casework.

The cavalier attitude of the Border Patrol was most recently displayed in the strawberry fields of Orange County, Calif. by surrounding and moving in on harvest crews with 40 agents on horseback, in jeeps, vans, and a helicopter. Simply because they could see brown-skinned people working in the field, they entered the farm and interrogated the workers. This 40-man task force concentrated on the strawberry fields for a week and not once did they obtain a search warrant or request consent to enter the fields.

I am embarrassed that this legislation is needed. Our system has failed an important sector of our society; we must now take action to protect the rights of farmers. The guarantee of the fourth amendment is basic to the free functioning of our Nation, our economy, and our people.

This bill is simple, direct, and much needed. Mr. President, I request unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2507

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 287 of the Immigration and Nationality Act (8 U.S.C. 1357) is amended by adding at the end thereof the following:

"(d) Notwithstanding any other provision of this section, other than paragraph (3) subsection (a), an officer or employee of the Service may not enter onto the premises of a farm or other agricultural operation without a properly executed warrant.".

By Mr. MITCHELL:

S. 2508. A bill to amend the Internal Revenue Code of 1954 to repeal the requirement that operating capacity must increase for purposes of the energy credit allowed for intercity buses, and for other purposes; to the Committee on Finance.

ENERGY INVESTMENT CREDIT FOR INTERCITY BUSES

● Mr. MITCHELL. Mr. President, I am introducing legislation to provide an additional 10-percent energy investment tax credit for certain intercity replacement buses.

In 1980 Congress enacted as an amendment to the windfall profit tax an additional 10-percent investment tax credit for certain energy-efficient equipment, including intercity buses. Most participants in the legislative process agreed that if energy property is energy-efficient, its use should be encouraged, and buses are extremely energy-efficient. Nevertheless, in a compromise the credit was limited in the case of buses only to those buses which increased the seating capacity of a carrier. The credit did not go to replacement of old buses with new equipment. This makes no sense and in fact discourages carriers from upgrading their fleets. No other energy property was so limited in the tax credit that passed in 1980.

My proposal simply carries out the original intent of the energy property investment tax credit—to encourage the use of energy-efficient property. Under my proposal the credit would apply to replacement buses as well as additional operating capacity.

The additional 10-percent energy investment credit should be expanded to include replacement buses for the following reasons:

First, the limitation of this additional credit to investment attributable to increased operating seating capacity is unique in the Tax Code and is counterproductive. Further, the limitation of the credit to incremental purchases works somewhat to the disadvantage of smaller bus operators who do not have the capital or cash flow to take advantage of it.

Second, the expanded investment credit to include replacement buses would help the industry's cash flow situation somewhat and would, therefore, help to finance a consistent replacement program.

The industry does not have the financial capability to purchase the equipment that is needed to replace and modernize its fleet. During both 1977 and 1978, the industry suffered actual losses if replacement costs are taken into account. In 1979, a return of 12.4 percent of revenues was actually 2.7 percent of equity or 1.2 percent of revenue, under replacement accounting. Such effective losses, and even the small return in 1979, are obviously insufficient to attract equity capital or borrow funds or to finance internally an adequate, consistent replacement program.

Third, the expansion of the additional credit to include replacement buses would especially help smaller bus operators.

The incremental requirement of the added 10-percent energy investment credit appears to be serving as a disincentive for the release of used buses. This is a source relied on by many smaller bus operators who do not have the capital or cash flow to invest in new buses.

Reports show that used buses are almost unavailable for purchase at this time since carriers buying new buses are not now selling their used buses in order to comply with the incremental requirements of the new act. The expansion of the additional credit to include all bus purchases would help open up the used bus market to the smaller bus operators.

Finally, the expansion of the additional investment credit is necessary to modernize the intercity bus fleet at a time when increasing numbers of Americans are relying on the intercity bus as an alternative to the private automobile.

My proposal also clarifies a point which has confused bus operators due to the failure of Treasury to issue regulations under the 1980 law. The law is silent on leasing arrangements. While leasing is not the predominant means by which operators acquire equipment, it is one means by which an undercapitalized, smaller company can place more buses in service. If lessors are allowed to take the credit on the very few cases where leasing takes place, this will help to carry out the congressional intent of expanding intercity bus fleet capacity.

Mr. President, I hope that in this session of Congress we can correct these matters, minor in the overall tax picture, but of profound significance to bus operators, most of whom are small businessmen.●

By Mr. PERCY (for himself and Mr. DIXON):

S. 2509. A bill to amend the Internal Revenue Code of 1954 to clarify the exception from foreign base company income for foreign corporations not availed of to reduce taxes; to the Committee on Finance.

FOREIGN CORPORATION TAXES

● Mr. PERCY. Mr. President, I am introducing legislation with my friend and distinguished colleague Senator DIXON today to correct an arcane problem that has been brought to our attention.

This bill is comparable to legislation introduced in the House of Representatives by our Illinois colleagues, Congressman ROSTENKOWSKI (H.R. 8110) in 1980 and Congressman RUSSO (H.R. 3581) in 1981. There has been a hearing in the House Ways and Means Committee on their bill. As I will explain briefly below, our bill amends the law dealing with the operation of the "Subpart F" foreign tax rules and recognizes that certain business situations in foreign countries did not arise for the purpose of substantially reducing U.S. taxes. I hope my colleagues on the Committee on Finance will promptly schedule a hearing on this legislation.

The U.S. tax laws that have brought about this problem are complex, even for tax lawyers. However, the concepts involved are less complex. Generally, amounts earned by a foreign subsidiary of a U.S. company are not subject to tax in the United States until remitted to this country. However, certain classes of income derived by such a subsidiary are taxable currently in the year when realized even though not repatriated in that year. This latter rule was designed to eliminate the use of foreign subsidiaries organized in tax haven countries to defer the U.S. tax on overseas income while it is retained abroad. An exception is provided where the IRS issues a ruling that neither the organization of the foreign subsidiary nor the transaction giving rise to the income has as one of its significant purposes a substantial reduction in income taxes. In the case of dividends, interest and similar items, a substantial reduction in income taxes is deemed to occur where the effective rate of foreign tax incurred by the foreign subsidiary on that income is less than 90 percent of the U.S. corporate rate. The exception still is applicable even if there is such a substantial reduction, provided that it is not one of the significant purpose for either the formation of the subsidiary or the income-producing transaction. But the IRS has apparently taken the position that the transaction must be considered to have been undertaken for a tax avoidance purpose unless it was compelled by foreign law.

One case has been brought to our attention in which the IRS ruled adversely even though the exception would have applied but for this administrative restriction. In this case, the U.S. company had purchased a majority interest in a foreign corporation that was organized many years earlier to operate a business conducted even before the U.S. Government was formed. The foreign corporation was founded by members of a family residing in its country of incorporation and had been and continues to be engaged in a major business enterprise based in that country. The U.S. company acquired its stock in the foreign corporation from descendants of its founders and, under the business arrangement between the parties, the foreign corporation still is subject to substantial local managerial control.

The foreign corporation operates in its country of incorporation and elsewhere abroad through wholly owned subsidiaries organized in that country and other foreign jurisdictions. To make use of the earnings of profitable subsidiaries in other parts of its business, the foreign corporation had received substantial dividends from them prior to the time our constituent purchased its interest in that corporation. The foreign corporation's management wishes to continue to receive such dividends to finance its business activities. But by imposing its mandatory transaction restriction, the IRS would treat most of these dividends as tainted income and tax the U.S. company on them currently, even though the funds are retained abroad. Over the long term, the IRS position could have an unintended disruptive effect on the corporation's business.

If we are to be competitive with foreign-owned companies abroad, the mere fact of U.S. business ownership should not be allowed to become an impediment to normal business activities. We do not propose to dispense with the necessity of obtaining a ruling from the IRS as to the application of the exception or to eliminate entirely the mandatory transaction restriction. However, there are obvious but very limited instances in which IRS should consider waiving the restriction. In these very limited waiver situations, the taxpayer still would be required to show, where there was a substantial reduction in income taxes, that it was not otherwise one of the significant purposes of the formation of that corporation and the income-producing transaction.

The significant purpose test clearly would be met in our constituent's case if the mandatory transaction restriction were not applicable and therefore our legislation is directed only to the application of that restriction. The formation of the foreign corporation in this case could not have been motivated by tax avoidance purposes since it was organized many years earlier to operate a business conducted even before our Illinois constituent purchased its interest in it. The distribution of the dividends also could not be prompted by such purposes since it would be made in accordance with a practice for financing the foreign corporation's business operations by this means that was in effect before our constituent acquired its interest in that corporation.

Under our legislation, the mandatory transaction restriction would be waived in applying the significant purpose test only if: one, both the foreign subsidiary receiving the income and the foreign subsidiary paying the income are related foreign corporations; two, the U.S. shareholder holds, directly or indirectly, more than 50 percent of each of their stock; three, the foreign subsidiary receiving the income has been in existence for at least 5 years prior to the acquisition of its stock by the U.S. shareholder; four, the foreign subsidiary paying the dividend—or another foreign subsidiary controlled by that company on the date of such acquisition—has been in existence for at least 5 years prior to that date; and five, the foreign subsidiary paying the dividend—or the foreign company controlled by that company—has been engaged in the active conduct of a trade or business during that 5-year period.

Where these conditions are met, the IRS would not take the mandatory transaction restriction into account in determining whether, if a substantial reduction in income tax was present, it was one of the significant purposes either of the organization of the foreign corporation or the income-producing transaction.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objections, the bill was ordered to be printed in the RECORD, as follows:

S. 2509

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (4) of section 954(b) of the Internal Revenue Code of 1954 (relating to the exception for foreign corporations not availed of to reduce taxes) is amended by adding at the end thereof the following new sentence: "This subsection shall apply to the receipt of an item of foreign personal holding company income, whether or not the transaction giving rise to such income was voluntary or was mandated by law, regulations or other action of a foreign government or instrumentality thereof, but only if the recipient and payor of the item of income are foreign corporations that are members of the same affiliated group (as defined in section 1504(a) but without the application of section 1504(b)(3)), a United States shareholder owns (within the meaning of section 958(a)) more than 50% of the stock of both corporations, the recipient and either the payer or another foreign corporation controlled by the payor on such date of acquisition was in existence for at least the five year period ending immediately prior to the date of acquisition of its stock by the U.S. shareholder, and either the payer or such other foreign corporation was engaged in the active conduct of a trade or business during such five year period.".

(b) The amendments made by subsection (a) shall apply to taxable years of foreign corporations beginning on or after January 1, 1982, and to taxable years of United States shareholders within which or with which such taxable years of such foreign corporations end.●

By Mr. CHILES:

S.J. Res. 196. Joint resolution proposing an amendment to the Constitution prohibiting total outlays of the Government from exceeding total receipts of the Government, and requiring reductions in taxes and outlays; to the Committee on the Judiciary.

BALANCED BUDGET AMENDMENT

Mr. CHILES. Mr. President, I am introducing at this time a constitutional amendment which establishes the policy of a balanced Federal budget at a reduced level of spending and taxation. My amendment to the Constitution requires Congress to adopt an enforcement procedure, and I am also introducing an amendment to the Budget Act which provides a workable mechanism to achieve balanced budgets.

Our current economic crisis demonstrates the need for a constitutional amendment. We are faced with such massive deficits that the Nation's credit markets are in a state of panic. The signal they have been getting from Washington is that politicians care more about protecting their pet concerns with tax cuts and spending programs than they care about balancing the budget. It is time we sent a different signal.

Some people have expressed concern that voting for a constitutional amendment at this time will take the pressure off Congress to meet its budgetary responsibilities. It is possible that Members could vote against the tough actions necessary to reduce the deficit, then claim to be fiscally responsible because they voted for a constitutional amendment to balance the budget.

It is for this reason that I have introduced my own amendments rather than support Senate Joint Resolution 58, as reported by the Judiciary Committee. Senate Joint Resolution 58 contains no enforcement mechanism. It would allow one to vote at the beginning of a year for a "Statement of Revenues and Outlays" that was in balance, then vote for big spending as each individual authorizing and appropriations bill came up through the session. My biggest objection to Senate Joint Resolution 58 is that it says nothing about what you do if the sum total of all those individual spending bills adds up to more than was provided in the "Statement of Revenues and Outlays."

I think the public is fed up with empty promises, and we should not write more empty promises into law, far less into the Constitution. My package deals directly with this problem. The constitutional amendment would require Congress to adopt an enforcement procedure.

Further, the amendment of the Budget Act which I will introduce sets out what those enforcement procedures would be. The first step in the procedure would be to tie the Congress regular budget process to the constitutional mandate, by requiring that the first budget resolution balance outlays with revenues, and not increase spending as a percent of the gross national product. The next provision is the key to effective enforcement. The concept of "Reconciliation" as part of the first budget resolution would be written into the Budget Act.

Simply put, the Budget Committee would be required to report, as part of its balanced budget resolution, a set of instructions to the other committees of Congress telling them to make the legislative changes necessary to bring the actual budget into balance. I am proud to have offered the motion at Budget Committee that first started using reconciliation on the first budget resolution. We saved $5 billion in 1980 under that first attempt. Last year, we carried out the 1980 precedent on a much larger scale, and reduced Federal spending by $135 billion over a 3-year period. Now that we have found an effective procedure to cut Federal spending, we can apply it to the goal of balancing the budget.

The next part of my amendment prohibits the spending of funds off-budget. Under current practice, we have about $16 billion a year of off-budget spending in addition to the official deficit. This is a continuing problem. Even last year, as part of the reconciliation bill to cut domestic spending, the Republican-controlled Energy Committee made $3 billion a year of phony savings by simply defining a large program as being "off-budget." The Congressional Budget Office calculated that continuation of that program off-budget will add over $10 billion to the national debt, above what was contemplated in the budget resolution. Unless we specifically prohibit that kind of action, the constitutional amendment could produce a balanced budget and an increasing national debt.

A major weakness of Senate Joint Resolution 58 is that it has no provisions to deal with a budget deficit that appears in the middle or end of a fiscal year. In the 7 years since we started the Budget Committee, I have watched three administrations of both political parties send up unrealistic budget estimates. Each year they overestimate revenues and underestimate outlays. All it takes is a little tinkering with the economic assumptions and the budget comes into balance real fast, at least on paper. For example, each 1 percent change in the unemployment rate assumption moves the deficit up or down by $30 billion a year.

I propose two ways to deal with this problem. First, the amendment requires that the economic assumptions and estimates of revenues and outlays be certified by the nonpartisan congressional budget office. Second, if a deficit occurs in any fiscal year, a temporary tax surcharge would be charged the following year to repay the debt and interest costs of the deficit. In addition to preventing additions to the national debt, this would provide a measure of fiscal discipline. Members who might be inclined to base a budget on overoptimistic assumptions would know that their behavior would become apparent the following year to each and every taxpayer who had to pay the surcharge. This is similar to State government when the legislature must raise sufficient revenue to cover the amount of appropriations they propose.

The amendment allows the balanced budget provisions to be waived in the limited situations of a war or serious recession. A rapid buildup to deal with a military emergency might require Federal borrowing, and we would not want to hamstring our defense capacity. It is also not possible to balance the budget during a recession, since revenues go down when people are out of work and businesses are losing money. To keep this waiver from being abused, my amendment requires that any deficits run during a recession be paid off by surpluses in the following 2 years.

This will make our fiscal policy truly countercyclical, and improve economic stability. In the past, Congress has

been quick to run stimulative deficits to counter the downside of an economic cycle. But somehow, we are never willing to run a surplus on the upside to repay our debt and fight inflation. This provision is another improvement on the approach of Senate Joint Resolution 58, which has a waiver mechanism, but no payback.

In summary, Mr. President, I believe this represents a workable package, which couples a balanced budget constitutional amendment with a detailed revision of the Budget Act to enforce it. We have thus taken into account both the goal of the balanced budget, and the legislative procedures and pressures which have created massive deficits and a national debt that now exceeds $1 trillion. I hope the Budget and Governmental Affairs Committee will review these Budget Act amendments rapidly and report them, so we can consider them at the same time as the constitutional amendment.

Mr. President, I ask unanimous consent that the text of the joint resolution and a table comparing this amendment with Senate Joint Resolution 58 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 196

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after its submission to the States for ratification:

"ARTICLE—

"SECTION 1. In exercising its powers under Article I of this Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 2. The Congress shall by the close of each fiscal year, take such actions as may be necessary to reduce—

"(1) the ratio (stated as a percentage) which total taxes collected by the Federal Government bear to the Gross National Product; and

"(2) the ratio (stated as a percentage) which outlays of the Federal Government bear to the Gross National Product;

from those ratios which existed for the prior fiscal year.

"SEC. 3. Within one year after the date on which this Article is ratified, the Congress shall adopt such amendments to the Congressional Budget and Impoundment Control Act of 1974 or any successor Act as may be necessary to carry out the first section and section 2.".

CHILES BALANCED BUDGET AMENDMENT COMPARED TO S.J. RES. 58

Provisions	S.J. Res. 58	Chiles amendment
Policy: Balanced budget	1. Outlays shall not exceed receipts. 2. Limit annual growth in receipts to change in national income; no definition of who estimates national income or receipts; not apply if majority of Congress passed bill directed solely to increasing revenues	1. Same. 2. Limit annual growth in outlays to change in gross national product (GNP); specifies nonpartisan Congressional Budget Office as estimator of outlays and GNP.
"Off-Budget" spending	No provision.	PROHIBITED.
Debt from "Unanticipated Deficits"	No provision.	Temporary tax surcharge mandated for following year.
Enforcement mechanisms	None.	1. Constitutional amendment requires Congress to amend Budget Act within 1 yr to include enforcement procedures for balanced budget. 2. Package includes Budget Act amendments: (a) 1st resolution "Reconciliation" instructions require committees to report legislative changes necessary to achieve balanced budget in following fiscal year. (b) Makes 5-yr spending limits binding. (c) Prohibits inclusion of cost-increasing or nonbudgetary provisions in a reconciliation bill. (d) Makes committee and subcommittee allocations binding, with a point of order against any bill which breaches ceilings; closes entitlement loophole.
Waivers	1. Declaration of war. 2. ⅗ vote of both Houses under any circumstances.	1. Declaration of war, or U.S. troops engaged in combat. 2. Majority vote only in case of recession.
Payback if waiver is invoked	No provision.	Provides for surplus in years following recession waiver, in order to pay back any increase in national debt and associated interest costs within 2 succeeding years.

ADDITIONAL COSPONSORS

S. 294

At the request of Mr. GLENN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 294, a bill to establish an Interagency Committee on Arson Control to coordinate Federal antiarson programs, to amend certain provisions of the law relating to programs for arson investigation, prevention, and detection, and for other purposes.

S. 1407

At the request of Mr. PRYOR, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1422

At the request of Mr. GRASSLEY, the Senator from Florida (Mr. CHILES), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 1422, a bill to authorize the donation of surplus property to any State for the construction and modernization of criminal justice facilities.

S. 1450

At the request of Mr. CANNON, the Senator from North Dakota (Mr. BURDICK), and the Senator from Pennsylvania (Mr. HEINZ) were added as cosponsors of S. 1450, a bill to provide for the continued deregulation of the Nation's airlines, and for other purposes.

S. 1931

At the request of Mr. SCHMITT, the Senator from Alabama (Mr. DENTON), the Senator from Washington (Mr. JACKSON), the Senator from Nevada (Mr. CANNON), the Senator from Texas (Mr. BENTSEN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 1958

At the request of Mr. DOLE, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 1958, a bill to amend title XVIII of the Social Security Act to provide for coverage of hospice care under the medicare program.

S. 1984

At the request of Mr. BURDICK, his name was withdrawn as a cosponsor of S. 1984, a bill to amend the Federal Trade Commission Act to protect the legislative and regulatory authority of the State legislatures, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER), the Senator from Utah (Mr. GARN), the Senator from Arkansas (Mr. BUMPERS), and the Senator from Iowa (Mr. GRASSLEY) were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2226

At the request of Mr. LUGAR, the Senator from Michigan (Mr. RIEGLE), the Senator from California (Mr.

CRANSTON), the Senator from Nevada (Mr. CANNON), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 2226, a bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2300

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of S. 2300, a bill to establish domestic content requirements for motor vehicles sold in the United States, and for other purposes.

S. 2353

At the request of Mr. BENTSEN, the Senator from Iowa (Mr. GRASSLEY), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Florida (Mrs. HAWKINS), and the Senator from Louisiana (Mr. LONG) were added as cosponsors of S. 2353, a bill entitled "The Life Insurance Taxation Act of 1982."

S. 2362

At the request of Mr. ARMSTRONG, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S. 2371

At the request of Mr. SASSER, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 2371, a bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions and payments to sheltered workshops.

S. 2414

At the request of Mr. INOUYE, the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 2414, a bill to amend the Shipping Act, 1916, to provide for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.

S. 2466

At the request of Mr. HATCH, the Senator from California (Mr. CRANSTON) was added as a cosponsor of S. 2466, a bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported roses consistent with those maintained by the European Economic Community on imports of roses from the United States and other nations.

S. 2479

At the request of Mr. SYMMS, the Senator from Maine (Mr. COHEN) was withdrawn as a cosponsor of S. 2479, a bill to amend the Internal Revenue Code of 1954 to treat certain interests as closely held businesses for estate tax purposes, to prevent the acceleration of estate tax installment payments in certain situations, and for other purposes.

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 189

At the request of Mrs. HAWKINS, the Senator from Delaware (Mr. ROTH), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of Senate Joint Resolution 189, a joint resolution to authorize and request the President to designate May 25, 1982, as "Missing Children Day."

SENATE JOINT RESOLUTION 190

At the request of Mr. BURDICK, the Senator from West Virginia (Mr. RANDOLPH), the Senator from North Carolina (Mr. EAST), the Senator from Maryland (Mr. SARBANES), the Senator from Indiana (Mr. QUAYLE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. ABDNOR), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. MCCLURE), the Senator from Arizona (Mr. GOLDWATER), the Senator from Washington (Mr. GORTON), the Senator from Nevada (Mr. CANNON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Mexico (Mr. DOMENICI), the Senator from Nebraska (Mr. EXON), the Senator from Indiana (Mr. LUGAR), the Senator from Idaho (Mr. SYMMS), the Senator from Nevada (Mr. LAXALT), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Utah (Mr. GARN), and the Senator from Georgia (Mr. MATTINGLY) were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. EXON, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of Senate Concurrent Resolution 80, a concurrent resolution relating to interest rates.

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. GLENN, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson.

SENATE RESOLUTION 363

At the request of Mr. SASSER, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Maryland (Mr. SARBANES), the Senator from Montana (Mr. BAUCUS), and the Senator from West Virginia (Mr. ROBERT C. BYRD) were added as cosponsors of Senate Resolution 363, a resolution expressing the sense of the Senate with respect to Federal funding for fossil fuel programs.

SENATE RESOLUTION 386—RESOLUTION RELATING TO THE GATT MINISTERIAL MEETING

Mr. DANFORTH (for himself and Mr. BENTSEN) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 386

Whereas the Constitution vests in the Congress of the United States the authority to regulate commerce with foreign nations, and the Congress exercises this responsibility in part by authorizing the President to establish international trading relationships that are consonant with congressionally articulated trade policies;

Whereas the contracting parties to the General Agreement on Tariffs and Trade (GATT) have agreed to hold a ministrial-level meeting in November of this year, the purposes of which are to review the operation of the GATT and its associated trade agreements, to discuss issues concerning the current world trading system, and to establish the future course of international trade negotiations;

Whereas the Senate is especially concerned that—

(1) existing trade agreements may not be fully adequate to prevent damaging distortions to United States and foreign agricultural markets resulting from unfair trade practices, especially subsidization;

(2) barriers to trade in services and trade-related investment increasingly prejudice United States trade and must be brought under the common discipline of internationally agreed rules; and

(3) the rapid development of new technologies and new industries, fostered by governments' diverse domestic industrial and trading policies that target particular sectors for protection and aid, increasingly distort traditional trading patterns and rules to the detriment of competitive United States industries; and

Whereas the negotiating objective specified in section 107 of the Trade Act of 1974—to obtain an effective safeguards agreement—has not been realized: Now, therefore be it

Resolved, That it is the sense of the United States Senate that the United States should seek through the GATT ministerial meeting agreement among the contracting parties—

(1) to review the adequacy of the agreements concluded in the Tokyo round of multilateral trade negotiations, with particular emphasis on the disparate treatment of primary and nonprimary products provided in the agreement on implementation and application of articles vi, xvi, and xxiii of the GATT (the subsidies code) and on the disputes settlement provisions;

(2) To commence the process leading to international arrangements to reduce or to eliminate restrictions on trade in services, trade-distorting investment restrictions, and

barriers to trade in high technology products; and

(3) To complete negotiations on a comprehensive agreement on safeguards; be it further

Resolved, That the United States Government should facilitate the process of achieving domestic and international concensus on the nature of the fast-changing and increasingly integrated world trading system, especially as affected by the rapid introduction of new technologies and adoption of industrial targeting policies, by establishing domestic and international commissions, composed of experts from the public and private sectors, charged with analyzing and making recommendations on these issues.

● Mr. DANFORTH. Mr. President, I offer today with Senator BENTSEN a resolution expressing the sense of the Senate about an important meeting of signatories to the General Agreement on Tariffs and Trade (GATT) to be held next November in Geneva. This gathering of trade ministers from approximately 100 countries is the first major GATT meeting since the Tokyo round of multilateral trade negotiations was completed in 1979. The United States, through our trade representative, Ambassador Bill Brock, will play a leadership role in focusing this meeting on the major trade issues facing us today. I thus believe it is important for the Senate to record its views on what the United States should seek to accomplish there.

As chairman of the Finance Committee's Subcommittee on International Trade, I presided over a hearing March 1 on prospects for the GATT ministerial meeting. I was impressed with the strong interest evinced by both administration and private sector witnesses in preparing for a meaningful meeting. Further, the testimony at the hearing, following other recent hearings of the subcommittee, suggested a concensus on what should comprise the November agenda.

Mr. President, this resolution reflects that concensus. It first urges that the Tokyo round agreements, which the Congress approved and implemented in the Trade Agreements Act of 1979, be reviewed to determine whether they are adequate to achieve their intended purposes. The subsidies code in particular has been of great concern to our subcommittee's members because of apparent disregard by the European communities of its provisions on agricultural export subsidies. Members of the Senate will recall that Senator BENTSEN explained these problems very clearly last February in several statements on the floor. Our hope is that the several cases brought by the United States that are currently pending before the GATT will rectify some of these problems for our agricultural exporters; nevertheless, we feel the code itself should be reviewed.

Second, the resolution calls for a commitment among GATT signatories to commence negotiations on issues increasingly affecting world trade. These issues include trade in services, trade-related investment restrictions, trade in high technology products, and safeguards measures. In this regard, the subcommittee will hold a hearing May 14 on S. 2058, introduced by Senators ROTH, CHAFEE, and INOUYE, that among other things clearly spells out as a U.S. negotiating objective the achievement of an agreement on trade in services.

Finally, the resolution urges that this country take the lead in promoting the establishment of commissions that will analyze, as a prelude to future negotiations, important new government-induced distortions of trade that are radically different from anything heretofore addressed on a multilateral basis. One of the witnesses March 1, Mr. Harold Malmgrem, well described how nation's various industrial policies, that both foster and protect certain targeted industries, will increasingly distort trade flows in a way threatening the existing international system. These industrial policies raise particularly difficult issues implicating sovereign concerns that will not be addressed easily as matters of international trade. For this reason, we believe the precedent set by the Williams and Ray commissions in the late 1960's and early 1970's should be repeated. Those groups of private and public sector experts extensively analyzed nontariff trade barriers and made recommendations that formed the foundation of the Tokyo round. Many here and abroad believe this example is well worth undertaking again.

Mr. President, the Senate and Congress have an important role in monitoring the preparations for the GATT ministerial and the course it embarks on with this country as a passenger. I believe this resolution will serve well to chart our concerns for the trade representative as he prepares for this important meeting.●

● Mr. BENTSEN. Mr. President, I am pleased to join with my distinguished colleague on the Finance Committee and chairman of the Subcommittee on International Trade, Senator DANFORTH, in sponsoring a resolution to express the sense of the Senate on the goals of the United States for the November 1982 ministerial level meeting of the General Agreement on Tariffs and Trade (GATT).

When the so-called Tokyo round of negotiations was completed in early 1979, I participated as a member of the Finance Committee in drafting the Trade Agreements Act of 1979, the most complete and detailed implementation of the Tokyo round agreements by any legislature anywhere in the world. In that legislation, many vestiges of protectionism that remained in U.S. law were given up for the sake of free trade. Yet today, Mr. President, the GATT is in more trouble than it was before we began to work on the Tokyo round agreements. European agricultural subsidies stifle our agricultural exports and those of many of our best friends around the world, while a web of quotas and less obvious nontariff barriers restrict many of our exports to Japan. Industrial policies restrain exports of our high technology goods, all the while targeting this country for subsidized high technology imports in the future. There is so much disappointment with the GATT that the ranks of those who support free trade in the United States are wavering. Why should the American farmer, the traditional advocate of free trade in the United States, support a system that has resulted in prices that are relative to his income the lowest since the Depression? Why should the innovative high technology producer support free trade when he finds barriers abroad and subsidized competition at home?

So we are facing a time of discouragement with the international trading system, Mr. President, and yet our hopes for the GATT must be modest. For example, this resolution urges the ministerial level conference to take up the problems of implementing the Tokyo round and improving trade opportunities in high technology products. Successful work programs for the GATT in these two areas alone would result in millions of dollars of increased U.S. exports, improving our overall economic performance substantially.

Mr. President, trade is now an important aspect of our economic life. It is amazing to most Americans, considering the trading problems we have, that the United States has the largest share of total free world exports of any Western democracy. Over 15 percent of free world exports originate in the United States. Exports are almost 8 percent of our gross national product (GNP) and 18 percent of our total production of goods. Imports run similar percentages.

At the same time, we no longer are the most dominant economic force in the world. Japan produced less than 9 percent of total world exports and manufactures in 1970; it produced nearly 15 percent in the second quarter of 1981. We are now first among equals, the leader of the system, but a leader that requires cooperation and consideration from the other members of the system. This resolution expresses the sense of the Senate that we should continue to provide leadership for the free trading system because that is in our own interest, but it also expresses concern that there be a substantially increased degree of cooperation from trading partners in order to keep the GATT machinery functioning.

Mr. President, I urge serious consideration of this resolution by my colleagues as the first step in rebuilding the shakey foundations of the multilateral trading system.●

SENATE RESOLUTION 387—ACCLAIMING THE NEW WORLD FESTIVAL OF THE ARTS

Mr. CHILES (for himself and Mr. PELL) submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 387

Whereas the New World Festival of the Arts is an unparalleled cultural celebration, an assembly of major artists in the visual and performing arts brought together to display their works;

Whereas the New World Festival of the Arts represents a unique concept in artistic entertainment, a full month of scheduled major works, organized and located in one urban center;

Whereas the New World Festival of the Arts is the "premiere of premieres", introducing twenty-seven world premieres: thirteen in music, seven in dance, four in drama, and one in opera, musical theatre, and art;

Whereas the New World Festival of the Arts is an international festival of the Americas, highlighting the works of artists from Central America and South America, as well as from the United States;

Whereas the New World Festival of the Arts is indicative of the vitality of cultural life in the United States; and

Whereas the Senate is interested in promoting the cultural vitality of the country, and the artistic exchange among the countries of the Americas: Now, therefore, be it

Resolved, That the Senate congratulates the people and leaders of Greater Miami and Dade County, Florida, for their efforts, and acclaims the New World Festival of the Arts as a major cultural and artistic event.

● Mr. CHILES. Mr. President, today, I am introducing a resolution to herald the coming of a very special event to south Florida. From June 4 to 26 of this year, Greater Miami and Dade County will host the New World Festival of the Arts, an international spectacle of the performing and visual arts. Some of you may already be familiar with the festival, as the event has been publicized and acclaimed by cultural interests all over the Nation. In fact, just in the past few weeks there have been advertisements and feature pieces in principal newspapers and periodicals across the country. But for those of you who are not yet aware of the affair, I am here to tell you that it will be an unprecedented cultural extravaganza. For 23 days and nights, Miami will be aglow celebrating the arts of the Americas. The festival will feature major productions in music, dance, opera, theater, and the visual arts created and performed by famous artists and performers from throughout North America, Central America, and South America. Included in this ambitious agenda are over 200 live performances, 27 of which are world premiers commissioned expressly for the festival. Among the more notable artists participating in the celebration are Tennessee Williams, Cynthia Gregory, Edward Albee, Geoffrey Holder, Zubin Metha, Chick Corea, Lanford Wilson, and many, many more. All and all, the festival promises to make the Miami area the place to be this June; for 3 weeks, it will transform the area into the cultural entertainment center of the Western Hemisphere.

The New World Festival of the Arts is the creation of Mr. Robert Herman, who continues to shape its development while serving as executive director. Mr. Herman is also general manager of the Greater Miami Opera, one of the leading companies in the United States. Mr. Herman's idea was basic, yet unique and tremendously ambitious: He wanted to organize an annual artistic event which would stage major productions in a number of different artistic media. The event would draw on the talents of major artists and performers from all over the globe, and through this international recipe, would encourage worldly exchange in the arts. Essentially, it would be a yearly showcase for some of the world's greatest creative artists.

As a further example of prestigious bill that has been planned, the following groups will be highlighted: the Israel Philharmonic; the Minnesota Orchestra; the New World Ballet Company; the Paul Taylor Dance Company; the Chamber Music Society of Lincoln Center; and the Fusion Dance Company. To convey a sense of the international flavor the festival will offer, I would cite: The Maracaibo Symphony of Venezuela, which is acclaimed as South America's finest orchestra; Camerata Bariloche, the famous Argentine chamber orchestra; Omar Mejia, the world renowned Salvadoran pianist; Caio Pagano, Brazil's most famous pianist; and the Five Points of View Exhibit, which will present the diversity of styles and influences of five prominent Latin American artists: Botero, Cruz-Diez, Manzur, Sanchez, and Zuniga.

As for the choice of location, what better place than Miami could have been selected as the home for an inter-American arts festival. Miami has traditionally served as the bridge between the people and cultures of the Americas. Its tropical climate, its position as a point of entry for those entering from the south, and its thriving commercial atmosphere have combined to attract people from other American countries to settle there. In fact, there is probably no city in the country which sustains as many different American cultural groups as Miami; it is a true pan-American city. In addition to its diversified makeup, it is important to note that Miami has also experienced a tremendous swelling of artistic interest on the part of its citizens. The people of the Greater Miami area have in the past few years demonstrated a support and generosity for the arts which is much envied by cultural interests in other cities. In short, the city is a unique cultural crossroads which is ripe for a major artistic celebration, such as the New World Festival of the Arts.

I am introducing this resolution to acclaim the New World Festival of the Arts because I believe it represents an extraordinary artistic event. I feel that all those connected with this momentous undertaking deserve recognition and praise. In a broader perspective, however, I am also placing this resolution before you as means through which the Senate can express its continued support for the arts, and for cultural exchange in the arts among the countries of the Americas. Any one with a concern about the vitality of the arts in the United States has, in my mind, an interest in the success of the New World Festival of the Arts. In the future, the festival could easily become one of the world's foremost annual artistic affairs. In light of this potential, I feel that an expression of support through a Senate resolution is warranted. I realize that we have more pressing matters before us today than the state of the arts in this country, but I think it is important that, from time to time, we turn our attention to the vital contributions that art makes to improving the quality and color of our lives. As the American artist, Robert Motherwell said, "Art is less important than life, but what a poor life without art."

In closing, I hope other Senators will join me in sponsoring this resolution which aims to promote art and artistic exchange through acclaiming the New World Festival of the Arts. In effect, we will be supporting the cultural enrichment of our society through art.●

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1441

(Ordered to be printed and to lie on the table.)

Mr. Hayakawa (for himself and Mr. MATTINGLY) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1442

(Ordered to be printed.)

Mr. MOYNIHAN (for himself and Mr. ROBERT C. BYRD) proposed an amendment to the bill (S. 2248) supra.

AMENDMENT NO. 1443

(Ordered to be printed.)

Mr. ROBERT C. BYRD (for himself and Mr. MOYNIHAN) proposed an amendment to the bill (S. 2248) supra.

AMENDMENT NO. 1444

(Ordered to be printed and to lie on the table.)

Mr. CRANSTON (for himself and Mr. CHAFEE) submitted an amendment intended to be proposed by them to the bill (S. 2248) supra.

Mr. CRANSTON. Mr. President, I am proposing an amendment today with Senator CHAFEE to the defense authorization bill for fiscal year 1983 to reduce the growth rate of funding for the low altitude defense system (LoADS), which is part of the Army's ballistic missile defense program. I am proposing this amendment because the greatly accelerated LoADS program is a mistake at this time. It is unnecessary and it is a misallocation of funds. The accelerated LoADS program is neither carefully planned nor well-coordinated. And most importantly, we have not adequately considered the implications of how a specific program like LoADS, or a ballistic missile defense (BMD) in general, will affect our national security.

This amendment will return the LoADS program to a reasonable rate of growth. Last year, the Congress authorized $241 million for LoADS. This year the administration has asked for $662 million—an increase of more than 150 percent. I propose to provide the LoADS program with a 5-percent real growth rate, funding the program at $277 million. This allows for inflation and gives the Army adequate funds to proceed with the LoADS R. & D. program.

What the administration has asked for is excessive. The Army has not provided sufficient justification for it. The request is unreasonable in the absence of a decision on a basing mode for the MX missile. Because of this last point, the House Armed Services Committee cut $468 million from the LoADS program. I have not proposed such a drastic cut. I am proposing a higher funding rate than the House; this amendment reduces funding for LoADS by only $385 million. By slowing the rate of funding growth, we will have a better opportunity to look at the critical national security and arms control policy questions that surround this issue.

LoAD is an ABM (anti-ballistic missile) system that the Army has been working on at a research and development level for several years. It is designed to intercept reentry vehicles (RV's) at very low altitudes just before the incoming missiles hit their designated targets. LoADS is one of the options currently being considered as a partial solution to making some of our land-based ICBM's more survivable in the unlikely event of a Soviet first strike.

Under the ABM Treaty, which the U.S. and the U.S.S.R. signed in 1972, research and development projects for ballistic missile defense are permitted. Both nations have such projects. Funding for the U.S. ballistic missile defense program has been at a constant and steady pace from 1974 until 1981. I would like to include at this point in the RECORD a funding chart for 1974 to 1981. LoADS is part of this effort.

Funding for U.S. ballistic missile defense program fiscal year 1974–83

[In millions of current dollars]

Fiscal year:	
1974	172.0
1975	212.0
1976	197.0
1977	202.7
1978	213.5
1979	227.5
1980	240.7
1981	266.6
1982	462.1
1983 (requested)	870.6

While U.S. funding for BMD research was steady during the last decade, interest in it has picked up considerably as the chart shows since the beginning of the Reagan administration, as it continued to search for ways to base the MX. When President Reagan cancelled the multiple protective shelter basing mode for the MX, he proposed three possible options for a permanent MX basing system. Ballistic missile defense is one of the three options under active consideration.

If funding levels are an indication, BMD clearly is the most likely option. The two other options, the continuous patrol aircraft and the deep underground basing system, are receiving only one-tenth the amount requested for BMD. The funding request for BMD and related programs for this year is over $1 billion. The Reagan administration has proposed to almost quadruple funding for BMD in the last 2 years. LoADS represents a major portion of this increased funding. In fiscal year 1981, research and development for BMD were $266.6 million. The requested amount for fiscal year 1983 is $870.6 million. Funding for the LoADS program in fiscal year 1982 was $246.1 million. The requested amount this is $662 million.

This rate of funding means that we are embarked on a major weapons program. The rate of funding presents strong evidence that this administration intends to deploy some kind of ABM system. In all likelihood this also means that this administration intends to make drastic changes in the ABM Treaty, or actually abrogate it. I am deeply concerned that we are thoughtlessly moving in the direction of deploying an ABM system without adequate consideration of the consequences and without having a clear policy. This type of funding creates a tremendous momentum for a program and builds a constituency for it both in the Government and in private industry. Policy becomes driven by the weapon system rather than the other way around. We complain about this problem time and again. For once, let us do something about it.

Concern about this process is widespread. Before we go too far down the road with ballistic missile defense, before we find ourselves boxed in our options limited because we have spent so much money on one program that it seems impossible not to proceed no matter what the merits of the programs are, I think that a number of issues must be raised.

We must consider what the cost of any BMD system would be.

We must consider what the effects of a deployed BMD system would be for our national security.

We must consider what would be the effects on arms control and what it would mean to direct the arms race into defensive systems of dubious effectiveness.

These are critical policy questions. They need to be resolved. I hope that we can make a beginning today to address and to debate publicly these issues.

Let me say at the outset of the debate that I think it is important to continue reasonable funding for research on ballistic missile defense concepts. Such R. & D. efforts protect the United States from a possible breakout by the Soviets and insure that we maintain the option of deploying some sort of ballistic missile defense if we determine that we need to. I have supported R. & D. efforts for these purposes and I will continue to do so.

But I do have major reservations about the accelerated LoADS program that I would like to discuss.

POTENTIAL COSTS OF LOADS

Presumably, the rationale for speeding up the LoADS program was to keep it concurrent with the MX program. I have strong reservations about deploying a LoAD system or any sort of BMD system. I will go into these reservations later. But in light of the action that the Senate Armed Services Committee took to defer production of the MX missile for a year because of the uncertainties surrounding the basing mode—a very sensible action which I strongly support—it makes no sense to speed up the LoADS program. We are currently in the peculiar position of speeding up one program—LoADS—while we are slowing down

the other—MX. Yet the administration is justifying acceleration of LoADS on the grounds it is needed for the MX. This is a confusing situation to say the least. One might be able to justify a crash program of LoADS if one knew what the MX basing system would be or how one wanted to defend it—if at all. We, however, at the present do not know any of these things. And until we do know, it is unnecessary and a waste of the taxpayers' money to accelerate the LoADS program.

What happens if we decide not to proceed with a basing mode that would use LoADS? Then we will have expended money in a most extravagant manner. We simply must not do this.

A related expense incurred because we do not have a decision on a permanent basing mode for the MX is the difficulty of trying to devise a common system to meet all the possible MX basing mode options. We do not know if the final decision will call for a fixed, mobile, or deceptive ballistic missile defense, assuming that we want one. So the Army is forced to try to design a common strategy for all contingencies. This increases the costs of the program. It is an extravagant way to proceed. There is no justification for it.

The confusion created by not having a permanent basing mode is costing us dearly in terms of money. Seven months ago, the LoADS program was designed for the multiple protective shelter MX basing mode proposed by President Carter. But since the cancellation of this basing mode by President Reagan, the Army has had to make major changes in its BMD programs. The Army's mission now appears to be to come up with a BMD system for all seasons. And it clearly does not know quite how to go about it. The confusion is demonstrated by the fact that the Army was not able to provide specific cost figures for this program before we began debate on this bill.

We seem to be following a policy of giving the Army the money and letting it figure out how to spend it. I am confident that the Army will be able to come up with something, but I do not think that this is the way to run a Government program.

Just on these concerns alone, I believe that a reduction in the rate of growth in the LoADS program is necessary. But over and beyond these points, there are larger costs of any ballistic missile defense system that need to be considered, be it LoADS or some other kind of BMD. Funding for the entire BMD program at the R. & D. level is estimated at about $1 billion this year and $1 billion for fiscal year 1984. Beyond that the Army does not have figures. But I remind my colleagues that this is just research and development. Let us consider what a deployed system might cost. We do not really know. There are so many uncertainties that it is impossible to have a good estimate. But some of the "rough" estimates indicate that this is a very expensive program. One option that is being considered for LoADS is to defend fixed sites such as the Minuteman III silos. This is one of the simpler proposals, so presumably it should also be one of the least expensive. Rough estimates provide a range for deploying such a LoAD system between $17 billion and $25 billion. This is in addition to what it will cost us to build the MX. Is it worth it? Is it cost effective? Now is not necessarily the time to make the final decision on this question, but we need to be aware that we are going down an expensive road.

But there is yet another consideration in the cost of any BMD system. We do not live in a vacuum. In the event that we decide to deploy a BMD, we can be virtually assured that the Soviets would do the same. We must then consider what effect a Soviet ABM system would have on our offensive strategic forces. Many believe that we would have to make major design changes to all three legs of the Triad because of the lost of penetrability due to defended Soviet targets. Try to envision the tens—if not hundreds—of billions that could conceivably cost us.

In this time of exceedingly tight budgetary constraints, when we are desperately trying to bring down the unprecedented Federal deficit, we do not have money to throw at programs. We never have. But the pressure is greater now than ever to insure that we do not waste money. We must insure that we do spend the scarce resources in the best possible way to have the best defense possible. I do not believe that the current funding level for LoADS is the best use of scarce and limited sources.

THE NATIONAL SECURITY IMPLICATIONS

Let us assume for a moment that it is worth the cost to deploy an ABM system. What are the objectives? To have a more survivable land-based ICBM force. But will the LoADS provide this? It seems dubious at this point. Secretary Weinberger said last fall that what we have now—which is essentially the LoADS program—is only 50 percent effective. Many experts argue that LoADS alone cannot measurably improve the survivability of our land-based ICBM's. To work it would require a layered defense system. But while most of the technology for LoADS is at hand, the overlay system, which requires stopping the incoming missile in the outer atmosphere, is on the frontier of technology. Far—if ever—from being used as a BMD. And many experts doubt that we can ever solve the technical problems of the atmospheric overlay.

The military does not know if a BMD system will do what it is supposed to do—make the land-based ICBM's more survivable. The members of the House and Senate Armed Services Committees, in an effort to get an answer to this basic question, required a study from the Secretary of Defense in the fiscal year 1981 defense authorization bill on the contributions that the strategic defensive technologies could make to increased ICBM survivability. The study was due on February 1, 1981. Over a year later we are still waiting for the report.

Once again we have the cart before the horse. Should we not have the answer to this question before we go plunging ahead with a BMD program? This is a critical policy decision. But evidently the Secretary of Defense still does not have an answer to this basic policy question.

Thus, are we betting on unproven technology to save our ICBM's? It appears that we are. And what are we losing? We are losing penetration capability for our strategic forces because we must assume that the Soviet Union would deploy an ABM system. This will make our strategic forces less effective and, as I mentioned, very possibly force us to make major redesigns. As Secretary Orr noted this year in testifying before the Senate Armed Services Committee:

> Expanded Soviet BMD deployment, beyond the limits of the ABM Treaty, would require us to take steps to preserve the military effectiveness of our ballistic missile arsenal.

There are other troubling problems with a deployment of a ballistic missile defense. What would be the effect on the deterrent forces of the French, the British, the Chinese? The effectiveness of these forces would be seriously eroded by the deployment of a Soviet ABM system.

What about the priorities? This is a large sum of money for BMD which will drain needed resources from other areas—particularly the conventional forces? Can the Army afford to do this now? I think not.

ARMS CONTROL QUESTIONS

The national security advantages of a ballistic missile defense are dubious. When one considers the arms control implications, the possible benefits of a BMD dim even further.

The ABM Treaty, which we signed with the Soviets in 1972, is the most effective arms control treaty that we have. The Secretary of the Air Force in his posture statement for this year confirmed that the Soviets are complying with the treaty. This agreement has saved the United States tens of billions of dollars by not having to deploy ABM systems and has helped insure the maintenance of our nuclear deterrent.

Why then is the Reagan administration so anxious to undercut this treaty? It seems to me that we are like the dog in Aesop's Fable. That dog has a bone but upon looking in the river sees his own reflection. Thinking that the dog he sees has a bigger bone than he, he dives into the river and comes up with nothing. That is what we may well end up with—nothing. We should learn something from Aesop's Fables if not from history. We should learn not to be enamoured by technologically enthralling concepts, concepts like the MIRV which were technically appealing but in the long run have reduced our security, not enhanced it. One reason we must now go through the agonizing and tremendously expensive process of modernizing our strategic forces to protect them against Soviet MIRV's missiles, is because we did not reach an arms control agreement on MIRV's.

Yet some in the administration are apparently actively considering doing away with the treaty. Until the concept of dense pack surfaced, any BMD system contemplated—any feasible BMD system—would require that we drastically alter or abrogate the ABM Treaty. We do not know enough about dense pack yet to say one way or the other. But what security will we buy by entering into another costly and dangerous round of the arms race? Will we really feel safer knowing that a fewer number of Soviet nuclear warheads can get through?

Some argue that we will be more secure and our ICBM's more survivable if we increase the cost to the Soviets to take out one of our missiles by deploying an ABM system. The argument runs that the Soviets would be less inclined to attack if for example, it cost them, six missiles to knock out one of ours. But we have seen nothing to indicate that the Soviets would be deterred by that cost. We have no indications that the Soviets would not continue to build more warheads in the absence of arms control agreements. And who is to say what the ratio should be? Some in the administration feel that the ratio would have to be as high as 40 to 1 to deter the Soviets. Thus far, that is technologically far beyond anything we have and it will continue to be for many years.

But this begs the question of whether leakage is acceptable and who will decide how much leakage is acceptable? Anyone who has read Jonathan Schell's book, "The Fate of the Earth," has been reminded of the devastation, destructive effect of a nuclear explosion—no matter where it is. And I am sure that the residents of whatever area a BMD is deployed take cold comfort in knowing that more of our ICBM's are protected when the surrounding area in which they live will be devastated.

Mr. President, there are too many unanswered questions about the LoADS program, about out policy with respect to ballistic missile defense, and about the ramifications of a BMD system for us to charge ahead now. There is no justification for it. We should explore all the options. But as we do so, we should examine the ramifications as well. I intend to do so. And I believe that the amendment I have offered today will help us to do so. It provides for a reasonable LoADS program. It helps, I hope, to focus on the whole picture. Thus, I hope my colleagues will support it.

I ask unamious consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1444

On page 19, line 13 strike "$4,455,341,000" and insert "$4,070,341,000, of which not more than $277,000,000 shall be available for the Low Altitude Defense System (LoADS)."

Mr. CHAFEE. Mr. President, I am pleased to join with the distinguished senior Senator from California in offering this amendment concerning funding for ballistic missile defense. Senator CRANSTON has spelled out many of the arguments for reducing the growth in funding for this program. The arguments are, in my view, compelling. The LoADS program has been generously supported in the current year's defense budget, and the increase we have been asked to support for next year would amount to an increase of more than 150 percent in 1 year. In my view, there is no need for such an increase in funding at this time.

I would point out, as the Senator from California mentioned, that our amendment still allows for growth in funding for the LoADS program.

Mr. President, two considerations concerning our program of research and development on ballistic missile defense lead me to recommend that we cut the amount of funds requested for the program. One of these considerations is that, in view of the considerable difficulty which the administration is having in deciding on a basing mode for the land-based leg of our strategic triad, there is no justification for speeding up the ballistic missile defense program. This is especially true in light of the budgetary constraints within which we must operate and in view of the vague justifications we have been provided for the amounts requested.

The second consideration which motivates me to offer this amendment is my concern that we not rush headlong into a program which has serious implications for the ABM treaty and for our future nuclear force structure without carefully considering all of the ramifications.

Mr. President, I believe we should make our decisions about our strategic policy and our nuclear force posture after carefully reviewing our options and identifying our national security interests. I have stated many times that I believe that arms control considerations should be an important part of our defense planning. We should regard arms limitations—and the restraints they impose on the other side's buildup—as useful tools which help us decide on our own force posture.

Currently, we have in force an effective ABM treaty. This treaty applies to the land-based systems of the United States and the Soviet Union. Because the Soviets have a considerably higher dependence on land-based missiles than we do, this treaty is very much in our interest.

I believe we should proceed very carefully as we approach decisions on our strategic forces and on the possibility of ballistic missile defense. Of course, we should continue with research—and this amendment allows that—but we do not need to mount a crash program to explore these technologies at the present time.

Serious ramifications for our strategic force posture, our arms control negotiations, and our budgetary resources are contained in the accelerated research program for ballistic missile defense. These ramifications should be fully explored, and the justifications for the program fully developed, before we vote to increase the funding in such a dramatic fashion.

For those reasons, Mr. President, I have joined with the Senator from California in offering this amendment. I believe it represents a responsible approach to the subject of ballistic missile defense research and at the same time represents a responsible approach to the expenditure of our defense resources.

SECURITY AND DEVELOPMENT ASSISTANCE ACT

AMENDMENT NO. 1445

(Ordered to be printed and referred jointly to the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 2227) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act, to authorize additional Security and development assistance programs for fiscal years 1983 and 1984, and for other purposes.

CARIBBEAN BASIN PLAN

AMENDMENT NO. 1446

(Ordered to be printed and referred jointly to the Committee on Finance

and the Committee on Foreign Relations.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to the bill (S. 2237) to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

AMENDMENTS TO FOREIGN AID LEGISLATION

Mr. MATHIAS. Mr. President, I am introducing today two amendments to the foreign aid legislation pending in the Committee on Foreign Relations. I will offer these amendments in the committee's markup and am introducing them now so my colleagues will have a chance to review them. One amendment would amend the administration's bill, S. 2237, entitled "the Caribbean Basin Economic Recovery Act," to earmark $50 million of the $350 million authorized to be appropriated as supplemental foreign aid for fiscal year 1982. The $50 million would be made available for the use of private nonprofit organizations and other development programs instead of being allocated to the economic support fund. The amendment was suggested by a broad coalition of private voluntary organizations actively involved in development in the Caribbean Basin countries.

Mr. President, I ask unanimous consent for the text of the amendment, and an explanation entitled: "People-to-People amendment to the Caribbean Basin Initiative" to be printed in the RECORD following my remarks.

Mr. President, the other amendment is to the administration's bill, S. 2227, entitled "the International Security and Development Cooperation Act of 1982." The amendment would require that 40 percent of U.S. development assistance funds for fiscal year 1983, and 50 percent of U.S. development assistance funds for fiscal year 1984 and each year thereafter, finance productive facilities, goods, and services which will be used primarily by those living in absolute poverty. The amendment would require special emphasis to be placed on alleviating hunger and assisting women engaged in agricultural production in sub-Saharan Africa.

This amendment incorporates key provisions of S. 1675, the Hunger and Global Security Act, introduced by Senators HATFIELD, DANFORTH, DOLE, and LEAHY last year, and presently cosponsored by 34 Senators. I believe the time has come for the Committee on Foreign Relations and the Senate to take positive action on these proposals to focus U.S. aid on eliminating world hunger.

Mr. President, I ask unanimous consent for this amendment to be printed in the RECORD, also.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1445

At the end of Title IV of the bill, add the following section:

"SEC. 406. (a) In carrying out part I of the Foreign Assistance Act of 1961 the President shall use—

(1) in fiscal year 1983 not less than 40 per centum of the funds made available to carry out that part; and

(2) in fiscal year 1984 and each fiscal year thereafter not less than 50 per centum of the funds made available to carry out that part to finance productive facilities, goods, and services which will be used primarily by those living in absolute poverty as determined under the standards adopted by the International Bank for Reconstruction and Development and the International Development Association. Such facilities, goods, and services may include, for example, irrigation facilities, extension services and credit for small farmers, roads, safe drinking water supplies, and health and family planning services. Such facilities, goods and services shall not include studies, reports, training, technical advice, consulting services, and other items which will not be used primarily by those living in absolute poverty themselves. However, the Congress recognizes that it will continue in many cases to be appropriate to provide development aid which does not directly affect the absolutely poor.

(b) In carrying out section 1 in Sub-Saharan Africa, special emphasis shall be placed on alleviating hunger. Particular attention shall be paid to assistance to women engaged in agricultural production in the Sub-Saharan region."

AMENDMENT NO. 1446

In lieu of the text of section 201, insert the following:

"(a) There are authorized to be appropriated for the fiscal year 1982, in addition to funds otherwise available for such purposes, $300,000,000 to carry out the purposes of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, for countries in the Caribbean Basin (which shall include the states of Central America).

(b) There are authorized to be appropriated for the fiscal year 1982, in addition to funds otherwise available for such purposes in the Caribbean Basin (which shall include the states of Central America):

(i) $45 million to carry out the purposes of Part I, Chapter 1 of the Foreign Assistance Act of 1961, as amended;

(ii) $2 million to carry out the purposes of Part I, Chapter 2 Section 214 of the Foreign Assistance Act of 1961, as amended; and

(iii) $3 million to carry out the purposes of Part IV of the Foreign Assistance Act of 1969, as amended.

(c) Of the amounts authorized in Section (b)(i) $35 million shall be available only for use by U.S. or indigenous private non-profit organizations and $10 million shall be available only for participant training and scholarships.

(d) Funds authorized to be appropriated under section (b) may be obligated in fiscal year 1982 or 1983 and shall remain available until expended."

PEOPLE-TO-PEOPLE AMENDMENT TO THE CARIBBEAN BASIN INITIATIVE

Over 50 major U.S. private development groups implement approximately $100 million annually in direct grassroots economic assistance to our Caribbean basin neighbors. These non-governmental programs utilize privately-raised financial and human resources, augmented with U.S. foreign aid dollars, for people-to-people, self-help development assistance. These groups are identified variously as non-profit private sector, private and voluntary, cooperative development and non-governmental organizations. They are known to the U.S. public as CARE, Project Hope, YMCA, Partners of the Americas, Save the Children, to name a few. Similarly, there are hundreds of indigenous, non-profit organizations undertaking community-based development activities in the region. Collectively they represent the aspirations of the American people here and elsewhere in the hemisphere for a better future.

These organizations form a bridge of hope for our Caribbean Basin neighbors in a better economic future. The People-to-People Amendment intends to more fully engage and enhance these organizations' ability to deal with the immediate pressing needs of economic stagnation, joblessness, illiteracy, rapid population growth and poor health of our neighbors to the South.

In transmitting to Congress the Caribbean Basin Economic Recovery Bill, the President recognized the importance of an integrated and well-designed program to improve the lives of the peoples of the Caribbean Basin "by enabling them to earn their own way to a better future." The President said that the CBI will "help revitalize the economies of this strategically critical region by attacking the underlying causes of economic stagnation. Most significantly, it helps expand economic opportunities for the people of the Caribbean Basin to make possible the achievement of a lasting political and social tranquility based on freedom and justice." It is a unique strength of the U.S. people to organize themselves and to assist others to organize for self-improvement. The U.S. non-profit sector is frequently the best instrument for achieving the goals of equitable economic growth at the people level. However, none of the requested funds in the CBI supplemental would specifically tap this vital sector in meeting the economic, political and security challenges in the region. The People-to-People Amendment would rectify this situation.

Title II of the Caribbean Basin Economic Recovery Bill provides for $350 million in emergency Economic Support Funds in FY 1982 for countries in the Caribbean Basin. The President has indicated he expects to allocate these funds to the following countries: El Salvador ($128 million), Costa Rica ($70 million), Honduras ($35 million), Jamaica ($50 million), the Dominican Republic ($40 million), the Eastern Caribbean ($10 million), Belize ($10 million), Haiti ($5 million) and the Latin American Regional/American Institute of Labor Development ($2 million). The legislation does not earmark the funds to these countries, but provides for Administration discretion to use the funds anywhere in the region primarily for balance of payments purposes which "may take the form of cash transfers."

The People-to-People Amendment would earmark $50 million of the $350 million for grassroots, non-governmental assistance through private sector, non-profit organizations throughout the region. The $50 million would be allocated as follows: $35 million for Development Assistance Functional Accounts for U.S. and indigenous private and voluntary, cooperative and other non-profit organizations; $10 million for participant training and Latin American scholarship programs of U.S. universities; $3 mil-

lion for the Inter-American Foundation to assist indigenous Caribbean Basin organizations; and $2 million for American Schools and Hospitals Abroad in the region.

The Amendment would be consistent with the goals and intent of the CBI supplemental in promoting "economic revitalization" and "expansion of economic opportunity in the Caribbean Basin Region." Language accompanying the Amendment would direct that the funds be applied to projects of high visibility, likely to have significant beneficiary impact, contribute to local institution-building, and be replicable in other settings. The activities would concentrate on augmenting existing programs and undertaking shelf projects of private organizations in the field and, thus, would not be AID staff intensive in implementation. Funds under the Amendment would have to be obligated in fiscal year 1982 or fiscal year 1983 and be in addition to regular development assistance programs.

Currently, there is approximately $24 million proposed in AID's Latin American Bureau's account in FY 83 for the regular activities of non-profit voluntary organizations within the region. AID's central programs provide about $10 million in additional funds. The People-to-People Amendment would roughly double these programs throughout the region. The non-profit development community has identified at least $70 million in programs which can be quickly implemented—thus, they have the capability to utilize effectively the $35 million provided in the Amendment.

The Amendment would support many diverse community-based, economic development programs in the region which would express concretely the concern of U.S. citizens for people of the region. For example, Volunteers in Technical Assistance programs for technology transfer would help low-income people and institutions in small scale employment generation activities. An expanded Overseas Education Fund project would help train women for development. Family planning programs would be intensified to help bring down excessive population growth rates. U.S. cooperative development organizations such as the Credit Union National Association, Agricultural Cooperative Development International (composed of large U.S. agriculture cooperatives) and the Cooperative Housing Foundation would step up their longstanding activities in the region. Partnership for Productivity and the Pan American Development Foundation would augment their existing programs to stimulate private enterprise development. CARE would be able to assist soybean production in Costa Rica, cooperative fishing programs in Dominican Republic and agroforestry in Honduras. These are but a few examples of the multi-faceted projects which could be initiated by this Amendment.

The Amendment provides $10 million for education and training purposes to augment existing programs of participant training and Latin American scholarships at U.S. universities. The purposes of these funds are to assist in the training of technicians needed for development in agriculture, health and education in the region; to offset the increasing flow of Caribbean students to Cuba and other communist countries; and to respond to serious shortages of qualified teachers and educational opportunities in the region.

The Amendment would increase the American Schools and Hospitals Abroad program by $2 million to provide assistance for expanded facilities and enrollment of students to U.S. sponsored institutions in the region. The funds could be used to augment needs already identified at the following institutions: the Panamerican Agricultural School in Honduras; the University of the Valley of Guatemala Foundation; Project Hope's Schools of Health Sciences in Central America, Jamaica and the Eastern Caribbean; the Hospital de la Familia in Guatemala; the Francisco Marraquin University in Guatemala; and the Haitian American Friendship's Bohoc Technical Institute in Haiti.

Finally, the Amendment would increase by $3 million funds to the Inter-American Foundation to provide grants to indigenous organizations in the Caribbean Basin for stimulating wider participation of the people in the development process.

The Peace Corps is another significant people-to-people program which should be expanded in the region. Though no additional funds are suggested for the Peace Corps in this Amendment, there is a recognized need to expand their volunteer activities including beginning new programs in Haiti and Surinam. Often, Peace Corps volunteers work directly with U.S. and indigenous community-based development organizations and participate in such programs of direct assistance to people in the region.

Supporters of the People-to-People Amendment believe this Amendment can have lasting beneficial effects for the people of the region and the U.S. It would signal a new commitment to the Caribbean people through augmenting grassroots, community-oriented development activities undertaken by U.S. and indigenous private organizations in the region. It is an amendment addressing the most basic requirements of life: jobs, human development, health, food and education.

"What we seek in the final analysis, "the President said in his CBI message, "is to help the people of the Basin build for themselves a better life, not just economically but across the full spectrum of human needs and aspirations." The President's program is intended to build in these countries "a pluralistic society with strong, free private institutions—churches, free trade unions, businesses, professional and other voluntary associations . . ." The Amendment would directly achieve these goals. Therefore, it is in keeping with the Administration's Caribbean Basin Initiative and adds a people-to-people dimension between the U.S. people and their hemispheric neighbors for a better tomorrow.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled an oversight hearing on "Block Grant Implementation."

The hearing will be conducted at 9:30 a.m. on May 11 in room 357, Russell Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Pam Hess or Valora Washington of the subcommittee staff at 224-4718.

Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled a legislative hearing on S. 2386, which authorizes the collection and reporting of data on the geographic distribution of Federal funds.

The hearing will be conducted at 2 p.m. on May 12 in room 3302, Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, Clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Larry Hunter of the subcommittee staff at 224-4718.

SUBCOMMITTEE ON PUBLIC LANDS AND RESERVED WATER

Mr. WALLOP. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Public Lands and Reserved Water on Thursday, May 27, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building to consider the following bills: S. 1964, to designate certain lands in the Mark Twain National Forest, Mo., which comprise about 17,562 acres, and known as the Irish Wilderness, as a component of the National Wilderness System; S. 1965, to designate certain lands in the Mark Twain National Forest in Missouri which comprise approximately 6,888 acres, and which are generally depicted on a map entitled "Paddy Creek Wilderness Area," as a component of the National Wilderness Preservation System; S. 2021, to provide for the disposal of certain Federal lands in New Mexico and for the acquisition of certain other lands in Bernadillo County, N. Mex., to be purchased with the proceeds from the disposal of such Federal lands; and S. 2405, to further amend the boundary of the Cibola National Forest to allow an exchange of lands with the city of Albuquerque, N. Mex.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Subcommittee on Public Lands and Reserved Water, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Tony Bevinetto of the subcommittee staff at 224-5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, May 6, at 10 a.m., to hold a hearing to consider S. 2332, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SOIL AND WATER CONSERVATION

Mr. TOWER. Mr. President, I ask unanimous consent that the Subcommittees on Soil and Water Conservation and Agricultural Production, Marketing, and Stabilization of Prices, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the session of the Senate on Thursday, May 6, at 10 a.m., to hold a joint hearing to consider S. 1825, a bill to prohibit eligibility for price support programs under certain conditions except where the farmer has begun conservation practices.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate at 9:30 a.m. on Tuesday, May 11, to hold an oversight hearing on "Block Grant Implementation."

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate at 2 p.m. on Wednesday, May 12, to hold a legislative hearing on S. 2386, which authorizes the collection and reporting of data on the geographic distribution of Federal funds.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THOUGHTS ON SPECIAL CHILDREN AND VERY SPECIAL MOTHERS

● Mr. TSONGAS. Mr. President, Sunday, May 9, is Mother's Day and while tribute is being paid to mothers and wives throughout the Nation, I would like to offer my good wishes to some exceptional mothers. Author and columnist, Erma Bombeck shows a particular sensitivity and understanding in "Heavenly Thoughts on Handicapped Kids" and I would like to have entered into the RECORD her thoughts on these special children and their very special mothers. To all of these mothers, I wish a very happy Mother's Day.

HEAVENLY THOUGHTS ON HANDICAPPED KIDS

Most women become mothers by accident, some by choice, a few by social pressures and a couple by habit.

This year, nearly 100,000 women will become mothers of handicapped children. Did you ever wonder how mothers of handicapped children are chosen?

Somehow I visualize God hovering over earth selecting His instruments for propagation with great care and deliberation. As He observes, He instructs His angels to make notes in a giant ledger.

"Armstrong, Beth, son. Patron saint Matthew.

"Forrest, Marjorie, daughter, patron saint, Cecelia.

"Rudlege, Carrie, twins, patron saint . . . give her Gerard. He's used to profanity."

Finally, He passes a name to an angel and smiles, "Give her a handicapped child."

The angel is curious, "Why this one, God? She's so happy."

"Exactly," smiles God. "Could I give a handicapped child a mother who does not know laughter? That would be cruel."

"But has she patience?" asks the angel.

"I don't want her to have too much patience or she will drown in a sea of self-pity and despair. Once the shock and resentment wears off, she'll handle it."

"I watched her today. She has that feeling of self and independence that is so rare and so necessary in a mother. You see, the child I'm going to give her has his own world. She has to make it live in her world and that's not going to be easy."

"But Lord, I don't think she even believes in you."

God smiles. "No matter. I can fix that. This one is perfect. She has just enough selfishness."

The angel gasps, "Selfishness? Is that a virtue?"

God nods. "If she can't separate herself from the child occasionally, she'll never survive. Yes, here is a woman whom I will bless with a child less than perfect. She doesn't realize it yet, but she is to be envied. She will never take for granted a 'spoken word.' She will never consider a 'step' ordinary. When her child says 'Momma' for the first time she will be present at a miracle and know it! When she describes a tree or a sunset to her blind child, she will see it as few people ever see my creations.

"I will permit her to see clearly the things I see . . . ignorance, cruelty, prejudice . . . and allow her to rise above them. She will never be alone. I will be at her side every minute of every day of her life because she is doing my work as surely as she is here by my side."

"And what about her patron saint?" asks the angel, his pen poised in mid air.

God smiles. "A mirror will suffice."

CUBAN AND NICARAGUAN SUPPORT FOR THE SALVADORAN INSURGENCY

● Mr. ARMSTRONG. Mr. President, there remains a concern in many quarters that the guerrillas in El Salvador are the product of a kind of spontaneous generation, and operate without the support and untainted by the ambitions of other foreign powers.

The State Department has compiled a series of documents which respond to these concerns. The documents provide evidence of the extent to which the Salvadoran guerrillas are dependent upon foreign governments, chiefly the Soviet Union, Cuba, and Nicaragua, for their arms, ammunition, and financial support.

Many questions remain about what is the best policy for the United States to follow in El Salvador. But all who examine the evidence provided in these documents will, I believe, be convinced the guerrilla forces in El Salvador receive their sustenance from outside El Salvador, and are pursuing objectives which extend beyond the borders of that beleaguered country.

I ask that the State Department documents entitled Cuban and Nicaraguan Support for the Salvadoran Insurgency be printed in the RECORD.

The documents follow:

CUBAN AND NICARAGUAN SUPPORT FOR THE SALVADORAN INSURGENCY

I. INTRODUCTION

There has been a lot of debate and controversy about Cuban and Nicaraguan support for guerrillas in Central America, particularly in El Salvador. This paper summarizes the overall pattern as it now stands.

This paper does not contain the sensitive intelligence that we have provided to Congressional committees and to a number of distinguished Americans. They have expressed their views (see separate compendium of statements). We cannot make this intelligence available publicly. Were it to be released, the United States Government would lose access to critical information, and might well risk the lives of some brave people who believe it is important that the Government of the United States know what is going on. A government that does not keep secrets does not receive them.

The purpose of this paper is thus not to produce new revelations, but to describe the general pattern of outside support for El Salvador's guerrillas, including arms supply, training, and command and control. Some of this information came from classified sources, but much of it can be obtained by careful analysis of public sources. The cumulative weight of this information makes clear that the guerrilla movement in El Salvador receives vital assistance of many kinds from an international infrastructure outside El Salvador.

In what follows, the following themes should be kept in mind:

First, that although much of our most recent information is so sensitive that it cannot be provided to the general public, it is consistent with patterns of guerrilla activity and foreign support evident for two years and more. A clandestine support system, established in 1978 at the time of the Nicaraguan civil war, continued to operate after the fall of Somoza in July 1979 with a new final destination—El Salvador. Cuba played a major role in developing this support system, and remains its key link.

Second, that the existence of this support system—initially identified by the Carter Administration—has been repeatedly and

vigorously denied by Nicaraguan and Cuban spokesmen. Yet a considerable quantity of solid information shows that those denials are false.

Third, that many elements of the pattern have been repeatedly confirmed by independent researchers and journalists who have gone into the field to investigate the actual situation on the ground. Confirmation has come from as far away as Lebanon and Vietnam.

Finally, that in assessing the situation in El Salvador today, one should pay attention to the nature of the guerrilla movement. To this end, we are making available a brief history of the development and organization of El Salvador's violent left.

II. THE PATTERN

Outside backing for the insurgency in El Salvador has taken many forms. Before the unification of El Salvador's violent left, Cuban support to its elements involved political and some military training, modest financial aid, and serving as a link between Salvadoran extremists and Communists outside the hemisphere. During the Nicaraguan civil war, Cuba concentrated on support for the Sandinistas. After the fall of Somoza, Cuba began intense efforts to help pro-Cuban guerillas come to power in El Salvador.

The pattern of outside support is intricate, but has three major components: external arms supplies, training, and command and control.

External Arms Supplies. Within weeks after the fall of Somoza in July 1979, the Sandinistas began to cooperate with Cuba in support of the Salvadoran extreme left by establishing training camps and the beginning of arms supply networks. This clandestine assistance initially involved local black markets and relatively limited resources. In 1980, after meetings in Havana had unified Salvadoran Marxists into a single miltiary command structure, the Sandinista leadership agreed to serve as a conduit for an arms trafficking system of unprecedented proportions, originating outside the hemisphere. That structure remains in force today.

Arms and ammunition for the Salvadoran insurgents reach Nicaragua by ship and occasionally by direct flights from Havana to Nicaragua. Three Nicaraguan ships, the Monimbo, the Aracely and the Nicarao, frequently transport arms and ammunition to Nicaragua from Cuba in their cargo, as do Cuban and other vessels. These military supplies remain stockpiled outside El Salvador until guerrilla headquarters near Managua arranges for their shipment into El Salvador. The timing of the resupply operations appears to be coordinated with the planned level of fighting, since before each surge in the fighting, we have detected large deliveries.

Here are some concrete illustrations of the arms flow.

The Papalonal Airfield provides a clear case of the direct airlift of weapons from Nicaragua to guerrillas in El Salvador. Papalonal is a commercially undeveloped area 23 nautical miles northwest of Managua. The airfield is accessible only by dirt roads. Information on Papalonal has not been released heretofore because of the sensitivity of the methods by which it was acquired. In late July 1980, the airfield was an agricultural dirt airstrip approximately 800 meters long, but by early 1981 the strip had been lengthened by 50 percent to approximately 1,200 meters. A turnaround had been added to each end. A dispersal parking area with three hardstands—a feature typical of a military airfield—had been constructed at the west end of the runway. Three parking aprons had been cleared, and six hangar/storage buildings, each about 15 meters wide, had been constructed on the aprons. Hangars were to stockpile arms for the Salvadoran guerrillas (these hangars resembled those at major Cuban airbases and our sources confirmed Cuban involvement in the construction). C-47 flights from the airbase, confirmed by photographic evidence, corresponded with sightings in El Salvador, and several pilots have been identified in Nicaragua who regularly flew the route into El Salvador. This particular route was closed down by March 1981, but some air infiltration continues to this day, despite difficulties in pilot recruitment.

Weapons delivery by overland routes from Nicaragua passes through Honduras. Several examples of this arms traffic can be identified. Honduran authorities have intercepted various shipments of arms en route from Nicaragua and in concealed caches in Honduras. In early January 1981, for example, Honduran police caught six individuals unloading weapons from a truck enroute from Nicaragua. The six identified themselves as Salvadorans and as members of the International Support Commission of the Salvadoran Popular Liberation Forces (FPL). They had in their possession a large number of altered and forged Honduran, Costa Rican, and Salvadoran passports and other identity documents. This one truck contained over 100 M-16/AR-15 automatic rifles, fifty 81-mm mortar rounds, approximately 100,000 rounds of 5.56-mm ammunition, machine gun belts, field packs, and first aid kits. Over 50 of these M-16/AR-15 rifles were traced to U.S. units assigned to Vietnam in 1968-69, and which were left in Vietnam when U.S. troops departed.

In April 1981, Honduran authorities intercepted a tractor-trailer truck which had entered Honduras at the Guasule crossing from Nicaragua. It was apparently heading for Guatemala. Ammunition and propaganda materials were hidden in the side walls of the trailer. The same arms traffickers operated a storehouse in Tegucigalpa, Honduras, with a false floor and a special basement for storing weapons.

Costa Rica also has been a staging area for arms shipments to El Salvador. A Special Legislative Commission established in June 1980 by the Costa Rican legislature confirmed that the Cubans had established a clandestine arms-supply link between Costa Rica and Nicaragua during the Nicaraguan civil war, and that the link continued to function between Costa Rica and El Salvador once the Sandinistas had come to power in Nicaragua. After the Nicaraguan civil war was over, according to the Costa Rican Commission's report issued in May 1981, "arms trafficking, originating in Costa Rica or through Costa Rican territory, (began) toward El Salvador, indirectly or using Honduras as a bridge."

In April and July, 1981, Guatemalan security forces captured large caches of guerrilla weapons at safehouses in Guatemala City. Traces made on the serial numbers of individual U.S.-manufactured weapons revealed that 17 M-16/AR-15s had been shipped to American units in Vietnam in the late sixties and early seventies and left behind. Several of the vehicles captured at the Guatemala City safehouses bore recent customs markings from Nicaragua, thus suggesting that the operation was part of the well-established pattern.

NOTE: When a clandestine shipment of arms is captured or a safehouse is found containing arms and terrorist supplies, it is often impossible to know with certainty whether the ultimate recipients are Guatemalan, Honduran, Costa Rican or Salvadoran terrorists, since the arms supply networks established by Cuba and Nicaragua are funneling lethal military supplies to terrorists and guerrillas in all four countries, using the same clandestine smuggling techniques and routes.

Training.—Cuban and Nicaraguan political and military training create the basic framework for the use of the arms by the guerrillas within El Salvador. Nicaragua and Cuba coordinate training efforts, with Cuba providing key specialized training.

Since at least mid-1980, Salvadoran guerrillas have been trained in Nicaragua. The Sandinistas have trained Salvadoran guerrillas in military tactics, weapons, communications, and explosives at temporary training schools scattered around the country and on Sandinista military bases. At several military sites in Nicaragua Salvadorans receive training under guidance from Cuban and other foreign advisors. For more specialized training, guerrillas transit Nicaragua for Cuba. The Managua-Havana air shuttle link is in daily operation and the increase in traffic has reached the point where a ticketing system is now required. Guerrillas are provided false identity documents to help them transit third countries. The Cubans are training guerrillas in sabotage and demolition efforts and reinfiltrating them through Nicaragua back into El Salvador. This training in Nicaragua and Cuba has increased the tactical skills of the guerrillas in El Salvador. Guerrilla operations—such as the attacks on Ilopango airport in January 1982 and on the El Oro bridge in October 1981—were clearly performed by trained saboteurs.

A Salvadoran guerrilla, Santo Salome Morales, reported when he defected in Honduras in September 1981 that he and twelve others went from El Salvador to Nicaragua via a point near the Gulf of Fonseca in May, 1980. from Managua, they proceeded to Cuba where they received extensive military training, together with over 900 Salvadorans. Morales said he was trained in underwater demolition.

The link between training and the regional infrastructure behind guerrilla activity is evident in information obtained following a raid late last year by the Honduran police on a safehouse for the Morazanist Front for the Liberation of Honduras (FMLH). This organization was described in an October 1981 interview in the pro-government Nicaraguan newspaper El Nuevo Diario, by "Octavio", one of its founders, as a political-military organization formed as part of the "increasing regionalization of the Central American conflict." The raid took place on 27 November 1981, in Tegucigalpa, and while the Honduran police were attempting to search the house, a firefight broke out. The police ultimately captured several members of this group. This cell of the FMLH included a Honduran, an Uruguayan, and several Nicaraguans. The captured terrorists told Honduran authorities that the Nicaraguan Government had provided them with funds for travel expenses, as well as explosives.

Captured documents and statements by detained guerrillas further indicated that:

The group was formed in Nicaragua at the instigation of high-level Sandinista leaders;

The group's chief of operations resided in Managua; and

Members of the group received military training in Nicaragua and Cuba.

The documents included classroom notebooks from a one-year training course held in Cuba in 1980. Other captured documents revealed that guerrillas at one safehouse were responsible for transporting arms and munitions into Honduras from Esteli, Nicaragua.

Training programs in Nicaragua are continuing. A Salvadoran terrorist, Jose Roberto Marroquin Acevedo, arrested in Costa Rica on January 29, 1982 in connection with an attempted kidnapping of a Salvadoran businessman, told Costa Rican police that he was affiliated with a Salvadoran guerrilla organization, which had sent him to Nicaragua, where he and other terrorists were provided with false identity documents to enter Costa Rica. In the presence of his defense attorney Marroquin told a Costa Rican court on February 4 that he "received military and political training" during the several months he spent in Nicaragua.

Command and Control.—The military forces of the Farabundo Marti National Liberation Front (FMLN) guerrilla movement are controlled by the Unified Revolutionary Directorate (DRU) with three members from each of the guerrilla groups active in El Salvador.

The DRU was formed in Havana in May 1980, after meetings that began under Castro's sponsorship in December 1979. Requiring the creation of a unified military command that included the Moscow-line Salvadoran Communist Party before any modern armaments were supplied was, and is, a key to Cuba's political/military strategy. This pattern, applied previously to the struggle against Somoza in Nicaragua and since then elsewhere in Central America, draws on ideologically committed and Cuban-trained military cadres to make up the guerrilla command and thereby ensure Marxist-Leninist control of the insurgency and of any government emerging subsequently from it.

The DRU command headquarters is near Managua, Nicaragua, and is part of an extremely sophisticated command and control relationship (in fact, this system is more elaborate than that used by the Sandinistas against Somoza). Planning and operations are guided from this headquarters in Nicaragua, where Cuban and Nicaraguan officers are involved in command and control. The guidance flows to guerrilla units widely spread throughout El Salvador. DRU headquarters coordinates logistical support for the insurgents to include food, medicines, clothing, money—and most importantly—weapons and ammunition. Although some free-lancing exists as targets of opportunity appear, the headquarters in Nicaragua decides on locations to be attacked and coordinates supply deliveries.

Evidence of centralized control comes from the guerrillas themselves. On March 14, 1982 the FMLN clandestine Radio Venceremos located in El Salvador broadcast a message to guerrillas in El Salvador urging them "to maintain their fighting spirit 24 hours a day to carry out the missions ordered by the FMLN general command (emphasis supplied)."

Recent developments.—Three months ago—in mid-December 1981—Fidel Castro directed, after consultations in Havana with guerrilla leaders, that external supplies of arms to FMLN units should be stepped up to make possible an offensive to disrupt a peaceful vote in March 28 Constituent Assembly elections. Extreme leftist groups throughout Central America were mobilized to support the effort.

Within the past three months, shipments of arms into El Salvador reached unprecedented peaks, averaging out to the highest overall volume since the "final offensive" last year. During the past year, deliveries of arms to the Salvadoran insurgents have been closely monitored. The recent Cuban-Nicaraguan arms flow into El Salvador has emphasized both sea and—once again—overland routes through Honduras. Early this month, for example, a guerrilla unit in El Salvador received several thousand sticks of TNT and detonators (only five sticks of TNT are sufficient to blow up an electrical pylon). Last month, a Salvadoran guerrilla group picked up a large shipment of arms on the Usulutan coast after the shipment arrived by sea from Nicaragua.

In addition to vitally-needed ammunition, these most recent guerrilla supply operations have included greater quantities of more sophisticated heavier weapons. Recent deliveries have included M-60 machine guns, 57mm recoilless rifles, and M-72 antitank weapons, thus significantly increasing guerrilla firepower. Individual units also regularly receive tens of thousands of dollars for routine purchases-of non-lethal supplies on commercial markets and payments (including bribes) to enable the clandestine pipeline to function.

On March 15, 1982, the Costa Rican Judicial Police announced the discovery of a house in San Jose with a sizeable cache of arms, explosives, uniforms, passports, documents, false immigration stamps from more than thirty countries, and vehicles with hidden compartments—all connected with an ongoing arms traffic through Costa Rican territory to Salvadoran guerrillas.

Nine people were arrested: Salvadorans, Nicaraguans, an Argentine, a Chilean and a Costa Rican. Costa Rican police so far have seized 13 vehicles designed for arms smuggling. Police confiscated some 150–175 weapons from mausers to machine guns, TNT, fragmentation grenades, a grenade launcher, ammunition, and 500 combat uniforms. One of the captured terrorists told police that the arms and other goods were to have been delivered to the Salvadoran guerrillas before March 20, "for the elections."

III. CONFIRMATIONS ON THE PUBLIC RECORD

Persuasive evidence that the insurgency in El Salvador is part of a broader regional pattern has been available for some time.

1. *On the Nicaraguan Link to El Salvador:* The Nicaraguan link was clear to the Carter Administration. For example, in an interview with editors of the Washington Post published January 30, 1981, former Secretary of State Edmund Muskie said that Cuban arms and supplies being used in El Salvador's bloody civil war were flowing through Nicaragua "certainly with the knowledge and to some extent the help of Nicaraguan authorities."

A guerrilla leader told the San Diego Union (March 1, 1981) in El Salvador that "the Salvadoran guerrillas have a permanent commission in Nicaragua overseeing the smuggling of weapons from that country to here." He also said there have been Cuban advisers in the province of Morazan, and that Vietnamese advisers have made several trips to guerrilla camps in El Salvador.

2. *On Cuban Activities in Nicaragua and El Salvador:* Fidel Castro publicly denies supplying arms and military equipment to the Salvadoran guerrillas (for example, in his September 15, 1981, speech opening the Inter-Parliamentary Union Conference in Havana), and avoids commenting on Cuban military advisers in Nicaragua.

Yet in a Bonn press conference on June 19, 1981, German Social Democratic leader Hans-Jurgen Wischnewski reported that when he had personally confronted Castro with State Department contentions that Cuba had shipped weapons to Salvadoran guerrillas, Castro had admitted it was true. Castro again confirmed the reports of transshipment of arms to the Salvadoran guerrillas in private discussions with several Interparliamentary Union delegations in Havana last September.

And the Washington Post reported March 7, 1982, that Sandinista leader Jaime Wheelock confirmed to the Post that Cuban military advisers were present in his country, although he claimed that there were "no more than about a dozen."

The New York Times reported March 18, 1982, that the guerrillas now concede that Cuba supplied armaments through Nicaragua for the January 1981 "final offensive."

Top Cuban leaders have confirmed that Salvadoran guerrillas are trained in Cuba. Vice-President Caslos Rafael Rodriguez, for example, confirmed it in at least two interviews (Der Spiegel, September 28, 1981 and El Diario de Caracas, October 29, 1981). The Toronto Globe and Mail reported February 12, 1982, that "at least 30 Salvadoran guerrillas" were currently training near Havana. The report was based on an interview with a Salvadoran guerrilla billeted in a Havana hotel, which according to a hotel employee had been booked by the Cuban Foreign Ministry for "Latin American" guests.

3. *Sandinista and Vietnamese leaders on the Vietnamese role:* In March 1981, Sandinista Directorate member Humberto Ortega travelled to Hanoi. In a speech given there March 11, Ortega said, "we sincerely thank the Vietnamese people and highly value their support for the heroic Salvadoran people . . . the fierce and bloody struggle in El Salvador requires the support of all progressive nations and forces throughout the world."

Vietnamese support for the Salvadoran guerrillas was confirmed by author William Shawcross when he travelled to Vietnam last year (New York Review of Books, September 24, 1981):

Had Vietnam been distributing any of the vast pile of weapons left by the Americans? Colonel Bui Tin acknowledged, in effect, that it had. In El Salvador? "It's not fair to say the US can help the junta but we cannot help our friends. We do our best to support revolutionary movements in the world. . . ."

4. *Yasir Arafat on the PLO role in Nicaragua and El Salvador:* PLO chief Arafat confirmed to a group of Palestinian journalists in Beirut on January 11, 1982, that "there are Palestinian pilots in Nicaragua, there are Palestinian revolutionaries with the revolutionaries in El Salvador. . . ."

STATEMENTS BY DISTINGUISHED AMERICANS SUPPORTING CHARGES OF NICARAGUAN INVOLVEMENT IN EL SALVADOR

We have presented detailed classified information to appropriate Congressional committees and to many American statesmen, who have served both Republican and Democratic administrations. They were convinced of the factual case we made.

The Chairmen of the respective Intelligence Committees in the Senate and the

House issued strong statements after briefings of those committees by intelligence teams led by CIA Director William Casey. Chairman of the Senate committee, Senator Barry Goldwater, in a press release said that, "The briefing left no doubt that there is active involvement by Sandinista government officials in support of the Salvadoran guerrilla movement. This support includes arrangements for the use of Nicaraguan territory for the movement of arms and munitions to guerrillas in El Salvador, the continuing passage of guerrillas in and out of Nicaragua for advanced training and sabotage and other terrorist tactics, and the presence of high-level guerrilla headquarters elements in Nicaragua. There is strong evidence of a great surge in the delivery of arms, ammunitions, and related materials from Nicaragua to El Salvador. Speaking as Chairman of the committee, I must stress the sensitive nature of the intelligence provided us. The details must remain secret, but the American people deserve to know that the officials charged with developing and implementing U.S. policy in this area are doing so on the basis of solid information."

Senator Goldwater's opposite number in the House, Congressman Edward Boland, issued a similar statement. Boland said, in relevant part, "The insurgents [in El Salvador] are well-trained, well-equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the committee is convincing. There is further persuasive evidence that the Sandinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgent bases of operations in Nicaragua. Cuban involvement—specially in providing arms—is also evident. What this says is that, contrary to the repeated denials of Nicaraguan officials, that country is thoroughly involved in supporting the Salvadoran insurgency. That support is such as to greatly aid the insurgents in their struggle with government forces in El Salvador."

In answer to a question posed by a CBS representative, Congressman Bill Young stated that he not only agreed with the conclusions of Congressman Boland but also felt that the Congressman might have gone further in describing the convincing nature of the evidence presented.

Congressman J. Kenneth Robinson, ranking Minority Member on the House Intelligence Committee issued a press release after the briefing underscoring the same general points. He noted that, "There can be no doubt about it, on the basis of the information presented to us. The Sandinista government of Nicaragua is helping train the guerrillas, is transferring arms and money to them, and the insurgents are relying on sites in Nicaragua for command and control purposes. Evidence of Cuban involvement in the provision of arms is also convincing. Let no one believe the denials of these governments that they are not promoting the bloodbath occurring in El Salvador."

At a public hearing March 17, Senator Robert Kasten said that he was, "absolutely convinced of the support and control" of the guerrillas in El Salvador by the Government of Nicaragua. He also said that the Administration should make every effort to help the American people understand this in order to reverse the tide of public opinion on that question.

After the special intelligence briefing for distinguished citizens, Ambassador Anne Armstrong, Chairwoman of the President's Foreign Intelligence Advisory Board (PFIAB), characterized the group receiving the briefing as "a bipartisan group of patriotic Americans" and said that she believed all present found the evidence convincing. She said the information was too sensitive to be made public but added that, "I wish it were not so because it's a story that desperately needs to be told to the American people."

After receiving the intelligence briefing, Washington attorney and former high-ranking official in the Carter and Johnson administrations, Lloyd Cutler, issued a letter summarizing his views. In that letter, he stated that, "I am satisfied that this intelligence justifies the inescapable conclusion that the Nicaraguan government is materially assisting the Salvadoran guerrillas to organize and command their forces, and that it is providing them with the bulk of their military weapons and the means of their delivery. On the basis of this evidence I am also satisfied that a substantial portion of these weapons are supplied to Nicaragua via Cuba, and that the Cuban government is directly participating in Nicaragua's military assistance to the Salvadoran guerrillas."

Former Secretary of State Willaim P. Rogers reiterated the point that anyone who heard the information would have to be convinced that the government's position is sound. He added that, "It is important for the American people to realize their government is telling the truth."

Robert Strauss, a senior member of the administration of President Carter, said that the briefing was, "a rather impressive bit of evidence indicating in a persuasive way the outside involvement" in El Salvador.

Ambassador Sol Linowitz commented that, "I found what we were shown to be credible and quite persuasive. It was sobering and reason for concern."

While he reiterated his basic differences with general Administration policy in Central America, Senator Paul Tsongas, after the Senate Foreign Relations Committee briefing, was reported as saying, "Those of us who are opposed to the policy accept the fact that there is indeed Nicaraguan involvement in El Salvador. I think the Administration is sincere in the documents it is providing on Nicaraguan involvement in El Salvador."

STATEMENT BY EDWARD BOLAND

Congressman Edward Boland, D-Mass., Chairman of the House Select Committee on Intelligence, today released the following statement following a committee briefing concerning El Salvador. Participating in the briefing were all elements of the intelligence community, led by DCI William J. Casey. The text of the statement follows:

"The Committee has received a briefing concerning the situation in El Salvador, with particular emphasis on the question of foreign supports for the insurgency. The insurgents are well-trained, well-equipped with modern weapons and supplies, and rely on the use of sites in Nicaragua for command and control and for logistical support. The intelligence supporting these judgments provided to the Committee is convincing.

"There is further persuasive evidence that the Sadinista government of Nicaragua is helping train insurgents and is transferring arms and financial support from and through Nicaragua to the insurgents. They are further providing the insurgents bases of operations in Nicaragua. Cuban involvement—especially in providing arms—is also evident.

"What this says is that, contrary to the repeated denials of Nicaraguna officials, that country is thoroughly involved in supporting the Salvadorn insurgency. That support is such as to greatly aid the insurgents in their struggle with government forces in El Salvador."

STATEMENT BY BARRY GOLDWATER

In a recent ABC interview the Nicaraguan ambassador to the U.S., Francisco Fiallos, said that his country "does not send weapons and is not going to send weapons to El Salvador."

On Thursday, February 25, CIA Director William Casey and other representatives of the intelligence community briefed members of the Senate Intelligence Committee in executive session on developments in Central America. The briefing, which lasted several hours, addressed the military situation in El Salvador, the structure and composition of guerrilla forces there, and the degree of external support to the insurgents in El Salvador, especially that provided by the Sandinistas in Nicaragua.

The briefing left no doubt that there is active involvement by Sandinista government officials in support of the Salvadoran guerrilla movement. This support includes arrangements for the use of Nicaraguan territory for the movement of arms and munitions to guerrillas in El Salvador, the continuing passage of guerrillas in and out of Nicaragua for advanced training in sabotage and other terrorists tactics, and the presence of high-level guerrilla headquarters elements in Nicaragua. There is strong evidence of a great surge in the delivery of arms, ammunitions, and related materials from Nicaragua to El Salvador.

Speaking as chairman of the committee, I must stress the sensitive nature of the intelligence provided us. The details must remain secret, but the American people deserve to know that the officials charged with developing and implementing U.S. policy in this area are doing so on the basis of solid information.

WILMER, CUTLER & PICKERING,
Washington, D.C., March 10, 1982.

I have reviewed the classified intelligence relating to the support provided to the Salvadoran guerrilla forces by Nicaragua and Cuba. I have also reviewed the conclusions drawn by the analysts, and have had an opportunity to test these conclusions in direct discussion. I am satisfied that this intelligence justifies the inescapable conclusion that the Nicaraguan Government is materially assisting the Salvadoran guerrillas to organize and command their forces, and that it is providing them with the bulk of their military weapons and the means of their delivery. On the basis of this evidence, I am also satisfied that a substantial portion of these weapons are supplied to Nicaragua via Cuba, and that the Cuban Government is directly participating in Nicaragua's military assistance to the Salvadoran guerrillas. Based on my own experience as an intelligence analyst and user, I also agree that public disclosure of their intelligence would pose an unreasonable risk of compromising the continuing availability of its sources.

LLOYD N. CUTLER.

THE ORGANIZATION AND EVOLUTION OF THE SALVADORAN INSURGENT MOVEMENT

The Salvadoran insurgents include a number of political and armed groups united in several organization which are distinct in function but overlap in composition.

The supreme executive body of the insurgents is the Unified Revolutionary Directorate (DRU). The DRU was formed in May 1980 at a secret meetng in Havana. It grew out of other discussions held in Havana in December 1979 among three Salvadoran extremist groups. The DRU contains three members from each of the five active armed extremist organizations operating in El Salvador.

The Farabundo Marti National Liberation Front (FMLN) was formed in October 1980 to serve as the political/military umbrella group for the armed extremist organizations and their front groups.

The Democratic Revolutionary Front (FDR), a separate political wing attached to the FMLN, was founded in April 1980 and operates outside El Salvador.

Of these three groups, it is the DRU that acts as a military high command for the conduct of guerrilla warfare and terrorist action. The FDR has no control over military decisions.

Four of the five Salvadoran armed organizations represented in the DRU can be traced to the Communist Party of El Salvador (PCES). The PCES eschewed violence from its inception in the mid-1920's until late 1979. During the 1970's, the refusal of the PCES to endorse violence caused schisms within the party and led the more radical members to leave the party and organize independent armed organizations.

The PCES is headed by Jorge Shafik Handal. A long-time Communist, Handel has been a political agitator for 30 years. He studied at the University of El Salvador Law School, although he failed to earn a degree. He has long maintained close ties with Havana and Moscow.

PCES leaders were uncertain how to respond to the October 1979 coup in El Salvador which brought to power a reformist civilian-military coalition. Initially the PCES decided to cooperate with the new government. Peaceful change, however, did not suit those committed to violent struggle. Other groups on the left staged violent disturbances. The PCES soon followed their lead and openly opposed the government forming its own military wing, the Armed Forces of Liberation (FAL). In mid-December 1979, PCES leaders met in Havana with representatives of two other Salvadoran extremist groups (FPL and FARN—see below) to initiate the unification process and agree on a military strategy. In June and July 1980, Handal traveled to the Soviet Union, Vietnam, Ethiopia and Eastern Europe to seek arms.

The largest of the armed groups is the Farabundo Marti Popular Liberation Forces (FPL), headed by Salvador Cavetano Carpio. Carpio became involved in labor activities in the early 1960's. By 1964, he had become Secretary General of the Communist Party of El Salvador. In 1969, he split with the party over its reluctance to use violence. Carpio founded the FPL in 1974 to serve as the "vanguard of the revolution." Using the nom de querre of Comandante Marcial, Carpio orders and directs the military operations of the FPL.

By 1972, a separate faction of Castroite, Maoist, and Trotskyite dissidents had abandoned the PCES and organized the Peoples Revolutionary Army (ERP). Headed by Joaquin Villalobos, the ERP is dedicated to a strategy of "peoples' revolutionary warfare" and has emphasized urban terrorism. Villalobos, like Carpio, is a proponent of armed violence and justifies terrorist acts such as kidnapping and assassination as "acts of revolutionary justice." Another prominent ERP figure is Ana Maria Guadalupe Martinez, who regularly travels abroad as a spokesperson for the FMLN. She joined the ERP in 1972. In 1976, she was imprisoned for murdering a Salvadoran policeman. She was released in 1977 as part of a negotiated exchange for an industrialist kidnapped by the ERP; the ERP bargained in bad faith and the industrialist was killed despite Martinez' release. Following the establishment of a reformist civilian-military government in El Salvador in October 1979, the ERP and the FPL staged violent disturbances.

Internal dissension within the ERP resulted in the assassination of key leader Roque Dalton in 1975 by other ERP activists, which led a splinter group headed by Ernesto Jovel and Ferman Cienfuegos to break away to form the Armed Forces of National Resistance (FARN). The FARN took part in the initial unification discussions with the PCES and FPL in Havana in December 1979, and joined the DRU in 1980. But the FARN temporarily retired from the guerrilla command that same year following a dispute. After Jovel died in September 1980 under confused circumstances—the FARN command first attributed his death to a car accident, later to a plane crash—the FARN rejoined the DRU. Ferman Cienfuegos then emerged as the principal FARN leader. He is said to have been a member of a communist youth organization and has operated clandestinely since 1969.

The fifth organization represented on the DRU is a tiny Trotskyite group, the Revolutionary Party of Central American Workers (PRTC). It was admitted to the DRU near the end of 1980. The key figure in the PRTC seems to be Fabio Castillo, a former rector of the University of El Salvador. He has lived in exile since 1972. Formed in the late 1970's, the PRTC has conducted acts of terrorism to establish its revolutionary credentials. A Costa Rican and two Salvadoran terrorists captured by Costa Rican police in January 1982, after an unsuccessful kidnapping attempt, are closely associated with the PRTC. Their statements to Costa Rican police revealed that they had operated out of a PRTC "safehouse" in Managua, Nicaragua, where they also received military training.

Each of these radical groups controls a "popular front" organization. The PCES for decades has operated through the National Democratic Union (UDN), a legal political party which was invited by the Salvadoran Government to participate in the March 28, 1982, elections, but refused to do so. The FPL controls the Popular Revolutionary Bloc (BPR). The ERP controls the relatively small Popular Leagues of February 28 (LP-28). The FARN oversees the United Popular Action Front (FAPU). The PRTC's corresponding front organization is the Movement of Popular Liberation (MLP).

The political front organizations have served to some degree as manpower pools for the guerrillas and in the past have been used to stage demonstrations, disseminate propaganda, and occupy public buildings—churches, foreign embassies, and government offices—as well as to back guerrilla units. Since 1980, activities of political front groups have dropped dramatically as the armed groups which control them put greater emphasis on military actions.

Not represented on the DRU, but connected to it through the Democratic Revolutionary Front (FDR) are several small organizations of the democratic left. The most visible of these organizations is the National Revolutionary Movement (MNR) headed by Guillermo Manuel Ungo, who became the FDR's president in December 1980. The MNR is a member party of the Socialist International. The MNR has a small membership which never exceeded a few hundred. Also part of the FDR is the Popular Socialist Christian Movement (MPSC), which is composed of a handful of former Christian Democrats who abandoned or were expelled from the Salvadoran Christian Democratic party in early 1980.

VIDEO RECORDING OF COPYRIGHTED MATERIAL—COSPONSORSHIP OF AMENDMENT NO. 1333

● Mr. PRESSLER. Mr. President, I have requested that I be listed as a cosponsor of amendment No. 1333, a proposed amendment to S. 1758, legislation concerning private noncommercial video recording of copyrighted material. This amendment has strong bipartisan support. Among its cosponsors are the Senate majority and minority leadership. In light of recent court decisions, Congress must clarify existing copyright law and its relation to the issue of home recording of copyrighted material.

My philosophy on all communications issues has always been that quality programing and alternative delivery systems should be widely available to all segments of American society. As a member of the Senate Communications Subcommittee, I foresee a real danger that the communications revolution will bypass those Americans who cannot afford the new delivery systems or who live in rural areas which will not have access to alternative programing. Rural States like my home State of South Dakota must fight to participate in the many new and rapidly developing technologies. It is estimated that by 1990, one-third of American homes may still be without cable service, many of these homes in rural areas.

In that same time period, only about one-third of all American families will own a videocassette recorder, primarily because of economic limitations. Clearly our farming and ranching communities and our Nation's urban poor will still rely primarily on traditional broadcasting delivered on free network television. Because of this trend, it is imperative that we maintain the economic strength of our programing industries. If network broadcasting is to rely on America's creative community for a steady supply of marketable programing, Congress should insure that adequate copyright protection is provided.

I am cosponsoring this amendment with some reservations since there

appear to be a number of conflicting studies and surveys circulating on this issue. For instance, a 1979 study done by MediStats, Inc. demonstrated that time-shifting, the video taping of a program in order to view it at a more convenient time, is the primary purpose for home video recording use. However, a 1981 study done by the same company indicates that 75 percent of the individuals surveyed tape programs for a permanent, private cassette library. Obviously these kinds of statistical contradictions need to be resolved before a comprehensive congressional solution can be fairly supported.

Another question is the possibility of an increase in retail prices of recording equipment as a result of a copyright fee. One argument states that the competitive nature of the recording equipment market could keep prices down. While this prediction is partially based on previous experience with the 1962 All-Channels Receivers Act, it is still highly speculative and should be seriously explored during congressional debate. It is my hope that the Judiciary Committee, which is currently considering S. 1758 and proposed amendments, will look closely at this information to determine what impact a point-of-sale copyright fee would have on retail prices.

Mr. President, I look forward to an open and indepth discussion of this important copyright issue.●

DEPARTMENT OF STATE REFUGEE POLICY WAS WRONG

● Mr. HUDDLESTON. Mr. President, after a struggle which has spanned several years, the U.S. Department of State has admitted through a change in policy that its misguided refugee program in Indochina was contributing more to the problem than to the solution.

A recent press report stated that:

Faced with Thai appeals to help "curtail" an endless flow of Indochinese refugees into the country, the U.S. Embassy here has announced a new American refugee policy aimed at discouraging Indochinese from leaving their homelands.

This new policy will disqualify a new migrant who does not have ties with the United States.

Implicit in this announcement is an admission that the State Department's policy over the last few years of classifying any migrant from Laos, Cambodia, and Vietman as a refugee was wrong. In essence, it is this policy which has kept a steady stream of economic migrants flowing out of Indochina over the last 4 years and which has cost the American taxpayers billions of dollars in special assistance programs.

This turn-around in policy clearly indicates that refugee policy should be taken out of the hands of the Department of State which has used it as a foreign policy tool instead of as humanitarian relief for those fleeing persecution. It was this misuse of authority which resulted in the Department fighting to classify economic migrants from Indochina as refugees while classifying the same kind of economic migrants from Haiti as illegal aliens who must be deported.

The record of the U.S. Department of State's abuse of the refugee program is clear and convincing:

August 1, 1979—I placed in the RECORD articles from the Philadelphia Inquirer and the Louisville Courier Journal which reported that the publicity given the liberal refugee resettlement efforts was acting as a magnet and pulling thousands of migrants out of Indochina. A UNHCR representative stated that—

There is a danger of creating a self-generating monster that will live for years beyond its normal life . . . the more the West accepts, the more will leave Indochina.

January, 1980—the U.S. Conference of Mayors released a survey which concluded that—

Municipal governments are being severely impacted by and bear the financial burden of the national policy to admit Indochinese refugees at a rate of 14,000 per month.

February 20, 1980—a Presidential report, which was mandated by legislation I introduced, revealed that total refugee assistance would exceed $2 billion a year.

During 1980, reports began to surface about the conflict between INS and Department of State on refugee policy in Indochina.

April 30, 1981—Secretary Haig sent a letter to Attorney General William French Smith asking that all migrants from Laos, Cambodia and Vietnam be considered refugees. In essence, this would clear the way for them to be resettled in the United States and receive all of the special assistance granted to refugees.

May 20, 1981—Attorney General Smith sent a letter to Secretary of State Alexander Haig stating that all—

Persons coming out of Vietnam, Laos, and Cambodia . . . are to be presumed to be refugees by INS, and therefore admissible to the U.S. . . .

July, 1981—a series of articles in the Far Eastern Economic Review and other foreign publications revealed fundamental problems with the Indochina refugee program. One story stated that:

"There is growing conviction among refugee agency officials that the majority of those now leaving Indochina are not political refugees but economic migrants.

July 22, 1981—after receiving convincing documentation that State Department, INS, U.N. and foreign government officials were claiming that U.S. Department of State policy was not in accordance with U.S. law and was probably exacerbating the refugee flow, I introduced Senate Resolution 191 calling for a complete investigation of the program.

August 24, 1981—Office of Legal Counsel, U.S. Department of Justice issued a legal brief which concluded that the law does not permit the type of blanket presumption the Attorney General and the Secretary of State agreed to. A case-by-case determination must be made in each instance and a distinction must be made between economic mirgrants and refugees.

September, 1981—Attorney General admitted that he did not have the authority to make the presumption requested by the Secretary of State and promised to issue new regulations to INS field officers in Southeast Asia.

March, 1982—Attorney General finally issued new guidelines which continue to place emphasis on Department of State policy in determining whether a migrant is really a refugee.

Mr. President, the discriminatory and arbitrary manner in which the U.S. Department of State has set refugee policy is an ugly blemish on our immigration system. However, unless Congress takes positive steps to curtail the power of the U.S. Department of State in refugee matters, I am convinced that abuses will continue to occur.

Mr. President, I ask that the Washington Post article entitled "U.S. Changes Refugee Policy To Curb Intake from Indochina" be printed in the RECORD.

The article follow;

U.S. CHANGES REFUGEE POLICY TO CURB INTAKE FROM INDOCHINA

(By William Branigin)

BANGKOK, April 27.—Faced with Thai appeals to help curtail an "endless" flow of Indochinese refugees into the country, the U.S. Embassy here has announced a new American refugee policy aimed at discouraging Indochinese from leaving their homelands.

After April 30, refugees from Vietnam, Cambodia or Laos arriving in Thailand or other Southeast Asian countries "will be considered for resettlement in America only if they can demonstrate close links with the United States," the embassy said in a press release.

The tougher new policy could eliminate 30 percent to 40 percent of the U.S. refugee caseload, the approximate percentage of those who were admitted to the United States in the past but would not meet the new criteria, a U.S. diplomat said.

The embassy stressed, however, that the policy applies only to refugees arriving in Thailand or other Southeast Asian countries after April 30 and that those already in camps or arriving before then will be processed as before.

Since 1975, the embassy said, 68 percent of the 388,400 Indochinese refugees who have left Thai camps for resettlement abroad have gone to the United States.

The embassy said the new criteria mean that "in the future refugees will only be eligible for resettlement in the United States

if they have close relatives in the United States, have worked at one time for the U.S. government or have other ties to the United States or to one of the previous noncommunist governments of Indochina and now have reason to fear persecution."

[In Washington, H. B. Cushing, director of the Office for Refugee Admissions at the State Department, confirmed the change in admissions policy.

[Commenting that the refugee problem in Southeast Asia is "much reduced from what it was three years, two years and even six months ago," and that the United States has admitted a total of Indochinese refugees roughly equal to the number of those accepted by all other countries together since 1975, he said, "It is not within the capacity of the United States to take everyone who might wish to leave Indochina."

[Indicating that refugees without ties to the United States might be taken by some other country, he said the policy change has been made "in order to have a program adequate to take those with ties" to America. "We believe," he added, "it is quite possible that those ties may be some or all of the reason why life for them in Indochina is intolerable [and] wish to honor that association with us by admitting them."]

The new rules are in line with Thailand's policy of "humane deterrence," under which authorities last year declared Laotian and Vietnamese refugees arriving in Thailand ineligible for resettlement in third countries and placed them in "austere" camps until they are ready to return home.

According to U.S. figures, the policy seems to be having the desired effect. So far in April about 700 Indochinese refugees have arrived in Thailand, compared to about 7,600 in April 1981.

Besides the Thai policy, a U.S. diplomat said, other reasons for this could be signals from Washington of restrictions on refugee intake and a shortage of boats in Vietnam.

Because of the Thai policy, many Vietnamese refugees now deliberately sail for neighboring Malaysia. However, the embassy said it believes that the new U.S. rules will also reduce the number of refugees seeking asylum there and in Indonesia, the Philippines, Singapore and Hong Kong.

The policy was greeted with approval by Thai authorities, although it is still unclear what will become of those refugees who arrive and are ruled ineligible for resettlement.

The head of the Thai National Security Council, Squadron Leader Prasong Soonsiri, praised the new U.S. policy. He indicated to reporters that Thai authorities had pressed for such measures during a recent visit here by Richard Vine, director of the State Department's Bureau for Refugee Programs. Prasong said Washington was urged to eliminate "pull factors" that attract refugees.

The new policy apparently signals U.S. willingness now to draw a stricter distinction between political and economic refugees. A U.S. diplomat said it would effectively exclude from consideration for resettlement such persons as farmers, fishermen and unemployed young people who seek a better life but have no ties with the United States.●

PRESS COMMENTS ON PROPOSED PRODUCTION OF NERVE GAS

● Mr. PRYOR. Mr. President, before we consider the question of whether the United States resumes production of nerve gas, I wish to draw to the attention of my colleagues the tremendous amount of press coverage this issue has received. I believe that these articles and editorials accurately reflect the concern across our Nation over the possibility of U.S. chemical weapons production.

I recommend them for your reading and ask that they be printed in the RECORD.

The articles follow:

[From the Fortune magazine]

DO WE NEED MORE NERVE GAS?

While the U.S. has stopped making nerve gas, the Russians have apparently been increasing their stocks of chemical weapons. Estimates of the Soviet stockpile range all the way from 20,000 tons to 700,000 tons, but even if their stocks are at the low end of that range, the Russians have more than the U.S. President Reagan says the U.S. must narrow the gap, but the arguments for doing so are far from compelling.

Nerve gas has a place in the U.S. arsenal, as even many of those who criticize the President's call for more gas concede. Its principal use on the battlefield, however, is not so much to kill the enemy as to burden him. If a Soviet division lobs some nerve gas into the U.S. lines, American soldiers will have to don their masks and protective suits and scrub their equipment, all of which will reduce their efficiency and mobility. To equalize the handicap, goes the argument, the U.S. must toss some nerve gas into the Soviet positions to force their soldiers to bundle up as well. Both sides then trudge around sweating into their face masks.

SAFER THAN READY-MIX

The nub of the issue is whether the U.S.'s current stockpile of nerve gas is enough for the job. The exact size of the U.S. stockpile remains classified, although it probably amounts to about 15,000 tons. The U.S. also has about 20,000 tons of less lethal mustard gas. But Major General Niles Fulwyler, 53, head of the Army's Nuclear Chemical Directorate, maintains that the nerve-gas stockpiles are deteriorating. As the stablizer within the nerve gas ages, the gas becomes corrosive and eats away its metal casing. Moreover, says Fulwyler, much of the U.S. nerve gas is packaged in cumbersone one-ton drums or in weapons such as the 105-mm howitzer shell that are being phased out.

Fulwyler wants to destroy the current stocks of ready-mixed nerve gas and replace them with binary projectiles designed specifically for the 155-mm howitzer used by the U.S. and NATO. The binary shells are safer, he observes, because their two chemical components do not become lethal until they are joined together on the battlefield. They are far less dangerous in the event of a mishap, or an attack—say, by terrorists—on a storage depot.

But Matthew Meselson, 52, a Harvard biochemist who has been a consultant to the Department of Defense on chemical weapons, argues that the binary is not needed and might not even be effective. No one can be sure it will work, says Meselson, because it has not been tested in the open air. Fulwyler counters that it hasn't been tested in the open air because of environmental considerations, but it has been tested thoroughly in the laboratory and by the open-air firing of 2,700 rounds of chemical simulants—non-lethal compounds similar enough in their molecular structure to the components of nerve gas to duplicate the way they mix. Fulwyler has no doubts about the binary's effectiveness.

Meselson also says that while a binary artillery shell is easy enough to assemble under ideal conditions, the job might not be so simple on the battlefield. "I've been in combat and I don't see any problem," snaps the general. "I don't think Professor Meselson has been closer to combat than Harvard Yard." Meselson admits that's true. On the other hand, he points out, Fulwyler, an artillery officer by training, has only been in the chemical business for three years.

Meselson's more persuasive argument is that the nerve-gas weapons the U.S. now has are more than adequate—and are not deteriorating, apart from a relatively few aluminum rocket tubes. The majority of nerve-gas weapons, encased in steel, are sound and will remain so indefinitely. "They've dropped those things out of airplanes to test their ruggedness," says Meselson, "and they don't leak even after that."

Moreover, says Meselson, a little nerve gas goes a long way. The proper number of nerve-gas rounds in an artillery barrage is 5% or less, he says—that's all it takes to keep the enemy buttoned up. If you toss more than that you are simply taking up shooting time that would be better used firing the armor-piercing and fragmentation rounds that really do damage. He argues that the amount of nerve gas the Army seems to be gearing up for at Pine Bluff would be enough to fight a war across all of Europe for six months. "By that time," says the professor, "you would have gassed tens of millions of civilians."

The general says he doesn't know what the professor bases that 5% figure on, though he can't say what the optimal percentage is. What he does know is that the Russians have a bigger chemical arsenal than the U.S. has.

In the context of a $257-billion military budget, the cost of the binary nerve-gas program—some $122 million, including $74 million to dispose of old nerve-gas stocks—does not loom large. Still, when the talk turns to trimming the budget, marginal programs have to head up the list of candidates. On the evidence available so far, binary nerve-gas weapons look pretty marginal.

[From the New York Times, May 2, 1982]

WOULD WAR WITH GAS MEAN HOLOCAUST?

Should the United States produce new binary chemical weapons? The question is scheduled for debate in the Senate this week when Senator Mark O. Hatfield, Republican of Oregon, holds hearings in the Appropriations Committee and amendments to the Pentagon's authorization bill are offered on the floor. The Administration would like a go-ahead, and has asked for $32 million to develop the new munitions, which consist of two nonlethal components that are packaged separately and combine to form a toxic agent only after a shell or bomb is in flight. The amount is relatively small as military budgets go. But the question itself is highly charged. The Week in Review asked Maj. Gen. Niles J. Fulwyler, director of the Nuclear and Chemical Directorate, Department of the Army, and Matthew Meselson, professor of biochemistry at Harvard University, to talk about the pros and cons. Excerpts of their discussion with Richard Halloran, a correspondent in the Times' Washington bureau, and Caroline

Rand Herron, an editor of The Review, follow.

QUESTION. Do we need more, better or any chemical munitions, and why now?

Mr. MESELSON. General Fulwyler and I agree we have to assume the Soviet Union poses a major chemical threat. Where we begin to disagree is in the response. In my opinion, the response which the army has recommended and which the President has endorsed is dangerous and wrong.

This follows from a unique characteristic of chemical weapons. The military advantage against a sophisticated opponent is simply to force the other side into their protective equipment (and) decrease tempo. This has two important consequences. The munitions requirement is very small.

The other thing, though, about chemicals is that they selectively exterminate civilians. A civilian goes down into his cellar, the way civilians do to avoid high explosive fire—he's going down into his gas chamber. Quite aside from the moral implications of that, that means that if you're thinking about alliance warfare on somebody else's real estate, mainly Europe, those people aren't going to let their soldiers use chemical weapons in their defense.

General FULWYLER. Unfortunately, civilians have been subjected to the violence of war in every war we've ever had. Now that is not good, but it has occurred.

Mr. MESELSON. We need to look at these things more quantitatively. You can calculate the ratio of military deaths to civilian deaths under various kinds of scenarios. With chemicals, you might end up killing 20 civilians for every soldier; with high explosives, far, far less. Even in tactical war in Europe, the ratio would be less.

General FULWYLER. The first reason that we want the retaliatory capability is, of course, to deter use. But, secondly, if the adversary uses chemical and forces us into protective clothing, if we do not have the capability to force him into protective clothing, then we're fighting with one or one and a half arms tied behind our backs.

Mr. MESELSON. We already have many more than enough artillery shells (containing chemical weapons) to accomplish the objective which General Fulwyler and I have been discussing. They are not deteriorating, contrary to a myth that is prevalent; they are not obsolescing, contrary to a second myth.

General FULWYLER. Perhaps the agent deterioration itself is not all that great—except it does occur. (But) we have containerized today over a thousand different types of artillery munition that have been leaking.

There's another type of deterioration. The M-55 rocket, we don't have a delivery system for; the rocket launcher is no longer in inventory. We have a sizable part of our stockpile in the 105-millimeter howitzer, which is rapidly being phased out of the Army inventory.

QUESTION. Are binaries the most efficient addition, in terms of storage, transport, battlefield use?

General FULWYLER. We believe so, particularly on production, storage and transport. We never join the second chemical precursor until the operational site, which means that that round, for all practical purposes, is safe up until the time it is finally loaded. And those various compounds themselves are relatively non-toxic. The diforal that will be used in the 155, as an example, is not as toxic as tear gas. And we believe, based on over 2,500 test firings of the 155, that the binary concept will be just as effective as the current unitary rounds.

Mr. MESELSON. There has never been a single test firing in the present configuration. You can't test one thing by testing another.

General FULWYLER. Well, the configuration wasn't that much different. (And) we do not need live testing because we can do all the necessary testing in a laboratory environment with modern technology.

Mr. MESELSON. General, you know that we want to resume testing. I'm all for it, I think we should. To issue untested munitions to the troops is wrong.

But let me talk about the need for them, not whether they're any good. You are participating in the perpetuation of a harmful confusion. Do you know that all of our nerve gas (in) artillery ammunition is today classified Code A? Code A means, and I quote, that "fully meet all military characteristics, issuable without limit or restriction." The only way you could generate a bigger requirement would be to assume a long war in which all our allies are also using nerve agent at a high rate.

THE DETERIORATION FACTOR

General FULWYLER. You do not have access to——

Mr. MESELSON. Yes, I do. I've written a classified report on the stockpile (in January 1981). And it's gone up, not down, since then.

General FULWYLER. Still, I have concern about you making statements concerning the status of our stockpile, when I believe, Professor, you do not have timely information.

Mr. MESELSON. Can you refer me—because names of documents are always unclassified as names—to a single existing document saying that the stockpile of munitions are deteriorating at such a rate that in a few years we won't have any?

General FULWYLER. I don't know if there's a study or not, but the information that I have would lead me to say unless we do something, by the end of this century we will have unilaterally disarmed.

QUESTION. Mr. Meselson, what would be your formula for acquiring sufficient deterrent?

Mr. MESELSON. There are two parts to that. The first is protection in defense. We have a good protective suit, and a better one is coming along. We have a mask which is somewhat maligned; whether a better one is coming along I don't know.

But where we fail is troop training, except for certain specialty units like the 82nd Airborne. I talked to a colonel from the 82nd Airborne; he says that his men relish the chemical suits. But most soldiers are not practiced in the equipment to the extent they should be.

As far as our deterrent stockpile is concerned, if we press ahead with what I consider to be these useless weapons, which are complicated, almost four times bulkier to ship, 10 percent heavier to ship——

General FULWYLER. That's wrong! We can (ship) almost twice as many of the binary rounds as we can a unitary round.

Mr. MESELSON. General, the numbers you're talking about refer to not having the fuse or the cannister (and packing materials).

General FULWYLER. That's correct, you're not shipping both at the same time. In the interests of safety, we would not plan to ship them on the same aircraft.

Mr. MESELSON. Then there's not twice as many.

But my point is that if we overemphasize chemical weapons, which we are on the verge of doing, then two very bad things could happen.

First, there is already on the agenda of the German Social Democratic Party a resolution to withdraw the stocks there. They're the only stocks which are ready to use. This resolution is provoked by apprehension that we are going to overemphasize chemical weapons. The other great danger in overemphasizing the chemical weapons is that if they are ever used against us, our second strike by definition has got to be a lot less effective. Because anyone who would use them first against us is going to pre-warn all their forces to protect themselves. Whereas the first strike on us has a chance of catching us by surprise.

Therefore, to the extent that we advertise that we're going to make very much more than we already have on hand, which is a lot, we risk propagating the view that we are unlikely to use our nuclear weapons ever. This undermines the deterrent to war itself.

General FULWYLER. Professor, I think you're really stretching the rationale on that one.

Let me hit just a couple of things.

We have done some tests last year with soldiers with the protective clothing on, for instance, in tanks, and the time by which we had to get them out of the suit or risk a health hazard to them was about 40 minutes.

About the overemphasis on chemical—well, on the defensive side we're paying the price for an underemphasis for a number of years. We can and must make improvements. Over and above that, though, I still maintain that the best way to deter the Soviets' use of chemical agent is for us to have a credible retaliatory capability. That means one in being, one that constitutes a threat and one that he knows that we can hold him at risk at. And the current stockpile does not offer that.

Mr. MESELSON. Even if the wearing of this equipment, which I believe has had its burden exaggerated, is a burden, that just means that the objective of having these munitions is to force the other side into such equipment. We have at present far more than enough to do that.

The intent to produce another type which is not needed and which has not been tested in live form in the field is likely to do more to enrage our allies—we're not doing us a particle of military good. Besides that, binary is complicated to assemble in the field.

General FULWYLER. That is not true, Professor! It's a very simple weapon to assemble in the field. Two to three minutes at the most.

Mr. MESELSON. I agree that it can be assembled in the field, the piece time rate is probably an underestimate—but no commander prefers to have to do that.

QUESTION. To close, let's talk about something that takes more than three minutes or 20 years, apparently, and that's the chemical warfare treaty, and the now apparently abandoned push for a total ban. How does our current posture help or hurt that endeavor?

General FULWYLER. Well, of course that's one of our points, too. We believe that what we're doing with the binary program is probably going to give us the best leverage at the negotiation table.

INCENTIVES TO NEGOTIATION

We have been sitting at the table with the Russians since 1977, and during that time we have seen little or no progress at all. And at the same time, we believe that the Soviets have gone forward and continued to improve their posture. There has been no incentive for them to make any meaningful proposals or agreements.

Mr. MESELSON. I can't evaluate that, because that is a psychological question. But I can say something about the negotiations. It depends on how you look at the record (as to) whether it represented progress. And I wouldn't dogmatically assert one or the other. We have agreed with the Soviets—and we announced in July three years ago in a joint communiqué with them—we agreed on the principle of on-site international challenge inspection. But that's not good enough for us.

We're the ones who cut off these talks. We should resume them. Whether or not we could get agreement on the kind of verification that's needed, I don't presume to know. We should just keep trying.

Quite aside from the fact that millions of Europeans are at risk of dying in any large-scale chemical war in Europe, the military implications of that have gone unappreciated. You cannot fight an alliance war with allies who won't use the weapon. It's dreaming to think that they will allow their troops to use it.

THE RETALLIATION BOOMERANG

General FULWYLER. We got to live with the facts of the day, and the facts are that the Soviets are the best equipped nation in the world to wage chemical warfare. If the conflict is forced upon them, I would be willing to wager that anyone, including our allies, will be more than happy to accept that as part of the deterrent, if not to have it as a retaliatory capability if it is used on them.

Mr. MESELSON. I strongly disagree. If we could imagine the war happening in New Jersey——

General FULWYLER. Do you think our allies would prefer for us to cross the nuclear threshold first as a counter to the Soviet use of chemical weapons?

Mr. MESELSON. At the point where the Europeans see millions of their civilians dying that they would advocate that we not defend them anymore—which we hope they wouldn't do. That's exactly what chemicals might achieve, because it puts them in a position where the continuation of that war would involve a catastrophe of strategic proportions for them due to chemical losses.

General FULWYLER. If we cross the nuclear threshold, that is going to be a catastrophe of greater immensity.

Mr. MESELSON. Yes, but I think that chemicals can bring that on.

[From the New York Times, Jan. 21, 1982]

WHY MAKE MORE POISON GAS?

President Reagan stands at the brink of a reckless decision to break a 12-year moratorium and produce a new poison gas weapon. He does not need it or the trouble it will bring.

The Pentagon wants a new nerve gas primarily for European defense. That could ignite another row with the allies, who have not been seriously consulted and do not want the gas on their soil. It could trigger a new chemical weapons competition with Moscow, ending what hope remains for the long-pending treaty to ban such weapons. It could lead to even more repugnant chemical weaponry. And it could spread the industry until many nations and even terrorists gain access to poison gas, now stocked only by the two superpowers and France.

The only conceivable argument for gas weapons is that they would deter the Soviet Union from resorting to gas warfare. President Nixon decided in 1969 that deterrence was served by three million gas artillery shells and even larger bulk gas reserves. He therefore halted production and pledged to abide by the 1925 Geneva Protocol, which America initiated but never signed.

President Ford signed the Protocol, banning first use of poison gas, and pressed negotiations for a world treaty to outlaw chemical agents—like that which banned germ agents in 1975. Soviet reluctance about on-site inspection became the main obstacle, but some progress has been made.

Yet the Reagan Pentagon has quadrupled its chemical warfare requests to $810 million for 1983, partly to begin producing the new gas, and asks $1.4 billion for 1984. The President has tentatively agreed, but he cannot have considered the true financial and diplomatic costs.

The Pentagon plan requires up to $4 billion for new gas weapons and $3.7 billion to destroy the old—an even more for defensive equipment, research and development, chemical troop pay and servicewide training. That would be an extraordinary waste of money for an improved World War I weapon that no nation found worth using in World War II. Against protected troops, nerve gas is less effective than high explosives. In a European war, unprotected civilians would be the main victims.

The only impressive evidence of a Soviet buildup in the chemical warfare field is the provision of new protective equipment and training. A comparable American defensive effort added to existing gas stocks should be deterrence enough. Reports that the Russians used toxic agents in Afghanistan and Indochina have not been fully confirmed. Besides, they describe small-scale use against unprotected people in remote areas.

The Army argues that existing stocks of nerve gas are deteriorating and leaking and that a "binary" gas would be safer to handle; its two nonlethal components would be combined only after a shell was fired. But civilian scientists, like Prof. Matthew Meselson of Harvard, say the leaks have been trivial and that the old stocks, with improved maintenance, could last indefinitely. There has been no serious accident in transport or storage in 30 years.

The binary gas would certainly require fewer precautions. But it is unwanted in Europe, is no more potent than the old and could not be a decisive weapon. Those are reasons enough not to squander money or energy on the project.

[From the Christian Science Monitor, Jan. 21, 1982]

NO TO NERVE GAS

Some military weapons have been considered so reprehensible and horrifying that the international community has imposed stringent limitations on their use or, better yet, sought to ban them entirely. Thus, the United States in 1974 became a party to an international treaty prohibiting the production and stockpiling of biological weapons. The US has also adhered to the earlier Geneva Protocol of 1925 that forbids the use (first use, as interpreted by the US)—but not the possession—of chemical weapons. In 1969 President Nixon inched the US a further step away from chemical weapons by ordering a total halt on their production. Since then, however, the US has continued research into such weapons particularly binary weapons, where the two primary ingredients of, for instance, nerve gas are manufactured, shipped, and stored separately.

Because of America's historical record of a broad turning away from not only use by manufacturing of chemical weapons, it is dismaying to learn that Washington is now considering going ahead with the production of nerve gas for the first time since the late 1960s. In fairness, it should be noted that during the past decade many congressmen, as well as the Pentagon, have repeatedly called for the manufacture of chemical weapons. Congress has also provided funding for a new factory for such weapons. But no administration since the Nixon administration has given a green light to actually making them.

For that very reason, Congress and the Reagan administration would seem to be well-served by a careful reconsideration of any plans for production.

Given the already awesome array of conventional and strategic weapons possessed by the US, what would be the purpose of acquiring new nerve gas in the first place? Would such possession mean that the US was considering eventual use of it, notwithstanding the Geneva Protocol? And in what sense would mere possession constitute a "deterrent" to a battlefield use of such weapons by the Soviet Union, as argued by some officials within the Pentagon? Surely America's existing forces, not to mention weapons systems now planned by the administration, are more than a sufficient deterrent.

There would also seem to be another reason for the U.S. declining to press ahead with production at this time. That is the continuing international inquiry into allegations of use of toxic weapons in Laos, Kampuchea, and Afghanistan. Although the U.S. has still not specifically linked reports of the use of "yellow rain" in these areas to the Russians, Washington has inferred that it is the Soviet Union that has supplied these weapons.

In December the UN General Assembly voted to continue an inquiry into the "yellow rain" question, an investigation that has seemed to many observers to be somewhat tardy and bogged down in red tape. In a related matter, questions have also been raised about whether the Russians have set up a bacteriological weapons factory at the Urals town of Sverdlovsk. For the U.S. to go ahead with the manufacture of chemical weapons at a time when questions are being posed in international forums about possible Soviet violations of existing treaties regarding toxins would be counterproductive since it would give Moscow justification for any such actions.

It would also antagonize many of America's European allies, since European public opinion is strongly critical of such weapons.

For the U.S., the ultimate aim should still be an international convention banning not just the use but the manufacturing and storage of chemical weapons.

[From the New York Times, Feb. 1, 1982]

MORE ALLIANCE TROUBLE?

(By Anthony Lewis)

WASHINGTON.—President Reagan's budget message will disclose his decision to go ahead with a new family of weapons that have a curious feature. They cannot be de-

ployed in the theater for which they are intended.

The weapons are chemical: shells and bombs carrying a nerve gas so lethal that anyone inhaling it would be dead in a minute, his basic body functions paralyzed. They are called binary chemical weapons because of a new design feature. Two chemicals that produce the gas are stored in separate containers and mixed just before firing.

The principal military justification for the nerve-gas binaries is that they would deter Soviet use of chemical weapons in an attack on Western Europe, or would be used in retaliation for chemical attack. But the European members of NATO have made it clear that they do not want the new weapons stored on their soil. One allied official, by no means a dove, put it: "There is simply no chance of deploying these things anywhere in Europe."

European politicians have already shown much nervousness about the idea of the new weapons. When President Reagan persuaded Congress last year to vote $23 million for a binary weapons plant in Pine Bluffs, Ark., U.S. officials assured the NATO allies that construction of that facility did not commit the President to authorize actual production of the weapons.

There was a flap in Britain a month ago when a Pentagon official disclosed that a 1980 report of the Defense Science Board recommended deploying a planned new binary nerve-gas bomb, the Bigeye, at U.S. air bases in England. Britain's Minister of Defense, John Nott, quickly said there had been no approach to him about such a deployment—"nor is one expected."

Germany is the potential NATO battlefield, and West Germans are if anything more sensitive than the British on the subject of the binary weapons. One reason is that any significant use of nerve gas on the battlefield would inevitably cause heavy civilian casualties.

Maj. Gen. Niles J. Fulwyler, head of the Army's nuclear and chemical warfare directorate, explained it candidly in Congressional testimony last September. He said NATO governments' concern about chemical weapons "derives in a great deal from the civilian population. If chemicals are used, the civilian population would be greatly affected. Neither we nor they provide protection to the civilians."

In addition to chemical artillery shells and the Bigeye bomb, the Army is thinking about trying to put nerve-gas warheads on ground-launched cruise missiles to be deployed in Europe. They would have a range of 1,500 miles and thus could send gas deep into the Soviet Union. But such a proposal would certainly arouse great resistance in NATO.

Pentagon officials say they have a way of dealing with any inability to deploy the weapons in Europe. They say that there would be several weeks' warning of war, and in the crisis the allies would put aside their concerns about nerve gas. Then chemical warheads could be rushed across the Atlantic in fast ships.

Yossarian could not have improved on that incredible military scenario. In the unlikely event that there was a neat warning of war weeks ahead, the strain on available ships to get materiel from the United States to Europe would be tremendous. Would binary chemical weapons, with their bulky dual-containers, get priority for the limited cargo space?

Still another idea to get around European resistance is to deploy nerve-gas bombs on aircraft carriers in the Atlantic. But the Navy is unenthusiastic about taking up limited space on carriers to store bulky weapons that would be used only if the Russians used gas first.

With all the difficulties, why would President Reagan want to start producing such weapons? Their military advocates say that we need a deterrent to Soviet chemical warfare and that binary weapons are safer to handle than older, pre-mixed chemical shells.

Yes, we do need a deterrent; we have to assume a Soviet chemical threat to NATO. But the United States has an enormous deterrent already: many hundreds of thousands of nerve-gas shells stored in this country and in Germany. Ironically, new weapons could arouse German opposition to the weapons already there.

The promoters of binary weapons dismiss our existing stockpile of nerve-gas shells as "aging" or "unsafe" because they were made before President Nixon put a moratorium on production in 1969. But no one has ever been hurt by a leak from one of those weapons. According to military sources, they are all ready for use or soon will be under a maintenance program.

To start producing a new generation of chemical weapons would be a dangerous step politically and a pointless one militarily. It would cost at least $6 billion in the next five years. It would be an extreme example of technological folly: a clever, costly cure for a problem that does not exist.

[From the Washington Post, Jan. 14, 1982]

CHEMICAL WAR: URGENT BUSINESS

The Kremlin's likely use of chemical and biological weapons in Southeast Asia and perhaps in Afghanistan poses questions that have not yet been generally recognized, much less answered. Why have the nations of the world responded so limply to the growing evidence that the U.S.S.R. has been flagrantly violating a treaty commitment for five years? Is it that the victims are not white citizens of industrialized nations, but brown and yellow inhabitants of poor countries? Why have developing nations refused to recognize the implications for their own security of the development of these cheap and easily accessible weapons of mass death?

For the United States and its NATO allies, there are additional, urgent questions. What does the probable violation of both bilateral and multilateral arms control agreements, including the one treaty—the 1972 Biological Weapons Convention—initiated as a unilateral disarmament step by the United States, say about the thinking in the Kremlin and the value it attaches to any type of arms control? What does it say about political will in the West that Washington has so far been unable to hold the Soviets politically accountable, or even to generate much interest in the subject? Are there lessons in this and in the Sverdlovsk incident concerning the utility of sanctions in treaties with Moscow? At Sverdlovsk, an apparent outbreak of deadly anthrax may have indicated Soviet biological weapons work; the true facts may never be known.

The United States has made some effort to publicize the evidence it has found of the likelihood of Soviet biological and chemicals weapons use. But is has done so largely at a level below that which the seriousness of the issue warrants. And it has devoted far too few resources to proving beyond doubt the accuracy of its allegations. What is called for is less inflammatory rhetoric, more diplomatic legwork and presidential involvement in explaining the implications of these apparent violations and in enlisting other nations' support in the United Nations investigation of them. The administration has done too little to heed its own reminder that this is not a U.S.-Soviet issue, but a truly global one.

The one concrete step the United States has taken—breaking an 11-year moratorium with the decision to build a facility to produce binary chemical weapons—is the wrong one. Chemical weapons are tools of limited military utility against a prepared opponent like the Soviet Union. In a European war, their principal victims will be civilians. Because of this, a wartime decision to use them would be likely to disrupt, rather than to protect, NATO. The single argument in their favor is the strategists' dictum that the only way to deter a Soviet chemical attack is to be prepared to respond in kind. In fact, better weapons are available. The needed deterrent is the arming of Western troops with the protective gear that can largely negate a chemical attack. In this essential step, the United States and its allies have been remiss.

Perhaps the underlying explanation for the feeble worldwide response to Soviet use of chemical and biological weapons is a feeling that these are outmoded weapons, effective in World War I, but rendered obsolete by the atomic bomb. The truth is just the opposite. These are weapons capable of dealing death and destruction on a scale comparable to nuclear weapons. The difference is that they are generally far cheaper, less technologically demanding and more accessible to terrorists.

[From the Los Angeles Times, Feb. 3, 1982]

U.S. CHEMICAL-ARMS PUSH COULD QUIET CRITICS OF SOVIET

(By Stephen Aubin and Jon Englund)

Just as the allegations of Soviet atrocities with biological weapons are beginning to gain credibility, the United States may take a step what would largely free the Soviets of culpability. The Reagan Administration is about to request a major allocation for the development and stockpiling of binary weapons, a technology in which two chemicals held in separate compartments are mixed on firing so as to produce a lethal gas.

An announcement reversing the ban on the production of chemical and biological weapons, which was imposed by President Richard M. Nixon in 1969, is likely to provoke the same response from Europe as the neutron bomb fiasco did during the Carter Administration. International opinion would be sacrificed: The world would find it far more difficult to distinguish between U.S. and Soviet chemical-weapons policies, dealing irreparable damage to the Reagan Administration's ideological battle with the Soviet Union.

The evidence of Soviet-sponsored use of mycotoxins in Laos, Kampuchea and Afghanistan should not be clouded. The United States must not be thrown onto the defensive, allowing the Soviets to evade world condemnation.

These mycotoxins, produced from the Fusarium fungus, have provided the Soviets with a killing agent that is efficient and relatively easy to produce and that leaves no trace. When a victim encounters the deadly toxin, various symptoms occur, depending on the mix and strength of toxin strains. Nausea, difficulty in breathing, convulsions

and bloody defecation precede a gruesome death that results from drowning in one's own blood as internal membranes burst. Every body opening bleeds profusely. Several hours later, the corpse turns black.

There have been widespread reports from refugees about "yellow-rain" chemical attacks in Laos against the Hmong hill tribes. Similar reports have come out of Kampuchea and, more recently, Afghanistan. The common symptoms cannot be explained by coincidence; the similarities are too overwhelming. The evidence should be sufficient to persuade any reasonable person that the alleged chemical attacks against largely defenseless civilians are not just Western fabrications.

Last September, when Secretary of State Alexander M. Haig, Jr. accused the Soviets of using mycotoxins in Southeast Asia, there was an initial flurry of indignation. But these expressions of outrage were short-lived. There are three broad reasons why the Soviet Union has not yet been brought to task by the United States and more generally, by nations around the globe; the skepticism of the scientific community, the residual effects of the Vietnam syndrome and the force of Soviet propaganda.

The doubts voiced by many in the scientific community can be explained in part by the general nature of scientific discovery. Although scientists are usually preoccupied with precision, science itself has often rested on unproved theories. Philosopher Karl Popper once remarked that theories can never be verified—they can only be falsified. As theories have been disproved and discarded, skepticism has increased. In the case of "yellow rain," the sort of evidence that persuades scientists is hard to come by (the mycotoxins are fully metabolized, and thus leave no trace). Overwhelming circumstantial evidence, however, should be sufficient proof.

The press with some justification, has been wary of being used by the Reagan Administration to support its view of the world in East-West Cold War terms. Underlying this caution is the heritage of the Vietnam War, which has not been expunged from the American psyche.

Finally, the Soviets' propaganda has been somewhat effective in deflecting criticism and diverting attention from their present use of mycotoxins. They have falsely charged that the United States is engaged in biological warfare in Cuba, issued frequent reminders of U.S. use of Agent Orange in Vietnam and cited the inability of the United Nations to verify the allegations of "yellow rain." (The U.N. team was not allowed to enter Laos or Kampuchea; moreover, the team reported directly to a Soviet official in the U.N. bureaucracy.)

If the Reagan Administration goes ahead with its plan to allocate more than $4 billion over several years for expanding the U.S. chemical arsenal, Soviet propaganda efforts would be greatly enhanced. Such a decision would also make it very difficult for other nations to distinguish between U.S. and Soviet use of poisonous gases.

In terms of technology, binary weapons are a real improvement; they are far safer to handle and store than conventional chemical weapons. But it's doubtful whether the new weapons would deter the Soviets from using conventional toxic weapons. A move to produce even a small number of binary weapons is certain to be controversial with the Europeans, who are justifiably concerned with the possible models of deployment. The reaction to talk about basing the new weapons on U.S. Air Force bases in Britain has foreshadowed the uproar to come; is it worth it? Finally, who will be responsible for these weapons? How accountable will they be? Past experience with Agent Orange have demonstrated some of the difficulties of maintaining control over chemical weapons.

The Administration will soon announce a two-track policy by which it hopes to start producing binary weapons while also proposing a round of treaty talks on banning biological and chemical weapons. Though the treaty proposal might force attention on the Soviets' "yellow rain," it could also be a ploy to help legitimize the United States' own chemical arsenal buildup.

The Soviets' continued use of biological warfare in remote regions makes wider use of such weapons more likely in the future. To be able to effectively and credibly put pressure on the Soviets to stop using lethal gases, the United States should exercise restraint and abandon its current plans.

[From the Philadelphia (Pa.) Inquirer, Mar. 27, 1982]

WHY SHOULD THE U.S. OUTDO SOVIET HORROR?

Isn't the expression "civilized warfare" a conflict in terms? Does it make any difference to the corpse, or mounds of corpses, how death was inflicted? With the prospect that the entire human race could be incinerated by nuclear bombs, does it make sense to try to eliminate another cruel and inhuman method of warfare that does not kill quite so wholesale?

These are not rhetorical questions. The fact that governments have not managed to ban the bomb does not mean they should not at least try to ban poison gas and other chemical weapons. It is worth noting that no nuclear bomb has been dropped in anger since Nagasaki, in August 1945. Chemical and toxic weapons, however, have been used by the Soviet Union and its allies in Laos, Cambodia and Afghanistan through January of this year, according to a State Department report.

The report, submitted to the Congress and the United Nations, charges that more than 10,000 people—6,504 in Laos, 981 in Cambodia and 3,042 in Afghanistan—have been killed in nearly 400 attacks. The evidence is convincing, if not absolutely so. It is based on testimony of purported survivors, doctors who said they had treated the victims, journalists and others who talked to victims, analysis of physical samples and other sources.

The Soviet Union, of course, denies everything. One could hardly expect it to do otherwise. There are international treaties banning the use of chemical and biological weapons, and the Soviet Union has signed them, as has the United States. The problem with the treaties, however, is that they are not verifiable. Those who may yet be skeptical about the detailed evidence amassed in the State Department report hardly can be less so about accepting the Soviet Union's word, especially in view of the Kremlin's consistent opposition to a verifiable ban on the production and stockpiling of chemical and biological weapons.

In the absence of such a ban, President Reagan recently told the Congress, it is "essential to the national interest" that the United States end the moratorium on chemical weapons inaugurated by President Nixon and proceed with the production of a new generation of deadly binary nerve gas shells and bombs.

Does that make sense? It does not. One can make the argument that only America's stockpile of nuclear weapons deters the Soviet Union from using its stockpile (although one can make an even more effective argument that both stockpiles make everyone less secure). Chemical and biological weapons are another matter.

Working on defenses to the other side's offensive weapons does make sense. Producing offensive weapons only encourages the other side to produce more. As Democratic Sen. David H. Pryor, in whose state of Arkansas the nerve gas facility is located, has observed. "Producing binary nerve gas is not going to kill one more Russian soldier or one more Russian civilian than the conventional stockpile that we now have on hand."

The right policy is not to escalate the production of cruel and inhuman methods of warfare but to accelerate negotiations for a verifiable ban. What sense does it make for the United States, having put the onus on the Soviet Union for making chemical and biological war on civilians to remove the onus by preparing to do the same?

[From the Baltimore Sun, Apr. 19, 1982]

CHEMICAL WARFARE

U.S. charges that the Soviet Union is using chemical and toxin weapons in Afghanistan and Southeast Asia are unfortunately linked with administration efforts to resume U.S. production of chemical weapons for the first time in 11 years. Why unfortunately? Because the circumstantial evidence of Soviet violations of the Geneva convention is so convincing that no grounds should be provided for suspicions that Washington has ulterior motives in presenting its case.

Even Matthew Meselson, a Harvard biologist who has questioned "yellow rain" tales of horror coming from remote parts of Laos and Cambodia, now says, "I am pretty convinced that some kind of chemical warfare is going on." Clearly, the administration is in a position to rouse worldwide revulsion against Moscow. Yet the moral force of the U.S. case could be undermined by administration efforts to begin production of binary nerve gas materials and weapons.

For years, and for good cause, the Pentagon has been worried about Soviet programs in the chemical and biological warfare field. The Russians have built up larger stockpiles than the Americans, trained far more troop units for chemical warfare and developed tanks and other vehicles to operate under chemical warfare conditions. Now, with the evidence of Soviet experimentation with lethal trichothecene toxins and new chemical agents in remote parts of Asia, Americans have to wonder what their adversaries have in mind.

Both the United States and the Soviet Union have renounced first use of chemical weapons. But both have reserved the right to develop and stockpile such weapons, and to equip their forces with offensive and defensive capabilities.

President Nixon unilaterally halted U.S. production of chemical warfare agents in 1969 partly because of popular unrest about U.S. use of non-lethal defoliants and riot-control gases in Vietnam and partly because he wanted safer and more efficient weapons. The technology exists to produce so-called binary weapons that combine two separate chemicals into a deadly mixture only after they are fired. President Carter resisted

pressure to proceed, but President Reagan has reversed him, thus setting the stage for debate.

The case seems clear for a step-up in U.S. preparations for defensive measures against an enemy chemical or toxin attack. American troops should have the best training and equipment possible. But the chemical offensive warfare stocks on hand, even with their growing obsolescence, ought to provide a sufficient deterrent until the administration can determine if there is any hope left for a chemical disarmament treaty.

[From the Philadelphia Bulletin, Jan. 28, 1982]

HEATING UP THE CHEMICAL ARMS RACE

We can always count on the Soviet Union to blame the United States whenever they are caught in some outrageous act. A recent case in point: Its use of toxic chemicals—"black" and "yellow rain"—in Asia.

Moscow's Pravda mouthpiece last week loudly proclaimed that the U.S. was preparing to build a vast new arsenal of chemical weapons and laying the "psychological groundwork" to use them.

1. SOVIET ATROCITIES

We'll get back to America's plans in a moment. First, we must mention that the Soviets have been using these hideous weapons on Afghanistan rebels: "Black rain," which paralyzes its victims, and a yellow gas which causes bleeding, vomiting and diarrhea.

Some choke to death on their own blood.

In Cambodia, defectors from the Vietnamese occupation force admit dropping Soviet-made gas bombs on tribesmen, killing the occupants of entire villages. Samples of *trichotecene mycotoxin*, the essence of "yellow rain," have been brought out of Cambodia. The Soviet response is to deny all—the existence or use of these chemical weapons.

Was anyone surprised that a UN study commission, which reported to a Soviet undersecretary, came to no conclusion? The commission did not visit Afghanistan, Laos or Cambodia, and didn't interview Afghan refugees in Pakistan—a pitiful farce.

2. MISTAKEN U.S. RESPONSE

Now about U.S. plans:

President Reagan indeed is considering expanding and restocking our arsenal of chemical weapons. He has tentatively approved the Pentagon's request for $2.2 billion to produce binary nerve gases.

Pentagon brass argue that the binary gas components, which are shipped and stored separately, are safer to handle. But what they seem to be advocating is a major chemical arms race with the Soviets.

We are signatories to the 1925 Geneva accord banning first use of poison gas. What we should be working on is a worldwide treaty—with inspection and enforcement—to control chemical weapons.

If the Soviets won't cooperate, they should be isolated by the world community as chief dispensers and users of these horrible instruments of war.

[From the Milwaukee Journal, Mar. 6, 1982]

BEWARE OF CHEMICAL WEAPONRY

A fateful decision to renew production of chemical weapons has been made by President Reagan, who calls the step "essential" to national defense. Not so fast, is our response.

Congress last year approved $20 million to prepare an Arkansas plant for producing the chemical weapons (germ-warfare devices still would be proscribed). Now, however, Congress should focus on alternatives to approving $30 million for actual production.

The utter horror of such weapons tends to paralyze critical thought, and there are some very hard questions that must be addressed.

Is production of a new nerve-gas weapon the best way to deter chemical warfare? Might increased capability heighten the risks of escalation to nuclear warfare in case of hostilities in Europe, rather than impede them? Would U.S. production involve an even greater disruption of the Atlantic Alliance than nuclear arms have involved?

It is generally agreed that the Soviets have developed a greater chemical-warfare capacity than the U.S. and NATO. There are also allegations, disquietingly plausible, that the Soviets or their proxies already have used disabling or toxic agents in Afghanistan and Southeast Asia—the so-called "yellow rain." Hence, the possibility of chemical warfare cannot be dismissed.

Reagan's approach is billed as a "two-track" policy. First, build the new binary nerve-gas weapon to demonstrate U.S. resolve and, second, resume negotiations with the Soviets for a ban on development, production and use of the fiendish weapons. But production of nerve-gas weapons is inherently risky and would not necessarily get talks going again.

We think a wiser move would be to concentrate on chemical-warfare defense and training. There have been severe deficiencies for the past decade in maintaining U.S. chemical weapons. More important, however, has been a comparable neglect in developing better protective equipment and honing defensive tactics and training.

A British scholar, J. P. Perry Robinson, writing in "Survival," a publication of the respected International Institute for Strategic Studies, acknowledges that the West should not dismiss Soviet chemical-warfare capabilities. But he stresses "the degree to which alert anti-chemical protection may discourage chemical attack."

There is another frightening possibility if the U.S. goes ahead now with production of chemical weapons. The Soviets probably would respond by greater development of their own chemical-warfare arsenal. "The result," warns Robinson, "could then be a full-blown chemical arms race likely to spread to regions where chemical weapons could be far more destabilizing than they are in Europe."

There's a specter to chill a superpower.

[From the St. Louis Post-Dispatch, Feb. 20, 1982]

THE NEW NERVE GAS PROGRAM

In a move certain to trigger controversy both here and abroad, President Reagan has decided to begin U.S. production of nerve gas for the first time since 1969. In his new 1983 budget proposal, Mr. Reagan has included $30 million for nerve gas production.

This rather modest sum, however, is just the beginning of a multibillion-dollar program to produce a new family of weapons known as binaries. These weapons are shells and bombs in which two separate chemical agents are combined after firing to form a toxic nerve gas. The administration attempts to rationalize the need for these new horror weapons on the ground that they are required to deter the Soviets and to induce Moscow to sign, in the words of Defense Secretary Weinberger, "a complete and verifiable ban . . . of chemical weapons."

While the administration's goal should be praised, its methods of achieving it are really counterproductive. The U.S. already maintains a huge gas stockpile that could be put into millions of shells and bombs. And while some of the weapons are outdated, the majority of the U.S. gas stores are in bulk and could be loaded into new weapons. Vastly increasing U.S. chemical stocks will add little to our deterrence against a possible Soviet gas attack.

As for the argument that U.S. binary production will drive Moscow to the conference table, history has shown that such bargaining tactics—as with the attempt to use the development of multiple ICBM nuclear warheads and cruise missiles as chips in the SALT talks—generally backfire. Rather than achieving negotiations, producing binary weapons will heat up the arms race and, in the end, leave the U.S. with an expensive and questionable new weapon of mass destruction.

[From the Louisville Courier-Journal, Feb. 25, 1982]

SPENDING FOR CIVIL DEFENSE, CHEMICAL WEAPONS HARD TO JUSTIFY

With the Reagan administration proposing to give the Pentagon a quarter of a trillion dollars worth of new spending authority in fiscal 1983, an extra $282 million looks like a paltry sum—less, in fact, than taxpayers can expect to spend for cost overruns on a sophisticated new combat jet. But when this money is earmarked for chemical weapons ($30 million) and civil defense ($252 million), the spending plans cry out for special attention.

The issues here transcend dollars. By proposing to end a 13-year moratorium on production of chemical arms and to accelerate civil preparedness for nuclear attack, the Reagan administration is sure to arouse suspicions abroad—and at home—that the United States is gearing up for war.

The administration, of course, doesn't see things that way. The official argument is that both these steps are designed to deter war by making an enemy's use of chemical or nuclear weapons more costly or less effective.

Thus, if the United States modernizes its aging nerve gas stores with safer, "binary" weapons, the Soviet Union presumably would be less likely to use its own formidable chemical arsenal—at least in any engagement involving American forces. Too bad if U.S. preparations for chemical warfare distract world attention from alleged Soviet use of deadly toxins in Southeast Asia and Afghanistan. Deterrence is more important than respectability.

Similarly, it is supposed that an ambitious U.S. civil defense program would discourage nuclear war by reducing potential American casualties to, say, a mere 50 million. The prospect of 175 million Americans surviving, in however shattered a society, presumably would take all the fun out of attacking this country.

Trouble is, an effective civil defense program depends not only on close cooperation by tens of thousands of federal, state and local officials, but on a general public belief that nuclear war is survivable—and worth surviving. Yet a Gallup Poll survey last year indicated only about five percent of Americans believed they would outlive such an attack. One suspects that not many Russians expect to survive, either, if the bombs start falling.

When it comes to deterrence, the dubious survival of millions is less important than the sure survival of a handful of political and military leaders—and their means of communicating without strategic forces. The idea of Ronald and Nancy Reagan flying overhead in a 747 bristling with antennae, while millions perish below, is terribly undemocratic. But if it gives the Russians pause, it's worth any number of handbooks on converting your basement into a fallout shelter.

[From the Chemical and Engineering News, Feb. 15, 1982]

CHEMICAL WEAPONS REVISITED

(By Michael Heylin)

Last week President Reagan formally notified Congress that "production of lethal binary chemical munitions is essential to the national interest." He also included in his proposed 1983 budget monies to pay for the first batch of them. So unless Congress refuses to appropriate the funds—a not too likely event—the U.S. soon will resume making such weapons after a hiatus of 13 years since President Nixon halted production in 1969.

Chemical warfare long has been a matter of considerable sensitivity for the chemical community and for the American Chemical Society. In 1925 the society took a position opposing the Geneva Protocol that bans use, but not production, of chemical weapons. At that time the feeling within the society was that nonlethal but temporarily incapacitating chemicals should make warfare more humane than it had been. Also in those days technological limitations restricted chemical warfare to a narrow battle zone and so had little effect on civilians. In 1970 ACS reversed itself and supported U.S. ratification of the protocol—something that eventually was done in 1975. And in Congressional testimony in 1974 ACS came out against production of binary weapons.

In restarting chemical weapons production, the Administration states that it will not use them unless such weapons are first used against the U.S. or its allies. It also states that "The U.S. will continue to exercise responsible restraint in this area and will make only those improvements in its offensive chemical warfare capability necessary to ensure that the U.S. has a credible and effective deterrent/retaliatory capability," adding that the current stockpile is inadequate to provide such a deterrent. It states that the plan is to "maintain the safest, smallest chemical munitions stockpile that provides the ability to deny a significant military advantage to any initiator of chemical warfare. We need not, and will not, plan to match the Soviets in agent/munitions quantities and types."

The Administration also states that its ultimate goal is a complete and verifiable ban on the development, production, and stockpiling of chemical weapons. And it feels that a U.S. move to modernize its chemical warfare capability—both offensive and defensive—will encourage the Soviet Union to finally get serious in prolonged and ongoing negotiations aimed at developing an agreement on such a ban.

The Administration's statement does not make clear why this move to renew chemical weapons production is being taken at this time. The Soviets long have had considerable chemical warfare capability, and to date it has not been taken too seriously. The U.S. has done little to equip and train its armed forces to operate under chemical attack.

Also there are indications that the initial plan to produce chemical 155 mm artillery shells and bombs is only the opening wedge in what may become a substantial program involving more potent chemicals as well as new, long-range delivery systems. There is even talk of equipping cruise missiles with chemical munitions. This would be a startling development. A cruise missile is not a battlefield weapon—it is a strategic weapon capable of striking deep into the Soviet Union. And even if it meant to attack only Soviet military installations it would still have the capability of reaching Soviet urban centers from bases in Western Europe or from ships in European waters. This is an idea that will go over like the proverbial lead balloon in a Western Europe already highly sensitized to the dangers of the overall arms race.

ACS states in Congressional testimony in 1974 that "Chemical warfare agents have become weapons of indiscriminate mass destruction and, in our view, every step toward their non-use and eventual elimination should be encouraged." It also stated that it had weighed the arguments for and against procurement of binary weapons and concluded that the best interests of the U.S. were served by a decision against such production.

There is no obvious reason to believe that these are not still true statements and sound advice. The policy of producing new weapons systems primarily as bargaining chips to force eventual reduction or elimination of such systems historically has had little success. It usually has resulted simply in another dangerous and unnecessary spiral in the arms race.

[From the Boston Globe, Jan. 11, 1982]

MANY BRITONS CONCERNED OVER US CHEMICAL WEAPONS

(By Paul Aaron)

LONDON.—As the Reagan Administration appears poised to announce a multibillion-dollar upgrading of the US chemical weapons arsenal, disclosures by a Pentagon offical have produced headlines in the British press.

Both the Guardian and the Times of London have reported a secret study conducted by the Defense Science Board, a panel of specialists reviewing the US chemical warfare policy.

The panel, while emphasizing the need for a more robust posture on chemical warfare, specifically recommended that nerve gas bombs deployed in a new binary mode, be flown in US F111 jets from bases in Britain.

None of the last six British governments has consented to the storage of US poison gas. Spokesmen for the Labor Party warned that this major break from tradition threatened to destabilize the already fragile arms control environment in Europe.

While Defense Secretary John Pym avoided any direct commitment to maintain a ban on American chemical warfare agents, he disassociated the Conservative government from sponsorship of any plan to use Britain as a depot for binaries, and said a request to implement such a scheme "was not expected."

The binary design mode, as opposed to the standard nerve gas canister, does not disseminate toxic agents in a single container. Single containers have been notorious for being unpredictable to employ and dangerous to transport and store. Binaries have two separate receptacles, each holding a chemical which by itself is relatively safe. Only when the munition is fired do the two precursors mix in flight to form the deadly nerve gas.

Amoeretta Hoeber, who served on the Defense Board before assuming her current position as US assistant deputy Army secretary, told Reuter recently that because domestic pressures in West Germany might complicate, or even prevent, the deployment there of advanced nerve gas artillery projectiles, the British government would be sought out to provide a safe haven.

She also observed that even should the new generation of binary howitzer shells be successfully stationed in West Germany, their limited range—20 miles—meant that chemical penetration, designed to impose a toxic environment deep behind enemy lines, would still have to be delivered by planes launched in Great Britain.

Hoeber has argued that vastly superior Soviet and Warsaw Pact capabilities, coupled with a "US paralysis resulting from arms control efforts" have created a dangerous chemical weapons gap. In earlier writings. Hoeber has suggested that the acquisition of a credible chemical warfare deterrent would reduce the possibility that during crisis, the United States might be backed into a cul-de-sac where the only option would be to employ tactical nuclear weapons.

Richard Burt, pointman in the State Department's campaign to indict the Soviets for conspiring to wage germ warfare in Southeast Asia, has also advocated a more varied and discreet chemical warfare arsenal. Writing that the existing NATO chemical warfare posture "fails to deter because it represents a capability that the alliance seems unwilling to threaten and unwilling to use." Burt recommends shifting nerve gas from its status outside the mainstream of military logistics and planning and more fully integrating chemicals into NATO responses.

While the Pentagon believes that the greatly improved safety and ease of handling of binaries will help the political marketing in Europe and increase the attractiveness of chemicals to military field commanders, critics see these features as ominous portents of a new chemical warfare arms race.

Writing in a publication of the Stockholm International Peace Research Institute (SIPRI), Julian Perry Robinson, a British scientist and an expert of 20 years standing on chemical weapons, said "binaries carry a real risk of promoting proliferation of nerve gas, a quasi-conventional weapon."

Since nerve gas is defined as a special ammunition whose shipment and deployment, like nuclear weapons, fall within narrow channels, outside of normal logistics and command and control apparatus, cumbersome security arrangements have posed an obstacle to rapid, flexible deployment.

Though the British disarmament movement has been preoccupied with theater nuclear weapons and has largely ignored chemicals, there are signs that the advent of binaries may widen the protests.

Fifteen hundred scientists have signed an appeal "calling on our colleagues not to participate in any research associated with the development and production of chemical weapons." The petition warns that an escalating chemical weapons competition "could impose new military directions and priorities on R&D (research and development) in the life sciences." and thus threaten to pervert "the bio-technology currently being made possible by increased understanding

of basic cellular biochemistry and genetic mechanisms."

According to the sponsors of the petition, what started as an internal movement of scientists has now become a broad public education campaign which aims to put the threat of chemical weapons on the political agenda. Organizers have demanded a full open parliamentary debate prior to any arrangement that ties Britain to the US binary program.

In addition, a book to be published soon promises to deepen domestic interest in chemical warfare. Titled "A Higher Form of Killing," it recounts the secret history of British, US and Soviet chemical warfare planning.

The authors, Jeremy Paxman and Robert Harris are reporters whose acclaimed Panorama chemical warfare documentary appeared last year on the BBC.

"A Higher Form of Killing," which one of the authors said explores the military's search for "feasible lunacy," is expected to be widely promoted by its publishers. Chatto & Windus in Britain and Arthur Wang in America. What remains more uncertain is whether, following the precedent of the antinuclear movement, popular concern about chemical weapons will be imported from Britain to the US, and an arms control constituency mobilized.●

INTERNATIONAL TRADE

● Mr. TSONGAS. Mr. President, I share with all of my colleagues some remarks I made before the Finance Committee this afternoon on the need to undertake strong and vigorous trade negotiations to encourage the competitiveness of U.S. business abroad.

The remarks follow:

STATEMENT OF SENATOR PAUL E. TSONGAS

Mr. Chairman and Members of the Committee, thank you for permitting me to testify on the important subject of international trade. A few months ago we were all running around talking about reciprocity. Reciprocity is not the answer to our trade problems. Even if trade barriers are removed, our trade balance with Japan would not be righted. We must go beyond reciprocity.

If we focus on protectionism as the solution to our trade problems, we are missing the point. Protectionism is an opiate. It delays our coming to grips with the real enemy which is our own inability to compete with other industrial economies.

The Japanese in particular offer a challenge to us because they are gaining inroads into the markets of our leading economic growth area-high technology. During the past year the Japanese have captured 70% of the world market in the newest generation of semi-conductors—the 64K RAM. We will not gain back this market—or our market in automobiles, television sets, cameras, or other goods—by passing a trade bill.

The Japanese have obtained their successes by combining aggressive private business strategies with a supportive government. They also have a cooperative partnership between business and labor. Workers share not only the decision-making but also the profits of their companies. This system is in contrast to our own society where there are adversarial relationships between labor, management, and the government. This lack of cooperation results in such things as over-regulating; wage rate increases which exceed productivity gains in certain industries; anti-trust restrictions which prevent us from forming export trading companies; and other features of our economy which are counterproductive to our goal of greater productive efficiency.

These are not the only reasons Japan is a more efficient producer of industrial goods than we are. The Japanese are investing at a greater rate and they do more long-term planning than we do. American businesses are motivated to a greater extent by short-term profits. The Japanese government devotes a larger percentage of its GNP to civil research and development than we do. This year, instead of increasing our research funds, we cut them further.

I think we should focus our attention on those aspects of our economy which are beginning to threaten our survival in the marketplace: The declining percentage of our GNP devoted to civilian Research and Development; insufficient capital investment; high interest rates; declining commitment to higher education, especially as it affects graduate education; over-regulation; over-reliance on short-term profit motivations; lack of re-training workers in the skills required in the growing areas of our economy—especially high technology industries; low savings rates; and wage increases exceeding productivity gains in certain industries.

Our country needs a productive partnership of business, labor, and government. I believe the work of this committee has demonstrated that government has an important contribution to make to such an American economic partnership. In addition to our own industrial difficulties, unfair trade practices do exist, and it is important that government take vigorous and forceful action on trade, while avoiding the dangers of protectionism. In formulating a legislative response to our trade problems, I hope this Committee will:

(1) Specifically address the growing number of international trading barriers presently encountered by the leading edges of our economic growth—high technology industries.

(2) Recognize the growing use of non-tariff barriers by foreign governments such as: Discriminatory public and private procurement; prohibitions on joint research opportunities; prejudicial financing; and obstacles to exchange of technology.

(3) Extend the trade negotiation framework to include new codes in the areas of investments and services.

(4) Call for a deliberate and in-depth monitoring of such foreign government action that creates barriers to U.S. industry.

(5) Call upon the President and our trade negotiators to seek equal national treatment by foreign governments of U.S. firms.

I hope the committee will avoid the dangers of automatic reciprocal tariff actions which can complicate the effort to negotiate the removal of trade barriers, and which might serve to erect barriers behind which the competitiveness of American industry might lag. We must not confuse the industrial problem—which is our own problem—with the trade problem which we share with Japan and other nations.

The sooner we acknowledge these distinct problems, and proceed to tackle them in a comprehensive fashion, the closer we will be to long term economic viability.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS

● Mr. WALLOP. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Graydon Forrer of the staff of Senator CARL LEVIN to participate in a program sponsored by a foreign educational organization, the International Federation of Liberal and Radical Youth which took place in West Germany from November 25 to December 6, 1981.

The committee has determined that Mr. Forrer's participation in the program in West Germany at the expense of the International Federation, to discuss nuclear disarmament issues was in the interests of the Senate and the United States.

ADM. NOEL GAYLER PROPOSES PHASED DISMANTLING OF NUCLEAR ARMS

● Mr. CRANSTON. Mr. President, one of the most distinguished military officials in this country, who has vast experience as Commander in Chief of our forces in the Pacific, as Director of the National Security Agency, and as a top nuclear targeting official, is Adm. Noel Gayler, retired.

Now that he is out of uniform, Admiral Gayler is devoting considerable thought and energy to the effort to devise sound policies to advance our national security interest in achieving balanced, verifiable reductions in the superpowers' nuclear arsenals. I have consulted with Admiral Gayler and have benefited from his public testimony before Senate committees on such subjects as civil defense.

Recently, it was an idea for phased dismantling of equal numbers of United States and Soviet systems, proposed by Admiral Gayler, which spurred my own efforts to advance a nuclear freeze and reductions implementation proposal which is embodied in Senate Joint Resolution 191. Admiral Gayler has proposed that the United States and the Soviet Union agree to dismantle a certain quota of weapons systems and turn in the warheads to an international agency. Drawing on this proposal, and parallel ideas first advanced by Presidents Eisenhower and Kennedy, I have proposed a freeze on production of fissile materials for weapons purposes to be

verified by the International Atomic Energy Agency (IAEA), a comprehensive nuclear test ban, and phased dismantling of nuclear warheads with their fissile material to be turned over to IAEA control.

Admiral Gayler recently spelled out the details of his proposal in a thoughtful article in the New York Times magazine.

I commend this article to my colleagues attention and ask that its full text, as well as the text of Senate Joint Resolution 191, be printed in the RECORD at this point.

[The material follows:]

S.J. RES. 191

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States should initiate negotiations with the Soviet Union to freeze and reverse the nuclear arms race by the following means:

(1) To freeze the nuclear arsenals of the United States and the Soviet Union: the President should propose to the Soviet Union immediate commencement of negotiations designed to achieve a mutual prohibition on the further production of highly enriched uranium and plutonium for weapons purposes to be verified by International Atomic Energy Agency inspection and to place all non-military stocks of highly enriched uranium and plutonium under IAEA safeguards;

(2) To reduce the nuclear weapons stockpiles of the United States and the Soviet Union: the President should propose to the Soviet Union immediate commencement of negotiations designed to achieve phased dismantling of substantial numbers of nuclear warheads and placement of the reclaimed weapons-usable material under the control of the International Atomic Energy Agency.

(3) To slow the process of weapons modernization: the President should propose to the Soviet Union prompt completion of a Comprehensive Nuclear Test Ban Treaty.

HOW TO BREAK THE MOMENTUM OF THE NUCLEAR ARMS RACE

(By Noel Gayler)

Everyone understands that nuclear weapons are the most deadly things ever invented by man. If they were ever to be used, the chances are overwhelming that they would be used in great numbers. And that would mean the slaughter of innocents in the hundreds of millions, the end of Western civilization, perhaps even the end of a livable world.

What many Americans do not understand is that there is no sensible military use for any of the three categories of nuclear weapons—strategic (of intercontinental range), or theater (capable of reaching targets within one theater of military operations) or tactical (designed, like atomic cannon, for battle-field use). I say this as a military man, a former commander in chief of all United States forces in the Pacific, an aviator and mariner, soldier and intelligence officer of 46 years' experience.

In the battles I saw and the military strategy I helped carry out, the means employed bore a reasonable relation to the ends in view. But now the nuclear forces of the United States and of the Soviet Union have become so large and so threatening that there is no conceivable military objective worth the risk of nuclear war.

This truth offers us a way out. There are specific ways in which we and the Russians can reduce the now very real risk of nuclear conflict. We and they can renounce first use of nuclear weapons. We and they can redeploy tactical weapons beyond each other's range. Together, we can freeze nuclear-weapons activity just where it is, as a prelude to cutting back. Most especially, we and the Russians can agree on massive cuts in our nuclear arsenals.

There are fancy theories current about controlled nuclear exchanges and bloodless, chesslike calculations between opponents in the middle of nuclear war. People who think like that do not understand nuclear weapons, and they do not understand war. Real war is not like these complicated tit-for-tat imaginings. There is little knowledge of what is going on, and less communication. There is blood and terror and agony. We cannot deal with war a thousand times more terrible than any we have ever seen in some bloodless, analytic fashion. To kiss off nuclear war in this abstract way makes it more likely, for we and the Russians may convince each other that we have aggressive plans that we do not in fact have.

Both the Soviet and the American Governments have repeatedly expressed their wish to reach agreements reducing the risk of nuclear apocalypse. But President Reagan's campaign pledge to commence strategic arms limitations talks "immediately" upon taking office has not been honored. The pacific statements of the Soviet leader, Leonid I. Brezhnev, are compromised by the continuing buildup of Soviet nuclear arms and the not-so-veiled threats of Soviet counteraction if agreement is not reached. The only nuclear arms-control game in town now is the negotiation in Geneva on so-called medium-range weapons in the European theater. But the news from the negotiating table seems to rehearse the same tired old arguments that have gotten us nowhere in the past. What's the problem?

In all our negotiations, past and present, both we and the Russians have been hung up on the following three issues:

1. What is fair and equal? Neither side will stand still for unilaterial disarmament, nor should it. But we Americans talk about equal effectiveness in terms of weapons system, while the Russians talk about equal security, and the way they define their security needs is unacceptable to us.

2. What is verifiable? We are tremendously concerned about the potential for Russian cheating. They are equally concerned that our proposals for inspection inside the Soviet Union might be a cover for espionage.

3. How do you classify weapons, and what weapons do you count? For example, is the Russian Backfire bomber capable of intercontinental range, as our military contend, or is it a medium-range aircraft, as the Russians insist? Do you count as "strategic" those long-range weapons that cross oceans (our idea) or any weapons that can reach Soviet soil no matter where they start from (their idea)?

These built-in difficulties were the principal reasons the United States Senate refused to ratify the SALT II nuclear-arms limitation treaty signed by President Carter and Mr. Brezhnev in Vienna in June 1979. And they are still bedeviling the current talks in Geneva. What can we do to get negotiations moving again?

When I joined the Army as a kid, the old sarge has a hell of a time getting us slew-foot recruits to march in some decent semblance of order. Once in a while, when things got out of hand, he would order: "Fall out and fall in again!" That's what we have to do with arms-control talks. Time is running out. We need a fresh approach.

On the occasion of receiving the Albert Einstein Peace Prize in Washington in May 1981, George F. Kennan, the distinguished Soviet-affairs scholar and former Ambassador to the Soviet Union, put forward a proposal that goes to the heart of the problem. Kennan proposed an immediate 50 percent across-the-board reduction in American and Soviet nuclear weapons, "without further wrangling among the experts." Eloquently, he spoke a simple and profound truth: "There is no issue at stake in our political relations with the Soviet Union, no hope, no fear, nothing to which we aspire, nothing we would like to avoid, which could conceivably be worth a nuclear war."

His suggestion has had a strong impact. A Gallup Poll last December showed three out of four Americans backing the idea. There is compelling evidence that public opinion in Western Europe and Japan is strongly in favor of such an approach, and the same appears to be true of public sentiment in the third world. Yet our policy makers in Washington do not seem to have grasped the proposal's extraordinary promise. They tend to dismiss the notion as simplistic, or impractical, or impossible to negotiate. Some even see danger in any deep cuts, arguing that they might arouse false hopes, or offer opportunities for Soviet propaganda, or tend to destabilize the precarious balance. There is even some flavor of N.I.H. (Not Invented Here) that is many a bureaucrat's instinctive reaction to new ideas in his field.

Yet all these concerns are misplaced. Deep cuts are practical. They can be negotiated, simply because they are in the best interests of both parties. They can be designed to have a stabilizing effect and reduce the risk of nuclear war. Solutions are available to all obstacles, real or imaginary.

Einstein once said that "everything should be made as simple as possible, but not simpler." Kennan's proposal is pretty close to that ideal; the trick now is how to go about it. Let us take a leaf from Grover Cleveland, who said: "The way to begin is to begin." The way to get rid of nuclear weapons is to get rid of nuclear weapons.

Here is the idea. We look for a solution that is fair, that we can verify and that does not get us into fruitless arguments about how different kinds of weapons should be classified. To do this, we have to look at security requirements, the politics of negotiations and the nature of nuclear weapons. Taking these factors into consideration, we find there is a way to bring about arms reduction that satisfies essential concerns on all three counts.

Let each side turn in an equal number of explosive nuclear devices. Let each side choose the weapons it wishes to turn in, whether missile warheads, bombs or artillery shells. Each weapon would count the same—as one device.

This proposal has some major advantages. A nuclear device is uniquely identifiable and can be counted without error when turned in; thus there is full verification without intrusive inspection in either country. Since each side chooses the weapons it wishes to turn in, there can be no problem about what is fair. And since all explosive fission devices count equally, we have no arguments about how the weapons should be classified.

Self-interest will make each side turn in its more vulnerable weapons. This is good.

As we now stand, both the United States and the Soviet Union have relatively vulnerable land-based strategic missiles, mounted in fixed silos. It would be logical for both sides to start giving up these weapons, while retaining their less vulnerable strategic bombers and virtually invulnerable nuclear-armed submarines. In this way, the temptation of either side to fire first in time of crisis, lest it lose its weapons to an enemy who attacks first, will be reduced. The "hair trigger" character of the nuclear forces, the most dangerous aspect of the present situation will be elimination.

Similarly, the missiles on each side that are the more threatening to the adversary's fixed silos—such as the highly accurate, high-yield, multiwar-head Soviet SS-18 and the equally formidable projected American MX—will tend to lose value. They will be deprived of their "counterforce" targets—the land-based strategic missile force of the other side, which they now threaten with destruction in a pre-emptive first strike. If deep enough cuts are made, the strategies of both sides are likely to revert to reliance on the relatively invulnerable components of their strategic forces. Crisis stability will be improved, and the chances of accidental or unauthorized firing will be greatly reduced.

To whom do we and the Russians hand over these weapons? Probably to a joint Soviet-American commission established for the purpose; perhaps a third party can be brought in as referee. What do you do with the devices? Convert them, under safeguard, to nuclear power for civilian purposes. Uranium 235, one of the elements of nuclear weaponry, can be diluted with the plentiful isotope uranium 238 to a level of concentration suitable for nuclear energy but not for bombs. Plutonium, another such element, can be burned directly in a nuclear power reactor.

We can start by each turning in a relatively small number of weapons—say 50—to test the system and establish confidence. From there, we should proceed on an agreed schedule to a very large reduction—say 10,000 devices each. Again, the idea is to compel each side to choose to retain only a small number of weapons in a strategic reserve.

How will this or some similar proposal satisfy the basic concerns enumerated above?

Let us look first at security. America's primary security need is that the United States, its allies and the free world not be conquered, coerced or threatened by the military forces of the Soviet Union and its proxies. Historically, we have relied partly on the deterrent role of nuclear weapons to contain aggression employing conventional arms. The military doctrines of the United States and the North Atlantic Treaty Organization still plug the usefulness of nuclear force against a conventional Soviet attack. But now, with the Soviet Union's strategic forces roughly equal to ours, these doctrines are obsolete. Kennan and three other former senior American officials—Robert S. McNamara, McGeorge Bundy and Gerard C. Smith—hit the nail on the head in their recent article in Foreign Affairs urging retreat from our strategy of defending Europe by first use of nuclear weapons: "Deterrence cannot be safely based forever on a doctrine which more and more looks to the people of the alliance like either a bluff or a suicide pact." There is growing recognition that the game is not worth the candle. The security of the United States and its allies must be protected in ways other than with nuclear weapons.

Yet our European allies are torn by conflicting impulses. Their governments, as well as important segments of the political opposition and of public opinion, want the United States to be married to the defense of Europe not only by conventional force but by the threat of nuclear retaliation. Hence, the original demand by European leaders for the deployment of American medium-range weapons in Western Europe. At the same time, Europeans entertain the entirely reasonable wish not to be the nuclear battlefield of the giant powers. This wish finds expression in popular demonstrations against deployment of the new American missiles.

Current United States policy also has violently conflicting elements. On the one hand, Presidential Directive 59, issued by Jimmy Carter in 1980, still implies readiness to fight and win a limited nuclear war—as do many previous and subsequent official statements. There is still a green light—and an enormous appropriation—for development of the MX missile, even though the best brains in the country cannot figure out a sensible way to provide it with an invulnerable base. The B-1 bomber program bids fair to waste as much money on an obsolete means of weapons delivery as would be required to modernize, in many respects, the entire United States Army. And the so-called neutron weapon is still in the works, even though it is a battlefield weapon not so different from other nuclear weapons and is clearly regarded by the Russians as offensive and not defensive in nature.

On the other hand, President Reagan himself has expressed a desire for deep cuts. He has also proposed a "zero option" for Europe—no American medium-range weapons in Europe capable of reaching Soviet territory and no Soviet weapons aimed specifically at Western Europe. He has spoken of the overriding need for strategic nuclear talks, though at other times he and his aides have conditioned negotiations on better Soviet behavior.

In any event, the overwhelming logic of the situation, the political imperative being created by the growing revulsion against nuclear arms, dictates movement toward real and deep reductions. There are two major political problems yet to be overcome.

First, the primitives in American politics will not be satisfied with anything less than the unattainable—American nuclear "superiority." Why is this unattainable? In the real world, "superiority" has no meaning. We and Russia are like two riverboat gamblers sitting across a green table, each with a gun pointed at the other's belly and each gun on hair trigger. The size of the guns doesn't make much difference; if either weapon is used, both gamblers are dead. In the same way, the size of the nuclear forces makes little difference. States of readiness, targeting decisions, even which way the wind is blowing (carrying nuclear fallout), make a greater difference than a thousand extra missiles on either side.

Moreover, even if having more missiles than Moscow did give us "superiority," the Russians would not stand still for it. They have said they won't, and we had better believe them, for in their controlled society they can put into weapons whatever resources they choose. So the argument that we have to attain "superiority" before we can negotiate—an argument still being made in some Administration circles—just won't wash. We are not "inferior" in any meaningful sense, and we are not going to become "superior," no matter how much we ratchet up the nuclear arms race.

The second major political problem in the United States is the notion that we can punish the Soviet Union for its misdeeds—many of them very real—by withholding nuclear arms talks. We cannot use nuclear arms talks as a stick or carrot to make Moscow behave. And if we wait for the Soviet regime to shape up, by our standards, before we engage in nuclear arms reductions, we will wait a long time indeed. The reverse is true: The more our relations turn sour, the more imperative it is to drive down the risk of nuclear war.

What about the Russians? They see themselves, however erroneously, as surrounded by hostile, nuclear-armed powers on their long borders. Their leaders are greatly concerned by any change that would threaten their power, the security of Mother Russia or the control of the Communist Party. Yet they, too, understand the terrible dangers of nuclear war. Many an official pronouncement and many an unofficial approach testifies to their willingness, even eagerness, to entertain the idea of deep cuts in nuclear weapons.

Soviet spokesmen contend that Soviet doctrine on nuclear war has changed in the past five years, and radically so in the last two. This is what they are saying:

"To try and outstrip each other in the arms race, or to expect to win a nuclear war is dangerous madness."—Leonid Brezhnev, in a speech before the 26th Congress of the Soviet Communist Party, Feb. 23, 1981.

"Western politicians and strategists stubbornly push the thesis that Soviet military doctrine allegedly assumes the possibility of an 'initial disarming strike,' of survival, and even of victory, in a nuclear war. All this is a deliberate lie."—Marshal Dmitri F. Ustinov, Minister of Defense, in a speech at a Kremlin rally, Nov. 6, 1981.

"Political and military doctrines have been changed. This has been reflected in our internal life. There is new determination to seek sharp reductions."—Nikolai N. Inozemtsev, director of the Soviet Institute of World Economy and International Relations, at a Soviet-American seminar in Washington, Jan. 12-14, 1982.

These and other similar statements are accompanied by the interesting assertion that the change of doctrine is recent, that it involved internal political struggle, and that it was resolved by Brezhnev himself. We in the West are invited to note that this change will find expression in Soviet military schools, in military training manuals and elsewhere.

How much can we trust these declarations? Are they not just propaganda, intended to put us to sleep? If I were planning a military campaign, or even betting on the stock market, I would evaluate the downside risk of any given course of action. If we treat these statements as sincere and the Russians are deceiving us, the worst that can happen is that we lose some propaganda points or get otherwise snookered in some inconsequential way during arms negotiations. For no matter what the Russians say, we would never accept an unequal treaty. But if we fail to take these statements seriously—and hence fail to negotiate on arms reductions—we risk getting our heads blown off. It will be little consolation that the Russians will lose theirs also.

But the most compelling reason to take the Soviet authorities seriously on this score has been given by W. Averell Harriman, President Roosevelt's Ambassador to Moscow and, like Kennan, a profound scholar of Soviet affairs: "you can trust the Rus-

sians—to act in the Russian interest." Our own best minds have come to the conclusion that nuclear war is unwinnable. It would be folly to assume that the Russians are too dumb to have reached the same judgment

Thus, in measuring the deep-cuts proposal against the security interests of the United States, the West and the Soviet Union, we find no major obstacles in the way.

Let us look next at whether deep cuts are negotiable—in other words, whether such reductions can be embodied in a treaty that (1) takes account of practical realities, and (2) can be sold to those elements within the American and Soviet societies that dominate the two countries' domestic politics. These are tough criteria, and they can be met only by a treaty that conforms to a strict set of principles.

An acceptable treaty must not only reduce the risk of nuclear war or nuclear blackmail but must be readily seen as achieving those ends. It must not only improve the security of both sides but must do so in ways that each side recognizes as valid for its own concerns. It must be equitable in mutually acceptable ways. The planned reductions must be such as to improve stability in a crisis by cutting down the advantage to be gained by striking first. Most especially, the negotiating parties must not be duplicitous, or strike phony poses, or arouse false hopes or unreasonable expectations.

Fortunately, these principles can be solidly based on the common interest. Neither superpower wishes to be destroyed. Neither wishes nuclear weapons to be in the hands of a variety of small powers or terrorist groups. If these overriding concerns can be kept separate from all other issues between Washington and Moscow, fruitful negotiations are almost certain. It is essential, however, that each Government give a clear political directive to its negotiators: "Find solutions that remove our joint peril and enhance the security of both."

The third factor—the physical technicalities of deep cuts—presents lesser difficulties. The essence of a nuclear weapon is its fissionable material. All else is mere supporting hardware—missile or cannon or airplane, guidance system or re-entry shield or arming and fusing. Moreover, all nuclear weapons have roughly the same amount of fissionable material. In a "small" weapon, the fission element accounts for the weapon's entire explosive yield; in a megaton-range weapon, which depends on fusion, a similar quantity of fusionable material acts only as the spark for the enormously greater succeeding explosion.

Hence, in counting the weapons to be eliminated for the nuclear arsenals of both sides, all weapons can be treated alike. That provides a realistic basis for counting every weapon, no matter what its size, as one nuclear device, and for implementing the cuts by converting the fissionable material to nuclear energy. A desirable, though not essential corollary to enhancing the effectiveness of weapons disposal would be an agreement to stop manufacturing weapons-grade fission material—both from reactors designed for that purpose and from the spent products of civilian power plants. A stop to production from weapons reactors can be verified by each side with current intelligence techniques. Diversion from nuclear-power reactors is more difficult to monitor, but not impossible.

The effect of deep cuts would be extraordinary. Reductions in the nuclear weaponry of the United States and the Soviet Union would prove the superpowers' willingness to bring the nuclear arms race to a halt. That would produce a much better climate for efforts to limit proliferation of nuclear weapons around the world. Major reductions in the more threatening or more vulnerable systems would enhance stability, thus reducing the probability of nuclear war. Weapons would no longer be available for "war-fighting" strategies, and greater validity would be given to the assurances of national leaders on both sides that their nuclear forces had no objective beyond deterrence. The chances of accidental or unauthorized firing would be greatly diminished.

In all of the above, several things stand clear. Deep cuts are practical. They will enhance the security of the United States, of NATO, of the Soviet Union, of the world. They can be equitable and verifiable. They can be negotiated by the great powers and sold domestically. And there is a straightforward way to begin.

No one can doubt the extreme peril that nuclear weapons pose to civilization on earth. Getting rid of a lot of weapons on both sides will reduce the peril immeasurably. In Leonid Brezhnev's astonishing phrase, "God will not forgive us" if we do not act.●

SENATOR HENRY M. JACKSON SPEAKS OUT

● Mr. JOHNSTON. Mr. President, one of the major disappointments of the Reagan administration has been its continuous opposition to even a modest level of funding for the several State grant programs now administered by the National Park Service—the land and water conservation fund, the historic preservation fund, and the urban parks program.

Each of these programs has demonstrated creative federalism at its best by providing badly needed Federal seed dollars, matched by the States, for recreation and preservation programs. Despite their impressive sucessful records, the administration's budget requests for both fiscal 1982 and fiscal 1983 have included no money for these activities.

This month's edition for Parks and Recreation Resources magazine contains an article by the ranking minority member of the Committee on Energy and Natural resources, Senator SCOOP JACKSON, who as many of my colleagues know is one of the Senate's experts on recreation needs and programs. Under his leadership as former chairman of the Energy Committee and its predecessor, the Interior and Insular Affairs Committee, major reorganizations of the LWCF and HPF occurred and the UPARR programs was created. I, therefore, believe that a number of concerns raised by Senator JACKSON about the administration's attitude toward these program will be of considerable interest to many of our colleagues and others interested in these programs. I ask that the article be printed in the RECORD.

The article follows:

SENATOR HENRY M. JACKSON SPEAKS OUT

Much has been made in Washington and other parts of the country about the "new federalism" outlined by President Ronald Reagan in his January 26 State of the Union speech. While most of the specifics have not been made public, the concept is traditionally viewed as a partnership between the federal government and the states, a sharing of appropriate responsibilities and functions designed to result in a more effective, equitable, and efficient government.

As this concept begins to take shape, I think we should ask ourselves what we can anticipate in the parks and recreation field under the new federalism of President Reagan. If the administration's first thirteen months are any indication, I fear that there is little room for optimism. Simply put, the administration seems to view meeting the recreation needs of the American people as someone else's problem. It is not clear whose problem it is, but certainly the role of the federal government is diminishing rapidly. There seems to be little thought being given to how this vacuum will be filled.

Nowhere is this lack of support better exemplified than in the administration's fiscal 1982-1983 budget requests for the Land and Water Conservation Fund (LWCF), the Urban Park and Recreation Recovery Program (UPARR), and the Historic Preservation Fund (HPF). Taken together, these programs comprise the backbone of the federal government's commitment to meet at least some of the public's recreational and preservation needs.

These programs are, in my view, what federalism is all about. They are administered, to a large extent, by the states themselves. Certainly, there is federal involvement in and a federal financial commitment to these programs, but they are not federal giveaways. The LWCF, the UPARR, and the HPF are fiscally sound and responsible efforts to help state and local governments meet a legitimate need. Nevertheless, in its two budget submissions to the Congress since taking office in January 1981, the current administration has recommended no money for state matching grant programs of the LWCF, the UPARR, and the HPF.

The LWCF was created in 1965 (P.L. 88-578) largely in response to a recommendation contained in the final report of the Outdoor Recreation Resources Review Commission. The purpose was, and is, to provide a continuing and reliable source of funds to be used for the expansion of various facets of the nation's outdoor recreation estate. The LWCF is comprised of two parts or "sides": a state matching grant program (the state "side") and a federal acquisition program (the federal "side"). The federal side of LWCF has evolved into the primary, if not the sole, source of land acquisition funding for federal land managing agencies such as the National Park Service, the Forest Service, the Fish and Wildlife Service, and the Bureau of Land Management.

The state side of the LWCF is distributed among the states on the basis of a formula outlined in the Act and taking into account such factors as need, population, and proximity of federal recreation lands and facilities. A state is eligible to receive LWCF assistance if it has completed an acceptable State-wide Comprehensive Outdoor Recreation Plan (SCORP) and maintains an ongoing comprehensive outdoor recreation planning process. A state official appointed by the governor or designated by state law is responsible for administering the program at the state level. These grants are matched by the states on a dollar-for-dollar basis.

The LWCF is currently authorized at a level of $900 million per year. Appropriations in fiscal 1979, 1980, and 1981 averaged approximately $510 million annually. Although subject to appropriation, monies are made available to the fund primarily through the earmarking of a portion of the mineral leasing receipts from the Outer Continental Shelf (OCS). Thus, the proceeds from the extraction of federal oil and gas—nonrenewable resources—are shared with the states and invested in the preservation of recreational lands, a disappearing national resource. It is important to note that total revenues to the country from OCS leasing are currently expected to be in excess of $7.56 billion fiscal 1982 and are expected to increase steadily over the coming years.

The law requires that no less than 40 percent of the funds be used for federal acquisition needs, with the remainder available for the state grant program. The state side of the LWCF is designed to increase the ability of state and local governments to provide public outdoor recreation opportunities through (1) sponsoring and assisting in the development of state, regional, and local plans; (2) providing financial assistance for land acquisition; (3) supplying part of the capital needed for the construction of facilities as well as some technical assistance; and (4) setting standards and controls on the use of funds to ensure that all elements of the population are served effectively.

By any measure, the program has been a tremendous success. More than $2.6 billion was distributed to the states as a result of this program between 1965 and 1980. This represents the approval of some 27,500 acquisition and development projects. With the state and local match, the total outdoor recreation investment under this program totals almost $5 billion. More than 7,100 acquisition projects have added some two million acres to the outdoor recreation estate. The state government has acquired 78 percent of the land, local government 22 percent. In addition, 60 percent of the fund assistance has gone to almost 20,000 projects for the development of state and local outdoor recreation facilities. Over the life of the LWCF, 41 percent of the state side monies has been obligated to state projects, with 59 percent going to locally sponsored projects. This is what many would call federalism.

Since its inception in 1965, the LWCF has proven itself to be an efficient method of redistributing a modest portion of the growing revenues attributable to energy development on the OCS to the states for providing badly needed recreation resources. Federal incentives encourage state and local jurisdictions to contribute to important national objectives such as protection of natural, wildlife, cultural, aesthetic, ecological, and recreational resources.

Although the LWCF is a federal program, there is plenty of evidence that the state and local governments are certainly doing their part to meet recreation demand. Testimony at hearings before the Senate Committee on Energy and Natural Resources in early 1981 indicated that local governments would spend an estimated $4 billion that year on the operation and maintenance of local public parks, while local capital investments would exceed $2.1 billion. At the same time, recreation pressure on state and local park systems is tremendous. State parks received 600 million visits in 1980, almost three times more than the National Park System, while it is estimated that visitation at local park systems during the same period approached one billion. Clearly, there is a strong state and local commitment to provide the citizens of this country with recreation opportunities.

Given the facts, the role of the federal government today should be to continue to provide funding for the state side of the LWCF, not to eliminate it. Yet, the response of the present administration has been to recommend that the states receive no financial assistance under the state grant LWCF in fiscal 1982 or 1983.

As noted earlier, two other recreation-related state grant programs have also fared poorly in the new administration. The Urban Park and Recreation Recovery Act of 1978 (UPARR) established a new state assistance grant program to help physically and economically distressed urban areas improve recreation opportunities for their residents. This program, enacted as part of the so-called Omnibus Parks and Recreation Act, provides grants to local government to rehabilitate existing indoor and outdoor recreation facilities; to demonstrate innovative ways to enhance park and recreation opportunities at the neighborhood level; and to develop local Recovery Action Programs that identify community needs, objectives, action priorities, and strategies for revitalization of the total public and private recreation system. The amount authorized to be appropriated was $150 million for fiscal 1979–1982 and $125 million for fiscal 1983 to fund urban recreation revitalization efforts. To date, UPARR has awarded more than 535 grants totaling some $121 million.

Because this program encourages leveraging of other public and private resources, it provides an incentive for local acceptance of recreation responsibilities which might otherwise be placed upon the federal government. Experience with the program supports the original assumptions about the catalytic effect of seed money public investments in stimulating much larger private investments in neighborhood community revitalization.

Although such an approach would seem to fit in perfectly with the administration's concept of federalism generally and the "Enterprise Zone" in particular, the budget requests for fiscal 1982 and 1983 have asked no funding for UPARR.

The Historic Preservation Fund has fared no better. HPF grants-in-aid are the major means by which the federal government promotes, preservation of the nation's historic and cultural heritage and aids public and private sectors in integrating their activities with historic preservation. Like the LWCF, historic preservation grants are (1) administered by a state's Historic Preservation Officer, appointed by the governor; and (2) financed, subject to appropriation, from revenues generated from oil and gas leasing pursuant to the Outer Continental Shelf Lands Act.

Grants to the states are used to perform a number of tasks which, without the fostering of this close federal-state relationship, would have to be accomplished by federal agencies alone. Projects funded by HPF grants include inventories of historic properties; the recordation and preservation of historic resources; acquisition and development of historic properties; and the assistance of private citizens in preparing and submitting applications for loan guarantees and tax advantages offered by federal law.

As a general rule, grant funds are used as seed money, with the federal contribution amounting to far less than the allowable 50 percent. The primary strength and success of the HPF has been that it has caused the establishment of state and local historic preservation programs. Since 1967, approximately $225 million in grants to the states have been awarded through this program.

Administration budget requests for fiscal 1982 and 1983 include no funding for the Historic Preservation Fund state grant program.

For those of us who are struggling to come to grips with what the "new federalism" is all about, the administration's attitude toward these programs is curious. Providing ample recreation opportunities for American citizens has always been viewed as a joint responsibility of federal, state, and local governments as well as private entities. Nowhere is the concept more firmly embedded than in programs such as the LWCF, the UPARR, and HPF.

While few dispute the need to consider some cuts in these programs in an effort to bring the budget into balance, these programs are being eliminated under the administration's fiscal 1982 and 1983 budgets. Once the infrastructure and personnel needed to run these programs are gone, they will be exceedingly difficult to revive. Yet, there is no indication from the White House, from the Office of Management and Budget, or from the Secretary of the Interior that these programs merit the support of the administration. Perhaps the feeling is that recreation is solely a state and local responsibility; perhaps the administration feels that recreation programs of this type do not warrant any level of federal support; maybe there is some idea that there is no need for federal support.

In my view, none of these contentions is correct. Recreation is an integral part of our daily lives. It is critically important to millions of Americans. Demand for recreation is increasing rapidly, not declining. Visits at federal park units increased 250 percent in the past twenty years, while visitation at state parks was up approximately 130 percent over the same period.

Meeting this increasing need is not solely a federal or state reponsibility. The responsibility should continue to be shared by all levels of government and the citizens of this country. The federal government should encourage state and local governments to meet this ever-growing need through programs such as those outlined above.

Let us hope that this partnership in recreation, begun in earnest in 1965 with the Land and Water Conservation Fund and nurtured over the years through such programs as the Historic Preservation Fund and the Urban Park and Recreation Recovery Program, will be viewed as a model for the "new federalism," not destroyed by it.●

AN ACT OF PERSONAL HEROISM

● Mr. PELL. Mr. President, the winter just ended was an especially difficult one in many parts of our Nation, particularly in the Midwest and Northeast. These harsh conditions created special problems for those men and women who are in the business of saving lives—our police and fire personnel. An especially heroic lifesaving effort occurred in my State of Rhode Island this winter, when an off-duty fireman named Michael Pratt answered a call to rescue a drowning boy in the icy waters of a pond in Arnold

Mills, Cumberland. With the assistance of fellow firefighter Steven Garon, Pratt saved the life of a 10-year-old boy from North Attleboro, Mass., while clearly risking his own life.

Mr. President, I would like to share an article describing this heroic rescue with my colleagues. I ask that the article from the Woonsocket Call for March 8, 1982 entitled, "Cumberland Firefighter Saves Drowning Boy" be printed in the RECORD at this point.

The article follows:

CUMBERLAND FIREFIGHTER SAVES DROWNING BOY

(By Dave Lavallee)

CUMBERLAND.—He was still eight feet away in a rescue boat when he saw the North Attleboro boy struggling to keep himself afloat.

That was when North Cumberland Firefighter Michael Pratt plunged into the icy waters of the pond at the corner of Nate Whipple Highway and Abbott Run Valley Road to rescue James Perry, 10, after the boy had broken through the ice.

His quick action, along with key assistance from fellow firefighter Steven Garon, clearly prevented a drowning, officials said.

"He jumped right out of the boat because the kid was going down," Chief Salvatore J. Corio said. "He saved the kid's life."

After the two firefighters and the boy had made their way back to the shore, Pratt and Perry were taken to the Woonsocket Hospital, where they were treated and released.

Pratt, who was off-duty when the call came in at 12:36 p.m., arrived on the scene and said he immediately jumped into the water and swam out about 15 feet. He was ordered back to the shore, however.

Pratt said he and Garon, both privates, then rowed out to the boy in the department's boat. As they broke the ice to reach the boy, Pratt said the boy became panicky.

"I saw him hanging on the edge of the ice and he was hanging on for dear life," Pratt said. "As the boat got closer, the ice cracked around him, and he went down.

"I got a little worked up when I saw that," he added.

Police said Perry and a brother had apparently been walking on the ice when the boy broke through. The boys had walked to an area of the pond where the ice was met by a large portion of water.

Officials were told by a woman who had passed by the area that she had seen the legs of a vicim sticking out of the water and that another boy had run from the scene. The other boy had run to tell his mother of the incident, police said. She had been visiting in the area.

Cumberland Rescue 1 transported Pratt and Perry to Woonsocket.

Pratt said when he entered the water he did not notice how cold it was, but when he got out, his hands became numb and red.

Corio said the men had just completed a course on ice rescue at the station.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that according to the latest U.S. Census Bureau approximations, the total population of the United States on May 1, 1982 was 231,139,459. This represents an increase of 189,269 since April 1, 1982. Since this time last year, our population has grown by an additional 2,252,726.

In one short month we have added enough people to our population to more than fill the city of Knoxville, Tenn. Over the past year, our population has increased enough to fill the city of New Orleans, La., more than four times.●

ARMS SALES TO JORDAN

● Mr. HART. Mr. President, if reports are correct that the administration has reached agreement with Jordan on the sale of F-5G fighter planes and Stinger antiaircraft missiles, the administration has blatantly disregarded the bipartisan concern of more than one-third of the U.S. Senate and has set the stage for an unnecessary and divisive confrontation with Congress.

On February 24, 33 of my colleagues joined me in sending a letter to President Reagan, asking him to announce immediately and publicly that any proposal to sell sophisticated arms to Jordan would not be developed further until after the congressional consultation which such a proposal deserves.

No such announcement was ever made.

On the contrary—administration spokesmen reiterated that there had been no change in our military supply relationship with Jordan, and, in responses to our letter, never mentioned the need for prior congressional consultation on the issue.

As we stated in our letter to President Reagan, world security cannot afford an escalation of the arms race in the Middle East. The United States cannot afford another unnecessary and divisive confrontation with Congress on a foreign policy issue. And, barely 1 week after the withdrawal of Israeli forces from the Sinai, this administration can ill afford to say "yes" to Jordan arms requests when that country repeatedly says "no" to participation in the Camp David peace process.

I ask that the letter signed by 34 Republicans and Democrats, and sent to the President on February 24, be reprinted in the RECORD. Our call for a clear response to the concerns raised in that letter remains unanswered.

The letter follows:

U.S. SENATE,
Washington, D.C., February 24, 1982.

DEAR MR. PRESIDENT: We are concerned that Secretary Weinberger's proposal to sell sophisticated arms to Jordan sets the stage for an unnecessary and divisive confrontation with Congress that could undermine American foreign policy around the world. We urge you to act quickly to avoid such a confrontation by rejecting this proposal, at least until Congress and our allies have been thoroughly consulted.

The sale of F-16 fighters and Hawk mobile anti-aircraft missiles to Jordan could dramatically change the balance of power in the Middle East, undermine the security of our ally, Israel, and increase the overall instability of the region. Before any such sale is proposed there should be the widest range of Congressional consultation, public discussion, and communication with our allies. Absent such discussion it will be difficult to achieve the kind of consensus our nation needs on sensitive foreign policy matters. And we cannot be an effective world leader without such consensus at home, and among our allies.

We urge you to announce immediately and publicly that the proposal to sell arms to Jordan will not be developed further until after the Congressional consultation which such a proposal deserves. World security cannot afford an escalation of the arms race in the Middle East. And the United States cannot afford another unnecessary and divisive confrontation with Congress on a foreign policy issue. We hope you will take all steps necessary to avoid it.

Sincerely,

John Heinz, Daniel Patrick Moynihan, Donald W. Riegle, Jr., Paul E. Tsongas, Max Baucus, Alan Cranston, Lowell P. Weicker, Carl Levin, Alfonse D'Amato, Alan J. Dixon, Thomas Eagleton.

Gary Hart, Bob Packwood, Edward M. Kennedy, William Proxmire, George J. Mitchell, Joseph R. Biden, Jr., Paul S. Sarbanes, Dennis DeConcini, Bill Bradley, Howard Metzenbaum, Nancy Landon Kassebaum.

Jim Sasser, Robert C. Byrd, Walter D. Huddleston, Claiborne Pell, Spark Matsunaga, Quentin N. Burdick, John Danforth, Rudy Boschwitz, Lawton Chiles, Arlen Specter, Frank H. Murkowski, William V. Roth, Jr.●

COAL PIPELINES

● Mr. SIMPSON. Mr. President, the chairman of the Senate Committee on Energy and Natural Resources, Mr. MCCLURE, has announced that his committee will hold hearings on S. 1844, which is legislation intended to facilitate the national distribution and utilization of coal through interstate coal pipelines. The purpose of my remarks today is to indicate support of that legislation.

During my membership in this distinguished body, I have realized that many of the legislative mysteries which we often face can sometimes be dispelled by reading the subject legislation. A novel thought I know. My review of S. 1844 has led me to the conclusion that this legislation is important if we are to nurture the development of a proven transportation technology—and with it the healthy competition that is the driving force in our system of political economy—but that the authorizing of the use of eminent domain for this emerging industry under the proper controls and scrutiny of the Secretary of Energy is a correct and proper function for Congress. It is my firm feeling that the marketability of Western coal resources for domestic and international uses will depend in good measure upon

advancing reliable, efficient and competitive transportation systems.

The delegation of the sovereign authority which Government has for acquisition of private property and property rights through condemnation is a matter to which Congress must give its most careful and serious attention. In this arena, the U.S. Constitution is the fundamental and controlling document on the application of eminent domain by both State and Federal jurisdictions. Prior to the adoption of the 14th amendment, the power of eminent domain by State governments was unrestrained by any Federal authority.

The just compensation provision expressed by the fifth amendment did not apply to the States. It is the 14th amendment that affords property owners the same measure of protection against the States as the fifth amendment does against the Federal Government. In addition to the Constitution underpinnings of either State or Federal eminent domain, I also note that since the adoption of the Interstate Commerce Act authority for supervision of interstate coal pipelines has been vested with the Interstate Commerce Commission under the provisions of 49 U.S.C. § 1(b). Congress has a responsibility to promote interstate commerce. Our national network of interstate railroads, petroleum and natural gas pipelines and highways are tangible evidence of congressional effort to foster a national common market through interstate transportation.

My paramount concern over Federal legislation which would assure eminent domain authority for interstate coal pipelines, has been with the tests to be applied at the outset to insure that the interests of private property owners are always given the maximum protection under the U.S. Constitution. Foremost in protection here is an initial determination that eminent domain authority will only be exercised where there is a clear showing that—on balance—the taking is in the greater public interest. S. 1844 places this responsibility with the Secretary of Energy, or his successor, to make four determinations.

First, it must be determined that the right-of-way to be acquired would advance the national need for coal distribution and utilization taking into consideration other routings. Second, it must be found that the proposed right-of-way would promote competition and serve new market outlets. Third, a determination must be reached that the coal pipeline distribution system would advance our national security by displacing imported petroleum with domestic coal. Finally, a finding must be made that the routing will not adversely affect the natural environment.

A key limitation on the exercise of eminent domain, set by S. 1844, is that the procedure to be employed in any judicial determination, whether the case is tried in the Federal district court or in an appropriate State court, is that such actions shall "conform as nearly as may be practicable with the practice and procedure in similar action or proceedings in the courts of the State where the property is situated." This section borrows the procedures established by the States for determining such issues as whether or not good-faith negotiations were conducted with the landowner, the method for determining compensation and damages, permission for surveys, attorney fees, and other key items associated with an individual State's procedures used in civil litigation. S. 1844 also promotes the use of State courts as the forum for such actions.

In conclusion, Mr. President, I feel that support of this legislation should be based upon three fundamental elements. First, that limitations on eminent domain authority, State or Federal, rest with the Federal Constitution. Second, that Congress should properly oversee interstate coal pipelines as it now does in regard to interstate pipelines transporting other commodities. Finally, that the procedure in any judicial determination of eminent domain be performed according to the type of procedure prescribed by State legislatures. S. 1844 meets all of those tests.

The bill also deals extensively with the critically important recognition and preservation of State authority to allocate water for use in any interstate coal pipelines. This is a matter of extreme importance to those of us who represent the arid Western States. Provisions in section 6 of S. 1844 amount to a clear waiver of any possible Federal preemption of State authority to allocate water to interstate coal pipelines. This congressional waiver is consistent with the Interstate Commerce Act which denies jurisdiction over water pipelines to the Interstate Commerce Commission. Congress for 116 years has always deferred to the States in questions of water acquisition, development, and allocation. S. 1844 is consistent with this approach to water and water rights and may well be the clearest expression of congressional respect for States rights in that field which could be adopted. It seems to be a solid piece of legislation.

Thank you.●

BLOCK ISLAND'S GREAT TEACHER: FRED BENSEN

● Mr. PELL. Mr. President, I would like to share with my colleagues a heartwarming article which appeared in this month's issue of Reader's Digest. It concerns the inspirational life of Fred Benson, an 87-year-old resident of Block Island, R.I.

Throughout his long life, he has been an exemplary model and teacher to young boys growing up on Block Island. After obtaining his high school diploma at the age of 56, he became a high school teacher and coach.

He also served as president of the local chamber of commerce and as Block Island's director of civil defense. In recognition of his long service to the Island, he was recently inducted into the Rhode Island Heritage Hall of Fame.

Mr. President I ask that the article by George Milliken entitled, "Fred Benson and the Island Boys" be inserted in the RECORD at this point.

The article follows:

[From the Reader's Digest, April 1982]

FRED BENSON AND THE ISLAND BOYS

(By George Millikin)

I was sitting on the back porch making a baseball by wrapping strips of cloth around a stone when I thought I heard screams in the distance. Fred Benson appeared from behind the barn, a puzzled expression on his face. Then the wind brought the sound again, and it was screaming.

"Sounds like a shipwreck," Fred called to me. "Let's go!"

We jumped into a truck and took off. Shipwrecks were not uncommon in the treacherous waters off Block Island, R.I., but I had never before heard such spooky wailing. I inched closer to Fred. I was 11 and he was 22. He was a powerful man with massive chest and arms, and I worshiped him. But maybe this was something that even Fred couldn't handle.

We came to a bluff, and there below us was a packet ship impaled on the rocks. Its lifeboat had been lowered but, instead of heading for the beach and safety, the terrified passengers and crew seemed to be rowing in aimless circles.

"They've gone crazy," Fred said. "They're rowing around in the middle of old man Dunn's fish trap."

The floats on the heavy nets were large barrels bound with iron hoops and painted black. It was 1918, and America was at war. Some New England waters had been mined. Suddenly Fred understood the problem. "They think those barrels are mines!"

Fred ran down the bluff shouting that the waters were not mined. The people still seemed immobilized by fear. The lifeboat was beam-on to great swells, which would surely capsize them.

Fred, in chest-deep water, grabbed the bow of the boat and, with a mighty effort, was able to beach it safely. As the people stepped ashore, they wept and embraced Fred. I stood close beside him, feeling proud. Not another man on the island could have done what he did.

The next day Raymond and Wayland Conley stopped by our farm to pick up Fred and go beachcombing where the packet had been wrecked. I tagged along. We found the hides of sheep and cattle. The crew of this ship carried its meat live, slaughtering as the food was needed and saving the hides. We dragged the skins up the cliff and sold them for $16.

Raymond, who had negotiated the sale, divided the money, giving me, "the kid," $1 and the others $5 each. Fred objected.

"There's four of us. That means four dollars each, including Georgie. Kid or not, he did a quarter of the work."

The Conley brothers didn't argue. When Fred took a stand, nobody argued with him. Not only was he just about the strongest man on the island, but he was also generally right. It was a wonderfully safe world for us small kids when Fred Benson was around.

I used to think of Fred as my older brother. But when I was six, a summer boarder told me that was impossible because Fred was black. I ran with this astounding news to my father, who affirmed it. My grandfather, he said, had taken Fred out of a Boston orphanage when he was eight years old and brought him home to be a farmhand (a common arrangement in those days). Fred quickly became a member of the family.

After Grandpa died, hard times came to the island. No one contributed more to the family upkeep than Fred. At harvest time he hired out to other farmers; in winter he cut and packed ice; in spring and fall he gathered seaweed for fertilizer. Between jobs he sold clams and fish to the summer hotels.

"Preparation and patience is the way to be a successful fisherman," he'd say whenever I went with him to Sheffield Cove, his favorite place for surf casting. He'd stand on the beach and stare out to sea without moving, sometimes for an hour, looking for the special disturbance on the sea's surface that revealed the presence of fish. Only then would he go down to the cove, plant his feet wide, and swing his pole in a great arc to fling a lure far out to sea, dropping it right where the fish were. Fred always knew the temperature of the water, the speed of the current, the direction of the wind, the quality of the light. "Nature constantly sends out messages," Fred said. "but you've got to tune in or you'll miss them."

In his early twenties Fred spent some time in Detroit learning how to become an automobile mechanic. When he returned, he opened his own garage, which for years was the hub of the universe for the island boys. He let us use his tools to repair our bikes. Watching him work, we got in his way and slowed his progress with a thousand questions, but as long as we were serious and learned something he never complained. He was a born teacher.

The school board recognized this and invited him to join the school faculty and teach a course in auto repair. But the law required that he have at least a high-school education, and Fred had dropped out. He resolved that problem by returning to school. The graduating class of 1951 consisted of four teen-agers and 56-year-old Fred Benson.

That fall we faced his first class. "I have an obligation to teach," he said. "You have an obligation to learn. We fit together like gears in a transmission. I don't want anybody throwing sand in the gear box."

There was never much of a discipline problem in Fred's classes. The boys respected him because they knew he was on their side. One night the school was broken into and some eggs were thrown on a ceiling. The evidence seemed to point to Willis Dodge, who maintained his innocence—until confronted by Fred. "Willis, you've always told me the truth," he said. "And I know you will now. Did you break in and throw those eggs?"

Willis confessed all. Then Fred said, "You'll have to tell Judge McCabe the truth and take your medicine." Seeing the look of dismay on the boy's face, Fred touched his arm and said, "I'll be there with you."

Fred stood shoulder to shoulder with the boy before the judge. Fred spoke no word throughout the proceeding, but his presence was a statement in itself. It said, "This boy made a mistake, but I have faith in him. It is my judgment that in the future he will be a good citizen." The judge got the message and released Willis with a short period of probation.

Today Willis says, "I've never forgotten that when I needed it, Fred Benson put himself on the line for me."

Fred organized and coached the school baseball team. There was no money in the school budget for athletics, so with his own savings and funds he raised from parents and other townspeople he equipped the team and paid for transportation to games on the mainland. All the kids who played ball those years became known as Fred's Boys. They walked with a special pride and developed a lasting bond with the coach and with one another.

When the school retired Fred at age 70, he undertook a whole new career; he became a licensed real estate broker. As his business prospered he gave more and more money away. He never talked about it, but many islanders benefited from his generosity—my family included. He continued to live with us, and one spring he ordered an expensive new water system for our house, to replace the dirty old cistern that froze up in the winter and dried up in the summer. Brushing my thanks aside, he muttered, "I just happened to have some extra money lying around."

In the spring of 1975, Fred won a prize in the Rhode Island lottery and invited all his friends to a lavish clambake. Fred's Boys—now men in their twenties to forties—decided to surprise him. After everyone had finished eating, Lewis Gaffett stood up to speak. "A few of us got together to find some way of telling Fred how much we appreciate all he has done for us. We decided he would like best not a gold watch, but a chance to help future generations of Block Island kids. So we have set up a Fred Benson Scholarship Fund. The interest will be used to help deserving boys and girls go to college. Years from now some excited Block Island kid will come running home to tell his parents, 'I can go to college after all. Fred Benson is going to give me the money!' "

When Gaffett's speech ended, applause and cheers came boiling up like a sudden storm. Fred's brown face was impassive as he looked out to sea, as if he was searching for a school of fish. I knew that this time he would not find them, for his eyes were full of tears.

Fred is now 87 and I am 75. We both continue to live on the Millikin farm. Fred was three times elected president of the Chamber of Commerce and for years was our director of civil defense. He walks slowly now and leans on a stout cane to ease the pain in his arthritic legs. But there is still power in the broad back. Of all the honors that have come to him, the greatest one is unseen and unspoken—he has been the conscience of generations of island boys. Because of Fred Benson they wanted to be better than they were. And because they wanted to be, they were.●

BILINGUAL ELECTIONS AT WORK IN THE SOUTHWEST

● Mr. HART. Mr. President, a key feature of the voting rights legislation, which the full Senate will soon consider, is extension of the 1975 amendments requiring bilingual registration and voting assistance in areas with a significant percentage of language minority citizens. These provisions cover major portions of the Southwest United States, including 34 counties in the State of Colorado.

The effectiveness of the bilingual provisions has been a subject of dispute throughout hearings and debate over the Voting Rights Act extension. This is largely because the bilingual provisions have been in effect for so short a time that information about their implementation and usage is still sketchy. Last week, however, the Mexican American Legal Defense Fund released the results of an extensive study providing new, useful information about the impact of these provisions on Hispanic political participation in the Southwest. The study reveals, among other things, that 1 in 7 American citizens of Mexican descent do not speak English; and that almost one-third of the participants in the study, including some who speak English, would be less likely to register to vote if Spanish language assistance were not available.

This study, funded by the Carnegie Corp. demonstrates that the bilingual provisions of the Voting Rights Act have made political participation a reality for thousands of American citizens. I commend it to my colleagues and request those portions of the executive summary describing the major findings and conclusions of the study be reprinted in the RECORD at this point.

The summary follows:

BILINGUAL ELECTIONS AT WORK IN THE SOUTHWEST

(A Mexican American Legal Defense and Educational Fund Report)

EXECUTIVE SUMMARY

The Voting Rights Act amendments of 1975 expanded the protection of the landmark legislation to language minority citizens: Hispanics, Asians, Indians and Eskimos. A key feature of the 1975 amendments requires bilingual assistance in registration and voting in areas with a significant percentage of language minority citizens. The issue of bilingual elections is once again before the Congress as it moves to renew the Voting Rights Act before August 6, 1982, when many of its provisions expire.

A paucity of information on the impact of bilingual elections and their need and usage prompted the Mexican American Legal Defense and Educational Fund (MALDEF) to undertake this study. Bilingual Elections at Work in the Southwest presents the results of our research. The findings indicate that the bilingual elections provisions of the Voting Rights Act have had a positive effect on Mexican American participation in the political process. Surveys of 912 U.S. citizens

of Mexican descent in three communities reveal that:

One in seven citizens of Mexican descent do not speak English.

Bilingual ballots and oral assistance were generally available in the three communities during the 1980 election. However, little outreach effort was made by the counties to provide bilingual materials and assistance in registration.

One in four Mexican American voters used bilingual ballots in the 1980 Presidential election and as many received bilingual oral assistance when it was made available.

The availability of bilingual assistance has a symbolic as well as a practical significance for Mexican Americans: almost one-third of all respondents, including some who speak English, said they would be less likely to register and vote if Spanish language assistance were not available.

Major findings

Spanish Language Maintenance

Two national surveys provide data that indicate a number of patterns with regard to Spanish language maintenance for this report. The Census Bureau's Survey of Income and Education (SIE) reports that Spanish speakers comprise two out of every five non-English speakers in the United States (even though only one out of every sixteen persons in the total population are Hispanic). From the National Chicano Survey and the SIE, it is clear that:

(1) The vast experience of most Hispanics was that of growing up in a Spanish-speaking household. Only one in seven grew up in English-speaking households.

(2) A sizeable number of persons of Mexican origin (16.7 percent or 830,000) still speak only Spanish. This is true even for native Hispanics.

(3) Bilingualism is the predominant pattern of language usage; however, it is important to distinguish between bilinguals as predominantly English or Spanish-speaking.

(4) The persistence of Spanish usage has a close association with English language ability. Segments of the Hispanic population exhibit some difficulty in speaking and understanding English. These difficulties are more pronounced for reading and writing skills.

(5) A sizeable segment of the Hispanic population functions more frequently and effectively in Spanish than in English.

The MALDEF and Southwest Voter Registration Education Project (SVREP) surveys in three communities confirm the general patterns found in the national samples and demonstrate even greater need for bilingual election services. One in seven citizens surveyed report they speak only Spanish; in addition, four out of five are bilingual. Two-thirds of the bilingual citizens grew up in households where Spanish was the only language spoken, and one in three feel more comfortable speaking Spanish than English. Spanish monolingualism is admittedly diminishing from one generation to the next; while one out of three elderly citizens (age 65 or more) speak only Spanish, one in twenty young Chicano citizens are Spanish monolinguals. This would seem to indicate that the need for bilingual election services will diminish in time.

Availability of Bilingual Election Services

A Federal Elections Commission (FEC) survey of election administrators and community organizations conducted in 1978 reported that "vigorous efforts to provide such comprehensive services have been extremely limited."[1]

It is clear from the three community surveys of eligible Mexican American voters that bilingual materials and assistance were generally made available in both registering and voting in the November 1980 elections. Seven out of ten persons surveyed were aware of the availability of registration and voting materials in Spanish in their counties. Eight of ten were aware of the presence of Spanish-speaking deputy voter registrars. Three out of four respondents reported that there was a person who could assist in Spanish at the polls during that election.

However, other than the availability of materials at the registrar's office and the polling place, most residents did not report that they had ever received Spanish language registration materials or sample ballots at their homes in the two Texas communities. Apparently, the concern expressed in the FEC study has been borne out in our research—"that voter registration is perceived as the responsibility of the individual citizen rather than the election official . . .,"[2] and, consequently, few outreach efforts are made by the county to increase voter registration among Hispanics.

The Use of Bilingual Election Services

A substantial segment of the Mexican American voters in the three communities surveyed were found to have used bilingual materials or assistance when they voted in 1980. On the average, one in four voters reported receiving oral assistance from a bilingual poll worker, when such assistance was available. One in four Hispanic voters reported using some or all of the Spanish translation on the ballot where it was available, ranging from one in ten in East Los Angeles to one-third in Uvalde County. Those most likely to use the Spanish portion of the ballot and to receive assistance from bilingual poll workers were Spanish monolinguals, persons over age 65, persons who were very low in educational attainment (less than five years) and low-income persons. It is clear that the Spanish language assistance and materials are being used to a significant degree, especially by those marginal groups that have demonstrated a need for these services.

Opinions of Bilingual Election Services

Respondents in the three communities surveyed were asked their opinions of bilingual election services and what effect discontinuance of bilingual services would likely have on their participation in the electoral process. One out of three Hispanic citizens indicated they would be less likely to vote without Spanish oral assistance and without a bilingual ballot. As many as seven out of ten Spanish monolingual voters, more than half of all voters with less than five years of schooling and almost half of voters with less than $5,000 annual income, said they would be less likely to vote if bilingual election services were eliminated.

The survey results indicate a general perception of the importance of Spanish language assistance in the electoral process. Fully 95 percent of the citizens in the sample indicated it was a good idea to provide language assistance in registration and voting, and 94 percent were convinced it was a good idea to provide a bilingual ballot.

The responses to these opinion questions indicate there is even greater support for bilingual services than actual use of them. These findings suggest that there is a significant symbolic aspect to Spanish language assistance for Mexican American voters apart from the functional linguistic need for these services. The presence of Spanish language assistance in the electoral process may be taken as a sign that Mexican Americans in general are welcomed and encouraged to participate regardless of which language they use.

The Impact of the VRA in Bexar County, Tex.

From 1847 until 1977, Mexican Americans never constituted less than one-third of San Antonio's and Bexar County's population, yet they held very few public offices—far fewer than their share of the population. Even when the Mexican American population climbed to about half of the populace by 1970, political structures such as multi-member state representative districts and multi-member at-large San Antonio City Council seats kept Chicano representation disproportionately low. Chicanos, manipulated for decades via public employment patronage by city and county political machines and discouraged from voting by annual voter registration, a poll tax and little chance of electing Chicano officials, had come to distrust political institutions. Mexican Americans lacked interest in politics and registered and voted at rates considerably lower than Anglos and Blacks.

A Chicano rights movement in the 1970's, led by several groups active in San Antonio, brought litigation that forced the single-member districting of the Bexar county state representative districts in 1972. This caused the Mexican American share of the Bexar County state representatives to rise immediately from under 20 percent to over a third, and then to over 40 percent within eight years. When the Voting Rights Act of 1975 forced the city of San Antonio to adopt single-member council districts in 1977, the percent of Chicanos elected to the council rose from 26 percent (1971-77) to 45 percent (1977-81). In the six years since the Voting rights Act affected Bexar County, the number of Mexican American elected officials in Bexar County, San Antonio city government and the state legislature has risen by over half—from less than one-fourth to more than one-third overall.

The bilingual election services required by the Act have been implemented fairly well in Bexar County and San Antonio at minimal cost. Among the changes these requirements have brought about is a large increase in the number of Spanish-speaking election officials in predominantly Chicano precincts and the general availability of Spanish ballots in all elections. The combination of polling places (which had once been employed to discourage Chicano voters) has largely ended. Since the bilingual provisions have taken effect, the Mexican American share of the county's registered voter pool has risen from 36 percent to 41 percent (much faster than the growth in Mexican American population), and registration and voting in predominantly Chicano neighborhoods has grown. Bilingual oral assistance at the polls and the bilingual ballot have promoted this growth in Chicano participation in elections. Between a fourth and a fifth of the Chicano voters used the Spanish oral assistance and one-fifth used the bilingual ballot in voting. Par-

[1] Alan Hudson-Edwards, Carlos Astiz and David Lopez, *Bilingual Elections Services, Vol. III: The State of the Art* (Washington, D.C.: The National Clearinghouse on Election Administration, Federal Election Commission, 1979).

[2] *Ibid.*, p. 15.

ticularly aided by bilingual assistance and ballots are older Mexican American citizens.

The Impact of the VRA in Uvalde County, Texas

As of 1980, Chicanos comprised 55 percent of the population of Uvalde, up from 51 percent in 1970. They continue to occupy lower status positions in the labor force, however. The stratification in the labor market is greatest in the professional, technical and managerial occupations where white workers outnumber Chicano workers by 3:1, and in the operative and non-farm laborer occupations where Chicano workers outnumber white workers by 4:1 in 1970. Chicano family income (1969) was slightly more than two-thirds of the white family income. Chicanos also lag behind in educational attainment. As of 1981, 3.9 percent had completed four years of college, while 54 percent had less than nine years of schooling.

These disparities continue to be a principal feature of Uvalde's socioeconomic reality. These differences are traceable to the area's history of racial discrimination, and, from the Chicano perspective, strongly influence the context within which the Chicano political struggles develop.

Prior to the 1970's, Chicanos were effectively barred from participating in city and county political life. An effort to elect Chicanos to the City Council in the mid-1950's was overwhelmingly defeated, and almost two decades would pass before Chicanos would successfully assert themselves in Uvalde's electoral processes.

By 1970, Chicanos were predominantly urban, and county and city politics were increasingly influenced by urban residents. In 1970, influenced by national civil rights struggles and the Crystal City experience, Chicanos began a series of protests that culminated in community mobilization and the election of a Chicano County Commissioner in 1974. From 1972 to 1980, Chicanos sought city and county offices regularly but enjoyed little success. They elected only two city councilmen, one county commissioner, and one member of the School Board.

Although Chicanos are a majority of the population, they make up 45 percent of the potentially eligible voters. Moreover, in 1980, while 84 percent of Anglos were registered, only 63 percent of Chicanos were registered. Therefore, Chicanos constitute only 38 percent of all registered voters.

Political life has been undergoing some significant changes since 1974. At the county level, Chicanos have become a cohesive, identifiable voting bloc, and they have elected a county commissioner who represents them in strong and effective fashion. Chicanos are much more dissatisfied with city politics; however, when an at-large electoral system in which all candidates run prevents them from recruiting and electing candidates of their choice.

Since 1975, there have been significant changes in the style and tone of Uvalde political life. Most noteworthy is the extension of bilingual services to Chicano voters. These services include bilingual ballots, Spanish language assistance in registering and voting, and the recruitment and utilization of Chicano election officials. These services have been extended because of the VRA provisions.

It is particularly noteworthy that Anglo and Chicano leaders agree that these bilingual services have contributed greatly to the development of a more cooperative political style. These leaders see these services as bringing the Chicano community into the political process, and both Anglos and Chicanos agree that without these services and other VRA provisions, political relationships could again degenerate into open conflict. The Anglo leaders' views are best expressed by County Judge Jerry White:

"Everything we distribute is bilingual. It's something we have to do [because there are so many Spanish speakers]. There are things you can say in English that you just can't say in Spanish and things in Spanish you can't say in English. We've got a lot of old Mexican [American] families here who don't speak Spanish. They are 100 carat [sic] citizens. I've had people come and say they didn't want to be on jury duty because they only spoke Spanish.

"I promise you one thing. I didn't know that was a federal law. I thought it was just something you did. I could have got in a storm over that. [laughs] This [bilingual provisions and assistance] has a dual purpose. It helps people vote and it also helps people from being taken for a ride because they don't know English. I know more people vote now."

Rogelio Muñoz, attorney and activist, reflects Chicano views:

"If they have a free hand, you face a real possibility of certain changes being made [that will not] give people the right to participate. As long as we have the legacy of historical discrimination, this VRA needs to be in place. We'll need this less and less as time goes on. Until we are able to get people in place in the power structure who will be sure to protect us, we need something like this. Right now, if the City Council or Commissioner's Court decided to do something to us, we would beat them back. . . . [If it weren't there,] . . . they would do whatever they pleased."

Supporting these views is the articulated need by the Chicano community itself that these bilingual provisions are valuable, and that without them almost 50 percent of current voters would be less likely to register and vote.

Conclusions

Almost seven years have passed since the enactment of Public Law 94-73, which expanded the protection of voting rights to include language minorities. Key features of the law are once again before Congress and will soon expire unless extended by Congress. MALDEF undertook a series of studies to determine the need for and utilization of bilingual election services and the extent to which these services foster Mexican American participation in the electoral process.

Surveys in three communities with large concentrations of Mexican American voters indicate that bilingual election materials and services are generally made available, but that outreach efforts are wanting, particularly in regard to bilingual voter registration. Field interviews with election officials and minority community leaders in two of these counties revealed the haphazard manner in which bilingual registration and election services have been administered in these communities.

In spite of these shortcomings, the study shows that where they have been implemented, the minority language election services are essential to participation by certain subgroups of minority voters—the elderly, the undereducated, the poor, and Spanish monolinguals. Beyond that, bilingual elections seem to have symbolic value for most citizens of Mexican origin. In their own estimation, removal of these services would have a detrimental effect on their future electoral participation.●

GALLAUDET COLLEGE

● Mr. D'AMATO. Mr. President, on March 29, I indicated in a "Dear Colleague" to the Members of the Senate my intention to introduce an amendment to restore the 4-percent reduction which the four special institutions—National Technical Institute for the Deaf (NTID) in New York; Gallaudet College in Washington, D.C.; American Printing House for the Blind in Kentucky; and Howard University in Washington, D.C., incurred in the continuing resolution. At this time I would like to introduce for the record an article which appeared in the March 10 edition of "The Chronicle of Higher Education," a periodical which is well respected in the education community. This article, which focuses on Gallaudet College, vividly demonstrates the fine work which these institutions have done in the past, and the need for a sustained level of funding so that they can meet the challenges of the future. I commend the following article to my colleagues, and request that it be inserted in the RECORD at this point.

The article follows:

[From the Chronicle of Higher Education, Mar. 10, 1982]

RESEARCH, INGENUITY, AND CARING FOR THE DEAF AT GALLAUDET COLLEGE—IT AIMS TO GIVE ITS 1,200 UNDERGRADUATES THE MOST "NORMAL" COLLEGE EXPERIENCE POSSIBLE

(By Zoë Ingalls)

"You're not going to write about the football huddle, are you?"

"She's not going to write about that, is she?" The public-relations assistant turned to her boss and repeated the question, seeking reassurance.

Virtually every article written about Gallaudet College in the popular press recently has included the story—a legend, almost—that credits the world's only four-year liberal-arts college for the deaf with the invention of the football huddle. It is said that players huddled together to keep opposing teams from reading the sign-language signals given by the quarterback.

Gallaudet officials are partly irritated and partly amused by the widespread interest in the tale, when there is so much else of substance to relate.

Edward C. Merrill, who has been president of the college since 1969, believes the founding of Gallaudet—it was established by act of Congress in 1864 and still is financed largely through the federal budget—was a breakthrough analogous to landing on the moon. "The bill creating Gallaudet caused tremendous controversy in Congress," he says. "[It was thought that] deaf people couldn't learn. 'Deaf and dumb' was interpreted to mean 'ignorant,' not 'unable to speak.'"

With the college's founding, he says, "for the first time, public policy said that deaf people could learn at the college level, and gave them a chance to prove it. It's like getting to the moon. You have to have somebody do it first, then it opens up a whole new world of what you think you can do.

"Gallaudet is still a symbol to deaf people around the world."

Today the undergraduate college, which enrolls some 1,200 deaf and hearing-impaired students, forms the heart of the institution, but Gallaudet also offers master's degrees in six areas and doctorates in special-education administration to both hearing and deaf students.

A NATIONAL RESOURCE CENTER

Although education is its primary job, Gallaudet has become a national resource center on the deaf, providing services ranging from an information clearinghouse to legal aid.

Educators at elementary and secondary schools on the college's campus develop and test curricula, textbooks, and teaching methods that serve as models for schools across the country.

Gallaudet is known as the "Harvard of the deaf." Its graduates are the leaders in the deaf community, and many also achieve conventional success in the "hearing world," as well—a world in which deaf and hearing-impaired people are typically underemployed. The vast majority of Gallaudet alumni occupy professional and managerial positions, and earn substantially more money than deaf people who did not attend the college.

Gallaudet, whose faculty boasts many of the superstars in the fields of audiology, the education, psychology, and sociology of the deaf, and the linguistics of sign language, is a center for research and scholarship.

It was largely through the efforts of William C. Stokoe, professor of linguistics at Gallaudet, that American Sign Language—long considered a disreputable type of signed pidgin English—gained credibility as a separate and legitimate language.

GALLAUDET "HAD A MONOPOLY"

R. Orin Cornett, known as the "father" of an important new system of communication called "cued speech," conducts his research at Gallaudet, as do Kathryn P. Meadow, a leading sociologist in the field of deafness, and James M. Pickett, a well-known researcher working on the analysis of sound, speech, and sound amplification.

It's no wonder that Gallaudet is what young deaf people aspire to. "Gallaudet until recently had a monopoly," says one deaf faculty member. "That's where you went to college if you were deaf."

Now, nearly 60 postsecondary institutions accept only deaf students or have special programs for them. All—except Gallaudet—are either technical schools or adjuncts to colleges with hearing students. The largest, next to Gallaudet—and also Gallaudet's biggest competitor—is the National Technical Institute for the Deaf, located on the campus of the Rochester Institute of Technology. The emphasis at N.T.I.D. is on scientific and technical vocational training.

Gallaudet's liberal-arts curriculum is not the only thing that distinguishes it from those other institutions. Gallaudet is special in its aim to give deaf students the most "normal" college experience possible, according to President Merrill, who is not deaf himself. And in many respects Gallaudet is extraordinarily "ordinary." It represents, as one observer puts it, "a lot of folks' idea of what college should be. There's a real college-y flavor."

The campus, located in the northeast section of this city, features some pleasantly ornate old buildings and some starkly utilitarian new ones. It has its share of stately trees, and rolling lawns crisscrossed with footpaths.

"IT'S A DEAF WORLD"

Students can major in any one of 26 areas of study, including foreign languages. Gallaudet's varsity athletic teams—known as the Bisons—compete in Division III of the National Collegiate Athletic Association and the Association of Intercollegiate Athletics for Women in such sports as football, field hockey, basketball, swimming, track and field, baseball and tennis. This year the women's volleyball team had the best record in its division, winning 36 of 42 games in regular-season play. The team came in fourth in the Eastern Regional Conference in Division III and went on to compete in the national tournament.

Minnie Mae Wilding, a junior majoring in English, graduated from a public high school in her hometown in Idaho. "I had some [hearing] friends," she says through a sign-language interpreter, but she could communicate with them only by writing notes. Because of that, and because she couldn't use the telephone, she rarely saw them outside of school.

"I really felt alone in the evenings," she says.

"That's the reason I came to Gallaudet. Here, the sports and other activities are more open to us than they would be at other colleges. It's a deaf world, and the deaf control it."

Ms. Wilding, who has been deaf from birth, is editor in chief of the biweekly student newspaper, the Buff and Blue. Students also publish a literary magazine called Manus and a yearbook, The Tower Clock.

Clubs and other organizations, including five fraternities and three sororities, abound. The on-campus rathskeller offers such student staples as beer and pizza and a jukebox with the volume knob seemingly frozen on "loud." Those with residual hearing can enjoy the music and those completely deaf, the vibrations.

The Gallaudet College Theater Company, which includes a small touring troupe, often performs original works written by faculty members. One of the most popular, "Sign Me Alice," by Gilbert C. Eastman, a professor of theater arts, is a deaf person's Pygmalion. In it, a young woman, Alice, who speaks in "lower-class" American Sign Language, is tutored by a professor in the more socially proper Signed English.

Gallaudet belongs to a Washington-area consortium of colleges and universities, and students may take classes at any one of eight other institutions. The college also participates in exchange programs with Oberlin and Western Maryland Colleges, and Gallaudet students may spend a summer studying and traveling in England, France, Germany, or Spain under the aegis of a foreign-study program.

In short, Gallaudet boasts most of the opportunities and trappings of any college of its size. But for a visitor who can hear, stepping on the campus is almost like entering a foreign country, where everyone speaks a language for which a Berlitz guide is unavailable.

SUDDEN LAUGHTER

On the green, two women walk by, absorbed in conversation. Their lips are still, but their hands work feverishly. Suddenly, they break into laughter.

In the cafeteria, hundreds of flashing fingers generate the illusion of noisy hustle-bustle.

In the library, two sudents begin a casual discussion that suddenly grows lively. Scarcely pausing, they put down their books to free their fingers for faster conversation.

Language both separates the deaf and unifies them. Deaf people attempting to live and function "normally" in a predominantly hearing world encounter "something like the problem of the foreigner in a strange culture where the language difficulty is acute enough to exclude one from complete socialization with the natives," says literature distributed by Gallaudet's National Information Center on Deafness.

In an office on the campus, a hearing visitor chats with a deaf professor, who does a good job of lip reading, provided the visitor speaks slowly and carefully.

In the course of the conversation, the visitor injects a throwaway line. The professor misses it.

"What?" he asks. "Nothing," she replies, aware that such lines lose their punch on repetition.

"That's not fair," he says, and makes her repeat it.

The majority of Gallaudet's students are what is called prelingually deaf—that is, they were either born deaf or lost their hearing before they mastered spoken language. As a result, many are effectively cut off from language until they reach school age, and most have trouble reading, writing, and even understanding English. They misconstrue syntax and tend to have weak vocabularies. English is a foreign language to many deaf people as surely as if they had grown up in Outer Mongolia.

"It's not uncommon for a deaf child to come to first grade with a vocabulary of as few as five words," says Donna L. Chitwood, director of media and campus relations.

"In the 10-year period from age 8 to age 18, the average hearing-impaired student increases his vocabulary only as much as the average normal-hearing student does between the beginning of kindergarten and the latter part of second grade," according to a report by Gallaudet's Office of Demographic Studies.

Because of the language problem, deaf high-school students tend to score low on standardized tests such as the Scholastic Aptitude Test. "[Success on] those tests depends on a person's ability to read and write English rather than on their potential to do college work," says Jerald M. Jordan, Gallaudet's director of admissions. "So those tests are not of much use to us."

The college has developed its own battery of 12 admissions tests, which officials say are uncommonly good at predicting success. "We look for some strength, some indication that the student can succeed," Mr. Jordan says. For example, he says, it is not uncommon "for a profoundly deaf student to show some weakness in manipulating the English language, but to score very well in math. We accept that student. His [success in math] translates very well into English.

"We don't screen out," Mr. Jordan adds. "We screen in."

Application to Gallaudet is open to all students who meet one basic requirement: "a hearing loss great enough to cause difficulty if they attended a regular college program."

"A 70-decibel loss in the better ear is the rule of thumb," Mr. Jordan says. (A person at that level is considered to have a severe hearing loss. He or she would be unable to hear normal conversation, for example, which is about 55 decibels.)

That translates, on the average, into about 1,000 applications for admission every year. About half of those are accepted, and some 300 enroll.

Most Gallaudet students take five years to complete the baccalaureate program. They

spend their first year in a preparatory program designed to hone language and other skills. This year, 208 of the 294 students in the entering class—over 70 percent—enrolled in the program.

Language deficiencies do not translate into lack of ability, however. "On the Cattell intelligence test, where the dependence on language is minimal, the I.Q. of our entering students compares [favorably] with hearing college sophomores nationwide," says President Merrill.

"What do you have? You have real bright students who have a terrible problem with language, because they don't hear it," he says.

TOTAL COMMUNICATION

To help narrow the language gap, Callaudet is committed to what it calls total communication—a philosophy as much as a method. Total communication means just what it implies: using every means at one's disposal to make communication possible. In addition to various sign languages, those means might include gestures, facial expressions, hearing aids, pantomime, lip reading, writing, and using the voice.

In the classroom, teachers use both spoken English and Signed English, the official Gallaudet sign language, in which hand signals are direct translations of English words and follow the rules of English grammar. But among themselves, many students speak American Sign Language (ASL or Ameslan), which has its own grammar and vocabulary and is faster and simpler to use. (To many deaf people, Signed English has snob appeal. The Gallaudet "accent" in sign language is said to be as distinctive as the spoken accent of the most proper Bostonian.)

One advantage of Signed English is that novices can learn it in a relatively short time—a useful point, since 70 per cent of faculty members at Gallaudet are able to hear normally. "A few are interested in deafness," says Rex Lowman, a professor of economics, who is deaf. The rest? "The job market is bad, and our salaries are competitive," he replies.

"WE DIDN'T GO TO THE RAT"

Most have had little exposure to deaf people, and Gallaudet runs an intensive eight-week summer orientation program for all new faculty members. They live on the campus, attend lectures on such topics as deaf culture and the problems of deafness, and spend virtually every waking hour trying to learn sign language. Recalls Anne M. Butler, a new assistant professor of history, "In the beginning [of the summer], we didn't go to the Rat [the rathskeller]. That's where you really have to know sign language to survive. We were afraid to [try to] order beer."

But by the end of the summer, she says, she and other new faculty members were so eager to improve their new language skills that they "would go there, buy kids pitchers of beer and say, 'You sit down here and sign with us.' "

Her skill improved, but, like many new, hearing teachers, she is still handicapped and, as a result, ill at ease in the classroom.

"I've been teaching 17 years, and have developed a whole bag of tricks useful in the classroom," she says. "Now, that whole bag of tricks is useless. I feel like a baby in the classroom."

As is true with any foreign language, a lot is lost in translation. "Sarcasm is very dangerous," says Ms. Butler. "And God forbid I should digress."

"I've always used a lot of humor in the way I teach history," she continues. "Now, to get the whole class to laugh at a little joke is a huge success."

"ARE THEY CHEATING?"

Rex Lowman, who has taught at Gallaudet for 28 years, and used to be in charge of orientation for new faculty members, points out another potential problem. "One student speaks to another. The [new faculty member] is too slow to know what's going on. It creates doubt. Are they cheating, or just passing the time of day?"

Because of the communication problem, he says, deaf students feel more comfortable with deaf teachers and, where possible, "pick deaf teachers over hearing teachers when they sign up for classes."

A NEW NOTE-TAKING SYSTEM

Teaching at Gallaudet demands that even deaf faculty members be more resourceful and more tuned in to students than their counterparts at regular colleges. They respond in a variety of ways: In his basic economics courses, for example, Mr. Lowman writes technical words on the board, goes slowly to give students time to take notes (all Gallaudet classes are small, and students sit in semicircles so that everyone can see the teacher sign), and uses overhead projectors and reading guides.

Ms. Butler is in the process of developing a new note-taking system to help ease the difficulty of writing and watching sign language at the same time. Catherine W. Ingold, an assistant professor of Romance languages, and a colleague, Carole Frankel, have written their own French-language text and accompanying workbook. "It's amazing to what extent we are able to overcome the problems of logistics." Ms. Ingold says.

Deafness is apparently a mother of invention, and Gallaudet has done an ingenious job of overcoming logistics outside the classroom, as well. Since doorbells and knocking won't work, the college has installed signal lights that a visitor flashes to gain admittance. The lights have made unnecessary the heavy metal panels on the bottoms of doors that visitors used to kick, sitting up vibrations that could be felt inside.

"Problem was, it would create such strong vibrations that you might feel them three doors down," recalls Michael Kaika, a 1972 Gallaudet graduate. "That wasn't appreciated at 3 in the morning."

FLASHING FIRE ALARM

A flashing light signals that the telephone is ringing (deaf people have some access to the telephone by using teletypewriters), and fire drills are announced by a flashing strobe light accompanied by an incredibly loud alarm bell. Flashing lights are also used to bring a class to order.

Ingenuity, bolstered by an aggressive work-study program, has helped place some 80 students in "academically meaningful" job internships every semester, and about 200 during the summer months. Meticulous attention to the task of putting the right student in the right job, a candid and extensive orientation for prospective employers, and the careful monitoring of student progress are responsible for the program's success, according to its director, William E. Varrieur.

"When we started the program, we could get only I.B.M. to cooperate—they've always been very forward-thinking as far as bringing in minorities and the handicapped," he says.

"Last year, I.B.M. interviewed 35 students [for the off-campus program]. Only 3 accepted, because they had so many other choices."

Efforts by Mr. Varrieur and others have paid off: Within four months of graduation, over 73 per cent of the students in the class of 1981 were either employed or attending graduate school.

A PARADOX

To many observers, both hearing and deaf, Gallaudet is a paradox. It provides what looks like a cloistered life while claiming to prepare students for productive lives in the world at large. Some critics are proponents of "mainstreaming," saying that special institutions like Gallaudet isolate deaf people and discourage them from successfully integrating themselves in hearing society.

Counters President Merrill: "If you define mainstreaming as getting people into larger society that's our goal as much as anybody's."

He acknowledges that, for a few deaf students regular colleges may be the answer. But not for most, "Here, they can receive probably a more nearly normal college experience than they can anywhere else."

"They are free to participate in the student government—even be its president," he continues. "They are free to join fraternities and sororities. They are free to play varsity sports."

"In mainstream colleges, deaf students are generally spectators."

"When I arrived here, I was surprised to see all the teachers using sign language," says Cheryl Jaglowski, a first-year student who has been deaf since she was 4½. "That's what it means to come here—you can communicate," she adds, speaking through an interpreter.

"I felt confident. I felt understood." ●

A TRIBUTE TO JOHN J. PARTINGTON

● Mr. PELL. Mr. President, I would like to take this opportunity to commend one of Rhode Island's leading law enforcement officials. John J. Partington has just returned to his hometown of Cumberland, where he is now Chief of Police, following a distinguished 20-year career with the U.S. Marshals Service.

Partington is truly a complete law enforcement professional. Beginning his career 25 years ago as a patrolman in Cumberland, John was destined to travel the length and breadth of the United States as a member of the U.S. Marshals Service. He helped to develop the witness protection program, which has been of invaluable assistance to Federal prosecutors in securing convictions. For 11 years, from 1967 to 1978, he crisscrossed the country as a deputy U.S. Marshal, protecting Government witnesses including major organized crime figures and Watergate defendants. The capstone of his Federal career came in January 1980, when President Carter appointed him to serve as U.S. Marshal for the State of Rhode Island.

In his all too brief tenure, John continued to professionalize the Marshal's

office and won acclaim for his enthusiastic leadership and dedication to law enforcement.

Now John has returned to the town where he was born and raised to accept the challenge of a local police chief's badge. Few individuals have made as outstanding a contribution to law enforcement in my State as John J. Partington. I would like to commend John for his distinguished service to his town and Nation and wish him a long and successful tenure as Cumberland Chief of Police.●

SECRETARY BLOCK'S PROPOSALS TO REFORM THE DAIRY PRICE SUPPORT PROGRAM

● Mr. DURENBERGER. Mr. President, the policy proposals announced yesterday by Agriculture Secretary John Block address a real problem, but they also contain some real dangers for dairy farmers in the upper Midwest.

No one—least of all the dairy farmer—denies the problem created by the growing over-supply of fluid milk. The cost of the dairy price support program has risen from $46 million 2 years ago to $1.94 billion as of October 1, 1981. Estimates for this year go as high as $2.5 billion. The problem is far more than a budgetary problem, because this over-supply threatens to undermine the economics of the dairy industry for years to come. To their immense credit, dairy farmers and the national organizations that represent them have been in the forefront of the effort to find a solution.

As important as it is to recognize the existence of the problem, it is equally important to recognize where the bulk of the problem is coming from. Relatively speaking, the average size of dairy herds in the upper Midwest has not changed substantially in recent years. The 30-40-cow herd is still the norm in our part of the country.

In contrast, there has been a dramatic explosion in herd size in Arizona, California, and other areas of the Southwest. In those regions, the growth of dairy herds has been so dramatic that herds of 1,000 and even 1,500 head are not uncommon. This regional growth is at the heart of the over-supply problem, and it is where the principal emphasis of any solution has to be directed. Minnesota dairy farmers are willing to be a part of the solution, but they cannot be asked to shoulder or be willing to shoulder a disproportionate share of the effort.

Secretary Block's proposals have to be viewed in this context.

I am pleased that the Secretary declared an 8-month moratorium in which farmers can take voluntary action toward a further reduction. Any immediate across-the-board cutback in price supports—an action that many feared the Secretary would recommend—would hit small farmers the hardest. And it would have provided no incentive for herd reduction; if anything, it would have provided an incentive for owners of the larger herds to use their capital advantage to increase production, and make up in volume the dollars lost through lower price supports.

The second part of the Secretary's proposal, in which he seeks discretionary authority to lower support levels, is far more difficult. I am simply unwilling to abandon my prerogatives as a Minnesota Senator by granting the Secretary unrestricted discretionary authority to set milk support levels. To do so would take my voice, and the voice of the people I represent, out of the solution process. At the same time, I am not—at least for the present—going to rule out the possibility that granting the Secretary some additional authority to act within strict criteria set by Congress, might play a role in the ultimate solution to this problem.

Mr. President, bear in mind that the issue here is how to create incentives for herd reduction, and how to do so while protecting the very legitimate interests of the small dairy farmers that typify the upper Midwest. There are two ways to approach that issue. First, Congress can simply legislate its own solution. Second, Congress can grant the Secretary additional discretion to act, but condition that discretion on certain clearly set criteria that protect the small- to medium-sized herds of our region.

In the coming months, I intend to pursue both options. I shall work with Minnesota dairy farmers and the national farm groups to determine whether specific criteria can be drafted that would permit the Secretary some of the discretionary authority he seeks, while conditioning that authority in a manner that protects the interests of upper Midwestern farmers. At the same time, I shall continue to work with my colleague, Senator RUDY BOSCHWITZ, in developing legislative solutions to the over-production problem.

Any solution to this problem has to be fair to all involved. And if it is going to be a workable solution, it is going to have to come from dairy farmers themselves who know the production economics of their business better than anyone else. I urge all of my colleagues to join me in rejecting "quick fixes" and pursuing this approach, a sound approach which can yield sound and permanent solution.●

THE LOSS OF THE LAW OF THE SEA TREATY

● Mr. PELL. Mr. President, it is with much regret that I stand before my colleagues today to report on the dismal conclusions of the Law of the Sea negotiations in New York last Friday. After almost 9 years of U.S. participation in negotiations on a comprehensive Law of the Sea Treaty, the United States, in the end, was unable to negotiate changes it felt mandatory for U.S. participation.

Last Friday, the United States together with Israel, Venezuela, and Turkey cast "no" votes at the final meeting of the conference. A number of our European allies together with most countries of the Eastern bloc, abstained from voting. However, 130 nations, including France and Japan cast votes in favor of the draft text. Despite the U.S. vote, the treaty will be opened for signature in Caracas, Venezuela in December, and will enter into force once 60 nations have ratified the treaty.

My hope that the Third U.N. Conference on the Law of the Sea, would succeed in establishing a universally acceptable code of international law to govern the myriad uses of the oceans was not realized. What went wrong? Frankly, Mr. President, the blame must be laid at the feet of the administration. First, the administration took almost a year to complete its review of the then existing draft text. The length of the review in and of itself was not the problem. However, it was clear reflection of the existence of a profound ideological split within the administration, over whether or not it was in the interest of the United States to be a party to a comprehensive Law of the Sea Treaty, whatever its contents.

In the early days of the review process, some administration officials even threatened to reopen many portions of the text for debate which had been haggled over during years of negotiations and which had ultimately been settled only after painful compromises on all sides. This raised questions in the minds of all other Conference participants whether the Reagan administration could ever be satisfied with the changes in the text which most participants were prepared to make or whether it was even serious about negotiating. It was especially annoying to delegates from developing nations that many of the provisions cited by U.S. officials as problematic, had actually been initially proposed by earlier U.S. delegations in the spirit of compromise.

When U.S. negotiators returned to the negotiating table in March, the Conference agenda was essentially the same agenda outlined by Ambassador Elliot Richardson in August 1980. At that time, it was his view that the Conference could complete its work within a year once it had dealt with the three outstanding issues: Participation by nonstate entities; establishment of a preparatory commission to

draft the rules and regulations governing deep seabed mining; and grandfather rights for investors who had expended funds prior to entry into force of the treaty.

Ironically, the Reagan administration, if it had seized the moment early on, was perhaps in the best overall position of any administration to extract a number of concessions from developing countries even well beyond the narrow agenda left by Ambassador Richardson.

Yet, despite the President's announcement of January 29, that the United States would participate in the March negotiations in New York and that the United States was committed to "the multilateral treaty process for reaching agreement on Law of the Sea," the tension between competing camps within the administration remained. When the time came for the U.S. delegation to negotiate changes in part XI of the text—the deep seabed mining provisions, those opposed to the treaty on ideological grounds, continued to exert pressure within the administration leaving our negotiators in New York in virtual strait jackets.

What do the events of last Friday mean for the United States and other States which do not choose to sign the treaty? I do not think anyone knows for sure. What is clear, however, is that the world has been profoundly changed with respect to the legal regime governing the oceans after Friday's events. There are now competing legal regimes governing the use of the oceans. This, I do know, is clearly not in the interest of the United States.

I am very concerned, Mr. President, about the status of the navigation provisions contained in the text vis-a-vis the United States. Critics of the treaty have argued that many of these provisions are already established customary law, and therefore, the United States will have their benefits. I would point out, however, that neither freedom of transit of U.S. vessels through 116 narrow straits, nor passage of U.S. submarines submerged, nor overflight of our aircraft over territorial waters is guaranteed to us without our participation in the treaty. Nations which become parties to the treaty are surely likely to challenge the right of the United States to exercise these benefits of the treaty without U.S. ratification.

I am equally concerned about the status of a U.S. deep seabed mining industry now that the United States is unlikely to become a party to the treaty. Ironically, the U.S. companies which have made initial investments in deep seabed mining are well protected by the Preliminary Investment Protection (PIP) resolution adopted by the Conference in conjunction with the treaty text. They will simply need to reincorporate under a foreign flag. Their mine sites have been reserved for them by the PIP resolution. However, the United States is likely to be left without any deep seabed mining industry. What company is going to want to go to the expense of mining when the legality of its actions will surely be called into question before the International Court of Justice?

Mr. President, I would urge President Reagan to give serious consideration to making one last overture to Conference leaders to see whether, even at this late date, it might be possible to fashion a compromise which satisfies both the United States and the other conference participants. Perhaps the appointment of a special emissary who has a distinguished record of service in the foreign policy area might be worth consideration. Surely the risks of a treaty without U.S. participation are sufficiently great for all parties to warrant one last try.●

CONSTITUTIONAL AMENDMENT FOR PRAYER IN SCHOOL

● Mr. HART. Mr. President, the President's plan for a proposed constitutional amendment allowing voluntary prayer in our public schools will undermine the religious liberty of all Americans. For nearly 200 years, our country's rich religious heritage has developed under a constitutional system which recognizes that religion is fundamentally a private matter and that the rights of all persons to freely exercise their religious beliefs are best protected when the Government is prohibited from engaging in, or interfering with, religious activities.

Almost 20 years ago, the Supreme Court stated "that a union of Government and religion tends to destroy Government and to degrade religion." Taking prayer, one of the most personal of all religious activities, from the sanctity of the home or the place of worship, and thrusting it into the public schools demeans the significance of prayer by saddling it with the mantle of governmental interference. Allowing a public school teacher to select the daily prayer would place the Government in the position of choosing among our country's numerous religions and denominations, and would destroy the governmental neutrality that has allowed America's diverse religion to flourish.

No prayer conducted in the classroom during the school day can truly be said to be totally voluntary. Schoolchildren declining to participate in school prayers led by their teachers often will be subjected to pressure, stigma, and scorn by their peers, merely for exercising their own religious beliefs. Speaking for the Supreme Court, Justice Black recognized that whenever the Government supports a particular religious belief, "the indirect coercive pressure upon religious minorities to conform to the prevailing officially approved religion is plain." A country dedicated to religious freedom and diversity should not subject a minority of its citizens to any form of coercion as a result of their religion.

Allowing prayer in the public schools undermines parent's role in the moral education of their children. One of the cornerstones of religious liberty is the right of every family to teach each new generation the distinctive traditions and beliefs of its religious heritage, free from Government interference. Placing young school children in the position of having either to absent themselves from their schoolmates, or else be subjected to a recitation of religious beliefs foreign to their own, will interfere with parent's right to shape the religious education of their children and introduce tension into the family's religious observance.

The President's proposed amendment would also undercut the special place of public schools in American life. Our public schools have long taught America's young people about our country's history of religious tolerance and the importance of respect for persons with different religious, racial, and ethnic backgrounds. As Justice Brennan recognized, "the public schools serve a uniquely public function: The training of American citizens in an atmosphere free of parochial, divisive, or separatist influences of any sort—an atmosphere in which children may assimilate a heritage common to all American groups and religions." Allowing prayer in the public schools would interfere with the teaching of religious tolerance by expressing the Government's commitment to a particular religious observance.

I therefore strongly oppose the President's proposed constitutional amendment as a serious threat to religious liberty.●

ATTORNEY GENERAL SPEAKS OUT ON COURT STRIPPING

● Mr. BAUCUS. Mr. President, on March 23, at a hearing of the Senate Judiciary Committee, I asked Attorney General William French Smith for the Department of Justice's views on S. 1742, a bill which would remove Federal court jurisdiction over the issue of school prayer. Earlier this week, I criticized the Attorney General for not speaking out on the issue of court stripping and for not responding to my written request for the Department's views on these significant constitutional issues.

I am pleased to report that earlier today, I received a letter from Assistant Attorney General Robert McConnell which enclosed a letter to Senate Judiciary Committee Chairman THURMOND from the Attorney General with

his views on S. 1742. The letter to Chairman THURMOND is a lengthy 16 page analysis of this Supreme Court jurisdiction removal proposal.

However, I am pleased to indicate to the Senate that, taken as a whole, the letter raises most of the significant constitutional concerns that those of us who have been opposing the court stripping proposals have been raising for the last 18 months.

In his analysis, the Attorney General states:

Congress may not, however, consistent with the Constitution, make "exceptions" to Supreme Court jurisdiction which would intrude upon the core functions of the Supreme Court as an independent and equal branch in our system of separation of powers . . . Concluding that Congress may not intrude upon the core functions of the Supreme Court is not to suggest that the Supreme Court and the inferior federal courts have not occasionally exceeded the properly restrained judicial role envisaged by the Framers of our Constitution . . . The remedy for judicial overreaching, however, is not to restrict the Supreme Court's jurisdiction over those cases which are central to the core functions of the Court in our system of government. This remedy would in many ways create problems equally or more severe than those which the measure seeks to rectify.

The Attorney General's letter then provides an excellent analysis of the preceedings of the Constitutional Convention which support a construction of the exceptions clause that would preclude Congress from interfering with the Supreme Court's core functions. The letter goes on to indicate that the Attorney General's assessment of Supreme Court case law supports such a limited reading of the exceptions clause. Finally, the Attorney General maintains that nothing in Congess previous conduct would suggest that Congress' power under the exceptions clause would permit it to interfere with the Court's core functions.

In his conclusion, the Attorney General addresses the public policy considerations that should be weighed in evaluating the court stripping bills:

It is appropriate to note, however, that even if it were concluded that legislation in this area could be enacted consistent with the Constitution, the Department would have concerns as a policy matter about the withdrawal of a class of cases from the appellate jurisdiction of the Supreme Court. History counsels against depriving that Court of its general appellate jurisdiction over federal questions. Proposals of this kind have been advanced periodically, but have not been adopted since the Civil War. There are sound reasons that explain why Congress has exercised restraint in this area and not tested the limits of constitutional authority under the Exceptions Clause.

The integrity of our system of federal law depends upon a single court of last resort having a final say on the resolution of federal questions. The ultimate result of depriving the Supreme Court of jurisdiction over a class of cases would be that federal law would vary in its impact among the inferior courts. State courts could reach disparate conclusions on identical questions of federal law, and the Supreme Court would not be able to resolve the inevitable conflicts. There would also exist no guarantee through Supreme Court review that state courts accord appropriate supremacy to federal law when it conflicts with state enactments.

Mr. President, I am particularly pleased that the Attorney General has finally spoken out against court stripping. The fundamental constitutional principles raised by this legislation are worthy of the Attorney General's attention and I welcome his participation in the national dialog. Mr. President, I ask that a copy of the Attorney General's letter be included in the RECORD at this point.

The letter follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, D.C. May 6, 1982.

Hon. MAX BAUCUS,
Committee on the Judiciary, Washington, D.C.

DEAR SENATOR BAUCUS: You have requested this Department's view on a proposal which would withdraw jurisdiction from the Supreme Court. In response to that inquiry and because of your interest in this entire subject area I enclose a copy of a letter the Attorney General has sent to Chairman Thurmond on this subject.

Also enclosed is a letter to Chairman Rodino responding to his inquiry for the Department's views concerning those portions of S. 951, the Senate-passed version of the Department of Justice appropriation authorization bill for Fiscal Year 1982, which relate to the mandatory transportation of school children to schools other than those closest to their homes. I thought this too would be of interest.

Sincerely,

ROBERT A. MCCONNELL,
Assistant Attorney General.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., May 6, 1982.

Hon. STROM THURMOND,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is written to you as Chairman of the Committee on the Judiciary. It is written in response to a number of earlier inquiries from members of your Committee concerning S. 1742, a proposal which would withdraw jurisdiction from the Supreme Court to consider "any case arising out of any State statute, ordinance, rule, [or] regulation . . . which relates to voluntary prayers in public schools and public buildings." A second provision of the bill would withdraw the jurisdiction of the district courts over any case in which the Supreme Court has been deprived of jurisdiction. This bill raises fundamental and difficult questions regarding the role of the Supreme Court in our constitutional system, as well as the power of Congress to define and circumscribe that role. The issues involved have been the subject of intense scholarly debate and prominent constitutional scholars have differed as to the extent of congressional power to limit Supreme Court jurisdiction.

This is perhaps to be expected since the question of congressional power over the appellate jurisdiction of the Supreme Court implicates in a basic way the relations between Congress and the Supreme Court, two co-equal branches of government. Relations between the different branches in our tripartite system are generally governed by the doctrine of separation of powers. Neither the Constitution nor the decisions of the Supreme Court have attempted to define the precise contours of this doctrine. As two astute students of our constitutional system have noted:

"The accommodations among the three branches of government are not automatic. They are undefined, and in the very nature of things could not have been defined, by the Constitution. To speak of lines of demarcation is to use an inapt figure. There are vast stretches of ambiguous territory. Frankfurter & Landis, *Power of Congress Over Procedure in Criminal Contempts in "Inferior" Federal Courts*, 37 Harv. L. Rev. 1010, 1016 (1924) (italics in original)."

The doctrine of separation of powers touches fundamentally on how the Nation is governed, and, as the Supreme Court noted last Term in a separation of powers case, "it is doubtless both futile and perhaps dangerous to find any epigrammatical explanation of how this country has been governed." *Dames & Moore* v. *Regan*, 101 S. Ct. 2972, 2977 (1981). In this area more than any other we must heed Justice Holmes' wise admonition that "[t]he great ordinances of the Constitution do not establish and divide fields of black and white." *Springer* v. *Philippine Islands*, 277 U.S. 189, 209 (1928) (dissenting opinion).

There is no doubt that Congress possesses some power to regulate the appellate jurisdiction of the Supreme Court. The language of the Constitution authorizes Supreme Court appellate jurisdiction over enumerated types of cases "with such Exceptions, and under such Regulations as the Congress shall make." The Supreme Court has upheld the congressional exercise of power under this clause, even beyond widely accepted "housekeeping" matters such as time limits on the filing of appeals and minimum jurisdictional amounts in controversy. See *Ex parte McCardle*, 74 U.S. (7 Wall.) 506 (1869).

Congress may not, however, consistent with the Constitution, make "exceptions" to Supreme Court jurisdiction which would intrude upon the core functions of the Supreme Court as an independent and equal branch in our system of separation of powers.

In determining whether a given exception would intrude upon the core functions of the Supreme Court, it is necessary to consider a number of factors, such as whether the exception covers constitutional or nonconstitutional questions, the extent to which the subject is one which by its nature requires uniformity or permits diversity among the different states and different parts of the country, the extent to which Supreme Court review is necessary to ensure the supremacy of federal law, and whether other forums or remedies have been left in place so that the intrusion can properly be characterized as an exception.

Concluding that Congress may not intrude upon the core functions of the Supreme Court is not to suggest that the Supreme Court and the inferior federal courts have not occasionally exceeded the properly restrained judicial role envisaged by the Framers of our Constitution. Nor does such a conclusion imply an endorsement of the soundness of some of the judicial decisions which have given rise to various of the legislative proposals now before Congress. The

Department of Justice will continue, through its litigating efforts, to urge the courts not to intrude into areas that properly belong to the State legislatures and to Congress. The remedy for judicial overreaching, however, is not to restrict the Supreme Court's jurisdiction over those cases which are central to the core functions of the Court in our system of government. This remedy would in many ways create problems equally or more severe than those which the measure seeks to rectify.[1]

With respect to other pending legislation, the Department of Justice has concluded that Congress may, within constraints imposed by provisions of the Constitution other than Article III, limit the jurisdiction or remedial authority of the inferior federal courts. See letter from the Attorney General to Chairman Rodino concerning S. 951. The question of congressional power over lower federal courts is quite different from the question of congressional power over Supreme Court jurisdiction, and the two issues should not be confused.

I

Proponents of congressional constitutional authority to limit the Supreme Court's entire appellate jurisdiction have contended that such authority exists under the "Exceptions Clause" of Article III of the Constitution. Article III provides, in pertinent part:

"Section 1. The judicial Power of the United States, shall be vested in one supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish. * * *

"Section 2. The judicial Power shall extend to all Cases, in Law and Equity, arising under this Constitution, the Laws of the United States, and Treaties made, or which shall be made, under their Authority; to all Cases affecting Ambassadors, other public Ministers and Consuls; to all cases of admiralty and maritime Jurisdiction; to Controversies to which the United States shall be a Party; to Controversies between two or more States; between Citizens of different States; between Citizens of the same State claiming Lands under Grants of different States, and between a State, or the Citizens thereof, and foreign States, Citizens or Subjects.

"In all Cases affecting Ambassadors, other public Ministers and Consuls, and those in which a State shall be Party, the Supreme Court shall have original Jurisdiction. In all the other Cases before mentioned, the Supreme Court shall have appellate Jurisdiction, both as to Law and Fact, *with such Exceptions, and under such Regulations as the Congress shall make.* (Italics added.)"

The language of the Exceptions Clause, underscored above, does not support the conclusion that Congress possesses plenary authority to remove the Supreme Court's appellate jurisdiction over all cases within that jurisdiction. The concept of an "exception" was understood by the Framers, as it is defined today, as meaning an exclusion from a general rule or law. An "exception" cannot, as a matter of plain language, be read so broadly as to swallow the general rule in terms of which it is defined.

The Constitution, unlike a statute, is not drafted with specific situations in mind. Designed as the fundamental charter of our political system, its most important provisions are phrased in broad and general terms. As eloquently expressed by Justice Holmes in *Missouri* v. *Holland*, 252 U.S. 416, 433 (1920):

"[W]hen we are dealing with words that also are a constituent act, like the Constitution of the United States, we must realize that they have called into life a being the development of which could not have been foreseen completely by the most gifted of its begetters. It was enough for them to realize or to hope that they had created an organism; it has taken a century and has cost their successors much sweat and blood to prove that they created a nation. The case before us must be considered in light of our whole experience and not merely in that of what was said a hundred years ago."

For example, a literal interpretation of Article III as a whole would seem to mandate that Congress vest the full judicial power of the United States either in the Supreme Court or in an inferior federal court. Under such an interpretation, Congress could make "exceptions" to the Supreme Court's appellate jurisdiction only if it vested the jurisdiction at issue either in an inferior federal court or in the Supreme Court's original jurisdiction. This interpretation, which would require the conclusion that any measure which entirely ousted the federal courts from exercising any portion of the judicial power of the United States and vested that authority in state courts would be unconstitutional, is rejected by all authorities today.[2]

The Constitution contains a number of other pronouncements which, although seemingly unambiguous and absolute, have necessarily been interpreted as limited in their applicability. See, e.g., *Home Building & Loan Ass'n.* v. *Blaisdell*, 290 U.S. 398 (1934) (Contract Clause); *Everson* v. *Board of Education*, 330 U.S. 1 (1947) (Establishment Clause); *Reynolds* v. *United States*, 98 U.S. 145 (1878) (Free Exercise Clause); *Brandenburg* v. *Ohio*, 395 U.S. 444 (1969) (per curiam) (Free Speech Clause). The Supreme Court has also recognized that even when a statute is otherwise within a power granted to Congress by the Constitution, extrinsic limitations on congressional power contained in the Bill of Rights or elsewhere may nevertheless render the statute unconstitutional. *See, e.g., National League of Cities* v. *Usery*, 426 U.S. 833 (1976) (limitations on Commerce Clause); *McCulloch* v. *Maryland*, 17 U.S. (4 Wheat.) 316, 421 (1819) (limitations on Necessary and Proper Clause).

In light of these principles of constitutional interpretation, the Exceptions Clause may not be analyzed in a vacuum, but must be understood in terms of Article III as a whole, as evidenced by the history of its framing and ratification, its place in the system of separation of powers embodied in the structure of the Constitution, and its consistency with external limitations on congressional power implicit in the Constitution and contained in the Bill of Rights. The constitution of the Exceptions Clause that is most consistent both with the plain language of the Clause and with other evidence of its meaning is that Congress can limit the Supreme Court's appellate jurisdiction only up to the point where it impairs the Court's core functions in the constitutional scheme.

II.

The events at the Constitutional Convention support a construction of the Exceptions Clause that would preclude Congress from interfering with the Supreme Court's core functions. The Framers agreed without dissent on the necessity of a Supreme Court to secure national rights and the uniformity of judgments. The Resolves which were agreed to by the Convention and given to the Committee of Detail provided, simply, that "the jurisdiction [of the Supreme Court] shall extend to all cases arising under the Natl. laws: And to such other questions as may involve the Natl. peace & harmony." No mention was made of any congressional power to make exceptions to the Court's jurisdiction. The Committee of Detail, charged with drafting a provision to implement these Resolves, proposed the language of the Exceptions Clause. It seems unlikely that the Committee of Detail could have deviated so dramatically from the Convention's Resolves as to have given Congress the authority to interfere with the Supreme Court's core functions without considerably more attention to the subject at the Convention.

This inference is strengthened by the events surrounding the adoption of the Judicial Article by the full Convention. In determining the scope of the Court's jurisdiction, the Convention agreed to provisions expressly confirming that the jurisdiction included cases arising under the Constitution and treaties; but it rejected, by a 6–2 vote, a resolution providing that, except in the narrow class of cases under the Court's original jurisdiction, "the judicial power shall be exercised in such manner as the Legislature shall direct."[3] The Convention thus rejected a clear statement of plenary congressional power over the Court's appellate jurisdiction. Nevertheless, on the same day—without any recorded debate or explanation—the Framers adopted the Exceptions and Regulations language now contained in Article III. In light of the value

[1] The Department of Justice, in previous Administrations, has consistently opposed proposals to restrict Supreme Court jurisdiction. *See Hearings Before the Subcomm. To Investigate the Administration of the Internal Security Act and Other Internal Security Laws of the Sen. Comm. on the Judiciary*, 85th Cong., 2d Sess. 573–74 (1958) (statement of Attorney General Rogers) ("full and unimpaired appellate jurisdiction of the Supreme Court is fundamental under our system of government"); Memorandum for the Attorney General from Assistant Attorney General Malcolm R. Wilkey, Office of Legal Counsel (February 25, 1958) (bills to limit Supreme Court jurisdiction are constitutional but bad policy); Memorandum for the Deputy Attorney General from Assistant Attorney General Tompkins, Internal Security Division (February 14, 1958) (unconstitutional); Letter to Sen. James O. Eastland, Chairman, Senate Comm. on the Judiciary, from Deputy Attorney General Richard Kleindienst (September 4, 1969) (not clearly distinguishing constitutional and policy objections); Memorandum for the Attorney General from Assistant Attorney General William H. Rehnquist (September 16, 1969) (not clearly distinguishing constitutional and policy objections); letter from Assistant Attorney General Alan Parker to Rep. Peter Rodino, Chairman, House Comm. on the Judiciary (June 19, 1980) (unconstitutional); *Prayer in Public Schools and Buildings, Hearings Before the Subcomm. on Courts, Civil Liberties, and the Administration of Justice of the House Comm. on the Judiciary*, 96th Cong. 2d Sess. 11 (1980) (testimony of John M. Harmon, Assistant Attorney General, Office of Legal Counsel) (unconstitutional).

[2] *Marbury* v. *Madison*, 5 U.S. (1 Cranch) 137 (1803), established that Congress has no authority to enlarge the Supreme Court's original jurisdiction by creating "exceptions" to its appellate jurisdiction. In *Martin* v. *Hunter's Lessee*, 14 U.S. (1 Wheat.) 304, 330–31 (1816), Justice Story argued that, if Congress creates any inferior federal courts, it must confer on them the full federal jurisdiction. This view, however, has never since been accepted by a majority of the Supreme Court.

[3] 2 M. Farrand, The Records of the Federal Convention of 1787 46 (1911).

placed on the Supreme Court's appellate jurisdiction, as evidenced by the other actions of the Convention, it seems highly unlikely that the Framers would have agreed, without the slightest hint of controversy, to a provision that would authorize Congress to interfere with the Court's core constitutional functions.

There are additional reasons why the lack of controversy surrounding the adoption of the Exceptions Clause supports the inference that no power to intrude on the Court's core functions was intended. First, the historical materials show the great importance which the Framers attached to these functions. They envisaged that the Supreme Court was a necessary part of the constitutional scheme and believed that the Court would review state and federal laws for consistency with the Constitution.[4] These sentiments were echoed by the authors of the Federalist Papers, a work which is justly regarded as an important guide to the meaning of the Constitution.[5] In light of this explicit recognition by the Founding Fathers of the Court's vital role in the constitutional scheme, it seems unlikely that they would have adopted, without controversy, a provision which would effectively authorize Congress to eliminate the Court's core functions.

A second reason for inferring a more limited construction of the Exceptions Clause from the lack of discussion at the Convention concerns the compromise agreed to by the Framers regarding the establishment of inferior federal courts. While the necessity of a Supreme Court was accepted without significant dissent among the Framers, there was vigorous disagreement over whether inferior federal courts should be provided. The Convention first approved a provision calling for mandatory inferior federal courts, then struck this provision by a divided vote, and finally determined to leave to Congress the question whether to establish inferior federal courts. The Supreme Court was viewed as a necessary part of the constitutional structure and was established by the Constitution itself; Congress was given no control over whether the Court would be created. The inferior federal courts, however, were viewed as an optional part of the Government and were authorized but not established by the Constitution. The decision whether to create them was given to Congress. This distinction, and the role explicitly assigned to Congress with respect to the inferior federal courts, implies that the powers of Congress were to be quite different with respect to the Supreme Court and the inferior federal courts.

If the Exceptions Clause authorized Congress to eliminate the Supreme Court's appellate jurisdiction, thus limiting it to the exercise of original jurisdiction, the power of Congress over the Supreme Court would be virtually indistinguishable from its power over inferior federal courts. Just as Congress could decline to create inferior federal courts, it could, in the guise of creating "exceptions" to the Supreme Court's appellate jurisdiction, deny the Supreme Court the vast majority of the judicial powers which the Framers insisted "shall be vested" in the federal judiciary. Congress could not eliminate the Supreme Court, but it could reduce it to a position of virtual impotence with only its limited original jurisdiction remaining. Such an interpretation cannot be squared with the stark difference in treatment which the Framers accorded to the Supreme Court and the inferior federal courts. Given the intensity of the debate regarding inferior federal courts, and the compromise arrived at by the Framers, it seems highly unlikely that the Convention would have adopted without comment a provision which, for most practical purposes, would place the Supreme Court and the inferior federal courts in the same position vis-a-vis Congress.

A third reason to infer a limited construction of the Exceptions Clause from the lack of debate accompanying its adoption is found in the theory of separation of powers which formed the conceptual foundation for the system of government adopted by the Convention. The Framers intended that each of the three branches of Government would operate largely independently of the others and would check and balance the other Branches. The purpose of this approach was to ensure that governmental power did not become concentrated in the hands of any one individual or group, and thereby to avoid the danger of tyranny which the Framers believed inevitably accompanied unchecked governmental power. Indeed, it is not an exaggeration to say that the single greatest fear of the Founding Fathers was tyranny, and that concentration of power was, in their minds, "the very definition of tyranny."[6]

Essential to the principle of separation of powers was the proposition that no one Branch of Government should have the power to eliminate the fundamental constitutional role of either of the other Branches. As Madison stated in *Federalist* No. 51:

"[T]he great security against a gradual concentration of the several powers in the same department consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. The provision for defense must in this, as in all other cases, be made commensurate to the danger of attack."

This basic principle of the Constitution—that each branch must be given the necessary means to defend itself against the encroachments of the two other branches—has special relevance in the context of *legislative* attempts to restrict *judicial* authority. The Framers "applaud[ed] the wisdom of those states who have committed the judicial power, in the last resort, not to a part of the legislature, but to distinct and independent bodies of men." *Federalist* No. 81 (Hamilton). They believed that, by the inherent nature of their power, the legislature would tend to be the strongest and the judiciary the weakest of the Branches. This insight is reflected in the very structure of the Constitution: the provisions governing the legislature are placed first, in Article I; those establishing and governing the Judicial Branch are in the third position, in Article III. Madison recognized the great inherent power of the Legislative Branch in *Federalist* No. 48. Drawing extensively from Jefferson's *Notes on the State of Virginia*, Madison concluded that in a representative republic "[t]he legislative department is everywhere extending the sphere of its activity and drawing all power into its impetuous vortex." *See also Federalist* No. 51 (Madison).

It was in no sense a derogation on the concept of governance responsive to popular will that the Founding Fathers desired checks on the power of the Legislature they were creating. The Acts of Parliament as well as those of the King formed the litany of grievances which produced the Revolution. The Founding Fathers believed in the voice of the people and their elected representatives and placed substantial power in the Legislature. At the same time, however, they were acutely sensitive to the rights of individuals and minorities. Most of them had first-hand experience with persecution. The idea of a written Constitution was precisely to place a check on the popular will and, in large part, to restrain the most powerful Branch. They crafted a representative republic with restraints on the legislature. "[A]n elective *despotism* was not the government we fought for . . ." *Federalist* No. 48 (Madison), quoting Jefferson's *Notes on the State of Virginia* (italics) in original).

The Supreme Court was viewed as a part of this restraint, but, nonetheless, inherently as the least dangerous Branch. Hamilton, in a famous passage from Federalist No. 78, eloquently testified to the inherent weakness of the Judicial Branch:

"Whoever attentively considers the different departments of power must perceive that, in a government in which they are separated from each other, the judiciary, from the nature of its functions, will always be the least dangerous to the political rights of the Constitution; because it will be least in a capacity to annoy or injure them. The executive not only dispenses the honors but holds the sword of the community. The legislature not only commands the purse but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over either the sword or the purse; no direction either of the strength or of the wealth of the society, and can take no active resolution whatever. It may truly be said to have neither FORCE nor WILL but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgments."

As a consequence of this view, Hamilton believed that it was necessary for the judiciary to remain "truly distinct from the Legislature and the Executive. For I agree that 'there is no liberty, if the power of judging be not separated from the legislative and executive powers.' " Id., quoting Montesquieu's Spirit of Laws. Thus, he concluded: "The complete independence of the courts of justice is peculiarly essential in a limited Constitution." Id.

It was in recognition of the inherent weakness of the judiciary, particularly as contrasted with the inherent power of the legislature, that the Framers determined to give special protections to the judiciary not enjoyed by officials of the other Branches. Federal judges were given lifetime positions during good behavior, and were protected against diminution of salary while in office. The purpose of these provisions was largely to provide the judiciary, as the weakest Branch, with the necessary tools for self-protection against the encroachments of the other Branches.

The notion that the Exceptions Clause grants Congress plenary authority over the Supreme Court's appellate jurisdiction cannot easily be reconciled with these principles of separation of powers. If Congress had such authority, it could reduce the Supreme Court to a position of impotence in the tripartite constitutional scheme. The

[4] See, e.g., 1 id. at 124; 2 id. at 589 (Madison).

[5] See, e.g., Federalist No. 39 (Madison) (Supreme Court is clearly essential to prevent an appeal to the sword and a dissolution of the compact"); id. No. 80 (Hamilton); id. No. 82 (Hamilton).

[6] Federalist No. 47 (Madison).

Court could be deprived of its ability to protect its core constitutional functions against the power of Congress. The salary and tenure protections so carefully crafted in Article III could be rendered virtually meaningless in light of the power of the Congress simply to eliminate appellate jurisdiction altogether, or in those areas where the Court's decisions displeased the legislature. It is significant that while the Framers did not focus on the Exceptions Clause, they did point to the impeachment power as "a complete security" against risks of "a series of deliberate usurpations on the authority of the legislature." Federalist No. 81.

In light of these basic considerations, it seems unlikely that the Framers intended the Exceptions Clause to empower Congress to impair the Supreme Court's core functions in the constitutional scheme. Even if some of the Framers could have intended this, it is improbable that the Exceptions Clause could have been approved by the Convention without debate or controversy, or indeed without any explicit statement by anyone associated with the framing or ratification of the Constitution that such a deviation from the carefully crafted separation of powers mechanisms provided elsewhere in the Constitution was intended. Nor does it seem likely that the Convention would have developed the Exceptions Clause as a check on the Supreme Court in such a manner that an exercise of power under the Clause to remove Supreme Court appellate jurisdiction would not return authority to Congress, but vest it in the state courts instead. Hamiltion regarded even the possibility of multiple courts of final jurisdiction as unacceptable.

"The mere necessity of uniformity in the interpretation of the national laws, decides the question. Thirteen independent courts of final jurisdiction over the same causes, arising upon the same laws, is a hydra in government, from which nothing but contradiction and confusion can proceed. Federalist No. 80."

Thus, unless there is sound and compelling evidence of a contrary interpretation in the decisions of the Supreme Court, or in the long-accepted historical practices regarding congressional control of Supreme Court jurisdiction, it must be concluded that the Exceptions Clause does not authorize Congress to interfere with the Court's core functions in our constitutional system.

III.

An examination of the Supreme Court's cases does not require any different interpretation. The Supreme Court has provided only inconclusive guidance on the meaning of the Exceptions Clause. In *Martin* v. *Hunter's Lessee,* 14 U.S. (1 Wheat.) 304 (1816), the Court noted "the importance, and even the necessity of uniformity of decisions throughout the whole United States upon all subjects within the purview of the constitution." In the absence of the Supreme Court, Justice Story observed, "the laws, the treaties and the Constitution of the United States would be different, in different states. . . . The public mischiefs that would attend such a state of things would be truly deplorable; for it cannot be believed, that they could have escaped the enlightened convention which formed the Constitution. . . . [T]he appellate jurisdiction must continue to be the only adequate remedy for such evils." Similar statements are found in the opinions of Chief Justice Marshall, *Cohens* v. *Virginia,* 19 U.S. (6 Wheat.) 264, 415 (1821), and Chief Justice Taney, *Albeman* v. *Booth,* 62 U.S. (21 How.) 506, 517-18 (1858).[8] Although these cases do not squarely address the question whether Congress could constitutionally deprive the Court of its core functions, the Court's language seems strong enough to cast considerable doubt, at least by implication, on the power of Congress to eliminate Supreme Court jurisdiction over cases in which a final, uniform and supreme voice is necessary in the guise of creating "exceptions" to that jurisdiction. In the words of Chief Justice Taney, the exercise of such a power would withdraw authority which is "essential . . . to [the] very existence [of the Federal] government [and] essential to secure the independence and supremacy of [that] Government." Id.

The Supreme Court has, in a number of early cases, referred to the power of Congress over its appellate jurisdiction as being quite broad. For example, in *Barry* v. *Mercein,* 46 U.S. (5 How.) 103 (1847), the Court stated that "[i]f Congress has provided no rule to regulate our proceedings, we cannot exercise our appellate jurisdiction, and if the rule is provided, we cannot depart from it." *See also The "Francis Wright,"* 105 U.S. 381, 386 (1881); *Daniels* v. *Railroad Co.,* 70 U.S. (3 Wall.) 250, 254 (1865); *Durousseau* v. *United States,* 10 U.S. (6 Cranch) 307, 313-14 (1810); *United States* v. *More,* 7 U.S. (3 Cranch) 159 (1805); *Wiscart* v. *Dauchy,* 3 U.S. (3 Dall.) 321, 327 (1796). However, every one of these statements is *dicta*; the Court has never held that Congress has the power entirely to preclude the Court from exercising its core functions. It may also be doubted whether these broad statements are intended to cover cases in which such an extraordinary congressional power was exercised. They may instead be designed to recognize a broad power which, like the Commerce Clause, is limited by other provisions of the Constitution and by the structure of the document as a whole.

Proponents of the "plenary power" thesis rely most heavily on the only Supreme Court decision which could be characterized as upholding a power of Congress to divest the Court of jurisdiction over a class of constitutional cases: *Ex parte McCardle,* 74 U.S. (7 Wall.) 506 (1869). At issue in that case was the constitutionality of an 1868 statute repealing a provision enacted the previous year which had authorized appeals to the Supreme Court from denials of habeas corpus relief by a circuit court. In a brief opinion which did not discuss the scope or implications of the Exceptions Clause, the Court upheld Congress' withdrawal in 1868 of jurisdiction under the 1867 law, stating that "the power to make exceptions to the appellate jurisdiction of this court is given by express words." *Id.* at 514. Despite this broad language, the Court suggested that the withdrawal of jurisdiction provided by the 1867 law did not deprive the Court of jurisdiction over habeas corpus cases that had been conferred by § 14 of the Judiciary Act of 1789. "Counsel seem to have supposed, if effect be given to the repealing act in question, that the whole appellate power of the court, in cases of habeas corpus, is denied. But this is an error." *Id.* at 515.

The Court's *dictum* regarding alternative procedures for Supreme Court review of habeas corpus cases was converted into a holding several months later in *Ex parte Yerger,* 75 U.S. (8 Wall.) 85 (1869). The petitioner in that case had invoked the Court's jurisdiction under the Judiciary Act of 1789. In holding that it had jurisdiction, the Court in *Yerger* made it clear that the 1868 legislation considered in *McCardle* was limited to appeals taken under the 1867 act and upheld the petitioner's right to Supreme Court review under the proper jurisdictional statute. The Court noted that the 1868 act did "not purport to touch the appellate jurisdiction conferred by the Constitution . . . ." *Id.* at 105. In doing so, the Court observed that any total restriction on the power to hear habeas corpus cases would "seriously hinder the establishment of that uniformity in deciding upon questions of personal rights which can only be attained through appellate jurisdiction . . . ." *Id.* at 103. Thus, within months of the *McCardle* decision, the Court made it clear that *McCardle* did not decide the question of Congress' power to deprive it of all authority to hear constitutional claims in habeas corpus cases. For this reason, while the *Yerger* Court acknowledged that the Court's jurisdiction as given by the Constitution "is subject to exception and regulation by Congress," *Id.* at 102, neither *McCardle,* nor *Yerger,* nor any other case, constitutes an authoritative statement that Congress could deprive the Court of its core functions.

IV.

Finally, the historical record regarding the authority actually asserted by Congress to control the Court's appellate jurisdiction supports, on balance, the construction that the Exceptions Clause does not authorize Congress to interfere with the Court's core functions. It is indeed true that Congress did not, in the First Judiciary Act explicitly authorize the Supreme Court to exercise the full range of appellate jurisdiction established by Article III. Perhaps the most prominent category of cases in which the Court was not granted statutory jurisdiction were federal criminal cases, which were not explicitly brought within the Court's appellate jurisdiction until 1889. Although Supreme Court review over these cases may have been available in special circumstances, it is probably true that most federal criminal cases were not reviewable by the Supreme Court during this period under the terms of the applicable legislation. The Judiciary Act also failed to grant the Supreme Court appellate jurisdiction over state court decisions striking down state laws as being inconsistent with the federal Constitution, or upholding federal statutes against constitutional attack.

The failure of Congress in the First Judiciary Act to provide the Court with the full appellate jurisdiction authorized under Article III does not undermine the conclusion that Congress cannot interfere with the Supreme Court's core functions, for several reasons. First, while Congress did omit certain specific categories of cases from the appellate jurisdiction provisions of the First Judiciary Act, it is noteworthy that the first Congress, containing among its members many delegates to the Constitutional Convention, recognized the Court's appellate jurisdiction over an extremely broad range of constitutional cases. Most significantly, the Court was given authority under § 25 of the Judiciary Act to review decisions of state courts striking down federal statutes or upholding state statutes constitutional attack. That authority was conferred despite the intense controversy which it sparked among

[8] Cf. the famous statement of Justice Holmes: "I do not think the United States would come to an end if we lost our power to declare an Act of Congress void. I do think the Union would be imperiled if we could not make that determination as to the laws of the several states." O. W. Holmes, Collected Legal Papers 295 (1920).

the states—controversy which resulted in state resistance to Supreme Court judgments and in attempts in Congress, foreshadowing the current attempts to limit the Court's jurisdiction, to repeal § 25 of the Judiciary Act. The fact that the Judiciary Act did not explicitly recognize jurisdiction over state court decisions upholding the validity of federal laws or striking down state laws, or over federal criminal cases, does not undercut the position that the Court cannot be divested of its ability to fulfill its essential responsibility under the Consititution. The supremacy of federal law, guaranteed by the Supreme Court, would not be seriously threatened by state court decisions upholding federal laws or striking down state laws on federal constitutional grounds.

Second, the history of Supreme Court appellate review has confirmed the importance of its core functions. To the extent that any inferences can be drawn from the failure of the First Judiciary Act explicitly to recognize the full range of the Supreme Court's appellate jurisdiction over constitutional cases, those inferences are subject to refutation by later events. The Supreme Court now has appellate jurisdiction over all federal cases. Each of the areas of incomplete jurisdiction has long since been fulfilled. The vast majority of constitutional decisions which are on the books today, and which affect our national life in many and important ways, have been rendered by the Court under a statutory regime which included such broad appellate jurisdiction. As Justice Frankfurter said in another context, "the content of the three authorities of government is not to be derived from an abstract analysis. . . . It is an inadmissibly narrow conception of American constitutional law to confine it to the words of the Constitution and to disregard the gloss which life has written upon them." *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579, 610 (1952) (concurring opinion). The gloss which life has written on the Supreme Court's jurisdiction is one which protects the essential role of the Court in the constitutional plan.

V.

As noted at the outset, Congress has substantial authority over the jurisdiction and power of the inferior federal courts. It also is given the power under Article III to regulate the Supreme Court's appellate jurisdiction in circumstances which do not threaten the core functions of the Court as an independent branch in our system of separation of powers. Congress may, for example, specify procedures for obtaining Supreme Court review and impose other restraints on the Court. But the question of the limits of Congress' authority under the Exceptions Clause is an extraordinarily difficult one. Thoughtful and respected authorities have come to conclusions which differ.

The legislative process itself is often important in assessing not only the meaning but also the constitutionality of Congressional enactments. The Court has stated that it must have "due regard to the fact that this Court is not exercising a primary judgment but is sitting in judgment upon those who also have taken the oath to observe the Constitution and who have the responsibility for carrying on government." *Rostker* v. *Goldberg*, 453 U.S. 57, 64 (1981).

If Congress considers the subject matter of S. 1742 it may wish to do so in light of the principles enunciated above and carefully weigh whether whatever action is taken would intrude upon the essential functions of the Supreme Court as an independent branch of government in our system of separation of powers. As the Court has stated, "The customary deference accorded the judgments of Congress is certainly appropriate when . . . Congress specifically considered the question of the Act's constitutionality." *Id.* at 64.

Ultimately, it is for Congress to determine what laws to enact and for the Executive Branch to "take care that the Laws be faithfully executed." It is settled practice that the Department of Justice must and will defend Acts of Congress except in the rare case when the statute either infringes on the constitutional power of the Executive or when prior precedent overwhelmingly indicates that the statute is invalid. Accordingly, should the Department be called upon to defend the constitutionality of this bill before the courts, it responsibly could and would do so.

It is appropriate to note, however, that even if it were concluded that legislation in this area could be enacted consistent with the Constitution, the Department would have concerns as a policy matter about the withdrawal of a class of cases from the appellate jurisdiction of the Supreme Court. History counsels against depriving that Court of its general appellate jurisdiction over federal questions. Proposals of this kind have been advanced periodically, but have not been adopted since the Civil War. There are sound reasons that explain why Congress has exercised restraint in this area and not tested the limits of constitutional authority under the Exceptions Clause.

The integrity of our system of federal law depends upon a single court of last resort having a final say on the resolution of federal questions. The ultimate result of depriving the Supreme Court of jurisdiction over a class of cases would be that federal law would vary in its impact among the inferior courts. State courts could reach disparate conclusions on identical questions of federal law, and the Supreme Court would not be able to resolve the inevitable conflicts. There would also exist no guarantee through Supreme Court review that state courts accord appropriate supremacy to federal law when it conflicts with state enactments.

Sincerely,

WILLIAM FRENCH SMITH,
Attorney General.●

PRESERVATION OF RAILROAD RETIREMENT BENEFITS

● Mr. HEINZ. Mr. President, I wish to bring to your attention the resolution passed unanimously by the Pennsylvania State Senate on March 30, 1982, on the subject of railroad retirees' pension rights.

The administration's proposal to eliminate the Railroad Retirement Board and shift its responsibilities to the private sector still stands out in my mind—and in the minds of thousands of railroad retirees—as a mistaken one.

Therefore, I bring this Pennsylvania Senate Concurrent Resolution to the attention of my colleagues today to remind us all that railroad retirees still have a bone to pick with the administration. We should not lose sight of this important issue as we rush to meet budget deadlines this month. The text of that resolution is as follows:

RESOLUTION

Whereas the Railroad Retirement System was established by an act of Congress in 1935 to provide retirement-survivor and unemployment-sickness benefit programs for the nation's railroad workers and their families;

Whereas the Railroad Retirement System has been financed jointly through contributions from rail carriers and railroad workers since its inception, including the administrative costs of the Railroad Retirement Board, and therefore is not a burden upon the taxpayers of this country;

Whereas the Railroad Retirement System has a present cash investment worth between $3,000,000,000 and $4,000,000,000 and more than 1,000,000 annuitants, yet it is administered with only 1.7 percent of the revenues;

Whereas more than 81,000 of these railroad annuitants reside within the Commonwealth of Pennsylvania, the largest total for any state in the nation;

Whereas the present structure of the Railroad Retirement System, with its organization, financial strength and longevity, allows for the even distribution of both railroad program benefits and, since 1974, social security benefits to eligible recipients;

Whereas the proposal of the Office of Management and Budget to eliminate the Railroad Retirement Board has caused great stress and trauma to the annuitants of railroad retirement and their families;

Whereas the uncertain prospects of the proposed alternative raises many questions as to the guaranteed continuation of benefits and the fiscal integrity of these programs: Therefore be it

Resolved, (the House of Representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania memorializes President Ronald Reagan, Congress and, more specifically, the members of the Pennsylvania Delegation, that the present railroad retirement and unemployment insurance programs be left intact; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives and each Senator and Representative from Pennsylvania.●

MOTHER'S DAY

● Mr. HEFLIN. Mr. President, Sunday, May 9, 1982, will mark the 68th celebration of Mother's Day. Mother's Day has become a beloved and great institution in this Nation for it affords millions of Americans the opportunity to show their appreciation for the many contributions that mothers have made to their lives, their families, and this Nation.

The 68th celebration of Mother's Day comes at a critical time in this Nation's history, a time when we need to strengthen basic family life. The family is the institution that molds values and attitudes. The family unit has been the backbone of this great Nation. Mr. President, there can be no question that the family is the great-

est and most influential institution in the United States.

As we celebrate Mother's Day this Sunday, let us be mindful of the contributions made by American women to the greatness of this country. American mothers have been the greatest source of this proud Nation's strength and inspiration.

Mr. President, I am indeed proud that it was my uncle, former U.S. Senator J. Thomas Heflin, who authored the Mother's Day Act which made this annual salute to the Nation's mothers a reality.

On May 7, 1914, then-Congressman Tom Heflin introduced the Mother's Day Act. I am told that the idea for setting aside a day to honor the Nation's mothers came from a West Virginia woman, Anna Jarvis. Miss Jarvis, the "mother of Mother's Day," sold my uncle on the idea and the Congress made it a reality.

Mr. President, I would like to read the original resolution which was approved by the Congress 68 years ago.

The resolution follows:

JOINT RESOLUTION RELATIVE TO THE OBSERVANCE OF MOTHER'S DAY

Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountainhead of the state; and

Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good Government and humanity: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country: And be it further

Resolved, That the second Sunday in May shall hereafter be designated and known as Mother's Day and it shall be the duty of the President to request its observance as provided for in this resolution.●

TRADE REMEDIES

● Mr. HART. Mr. President, the administration has announced its intention to place trade in services on the agenda of the forthcoming GATT ministerial meeting in November. At the same time, the Senate is considering legislation which would include services under the framework of existing trade legislation.

As we enter an increasingly interdependent world, and as more and more international economic activity is based on the flow of information, our goal must be to strengthen the international trading system and to remain faithful to the fundamental principles which have always governed the flow of information in this country.

These points are made persuasively in an article by Arthur Bushkin, formerly special assistant for information policy at the National Telecommunications and Information Administration, which appeared in the Los Angeles Times yesterday. I ask that Mr. Bushkin's article be placed in the RECORD.

The article follows:

[From the Los Angeles Times, May 3, 1982]

TRADE REMEDIES ENDANGER FREE FLOW OF INFORMATION

(By Arthur A. Bushkin)

There is a growing consensus in the United States that our exports are not receiving fair treatment in foreign markets. While we are accustomed to hearing about barriers to trade in cars, computers or other *things,* restrictions are increasingly being applied to intangibles as well.

In particular, many Americans view existing barriers to trade in services—especially information-based services, such as communications, banking, advertising, insurance and data processing—as part of a more general pattern of restrictions on the free flow of information across international borders. But emerging U.S. policies designed to counteract these new trade barriers could easily backfire and further threaten the international exchange of information. At stake are both our traditional freedom of the press and the ability of businesses to operate effectively in the international arena.

As the economic value of the international exchange of information grows, more and more governments are considering or implementing policies to restrict the flow of information across their borders. For example, a government license is required in Norway before a computerized file of information about individuals can be used, and notice must be given to the Data Inspectorate every time personal information is transferred aboard. In Brazil, the protection of national enterprises and the local work market is considered before government authorization is granted for any international data links. Canada and West Germany have policies that effectively mandate that certain forms of information processing must take take place within their borders.

Foreign officials argue that these restrictions are fair because the flow of information out of their countries hurts them economically. They believe that, as data migrate to the U.S. headquarters of a bank, insurance company, chemical company or manufacturing company, potential and actual jobs are lost. At the same time, they contend sales of everything from computers to light bulbs are decreased. Foreign officials also view the processing of information outside their countries as a trend that creates a dependence upon foreign sources, threatening their economic and cultural sovereignty and compromising their national security.

These actions by other governments, coupled with other barriers and restrictions on U.S. exports, have prompted a broad, bipartisan reaction in this country. The economic implications of data protection laws, international communications tariffs, regulations on data processing and the like can be significant for U.S. companies doing business abroad. Yet, the actions our government is currently contemplating could—inadvertently—be as harmful as some of the most restrictive policies of foreign governments.

The United States has proposed that a new international agreement be negotiated to cover trade in services, including those services that depend upon the international exchange of information. But such a trade agreement would be fundamentally different from, and vastly more complicated than, agreements covering the exchange of goods or agricultural products. And it may well be impossible to achieve the objective we seek—fairness in trade—without the kind of government monitoring and regulation of information flow that we have previously sought to avoid. There are three reasons for this:

First, it is impossible to measure precisely the economic value of the international exchange of information. Certainly information cannot be treated like a simple resource or commodity. Consequently there is no objective basis for agreeing upon a definition of fairness—for the purpose of balancing trade accounts—let alone for reaching agreement as to how the proposed fairness would be achieved. Second, any international agreement covering trade in services is, by definition an externally imposed scheme of regulation designed to define and achieve fairness. Yet, in the case of information-based services, it is impossible to draw a line between the flow of information such as news, for which we cannot constitutionally tolerate an externally imposed definition of fairness, and the exchange of information with economic significance, for which we are proposing to negotiate a definition of fairness. In the future, for example, the international flow of news and international financial activity will travel over the same circuits, in some cases directly into the home. They will even look virtually the same electronically.

Third, even if we could make a theoretical distinction between information in the flow of communications and information in the flow of commerce, it would be impossible to enforce this distinction. In the case of goods and agricultural products trade policy is enforced at the borders; however, the concept of a "customs house" for regulating various types of information flow not only would be impractical but also would represent an unacceptable intrusion into the flow of information itself.

We must not, in the name of fairness in trade, put ourselves in the position of inadvertently substituting the negotiated concept of the *fair* flow of information for the fundamental principle of the *free* flow of information. Such a policy would result in someone else's definition of fairness being applied to the information that we transmit across international borders. As we have seen all too often in the past, the pursuit of fairness can easily become the enemy of freedom.●

AMERICAN YOUTH HOSTEL WEEK

● Mr. HAYAKAWA. Mr. President, this week, our country celebrates American Youth Hostel Week, which has been supported by President Reagan and every President since Franklin Delano Roosevelt. It is easy to understand why this organization can receive such bipartisan support. Since 1934, American Youth Hostels,

Inc., has been providing inexpensive shelter to thousands of travelers.

Currently, there are 280 hostels in the United States, of which 23 are located in California. Plans also have been made to establish a California coastal chain of 38 hostels, each a day's bicycle ride from the other. Most importantly, this chain will provide access to low-cost recreation for residents from the surrounding urban areas. American Youth Hostels provide more than just lodging. Hikes, bike tours, and caving trips are some of the many inexpensive activities which are promoted. I am also pleased to note that they have recently started a program called "50+" tours which consist of minibus or bike trips around the United States for travelers over 50 years of age.

Mr. President, American Youth Hostels is the type of organization which should be commemorated. As a private, nonprofit educational organization it relies on voluntary, tax-deductable contributions, membership dues, and program fees for support. We should all be able to support groups such as American Youth Hostels which provide an inexpensive and healthful means of traveling to all citizens.●

TIME MAGAZINE EVALUATES THE FUTURE WATER SUPPLIES OF THE OGALLALA AQUIFER

● Mr. DOMENICI. Mr. President, Time magazine this week is carrying a most interesting evaluation of the problems that stem from the depletion of the Ogallala Aquifer.

This aquifer, which stretches from Nebraska across six States to New Mexico, is the source for irrigation water used on tens of thousands of acres of farmland—farmland on which much of our wheat grows. The gradual decline in the aquifer is certain to have major impacts on the region.

The affected States have joined together to establish a High Plains Council to develop solutions. The recent New Mexico Water Conference in Clovis, N. Mex., gave local farm families the opportunity to discuss the Ogallala problem with national water resources leaders.

As the author several years ago of the law that will soon result in a completed study of the Ogallala problem by the Commerce Department, I believe my colleagues would be most interested in reading the Time story. Therefore, Mr. President, I ask that a copy of the Time article be printed in the RECORD.

The article follows:

EBBING OF THE OGALLALA: THE GREAT WATERING HOLE BENEATH THE GREAT PLAINS IS GOING DRY

There are two documentary images of the Great Plains. The first is a black-and-white photograph of the '30s Dust Bowl, with windblown homesteaders treading the cracked earth. The second: a glossy color shot of the same land 40 years later, showing the lush checkerboard farms of America's breadbasket. Now, as if through a strange reversal in time, the second image threatens to fade into the first. For in another 40 years, the territory could backslide into dust and despair. The Ogallala Aquifer, the vast underground reservoir of water that transformed much of the Great Plains into one of the richest agricultural areas in the world, is being sucked dry.

The aquifer is a California-size deposit of water-laden sand, silt and gravel. It ranges in thickness from 1,000 ft. in Nebraska, where two-thirds of its waters lie, to a few inches in parts of Texas. Although it was first tapped in the 1930s, it has been extensively exploited only since the development of high-capacity pumps after World War II. The Ogallala's estimated quadrillion gallons of water, the equivalent of Lake Huron, have irrigated farms in South Dakota, Nebraska, Wyoming, Kansas, Colorado, Oklahoma, Texas and New Mexico, changing a region of subsistence farming into a $15 billion-a-year agricultural center.

For the past three decades, farmers have pumped water out of the Ogallala as if it were inexhaustible. Nowadays they disperse it prodigally through huge center-pivot irrigation sprinklers, which moisten circular swaths a quarter-mile in diameter. The annual overdraft (the amount of water not replenished) is nearly equal to the yearly flow of the Colorado River. Like all aquifers, the Ogallala depends on rain water for recharging, and only a trickle of the annual local rainfall ever reaches it. Gradually built up over millions of years, the aquifer is being drained in a fraction of that time. The question is no longer if the Ogallala will run dry, but when.

W. B. Criswell has been raising cotton on his 1,700-acre farm in Idalou, Texas, since 1955. Cotton is called the camel of crops because it requires little water, yet Criswell is now in trouble. His water table has dropped 100 ft. since he started farming. Nine years ago, he paid $4 an acre to water his cotton; today he pays more than $45. "It's like a disease," he says. "You just accept it and go on." Gerald Wiechman farms 6,000 acres and feeds 2,500 head of steer near Scott City in western Kansas. When his farm's first well started pumping, it tapped water at 54 ft. Today he has to go 130 ft. "I've got another 20 years, maybe," he reckons. On the High Plains of eastern Colorado, the water level has dropped as much as 40 ft. since the 1960s. In parts of Oklahoma, it has dipped that much in four years. Texas, the thirstiest of the eight states, has consumed 23% of its Ogallala reserves since World War II.

According to a major study just completed by Camp Dresser & McKee, a Boston engineering firm, 5.1 million acres of irrigated land (an area the size of Massachusetts) in six Great Plains states will dry up by the year 2020. If current trends continue, Kansas will lose 1.6 million irrigated acres, Texas 1.2 million, Colorado 260,000, New Mexico 224,000, Oklahoma 330,000. Yet this drastic estimate, declares Herbert Grubb of the Texas department of water resources, is "20% too optimistic."

"When the water goes," says W. E. Medlock, a stoic, third-generation farmer from Lubbock, Texas, who has lost 47 of his 73 wells in ten years, "we'll just go back to dryland farming." To the farmers of the Great Plains, those words summon up visions of *The Grapes of Wrath*. Dry-land farming means larger farms with lower yields, fewer workers and probably higher prices in the supermarkets. Cattlemen know that less water means less corn and therefore smaller herds. Grubb calls such farming the "Russian roulette" of agriculture. Over a ten-year period, he says, dry-land farming will yield two strong harvests, four average ones and four "busts."

Although the cause of the trouble is obvious, the cure is not. Indeed, there may be no fundamental solution to the ebbing of the Ogallala. "We can prolong the supply," concludes John Weeks, a U.S. Geological Survey engineer who heads a five-year U.S.G.S. study of the situation, "but we are mining a limited resource, like gold, and we can't solve the ultimate depletion problem."

Conservation may forestall the end. Farmers can simply use less water. They are already converting from profitable but water-thirsty corn to water-thrifty crops such as wheat, sorghum and cotton. James Mitchell, a cotton farmer from Wolfforth, Texas, has installed an experimental center-pivot sprinkler that, instead of spraying outward, gently drops water directly into the planted furrows, thereby reducing evaporation. Sophisticated laser-guided land graders can now almost perfectly flatten the terrain so that water is not wasted in runoff. Electrodes planted in the fields can measure soil wetness and determine exactly when water is needed. Today, these techniques are rarities, but they may soon be routine. As Kansas Cattle Feeder Harold Burnett puts it: "Water misers" will last longer. But even the stingiest will go under if neighbors are wasteful and the whole aquifer dries up.

Last week a committee representing the Governors of states that tap the Ogallala published a list of 20 recommendations for action. Most of the suggestions, based on a $6 million federal study of the problem, involved stopgap efforts rather than cures. Except one. The committee wants further study of a proposal by the Army Corps of Engineers for huge canal systems that would import water from South Dakota, Missouri and Arkansas. The routes—all of which would be uphill—range in length from 376 miles to 1,135 miles. The cost—from $3.6 billion to $22.6 billion—currently places the canals in the realm of fantasy.

Thus far the states' efforts have been as slow as Chinese water torture. The dimensions of the problem have been recognized, but no one is sure whether the shrinking aquifer is a federal, state or local issue, and no one wants the responsibility of deciding. Several states, including Oklahoma and Colorado, already have established policies limiting water use, but many say such efforts are too little too late. The Governors' group, due to meet again in late June, plans to recommend legislation to Congress by next fall, but thus far inaction is the order of the day. The afflicted states cannot even agree with one another, and unless they all march together, they will all parch separately.●

CUBA FACES THE ECONOMIC REALITIES OF THE 1980'S

● Mr. CHILES. Mr. President, for the past 22 years, Cuba has held itself out to its neighbors as a model of revolutionary government. Cuba has boasted of its socioeconomic and political accomplishments. Cuba attributes all of these purported achievements to the

doctrines of communism and to the financial and military support of the Soviet Union. In a nutshell, Cuba has attempted to put forth to the world a face of shining success and continued progress.

A recent report prepared for the Joint Economic Committee of Congress exposes Cuba and the Castro regime and lays bare the false claims of the Cuban Government. In no uncertain terms, the report, entitled, "Cuba Faces the Economic Realities of the 1980's," cites facts and figures which point to one unmistakable conclusion: The Cuban revolution, from an economic standpoint, has been a failure. But for the massive financial aid showered upon Cuba by Moscow, the Cuban economy would have collapsed a long time ago. After 22 years of carrying the Cuban economy, the Soviet Union is becoming painfully aware that the Cuban economy still cannot walk on its own.

The report by the Joint Economic Committee depicts Cuba as being vulnerable and weak, both from an economic standpoint and from a more fundamental political standpoint. The Cuban people have been promised a better life, but that better life has not been forthcoming. The Soviet Union has propped up the Cuban economy with price supports and subsidies, trade agreements, hard currency arrangements, and favorable oil transfer pacts. But these artificial supports have not engineered an economic apparatus in Havana that is capable of sustaining a level of stable economic growth and productivity.

Cuba's problems stem from the rigid institutionalization of a Soviet-modeled, centrally planned economy. At present, Cuba has a vast administrative bureaucracy that stifles innovation, efficiency, and productivity. That rigid, inflexible system is not suited to the establishment of a prospering economy. Because of this, Cuba has had to follow the same plan that all of the Soviet-bloc countries have had to follow. It has forced its people to sacrifice present consumption and a decent standard of living for investment in future development. And, as the report makes very clear, that mythical "future development" has not yet come, nor is it about to come.

Cuba's foreign trade performance is a good example of the country's economic woes. Cuba's basic economy is highly dependent on foreign trade, with global exports and imports accounting for 34 and 36 percent, respectively, of Cuban GDP. Sugar accounts for a full 83 percent of Cuba's export trade, a dependence which puts the Cuban economy virtually at the mercy of the market price of sugar. Cuba has sugar, as well as some nickel and citrus, to barter with in the foreign markets for the vast amounts of equipment, raw materials, and consumer goods and food it needs. Some of that demand is accommodated with favorable prices by CMEA countries, the Soviet trading bloc countries. However, much of Cuba's needs, including an amazing 30-35 percent of their foodstuffs, must be imported from non-CMEA countries. This reliance places a heavy pressure on Cuba's hard currency export earnings.

Since Cuba has a $2.6 billion external debt, $1.7 billion of which is owed to Western banks, Cuba must pay out cash for much of what it imports. And looming ahead is the year 1986 when Cuba must begin repaying the interest-free $5.3-billion-dollar loan floated to it by the Soviet Union.

Cuba's economic problems, however, aren't just limited to the area of hard currency. The report by the Joint Economic Committee points out that Cuba is mired in a labor dilemma. Havana continues to face severe structural unemployment problems. Cubans with training and education can find no employment outside of agriculture. Youths who expected favored placement upon the completion of their required military service are having their high hopes dashed. And on a larger scale, prior to the Mariel exodus, there was a 6-percent unemployment rate, which the report maintains is probably understated. The report also documents the labor force's low productivity, low morale, inefficient management, and chronic absenteeism.

Another point of reference that presents an unvarnished portrait of the Cuban economy can be found right in the streets of Cuba. We see widespread rationing of consumer goods, long lines waiting for essential products, and a thriving black market. Current availability of consumer staples, such as beef, coffee, sugar, and clothing, is less than it was in 1970. Over two-thirds of products, such as rice, sugar, red meat, dairy goods, and bread, must be rationed. And while the present state of Cuba's economy is bad, the future looks worse. Soaring world grain prices and oil prices since the year 1974 have steadily pushed the Soviet Union's hard currency costs up to the $1.5 billion level of 1979. Signs indicate the Soviet Union is becoming increasingly reluctant to foot the bill for Cuba's revolutionary Government—Moscow's own economic problems are plainly visible. Since Cuba relies on subsidized Soviet imports for 99 percent of its oil needs, Cuba's future energy costs will further burden the economy when those costs rise in relation to Soviet and CMEA supplies.

What all of these facts point to is simple: The revolutionary Government of Cuba is staring economic disaster in the face. Without the support of the Soviet Union, Cuba would have capitulated long ago. The vacuous promises of communism have been before the Cuban people, and insiders have sensed a developing mood of restlessness among the people. The report to the Joint Economic Committee makes clear that the Castro Communist Government has brought economic ruin rather than prosperity to the Cuban people.●

MEMORIAL TO J. WILMER CRONIN

● Mr. SARBANES. Mr. President, Maryland recently lost one of its outstanding citizens with the passing of J. Wilmer Cronin, of Harford County.

A man of tireless resolve and limitless energy, "Doc" Cronin had a varied and influential career that included law practice, active involvement in the Democratic Party, and representation of the people of Harford County in Maryland's House of Delegates and State Senate. He will, however, be best remembered for the 63 years of distinguished service he provided to this community as editor of one of Northeast Maryland's leading newspapers, the Harford Democrat and Aberdeen Enterprise.

"Doc" Cronin will be greatly missed by his colleagues, associates, family, friends and neighbors.

Mr. President, I ask that the obituary notice and the editorial from the Harford Democrat and Aberdeen Enterprise be inserted in the RECORD as a memorial to a great Maryland leader and newspaperman.

The material follows:

J. WILMER CRONIN, PUBLISHER, DIES

Sixty three of his eighty six years, J. Wilmer Cronin gave to his community, through his newspaper, the Harford Democrat and the Aberdeen Enterprise, and through his life time, personal service to everyone.

He turned no one aside; he leaves with malice toward none.

He left us on "Press Night" at a time in the morning that he would have been dictating his editorials for this spot.

Earlier in the evening when he was anxious to "get out this week's edition" I told him of the efforts of the staff to put out the paper and for him to get well to continue on. He was unable to. He wanted to. Providence saw otherwise.

He left his paper, content that it would be done as usual for the three thousandth, two hundred and sixty seventh time by those back home who loved him.

He went, as did his wife, Mary, who worked and left us on press night some ten years ago.

He will be missed by his fellow publishers, his staff, his family and his friends.

J. WILMER CRONIN, 1895-1982

A lifetime of service in all walks of community life ended this week when J. Wilmer Cronin died.

He had given freely of his time to one and all, black and white, men and women, Republicans and Democrats, community organizations, elective office and volunteer groups. He rubbed elbows with Presidents, and underprivileged, who to him were all

the same, one having opportunities denied the other. He believed in education, hard work and lending a helping hand.

A dedicated Democrat, he was sought out by Republicans for advice and counsel. One of his last acts was to be a part of the Democratic Central Committee's recommendation for a member of the Harford County Liquor Board.

He tried ever to be fair, to be calm, to say the right thing at the right time for the betterment of his fellow citizens.

He goes, leaving behind his mark in many things.

He will be missed by all who knew him.

He goes to join those who have gone before him. He went in peace.

Few come along in anyone's lifetime who has an open door to all people.

IN MEMORIUM TO OUR SENIOR EDITOR, J. WILMER CRONIN

It is with deep regret that we, the staff of The Harford Democrat must announce the death this morning of our beloved senior editor, John Wilmer Cronin. He had been a patient at Harford Memorial Hospital since last Saturday and passed away at approximately 4 a.m., today, Wednesday, April 28. He was born October 14, 1895.

We will deeply miss his friendship, love and guidance as together we endeavored each week to produce his "baby," The Harford Democrat.

OUR SENIOR EDITOR J. WILMER CRONIN

He was a giant of a man whose generosity and community spirit was given freely to others, to his hometown, to his country and to his state.

In marking the 125th Anniversary of the Harford Democrat in December of last year, we also marked the halfway point of its lifetime with the editor, publisher, and owner who had himself been the leader for the second half of its years.

He was the oldest of nine children. His mother, a strong believer in education, found the ways and means to educate each. J. Wilmer attended his local Aberdeen School, was the first and only graduate of his High School graduating class, went on the Charlotte Hall, (a southern Maryland military school), on a scholarship. Friendships there were rewarded in later life among community and legislative leaders. He attended the University of Maryland Law School, passed the State Bar Exam before completion of his courses, and opened his own law office.

After gaining financial knowledge from working in the old First National Bank (later absorbed by Equitable Trust), he entered into the newspaper business with a local newspaper friend "Bun" Jacobs, and ran all the machines of the trade. He had the uncanny ability to sit at the linotype machine transferring his editorials directly into hot slugs that went into forms to print them without benefit of prewritten copy.

He was an unpaid community leader, who gave freely of hours of time each day, was advisory legal counsel to boards and commissions, finding time for friends, nonfriends, the rich, the poor, the maligned, the afflicted and infirm, his associates, employees, community and his family.

Even dispositioned, he had the ability to work two things at the same time, a talent which enabled him to cram more into a time period, and able to exist with shortened sleep periods, he released more hours for productive things.

He was a leader among politicians, adviser to both Republicans and Democrats, a staunch unswerving Democrat whose defense of the common man, whose quiet decision ending remarks, and long range thinking meant years of better life for all those around him. He served in elected town and state offices, was adviser or attorney for town, county and state, solved community differences of deep seated convictions for and against, by having suggested and seen adopted a Planning and Zoning Ordinance that has stood since 1957.

He healed the breach between those who wanted liquor and those who did not by a county dispensary system and beer and wine laws that compromised each side to give freedom of purchase to all. He was a founder and adviser to the unpaid volunteer Metropolitan Commission that enabled the citizens of rural Harford to have city water and sewerage. He sat as a councilman of his hometown of Aberdeen, always his first and greatest love. He was Aberdeen's legal counsel, and legal counsel for the former county commissioner system of government, the Metropolitan Commissions, and numerous other commissions and boards.

He served in the State of Maryland legislature as a Delegate in 1924 for two terms and a Senator for 2 terms. He had the opportunity to be known on the national scene through congressmen and through Harford's greatest political figure Senator Millard E. Tydings who served so many years in the halls of Congress. During the war years of WWII, he was chairman of the Armed Forces Committee and the Foreign Affairs Committee.

His services were freely given to his community. Those days public salaries were in the hundreds; often his own office staff (his right arm Marian Greenland) were the unpaid legal office of the town and county and state, for in the old days such work was done as part of the meager salary paid by government. His public service cost many times more than the payment ever received. There were lean times when public service took away time usually devoted to earning his own living.

Yet community involvement over these 62 years as editor, publisher and owner of the Harford Democrat-Aberdeen Enterprise carry over into the present, for he was a giant to his community who offered a helping hand to all even as his years began to place him among the few of the "Living Treasures" recognized by the Harford County Council.

He truly was a living treasure to his family, to his friends, to his business associates, to his town, to his county, to his state and to his nation.

We salute his years of life, his newspaper, his legal profession, and his community and personal service to others.●

CONGRATULATIONS TO WILLIAM W. WEIDE, A HOUSING INDUSTRY LEADER

● Mr. CRANSTON. Mr. President, on April 25, 1982, a distinguished Californian, William W. Weide, retired from his position as president and chief operating officer of Fleetwood Enterprises, Inc. in Riverside, Calif., one of the Nation's largest producers of manufactured housing and recreational vehicles. The skill and experience that Bill Weide possesses will not be lost to Fleetwood, however, because he will assume the position of vice chairman of the board of directors of that firm.

I have had the pleasure of knowing and working with Bill for many years and consider him a valued friend. As president of Fleetwood, Bill has been in the forefront of the movement to provide citizens of our country with comfortable and affordable housing through quality manufactured homes. His company is also a national leader in the development of recreational vehicles for the enjoyment of those who wish to see America.

Since 1958, Bill Weide has been a member of Fleetwood's management team, holding positions as controller, assistant vice president, senior vice president and, since February 1973, president and chief operating officer. He has been a director of the firm and its subsidiaries since 1959.

Mr. President, Bill has been an industry leader throughout this period, serving as an officer of the Southeastern Manufactured Housing Institute, the Mobile Home Manufacturers' Association, and as chairman of the board of directors of the Manufactured Housing Institute in 1975 and 1976. He has also served on the policy advisory board of the Joint Center for Urban Studies sponsored by Harvard University and the Massachusetts Institute of Technology. In addition, Bill has been honored as the recipient of the Western Manufactured Housing Institute's Jack E. Wells Award for distinguished service to the manufactured housing industry, and last year, he was inducted into the Mobile Home/RV Industry Hall of Fame. He has also been involved in numerous charitable organizations, especially those involving the State of Israel and many Jewish charities.

Mr. President, I am delighted to join in the tribute recognizing the contributions that William W. Weide has made to improving the quality of life in our country. Many of our citizens are now able to live in decent, affordable housing or to enjoy outdoor recreation because of the efforts of Bill Weide.●

GARRETT PARK, MD., IS A NUCLEAR-FREE ZONE

Mr. MATHIAS. Mr. President, we spend a great deal of time in this Chamber talking about the threat of nuclear war, but I am proud to say that the citizens of Garrett Park, a town in nearby Maryland, are doing something about it.

Last Monday night, the residents of Garrett Park, a town of 1,200 people less than 15 miles from downtown Washington, voted to declare their town a nuclear-free zone. Town officials believe that this new ordinance, overwhelmingly approved by a vote of 245-46, makes Garrett Park the only nuclear-free zone in any of the 50 States. The ordinance reads as follows:

The people of this Town hereby declare the Town of Garrett Park to be a Nuclear-Free Zone. No nuclear weapons shall be produced, transported, stored, processed, disposed of, nor used within Garrett Park. No facility, equipment, supply or substance for the production, transportation, storage, processing, disposal or use of nuclear weapons shall be allowed in Garrett Park.

The idea to declare Garrett Park a nuclear-free zone was initiated this past February by Eugene McDowell, then the vice president of the local citizens association. Attending a meeting at the Rockville Unitarian Church, McDowell listened to a representative from the Committee for National Security discuss nuclear-free zones in several British towns and elsewhere around the world. McDowell was struck by this idea, and took it to the Garrett Park Town Council. It agreed that putting the nuclear-free zone question on the ballot would give Garrett Park citizens an effective way to transmit their feelings on the nuclear arms control issue to the Congress and the rest of the American people.

McDowell and former Garrett Park Mayor Donn Mader advised the members of the community about this initiative at a well-attended seminar where they answered questions and explained exactly what the citizens would be voting on. Their enthusiasm was contagious, generating the largest voter turnout in Garrett Park history.

Since Monday, McDowell, now the president of the citizens association, and Mader have heard from other towns, both in Maryland and around the country, interested in becoming nuclear-free zones. The ball is definitely rolling.

One Garrett Park official recalled Albert Einstein's memorable assessment:

The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes.

I hail the citizens of Garrett Park in pioneering an effort to change our modes of thinking. As Victor Hugo said: "No army can withstand the strength of an idea whose time has come."

A CONSTITUTIONAL AMENDMENT ON PRAYER IN PUBLIC SCHOOLS

Mr. MATHIAS. Mr. President, the press reports that President Reagan today planned to announce his support for a constitutional amendment that would specifically authorize some form of prayer in public schools. The White House has said he will send us a draft soon.

Not having seen the draft of the specific language that the President advocates, I am not in a position to comment on his proposal.

But I can claim to know something about the subject. I was a Member of the other body, serving on the Judiciary Committee at the time the Becker amendment was debated there. That was an amendment to the Constitution proposed on the subject of prayer in school. Many hours of hearings, many evenings studying American history and American constitutional law, and many volumes of reports were all required by the Judiciary Committee's close and careful scrutiny of this important subject.

My conclusion, after participating in those very arduous studies, was that we should not adopt an amendment with respect to prayer in the school.

If we wish to conserve the traditional and historic values of American society, we should not adopt such an amendment. The founders of the Republic did not, of course, face the particular question because there was then no public school system as we know it. But they knew what happened when government meddles with religion.

In the colony of Maryland there had been official prayers, in our case Anglican prayers, and, of course, our ancestors were not unique in living under established religions. So when independence was declared and independence was won in the War of the Revolution, they resolved that the new Republic should be governed without Government regulation of religion, without Government interference with religion, and without Government authorization of religion.

So in the first amendment to the Constitution it is provided that "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof."

James Madison is especially eloquent in explaining in the Journal of the Constitutional Convention what was in the minds of the framers, and he is a boundless source of information to guide us as we consider this proposal.

I would urge every Member of Congress to review the extensive record made in the House Judiciary Committee in considering the Becker amendment. The conclusion is inescapable that we should not repudiate the historic policy of freedom that has served us so well for two centuries. It is a policy of separation of church and state, and I believe that any constitutional amendment to authorize school prayer will irreparably breach that rule.

In the interest of liberty, in the interest of freedom of religion, and in the interest of all Americans, our generation and the generations to come, I urge Senators to look hard and deep at this proposal. When they have done so I am confident they will conclude that a constitutional amendment with respect to prayer in schools is a radical turn on the road of American history and a detour that most of us will not judge it is wise to take.

The PRESIDING OFFICER. The majority leader is recognized.

AUTHORIZATION FOR REPRESENTATION BY SENATE LEGAL COUNSEL OF A SENATE EMPLOYEE

Mr. BAKER. Mr. President, I send to the desk a resolution for myself and the distinguished minority leader, Senator ROBERT C. BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 388) to authorize representation by the Senate Legal Counsel of a Senate employee in the case of *United States of America* v. *Anthony Accardo, et al.*

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 388) was agreed to.

The preamble was agreed to.

The resolution, together with the preamble, is as follows:

S. RES. 388

Whereas, the case of *United States of America* v. *Anthony Accardo, et al.*, Case Number 81-230-CR-JWK, is pending in the United States District Court for the Southern District of Florida;

Whereas, Walter J. Sheridan, currently an employee of the Senate, and formerly Chief Investigator of the Senate Committee on the Judiciary, has been served with a subpoena to appear and testify as a witness in that case;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, pursuant to Article II, section 2, clause 2 of the Constitution of the President shall have the power to nominate and, by and with the advice and consent of the Senate, to appoint judges of the United States, and pursuant to this responsibility the Senate has delegated to its Committee on the Judiciary the authority to investigate the qualifications of nominees for the federal judiciary;

Whereas, the Senate had traditionally maintained inviolate the confidentiality of its investigations of judicial nominations;

Whereas, under section 704(a)(2) of the Ethics in Government Act of 1978 ("the Act"), 2 U.S.C. § 288c(a)(2) (Supp. IV 1980), the Senate may direct the Senate Legal Counsel to defend the Senate or any Member or employee of the Senate in any proceeding with respect to any subpena or order directed to them in their official capacity; Now, therefore, be it

Resolved, That pursuant to section 704(a)(2) of the Act, the Senate Legal Counsel is directed to defend Walter J. Sheridan with respect to the subpena served on him in the case of *United States of America* v.

Anthony Accardo, et al., Case No. 81-230-CR-JWK, in the United States District Court for the Southern District of Florida.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are two items of executive business which are cleared for unanimous consent on this side. One is the nomination of Herbert E. Ellingwood, to be Chairman of the Merit Systems Protection Board. Mr. Ellingwood was confirmed on yesterday, as a member of that Board. This is his confirmation as Chariman.

The second item is calendar No. 742, Clarence Thomas, of Maryland, to be a member of the Equal Employment Opportunity Commission.

May I inquire of the minority leader if he is prepared at this time to consider these two nominations,

Mr. ROBERT C. BYRD. Yes, Mr. President. There is no objection to proceeding to the two nominations stated.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the two nominations just identified.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the nominations.

The assistant legislative clerk read the nominations of Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board; and Clarence Thomas, of Maryland, to be a member of the Equal Employment Opportunity Commission.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE REPORTING DATE EXTENDED TO MAY 17, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that, with regard to Senate committee for 1982, the May 15 reporting date specific in section 402(a) of the Congressional Budget Act be changed to May 17 and that committee reports may be received until midnight on that date.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, and I will not object, this change if for this year only and it is necessitated by the fact that May 15, I believe, falls on a Saturday. Am I correct?

Mr. BAKER. The minority leader is correct. The provision is made, in part, may I say, to make sure that the officers and functionaries of the Senate are not required to remain here until midnight on Saturday evening in order to receive those reports, when it would be useless to do so since the Senate will not be in session on the weekend. So the better part of discretion suggests that this be changed. I thank the minority leader for his question and for that explanation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS ON MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that on Monday next after the recognition of the two leaders under the standing order five Senators be recognized on special orders of not to exceed 15 minutes each; that is to say, Senators NUNN, FORD, BAUCUS, ROBERT C. BYRD, and BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO FILE REPORTS BETWEEN THE HOURS OF 9 A.M. AND 6 P.M. ON FRIDAY, MAY 7, 1982

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, Friday, May 7, between the hours of 9 a.m. and 6 p.m., committees be authorized to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business today, it will stand in recess, under the order previously entered, until the hour of 12 noon on Monday next.

MONDAY

On Monday next, after the recognition of the two leaders under the standing order, certain Senators will be recognized on special orders. I anticipate that a period for the transaction of routine morning business will be provided for at that time to follow on after the execution of the special orders.

Under the order previously entered, the Senate will not resume the consideration of the Department of Defense authorization bill until Tuesday, the following day. Therefore, the outlook for the activity of the Senate during the remainder of Monday is, at this point, uncertain.

TUESDAY

On Tuesday, Mr. President, the Senate will resume consideration of the Department of Defense authorization bill, at which time the Specter amendment, as modified, will be the pending question at some time not prior to 3 p.m. in the afternoon, pursuant to the order previously entered.

It is the hope of the leadership, Mr. President, that the DOD authorization bill can be completed early next week, or at least next week, for we now are facing a series of important measures which must and do require the attention of the Senate. I refer, of course, to the budget resolution, which we anticipate will reach the calendar in due time; an urgent supplemental appropriations bill, which will be received by the Senate from the other body sometime next week; and the Voting Rights Act extension, which has been ordered reported from the Judiciary Committee, and it is the intention of the leadership to call up as soon as feasible and practical after it is reported and reaches the calendar.

So there is much work yet to be done by the Senate before our Memorial Day recess. If we dispatch this work quickly and efficiently, I hope that we might increase and enlarge the Memorial Day recess by a few days. I will confer with the minority leader from time to time on that subject and make a final and firm announcement on those plans at the earliest possible date so Senators can make their arrangements.

Mr. President, on Monday next, notwithstanding that the schedule is uncertain, it is hoped that worthwhile business can be cleared for action on both sides. One resolution that we were unable to clear this afternoon dealt with the situation in the South Atlantic. That may or may not be available for action on Monday, but Senators should be on notice of that possibility.

89-059 O-85-23 (Pt. 7)

RECESS TO MONDAY, MAY 10, 1982

Mr. BAKER. Mr. President, I see no other Senator seeking recognition. If no Senator now seeks recognition, I move, in accordance with the order previously entered, that the Senate stand in recess until 12 noon on Monday next.

The motion was agreed to; and, at 6:54 p.m., the Senate recessed until Monday, May 10, 1982, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 6, 1982:

INTERNATIONAL COMMUNICATION AGENCY

Robert John Hughes, of Massachusetts, to be an Associate Director of the International Communication Agency, vice James B. Conkling, resigned.

FEDERAL COUNCIL ON THE AGING

Adelaide Attard, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985 (reappointment).

Charlotte W. Conable, of New York, to be a member of the Federal Council on the Aging for a term expiring June 5, 1985 (reappointment).

NATIONAL COUNCIL ON THE HUMANITIES

Walter Berns, of Maryland, to be a member of the National Council on the Humanities for a term expiring January 26, 1988, vice Joe Bob Rushing, term expired.

SECURITIES INVESTOR PROTECTION CORPORATION

Ralph D. DeNunzio, of Connecticut, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1982 (reappointment).

David F. Goldberg, of Illinois, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1984, vice Brenton H. Rupple, term expired.

Roger A. Yurchuck, of Ohio, to be a Director of the Securities Investor Protection Corporation for a term expiring December 31, 1984, vice Adolph Philip Schuman, term expired.

IN THE NAVY

The following-named officers of the U.S. Navy for permanent promotion to the grade of lieutenant commander in the line and various staff corps, pursuant to section 611(A) of the Defense Officer Personnel Management Act (Public Law 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable, subject to qualifications therefor as provided by law:

LINE

Lieutenant commander, USN, permanent

Abler, Ronald John
Anderson, Jon Eric
Armstrong, Richard Carl
Arnold, James Laurence
Baker, William David
Baldy, Mark Bernard
Bartholomew, Glenn S.
Baughman, John Douglas
Beaty, William Everett III
Bedinger, Henry James
Bentson, David Allen
Bentz, John Randall
Bernard, Paul Leroy
Bettinger, Robert Gene
Bien, Lyle Gene
Bloyer, Stanley Frank
Bodenweber, William Kneer, Jr.
Bostian, Richard Massey
Bradley, Richard Joseph, Jr.
Breglio, Robert Anthony, Jr.
Brich, Robert Joseph
Brown, Gerald Allen
Bruner, Michael Glenn
Bryant, Gary Ward
Bulkeley, Peter Wood
Bullock, James Walter
Burgess, Kenneth Charles
Burns, Joseph David
Burrow, Barry Vaile
Caldarella, Rocco J.
Campbell, Darrell W.
Campbell, Jay Alan
Campbell, William Harrison
Carr, Terry Alan
Carroll, Charles Lee II
Cassat, Gary I.
Chamberlain, Martin Lewis
Chiprany, Thomas Andrew
Christopher, Angelus Demetri
Cleal, Stephen Roger
Colvert, Robert Gary
Connell, Hugh Douglas II
Coughlin, James William
Craine, John Wilbur, Jr.
Curtis, James Albert
Dailey, Donald Charles
Dale, Louis Benard, Jr.
Davidson, Gary Paul
Delear, Denis Walter
Demarino, Thomas Vito, Jr.
Dengler, Frank Gavin
Diamond, Emil Richard, Jr.
Dilks, Robert Warren
Dinkel, Robert Edward, Jr.
Dodds, Victor Eugene
Donat, Winfield III
Douglas, Charles Owen
Drake, John Oliver, Jr.
Driscoll, Joseph Edward, Jr.
Duncan, John Hollis
Durgin, Harlan Michael
Dutton, Hubert Langston, Jr.
Eklund, Gary John
Ellis, James Oren, Jr.
Evert, Richard Downey
Fahey, John Michael
Faison, Charles Carey
Fielding, Harvey George
Ford, Thomas Joseph
Fowler, Ormond Craig, Jr.
Frederick, Georgie Ray
Freeman, Floyd Eugene
Fritz, Gerald Wayne
Gabriel, Charles Andrew
Gladman, Dennis St. Clair
Glanzman, Denman Paul
Gottschalk, Glenn Fredric
Green, Jon Noel
Gurick, Gerald Anthony
Habel, Paul Grimmer
Hammond, Rayford Earl
Hanson, Robert McDonald
Hartsell, Harry Winfred
Hatcher, Douglas Carlton
Hawkins, Robert Baran
Hedger, Bernard Joseph
Hendrix, Royal Felix III
Hinkle, James Bruce
Honeycutt, Anthony Ogburn
Humphreys, Alvin Norman
Hunter, Gerald Franklyn, Jr.
Hutcheson, Thomas M., Jr.
Isert, Eugene Shelley
Jaeger, Richard Joseph III
Jankovic, Oleg
Johnson, Edward Randolph
Jones, Albert Donald
Jurcheck, John Clark
Keef, Mark Byron
Keefer, Richard Lee
Keller, William Cotesworth
Kent, Melton Travis
King, W. O., Jr.
Kinney, James Claude
Knowles, Robert Thomas
Koch, Patrick Peter
Kraft, Charles Merle, Jr.
Kreft, Robert John
Lakari, Robert Ewald
Lamon, Thomas Ide
Lang, Ronald J.
Langbehn, Craig Allan
Langknecht, John Marshall
Leddy, Willian Randall
Lee, Gary Lawrence
Lee, Robert Edward
Leo, Charles Rhinelander III
Lesley, Ronnie Joseph
Leslie, John Carlton, Jr.
Loeffler, Stephen Robert
Love, Jimmy Ray
Ludwig, Frederic George, Jr.
Lutes, Thomas Earl
Lynch, Lynn Morris
Lyons, John Joseph
Mach, Raymond Joseph, Jr.
MacNeill, Kent Van Lewis
Macomber, Jonathan Day
Markley, Daniel Craig
Martin, Jack E.
Martin, William Charles
Martus, Michael Frederick
Marvel, Dennis C.
Mayo, Richard Walter
McCallister, Michael Alan
McCulloch, Edward Archie
McHatton, James Thomas
McLean, Michael Anson
Migrala, Walter M., Jr.
Mitchell, Theodore Arnold
Mitschang, George William
Moffat, Michael Edward
Monk, Carl Warren, Jr.
Montgomery, Richard Lewis
Montgomery, Samuel Adair III
Morris, Raymond John, Jr.
Morris, William Dudley
Murphy, Arthur Vincent
Myers, Roger Edwin
Nelson, Dwayne Hugh
Neville, Thomas Joseph
Nick, Louis Adolph, Jr.
Noble, Russell Lee
Nosal, Leonard Jerome
O'Connell, Donald Douglas
Oliver, James Hillman
Oltraver, Dennis Allen
Osteen, Michael Dale
Ostertag, Marc Allen II
Overton, John C.
Parker, Jimmy Wayne
Parker, Joseph Webster, Jr.
Parrish, John Michael
Parsons, Dennis I.
Paschall, Jack III
Pear, Willard Francis
Penfold, Robert Rockhill
Peterson, Arne Maurice
Pickavance, William W., Jr.
Place, Cameron Bradford
Polk, Albert Sidney III
Pollard, Don Pearson
Pomberg, John Albert
Porter, Gary Ray
Prestero, Mark George
Prisaznick, David Louis
Proctor, Kenneth Allen
Purhonen, Steven Carl
Putnam, William L.
Ralston, Michael Gilbert
Richey, Daniel Otto
Robison, Thomas Steven

Roser, James Henry, Jr.
Rowland, Charles Brett
Rud, Gilman Everett
Ryan, Jerry Robert
Sanders, Thompson Edward
Sandoz, John Frederick
Schantz, Curtiss William, Jr.
Schimmel, Carl Wesley III
Schmidt, William Robert
Schmitt, Jackie Marvin
Schuhl, James C.
Schwikert, Frank Donald
Seider, Michael Stephen
Sell, John Christian
Senft, Milton Leroy
Shedd, Stephen Tucker
Shick, John Charles
Shields, Joseph Carl
Shive, Clifford L., Jr.
Slattery, Michael Gerald
Smith, Connor Lynn
Smith, Harry Lindley, Jr.
Sorce, Anthony Michael
Southgate, Gregg Vanremmen
Spahr, Otto William III
Speed, Danny Lee
Spengel, Michael Francis
Statskey, Paul Robert
Stults, James David
Sullivan, James David
Thompson, Jerry Arnold
Tilton, Ronald William
Tinkel, Terrence Lee
Toone, James Joseph
Trotter, Richard Lee
Trumbower, Glenn Curtis
Tucker, Gerald Duane
Uplinger, Leon Joseph
Upton, Thomas George
Wagner, Lynn Taylor
Watts, James Anthony
Weinberg, Kenneth Paul
Whatley, James Wade
White, Sidney Russell III
Wikstrom, Raymond Melvin
Wise, Cletus Floreece
Wooldridge, Francis Rust
Yockey, James William
York, Gerald Lee
York, Russell Clayton
Ziller, Gay Marion, Jr.
Zuch, Ronald Charles

LINE

Lieutenant commander, USNR, permanent

Patten, Leo G.

SUPPLY CORPS

Lieutenant commander, USN, permanent

Averett, Gary Lynn
Boardman, Henry Porter, Jr.
Brasher, Kenton Clark
Cohen, Barry Lee
Crow, Douglas Roger
Curry, Merrill Dunn
Demeritt, Christopher Davis
Fitzgerald, Kenneth Wayne
Grigson, Delbert Quincy
Hayward, Daniel Stewart
Holtman, Bruce David
Mason, Charles Roger
Mason, Richard Henry
McCarthy, Frederick P., Jr.
McKenna, James Lee
Moser, Paul Donald
Ptacek, William Joseph
Rinne, Raymond Carl
Robertson, James Clay
Smith, Douglas William
Snider, Stephen Edward
Squires, Robert Ray
Vance, Michael Gordon
Villers, James J.
Vroman, Richard Donald, Jr.

CHAPLAIN CORPS

Lieutenant commander, USN, permanent

Bertrand, Victor Eugene
Boucher, Edward Francis
Clark, Lee S.
Erpelding, Edward E.
Friel, John Francis
Gallagher, Michael Francis
Hornsby, Benny Jackson
Marvin, Charles Wellington
Mennis, James Finbar
Naylor, Ronald Joseph
Neill, James R. III
Ritter, Ronald A.
Spilka, Anthony Frank

CIVIL ENGINEER CORPS

Lieutenant commander, USN, permanent

Corrigan, Phillip George
Cullison, Geoffrey Douglas
Giancola, Anthony Robert
King, Jerry Wayne
Loyacano, Joseph Nace
Marshall, David Wesley
Pierson, William Paul
Vernon, Jerry Leroy
Webb, Richard David

JUDGE ADVOCATE GENERAL'S CORPS

Lieutenant commander, USN, permanent

Fessler, E. Anthony
Haiman, Arnold Jay
Hoover, William Dean
Legrand, Carlson M.
Tucker, Charles W.

MEDICAL SERVICE CORPS

Lieutenant commander, USN, permanent

Adler, Gary John
Aitken, John Robert
Armstrong, Carl Andrew, Jr.
Bartlett, Jack Wallace
Blackford, James Michael
Blaylock, James Donald
Bruder, Paul Theodore
Campbell Paul Ernest
Casper, Allan Vincent
Chappell, Wendell Leo
Dould, Philip Edward
Duny, Marshall Sol
Durfee, Paul John
Eversmann, Donald Frank
Foskey, Leslie Thomas
Fulton, Michael John
Groves, Kenneth L.
Harrell, James Howard
Haws, Virtus Paul, Jr.
Iczkowski, Marcel Dennis
Katzenmeyer, John Jeffrey
Kellogg, William Fredric
Kelly, John Price
Legg, Robert Paul
McCarty, James Edwin, Jr.
Mullins, Frank Arthur, Jr.
Norvell, Robert Dayton
Panas, Bruce Richard
Parker, Cloyd Joseph
Pelphrey, James Henry
Phillips, Harold Edward
Pulvermacher, Harld Edward
Reed, Paul John
Shea, Terence Kevin
Sixsmith, Howard Thomas, Jr.
Truran, Paul Frederick, Jr.
Vogl, Walter Frank
Windham, George Scott

NURSE CORPS

Lieutenant commander, USN, permanent

Burns, Rebecca Kathleen
Burroughs, Ruth Claire
Cahoon, Charlie Mac
Cayere, Barbara Mary
Courtad, James George
Dougal, Patricia Anne
Eastland, Susan L.
Feris, Mary Margaret
Fitzsimmons, James W. III
Higgins, Jean Marie
Holden, Beadie Laura
Honeywell, Patricia Hinckley
Lindsay, Sheila Anne
Miller, Daniel Everett
Moran, Michael Thomas
Murphy, Pamela Ann
Pippin, Mary Rubendall
Rawley, Anne Jordan
Reese, Charles Alan
Riddle, Richard Bruce
Schlote, Karen Kubiak
Schupeltz, Barbara Anne
Sherrard, Marcia J.
Sobkow, Roseanne
Southerland, Mary Arlene
Sparks, Teresa Caruso
Turner, Sherrilyn Ann
Wright, Marcia Rose

NURSE CORPS

Lieutenant commander, USNR, permanent

Thompson, Eleanor Jean

CENTRAL INTELLIGENCE

John N. McMahon, of Maryland, to be Deputy Director of Central Intelligence, vice Admiral B. R. Inman, resigned.

IN THE NAVY

The following-named captains of the Reserve of the U.S. Navy permanent promotion to the grade of commodore in the line, as indicated, pursuant to the provisions of title 10, United States Code, section 5912:

LINE

Beverly James Lowe
Richard Edward Young
Tommie Fred Rinard
Tammy Haggard Etheridge
LeRoy Collins, Jr.
Frederick Peter Bierschenk, Jr.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1982:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

Clarence Thomas, of Maryland, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 1986.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

MERIT SYSTEMS PROTECTION BOARD

Herbert E. Ellingwood, of California, to be Chairman of the Merit Systems Protection Board.

EXTENSIONS OF REMARKS

THE SEPARATION OF POWERS

HON. TOM RAILSBACK
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. RAILSBACK. Mr. Speaker, on last Wednesday, April 28, 1982, American Bar Association President David R. Brink addressed the National Press Club regarding the various legislative proposals that would strip the Federal courts of jurisdiction in specific constitutional cases. Since the subject matter of these bills deals with some of the most emotional and controversial social problems of our time—like busing, prayer in schools, and abortion—I believe Mr. Brink's remarks are especially pertinent and commend them to everyone who has an interest in this issue.

THE SEPARATION OF POWERS—WHOSE OX IS BEING GORED?

(By David R. Brink)

May 1 is Law Day. And it is a special Law Day—Law Day XXV. Its theme is A Generation of Progress. President Eisenhower proclaimed the first Law Day in 1958 and on April 16 President Reagan proclaimed Law Day XXV. Each year we in the United States celebrate our commitment to our unique heritage of two centuries of liberty, democracy, justice and the rule of law.

Let us make no mistake. That heritage, and our progress in it, are no accident. They are the product of a unique and inspired document, the Constitution of the United States of America, that serves the world as a model of representative democracy. The genius of that model is the doctrine of separation of powers that divides government into three branches, each having an assigned role and each operating to a degree as a check and balance on the others. We have conferred on the executive a role of policymaking and administration, on the legislative the power to initiate laws to serve changing public needs, and on the judicial the interpretation of law and the preservation of the fundamental rights secured to our citizens by our organic document.

Sometimes in the press of current problems we forget the origin of our system of government and the source of our liberties. We must never forget the wellsprings of our heritage and our progress. But the Constitution is not self-executing. To make its grand policies a reality, it needs interpretation and enforcement by the courts and wise implementation and extension by the legislative and executive branches. It needs the coordinated work of all three branches of government.

Today it sometimes seems that our national interest in the Constitution is centered on just one aspect of the Constitution—the separation of powers. We are endangering our continued progress under the rule of law by preoccupation with turf disputes over the roles of the three branches of government. And the arguments over the separation of powers largely depend on whose ox is being gored.

Members of the executive and legislative branches have, and should have, many opportunities for public expression of their views on the roles of the three branches of government. The judicial branch is enjoined by its own Code of Judicial Ethics from public commentary on matters that may come before it and hence is inhibited in making statements in its own defense. Thus it often falls to the American Bar Association—as the national voice of the legal profession—to defend the judicial branch or to try to bring some balance to the debate. When the ABA acts in this role, it is classified by some commentators as ultraconservative and by others as ultraliberal. We are neither. We are apolitical and we simply try to bring our special perspective as full-time students of law and the Constitution to enlightenment of the ongoing national debate. We are only viewed as political, or conservative or liberal, according to whose ox is being gored.

Currently, members of both the executive and legislative branches have charged publicly and repeatedly that the judicial branch has overstepped its constitutional role and has engaged in policymaking functions that are reserved to the other branches. In my opinion, those charges are, at best, debatable. It must be remembered, first, that, unlike the executive and the legislative, the courts do not initiate policy on their own motion; they simply decide actual cases between opposing parties that have not been resolved by the other branches. What has happened, I think, is that the executive and legislative branches have either failed to develop consititutional solutions to state or federal problems, have failed to enforce laws already on the books or have left policies unclear so that they require court interpretation. In some instances they have dumped implementation of policies in controversial areas on the courts, which have to decide the cases and which have no means to defend themselves from the attacks by the public and by other branches of government that follow their decisions.

Let me cite a few instances briefly and one at greater length. On the matter of tax exemption for colleges that have racially discriminatory policies, the executive had a hot potato. First it decided to suspend denial of tax exemption that seemed settled. Then it said it would seek legislation that would deny tax exemption. Acting on requests from the legislative branch, the executive finally said that it would dump the hot potato on the Court. If the Court decides simply that denial is mandated by the Constitution, by existing federal statutes and proper regulations and by previous Court decisions, it may be attacked by both branches of government for making unpopular policy.

Other instances of unpopular judicial solutions result from failure of the states or the federal government to provide specific tests, specific remedies or real enforcement of constitutional principles or general statutes. For example, in the case of the Civil Rights Act of 1964 and the Voting Rights Act of 1965, the intent of Congress was to put teeth into the Amendments to the Constitution that had been the law of the land for a century or more but had not by themselves resulted in eliminating discrimination in many parts of the country. But Congress did not define the tests of discriminatory practices beyond repeating the words of the Constitution. That dumped the question of interpretation of the Court—and its decisions under the one statute were attacked by conservatives and under the other, by liberals. In the case of the Voting Rights Act, the position of the ABA is that Congress originally intended to prevent the fact of discrimination and that to do so it incorporated the "effects" or "results" test of discriminatory action that then represented the constitutional law on the subject. In extending the Voting Rights Act for the third time, Congress should handle the hot potato itself and adopt a results test in the law.

I could cite a number of other instances in which the other branches of government have used the courts as their dumping grounds for hot potatoes and then castigated the courts for the way they handle them. But that would take time from my discussion of the most significant and dangerous new type of attack on the courts. I refer, of course, to the more than 30 bills now before the Congress that would deprive the federal courts of their historic and vital jurisdiction or power to grant remedies in what all agree are constitutional cases. Because that judicial role is fundamental to the separation of powers and the preservation of our system of government, I have been quoted as saying that those bills are leading us to the most serious constitutional crisis since our Civil War. That quote is accurate and I believe it more strongly than ever.

Let me say four preliminary things. The first is that my stand on these bills is not purely personal and that the House of Delegates of the ABA—our policymaking body—supported it by an overwhelming majority. Second, the ABA does not take a position either way on the subject matter of these particular bills—abortion, prayer in schools or means of achieving school desegregation. What we do oppose is the process used—taking constitutional questions away from the third branch of government and opening the door to elimination of the judicial branch in its constitutional role. Third, the battle over the federal jurisdiction issue is not between the courts—or the ABA—and the executive. The Administration, so far as I know, has not initiated or taken a position on these bills. I find it encouraging that Attorney General Smith has repeatedly urged strict observance of the separation of powers. I therefore hope that in response to calls from Chairman Rodino, our Association and press commentators, the Administration will take a firm stand in opposition to these bills. Fourth, the battle is not yet with the Congress, nor is it with either Republicans or Democrats in Congress. For there are members of both parties on both sides of the question. And I hope that those members of Congress in both parties who value the fundamental structure of our nation more than they do seemingly popular solutions to the hot potato social prob-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

lems of the day will join to defeat these bills.

The question whether the federal courts have overstepped their constitutional role, or have merely answered the difficult constitutional questions that have been dumped on them, may be debatable. But it is beyond debate that the present bills in Congress would overstep the constitutional role of Congress and endanger our system of government.

The argument is one of both law and policy. As to the legal question, constitutional scholars have expressed differing views on the constitutionality of these bills. The preponderant view appears to be that they are unconstitutional as applied to either the United States Supreme Court or the lower federal courts.

Some of the relevant materials are Article III of the Constitution, which says, among other things, that the judicial power of the United States extends to all cases arising under the Constitution, and the due process clause of the Fifth Amendment, which guarantees that no person shall be deprived of life, liberty or property without due process of law. Congress cannot exercise either such undefined power as it has under Article III to make exceptions to the jurisdiction of the Supreme Court or its power to create, change or abolish the inferior federal courts in any manner that would deprive our citizens of due process or deny the equal protection of the law. Nor can Congress, by a "bootstraps" process, confer on itself any of the other powers tnat are otherwise expressly denied it by Amendments to the original Constitution. Therefore, Congress cannot, either directly or under the guise of limiting jurisdiction, change remedies, and thereby change the constitutional law or define juridical processes in such a way as to deprive citizens of substantive rights guaranteed by the Bill of Rights and other parts of our Constitution. If Congress forecloses citizens from fundamental constitutional rights or remedies in the federal courts with the intent or effect of having different law applied by differently constituted courts, it clearly has deprived them of due process and equal protection. And that is precisely the intent, and would be the effect, of these bills.

Those who read only a portion of Article III of the Constitution say that the exceptions clause of Article III grants Congress unlimited power to take away the jurisdiction of the Supreme Court, and that the power of Congress to create inferior Article III courts implies the power to abolish those courts or selective portions of their jurisdiction. But if the whole of Article III, the balance of the Constitution and the subsequent Amendments are also read, it is clear that the framers could not have intended any such result.

The proponents of these bills claim that most Americans disagree with our Constitution, as interpreted by the branch of federal government to which our forefathers entrusted interpretation of the Constitution and protection of our rights. If, indeed, our nation does disagee with rights, under the Constitution, in the areas of abortion, prayer in schools or desegregation, there is a perfectly good way to change it. That is the amendment process involving the states and the people and requiring more than simple majorities. And our forefathers never intended that Congress, alone, by a simple majority vote, could obtain the same result.

For if the Congress, by a simple majority vote, could rewrite the Constitution, a future Congress could wipe out federal jurisdiction and remedies in all constitutional cases. Then, at best, we would have 50 federal constitutions—one for each state. And if state legislatures followed the example of Congress and deprived state courts of constitutional jurisdiction, we would have no judicial review at all in constitutional cases. We would have a purely parliamentary system of government, without either an enforceable written national Constitution or a court having the power to declare the process unconstitutional. The founders of our country clearly did not intend to create a tripartite system of federal government that so easily could be rendered a nullity. So these bills all must be deemed legally unconstitutional.

But, even more important, these bills must be opposed on grounds of policy. The admitted purpose of these bills is to change the constitutional law as interpreted by the judicial branch of federal government. That purpose betrays a terrible cynicism about our state judicial systems, for it is based on the belief that variations that are pleasing to current local majorities will be read into our national organic document by local courts. If that belief is unfounded, as I think it is, the bills are pointless. If it is well founded, it tells us that the proponents are willing to convert America into a kind of league of independent states instead of one nation.

This is another instance of the constitutional hot potato being handed to the courts, but this time it is, in part, the state courts. And the state courts do not want the constitutional responsibility the proponents would thrust upon them. The Conference of Chief Justices, representing all our state court systems, passed a resolution on January 30, 1982, without dissent, that viewed these bills with the gravest concern, citing many strong arguments.

Most of the apologists for the theory that the Congress can eliminate or control the federal courts say that enactment of these bills will teach the courts a needed lesson. That is about as responsible as suggesting that we can teach the other superpowers of the world a valuable lesson by firing a first nuclear missile at them now. Neither effort to teach a lesson can be stopped after the first salvo; either one will result in further warfare and destruction.

So we must ensure that Congress, as it has repeatedly in the past, once again declines the ultimate confrontation. For if we leave it to the Supreme Court to be the sole defender of the role of the federal courts, we face the certainty of grievous damage to our system. If, in accordance with the law as I believe it to be, the Supreme Court declares these bills unconstitutional, the current critics of the role of the judicial branch will be moved to declare the decision self-serving and proof that the Courts are overstepping their role. That will produce a clamor of further unjustified attacks on our courts and legal system and possible constitutional amendments to eliminate or limit the judicial branch. But if, contrary to my expectations, the Court sustains the bills, each Congress, according to its mood, will remove more and more of the jurisdiction of the Federal judiciary until it is gone. Either way we face a terrible division of our country and risk the destruction of our free system of government.

George Washington, in his moving Farewell Address to the Nation, issued a clear warning: "If, in the opinion of the people, the distribution or modification of the constitutional powers be in any particular wrong, let it be corrected by an amendment in the way which the constitution designates.—But let there be no change by usurpation; for though this, in one instance, may be the instrument of good, it is the customary weapon by which free governments are destroyed. The precedent must always greatly overbalance in permanent evil, any partial or transient benefit which the use can at any time yield."

Abraham Lincoln strongly disagreed with the Dred Scott decision of the United States Supreme Court. Yet he said of the Court: "We think its decisions on constitutional questions, when fully settled, should control, not only the particular cases decided, but the general policy of the country, subject to be disturbed only by amendments of the Constitution as provided in that instrument itself. More than this would be revolution."

I do not believe the proponents of these bills really want to launch a missile that could plunge us into internal strife and destroy our rights, the courts or our Constitution. But they are shortsighted in not seeing what they are starting. They are risking our most fundamental values to dispose of a hot potato—to secure what they believe are popular and expedient solutions to current and transient problems.

But if they are successful in that, they also risk the Generation of Progress we celebrate on Law Day. They threaten forfeiture of our progress in broader access to law and justice, equal protection of all our citizens, including minorities and the poor, and eradication of discrimination of all kinds. But, more than that, they threaten the rights of all of us. Once the door is opened, the rights of free speech, free press, free assembly and free exercise of religion could be the next to be abolished or curtailed.

Whose ox is being gored? It is not just the ox of one branch of government in a turf dispute with another. It is our entire system of government. It is the ox of all of us—the American people. I think of the great words of John Donne that come down to us from 1624. I wish I had time to read his magnificent text. But let me quote his final words. . . . "Never send to know for whom the bell tolls; it tolls for thee."

The ox of a free legal profession is gored. The ox of a free press is gored. The bell tolls for all Americans. And it is the duty of the press and lawyers—both in their separate ways protectors of our citizens and seekers of the truth—to tell these truths again and again. We must tell them until all members of Congress and all Americans realize that our system and our rights must be preserved. We may then warrant that when another generation under the rule of law has passed, it, too, will be a generation of progress.●

OIL IMPORT FEE—INEQUITABLE TAXATION

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McKINNEY. Mr. Speaker, recently, budget negotiators in Congress and the White House have discussed the imposition of an oil import fee as a

means of reducing the Federal deficit. According to the Congressional Budget Office (CBO), a $5 import fee would generate revenues of $4 billion in 1982, ranging up to and leveling off at $11.4 billion per year in 1986 and 1987 (including windfall profit tax revenues). Such a fee, however, would have devastating consequences for our economy which I could not justify in our current fiscal condition. Further, there are alternative tax proposals which would have a similar positive impact on revenues and energy consumption, but none of the inequitable and burdensome side effects of an oil import fee. For these reasons, I oppose such a fee, and I welcome this opportunity to explain my position.

First of all, an oil import fee would place an enormous and inequitable burden on New England, where reliance on oil imports is double that of the rest of the Nation. Estimates show that a $5 fee would increase our region's oil bill by $1.8 billion a year—an inordinate cost which we could ill afford during the current recessionary period.

However, this is not solely a regional issue, and does not affect oil prices alone. An oil import fee will raise the price of not only necessities, such as home heating oil and gasoline; indeed, its impact will reverberate though all sections of our economy, and will raise the prices of housing, automobiles, agricultural products, tourism, and many other items. As a result, the overall inflation rate would increase by almost a full percentage point. Again evaluating a $5 fee, CBO projects an inflation increase of 0.9 percent. This increase would raise Federal expenditures by up to $2 billion in higher social security payments and other outlays that are tied to inflation.

At the same time, an import fee would cause severe damage to both our balance of payments and our international trade relations. The rise in U.S. energy costs resulting from such a fee would make our goods more expensive to manufacture than those in countries with no import fee. Foreign producers would thereby gain a competitive advantage both in the United States and abroad. The fee would also complicate our negotiations with other nations on reducing their trade barriers, and could even prompt reciprocal trade measures. This would further downgrade the U.S. position as a product exporter.

Clearly, there are alternative revenue raising measures which would be less damaging to our economy and less devastating for the American consumer. Should an energy-related tax be necessary, for instance, I would favor an excise tax on gasoline—all gasoline, both foreign and domestic. Such a tax would raise needed revenues and encourage both conservation and investment in alternative sources. Further, it would have no widespread inflationary impact, since it would raise the price of only the product, rather than every oil-related commodity. Finally, a gas tax would spread its burden more evenly across the various regions of our country, rather than unfairly penalizing the Northeast. I am hopeful, therefore, that Congress will reject any efforts to impose an oil import fee as part of our 1983 budget package.●

RADIO FREE EUROPE: A SHINING LIGHT OF TRUTH FOR POLISH PEOPLE

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BEARD. Mr. Speaker, I rise today to express my complete support for increasing the funding levels for Radio Free Europe.

Radio Free Europe is the primary—and sometimes the only—means by which the people of Poland are able to get an uncensored view of the world situation. In recent years the funding for this vital organ of communications has been allowed to deteriorate in relative terms. I think that this downward trend in funding must be immediately reversed.

Truth is a precious commodity for the people behind the Iron Curtain. They are forced by the Soviet occupation forces to hear on official media only the Communist Party line. Only through Radio Free Europe can they hear an objective view of what is occurring, and in so doing, they can nurture hope for a future that will be free.

The events of the last year have shown that the Polish people have not and will never succumb to Soviet domination. Soviet tanks and Soviet soldiers may physically occupy Poland but they can never occupy the hearts and minds of the Polish people. Given the moving example of national bravery we have witnessed in Poland over the past year, it seems to me that the very least that we in this Congress can do is to allocate the resources to the primary means the Polish people have to hear the truth—Radio Free Europe. In the darkness of the official Soviet-dominated Communist media, Radio Free Europe is a shining light for the Polish people.

On another matter, Mr. Speaker, I wish to insert in the RECORD a copy of a letter I have sent to President Reagan asking his personal assistance in directing the Postmaster General to eliminate or lower fees for packages mailed to Poland containing food, medicine, or clothing.

The letter follows:

President Ronald Reagan,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: It has been over four months since the imposition of martial law in Poland. The Polish people have suffered through a long hard winter, experiencing severe shortages in food, clothing, and medicine. In addition, the Polish government has raised food and fuel prices ranging fom 300 to 500 percent.

Since the suspension of all food aid to Poland on December 17, 1981, the only American supplies reaching the Polish people have been through private and volunteer agencies. Representatives of CARE and Catholic Relief Services have pointed out that the impact of the shortages has been borne by the most vulnerable groups in the population (aged, children, and the sick). They further claim that this assistance is getting to those most in need, and not the government. But, this aid is only a small portion of what is needed to help alleviate this severe problem.

Mr. President, we urge you to recommend to the Postmaster General the cancellation or reduction of all postal fees for packages containing food, medicine, and clothing mailed to Poland. This action will enable Americans to help the Poles while bypassing the Polish government.

May 3 is the celebration of the Polish Constitution Day of 1791. This is the day when all free Poles celebrate to show their unswerving dedication to the principles of freedom, justice, equality, and individual liberty. It would only be fitting for us today, in 1982, to show our Solidarity with the Polish people through the cancellation of postal fees for aid packages to Poland.

Sincerely,
ROBIN L. BEARD, MEMBER OF CONGRESS.●

WAR VETERANS BENEFITS REDUCTIONS

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mrs. SCHNEIDER. Mr. Speaker, today, I wish to convey my displeasure with the proposed reductions in benefits for the service-connected war veterans. I am appalled by the lack of judgment in lowering the compensation for those most deserving. Those veterans who served this country with honor deserve our utmost respect and most certainly are entitled to sufficient payment for their efforts. I applaud the Committee on Veterans' Affairs in their recommendation to the Budget Committee urging that no reductions be made in service-connected veterans benefits. Although I realize the necessity for reducing Federal spending, I, on behalf of the 140,000 war service veterans in Rhode Island, ask the committee to devise a budget that treats our veterans fairly and equitably. Thank you.●

SEAFARERS PRESIDENT ADDRESSES WORKSHOP ON VALUE OF EXPORT-IMPORT BANK

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. AuCOIN. Mr. Speaker, I rise today in order to bring to the attention of my colleagues an excellent statement on the value of the Export-Import Bank. This statement was made by Frank Drozak, president of the Seafarers International Union of North America. Mr. Drozak is also president of the Maritime Trades Department of the AFL-CIO.

Mr. Drozak's speech was made before the Washington workshop on employment and exports sponsored by the Coalition for Employment Through Exports. I commend it to my colleagues because it lays out, in an extraordinarily clear manner, the importance of the Export-Import Bank to labor and industry. I urge the Members to read Mr. Drozak's remarks carefully and I congratulate him for his statement.

STATEMENT OF FRANK DROZAK

I am pleased to participate today on behalf of the Seafarers International Union with the other members of the Coalition for Employment Through Exports.

We in the Seafarers, America's principal maritime labor organization, are pleased to see the increasing labor and business support for the Coalition and its rapid growth during its short existence.

As few members of the general public realize, the maritime industry and our union have recently experienced the most radical technological changes in history. We have truly been a part of the high technology explosion.

Today, Seafarers Union members crew the most sophisticated vessels ever to sail the inland waters, the Great Lakes, and the high seas, including jumbo tankers, chemical carriers, and integrated tug/barge units.

The technological advances in our industry, and the challenge of foreign competition which at times knows few or no restrictions, have made it critical for the modern American merchant marine, both in labor and in management, to look ahead with foresight and wisdom. I submit to you that the game is being played by new rules, and rules which are changing rapidly.

This is why we in the Seafarers Union recognize the importance of the Coalition for Employment Through Exports and the Coalition's support for the Export-Import Bank.

In the American labor movement we have always supported the concept of "the greatest good for the greatest number".

I believe that the Coalition is a perfect example of this concept. It is an outstanding opportunity for labor, management, and State governments to work together for the benefit of all to meet the challenges that face us all. I think every one of us in this room would agree that hard work and this type of cooperation is not only important, it is critical to America's economy and our national well-being.

I would now like to turn to the subject of our great common interest, America's exports.

Ladies and gentleman, no one needs to tell a seafarer how important exports are to him and his family. Only last month, I testified before the Water Resources Subcommittee of the House Public Works and Transportation Committee. On behalf of America's seafarers, I went before the Subcommittee to support a comprehensive U.S. export program in light of the recent and anticipated increase in U.S. coal exports.

When I say that our nation needs a comprehensive export program, I mean just that:

The ship channels in our ports need to be widened and deepened to accommodate today's bigger vessels.

Our on-shore port facilities need to be modernized.

We must strengthen our bilateral agreements with our major trading partners.

We need to rebuild our U.S.-flag merchant marine fleet, particularly our capability to move bulk commodities such as coal over the oceans. This is vital for our energy independence, our balance of payments, and for our national security.

We need to give our exporters and their customers access to competitive financing from our Export-Import Bank.

While some of these points may affect the maritime industry and its workers most directly, they affect us all, especially the availability of competitive export financing.

Earlier this month, the Maritime Trades Department of the AFL-CIO, of which I am president, wrote William Brock, the U.S. Trade Representative, to point out that America's tuna fishing-vessel construction industry is in jeopardy and losing business to foreign shipbuilders who, with substantial financing assistance from their governments, can offer export financing to ship buyers which drastically undercuts our shipbuilders.

The Maritime Trades Department specifically cited the example of Campbell Industries of San Diego, a leading domestic builder of tuna seiners, that has recently been laying off workers and expects more layoffs in the future. In the last year alone Campbell has lost out on a total of 13 contracts, 11 to Italian shipyards and two to Norwegian yards.

The Maritime Trades Department urged Trade Representative Brock to take the necessary actions to put U.S. industry on an equal financing basis with foreign competitors.

Of course, our particular interest is obvious in this situation. Without U.S. tuna seiners, and other fishing vessels, to carry our domestic and export catch there are no jobs in that sector of the maritime industry for the working men and women of our union.

The San Diego situation is a specific example of a much broader situation—one that the U.S. must meet and deal with immediately. In a recent study, the Comptroller General found that Japan and the United Kingdom provide official governmental support to 35 percent of their exports with some type of export incentives. France supplies government backing for 29 percent of its exports and Germany officially supports 12 percent of its exports. The United States supports only 6 percent of its exports, and this percentage is now even lower due to the budget cuts to the Exim Bank.

Ladies and gentleman, as a nation we are engaged in vigorous international competition for export business with one hand tied behind our back.

Our foreign competitors use direct operating subsidies from their governments, some mix low-cost foreign aid funds with export credits, and some provide insurance against cost escalation or currency fluctuations.

We must stand firm. We cannot allow foreign governments to impair the ability of our exporters to compete effectively in world markets while we declare unilateral disarmament by cutting Exim Bank to the bone.

We will make this stand with you in the Coalition here today and in the future. We will support American jobs by helping make the public, our elected Representatives, and the Executive Branch of government aware of the need for a strong Export-Import Bank.

The Export-Import Bank is the key to providing the financing we must have to make our exports competitive in world markets. It is a proven success as an institution and it is more important today than ever before.

As the Export-Import Bank's chairman, William Draper, recently told the Congress, in fiscal year 1981 the Bank was directly utilized by more than 2,600 U.S. businesses. These businesses, and their employees, depend on the merchant marine and other modes of overseas shipping to deliver their goods overseas safely and on time. When they benefit, we benefit.

Each Export-Import Bank loan or loan guarantee benefits an extensive interconnected network of subcontractors, parts suppliers, and other businesses and their workers. These are America's "invisible exporters", who supply the components that go into the products we export. They number far greater than the 2,600 businessmen that benefitted directly from the Exim Bank's programs in fiscal year 1981. The Boeing Company alone was supplied by 2,992 of such "invisible exporters" in 1980.

I would like to take that concept a step further today. I submit to you that each Export-Import Bank loan or loan guarantee helps set in motion the entire export process, from the factory gate in this country to delivery and installation on many of our boats abroad.

We in the Seafarers Union fully recognize that we are squarely in the middle of the export process—we are the link between America's exporters and their customers—and we intend to be a strong and reliable link.

The world is more interdependent than ever and the maritime industry is a key reason. We in the maritime industry have never been more aware of America's role in world markets and the critical importance that our exports play at home and in those world markets.

Yet, at this critical time, the Reagan Administration is doing all it can to reduce the Export-Import Bank's ability to make loans to finance our exports. This is a policy America's seafarers cannot and will not support.

In a free market situation—a field where all players were equal—we would have no quarrel with the Adminstration's approach. However, despite our government's efforts to level the field and bring order and consensus to international export finance, the use of subsidies and sweeteners by foreign governments goes on day after day. We have been unable to establish a broad-based international agreement. The playing field

is still uneven and it is being tilted by, and in favor of, our foreign competitors.

Thus, we in the Seafarers Union see a strong Export-Import Bank as a top priority in evening out the competition to give American companies and American workers a chance to sell abroad. To us, the Export-Import Bank means jobs—jobs in manufacturing and shipbuilding, jobs in cargo handling, and jobs in the merchant marine.

The Census Bureau has reported that each $1 billion in manufacturing exports supports over 30,800 jobs in this country. Again, according to the Bureau of the Census, Exim Bank's 1980 operations supported over 570,000 American jobs and over 11 million man-years of employment in the last three years. Nearly 4.8 million jobs were generated by U.S. manufactured products exported in 1980.

The Administration's cuts in Export-Import Bank funding could reduce America's export sales by $12 billion over the next five years and cost our nation hundreds of thousands of critically needed man-years of employment.

Our union members know how important exports are to them and their families and they want their union leadership to do everything possible to support America's exports. This is why the AFL-CIO Executive Council adopted a resolution on February 15, calling upon the President and the Congress not to cut the budget of the Export-Import Bank "until other countries cut or eliminate their subsidy programs".

We intend to fulfill their mandate by participating as a full partner with you in the Coalition for Employment Through Exports.

Thank you.●

NATO SUMMIT

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WHITEHURST. Mr. Speaker, today I am introducing a concurrent resolution calling on the President to propose at the June NATO summit that the allies begin in earnest to pool their vast financial, technological, and human resources to provide for our common defense at acceptable costs. This is a companion to the resolution introduced in the other body under the sponsorship of Senators GLENN, ROTH, and NUNN, and it gives me a great deal of pleasure to join them in this important effort.

I would like to share with my colleagues three paragraphs from the "Dear Colleague" letter circulated by those Senators clearly outlining the thrust of the resolution. As a member of the U.S. delegation to the North Atlantic Assembly and vice chairman of the Military Committee of that body, I am keenly aware of the need to work actively toward a meaningful "two-way-street" relationship in every aspect to our mutual defense effort, and I hope that my colleagues will join in this call for the President to take a firm stand at the June NATO summit.

Thank you, Mr. Speaker. At this point I include the following:

The present NATO system actually functions as little more than a loosely organized collection of national defense efforts, backed by fragmented and highly inefficient national defense industries. Until now, the real security for the West has been ultimately provided by an American nuclear superiority that offset the conventional warfare superiority of the Warsaw Pact. The West Europeans—and the Japanese—were thereby able to get their defense "on the cheap". A nuclear deterrent is relatively cheaper than a conventional deterrent—especially when the United States is paying for it.

Relying on the American nuclear deterrent also permitted the European NATO nations to adopt defense industry policies that were inspired more by national prestige and domestic economic policy considerations than a desire to contribute to the common defense.

In attaining strategic nuclear parity, nuclear superiority in Europe, and a global military reach, the Soviet Union has changed the ground rules. To meet this challenge the industrial democracies must pull together or they will surely pull apart. A more cooperative defense industrial system would bring down costs by eliminating unnecessary duplication and allowing much larger production runs. The prospect of lower costs would in turn facilitate the creation of a convincing conventional deterrent. A more equitable sharing of both the financial burdens and the benefits in jobs, technology and trade would help infuse the Alliance with a restored sense of unity and common purpose. And finally, it would provide the Soviet Union with a powerful incentive to agree to meaningful arms reductions.●

CLEAN AIR ACT WEEK, MAY 2-9

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, I am honored to join my colleagues in the recognition of Clean Air Act Week, which began on May 2 and will run through May 9. The focus on clean air and sufficient environmental standards is most important as we currently witness the deletion of Federal moneys for vital programs which illustrated this Government's commitment in this area. More and more we are being plagued with attempts to weaken the Clean Air Act as some blame adherence to the standards contained in this initiative for productivity discrepancies in certain industries.

As we observe Clean Air Week, I would like to strongly reiterate my commitment to a stringent Clean Air Act. Certainly, some adjustments must be made and I support continued review of all of the act's provisions. However, I do hope that we do not let undue pressure force us away from our primary objective. This goal is to keep our environment clean and healthy—without such a concentration, any economic or social gains will be incomplete.●

NORTHEAST-MIDWEST CONGRESSIONAL COALITION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EDGAR. Mr. Speaker, for the past few years, the Northeast-Midwest Congressional Coalition has drawn attention to the fact that a handful of energy-rich States were reaping enormous benefits as a result of the unchecked imposition of severance taxes on the value of the energy produced within their borders. For example, we have shown that between 1972 and 1978 oil and gas severance taxes increased from $710 million to over $2 billion. The increases expected between 1980 and 1990 are likely to dwarf anything we have seen so far. According to the Treasury Department, as a result of oil price decontrol, State and local revenues will total more than $127.6 billion during this period, with 90 percent of this amount flowing to the eight major oil producing States. This estimate, provided in 1979, is now seen as quite conservative. The more likely total will be closer to $200 billion.

Three separate problems arise as a result of this trend:

First, these enormous new revenues already have led to powerful new location incentives for people and businesses, accelerating the massive shifts of population to these areas already taking place. In the next several years, one can expect other States to follow Alaska's lead and cut or eliminate more traditional taxes. States that do not have the natural resources to tax will not be able to compete with such tactics, and will lose out.

A second reason for concern is that several major Federal funding formulas will be distorted. Under these formulas, the energy-rich States actually could receive larger shares of Federal funds—or continue receiving the same favorable shares they now get—even though their need for these funds will be much smaller because of the new-found wealth they can tap.

Third, there is a strong possibility that a dangerously divisive tax warfare will break out, with each State striving to tax a precious commodity just to preserve its competitive position. In fact, this warfare may have begun already; Montana's State Legislature passed its huge coal tax increase after strong debate language about the need to keep up with Texas in the severance tax business. In the mid-1970's, Pennsylvania contemplat-

ed a severance tax on electricity generated at mine-mouth plants and exported to other States. Connecticut and New York have passed special taxes on oil companies, although these taxes are under question in the courts. New Jersey, Pennsylvania, and other States are looking into a tax on oil refineries. Oregon has a tax on trees, and there is nothing to prevent the imposition of State taxes on other crops. It should not surprise us if agricultural States—in the Midwest, for example—retaliate against other severance taxes by putting their own taxes on grain.

As we in the coalition began to discuss policy options to address these problems, we committed ourselves to the principle that our initiatives must not be parochial, regional, or shortsighted. We agreed to attempt to devise a policy that was first of all fair to all States and regions, and that recognized that natural resources are also national resources and should be used to further the interests of the Nation, not as a tool to exacerbate the fiscal disparities between States.

We believe this bill satisfies our goals. Our initiative will have the effect of bringing the United States into line with all the other major nations that have asserted a national interest in the production of energy. To do less not only would threaten the economies of the 38 States that are energy consumers; it would prevent the implementation of a balanced national energy policy that preserves economic opportunities for succeeding generations of Americans.

I wish to share the statements of Hon. HOWARD WOLPE, Representative CLAUDINE SCHNEIDER, and Representative JAMES JEFFORDS, on "The National Crude Oil Profit Sharing Act of 1982," as an important explanation of this new proposal.

STATEMENT OF THE HON. HOWARD WOLPE ON "THE NATIONAL CRUDE OIL PROFIT SHARING ACT OF 1982"

Today, we are introducing "The National Crude Oil Profit Sharing Act of 1982". This legislation is the work-product of the Northeast-Midwest Coalition Task Force on Energy Taxation that Congresswoman Schneider and I have co-chaired, but we believe that our bill will have broad geographical appeal and is deserving of broad bipartisan support from southern and western states as well as the eighteen states that comprise our regional coalition.

Very simply, the legislation that we are introducing today represents an attempt to develop a more rational and coherent national energy tax policy. It premise is that the energy resources of this country, whether oil in Texas or coal in Montana or natural gas in Michigan, should be viewed as American resources, and that the benefits derived from the taxation of these resources should be enjoyed by *all* of America, not just by the petroleum industry or those states who by geological chance find these resources within their borders.

By establishing a permanent national tax on crude oil, and by placing reasonable limitations on state energy taxation, the National Crude Oil Profit Sharing Act of 1982 addresses, simultaneously, four of the critical problems confronting the American economy:

Unless massive federal deficits are reduced, they will continue to contribute to prohibitively-high interest rates which impede economic recovery.

"The National Crude Oil Profit Sharing Act of 1982" would establish a permanent 30 percent tax on oil to be paid by producers. Actually, the effective rate of the tax after it is deducted as a business expense from federal corporate income tax payments would be 16 percent; raising $4.86 per $30 barrel of oil produced. The Act would make 75 percent of the revenue from the tax available for reduction of the federal deficit. If the tax were currently in effect, $13.4 billion would be raised for deficit reduction in 1982.

Domestic industry is finding it increasingly difficult to contend with foreign competition. Much of the problem can be attributed to the declining level of productivity of our industrial base—due to obsolete facilities, high interest rates, and a lack of investment capital for modernization. Hard-pressed urban areas are also having difficulty in raising the capital needed to repair basic infrastructure systems, and rural areas are faced with increasing natural resource conservation problems.

"The National Crude Oil Profit Sharing Act of 1982" would provide 25 percent of the revenue from the National Crude Oil Profit Sharing Tax to the Energy and Economic Development Trust Fund. If this legislation were currently in effect, the Trust Fund would receive $4.5 billion in 1982.

Half of the Trust Fund revenues would be dispersed to states in block grants to encourage new economic development and to revitalize basic industries so as to improve the competitive position of the United States in the international marketplace and create employment opportunities for unemployed Americans. States could also use their Economic Development Block Grant Funds to assist local governments in their efforts to restore basic urban infrastructure systems, or aid rural areas in addressing conservation problems that threaten the productive capacity of soil and water resources.

A state's share of the Economic Development Block Grant would be determined by using the General Revenue Sharing formula with adjustments made to reflect the state's tax capacity as defined by the Advisory Commission on Intergovernmental Relations.

OPEC has succeeded in raising the world price of crude oil by 1000 percent since 1973, further reducing the competitiveness of aging basic industries and causing a tremendous drain of capital from the U.S. economy.

The other half of the Trust Fund revenues would be dispersed to states to fund programs to reduce our dependence on imported oil by encouraging energy efficiency improvements and the utilization of renewable energy technologies to displace oil in the residential, commercial, industrial, and agricultural sectors of the United States economy. Numerous studies have concluded that energy efficiency improvements are the quickest, cheapest, and cleanest ways to reduce our dependence on oil. Other studies have concluded that renewable energy technologies could provide as much as 20 percent of the Nation's energy needs by the year 2000, if given adequate government support. I believe that it is extremely appropriate that a portion of a tax on oil, a nonrenewable resource, should be devoted to an effort to encourage energy efficiency and the use of renewable source of energy.

A state's share of the Energy Block Grant funds would be determined by a formula which would reflect the state's population, heating and cooling days, and the cost of end-use energy within the state.

The federal decision to allow the price of domestic crude oil to rise to OPEC levels has unintentionally contributed to growing fiscal disparities between states. A handful of energy-producing states are seeking to gain the greatest possible economic advantage from their positions as net energy-exporters at the expense of the rest of the Nation. The decontrol of domestic crude oil prices has allowed a few energy-producing states to raise enormous revenues through state energy severance taxes.

It has been estimated that almost $200 billion will flow into the treasuries of a few energy-producing states in this decade from energy severance taxes.

These revenues allow energy-producing states to offer powerful new location incentives for business and industry. As a result, the vast majority of states which do not have energy resources to tax, are at a competitive disadvantage in efforts to retain existing industry and attract new economic activity. In effect, the federal decision to allow domestic oil prices to rise to OPEC levels in unintentionally subsidizing the economic development of energy-rich states.

This legislation would reduce the growing fiscal disparities between a few energy-producing states and the rest of the Nation by limiting state energy taxes on oil, natural gas, and coal to 1978 unit rates adjusted for inflation. Permissable levels of unit rate taxation would be determined by dividing a state's 1978 revenue from taxes on an energy commodity by the state's 1978 production level and adjusting the result for inflation. We have chosen 1978 as the base year because it will reflect the level of taxation that the state felt was necessary to recoup any state costs of energy production prior to the beginning of the decontrol of oil prices in 1979.

The subject of energy taxation is inherently complex, both economically and politically. I would like to emphasize that we are not wedded to every detail of the legislation as outlined. But we believe that the basic concepts of this proposal are sound and should become part of the national debate over energy and economic policy currently underway.

STATEMENT BY REPRESENTATIVE CLAUDINE SCHNEIDER

Congress faces the urgent task of bringing a deepening federal deficit under control. What we are proposing today is an approach to fiscal responsibility. Reducing the federal deficit is one of our primary objectives in introducing the National Crude Oil Profit Sharing Act of 1982. Our bill provides a responsible, creative means to raise revenues to help bring the government out of debt.

The legislation establishes a permanent 30 percent National Crude Oil Profit Sharing Tax on oil to be paid by producers. The effective rate of the tax would only be 16 percent after it is deducted as a business expense from federal corporate income tax payments. The tax would raise $4.86 per $30 barrel of oil produced. A full 75 percent of the tax would be earmarked to reduce the

deficit. The new tax revenues would help make up the revenue loss as the windfall profits tax is phased out. For example, in fiscal year 1983, the profit-sharing tax would raise $19.7 billion. Of that amount, $14.8 billion would go directly to making up the deficit. Over an eight-year period, from 1983 through 1991, the tax would raise $330.9 billion, with $248.2 billion going to reduce the deficit. The revenues raised by the tax would steadily rise as the revenues raised from the windfall profits tax steadily decline to zero in 1991.

Nearly everyone is agreed on the need to find responsible ways of raising revenues, and oil company profits are a good place to start. In 1980, oil companies earned 40 percent of all industry profits in this country. I ask, who is best able to bear an additional tax burden? The profit-sharing tax we propose is decidedly preferable to an energy tax per BTU or to an oil import fee—one proposal received a lot of attention lately. Most importantly, reports we've seen say the oil import fee is forward-shifted. In other words, the fee would be passed directly to consumers. Hardest hit would be consumers in New England and the Midwest, where we're most dependent on oil for our fuel needs.

In contrast, the profit-sharing tax is far more equitable. It would be levied on producers at the wellhead, similar to the windfall profits tax. Again, the tax burden is placed on those who can most afford to pay, with no region of the country bearing a disproportionate burden.

Our proposal is not inflexible or assumed to be perfect. We anticipate working with the Ways and Means Committee, in particular, to fashion the best possible approach. What we have drafted is a solid vehicle for action.

STATEMENT OF CONGRESSMAN JAMES JEFFORDS ON INTRODUCTION OF NATIONAL CRUDE OIL PROFIT-SHARING ACT

It gives me great pleasure to join with my colleagues today in introducing the National Crude Oil Profit-Sharing Act of 1982. This is truly landmark legislation that deals with many of the problems that have resulted from the rapid rise in energy prices over the last ten years. It incorporates the sound concept of putting the proceeds from an exhaustable resource (oil) toward preserving and developing renewable resources. The block grant created by this bill will help states develop their indigenous energy sources and preserve the productive capacities of soil and water resources, that are so critical to the economic health of rural areas and to the welfare of the nation as a whole.

Ten years ago, a barrel of oil cost about $3. Its price has risen tenfold since then. In 1970, Americans spent $82.8 billion on energy in all sectors. In 1980, we spent $396.8 billion for this purpose.

While rising prices have helped to spur conservation and the development of renewable energy sources, they have had disastrous effects on low-income energy consumers and others who have not had the upfront capital or the information necessary to make sound choices and investments. Clearly, the only way to immunize American consumers against increasing oil prices is to make our nation more energy independent. Investments in energy conservation or renewable energy sources allow consumers and states to have lasting control over their supplies.

The National Crude Oil Profit-Sharing Act recognizes the problems that rising energy prices have had on consumers, states, and businesses. Similar observations were made with the passage of the Windfall Profits Tax Act, but Congress has not adhered to the funding formula suggested in that legislation. Furthermore, the bill we are introducing today takes into account what we have learned in several years of categorical grant programs to states; it is important to allow states enough flexibility to make the most appropriate investments in energy efficiency and renewable energy sources.

Twenty-five percent of the revenues from the National Crude Oil Profit-Sharing Tax is to be set aside in a trust fund to be split between two block grants. A state's share of the energy block grant would be determined by a formula that would reflect a state's population, heating and cooling degree days, and the cost of end-use energy within the state. Thus, the bill recognizes that states with a high cooling load in the summer are as much in need of energy efficiency improvements as cold states such as my state of Vermont.

Despite the current glut of oil and the decline of prices, we must take firm steps toward reducing our consumption of oil. Decontrol has brought about increased drilling activity, but our reserves-to-consumption ratio continues to decline. Furthermore, there is evidence that OPEC is moving to step up prices once again by cutting back production. Evidently, we are nearing another round of increased oil prices.

Investments such as those that the energy block grant in this bill would spur are the most cost-effective means of reducing our dependence on oil. For instance, a soon-to-be released Price-Waterhouse study indicates that for every dollar spent in 1981 on state energy conservation programs, $77 worth of energy savings ensued. This is better than the 1980 ratio of 1:60, and far ahead of investments in any other oil replacement.

The bill we are introducing today allows energy-producing states to charge a reasonable rate of severance tax on energy products they produce. As we all know, the decontrol of energy prices has multiple positive consequences for states that produce and tax energy even under this bill. At present, consuming states are disproportionately affected by the decontrol of energy prices and have no offsetting positive benefits. This bill would serve to redistribute the benefits of decontrol by providing consuming states with the ability to become more self-sufficient in energy.

The National Crude Oil Profit Sharing Act also uses some of the profits from a non-renewable resource to retain the productivity of our land and water resources. We lose two to three million acres of farmland each year to development, erosion and other causes. Particularly appealing is that the block grant approach would allow decisions on how to best maintain these resources to be made at the state and local level.

A commitment to maintaining our agricultural productivity through land, soil and water conservation is also important to ensuring that food does not become a crisis similar to the one we now face with oil. Such an initiative is the best way to prevent increased prices for food in the future when farming would have to be moved to less productive lands. It could also help to pre-empt a massive federal involvement in land use controls.

I am extremely enthusiastic about this legislation and I look forward to working with my colleagues on it.●

INTRODUCTION OF LEGISLATION TO EXTEND THE SOCIAL SECURITY STUDENT BENEFITS ELIGIBILITY DEADLINE

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LUKEN. Mr. Speaker, 166 Members of Congress have sponsored or cosponsored legislation to remedy the action of the Federal Government in cutting off the social security student benefits program without reasonable notice.

Through the changes in the Omnibus Reconciliation Act of 1981, high school seniors who have not enrolled in postsecondary institutions and attending classes full time by May 1, 1982 will lose their social security student benefits. Obviously, this unreasonable deadline has eliminated thousands of seniors who will not graduate from high school until June 1982 and have not been able to attain early enrollment into colleges.

Thousands of students have arranged their college careers around these promised social security benefits with the impression that they would be forthcoming. In fact, seniors were given erroneous notification by the Social Security Administration that they would be eligible for benefits this fall. Now, students graduating in 1982 do not have sufficient time to make alternate financial arrangements.

Although each of my distinguished colleagues, Representatives LENT, MOTTL, SOLOMON, VOLKMER, and PAT WILLIAMS, has sponsored legislation to rectify this outrageous treatment of high school seniors across the country, we have decided to unite our efforts behind one bill, H.R. 6183, to insure expeditious passage. The legislation that I introduced on April 28, 1982, will provide relief for 1982 high school graduates by extending the college enrollment deadline from May 1, 1982 to October 1, 1982.

Mr. Speaker, the May 1, 1982 deadline, together with the Social Security Administration's erroneous notification, has created undue hardship and worries for families with deceased, disabled, or retired parents who are highly dependent upon their social security benefits to send their children to college.

Even though the May 1, 1982, deadline has passed, we must continue to work toward correcting this injustice. Therefore, I strongly urge my colleagues to join our bipartisan effort and cosponsor H.R. 6183.●

H.R. 4613—THE DEBT COLLECTION ACT

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. COURTER. Mr. Speaker, yesterday the House took an important step in assisting our Nation collect debts owed the Government, in a more efficient manner. This legislation also included additional procedures that the Government may use to collect on outstanding debts that are new. I regret that I was unable to be present for this important vote as I was required to be elsewhere on official business involving the good and welfare of many of my constituents. Had I been present, I surely would have voted to support this vital bill. Thank you, Mr. Speaker.●

DECONTROL NATURAL GAS?

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SHUMWAY. Mr. Speaker, it is worth recalling today some of the arguments made against the decontrol of oil prices a couple of years ago. On the floor of both House and Senate the argument was made that decontrol would bring sharply higher prices, that the demand for gasoline was inelastic, that drilling activity was already at capacity, and could not be increased, and so on and so on. We hear the same debate exactly today with respect to natural gas.

The interesting thing is that these terrible predictions simply did not come true. I am not saying that gasoline prices, or fuel oil prices are low. Of course they are not. But they are lower than they were when total decontrol was effected by President Reagan a little more than 1 year ago. The President acted pursuant to authorities granted him by the Congress, after the debates I have mentioned.

Virtually since the day the President lifted the remaining controls, gasoline and fuel oil prices have moved lower. They may now have reached their market clearing price.

Today one hears that the decline in prices comes about because of a glut caused by a slowdown in economic activity. I am sure that is part of it. Another very large part of it is that Americans, and others, have learned to conserve, and they have learned it much faster than anyone thought they could. By and large they have learned it naturally, without massive Government programs and assistance. They have learned to drive smaller cars, to wear sweaters, to carpool, to do all the things they would have been doing long ago, if energy prices had not been under Government controls, and thus kept artificially low.

Which is exactly where natural gas prices are today.

The price of natural gas continues to be controlled, making this cleanest of fuels artificially cheap, and therefore subject to the same kind of wasteful and inefficient use that used to characterize gasoline.

Have we learned nothing from decontrol of oil? Apparently not. The same arguments are heard now as were heard then. They were wrong then, as our experience has proved. They are wrong now, as I hope we have the political courage to find out.

Mr. Speaker, I ask unanimous consent that an article from the Washington Times discussing the results of oil decontrol be printed at this point in the RECORD.

The article follows:

[From the Washington Times, Apr. 7, 1982]

LOWER GASOLINE PRICES LAID TO REAGAN DECONTROL

(By David Roberts)

When President Reagan removed oil price controls a week after taking office last year, he braved a storm of dire predictions by congressmen and others who feared oil companies would use a free market to gouge consumers. Now the critics are silent, and experts are attributing lower gasoline prices and an abundance of oil directly to Reagan's order.

"By the end of the year, $2-a-gallon gasoline could become a reality," said Sen. Howard Metzenbaum, D-Ohio, when Reagan decontrolled oil Jan. 28, 1981. "I intend to take whatever steps are necessary to see that this tragedy does not befall the American people," he said.

Others, including Sen. Henry Jackson, D-Wash., and Rep. Toby Moffett, D-Conn., spoke out against the president's order to decontrol. Both campaigned to extend controls in 1975.

Sen. Edward Kennedy, D-Mass., who also supported controls in 1975, attacked President Carter's effort to phase them out during their fight for the presidential nomination.

KENNEDY COMMENTS

"I do not think decontrol of domestic oil prices is appropriate at a time when world prices, set by a cartel, are increasing so rapidly that decontrol would seriously exacerbate out inflation and produce 'conservation' only as a by-product of massive recession," Kennedy wrote in November 1979.

According to figures compiled by the Department or Energy, those predictions haven't come true. Inflation has eased, and the latest DOE figures show the average price of a gallon of gasoline was three cents lower in January 1982 than a year earlier, when adjusted for the rise in the consumer price index. Prices have dropped considerably since then. A survey of Washington area gas stations shows the average combined full-serve and self-serve unleaded price to be about 18 cents lower than the January 1981 price, after adjustment for inflation.

Oil controls were established by President Nixon in 1971. In 1975, Congress extended the controls until June 1. 1979, at which time the president could decide to continue them or to modify them. If he took no action, they were to expire October 1979.

Gasoline prices rose after the decontrol order, but much of the rise was caused by an increase in crude oil costs before Reagan decontrolled prices, according to a DOE analyst. Several months after the decontrol order, as refiners' inventories began to increase beyond what they could store, they cut prices to move the excess oil.

Reagan's order also abolished a system of entitlements which were supposed to help small refineries—which could not obtain cheap domestic oil—to stay in business. Under that program the larger producers which had more than an average amount of domestic crude could make payments to the small refineries.

According to the DOE analyst, the program subsidized 40 to 50 inefficient refineries that sprang up after the program began. He described one refinery which consisted of an oil distilling apparatus tied to a tree for support. A small operation could pay for itself in six months he said.

SMALL REFINERIES HIT

According to the analyst, as the larger refineries cut prices, the small refineries that could not survive in a free market went out of business.

Many experts believe that the gasoline lines of the '70s were caused by oil price controls. They say the artificially low prices cut domestic production by discouraging producers from drilling for harder-to-reach oil as older, easier-to-tap wells ran dry. This increased United States dependence on foreign sources. Foreign upheavals could cut supplies and create the lines again.

Oil drillers have been encouraged by higher crude oil prices to drill new wells since prices were decontrolled, the DOE analyst said. The DOE reports a 37.6 percent increase in the number of drilling rigs during 1981, providing more jobs for the American oil industry.

Ultimately, whether to control or decontrol oil depended on whether free-market economics could work for oil in the 1980's

In the words of Energy Secretary James Edwards: "Everyone—even the critics who predicted no one would be able to afford gasoline—can see that oil decontrol has been a smashing success."●

MOTOR VEHICLE TITLE AND INSPECTION ACT OF 1982

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MOTTL. Mr. Speaker, yesterday I introduced the Motor Vehicle Title and Inspection Act of 1982. I would like to thank both the executive director, Carol Van Herik, and the chairman, Jerry Weidner, of the Greater Cleveland Crime Prevention Committee for their contribution in the development of this legislation.

I would also like to commend, in particular, Sgt. George Isherwood of the Cleveland Police Auto Theft Investigation Unit for the time and effort he has committed, not only with the re-

search for my bill, but over the last 10 years toward legislative solutions to auto theft. He has been an untiring leader in sensitizing the public and legislative representatives to the enormous impact of auto theft on the American public. His help has been invaluable; his dedication remarkable.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services (CETA, title XX, child care food, medicaid). We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

EL DORADO SPRINGS, MO.

The Head Start is a wonderful program. The kids love it and they learn a lot. It gets them ready for kindergarten. The teacher and helpers are ready to help you and your child. They are good and caring people.

My baby was born with pulmvalve stenosis. But we didn't know this until Head Start had their physical for our children. If Stevie hadn't started Head Start when he did, his heart problem could have gone on for years before any other doctor would have caught it. Stevie had open heart surgery last February and he is doing great. We thank God for Head Start, because our son is going to be able to lead a normal life. So, please, don't let the Head Start program be taken away. Because our children need this program.

HEAD START PARENT.●

STATEMENT OF RICHARD W. LYMAN, PRESIDENT, THE ROCKEFELLER FOUNDATION

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, the administration is calling upon private philanthropy to help fill the gap in human services caused by Federal budget reductions. As a member of the House Budget Committee and as Chairman of the Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing, I am deeply concerned that private philanthropy does not have the resources to respond to this call. Furthermore, the majority of the cuts in entitlement programs are affecting poor families, a segment of the population which do not usually benefit from corporate philanthropy.

Dr. Richard Lyman, president of the Rockefeller Foundation, confirmed my apprehensions in his testimony before the task force. His two main conclusions were:

First, even if private and corporate philanthropy were willing to abandon all of the programs that we now have, and turn all of our resources over to an effort at replacing the cuts in Federal entitlements, the task would be far beyond our combined means.

Second, private and corporate philanthropy are in fact not well suited to financing general social welfare programs, which necessarily involve broad coverage, multiple individual disbursements, and predictable, year-in, year-out assistance.

Dr. Lyman also quoted a survey of corporations showing that only 6 percent plan to increase their giving in response to the Government budget cuts.

To sum up, it seems evident that the administration is being unrealistic about the role of corporate philanthropy, particularly with regard to the poor.

I submit Dr. Lyman's full statement for the RECORD:

STATEMENT OF RICHARD W. LYMAN, PRESIDENT, THE ROCKEFELLER FOUNDATION

My name is Richard W. Lyman. I am President of the Rockefeller Foundation. I was also President of Stanford University for ten years so I have seen private philanthropy from both sides of the checkbook. I am here at the request of this Task Force to assess the "capability and inclination" of private and corporate philanthropies to "fill the gap in entitlement programs caused by federal budget reductions." I would like to respond to this question with three main points:

First, even if private and corporate philanthropy were willing to abandon all of the programs that we now have, and turn all of our resources over to an effort at replacing the cuts in federal entitlements, the task would be far beyond our combined means;

Second, private and corporate philanthropy are in fact not well-suited to financing general social welfare programs, which necessarily involve broad coverage, multiple individual disbursements, and predictable year-in, year-out assistance; and

Third, there are, however, some useful roles that private and corporate philanthropy can play in relation to the problems caused by changes in our nation's approach to social welfare matters. First, the question of capacity.

In 1980, private philanthropy distributed $2.4 billion, corporate philanthrophy distributed another $2.5 billion, for a total of $4.9 billion. This includes the programs through which corporations match the gifts of their employees to hundreds of colleges and universities; it includes support for museums and performing artists and grants for medical research and health care delivery; it includes critical funding for hundreds of community-based organizations.

The proposed reductions in entitlement programs far exceed this total of $4.9 billion, although given the difficulty of predicting just what will happen to those that may be subsumed in block grants to the states, it is difficult to say exactly how far. The following two sentences from the Congressional Quarterly for February 13, 1982, will set the context:

"The cuts proposed in the budget released February 6 would fall heavily on Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), food stamps, child nutrition programs and energy aid to the poor. Savings proposed for those five programs alone would amount to about $5 billion in fiscal 1983."

And that number, which so neatly matches the $4.9 billion total from organized philanthropy to which I referred, does not include any of this year's cuts, nor the proposed cuts in Medicare and Medicaid (said by CQ to amount to "nearly $4 billion") or in the cost-of-living adjustments for retired civil servants ($489 million), or a host of other proposals with which your task force will be dealing.

The foundations and corporations could not, of course, simply drop everything they're doing. But even if they could, clearly their combined resources would still fall far short, even without considering other federal budget reductions in programs which, though not entitlements, are important to the nation and of great interest to private philanthropy, such as student financial aid, science education, environmental protection, the National Endowments for the Arts and Humanities, and that program which, for all its difficulties, has enormously helped thousands of private non-profit agencies by providing manpower to supplement the work of volunteers, the Comprehensive Employment and Training Act (CETA).

Now for the second, less measurable but equally important point. Neither private foundations nor corporate giving programs are well suited to providing or financing massive on-going human service programs. Corporate giving, for example, understandably tends to concentrate in areas where employees live and work. While this often makes the business community the backbone of United Way campaigns in support of local charities, the corporations have neither the internal staff mechanisms nor the resources to pick up, say, the cuts in the food stamp program. This is probably at least part of the reason why, in a recent survey reported by the Conference Board, 60 percent of responding corporations said they expected to make at least modest increases in their giving, but only 6 percent said they expected to increase giving in response to government budget cuts.

The same Conference Board Report finds very few corporations that intend to reallocate available funds, which would mean that education, local charities and cultural programs would continue to get the lion's share of business giving. Were corporate giving overall to increase by 15 percent next year, as it did in both 1978 and 1979, that would add $375 million to the $2.5 billion I've mentioned. If, in the face of recession, business only increased its giving by the 4 percent figure obtained in 1980, that would amount to just $100 million. In any case it seems most unlikely that corporate giving will be influenced in the slightest by the

new provision in the tax code that allows for tax deductible philanthropy up to a limit of 10 percent of pre-tax profits. The average for major corporations has been hovering around 1 percent for some years. Furthermore, with liberalized provisions for writing off investment, many corporations will find that they have no pre-tax profits to report anyhow.

The private foundations, for their part, are generally very small organizations; the great majority have no full-time professional staff at all; only a handful across the nation have as many as ten such staff members. Their giving programs vary greatly. Some are focused entirely on one endeavor—for example, the Robert A. Welch Foundation supports, at a rate of about $8 million per year, "long-range fundamental research in the broad domain of chemistry within the state of Texas only." Others, particularly community foundations such as the San Francisco Foundation, the Permanent Charity Fund of Boston or the Cleveland Foundation, have broad, though local, mandates. Here is the language from the Chicago Community Trust: "for such charitable purposes as will . . . best make for the mental, moral, intellectual and physical improvement, assistance and relief of the inhabitants of the County of Cook, State of Illinois." All community foundations combined, incidentally, had assets of just under $1.4 billion in 1979, and made grants in that year totaling $102.2 million.

My third point, you will recall, is that despite the limitations of size and function I've been describing, there are things that private philanthropy can do and is doing that relate constructively to the questions that the Committee has raised.

They can sometimes help with a few of the most urgent cases of need. In Cleveland, a city already shaken by recession and the full array of center-city problems, the loss of federal funds has been estimated at $48 millions, of which private non-profit agencies are losing $14 million. The Cleveland Foundation increased its 1981 budget from $13 million to $17.5 million, and the Cleveland United Way, already the nation's per capita leader among such efforts, raised its 1981 goal by 10 percent (to a total of $40 million). Both together will not make up for the losses of federal funds, nor even the portion that will be lost by private agencies, but these community-based institutions are doing what they can to help.

The biggest effort at foundation-corporation collaboration in community development is the Local Initiatives Support Corporation, created in June 1980 by an alliance of six major insurance, banking and industrial firms with the Ford and Mott Foundations; Ford put up $5 million and the others a further five; the $10 million has grown now to $26 million in commitments from 85 corporations and 30 foundations, mostly local and regional ones. Over $7 millions worth of loans and grants have been approved, about half for housing projects and the rest for commercial or industrial development. In each instance LISC puts up a sum, no more than $250,000, which is then matched four and five times over by local and regional contributors.

Private philanthropy can and does provide money for studies of all sorts of social problems, research aimed at both finding the causes of difficulty and assessing alternative means of coping. To cite an example: at least three of the larger foundations already spend a major portion of their budgets to finance studies aimed at cost containment and the efficient delivery of services in health care—the Robert Wood Johnson Foundation, the John A. Hartford Foundation and the Commonwealth Fund. The Rockefeller Foundation has begun an effort to find out, by funding programs in five or six community-based organizations around the country, what mechanisms work best in enabling minority female single heads of households to get and keep jobs in private employment. We can't begin to make inroads on the overall problem of poverty concentrated in such families. But we do hope to learn some useful things.

I have to say, however, that at one point after another, private philanthropy is finding that the private voluntary organizations are being hard hit by loss of federal funds that constituted important parts of their budgets.

The United States has developed two patterns of dealing with the needs of its citizens that are just about unique in the world. First, we have created a great array of private, non-profit institutions that mobilize and spend private money for public good: hospitals, educational institutions, social welfare agencies, cultural organizations, neighborhood support groups—everything from Stanford University to the local Little League, and from the NAACP to the Chicago Symphony.

Second, we have developed methods of channeling public funds through such nationally- or locally-based privately-run organizations.

No doubt the mechanisms for doing this can be improved. No doubt private organizations can help to design such improvements. But elimination is not the same thing as improvement. It would appear that this unique system of federal money used by private agencies for public purposes is threatened. I believe that not only the public welfare but our free institutions will suffer if the threat is carried out.

Thank you.●

THE VILLAGE OF ROCKVILLE CENTRE

HON. RAYMOND J. McGRATH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McGRATH. Mr. Speaker, I would like to draw the attention of my colleagues to a new publication on Long Island called Long Island Life. This magazine has in its first edition an excellent article about the village of Rockville Centre, which lies within my congressional district. The article manages to capture the ambiance of this very special area, and I hope my colleagues will enjoy reading it.

[From the Long Island Life, Apr. 1982]

VILLAGE PROFILE: ROCKVILLE CENTRE

(By Barbara Klaus)

What do Alan King, Sandy Koufax, Goldie Blum and George's Bakery have in common? Answer: they all left Rockville Centre. It may be their loss.

True, this low-key, self-sustained village (3.3 square miles, incorporated 1893, population 25,412) is no longer the lily-white WASP-y enclave it was in the '30s (rivaling Garden City or Great Neck for prestige) or the Cedarhurst-type shopping mecca it was in the '50s (when women lined up three abreast for Goldie Blum's jewelry, men and boys were outfitted by Adelson's and people trekked in from miles around for George's pastries). It's better—or worse, depending on who you ask.

Rockville Centre may be the South Shore's best-kept secret—or a great place to live in but one you wouldn't want to visit. For the village that came to life in the '40s, came of age in the '50s is, in the '80s, going through a kind of mid-life crisis.

First, there is the question of identity. What, exactly, is Rockville Centre?

It is the $200,000 Tudors on "The Hill", and the Urban Renewal Projects near the station. It is the Catholic Diocese of St. Agnes, and conservative Temple B'Nai Sholom. It is three-generations-in-Rockville Centre families, and a new trickle of Spanish-speaking residents. It is retired people in condos, and toddlers in a day care center.

But Rockville Centre is more than a mosaic, it is a mixture. And many would argue that the injection of this hybrid, melting-pot quality is precisely what makes Rockville Centre work. Perhaps, like many middle-aged folk, Rockville Centre takes its good points for granted. And there are a lot of good points.

For one thing, there still is money here. Quiet money. It may be said that, if Hewlett is diamond earrings and Garden City is a mink, then Rockville Centre is a basic black dress. An expensive black dress. There is more substance than form in the spending. (Judging by the stores, Rockville Centre money is in banks, beauty salons and ice-cream parlors. How many other towns support two Carvels!) It is ski vacations, concerts and education; not flashy cars and clothing. (When Cedarhurst bought gold, Rockville Centre used it as an accent color.)

Most of all, Rockville Centre is stable. Says Village Historian Mary Jane Halley, "It's almost an anachronism. There's a small-town feeling like in the 1880s. Rockville Centre embodies hometown for so many generations of people. I don't know another town where so many children can walk to grandma's house."

"People who wander in—transferees—are amazed," says Patt Waiser of RVC Realty. "They see signs pointing to the different churches, and the houses are very beautiful. They ask owners why they're moving and, as a real estate agent, it's very gratifying that they're moving for more space—but not out of Rockville Centre." Anita Rosenshein, who has measured Rockville Centre feet at Postur-Line Shoes for 19 years, says, "Now my children [customers] are starting to grow up. We're dealing with second generation. They seem to flow back."

But why are so many flowing back? And, as they used to ask in show business—is every-body happy? Talk to the people who run Rockville Centre and, yes, every-body's happy. Especially the Mayor, Leonard Sandel, who is estatic.

Besides being "No. 1 in the country in terms of recreation," Rockville Centre has its own police department, volunteer fire department, an auxiliary police force, five towers for storing and aerating water, its own sewerage—and is one of three villages on Long Island with its own electric plant (Freeport and Greenport are the others). "Now, for every dollar other people pay, we pay 55 cents," says Mayor Sandel.

(But maybe not for long. John Dyson, Chairman of the Power Authority of the State of New York has introduced a propos-

al to distribute PASNY power equally to all residential customers throughout the state.)

And the commuters? They are happy, too. Maybe not about LIRR rates or commuting—"There's a lot of heart attacks," says Julie Casella, who serves them breakfast at the Front Street Coffee Shop. Nick Katsoulaki, her boss, adds, "They got 30 seconds and they want eggs, toast and coffee."

The Senior Citizens? Euphoric. A Property Relief program and an Enabling Act (enabling residents over 62 to remain in buildings going co-op without having to purchase) make the livin' easy. The Senior Center boasts a full range of cultural and recreational activities and social services. "It's not just a bingo club or a rec center," says Barbara Karro, the Center's Director." We have a holistic approach. We help them negotiate the bureaucracies, we have flu shots, we have tax help."

You want culture? Rockville Centre has culture: The Museum of the Village of Rockville Centre, the Friends of the Library, the Guild for the Fine Arts, which sponsors theater at Molloy College and runs a popular concert series. "One thousand tickets were sold out in one week," says the Mayor.

As for the schools, well, some people feel that the best thing about South Side High School is a Bob Geise recommendation on your Tufts application. Others feel that South Side is at least as good as ever. Take your pick. Here's what they say:.

Elliot Garfinkel, Principal: "Close to 90 percent go on to college—two and four-year schools. We still have outstanding kids at the top who are getting challenged. They're there academically."

Dorothy Cancellieri, former Village Historian: "Academics? It ain't what it used to be. They expect a school to do too much. Driver Ed., Sex Ed . . ."

Dr. William J. Leary, Superintendent of Schools: "No one is satisfied with the public schools. You get a lot of people saying, 'Yeah, but there are a lot of kids going to state schools and Nassau Community College'. This is economic—pure and simple."

Lori Kupfer, 17: "There's no motivation for the students. You don't feel like you're going to school for a purpose. You go in, sit down, take notes and take a test. It's so monotonous."

John Lidz, 16: "Extra-curriculars are stressed over academics. I think that's bad. They've lost their priorities. I think we're about average. We're not like Woodmere Academy but we're better than Lynbrook. We're getting better every year."

Dan Southwick, 17: "The sports are pretty good—football, wrestling."

Speaking of sports, soccer is to Rockville Centre what tennis is to Great Neck. The Rockville Centre Soccer Club began eight years ago in the German-American Soccer League in Brooklyn with one intramural and two traveling teams and about 30 kids. "You had to literally read German to see when your team was playing," says Marvin Waiser, one of 13 Board members. Today there are 1,700: 1,300 in intramurals and 22 traveling teams. "It's the biggest sport in town," says Waiser. (Of course, there is Little League baseball and the Boys Basketball Association, among others.)

If the residents are happy, the ministers are jubilant. And why not? How many other villages host every type of religious affiliation—St. Agnes Cathedral, 12 Protestant churches, two synagogues and a group of Bahais who meet in each other's homes?

"The last 10 years there's been a great ecumenical movement," says Rev. Msgr. Edward L. Melton of St. Agnes. "Rabbis, ministers and priests don't hesitate to call on one another. Because of the renovation of St. Agnes, the Episcopal Church is helping out during Lent."

Rev. Morgan M. Days, Pastor of the Shiloh Baptist Church, says, "Last year the Bishop of St. Agnes spoke at Shiloh. I read the Scriptures at St. Agnes, St. Marks Episcopal, Central Synagogue—I've preached in them all."

Ministers rave about the Inter-Faith Council meetings, the Inter-Denominational Thanksgiving Eve service, the Jewish doctors and volunteers who cover for their Christian counterparts at Mercy Hospital on Christmas, the Inter-Denominational Youth Center at the Methodist Church.

But Rabbi Lewis C. Littman of Central Synagogue says, "These activities are all kind of superficial. Within the last year, there's been an interest in the quality of inter-faith."

"There seems to be a growing concern that we communicate with each other and that we coordinate," says Rev. William Perkins of St. Marks United Methodist Church. EPOC—The Ecumenical Program and Outreach Council of Rockville Centre (open to representatives from all religious congregations) is one expression of that.

Does the ecumenical spirit extend to the people? "I find people much more tolerant," says Msgr. Melton. "The majority of people from Rockville Centre commute or travel. They're not held down to a small-town mentality. People don't feel they have to ghettoize today."

"Other people like to cry 'anti-Semitism'—I don't see it in Rockville Centre," says Rabbi Barry Dov Schwartz of Temple B'nai Sholom. "Often, when the school or the athletic committee schedule something on a Jewish holiday, I send them a calendar and they respond in the best way I could hope for. In a compromise, they schedule Little League or soccer later on a Saturday so the children can go to morning services."

"There are rough edges," says Dorothy Cancellieri. "People may hold their own prejudices within themselves. It's not ideal but it's come a long way since before World War II."

"People go to bar mitzvahs, confirmations, join in Chanukah celebrations, tree-trimmings," says Mary Jane Halley.

Who could ask for anything more? But is anybody really satisfied at middle-age? Like most of us, Rockville Centre can't help remembering.

Mayor Sandel joined the waves of ex-GI's heading for the good life. "For everyone who came from New York or Brooklyn, this became a garden spot" he says. "My father had bought property from Whitehall Properties—from a booth on Times Square, I came out to look at it. They had good stores all along Sunrise Highway."

But not Saks Fifth Avenue, Lord & Taylor or Doubleday—all of whom approached the village fathers about locating on Sunrise Highway—and were turned down. "I think they didn't want to urbanize the area," says Sandel.

Not everyone thinks the good old days were so good. "When I came in '37, the Banks Avenue section (Now the Urban Renewal Projects) was a lot of shacks with low-income people living there—three, four families in the same kitchen and bath," says Rev. Days.

And Catherine Pucciarelli, Village Trustee, says, "I hear residents saying how beautiful it used to be but I've seen photos and it really wasn't all that beautiful."

So, if yesterday "wasn't all that beautiful" and today is maybe not so bad, after all, why is Rockville Centre not what it used to be? Perhaps it's the changes—some having more to do with the times than the town.

"We've had a deterioration in the business district", says Mary Jane Halley. "We have to vitalize it. Rockville Centre suffers from the big shopping malls. We seem to have a tremendous amount of thrift shops but we're not like other towns that have OTB—that's the beginning of the end."

"Although the Mayor admits, "We're not a mall—we're not for 'big, important' shopping," he's optimistic. "Look at the business Imperial China is doing. Look at what the Yogurt Shop is doing. Cablevision will set up a South Shore office in Rockville Centre, 7-Eleven is coming in . . ."

"A great many people make the mistake of underestimating the town," says Natalie Slonim of Mimi & Natalie's accessory shop. "The stores that have been here forever are the good stores. I've seen the garbage-y stores come and go because I think Rockville Centre is a good town."

Good and different. "In the '20s, you couldn't move to this community unless you could afford it," Dorothy Cancellieri says. "Today there are many whose incomes are below average. Less are commuting, less are homeowners—there are more multiple-family dwellings."

"Many people in town 20 years ago were doctors and successful merchants. Today, many come from managerial professions," says Elliot Garfinkel. "It's still affluent, but not as much as 10 years ago. I remember kids coming to school in limousines. You don't have that today."

But he adds, "School was far more cliquey 20 years ago. Relationships are better today."

Relationships mean people and—in 1982—people means minorities. "The Spanish-speaking community has been here since the late '50s, when the Cubans came," says Catherine Pucciarelli. "Now there are Santo-Domingans, they're an invisible population. It's transient."

Says Mayor Sandel, "We have provided the Spanish-speaking population with an Affirmative Action program. They became the constituency of St. Agnes."

Says Msgr. Melton of St. Agnes, "The Spanish-speaking population is 1,500 out of a total St. Agnes membership of 16,000. We've had to address ourselves to the problems with immigration. People need someone to go for driver's licenses, Social Security, the IRS. Father Sullivan, who spent 17 years in Bolivia, and heads up the Rockville Centre Diocese Apostolate, works with them."

What about other minorities? "Prejudice doesn't seem to be very widespread in this community," says Rev. Days. "I'm happy here, I'm satisfied." Is he satisfied with the Projects? "Those houses would have been shacks. This is first-class now."

But Msgr. Melton says, "A number of Black citizens were promised by the village and Housing Development that they'd be relocated and never were."

Some changes were uphill battles. "Older people in Rockville Centre would like to maintain the status-quo. Unfortunately, that's impossible," says Joan Sheppard, Director of the Rosa Lee Young Day Care Center, which began in the basement of the Shiloh Baptist Church, moved to another church before settling permanently on North Village Avenue.

"People have a misconception of day care. They see it as being a . . . I'd better be careful of what I say . . . not a positive force in the community. We tried to buy a house on Lincoln Avenue and the neighbors were vehement against us. Older people still walk by anxiously.

"The Mayor and Rev. Days have been very supportive of us. Central Synagogue was willing to take us on temporarily. As far as the rest of the community was concerned, we were nice and safe down where the Black people lived.

"Young people are happy to hear about the day care. It's not custodial. We provide good developmental child care. Every mother who is able to get out to work becomes a taxpayer—not to mention what it does for her self-image."

And Rockville Centre's self-image is getting a boost. How? How does anybody boost their spirits in middle-age? By getting a face-lift. Park Avenue is resplendent in old-fashioned streetlights and brick sidewalks. There's a plan for a Public Works facility at Lister Park, including tennis and basketball courts and a fieldhouse for concerts and drama. A new wing to South Side Senior High School will be completed by September (as the school converts to a four-year high), the Senior Center is being enlarged to double its size, Molloy College has added a new Fine Arts Building and St. Agnes is being renovated (Cardinal Cooke will preside at a May 27 rededication ceremony).

Does this sound like a town that's seen its better days? And if, indeed, Rockville Centre is not what it used to be—who is? It may not be lily-white, WASP-y and solidly upper middle class, but it's a stable mixture of many different cultures. Besides, how bad could it be?—Swensen's opened here last summer!●

CONGRESSIONAL VIGIL AND SOLIDARITY SUNDAY FOR SOVIET JEWRY

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SCHUMER. Mr. Speaker, I am pleased to participate in this year's congressional call to conscience vigil and to remind my colleagues of the continuing plight of Ida Nudel.

I am particularly pleased that I can participate immediately following the massive Solidarity Sunday march held last weekend in New York City. It was truly a moving experience to be part of over 100,000 New Yorkers marching to protest the repression of the Soviet Jewish population. This annual demonstration is a powerful reminder to Soviet authorities that people around the world know of their willfull mistreatment of Ida Nudel and her fellow Jews, in violation of every international standard of law and decency. I would like to thank the organizers of Solidarity Sunday—the Greater New York Conference on Soviet Jewry—for their tremendous work in putting together Solidarity Sunday, and for their ongoing assistance to members of the New York area congressional delegation.

This year's congressional vigil is taking place during a crisis period for the Jews of the Soviet Union. Emigration is now at a 10-year low, and the small trickle of emigration continues only to create a facade of Soviet compliance with their international agreements. In addition to the virtual halt in exit visas, it is abundantly clear that direct acts of antisemitic repression have been on the increase in the Soviet Union. It is amidst this bleak situation that the Soviets released Ida Nudel from internal exile and permitted her to return to Moscow. She is now back where she began years ago, with little prospect of emigrating.

Ida Nudel has served an entire prison term for desiring to emigrate to Israel. She still holds that desire, and she is still entitled to it under the terms of the Final Agreement of the European Conference on Security and Cooperation. Ida Nudel must be allowed to join her sister in Israel, as demanded by the participants in the congressional call to conscience vigil, the 100,000 Solidarity Sunday marchers, and the terms of international law.●

PROGRESS IN NUCLEAR REACTOR DEVELOPMENT

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mrs. BOUQUARD. Mr. Speaker, all too frequently I am reminded that we in the United States are once again becoming complacent in matters of energy supply and future availability of fossil fuel reserves. The administration's fiscal year 1983 budget failed to include a request for continuing research and development of the high-temperature gas-cooled reactor. This reactor offers inherent safety features such as fuel stability at high temperatures, substantial time availability for controlling the reactor during unusual operating conditions, and the elimination of chemical reactions between coolant and fuel. Furthermore, the high-temperature gas-cooled reactor (HTGR) and the very high temperature reactor (VHTR) offer advantages in supplying high-temperature-process heat for industrial manufacturing.

While some people in our Government may not look very far into the future of energy supplies, officials of other governments have. I have received a letter from Tetsuo Kondo, chairman, Science and Technology Committee, House of Representatives, Tokyo, Japan, which I would like to place in the RECORD so that my colleagues may benefit from Mr. Kondo's wisdom on the high-temperature gas reactor.

HOUSE OF REPRESENTATIVES,
Tokyo, April 21, 1982.

Hon. MARILYN L. BOUQUARD,
Chair, Energy Research and Production Subcommittee, House of Representatives, Washington, D.C.

DEAR CONGRESSWOMAN BOUQUARD: Last December I had the honor to be appointed Chairman of the Science and Technology Committee of the Lower House of the Japanese Diet. In this position I am responsible for Diet consideration of all aspects of science and technology including research and development on new energy technologies. The responsibilities of my Committee in this latter area are similar to those of your Energy Research and Production Sub-Committee.

While new energy technologies are only one part of my responsibility, it is in my view a very critical part. This is due to the almost complete dependence of my country on imported energy resources. Because of this, new energy technologies which permit the diversification of fuel supply sources or which reduce the magnitude of fuel imports are of the utmost importance to us. In this regard I am personally convinced that nuclear power is an essential part of the energy mix required for Japan.

Already we are building light water reactors based on technology obtained from the U.S. and we have a very active liquid metal fast breeder reactor development program. In both of these areas we have benefitted greatly from cooperation with your country and I hope that you have also benefitted in some small way from the information developed here in Japan.

In addition to the LWR and FBR programs we are working on the development of a very high temperature gas cooled reactor (VHTR) for process heat applications. As you are aware Japan uses a large amount of process heat in industrial applications—again the fuel for this process heat must be imported. In my view the VHTR has tremendous potential for meeting much of our process heat requirements especially in the high temperature range. Our program has in the past benefitted from informal cooperation with the gas cooled reactor programs in both the U.S. and the Federal Republic of Germany and I had been hoping to see this important cooperation formalized and expanded. However, I understand that, within your country, consideration is being given to seriously curtailing or even terminating your gas cooled reactor efforts. This, it seems to me, would be extremely unfortunate especially since the Fort St. Vrain reactor has just recently entered into commercial operation and is now producing useful information.

Since you will be directly involved in the decision on this matter, I would very much like to have the opportunity to exchange views with you on the subject.

The Diet is now in session so it is difficult for me to travel outside of Japan at this time. However, I plan to visit the United States in June or July after the Diet adjourns. At that time I would like to meet with you to discuss energy developments in our respective countries including the importance of the development of a very high temperature process heat reactor.

I am looking forward to meeting you.

Very truly yours,

TETSUO KONDO,
Chairman, Science and Technology Committee, House of Representatives.●

STATE OF MISSISSIPPI HOUSE RESOLUTION SUPPORTS REPUBLIC OF CHINA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. McDONALD. Mr. Speaker, in my view, the Reagan administration has been too timid in its policy on China. My strong feeling has been that we should officially recognize the Republic of China in some fashion and restore our official ties with our longtime ally. In my view, our policymakers do not understand the fact that the People's Republic of China needs us much more than we need them. Therefore, I was pleased when I received a copy of House Resolution No. 19 from the House of Representatives of the State of Mississippi asking the President to restore official relations with the Republic of China and to provide specific security guarantees for that nation. I commend the text of this resolution to my colleagues and our policymakers here in Washington as typical of grassroots sentiments in America today.

STATE OF MISSISSIPPI: HOUSE RESOLUTION No. 19

Whereas, the Republic of China is a longtime friend, ally and trade partner of the United States; and

Whereas, the Republic of China holds a pivotal, strategic position in Asia and the West Pacific which is vitally important to the interest and the defense of the United States; and

Whereas, the people of the Republic of China enjoy a democratic way of life, a high standard of living and fundamental human rights; and

Whereas, continued trade with the Republic of China is vitally important to the State of Mississippi and the United States:

Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, That we do hereby memorialize President Ronald W. Reagan to establish official government relations with the Republic of China, and that we do hereby memorialize the Congress of the United States to take all necessary actions to provide specific security guarantees for the Republic of China.

Be it further resolved, That a copy of this resolution be transmitted to the President of the United States, the Speaker of the House of Representatives of the United States and to each member of Congress of the United States.●

PAUL N. McCLOSKEY, JR., HONORED

HON. JOEL PRITCHARD

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. PRITCHARD. Mr. Speaker, on April 27, our distinguished colleague, PAUL N. McCLOSKEY, JR., who represents the 12th District of California, was honored as the recipient of the Population Action Council's Legislator of the Month award. The plaque recognizes Congressman McCLOSKEY's dedication to global humanitarian concerns and efforts to achieve world population stabilization. Before a wide cross section of business and community leaders, the award was presented at a ceremony in the Stanford Court Hotel in San Francisco by Parker Montgomery, chairman of the board of Cooper Laboratories and a part of the Population Action Council's National Business Leaders Who Care network.

REMARKS BY PARKER MONTGOMERY

We are very impressed with what we have learned and observed in our association with our honored guest today. Although, before moving Cooper Laboratories onto the peninsula, we had long known of Pete through his reputation for independence, intellectual honesty and tremendous personal courage, it was indeed a great pleasure to get closer to Pete as we stayed involved in activities here in the Bay area and nationally.

We have observed first hand one of the greatest Americans I have ever had the pleasure of meeting. He is one of the few individuals that I know in public life whose physical courage has been translated into the kind of intellectual courage that makes it a pleasure for me to appear today on the dias to present this award. This is an American who deserves our support in every respect. It is now my great pleasure to present this award on behalf of hundreds of Americans, who share my belief that through solving the world overpopulation problem in humane and rational ways we can contribute significantly to the quality of life for future generations. This is the Legislator of the Month award to Representative Paul N. McCloskey, Jr. "in recognition of his fostering support to solve the world population crisis through a demonstrated commitment to share ideas, knowledge, and experience towards the ultimate objective of reducing population growth and creating a better life for all the world's people."

REMARKS BY REPRESENTATIVE McCLOSKEY

I want to thank the Population Action Council and perhaps try to put some perspective on the issues that face our country. I think what the Council is doing is perhaps as important a thing as occurs in our lifetime. I learned something in the Marine Corps: awards are not given to honor bravery or courage or success in the past. We give these awards, not to honor the past but to force you in the future to live up the ethics and morals of what that award represents. And you have recalled to my attention the importance of the ability to limit population growth around the world.

There's another movement occurring today—the public outpouring of sentiment that somehow we should control nuclear weapons and avoid a nuclear exchange which would destroy the 4,000 years of civilization we have built up. In the last several weeks we have seen people speaking out and forcing legislatures and legislators to address subjects they wouldn't otherwise address. We have seen the importance of what a popular movement can do.

Do you remember that less than a year ago this Administration was speaking about our ability to limit and even win a nuclear war? But as a result of the public dialogue that has gone forward about the impossibility of surviving a nuclear war, only a few days ago the President of the United States went on national television to state unequivocally that we could neither limit nor win a nuclear war.

The most important thing that any citizen can do is to be part of an effort to square away and force political leaders to rethink the priorities, the values and the rules that were adopted in years past, and to force the political leaders to lead from an enlightened standpoint. To the extent that the Population Action Council does this, you serve the same function, in my judgment, as the citizens groups that are now forcing politicians to readdress the questions: Can you win a nuclear war? Is a nuclear first strike an appropriate part of American strategy?

The nuclear question should be addressed because, of all the problems confronting mankind, the control of nuclear weapons is clearly of crucial importance. But I'm not so sure—and I was impressed by this 10 years ago—that the greatest threat to peace in our time, on this planet, is not posed by the unbridled growth of population, particularly in the poorer countries. Time and again we have seen a country have an increase in its gross national product of two or three percent a year, only to be tortured by a population growth rate of 3.5 percent.

For the United States to say that birthrates in foreign countries are problems we should not address or devote assets to attempting to solve is to decline to recognize the problems this country faces today. For example, as a result of the birthrate in Mexico, or in Haiti, or in Nicaragua, or in any of the Latin American countries where high birthrates force people—out of poverty, misery and despair—to immigrate to the United States, legally or illegally, this clearly can engender further poverty, further despair, and, ultimately, the willingness to give up life rather than to continue in that despair.

The magic of this country, it seems to me, has been a simple provision of the Constitution that we adopted back in 1868, entitling every person to equal protection of the laws. If you look at the good and well-intentioned efforts of people, either in government or outside of government, these are essentially in recognition that once a person is born into the world, we want to nurture that person, we want to give love to that person, we want to give the right of equal opportunity, good nutrition, good health care, the right of a good education, and the right to succeed in life. Once a person is born, whether it is a child in Somalia, or a child in the ghettos of Los Angeles or Washington, D.C., that constitutional provision obligates all of us to give that person equal protection of the laws and equal opportunity.

For this reason, it seems to me, we ought to look very carefully at the other rights we have recognized as human rights. At the Teheran Conference in 1968, it was recognized that every couple should have the human right to determine how many children they are going to bring into the world and the spacing of those children. In 1974, Cap Weinberger, now our Secretary of Defense, headed the U.S. delegation to the World Population Conference in Bucharest, which adopted—with United States acquiescence, approval and leadership—the human right assertion that it is the role of government to provide the means and education to allow women to decide when and how they will

bring children into the world. And if we give this incredible protection to human life once created, should not the decision whether to bring children into the world be equally important in our determinations?

I know of no way to have peace in this world as long as we have a continuation and an enhancement of the disparity between the wealthy and the poor. And yet the birthrates in the developing countries are clearly frustrating and defeating our attempts to end poverty.

A few years ago an individual came to me at a constituent meeting with a copy of a bill before the Congress to create a Population Commission. The bill provided that the commission would study population growth, the impact of that growth on the economies and on the governments of the world. This individual, a single citizen of this country, had written in pencil that this commission ought to also study the impact of population growth on the environment and whether or not we shouldn't try to limit population growth. And because he put that language in my hand, I took it to my committee and, ultimately, it was adopted. Three and one half months later, the President of the United States said he was pleased to accept this amendment creating the Population Commission that had been added by the House of Representatives. Actually it has been added by one constituent who had come to one Congressman and said, "Do this."

And that commission, when it was created under John Rockefeller III, then had a mandate to study whether we should limit population growth. A year later the commission recommended to the government of the United States that we should try to limit population growth, and if we could limit population growth we could materially address the problems of poverty and end the danger of war, or at least materially diminish the dangers of war caused by excessive population growth. The report of that committee, representing the idea of one person, has, in the last 10 years, played a part in the international dialogue.

Now, interestingly enough, the United States, after leading in this effort, leading in the concept of assistance to other countries, has somewhat retracted from that position. We do not give our fair share of foreign assistance related to population control. Out of $11 billion in foreign assistance appropriated last year to a number of countries, only $211 million was related to population assistance to meet the Bucharest Conference goal that we give every couple the education and the means—as an obligation of government—to determine the number of children they will bring into the world.

But, hopefully, we can change that, just as the President of the United States has been forced to change his position on winning a limited or unlimited nuclear war. If we have a public movement demanding that political leadership also address the population growth in Third World countries, I think we can do the same thing.

You caught my attention by giving me this award. You have now extracted from me a commitment to spend some part of my time in my remaining months in the House of Representatives trying to make sure that adequate assistance for international population programs goes through the budget process.

You pointed out to me that one Nimitz type nuclear carrier involves a $3.5 billion expenditure by the United States. Our own Office of Technology Assessment has said we could stabilize world population growth if the world were willing to commit an additional $3.5 billion—the cost of a nuclear carrier—into the field of limiting global population.

We have immense tasks. The danger to world peace over the next 50 years is fully as great from unbridled population explosion in the Third World as from any growing imbalance of nuclear weapons, or any first strike by ourselves or the Soviets, or any nuclear weapons falling into the hands of a Qaddafi or an Idi Amin.

What we need is a public demand that the political leaders address this problem of population growth with the same efforts that we devote now, as a result of public demand, to the question of a nuclear freeze, reducing the amount of nuclear weapons and ending the nuclear arms race.

The major issue is how we can help 156 nations, plagued by the inability to limit their population increase, attain the means and the information so that couples can make the choice of how many children they bring into the world. I think the great value of international law is in its sweep. The fact is that in 1974 the United States subscribed to the position that a couple ought to have this right. And that international treaty ought to bind even this Administration to see that couples all over the world have the right to limit the population in their individual countries, and, hopefully, make those countries less inclined to go into war to redress the imbalance that surely must occur if population continues without limitation.●

LAISSEZ ISN'T FAIRE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. DOWNEY. Mr. Speaker, the Democracy Project recently held a conference here on Capitol Hill to present its alternatives to Reaganomics as they concern industrial policy. I found the remarks of the project's director, Mark Green to be of special interest to me and I would like to present them here for my colleagues' consideration.

WHY "INDUSTRIAL POLICY"? BECAUSE LAISSEZ ISN'T FAIRE

(By Mark Green)

The Democracy Project is a new "action-institute" dedicated to developing progressive alternatives in four areas—economic democracy, political democracy, health/safety regulation and crime. Our subject today is "Industrial Policy" and our challenge in how government policy can spur economic winners, cushion economic losers and revitalize troubled firms—without merely subsidizing politically powerful firms or engaging in "lemon socialism."

Still, why a conference on this subject in early 1982? Before the speakers present their papers, let me explain the four assumptions that provide the foundation for, indeed the inspiration of, today's discussion:

First, *Reaganomics is failing.* Although this conference is *not* about macro-economic policy or Reaganomics, I can resist anything except temptation. And since if the Administration's economic program works there will be need for or interest in alternatives, it is worth establishing that program's analytical and empirical collapse. It presumes that American citizens and companies are overtaxed, when OECD and IMF studies show we are among the least taxed of Western societies; it presumes our public sector is too large when, again, it is among the smallest; it presumes that capital investment is down, when it is far higher in 1980 than in 1970 or 1960 and when *Business Week* told how companies were entering the 1980's with record levels of idle cash. President Reagan in his first address to the Congress blamed inflation on "all that deficit spending" and now is presiding ever unprecedented deficits; he promised to provide "jobs, jobs, jobs" and within a year of his inauguration a million and a half more people are jobless and the unemployment rate is 8.9%; he talked about economic growth but high interest rates still choke off any economic expansion.

This is not an enviable record to explain publicly, even for President Pangloss, which perhaps explains his unwillingness to hold very many press conferences.

Second, *laissez isn't faire.* Surely the free competitive marketplace can be an efficient allocator of scarce resources. But unlike Reaganites, we should not burn incense to it. For flaws in the market often create abuses and generate false signals. For example: oligopoly, not competition, characterizes two-thirds of the manufacturing sector; the marketplace often leads to "coerced consumption" or what economists call "externalities," when innocent third parties have to breathe the dirty air or suffer physical injury from other people's market transactions; banks and companies for a variety of reasons can engage in a "capital strike," as when they decide to forgo intercity mass transit, rural electrification, urban housing or affordable health care; the free market allows Lyhes Corporation to close its Youngstown steel plant and put 5,000 people out of work without any notice; and the "perfect capital market" is not very perfect if the goal is economic efficiency: lending institutions have often sunk money into buying companies rather than building plants, or have refused credit to creditworthy women or blacks or small businesses or consumer co-ops because they were not the sort of people they lunched with or had on their board of directors.

In other words, laissez (isn't always) faire. And if the best federal policy toward the economy is a mere "hands-off" approach, why then are we being out-competed by countries whose governments intelligently pursue "hands-on" industrial policy?

Third, *though the Reagan Administration disdains any industrial policy, they have one—and it's the wrong one.* It is an industrial policy, albeit through the macroeconomic backdoor, to cut taxes especially for big capital-intensive companies—even though small labor-intensive firms are the real generators of new jobs in America. It is industrial policy when Reaganomics subsidizes investment in plant and equipment with cuts in education and job-training; this elevation of hardware over thoughtware, however is a form of economic unilateral disarmament since it undermines our greatest productive asset—our intelligent and skilled labor force. It is an industrial policy when the Anti-trust Division appears to be lenient on big mergers—which helps trigger an unprecedented volume of large mergers in 1981. And it is an industrial policy to pursue energy price decontrol—which re-

sults in that one sector gaining 44 percent of all manufacturing profits, thereby denying needed capital to non-energy sectors.

Fourth, the U.S. Government has for a long time insinuated itself into the industrial sector. It's probable that the procurement policies of the Defense Department, with its $40 billion-plus annually to spend, play as large or even a larger role in shaping industrial markets than antitrust enforcement. Most R and D in this country is federally funded. The federal government presides over an array of tariffs, quotas, "voluntary trade agreements"—and in 1982 the U.S. will extend more than $150 billion in loans and loan guarantees.

The problem, consequently, is not the U.S. lacks an industrial policy, but that it has a self-defeating one (inspiring mergers, not construction—and physical capital over human capital) and that it is guided by ad hoc standards and political clout (Chrysler, the Alaskan Gas Pipeline).

The industrial policy debate today, therefore, turns not the false comparatives of planning vs the market or public enterprise vs private enterprise, as conservative ideologies would have us believe. The real issue is foresight vs ignorance. The real issue is whether there can be principled and enforceable standards for federal economic intervention, instead of the ad-hocery that now prevails, and whether progressives can develop a strategy that weds growth with equity.

That is our charge—and it implies some different questions:

How can you pick "winners" before the market does? Or should you ideally only focus on sectors already doing well by helping them achieve economies of scale quicker than their foreign competitors?

How can we avoid "bureaucratic liberalism," where liberal programs get perverted for conservative ends while liberals get blamed (urban renewal).

How can we most effectively reduce the cost of market failures on working families? Can or should the government restrict unannounced capital flight?

If firms are really in "sunset industries," why throw good money after bad? Can federal policy help firms temporarily in trouble by converting production lines or retraining workers to serve new markets?

How can we avoid an industrial policy office from merely bailing out economically inefficient but politically powerful firms?

These are not easy questions to answer, but if we do not ask the right questions, we surely can't get the right answers. So before America reindustrializes, we must figure out for whom and by whom. Who pays and who benefits? If this conference were to have a long-winded bumper sticker, it would be "Reconceptualization before Reindustrialization."

Is anyone in Congress interested in this issue of a new industrial policy? Probably not very many, which is why we want to begin this debate. Not many people were interested in a 30 percent tax cut in 1977 either, but the persistance of its advocates and economic duress made it an established policy. I have no doubt that out of our efforts today and out of our growing economic duress will emerge a progressive and democratic economic alternative that will form a basis for policy after Reagan.●

CHICAGO SUPPORTS STRONG CLEAN AIR ACT

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FARY. Mr. Speaker, it gives me great pleasure to join with my colleagues in recognizing National Clean Air Week. Despite economic hard times, recent public opinion polls indicate that Illinois voters want clean air and are willing to pay for it.

The Chicago Lung Association questioned 1,400 voters in February of this year in the Chicago area and suburbs. Some of the key questions and findings include: First, 45 percent of respondents favored keeping the Clean Air Act the same, while 37 percent favored making it stronger; second, 74 percent of the respondents were willing to pay more for air pollution control, while 22 percent were not willing to pay more for pollution control; third, 59 percent of respondents believed that clean air standards should not be weakened in favor of economic growth, while 34 percent said that clean air standards should be weakened in favor of economic growth.

In light of these findings, it seems safe to say that Chicagoans want to have a tough Clean Air Act. Because of the results of this survey and my own heartfelt concerns regarding the environment, I was pleased to cosponsor the Commitment to the Clean Air Act Resolution of the 97th Congress.

The Illinois Environmental Protection Agency recently completed a study of the effect on Chicago air quality of rolling back the current emission standards for new automobiles for oxides of nitrogen and for rolling back the standards for carbon monoxide. The Illinois EPA concluded that a rollback of the current oxides of nitrogen standard for light duty vehicles will cause ambient air quality levels in Cook County to increase after 1983. Since recent air quality monitoring data for Cook County show violation of the health-related National Ambient Air Quality Standard for nitrogen dioxide, the proposed rollback could result in increased health risk to the affected population, as well as the need for retrofitting of additional controls on stationary sources of nitrogen oxides in the area. This would fall most heavily on industrial and utility boilers, especially those which burn coal. At best, several planned conversions of boilers from gas or oil to coal would be blocked.

The IEPA study also shows that, if one assumes retention of the 1.0-gram-per-mile nitrogen oxides standard, the proposed relaxation of the light duty vehicle carbon monoxide standard will also have a significant adverse effect on air quality levels. Specifically, their conclusion is that the number of "hot spots" (intersections and roadway segments where carbon monoxide levels may reach harmful levels) will be increased by more than 50 percent in 1992.

In both cases, revising the standards would allow manufacturers to discontinue use of existing technology that has been proven effective by use on 1981 and 1982 model cars. The justification claimed by manufacturers is the potential for reducing the price of new cars by an estimated average amount of $100 each.

Such evidence is hard to disregard. I am proud to stand side by side with my colleagues here today in support of a renewed commitment to a strong Clean Air Act.●

IN MEMORY OF WILLIAM ADAMS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WOLPE. Mr. Speaker, this May 12, the residents of the Waverly school district within my congressional district in Michigan will be gathering to honor the memory of a very special person, Mr. William Adams. Bill Adams died April 4, 1981, as a result of injuries sustained while performing in his capacity as varsity baseball coach for the Waverly schools. At the May 12 ceremony, the Waverly community schools will be dedicating a new facility to him.

Bill Adams, husband, father, teacher, coach, concerned citizen, was indeed a very special man. His dedication to the youth of the Waverly community, a dedication that twice earned him the designation, "Teacher of the Year," was an inspiration to all who had the good fortune to know him. Bill Adams touched the community around him and made it a better place for all of us in which to live.

In testimony to Bill Adams' many contributions to the Waverly community are the numerous resolutions in his honor that have been passed by community groups and by local and State governments. Mr. Speaker, I would like to submit to you two of those resolutions as a tribute to the life of this very special person, for Bill Adams exemplified in every respect the American ideals of commitment and community service.

PASSAGE OF A RESOLUTION

The following resolution was adopted by the Board of Trustees of the Charter Township of Delta at their regular meeting held on March 15, 1982:

Trustee Lyle L. Brown moved that the Board adopt the following:

RESOLUTION OF APPRECIATION

Whereas Mr. William Adams served as a Teacher of Mathematics for the Waverly Schools for a total of sixteen (16) years; and

Whereas Mr. Adams was selected "Teacher of the Year" on two occasions and was considered by his colleagues and students to be an outstanding teacher; and

Whereas Bill Adams also served as Coach of the 8th Grade Baseball Team for two (2) years; the JV Baseball Coach for eleven (11) years; and the Varsity Baseball Coach for two (2) years; and

Whereas Mr. Adams led the Varsity Baseball Team to co-championship in the Capital Area Conference in 1979; and

Whereas Bill Adams passed away on April 4, 1981 as a result of injuries sustained while performing in the capacity of Varsity Baseball Coach for the Waverly Schools: Therefore, be it hereby

Resolved—Lest his service to the Waverly Schools and the Township of Delta be forgotten, May 12, 1982, is hereby designated as: "William (Bill) Adams Day" by the Charter Township of Delta. In tribute to the memory of Mr. Bill Adams for his outstanding contributions and service to the Waverly Schools and Delta Township.

WILLIAM G. MILLIKEN, GOVERNOR OF THE STATE OF MICHIGAN, PRESENTS THIS EXECUTIVE DECLARATION IN OBSERVANCE OF THE MANY CONTRIBUTIONS OF BILL ADAMS

It is a rare individual who gives continually and generously of his or her time and effort to enrich the lives of others. Bill Adams was such an individual.

His death on April 4, 1981, left a family and community in deep sorrow.

It is important that his life be remembered in a manner that would have pleased him. On May 12, 1982, the Waverly Community Schools will commemorate Mr. Adams' life by dedicating a new baseball facility to him. It is fitting that the community remember Mr. Adams in this way—as the baseball coach who was an inspiration to his players and as a fine member of the community.

Therefore, I, William G. Milliken, Governor of the State of Michigan, do hereby issue this Executive Declaration in observance of the many contributions of Bill Adams to the quality of life in the Waverly community and in the state of Michigan, and with the knowledge that "Adams Memorial Field" will preserve the memory of his life in the minds and hearts of his family and friends.●

A SPEECH BY RABBI FRANKEL

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, Congress and the administration continue their negotiations on next year's budget. Recently, I chaired hearings of the Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing where a number of flaws in the administration's fiscal policy were addressed. One in particular is the administration's position concerning the "New Voluntarism." In several speeches, President Reagan has called upon charities and other voluntary organizations to help fill the gap in human services caused by Federal cutbacks.

It is clear from the task force hearings that the administration has miscalculated the resources of the voluntary sector. Testimony from Rabbi William Frankel, vice president of the Jewish Federation of Metropolitan Chicago, revealed three important points:

One. That the budget cuts are directly affecting the resources of the charities themselves. "Private sector voluntary agencies are financed by public funds in an amount approaching nearly one-third of their budgets. It is ironic that the Federal Government's human services cuts are crippling the very same voluntary sector that the administration intends to rely upon so heavily."

Two. That nonprofit agencies cannot begin to compensate for the withdrawal of Federal support. As the need for assistance increases, charities are facing unprecedented demand. "Our free food pantry for the elderly has to be refilled weekly now as opposed to previous monthly restockings only 6 months ago."

Three. That nonprofit organizations are losing—not gaining—volunteers. "Volunteers are not as readily available as they used to be with more workers generally putting in longer hours, and working at second jobs. Most people must sell their volunteer time these days to make ends meet."

In sum, I am deeply concerned that the budget cuts will leave untold numbers of poor families without support—neither from the Federal Government nor from private charities. I submit Rabbi Frankel's full statement for the RECORD.

STATEMENT OF THE JEWISH FEDERATION OF METROPOLITAN CHICAGO BY RABBI WILLIAM FRANKEL, VICE PRESIDENT

On behalf of the Jewish Federation of Metropolitan Chicago, I want to thank you for the opportunity to talk with you about our perspectives on the effects of the Administration's domestic social program policies.

The Jewish Federation is beginning to see the initial impact of Federal entitlement program cutbacks on those who use the services of many of our thirteen social welfare, health and education agencies. Some of the people we serve who receive direct financial assistance are already being hit hard by the reductions.

My remarks must be placed in the context of the current economic situation in the State of Illinois where we provide our services. The State is experiencing a depressed economy, with unemployment approaching 9 percent. This is among the 3rd or 4th highest rate of unemployment in the country. 450,000 people are actively looking for jobs, and no one knows how many more thousands and thousands have given up hope and have stopped looking. 20 percent of all young people are unemployed and 50 percent of all Black and other minority youth are unemployed. At this time the job market in Illinois is largely bereft of low skilled and semi-skilled jobs. Finally, 1,100,000 people in Illinois—10 percent of the states' citizens—are living on Food Stamps today.

If there is a universal trend evident among the people that we serve, it is a sense of helplessness and frustration that just when our economy is at such a low ebb, and government financial and program assistance is more necessary than at any time during the last twenty years, our federal government is withdrawing its financial commitment to disadvantaged citizens.

For example, our Jewish Vocational Service is one of the most outstanding job counseling, training, rehabilitation and placement programs in the entire nation. Yet that agency reports that finding a job for a layed-off worker, a small businessman whose market has been wiped out or whose store closed because of economic conditions, or for our community's youth is incredibly difficult today. It now often takes up to a year to find jobs for people whom we could prepare and place in two months, that is until as recently as a year ago. A major challenge is to keep the prospective worker's hopes alive, to help people remain convinced that an appropriate job will be found. Many applicants seen by our vocational agency are increasingly depressed, with their work incentive declining as the eventuality of having to rely upon public assistance becomes more likely. If the unemployment compensation period is shortened to less than the current six months, the tendency towards disillusionment and movement towards the finality of being a welfare client will only continue to accelerate.

Connected to the unemployment problem is the issue of the curtailment of Federally funded job training programs which have been proven to be cost effective, ironically, just when we need them most and when studies are proving their validity. One such program, the WIN program, which is scheduled for large scale reduction, has saved taxpayers an amount equal to its cost. In other words, people returning to welfare dependency will cost twice as much. This is not a good decision. We desperately need more careful decision-making by the Administration and the Congress when programs leading to or supporting self-sufficiency (such as WIN, CETA, or day care) come under review.

It is vital that Congress take steps to prevent counter-productive decisions from being made which only trigger harsh indirect effects upon the poor. Illinois, which pays for its General Assistance program out of its own pocket, recently had to eliminate $24 million worth of General Assistance clients in order to make sure the State would have adequate funds for its AFDC clients. Further, when we run out of public programs to cut and all the thousands of people descend on the private non-profit agencies, in even greater numbers than they have, what will happen? I can tell you with certainty that the voluntary sector will absolutely not be able to provide the required services.

Regarding health care, there are two medical centers affiliated with the Chicago area Jewish community: Michael Reese Hospital and Medical Center, and Mount Sinai Hospital Medical Center. Both of these facilities provide services to the poor and disadvantaged in the Chicago area. As a result of Federal and State cost containment directives to the Illinois Department of Public Aid, these hospitals now perform simple surgery such as removal of a finger on an out-patient basis, and are doing what they

can to reduce costs in order to continue to provide a high level of services to all clients. But, actual service costs and unrealistically low inflationary increases for care in such a technologically dependent field are creating false impressions of savings. In Illinois, there is currently a $50 cap on reimburseable clinic visits for Medicaid patients. Yet Michael Reese reports that the average total cost per client visit is closer to $150 per patient. This means that the hospital is experiencing a net loss of $100 for each Medicaid patient visit. And when the hospital can no longer absorb that loss what will happen? All hospitals, including those like ours who truly care deeply for the human needs of the sick and poor, will reach a financial breaking point. This is not the way to achieve sound public policy. We need more careful planning and phased-in implementation of basic changes, not radical shifts from one day to the next. The idea of transferring part of the cost of health care to the poor through fees or other means serves only to rob them of their dignity and self-respect and to establish new barriers to health care.

Pulling all publicly reimbursed patients out of most Chicago area hospitals, and identifying a handful of medical centers as primary Medicaid and Medicare failities will not alleviate the problem. Our two hospital complexes receive over 50 percent of their revenue through publically funded programs, so such displacement would be highly disruptive for both receiving and terminating hospitals.

The high cost of family medical care is a significant disincentive for taking a low-paying job which does not provide health insurance, as opposed to staying on welfare. An extension of Medicaid eligibility for the first twelve months of post-welfare employment would be an effective work stimulant for thousands of people on welfare.

Medicaid and Title XX are two leading public programs funding some of our services through the Council for Jewish Elderly. Eighty percent (80 percent) of the residents in our long-term car facility receive Medicaid assistance. Title XX is a prime, but diminishing source of transportation for the elderly, counseling and nutrition services. A program that we operate which is not government-subsidized, the ARK, has a Kosher free food pantry. This pantry has to be refilled weekly now as opposed to previous monthly restocking only six months ago. This is a frightening reflection of the effect of food and maintenance assistance cuts on our elderly and poor.

One factor regarding AFDC and Title XX programming that needs to be considered by this Task Force is day care. In Illinois, subsidized day care has largely been provided through State funds and then federally reimbursed through Title XX. Due to Title XX program cuts and Illinois reaching its Title XX ceiling, during the next fiscal year subsidized day care will be limited to lowest income families and families transitioning from public assistance. The effect of this change will be to reduce the availability of affordable day care to single parents and minimum wage earning two income families. This will add more families to the welfare rolls who removed themselves from AFDC and want to earn a living by working. Last Spring, one typical center's administrator testified before the Illinois House Task Force on Community Needs on the results of withdrawing subsidized day care services to twenty families due to Title XX cutbacks. Six families immediately went on welfare. Eight more are attempting to function with relatives, neighbors or friends caring for their children. Five of these eight report the situation is still not stable after four months and that other arrangements will have to be found or soon they, too, will be forced to return to the welfare rolls. The other six families were all able to find other subsidized day care slots for their children in centers farther away from home or work. The crucial issue is that day care has been proven beyond any doubt to be a most cost effective program.

The reality in Illinois, like most other Midwestern states, is that our economic conditions are producing an increased demand for medical and other human services, and our State and local governments cannot afford to respond to this additional responsibility on top of federal funding cutbacks. Our voluntary sector agencies want to be as helpful as we can in this ever worsening situation, but we face two realities of our own: (1) volunteers are not as readily available as they used to be with more workers generally putting in longer hours, and working at second jobs. Most people must sell their volunteer time these days to make ends meet. Organizations dependent upon volunteers will confirm the frightening fact that they are losing—not gaining—volunteers. (2) Private sector voluntary agencies are financed by public funds in an amount approaching nearly ⅓ of their budgets. The United Way of Metropolitan Chicago reports that its member agencies depend nearly equally upon income from fees for service, contributed funds, and government grants and contracts. If the Administration achieves its goal of removing the Federal government from human services, it is highly likely that as many as thirty of the eighty-eight Chicago area United Way member agencies will go out of existence. It is ironic that the Federal government's human services cuts are crippling the very same voluntary sector that the Administration intends to rely upon so heavily.

There are some alternatives which the voluntary sector can suggest. For example, the Illinois Department of Public Aid has asked us to share with them our "family responsibility" policy of additional financial support, personally solicited and voluntarily maintained, from families of long-term care residents in our Council for Jewish Elderly facilities. Our administrative costs remain low because our neighborhood or community-based facilities are often shared by a number of our agencies to save costs and to provide a broader range of services to a common population, and we pride ourselves on maintaining high program quality rather than merely meeting Federal or State minimum standards. We only wish that the $28 billion raised by all charitable organizations in the United States last year for museums, cultural programs, religious institutions and human services could somehow be stretched to absorb the billions in human services programs cut by the Administration in this current fiscal year. The reality is otherwise. Earlier this month the Jewish Federation submitted a statement to the Sub-Committee on Manpower and Housing of the House Government Operations Committee. In that statement we commented in detail on the lack of reality of any additional unrealistic reliance upon the voluntary sector. We would be pleased to make a copy of that statement available to the Task Force, but we would like to reiterate two of our conclusions:

The impact of the Administration's reductions and proposed reductions on the non-profit sector must be honestly faced.

1. It must be understood that a federal reduction of 12 percent in any social program has the effect of being a 20 percent cut in services to people when a conservative amount is added in for the real inflationary costs of providing such services. Contrary to the opinion of some, most social program dollars are being spent on direct services to clients.

2. According to a study conducted for The Independent Sector, as a consequence of Administration cuts non-profit agencies will have to raise 26 percent more in 1982 than the $28 billion private dollars raised in 1981 just to stay afloat. By 1984 we will need to raise 44 percent more than we did in 1981 just to stand still. While the non-profit sector will do its share and continue to work hard to raise more private dollars each year, there is no reality to the prospect of achieving the kinds of massive increases in private giving that will make up for the multi-billion dollars of cuts in federally funded human services programs. Nor can volunteers, as previously noted, make up for that kind of gap.

I thank you for the time you have given me to speak with you. The Jewish Federation does believe in volunteers. I am not employed by the government and do not speak to any of these issues with any technical expertise. I am a volunteer who is deeply troubled by what I see happening to our society. I do want you to know, too, that I have accurately conveyed to you the views of and perceptions of volunteer leaders in the Chicago Jewish community.

The Jewish people believe that saving one life is equal to the saving of an entire people. I suggest to you that our entire citizenry is at risk, and we must all meet the moral challenges inherent in our troubled society with true compassion and justice.●

STUDENT LOAN REGULATIONS—COMMITMENT OF THE MIDDLE INCOME STUDENT ASSISTANCE ACT NULLIFIED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BIAGGI. Mr. Speaker, yesterday marked a very sad day for those of us who have placed our hope in the future generations of college students by providing them student aid programs which will assist them in achieving their potential as citizens. In 1978, this Nation made a promise to all students—regardless of income—that they would be able to attend the college of their choice and thus, avail themselves of the educational opportunities that were denied so many of us. The regulations issued by the Department of Education yesterday implementing the changes in the guaranteed student loan program negated that commitment we made in 1978. Last year's Budget Reconciliation Act—an act which I opposed every step of the way—provided for these

changes and returned educational opportunity back into the hands of the rich at the very expense of those who can least afford to pay.

As an original cosponsor of the legislation which created the Middle Income Student Assistance Act in 1978, I remain deeply disturbed over the potential loss in educational benefits which these regulations symbolize. Simply put, those families with incomes above $30,000 will be subject to a needs test to determine, if in fact, they qualify for a student loan. This eligibility criteria now means that many middle-income families will be forced into denying their children the college education of their choice—or even worse—denying them a college education altogether. My commitment to these programs is in large part due to the very fact that I was denied such an opportunity for a college education myself—grant and loan programs did not exist and we did not have the means to afford such opportunities.

Sparked by the disastrous impact that these changes will have upon our Nation's 3.5 million college students who depend on this program, my own State of New York has been assessing the impact of these changes as well as the potential damages which would occur if we adopted the President's 1983 budget request for this program—a budget request which represents the fourth round of cuts which this program has incurred in 1981. This request is especially damaging to New York students which only cover 30 percent of their education through Federal aid programs. This past year, these same students were faced with costs of $3.1 billion after taking into account State and Federal sources of financial aid—compounded by the $200 million loss to these students through cuts already enacted for 1981 prior to these regulations.

The administration has countered these points by noting that the loss in Federal dollars to students through the guaranteed student loan program can be made up through the auxiliary and parent loan program. This is hardly the case. Nationally, only 20 States are participating in these programs—making only $30 million in loans in the first 6 months of this fiscal year. Further, many lenders are applying credit checks and other criteria to these applications—criteria that would place this program well out of reach of those students it was intended to assist. Finally, the terms of these programs are far less desirable than the GSL program and as such, would not serve to assist students in paying for their education if they cannot even afford the terms of the loans.

In sum, Mr. Speaker, I am deeply disturbed at what these regulations mean to the future of our students, our schools, and our Nation. If we are willing participants in a relentless attack by budget cutters to further scale down this program's economic costs—we will also be willing participants in promoting long-term social costs that we will be unable to compensate for in future generative.●

CONSERVATIVE ARGUES FOR NUCLEAR ARMS CONTROL

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, the May issue of Nation's Business, the monthly magazine of the U.S. Chamber of Commerce, carried a provocative column by the noted conservative writer, James J. Kilpatrick. One always hesitates to paraphrase someone like Mr. Kilpatrick, but I think it is fair to say that his views on nuclear weapons are diametrically opposed to those of leading spokesmen of the Reagan administration.

I wish to insert this editorial, which should be widely circulated, in the CONGRESSIONAL RECORD at this time.

EQUALLY VULNERABLE, EQUALLY DEAD

(By James J. Kilpatrick)

Now and then a book comes along, so stunning in its impact upon its audience, that individual men and women and whole governments are moved from thought to action. At random, one thinks of Tom Paine's revolutionary pamphlets, of Emile Zola's "J'accuse," of Harriet Beecher Stowe's "Uncle Tom's Cabin." Each of them came along at just the right time, when the kindling and the dry logs had been laid and only a match was needed to ignite a fire.

Such a book, if I am not mistaken, is one just published by Alfred A. Knopf. It is "The Fate of the Earth," by Jonathan Schell. At once both reasoned and passionate, the book is a plea for total nuclear disarmament. It comes at just the right time, as an antinuclear awakening begins to stir around the world, and it may provide a bugle call that rallies humankind.

I wish it were possible to provide every reader of Nation's Business with a copy of Schell's book, and I say that for this reason: The antinuclear movement is about to be pre-empted by the peacenicks, beatnicks and superliberals. Readers of this magazine, by contrast, are generally business types, men and women who meet payrolls, pay their taxes and fulfill their civic responsibilities. If the political pressure is to be exerted that will compel the renunciation of nuclear weapons, it must come from liberals and conservatives alike. On this issue there should be no dichotomy of left and right. We are equally vulnerable; if we fail, we will be equally dead.

Schell begins his book with a backward look at the morning of Aug. 6, 1945, in Hiroshima. A little after 8 o'clock, we dropped a fission bomb with a yield of 12½ kilotons upon this city of 340,000 inhabitants. An estimated 130,000 human beings died in the instant of impact, or died of their injuries over the next three months. Many of them died horribly, the victims of burns that flayed skin from flesh; others died slowly, of radiation sickness. The city itself was flattened by the initial blast. This was followed by a firestorm that lasted for six hours, by violent whirlwinds and by a "black rain" of contaminated debris. The enduring effects later were seen in stillbirths and in deformed children.

The Hiroshima bomb was the Model T of its day, a puny little device that would not qualify in our own time as much more than a tactical weapon. Since then the mind of man has conceived and the engineers have built weapons that are measured not in kilotons but in megatons. Such weapons are not intended to kill mere thousands or hundreds of thousands; the property of these weapons is to kill millions of human beings in a moment. We have them; the Soviet Union has them. Together, the two superpowers have the capacity not only to destroy each other absolutely. That is not Schell's point. Together, the U.S. and the U.S.S.R. also have the capacity to render humankind extinct.

The prospect is unthinkable, but there are times when the unthinkable must be thought. Schell urges that certain palliative notions be put aside—for example, that there could be "limited" nuclear war. Once a belligerent employed a "small" nuclear weapon, an escalation could not be stopped short of holocaust. This would not be "war" at all, for "war" carries connotations of victory, defeat, heroes, survivors, reparations. None of this would be true of a convulsion of nuclear madness.

Madness is the word. No one could win such a war; in the extreme event, virtually no one could survive such a war. In the few hours of such a cataclysmic exchange, birds and animals would be blinded and crops destroyed. In the remote countryside, far from the devastated cities, men would find their blue sky turned brown. Some strains of insects, it is thought, would survive, but perhaps in weirdly mutated forms. No one can say what marine life would survive in contaminated seas. The instrumentalities of civil and economic life would be stripped away—law, government, currency, electric energy, means of transportation and communication. The damage done to the planet's ozone layer would condemn the most innocent populations to the same fate suffered by the combatants. So long as these arsenals exist, we risk not the conquest of nations but the extinction of a species: Homo sapiens. Man.

I cannot go all the way with Jonathan Schell. When he argues that conventional weapons should also be abolished, his idealism founders on reality. When he suggests that concepts of national sovereignty must be abandoned in favor of some form of world government, he loses effectiveness. One thing at a time. The immediate charge upon the superpowers is to begin the task of a multilateral, verifiable dismantling of nuclear weapons—all nuclear weapons. This is not an impossible task, and we ought not to let ourselves be deterred by paranoia or propaganda from pursuing it. I want my grandchildren to grow up in a world of great cities, fertile land and blue sky. If we fail in this challenge, my grandchildren—and yours—may never grow up at all.●

THE CLEAN AIR ACT

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. PEPPER. Mr. Speaker, the decisions we make during this session on the Clean Air Act will have tremendous implications for all Americans. This is especially true for the people who suffer from respiratory ailments, chronic lung diseases and heart disease.

There can be no doubt that dirty air aggrevates the health problems of the 35 million Americans who have respiratory ailments or heart disease. As you know, a great percentage of these people are senior citizens and small children. the American Lung Association has stated that "elderly people over 65 years of age, have more chronic respiratory disease than other segments of the population. In addition, effectiveness of the body's immune system decreases with age, thereby increasing susceptibility to respiratory infections and adverse effects from air pollution." Some of these adverse effects are serious impairment of the central nervous system functions, dangerous blood carbon monoxide levels, severe eye and respiratory irritation, and, in extreme pollution conditions, even increased hospitalization and death.

I know that some of my colleagues argue that we must substantially revise the act and streamline many of its provisions in an attempt to balance environmental and economic considerations. Skillful statisticians and economists have developed very complex computer models that show the aggregate costs of pollution control and air improvement versus the costs of increased hospitalization and medical bills. These studies then arrive at some bottom line number that is supposed to tell us if all of this air pollution control is worth the additional money that it costs.

Mr. Speaker, I want to suggest that this is the wrong approach to take. We have no higher moral duty than to protect the health and lives of our citizens. We only trivialize that responsibility when we attempt to assess costs and benefits on a large ledger sheet and forget that the real bottom line is people's lives, their health and their right to breathe clean air. Mr. Speaker, I only hope that during the heat of this debate on this very controversial subject that we do not lose sight of the 35 million Americans, many of them senior citizens, who suffer from respiratory ailments, heart disease or chronic lung problems.●

LOU HARRIS ON THE CLEAN AIR ACT

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. UDALL. Mr. Speaker, the American Lung Association has designated May 2-9 as "Clean Air Week." During this week it is important for us to recall our commitment to preserving one of our Nation's most valuable resources. Recent polls have shown that the American public overwhelmingly supports a strong, effective Clean Air Act. I commend to the attention of my colleagues excerpts from a recent speech given by Lou Harris to members of the Sierra Club.

REMARKS OF LOUIS HARRIS AT THE SIERRA CLUB DINNER, SAN FRANCISCO, CALIF.

One of James Watt's favorite shibboleths is that there are only two kinds of people in this country—Americans and liberals. Well, from the way our polling of the American people has been going lately, I have some news for Secretary Watt: at least in terms of public opinion, it looks more like there are two kinds of people in the country—a big majority who want to save the environment on one hand and James Watt and his shrinking band of friends on the other. By 83 to 14 percent, an overwhelming majority of the people of this country want strict or even stricter enforcement of the Clean Air Act.

What in the world is going on here? Is it a case that the people are just giving lip service in a casual way about backing an environmental clean up, as industry sources claim? Or is it a case that as Archibald MacLeish once wrote: "The voices that are heard in the drawing rooms of power are not the voices of the people"?

Tonight, I hope to try and answer these questions head-on, for our people these days demand no less than straight answers on clean air and clean water. Sentiment for keeping the Clean Air Act intact or making it even stricter is a nearly unanimous 93 to 4 percent. By every measure, there is as strong a mandate from the American people today to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society.

Perhaps as impressive as this overall division is the fact that not a single major segment of the public wants environmental laws made less strict. Let me call a roll of key groups. First, those most in favor of not relaxing the clean air regulations: Big city residents (83-14 percent), young people under 30 (90-10 percent), women (82-13 percent), professional people (83-15 percent), white collar workers (82-16 percent), union members (82-16 percent), Democrats (84-13 percent), and political moderates (83-16 percent). Now let me tick off another list that covers key elements from the 1980 Reagan majority and how they feel about not easing Clean Air: South (79-17 percent), West (80-17 percent), rural (77-19 percent), $35,000 and over income (75-24 percent), Republicans (76-22 percent), conservatives (76-21 percent), and Reagan voters in 1980 (76-22 percent).

We have also tested in depth the public's views on some of the key amendments to Clean Air that your Representatives on Capitol Hill have been battling:

"Relaxing pollution standards to allow power plants to burn high sulfur content oil and coal": Rejected by 66-29 percent.

"Relaxing national air quality standards": Rejected by 61-34 percent.

"Relaxing regulations that protect national park and wilderness areas from air pollution": Rejected by 61-36 percent.

"Relaxing current auto pollution standards": Reject 58-38 percent. In answering in this way, most Americans are saying the plight of the auto industry will be relieved far more by getting the prime rate on borrowing down to 10 percent or below than by saving marginal money by abandoning auto pollution standards.

Finally, the pivotal issue of putting cost considerations on EPA clean air standards. We bent way over backwards in asking this question. Let me read it to you: "The Clean Air Act does not permit the consideration of costs when setting standards for the protection of human health. The Reagan Administration is asking Congress to require that pollution standards designed to protect human health be relaxed if the costs are too high. Do you favor or oppose relaxing pollution standards affecting human health, if the costs are too high"? When I testified before the Waxman subcommittee on the Clean Air Act, even Congressman Ritter said he would have to go along with the results of that question.

Well, by a resounding 65-32 percent, a substantial majority of the Americans said they are opposed to any constraint on human health standards on cost grounds. Even those who voted for Reagan in 1980 (by 55-41 percent), conservatives (By 56-42 percent), Republicans (56-42 percent), and those in the highest income groups (by 55-41 percent) oppose cost constraints on environmental regulations that protect human health.

These results speak for themselves. By any measure, they add up to a powerful message to Democrats and Republicans alike in Congress: Renew the Clean Air Act and don't do anything to it that would in any way make the air dirtier than it is now. While the public thinks that some regulation in non-environmental areas ought to be relaxed or even abolished, they will oppose vehemently any measure that might have the effect of reversing environmental gains that have been made in the last 10 years. The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental cleanup efforts and will regard such cuts as threatening the very quality of life in these last decades of the twentieth century.

Now, when I first surfaced results such as these before the Congress, the consternation among those who were counting on easing key provisions of the Clean Air Act was considerable. The Chamber of Commerce commissioned polls designed to show how wrong our results were as did the American Enterprize Institute. Our firm was threatened by and did lose some industrial clients in the process. But, by any measure, every poll with a semblance of objectivity bore out our basic findings.

But, then, the opposition to the Clean Air Act took another tack. They tacitly acknowledged that the American people do not want an easing of air pollution standards. But now they claimed that at best the environmental issue is a low priority and

the dominant views about clean air are not deeply held.

So we went back out to see just how much people would be upset if Congress eased clean air standards. And what we next found literally blows out of the water the claim that the American people don't really care about the environmental issues. Fully 45 percent of the voters nationwide say that the vote of a candidate for Congress on clean air would probably or certainly affect their vote for that candidate this fall, even if they agreed with him or her on most issues. And how does that 45 percent divide? A big 39 percent say a candidate who votes for a bill that weakens clean air will lose their vote. Only a small 6 percent say they would vote against a candidate who votes to keep the Clean Air Act as strict as it is or votes to make it stricter. This means that an incredible net or 33 percent of the voters this fall are prepared to defeat condidates for Congress who yield on clean air. Even if we take just the 16 percent who say clean air is certain to affect their vote, then 14 percent would vote against an anti-clean air candidate, while only 2 percent would vote against the pro-clean air candidate. This net of 12 percent swing for the pro-environment candidate is enormous in its own right. Just in its own right this kind of swing could affect the results in over 100 Congressional districts. In turn, that means no less than control of the Congress itself is at stake on the Clean Air issue alone.

In political terms, the environmental issue now favors the Democrats by 62-24 percent over the Republicans on "protecting the environment". The Republicans can thank James Watt, Ann Gorsuch, and company for putting them on this spot. I might add that by no means all Democrats in Congress are out of danger on this issue. Those Democrats who are trying to emasculate clean air had better understand they too can become endangered political species.

Mark it well, what is happening all over this country stems from a sudden realization that in Washington the foxes have been summoned to guard the chicken coop. And people of all ages, all segments of the population are just now rising up to say that they want to take back in their own hands control of their own lot in life, their own land, their own water, their own air, their own environment, their own destinies before others in the name of mindless greed would destroy the very quality of human existence. But this battle is a race against time. Seize the nettle now . . . now, before it is too late.●

HI-TECH TRADE AND JAPAN: WHY WE CAN'T SELL IN THE JAPANESE MARKET

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. STARK. Mr. Speaker, much debate has arisen in recent years over the United States balance-of-trade status with Japan. The majority of the rhetoric has portrayed Japan as employing exclusionary business practices that work to the benefit of the domestic Japanese industries.

While in some cases it is unfair to make this statement, it is true in the high technology sector. In particular, the inability of American industry to penetrate the Japanese market is causing irreversible damage to American firms in the development and marketing of semiconductor technology. A recent study prepared for the Joint Economic Committee of Congress states:

> The loss of leadership in this one industry would mean the loss of international competitiveness in many of the advanced technology sectors that have been the basis of a U.S. advantage since the second world war.

The study characterizes the Japanese economy as one of "controlled competition" whereby the intensity of competition is directed and limited by State actions and by the formal and informal collaborative efforts of industrial and financial enterprises. By acting both as a doorman who restricts entry, and as a promoter who subsidizes growth in particular industrial sectors, the State places itself in a position which wields authority over the development and international competitiveness of these industries.

Historically, the Ministry of International Trade and Industry (MITI) has been the Japanese Government's chief tool for implementing restrictive policies. These policies, among others, have included: First, requiring Government approval of all applications for direct foreign investment in Japan; second, limiting import penetration via high tariffs and exclusionary customs procedures; and third, limiting access by licensing advanced technology and know-how. The result of this last policy has been a controlled diffusion of advanced technology throughout the Japanese semiconductor industry.

The experience of Texas Instruments in the 1960's is a good example of this last point. Texas Instruments applied for Japanese patent licenses for its technology, but approval was held up by the Japanese Government. In the interim, the timelag allowed Japanese firms to catch up technologically to Texas Instruments. This strategy thus is one means by which Japanese firms are able to mimic the timing of technological achievements in the United States.

Other examples of restrictive policies from the joint committee report and a Ways and Means Trade Subcommittee report on its Trade Mission to the Far East include: First, the past policy of NTT (Nippon Telephone and Telegraph) to refuse to allow the equipment supplied to them by Japanese firms to include imported semiconductors; second, the refusal to license to American firms proprietary production technology that comes from Government-funded research and development that is otherwise available to Japanese industries; third, the denial to American producers of the same access to Japanese standards-setting procedures as Japanese producers enjoy in the United States. Also, Japan rarely accepts American test data to certify compliance with test standards—a costly and time-consuming problem for importers.

In addition to these Government policies, the Japanese distribution system is confusing not only because it is so rooted in old relationships and obligations, but also by its length and complexity which combine to become prohibitively expensive, even for goods which start on a cost-competitive basis. It is important to remember that these ties created during the period of time when formal market controls were in effect do not end quickly because the Government announces the implementation of a more open market policy. As the Japan-United States Economic Relations Group (Wisemen's Report) noted:

> Other factors, such as administrative procedures, regulatory requirements, business practices, and cultural and social barriers are very difficult to compare (with the U.S. system). It is our judgment, however, that these informal barriers make it especially difficult for foreigners to fully penetrate Japanese business and society.

In a recent issue of the Journal of Japanese Trade and Industry, MITI states that it feels the proper role of the Government was to do no more than to provide guidance to the private sector. However, the above examples clearly do not look like mere guidance—they are unfair protectionist policies that harm the United States to the benefit of Japan. Such a position is clearly not in keeping with the prevailing Japanese rhetoric about the openness of their markets and the fairness of their system.

There is a common awareness that both sides want and need to trade with one another. However, the present situation is clearly unacceptable from the American viewpoint and the Japanese can rest assured we will not allow it to continue. We are not going to take it any more.

It takes more than mere words to make a market be truly open. Tangible evidence through sales in Japan of American hi-tech products such as semiconductors is what we want. The Joint Economic Committee report concludes that "given the history of discrimination * * * the burden rests on the Japanese to demonstrate that their markets are in fact open." Only when they have done that can Congress and the American people rest assured that we really are on the road to a more equitable, and acceptable, trade balance.●

THE PASSING OF RALPH R. ROBERTS

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. O'NEILL. Mr. Speaker, with the passing of Ralph R. Roberts I have lost a friend and the people of the Nation have lost a man who devoted his life to their service.

Ralph Roberts retired as Clerk of the House of Representatives in January 1969, after having served in that position longer than any other person in history.

But his public record goes back beyond that.

During World War I, he saw combat in France with the Marine Corps. Returning to his home in Rockport, Ind., after the war, Ralph was hired by Congressman William Wilson as his secretary.

For the next 44 years, Ralph Roberts served here on Capitol Hill. He and his wife, Lois, returned often to Rockport, to keep close contact with family and friends there.

In 1928 Ralph served as secretary of the Democratic National Committee; by the middle of World War II he had been elected Doorkeeper of the House of Representatives. His expertise on election law and his knowledge of the history of the Congress were widely respected.

Ralph was a kind and warm man; he stood ready to help whenever called upon. I, and his many friends, will miss him.●

DISTRICT 20 DRUG ABUSE PREVENTION FAIR

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ZEFERETTI. Mr. Speaker, last Thursday evening, April 29, 1982, I had the pleasure to address the fourth annual Alcohol and Drug Abuse Prevention Fair sponsored by Community School District 20 in Brooklyn, N.Y., located in my district. This annual event, which is a communitywide substance abuse prevention and education effort, focused on the very complex problem of defining the elements of successful drug and alcohol abuse prevention and education programs. The fair was attended by several hundred people.

I am particularly pleased to note that 60 agencies participated in the fair, setting up exhibits and information booths about substance abuse. The exciting aspect of this part of the program is that among the exhibitors were representatives of all preventive health services acting in the interest of the entire community. Those groups included the American Cancer Society, the American Red Cross, Narcotics Anonymous, the Lutheran Medical Center alcoholism program, and the Bay Ridge Mental Health Council. The fair also included speakers, a play about teenage alcoholism, and panel discussions with audience participation.

I feel we must recognize the importance of events such as this fair and other drug and alcohol abuse prevention and education workshops, which are taking place all over the Nation. Community awareness of the nature and dimension of drug abuse is essential to effective prevention activities. The Select Committee on Narcotics Abuse and Control, which I chair, has long encouraged the initiation of such efforts. The personnel of Community School District 20 deserve our commendation for their extensive work in planning and conducting the fair. Louis Y. Topper, fair chairman, Rose Ann Bush, fair cochair, Community School Superintendent Dennis M. Fleming, Community School Board President Raymond L. Ferrier, and District 20 Alcohol and Drug Abuse Prevention Director James J. Harrigan, deserve recognition for their tireless efforts. Special acknowledgment should also be given to those individuals who served on the fair committee and whose invaluable work made the program a success. I have had the pleasure of working with many of these individuals in the formation of a drug abuse task force within my congressional district. Recognition should also be given to the professional and custodial staff of Public School 105 for making the school and other accommodations available for the fair.

I congratulate Community School District 20 for the fine work it is doing in the area of drug abuse and alcohol prevention. The fair is a fine example of how, by extending community-based prevention efforts, we can have a positive impact on resolving the problem of drug abuse.●

INTRODUCTION OF ADDITIONAL COSPONSORS TO HOUSE RESOLUTION 422

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SIMON. Mr. Speaker, I am pleased to submit a list of 60 additional cosponsors for the bill House Resolution 422, supporting current funding levels for Federal student aid programs.

The resolution now has 150 cosponsors and is a bipartisan show of support for continuing student aid as a Federal investment in the future of our Nation.

Opportunity and access have been necessarily linked in education. Federal student aid has helped provide access over the past decades for qualified students at colleges and universities. Our potential for economic stability and growth depends on postsecondary opportunities for all Americans with the interest and ability. These opportunities have been provided by Federal grant and loan programs since the GI bill and continuing over the past 25 years through such programs as national direct student loans, Pell grants and guaranteed student loans. Now is not the time to curtail our investment in the Nation's students and future work force.

Federal investments in student aid in the past have had an immeasurable return in productivity, increased taxes paid because of higher salaries and unquantifiable progress in equal opportunity. The continuing support for Federal student aid programs as endorsed in House Resolution 422 is a sign that our commitment should continue.

I want to apologize to my friend and colleague from North Dakota, Mr. DORGAN, whose name was inadvertently omitted from the list of original sponsors. I urge my colleagues to join in the bipartisan cosponsorship of House Resolution 422.

LIST OF ADDITIONAL COSPONSORS

Byron L. Dorgan, Morris K. Udall, Harold Ford, Jerry M. Patterson, Bernard J. Dwyer, Allen E. Ertel, Thomas S. Foley, John D. Dingell, Joel Pritchard, Gus Savage, Sam Gejdenson, Tom Lantos, Robert W. Davis, John Burton, Nick Joe Rahall II, Robert H. Mollohan, Ken Holland, Harold Volkmer, Edwin B. Forsythe, Fortney H. Stark.

George E. Brown, Jr., Andrew Jacobs, Jr., Ronald V. Dellums, Mary Rose Oakar, Sidney R. Yates, Norman E. D'Amours, Shirley Chisholm, David W. Evans, Don Fuqua, George W. Crockett, Jr., Stan Lundine, Steny Hoyer, Nicholas Mavroules, Harold C. Hollenbeck, Les AuCoin, Charles E. Schumer, Mervyn M. Dymally, Clarence Long, David E. Bonior, Robert Garcia.

Dan Marriott, Henry A. Waxman, Charles F. Dougherty, Berkley Bedell, James K. Coyne, Vin Weber, Bob McEwen, Bill Green, Hank Brown, Ron de Lugo, Albert Gore, Jr., Dennis Hertel, Gus Yatron, Bob Shamansky, Bruce F. Vento, John LaFalce, Benjamin S. Rosenthal, Tom Harkin, Stephen Neal, and William Gray.●

CALIFORNIANS FOR CLEAN AIR

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, in case there is any doubt about the threat posed to the State of

California in weakening of the Clean Air Act in the upcoming reauthorization, I would like to insert for the record, a letter from Tom Bradley, the mayor of Los Angeles. As my colleagues know, the mayor is the frontrunner for Governor of California as well as representing a city with one of the most serious air pollution problems of this country. As such, he is particularly sensitive to the needs and problems of the State. As a member of the National Commission on Air Quality, he is especially qualified to judge the current proposals to weaken the law protecting our air quality.

Mayor Tom Bradley recently wrote to our colleague, HENRY WAXMAN, who also represents the great city of Los Angeles, but who has the distinction as well, of chairing the House Subcommittee on Health and the Environment. He can be said to champion the cause of clean air in the debate over reauthorization of the Clean Air Act.

At this time I would like to insert a copy of the text of the letter from Mayor Tom Bradley.

CITY OF LOS ANGELES,
OFFICE OF THE MAYOR,
April 19, 1982.

In the next few months you will be voting to reauthorize the Clean Air Act. I am writing to express my concern that the amendments to the Act recently adopted by the House Subcommittee on Health and Environment would seriously weaken the Act, undermining California's ongoing efforts to clean up unhealthy air. As a member of the National Commission on Air Quality, I am disturbed that the well-documented findings and moderate recommendations of the Commission have been set aside in favor of far more drastic, and in my opinion detrimental changes. In the past, I have lent support to the excellent recommendations of the Los Angeles Working Group chaired by Los Angeles City Councilman Marvin Braude, which have been furnished to you. In addition, I feel compelled to add some specific comments on the legislation that is currently before the House Energy and Commerce Committee, H.R. 5555.

First, the Luken-Dingell amendments would double the allowable nitrogen oxides emissions from passenger cars, from the Commission-recommended standard of 1.0 grams per mile to 2.0 grams per mile. The Commission report was based on a full review of the health, technology, and economic issues raised by the standard; there is simply no basis for this drastic change, particularly as it relates to California.

I believe that the people of this region have demonstrated their willingness to adopt and pay for more stringent controls than those required elsewhere because they recognize the severity of the air pollution problem. We should be encouraged to continue our progress. Meanwhile, other parts of the country that are now facing serious nonattainment problems should be encouraged to adopt equally stringent and effective control measures.

The law must preserve incentives to all states to pursue clean air goals as vigorously as practicable. The 1977 amendments were crafted to balance the clean-up burden so that the national program gave no state or region an undue economic advantage. H.R. 5555 would once again pit states and regions against one another. Areas must be required to meet specific health based standards on a reasonable time schedule with an effective implementation program.

Let me add one thought on the subject of acid rain. We know that acid rain, containing nitric acid from motor vehicles and industrial gas and oil-fired facilities, as well as sulfuric acid from sulfur-bearing fuels, is falling in California as well as the Northeast. Even more alarming are the reports of acid fog measured by researchers from Cal-Tech in urban Los Angeles.

The House bill contains no measures designed to deal with the acid rain phenomenon, while several Senate proposals fail to address the issue except in the context of long-range transport from Midwestern coal-burning installations. I urge you to work for recognition of California's problem in both research and development of a reasonable regulatory program in the final reauthorization bill.

We in California have much to lose if the Clean Air Act is amended without proper sensitivity to the public demand for continued progress toward decent air quality, as well as the need to assure that such progress is made as equitably and cost-efficiently as possible. Excessive modifications in either direction of satisfying single-industry or special-interest wishes should be firmly rejected; the past-due bill for unhealthy and unsightly air pollution cannot be postponed indefinitely. Thank you for the opportunity to comment.

Sincerely,

TOM BRADLEY,
Mayor.

CLEAN AIR WEEK

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FASCELL. Mr. Speaker, I am pleased to join in recognizing that this week has been designated as Clean Air Week by the American Lung Association. Poll after poll has demonstrated that the citizens of our country believe that clean air should continue to be a high priority. Considering this widespread conviction in our country, designating a Clean Air Week is appropriate and laudable.

We in south Florida are particularly proud and protective of our warm sunny skies and beautiful parks and wildlife preserves. Thus, to us Clean Air Week is a celebration—recognizing in our community the environmental qualities we have always enjoyed and savored.

As the Congress continues its deliberations on the reauthorization of the Clean Air Act, I am hopeful that the measure ultimately enacted will continue to afford the air and our environment the protection that is necessary through reasonable and enforceable provisions.●

AWARDS IN THE VISUAL ARTS

HON. SIDNEY R. YATES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. YATES. Mr. Speaker, it is with great pleasure that I inform the Members of the House of an exciting new program in the arts which uniquely combines private and public funds. Called the Awards in the Visual Arts (AVA), this program awards a total of $150,000 annually in fellowships to 10 artists—$15,000 each—across the country.

May 7, marks the opening of an exhibition of this year's AVA award-winning artists at the National Museum of American Art, Smithsonian Institution, 8th and G Streets NW. It will run until August 8 and then travel to Des Moines and Denver.

The program not only identifies and brings into national focus important emerging American artists, it also serves as a prototype for other social and arts programs seeking alternative ways of financing. The majority of the funding is from two private sources—the Equitable Life Assurance Society of the United States and the Rockefeller Foundation—combined with the National Endowment for the Art. This joining of a major corporation, foundation, and Government agency is a unique part of the AVA program.

The AVA program is being administered by the Southeastern Center for Contemporary Art in Winston-Salem, N.C., and grew out of one of their existing regional programs. It has been brought into national scope by this innovative arts center in consultation with the National Museum of American Art, Smithsonian Institution.

The award-winning artists of this first year are:

Michael Singer, sculpture, Wilmington, Vermont.

Richard Bosman, painting, New York, New York.

Edward C. Flood, painted sculpture, Brooklyn, New York.

Maurie P. Kerrigan, sculpture, Philadelphia, Pennsylvania.

Douglas Bourgeois, painting, Gonzales, Louisiana.

Michael C. Luchs, painter/sculptor, Holly, Michigan.

Stephen Warren Schultz, painting, Iowa City, Iowa.

Marsha Burns, photography, Seattle, Washington.

Richard Shaffer, painting, Arlington, Texas.

Terry Allen, videotape, Fresno, California.●

THE ECONOMICS OF CLEAN AIR

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ERDAHL. Mr. Speaker, economists differ in their interpretations of the cost of clean air. The recent study by Robert Wolcott and Adam Rose concludes that the benefits of the Clean Air Act have actually produced a net economic gain of about $4 billion annually.

Wolcott and Rose found that conventional measures of the health of the economy show little impact due to the Clean Air Act. But how does one measure the value of an unpolluted environment?

Since the Clean Air Act became law, they concluded, unemployment was lower by one- to two-tenths of a percent per year than it would have been without clean air requirements, and prices increased only by one- to two-tenths of a percent. They predict even if control costs were reduced by 30 percent by relaxing standards, changes in output, prices and employment would be less than a tenth of a percent.

A total of six-tenths of a percent of GNP was spent by business, consumers and government from 1972 to 1979 to comply with air quality standards. A "price" for clean air? No—more likely an investment in a healthful environment with a bonus for the economy, an investment we cannot afford to lose.●

A HIDDEN CAUSE OF AMERICA'S TRADE DEFICIT WITH JAPAN

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BEREUTER. Mr. Speaker, the pages of the CONGRESSIONAL RECORD and newspapers all across the Nation have been filled recently with stories about America's trade deficit with Japan. Many Members of this body, myself included, have spoken rather harshly about Japanese nontariff trade barriers and the deleterious impact of those barriers upon U.S. sales abroad.

Japanese representatives, however, continue to counter our charges with claims that much of the burden for poor sales in Japan rests upon U.S. companies that are too lazy or incompetent to market their products or services in the "Land of the Rising Sun."

Executive level discussions frustrate Members of this body because they appear to bear little fruit. While the Japanese proclaim their great cooperation in making tremendous concessions to the United States, we believe that the agreements produce too little, too late.

Recently I had the opportunity to read an excellent article in the fall 1981 issue of the Columbia Journal of World Business which I believe, gives valuable insight into the cross-culture negotiations problems facing our two nations. That article, entitled "A Hidden Cause of America's Trade Deficit With Japan" presents the results of a study on this subject by Dr. John Graham, an assistant professor of marketing at the University of Southern California's School of Business Administration. Although I will share here only a portion of that article, I commend the entire piece to my colleagues.

In pertinent part, Dr. Graham presents some fascinating insights into the Japanese negotiating process, insights which should help each Member of this body better understand how our Nation can most effectively resolve our differences with the Japanese.

Dr. Graham reported:

A HIDDEN CAUSE OF AMERICA'S TRADE DEFICIT WITH JAPAN

In both countries I have found that business negotiations proceed in the following four stages:

1. non-task sounding;
2. task related exchange of information;
3. persuasion; and
4. concessions and agreement.

The first stage, non-task sounding, includes all those activities which might be described as establishing a rapport or getting to know one another, but does not include information related to the "business" of the meeting. The information exchanged in the second stage of business negotiations regards the parties' needs and preferences, or stated more precisely, the parties' subjective expected utilities of the various alternatives open to the interactants. The third stage, persuasion, involves the parties' attempts to modify one another's subjective expected utilities through the use of various persuasive tactics. The final stage of business negotiations involves the consummation of an agreement which often is the summation of a series of concessions or smaller agreements.

Despite the consistency of this process across cultures, the content and duration of the four stages differs substantially between the two cultural groups. Compared to Japanese, Americans spend little time establishing a relationship. The typical Japanese negotiation may involve a series of non-task interactions and even ceremonial gift giving. Witness the recent attention given to the very large kosai-hi (literally, entertainment expenses) typical of business dealings in Japan. "While the Japanese defense budget is 0.9 percent of the country's GNP, corporate wining and dining accounts for 1.2 percent of the total national output." To the American critic this may seem an immense waste. However, the Japanese put in great efforts toward establishing a harmonious relationship in the beginning, which I think, in part, helps them to avoid the expensive litigation (when things go wrong) which seems more and more common in the United States.

In America, the second stage (that of exchanging task related information) is relatively direct, with clear statements of needs and preferences. For the Japanese, this exchange of information is the main part of the negotiation. A "complete" understanding is imperative; the Japanese are reported to ask "endless" questions while offering little information and ambiguous responses. In both the field and the laboratory, Japanese negotiators were observed to spend much more time trying to understand the situation and associated details of one another's bargaining position.

Regarding the ambiguous responses of Japanese, the laboratory results indicate that informative and credible bargaining strategies of opponents have no effect on negotiation outcomes between Japanese. Apparently the Japanese negotiator follows the cultural double standard of tatemae and honne. Tatemae can be translated as "truthful," and honne as "true mind." It is important for Japanese to be polite and to communicate the tatemae while reserving the possibly offending, but also informative honne. Additionally, this difference in the Japanese value system manifests itself in statements by Japanese negotiators in retrospective protocols. Japanese often describe Americans as honest and frank, but to the point of discomfort for Japanese. Finally, eye contact is much less frequent during Japanese negotiations, thus limiting leakage of potentially offending feelings and keeping intact the honne. To the American point of view this distinction between tatemae and honne seems hypocritical indeed. However, the discrepancy is borne by Japanese in good conscience.

Americans tend to spend the most time in the third stage of negotiation, i.e., persuasion. Americans openly disagree and use aggressive persuasive tactics such as threats and warnings. Alternatively, Japanese take the time to understand one another during the first two stages of the negotiation, so that little persuasion is necessary. The Japanese avoid confrontations and respond to threats by a change of subject, a silent period, or withdrawal. For Japanese it is more important to maintain the relationship than to be frank and open. And this importance of relationships manifests itself in other ways in the study. American players achieve higher profits in the negotiation simulation by making opponents feel uncomfortable; while Japanese achieve higher profits by making opponents feel comfortable. Indeed, the primary persuasive tactics in Japanese business negotiations appear to be the volunteering of more information and the use of silence.

Regarding the fourth and final stage of business negotiations, Americans tend to make concessions throughout, settling one issue, then proceeding to the next. Thus, the final agreement is a sum of the several concessions, and progress can be measured easily. The Japanese tend to make concessions at the end of the negotiation and agreements are concluded rather abruptly from the American point of view.

Given these differences in the process of business negotiations in the two countries, what happens during cross-cultural interactions? As we might expect, Americans consistently report frustrations because of the long periods and great expense of non-task sounding and the ambiguous responses during information exchange. Moreover, we find that American negotiators react to Japanese silence in one of two ways. Either they make some kind of concession, or they

fill the "space" in the conversation with a persuasive appeal. The latter tactic has two counterproductive results—the American does most of the talking, and he learns little about the Japanese point of view. Finally, because the Japanese "never seem to commit themselves to anything," Americans invariably feel that little progress is being made during cross-cultural business negotiations. Agreements are often unexpected and often follow unnecessary concessions by Americans.

On the other hand, Japanese businessmen report discomfort with the American "need to get down to business now" and Americans' aggressive and relentless persuasive tactics.

Before turning to a discussion of other factors, one other type of culture-specific bargaining behavior deserves mention—first offers. In the videotaped business negotiations, Japanese asked for consistently higher profit solutions when making the initial offer. Americans were more apt to offer a "fair" price, one that was closer to the eventual solution. As a consequence, in cross-cultural interactions Americans often express irritation at the "wolfish" initial offers of the Japanese.

These cultural differences in expectations about negotiation processes tend to lead to interpersonal friction and less than optimal bargaining solutions. Additional stresses are placed on the already difficult task of communicating ideas across cultures.●

BILL GREEN SUPPORTS AUTOMOBILE EMISSIONS PROGRAM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. GREEN. Mr. Speaker, I am pleased to draw my colleagues' attention to the automobile emissions standards program, an important part of the Clean Air Act which will be examined by the Congress this year.

When I was a member of the New York State Assembly during the 1960's, I sponsored what I believe was the first State law requiring that the annual inspection of motor vehicles include inspection of their pollution control systems. I continue to believe that this is one of the best ways to maintain controls on the levels and kinds of pollutants entering our lungs and our environment.

I find efforts to weaken the emissions control standards very disheartening. The program is designed to reduce carbon monoxide, nitrogen oxide, and hydrocarbon emissions and increase fuel efficiency, and thus serve our citizens in a number of ways. It guarantees them a vehicle with a safe exhaust system, a vehicle which gets good mileage, a vehicle which is designed to protect their environment, and one which spares their health from the dangers of toxic pollutants. I urge my colleagues to consider these issues carefully as we seek to improve the Clean Air Act and would ask them to preserve stringent clean air standards.●

IMMUNIZATION AND DEADNESS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BONIOR of Michigan. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article by Carl Rowan which appeared in the Detroit News on March 29, 1982. This article testifies to the shortsightedness of the Reagan budget proposal which would reduce funding for child immunization programs. As a trustee at Gallaudet College, the Nation's only liberal arts college for the deaf, I am acutely aware of the results of the rubella epidemic which swept our country in 1963–65. Gallaudet College is an outstanding institution of higher education for our deaf citizens and its enrollment is increasing drastically because of the number of deaf children born as a result of this rubella epidemic. Therefore, I ask my colleagues to carefully consider the impact of these proposed cuts and to seriously weigh the consequences as presented in this article by Mr. Rowan:

[From the Detroit News, March 29, 1982]

IMMUNIZATION AND DEAFNESS

(By Carl T. Rowan)

WASHINGTON—I gave a speech the other night and sort of stumbled into a world about which I, sad to say, was woefully uninformed. I speak of the world of the deaf.

My speech was at Gallaudet, the nation's only college created to confer liberal arts degrees on deaf people, and also the only institution with both a demonstration elementary school and a model secondary school for the deaf. I left asking myself why I had not learned earlier about the plight of some 15 million Americans who are hearing-impaired.

But the most shocking thing that I learned is that a third of the high school students at Gallaudet lost their hearing because their mothers were afflicted with rubella (German measles). Gallaudet faces the pressure of twice as many youngsters demanding entry next fall as is usually the case because of the rubella epidemic of the mid-1960s. This left 25,000 to 30,000 babies with serious deformities, deafness, blindness, mental retardation, heart problems and other illnesses.

That visit to Gallaudet shook me up to the reality that America has been blessed with childhood immunization programs, and that these deaf youngsters at my lecture symbolized the human dimensions of one of the great "budget cut" debates that now seizes the medical profession, parts of Congress, and millions of parents.

Last year, in its mania for cutting social programs, the Reagan administration proposed to cut the childhood immunizations program by 34 percent. Congress fought back. But the meat-cleaver budget-slashers are still at it.

Rep. Henry A. Waxman, California Democrat, held hearings on immunizations before his House Subcommittee on Health and the Environment in February and heard a string of medical experts say that the proposed cuts are penny dumb and dollar stupid. Examples:

Dr. Louis Z. Cooper, director of pediatric services at the St. Lukes-Roosevelt Hospital Center in New York:

"These cuts will be very costly and cruel—costly in direct dollar terms to all our citizens. . . . Childhood vaccines have been recognized by all for their remarkable cost/benefit ratio, and cruel to the unfortunate victims and their families—cruel for a lifetime."

Dr. Samuel L. Katz, chairman of the Department of Pediatrics, Duke University School of Medicine:

"It is instructive to note the inverse relationship between the federal funding of vaccine programs and the occurrence of the disease. With the onset of federal support programs in 1966, there was nearly a 90 percent reduction in reported cases of measles by 1969; with the withdrawal of federal funds that year, we experienced a doubling of cases in 1970 and a three-fold increase in 1971. The reinstitution of federal support in 1972 started us again on the steady path of disease reductions. This has been a cost-effective program with an estimate of $10 benefit for every $1 the federal government has spent to immunize against measles."

The President says he is "the softest touch" around, and that he is bothered with TV programs and newspaper stories which make him look like "Scrooge." I am willing to concede that the President may be nice, but if Mr. Reagan will listen to the experts at Gallaudet, or read the testimony before Rep. Waxman's subcommittee, he won't waste a moment before ordering David Stockman to restore the funds for childhood immunizations.●

FARMERS TAKE NOTE: CLEAN AIR IMPORTANT TO AGRICULTURAL PRODUCTION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, I represent one of the most heavily air polluted areas of the country. I also represent a district which has important agricultural production. However, in my area we can no longer grow Zinfandel grapes. We have lost the production to other parts of the State because of high levels of ozone. I would like to point out to my colleagues that the effects of air pollution on agriculture are documented, and can be devastating to farmers. In my area we can still grow citrus, but lose up to 50 percent of our yield to the high levels of ozone.

The Office of Technology Assessment (OTA) is in the process of completing a study on the effects of air pollution on agriculture. Four crops are being studied for their sensitivity to ozone: Wheat, soybeans, peanuts,

and corn. These crops represent 62 percent of the dollar value of sales of the major U.S. commodities. Approximately $3.1 billion is lost per year in these four crops alone due to air pollution. The OTA study did not include in its estimate losses due to other more sensitive crops such as snap beans and potatoes. When the loss in crop productivity of these crops is taken into account, estimates shoot up to $5 to $10 billion per year.

Mr. Speaker, it is hard to understand how we can even consider relaxing auto emissions standards, as proposed in the Dingell-Luken bill, when the cost to agriculture is so high. Auto emissions result in high ozone concentration. Crops are very sensitive to ozone as shown in numerous studies and confirmed by the Office of Technology Assessment. Mr. Speaker, considering the current debate over reauthorization of the Clean Air Act, I think we must clearly realize the fundamental threat to our agricultural economy, and therefore to our national economy, posed by relaxation of auto emissions standards.

I urge my colleagues to consider these little-discussed facts when they enter into the debate over the Clean Air Act. Unfortunately, some farmers may not realize what the causes of poor or reduced yields are. They only see production going down. I hope we will keep their interests in mind when we reauthorize this important law.●

AN APPROPRIATE ACTION FOR CLEAN AIR WEEK

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. HOLLENBECK. Mr. Speaker, for the past 5 years, my home State of New Jersey has operated a popular and cost-effective program to clean up its air—the inspection and maintenance program for automobiles. Polls in our State have found that automobile owners are willing to help do their part to clean up our air by participating in the program.

But I have been disappointed that other cities and States which violate national health standards for automobile pollutants have not adopted this program. The present Clean Air Act requires that cities, which need until 1982 to meet the national ambient health standards for carbon monoxide and ozone, must adopt an inspection and maintenance program.

Therefore, I was pleased to see that earlier this week, the Reagan administration reversed its previous opposition to the inspection and maintenance program. They are now prepared to take action against 11 cities which need the inspection and maintenance program. Those cities are: Chicago, Detroit, Houston, Cleveland, Milwaukee, St. Louis, Las Vegas, Louisville, Nashville, Cincinnati, and Charlette, N.C.

I applaud the administration for reversing its position. This program should operate in these States. It may be the only way that we have of cleaning up the air so that it's fit to breathe. It is an appropriate action for the administration to have taken during Clean Air Week.●

THE STEEL INDUSTRY CRISIS: ACTION NEEDED

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WALGREN. Mr. Speaker, imports of specialty steel are at unprecedented high levels, and urgent action is needed. The Subcommittee on Oversight and Investigations of the House Energy and Commerce Committee just completed a 6-month investigation of the crisis faced by the domestic carbon and specialty steel industries. We found that total man-hours worked by production and related workers in the specialty steel industry dropped by 35 percent from the first quarter of 1980 to the fourth quarter of 1981. Capacity utilization has fallen to 47 percent.

Because of the crisis faced by the industry, Chairman DINGELL and I wrote the President on May 3 and requested that he impose import limitations for five product categories of stainless and alloyed tools steel. On a related matter, I have also written Special Trade Representative William Brock imploring the administration to take action to stop purchases of imported steel like the recent purchase of Japanese, Government-subsidized subway cars for New York City.

I would like to share these letters with my colleagues and call on their help in putting the American steel industry back on its feet and its workers back to work.

The letters follow:

MAY 3, 1982.

Hon. RONALD W. REAGAN,
President of the United States,
Washington, D.C.

DEAR MR. PRESIDENT: We are writing to ask you to take action under the authority vested in you under Section 301 of the Trade Act of 1974, as amended, to impose immediately, limitations on imports of specialty steel products.

As you may be aware, the Subcommittee on Oversight and Investigations of the House Committee on Energy and Commerce has been conducting a six-month investigation of the crisis faced by the domestic carbon and specialty steel industries. During the course of this investigation the market conditions faced by the specialty steel firms have steadily deteriorated to the point where the entire industry is threatened with imminent, permanent damage. The staff investigation to date has led us to concur with the sworn testimony of Richard Simmons, of Allegheny-Ludlum Steel, that if you take the full time period permitted you under Section 301 to make your decision, "the industry will not be recognizable."

The data is clear. Testimony from both industry and labor document the fact that the domestic specialty steel industry is being materially injured by imports from countries designated in the Section 301 petition filed by the specialty steel industry and the United Steelworkers of America. The same is true for imports from other countries not named in that petition.

Imports of specialty steel are at record levels and growing weekly. The imports of major specialty steel product lines in the fourth quarter of 1981 were as follows:

	Percent
Alloyed tool steel	43.7
Stainless steel rod	55.5
Stainless steel bar	27.0
Stainless Steel Sheet and Strip	14.6
Stainless Steel Plate	9.9

Imports in January 1982 were higher for every product category than in the fourth quarter of 1981.

These imports are having a disastrous effect on the industry and its workers. Total man hours worked by production and related workers dropped from the first quarter of 1980 to the fourth quarter of 1981 by 35%. Capacity utilization has dropped to 47%. No industry, regardless of how technologically efficient, can possibly continue production for any extended period of time at only 47% of capacity.

It is absolutely clear that specialty steel in the United States is a modern, efficient, productive industry. The Office of Technology Assessment and outside experts who have provided testimony before the Subcommittee are in clear agreement on that point. As enunciated by Ambassador Brock, your trade policy seeks to help such industries survive.

However, under Section 301 you have until early November to make your decision in this case. We are deeply concerned that if you wait until then to make your decision, far deeper, permanent and irreversible injury will occur. The only reason the specialty steel industry faces the problem confronting these firms today has been the targeting of the U.S. market by foreign producers whose government subsidies permit them to sell in the U.S. market below their cost of production. We believe prompt action is both necessary and justifiable.

A final consideration which you should take into account is the indisputable fact that the specialty steel industry is absolutely essential for our national defense. If significant numbers of specialty steel firms are forced to enter a shutdown mode because your Administration has not provided timely relief from unfair imports then it is entirely possible that the United States will be faced with the choice of relying on foreign producers for vital components to our national defense or rebuilding the industry under government auspices. We are sure that you concur with us that such a foolhardy and wasteful predicament is something that the country should avoid if at all possible. If you act quickly within the authority available to you under Section 301 we can avoid this Hobson's choice, as well as provide the relief that the industry, its workers and communities dependent on its health are entitled to under the law.

Specifically, we propose that you announce annual import limitations for the five product categories of stainless and alloyed tools steel based on the average level of imports in each category from 1970 to 1974. The limitations should continue in effect for a period of five years or until successful action is taken to neutralize the effects of foreign government subsidies in our marketplace.

We sincerely hope that you share our deep concern about the future viability of this industry and will act promptly to avoid endangering our national defense and to end the suffering experienced by workers and communities which rely on a healthy specialty steel industry for their economic well being. We look forward to your prompt decision.

Sincerely,

DOUG WALGREN,
Member, Subcommittee on Oversight and Investigations.
JOHN D. DINGELL,
Chairman, Subcommittee on Oversight and Investigations.

MAY 3, 1982.

Ambassador WILLIAM E. BROCK,
U.S. Special Trade Representative
Washington, D.C.

DEAR BILL: I am writing to inquire about the Administration's plans to deal with the Japanese sale of government-subsidized subway cars to the New York City Transit Authority. This sale was reported in the March 19 Wall Street Journal and the April 2 Washington Post. According to the Post article, an unnamed Administration spokesman indicated that "the administration has no plans to take any action in the Kawasaki case."

The rise in steel imports and unemployment in the last two years and the general deterioration of the economy, in my view, demand that the Administration begin tough enforcement of our fair trade laws. As you know, the House Energy and Commerce Subcommittee on Oversight and Investigations, on which I serve, is conducting an in-depth investigation of the problems of the steel industry. In our hearings, we have found that imports are at all-time highs—25% penetration—that the steel industry is currently operating at about 52% of capability, and that there are over 116,000 employees on layoff or short workweeks.

The award of this contract to Kawasaki could set a dangerous precedent. It is well-known that the major attraction to Kawasaki's bid was the Japanese government's offer to provide $126 million in financing at the lower interest rate of 12.25% while domestic producers must contend with the U.S. prime rate of 16.25%. We cannot expect our industries to compete with foreign subsidization. This kind of policy only encourages foreign countries to saturate the U.S. with subsidized imports that harm domestic industries and jobs.

This contract will particularly adversely effect America's specialty steel industry, which already suffers from an unemployment rate nearing 25%, although it is the most technologically advanced and efficient special metals industry in the world.

I would appreciate knowing what steps the Administration plans to take on the Kawasaki contract, specifically whether you have determined if subsidization has taken place and what U.S. trade laws and the General Agreements on Tariffs and Trade have been violated. I would hope too that the Administration would take the lead encouraging state and local governments to "Buy American," and that the federal government set an example by purchasing domestically produced steel for federal projects.

I look forward to hearing from you.

Sincerely,

DOUG WALGREN,
Member of Congress.●

CONGRESS MUST VETO OIL PURCHASES FROM IRAN

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FITHIAN. Mr. Speaker, I am today introducing a concurrent resolution expressing the sense of Congress—and the outrage of the American people—against the resumption of U.S. oil purchases from Iran.

Last week the American people were shocked to learn that the U.S. Government had purchased 1.8 million barrels of Iranian crude oil during the week of April 24. The purchase was the first since President Carter banned Iranian oil imports during the 1979 hostage crisis.

Ironically, the day the purchase was consummated, April 24, 1982, marked the second anniversary of the aborted hostage rescue mission in which eight American servicemen lost their lives.

It is not difficult to understand why the revolutionary Iranian Government would want to make its peace with what it used to call "the great Satan"; the Iranian economy is in shambles and it desperately needs foreign currency to support its war effort against Iraq. The role of our Government in bailing out the Khomeni regime is less clear.

At the same time we are telling Lybia that its support for terrorism and its contempt for the rule of law in world affairs warrants tough economic sanctions, we are telling the revolutionary Iranians that all is forgiven; that it is back to business as usual. How will we explain this to the allies we begged to support our Iranian economic sanctions policies?

That is not the message that the people I represent want our Government to send to Khomeni and Qadhafi. That is not the message the Congress wants our Government to send either.

Correcting this policy is what my resolution is all about.●

A TRAGIC PLEA FOR CITIZENSHIP SHOULD BE HEARD

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. YOUNG of Florida. Mr. Speaker, today, I want to tell you about the sad and tragic case of a woman whose struggle for citizenship has spanned 10 years of physical and mental anguish. Mrs. Nery De Maio, the 61-year-old Colombian wife of my constituent, 91-year-old William De Maio, is a permanent resident who has lived in the United States for over 20 years. About 10 years ago, just before her citizenship examination, Mrs. De Maio had a stroke which resulted in her suffering from a permanent condition known as aphasia. As such, she is unable to communicate, to any degree, by written or spoken language.

Although you might think that Mrs. De Maio's struggle to overcome this disability would overshadow any thoughts she might have about becoming an American citizen, it has, if anything, intensified her struggle. I became involved in Mrs. De Maio's fight for citizenship in September 1979, and have been trying to help her ever since. Her last hope was crushed on April 13, 1982, when a Tampa Federal judge regretfully denied her petition for naturalization in what he described as "* * * one of the most difficult, and heart-rending, decisions that the court has been called up to make * * *." Since there is no longer any hope for administrative relief, I have decided that the only possible course is to introduce private legislation in Mrs. De Maio's behalf.

This bill establishes that Mrs. De Maio has satisfied the two requirements she is currently unable to meet—a demonstration of knowledge and understanding of history and government fundamentals and taking the oath of allegiance to the United States. By overcoming these two hurdles, the process of naturalization can take place.

Patriotism, love of flag and love of country cannot be treated lightly if our Nation is to endure and that is what makes Mrs. De Maio's case all the more tragic. Although she is no longer able to orally express her continued dream for citizenship, she was able to verbalize one important thought in court—"I love America". Well, America loves you, too, Mrs. De Maio, and I hope we can express that love by helping you become a citizen of the United States.●

REMEMBER BATAAN!

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. WON PAT. Mr. Speaker, nearly 40 years ago on April 9, 1942, the brave American and Philippine soldiers, suffering from exhaustion, hunger, disease, and out of ammunition, reluctantly surrendered the Bataan Peninsula and thus the entire Philippine Islands to the Japanese Army.

Only a short time before that my own island of Guam was also forced to pull down the American flag and replace it with that of a nation who would inflict horrible suffering on our peoples for the next 3 years until we were liberated by U.S. Forces.

Throughout the Pacific campaign one of the great rallying cries for U.S. Forces was "Remember Bataan!" And here in the States, countless stories were told and retold of the incredible acts of heroism of our beleaguered forces in Bataan and Corregidor.

Today, I think it is fitting that our Nation pause on the 40th anniversary of that epic battle to pay homage to the loyal and dedicated service of the Filipino people to the war effort.

Few Americans know that Philippine soldiers did far more than assist U.S. efforts in the early days of the war to halt the rapid expansion of Japanese military might. In fact, over 12,000 Philippine soldiers were actually incorporated as a component of the U.S. Army by a 1901 act of Congress. These soldiers were part of the elite corps known as the Philippine Scouts who served with great distinction in the months and years ahead after the Philippines were attacked.

I am proud to sponsor legislation which would establish the week of April 9 forevermore as Philippine Veteran Week. This bill has 50 cosponsors now and I hope that we can win many more to our side as we seek to provide an appropriate memorial to those who suffered and died in the cause of defending liberty in the Pacific.

The role of the Philippine defenders in the ultimate victory of the United States cannot be overstated. Through their unstinting sacrifice, they forced the enemy to delay their thrust into the South Pacific and gave the United States time to regroup. Because of the hard fighting American and Philippine soldiers, the enemy found it had to retain large army and naval forces in the Philippines which otherwise would have been employed against Allied shipping of men and materials to Australia and New Caledonia. Tokyo thought that it would defeat Allied forces in the Philippines quickly and did not count on these brave men and women making last ditch stands in the jungles even though they knew in their hearts and minds that the future was indeed bleak. Yet, they held out in the knowledge that for every day they delayed the enemy it was another day of respite for their colleagues in arms elsewhere.

The toll of this incredible bravery to the Philippine scouts was telling and horrible: Roughly half of the 12,000-man scouts were killed in the intense fighting. The grueling cycle of battle and retreat which characterized the defense of Bataan depleted their reserves of manpower and ammunition. So bitter was the struggle that one unit of the scouts—the 26th Cavalry—ended up with its total strength of 1,800 being reduced to only 300 survivors.

Even after the surrender of the fortress the end of their suffering was not in sight. Those who survived were forced to march on the infamous Bataan Death March and endure years of confinement in harsh POW camps.

These men were part of the U.S. Army, yet I do not believe that their services to this Nation have been adequately recognized. Further, even though they fought alongside U.S. soldiers against a common enemy, they received far less pay than their American counterparts. When you recognize that these soldiers were subject to the same discipline and code of justice as our forces, this is most unforgivable.

The same condition has existed for the several hundred members of the Guam Combat Patrol who also were part of the official U.S. efforts to clean up Guam in 1944 and yet these men have also been denied even veterans status despite my efforts to bring this about.

We owe these soldiers a great debt of gratitude and I believe that we should recognize their service to this Nation.

Thank you.●

CLEAN AIR WEEK

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. SHANNON. Mr. Speaker, National Clean Air Week should be a time to celebrate, a time to take note of the advances this country has made in making its air more fit for human consumption.

But now there are those who would have us take a big step backward, into the smoggy, polluted air of the past.

Legislation for the reauthorization of the Clean Air Act is now being considered by the Energy and Commerce Committee. Unfortunately, this legislation is nothing less than a physical threat to each and every one of us.

It uses the Clean Air Act as a scapegoat for the economic problems of industry.

Let us address those problems in a way that will really make a difference. Let us talk about high interest rates, foreign competition, and poor management.

But in the process, let us not destroy a bill that supports the good health of all Americans.

It is too bad that this year we celebrate Clean Air Week by fighting this kind of rearguard action. But the struggle is essential. Let us not have a law which would literally rip the lungs out of our clean air standards, standards that let us all breathe a little more easily.●

TWO ARGUMENTS FOR A NUCLEAR WEAPONS FREEZE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BROWN of California. Mr. Speaker, there have been a multitude of statements and arguments for and against a nuclear weapons freeze in recent months. The one publication which has most consistently discussed the dangers of nuclear weapons, nuclear proliferation, and nuclear war is the Bulletin of Atomic Scientists. The Bulletin, as it is called, was in fact founded by many of the developers of the world's first nuclear weapon in 1945. The doomsday clock on its cover, now at 4 minutes to death—a symbolic midnight—is viewed worldwide as the symbol of the nuclear threat hanging over the Earth.

The May issue of the Bulletin contained several interesting articles in favor of a nuclear weapons freeze. One by its editor in chief, Bernard T. Feld, can be found below. In this editorial, the simple point is made that if we are going in the wrong direction, we first need to stop, or "freeze," before we can turn around.

A second article is a statement by Harold Willens, the force behind the California bilateral nuclear weapons freeze initiative which will be on the California ballot. Harold Willens describes how the California initiative came about, why it is an important step toward nuclear arms control, and what dangers freeze proponents should consider. This article can also be found below.

Mr. Speaker, I recommend both of these articles to my colleagues and insert them in the RECORD at this time.

[From the Bulletin of Atomic Scientists, May 1982]

A MUTUAL FREEZE

(By Bernard T. Feld)

On the subject of arms control, the policies of the Reagan Administration are in complete disarray. Worse, such policies as can be discerned are internally inconsistent and mutually contradictory.

Basically, the problems stem from the fact that it is impossible to pursue nuclear superiority and nuclear arms control simultaneously. But the Administration came into office on the promise of restoring the military imbalance that once prevailed—in the "good old days" of the 1950s and early 1960s—when imbalance in numbers and delivery vehicles could be translated into an ability to face down the Soviets in an "eyeball-to-eyeball" confrontation as in Berlin and Cuba. But those days are gone forever.

The Soviet Union has finally caught up, as far as numbers of weapons and delivery vehicles are concerned. But more important, the concept of "superiority" is meaningless in a confrontation involving tens of thousands of deliverable nuclear bombs—a megatonnage capable of subjecting every person on Earth to the equivalent of at least a few tons of dynamite. And there is absolutely nothing either side can do—including the spectre of a surprise, preemptive nuclear "counterforce" attack—to prevent nuclear genocide should the military and political decision be made to do so.

These are unalterable facts of the nuclear age. There is no way out. The chimera of "defense" is nothing more than that. Providing our urban citizens with shovels, route maps to the country and instructions for safely relocating under three feet of earth on two days' notice of an impending surprise attack, is both a wasteful boondoggle and a poor joke. Combined with elaborate plans for moving our "leaders" into hardened and well-supplied underground shelters—from which they emerge 30 days after the holocaust to repopulate the Earth with their superior progeny—this new survivalist/revivalist movement has disquieting overtones of old-fashioned totalitarianism.

Confronted with the inescapable truth of essential nuclear equality or parity between the two nuclear superpowers (a number soon to become three, four . . . ?) many of the Administration's weapons technologists find refuge in visions of a new arena of military competition—space. With scenarios of future space combat that exceed in ferocity (but fall far short in imaginative variety) the spacewar games into which many teenagers escape from our unappetizing world and their high-school homework assignments, they urge upon our governments new, scientifically uninteresting but astronomically costly military space ventures. So far, budgetary limitations have kept a lid on such programs, but we may depend on the instincts of mutual East-West military cooperation for a barrage of propaganda about prospective "windows of vulnerability."

All of which goes a long way toward explaining the frantic, almost hysterical reactions of Administration "defense" analysts to suggestions for a mutual freeze on production, testing and deployment of new weapons. The more so as this simple and compelling idea seems to be catching on, both nationally and worldwide. Its attraction derives from an obvious and basic fact of nature: If one is moving in the wrong direction and wants to reverse one's motion, it is first necessary to stop. It is as simple as that.

The argument that one must catch up with the opponent in order to be able to stop is sheer poppycock—especially if you are both heading inexorably toward a precipice. At the current levels of nuclear deployments, there is no such thing as "inequality." As George Kennan has so cogently pointed out, we could either or both reduce our nuclear systems by 50 percent without in any significant way affecting the current situation of mutual deterrence. And, indeed, the freeze makes sense mainly as a prelude toward the initiation, preferably by negotiated agreement but conceivably via the process of "mutual example," of such substantial cuts in the vast mutual nuclear overkill.

Even from a tactical point of view, our Administration is being very foolish, not to mention shortsighted, in rejecting the freeze concept. Our European allies are growing increasingly restive under U.S. pressures to increase nuclear and other military deployments and generally heat up the arms race. The political forces in Europe are pressing hard for unilateral motion toward the denuclearization of their continent. President Reagan's recent call for reduction of European nuclear deployments to the zero level met with a very strong resonance among our allies. But the European public is becoming increasingly cynical regarding U.S. intentions when such a call for denuclearization is accompanied by pressures on our NATO partners to accept the deployment of new systems on their territories.

We simply can't have it both ways. Arms control and disarmament, even if only still in the negotiating stage, demand mutual restraints to get and stay under way. A mutual freeze is the clearest and most effective signal we could give each other as to our mutually serious intent. If this Administration is serious in its intention to start down the path toward nuclear arms control and reduction, it must drop its spurious objections to the first necessary step—we must stop in order to turn around.

[From the Bulletin of Atomic Scientists, May 1982]

CALIFORNIA FREEZE INITIATIVE

As a World War II Marine intelligence officer I viewed Hiroshima and Nagasaki not many weeks after our atomic devices leveled them. Against that background I have seen the odds against human survival steadily lengthening—until now. Now I see the chance of a turnaround: California, the nation's top producer of nuclear delivery systems—and with 10 percent of the vote—is at the cutting edge of a nationwide drive for a Soviet/American nuclear weapons freeze.

In less than three months Californians for a Bilateral Nuclear Weapons Freeze, has gathered the 500,000 signatures needed to put the freeze initiative on our November ballot. Although the initiative is not binding, a solid win—after surviving the heat of a campaign in which the opposition will have every chance to strike it down—cannot help but change some minds in Congress and the Administration.

But all will depend on our campaign, and we must keep it as hardnosed and free from peace-rally rhetoric as possible. Our job is to reach out to as wide a political spectrum as possible.

"The safety and security of the United States must be paramount in the concerns of the American people. . . . [Therefore we] urge that the Government of the United States propose to the Government of the Soviet Union that both countries agree to immediately halt the testing, production and further deployment of all nuclear weapons in a way that can be checked and verified by both sides."

The inclusion of that clause on verification and the omission of another clause "to transfer the funds saved to civilian use" is a sharp change from the language used in similar efforts in Massachusetts and Connecticut. Here in California the verification clause is essential if we are to win, and the transfer of funds clause, we ascertained through a professional public opinion poll, would have lost us 9.7 percent of the voters.

We are limiting ourselves to a few key points and backing them with the most conservative authorities we can find; the swing voters will listen to no others. The most critical point is verification and we quote General David Jones. In a Senate Armed Services Committee hearing on national technical means of verification (satellite, seismograph and radar) he was asked, "Do you believe we can verify the SALT agreements this way?" "Yes, I do," Jones said. We point out that his answer applies even more to the freeze because freeze provisions are total; totality wipes out ambiguity and makes verification easier.

General Richard Ellis of the Strategic Air Command was asked in a Senate Armed Services Committee hearing on February 18, 1981, "From your own experience and study of Soviet history do you think they would accept that type of on-site inspection which would give us adequate assurance that they are complying?" "I think so," he said. We point out that no one, not even Paul Nitze, U.S. chief arms control negotiator, imagines 100 percent certainty is possible or even necessary. "Verifiability," Nitze has said, "is not an absolute requirement; it is the means towards a good agreement. If those provisions of an agreement which are strategically significant to us are adequately verifiable, the agreement might be a good agreement, even if its less important provisions are not confidently verifiable."

The second most crucial point is that of parity. On this point we quote General Lew Allen, Chief of Staff, U.S. Air Force, testifying before the Senate Armed Services Committee, February 25, 1981:

"Our measure has been, 'Can the U.S. withstand a Soviet first strike and still retaliate in such a way as to inflict unacceptable damage on the Soviet Union?' We are still able to do that . . . our retaliatory strength remains acceptable. . . . I believe I have a clear responsibility in open testimony and in comments before the press or the public to describe the United States' strategic situation with respect to the Soviets as one of rough equivalence."

It is my considered opinion that if the freeze is to win big in this biggest state of the country, so as to get this (or the next) Administration to accept it as the necessary first move toward Strategic Arms Reduction Talks (START), the campaign has to be waged as outlined here. I urge proponents of similar initiatives in other states to wage their campaigns in a similar way.

HAROLD WILLENS,
Nuclear Arms Freeze.●

REQUEST FOR A RULE ON H.R. 6094

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on April 28, 1982, the Committee on Ways and Means ordered favorably reported H.R. 6094, to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes. The report was filed with the House on April 29, 1982.

I take this occasion to advise my colleagues that the Committee on Ways and Means has requested a modified closed rule for the consideration of this bill, and that we will seek to be heard before the Committee on Rules as expeditiously as possible.●

NUCLEAR NONPROLIFERATION AMENDMENTS OF 1982

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. OTTINGER. Mr. Speaker, in conjunction with Senators GARY HART and ALAN CRANSTON, I am today introducing a bill that seeks to reverse the trend in administration policy decisions that dangerously weaken U.S. efforts to halt the spread, or proliferation of nuclear weapons.

It is vitally important that Congress consider this legislation now. We recently have witnessed a groundswell of public concern and fear that life on Earth may be ended by a nuclear war with the Soviet Union. The American people are demanding, as never before, that our race to a nuclear Armageddon be stopped. The Congress has responded with no fewer than a dozen resolutions focused on controlling nuclear weapons.

No matter how successful we may be in our efforts to lessen the chances of nuclear war through a freeze and reduction of nuclear weapons by the Soviet Union and ourselves we will have addressed only one part of this dangerous problem. For while we are trying to regain control of nuclear arms, we are continuing to produce and encourage the use of plutonium and highly enriched uranium as fuel for electric generating plants—from which other nations or terrorist groups can produce nuclear arms.

This is a far greater threat to our security and survival. The United States and the Soviet Union effectively deter each other from the use of nuclear weapons. No such deterrence exists for the Red Brigade or a nation such as Libya. And these most likely source of fuel for a terrorist's nuclear weapon is plutonium or highly enriched uranium that has been diverted from a nuclear reactor or reprocessing plant.

I fear that we are doing less than ever to prevent such a diversion. Our past nonproliferation policies have been abandoned by President Reagan, leaving us dependent on inadequate international safeguards.

First, the legislation I am introducing would transform into law the United States' long-standing and consistent policy of never exporting sensitive reprocessing and enrichment technology that could enable recipient countries to produce weapons-usable materials and build nuclear weapons.

Second, the legislation prohibits reprocessing by foreign countries of spent fuel produced from U.S. supplied nuclear materials or equipment and the retransfer and use of any resulting separated plutonium unless the Congress finds that effective international safeguards will be applied and that appropriate sanctions exist against violations of safeguards commitments. This provision does nothing more than affirm a necessary condition, already required by U.S. nonproliferation law, that timely warning of a diversion be met with respect to any such export.

Third, the legislation closes a loophole in the Nuclear Nonproliferation Act of 1978 that permits a U.S. corporation, or an affiliate in a third country, to transfer or provide nuclear facilities, technology or material from outside the United States to a country that has not entered into an agreement for cooperation with the United States. The bill authorizes the NRC to require licenses for such U.S. corporations and impose penalities for violations.

The need for this provision was aptly demonstrated recently by two recent cases: The Westinghouse Electric Co. has stated it intends to offer to sell a $1.1 billion, 900-megawatt nuclear power reactor to Pakistan, which does not have an agreement for cooperation with the United States and has not signed the Nonproliferation Treaty. Pakistan has made no secret of its strong interest in obtaining the capability to build nuclear weapons. Most important, the International Atomic Energy Agency (IAEA) last fall announced that it could no longer guarantee that Pakistan is not diverting nuclear materials for military purposes.

In another instance, within the last year, two American firms, Edlow International of Washington, D.C., and SWUCO, Inc., of Rockville, Md., served as brokers for 100 tons of enriched uranium for South Africa from uranium supply and enrichment companies in France, Belgium, and Switzerland. The arrangement directly contradicted U.S. policy of opposing the direct sale of enriched uranium to South Africa and undercut our attempts to persuade South Africa to sign the Nonproliferation Treaty and submit all of its nuclear installations, including a uranium enrichment plant capable of providing weapons-usable highly enriched uranium to International Atomic Energy Agency safeguards.

There should be little question that transactions abroad, by U.S. firms, which can affect our foreign policy and security interests must be subject to some form of U.S. control.

Finally, the bill requires the Nuclear Regulatory Commission in issuing export licenses to find that International Atomic Energy Agency safeguards measures to be applied will be adequate to provide timely warning of a diversion of nuclear materials for use in nuclear weapons. The NRC expressed doubt over its authority to determine the adequacy of safeguards and while I think the doubt is unfounded, it is settled in this legislation.

Since the beginning of the nuclear era, the United States has accompanied its development of peaceful nuclear energy with effective international policies for its control and use. As a foremost consideration, our policies have reflected our concern that nuclear technologies and materials used in civilian power were born of our development of atomic weapons, and civilian use had to be prevented from being reverted to weapons.

However, the Reagan administration appears to view with complacency the growing desire of foreign countries to acquire separated plutonium. As a candidate in 1980, President Reagan said that nuclear proliferation "is not any of our business." And the administration's subsequent actions and statements reflect that naive and dangerous attitude. It is this attitude and the administration's failure to address proliferation as a global concern that has prompted the need for legislation.

The administration's radical policy shift stems from its desire to use both plutonium and highly enriched uranium to meet our energy needs, and its willingness to blur the line between peaceful and military uses of nuclear power. Such a policy is not only dangerous, it has no economic justification.

Technological improvements have been developed that can enhance and prolong the availability of non-weapons-usable uranium fuel to meet our energy needs well into the 21st century.

Examples of the administration's new policy abound:

Last October, the Department of Energy authorized Japan to reprocess

United States-supplied reactor fuel at its Tokai Mura plant at full capacity. Additionally, Japan has plans to build a new commercial-scale reprocessing plant and has stated it will seek approval to recycle plutonium obtained from the reprocessing of spent nuclear fuel controlled by the United States.

The United States has been negotiating with Mexico on aiding the substantial expansion of its nuclear program.

Mexico has shown an interest in gaining access to sensitive uranium enrichment and reprocessing technology, despite huge oil reserves and no operating reactors. The administration refuses to rule out such a transfer.

The United States has exempted Brazil from penalty provisions in the contract with the Department of Energy to supply enriched uranium for the Brazilian Angra I nuclear reactor. The administration is permitting Brazil to use fuels from other nations so that it will not have to comply with all the sasfeguards associated with the purchase of American uranium.

The Congressional Research Service recently examined these four examples and the entire policy change under President Reagan, at my request, in its study, "Nuclear Policy of the Reagan Administration: A Summary Analysis and Four Case Studies." I recommend it to my colleagues.

Mr. Speaker, I know it will be argued and the administration already contends that, if the United States becomes a "reliable supplier" of nuclear technology and materials throughout the world, its commercial leverage can influence recipient countries toward U.S. nonproliferation goals. Yet as the Brazilian case demonstrates, the reliable supplier principle is illusory. For once the United States exercises its leverage, it is accused of no longer being a "reliable supplier." It is a catch-22. Moreover, becoming a reliable supplier of sensitive nuclear technology and materials makes sense only when there are reliable customers. Given the doubts about the effectiveness of international safeguards, we may become the reliable supplier of our own destruction.

During 1981, two former IAEA inspectors testified before the Congress about the serious inadequacies of IAEA safeguards and cautioned the United States not to rely on it to detect diversions of bomb materials from certain facilities.

In November 1981, the Nuclear Regulatory Commission in a letter to key congressional committees provided a clear warning:

> The NRC is concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities. In addition we are not confident that the member states would be notified of a diversion in a timely fashion.

The NRC repeated its warning to the Congress on March 2, 1981, by stating that:

> We do have enough information to be concerned that the IAEA safeguards system would not detect a diversion in at least some types of facilities.

In its letter, the Nuclear Regulatory Commission, in response to specific questions dealing with the effectiveness of safeguards for the fabrication of highly enriched uranium and plutonium, reprocessing of spent reactor fuel and separated plutonium stated:

> Highly enriched uranium and separated plutonium can be inspected. However, because they can be transformed readily into weapons, we cannot reliably count on inspection alone to provide warning of diversion of HEU and separated plutonium in time to prevent assembly if the necessary preparation work has been done.

In response to the question of whether international safeguards are adequate to detect the diversion of nuclear equipment or material, Commissioner Victor Gilinsky stated, ". . . international safeguards are not adequate."

On March 3, 1982, in a hearing before the Energy Conservation and Power Subcommittee which I chair, NRC Chairman Palladino said:

> We have identified that in reprocessing facilities it would be difficult to give assurance based on IAEA safeguards. The types of reactors where there is on-line refueling, it would be difficult to provide assurance.

On March 8, 1982, outgoing Commissioner Peter A. Bradford stated:

> A safeguards system that has some difficulty coping with the spent fuel cannot possibly cope with plutonium separated from its highly radioactive companions in waste under the reprocessing and breeder programs about which this Administration is enthusiastic.
>
> Separated plutonium is directly usable in a bomb. A nation with a designed and fabricated weapon could fuel it with diverted plutonium in less time than detecting and reporting the diversion might well take. I know of no one knowledgeable about safeguards who disputes this.
>
> Thus, the convergence of President Reagan's policies toward reprocessing and breeder reactors with the problems in IAEA safeguards to which the NRC's November letter alludes threatens to overwhelm the international safeguard system altogether. Large quantities of separated plutonium being transported, stored and fabricated cannot be adequately safeguarded.

This testimony reinforces the wisdom of past U.S. nonproliferation policy. Every administration since Harry Truman has recognized the inadequacy of international safeguards, and has used much stricter standards to slow the spread of nuclear technology throughout the world. That policy has had the effect of restraining other nuclear powers from the wholesale, indiscriminate spread of nuclear technology. The abandonment of this policy will instigate a mad rush to sell this dangerous technology to anyone with the money to buy it. The profits made in this exchange may be the last for the Western Hemisphere—these are literally the profits of doom.

This bill would make law the policies accepted by every administration until President Reagan took office. It would attest to the folly of generating electricity from nuclear fuel that can be made into nuclear bombs. It would restore the United States to the position of leadership in the fight against nuclear proliferation.

Eventually, public outcry and congressional action may restrain the United States and the Soviet Union in our suicidal rush for nuclear superiority. This legislation could prevent a future nuclear threat from a yet unknown source.

Mr. Speaker, I urge prompt consideration of this important legislation.

The legislation follows:

H.R. 6318

A bill to prohibit the export and use abroad of certain nuclear technologies and materials

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Nuclear Non-Proliferation Amendments of 1982".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) the spread of highly enriched uranium and separated plutonium, or the direct capability to manufacture or otherwise acquire such materials, poses a grave threat to the security interests of the United States and to continued international progress toward world peace and development;

(2) technologies for the enrichment of uranium or other isotopic separation of special nuclear materials, for the reprocessing of nuclear fuel, and for the production of heavy water have been used in the production of highly enriched uranium and separated plutonium;

(3) effective safeguards do not now, and will not soon, exist for highly enriched uranium and separated plutonium and for the technologies (including technologies relating to uranium enrichment and other isotopic separation, nuclear fuel reprocessing, and heavy water production) from which such materials are produced;

(4) if exported, these technologies would turn separated plutonium and highly enriched uranium into articles of commerce and thus would gravely increase the risk that nuclear weapons will spread to non-nuclear-weapon states;

(5) it has been the longstanding and consistent policy of the executive branch of the United States Government to prohibit the export of these technologies;

(6) the supplier guidelines of the Nuclear Suppliers Group reflect a consensus among supplier countries to exercise restraint in the supply of these technologies to non-nuclear-weapon states;

(7) a congressional affirmation of this policy can strengthen United States leadership, by example, in persuading other nuclear supplier countries not to export these technologies;

(8) the reprocessing of spent nuclear fuel and the use of separated plutonium and highly enriched uranium cannot be carried out under conditions that will ensure "timely warning" to the United States of any diversion;

(9) in the absence of effective safeguards and international sanctions against violations of nonproliferation commitments, reprocessing and the use of resulting materials subject to United States control would significantly increase the risk of proliferation and should not be approved; and

(10) the activities of United States firms directly or indirectly engaged in foreign nuclear commerce can have a significant effect on United States foreign policy and national security interests and should therefore be licensed by the United States Government.

PRODUCTION OF HIGHLY ENRICHED URANIUM AND SEPARATED PLUTONIUM

SEC. 3. Section 402(b) of the Nuclear Non-Proliferation Act of 1978 (42 U.S.C. 2153a(b)) is amended to read as follows:

"(b) Notwithstanding any other provision of law, major critical components of any facility for, and information or other assistance which is relevant to, the enrichment of uranium or other isotopic separation of special nuclear material, nuclear fuel reprocessing, or heavy water production may not be exported or otherwise provided under any agreement for cooperation (except an agreement for cooperation pursuant to subsection 91c., 144b., or 144c. of the 1954 Act) or under any authorization by the Secretary of Energy under subsection 57b.(2) of the 1954 Act. For purposes of this subsection, the term 'major critical component' means any component part or group of component parts which the President determines to be essential to the operation of a complete facility for the enrichment of uranium or other isotopic separation of special nuclear material, for nuclear fuel reprocessing, or for heavy water production.".

REPROCESSING AND RETRANSFERS OF SEPARATED PLUTONIUM

SEC. 4. Chapter 11 of the Atomic Energy Act of 1954 is amended by adding at the end thereof the following new section:

"SEC. 132. PROHIBITION ON REPROCESSING AND ON RETRANSFERS OF SEPARATED PLUTONIUM.—

"a. Until such time as the Congress enacts a joint resolution in accordance with subsection b. of this section—

"(1) the Secretary of Energy may not grant any approval (under section 131 or otherwise) which is required under any agreement for cooperation (including associated agreed minutes), other agreement, understanding, or assurance, for; and

"(2) an agreement for cooperation (including associated agreed minutes) or other agreement, may not permit;

the reprocessing, or the use of retransfer of any plutonium in quantities greater than 500 grams resulting from the reprocessing, of any special nuclear material which is exported by the United States or produced through the use of any nuclear materials and equipment or sensitive nuclear technology exported by the United States. Paragraph (2) applies with respect to any agreements for cooperation, including any amendments to an agreement for cooperation, associated agreed minutes, or other agreements, which are entered into after May 6, 1982.

"b. The prohibitions contained in this section shall remain in effect until such time as the Congress enacts a joint resolution declaring that the Congress finds that—

"(1) effective international safeguards, which will provide timely warning to the United States of any diversion well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device, can be applied with respect to reprocessed special nuclear material and to separated plutonium; and

"(2) international sanctions against violations of non-proliferation commitments have been established which are adequate to deter non-nuclear-weapon states from diverting reprocessed special nuclear material and separated plutonium to the manufacture of nuclear explosive devices."

LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE

SEC. 5. (a) Chapter 11 of the Atomic Energy Act of 1954, as amended by section 4 of this Act, is further amended by adding at the end thereof the following new section:

"SEC. 133. LICENSING OF CERTAIN ACTIVITIES IN FOREIGN NUCLEAR COMMERCE.—

"a. Activities described in subsection b. of this section by any person subject to the jurisdiction of the United States—

"(1) may be engaged in only if authorized under an agreement for cooperation;

"(2) shall be considered to be exports for purposes of the procedures and requirements of section 126, section 127, and section 128, except that any such activities relating to transfers or retransfers of components, items, and substances shall be considered to be exports for purposes of the procedures and requirements of section 109 b.; and

"(3) shall require a license from the Nuclear Regulatory Commission.

"b. The requirements of subsection a. apply with respect to any transfer or retransfer, including any activity which directly or indirectly assists in any way the transfer or retransfer, outside the United States of—

"(1) any source or special nuclear material (including transfers or retransfers of title to any such material),

"(2) any production or utilization facility or any technology pertaining to any such facility,

"(3) any sensitive nuclear technology, or

"(4) any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109b.,

regardless of the country of origin.".

(b) Section 234 a. of that Act is amended by striking out "or 109" and inserting in lieu thereof "109, or 133".

ADEQUACY OF IAEA SAFEGUARDS

SEC. 6. (a) Section 127 of the Atomic Energy Act of 1954 is amended—

(1) in paragraph (1) by inserting "(A)" immediately after "(1)"; and

(2) by inserting immediately after paragraph (1)(A) as so redesignated, the following:

"(B) The IAEA safeguards to be applied will be adequate to provide timely warning to the United States of any diversion of—

"(i) any such special nuclear material, or

"(ii) any special nuclear material used in any such facility or produced through the use of any such material, facility, or technology,

well in advance of the time at which a non-nuclear-weapon state could transform the diverted material into a nuclear explosive device.".

(b) Section 109 b. of that Act is amended by inserting immediately before the semicolon at the end to clause (1) of the second sentence ", and those safeguards will satisfy the 'timely warning' requirement described in paragraph (1)(B) of section 127".●

HANDICAPPED CITIZENS FIGHT DISCRIMINATION

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. BRODHEAD. Mr. Speaker, yesterday the Washington Post told of good news for handicapped Americans. After attempts to gut several key provisions failed, the Architectural and Transportation Barriers Compliance Board approved minimum guidelines for making Federal buildings accessible to the physically handicapped.

The Post reports that this decision was a victory for handicapped groups who opposed efforts by the Postal Service, the Defense Department, the Department of Housing and Urban Development, and the General Services Administration to eliminate strong guidelines and replace them with weaker substitutes.

While the rejection of weaker standards is a victory for the handicapped, I think it points out the tough struggle which the disabled must wage in order to insure their basic rights as citizens. Such a struggle is now going on over the administration's proposed changes in section 504 regulations under the Rehabilitation Act of 1973—widely considered the "Civil Rights Act" of the handicapped.

The Reagan administration is seeking to water down the present section 504 regulations and replace them with considerably weaker substitutes. I am strongly opposed to this effort. It will be a sad day in this country when a citizen's civil rights are sacrificed in the name of convenience, cost savings, and reduction of Federal regulations.

Handicapped people are tired of being discriminated against and are committed to doing something about it. Their cause is one we should all support. I am hopeful that the administration will reconsider its efforts to weaken section 504 and provide the guarantees that are the right of every handicapped person.

I would like to share the Post article with my colleagues:

PHYSICALLY HANDICAPPED WIN LONG WRESTLING MATCH

(By Sandra Sugawara)

After wrestling with the issue for almost two years, the Architectural and Transportation Barriers Compliance Board yesterday approved minimum guidelines for making federal buildings accessible to the physically handicapped.

"This is the last chapter in a long saga," said William Bradford Reynolds, assistant attorney general for civil rights, who was

elected chairman of the board at the meeting.

Handicapped groups successfully fought off attempts by four federal agencies to eliminate the guidelines and replace them with weaker standards.

The agencies—the Postal Service, the General Services Administration and the Defense and Housing and Urban Development departments—had developed uniform accessibility standards considerably weaker than the board's guidelines.

Their standards were to have been published in the Federal Register last week, but C. Boyden Gray, counsel for the Presidential Task Force on Regulatory Relief, asked the agencies to hold off until after yesterday's meeting.

Roger Craig, a Postal Service attorney, said that in light of the board's vote it was unclear whether the four agencies will go forward with their standards. Craig also said the board vote effectively killed his proposal, made last July, to abolish the guidelines.

None of the board's 21 members voted against the new minimum guidelines.

The latest version of the guidelines revises one issued in the closing days of the Carter administration. Besides making several technical changes, the board dropped all previous requirements for buildings that are leased by the federal government, citing a pending court case.

The board's former chairman, Mason Rose, a wheelchair-bound attorney, and two groups representing disabled veterans have sued the Postal Service, charging it has ignored existing laws in refusing to make its 15,000 leased post offices accessible to the handicapped. The Postal Service contends that the law does not cover leased facilities.

Congress created the barriers board in 1973 to draw up guidelines for agencies to use in adopting their own accessibility standards. Various agency officials have said that the earlier guidelines would be extremely costly.

Reynolds said that the new guidelines "do not impose on architects rigid requirements that are potentially terribly expensive."

Rose countered, however, that "the system that Congress conceived has broken down."

GSA and HUD made efforts at yesterday's meeting to relax several provisions, but those attempts were rebuffed.

The new guidelines stipulate that, in general, federal buildings under construction must have ramps, doorways, hallways and other facilities that can be used by the handicapped. When federal buildings are renovated, those same revisions must be made.

Among the more controversial provisions adopted was one requiring that, when additions are made, accessible entrances and toilet facilities must be provided somewhere in the building, even if the addition itself would not have an entrance or bathrooms. Board members from the GSA and Postal Service opposed that provision.●

CALL TO CONSCIENCE VIGIL, 1982

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. KILDEE. Mr. Speaker, for the past few years I have participated in the Call to Conscience Vigil sponsored by the Union of Councils for Soviet Jews on behalf of the Soviet Jewish families seeking emigration from the Soviet Union. The vigil gives me a chance to express my deep concern for Jews being detained in the Soviet Union as a result of that Government's repressive emigration policies.

I am pleased to report that the Viktor Pelakh family, which I spoke on behalf of in 1981, have since been allowed to emigrate to Israel and have rejoined family members near Haifa to start their new life there.

This year I wish to speak on behalf of Benjamin and Bella Lifshitz, who have been requesting permission to emigrate from the Soviet Union for 11 years but have been continually denied exit visas by Soviet authorities. They are anxious to leave for Israel to join their only two daughters, both of whom live in Jerusalem. Mr. and Mrs. Lifshitz are a retired, elderly couple with many health problems whose desire is to reunite their family after years of separation.

The Soviet authorities have continually denied exit visas for Mr. and Mrs. Lifshitz on the grounds that he had access to sensitive military information. It is true that Mr. Lifshitz is a retired army colonel, Mr. Speaker, but he left the army in 1948, pensioned at an early age because the war had left him as a semi-invalid with permanent heart damage. Until 1960 he was able to work at a light industrial plant not connected with any secret or sensitive work, but deteriorating health and limited physical capacity have forced him to remain at home for the last 22 years. Severe chest pains often have confined him to his bed for a month at a time. Mrs. Lifshitz has not been able to work since undergoing two serious operations, during which a kidney was removed. Now glaucoma prevents her from even writing to her daughters. Yet despite the facts of this case, they were denied an exit visa as recently as 1981.

It is a tragic fact that the number of exit visas granted to Soviet Jews has been dramatically cut over the last few years. In 1979 there were 51,320 exit visas granted to Soviet Jews. In 1981, the number fell to only 9,447. We can only guess at the number who have been denied, such as Mr. and Mrs. Lifshitz.

Since signing of the Helsinki Final Act of 1975, which provided for the pursuit of policies consistent with the basic principles of human rights, it has become increasingly apparent that the Soviet Union has disregarded the human rights provision. Included in the provision is the reunification of divided families whose members live in different countries, for humanitarian reasons, and for free travel between countries.

It is my sincere hope that the Soviet Union will exhibit respect for basic human rights and privileges, as guaranteed under the Helsinki accords to which the Soviet Union is a signatory, and allow Mr. and Mrs. Lifshitz to be reunited with their daughters in Israel soon. We must continue to speak out for human rights, for as long as there is injustice anywhere, its presence threatens justice everywhere.●

EXPORT TRADE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. RODINO. Mr. Speaker, I am delighted to report on the progress that the Committee on the Judiciary has made in formulating workable legislation to promote American export trade by removing any antitrust uncertainty that may now exist in joint export activities. During the past year, the Subcommittee on Monopolies and Commercial Law has been studying the question of whether antitrust law imposes restrictions that might hamper the export trade of American firms. As a result of that study, I introduced H.R. 5235, the "Foreign Trade Antitrust Improvements Act," which would clarify the application of the antitrust laws to export activity. The subcommittee has unanimously endorsed this measure, and I have scheduled it for consideration by the full committee on May 18, 1982.

Somewhat more complicated has been our consideration of various export trading bills that would allow exporters to apply to the Government for a certificate wholly or partially immunizing them from the antitrust laws. The subcommittee has worked hard to find workable, straightforward procedures that provide adequate protection to legitimate export activities while protecting the interests of consumers and competitors guaranteed by the antitrust laws. Before enshrining such a certification procedure into our laws, it is also important that we eliminate any unnecessary bureaucracy or cost on the public purse.

I have scheduled H.R. 1799, the export trading company bill introduced by the distinguished gentleman from Washington, Mr. BONKER, for subcommittee markup on May 19,

1982. I believe that the subcommittee can arrive at a solution which minimizes these concerns and that we can move the bill forward to full committee shortly thereafter to coordinate our efforts with the other committees.●

ACID RAIN: WE NEED ACTION NOW

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. OBERSTAR. Mr. Speaker, in the past, we have been blameless in pollution disasters only through lack of awareness or full understanding of the problems our society was creating for itself and for future generations. Acid rain is unlike these past problems; we can see this one coming. Unlike the past, we have an opportunity to act now before it is too late; an opportunity to act to stop the pollution debacle before it is upon us; before we become engaged in a massive and costly battle to roll back the damaging effects of acid rain.

My concern is that, unlike water pollution, the effects of acid rain may be irreversible.

Some 15,000 lakes in Sweden are already dead from the effects of acid rain. In the Province of Ontario, Canada, 45,000 lakes are showing the effects of acid rain and many there are already dead. Lakes in the Adirondack Mountains and in the Boundary Waters canoe area of northeastern Minnesota are already the victims of acid fallout. We ignore these warning signs only at our own peril. We cannot defer action on the repeated appeals of certain special interests for delay in cleanup because we have not achieved absolute scientific certainty about cause and effect, cost and benefits of acid rain and abatement actions. Future generations will hold us accountable and they will not ask whether we spent too much or too little; did we know enough; or was our knowledge inadequate? They will only ask, did we act in time to preserve a decent quality of life for them?

Mr. Speaker, I was one of the very early supporters of acid rain research, and was instrumental in convincing the Carter administration to put together a multiagency, multimillion dollar task force to research the causes and prevention of acid rain.

While I certainly support continued research, it is clear to me and to the people of northeastern Minnesota whom I represent that we must act now on the basis of what we already know, to control acid rain to the greatest extend possible.

We know that some of the lakes of the Northeast are severely acidified; and that many in the Midwest are threatened. Studies have indicated that acid rain has caused damage to 15 percent of the lakes in Minnesota, with another 2,000 in immediate jeopardy.

We know that acid rain causes damage and death to aquatic life, to forests, vegetation, and farm crops, can directly damage human health through respiration, and indirectly through contamination of drinking water.

Another study estimates that acid rain could cost Minnesota alone up to $64 million annually in reduced forest productivity, and another $400 to $600 million in loss of soil fertility.

These costs are, in large part, transferred from the sources of acid rain to the recipients.

Mr. Speaker, this is a grossly unfair trade.

To refuse to control acid rain on economic grounds is a totally false economy; such arguments may spare those who cause the problem, but the burden does not go away; it simply is passed on to innocent recipients—the farmers, foresters, fisherman, and resort owners and citizens of Minnesota and many other parts of the country.

Congress must, this year, include a strong acid rain provision in the amendments to the Clean Air Act. I pledge my assistance, working with my colleagues and the vast majority of Americans, to bring that provision into law.●

FAILURE TO ACT ON URGENT SUPPLEMENTAL FOR FISCAL 1982 (H.R. 5922)

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ERLENBORN. Mr. Speaker, one has to wonder why a bill labeled "urgent" is allowed to linger for 44 days after committee approval before being brought to a House vote.

That is what has happened to the urgent supplemental appropriations bill for fiscal 1982, H.R. 5922; and it is no easy matter to explain to constituents who are calling about funds for wastewater treatment plans, or the 20-percent interest they will have to pay on tax bills being appealed which are a part of a 47,000-case backlog at the Tax Court.

It is harder still to explain to Federal workers whose jobs are on the line who are wondering whether they will have full paychecks in June.

H.R. 5922 is called an urgent bill, because it is urgent. I may not support every item in the bill, but we know it will be acted upon at some point—and it is morally wrong and cruel, as well as bad management, to delay action.

The Bureau of Alcohol, Tobacco and Firearms will have to furlough 1,600 employees if it does not get the $15.7 million provided in H.R. 5922 by June 27. Under present plans, 950 of the Bureau's 1,200 agents will be furloughed, and law enforcement activities there will virtually come to a standstill.

The Bureau of Labor Statistics sent out furlough notices April 13 to 1,900 people. If they are furloughed, our monthly reports of the consumer price index, unemployment, and producer prices are not going to be made on schedule.

The Employment and Training Administration's 30-day furlough notice went out this week to 2,700 employees, and 3,700 notices are to go out tomorrow to employees at the Employment Standards Administration.

Mr. Speaker, H.R. 5922 is urgent and it is in your power to move this bill. I urge you to act with urgency.●

TOWARD A PEACEFUL SETTLEMENT OF THE CONFLICT IN CYPRUS

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. DWYER. Mr. Speaker, I would like to join my colleagues who have participated in the recent Cyprus Day commemoratives here in the Congress in calling for a peaceful resolution of the conflict in Cyprus.

The forced occupation of any territory is a situation which we, as citizens of a country dedicated to freedom and self-determination, must do what we can to help resolve through peaceful, diplomatic initiatives.

This July will mark the eighth anniversary of the invasion and occupation of Cyprus. The time for an easing of the tension in that country, and likewise, an easing of the hardship and suffering of the 200,000 Cypriot refugees, is long overdue.

The United States has a vital interest in fostering a peaceful settlement in Cyprus, first as humanitarians dedicated to international human rights. We must also recognize the emerging Soviet presence in the Mediterranean and the consequences of allowing that presence to thrive unchecked in the type of environment the Soviets know best: conflict and discontent.

It is everyone's best interest, then, to resolve the Cyprus tragedy peacefully and soon.●

NATIONAL CLEAN AIR WEEK

HON. COOPER EVANS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EVANS. Mr. Speaker, I am pleased to note that this is National Clean Air Week. And I take this opportunity to note that as a member of the House Agriculture Committee and the Office of Technology Assessment Board I am becoming more and more convinced that the effects of ozone and other air pollutants on farm crop yields cannot be ignored.

The Office of Technology Assessment recently released a draft report on ozone impacts on productivity of selected crops. The study was conducted by the National Crop Loss Assessment Network (NCLAN) and the Environmental Science Division of the Oak Ridge National Laboratories. The crops used in the study represent a wide range of ozone reactivities extending from sensitive (peanuts) to sensitive/intermediate (soybeans) to intermediate (wheat) to tolerant (field corn). It is interesting to notice that of the major commodities the United States produces, these four crops represent 62 percent of the acres harvested in this country and 63.5 percent of the total dollar value. In summary, it is estimated that for these four crops alone the total annual loss amounts to approximately $3.1 billion. It was noted that the agriculture region used in the study "coincided significantly" with those areas which have elevated ozone concentrations.

The Clean Air Act is before Congress. A joint hearing was held in July to address the impact of air pollutants on agriculture productivity. There it was pointed out that more conclusive research is needed. However, a solution was discussed to the problem of plant survival which have a low resistance to ozone and/or acid rain exposure. Crop loss can be dramatically reduced by plant breeding programs. It is estimated that it will be cheaper to breed resistance to air pollution into plants than to control air pollution at the source, though the actual time required to develope such breeding is between 5 to 10 years. Unfortunately, this solution will not help our ailing forests.

As a farmer and scientist, I am concerned about the number of changes proposed which would appear to seriously weaken the present clean air standards. It is important to take this week to celebrate the existence of our clean air. We, as a nation, in the past decade have witnessed a great improvement in our air quality. We must not take it for granted. We must insure that this progress continues.●

WEB ASSOCIATION SUPPORT FOR H.R. 4347

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, last July I introduced H.R. 4347, which reauthorizes the WEB rural water system and provides for further development of South Dakota's water resources. The bill has undergone many changes while working its way through the legislative process.

WEB will provide clean drinking and stock water for almost 30,000 people in South Dakota, and is a project strongly supported by this administration and by many here in Congress. The WEB board has kept their faith in the legislative process and in my bill, cosponsored by the entire South Dakota delegation. Yesterday I received from the board a copy of a resolution in support of H.R. 4347. I would like to enter the resolution in the RECORD for the benefit of my colleagues:

WEB RESOLUTION 82-1

A resolution requesting the South Dakota Congressional Delegation to make even stronger efforts to reauthorize the WEB pipeline project and to begin work to enact into the fiscal year 1983 Federal budget a write-in of construction funds before the May 15, 1982 Congressional deadline

Whereas, numerous delays and controversies since the South Dakota Water Development bill (HR 4347/SB 1553) was formulated almost one year ago have delayed efforts to begin construction on the WEB Pipeline Project;

Whereas, last September 9, 1981, Budget Director David Stockman in a message before the House Agriculture Subcommittee stated, that the Administration would support construction legislation for WEB and that deauthorization of the Oahe Unit was not a necessary pre-condition for their support of the WEB Project;

Whereas, Chairman Kazen of the House Water and Power Subcommittee offered to expedite the WEB portion of HR 4347/SB 1553 while problems with some other portions of the legislation would be allowed more time to work out;

Whereas, Most recently, the Full House Agriculture Committee sent HR 4347/SB 1553 back to committee for further work and the legislation was further complicated when Missouri Congressman Tom Coleman urged an amendment to limit SD from making future ETSI type water sales;

Whereas, the Statuatory deadline of May 15th marks the date the WEB's reauthorization legislation must be passed out of committee in order for WEB to receive funds in the fiscal year 1983 budget and when budget ceiling limits are set;

Whereas, WEB has always considered the expediting of the WEB section of the bill as a strong alternative but considers it at this time an option open to the delegation that could be exercised, if necessary; and

Whereas, an equal consideration, if not greater, is the need for WEB funds in the 1983 budget, that amounts in the 1983 budget:

Be it Resolved, That the membership of the WEB Water Development Association and its Board of Directors urge the South Dakota Congressional delegation to make even greater efforts to pass WEB reauthorization legislation and that they begin to work immediately to include the maximum amount of funds possible in the fiscal year 1983 budget.●

LEE L. DOPKIN

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LONG of Maryland. Mr. Speaker, I would like to pay tribute to one of Baltimore's native sons, Lee L. Dopkin, a humanitarian, champion of social justice, and truly one of the great unsung heroes of the social security system.

The Jewish Historical Society of Maryland recently published a pamphlet in his honor, based on his public papers generously donated by his wife, Sophie Frenkil Dopkin.

I would like to place in the permanent RECORD some of the high points of the life of this outstanding public servant.

Lee Dopkin was born June 7, 1895, to Samuel and Leah Dopkin who had emigrated from Russia several years earlier. He grew up in a modest home in East Baltimore, and was forced to end his formal education at the age of 13, to find work to supplement the family's income.

Working at numerous odd jobs throughout his teenage years, Lee soon became active in public service to the Jewish community. He became president of the Hopkins Club, a teenage group interested in debating and athletics. He later became adviser and athletic coach of the Champion Club for younger boys. Under his guidance, this became one of the most successful clubs in the Jewish Educational Alliance in Baltimore. Through his fine example and leadership, many of the boys he worked with later became successful professionals and public leaders in the Baltimore community and the national Jewish community.

Lee served in the Marines during World War I, and upon his return to Baltimore, married Sophie Frenkil.

In 1921 he accepted membership on the board of the Hebrew Home for Incurables, the first in a lifelong series of posts he would hold to work on behalf of the sick and aged.

He eventually became president after the Home for Incurables and the Hebrew Home for the Aged merged into what is known today as Levindale, providing service and care for the aged and incurably ill. Lee never forgot the

needs of the elderly, and remained an active member of the board of directors for decades.

His one-man lobby effort on behalf of Maryland's mandatory old age pension law received statewide recognition when Gov. Harry Nice appointed Dopkin chairman of the commission to study and draft the legislation on January 16, 1935. Shortly after final passage of the bill in April of that year, he was asked to serve as the first old age pension commissioner. He declined the offer because he was determined not to profit from his labors in behalf of those who needed his help.

After successfully guiding the old age pension legislation to passage, Lee began working on the problems of Maryland's needy, and accepted membership on a commission appointed to draft an unemployment compensation law. Once the bill became law, he once again declined the paid position as commissioner of the board, but continued to volunteer his services through 1950.

Many of his ideas about old age pensions and relief for the needy were incorporated into the National Social Security Act, legislation he strongly supported, in the summer of 1935.

Elected board member of the American Association for Social Security in 1939, and vice president in 1940, he worked with other members of the association to make the Federal social security system a reality for older Americans.

His service to the State of Maryland included two terms on the board of welfare from 1939 through 1953, and a term as chairman of the Post-War (World War II) Planning Committee for Employment.

Once the war ended, Lee heeded the United Jewish Appeal's call for millions of dollars to help in the resettlement and rehabilitation for the survivors of the Holocaust.

Through the 1940's and 1950's, he served on the boards of countless Jewish charitable organizations, and became the first Maryland State chairman for Israel bond sales. In recognition of his years of selfless work, the Order of Brith Shalom honored him with the "Man of the Year Award."

Throughout his decades of public service and voluntarism, Lee was successful in building his own plumbing supply business. In 1959, he was stricken with a debilitating disease which eventually forced him to retire.

His death on August 26, 1968, left his family, the citizens of Maryland, and our Nation with the memory of a kind, compassionate, generous, and hardworking man devoted to the welfare and happiness of those less fortunate.●

CLEAN AIR WEEK

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. EDGAR. Mr. Speaker, as America celebrates Clean Air Week, I think that it is important to call attention to the monumental implications of changes which are now being considered to substantially weaken the Clean Air Act. As all public opinion polls have shown, the American people are strongly opposed to the relaxation of environmental standards. As representatives of the public, we have a responsibility and obligation to insure the continuation of a strong Clean Air Act.

The following article which appeared in a Pennsylvania newspaper, the Warren Times and Observer on April 5, 1982, illustrates the enormous stake which all present and future Americans have in the preservation of a clean and healthy environment. For this reason, I commend the article to my colleagues and insert it in the RECORD.

The article follows:

[From the Warren (Pa.) Times and Observer, Apr. 5, 1982]

THE ELDERLY HAVE A LARGE STAKE IN CLEAN-AIR ACT STANDARDS

(By Cy Brickfield)

Of all laws enacted by Congress over the past dozen years, few have done more to enhance the quality of life in America than the 1970 Clean Air Act. Not only have increases in the most harmful air pollutants leveled off, but levels of several pollutants have actually begun to decline. The entire nation has gained.

While the health benefits of clean air are hard to measure, the best evidence available indicates that air pollution controls save an estimated 13,900 lives per year. Plus an estimated $21.4 billion has been saved in reduced damage to human health, crops, forests and vegetation.

Yet, serious pollution problems remain. Enforcement sometimes has been lax, and thus air pollution in many regions still exceeds acceptable limits. As if that weren't enough, new environmental problems have emerged, such as acid rain, diesel engine emissions and indoor air pollution.

Another difficulty has been the law's complicated procedures, resulting in a forbidding maze of permit requirements. Businessmen also complain that controls have pushed up costs, diverting expansion capital and making it harder to compete with imports.

With Congress now reexamining the Clean Air Act, some lawmakers propose sweeping changes to relax key provisions of the law. Several aim at eliminating deadlines for meeting the health-based standards, while others seek to double allowable emissions from automobiles. Still other efforts are directed at weakening enforcement through drastic reductions in appropriations and regulatory action.

Obviously, some fine tuning is called for, and some adjustments would be justified to streamline the regulatory process. Many of the major changes sought by critics, however, would be harmful, and some would be downright disastrous.

For example, a few members of Congress want to alter the process for setting clean air standards. Under current law, the Environmental Protection Agency cannot weigh the costs of meeting a clean air goal when setting it, only the health effect of not meeting it.

Environmentalists justify this approach on grounds that standards represent the country's goals for how clean the air should be. They insist there is ample opportunity to consider costs in other parts of the program, but now some lawmakers have proposed that costs be considered in the setting of the standards themselves as well as in determining how and when to meet them. This change would be a mistake. It would erode air quality standards that are now set at a level necessary to protect people from illness an premature death.

While everyone benefits from these health-based standards, some people gain more than others. The law now requires the standards to include a "margin of safety" for particularly vulnerable groups, such as infants, asthmatics and people in their middle and later years—those individuals most likely to have respiratory diseases. Once again, critics want change. Some members of Congress want the standards to do no more than guard against "real health risks"—a narrower guideline that would gear standards primarily to protect healthy and vigorous individuals, not those who are especially vulnerable to the adverse effects of air pollution. clearly people in their middle years would suffer by such a change.

They also would be among the chief losers if Representatives Thomas Luken (D-Mich.) and John Dingell (D-Ohio) get their way. They introduced a bill that would allow doubling of carbon monoxide emissions from automobiles. Auto industry executives contend that such relief is necessary to enable them to cut costs and increase sales, and that relaxing these standards could mean savings of $80 to $300 per car. Not everyone agrees. Some industry authorities calculate the savings per car at no more that $50 to $100, if that.

Whoever is right, the projected savings seem paltry compared to the health problems that would result. According to the Natural Resources Defense Council, a Washington research group, changing emissions standards for automobiles would mean that at least 16 major metropolitan areas containing more than 40 million people probably would never meet the public health standard for carbon monoxide.

Despite a recent Louis Harris public opinion survey which showed that 86 percent of those queried wanted the act either kept the same or strengthened while only 12 percent opted for making it less strict, legislative sentiment in Washington currently appears to favor passage of proposals wakening our nation's environmental defenses. Should such steps succeed, I worry about the health of middle-aged and older persons, but feel sorriest for the young—they, after all, will have to breathe the foul air the longest.●

CONABLE-JENKINS BALANCED BUDGET-TAX LIMITATION AMENDMENT

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. MADIGAN. Mr. Speaker, in his television address last Thursday evening the President asked Congress to pass a constitutional amendment to require a balanced budget. The reasons for this request are all too well-known: The Federal budget has been balanced only once since 1960, and by the end of the current fiscal year taxpayers will have paid well over $100 billion in interest on the national debt alone—which itself climbed to over $1 trillion last fall.

Mr. Speaker, Americans are clearly tired of increasing Federal spending and growing taxes, and—as indicated by the balance-the-budget constitutional convention resolutions adopted by 31 of our State legislatures—they have turned to a constitutional amendment as a final weapon in their battle against bigger and bigger government. I believe this issue merits our careful consideration, and accordingly would like to share with the House a recent research committee review of the Conable-Jenkins balanced budget-tax limitation amendment, which already has 201 cosponsors.

THE CONABLE-JENKINS BALANCED BUDGET-TAX LIMITATION AMENDMENT

(By Alex Dimitrief, research analyst)

Americans are clearly fed up with the Washington tradition of excessive government spending that the Reagan Administration is now confronting. As Lou Harris reports, 90 percent of the public believes that the deficits projected for the near future pose "serious" problems for the nation's economy. It should come as no surprise, then, that the drive for a constitutional amendment to require a balanced budget is gathering steam. According to the most recent poll available on this subject (Gallup, March 1980), two out of every three Americans favor writing the principle of a balanced budget into the Constitution.

Reflecting this popular sentiment, 31 states have formally petitioned Congress to call a Constitutional Convention to propose a balanced budget amendment. Convention proponents need only three more states to make their dream come true, and active resolutions have already been adopted by one House in the Washington, Missouri, Kentucky, and Ohio State Legislatures. As this drive nears success, pressure has mounted on Congress to propose an amendment on its own, thereby obviating the need for a Convention. This has already happened once before; 70 years ago Congress proposed the Seventeenth Amendment to provide for the direct election of United States Senators only after it became clear that otherwise enough states would call for a Convention to do so. Indeed, 20 of the states presently petitioning Congress request either Congressional action or a Convention, and 9 actually declare in their resolutions that there would be no need for a Convention should Congress pass its own balanced budget amendment—though 4 of these states set deadlines for such a proposal which have already expired.

During his March 31 press conference, President Reagan endorsed the concept of a balanced budget amendment, provided that such an amendment would also limit taxes. Precisely such a measure—S.J. Res. 58—has already been reported out of the Senate Judiciary Committee, and is expected to be adopted by the Senate sometime this Spring. Reps. Barber Conable (R-NY) and Ed Jenkins (D-GA) have introduced an identical resolution in the House—H.J. Res. 350—but it has stalled in the Judiciary Committee. H.J. Res. 350 now has 200 cosponsors, just 18 supporters shy of the 218 who would be needed to sign a discharge petition to bring the proposed amendment to the floor over the Committee's objections. It would appear that the House may soon be confronted with a choice: join the Senate in adopting a Congressionally-generated balanced budget-tax limitation amendment, or leave the issue to a Convention entirely without precedent in American history.

Here is a brief section-by-section explanation of H.J. Res. 350, followed by a summary of the general arguments advanced by both its proponents and opponents. 38 States would need to ratify the proposed amendment within seven years for it to become a part of the Constitution.

"Section 1. Prior to each fiscal year, the Congress shall adopt a statement of receipts and outlays for that year in which total outlays are no greater than total receipts. The Congress may amend such statement provided revised outlays are no greater than revised receipts. Whenever three-fifths of the whole number of both Houses shall deem it necessary, Congress in such statement may provide for a specific excess of outlays over receipts by a vote directed solely to that subject. The Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement."

This section establishes the norm of a balanced budget. Congress would be required to adopt a "statement" of planned expenditures and receipts prior to each fiscal year; planned outlays could exceed expected receipts only when a three-fifths majority of the entire membership of both the House (261) and Senate (60) approved a specific dollar amount for such a deficit. Both the Congress and the President would be required to ensure that actual outlays did not exceed statement outlays. Congress would be permitted to amend its statement during the fiscal year, but a three-fifths majority would again be required to increase the deficit, while a simple majority would be sufficient for amendments which reduced the deficit or left it the same. Qualifying clauses or conditions would not be permitted in budget statements, and the failure of Congressional action prior to the beginning of the fiscal year would imply adoption of a statement in which both receipts and outlays were zero.

"Section 2. Total receipts for any fiscal year set forth in the statement adopted pursuant to this article shall not increase by a rate greater than the rate of increase in national income in the last calendar year ending before such fiscal year, unless a majority of the whole number of both Houses of Congress shall have passed a bill directed solely to approving specific additional receipts and such bill has become law."

Congress would be required to adopt a level of receipts in its statement that represented a proportion of the national economy no greater than that in the last calendar year ending before the upcoming fiscal year. Under current law the fiscal year begins October 1, meaning that the allowable tax rate would be derived according to income statistics for the "fiscal year minus two" calendar year: i.e., FY 1986 taxes would be limited according to calendar year 1984 income figures. This ceiling could be overcome only when an absolute majority of both the House and Senate passed a bill approving a specific amount of additional taxes. As a public law, such a measure would be subject to Presidential approval.

In effect, this section would eliminate bracket creep, with indexing as one possible means of compliance. When existing revenue laws would generate an expected increase in taxes greater than that permitted under this section, Congress would have to reduce tax burdens or pass a law specifically allowing the increase to take effect. Congress would be free to choose from a number of readily available estimates of "national income"—Gross National Product, National Income, Personal Income, or others.

Together, Section 1 and Section 2 would constrain government spending, provided Congress did not override either section. Actual outlays could not exceed statement outlays; statement outlays could not exceed statement receipts; statement receipts would not be allowed to grow at a rate greater than the economy itself; therefore, actual government outlays could not grow at a rate greater than the economy. Or, stated differently, government spending as a share of GNP would be held constant. In the words of the Senate Judiciary Committee, Congress would "be required to cast a politically difficult vote as a precondition for a politically attractive vote to increase spending."

"Section 3. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect."

This section allows Congress to waive the provisions of the amendment during a declared war on a year-by-year basis.

"Section 4. The Congress may not require that the States engage in additional activities without compensation equal to the additional costs."

This section, which troubles some supporters of the amendment because of its vagueness, is intended to prohibit Congress from adopting legislation which would mandate costs on the states without compensation from the Federal Treasury. It reflects the concern of the sponsors that Congress might try to circumvent the limitations of the amendment by simply passing on financial obligations to state and local governments. In its report on the amendment, the Senate Judiciary Committee makes clear that it does not view this section as doing more than making explicit a policy already implicit in our federalism; that is, this section is not intended to modify any existing relationships between Washington and our state capitals. According to this section's proponents, it would not prohibit conditional grants-in-aid programs which are embraced by states on a voluntary basis.

A Committee amendment has been offered in the Senate pending floor action which would strike Section 4. While this amendment is expected to pass, the Senate might address the issue of national vs. state fiscal responsibilities in alternative lan-

guage. Of course, should the Senate strike or alter Section 4, the House and Senate bills would no longer be identical.

"Section 5. Total receipts shall include all receipts of the United States except those derived from borrowing and total outlays shall include all outlays of the United States except those for repayment of debt principal."

This section defines the technical terms used in Section 1 and Section 2. "Receipts" would include all moneys received by the United States Treasury under the authority of acts of Congress, such as taxes, social insurance premiums, and user and licensing fees. Specifically excluded from receipts in the spirit of Section 1 would be any proceeds from debt issuance (treasury notes and bonds); thus, Congress would be required to prepare its budget statements without the luxury of deficit spending unless it expressly voted by a three-fifths majority for more red ink. "Outlays" would include all government expenditures, both "on-budget" and "off-budget," thereby making this distinction obsolete.

In general, the exceptions to the technical definitions of "receipts" and "outlays" are consistent with traditional budget and accounting procedures. Accordingly, normal day-to-day management of the national debt—which includes reissuing short-term or expired treasury notes, thereby allowing the debt to "roll over"—would still be permitted.

"Section 6. This article shall take effect for the second fiscal year beginning after its ratification."

Should the amendment be adopted by the 97th Congress, and allowing a minimum 18-month ratification period, FY 1986 is the first fiscal year to which the amendment could apply.

RATIONALE AND COUNTERARGUMENT

Supporters of the proposed amendment argue that it is needed to create a fiscal policy environment in which the competition between tax-spending and tax-paying interests would be more equal. The present budget process, they claim, inherently favors spending interests because of what economists have labeled the "concentrated benefit-dispersed cost" phenomenon: the benefits of any spending program are normally concentrated within a relatively small and yet well-organized class of beneficiaries, while the costs of such a program are dispersed throughout a relatively large and unorganized class of taxpayers. As a result, it is simply not worth it for the individual taxpayer to exert as much effort to save himself a few dollars on some program as it is for spending interests to secure millions or billions of dollars for themselves. As Arthur Burns observed three years ago, this country has entered "an era in which governmental processes are overwhelmed by the naked demands of increasingly well-organized and effective interest groups." By imposing an external constraint on Congress which would restore the traditional link between spending and revenues, supporters of the amendment believe they would be providing fiscally responsible Members with something to fall back on when political pressures for increased spending become almost unbearable. Proponents also point out that, in addition to protecting taxpayers from illegitimate tax increases stemming from "bracket creep," Section 2 would ensure that future budgets would not simply be balanced on the backs of taxpayers.

On a less theoretical level, some supporters argue that Congress should pass the amendment to eliminate the possibility of an entirely unprecedented Constitutional Convention. Could such a convention be limited to one topic? Who may limit the Convention? The Congress? The states? How would the representatives to such a Convention be selected? Would such a Convention be responsible to Congress, the states, or only directly to the public? There are dozens of questions surrounding this subject, but no authoritative answers. Those who advocate an amendment to avoid a Convention essentially believe it is best to let this sleeping dog lie.

Opponents argue that fiscal policy is not an appropriate subject for a constitutional amendment, and that the proposed amendment would handcuff the government and prevent the Congress and future Presidents from responding appropriately and rapidly to unforeseen domestic or foreign emergencies. As one opponent argues, "we would be locking in one rigid mechanism for restraining government spending and could frustrate the exercise of sound economic policy in the future." It would be dangerous, he adds, to create a situation where 41 percent of either House of Congress could prevent critical expenditures.

Supporters are quick to counter that the amendment does not dictate any permanent level of expenditures or taxation, but would only make individual Members politically accountable for increases in spending and taxes. In other words, they maintain that the amendment does not define what constitutes a responsible budget, but only establishes a more even representation of tax-paying and tax-spending interests during the budget process. Those who do not support the amendment believe that improving the congressional budget process through statutory action would be more desirable.

It should be noted that, in addition to the three-fifths escape hatch provided in Section 1 for deficit spending, an unplanned deficit would still be possible. An unexpected recession, for instance, might generate less tax revenue than was reasonably anticipated in a budget statement. The lack of any requirement for compensatory action by Congress might invite some unwarranted juggling of revenue estimates during the formulation of budget statements.

Many Members also view Section 4 with exceptional skepticism. Opponents are not only bothered by its lack of clear meaning (and thereby implications), but also by its suggestion that there exists in the federal government the constitutional power to mandate activities on states without their voluntary acceptance of such action. This section clearly addresses an important issue, and both supporters and opponents of the amendment are troubled by the absence of any extensive hearings on it. They believe that this subject should not be addressed in such a casual fashion.

A degree of uncertainty also surrounds the question of enforcement of the proposed amendment. Its sponsors believe that the amendment would be entirely self-enforcing and self-monitoring. They point out that it imposes a clear and continuing constitutional responsibility upon Congress and the President to formulate budgets according to specified guidelines, and that both Congress and the President are bound by oath to comply with constitutional commands.

Since the amendment does not embody any sanctions, it is uncertain exactly what would happen should this constitutional suasion prove insufficient. For instance, if Congress refused to obey the amendment, how might a President respond? Although the Senate Judiciary Committee Report states that the amendment is not intended to establish any new constitutional authority in the President to impound excess appropriations, the Supreme Court would not be bound by the interpretational guidelines set forth in the Report. Presidential impoundment authority in the case of appropriations which flew in the face of the amendment could be inferred from the following sentence in Section 1: "The Congress and the President shall ensure that actual outlays do not exceed the outlays set forth in such statement." Moreoever, how might the Supreme Court react if both the President and Congress refused to comply with the amendment? The Committee believes that the Supreme Court would limit its review to compliance with the goals of the amendment and would refuse to involve itself in the actual formulation of the budget. Again, the Court would not be bound to exercise such restraint.

CONCLUSION

H.J. Res. 350 is a far cry from the simplistic "balance the budget" command first envisioned by advocates of constitutionally ensuring fiscal responsibility at the federal level. The proposed amendment is by its very nature a "consensus measure," designed to attract the support of as many supporters as possible of a constitutional initiative to limit federal spending. As a result, it addresses the topics of a balanced budget, a limit on taxes, and a limit on the federal government's powers vis-a-vis the states. Amending the Constitution is a very serious action with enduring implications; accordingly, the House will want to carefully and critically review H.J. Res. 350 should it come to the floor, especially if it is discharged from the House Judiciary Committe without the benefit of any hearings.

Given the seriousness of a constitutional amendment, proponents of such a step bear a heavy burden of persuasion. Opponents, however, must keep in mind that the federal budget has been balanced only once since 1960, and that in FY 1983 taxpayers are expected to pay well over $100 billion in interest on the national debt alone—which itself climbed over $1 trillion last fall. As stated in the Senate Judiciary Committee's Report on the proposed amendment, "Whatever lip service may have been given to the concept of a balanced budget during the past two decades, it is clear that there either is the lack of will to conform with this ideal, or that fundamental obstacles to its achievement exist within the political system." Americans are clearly tired of increasing federal spending and growing taxes, and—as public opinion polls and the Convention resolutions of our state legislatures indicate—have turned to a constitutional amendment as a final weapon in their fight against bigger and bigger government. Should Congress fail to address this popular discontent in some constructive manner, the public may very well turn to a Constitutional Convention as a last resort.

CEDARHURST, N.Y., REMEMBERS THE HOLOCAUST

HON. NORMAN F. LENT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. LENT. Mr. Speaker, April 20 marked the observance of Yom Ha-Shoah, Holocaust Remembrance Day. On that day, communities throughout the Nation paused to remember the 6 million men, women, and children who perished during this period in human history.

One such observance of the Holocaust occurred in Cedarhurst, N.Y., and was sponsored by Second Generation of Long Island, a group comprised of Holocaust survivors, children of the Holocaust, and indeed anyone who is committed to the issue of the Holocaust.

I am pleased to include in the RECORD remarks made on that day by Sid Mendelbaum, Holocaust survivor Menachem Z. Rosenzaft, and my colleague, Representative RAYMOND J. MCGRATH.

The future of the human race requires that we remember the Holocaust and the factors which brought it about. The Holocaust has taught us that we must never be indifferent to persecution and oppression anywhere in the world, lest we suffer the consequences.

REMARKS OF SID MENDELBAUM

Second Generation of Long Island is an organization dedicated to the issue of the Holocaust. Our membership is not restrictive. We are comprised of children of survivors, survivors, and anyone committed to the issue of the Holocaust. We are the first generation of children to be born after the Holocaust.

We have a responsibility to remember. More than a responsibility, we have a birthright to remember. Our parents gave birth to us as an affirmation of their commitment to survival. It is now our responsibility to preserve that legacy.

I WAS BORN IN BERGEN-BELSEN

(By Menachem Z. Rosensaft, Chairman, International Network of Children of Jewish Holocaust Survivors)

I was born in Bergen-Belsen. That is the essence of my being. My cradle stood only a few hundred yards from the mass-graves in which Anne Frank and tens of thousands of other European Jews lie buried anonymously. My parents survived the horrors of Auschwitz; my grandparents did not. I am alive; my six-year old brother perished in a gas chamber.

More than two thousand Jewish children were born in the Displaced Persons camp of Bergen-Belsen in Germany between 1945 and 1950. What had been one of the most notorious Nazi concentration camps became a sanctuary of life. Today, those two thousand children are adults, scattered throughout the world, with families and careers of their own. Most of us have never met, but we know one another intimately. Together with all the other Jews of our generation whose parents experienced the inferno of Hitler's Europe, we belong to a special group: We are children of survivors of the Holocaust.

I was born in Bergen-Belsen. I bear the names of my two grandfathers whom I never knew. That is my heritage. It is a heritage I share with all the other children of Holocaust survivors. For us, the Holocaust is not an abstract historical phenomenon. It is our past, our parents' lives, our grandparents' death. For us, the number 6,000,000 is not merely a dispassionate statistic. It is our families, multiplied, and multiplied, and multiplied. It is my grandparents, and hundreds of thousands of Jewish grandparents. It is my parents' brothers and sisters, and millions of Jewish brothers and sisters. It is my mother's six-year old son, and more than one million other Jewish children. It is shadows and echoes, nightmares and lullabies.

Now we must prove ourselves worthy of our unique collective identity. We were given life and placed on earth with a solemn obligation. Our parents survived the greatest cataclysm in history to bear witness. We, in turn, must be their attestors. Our task is to remind the world of the Holocaust in order to prevent its recurrence.

But in order to remember, to commemorate, one must first be able to understand, and no one who did not personally experience the Holocaust will ever truly understand. Even the survivors have no answers to those questions which threaten our sanity. And any attempt to rationalize or intellectualize the brutal annihilation of 6,000,000 human beings is doomed to failure. Nevertheless, we must at least attempt to penetrate the darkness and hear its utter silence.

On one of the barrack walls in Auschwitz, a boy wrote shortly before his death: "Andreas Rapaport—lived sixteen years." This one sentence should be repeated every day, in every synagogue, in every Jewish home. It should be included in every prayer book, taught to every Jewish child, become an integral part of every Jew. And it must also penetrate the consciousness of every non-Jew who wishes to learn a measure of truth about himself. One simple sentence, written in despair by a boy who knew that he was about to die, says all there is to say. Andreas Rapaport, who would never be seventeen, was the author of his own eulogy, his own Kaddish. Andreas Rapaport—lived sixteen years. Andreas Rapaport alone. Andreas Rapaport—abandoned. Andreas Rapaport—afraid. Andreas Rapaport—cold. Andreas Rapaport—hungry. Andreas Rapaport—pain. Andreas Rapaport—prophet. Andreas Rapaport—gas-filled lungs. Andreas Rapaport—burning flesh. Andreas Rapaport—smoke. Andreas Rapaport—ashes. Andreas Rapaport—eternity.

My father used to tell the story of an old rabbi in Auschwitz. One night, surrounded by some of his disciples, he said that it was possible for God to be a liar. Shocked, his disciples asked him how that could possibly be. The old man replied: "If the Ribono shel Olam—the Master of the Universe—up in Heaven were to open His window and look down on us now, He would turn His eyes away and say that He had not done this, and that would be the lie."

The same is true of man. Confronted with the inescapable truth of Auschwitz and Treblinka, of Babi Yar and Bergen-Belsen, he tries desperately to disclaim responsibility in order to remain sane. And yet he cannot escape the ultimate truth that he, the cultured, educated, sophisticated creature of the twentieth century, is guilty of annihilating 6,000,000 of his fellow human beings only because they were Jews.

Let us remember that the entire spiritual essence of Judaism was fundamentally changed by the Holocaust. How can one think of the Destruction of the Temple in Jerusalem without thinking of thousands upon thousands of burning synagogues and Jewish homes? The martyrdom of a Rabbi Akiva who was put to death for his faith by the Romans must be seen in the light of Jews entering the gas chambers saying "Shema Israel." The heroism of Bar Dokhba and of the fighters of Masada cannot any longer be recalled without at the same time remembering Mordekhai Anielewicz and the Warsaw Ghetto Uprising, the symbols of all the Jewish fighters and partisans of the Holocaust, and of all the resistance movements in all the camps and ghettos. Similarly, Abraham's readiness to sacrifice Isaac must be contrasted with the desperate attempts of Jewish parents during the Holocaust somehow to rescue their children, while the fires of Sinai cannot henceforth be approached except through the fires of Auschwitz. And we must never forget that our God who brought us out of Egypt is the same God who did not bring 6,000,000 of our people out of Nazi Europe.

This is not to suggest that one may erect a theology or philosophy on the ashes of the Holocaust. To do so would be an act of blasphemy against the victims as well as against God. However, we must treat the event as an intrinsic part of the Jewish existence, and, as such, integrate it into our thoughts and being.

We, the children of the survivors of the Holocaust, have accepted the heavy responsibility inherent in our unique identify. Together with our parents, we shall protect and perpetuate the sanctity and the inviolability of the memory of the Holocaust. We shall prevent it from being either mythologized or desecrated. And, above all, we shall transmit to our children our profound reverence and admiration for the spiritual strength, the heroic defiance and the somber dignity displayed throughout the years of the Holocaust by all who suffered its agonies, the victims as well as the survivors, for it is their unyielding adherence to the highest principles of Judaism and humanism which symbolizes and explains the survival of the Jewish people.

However, it is not sufficient for us to mourn and remember. We do not have the right to be exclusively retrospective or introspective, to concentrate solely on the past or on ourselves. While the commemoration of the Holocaust lies at the heart of all our activities, that alone cannot justify our existence as human beings and Jews. As the heirs of the 6,000,000 Jews who perished during the Holocaust, we constitute a moral force whose voice can have an impact on mankind. We must—and we shall—raise this voice on behalf of all, Jews and non-Jews alike, who are subjected to persecution and oppression anywhere in the world, or who are threatened by annihilation.

We have learned from our parents' tragic experiences that the greatest crime is indifference to the suffering of others. Because of who we are, we may never be passive, or allow others to be passive, in the face of anti-Semitism or any other form of racial, ethnic or religious hatred, for we know only too well that the ultimate consequence of apathy and silence was embodied forever in

the flames of Auschwitz and the mass-graves of Bergen-Belsen.

In this regard, our obligation is clear. So long as Jews will be persecuted, whether in the Soviet Union or Ethiopia, whether in Arab countries or elsewhere, so long as the enemies of our people persist in their efforts to destroy us, so long as human beings anywhere will be oppressed, our collective voice will be heard and our presence will be felt. We, whose roots are embedded in ashes, will never forget that we are our brothers' keepers.

REMEMBERING THE HOLOCAUST

(By Representative Raymond McGrath)

The most important thing to remember about the Holocaust is that it was a crime which is unique in the annals of human history.

It was different. There was massive violence, of course, but it was also an incredible criminal enterprise, organized by the state, against a defenseless civilian population.

The decision was simply, to kill every Jew, everywhere in Europe. There is evidence that the Nazis eventually intended to wipe out the Slavs, and other peoples as well. And if the war had continued, or if the Nazis had triumphed, Jews might not have been the final victims of Nazi genocide. But they certainly were, the first.

The concept of the annihilation of an entire people was unprecedented. This was not merely subjugation, but outright slaughter. Never before in human history had genocide been an all-pervasive government policy. This policy was not affected by territorial or economic advantage. Neither was it checked by moral or religious constraints.

Ordinarily, a government commits acts of violence against a populace for two reasons: A perceived need for national security, or geographic expansion. And usually the hostilities diminish after the enemy surrenders. Not so in the case of the Holocaust.

After the subjugation of the victims, Nazi violence was intensified, particularly in Poland and other parts of Eastern Europe. Jews, in particular, were targets, despite the fact—that they possessed no army, and were not part of the military struggle. Indeed, the destruction frequently conflicted with the war effort, and sometimes took priority over it. Trains that could have been used to carry munitions to the front, or to retrieve injured soldiers, were diverted, for the transport of victims to the death camps. Even after the Nazi defeat on the Russian front, when it became evident that the Germans had lost the war, the killings were intensified. Clearly, genocide was an end in itself.

In the Nazi program of genocide, Jews were the primary victims—simply because they were Jews. In the Nuremburg Decree of 1935, a Jew was defined by the affiliation of his grandparents. Not even conversion to Christianity affected the Nazi definition. And while gypsies were killed throughout Europe, Nazi plans for their extermination were never completed, nor fully implemented. Many Polish children, whose parents were killed, were subjected to forced Germanization—that is, adoption by German families, and assimilation into German culture. No such alternative was offered to Jewish children.

It is important to note, that the Holocaust was not a new form of medieval torture or barbarism. It was a thoroughly modern expression, of bureaucratic organization, industrial management, scientific achievement, and technological sophistication. The entire apparatus of the German bureaucracy was involved in the extermination process.

1. The churches and health ministries supplied birth records to define and isolate Jews;

2. The post office delivered statements of definition, expropriation, denaturalization, and deportation;

3. The economic ministry confiscated Jewish wealth and property;

4. The universities denied Jewish students admission and degrees, while dismissing Jewish faculty;

5. German industry fired Jewish workers, officers, board members, and disenfranchised Jewish stockholders;

6. And government travel bureaus coordinated schedules and billing procedures for the railroads, which carried the victims to their deaths.

The process of extermination itself was bureaucratically systematic. In November 1938, a mob destroyed kris-all-nockt which left more than 36 Jews killed, 20,000 arrested, thousands of Jewish businesses looted and burned, and hundreds of synagogues vandalized. These were random acts of violence, however they were replaced by organized operations of destruction. By 1943, the S.S. had substituted massive, impersonal factories of extermination, for the earlier mobile killing units of the S.A.

Even the location and operation of the camps were based on their accessibility, and cost-effectiveness—the trademarks of modern business practice. German corporations actually profited from the industry of death. Pharmaceutical firms tested drugs on camp inmates, and campanies competed for contracts, to build ovens, or to supply gas for extermination. Some were even concerned about protecting the patents for their products.

Here is one example, of Nazi private enterprise at work: Adjacent to the extermination camp at Auschwitz was a privately-owned, corporately-financed, concentration camp called I.G. Auschwitz, division of I.G. Farben. This petro-chemical complex brought human slavery to its ultimate perfection. First, it reduced human beings to consumable raw materials. Then, it drained all mineral life from the bodies, to recycle it into the Nazi war economy. Gold teeth went into the treasury, hair went for mattresses, and ashes were made into fertilizer.

German scientists actually experimented with a variety of gases, in their relentless search for the least expensive, and most efficient means of extermination. Finally, they discovered the insecticide Zyklon B, which could kill 2,000 persons in less than 30 minutes, at a cost of one-half-cent per body. Even that wasn't cost-effective enough. By the end of the war, there were orders to place living children directly into the ovens, or to throw them into open burning pits, in an effort to cut expenses and save gas. This process of destruction employed the same ingenuity and control, that is used in modern industrial development.

In the modern world of ever-increasing population, the inclination to duplicate the Nazi option, and once again exterminate millions of people, remains a hideous threat. The curse of the Holocaust is a dire warning.

The Holocaust could not have occurred without the collapse of certain religious norms. As the world became increasingly secular, the idea of man being created in God's image was diminished. While it is ironic to note that some religious perspectives contributed to the growth on anti-Semitism and the choice of Jews as victims, only in a modern secular age did anti-Semitism lead to annihilation.

Other aspects of modern dehumanization contributed to the Holocaust. The human personality became split, men could murder children by day, and be loving husbands and fathers at night. The division of labor, separated complete operations into fractions of the whole, permitting thousands to participate in a massive bureaucracy of death with no one individual being responsible. For example, Adolph Eichmann, who supervised the roundup of Jews, could claim that he never personally killed a single person. His employees could insist that they did not know what they were doing. The executioners could explain that they were only following orders.

The horror of the Holocaust may be the product of technology, or a reaction against it. Whichever the case, it is inextricably linked to the conditions of our time. By studying the Holocaust, we hope to help immunize modern man against the diseases of the 20th century, which led to this monstrous aberration.

The American philosopher George Santayana has warned that those who forget history, are condemned to repeat it. The Holocaust reveals a potential for sickness at the heart of western civilization, along with the frightening consequences of the total exercise of power. Remembering the Holocaust—can instill caution, fortify restraint, and protect against future evil or indifference. The declaration "Never Again!" aptly expresses our sense of outrage in the face of the Holocaust—but that outrage must be supported by an understanding of what happened, and how.

Of course we have no guarantees that those who do remember history will not repeat it. But the failure to remember the past makes repetition more likely.

To remember the Holocaust, is to sensitize ourselves to its critical political lessons. Nazism was assisted by a number of factors: The breakdown of democracy, the collapse of social and economic cohesion, the decline of human solidarity, and an erosion of faith in the political leadership and in the ability of democratic governments to function. Recalling these danger signals intensifies our concerns for the body politic. It makes us aware of the processes of democracy, the forms of government, and the importance of human and social values.

By remembering the excesses that marked the Nazi era, we can learn again of the importance of setting limits and the need for checks and balances. We can also learn that a democratic government must function and perform basic services. Furthermore, we will realize that human rights must be protected within the law.

By remembering the Holocaust, we can renew our appreciation for moral and philosophical guidelines for the need to consider the human cost of scientific experimentation. We can strengthen our belief in individual rights. We can also come to understand that a belief system which does not respect other beliefs is ultimately tyrannical. Indeed, remembering the Holocaust can enhance our tolerance for ethnic diversity, and pluralism.

But remembering is not easy, for either the individual, or the group. Confronting the Holocaust, threatens to sear our souls, and challenge our perceptions, and our complacency. It introduces a tone of somberness

and tragedy into out lives and it heightens our awareness of the vulnerability of life itself.

The moral landscape of human reality has been altered by the Holocaust, and the acceleration of technology and nuclear weapons now threaten human existence. By focusing on the dangers of a technological and bureaucratic society, a study of the Holocaust—and its implications—can encourage a renewal of commitment to sanity and to humanity.

You see—we must remember the Holocaust. It may be our only means of survival. Thank you.●

BENEFITS OF $1 BILLION FUNDING OF THE CCC REVOLVING EXPORT CREDIT FUND

HON. PAUL FINDLEY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Thursday, May 6, 1982

● Mr. FINDLEY. Mr. Speaker, recently I introduced H.R. 5388, a bill to appropriate funds for the Agricultural Export Credit Revolving Fund authorized in the 1981 farm bill. With the economic problems confronting farmers today, I think we should be doing everything in our power to promote sales of U.S. farm products overseas.

The American Farm Bureau Federation recently conducted a study of what could happen if we implemented the revolving fund. I recommend that each of you take the time to review this study, and then support funding for this valuable export promotion tool.

Funding of the CCC Revolving Export Credit Fund would increase agricultural commodity prices and farm income, reduce government costs for deficiency payments and the farmer-held reserve storage program and increase jobs in the transportation and export industries.

The following economic analysis is based on the assumption that the fund will expand exports by one billion dollars in fiscal year 1983 and not simply replace other private, GSM102 or PL480 exports.

Based on sales in fiscal years 1980 and 1981 under the CCC Export Credit Program and the GSM102 Credit Guarantee Program, the one billion dollars in exports would likely have the following commodity breakdown: 29 percent corn, 27 percent wheat, 16 percent soybeans, 14 percent cotton, 8 percent rice and 4 percent other.

Assuming that export prices remain relatively depressed export prices for these commodities are likely to be $3.00 per bushel for corn, $4.50 per bushel for wheat, $6.75 per bushel for soybean, 70 cents per pound for cotton and $20.00 per hundredweight for rice.

With these percentage and price assumptions, funding of one billion dollars would likely provide an additional 100 million bushels of corn exports, 60 million bushels of wheat, 25 million bushels of soybeans, 400,000 bales of cotton and 4.0 million hundredweights of rice.

Past research indicates that 100 million bushels of additional corn exports will increase the season's average price of corn by $0.15 per bushel and the season's average of soybeans by $0.22 per bushel. Additional wheat exports of 60 million bushels will increase the season's average price of wheat by $0.21 per bushel and the season's average price of corn by $0.04 cents per bushel. Additional soybean exports of 25 million bushels will increase the season's average price of soybeans by $0.20 per bushel and the season's average price of corn by $0.03 per bushel. Exports of an additional 400,000 thousand bales of cotton will increase the season's average price of cotton by $0.03 per pound. Additional exports of 4.0 million hundredweights of rice will increase the season's average price of rice by $0.60 per hundredweight.

If these exports came during the crop marketing year for the 1982 crops, the season's average price would be increased by $0.22 per bushel for corn, $0.21 per bushel for wheat, $0.42 per bushel for soybeans, $0.03 per pound for cotton and $0.60 per hundredweight for rice.

The higher commodity prices would be a direct benefit to crop producers. If corn production in 1982 is 7.5 billion bushels, the $0.22 per bushel higher price would increase income to corn producers by $1.65 billion. Assuming a 1982 wheat crop of 2.6 billion bushels, the $0.21 per bushel higher wheat price would generate additional income to wheat producers of $550 million.

Income to soybean producers from the 1982 crop would be $880 million larger due to the $0.42 per bushel higher price, assuming a 2.1 billion bushel crop in 1982. If the cotton crop in 1982 is 13 million bales, the $0.03 per pound higher price would increase income to cotton producers by $190 million. Assuming a 150 million hundredweight rice crop in 1982, the $0.60 per hundredweight higher rice price would generate additional income to rice producers of $90 million.

BENEFITS TO PRODUCERS OF $1 BILLION FUNDING OF CCC REVOLVING EXPORT CREDIT FUND

	Credit available based on 1980–81 (millions)	Additional exports (thousands)	Increase in season's average price	Increased income to producers (millions)
Corn	$290	[1] 100,000	[2] $0.22	$1,650
Wheat	270	[1] 60,000	[2] .21	550
Soybeans	160	[1] 25,000	[2] .42	880
Cotton	140	[3] 400	[4] .03	190
Rice	80	[5] 4,000	[2] .60	90
Total				3,360

[1] Bushels.
[2] Per bushel.
[3] Bales.
[4] Per pound.
[5] Per hundred weight.

These higher prices would have a major impact on the cost of government programs. USDA has estimated that deficiency payments for 1982 crops may be $0.098 per pound for cotton, $0.30 per bushel for wheat, $0.15 per bushel for corn and one dollar per hundredweight for rice. The higher market prices resulting from the additional exports could reduce to zero the deficiency payments for corn, cut the wheat deficiency payment by two-thirds, cut cotton deficiency payment by almost one-third and the rice deficiency payment by one-half.

These lower deficiency payments would provide substantial savings to USDA. Current AFBF estimates are that about 15 percent of the wheat producers will participate in USDA's reduced acreage program and thus be eligible for deficiency payments, 25 percent of corn producers will participate, 50 percent of cotton producers will participate and 60 percent of the rice producers will participate. Using the 1982 production estimates given earlier, about 375 million bushels of wheat will be eligible for deficiency payments, 1.9 billion bushels of corn will be eligible, 6.5 million bales of cotton and 90 hundredweights of rice. The savings to USDA through lower deficiency payments for wheat would be $80 million, corn $285 million, cotton $94 million and rice $54 million. The total savings for 1982 crop deficiency payments would be $513 million. If participation in the reduced acreage program is greater than the AFBF estimate, as some in USDA have suggested, then those eligible for deficiency payments would be greater and USDA savings would be larger.

REDUCTION IN 1982 DEFICIENCY PAYMENTS DUE TO CCC REVOLVING EXPORT CREDIT FUND

	USDA estimate's of deficiency payments	Increase in season's average price due to CCC credit fund	Reduction in deficiency payments due to higher prices (millions)
Corn	[1] $0.15	[1] $0.22	$285
Wheat	[1] .30	[1] .21	80
Cotton	[2] .098	[2] .03	94
Rice	[3] 1.00	[3] .60	54
Total			513

[1] Per bushel.
[2] Per pound.
[3] Per hundredweight.

Lower costs for the corn and wheat farmer-held reserve would also result. The 100 million bushels of corn not going into the reserve would save the USDA $26.5 million in storage costs the first year, with greater savings in succeeding years because interest is forgiven on the second and third years of reserve loans. The savings on the first year cost of the wheat reserve would be $15.9 million due to the 60 million bushels of wheat not entering the reserve. As with corn, second year savings will be substantially larger.

Past USDA research indicates that 35,000 jobs are created when an additional one billion dollars of U.S agricultural products are exported.●

HOUSE OF REPRESENTATIVES—*Monday, May 10, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In the quiet of this moment, we bow our hearts to You, O God, seeking Your blessing. Replace the burdens and anxieties of every person with the joyous affirmation of the new day. Kindle within us the glow of hope for a better world where righteousness will overcome selfishness and love will replace hate. Even as we dream of Your Kingdom of peace and justice, so arm us with Your Holy Spirit that we may do the things that make for righteousness and peace. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2160. An act to amend the Potato Research and Promotion Act.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 907. An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes;

S. 2154. An act to direct the Secretary of Agriculture to release a reversionary interest held by the United States in certain lands located in Christian County, Ky., so that such lands may be used for cemetery purposes; and

S. 2252. An act to authorize appropriations for the Coast Guard for fiscal years 1983 and 1984, and for other purposes.

BREAKING PROMISES ON SOCIAL SECURITY

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, sometimes the American people have a better sense of history than the people they elect to serve in this city. And the American people certainly have a good enough sense of history to remember that just last year, certain elected officials in Congress, and in the executive branch, worked for, and successfully cut social security benefits.

Lest we forget, and I am sure the American people have not forgotten, 1981 was the year of cuts in social security minimum benefits, student benefits, and burial allowances. Nor have Americans forgotten restrictions in disability and medicare benefits enacted last year.

So when the President and his Senate supporters say they did not cut social security in 1981, look out. The mirrors are being dusted off, this time to be used in trying to cut social security by $40 billion without reducing benefits. And 1982 could be a worse year than 1981 for social security recipients for, as history reminds us, "All that is past is prolog."

ARMS TALKS MUST INCLUDE NUCLEAR FREEZE

(Mr. WYDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYDEN. Mr. Speaker, I rise today to commend President Reagan for bringing forth a proposal to reduce nuclear arms.

But I am concerned that while his is obviously a beginning negotiating position, it does not go far enough because it fails to include a proposal for a freeze on new nuclear weapons.

What Americans and many people around the world really want is for the superpowers to get the nuclear genie back in the bottle.

A reduction in present levels of ballistic missile warheads, as proposed in phase I of the President's plan, is certainly welcome. So is phase II which calls for a ceiling on all strategic nuclear forces, including sharp reductions in missile throw weight.

But these proposals are flawed in that they still permit development of a new generation of nuclear weapons, some of which military experts tell us we do not know how to deploy.

The President is right to make proposals that, if adopted, will help step back from the brink of nuclear self-destruction.

But we cannot be satisfied because we have defused a few warheads. We still will have the capacity—and the evil temptation—to destroy the Earth, civilization, and mankind, as we know it.

I today urge President Reagan to lay a freeze on new nuclear weapons on the negotiating table, and that the full force of U.S. policy be put behind such a freeze. Only then can Americans and the world began to breathe easier from the fearful prospect of nuclear holocaust.

LET'S START WITH SALT

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, President Reagan's START proposal can be a step in the right direction or in the wrong direction, depending on decisions yet to be made.

START uses the same basic counting rules and methods as SALT II, but substitutes lower numbers, averaging to about six warheads per ballistic missile. Under the START ceilings, in 10 years, crisis stability will be worse than it is today, but better than if there is no arms control, and better than under the SALT II numbers.

The question is whether the START proposal will become a START treaty if we do not ratify SALT II, and whether additional stabilizing elements will be added that will make it worth a long wait.

If START leads to years of haggling over numbers while no arms control is in force, it will prove to be a very bad idea.

If, on the other hand, the administration changes its mind and quickly ratifies SALT II, then moves on to far-reaching prohibitions on destabilizing new technologies including depressed trajectories and accurate SLBM's, the START numbers would be a small but useful contribution.

As it fills out its presently incomplete proposal, I urge the administration to take the rational course, to focus on destabilizing qualitative improvements that should be banned, and to start with SALT.

LAW OF THE SEA CONFERENCE CONCLUDED

(Mr. BREAUX asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BREAUX. Mr. Speaker, there has just been completed in New York the Law of the Sea Conference which has been going on for somewhat over a

decade now, which includes debate among 150 nations of the world.

The United States at the Conference said that the text did not meet the minimum objectives set out by President Reagan on January 29, of this year and, therefore, the United States voted "no" at the Conference.

It is worth noting, I think, that some 21 other nations also supported that position, including the Soviet bloc nations and many of our Western allies.

The administration will now undertake a review of the issues in the Law of the Sea text between now and the signing ceremony which is scheduled for sometime this summer in Venezuela.

The decision of the United States to vote against this text was correct and I think it is now incumbent upon the United States to use this review as an opportunity to formulate an ocean policy which so far we have never done.

In future 1-minute speeches I will attempt to try to outline the problems with the text and also suggest some alternatives that we should consider.

THE TAX CUT

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I see over the weekend that our good friend, the gentleman from Illinois (Mr. ROSTENKOWSKI), chairman of the Ways and Means Committee, has said that the next tax cut will be unaffordable. Of course, he is talking about the 10-percent reduction due individuals.

When the President initially proposed his straight-rate reduction of 30 percent across-the-board, over 3 years, he wanted to treat all American taxpayers the same, low income, middle income, high income. It was only in the last year's tax bill that the high-income people got taken care of in one fell swoop because of the Democratic-controlled Ways and Means Committee reducing their unearned taxable income from 70 to 50 percent.

Last year, that 5-percent tax reduction when annualized only resulted in the average worker getting 1¼-percent tax reduction in 1981 because it took effect on October 1. In 1982, with a 10-percent reduction that does not go into effect until July 1, that is only 5 percent. One and one-quarter percent for 1981, 5 percent for 1982. At most, the average worker at the end of 1982 gets only 11¼ percent tax reduction.

I think it is unfair to think in terms now of doing away with that third year of the tax cut because that is the only way that the President has programed a meaningful tax reduction for all Americans straight across the board.

TRIBUTE TO THE LATE CONGRESSMAN HERMAN SCHNEEBELI

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, it is with a sense of shock and deep sadness that I have learned of the abrupt passing Thursday of our former colleague, Herman Schneebeli. Congressman Schneebeli represented the 17th District of Pennsylvania during the 16 years between 1960 and 1976, rising to become the ranking minority member of the House Ways and Means Committee, as well as a member of the Budget Committee.

Congressman Herm Schneebeli was far more than a colleague of mine. He was a fellow classmate at Dartmouth College where we were close friends during our undergraduate years there. Herm Schneebeli was one of the most popular and prominent members of the Dartmouth class of 1930, where he became manager of the football team and was a member of honor societies throughout his college career.

When I first came to the Congress 3 years after Herm Schneebeli arrived here, he and his devoted wife, Mary Lou, became our first friends and neighbors in this Capital City. As an American of Swiss descent, Herm Schneebeli and I developed a special attachment in view of the years which I have spent in Switzerland and where my daughter and her Swiss husband and my Swiss grandchildren reside.

Mr. Speaker, in addition to his personal attributes, which were many, his business success, which was outstanding, and his public career symbolized by his constructive and honorable service as a U.S. Representative for 16 years, Herm Schneebeli was, beyond all these attainments, a gentle and beloved individual who enjoyed the friendship and respect of his colleagues, his constituents, and all of those other countless individuals with whom and for whom he labored in these Halls.

Mr. Speaker, it is with a sense of great personal sadness that I recall at this hour the life and work of Herman Schneebeli and extend to his widow, Mary Lou, and to his children my affection, respect, and deep sympathy. My wife Doris, who was likewise a good and close friend of Herm and Mary Lou Schneebeli, joins me in these sentiments.

PRESIDENT REAGAN'S START PROPOSAL

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, at Eureka College yesterday, President Reagan generally outlined America's initial proposal for strategic arms reduction talks (START). As he had promised, the proposal went far beyond a freeze on nuclear weapons, and advocated a one-third reduction in ballistic missile warheads. The proposal would create a balanced ceiling between the United States and the Soviet Union. It would focus upon reducing land-based systems that are most threatening, and it would incorporate the necessary verification criteria. During the second phase, the President proposes a reduction in ballistic missile throw weight.

I believe the President's proposal has considerable merit. Naturally, the Soviets will initially declare it unacceptable. This is their standard negotiating technique. But without doubt, the negotiating process has begun. It is now up to the Soviets to seriously consider the President's position or offer a counterproposal.

Now is the time for the country to line up squarely behind the President's efforts. He has made a far-reaching proposal to enhance peace and stability. The Soviets will be watching to see if he is dealing from strength or weakness. I hope my colleagues will join me in letting the Soviets know that President Reagan enjoys our support. Without such support, the Soviets will never make meaningful concessions.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. DE LA GARZA). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, May 12, 1982.

RESOLUTION RE UNITED NATIONS AND ISRAEL

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 322) regarding membership in the United Nations General Assembly.

The Clerk read as follows:

H. CON. RES. 322

Whereas the United Nations was founded on the principle of universality; and

Whereas the charter stipulates that United Nations members may be suspended by the General Assembly only "upon the recommendation of the Security Council"; and

Whereas any move by the General Assembly that would illegally deny Israel its credentials in the Assembly would be a direct violation of these provisions of the charter: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, it is the sense of Congress that the United States should—

(1) suspend its participation in the General Assembly or such United Nations agency; and

(2) withhold its assessed contribution to the United Nations or to the specialized agency involved until this illegal action is reversed.

SEC. 2. It is the sense of the Congress that the Secretary of State should communicate to the member states of the General Assembly of the United Nations what the Congress has herein resolved.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida (Mr. FASCELL) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentlemen from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 322, which expresses the opposition of Congress to the expulsion of Israel from the United Nations. The resolution states the sense of the Congress that the United States should curtail its activities in the General Assembly or the specialized agencies if Israel is denied the rights within those bodies that are guaranteed to all states under the U.N. Charter. Specifically, if Israel is illegally expelled, suspended, or denied its credentials in the U.N., it is the sense of the Congress that the United States should: First, suspend its participation in the General Assembly or specialized agency; and second, withhold its assessed contribution to the U.N. or offending specialized agency until the illegal action is reversed.

Three subcommittees of the Foreign Affairs Committee (International) Operations, Human Rights and International Organizations, and Europe and the Middle East, met to consider House Concurrent Resolution 289. After 2 days of hearings, the subcommittees reported out the clean bill which is before us today. This resolution is similar to the resolution as introduced, with two amendments.

The subcommittees amended the resolution to include actions by any specialized agency of the U.N.—as well as the U.N. General Assembly—to suspend or expel Israel or deny its rights of membership. This amendment brought the House amendment into conformity with the Senate resolution (S. Con. Res. 68) which passed the Senate on April 14 of this year.

In addition, the subcommittees deleted any reference to "any other democratic state" in order to refer only to the possible illegal suspension, expulsion, or denial of credentials of Israel. This was done in order to avoid the problems that arise in defining "democratic state." In a resolution which recommends that such specific action be taken, the subcommittees felt that withdrawal or withholding of funds should not be based on vague precepts.

It was also felt that, in keeping with the concept of universality of participation in the U.N., the United States should be concerned with the illegal expulsion, suspension, or denial of credentials of any member state, regardless of its political philosophy. If we are concerned here about Israel, then let us name our concern and not couch it in broad language. Any move to expel Israel, without due process or for political reasons, should trigger a U.S. response indicating our loss of faith in the integrity of the U.N. and its members.

It is in this form that the committee felt the resolution would best relay the concerns of Congress to the U.N. membership regarding any unjust or irrational actions taken in the U.N. General Assembly or its specialized agencies. At the same time, we are reaffirming our commitment to the provisions of the U.N. Charter, the principle of universality, and the rule of law—not of political whim—in the United Nations. It is our hope that this resolution might serve as a deterrent to any such unjust acts.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I would be delighted to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 322. I was glad to have worked with our colleague, Mr. KEMP, in the drafting and original sponsorship of this important resolution.

House Concurrent Resolution 322 is offered not as a punitive measure. Nor does it arise out of any anti-United Nations sentiment. I have a long record of support for the international body and, in fact, served as an ambassador to the United Nations under Presidents Kennedy and Johnson.

Accordingly it is as a supporter of the ideals behind the United Nations that I join in putting forth the warning embodied in this resolution. If Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, the United States should suspend its own participation in and withhold its assessed contribution to the General Assembly or the specialized agency involved until the illegal action is reversed.

Let me be quite clear. There is reason to suspect that the General Assembly may be pressed, this fall, to take action on a resolution expelling Israel from the Assembly. Such action would trigger the U.S. withdrawal envisaged in this resolution. Our withdrawal and the withholding of our assessed dues would also be triggered if the General Assembly or one of the specialized agencies resorted to subterfuge in an attempt to ban Israeli participation without a formal expulsion. This was attempted in 1974 when UNESCO, a specialized agency of the United Nations, did not expel Israel outright but, instead, refused to allow Israeli participation in any of UNESCO's regional groupings. That type of action is tantamount to a formal expulsion and the sponsors of this resolution intend that any such action would produce the American response spelled out in this resolution.

Mr. Speaker, it is a tragedy that this resolution is necessary. It is necessary because many members of the United Nations are obsessed with Israel. If an observer from another planet walked into a General Assembly session he might conclude that Israel is the most powerful, most troublesome, and most dangerous nation in the world.

Of course, it is not. Israel is, rather, a tiny country that has had to fight for survival four times in 34 years. It has lost over 10,000 soldiers in these struggles. Its children have been murdered at Ma'alot, at Kiryat Shemonah, at Nahariyah, on the Tel Aviv highway, and in dozens of other places, including hospitals and kindergartens. Israel is no threat to peace. But it is easier for the Third World majority that dominates the United Nations General Assembly to vilify and condemn Israel than to confront Libyan terrorism, Soviet imperialism, or the virtually ignored Syrian slaughter of 10,000 of its own people in Hama.

There is no reason why the United States, the leading contributor to the United Nations, must sit back and allow radical Arab States and the PLO to seek the expulsion of Israel. Such expulsion would be a disaster in the U.N. It would end any pretense of U.N. impartiality in the Mideast. It would formally ally the U.N. with the terrorist PLO and the extremist rejectionist front. Moreover it would be an assault on our own country. For it would demonstrate that any small ally of the United States could be dismissed as pariah or outlaw.

But, of course, Israel is unique. It is the only Jewish nation in the world. It is a state established as a refuge for the remnant of world Jewry that survived the Holocaust. Ironically, the U.N. was also established to insure that the horrors of World War II and

of the Holocaust would not be repeated. Two years after its establishment, it was the U.N. which served as midwife for the Jewish State when it endorsed the partition resolution of 1947.

Today, tragically, large segments of the United Nations are arrayed on the side of those who would see Israel destroyed, its people left dead or homeless. Today we announce that we simply will not permit that to happen. If Israel is expelled, or its participation in the United Nations vitiated in any way, the United States must suspend its own participation. In short, if Israel goes, we must go, too. And with us, the dream of a viable world organization.

However, I am confident that, if the United States makes its intentions clear, commonsense will prevail among a majority of the member states and any expulsion resolution will fail.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the chairman of the full Committee on Foreign Affairs.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding Israel's membership in the U.N. General Assembly. At the outset, I would like to commend my colleagues on the committee whose subcommittees jointly considered the text of this resolution—the Honorable DANTE B. FASCELL, the principal sponsor, the Honorable LEE H. HAMILTON, and the Honorable DON BONKER.

House Concurrent Resolution 322 essentially puts the U.N. General Assembly on notice that if it takes any action to illegally expel, suspend, deny credentials to, or otherwise deny Israel's right to participate, the United States will not only suspend its membership in the United Nations or the offending U.N. agency, but it will also withhold its assessed contribution to the U.N. or such U.N. agency until the illegal action is rectified.

The U.S. position is stated very clearly here. We will brook no tampering with the U.N. Charter which provides that the only legal means for expelling a member is by agreement of the U.N. Security Council. Nor will we tolerate any effort that violates the principle of universality of the United Nations, and removes Israel from its rightful memership in the UN.

Mr. Speaker, I endorse House Concurrent Resolution 322 and urge its immediate passage.

Mr. FASCELL. Mr. Speaker, I am delighted to yield to the distinguished gentleman from New York (Mr. KEMP), who is the sponsor of the original resolution referred to the Committee on Foreign Affairs.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman yielding and his gracious comments.

I rise in strong support of House Concurrent Resolution 322 and commend the chairman for his leadership on this.

I am delighted to have joined my colleague from New York (Mr. BINGHAM) and many others in this body in sending a very strong signal to the General Assembly of the United Nations.

On March 11, I introduced legislation providing that if the General Assembly of the United Nations should illegally act to suspend, expel, or in any other manner abridge the rights and privileges of membership of any democratic nation, the Government of the United States should suspend its participation in the General Assembly and withhold its assessed contribution to the United Nations, until such time as the illegal act is rectified. I believed that there was reason to fear that an effort might be underway to suspend Israel's participation in the General Assembly, or to expel Israel from that body, in plain contravention of the charter and the principles upon which the United Nations was founded.

Sadly, that fear recently has been confirmed anew.

With Soviet troops in Afghanistan, Polish Solidarity members in jail, chemical warfare in Southeast Asia, war between Iran and Iraq, Cuban forces in Angola, guerrilla insurgents in Central America, and confrontation in the Falkland Islands, the United Nations sat in emergency session last week to consider "the question of Palestine" and an Arab petition condemning the United States and challenging the right of Israel's membership in the U.N.

In her speech before the General Assembly on April 23, U.S. Permanent Representative to the United Nations Jeane Kirkpatrick charged:

> This Special Session and its accompanying draft resolutions are one more clear example of a strategy whose goals and tactics are clear: use a United Nations body to make "official demands" incompatible with Israel's security and survival, so as then to be able to complain that non-compliance with these impossible demands "proves" Israel an international lawbreaker—unworthy of membership in the international community of peace-loving states.

After long and ardent meetings, the special session did not take up the radical Arab petition, due in large measure to the forceful opposition by the United States. In particular, the resolve of the Congress as expressed in House Concurrent Resolution 289—which is now House Resolution 322—and the parallel measure sponsored by Senator MOYNIHAN that has already passed the Senate by unanimous vote proved to be an important deterrent to the extremists' success.

But the threat has not disappeared. The resolution that was finally passed at the special session reiterates earlier language found in the General Assembly's resolution on the Golan Heights, viz, that Israel is "not a peace-loving state"—language that may be a prolog to a full-scale onslaught on Israel's right of membership at the next regular session of the General Assembly.

The real threat is not to Israel, but to the integrity of the United Nations. If the General Assembly should attempt illegally to expel Israel, the United Nations would be casting aside what vestiges of respectability and honor it may still retain. As expressed by Ambassador Kirkpatrick in her speech before the Special Session:

> How much falsification can an institution stand without destroying itself entirely? This world body cannot endure as a moral and political force if its energies are devoted to increasing conflict and conducting vendettas against targeted countries. If the United Nations prefers to make political war rather than peace, it must suffer the consequences in terms of its credibility and reputation. And if, in violation of its own rules, it should decide to exclude the democratic state of Israel from participation, it will inevitably reap the whirlwind.

The purpose of this legislation is to make explicit what has long been U.S. policy: That we will never condone efforts by a tyrannical majority to infringe the just rights of a democratic member state, and that we will not allow U.S. taxpayer dollars to be spent in underwriting the destruction of the fundamental principles of the United Nations.

In October of 1980, President (then candidate) Reagan said:

> It is my own belief that should a hostile majority in the United Nations General Assembly vote to deny Israel its credentials—
>
> (1) We should reject such a vote as as violation of the United Nations Charter, which provides for suspension of rights of membership and expulsion *only* upon recommendation of the Security Council. And in the Security Council we should exercise our veto.
>
> (2) We should work vigorously with Israel and our friends to preserve the right of Israel to be present and vote in the General Assembly.
>
> (3) If unsuccessful in this effort, we should suspend our financial contribution to the United Nations and urge our friends to do the same, until the rights of Israel are fully respected. . . .
>
> If we are determined and make clear that we will protect our interests and our friends. I am confident the attempt to deprive Israel of its rights in the United Nations can be deterred.

I agree with President Reagan. I believe that the U.S. response to such a move by the General Assembly or any of the specialized agencies of the U.N. must be set forth clearly, in advance of any overt move against Israel, so that member nations fully understand the implications of their contemplated illegal act.

By voting for this legislation, Members of Congress will be reaffirming longstanding U.S. policy. Our passage of this measure will be an important deterrent to efforts to interfere with Israel's rights and privileges of membership in the U.N. and its specialized agencies. I wish to note parenthetically that it is the intent of the drafters of this resolution that it shall apply in the event of any substantial interference with Israel's privileges of membership in the General Assembly or in specialized agencies; the language "right to participate" as it appears in House Resolution 322 is used in a broad sense encompassing the rights and privileges of membership, and not by way of narrow limitation. And it will be a clear expression of our abiding belief in the principles of the Charter of the United Nations, and our support for the spirit of honor and integrity with which that institution was originally founded.

Most importantly, our willingness to defend Israel's rights is in truth a measure of our willingness to defend ourselves. For the principles of freedom and democracy, for which this country stands, are ultimately the object of the campaign against Israel. And in that confrontation, America's position must be unequivocal.

That is the true purpose of this resolution. I urge my colleagues' support.

Mr. FASCELL. Mr. Speaker, I thank the gentleman from New York for his comments and simply want to emphasize an additional point which the gentleman raised.

When we in the committee speak of the right of Israel to participate in the General Assembly of the United Nations or any of its specialized agencies, we are using that language in the broadest context possible. We are talking about any right, we are talking about any privilege. We do not expect there to be any misunderstanding about what we mean in this resolution. We do not think that anybody is going to get away with the right to nibble Israel to death by eliminating a single right or a single privilege or attacking it in a single agency. We are talking about the broadest scope and spectrum of the right to participate in the United Nations.

I thank the gentleman for raising that issue.

Mr. KEMP. Mr. Speaker, will the gentleman yield further?

Mr. FASCELL. Yes, I yield to the gentleman.

Mr. KEMP. In 1977, as I think the gentleman has pointed out, Israel was denied participation in a specialized agency of the U.N., the International Labor Organization. Congress quickly suspended all funding for that organization and within a relatively short period of time Israel's membership was renewed. The only way the U.N., either in the General Assembly or in the specialized agencies, as the gentleman has pointed out, is going to get the message is if we are very clear about our intentions, and let the member nations know that funding will be shut off if Israel is illegally victimized.

I appreciate so much the leadership of my friend.

Mr. FASCELL. I thank the gentleman for raising this issue. We have set a precedent with similar resolutions and actions that were taken, for example, with respect to UNESCO. We withheld our contribution for 2 years to show our opposition to actions taken in that organization.

Mr. AuCOIN. Mr. Speaker, will the gentleman yield?

Mr. FASCELL. I yield to the distinguished gentleman.

Mr. AuCOIN. Mr. Speaker, I appreciate the gentleman yielding. I want to compliment him and the bipartisan leadership which brings this resolution to the floor.

I would like to ask the manager of the bill a question about the U.S. contributions to the United Nations.

It is my understanding that the U.S. Government provides a far greater amount of money in support of the U.N. than what would normally be considered its average or normal share. Is that not correct?

□ 1230

Mr. FASCELL. Well, we have had that problem for a long time. We now provide 25 percent.

Mr. AuCOIN. Twenty-five percent.

Mr. FASCELL. Some of the specialized agencies receive a greater amount.

Mr. AuCOIN. The point I am making is the taxpayers of this country, in respect to and in the reflection of the values the United Nations have always stood for, which have been to bring the nations of the world together, despite their differences or their backgrounds, to discuss and try to resolve mutual problems, or to make the resolution of those problems easier, a reflection of that ideal—the taxpayers of this country have generousiy supported the United Nations Organization.

As a cosponsor, I want to lend my full support for the passage of this resolution. It is essential that the United States reaffirm its dedication to the nation of Israel and do everything possible to assure that Israel retain its rightful position in the United Nations General Assembly.

There is reason to believe a growing campaign is underway to illegally suspend, expel, or abridge the rights and privileges of Israel's membership in the United Nations. Should other member nations make such an attempt the United States must have ready a response.

By alerting the General Assembly that the United States intends to suspend participation in the General Assembly, as well as withhold contribution to the United Nations, we have such a response. This sends a clear message to member nations that we will not tolerate further moves to degrade Israel's position as a democratic, peace-loving, and peace-seeking nation. And we are saying that if the United Nations takes such action against Israel, America no longer considers the organization worthy of its name and, thus, refuses to support it.

As recently demonstrated in its orderly withdrawal from the Sinai Desert, Israel is willing to negotiate and relinquish cherished land to secure peace with her neighbors. She deserves our support; we must solidly refuse to accept any illegal acts that seek to discredit her membership in what is intended to be an assembly of integrity and respectability.

I urge my colleagues to vote in favor of this resolution.

I thank the gentleman for yielding.

Mr. FASCELL. I thank the gentleman for his remarks, and I agree with him.

The SPEAKER pro tempore. The gentleman has consumed 12 minutes.

Mr. FASCELL. Mr. Speaker, I reserve the balance of my time.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this resolution. I think it is most timely.

Mr. Speaker, House Concurrent Resolution 322 concerns the possible suspension of Israel from the United Nations or the rejection in the U.N. of Israel's credentials.

There has been growing misuse of the U.N. in Middle East debate to ram through one-sided resolutions condemning Israel, and when accompanied by rhetoric which often is anything but diplomatic, a scene is created more reminiscent of a mob running loose than of thoughtful diplomats who are presumably to function in a manner expected at the world organization level.

The target of this pattern of extreme language in both resolution and debate is, of course, Israel. One could make the point, however, that the victim is not just Israel, the victim includes the U.N. itself, since its effectiveness is consistently diminished by permitting radical performances, rather than legitimate diplomacy to be the order of the day. These observations apply not only to the General Assembly sessions, but the pattern is there at the Security Council itself, at the specialized agencies of the world body, and, for that matter, almost any international meetings which the U.N. sanctions.

The United States must make it clear that whether it be at a meeting of a specialized agency, whether it be

at a special or regular meeting in New York City of the General Assembly or Security Council, that we will resist, using every legal means at our disposal, this blatant anti-Israel action. If the radical Arabs and their ill-motivated associates move to the extreme of attempting to deny Israel a place in one of the meetings of the specialized agencies or at a meeting of the U.N. itself, then we should serve notice in advance that the United States will take specific steps to counteract such a development. This could take the nature of denying our financial contribution or serving notice in advance that the United States would not participate in any ongoing U.N. function at which Israel were denied its rightful place.

This resolution had outstanding bipartisan support from Members of the House. I believe it is timely, practical, and a necessary expression of congressional interest in the subject. Hopefully, it will be understood at the U.N., and by that I mean understood by the member nations as well as by the Secretariat of the world body. It is ironic that Israel, one of the few democracies in the Mideast, is subject to this consistent verbal and technical abuse, presumably in the name of justice, and so forth, but its critics are, with rare exception, governments who go to great lengths to deny their citizens any meaningful input into a political process.

As a cosponsor, I urge strong support of the resolution and am pleased that it moved so expeditiously through the House Foreign Affairs Committee.

Mr. Speaker, I now yield 5 minutes to the gentleman from Michigan (Mr. BROOMFIELD).

Mr.BROOMFIELD. Mr. Speaker, I thank the gentleman from Illinois for yielding me this time.

Mr. Speaker, as a cosponsor of House Concurrent Resolution 322, I strongly support its adoption. This resolution would definitively declare to the United Nations that if it intentionally fails to adhere to its own charter by illegally expelling, suspending, or otherwise denying rights and privileges to Israel in the General Assembly, then the United States will suspend its participation in the General Assembly, and withhold its assessed contributions until the illegal action is rectified.

Established as the very essence of freedom and democracy, a place where international disputes could be peacefully resolved, the General Assembly has now degenerated into a forum for Third World demagoguery and hypocrisy. Rather than resolving international disputes, the General Assembly now exacerbates them by driving member states into opposing camps. Frequently this means ramming through ludicrous and totally unacceptable resolutions against Western democratic nations. There is no attempt made anymore to seek compromise, to find areas in which the parties in dispute can agree, and then build upon these areas to resolve their greater differences.

It is outrageous that these Third World and Communist nations, nations which deny any semblance of democracy at home, are so intent upon using majority rule in the General Assembly to ride roughshod over the Western democracies.

The General Assembly routinely attacks Israel. Yet is was silent while the Communist forces of Pol Pot killed 3 million Kampucheans and when Idi Amin murdered 250,000 Ugandans. Not one Third World spokesman in the General Assembly called for sanctions against Jordan when they ruled the West Bank and controlled the Palestinian population from 1948 to 1967, or when Jordan's military attacked and expelled thousands of Palestinians in 1970. The General Assembly is silent concerning the oppression, imprisonment of political prisoners, and complete denial of human rights that exist in the Soviet Union, Cuba, and other Communist-block nations. Similarly, the General Assembly has not condemned Syria for its recent internal massacre in Hamma, and has not called for sanctions against the Soviets and Vietnamese for using outlawed chemical weapons in Afghanistan, Laos, and Cambodia.

It is for these reasons that this resolution is so important. It states in no uncertain terms that there are genuine standards of behavior that must be adhered to in the world, and that the United States will not tolerate a double standard being applied to suit the majority of tyrants whose representatives occupy seats at the U.N.

As the leading country behind the creation of the United Nations, the United States had high expectations that the establishment of the U.N. would mark a new era of international understanding and progress for humanity.

No one denied that the tasks were large, but the potential rewards in the political and economic spheres were great. Today, the United States has not changed its goals. We have not lowered our sights. We still believe that the rewards are more than worth the effort. The question, however, is whether the General Assembly is worthy of the task. Whether the General Assembly is even attempting to fulfill the mandate set down decades ago is in doubt. The United Nations should clearly understand, the United States is wedded to the concepts upon which the United Nations was founded. It is not wedded to all bodies in the institution.

Mr. DERWINSKI. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I rise in support of House Concurrent Resolution 322 as a very proud and original cosponsor of this most important resolution.

We are seeing in the world today an insidious move to use the democratic processes of the United Nations and use of this democratic process by nondemocratic nations of this world against a democratic member of this very important organization and very important forum.

If these nations are successful in doing so, then this country must take away its backing of the United Nations as the taxpayers of this country will no longer support an organization which can, in itself, be used as a vehicle for blackmail.

The United Nations must remain open to all nations of the world, and I might add, particularly those democratic nations such as the State of Israel. To do otherwise would simply be to compromise the purposes of the United Nations to such an extent that it would be a detriment in solving the problems of peace throughout the world, rather than a vehicle that has been so important in maintaining peace throughout the world.

At the conclusion of debate today, Mr. Speaker, it is the intention of probably several people here to ask for a recorded vote on this resolution. I think this recorded vote is going to be necessary so that the full extent, the full voice of this body, as will be expressed by the vote, be made known to those that would use the United Nations as an instrument of blackmail.

Again, I stand in very strong support of House Concurrent Resolution 322.

Mr. DERWINSKI. Mr. Speaker, I reserve the balance of my time.

Mr. FASCELL. Mr. Speaker, to conclude the debate on this matter on this side, I yield such time as he may consume to the distinguished gentleman from California (Mr. LANTOS), who is one of the original sponsors of the resolution, which was referred to the Committee on Foreign Affairs.

Mr. LANTOS. Mr. Speaker, this is a significant bipartisan decision we are making this afternoon. We are serving notice on the totalitarian majority of the United Nations that we will not allow the application of a double standard of morality.

As my colleagues on both sides of the aisle have pointed out, the United Nations was silent time after time in the face of the most outrageous violations of human rights. But the United Nations has singled out one small democratic nation for discrimination and possible expulsion. I think it is a significant moment in the history of this body that both Republicans and

Democrats in both the Senate and the House stand up and are prepared to be counted for the principle of preserving a small democracy's right to exercise the privileges in the United Nations.

It is a fact, Mr. Speaker, that the bulk of the member nations of the U.N. today are nondemocratic nations. They are totalitarian nations in varying degrees who have been ganging up on a number of democratic states in a variety of instances.

It was our former Ambassador to the United Nations, Senator PAT MOYNIHAN, who pointed out some years ago that the United States itself was being persecuted and discriminated against in the United Nations by the totalitarian majority.

It is high time that those of us who are members of legislative bodies in the remaining democratic states of the United Nations, stand up and be prepared to speak with a single voice for the preservation of the rights of all democratic states to participate in the U.N., to make our influence felt, to have democratic and free societies set a tone for this international body.

Mr. DERWINSKI. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise to associate myself with the remarks of our distinguished colleague from California. I was a cosponsor of the gentleman's resolution, which was very similar to the one which is before us now.

In my judgment, the one that is before us is even a stronger statement and a better one for this House to make, and for all the Members of this House to endorse. I congratulate the committee for bringing it to us, and I yield back the balance of my time.

● Mr. LEHMAN. Mr. Speaker, I would like to speak in support of this resolution. For too long, the podium of the United Nations General Assembly and U.N. specialized agencies has been employed by member nations to do little more than hurl invectives against Israel and the United States. These countries would rather expend their energies in attempts to expel Israel instead of addressing attention to the oppressed peoples of Afghanistan, Poland, Vietnam, and the religious minorities of Iran.

There is now reason to fear that an effort may be underway to suspend Israel's participation in plain contravention of the U.N. Charter and the principles upon which the United Nations was found. That such a possibility has presented itself is not surprising considering that no member-nation has been a more frequent victim of this shamful double standard than has Israel. From the infamous resolution equating Zionism with racism, to the frequent tirades of anti-Semitic rhetoric from Israel's neighbor to the east, Jordan, and the recent declaration that Israel is not a "peace-loving nation" the very week Israel returned the Sinai to Egypt, any respect I once had for the U.N. is merely a memory.

I am hopeful that this legislation, of which I am a cosponsor, will serve to make clear to member nations what the implications of any illegal action against Israel would be. And perhaps the threat of suspending U.S. participation in and withholding contributions to the United Nations would prevent such an action from taking place. As financier of 25 percent of the annual U.N. budget, the message of House Concurrent Resolution 322 will be heard. I urge my colleagues to vote for passage of this important legislation.●

● Mr. BONKER. Mr. Speaker, I rise in support of House Concurrent Resolution 332, which the Foreign Affairs Committee agreed to unanimously on May 4.

The resolution is a straightforward policy statement. It expresses the sense of the Congress that if the U.N. or a specialized agency illegally expels or suspends Israel, or in any other way denies Israel's right to participate that the United States should suspend its participation in and withhold the payment of its assessed dues to that organization.

The Subcommittee on Human Rights and International Organizations, which I chair, held 2 days of joint hearings, on April 22 and 27, on the original resolution (H. Con. Res. 289). The subcommittee agreed to two perfecting amendments, one offered by Mr. LANTOS and one offered by myself. My amendment, which has been incorporated into House Concurrent Resolution 322, clarifies the intent of the resolution to focus on Israel. The U.N. is not at this time considering any action against other democratic states, and reference to other democratic states would cloud the issue.

House Concurrent Resolution 322 supports longstanding U.S. policy to uphold the principle of universality of membership in the United Nations. This principle is set forth in article 4 of the U.N. Charter: "U.N. membership is open to all peace-loving states * * *." The resolution as now worded will avoid the creation of a double standard where the United States would defend the principle of universality only for a select group of countries.

Mr. Speaker, I wish to commend the distinguished chairman of the committee for facilitating expeditious consideration of House Concurrent Resolution 322. I would also like to commend my distinguished colleagues on the committee, Mr. FASCELL, Mr. ROSENTHAL, Mr. BINGHAM, and Mr. LANTOS, for their leadership on this resolution. I urge my colleagues in the House to adopt House Concurrent Resolution 322.●

● Mr. ROSENTHAL. Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding U.S. membership in the United Nations General Assembly. I am an original sponsor of this resolution because it demonstrates the gravity with which I view our participation in the U.N.

No one—participants, members of the press, observers here and abroad—should doubt the seriousness of this resolution and the sentiments which have resulted in the need for congressional action.

There is a growing crisis of confidence in the United Nations among democratic people and governments worldwide. I say this not to inflame. There has been more than enough of that already. I simply want to underscore the gravity of our purpose in considering this resolution. This is not merely a formality.

Two matters are brought up within the context of this debate—one general, one specific. First, we are here because it is time for America to reassess, fundamentally, its policy toward the United Nations. Too much has happened. Hypocrisies. Biased resolutions. Incendiary rhetoric. Anti-Semitism and racism. Technical, humane, educational U.N. projects turned political and punitive.

In February, I sent an open letter to the Secretary General to express my personal outrage about what I see happening at the U.N. The United Nations, as I wrote the Secretary-General 2 months ago, "is becoming a body of recrimination instead of an institution of reconciliation." My words were angry, but they were rooted in feelings not of anger but of frustration—and remorse—that we allowed this to happen.

Mr. Speaker, I speak as a longtime friend of the U.N., and as a former U.S. representative to the General Assembly. For 20 years in Congress, I have been defending the U.N. I know, first-hand, just how hard it is for one body to encompass so many grievances and so much hatred without cracking apart. But this simply can't excuse the increasing number of attempts to turn the United Nations into an instrument of vindictiveness.

One issue—one obsession—accounts for the overwhelming majority of these attempts. This is the second, more specific, reason for our being here today.

Time and again, in forum after forum, a group of member states has sought to punish the democratic nation of Israel. On February 5, 1982, the General Assembly—dominated by this group—took one step further, one step too far, by calling into question Israel's right to belong to the U.N. and laying the groundwork for its expul-

sion. With this resolution and its unprecedented threat of expulsion, a line was crossed. The United States must now draw one of its own. In House Concurrent Resolution 322, we are serving notice, putting parties on the alert. If the General Assembly expels Israel, they should expect a response from us—a response that may include no participation in the General Assembly by the United States or no financial contribution to the United Nations from the American Treasury.

It is our strong hope that by making this intent absolutely clear now, we will prevail upon moderate, thoughtful member states to oppose these provocative acts more forcefully.

But this work cannot proceed effectively as long as formal procedures and established agencies of the U.N. are used repeatedly to punish one state rather than to promote the well-being of all people.

For our part, the United States must respect diversity and democracy in the United Nations. But not demagoguery. So it is time for us to look at what the U.N. is becoming, to ask whether all is well, and if it is not, to resolve to do something about it. That is why we are here today. That is why so many in Congress support and have encouraged this effort. Our resolve should not be underestimated.●

● Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 322, regarding membership in the United Nations General Assembly.

For the second time in less than 3 months the United Nations General Assembly has declared that Israel was "not a peace-loving member." This latest action demonstrates more clearly than ever the misuse and abuse of the U.N. by a coalition of Third World and Communist states as they seek to use their majority position in the General Assembly to promote hostility and divisions.

Having been created out of a desire to promote peace and resolve internal dispute, the U.N. has become more and more the platform for non-democratic states to exploit tensions, polarizing the world community. Outrageous demands are made on democratic states by those who suppress the slightest attempts at democracy in their own nations. Dictators and tyrants have succeeded in nearly destroying the principles of democratic change and majority rule.

This most recent attack alleging Israel to be non-peace loving comes only a few days after that nation's heroic efforts in abiding by its commitment to the Camp David accords by returning the last of its occupied territory in the Sinai.

Yet it was this same working majority in the General Assembly which remained silent when Pol Pot murdered 3 million of his fellow Cambodians and Idi Amin killed over 250,000 Ugandans. It is these same forces who routinely attack Israel and ignore the outrages of the Soviet Union.

It is for these reasons and the unbelievable but real possibility that the General Assembly may eventually be manipulated into an attempt to expel Israel that we must now draw the line. It is time that the Congress expresses its concern and state that unless the U.N. General Assembly adheres to the founding principles of that organization, the United States will no longer tolerate such an outrageous double standard.

As the primary moving force and founding member of the U.N., the United States will not idly stand by and watch the destruction of the U.N.'s mandate. It must be clearly understood that as the resolution before us states, if Israel is expelled, suspended, denied its credentials or in any other manner denied its rights and privileges in the General Assembly of the U.N., the United States will suspend its participation in the General Assembly and withhold its total financial contributions, both assessed and voluntary until such illegal action is reversed.

The United States stands by, as before, as a firm supporter of the U.N. and its original mandate to promote peaceful solutions to international problems. We urge other members to join us in returning to those principles. It must be understood, however, that we will not be a party to or stand by and watch as the U.N. is destroyed from within.

As a cosponsor of House Concurrent Resolution 322, I urge all of my colleagues to join in unanimous support of this important resolution.

● Mr. OTTINGER. Mr. Speaker, I rise in strong support of House Concurrent Resolution 322, a resolution expressing the sense of Congress that the United States should take retaliatory action if Israel is illegally denied participation in the General Assembly or any specialized agency of the United Nations. This resolution provides in such case, the United States should suspend U.S. participation and withhold contributions to the United Nations or such agency. I fully support this resolution as an original cosponsor.

In April, I wrote to Secretary General Javier Perez de Cuellar, to express my deep concern about the U.N.'s attempts to isolate Israel. I noted that these efforts "contradict the very principles upon which the U.N. was founded, violate the U.N. Charter, and inject discord and instability into international relations."

The recent history of one-sided harassment of Israel in the United Nations discredits that institution and undermines its international usefulness. From the infamous resolution equating Zionism with racism, the U.N. record on Israel has been one of discord and hostility:

In recent years, anti-Semitic invective has widely permeated U.N. debate. As the Israeli delegate to the U.N., Yehuda Z. Blum, said in December 1980, "Representatives in this organization enjoy an immunity to spread anti-Semitic invective in a way that would not be tolerated in any decent society." The fact is that the U.N. has become more a forum for anti-Semitism than a center for developing friendly relations between nations based on respect for equal rights.

In January 1981, the U.N. Postal Administration issued a set of commemorative stamps on the theme of the "inalienable rights of the Palestinian people" in accordance with a General Assembly resolution. This was a blatant propaganda effort designed to legitimize terrorism, attack the State of Israel, and inject further discord into a highly sensitive issue. This action is a clear example of how some U.N. members have allowed the PLO to successfully politicize almost every function of the U.N., including the General Assembly, UNESCO, the U.N. Mid-Decade Conference for Women, and even the U.N. Postal Administration.

The U.N. record in the Middle East has been based on a double-standard unprecedented in its history. For example, the U.N. Security Council was recently convened in a special session to condemn the entire Israeli nation when a single deranged individual ascended the Temple Mount and killed and injured several innocent people, despite the fact that this individual was immediately arrested and will be brought to trial. Among the most virulent in organizing this session to condemn Israel was Syria, which has slaughtered thousands of Christians in southern Lebanon, and only weeks before the incident at Temple Mount, destroyed dozens of mosques and massacred thousands of civilians in Hama, with no such condemnation from the United Nations.

On February 5, 1982, the General Assembly passed a resolution pronouncing that "Israel is not a peace-loving member state" and that "it has not yet carried out its obligations under the Charter." This resolution seems to be the prelude to an all-out attempt to suspend Israel's participation in the General Assembly, or to expel Israel altogether, in clear violation of the Charter. The resolution's pronouncement that Israel is not a peace loving state flies in the face of Israel's courageous withdrawal from the Sinai Peninsula in fulfillment of its commitment to peace with Egypt, despite the U.N.'s attempts to undermine that peace. Indeed, the failure of the U.N. to endorse the Egyptian-Israel peace process made a mockery

of the U.N.'s peace promoting character.

Mr. Speaker, these terrible developments reflect a growing anti-Israel bias that the U.N. should seek to end, rather than foster. By tolerating anti-Semitic speeches, the U.N. is fueling the fires of racism. By seeking to expel one of its few democratic member states, the General Assembly is violating its own Charter. By fostering hostility and instability in the Middle East, the U.N. is deviating from its fundamental purpose as an instrument of peace and cooperation, and is sowing the seeds of its own destruction.

In the past, I have been strongly supportive of the U.N., and continue to believe that the institution can be vital to international peace and stability. The U.N. could be particularly effective in providing humanitarian relief for many people throughout the world, and in achieving international cooperation in solving economic, social, cultural, and humanitarian problems. These important functions, however, are seriously impaired by the U.N.'s inflammatory attacks on Israel. If the U.N. continues to subvert its own principles and does expel or suspend Israel, it simply would not be worthy of continued U.S. support. That is why I have cosponsored House Concurrent Resolution 322, and I hope my colleagues will join me in voting for passage of this important resolution.

As I wrote to Secretary General Perez de Cuellar in April:

It is my fervent hope that Congress will not have to act to withdraw U.S. support of the United Nations, and that the moderate and independent members of the U.N. will be effective in reversing the international organization's decline. As a friend and supporter of the U.N., I urge you not to underestimate the critical erosion of American support for the world organization because of its one-sided attacks on Israel. I hope you will take the steps necessary to restore the U.N. to its proper role as an international center for harmonizing the actions of all nations.

Mr. Speaker, I am including in today's RECORD the full text of my letter to the Secretary General, as well as the text of House Concurrent Resolution 322:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 2, 1982.

Hon. JAVIER PEREZ DE CUELLAR,
United Nations,
New York, N.Y.

DEAR MR. SECRETARY GENERAL: I would like to congratulate you upon assuming the duties of Secretary General of the United Nations. I wish you the best of luck in meeting the great challenges that face the United Nations organization and the world.

I am writing to let you know that my country's historical support of the United Nations is being greatly jeopardized by various U.N. attempts to isolate Israel, one of the U.N.'s most democratic members. These actions contradict the very principles upon which the United Nations was founded, violate the U.N. Charter, and inject discord and instability into international relations.

I am particularly concerned about the anti-Semitic invective which seems to have permeated U.N. debate, and which reflects a repugnant tide of hatred which is sweeping through the United Nations. The United States simply cannot tolerate this.

The General Assembly Resolution of February 5, 1982, is a particularly vicious attack on Israel's credentials and seems to be another step in the path toward efforts to expel Israel from the United Nations altogether. The resolution, which goes further than the Security Council ever has in expressing sentiment, and indeed circumvented the ordinary procedures of the Security Council, not only undermines the members of the Security Council, but also the preamble of the U.N. Charter, which requires that members of the U.N. "practice tolerance and live together in peace with one another as good neighbors . . ."

This resolution, in concert with past efforts to equate Zionism with racism and to use every possible opportunity to hypocritically criticize Israel while ignoring attacks against her and her people, has clearly threatened continued U.S. support for the United Nations.

You may be aware of various proposals circulating in the Congress of the United States which would result in a severe diminution of U.S. support and participation in U.N. activities. House Joint Resolution 403, for example, expresses that any attempt by the U.N. to prevent a democratic state from exercising its rights under the Charter will have the most serious and harmful consequences for further Congressional support for the U.N. House Concurrent Resolution 289 would suspend U.S. participation in the General Assembly and withhold the U.S. assessed contribution to the U.N. should Israel, or any democratic state, be expelled.

In the past, I have been strongly supportive of the United Nations, and continue to believe that the institution can be vital to international peace, stability and cooperation. These important functions, however are being seriously impaired by actions to isolate or expel Israel. Indeed, if the U.N. does subvert its own principles and expels one of its democratic members, the U.N. would simply not be worthy of continued U.S. support. That is why I have cosponsored the two measures mentioned above.

It is my fervent hope that Congress will not have to act to withdraw U.S. support of the United Nations, and that the moderate and independent members of the U.N. will be effective in reversing the international organization's decline. As a friend and supporter of the U.N., I urge you not to underestimate the critical erosion of American support for the world organization because of its one-sided attacks on Israel. I hope you will take the steps necessary to restore the U.N. to its proper role as an international center for harmonizing the actions of all nations.

Sincerely,

RICHARD L. OTTINGER,
Member of Congress.

H. CON. RES. 322

Whereas the United Nations was founded on the principle of universality; and

Whereas the charter stipulates that United Nations members may be suspended by the General Assembly only "upon the recommendation of the Security Council"; and

Whereas any move by the General Assembly that would illegally deny Israel its credentials in the Assembly would be a direct violation of these provisions of the charter: Now, therfore, be it

Resolved by the House of Representatives (the Senate concurring), That if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its right to participate in the General Assembly of the United Nations or any specialized agency of the United Nations, it is the sense of Congress that the United States should—

(1) suspend its participation in the General Assembly or such United Nations agency; and

(2) withhold its assessed contribution to the United Nations or to the specialized agency involved until this illegal action is reversed.

SEC. 2. It is the sense of the Congress that the Secretary of State should communicate to the member states of the General Assembly of the United Nations what the Congress has herein resolved.●

● Mr. GOLDWATER. Mr. Speaker, I rise in firm support of House Concurrent Resolution 322, a bill which issues a strong warning to other member nations of the United Nations that we intend to stick by our commitment to our ally, Israel. Specifically, if other U.N. members illegally expel Israel, this bill expresses the sense of Congress that the United States should first, suspend its participation in the General Assembly and other specialized agencies and second, withhold our contribution to the U.N. budget until that expulsion is reversed. I am pleased to be an original cosponsor of this legislation.

Of course, I have long thought that the United States should reduce or eliminate our contribution to the United Nations. That organization has, for the most part, evolved into little more than a glorified debating society and propaganda tool for left-wing dictatorships and other repressive societies. We also carry an inordinate amount of the cost of the U.N. It is hard, particularly in light of the economic hardships at home, to justify enormous expenditures for an organization which has failed so signally in its primary mission—to keep the peace.

Let me address, however, the specific measure we have before us today. I think that it is a tragedy that this resolution is necessary, and a real statement of the need to reexamine our role in the United Nations.

It is amazing to me that Israel should be the target of vilification among Third World nations when really it should be held up as a model of achievement against almost insuperable odds—economic, climatic, and social. Reversely, why do we not hear more about Soviet adventurism, the PLO's export of international terrorism, chemical warfare in Southeast Asia, the war between Iran and Iraq, guerrilla activities in Central America, and Argentina's aggression vis-a-vis

the Falklands? It does not make rational sense to civilized Western minds.

Israel is the only sure ally we have in the Middle East, an area acknowledged to be the most strategic location in the world today. Israel also shares our democratic convictions, and is the only truly free, pluralistic society in that area. These reasons alone should suffice to insure our support. However, the necessity of our firmly supporting Israel against an expulsion resolution in the General Assembly is a larger issue than simply loyalty to a close ally and philosophical friend.

We have to be absolutely clear on a few points. First, we will never permit a tyrannical majority to infringe upon the just rights of a democratic member state, and we will not permit U.S. taxpayer dollars to be spent in underwriting the destruction of the fundamental principles of the United Nations. Our willingness to defend Israel's rights is the measure of our willingness to defend ourselves. For the principles of freedom and democracy, for which our country stands, are ultimately the object of the campaign against Israel. In this confrontation, we must be unequivocal.

For all these reasons, I urge speedy passage of House Concurrent Resolution 322. Thank you.●

● Mr. ROBERTS of South Dakota. Mr. Speaker, as a cosponsor of House Concurrent Resolution 322, I rise in support of this important piece of legislation concerning the United States role in the United Nations.

It is time that this Congress and this Nation make it clear that our participation in the United Nations depends on the preservation of universality for all nations. Many countries in the General Assembly of the United Nations are seeking the explusion of the democratic State of Israel, in violation of the Charter of the United Nations, and against the general purpose of the United Nations to allow a forum for all nations to discuss and work out the issues of the world. While the U.N. system has failed at times in the past, actions that expell countries further negate the attempts of the United Nations.

House Concurrent Resolution 322 instructs the Secretary of State to communicate to the United Nations members that the United States will suspend its participation in the U.N. should Israel be denied its legal rights. I strongly support this resolution and I urge my fellow Members here to agree to this important statement.

Thank you.●

Mr. DERWINSKI. Mr. Speaker, I have no further requests for time.

Mr. FASCELL. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 322.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

INTEREST RATE ADJUSTMENT FOR TREASURY-HELD SMITHSONIAN TRUST FUND

Mr. HAWKINS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6132) to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the treasury of the United States as a permanent loan, as amended.

The Clerk read as follows:

H.R. 6132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5590 of the Revised Statutes (20 U.S.C. 54) be amended to read as follows:

"SEC. 5590. So much of the property of James Smithson as has been received in money, and paid into the Treasury of the United States, being the sum of $541,379.63, shall be lent to the United States Treasury and invested in public debt securities with maturities requested by the Smithsonian Institution bearing interest at rates determined by the Secretary of the Treasury, based upon current market yields on the outstanding marketable obligations of the United States of comparable maturities, and this interest is hereby appropriated for the perpetual maintenance and support of the Smithsonian Institution; and all expenditures and appropriations to be made, from time to time, to the purposes of the Institution shall be exclusively from the accruing interest, and not from the principal of the fund. All the moneys and stocks which have been, or may hereafter be, received into the Treasury of the United States, on account of the fund bequeathed by James Smithson, are hereby pledged to refund to the Treasury of the United States the sums hereby appropriated.".

SEC. 2. The amendment made by the first section shall apply with respect to fiscal years beginning after September 30, 1982.

The SPEAKER pro tempore. Is a second demanded?

Mr. FRENZEL. I demand a second, Mr. Speaker.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. HAWKINS) will be recognized for 20 minutes, and the gentleman from Minnesota (Mr. FRENZEL) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 6132 amends section 5590 of the Revised Statutes of the United States to provide for adjusting the statutory rate of interest paid on certain Smithsonian funds deposited in the U.S. Treasury as a permanent loan. Included in the resolution is a technical amendment adding a new section to the bill to comply with the Congressional Budget Act, which makes the effective date of the bill the next fiscal year.

The act of August 10, 1846, which established the Smithsonian Institution, provided for the payment of interest at a rate of 6 percent per annum on the funds deriving from the bequest of James Smithson that are on permanent loan to the Treasury. These funds total $1 million and the income is dedicated to the perpetual maintenance and support of the institution.

One hundred and thirty-six years later, inflation and high interest rates have created circumstances in which the statutory rate is substantially below current market rates. This legislation is required to adjust the rate paid on the Smithsonian's permanent loan at the Treasury.

Let me point out that H.R. 6132 modifies only the rate of interest specified in section 5590 of the Revised Statutes and does not alter any other aspect of that section.

The language in the bill incorporates the standard "yield-on-comparable-maturities" approach which is currently used by the Treasury for most Federal agency borrowing, lending, and investment activities. H.R. 6132 will provide appropriate investment flexibility and an equitable increase in the rate of return earned on historic Smithsonian funds.

The bill has the approval of the Department of the Treasury and the Office of Management and Budget. The basic legislation was reported by unanimous voice vote in the Committee on House Administration.

I urge passage of H.R. 6132 as amended.

□ 1245

Mr. FRENZEL. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I concur in the description of the bill as given by the distinguished committee chairman, the gentleman from California. It will result in the Smithsonian Institution receiving about $20,000 more a year as a result of the Smithson bequest of the 1840's.

It is consistent with modern day standards; with the precedents of the other accounts held by the Treasury for other purposes, and is approved by the administration. The committee was unanimous in voting this bill out.

I have one other comment, Mr. Speaker. On page 3 of the committee report, under the heading, "Budget Authority," there is a statement that none was needed. As a matter of fact, we do need a statement under the budget authority, and that is the reason for the amendment which the distinguished gentleman from California earlier described. We have handled that by making this bill effective after September 30 of this year.

● Mr. BOLAND. Mr. Speaker, as my colleagues know, H.R. 6132 will adjust the interest rate paid on funds of the Smithsonian Institution which have been premenantly loaned to the Treasury of the United States. It is legislation that brings a logical and equitable solution to a problem which the passage of time and changes in the economy have produced.

When the Smithsonian Institution was established by an act of Congress in 1846, a rate of interest was determined for the $1 million that had been bequeathed by James Smithson as a permanent loan to the Treasury. The interest rate was set at 6 percent per annum and the interest income was dedicated to the maintenance and support of the Institution. In spite of fluctuations in the economy, this 6-percent interest rate has remained unchanged for 136 years.

As we all know, 6 percent is quite a bit below the rate currently paid by the Treasury on comparable marketable borrowings. The combined effects of inflation and high interest rates have decreased the ability of this statutory interest rate to produce a fair return on the Smithsonian's loan. An adjustment in the rate is, in my opinion, justified and H.R. 6132, by bringing the interest rate more nearly in line with the current average yield of the outstanding marketable securities of the U.S. Government, will provide that necessary adjustment.

Mr. Speaker, changing the statutory rate of interest will benefit the Smithsonian by increasing its endowment income by as much as $80,000 annually. H.R. 6132 cannot be characterized, however, as special interest legislation. In past Congresses, we have provided interest rate adjustments to funds of both the Library of Congress and the National Gallery of Art which have been loaned to the Treasury. It is time that we made the same adjustment for the Smithsonian. I am pleased to be a sponsor of H.R. 6132 and I urge its adoption by the House.●

Mr. FRENZEL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HAWKINS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS) that the House suspend the rules and pass the bill, H.R. 6132, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FEDERAL ELECTION COMMISSION AUTHORIZATIONS, 1983

Mr. SWIFT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6256) to authorize appropriations for the Federal Election Commission for fiscal year 1983, as amended.

The Clerk read as follows:

H.R. 6256

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second sentence of section 314 of the Federal Election Campaign Act of 1971 (2 U.S.C. 439c) is amended by striking out "and" after "1978" and by inserting after "1981" the following: ", and $9,787,408 for the fiscal year ending September 30, 1983".

The SPEAKER pro tempore. Is a second demanded?

Mr. THOMAS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington (Mr. SWIFT) will be recognized for 20 minutes, and the gentleman from California (Mr. THOMAS) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington (Mr. SWIFT).

Mr. SWIFT. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, H.R. 6256 provides for an authorization of $9,787,408 for the Federal Election Commission for fiscal year 1983. The bill was unanimously reported by the Committee on House Administration and represents a $92,592 reduction from the figure proposed by the Federal Election Commission and by the Office of Management and Budget in the President's fiscal year 1983 budget.

The committee is aware that at this level of funding, the Commission will be compelled to operate under tight budget constraints. However, in these times of fiscal austerity, that is a situation we all must live with. The committee desires and expects the Commission to reassess and reevaluate some of its priorities and programs with an eye toward better use of available resources. Regardless of the financial restrictions, the committee believes that the $9,787 million funding level is adequate for the Commission to perform its statutorily mandated duties.

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in favor of H.R. 6256, as amended, the Federal Election Commission authorization for fiscal year 1983.

The Commission started this budget cycle with a request to the Office of Management and Budget for $10,545,642. After negotiations with Commission officials, the amount agreed upon was $9,880,000. The Commission reluctantly joined with the administration in seeking this lower amount from our committee.

The House Administration Committee has reduced this request even more, to $9,787,408, which is the figure we have before us today.

For fiscal year 1982, the Commission received $8,990,000 in the continuing resolution. Although the House passed both the authorization and appropriation bills last year, the other body was unable to act on either bill. Currently, the Appropriations Committee has under consideration the Commission's request for a salary supplemental in the amount of $183,900.

If the Commission were to receive the additional amount, the committee's authorization level would represent an increase of 7 percent over fiscal year 1982 appropriation. If they do not receive the supplemental, the authorization would be a 9-percent increase.

At this budget level, the Commission will be able to replace some wornout equipment, perhaps rehire a few additional auditors to replace those who were RIF'd but—in general—this level will not present an opportunity for new programs.

Mr. Speaker, I know of no objections to this authorization bill and would urge its adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. SWIFT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington (Mr. SWIFT) that the House suspend the rules and pass the bill, H.R. 6256, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SWIFT. Mr. Speaker, I ask unanimous consent that all Members be allowed 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

PIRACY AND COUNTERFEITING AMENDMENTS ACT OF 1982

Mr. FRANK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3530) to amend the copyright laws to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3530

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Piracy and Counterfeiting Amendments Act of 1982".

SEC. 2. Section 506(a) of title 17, United States Code, is amended to read as follows:

"(a) Criminal infringement

"Any person who infringes a copyright willfully and for purposes of commercial advantage or private financial gain shall be punished as provided in section 2319 of title 18.".

SEC. 3. Section 2318 of title 18, United States Code, is amended—

(1) by respectively redesignating subsections (b) and (c) as subsections (d) and (e); and

(2) by striking out the section heading and subsection (a) and inserting in lieu thereof the following:

"§ 2318. Trafficking in counterfeit labels for phonorecords, and copies of motion pictures or other audiovisual works

"(a) Whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in a counterfeit label affixed or designed to be affixed to a phonorecord, or to a copy of a motion picture or other audiovisual work, shall be fined not more than $250,000 or imprisoned for not more than five years, or both

"(b) As used in this section—

"(1) the term 'counterfeit label' means an identifying label or container that appears to be genuine, but is not;

"(2) the term 'traffic' means to transport, transfer or otherwise dispose of, to another, as consideration for anything of value or to make or obtain control of with intent to so transport, transfer or dispose of; and

"(3) the terms 'copy', 'phonorecord', 'motion picture', and 'audiovisual work' have, respectively, the meanings given those terms in section 101 (relating to definitions) of title 17.

"(c) The circumstances referred to in subsection (a) of this section are—

"(1) the offense is committed within the special maritime and territorial jurisdiction of the United States or within the special aircraft jurisdiction of the United States (as defined in section 101 of the Federal Aviation Act of 1958);

"(2) the mail or a facility of interstate or foreign commerce is used or intended to be used in the commission of the offense; or

"(3) the counterfeit label is affixed to or encloses, or is designed to be affixed to or enclose, a copyrighted motion picture or other audiovisual work, or a phonorecord of a copyrighted sound recording.".

SEC. 4. Title 18, United States Code, is amended by inserting after section 2318 the following new section:

"§ 2319. Criminal infringement of a copyright

"(a) Whoever violates section 506(a) (relating to criminal offenses) of title 17 shall be punished as provided in subsection (b) of this section and such penalties shall be in addition to any other provisions of title 17 or any other law.

"(b) Any person who commits an offense under subsection (a) of this section—

"(1) shall be fined not more than $250,000 or imprisoned for not more than five years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least one thousand phonorecords or copies infringing the copyright in one or more sound recordings;

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; or

"(C) is a second or subsequent offense under either of subsections (b)(1) or (b)(2) of this section, where a prior offense involved a sound recording, or a motion picture or other audiovisual work;

"(2) shall be fined not more than $250,000 or imprisoned for not more than two years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than one hundred but less than one thousand phonorecords or copies infringing the copyright in one or more sound recordings; or

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than seven but less than sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; and

"(3) shall be fined not more than $25,000 or imprisoned for not more than one year, or both, in any other case.

"(c) as used in this section—

"(1) The terms 'sound recording', 'motion picture', 'audiovisual work', 'phonorecord', and 'copies' have, respectively, the meanings set forth in section 101 (relating to definitions) of title 17; and

"(2) The terms 'reproduction' and 'distribution' refer to the exclusive rights of a copyright owner under clauses (1) and (3) respectively of section 106 (relating to exclusive rights in copyrighted works), as limited by sections 107 through 118 of title 17.".

"SEC. 5. The table of sections for chapter 113 of title 18 of the United States Code is amended by striking out the item relating to section 2318 and inserting in lieu thereof the following:

"2318. Trafficking in counterfeit labels for phonorecords and copies of motion pictures or other audiovisual works.

"2319. Criminal infringement of a copyright.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Massachusetts (Mr. FRANK) will be recognized for 20 minutes, and the gentleman from Michigan (Mr. SAWYER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, this is legislation which does not change in any great way the substantive law regarding piracy and counterfeiting of tapes and movies. This deals with the piracy and counterfeiting of records, movies, and tapes.

It substantially increases the penalties. We have a situation where penalties in existence for this crime simply are not a sufficient deterrent. There has been, according to testimony well documented in hearings before the committee from the record industry, the motion picture industry and others, a substantial increase in the amount of both piracy and counterfeiting: counterfeiting being a situation in which the consumer is duped into believing the product purchased is genuine because of counterfeited packaging, and piracy is simply infringement for commercial gain of the copyrighted work, but without any compensation to those who are entitled to the compensation.

We have found that organized crime has begun to move into this area, in part because the criminal penalty simply is not sufficient.

This bill greatly increases the penalties. It makes some technical changes agreed on by the Justice Department, and the Copyright Office, to more clearly define "trafficking" so that we can enhance the likelihood of convictions where convictions ought to occur. It is basically an increase in penalties where an increasing area of organized crime has gotten into.

On one point that some Members have asked about, nothing in this bill before us today affects at all the controversy over home taping. The question of home taping raised by the Ninth Circuit Court decision is not affected. This bill is limited to commercial use and in no way affects either pro or con the right of an individual to tape at home. So what it says is, where we have an area where current penalties are not sufficient, and tightens up the definitions of pirating and counterfeiting, and puts tools in the hands of U.S. attorneys so that they can begin to make a serious dent in what has become an increasing crime and threatens the livelihood and the rights of many in the movie and tape industry.

Mr. SAWYER. Mr. Speaker, I rise in support of this bill. It was unanimously adopted by the Subcommittee on Crimes, and as a matter of fact, is identical to a provision in the Criminal Code, in which we had engaged in extensive hearings in the Criminal Code that has not yet been reported out, but did pass both the House and the Senate last year.

I may also say that this bill has passed the Senate. It concentrates merely on making the penalty fit the crime.

According to the FBI, this is now the third most troublesome of all the white collar crimes, broken down into 44 different categories, this is No. 3. It

is estimated to now involve a billion dollars a year in illegal trafficking, in illegal duplications, both sound recordings, video recordings, and movies.

This carefully segregates the little offender, if we can call it that, with a minor number of copies, for one set of penalties, but upgrades for the big producers. In other words, anyone who within 180 days, or 6 months, produces a thousand recordings or 65 film reproductions would be liable to the maximum penalty, which is $250,000 or 5 years in prison.

One of the problems right now is that it is only a misdemeanor, and it is just a minor little cost of doing business if they get caught. Also, Federal prosecutors notoriously do not like to prosecute misdemeanors, or do not give them attention that they deserve. This upgrades it to a 5-year felony and makes the fine significiant with respect to the big offender and makes it a deterrent, which we do not have presently in the law.

So, I urge support of the bill. There is no known opposition. It is supported by the recording industry, by the Department of Justice, by the administration, by the film industry.

Mr. RAILSBACK. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Illinois.

Mr. RAILSBACK. Mr. Speaker, I rise in support of H.R. 3530. To many Members the changes made by this bill may seem minor, and they are, but to the industries involved, this legislation will go a long way toward correcting a serious problem; namely, the piracy and counterfeiting of films and sound recordings.

In recent years the counterfeiting and piracy of copyrighted records and films has become a major white-collar crime. Estimates call the piracy and counterfeiting of recordings and films a billion-dollar-a-year industry. In August 1980, the Attorney General published the results of a survey of FBI field offices throughout the Nation which ranked the problem areas in all forms of white-collar crime, including corruption, financial crimes, and various frauds. Of the 44 crime areas listed in the survey, the FBI ranked copyright violations—that is, film and record piracy and counterfeiting—as the third most troublesome.

At the present time, however, the penalties under current law are too lenient to provide an effective deterrent, especially when compared to the profits possible through their exploitation. In addition, the fact that under current law a first offense is a misdemeanor, U.S. attorneys frequently decline to prosecute at all; and even when cases are prosecuted and the criminal is convicted, judges often give the offenders suspended sentences because they consider the crime to be "a mere misdemeanor."

H.R. 3530 would make counterfeiting and piracy a felony for a first offense and would codify these crimes into title 18 of the United States Code. The penalties in H.R. 3530 are graded according to the quantity of illegal films, records or tapes involved as well as the timeframe during which the copies of a copyrighted work are reproduced and distributed. The $250,000 and 5-year penalties are maximum sentences for major offenders

It is important to note that the provisions embodied in H.R. 3530 are substantially the same as those provisions that were contained in the Criminal Code revision bill last Congress when it was reported favorably by this committee. H.R. 3530 is actively supported by the U.S. Department of Justice, the Motion Picture Association of America, Inc., and the Recording Industry Association of America, Inc. Moreover, it is without organizational opposition. Accordingly, I urge its adoption.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. SAWYER. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I rise in support of H.R. 3530. The bill addresses a serious problem of ever increasing magnitude; namely, the pirating and counterfeiting of copyrighted records, tapes, and films. The pirating and counterfeiting of these copyrighted works is respcnsible for the loss of millions of dollars annually not only to motion picture and recording companies, their artists and actors, but also to society through the loss of revenues which would otherwise be realized through taxation of legitimate income. By the same token, the consumer, unaware that he is purchasing a counterfeit, will be cheated by its poor quality.

Testimony presented during the House Judiciary Committee's hearings on H.R. 3530, documented that the huge profits and small risks involved in piracy and counterfeiting have attracted the attention of organized crime in a big way. This distressing situation is easy to understand when you consider that under current law piracy and counterfeiting of records, tapes, and films are only misdemeanors and, therefore, seldom pursued by Federal prosecutors. H.R. 3530 would make piracy and counterfeiting a felony for a first offense. More specifically, the bill provides for maximum penalties of 5 years imprisonment and $250,000 fine for counterfeiting and for illegally reproducing 1,000 phonorecords or 65 films during any 180-day period. Maximum penalties of 2 years imprisonment and $250,000 fines are provided for felony infringements of lesser volume.

H.R. 3530 is supported by the Department of Justice and the record and film industry. Moreover it is without any known opposition and accordingly I urge its adoption.

Mr. FRANK. Mr. Speaker, I yield such time as he may require to the gentleman from Wisconsin (Mr. KASTENMEIER), chairman of the subcommittee.

Mr. KASTENMEIER. Mr. Speaker, I thank the gentleman from Massachusetts, and would like to commend the gentleman from Massachusetts (Mr. FRANK) on his bill, H.R. 3530, the Piracy and Counterfeiting Amendments Act of 1982, as well as the rest of the subcommittee who assisted both Mr. FRANK and myself in moving this bill forward.

As has been indicated, it is not controversial and it does not involve some of the issues which are in fact controversial, and which the committee is moving into. It is a much needed bill.

□ 1300

It has been pending in the Congress for at least 2 years. It was to have been included in the revision of the Federal Criminal Code but was not with the obvious failure of enactment of the code in the last Congress.

So it is timely that we give some real support to the law enforcement aspect of the piracy and counterfeiting activities that do occur in this country.

Mr. Speaker, the Piracy and Counterfeiting Amendments Act of 1982 which was unanimously approved by the committee has the support of the Department of Justice and the record and film industry. The bill has no known opponents. The bill has passed the Senate and is supported by the administration.

The sole purpose of the bill is to increase the penalties for criminal copyright infringement by pirates and counterfeiters, those who are, for commercial profit, reproducing, in some cases, nearly identical copies of copyrighted films, records, and tapes.

The bill provides for maximum penalties of 5 years imprisonment and $250,000 fine for counterfeiting and for illegally reproducing 1,000 phonorecords or 65 films during any 180-day period. Maximum penalties of 2 years imprisonment and $250,000 fines are provided for felony infringements of lesser volume.

Under present law, such infringements are only misdemeanors and are rarely pursued by Federal prosecutors.

The purpose of this bill is to provide a congressional recognition of the seriousness of this crime, to develop a deterrent that pirates and counterfeiters cannot ignore, and to encourage the aggressive detection and prosecution of these offenders.

The Subcommittee on Courts, Civil Liberties and the administration of Justice heard testimony that the counterfeiting and piracy of motion pic-

tures, records, and tapes is a highly sophisticated business that has grown into a billion dollar a year industry. It is alleged that organized crime, lured by the huge profits that can be made in short periods of time, has become involved in large-scale counterfeiting and piracy schemes.

The committee has joined the motion picture and recording industries in the belief that such legislation is essential to curb the explosive growth of counterfeiting and piracy and that only through penalties such as those provided in H.R. 3530 can the law deter the sophisticated criminals who have created an industry in the illegal reproduction and distribution of motion pictures, records, and tapes.

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just want to take this time to thank the chairman of the subcommittee and the members of the minority for a very cooperative effort. This is a growing problem. It is a serious law enforcement problem. We have legislation here today that will give our law enforcement people the chance to make a dent in it.

I should only add that the Senate has passed this bill in an identical form.

With this legislation, Mr. Speaker, we will make some changes in the law and, therefore, a very serious step forward toward law enforcement will be taken.

● Mr. BUTLER. Mr. Speaker, I rise in support of H.R. 3530. In recent years, unscrupulous operators have begun copying and selling unauthorized duplications of copyrighted records and films on a massive scale without paying the appropriate copyright fees to the creators. It is now a major white-collar crime: Estimates call the piracy and counterfeiting of recordings and films a billion-dollar-a-year industry. In North America alone, it is estimated that the volume amounted to about $560 million in 1980. The huge profits which can be made have understandably attracted the attention of organized crime and many others who have undertaken large-scale counterfeiting and piracy schemes.

At the present time, however, the penalties for violation of the copyright laws in this area are minor, especially when compared to the profits possible through their exploitation.

It is a mere misdemeanor for the first offense, with a penalty of only up to 1 year in prison or a fine of $25,000. For a later offense, the penalty would only be increased to up to 2 years and/or $50,000. This penalty system is simply not a sufficient deterrent to determined criminals given the potential rewards for not getting caught. When compared to other theft and forgery statutes, these penalties are quite lenient.

In addition, with many other offenses ranked more seriously in the eyes of the law, U.S. attorneys may be less inclined to prosecute these misdemeanor offenses.

The effects of copyright piracy and counterfeiting are quite broad. The consuming public, who may unknowingly purchase such a film or recording, is often cheated by its poor quality. But more seriously, as pirates and counterfeiters capitalize on only the "hit" material, the injured studios and companies which invest in the broader range of talent are forced to narrow their scope in order to cut operating losses, considering that only a small percentage of productions recover their costs.

Those in the field, the many recording artists, musicians, directors, writers, and composers, are harmed directly in having their work, in effect, stolen. In testimony before our subcommittee an industry spokesman noted that piracy and counterfeiting injure not just a wealthy few, but thousands of blue- and white-collar workers employed in the business as well. The pirates and counterfeiters also, of course, do not pay taxes on their profits, resulting in a substantial loss of tax revenue to Government.

The legislation passed by our subcommittee greatly increases the penalities for violating the copyright laws and seeks to differentiate between the small- and large-scale operators. It provides that a first offense involving a sound recording could be punishable by as much as 5 years and/or a $250,000 fine, if 1,000 or more copies are made or distributed within a 180-day period. For lesser numbers of copies the penalties are reduced somewhat.

The legislation which is without opposition similarly greatly increases the penalty for violation of the copyright laws with respect to films. I urge my colleagues to support H.R. 3530.●

The SPEAKER pro tempore. The question is on the motion offered from the gentleman from Massachusetts (Mr. FRANK) that the House suspend the rules and pass the bill, H.R. 3530, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as suspended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. FRANK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be discharged from further consideration of the Senate bill (S. 691) to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; a bill identical to the bill just passed, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 691

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Piracy and Counterfeiting Amendments Act of 1981."

SEC. 2. Section 2318 of title 18, United States Code, is amended to read as follows:

"§ 2318. Trafficking in counterfeit labels for phonorecords, and copies of motion pictures or other audiovisual works

"(a) Whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in a counterfeit label affixed or designed to be affixed to a phonorecord, or a copy of a motion picture or other audiovisual work, shall be fined not more than $250,000 or imprisoned for not more than five years, or both.

"(b) As used in this section—

"(1) the term 'counterfeit label' means an identifying label or container that appears to be genuine, but is not;

"(2) the term 'traffic' means to transport, transfer or otherwise dispose of, to another, as consideration for anything of value or to make or obtain control of with intent to so transport, transfer or dispose of; and

"(3) the terms 'copy', 'phonorecord', 'motion picture', and 'audiovisual work' have, respectively, the meanings given those terms in section 101 (relating to definitions) of title 17.

"(c) The circumstances referred to in subsection (a) of this section are—

"(1) the offense is committed within the special maritime and territorial jurisdiction of the United States; or within the special aircraft jurisdiction of the United States (as defined in section 101 of the Federal Aviation Act of 1958);

"(2) the mail or a facility of interstate or foreign commerce is used or intended to be used in the commission of the offense; or

"(3) the counterfeit label is affixed to or encloses, or is designed to be affixed to or enclose, a copyrighted motion picture or other audiovisual work, or a phonorecord of a copyrighted sound recording.

"(d) When any person is convicted of any violation of subsection (a), the court in its judgment of conviction shall in addition to the penalty therein prescribed, order the forfeiture and destruction or other disposition of all counterfeit labels and all articles to which counterfeit labels have been affixed or which were intended to have had such labels affixed.

"(e) Except to the extent they are inconsistent with the provisions of this title, all provisions of section 509, title 17, United

States Code, are applicable to violations of subsection (a).".

SEC. 3. Title 18, United States Code, is amended by inserting after section 2318 the following new section:

"§ 2319. Criminal infringement of a copyright

"(a) Whoever violates section 506(a) (relating to criminal offenses) of title 17 shall be punished as provided in subsection (b) of this section and such penalties shall be in addition to any other provisions of title 17 or any other law.

"(b) Any person who commits an offense under subsection (a) of this section—

"(1) shall be fined not more than $250,000 or imprisoned for not more than five years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least one thousand phonorecords or copies infringing the copyright in one or more sound recordings;

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of at least sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; or

"(C) is a second or subsequent offense under either of subsection (b)(1) or (b)(2) of this section, where a prior offense involved a sound recording, or a motion picture or other audiovisual work;

"(2) shall be fined not more than $250,000 or imprisoned for not more than two years, or both, if the offense—

"(A) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than one hundred but less than one thousand phonorecords or copies infringing the copyright in one or more sound recordings; or

"(B) involves the reproduction or distribution, during any one-hundred-and-eighty-day period, of more than seven but less than sixty-five copies infringing the copyright in one or more motion pictures or other audiovisual works; and

"(3) shall be fined not more than $25,000 or imprisoned for not more than one year, or both, in any other case.

"(c) As used in this section—

"(1) the terms 'sound recording', 'motion picture', 'audiovisual work', 'phonorecord', and 'copies' have, respectively, the meanings set forth in section 101 (relating to definitions) of title 17; and

"(2) the terms 'reproduction' and 'distribution' refer to the exclusive rights of a copyright owner under clauses (1) and (3) respectively of section 106 (relating to exclusive rights in copyrighted works), as limited by sections 107 through 118, of title 17.".

SEC. 4. The table of sections for chapter 113 of title 18 of the United States Code is amended by striking out the item relating to section 2318 and inserting in lieu thereof the following:

"2318. Trafficking in counterfeit labels for phonorecords and copies of motion pictures or other audiovisual works.

"2319. Criminal infringement of a copyright.".

SEC. 5. Section 506(a) of title 17, United States Code, is amended to read as follows:

"(a) CRIMINAL INFRINGEMENT.—Any person who infringes a copyright willfully and for purposes of commercial advantage or private financial gain shall be punished as provided in section 2319 of title 18.".

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3530) was laid on the table.

COPYRIGHT OFFICE FEES

Mr. KASTENMEIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4441) to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 708 of chapter 7 of title 17 of the United States Code is amended—

(1) by striking out subparagraphs (1) and (2) of paragraph (a) in their entirety and inserting in lieu thereof the following:

"(1) on filing each application for registration of a copyright claim or a supplementary registration under section 408, including the issuance of a certificate of registration if registration is made, $10;

"(2) on filing each application for registration of a claim to renewal of a subsisting copyright in its first term under section 304(a), including the issuance of a certificate of registration if registration is made, $6;" and

(2) in paragraph (c), by striking out everything in the last sentence following the word "section" the first time it appears therein and inserting a period in lieu thereof.

SEC. 2. This Act shall take effect thirty days after its enactment and shall apply to claims to original, supplementary, and renewal copyright received for registration in the Copyright Office on or after the effective date. Claims to original, supplementary, and renewal copyright received for registration in acceptable form in the Copyright Office before the effective date shall be governed by the provisions of section 708(a) (1) and (2) in effect prior to this enactment.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. KASTENMEIER) will be recognized for 20 minutes and the gentleman from Illinois (Mr. RAILSBACK) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. KASTENMEIER).

Mr. KASTENMEIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the sole purpose of H.R. 4441 is to enable the Copyright Office in the Library of Congress to retain fees submitted in all registration cases, whether or not registration is actually made.

Present law now provides for a registration fee and authorizes the Register of Copyrights to retain the fee where a claim to copyright has been found invalid. However, it is unclear whether the authority exists to retain the fee in other cases, such as where applications are involuntarily withdrawn or where the applicant fails to respond to the Copyright Office correspondence. The committee shares the view of the Librarian of Congress and the Register of Copyright that there is no justification for returning fees to applicants in cases where registration is not possible because of noncompliance by the applicant with the statutory requirements for securing copyright protection.

The bill would not raise the fee, which is $10; however, the CBO estimates it would, based upon fiscal year 1980 expenditures and receipts, result in savings of $90,000 now expended in support of the Copyright Office refund process and provide the office with an additional $400,000 in retained receipts next year for savings to the taxpayer of almost $500,000.

The bill is without opposition and was agreed to by the committee without objection. I urge my colleagues to support this bill which will save the taxpayers nearly a half million dollars annually.

Mr. RAILSBACK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would only add that, as the chairman of the subcommittee, the gentleman from Wisconsin (Mr. KASTENMEIER), has mentioned, there really is no opposition to this legislation. It is a bill that is designed to actually save money for the Copyright Office. I believe that it should be passed unanimously.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. RAILSBACK. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I rise in support of H.R. 4441. Under H.R. 4441, which is without opposition, the Register of Copyrights would be authorized to retain registration fees even in cases where registration is not made. Under current law the Register may retain fees where a claim to copyright has been found to be invalid. However, it is unclear whether the Register may do so in other cases such as where the applicant fails to respond to the Copyright Office correspondence. There has been no valid reason advanced as to why the Register should have to return fees to applicants who fail to comply with the statutory requirements for securing copyright protection.

The Congressional Budget Office, based on 1980 data, estimates that approximately $200,000 in fiscal year 1982 and $400,000 in each fiscal year thereafter would be saved by the Copyright Office through reduced refunds. By the same token, CBO estimates that approximately $90,000 annually, beginning in 1983, would be saved by lower processing and material costs. I commend the Librarian of Congress and the Register of Copy-

rights for proposing this cost saving and efficient measure and urge its adoption.

Mr. RAILSBACK. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. KASTENMEIER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. KASTENMEIER) that the House suspend the rules and pass the bill, H.R. 4441, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SOCIAL SECURITY WILL NOT BE CUT

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I wonder what the American people, especially those who are dependent upon or concerned about social security, think about what must be the shell game going on here in Washington about social security.

The majority leader, the distinguished gentleman from Texas (Mr. WRIGHT), and the distinguished deputy whip, the gentleman from Arkansas (Mr. ALEXANDER) and I are just introducing a resolution which provides the House bind itself not to make any reductions in social security, that is, old age survivors and disability insurance protection, or benefits as provided under present law as part of its budget resolution.

Last week, Mr. Speaker, the other body—and here is the worksheet it had before it as given to me by a member of that committee who was present, it said, "Social Security Commission's solvency recommendations, $6 billion to be cut in 1983, $17 billion to be cut in 1984, and $17 billion in 1985, from Social Security."

They later cut out the word "Commission."

I am a member of that Commission, as are two Members of this House. We have never made any recommendations. We never even considered any recommendations and yet here, on the one hand, the executive branch in a solemn resolution is saying we are going to cut $40 billion in social security in order to better the budget and the Executive Chief comes out and says, "I give my word we are not going to cut social security benefits."

Who is telling the facts to the American people?

Let it be resolved by this House saying solemnly we will not cut benefits or protection as provided by the present law in social security in any budget resolution.

At this point in the RECORD include the following:

STATEMENTS BY SENATOR PAT MOYNIHAN, REPRESENTATIVE CLAUDE PEPPER, FORMER REPRESENTATIVE MARTHA KEYS, PRESIDENT OF AFL-CIO LANE KIRKLAND, AND FORMER SOCIAL SECURITY COMMISSIONER ROBERT BALL, ALL DEMOCRATIC MEMBERS OF THE SOCIAL SECURITY COMMISSION, MAY 6, 1982

We are shocked at the recommendations of the Domenici Budget Committee that there should be a $40 billion cut in social security payments in the next three years, allegedly based on the "Social Security Commission's solvency recommendations." The Executive Order setting up the Commission does not call for a report until December of this year. The Commission has not considered any recommendations. To assume the contrary is to prejudge the Presidential Commission as making the recommendations which the Administration wants. We are even more disturbed that the President has publicly endorsed this recommended cut of $40 billion in social security payments in the next three years. Only two days ago the Deputy White House Press Secretary, speaking for the President, said the social security cuts shall not be used "to balance the budget." When he submitted his 1983 budget to the Congress, the President said: "In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the social security system by next fall." If the statement is to stand that with the President's approval the Social Security Commission is to recommend a $40 billion cut in social security payments in the next three years, then the integrity of the Social Security Commission is seriously jeopardized and its status as a bipartisan commission is a subject of grave concern.

Mr. Speaker, on Thursday, May 6, the White House and the Committee on the Budget in the other body reached agreement regarding a substitute for the President's less-than-popular fiscal year 1983 budget plan submitted earlier this year. While I admit my lack of enthusiasm for many of the priorities expressed in the budget agreement, I am sensitive to the concerns of those who submit that it is always easier to attack a budget plan than to propose an alternative. I have no doubt that the whole range of priorities will be a subject of lengthy debate on the floor, and I will gadly defer comment on them until that time.

I take the floor today to direct the attention of my colleagues to a bit of foreign matter I found in the body of the budget agreement. Only 2 days before the agreement was reached, the Deputy White House Press Secretary, speaking for the President, said that reductions in social security should and would not be used "to balance the budget." This was consistent with the President's fiscal year 1983 budget message to the Congress, which stated:

In an effort to eliminate partisanship and facilitate movement toward a constructive solution, our reform proposal has been withdrawn in favor of a bipartisan commission charged with developing a plan to rescue the Social Security system by next fall.

When I had the honor to be appointed to the Commission by you, Mr. Speaker, I applauded the bipartisan agreement to remove the social security financing issue once and for all from the context of the Federal budget debate.

To my deepest and most heartfelt regret, the budget agreement arrived at last Thursday relies on a $40 billion raid of the social security trust funds to lower the Federal budget deficit. I will not question the motives of the President, or the distinguished chairman of the Budget Committee in the other body or the members on the majority side of that committee who approved the agreement in a party-line vote. But their motives notwithstanding, the effect of this agreement is to renege on what could be construed as a pledge, or at the very least a gentlemen's understanding, to remove this volatile issue from the politics of the Federal budget.

As a member of the President's National Commission on Social Security Reform, I am puzzled by the reference in the agreement to a $40 billion cut in social security outlays allegedly based on the "Social Security Commission's solvency recommendations." Mr. Speaker, I have been in attendance during each of the three meetings of the Commission. And as I know my distinguished colleagues from New York (Mr. CONABLE) and from Texas (Mr. ARCHER), who serve with me on the Commission will attest, the Commission has endorsed no proposals. The Executive order setting up the Commission does not call for a report until December of this year. The Commission has not even considered any recommendations. To assume the contrary is to prejudge the Presidential Commission as making the recommendations which the administration wants.

I am even more disturbed that the President has publicly endorsed this reduction of $40 billion in social security protection during the next 3 years. If the statement is to stand that, with the President's approval, the Social Security Commission is to recommend a $40 billion cut in social security benefits, then I submit that the integrity of the Commission is seriously jeopardized and its status as a bipartisan Commission is subject to grave concern.

Today the Commission will hold its fourth meeting, which I have every intention to attend. I must admit that Thursday's action has somewhat called into question the role of the Commission. Are the members meeting to develop a plan for the adequate financing of the social security

system? Or are we serving to rubberstamp the whims of the President and the Budget Committee of the other body with respect to reducing the Federal budget deficit?

Mr. Speaker, the financing of social security is too serious a matter to be subjected to budgetary politics. It would certainly take an inspired leap of the imagination to blame the social security program for the $630 billion in debt the Federal Government will incur over the next 3 years. I cannot for the life of me fathom why, after reassuring the American people that social security obligations would not be used to finance a budget deficit, the administration has chosen this path.

We have frightened the 36 million beneficiaries of, and 115 million contributors to, social security enough with our constant schemes to cut this, trim that, and slash the other thing in order to save the system. We have devalued our long-term commitments to the workers of yesterday, today, and tomorrow by our talk of "retrenchment" on social security obligations in order to solve Federal budgetary imbalances.

I would respectfully submit that the compromise budget plan will do little to inspire the confidence of the American people that Congress and the administration are genuinely interested in addressing the financing issue. It is more than a little curious that under the administration's own economic assumptions, the solvency of social security is less than the $40 billion question. To my remaining colleagues who believe with all good faith in the President's economic program, the companion economic assumptions forecast no cash flow problems in the cash benefit or health insurance programs, assuming continued interfund borrowing, through the end of the decade.

As convenient as those assumptions are to believe in, and I hope that they materialize, I do not believe that we can afford to ignore the possibility that the poor performance of the economy will continue to wreak havoc on the social security trust funds. We can no longer duck the real issue that lies buried beneath the mountains of rhetoric from both sides of the aisle: How are we going to finance the social security system?

The blinding speed with which we have managed to bury this issue astounds me. We have been inundated with rhetoric about the need to address the issue of how to cut benefits. We have been called irresponsible for refusing to shift the focus of our work to the politically courageous task of redefining our obligations to people with average incomes of $385 a month.

What is the irresponsibility of facing up to the real issue—insuring that the honor of the Federal Government to the people it serves is upheld? Where are the proposals of those who are quick to brand the supporters of social security as "demagogues" and "partisan politicians"?

During the 97th Congress some of my colleagues have introduced legislation to guarantee a sound financing structure for social security. Along with 20 Members of this body, I introduced such legislation (H.R. 3393) 1 year ago. My plan may not be the perfect solution or the unanimous choice of this body. I have subsequently redrafted several elements of it. But it was a comprehensive plan that would enable this Congress to uphold our commitment to the American people.

As the chairman of the Select Committee on Aging, I believe it would be less than responsible to walk away from that commitment. I will continue to work closely with those members of the Commission and those Members of Congress who have clearly retained the focus of the financing issue—how to place the social security system on a sound financial footing now and in the future. The American people will not tolerate any further attempts to shift the focus of this vital issue toward an attempt to bury the budget deficit under a stack of social security checks.

In view of the gravity of the "Black Thursday Budget Agreement," it is imperative that the Members of the House go on record in no uncertain terms as opposing the $40 billion social security benefit deficit reduction proposal. Together with my friend from Arkansas, the honorable deputy majority whip (Mr. ALEXANDER), I am introducing a resolution of the House which is a companion measure to an amendment introduced in the Senate by the minority leader, Senator ROBERT C. BYRD, and the ranking member of the Finance Social Security Subcommittee, Senator DANIEL PATRICK MOYNIHAN, on Friday, May 7.

Briefly, this resolution would declare it to be the sense of the House that the arbitrary and unspecified reductions of $40 billion in social security benefits should be rejected, and that the Congress shall take no action with respect to reducing social security before it considers the recommendations of the National Commission on Social Security Reform. I am inserting into the RECORD at this point a text of the resolution:

H. RES. 457

A resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions of Social Security benefits over the next three fiscal years.

Whereas, the social security system is vital to the well-being of the Nation's elderly, disabled, widows, and orphans, and currently provides benefits to more than 35 million Americans; and

Whereas, the President on February 19, 1981, promised the American people that social security retirement benefits would be exempt from his administration's Federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living increase, as part of the Nation's "safety net" of Federal programs; and

Whereas, the projected shortfalls in social security are of a short-term, cash-flow nature, and should be addressed in a deliberative manner removed from the context of the Federal budget; and

Whereas, the 97th Congress has recorded its opposition to social security cuts by its votes to restore the minimum benefit and to reject the President's May 12, 1981, plan to make deep and precipitous reductions in social security benefits; and

Whereas, the President on Sepember 24, 1981, said that social security benefits were not being cut and that he would soon appoint a Commission to study social security financing issues; and

Whereas, the President on December 16, 1981, established a National Commission of Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the social security system; and

Whereas, the National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982; and

Whereas, the House on December 16, 1981, passed legislation authorizing interfund transfers among three social security trust funds to provide that social security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations; and

Whereas, the Senate Budget Committee on May 5, 1982, called for arbitrary and unspecified reductions of $40 billion in social security benefits over the next three fiscal years; and

Whereas, the President endorsed the action of the Senate Budget Committee in making a $40 billion unspecified cut in social security benefits: Therefore, be it

Resolved, That the House binds itself not to make any reductions in social security benefits or protections as provided by present law as a part of its budget resolution.

I urge my colleagues to go on record in opposition to this attempt to alter the nature of the financing issue into a debate on the size of the budget deficit by cosponsoring this resolution.

INTRODUCTION OF A RESOLUTION CONCERNING THE EXPORT-IMPORT BANK

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, I am today introducing a resolution emphasizing the importance of exports to the Nation's economic health, and calling on the President to provide full and sufficient borrowing authority to the Export-Import Bank. I have the pleasure of introducing my resolution with SILVIO CONTE, DON BONKER, and 25 of my colleagues who share my concern for the future of the Bank, and recognize the importance of competitive financing in export sales to American employment, to our balance of trade and to business growth.

The administration has continually questioned the value of the Export-Import Bank, and has recommended severe budget reductions again this year. For 1983, the administration has proposed an authorization of $3.8 billion for direct loans. This is $570 million or 13 percent below the level set in the 1982 legislation, and $1.6 billion or 29.5 percent below the 1981 level. And yet, this institution has as its goal one of the objectives which our President has continually championed—the Bank exists to improve the industrial base of the Nation, and to promote our economic position internationally.

Since 1948, the Eximbank has operated as a self-sustaining institution, receiving no appropriated funds. Though the Congress sets the maximum levels of loans and loan guarantees on an annual basis, the Bank operates by borrowing from the Federal Financing Bank. It does not seek direct outlay authority, and does not compete for scarce budget dollars.

Reductions in Eximbank authority could mean additional unemployment. We are all aware that unemployment nationally is at its worst since the Great Depression—on Friday, it was at 9.4 percent. In my State of Washington, some counties now exceed 30 percent unemployment. The Bureau of the Census has estimated that 4.8 million jobs were associated with exports of manufactured goods in the United States in 1980—over 30,800 jobs for every $1 billion of exports. One in every seven American workers is involved in the production of manufactured goods that are sold abroad. Cuts in Eximbank funding could mean a reduction in export sales, and a subsequent loss of hundreds of thousands of man-years of employment. Keep in mind that Eximbank financing helps businesses of every size in all 50 States.

There has been criticism of the Export-Import Bank as a subsidy for business. Since there is no direct appropriation for the Bank, that picture is not an accurate one. The Bank's role of supporting our export sales by providing financing which is competitive on the world market is often attacked. But opponents of the Eximbank believe in the concept of a free market in world trade. In an ideal situation, I believe we would all favor allowing our products to be sold on their merits alone. But the reality is that our competitors have facilities similar to the Eximbank which subsidize exports much more heavily than we do. For example, Japan supported 44.3 percent of its exports with official export finance. England supported 39 percent. France supported 27 percent. And the United States supported only 5 percent. Because of the strength of American products, we are still in the world market. But against substantial subsidies from foreign rivals, even a superior product has trouble competing. We have seen the effects in the aircraft industry and in nuclear power. In fact, it is these high-technology industries which suffer the most from the lack of competitive financing.

The resolution I am introducing today points out the facts I have mentioned, and calls on the President to recognize the crucial role of the Export-Import Bank by requesting adequate loan and loan guarantee authority levels for 1983. I hope that my colleagues who are not yet cosponsors of this resolution will join me in supporting it. And I hope this House will act to support American jobs and American industry by endorsing the Export-Import Bank, and providing for its future.

BUFFALO'S 150TH BIRTHDAY CELEBRATION: LAUNCHING THE U.S.S. "BUFFALO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, we have a saying in Buffalo: "Talking Proud." And the people of my community had great reason to be proud this Saturday as we gathered at Newport News to celebrate Buffalo's 150th birthday and to watch my wife Joanne christen America's newest nuclear-powered submarine: the U.S.S. *Buffalo.*

My daughter Judith was maid of honor at the ceremony and my son Timmy had a wonderful opportunity to ride in the conning tower of the U.S.S. *Buffalo.* Among the honored guests at the christening and following reception were my colleagues HENRY NOWAK and PAUL TRIBLE and former Buffalo Congressman Thaddeus Dulski, Mayor Jimmy Griffin, Erie County executive Ed Rutkowski, Buffalo common council president Delmar Mitchell, Canisius College president Father James Demske who delivered the invocation, Buffalo area chamber of commerce president Ed Hastings, the members of the U.S.S. *Buffalo* committee, Dr. William Windover, Mr. Kevin Sullivan, Mr. Fred Dentinger, Justice John Callahan, Mr. Sam Guadagna, Buffalo district attorney Richard Arcara, 20 Buffalo area World War II submarines, members of the Navy League, members of the Niagara Frontier Regional Council of the Boy Scouts of America, representatives of Carlspan Corp., Worthington Industries, Sierra Research, Moog Industries, and Carleton Controls, and many other Buffalo area civic and community leaders and the wonderful Chopin Singing Society who sang patriotic selections and inspired us all.

We joined together with Father Demske in praying that the U.S.S. *Buffalo* would be an instrument for the "preservation" of peace, and shared our hope that the officers and men of the U.S.S. *Buffalo* will have the "talking proud" spirit of courage, hope, and patriotism that has made our Buffalo community and our Nation great.

I would like to insert a congratulatory letter from President Reagan, as well as my remarks upon this beautiful occasion, for the RECORD:

THE WHITE HOUSE,
Washington, D.C., May 7, 1982.

Hon. JACK KEMP,
House of Representatives, Washington, D.C.

DEAR JACK: I know how proud you and Joanne must be today as she christens one of our finest and most capable submarines with the name of your fair city, Buffalo, which is celebrating its 150th anniversary this year.

The nuclear-powered attack submarine, *Buffalo* (SSN 715), and others like her, represent our Nation's firm resolve to restore that margin of safety which is so necessary to the deterrence of our adversaries and the preservation of peace.

Just as we rely on the citizens of Buffalo, New York, and of all our cities for our national strength, so we must rely on the crews of our Navy ships that go to sea in our defense. The naming of the *Buffalo* will be a constant reminder that our national security is ultimately dependent upon the strength of the American people.

Congratulations to you, your great city and this fine vessel that will bear the name *Buffalo.*

Sincerely,

RONALD REAGAN.

LAUNCHING THE U.S.S. "BUFFALO"

Distinguished Men and Women of Newport News Shipbuilding, Commander Hewitt, Officers and Men of the U.S.S. *Buffalo,* my distinguished colleagues Congressmen NOWAK and TRIBLE and former Congressman Dulski, Mayor Griffin, county executive Rutkowski, Buffalo Common Council president Mitchell, Admirals Fowler and White, Mr. Ed Campbell, president of Canisius College Father Demske, honored guests, ladies and gentlemen.

Just think. A little over 200 years ago on this Earth there was a Holy Roman Emperor. Venice was a Republic, France was ruled by a King, China by an Emperor, Russia by an Empress, and Japan by a Shogun.

All these regimes have passed into the pages of history. The only single nation on Earth to maintain the basic framework of its constitutional democratic government for more than 2 centuries is the United States, which began as a tiny federation of 13 colonies on the Northeast shores, and which was founded by courageous men and women who believed that the lesson of history was clear: Democracy is the only safe repository for human freedom and dignity, and the price of freedom, while high, was never so high as the loss of it. They understood as well that a strong defense, including a superior navy, was not a weapon of war or aggrandizement, but the guarantor of freedom and of peace—an arsenal of democracy.

America has survived civil war, world war, and limited war. We have survived economic troubles, political troubles, and social troubles. But we could not survive a loss of confidence, loss of belief, or loss of spirit.

One hundred and fifty years ago our community of Buffalo was founded with the

same spirit of pride that sparked the Declaration of Independence, and which inspires us here today. For 150 years, Buffalo has been a vibrant center of industry, trade, commerce, and human achievement. In honor of this great birthday our city has planned a year-long series of events, including a grand ball, the biggest parade in Buffalo's history, a birthday cake that will serve 5,000, and a grand concert at the Nation's only inland naval park, which my good friend and colleague HENRY NOWAK worked so hard to help bring to Buffalo. Above all, there will be an outpouring of patriotism and pride in Buffalo's history and in America such as you have today. It is a highpoint in that celebration, and a fitting tribute to our city and the wonderful people of Buffalo, that this magnificent ship should bear its name.

We have a saying in Buffalo: "Talking Proud". And certainly, the officers and men of this great ship have much to be proud about.

It was in Buffalo, in the year 1901, that Theodore Roosevelt was sworn in as the 24th President of the United States. More than any other President before him, Roosevelt understood the importance or maritime superiority to the security of the United States. It was his conviction and policy that military preparedness was the key to avoiding war. Especially, he believed that, "The best guarantee of peace for this Nation is a strong navy."

Today, Roosevelt's vision of the United States as an island nation, whose defense depends upon command of the seas, is taken as a truism. Yet now, at this perilous time in history, our naval superiority is in jeopardy. At a time when our economic livelihood and very survival depend on the security of vital sea lanes of commerce and communication, our force has shrunk from over 1,000 vessels in the late 'sixties to under 500 ships today.

The Commander of the Soviet Fleet, Admiral Gorshkov, has boasted that "The flag of the Soviet Navy flies over the oceans of the world, (and) sooner or later the United States will have to understand it no longer has mastery of the seas."

Well, we're here today to say: Admiral Gorshokov, you're wrong! You're wrong because the American people and this President will never allow your disdainful view to prevail. Together, this administration and a bipartisan coalition of Members of Congress are determined to restore naval superiority to the United States, as part of our overall objective to rebuild America's defenses to secure our freedom and preserve peace. I like what President John F. Kennedy once said about defense: "America requires only one kind of defense policy, a policy that is summed up in a single word: 'Firsts'. I do not mean 'first, if', I do not mean 'first, but' I do not mean 'first, when', but I mean 'first, period'."

But there are those in Congress who, in hopes of obtaining illusory budget savings, want to try to rebuild our defenses on the cheap. In fact, the recent naval battles off the Falkland Islands should silence those who have critized rebuilding the American Navy. As Navy Secretary Lehman pointed out, the missile-firing Argentine jet that knocked out a British destroyer on Tuesday "would not have gotten near" a U.S. battle fleet, because it would have been intercepted by F-14 fighters from our big aircraft carriers. A "little Navy" simply cannot meet the challenges of today.

The coming days will tell whether Congress as a body is able to meet its constitutional responsibility to raise and support adequate defenses for this Nation. History will not look favorably upon Members of Congress who weaken the President in his attempt to restore our strength, secure the peace and negotiate on our behalf.

With the leadership and support of my good friends and comrades-in-arms on the defense and armed services committees, Senators JOHN WARNER and HARRY BYRD, and Congressmen like PAUL TRIBLE, I believe that Congress will unite behind President Reagan to help rebuild our defenses. And I want to say here how proud I am that President Reagan chose, for the critical position of Secretary of the Navy, a man of the character, vision and ability of John Lehman. I support their efforts, and the President's defense budget, with all of my dedication and all of my energy.

Thus I am especially proud to stand before you today, to take part in this beautiful and tradition-laden ceremony. It's a great honor that you have made my wife, Joanne, the sponsor of this superb new vessel, the *Buffalo;* and I know that the people of western New York share my pride and high expectations for the U.S.S. *Buffalo's* service to America and the Free World.

The *Buffalo* is the 24th ship of its class. Pound-for pound, it is the best attack submarine in the world today, the most capable antisubmarine and antisurface system in the fleet of the United States.

Back at the turn of the century, submarines were quite a novelty, and as Commander-in-Chief, Roosevelt was anxious to inspect one. His opportunity came in 1905, when the *Plunger* pulled in at Oyster Bay. After spending 3 hours aboard as the *Plunger* went through its paces, much of the time with Roosevelt at the controls, the President remarked, "I believe a good deal can be done with these submarines, although there is always the danger of people getting carried away with the idea."

What would T.R. have said if he could have seen the *Buffalo*?

Let's never forget, the real purpose for constructing this ship is to promote peace. We pray that she and her crew will never experience one day of combat. Deterrence is this ship's primary aim.

We could not meet that challenge without the high standard of excellence displayed by America's shipyards and America's working men and women. Today, we are gathered at one of the premier private shipbuilding yards in the world. Newport News has produced over 175 ships serving in three wars. I want to pay special tribute to the 16,000 members of the United Steelworkers of America who build the ships here at Newport News. Under Tenneco's solid stewardship, the shipbuilding tradition here is soon to enter its second century, with many third-generation shipyard workers in its ranks.

I know that there are some folks who complain about what they call the military industrial complex. Well, I say thank God for the military-industrial complex, the real military-industrial complex: America's workers, America's free enterprise system, and our dedicated men and women in uniform. For where would this country be without them? What would be our chances for peace in a world filled with peril? And isn't it interesting that it's called the "military-industrial complex"—until times of trouble, and then it's called the arsenal of democracy.

And thank God for the U.S. Navy. No American can stand here, within a stone's throw of the homeport of the Atlantic fleet, and look out on so many white uniforms, without feeling deep pride and gratitude for your dedication to your mission and to your country.

Finally, let us join together in offering thanks for our greatest treasure: the unquenched spirit of our people. The U.S.S. *Buffalo* carries a proud name, the name of a community and a people that have contributed much to this country. As the book of Ecclesiastes says, "As gold is tested in the furnace of fire, the acceptable man is tested in the furnace of adversity." Ladies and gentlemen, there is no doubt that these are adverse times. But there is also no doubt that America's strength, its principles and ideals, will prevail.

May the "talking proud" Buffalo spirit of courage, hope and perserverance be with you, the officers and men of this great ship, as you strive to preserve both our peace and our freedom. A grateful Nation salutes you. We wish you Godspeed.●

HERMAN THEODORE SCHNEEBELI

Mr. SPEAKER, pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MCDADE) is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, we have lost former Member of Congress Herman T. Schneebeli who, prior to his retirement in 1977, represented the 17th District in central Pennsylvania which was adjacent to a portion of the 10th District which I represent.

Many of us will long remember him as a good friend, a fine gentleman, and the ranking member of the House Ways and Means Committee. He came to Congress in April 1960, having been elected to fill the vacancy caused by the death of Alvin Bush.

Herman Schneebeli was a wise and good man and a great patriot. It was my privilege to serve with him from 1963 to 1977, during which time he was both friend and adviser.

He was a life-long friend of former New York Gov. Nelson A. Rockefeller and Vice President of the United States, following from their days as fellow students and roommates at Dartmouth College. Born in Lancaster County in southeastern Pennsylvania in 1907, he attended public schools and graduated from Mercersburg Academy in 1936. In addition to Dartmouth, he also graduated from Amos Tuck School in 1931.

Before coming to Congress, Herman Schneebeli was a successful businessman in Williamsport, Pa., both as an oil distributor and an automobile dealer. During World War II, he served as a captain in Army Ordnance from 1942 to 1946. He was also a member of the board of managers of the Williamsport Hospital in his hometown.

Herman Schneebeli was one of the finest Members of Congress I have known, Mr. Speaker. I know that many others join me in expressing

condolences to his wife, Mary Louise, and his daughters, Marta and Susan.●

AFL-CIO PRESIDENT LANE KIRKLAND ADDRESSES THE FOREIGN POLICY ASSOCIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, I submit for the information of my colleagues an important address by Lane Kirkland, president of the AFL-CIO, delivered before the Foreign Policy Association on April 13, 1982. President Kirkland focuses on the need to maintain the strength of our basic American principles in current foreign policy crises. I commend his views to all Members.

The text of President Kirkland's remarks follows:

ADDRESS BY AFL-CIO PRESIDENT LANE KIRKLAND

My discourse today will deal largely with certain basics, leaving me wide open to that most corrosive charge of our times: "Simplism."

But nothing gets one back to basics quite as fast as a crisis—when statesmen and diplomats, long immobilized by their perception of the complexity of human affairs are—as they always will be—overtaken by events; when a very basic act knocks over the diplomatic chessboard.

Thus, after the Falkland Island invasion, we hear the new British Foreign Minister declaring that "Britain does not appease dictators!" How much more basic an expression of policy—leaving aside its historical or recent accuracy—can you utter? Not to mention all the other expressions emanating from those ultimate sophisticates at Whitehall and Number 10 Downing Street such as "aggression cannot be allowed" and "democracy versus oppression," as well as the revival of some old words with which Queen Victoria once dispatched her Majesty's troops to fight the Boer War.

Meanwhile, both Britain and the European Community have suddenly rediscovered the feasibility and value of economic warfare and have imposed harsh trade sanctions—sanctions whose availability was overcome by complexity when sought by this country for help against Iran or by Afghanis or Polish workers.

The basic aims of foreign policy emerge from, and ought to be rooted in, the basic concerns of human society. In my view, those concerns are essentially two-fold:

First, the natural desire of those who share ethnic, language or other common bonds to govern themselves, as nations;

Secondly, the freedom and rights of plain people as against the state or any other stronghold of power—that is to say "liberty and justice for all."

All else is vanity, misguided evangelism or an aspect of a cardinal sin, such as greed.

If those two values were not at issue, it would matter very little what flag flew over any land and armies would be a redundant burden, there being no good reason either to advance or resist.

From the basic view, I further assert that foreign policy is likely to be least reliable when placed wholly in the hands of state-to-state elites, or unduly influenced by financial elites.

No policy which deludes itself that trust can be placed in princes, (economic, political, or royal), and which remains indifferent to the forces and aspirations that move the multitudes and bring them from time to time to a critical mass more potent than tanks or truncheons, can either prevail or faithfully reflect this nation's ideals and interests. Our long and futile courtship with the Shah of Iran, while other forces worked the streets, bazaars and refinery crews, should have taught us that. Our current romance with Khalid, Hussein, and Pinochet will teach us again and will leave our government elites, once again, with broken hearts and shattered policies, at the price of our ideals and interests.

As for the role of our financial and commercial elites, it would be cruel and heartless to bring to the stand their own words by which they have impeached themselves as the guardians of our national ideals or interests—or of anything else save their corporate purses.

We are in a sense indebted to them for relieving use of the need to debate whether or not the promotion of "free enterprise" or private ownership of the means of production is a suitable object of foreign policy. They have themselves long since sold those issues out by making their separate peace and profit with easy credit, co-production and other alliances with state-owned enterprises, banks, monopolies, trading corporations and cartels of every stripe throughout the world.

They have defined their own test of political and economic systems and governments, and their test is not one of liberty and justice, but whether states are "orderly and responsible" and can "pay their bills." No cry from the Gulag. No shriek of pain from the dungeon, not even a businessman's arrest by secret police or an act of terrorism against their own colleagues stays their service of tyrants or outweighs a ruble in their scale of values.

In 1953, in a speech on "Bread and Freedom," Albert Camus observed that: "The society of money and exploitation has never been charged, so far as I know, with assuring the triumph of freedom and justice . . . and whoever blindly entrusts (it) with the care of freedom has no right to be surprised when she is immediately dishonored."

More recently, another Frenchman, Jean Francois Revel, has noted that: "Big business, in Europe and America, is predominantly neutralist, in a much more efficient way than long-haired Dutch or Danish demonstrators."

I do not suggest a campaign to reform the world view of finance and business. I suggest rather that such a view should no longer drive our foreign policy or be confused with the national interest. So long as this confusion persists, the soft underbelly of freedom will remain exposed. A fifth column of capital will dwell in our midst as long as we have a privileged class that not only derogates our values but helps to feed, finance and arm our adversaries, just as the entrenched advocates of unvexed commerce helped to speed a Tory leader to Munich, years ago.

It is, and no doubt will continue to be, the right and privilege of business to enter any doors and follow any avenues of profit that national policy leaves open or inviting, and I would not want a world where business is the judge, agent and enforcer of our values and interests. National policy, in hands guided by more principled concerns, ought to make those judgments and define those avenues and should do so in a rigorous way.

The avenues of principle and policy that reflect American ideals, and those of business interests, are not perforce parallel. Millions of school children are taught and millions of trade unionists at their meetings repeat an oath which says "I pledge allegiance to the flag of the United States and to the Republic for which it stands," ending on the phrase "with liberty and justice for all."

Our oil companies, glutted with tax privileges from the American Treasury, still pledge allegiance to the flag of Liberia and the venality for which it stands, with license and profit for some. That practice is still encouraged and promoted by a national policy whereby our Departments of State and Defense define their vessels so registered as "under the effective control" of this country, despite an occasion when they proved to be under Saudi control, to the detriment of this country. The forces and interests behind that policy have led to the devastation of the American merchant marine and the erosion of our strength as a nation.

But the events that bring the issues I raise into starkest relief were created by the working people of Poland. Their courage created, and their tactics made reasonable, the chance of a positive answer to the key question of our time: Is Communism capable of reform? Can it accommodate itself to the human aspirations of its own pretended grass roots, the working class asserting itself peacefully in solidarity with its intellectual components?

The stakes riding on the answer are no less than the future peace, perhaps, indeed, the survival of our world. They call for the utmost attention and concern of every statesman and every citizen. No matter what one thinks of the odds for or against, no one can doubt that the stakes are worth the chance.

As I stated in a message to the First Congress of Solidarnosc last September:

"For all who believe in peaceful relations among states, there is no task more urgent than unlinking human rights and freedom from the question of who owns the means of production.

"Freedom of association, of assembly and of expression are the indispensable means by which the people of each nation can decide for themselves which forms of social and economic organizations are most appropriate to their needs, their traditions, and their aspirations.

"To the extent that this principle is reflected in the conduct of government, doors will open on broader avenues to peace, to normal intercourse among nations, and to more just allocations of resources."

The emergence of freedom of association in the anti-democratic world would open the way to hope that its just demands would require an allocation of resources less weighted toward insatiable military appetites, and all could breathe a bit easier. As far as American labor is concerned, the existence of a true or even approximate counterpart would reduce barriers and lead to constructive relations. The world would become a kinder place to live in, and even the Soviet Union might begin to find out, in Gompers words, "how safe a thing freedom really is."

But once again, opportunity has been overtaken by events and that hope is dying in the face of Soviet brutality and Western irresolution.

The President has repeatedly promised that if the repression in Poland continued, if martial law were not ended, Lech Walesa and the internees released, and negotiations

resumed with Solidarnosc under the terms of the Gdansk agreement, he would add strong economic measures to his modest early sanctions. But the bankers are calling the tune and the tune is "business as usual at the same old stand."

Today is the 122nd day of Lech Walesa's captivity. Thousands of Solidarity members languish in concentration camps, whose dismal conditions have been described in letters smuggled to the West. Workers are being beaten and sentenced to jail terms.

And, while the President does nothing—while in fact, he continues to avoid defaulting the Polish loans by bailing out the banks at the taxpayers' expense—the Polish tragedy begins to recede to the back pages of the daily newspapers and disappear from the television screen.

Nevertheless, Solidarnosc exists. Jaruzelski has found no quisling in its ranks. His problems mount and are further compounded by the economic failure of the entire Soviet empire, which is today sustained by Western credits. The game is not over, and our potential leverage over the outcome is great, if we can but find the will.

What is to be done?

We should begin by following the advice of a group of Solidarity activists as set forth in an appeal to the West, shortly after the coup of December 13, 1981:

"Do not believe in the good sense of your bankers. They were sufficiently naive to place $27 billion of your money into the hands of a corrupted and incompetent regime."

Our President, unfortunately, remains enamored of the good sense of our bankers. He does nothing because further sanctions are opposed by the banking and commercial interests who dominate his party.

Some argue that harsher economic sanctions, such as telling the truth about East Bloc debts that are in de facto default, or halting trade with the USSR, would not work to affect Polish or Soviet conduct. Yet that is not the current view of the United Kingdom and the EEC with respect to Argentina in the matter of the Falkland Islands. In that case, tough economic sanctions were adopted promptly and are widely expected to profoundly influence the outcome. Nor was it the view or experience of the OPEC nations when they declared economic warfare against the United States and blackmailed Western Europe. Those real and threatened sanctions led Europe's statesmen to betray us on Camp David and to discover hitherto unsuspected virtue in Palestinian terrorism.

Some say that sanctions would sacrifice "detente." Yet the most cogent argument for detente was that expanded commercial relations with and financial concessions to the Soviet Bloc would give the West the strings with which to restrain Soviet lawlessness. Implicit in this argument was the premise that the West would be willing and able to turn off the flow of credit, trade and technology to the East in response to Soviet misconduct. Sanctions now, therefore, would not violate the principles of detente but would, in fact, apply and enforce them, in their full dimensions. It is time we saw the backside of detente.

If we are not prepared to do that, then it is we who have become ensnared and the East that has us in its net. If it be said that termination of trade and credits would be expensive to Western interests, then all the more reason to do it now, before the cost surpasses tolerance.

Beyond that, there is every reason to develop and to be willing to apply, through our foreign policy, ways to influence the interests of other nations, short of military means.

We have adopted, and continue to pursue, treaty after treaty and agreement after agreement with our adversaries abroad, imposing trust in paper long after that trust has been repeatedly betrayed. History is littered with the prompt and systematic violation by the Soviet Union of a long succession of such instruments, from the most prosaic postal conventions to the final act of the Helsinki Agreement.

If these instruments are to have substance and are to afford a genuine avenue to peace and progress, what recourse do we have to reinforce that simple faith than to develop a capacity and will to adversely influence the interests of the other party in the event of a violation? Does not such a capacity and resolve enhance our chances to give substance to diplomacy and reinforcement to peace?

I have implied in these remarks that ideals and interests are not—as some would have it—antithetical, but are reinforcing. That proposition should inform and guide our foreign policy—most particularly in the matter of human rights.

No better standard, none more compatible with both our ideals and interests, can be raised than that which our Polish brothers and sisters are struggling and suffering to gain—freedom of association.

The first demand of Solidarity, incorporated in the Gdansk Agreements of 1980, was the fulfillment of the pledge undertaken by the Polish government when it ratifed Convention No. 87 of the International Labor Organization on Freedom of Association.

It is a supreme irony of American political life that Convention No. 87 has never been presented by any United States Administration to the Senate for ratification. Our government is foreclosed thereby from bringing, in its own name, any complaint against another nation for violating that key human rights convention before the appropriate bodies of the ILO. The reason is stark and simple—the stubborn and blind opposition of American business as represented by the U.S. Chamber of Commerce, whose influence has thus far prevailed on our foreign policy makers at some considerable cost to our moral standing in the world, if not at home.

That long-standing piece of stupidity ought to be rectified. And beyond that, the principle of freedom of association should be elevated to a positon of primacy in our relations with other nations. Our programs should openly and proudly support and foster free institutions of working people, such as the black trade unions in South Africa, and the democratic movements of rural and urban workers in Central and Latin America and Asia. Our policies and pressures, economic and diplomatic, should aim to get tyrants—tinhorn or totalitarian—off the backs of independent associations of working people. No government which kills, imprisons or exiles free trade unionists should receive our aid or patronage.

Since Convention No. 87 is an international obligation, no nation can properly assert that such a policy would constitute interference in domestic affairs. It would simply buttress and reinforce the finest and most significant role of the ILO. It would, at long last, place this nation where it belongs, firmly in league with the aspiring masses of the world's peoples who will, late or soon, one way or another, shape the future, rather than in isolation with government and business elites. And here at home, a stronger and more broadly based body of support for American foreign policy would emerge and be sustained.

I have spoken of how to detach ourselves, in foreign policy, from the blindness and excess of the Right.

As for the Left, and particularly our friends in the Socialist International, I cannot improve upon the further words of Camus, on Bread and Freedom:

". . . Since the Nineteenth Century the workers' movements have assumed responsibility of the double honor of freedom and justice, without ever dreaming of saying that they were irreconsilable. Laborers, both manual and intellectual, are the ones who gave a body to freedom. . . . And if freedom is regressing today throughout such a large part of the world, this is probably because the devices for enslavement have never been so cynically chosen or so effective, but also because her real defenders . . . have turned away from her. Yes, the great event of the Twentieth Century was the forsaking of the values of freedom by the revolutionary movement, the progressive retreat of Socialism based on freedom before the attacks of a Caesarian and military Socialism. Since that moment a certain hope has disappeared from the world, and a solitude has begun for each and every free man."

We can have no higher purpose than to overcome that solitude.

If we cannot be the keepers of the whole world, we can at least be the keepers of our own conscience. If room in foreign policy cannot be made for moral ends, then room at least should be made for our own morale as a people. To say that we cannot heed a victim's cry because our allies will not act does not excuse us of responsibility. There are always a million plausible reasons to do nothing in the face of a challenge, but our morale as a nation is not consistent with any of them.

We have today, in our foreign policy, an abundance of ringing "whereases" but I have not yet heard the "now, therefore, be it resolved." There are alarms and excursions aplenty. But the direction and object have yet to emerge.

In the words of Seneca: "Our plans miscarry because we have no aim. When a man does not know what harbor he is making for, no wind is the right wind."

Or, as Lewis Carroll tells us, Alice was following a path through a forest in Wonderland when it divided in two directions. Standing irresolute, she inquired of the Cheshire Cat, which had suddenly appeared in a nearby tree, which path she should take. "Where do you want to go?" said the Cat. "I don't know," said Alice. "Then," said the Cat, "it really doesn't matter, does it?"

As for the AFL-CIO, we at least know where we want to go, and we think it matters.●

CAN YOU AFFORD A PLACE TO LIVE IN?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

● Mr. GONZALEZ. Mr. Speaker, in view of the remarks made last week by the President, Mr. Reagan, and remarks made by the Secretary of the

Treasury, Mr. Regan and the Chairman of the Federal Home Loan Bank Board, Mr. Pratt, I am compelled to offer for the RECORD an article I wrote, published on March 7, 1982 in the great local daily, The San Antonio Light, in my district.

[From the San Antonio Light, Mar. 7, 1982]

CAN YOU AFFORD A PLACE TO LIVE IN?

(By U.S. Representative HENRY B. GONZALEZ)

Hardly anybody can afford a place to live in today. The cost of mortgage interest is excruciatingly high, which shuts all but a few out of the market for new homes. Only a third as many new homes are being built today as were built in 1977. What few homes are being built aren't being sold. Nearly one-third of the homes built last year have not sold, and that was a year in which new home starts were at Depression levels.

It isn't easy to find—or afford—a place to rent, either. Apartment construction is off by fifty per cent from the 1977 level. Even though vacancies are practically nonexistent, apartment construction remains low.

The savings and loan industry, which powers the housing business, is in desperate trouble. The savings people want $10 billion to keep sick institutions afloat; economists think that a thousand or more savings and loans will go out of business without some kind of Federal intervention. With the savings and loan industry sick, mortgage money is scarce.

As Chairman of the Housing Subcommittee, my responsibility is to find some way to ease the sickness of the housing industry. Everybody from lumberjacks to real estate salespeople is hurting. Anybody who wants to build, buy, or sell a home is frustrated.

This week I offered a new housing bill intended to lift some of the gloom and make housing more affordable.

An important part of my bill is a program for affordable rental housing. I would make available a flexible grant to local sponsors of affordable rental housing. To get the most efficient type of program possible, project sponsors could get Federal aid in almost any form, from an outright capital grant to a loan. My bill encourages local governments to make contributions like land donations to keep the cost of the units low. To qualify for aid, the sponsor would have to agree to rent one-fifth of the apartments to low-income persons. The rest would be available for people of moderate incomes, whose only real need is for a place to rent at a reasonable price.

My bill also provides for funds to finance homes for sale. It would make subsidies available to homebuyers whose income is slightly above average—people who could finance a home if interest rates were at a reasonable level.

Altogether, my bill would make available up to 175,000 units of affordable housing for rent or sale. This would boost home construction substantially in the coming year.

My bill reaffirms the historic national commitment to providing a safe, decent, affordable home for every citizen. It is not extravagant: the economic benefits will far outweigh the costs. The cost of the program would be no greater than current Federal outlays for housing, which have been greatly reduced from previous levels.

The Reagan administration does not want to provide any new Federal assistance for housing production. In fact, the President aims to cut 46,000 homes out of existing Federal commitments. Yet history shows that no nation, not even ours, has been able to meet all its housing needs without a national commitment and an effective national housing program. Ironically, the Reagan administration's drive to dismantle America's housing programs comes at a time when the demand for homes is reaching an historic high. We are faced with a real threat that the nation's ability to house itself will decline sharply at the very time when the housing industry ought to be reaching its greatest strength.

An example of the dismantling process is that the Administration wants to kill five thousand new units of subsidized housing for the elderly—which supposedly is the one assisted housing program that the President supports. The Department of Housing and Urban Development is also trying to pull back thousands of commitments on subsidized single family homes, in the section 235 program, on the pretext that the units weren't completed on time. Construction delays are understandable in a year when the nation has just endured its worst winter in history. The nation also needs affordable homes, and it's unconscionable that the Administration is trying to eliminate tens of thousands of section 235 low-cost housing at a time when builders are desperate, very few buyers are able to afford today's incredible interest costs, and unemployment in the construction industry running rampant.

In the past fifty years, thanks to such Federal help as FHA insurance, low-rent public housing, and incentives to build, this has become a nation of well-housed people, the best housed people in the world. The Federal help has been essential, and it has paid far more economic benefits than it ever cost. For example, FHA mortgage insurance has not cost the government a dime: it has, in fact, turned a billion and a half dollar profit.

I don't think we can afford to abandon our commitment to housing. The need for a positive Federal policy has never been greater. The program I introduced in the House this week is constructive and workable, one that will go a long way toward unraveling the dilemma that today has trapped everyone who needs a home, or is trying to make a living building or selling homes, along with all those who supply the brick, glass, lumber and myriad other ingredients of housing, from appliances to shingles. If we don't solve the housing dilemma, nobody will be able to afford a home, except the very rich.●

CALIFORNIANS CONTINUE TO SUPPORT ANNUNZIO'S OLYMPIC COIN BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, many have tried to convince this Congress that our amateur athletes, the residents of California, and the American people in general have everything to gain and nothing to lose if H.R. 6058 becomes law. If this is true, why have so many of these supposed benficiaries written to me stating their opposition to this proposal? On May 3, 1982, I shared with you some of the many letters I have received from the American public; and on May 4, 1982, a letter from an amateur skier. Today, I call your attention to the thoughts of a number of Californians.

As you know, H.R. 6058 calls for the minting of 17 coins to be sold to the public through private marketers. Mr. James O'Connell of Redondo Beach sent me a copy of a letter that he wrote to President Reagan:

It was with a great deal of dismay that I read of your support of the Olympic Coin Bill authorizing up to 17 different designs and types of coins. I read of it in the April 21, 1982, edition of the Los Angeles Times newspaper, and as a collector, not an investor, I have been greatly upset by the trend to overlook the many disastrous directions persons have been trying to go toward collecting the Hobby dollars in the name of the Olympics and the athletes involved.

Emotionalism seems rampant, and reason seems lacking. The great proliferation of coins for the 1972 Germany Olympics, the 1976 Montreal (Canada) Olympics and the Moscow (Russia) Olympics of 1980, should be clear and obvious declaimers for an exaggerated issuance of coins and types by the United States in 1984 at Los Angeles, Calif.

The 1980 issues especially were poorly marketed by the private concerns involved, with ordering information being erratic and confusing, and the number of issues being too large and expensive.

I would hate to see the United States fall victim to that style of marketing technique, and to have the issues it wishes to represent the country with be a drug on the collecting market and in the hobbyists' hands. Such issues do not become "valued heirlooms" or "collectibles that one will cherish as sound investments".

The proposal by Representative Frank Annunzio is a sound and reasonable venture for the country to make. . . . this would be enough to satisfy the Olympic committee's need of funds and the collectors' ability to purchase. The coins could quite easily be marketed through the U.S. Mint's own mailing list, with additions by new collectors/investors request to them. Please, do not fall in to the trap of quantity versus quality that the marketeers find attractive. Keep it simple, and artistic, not flashy.

I think that it is important to note that the private concerns who marketed the 1980 Russian Olympic coins in the United States are the same ones who would like to market our 1984 coins. We should certainly consider Mr. O'Connell's comments on that point very carefully. Also, his objections to the size and cost of the program proposed by H.R. 6058 are echoed by Dr. Hubert Heitman of Davis:

Perhaps some of us do not support our elected Members of Congress adequately. I write to you about the ridiculous Olympic coin proposal(s). I am an American coin collector on a small scale. What I can afford, and what I enjoy are two different things—in both directions.

I have no quarrel with occasional commemoratives—in reasonable numbers and value. The Olympic plan favored or sponsored by the L.A. Organizing Committee and the international banking house and oil firm is so unreasonable that any right-thinking elected representative of the people should immediately have discarded

it. It is a sham program—too many coins, too much in denominations. Your plan . . . is ideal. Our government, through the Mint, should not only manufacture but release or sell U.S. coins. Part of the mark-up can go to the L.A. Olympics or the U.S. Olympic Committee as you deem best, but the overly expensive program suggested foists too much Olympic support on to coin collectors. Even children should be able to obtain the coins. If a program is developed for the wealthy, it isn't for collectors.

And from Mr. and Mrs. H. E. Schafer of Ukiah:

You have our wholehearted support for your position in connection with the minting of fewer coins and government handling of the program.

Mr. Lewis Linson of LaJolla agrees:

It is important to the success of the Olympic Commemorative Coin program as well as to possible future commemorative coin programs that it be limited to a handful or so of coins . . . and that the government handle the distribution. I strongly support your position in this matter.

Although the proponents of H.R. 6058 claim that private enterprise will be more successful than the U.S. Mint in raising money for our Olympic athletes, many Americans vehemently disagree. In fact, they feel that the marketers are blatantly opportunistic. For example, Mr. Herbert Freeman of Sacramento writes:

I strongly believe that there should be fewer coins than advocated by the coin group plan. Also, the government should handle this entire program. It is disgusting that certain interests are trying to garner a profit from this program.

And from Mr. Stephen Schendel of Concord:

Please continue your fight against the ridiculous . . . Olympic Coin Program. I realize that Lazard Freres and Occidental Petroleum are very tough lobbyists. But their program is going to shortchange the American public, the U.S. Treasury and American Numismatics. I fully support your position.

These letters clearly indicate that the residents of California would like to participate in an Olympic coin program that is reasonably sized and priced. My bill, H.R. 6158, calls for the minting of three coins, not 17. These people applaud the notion of selling commemorative coins to benefit our Olympic athletes. They are not, however, prepared to benefit a group of private marketers. Who can blame them? H.R. 6158 proposes that the coins be sold directly to the public by the mint, with all of the proceeds going to our athletes. Under this bill, all of the money goes where it is supposed to. Why should any of it go anywhere else?●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. RAILSBACK) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.
Mr. MCDADE, for 5 minutes, today.
Mr. LOTT, for 5 minutes, today.

(The following Members (at the request of Mr. KASTENMEIER) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 5 minutes, today.
Mr. LAFALCE, for 60 minutes, today.
Mr. ST GERMAIN, for 5 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. RAILSBACK) and to include extraneous matter:)

Mr. MCKINNEY.
Mr. LEACH of Iowa.
Mr. YOUNG of Alaska.
Mr. ERLENBORN.
Mr. MICHEL in three instances.
Mr. CONTE.
Mr. SENSENBRENNER.
Mr. GREEN.
Mrs. FENWICK.
Mr. LATTA.

(The following Members (at the request of Mr. KASTENMEIER) and to include extraneous matter:)

Mr. BARNES.
Mr. PEYSER.
Mr. OTTINGER in two instances.
Mr. MILLER of California.
Mr. ROSTENKOWSKI.
Mr. MINETA.
Mr. ANDERSON in 10 instances.
Mr. GONZALEZ in 10 instances.
Mr. BROWN of California in 10 instances.
Mr. ANNUNZIO in six instances.
Mr. JONES of Tennessee in 10 instances.
Mr. BONER of Tennessee in five instances.
Mr. WAXMAN.
Mrs. SCHROEDER.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 907. An act to amend sections 351 and 1751 of title 18 of the United States Code to provide penalties for crimes against Cabinet officers, Supreme Court Justices, and Presidential staff members, and for other purposes; to the Committee on the Judiciary.

S. 2154. An act to direct the Secretary of Agriculture to release a reversionary interest held by the United States in certain lands located in Christian County, Ky., so that such lands may be used for cemetery purposes; to the Committee on Agriculture.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

BILL PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on May 6, 1982, present to the President, for his approval, a bill of the House of the following title:

H.R. 1681. A bill for the relief of Andre Bartholo Eubanks.

ADJOURNMENT

Mr. KASTENMEIER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 11, 1982, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Report of a House committee concerning the foreign currencies and U.S. dollars utilized by it during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 95-384 is as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 3 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Dan Marriott	1/13	1/15	Papua, New Guinea		$62.00						$62.00
Charles Conklin	1/13	1/15	Papua, New Guinea		159.00						159.00
Antonio Won Pat	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
Timothy Glidden	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
June Lusby	1/13	1/15	Papua, New Guinea		189.00						189.00
	1/17	1/19	Fiji		81.00						81.00
Patricia Krause	1/17	1/19	Fiji		80.00						80.00
Lee McElvain	1/17	1/19	Fiji		80.00						80.00
Thomas Dunmire	1/17	1/19	Fiji		80.00						80.00
SeNellie Phillip	1/17	1/19	Fiji		80.00						80.00
Committee total					1,351.00						1,351.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MORRIS K. UDALL, Chairman. Apr. 20, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3872. A letter from the Comptroller General of the United States, transmitting a review of rescissions and deferrals contained in the eighth and ninth special messages of the President for fiscal year 1982, pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 97-176); to the Committee on Appropriations and ordered to be printed.

3873. A letter from the Secretary of the Air Force, transmitting notification that two Air Force systems will exceed the total program acquisition unit cost by more than 15 percent, pursuant to section 917 of Public Law 97-86; to the Committee on Armed Services.

3874. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice of the proposed conversion to contractor performance of the civilian education and training (apprentice instructors) function at the naval shipyard, Portsmouth, N.H., pursuant to section 502(b) of Public Law 96-342; to the Committee on Armed Services.

3875. A letter from the Mayor of the District of Columbia, transmitting a copy of this response to the Comptroller General's report on the city's major acquisitions of space, pursuant to section 736(b)(3) of Public Law 93-198; to the Committee on the District of Columbia.

3876. A letter from the Secretary of Education, transmitting proposed final regulations for the cost of attendance under the Pell grant program, pursuant to section 431(d) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

3877. A letter from the Chairman, Federal Trade Commission, transmitting 12th report of the Commission on the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the international energy program, pursuant to section 252(i) of the Energy Policy and Conservation Act of 1975, as amended; to the Committee on Energy and Commerce.

3878. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting the second annual report on the demonstrated reserve base of coal in the United States as of January 1, 1980, pursuant to section 801 of Public Law 95-620; to the Committee on Energy and Commerce.

3879. A letter from the Comptroller General of the United States, transmitting a report on GSA leasing procedures and practices (PLRD-82-46, May 10, 1982); to the Committee on Government Operations.

3880. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

3881. A letter from the Acting Secretary of the Interior, transmitting financial exhibits of the Colorado River storage project and participating projects for fiscal year 1981, pursuant to section 6 of the act of April 11, 1956; to the Committee on Interior and Insular Affairs.

3882. A letter from the Under Secretary of the Interior, transmitting a report on the cancellation of certain coal leases and permits on the Northern Cheyenne Indian Reservation, pursuant to section 6 of Public Law 96-401; to the Committee on Interior and Insular Affairs.

3883. A letter from the Assistant Attorney General (Legislative Affairs, transmitting a report on the U.S. trustee system, covering the period October 1, 1980, to September 30, 1981, pursuant to section 408(a) of Public Law 95-598; to the Committee on the Judiciary.

3884. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for appointment and compensation of experts and consultants, and for other purposes; to the Committee on Post Office and Civil Service.

3885. A letter from the Secretary of Transportation, transmitting a report on regulations establishing minimum financial responsibility for motor carriers, and their impact, pursuant to section 30(e) of Public Law 96-296; to the Committee on Public Works and Transportation.

3886. A letter from the Chairman, U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1984; to the Committee on Ways and Means.

3887. A letter from the Assistant Secretary of the Treasury, transmitting the first annual report on the financial condition and results of the operations of the hazardous substance response trust fund, pursuant to section 223(b) of the Hazardous Substance Response Revenue Act of 1980; jointly, to the Committees on Energy and Commerce and Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ERLENBORN (for himself, Mr. HORTON, and Mr. MCCLOSKEY):

H.R. 6334. A bill to amend the Freedom of Information Act to require that information be made available to Congress; to the Committee on Government Operations.

By Mr. HAMMERSCHMIDT:

H.R. 6335. A bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes; to the Committee on the Judiciary.

By Mr. SEIBERLING:

H.R. 6336. A bill to provide certain authority to reduce erosion within the Cuyahoga Valley National Recreation Area; to the Committee on Interior and Insular Affairs.

By Mr. MOFFETT (for himself, Mr. LENT, Mr. BRODHEAD, Mr. GILMAN, Mr. BARNES, and Mr. SMITH of New Jersey):

H. Con. Res. 336. Concurrent resolution expressing the sense of the Congress concerning the compliance by the Soviet Union with certain international agreements on human rights; to the Committee on Foreign Affairs.

By Mr. DICKS (for himself, Mr. CONTE, Mr. BONKER, Mr. ALEXANDER, Mr. CORRADA, Mr. FAZIO, Mr. FRENZEL, Mr. FORSYTHE, Mr. GIBBONS, Mr. LUNDINE, Mr. MURPHY, Mr. OTTINGER, Mr. PEPPER, Mr. PRITCHARD, Mr. WYDEN, Mr. WALGREN, Mr. LOWRY of Washington, Mr. SUNIA, Mr. SWIFT, Mr. ROE, Mr. RICHMOND, Mr.

WILSON, Mr. FOLEY, Mr. PATTERSON, Mr. OBERSTAR, and Mr. MORRISON):

H. Res. 456. Resolution expressing the sense of the House of Representatives that the President should request sufficient borrowing authority to permit the Export-Import Bank of the United States to provide competitive financing for American exports; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PEPPER (for himself, Mr. WRIGHT, and Mr. ALEXANDER):

H. Res. 457. Resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions of social security benefits over the next 3 fiscal years; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII,

372. The SPEAKER presented a memorial of the Legislature of the State of Hawaii, relative to the national pollutant discharge elimination system permit for water releases from reservoirs; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 375: Mr. ROSENTHAL, Ms. FERRARO, and Mr. LOWRY of Washington.

H.R. 5439: Mr. TRIBLE, Mr. GUARINI, Mr. MINISH, and Mr. GOODLING.

H.R. 6100: Mr. LOWRY of Washington, Mr. ALEXANDER, and Mr. WRIGHT.

H.R. 6245: Mr. ERTEL.

H.R. 6294: Mr. FAUNTROY, Mr. LAFALCE, Mr. BLANCHARD, Mr. LUNDINE, Ms. OAKAR, Mr. HUBBARD, Mr. D'AMOURS, Mr. FRANK, Mr. HOYER, Mr. DERRICK, Mr. DICKS, Mr. WILLIAM J. COYNE, and Mr. DASCHLE.

H.R. 6315: Mr. SAWYER.

H.J. Res. 412: Mr. BEDELL, Mr. ANDREWS, Mr. BAILEY of Pennsylvania, Mr. CHENEY, Mr. BROWN of Colorado, Mr. BRINKLEY, Mr. BENEDICT, Mr. PERKINS, Mr. BLILEY, Mr. MOORE, Mr. QUILLEN, Mr. MOTTL, Mr. PANETTA, Mr. NOWAK, Mr. NAPIER, Mr. PATMAN, Mr. REGULA, Mr. ANNUNZIO, Mr. BENJAMIN, Mr. RAILSBACK, Mr. BEARD, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONKER, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BROWN of Ohio, Mr. CAMPBELL, Mr. CHAPPIE, Mr. CONYERS, Mr. COUGHLIN, Mr. DONNELLY, Mr. LOEFFLER, Mr. NEAL, Mr. O'BRIEN, Mr. DORNAN of California, Mr. PRICE, Mr. PRITCHARD, Mr. CORCORAN, Mr. DORGAN of North Dakota, Mr. FORD of Tennessee, Mr. DAN DANIEL, Mr. SUNIA, Mr. LEACH of Iowa, Mr. LEBOUTILLIER, Mr. LENT, Mr. LIVINGSTON, Mr. MCCLOSKEY, Mr. MCDADE, Mr. MARKS, Mr. MARRIOTT, Mrs. MARTIN of Illinois, Mr. MATTOX, Mr. MAVROULES, Mr. BARNARD, Mr. JOHN L. BURTON, Mr. MCEWEN, Mr. DAUB, Mr. MOFFETT, Mr. MOORHEAD, Mr. MORRISON, Mr. MURPHY, Mr. STENHOLM, Mr. MOLLAHAN, Mr. LEE, Mr. VENTO, Mr. MARTIN of New York, Mr. MITCHELL of New York, Mr. LEATH of Texas, Mr. LONG of Maryland, Mr. ALEXANDER, Mr. APPLEGATE, Mr. HUGHES, Mr. MONTGOMERY, Mr. BEVILL, Mr. ANDERSON, Mr. MCDONALD, Mr. BLANCHARD, Mr. PURSELL, Mr. PICKLE, Mr. PASHAYAN, Mrs. COLLINS of Illinois, Mr. COATS, Mr. CONTE, Mr. COLEMAN, Mr. CLAY, Mr. OXLEY, Mr. CLINGER, Mr. ERDAHL, and Mr. DANIEL B. CRANE.

H.J. Res. 433: Mr. ANNUNZIO.

H. Con. Res. 322: Mr. PORTER and Mr. GARCIA.

H. Res. 374: Mr. DAUB, Mr. MICA, Mr. ROSENTHAL, and Mr. SHANNON.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

424. By the SPEAKER: Petition of the Save Title V Jobs for Seniors Committee, San Francisco, Calif., relative to title V of the Older Americans Act; to the Committee on Education and Labor.

425. Also, petition of the Associated Students of Pacific Lutheran University, Tacoma, Wash., relative to student financial aid programs; to the Committee on Education and Labor.

426. Also, petition of the city council of Quincy, Mass., relative to nuclear weapons; to the Committee on Foreign Affairs.

427. Also, petition of the County of Sacramento Board of Supervisors, California, relative to veterans exposed to atomic radiation; to the Committee on Veterans' Affairs.

428. Also, petition of the city council of Fenton, Mich., relative to H.R. 5133; jointly, to the Committees on Energy and Commerce and Ways and Means.

SENATE—*Monday, May 10, 1982*

(Legislative day of Tuesday, April 13, 1982)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

It is a good thing to give thanks unto the Lord, and to sing praises unto thy name, O most High: To show forth thy lovingkindness in the morning, and thy faithfulness every night.—(Psalm 92 :1, 2.)

Our Father who art in Heaven, we pray for the families of the Senators. We pray for their protection, for strengthened relationships between husbands and wives, parents and children. As election campaigns intensify, as work in the Senate becomes heavier and the tension of conflict increases, dear God do not allow families to be sacrificed on the altar of politics.

Gracious Father, help the Senators to take time, to make time for their families. Help them to be an example to the Nation of the sheer necessity of strong family life. Help "husbands to love their wives as Christ loved His church and gave up His life for her." Help them not to lose their children in the process of winning an election. Loving Lord, may we heed the lesson of the Bible and history, that the family is the core of culture and the nucleus of social order; that as the family goes, so goes the Nation! In Jesus' name, we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE WAKING

Mr. BAKER. Mr. President, warming, sunning, strolling, smiling, enjoying * * * waking. I ask unanimous consent that "The Waking," a poem by Theodore Roethke, be printed in the RECORD.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

THE WAKING

I wake to sleep, and take my waking slow.
I feel my fate in what I cannot fear.
I learn by going where I have to go.

We think by feeling. What is there to know?
I hear my being dance from ear to ear.
I wake to sleep, and take my waking slow.

Of those so close beside me, which are you?
God bless the Ground! I shall walk softly there,
And learn by going where I have to go.

Light takes the Tree; but who can tell us how?
The lowly worm climbs up a winding stair;
I wake to sleep, and take my waking slow.

Great Nature has another thing to do
To you and me; so take the lively air,
And, lovely, learn by going where to go.

This shaking keeps me steady. I should know.
What falls away is always. And is near.
I wake to sleep, and take my waking slow.
I learn by going where I have to go.

ORDER DESIGNATING PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, after the recognition of the two leaders under the standing order, and five Senators on special orders for not to exceed 15 minutes each, I ask unanimous consent that there be a period for the transaction of routine morning business of not longer than 1 hour in length, in which Senators may speak for not more than 10 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

PRESIDENT REAGAN COMMENDED ON CALL FOR "START"

Mr. BAKER. Mr. President, yesterday at Eureka College in Illinois, President Reagan announced the framework for an historic opportunity for the two nations with overwhelming nuclear arsenals to reduce the danger of war. There is, I believe Mr. President, a moral imperative requiring that the great nations possessing those arsenals meet together and find ways to reduce those arsenals and to enhance the chance that those arsenals may never be used.

If accepted, the proposals that President Reagan announced yesterday will have that effect. We should not be under any illusion that the goals he set out will be easily or quickly reached. No one believes that the Soviets will be easily persuaded to give up the advantages which they have achieved by an aggressive military buildup while we have delayed, distracted in the vain hope that a failed SALT process would somehow bring us the security for which we were unwilling either to spend or negotiate realistically.

It is reported this morning, Mr. President, that the Soviet Defense Minister, Dimitri Ustinov responded to President Reagan's call for negotiations with a statement that "the Soviet Union will not allow the existing balance of forces to be disrupted." I am confident that the American people and, I would hope, our friends in Europe, see that statement for precisely what it is: An attempt to preserve the existing balance in the Soviet favor. I would hope that the President's proposal, which offers the first real opportunity to enhance the prospects for peace, would still the voices of those here and abroad who are tempted to join with the Soviet Defense Minister in preserving the "existing balance of forces."

Mr. President, if arms control is to be a meaningful endeavor, if it is to be anything more than a diplomatic exercise by which we delude ourselves with a false and most dangerous sense of security, then we have to recapture the original, dual purpose of arms control. We must contribute to the security of the United States and to the prospects of reducing the risks of nuclear war. An arms control agreement that does not do both is an agreement for the sake of an agreement and in my view, worse than none at all.

Over the years, we have gotten away from that original purpose, Mr. President; yesterday, President Reagan returned to it. The President has returned to the mandate we in the Senate provided in 1972 in approving the Interim SALT I agreement. We said then that the next treaty should not "limit the United States to a level of intercontinental strategic forces inferior to the limit provided by the Soviet Union." Through careful and deliberate preparation, President Reagan has provided a way to achieve that goal through significant reductions in the nuclear arsenals of both powers. He has provided a proposal to reach that goal in a plausible and realistic manner that enhances strategic stability. That, Mr. President, increases the security of both the United States and the Soviet Union by reducing the risks that either will miscalcu-

late and see advantage to a preemptive first strike

By attempting to achieve meaningful and significant reductions in the most destabilizing elements of the strategic equation, President Reagan is asking for significant concessions both from the United States and the Soviet Union. Those with an interest in preserving an uncertain strategic equation will reject these proposals, Mr. President. Those with an interest in diminishing uncertainties and enhancing stability by reducing the possibility for that one awful miscalculation will see the merit in these proposals.

I believe that to be sufficient incentive for any rational leader, United States or Soviet; and there are other incentives as well. It is my fervent hope that the Soviet leadership will carefully calculate the advantages of a less dangerous world and will join President Reagan in this historic opportunity for a more peaceful future.

Mr. President, I ask unanimous consent that the full text of the President's remarks at Eureka College be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE EUREKA COMMENCEMENT CEREMONY

The PRESIDENT. Thank you very much. President Gilbert, Trustees, Administration, and Faculty, students and the friends of Eureka College and particularly those whose day this is—the graduating class of '82—(applause)—Dan, you said the 25th and now the 50th. Do you mind if I try for the 75th? (Applause.)

But it goes without saying that this is a very special day for you who are graduating. Would you forgive me if I say it's a very special day for me also? Over the years since I sat where you, the graduating class of 1982, are now sitting, I've returned to the campus many times, always with great pleasure and warm nostalgia. Now, it just isn't true that I only came back this time to clean out my gym locker. (Laughter.)

On one of those occasions, as you've been told, I addressed the graduating class here, "neath the elms," and was awarded an honorary degree. At that time I informed those assembled that while I was grateful for the honor, it added to a feeling of guilt I've been nursing for 25 years, because I always figured that first degree they give me was honorary. (Laughter.)

Now, if it's true that tradition is the glue holding civilization together, then Eureka has made its contribution to that effort. Yes, it is a small college in a small community. It's no impersonal, assembly-line diploma mill. As the years pass, if you have let yourselves absorb the spirit and tradition of this place, you'll find the four years you've spent here living in your memory as a rich and important part of your life.

Oh, you'll have some regrets along with the happy memories. I let football and other extracurricular activities eat into my study time with the result that my grade average was closer to the C level required for eligibility than it was to straight A's. And even now I wonder what I might have accomplished if I'd studied harder. (Laughter.) (Applause.)

Now, I know there are differences between the Eureka College of 1932 and the Eureka of 1982, but I'm also sure that in many ways—important ways—Eureka remains the same. For one thing, it's impossible for you now to believe what I've said about things being the same. We who preceded you understand that very well, because when we were here we thought old grads who came back only after five years—not 50—couldn't understand what our life was like and what had taken place and changed. So take my word for it. As the years go by, you'll be amazed at how fresh the memory of these years will remain in your mind; how easily you can relive the very emotions that you experienced.

The Class of '32 has no yearbook to record our final days on the campus. The Class of '33 didn't put out a Prism because of the hardships of that great Depression era. The faculty sometimes went for months on end without pay. And yet this school made it possible for young men and women, myself included, to get an education even though we were totally without funds, our families destitute victims of the Depression.

Yes, this place is deep in my heart. Everything that has been good in my life began here. (Applause.)

Graduation Day is called "Commencement" and properly so because it is both a recognition of completion and a beginning. And I would like, seriously, to talk to you about this new phase—the society in which you're now going to take your place as full-time participants. You're no longer observers. You will be called upon to make decisions and express your views on global events because those events will affect your lives.

I've spoken of similarities, and the 1980's like the 1930's may be one of those—a crucial juncture in history that will determine the direction of the future.

In about a month I will meet in Europe with the leaders of nations who are our closest friends and allies. At Versailles, leaders of the industrial powers of the world will seek better ways to meet today's economic challenges. In Bonn, I will join my colleagues from the Atlantic Alliance nations to renew those ties which have been the foundation of Western, free-world defense for 37 years. There will also be meetings in Rome and London.

Now, these meetings are significant for a simple but very important reason. Our own nation's fate is directly linked to that of our sister democracies in Western Europe. The values for which America and all democratic nations stand represent the culmination of Western culture. Andrei Sakharov, the distinguished Nobel Laureate and courageous Soviet human rights advocate, has written in a message smuggled to freedom, "I believe in Western man. I have faith in his mind which is practical and efficient and, at the same time, aspires to great goals. I have faith in his good intentions and in his decisiveness."

This glorious tradition requires a partnership to preserve and protect it. Only as partners can we hope to achieve the goal of a peaceful community of nations. Only as partners can we defend the values of democracy and human dignity that we hold so dear.

There is a single, major issue in our partnership which will underlie the discussions that I will have with the European leaders. The future of Western relations with the Soviet Union. How should we deal with the Soviet Union in the years ahead? What framework should guide our conduct and our policies toward it? And what can we realistically expect from a world power of such deep fears, hostilities, and external ambitions?

I believe the unity of the West is the foundation for any successful relationship with the East. Without Western unity, we'll squander our energies in bickering while the Soviets continue as they please. With unity, we have the strength to moderate Soviet behavior. We've done so in the past and we can do so again.

Our challenge is to establish a framework in which sound East-West relations will endure. I'm optimistic that we can build a more constructive relationship with the Soviet Union. To do so, however, we must understand the nature of the Soviet system and the lessons of the past.

The Soviet Union is a huge empire ruled by an elite that holds all power and all privilege. They hold it tightly because, as we've seen in Poland, they fear what might happen if even the smallest amount of control slips from their grasp. They fear the infectiousness of even a little freedom and because of this in many ways their system has failed. The Soviet empire is faltering because it is rigid—centralized control has destroyed incentives for innovation, efficiency and individual achievement. Spiritually, there is a sense of malaise and resentment.

But in the midst of social and economic problems, the Soviet dictatorship has forged the largest armed force in the world. It has done so by preempting the human needs of its people, and, in the end, this course will undermine the foundations of the Soviet system. Harry Truman was right when he said of the Soviets that, "When you try to conquer other people or extend yourself over vast areas you cannot win in the long run."

Yet Soviet aggressiveness has grown as Soviet military power has increased. To compensate, we must learn from the lessons of the past. When the West has stood unified and firm, the Soviet Union has taken heed. For 35 years Western Europe has lived free despite the shadow of Soviet military might. Through unity, you'll remember from your modern history courses, the West secured the withdrawal of occupation forces from Austria and the recognition of its rights in Berlin.

Other Western policies have not been successful. East-West trade was expanded in the hope of providing incentives for Soviet restraint, but the Soviets exploited the benefits of trade without moderating their behavior. Despite a decade of ambitious arms control efforts, the Soviet buildup continues. And despite its signature of the Helsinki agreements on human rights, the Soviet Union has not relaxed its hold on its own people or those of Eastern Europe.

During the 1970's some of us forgot the warning of President Kennedy who said that the Soviets "have offered to trade us an apple for an orchard. We don't do that in this country." But we came perilously close to doing just that.

If East-West relations in the detente era in Europe have yielded disappointment, detente outside of Europe has yielded a severe disillusionment for those who expected a moderation of Soviet behavior. The Soviet Union continues to support Vietnam in its occupation of Kampuchea and its massive military presence in Laos. It is engaged in a war of aggression against Afghanistan.

Soviet proxy forces have brought instability and conflict to Africa and Central America.

We are now approaching an extremely important phase in East-West relations as the current Soviet leadership is succeeded by a new generation. Both the current and the new Soviet leadership should realize aggressive policies will meet a firm Western response. On the other hand, a Soviet leadership devoted to improving its people's lives, rather than expanding its armed conquests, will find a sympathetic partner in the West. The West will respond with expanded trade and other forms of cooperation. But all of this depends on Soviet actions. Standing in the Athenian marketplace 2,000 years ago, Demosthenes said. "What sane man would let another man's words rather than his deeds proclaim who is at peace and who is at war with him?"

Peace is not the absence of conflict, but the ability to cope with conflict by peaceful means. I believe we can cope. I believe that the West can fashion a realistic, durable policy that will protect our interests and keep the peace, not just for this generation, but for your children and your grandchildren. (Applause.)

I believe such a policy consists of five points: military balance, economic security, regional stability, arms reductions, and dialogue. Now, these are the means by which we can seek peace with the Soviet Union in the years ahead. Today, I want to set this five-point program to guide the future of our East-West relations, set it out for all to hear and see.

First, a sound East-West military balance is absolutely essential. Last week NATO published a comprehensive comparison of its forces with those of the Warsaw Pact. Its message is clear. During the past decade, the Soviet Union has built up its forces across the board. During that same period, the defense expenditures of the United States declined in real terms. The United States has already undertaken steps to recover from that decade of neglect. And I should add that the expenditures of our European allies have increased slowly but steadily, something we often fail to recognize here at home.

The second point on which we must reach consensus with our allies deals with economic security. Consultations are under way among Western nations on the transfer of militarily significant technology and the extension of financial credits to the East as well as on the question of energy dependence on the East, that energy dependence of Europe. We recognize that some of our allies economic requirements are distinct from our own. But the Soviets must not have access to Western technology with military applications, and we must not subsidize the Soviet economy. The Soviet Union must make the difficult choices brought on by its military budgets and economic shortcomings.

The third element is regional stability with peaceful change. Last year in a speech in Philadelphia and in the Summit meetings at Cancun, I outlined the basic American plan to assist the developing world. These principles for economic development remain the foundation of our approach. They represent no threat to the Soviet Union. Yet in many areas of the developing world we find that Soviet arms and Soviet-supported troops are attempting to destabilize societies and extend Moscow's influence.

High on our agenda must be progress toward peace in Afghanistan. The United States is prepared to engage in a serious effort to negotiate an end to the conflict caused by the Soviet invasion of that country. We are ready to cooperate in an international effort to resolve this problem, to secure a full Soviet withdrawal from Afghanistan, and to ensure self-determination for the Afghan people.

In southern Africa, working closely with our Western allies and the African states, we've made real progress toward independence for Namibia. These negotiations, if successful, will result in peaceful and secure conditions throughout southern Africa. The simultaneous withdrawal of Cuban forces from Angola is essential to achieving Namibian independence, as well as creating long-range prospects for peace in the region.

Central America also has become a dangerous point of tension in East-West relations. The Soviet Union cannot escape responsibility for the violence and suffering in the region caused by its support for Cuban activities in Central America and its accelerated transfer of advanced military equipment to Cuba.

However, it was in Western Europe—or Eastern Europe, I should say—that the hopes of the 1970's were greatest, and it is there that they have been the most bitterly disappointed. There was hope that the people of Poland could develop a freer society. But the Soviet Union has refused to allow the people of Poland to decide their own fate, just as it refused to allow the people of Hungary to decide theirs in 1956, or the people of Czechoslovakia in 1968.

If martial law in Poland is lifted, if all the political prisoners are released, and if a dialogue is restored with the Solidarity Union, the United States is prepared to join in a program of economic support. Water cannons and clubs against the Polish people are hardly the kind of dialogue that gives us hope. It is up to the Soviets and their client regimes to show good faith by concrete actions.

The fourth point is arms reduction. I know that this weighs heavily on many of your minds. In our 1931 Prism, we quoted Carl Sandburg, who in his own beautiful way quoted the Mother Prairie, saying, "Have you seen a red sunset drip over one of my cornfields, the shore of night stars, the wave lines of dawn up a wheat valley?" What an idyllic scene that paints in our minds—and what a nightmarish prospect that a huge mushroom cloud might someday destroy such beauty. My duty as President is to ensure that the ultimate nightmare never occurs, that the prairies and the cities and the people who inhabit them remain free and untouched by nuclear conflict.

I wish more than anything there were a simple policy that would eliminate that nuclear danger. But there are only difficult policy choices through which we can achieve a stable nuclear balance at the lowest possible level.

I do not doubt that the Soviet people, and, yes, the Soviet leaders have an overriding interest in preventing the use of nuclear weapons. The Soviet Union within the memory of its leaders has known the devastation of total conventional war and knows that nuclear war would be even more calamitous. Yet, so far, the Soviet Union has used arms control negotiations primarily as an instrument to restrict U.S. defense programs and, in conjunction with their own arms buildup, a means to enhance Soviet power and prestige.

Unfortunately, for some time suspicions have grown that the Soviet Union has not been living up to its obligations under existing arms control treaties. There is conclusive evidence the Soviet Union has provided toxins to the Laotians and Vietnamese for use against defenseless villagers in Southeast Asia. And the Soviets themselves are employing chemical weapons on the freedom fighters in Afghanistan.

We must establish firm criteria for arms control in the 1980's if we're to secure genuine and lasting restraint on Soviet military programs throughout arms control. We must seek agreements which are verifiable, equitable, and militarily significant. Agreements that provide only the appearance of arms control breed dangerous illusions.

Last November, I committed the United States to seek significant reductions on nuclear and conventional forces. In Geneva, we have since proposed limits on U.S. and Soviet intermediate-range missiles, including the complete elimination of the most threatening systems on both sides.

In Vienna, we're negotiating, together with our allies, for reductions of conventional forces in Europe. In the 40-nation Committee on Disarmament, the United States seeks a total ban on all chemical weapons.

Since the first days of my administration, we've been working on our approach to the crucial issue of strategic arms and the control and negotiations for control of those arms with the Soviet Union. The study and analysis required has been complex and difficult. It had to be undertaken deliberately, thoroughly, and correctly. We've laid a solid basis for these negotiations. We're consulting with Congressional leaders and with our allies, and we are now ready to proceed.

The main threat to peace posed by nuclear weapons today is the growing instability of the nuclear balance. This is due to the increasingly destructive potential of the massive Soviet buildup in its ballistic missile force.

Therefore, our goal is to enhance deterrence and achieve stability through significant reductions in the most destabilizing nuclear systems, ballistic missiles, and especially the giant intercontinental ballistic missiles, while maintaining a nuclear capability sufficient to deter conflict, to underwrite our national security and to meet our commitment to allies and friends.

For the immediate future, I'm asking my START, and START really means, we've given up on SALT, START means, "Strategic Arms Reduction Talks," and that negotiating team to propose to their Soviet counterparts a practical, phased reduction plan. The focus of our efforts will be reduce significantly the most destabilizing systems, the ballistic missiles, the number of warheads they carry and their overall destructive potential.

At the first phase, or the end of the first phase of START, I expect ballistic missile warheads, the most serious threat we face, to be reduced to equal levels, equal ceilings, at least a third below the current levels. To enhance stability, I would ask that no more than half of those warheads be land-based. I hope that these warhead reductions as well as significant reductions in missiles themselves could be achieved as rapidly as possible.

In a second phase, we'll seek to achieve an equal ceiling on other elements of our strategic nuclear forces including limits on the ballistic missile throwweight at less than current American levels. In both phases, we shall insist on verification procedures to insure compliance with the agreement.

This, I might say, will be the twentieth time that we have sought such negotiations with the Soviet Union since World War II.

The monumental task of reducing and reshaping our strategic forces to enhance stability will take many years of concentrated effort. But I believe that it will be possible to reduce the risks of war by removing the instabilities that now exist and by dismantling the nuclear menace. (Applause).

I have written to President Brezhnev and directed Secretary Haig to approach the Soviet government concerning the initiation of formal negotiations on the reduction of strategic nuclear arms, START, at the earliest opportunity. We hope negotiations will begin by the end of June.

We will negotiate seriously, in good faith and carefully consider all proposals made by the Soviet Union. If they approach these negotiations in the same spirit, I'm confident that together we can achieve an agreement of enduring value that reduce the number of nuclear weapons, halts the growth in strategic forces and opens the way to even more far-reaching steps in the future. (Applause).

I hope the Commencement today will also mark the commencement of a new era, in both senses of the word a new start toward a more peaceful and secure world.

The fifth and final point I propose for East-West relations is dialogue. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If this can't be done, I would hope we could arrange a future meeting where positive results can be anticipated. And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today. I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Perhaps I should also speak to him of this school and these graduates who are leaving it today—of your hopes for the future, of your deep desire for peace, and yet your strong commitment to defend your values if treatened. Perhaps if he someday could attend such a ceremony as this, he'd better understand America. In the only system he knows, you would be here by the decision of government and on this day the government representatives would be here telling most, if not all of you, where you were going to report to work tomorrow.

But as we go to Europe for the talks and as we proceed in the important challenges facing this country, I want you to know that I will be thinking of you and of Eureka and what you represent. In one of my yearbooks, I remember reading that, "The work of the prairie is to be the soil for the growth of a strong western culture." I believe Eureka is fulfilling that work. You, the members of the 1982 graduating class, are this year's harvest.

I spoke of the difference between our two countries. I try to follow the humor of the Russian people. We don't hear much about the Russian people. We hear about the Russian leaders. But you can learn a lot because they do have a sense of humor and you can learn from the jokes they're telling. And one of the most recent jokes I found kind of—well, personally interesting. Maybe you might—tell you something about your country. The joke they tell is that an American and a Russian were arguing about the differences between our two countries. And the American said, "Look. In my country I can walk in the Oval Office, I can hit the desk with my fist, and say, 'President Reagan, I don't like the way you are governing the United States.' " And the Russian said, "I can do that." The American said, "What?" He says "I can walk into the Kremlin, into Brezhnev's office. I can pound Brezhnev's desk and I can say, 'Mr. President, I don't like the way Ronald Reagan is governing the United States.' " (Laughter.) (Applause.)

Eureka as an institution and you as individuals are sustaining the best of Western man's ideals. As a fellow graduate and in the office I hold, I'll do my best to uphold these same ideals. To the Class of '82, congratulations and God bless you. (Applause.).

COMMENCEMENT ADDRESS BY SENATOR DANFORTH AT AVILA COLLEGE IN KANSAS CITY, MO.

Mr. BAKER. Mr. President, this past weekend, my good friend and colleague from Missouri, Senator DANFORTH, delivered the commencement address at Avila College in Kansas City, Mo. His remarks were emblematic of his continuing concern for our planet and its resources, and for the responsibility that such a concern bestows on our national leaders.

I call Senator DANFORTH's remarks to the Senate's attention, and I ask unanimous consent that the text of his address be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR JOHN C. DANFORTH AT THE AVILA COLLEGE COMMENCEMENT

"So God created man in his own image . . . male and female he created them. And God blessed them, and God said to them . . . 'fill the earth and subdue it, and have dominion over every living thing' . . . and God saw everything that he had made, and behold it was very good."

Members of the Class of 1982, a tremendous controversy has been raging in state legislatures and in the courts over the biblical account of creation versus evolution. I do not deny the importance of that controversy to those who engage in it. Yet it has long seemed to me futile to try to encompass an eternal God in our notions of a proper time schedule.

Regardless of how historical events were scheduled, Christians and Jews affirm a common belief that this world is God's creation, not ours; that it is very good; that we are made in the image of God; and that we were given dominion over every living thing.

There is, in short, a religious understanding of our trusteeship of God's creation. The world is not ours to possess and dispose of according to our own pleasure. The earth and all that is in it is God's, and we are his stewards, entrusted with dominion over his world, and accountable to him for its welfare.

I have a hand ax. It is a crude tool, chipped out of hard stone, which was found in a cave at an archeological dig in Israel. It was given to me by Haifa University, and it was made in the early stone age. One hundred and twenty thousand years ago, a human being, made in the image of God, chipped out that crude tool as he was doing his job—having dominion, for a segment of time, over God's creation.

Whether you insist on the timetable in Genesis or accept modern ideas of evolution, the earth has been here a very long time, and a long succession of trustees has preceded us, each generation taking its turn in having dominion over this good earth.

The fact is that you and I are not just here today and gone tomorrow, as though no generations preceded us and none will follow. We are parts of a continuum, receiving our trust from the last generation, and with a duty to pass it on to the next.

That is the character of a trustee: duty—duty to preserve the principal of the trust and to pass it on intact when one's trusteeship expires. A trustee must not waste the trust assets. He must not fritter away that which was placed in his custody. He has a high level of responsibility to protect the assets he has received.

In the New Testament it is clear that the duty of a trustee is not fulfilled simply by preserving the assets he has received without wasting them. There is a higher duty. Remember the parable of the talents. Two stewards invested what they were given and doubled its value. The third steward wasted nothing, but he didn't improve things either. He dug a hole, buried the talent, and later returned it as is.

"You wicked and slothful servant," the master said on his return. "You ought to have invested my money." Then the worthless servant was cast into outer darkness where there is weeping and gnashing of teeth.

Perhaps it is never possible to maintain the status quo. Perhaps all assets either appreciate or begin losing their value. At any rate, if we are religious people our obligation is clear. We have a clear duty to make God's world better.

It is not sufficient simply to stay out of trouble and then claim we are leading a decent life. A good steward does more than avoid actions generally thought of as bad. A good steward has a duty to create a better world for those to come. And if we have not done so before, commencement is the time to commence doing our duty.

I would like to touch briefly on three subjects where good stewardship will be necessary if we are to pass on a sound trust to future generations. In each instance, there is a strong temptation to think too little about the future and to live only for today. In each instance, failure to look to the future means irresponsible stewardship. The three subjects are the threat of nuclear destruction, the increasing erosion of our soil and the pending insolvency of the Social Security System.

First, the nuclear threat. The bare minimum requirement of good stewards must be to prevent the destruction of the creation itself. This obligation is so obvious, and its need so novel to modern times that it was never seriously considered before the end of World War II. Now the threat that creation itself could be destroyed grows by the year.

Consider the speed of changing events. Before 1945, no country had a nuclear weapon. Then we got it. Then the Soviets got it. Then four to seven more countries got it. By the end of this century two to three dozen countries could have it. The

world's nuclear arsenal now exceeds the Hiroshima bomb more than 1½ million times, and at the governmental level virtually nothing is being done to control this trend.

It is not pleasant to think about the unthinkable, and all of us want to enjoy pleasant times. It is so tempting to live only for today, to get by, without concern for the future, to enjoy each moment for itself. Yet, if we are content to eat, drink and be merry, we may well die, and so may the world as we know it. That long journey toward tomorrow, set upon by that hand ax maker of 120,000 years ago could be halted in an hour's time, forever.

It is clear from recent history that the extent of governmental arms control activity is closely related to the extent of citizen interest in the problem. Therefore, it is not sufficient for you to delegate your stewardship responsibility to a governmental agency and then plunge into your own personal activities. You are the stewards of creation, and your responsibility cannot be transferred to others.

The persistent erosion of our top soil is a reminder of how close to home stewardship responsibility comes. It is also an example of how easy it is to put off until later the actions we should take today.

Stewardship of creation includes matters more mundane than prevention of nuclear catastrophe, of course. And nothing is more mundane than the soil. Yet here is a classic case of a wasting of our trust to the detriment of generations to come.

Over millennia, a layer of topsoil was produced over much of the earth's surface. When the prime farmland of Northern Missouri was first cultivated, it was blessed with 16 or 18 inches of topsoil which had taken anywhere from 100 to 1000 years an inch to develop.

Soil conservation often requires long-term capital investments which are not cheap. It also requires foregoing production on marginal land to the detriment of short-term financial return. The result is that we have tended not to invest in tomorrow but instead to live for today. Squeezed between high interest rates and low prices it is easy to understand by farmers want to produce every bushel they can, and why most cannot afford expensive conservation structures. Yet the result of today's practices threatens tomorrow. We are wasting our heritage of this good earth at an average rate of 20 tons per acre per year. An inch of topsoil—that which took 100 to 1000 years to create is being washed away every 15 years. What was 16 to 18 inches in depth a century ago has been reduced in half. Good stewards do not permit their finest treasure literally to float down the river and out to the sea.

The financial condition of the Social Security system is a third example of how our behavior today effects the future of generations to come. The Social Security example is especially apt because it literally involves a trust. In fact, it involves three trust funds, one for old age and survivors benefits, one for disability insurance and one for health insurance.

Social Security is our most important social program—the foundation of retirement planning for most Americans. It is also a program which, if allowed to continue on its present course, will end in bankruptcy. It is financed by a payroll tax, and its financial health requires that, on average, revenues from the tax at least equal the pay out of benefits.

The problem is that revenues from the tax do not equal the pay out of benefits—they do not even come close. They will miss by $9 billion this year, $12 billion next year and $17 billion in 1984. If nothing is done, Social Security will become insolvent in 1984. Moreover, even if this short-term problem is somehow fixed by Congress, and it will be, the Social Security deficit projected over the next 75 years will exceed $1.5 trillion.

Social Security benefits are indexed. They go up automatically with inflation. In recent years, due to the indexing formula used, they have gone up even more rapidly than the rate of inflation. So, as it stands right now, everyone is happy. If only we don't look down the road, everything is fine. And we don't want to look down the road. Public Opinion polls tell us that an overwhelming majority of Americans rejects not only a cut in Social Security benefits but even an adjustment in the indexing formula by which future increases are determined.

Moreover, as has been made clear in budget talks over the past two months, there is one thing on which both liberal and conservative politicians can agree: Don't touch Social Security. Don't raise Social Security taxes. Don't delay future benefit increases. Don't limit those increases. Don't alter them in any way. To do so is thought to be political suicide, especially before an election. And in this country every minute seems to be just before an election. So we ignore the future. We fail to strengthen the trust, and the asset we hoped to preserve for the future slips away.

I have given three examples of a common phenomenon. If we wanted to, we could go on and on with an unending list, but that is unnecessary. We live for today, mindless of tomorrow when today's actions so certainly determine tomorrow's world.

We prefer not to think about nuclear holocaust. That would ruin our day. So we drift along toward the rocks of disaster.

Our farmers have enough problems getting by today without being burdened with the problems of tomorrow. So we plant for next fall's harvest, not the next generation's birthright.

Our politicians are worried about next November's election not next century's retired people. So we put off the hard decisions about making Social Security solvent.

We live for the moment. We get by for now. We make do. That is what our government does. That is what our business leadership does. That is what you and I do. Compare the Japanese willingness to make long-term capital investments to produce a future pay out with American businesses' fixation on this quarter's profit and loss statement and you will have a ready understanding of why we are falling behind in international competition.

The Schlitz Beer Company used to run a commercial that had as its punch line, "You only go around once in life, so grab all the gusto you can . . ." Grab the gusto. Grab it quickly. Clutch it to yourself.

Grab all the gusto. And then there is that standard question asked by guidance counselors and operators of youth groups: What do you want to get out of life? Grabbing gusto and getting out of life. It is as though the whole purpose of being here can be summed up as grabbing and getting.

Indeed, there is so much to grab—so much to get—money, possessions, entertainment. A whole world full of grabbable items will be impressed on our minds every day of our lives. They are, in fact, there.

But, here is the point. That whole world of things to grab and things to get is not ours to have as our own. This is God's creation and we hold these things in trust. We are his stewards, and we must answer for what we did with his creation.

We can ignore our trust. We can waste it. We can spend it on ourselves. All that is possible—a standard option for us. Or we can take his creation and nurture it, and protect it, and enhance its value, and then, pass it on to our successor trustees.

Members of the Class of 1982, we have been given our talents. They will be counted when the master returns.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. If there is any Senator who requires additional time, I am prepared to yield at this time.

Before I do so, however, I ask unanimous consent that the time allocated to the distinguished minority leader be reserved for his use at any time during this calendar day.

The PRESIDING OFFICER (Mr. COCHRAN). Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I would appreciate it very much if the majority leader will yield to me 2 or 3 minutes.

Mr. BAKER. Mr. President, I yield 3 minutes to the Senator from Wisconsin.

DID THE SENATE BUDGET COMMITTEE TRUMPET IN A MOUSE?

Mr. PROXMIRE. Mr. President, the general reaction is that the Senate budget committee in their markup on the budget resolution has gotten off to a heartening start in bringing down the massive prospective Federal budget deficits that paralyze our economy by keeping interest rates so high.

Well, I cannot resist being the skunk at the family picnic. Would it not be great if we could believe the budget committee's projections? They do, indeed, look great, do they not? They claim to reduce the projected deficits by $416 billion over fiscal years 1983–85—or by two-thirds of projected deficit baseline without new savings. Terrific—if you believe it.

Here is one Senator who does not believe it for a minute and here is why:

Most of the cuts in spending and increases in tax revenues simply pull numbers out of the air to fit into some general category. A great deal of the reduction—$106 billion—is simply based on the pious hope that somehow interest rates will fall.

Of course, the reduction also depends on the assumption that both unemployment and inflation will decline.

The $40 billion cut in social security costs is to be achieved without any reduction in the cost-of-living adjustment. That is a neat trick if you can

do it. And the $95 billion in tax increases is to somehow result without touching the 10-percent tax cut scheduled for July 1, 1982, or the additional 10-percent tax cut scheduled for July 1, 1983. That is another nice trick, if we can do it.

About the only really hard and specific figure in the entire estimate is the Federal pay freeze for 1983 and the cap on Federal pay increases in 1984 and 1985 of 4 percent; but those would only save $28 billion of the $416 billion the plan purports to save.

Mr. President, the biggest weakness of the proposal is that with all its widely hailed big cuts, it would still leave us with a $106 billion deficit in 1983. And the reduced deficits of $69 billion in 1984 and $39 billion in 1985 are strictly pie in the sky.

For years I have watched various administrations and budget committees project big deficit cuts and balanced budgets—2 or 3 years down the pike, and always they fade away. This reduction will also fade unless the commitments become far more definite, far more specific, and far more painful.

CASUALTIES FROM A NUCLEAR ATTACK TO CRIPPLE AMERICAN ECONOMIC CAPACITY

Mr. PROXMIRE. Mr. President, on Thursday, I discussed the CATO policy analysis of the Soviet nuclear strike designed to destroy America's economic strength. I discussed the weaponry that might be involved in such an attack. Today, let us consider the casualties and economic effects of this kind of attack on this country. Here is what the Katz Osdoby study found:

Depending on the size of the attack, casualties would range from 20 to 45 percent of the U.S. population—40 to 90 million people—including 20 to 30 million injured. From 25 to 65 percent of the economy would be destroyed. The gross economic figures seriously understate the problem since even using the smallest attack A-4—100 1 megaton, 200-300 100 kiloton weapons—specifically targeted key industries are likely to be well over 50 percent destroyed—some as high as 80 to 90 percent. To put these numbers in perspective, a Stanford Research Institute (SRI) study for the Office of Civil Defense, the Federal Emergency Management Agency's predecessor, estimated that to recover from nuclear attacks in the range discussed here would take well over a decade. We believe these estimates are based upon unrealistically optimistic assumptions—or as the authors themselves state, the "upper limits on potential recovery. Projected recovery rates should prove over optimistic when compared with rates actually realized in a real case." If recovery is possible, and that is an open question, a more reasonable estimate would be several decades—perhaps 40 or 50 years. Of course, the attack described above are not full scale exchanges; under those circumstances, the number of warheads and megatons directed at urban/industrial targets could easily reach 2,000, 3,000, or more, as well as substantial fallout from ground bursts not included as part of attacks A-1 to A-4. In the case of a large scale attack, the damage would be even more severe and widespread than in the discussion to follow; combining the effects of parts I and II might provide the minimum damage expected with a full-scale attack.

Despite the effects of so-called urban sprawl and industrial migration, industry and population remain concentrated in a relatively small number of urban areas which present particularly vulnerable targets to nuclear weapons. Nearly 60 percent of the U.S. population lives in only 1 percent of the total land area of the United States. This is the result of the fact that approximately 85 percent of the population of large metropolitan areas live on only 10 percent of the total urban land area. The population within these metropolitan regions is concentrated in very high-density areas, rendering the United States even more vulnerable to an economic attack. For example, the implications of urban concentration are illustrated by the smallest attack, A-4. It would cause the destruction of about 20 to 30 percent of total manufacturing capacity and 45 to 55 percent of the manufacturing capacity of the 71 largest metropolitan areas. In cities as diverse as New York, Chicago, Los Angeles, and Akron, Ohio, A-4 would destroy approximately 50 percent or more of their manufacturing capacity. When the number of 1 megaton weapons in the attack on these cities is increased fivefold—500 percent—as in A-1, casualties and industrial damage increase only by approximately 200 percent.

Therefore, devastating economic destruction, disruption, and social disorganization would be caused even by the smaller attacks, since in terms of the destructive effects of nuclear weapons, population and industry are not really dispersed. In the Soviet Union, industry and population are concentrated even more densely than in the United States.

Later in the week, I shall discuss other consequences of the attack. I do this, Mr. President, because we as Senators cannot flinch from squarely facing the consequences of our policies. We must look squarely at the likely result of a nuclear war, however terrible, in deciding how far we can go with prudence to prevent it.

GARDEN OF REMEMBRANCE

Mr. PROXMIRE. Mr. President, the New York Times recently published an article entitled "Synagogue's Garden of Remembrance." It reports that a peaceful, tree-framed courtyard in Gramercy Park, New York City, has been dedicated to the 6 million Jews who were victims of the Holocaust.

A member of the Brotherhood Synagogue, the congregation that created the memorial, made a simple but profound statement during the ceremony. He said:

There cannot be too many memorials to the Holocaust martyrs.

The congregation's president spoke of revisionist historical accounts of the Nazi rule which try to distort the horrendous facts, facts that some of the members of the congregation were witness to.

Leading this effort is the Institute for Historical Review, an organization whose purpose is to promote the notion that the Holocaust was the "hoax of the 20th century." Its quarterly journal tries to convince readers that the Nazis did not systematically exterminate 6 million Jews; the poison gas was used only to kill lice, not people; Anne Frank's diary was a fraud; and that Adolf Eichman's trial was a frameup.

Dr. Heinz Schappen, another participant in the dedication, spoke as a representative of the West German Government.

We will remember—

He said.

We should remember. But I echo the phrase "To life."

Mr. President, I also echo the phrase "to life." And I offer the Genocide Convention as a mechanism to protect lives, lives such as those so viciously destroyed during the Holocaust. In the face of gross distortions like those made by the Institute for Historical Review, it is essential that we continue to report the historical facts.

The history of the Genocide Convention contains facts that we must be aware of. The treaty exists because the International Military Tribunal at Nurenberg determined that consideration of genocide was outside of the charter that established the tribunal.

Swift international reaction followed when the U.N. General Assembly, with U.S. support and encouragement, unanimously adopted a resolution declaring genocide an international crime. During the next 2 years, a drafting committee, chaired by the U.S. delegate, labored to draft a treaty which would implement the General Assembly's resolution. In 1948, the General Assembly unanimously adopted the Genocide Convention and 2 days later, the United States signed the treaty.

Mr. President, the next step is up to us in the Senate. The unratified genocide treaty is a sharp thorn in our side. I urge my colleagues to take this important step and ratify the Genocide Convention.

Mr. President, I thank the distinguished majority leader. I yield the floor.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order. I am prepared to yield it to any other Senator seeking recognition.

I yield to the Senator from Georgia.

Mr. NUNN. Mr. President, I inform the majority leader I probably need about 10 minutes.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The majority leader's time has expired, but the Senator from Georgia has a standing order for 15 minutes.

Mr. BAKER. Will the Senator from Georgia require 10 minutes in addition to the 15?

Mr. NUNN. No, Mr. President, I shall probably not take any more than my time.

Mr. BAKER. Mr. President, since I have no further time, I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized for 10 minutes under the previous order.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may continue to reserve that time for a little while.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR NUNN

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia is recognized for not to exceed 15 minutes.

Mr. NUNN. I thank the Chair.

THE PLIGHT OF SMALL BUSINESS

Mr. NUNN. Mr. President, I have asked for this time today to speak to my colleagues in the Senate and the Nation on the Nation's small business. This year, as in previous years, the Senate has passed a resolution, Senate Joint Resolution 180, sponsored by Senator WEICKER and myself and all members of the Small Business Committee, calling on the President of the United States to proclaim "National Small Business Week."

The President has issued that proclamation calling on the Nation to "celebrate" this week of May 9–15.

What is the significance of this special week?

Small businesses comprise the backbone of the American economic system. While there are approximately 10,000 corporations in the United States with more than 500 employees, there are more than 14 million farm and nonfarm small businesses with less than 500 employees.

According to the President's recent report on "The State of Small Business", small business employs almost 50 percent of the nongovernment labor force in this country. Small business is the greatest creator of Jobs; 77 percent of all new jobs are created in the firms with less than 50 employees.

The Senate Small Business Committee's reports have repeatedly cited the statistics and research conducted to "prove" what we have instinctively known: That small business is the innovator and invention leader of our Nation; that small business is the Nation's job creator; and that small business is on the "cutting edge" in the Nation's competitive marketplace.

Small business owners are in every business field imaginable. On an economywide basis, the small firm share of the gross national product now stands at approximately 38 percent, but it has declined in every industry sector from 1955 to today.

Mr. President, I have briefly reviewed these statistics to demonstrate that small business is not a special interest group in our American economy. Small business is the heart of the free enterprise system, that sector most likely to take the steps necessary to get this Nation back of the road to economic recovery.

We in Congress must do a better job of taking into account the impact on small business of the laws we enact. The President and the executive branch as a whole must do a better job of translating the rhetoric of concern for small business into substantive action in their policymaking.

As the ranking Democrat of the Senate Small Business Committee, and a member of that committee since I have been in the Senate, I believe we can take pride in the congressional attention paid to small business.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the major laws adopted in the 96th Congress relating to small business.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

During the 96th Congress, the Congress adopted several statutes which benefit small business. These include:

A requirement that Federal paperwork be cut by 25 percent within three years; that an office within the Office of Management and Budget be established to monitor the implementation of that 25 percent reduction, and that this office be given authority to review all agency reporting requirements (Paperwork Reduction Act, Public Law 96-511);

Tight new constraints on issuance of federal regulations, such as a separate tier of less onerous standards governing the compliance of small businesses and smaller governmental units (the Regulatory Flexibility Act, Public Law 96-354);

Provisions for the payment of legal expenses for firms which successfully contest federal regulations in agency adjudicatory proceedings or in court (the Equal Access to Justice Act, Public Law 96-481);

The most extensive de-regulation of securities law in 40 years, to make it easier for small business to attract venture capital (the Small Business Investment Incentives Act of 1980, Public Law 96-477);

Patent reforms which will permit small firms to retain title to discoveries made in the course of government funded contracts (the Patent Trademark Amendments of 1980, Public Law 96-517);

A strong program of export assistance to encourage small business entry into overseas markets (the Small Business Export Expansion Act of 1980, Public Law 96-481); and

Increased strength for the Small Business Administration's Advocacy Office to give small firms a greater voice in Washington decision-making (part of the reauthorization for the Small Business Administration, Public Law 96-302).

Mr. NUNN. Mr. President, the activities of the Senate Small Business Committee have continued on behalf of our Nation's businesses in the 97th Congress.

I ask unanimous consent to have printed in the RECORD a summary of the Senate Small Business Committee's activities for the 1st session of the 97th Congress.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

97TH CONGRESS

During the first session of the 97th Congress, the following items of particular concern and interest to small business have been addressed:

TAXES

The following tax provisions may be of benefit to small business. Many were offered in the Weicker/Nunn tax proposal, S. 360, and included in the Economic Recovery Tax Act (Public Law 97-34):

The White House Conference on Small Business' number one recommendation was a reduction in the individual income tax. The ERTA cuts the individual rate 5 percent on October 1, 1981; 10 percent on July 1, 1982; and 10 percent on July 1, 1983.

On estate taxes, the ERTA will allow transfers of up to $600,000 tax free; the old law exempted estates valued up to $175,000. In addition, the new law completely eliminated the tax on an estate transferred to a spouse, regardless of value.

An accelerated cost recovery system (15-10-5-3-) was adopted.

Direct expensing of $5,000 in the first year, rising to $10,000 after 1985, is now permitted.

The minimum number of shareholders to still qualify for Subchapter S treatment was increased from 15 to 25.

In addition to these provisions, on the last day of the session, the Congress approved the legislation deferring for one year (until December 31, 1982) the LIFO inventory recapture provisions enacted as part of the Crude Oil Windfall Profit Tax Act.

PRODUCT LIABILITY

Small businesses have been particularly hard hit by the increases in product liability insurance premiums; many had difficulty obtaining coverage at all.

During the 96th Congress, the Senate passed the Product Liability Risk Retention Act. The bill facilitates private groups to form "risk retention" groups to bargain for product liability insurance.

The legislation was not passed in the 96th Congress because of non-germane amendments added to it by the Senate. However, it was reintroduced in this Congress, and enacted as Public Law 97-45.

SMALL BUSINESS INNOVATION

Numerous studies have shown that small businesses are our Nation's most efficient and fertile source of innovations. Yet only 3.5 to 4 percent of the Federal R&D dollar is spent with small firms. This underutilization of small businesses in Federal R&D is especially regrettable when considering the highly successful track record of small firms in generating jobs, tax revenues, and other economic and societal benefits.

Following joint hearings by the Senate and House Small Business Committees in 1978, the Senate Small Business Committee began consideration of legislation to tap the small business potential with Federal R&D resources.

Although both the House and Senate Small Business Committees favorably reported small business innovation legislation in the 96th Congress, it was not considered in either chamber.

In the 97th Congress, Senator Rudman introduced S. 881, the Small Business Innovation Research Act of 1981. The purpose of the bill is twofold: to more effectively meet R&D needs brought on by the utilization of the small innovative firms (which have consistently been shown to be the most prolific source of new technologies) and to attract private capital to commercialize the results of the Federal research.

Under the bill, each agency with an R&D budget in excess of $100 million will be required to establish a Small Business Innovation Research (SBIR) program modeled after that of the highly successful National Science Foundation program. Small firms will be invited to submit research proposals to an agency concerning topics selected by each agency in accordance with its own R&D objectives. The Senate passed this legislation on December 8, 1981. The House Small Business Committee has reported similar legislation, but that bill has been referred to several other committees for their review.

Final Congressional action is likely by next summer.

GOVERNMENT LATE PAYMENTS

For small businesses that have been doing business with the Federal Government, a common, and unfortunate complaint has been the poor paying record of Federal agencies. Small businesses are not able to "carry" the Federal Government for months while waiting for bills to be paid.

In the 96th Congress, the Small Business Committee held hearings on this, and related, procurement problems. Senator Sasser and others introduced legislation to require the Government to pay its bills on time.

On May 6, 1981, Senators Weicker and Danforth cosponsored S. 1131, "The Delinquent Payments Act of 1981". This legislation would require the Federal government to pay interest on its overdue bills and prohibit Federal agencies from taking early payment discounts long after the discount period had expired.

The legislation passed the Senate on December 15, 1981. Similar legislation passed the House in June 1981, but because of some controversy unrelated to this issue, was not considered by the Senate.

SMALL BUSINESS COMMITTEE STATUS

The Senate Small Business Committee was created as a "Select" committee in 1950 to study and survey "by means of research and investigation all problems of American small business enterprises, and to obtain all facts possible in relation thereto which would not only be of public interest, but which would aid the Congress in enacting remedial legislation." At the time the Committee was created, it was not given any legislative authority. In 1976, Senate Resolution 104, was adopted, giving the Committee legislative authority over the Small Business Administration.

That action, for all intents and purposes, gave the Committee all the powers and authority of a full, standing Committee. Further recognition of the growing importance of the Committee came in 1978, when the membership, originally set at nine, nearly doubled to 17 to accommodate requests from Senators wishing to serve.

On March 25, 1981, the Senate unanimously approved a resolution sponsored by Majority Leader Howard Baker, Minority Leader Robert Byrd, and the entire membership of the Small Business Committee, striking the "select" designation and establishing the Small Business Committee to full, permanent status.

RECONCILIATION

Consistent with the effort to reduce spending in this Congress, the Small Business Committee, through the Reconciliation process, passed cost-saving legislation that reduced the Small Business Administration's program levels by over 40 percent. Major legislative changes in the Small Business Administration's program include:

In disaster lending:

SBA was removed from farm disaster lending; the principal responsibility now rests with the Department of Agriculture.

Homeowners, as well as business, must now meet a credit elsewhere test when applying for disaster loans.

Businesses able to get credit elsewhere will now pay the prevailing market rate on interest for a maximum term of three years. For businesses not eligible for credit elsewhere, disaster loans will be given at a rate not to exceed 8 percent. Businesses will be eligible for up to 85 percent of uninsured loss.

In SBA business lending programs:

Interest rates on all direct business loans would be set at the government's cost of money, plus up to 1 percent, (currently 15⅞) except in the case of loans to the handicapped which remains at 3 percent.

A mandatory 90 percent SBA guarantee was imposed for guaranteed loans of $100,000 or less; guaranteed loans of between $100,000 and $715,000 must be guaranteed at between 70 percent and 90 percent.

SBA's authorization levels for salaries and programs for fiscal years 1982, 1983, and 1984 were also reduced.

GOVERNMENT COMPETITION WITH SMALL BUSINESS

Many small business owners believe that the Federal government should rely on the private sector to supply its commercial goods and services. Further, they maintain that the government should not compete with the private sector by accomplishing these efforts with their own non-profit personnel and facilities. Several leading small business organizations and a 1980 SBA Advocacy Task Group on Government Competition have called on Congress to legislate in this area.

On June 22, Senator Hayakawa introduced S.J. Res. 93, a resolution that reaffirms and legislates a long-standing executive policy (OMB Circular A-76) of reliance on the private sector for supply of the commercial and industrial goods and services needed by the Federal government. This Committee held five days of hearings on the issue of Government Competition. The resolution is currently pending in the Governmental Affairs Subcommittee on Federal Expenditures, Research, and Rules.

COMMITTEE NOMINATIONS

During the first session, the Committee favorably reported, and the Senate confirmed, three nominees to positions in the Small Business Administration. These are:

Michael Cardenas, to be SBA Administrator, confirmed by the Senate on March 26, 1981;

Frank Swain, to be Chief Counsel for Advocacy, on July 31, 1981; and

Paul Boucher, reappointed to be Inspector General, on June 19, 1981.

On June 22, 1981, the Committee announced the formation of a National Advisory Council to the Committee. These people, involved with a small business on a day-to-day basis, are in the best position to tell the Committee what the problems of inflation, high interest rates and excessive regulation are doing to them and their businesses.

The Council is made up of 25 small business owners from around the country, chosen by the members of the Committee. Committee members will meet with the Council at least twice a year.

COMMITTEE OVERSIGHT

During the first session of the 97th Congress, the Committee conducted oversight hearings on a wide variety of programs both within, and outside of SBA. Those relating to SBA include:

(1) The 8(a) pilot program

(a) On January 23, the Committee met to consider what happened to be an unlawful and improper extension of the SBA 8(a) Pilot Program. the 8(a) Pilot Program was set up by Congress in 1978 as part of the SBA's ongoing minority business assistance effort. Under the terms of the two-year project, one agency—in this case, the Army—would be used to test the program.

On October 21, 1980, the Congress extended the pilot for an additional year under the same terms. Shortly before the change in Administrations, however, President Carter issued a memorandum on December 19, 1980, unilaterally extending the pilot program to an additional three agencies, an action not warranted or permitted under Public Law 96-481.

As a result of the hearing, the Presidential memorandum was rescinded and the 8(a) pilot program was not expanded past its original level.

(b) On September 21, the Committee held a hearing on S. 1620, a bill to extend the 8(a) pilot program for an additional 18 months. Testimony was received by the Committee indicating that the program has not been effectively implemented with the Department of Army. However, despite this track record, the Small Business Administration, wishing an opportunity to use this contracting tool to develop minority businesses, requested an extension of this authority.

Under the legislation, the program would be placed with a civilian agency (Defense agencies specifically excluded) for an additional 18 months.

On September 28, the full Committee reported S. 1620, and it awaits action by the full Senate.

(2) SBA's contracting procedures

On April 27 and 28, the Committee held hearings based on a two-month staff investi-

gation of internal procurement practices at the SBA. In testimony from the SBA Administrator, the Inspector General, and current and former Agency officials, the Committee produced evidence of flagrant disregard for and abuse of Federal procurement regulations by the SBA during fiscal year 1977–1980.

During the course of the two-day hearing, the Committee received assurances from new SBA Administrator Michael Cardenas that such abuse within SBA would not occur again. As a result of the investigation however, the Committee met in Executive Session and agreed to forward certain documents to the Justice Department for further review and possible legal action. That Justice Department investigation is still ongoing.

(3) SBA's farm disaster loan program

For a three-year period, from 1977 to 1980, the Small Business Administration has heavily involved in making disaster loans to farmers. More than $3 billion of a $17 billion SBA loan portfolio went out in farm disaster loans during that time. A committee investigation of that three-year period found that hundreds of millions of dollars worth of loans may have been improperly awarded.

In addition to fundings of absue, the Committee discovered a sizable delinquency problem within the farm disaster loan program. More than half of the $3 billion in farm loans are now delinquent. As a result of the hearing, the Office of Management and Budget has authorized the formation of a 99-man ask force to go into Region IV (the eight-state, southeastern region where the concentration of farm disaster loans is the greatest) and identify and begin to collect excess and duplicate payments.

In addition, the Department of Justice—which previously declined to criminally prosecute several cases of alleged duplicate payment because of questionable management procedures by the SBA lending officers—is considering taking civil action against those borrowers.

Finally, several statutory changes were made in the SBA farm disaster loan program during the Congressional consideration of the Reconciliation legislation.

(4) Direct loan program

Prompted by a series of highly critical articles published in the St. Louis Globe Democrat, Senator Dixon requested hearings on the SBA Direct Lending Program. On October 27, the Committee held what Senator Dixon called a "beginning of an examination of what needs this type of program can serve in the years ahead."

In addition to those hearings relating to Committee legislation and SBA oversight, the Committee conducted general hearings on a variety of topics. In part, these include:

(1) Interest Rates.—The Committee has thus far held five days of hearings on the impact of high interest rates on smaller business. Testimony has come from labor groups, agricultural representatives, Wall Street economists, and small business men and women in the field. In part because of the concern about high interest rates, and the Federal Reserve Board's monetary policy, on December 8, the Senate adopted a resolution (as an amendment to the Small Business Innovation Act) expressing the sense of the Senate that the next vacancy on the Board of Governors of the Federal Reserve be filled by an individual with substantial small business experience.

(2) Industrial Development Bonds.—The Committee has become deeply involved in the issue of tax-exempt Industrial Development Bonds (IDB's), principally because these are an important instrument of reasonable-cost financing for small and medium-sized businesses. In most cases, the tax-exempt status accorded small-issue IDB's is responsible for attracting small business participation in major economic development strategies.

A hearing on IDB's was conducted by the Subcommittee on Urban and Rural Economic Development, chaired by Senator D'Amato, on October 5. The testimony was strongly in support of a continuation of the pooling of IDB's and rejection of the IRS Ruling 81-216, which prohibits the pooling of small-issue IDB's.

There have been a number of bills and amendments which have been introduced to address the IDB revenue ruling specifically, others have gone to the substantive issue of the appropriate use of IDB's.

An amendment sponsored by Senator D'Amato, and included in the Second Continuing Resolution (P.L. 97-85), among other things, prohibits the IRS from using any funds to enforce Revenue Sharing Ruling 81-216. However, bond counsel are still reluctant (and in most cases unwilling) to certify the tax deductibility of bonds unless Congress specifically overturns the Revenue Ruling.

The same amendment was offered to the Treasury-Postal Service Appropriations bill (H.R. 4121). The amendment will be pending when the Senate returns to consideration of this bill.

(3) Deterioration of the Defense Industrial Base.—The Committee held one day of hearings on the subject of the U.S. defense industrial infrastructure, with particular concern about the small business, subcontractor component.

(4) Anti-Trust/Merger.—One of the greatest threats to the health of the nation's small businesses, as well as to overall strength of the economy, is the growing concentration of economic power in the hands of a few.

If the program for economic recovery is to work, it is absolutely imperative that the economy remain competitive. It is especially important that small business, the expansion of which is crucial to the recovery, not be hampered by illegal, noncompetitive acts. The anti-trust laws are the first line of defense against excessive economic concentration. In the interests of a free, competitive economy, we must have vigorous enforcement of them.

On December 1, the Subcommittee on Productivity and Competition, chaired by Senator Gorton, began an exploration of the Reagan Administration's Federal antitrust policy and enforcement intentions as it relates to small business.

Mr. NUNN. Mr. President, the advocacy on behalf of the small business enterpreneur continues in our committee. We are working diligently to open up the Federal procurement process to greater participation by small business. We know from experience and extensive hearings that small businesses are capable of providing a major share of the Government's $130 billion procurement needs in a timely, cost-effective, and responsible manner. Among our congressional tasks is to insure that the Federal procurement system is accessible to the small businesses of our Nation.

For example, both the House and Senate have approved similar versions of the Delinquent Payments Act that would assess monetary interest penalties against agencies that fail to pay its suppliers on time.

In addition, we must continue to work to remove barriers which prevent small business from having a fair opportunity to compete in the marketplace. There is no better example of these barriers than the onerous Federal regulations which are imposed on small business. To the extent that we can minimize that regulatory burden, we will insure that small businesses have an equal opportunity for productivity and competitiveness.

But frankly there is a pall which overshadows the positive accomplishments made to date and much more needs to be done, both in an individual sense, a detail sense, and from a sense of the overall economy.

Mr. President, like all of us, I am very concerned about the current state of the economy. The stubbornly high interest rates which currently exist are choking the very life from the small business sector, since it is so heavily reliant on bank-financed debt capital as its major source of funds. In fact, as the President's report on the state of small business correctly points out:

> Since approximately 80 percent of small businesses rely on financings from depository institutions, an increase in the cost of financing and a decrease in the availability of funds from these institutions has a more severe impact on smaller firms than on larger firms. Small firms experience the impact sooner and for a longer duration.

Interest rates paid by small business will differ according to the lender, and the business. But normally, a small business owner can expect to pay 2 to 3 percent above the prime for a short-term bank loan. While the nominal interest rate that the small business owner is forced to pay is high, since 1980, the real interest rate, the difference between nominal interest rates and the rate of inflation, has soared.

For the first time in the 7-year history of their report, the National Federation of Independent Businesses' Quarterly Economic Report of July 1981, cited high interest rates as their members' single most important problem. The devastating impact of high interest rates on small business becomes even more exacerbated when coupled with a sluggish economy.

Simply, while there is a general acknowledgement that the American economy as a whole is in a recession; I fear that the small business sector is hovering dangerously close to a full-fledged depression.

While some see a light at the end of the tunnel for the economy, frankly I worry that, for the small business community, that light is the beginning of another freight train.

We have already seen the fallout from this combination of economic factors. Business failures in the first 14 weeks of 1982 are 55 percent ahead of the comparable period last year, and 2½ times ahead of the same period in 1980.

If business failures continue at the same rate for the balance of this year—and I hope they do not, but there is every economic indication that they will—1982 will break the record for business failures set in 1932.

I am also very troubled with the recently announced national unemployment figures. Apart from the staggering proportions of unemployed, I am particularly concerned that the number of individuals who have stopped looking for work has also reached record proportions. As the small business share of the economy shrinks, and the number of small business closings increase, the prospects for finding meaningful long-term employment opportunities for our Nation's unemployed decline.

Beyond the short-term economic consequences of these issues, little, if any, attention has been focused on the long-term impact of the contraction of the small business sector with its resulting reduction in revenue, jobs and market contributions. But, frankly, there is no more pressing national priority to assist small business than to reduce the Federal deficit. I noted with interest Senator PROXMIRE's remarks on that subject just a few moments ago. I must say that although I welcome the President and the Republicans on the Budget Committee getting together, I was very disappointed that the Budget Committee projections are primarily pie-in-the-sky-projections that do not detail the cuts, nor detail the tax increases that would have to occur to really begin to move in the direction they have indicated.

The budget debate that will take place in the Congress over the next several weeks must focus our economic thinking on the twin-headed monster of huge Federal deficits and its corresponding impact on high interest rates. Until we significantly reduce the Federal deficit, the high level of Federal borrowing from our credit markets, interest rates will simply not fall to reasonable and sustainable levels.

Meaningful progress toward reducing the deficits now projected also will require the best bipartisan efforts of Members of Congress. I remain hopeful that a broad bipartisan consensus for such a package will develop in the weeks ahead.

I believe we can make additional meaningful cuts in fiscal year 1983. Such cuts will only be possible, however, in combination with an examination of all areas of Federal spending, including both defense and entitlements, and a review of the tax side of the ledger.

As a practical matter, I think that the tax cut that took place in 1981 has to be reconsidered in the outyears. While I would certainly leave the 1982 individual and business tax cuts in place, as well as the savings incentives aspect of the total tax package, I feel that the third year of the individual tax cuts should be spread out, or should be made contingent on a sustained drop in the long-term interest rate. I also believe that certain other business tax changes should be looked at again; particularly, the leasing provision seems to me questionable when we are now debating a deficit of between $100 and $180 billion. As a practical matter, most of the small business community is barred from taking advantage of the leasing provisions on either side of the transaction.

I again want to express my appreciation to Senator WEICKER for having detailed hearings in our committee pointing out the inequities involved in the present safe harbor leasing arrangement.

If we are to stem the growing uncertainty in the financial markets, the future tax cuts must be made contingent on proportionate cuts in Government spending in order to avoid the budget deficit increases that offset the intended benefits of the tax cuts.

It is interesting to note, based on the budget projections now, that unless they are changed, almost every penny of the tax cuts in the next 3 years will be not from cuts in Federal spending but, rather, from additional Federal borrowing. The Federal Government is borrowing the money to cut the taxes.

In 1978, the Senate passed a 5-year tax cut plan I offered, along with Senator Bellmon from Oklahoma and Senator CHILES from Florida, that called for tax reductions but only after spending cuts. That approach was dropped in conference with the House of Representatives. I think we must return to that approach if we are to reduce taxes in a rational way that does not cause complete havoc in the financial markets as we are now experiencing.

In the past our economic and industrial future was vested in the major corporations. It is clear that we can no longer continue that reliance but must refocus our attention on the small businesses that have indeed helped make this Nation great.

But in the past 2 years, thousands of our country's growth and productivity-oriented companies are being gobbled up. I am extremely concerned that the merger policies of the antitrust enforcement agencies has helped spawn that "merger mania."

I have heard firsthand the testimony of our top antitrust officials. I have read it and I have heard it in committee and, frankly, I can readily understand why the small business community is expressing great concern.

During the next several weeks the Department of Justice will be preparing its announced revisions to the 1968 merger guidelines. I hope that the Senate Small Business Committee will have another opportunity to review the status of the enforcement of those antitrust laws so critical to the small business sector.

Mr. President, small business is unique in another context. It provides the single best source for minorities and women both as entrepreneurs and as employees.

According to the most recent Bureau of Census survey of minority-owned business in 1977, there were over 560,000 minority-owned firms, with combined total gross receipts in excess of $26 billion.

Similarly, the most recent survey of women business owners identified over 700,000 women-owned businesses, with combined receipts of over $42 billion. Most impressive, I think is the 30-percent increase in the number of women-owned businesses, and a very large 72-percent increase in business receipts.

Yet, while the economic hardships strike at these businesses, like all other small businesses, their unique characteristics and special problems often appear to affect their businesses much more severely.

It would be unrealistic to expect that fine-tunings in the economy, or even the beginnings of a recovery would translate into a significant short-term turnaround in the chances for success for these small businesses. We should not hesitate to reach out, with special recognition and assistance, if need be, to join in aiding their chances for survival.

Finally, Mr. President, in 1953 Congress recognized the contributions of the small business community, and established the Small Business Administration. The often repeated policy of the Congress is that the Small Business Administration shall "aid, counsel and assist, in so far as possible, the interest of small business." We in the Senate Small Business Committee have tried to be diligent in our oversight responsibilities to insure that the agency is meeting its statutory mandate, and carrying out the congressionally established programs.

Those programs fall into two major types—operational, such as lending or the management assistance programs go well as advocacy.

In the direct Government to small business programs, we have sought to the greatest extent to rely on the private sector or on a joint partnership. To a large extent, we have been successful, and I would expect that we will continue with this philosophy.

But in the intragovernmental functions, we must expect a better re-

sponse from our small business proponents, and demand greater receptivity from the executive branch.

Mr. President, Small Business Week should be used to call attention to the outstanding contributions that small business makes to every aspect of our daily lives. It is also a time for those of us who are advocates of a healthy small business sector to point areas where we need to pay particular attention to insure that the small business community can continue to flourish.

I hope that my statement today, as well as other statements by other Senators today and all week, will serve as the basis for future action for this important sector. In my view, America must have a vigorous and a healthy small business community.

Mr. President, if I have any time left, I yield back that time.

The PRESIDING OFFICER. The time of the Senator has expired.

Under the previous order, the Senator from Kentucky, Mr. Ford, is recognized for not to exceed 15 minutes.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I believe I have some time reserved.

The PRESIDING OFFICER. The minority leader is correct.

Mr. ROBERT C. BYRD. I thank the Chair.

SMALL BUSINESS, HIGH INTEREST RATES, AND THE DEEPENING RECESSION

Mr. ROBERT C. BYRD. Mr. President, small business has long been the backbone of the American economy. Its local focus and decentralized nature extend the Jeffersonian ideal of small, independent farmers into the urban era. More than all the speeches about local autonomy, small businesses provide a source of independent economic and political muscle for the majority of our citizens.

Unfortunately, as most Americans are reawakening to the vital role small business plays in our democracy and in our economy, the existence of many small businesses are threatened by the continued assaults of high interest rates and slack consumer demand.

In all previous recessions, interest rates began to fall sharply by the 6th month of the downturn. But in our current recession, which has now entered its 10th full month, real interest rates remain at record levels. Certainly the prime rate has edged down since its 20.5 percent peak last July, but most small businesses pay at least 2 to 3 points above the prime for their borrowings.

That means small businesses are borrowing at 18.5 to 19.5 percent, while inflation for the last 3 months has been running at a scant 1 percent. In other words, small businesses are paying an average of 17.5 to 18.5 percent real interest on their loans. No business, least of all our smaller businesses, can afford to stay open with interest rates at that level.

In fact, the continued surge of bankruptcies indicates that many small businesses are simply shutting their doors forever in the face of the prolonged recession and record real interest rates.

These interest rate levels are not a historical accident. They are not out of our control, but they will not come down until there is a change in the deficit and monetary policies of this administration. With triple-digit deficits forecast for the foreseeable future, and a continued stranglehold on the money supply, this administration is driving the small borrower out of the money markets in favor of the Government and major corporations that can afford whatever interest rate is demanded.

Just last week, an organization of leading commercial bankers, central bankers, and Government officials, called the Group of 30, issued a unanimous statement calling on the United States to, ". . . in particular, avoid an unbalanced mix of monetary and fiscal policies." Among the signers of that statement were Federal Reserve Board member Henry Wallich and president of the New York Fed, Anthony Solomon.

The other horn of small business' dilemma is the continued lack of consumer demand. Even if interest rates were affordable, no business can continue unless its products begin to sell, and although we have heard repeated administration predictions of incipient economic recovery, there are still no signs that recovery has arrived.

Indeed, last Friday was a particularly bad day for economic omens as unemployment reached a 41-year record of 9.4 percent, and the Conference Board released its consumer confidence index for April, which showed a further drop in confidence and a steep fall in buying plans for American consumers.

Obviously, if Americans are not planning to buy new goods and services, the hope of an economic recovery cannot be realized. The Conference Board survey says that the buying plans index, which asks consumers about planned purchases of cars, homes, and appliances during the next 6 months, fell from 94.8 percent in March to just 67.7 percent in April. This is a 28 percent drop in consumer buying plans in just 1 month.

In the face of record real interest rates, record unemployment rates and a 28 percent drop in spring plans by consumers, what good news is there for small business on the first day of Small Business Week?

The good news is that this administration, and the Congress know that no progress against high interest rates can be made until the high deficits and tight money policies of this administration are reversed. Congress, in both the Senate and the House, is moving toward a budget resolution with much lower deficits, and with congressional resolutions for the Federal Reserve Board to moderate its monetary policies in light of smaller future deficits.

JOBS AND SMALL BUSINESS

● Mr. MELCHER. Mr. President, small business is critical to our Nation in a multitude of ways. In times of economic distress such as we are facing now, however, no role for small business is more important than its role as an employer. New and existing small businesses have provided an astonishing 86.7 percent of the Nation's new jobs in recent years.

However, even more recently, that job creation potential has been severely hamstrung by the state of our national economy. Rapidly increasing bankruptcy rates, continuing excessive interest rates, and massive unemployment rates are all undermining the role of small business as employer.

The report of the White House Conference on Small Business in 1980 clearly stated that "to achieve a healthy level of employment for Americans in the 1980's, 11 million new jobs will have to come from small business." Further, small business is frequently the employer of first resort. It is often the provider of on-the-job training in basic job skills to the first-time employee. This means that many of the sectors of our labor force that are particularly hard-pressed, like youths, minorities, and women are normally likely to find their best opportunities with small business.

Without a healthy small business climate, however, those opportunities disappear. Indeed, that is happening right now. The January 1982 NFIB Quarterly Economic Report for Small Business produced by the National Federation of Independent Business offers a grim picture for small business employment.

According to the report, "there was virtually nothing positive that occurred in the small business economy during the fourth quarter. The loss in employment (seasonally adjusted) was

far and away the sharpest quarterly decrease ever reported in the survey."

This particular quarterly survey, which was originated in late 1973, goes on to state that "the employment losses reported by small business for the fourth quarter were little short of staggering. On a seasonally adjusted basis, losses were over 50 percent higher than those recorded in the second quarter of 1980."

The implications of this current picture of small business employment are tremendous. One must consider that not only is small business the hirer of first resort, but also it is the firer of last resort. Small businesses tend to do all they can to retain employees. Frequently, there are close personal relationships between management and labor in a small business concern. When small businesses are faced with a serious economic crisis they will look at trimming back employment as a last step necessity, not the first step beginning point.

It costs the Federal Treasury about $25 billion for every increase of 1 percent in unemployment. The Government suffers a double loss because it must increase the payment of benefits at the same time it loses tax revenue. Keeping people on private payrolls and getting the unemployed back to work is essential to our fight to reduce Federal budget deficits, and thus improve the economy generally.

But if we are to have a small business sector of the economy capable of generating the jobs that we must have, we must have a national policy that fosters the formation and growth of small businesses. Unfortunately, we do not.

The Economic Recovery Tax Act of 1981 is the principal feature of the current administration's business policy. And it does do a lot for business—big business. A Library of Congress study shows that small business receives only 17.8 percent of the business tax cuts in ERTA. Furthermore, the same study suggests that the small business share of tax cuts from all provisions will actually decline over the next 4 years.

Small business people in Montana tell me that they are fighting for their lives. Yet giant corporations like Du Pont do not seem to have any trouble acquiring lines of credit worth billions of dollars in order to take over other companies at the same time that small businesses cannot get enough credit to survive.

The concept of antitrust also seems to have gone out the window. Business Week quotes a Washington antitrust lawyer as saying, "Businessmen assume—with some justification—that what was once off limits is now permissible." Last year the Justice Department received 260 more merger notifications than they had the year before—a 32-percent increase. Yet, the whole concept behind antitrust is to help preserve fair competition. The Robinson-Patman Act, often called the Magna Charta of small business, is particularly designed to protect small businesses from unfair price discrimination. The assistant attorney in charge of antitrust at different times has called the Robinson-Patman Act: "an unjustified protection for small business from the rigors of competition" and "a dreadful piece of legislation" and "full of absurdities." That would not seem to be the most helpful attitude in these difficult times.

The Small Business Administration is the most visible agency directly responsible for providing Federal assistance to the small business community. I am sure that there are many small business people who feel that "SBA isn't always what we would like it to be, but it's all we've got." They may not have it much longer.

Last year the administration raised the interest charge on SBA direct loans from 9¼ to 15¼ percent. But that doesn't really matter because next year their proposals virtually eliminate all the SBA direct loan programs anyway. One would expect that if you were killing direct loan programs, you might want to increase guaranteed loans to take up the slack. But that's not the case either. In fact, guaranteed loans are also being reduced.

The Attorney General tells us that "bigness is not necessarily badness." I am sure that in many cases he is absolutely right. However, I also happen to believe that "bigness is not necessarily better." The report of the White House Conference on Small Business was correct when it said, "if we are to achieve anything approaching a healthy level of employment for Americans in the 1980's, the leverage for public policy lies in spurring entrepreneurship and existing small companies." That is the national small business policy we need.

The 96th Congress, the last one controlled by Democrats in both the House and Senate, probably saw more important small business bills passed than any other Congress in recent memory. A few of the more important new laws include: Equal access to justice, which provides for the payment of legal fees of small firms that successfully challenge unfair Federal regulations; regulatory flexibility, which requires Federal regulators to attempt setting more reasonable standards for small businesses; paperwork reduction, which requires Federal paperwork to be reduced by 25 percent within 3 years; small business export expansion, which strengthens export assistance for small businesses interested in getting into overseas markets; small business investment incentives, which makes it easier for small business to attract venture capital; and patent trademark amendments, which permits small firms to retain title to discoveries made in the course of work on Government funded contracts.

The Senate has successfully completed action on several important measures this Congress. The Small Business Innovation Act will allocate a larger share of Federal research and development dollars to small business. The Prompt Payment Act will require the Federal Government to pay an interest penalty when it fails to pay its bills on time. The Regulatory Reform Act requires bureaucracies to assess the need for their proposed regulations and to defend their necessity if challenged in court while also giving Congress a veto authority to turn aside unwise and unneeded regulations.

All of these are important steps in strengthening the position of small business in our Nation. But more needs to be done. A national policy that will truly lead to a healthy, vigorous, and competitive small business economy must be shaped with the active participation of the small business community itself.

Currently, small business viewpoints are not actively solicited on any kind of regular basis in the policymaking process of the Federal Government. Policymaking units too frequently do not even recognize that small business forms a distinct economic structure within our larger national economy. The equation that what is good for all business is good for small business simply will not work any more.

To help involve small business in our work, I have appointed five regional advisory task forces on small business in Montana. Over 80 persons representing the diversity of Montana small business serve on these task forces. Since the first of the year, I have had seven meetings of these task forces. I will have more.

The feedback from these groups has been uniformly positive and useful. For example, Russ Clark of Billings, Mont., says:

> We can't have a country of just big business. Now, I may be one of those small businesses who survive the hard times, but that's not what I want. I want competition. The consumer needs to have more than one place to buy a product—if he didn't have, can you imagine what would happen to prices?

I am sure that it will come as no surprise that the message I most often hear from this advisory group and from other small business people I talk with in Montana is that interest rates are simply too high. This, of course, is a particularly devastating problem for small businesses. They seldom are in a position to meet their capital needs by floating a sale of corporate bonds. Their working capital is acquired by short-term, bank-financed

debt. That is precisely where high interest rates are felt the sharpest.

In my January report to Montana small business, I indicated my concern over the effects of the Fed's tight money policies. At that time I said:

> It's a simple fact that budget cuts and tax cuts are only two of the three things that, like the three legs of a stool, are needed to support a strong economy. Without the vital third "leg"—an adequate supply of long-term, stable, and reasonably priced credit—there can be no economic recovery and growth.

Now, nearly a half year later, there is still no change in the administration's tight money policies. This situation clearly demands the same level of commitment, creativity, and political push that went into last year's budget and tax cut efforts. Unfortunately, the administration does not seem as prepared or as willing to reduce deficits as they were prepared and willing to lay the groundwork to create deficits last year.

In his March 1982 report on the state of small business, the President said:

> The success of the American economy is critically dependent upon preservation of real opportunity for small business. Historically, small business has provided much of the growth in jobs and innovation as well as being the supplier of services and deliverer of goods to virtually every farm, village, town and city in our nation.

He is right. At the same time, Dun & Bradstreet tells us that business failures in the first 8 weeks of 1982 were running 55 percent ahead of the comparable period in 1981, and 2½ times the comparable period in 1980. If the 1982 levels continue, the failure rate will exceed the levels of the 1930's.

Small business is clearly the backbone of our national economy. In Montana, nearly 98 percent of all private business establishments employ fewer than 50 people. And since 1970, more than 60 percent of all new jobs in Montana's private sector have been created by businesses employing fewer than 10 individuals.

Yet for all the importance that small business contributes to our national economy, it continues to get the short end of the stick. Small Business Week is an appropriate recognition of the importance of small business. But what small business needs is not a week of flowery speeches and nice ceremonies but a genuine policy that incorporates small business into the decisionmaking process and genuinely gives small business the clout it deserves. Surely the job creator, innovator, melting pot, exporter, competition provider, and risk taker of America is entitled to no less.●

NATIONAL SMALL BUSINESS WEEK

(By request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. ZORINSKY. Mr. President, as a small businessman myself for 23 years, I am more than happy to join with my colleagues in pausing to recognize the tremendous contributions of small business and small business people to our Nation. I only wish National Small Business Week would find the economic health of the small business community in better shape than it is today.

This country owes a great debt to its small business men and women. Perhaps no other group has done so much to make us prosper—or is so uniquely American.

Today, our 14.7 million small businesses employ 47 percent of the nongovernment labor force and produce 38 percent of our gross national product.

Two out of three new jobs in this country are created by small business and small businesses produce twice as many innovations per employee as do larger firms.

And small business has played a key role in providing economic opportunities for minorities and women. Today, minority-owned firms account for 5.7 percent of all small businesses while women-owned firms account for another 7.1 percent. Both categories increased 30 percent in the 5-year period ending in 1977.

Unfortunately, the current recession has taken its toll on this important segment of our society. It is a regrettable fact of economic life that when the national economy sneezes, small businesses catch pneumonia. And we don't have to look far to find symptoms of pneumonia in the small business community today.

Between 1980 and 1981, business bankruptcies increased 32 percent in this country and business failures increased 42 percent. Hardest hit were the construction field, with a 49-percent increase in failures, and service businesses, with a 47-percent increase.

Nor did things improve any in the early months of this year. Through March 25, 1982, business failures totaled 5,257, compared to 3,460 a year earlier. That represents an increase of almost 52 percent and it works out to an average of almost 500 businesses failing each week. Clearly, something has to be done to reverse this disturbing trend.

The 1981 tax cut bill included several provisions designed specifically to benefit small business. But high interest rates have choked off the increased investments that were to spearhead these gains.

Today's soaring interest rates are particularly threatening to small businesses, since many depend on borrowed money to finance growth. For this reason, I have long advocated putting someone with a small business background on the Federal Reserve System's Board of Governors—and I have cosponsored legislation that would do just this.

Finally, Mr. President, no discussion of the state of small business today would be complete without mention of the tremendous burden imposed on the small business community by excessive Federal regulation and paperwork. It is a problem on which I can speak from personal experience.

Most Federal regulations dictate the same compliance requirements on small businesses as they do on large corporations. But the small business man or woman cannot afford an army of lawyers to help him through this regulatory minefield. As a result, the small business person is put at a tremendous competitive disadvantage compared to larger firms.

Recent efforts of the administration to cut back on the number of regulations spewing forth from Washington are commendable. But more, much more, needs to be done.

Mr. President, in his foreword to the 1983 State of Small Business report, Ronald Reagan noted that "small business is the heart and soul of the free enterprise system." I heartily agree with that sentiment. The importance of small business to our economy and the entire fabric of our national life cannot be overstated.

During this National Small Business Week, let us rededicate ourselves to solving the problems that face small business today. Let us pledge to reduce the regulatory burden, to bring down investment stifling interest rates, and to end the recession that is crippling our economy.

Small business is not, and never has been, a small matter in America. Operating or working in small business is a good way to make a living—and a good way to help make the country strong, free and prosperous. We must do everything in our power to keep it that way.●

SMALL BUSINESS WEEK

● Mr. HUDDLESTON. Mr. President, I am proud to have been an original cosponsor of the resolution which resulted in designating May 9-16 as "National Small Business Week." As a nation, we owe a tremendous debt of gratitude to the thousands of small businesses which play such a vital role in our economy. The contribution of small business to the U.S. economy in terms of new jobs created, initiation of innovative new products and services, and opportunities provided for anyone who is willing to work hard is astounding. In recent times, small business has created over 85 percent of our new

jobs and contributed to more that half of our major innovations.

Small business has proven that it can make these contributions because it is able to respond very quickly to changing patterns in our economy. However, just as it is quick to respond, it is usually the first to be seriously hurt by downturns in the economy. The serious recession we have been in for months has made this all too clear.

The recent economic reports which bombard us every day through the news media are the worst this Nation has seen since the Great Depression. In every sector of the economy, the news is the same—workers and businesses in increasing numbers are falling victim to hard times. Unemployment has reached the highest level in 41 years, and if the current trend in business bankruptcies continues for the remainder of 1982, we will experience the highest number of business failures since 1932.

While these cold statistics are sobering in and of themselves, the human misery and suffering which is generated by these rising numbers is appalling. For an unemployed worker, it means the loss of the dignity and pride which goes with performing a needed job and the heartbreak of watching his or her family go without necessities. For the bankrupt business person, it means seeing the business he or she spent his or her life building sink into a sea of rising debt. For the Nation as a whole, it means lost economic opportunity which will be extremely costly to recoup.

In April, Dun & Bradstreet announced that there were 6,205 business failures during the first 14 weeks of 1982. This represented an increase of more than 55 percent over business failures during the same period in 1981. These failures now stand at a 21-year high and are certain to continue. Even if the recession were to end today, the debt burden carried by many businesses is so great that it will eventually bring them to their knees.

The vast majority of these business bankruptcies are small businesses. For example, the Small Business Administration reports that in the construction industry the failure rate is up by 49 percent and in retailing, it is up 41 percent. These statistics are made much more real to me each time I return to my State and see the increasing number of vacant store and office fronts.

Because most of these failures are in the small business sector, the net effect on the national economy is exacerbated. This is because small businesses are generating more than half of the new product and service innovations and most of the new jobs.

The increasing number of failures in the small business sector will have serious long-range implications for the growth potential of our whole economy. The failure to respond to the needs of small businesses now will be a decision that we will have to pay for years down the road.

The primary reason for this rising wave of business failures is no mystery; it is simply excessively high interest rates. Small businesses cannot afford to borrow money at today's rates and without an affordable line of credit, they go belly up. On the other hand, those that can afford the high rates are experiencing decreasing demand as a result of the deepening recession—driven mainly by high interest rates—and they too are going belly up. One way or another, the high rates are ambushing small businesses and cutting them down in increasing numbers.

Since the primary reason for the economic disaster which is now befalling our Nation is well known, one would assume that there would be an all-out effort made to bring these rates down immediately. Surprisingly, this is not the case. Instead, we have an administration that seems to be totally unaware of the hardship and suffering which is caused by its trickledown economic policy.

The small business person who is going bankrupt today is told by the President not to worry because the economy is bound to turn up sometime in the future. This is tantamount to a fire chief telling the victims trapped in a burning building not to worry because it is bound to rain sometime.

I believe that a much more realistic policy would be to save as many businesses as we can now, so as to accelerate the economic turnaround when it does come and lessen the overall damage.

The sky-high interest rates are a product of two factors. First, the Federal Reserve has been pursuing a very tight monetary policy and second, high Federal deficits are putting too much pressure on the money markets. This administration has failed to respond adequately to either problem. No pressure has been put on the Federal Reserve to loosen its monetary policy, even though repeated efforts have been made in Congress to require this. Fortunately, some Members of Congress have not given up on this idea. Some House Members have announced that they will push to include in the upcoming budget resolution a requirement that the Fed undertake less restrictive targets for money growth.

This administration has also failed to respond adequately to the crushing burden of the Federal deficit. The first complete fiscal year under this administration will produce a record deficit, and the fiscal year 1983 budget which this administration submitted to Congress would have produced an astounding deficit of $182 billion next year.

Fortunately, every member of the Senate Budget Committee, including those of the President's own party, recognized the absurdity of this budget and voted to defeat it. However, because of the administration's failure to compromise on key issues such as defense spending and the monumental tax increase pushed through Congress last year, the state of the budget and ultimately the economy is still uncertain.

This administration's failure to meet the desperate needs of small business stems from a basic insensitivity to the small business sector. Because it is insensitive to their problems, it does not feel compelled to take the steps which are necessary for their continued health and well-being.

This insensitivity is illustrated by the recent annual report on small business issued by the President. The Small Business Economic Policy Act of 1980 requires the President to issue a report on the state of small business and to recommend a program for improving it. While the recent report documented the vital role played by small business in the U.S. economy and recognized that small business has unique problems, the report offered very little in the way of solutions to these unique problems. The insensitivity of this report from the standpoint of overcoming the special problems of small business is glaring.

As the ranking Democrat on the Senate Agriculture, Nutrition, and Forestry Committee, I have a particular interest in the farm sector of our economy.

The typical U.S. family farm is a small business. Even though family farming may require a large investment in land and equipment, it is usually an investment made by the farm family; and, in most cases, members of the family are the only employees of the business.

However, the number of family farms in this country has been on the decline for decades, while the size of the average farm has steadily increased.

As the structure of U.S. farming has evolved, it has become more and more difficult for the small-businessman farmer—the family farmer—to stay in operation. Also, modern-day commercial farming on larger tracts requires substantial outlays for machinery, equipment, fertilizer, pesticides, and other technologically advanced tools.

Also, as we all know, the price of agricultural land has skyrocketed.

The growth in capital requirements has created serious financing problems for many beginning farmers. It has become increasingly difficult for younger farmers to acquire capital to purchase farm assets, buy out the other heirs involved, or pay the estate taxes on farms.

But, beginning farmers and other farmers with substantial capital needs are not the only producers struggling to make their businesses successful. U.S. agriculture, in general, is suffering from a depressed economy that affects almost all family farmers, and the situation has been getting worse each year for the last several years.

In 1980, total real farm income, adjusted for inflation, dipped below $10 billion for the first time since the early 1930's. In 1981, increased costs of production (including interest charges), weak commodity prices, and failure to achieve big increases in agricultural exports resulted in a second consecutive year of extraordinarily low farm income.

Barring major modifications of current agricultural policy, real farm income in 1982 is expected to be even lower than it was in 1980 or 1981. Without action, if present projections prove to be accurate, farmers will experience, in 1982, the lowest real farm income since the Department of Agriculture began making such estimates in the early part of this century.

The last time farmers experienced 3 consecutive years of such low income was in the midst of the Great Depression, when thousands of farmers with small business operations were forced out of business. Just as it was in the 1930's, many farmers today are confronting the prospect of liquidation either because they cannot pay their bills, or because they simply cannot continue to operate at a loss.

As agriculture falters, related industries, such as the farm machinery industry, and small businesses in rural communities are being adversely affected. A recent survey of American Bankers Association member banks concluded that local rural economies have been broadly affected by low farm income, and that there is a recession in rural areas directly related to the farm income problem.

Also, because modern agriculture is highly capital intensive, all farmers are being devastated by high interest rates and the inability to obtain operating credit. It is abundantly clear that, in addition to the emergency created by plummeting farm income, a financial emergency exists for the many farmers in need of credit.

For the first time ever, the Farm Credit System and the Farmers Home Administration have found it necessary to monitor the number of foreclosures. Each foreclosure represents a failure. In some cases, the failure is on the part of the farmer because of imprudent expansion or poor management. However, in many cases, Government policy is to blame for the failure.

I believe actions can be taken to correct the failure of present policies to help America's small businessmen-farmers.

During the last few months, I have offered several proposals that would modify present policy. Under existing law, the President and the Secretary of Agriculture have the programs and authority necessary to avert future huge farm surpluses, depressed prices, and massive foreclosures.

Specifically, I urge the President and the Secretary to take the following actions—

First. The President should work with, and encourage, the Federal Reserve Board to adjust its monetary policy so as to reduce the rate of interest farmers must pay to obtain credit for necessary production items;

Second. The President and Secretary of Agriculture, using the broad authorities vested in them by Congress, should take emergency action to stabilize commodity prices received by farmers and provide credit assistance to farmers, including the following actions—

A voluntary paid-land diversion program for producers of wheat, feedgrains, upland cotton, and rice;

Increased price support loan rates for wheat, feedgrains, and rice;

The implementation of an aggressive agricultural export development program;

With respect to farmers who, through no fault of their own, are temporarily unable to meet their debt obligations on Farmers Home Administration farm loans—permitting them to defer making repayments on the loans; forgoing loan foreclosures, whenever possible; and permitting borrowers to reamortize or reschedule their loans; and

The immediate nationwide implementation of the Farmers Home Administration economic emergency loan program; and

Third, the President, in nominating persons for positions on the Federal Reserve Board, should insure that agricultural and small business interests are provided fair representation on the Board.

Timing is essential if any action is to be of assistance to farmers. Immediate relief is needed to forestall foreclosures and forced liquidations. For that reason, the administration should consider the farm situation as an emergency and act quickly and decisively.

The recommendations that I have provided are a fiscally sound means of providing the assistance farmers need. I strongly urge the administration to see that they are implemented immediately.

Mr. President, as we begin this week of recognition of small business, I believe that Members of Congress should assure the small business community that their unique and special problems will be dealt with speedily and constructively. If small businesses are more sensitive to downturns in the business cycle, we should find ways to counteract that sensitivity; if small business has a handicap in the capital markets, we must overcome that handicap, and if high interest rates are more devastating to small companies, we must provide special assistance when necessary.

As a member of the Senate Small Business Committee and the Agriculture, Nutrition, and Forestry Committee, I plan to make these goals a priority and I urge my colleagues to do the same.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield whatever remaining time I have to the distinguished Senator from North Carolina.

Mr. HELMS. I thank the able minority leader.

GOOD ADVICE ABOUT CENTRAL AMERICA FROM ONE WHO KNOWS

Mr. HELMS. Mr. President, it is an understatement to suggest that the major U.S. news media have not accurately conveyed the facts about the military conflicts in Central America. The overall strategy and the violent determination of the Communists is rarely reported to the American people. Rarer still is such a report by someone with personal experience of Communist aggression.

But in the April 12, edition of the Charlotte (N.C.) News, there was precisely such a report, written by Robert Suarez, a native of Cuba who now lives with his family in Charlotte. Mr. Suarez is general manager of both the Charlotte Observer and the Charlotte News in my State. His article was entitled "True believers: What we haven't learned is that Central American Marxists want to do what they say," and it provides an excellent example of what American journalism could and should be.

Mr. President, among other things, Mr. Suarez points out the dangers of disinformation existing in the American media. He says:

> There is a lack of understanding among Americans on what's going on in Central America. There is a lot of misinformation. There is lack of knowledge about the issues, and most important, there is a propaganda campaign going on in this country today in favor of Central American revolution that could have serious consequences in future years to the security of our citizens and to peace in the hemisphere . . . The media should be more careful and avoid being used.

Mr. Suarez goes on to detail the history of the Communists in Cuba and to describe how the Castro threats have become reality in Central America. He issues a warning to U.S. policymakers not to misjudge the nature of the danger but instead to inform the

American people about it. This warning comes from a man who himself was imprisoned by the Batista government in Cuba for acting as treasurer of the revolutionary movement in Havana and who went on to be, after Castro took power, chairman of the board of Financiera Nacional de Cuba, a financial institution associated with the Central Bank of Cuba. For exposing Castro's fraudulant dealings, Castro later forced Mr. Suarez to flee Cuba.

Mr. President, I ask unanimous consent that two articles from the Charlotte News of April 12, 1982, entitled "True believers: What we haven't learned is that Central American Marxists want to do what they say" and "Roberto Suarez: Businessman who supported Cuban revolution finally had to flee homeland for his life," be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Charlotte News, Apr. 12, 1982]

TRUE BELIEVERS: WHAT WE HAVEN'T LEARNED IS THAT CENTRAL AMERICAN MARXISTS WANT TO DO WHAT THEY SAY

(By Robert Suarez)

The revolution in Central America, as experienced now in El Salvador, could have serious consequences in future years to the security of our nation and to peace in this hemisphere. To understand the seriousness of the situation and how it can affect us, it is necessary to look at it from a historial perspective.

After the Cuban revolution, Fidel Castro said, "We will make the Andes the Sierra Maestra of America . . . and all the immense territories that make up this continent will become the scene of a life-and-death struggle against the power of imperialism." The Andes are mountains running up and down through South America, while the Sierra Maestra are the Cuban mountains where Castro organized his guerrilla war.

Che Guevara, the ideological mastermind behind Castro, added:

"Just as the beginning of the struggle in one part of a country is bound to develop through its area, the beginning of a revolutionary war contributes to the development of new conditions in the neighboring countries.

"We have predicted that the war will be continental. This means it will be protracted; it will have many fronts, and will cost much in blood and countless lives over a period. The eruption of the struggle in America has actually begun."

Those words were spoken in 1963.

In April 1967, the organization of the solidarity of the peoples of Africa, Asia, and Latin America called the Tricontinental, published the following from a Guevara speech:

"Within the frame of this struggle of continental scale, the battles which are now taking place are only episodes—they shall figure in the history of our America as having given their necessary blood in this last stage of the fight for the total freedom of man."

From the same source, it continues, "America, a forgotten continent in the last liberation struggles, is now beginning to make itself heard through the Tricontinental and, in the voice of the vanguard of its peoples, the Cuban revolution, will today have a task of much greater relevance: creating a second or third Vietnam, or the second or third Vietnam of the world."

And later on, "And let us develop a true proletarian internationalism: with international proletarian armies." And the last paragraph: "Our every action is a battle cry against imperialism, and a battle hymn for the people's unity against the great enemy of mankind: the United States of America."

Another document called "The Second Declaration of Havana," says, "We have asserted that it is a means of struggle to achieve an end . . . so that popular forces eventually take power and establish a proletarian dictatorship."

In "Guerrilla Warfare," a book of instruction on how to conduct the war, Mr. Guevara wrote, "The guerrilla fighter will be a sort of guardian angel who has fallen into the zone, helping the poor always and bothering the rich as little as possible in the first phases of the war.

"But this war will continue on its course; contradictions will continuously become sharper; the moment will arrive when many of those who regarded the revolution with a certain sympathy at the outset will place themselves in a position diametrically opposed."

The above text is not an expression of wishful thinking by lunatics, but an expression of the Marxist movement in Latin America directed from Havana, and every word can be documented because it has been published and I didn't have to go farther than Charlotte's public library on Tryon Street to get the information.

What is happening in Central America? As soon as Mr. Castro consolidated his power, he and his associates began planning and directing the spread of the Marxist revolution. There is no better source than Mr. Castro's and Mr. Guevara's own words. And Fidel Castro has time and time again done what he set out to do.

Those who think that Salvador is just an internal problem and that we should not try to stabilize the situation, and that the whole operation is not directed from Havana, are committing a great disservice to the future peace of our nation and our continent.

The situation in Central America is very serious. In June 1979, I wrote a story on the war in Nicaragua. I predicted that the guerrillas would establish a Marxist government, and they did. I also predicted that the next front would be El Salvador. And it is. Next will be Guatemala followed by Honduras and then Costa Rica, in that order. It is the same story, a carbon copy of Cuba, over and over again. And we seem to keep missing the point.

There is a lack of understanding among Americans on what's going on in Central America. There is a lot of misinformation. There is a lack of knowledge about the issues, and most important, there is a propaganda campaign going on in this country today in favor of Central American revolution that could have serious consequences in future years to the security of our citizens and to peace in the hemisphere.

I particularly blame the U.S. government for allowing the guerrillas to take and maintain the initiative in this propaganda campaign. The government should be explaining to the people what's going on there and what it all means to our country. The media should be more careful and avoid being used. These people are very sophisticated in using the media for their propaganda purposes. Other people, with very good intentions, are also being used.

Recently I attended a meeting at my own church where a Maryknoll sister made a presentation on Salvador. She showed a slick movie depicting how bad the government was, very dramatic pictures of the slain American nuns—in essence, a lot of impact to bring to our attention that because government officials are the bad guys, we should not have any dealings with them.

Later on she talked about her personal experiences working with the poor in Salvador. She mentioned how they had gone into the country establishing Christian communities among poor peasants.

She spoke of how repression against them had taken place, how several priests had been killed, and so on and so forth. I asked her twice how she, as a Catholic sister, could reconcile her activities in favor of a Marxist revolution and didn't get a straight answer. She did mention the following which I am sure you will find revealing:

The leader of the largest guerrilla group is a Marxist. Other groups are not led by Marxists.

The solution to the Salvadoran problems, as she called it, is "the arms solution."

Eighty percent of the killing is done by the government forces and 20 percent by the guerrillas but the guerrillas killings have a purpose—which I understand to mean that they are not indiscriminate and they are justified.

The "Church" will have a great deal of involvement in any government resulting from the victory of guerrilla forces.

What the people want is freedom.

She is making speeches and showing films all over. In this part of North Carolina I know she has been in Greensboro, Asheville, Belmont, and other parts of the Charlotte Catholic diocese. I don't know how many other Catholic nuns or priests are doing the same thing, but I am sure they are having an impact because much of what she is saying is the same as the propaganda campaign in favor of the revolution and the misinformation on the aims of the revolution.

In essence, it goes something like this:

There are no human rights in El Salvador, as the government is guilty of crimes.

The people want freedoms and the only way to obtain them is through armed struggle.

The U.S. should not give aid to the Salvadoran government because that aid is used to oppress the people.

There is no proof that Cuba, Nicaragua and other communist countries are helping the guerrillas.

Those who think that after the revolution takes power they will have a part in the government, like the clergy or any other group, are being naive. They do not have a sense of history and don't realize that they are being used.

I know, because I was one of them. But it's very difficult to convince them. Unfortunately, they'll experience it on their own.

I believe it is imperative that people in this country understand the problem and understand the Marxist philosophy and goals, so that we as a nation can support our government in whatever actions are necessary to avoid a Marxist Latin America.

As to the question of "proof" of Cuban, Nicaraguan, and other intervention in El Salvador, you might have read during the week of March 15 a report on $1 million

worth of arms and ammunition captured in a warehouse in Costa Rica.

Enough arms were captured to completely equip 100 men. All those people captured during the raid were of different nationalities. A story written by Stephen S. Rosenfeld, a member of The Washington Post editorial staff, addresses that question. The Washington Post is one of those newspapers that has generally been sympathetic to the guerrillas. Following are key paragraphs:

"But I will report that five days in Managua have left me convinced that the Sandinistas have a profound commitment to spreading revolution—to be true to themselves, to sustain their own power, to pay a debt to Fidel Castro or whatever.

"This is not a crowd to lie low a few years and consolidate—the policy common sense dictated when they won power in 1979.

"The 'evidence' that, incredibly, our State Department has been unable to muster lies, unclassified, all over Central America; in the availability of arms and ammunition that allows 5,000 Salvador guerrillas to keep fighting—captures and purchases could not possibly provide it all; in the kinds of guerrilla arms captured by the Salvador army; in the numerous raw reports from the Salvadoran and Honduran armies of transit of supplies by burro, by planes landing on small strips or making drops, by the trucks that carry products cargo through the region, by small boats on both Atlantic and Pacific coasts.

"Of course, the Nicaraguans help their friends—though how much is hard to pin down. Fidel Castro has admitted to foreigners a continuing hand, played through Nicaragua. Privately, the 'Comandantes' in Managua admit it to diplomats. On the record, the foreign minister admitted it to me; all he denied was that there is a 'substantial' flow and that it is authorized."

There is some talk about negotiations and that guerrilla forces are ready to negotiate. I think that all that talk is part of the war of words to influence public opinion in this country.

Looking at the guerrilla warfare manual, the blueprint to take over a country written by Che Guevara, there is no way that a peaceful settlement is possible with the guerrillas.

Under "General Principles of Guerrilla Warfare," Guevara wrote, "The fundamental principle is that no battle, combat, or skirmish is to be fought unless it will be won. . . .

"War is always a struggle in which each contender tries to annihilate the other. Besides using force, they will have recourse to all possible tricks and strategems in order to achieve the goal. . . ."

"Naturally, victory cannot be considered as final until the army that sustained the former regime has been systematically and totally smashed. Further, all the institutions that sheltered the former regime should be wiped out."

That is their goal and their strategy. They have not deviated from this master plan at all. And they are not going to stop until they win—or are destroyed.

As for freedom for the people, there is not a single example in history where freedom exists under Marxist domination. Totalitarian Marxism squelches the basic human rights as a matter of course.

The problem should be of great concern to all of us. To solve a problem, the normal and best approach is to define it. Through the readings of Castro and Guevara, I trust I've shed some perspective on the situation in Central America.

The propaganda campaign carried by some groups sympathetic to the guerrillas is geared to draw our attention to other issues and make us forget what the real issue is: that of the Marxist takeover of Latin America.

No country in Central America can survive the pressures from revolutions inspired, assisted, and directed by close neighbors.

And why be concerned? What is at stake? I firmly believe that what is at stake is the security of our nation.

The example of Cuba, with 10 million population and a 300,000-man army; Nicaragua, with 3 million population, and already in just a year and a half, 50,000 regular army and 200,000 militia. If Central America and Panama fall, we could be faced with over 1 million men under arms, equipment by the Russians with the most modern equipment and led by Fidel Castro. We don't have to be military strategists to understand the danger of our security, or the danger of war on our own soil.

The revolution in Central America could have serious consequences in future years to the security of our nation and to peace in this hemisphere.

Think about it!

ROBERTO SUAREZ: BUSINESSMAN WHO SUPPORTED CUBAN REVOLUTION FINALLY HAD TO FLEE HOMELAND FOR HIS LIFE

Humberto Sori Marin, politician; Manuel Ray, engineer; Antonio de la Carrera, attorney; and Roberto Suarez, businessman. Twenty-four years ago these men had several things in common. They were Cuban, and even though some of them didn't know each other, they were all in their own way participating in the Cuban revolution that brought Fidel Castro to power. Their common interest, it could be said, was to bring a new way of life to Cuba: to return to a democratic government, to provide freedom and social justices to all people and to bring honesty to end corruption in government.

Humberto Sori Marin became the Minister of Agriculture in the first Revolutionary Cabinet. He authored and instituted the Agrarian Reform, the revolutionary law designed to give those who work the land proprietary interest, build cooperatives, and improve the quality of life of the "campesino." Today, Humberto Sori Marin is dead. While on crutches from wounds received by Mr. Castro's Marxist security forces, he was placed in front of a firing wall and executed.

Manuel Ray was a leader of the underground in the cities, while Castro's guerrillas were in the mountains. He became Minister of Public Works in the first Revolutionary Cabinet. Mr. Ray lives in exile today working in his profession in Puerto Rico. He had to leave Cuba disguised, under an assumed name, aboard a freighter boarded during the dark hours of night, a step ahead of Mr. Castro's security forces.

Antonia de la Carrera, through his law firm, quietly assisted people in the revolutionary movement. He was exiled during Fulgencio Batista's time and returned to Cuba as Secretary to the Presidency, a member of the first Cabinet of the Revolution. Mr. De la Carrera is practicing law in New Jersey today, after being forced to leave Cuba to save his life.

Roberto Suarez was imprisoned by Mr. Batista's secret police while serving as treasurer of the revolutionary movement in Havana. Thanks to the intervention of the Catholic Church, he was released and forced to leave the country early in 1958, returning to Cuba early in 1959 after Mr. Castro took power to be chairman of the board of Financiera Nacional de Cuba, a financial institution associated with the Central Bank of Cuba. I am Roberto Suarez. It soon became evident, through my contacts within the government the fraud committed by Fidel Castro. Many of us, who saw Mr. Castro's treachery, united in an effort to carry out the real aims of the revolution. Because of that, I had to leave Cuba under life-threatening circumstances.

These names and people were picked at random. There are hundreds who believed in a just cause and were purged when the Marxists consolidated their power.

In Cuba, it could be said that we were deceived, since Mr. Castro promised a democratic government, free elections, schools instead of army barracks, and freedom. Today, Central American guerrillas are not hiding their Marxist philosophy, and still so many people are being naive to expect freedom from these revolutionary movements.

In 24 years nothing has changed. When I was exiled in New York City during 1958, we were visiting friendly media people to get them to support the revolution; we were showing films of guerrillas depicting the life in the mountains where schools and hospitals had been established; we were organizing groups in New Jersey and Philadelphia to spread the good word on the revolution; we were visiting liberal congressmen requesting support. In essence, we were doing exactly what is being done right now as part of the propaganda campaign to influence American public opinion.

Nothing has changed. The lesson has not been learned. Today, the guerrillas are more sophisticated with the availability of television. As Hector Orqueli, a Salvadoran guerrilla leader said, "We have to win the war inside the United States." That is what they are doing: They are using people with good intentions like they were using us.

I know, because I was one of them.

FROM ABORTION TO INFANTICIDE

Mr. HELMS. Mr. President, once a nation decides that the lives of certain human beings are to be denied the protection of its laws, the lives of all its citizens are imperiled. Once a government assumes the power to declare some human beings not worthy of life, that government has begun a course at the end of which, unless changed, lies the killing of those whom the government finds inconvenient to have around. The government, in such cases, would simply declare that the innocent lives involved are unmeaningful, or disadvantaged, or unloved, or even incapable of full and complete human existence.

In the Chicago Tribune of April 22, columnist Stephen Chapman explored the consequences of choice in light of the recent court-ordered death by starvation of an infant in Bloomington, Ind. It is worth the time of every Senator to read and ponder.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FROM ABORTION TO INFANTICIDE

(By Stephen Chapman)

After losing in court last week, prosecutors for Monroe County, Indiana, tried to put a good face on things. True, the state supreme court had upheld a couple's refusal to allow surgery on their week-old infant, a victim of Down's syndrome, to repair his deformed esophagus. But, one prosecutor noted, the decision was "narrowly drawn."

It nonetheless led to the child's prompt death from starvation. We may be grateful that the court restrained itself from a broad decision.

The right-to-life movement has long been ridiculed for its contention that a society which tolerates the indiscriminate killing of fetuses must sooner or later come to accept even worse—such as euthanasia for the elderly and terminally ill. It used to be easy to dismiss these analogies as hysterical. But probably not even the most vociferous critic of legalized abortion could have imagined that we would proceed, in nine short years, from allowing abortion to sanctioning infanticide.

The evolution, of course, is a natural one. The difference between a fetus and "Baby Doe"—the parents' name were kept secret to protect the guilty—is one of degree, not of kind. Both are recognizably human; both are incapable of sustaining existence on their own; both are unable to comprehend the world about them.

The "pro-choice" movement seeks to portray us all as recognizably human only on the day we spring forth from the womb, denying any meaningful resemblance between today's infant and yesterday's fetus. But human life is a continuum. It does not begin at birth, or even at the start of the third trimester, Justice Harry Blackmun notwithstanding.

A living, unmistakably human organism exists from the moment the ovum is fertilized. It will not develop into a cat, or a plant, or a cyst—only a person, because it already is a person.

To draw an arbitrary distinction between a fetus and a baby to justify treating them in radically different ways is to invite similar distinctions, and different treatment, among different groups of people—between one-week-olds and one-month-olds, or one-month-olds and one-year-olds. As of last week, such distinctions carry the imprimatur of the Indiana Supreme Court.

The theologian Paul Ramsey once noted that there is no argument for abortion that cannot serve just as well to rationalize infanticide. This case emphatically validates his suspicion. But Ramsey's point was to dramatize the callousness of abortion, not to condone the killing of babies. Unfortunately, the sort of thinking that accommodates abortion cannot easily resist the logic of infanticide.

Presumably Mr. and Mrs. Doe would have aborted their child had they known he would be born deformed and retarded. No proabortionist would have questioned their decision. Why bring a defective child into the world, with no prospect but great financial expense and continual heartache? Preventing the birth of abnormal children is one reason for the growing use of amniocentesis to detect fetal disorders.

No one, least of all the organizations favoring legal abortion, has been heard to defend the Indiana court's decision (though they have not been heard to condemn it, either). But the difference between aborting a defective fetus and allowing an abnormal infant to die of starvation is, to put it charitably, an exceedingly subtle one.

Surely it is unreasonable to expect the parents to endure all the costs imposed by a handicapped child merely because they weren't lucky enough to know in advance. If a defect can't be discovered beforehand, why should the mere technicality of birth condemn parents and child to living with it?

Then there is the "unwanted child" argument: Better to dispose of a child in the womb than to force him on an unwilling and resentful mother and father. "Baby Doe" aptly fits this category. Parents who would choose to let their own flesh and blood die painfully of starvation aren't models for a loving household. If a fetus is better off dead than unwanted, how much more so a newborn infant.

But the most striking thing about this cause is that the court not only allowed the parents to escape the ordinary obligations of producing a child, but also refused to let anyone else assume them. At least ten couples offered to adopt Baby Doe (including one which already has a child with Down's Syndrome). No matter. The court decreed that the right of the parents to let their infant die outweighed any rights the child might possess.

It is a measure of abortion's effect on our thinking that in at least one state it is now permissible to do to a deformed, retarded infant what woud be illegal if done to a dog or a cat. The eagerness of so many couples to adopt Baby Doe offers a vision of what we might be. But the death sentence given him by our duly ordained courts offers a glimpse of what we are becoming.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

VITIATION OF ORDERS FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Madam President, I am advised that the following Senators do not require the time allocated to them on special orders: Senators BAUCUS, FORD, ROBERT C. BYRD, and BAKER. I ask unanimous consent that the special orders in favor of those Senators be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business.

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

RESTRICTING PORNOGRAPHY

Mr. HELMS. Mr. President, in one sense, controlling pornography is somewhat like trying to control the weather: As Mark Twain put it, everybody complains about it but nobody does anything about it. The problem with pornography rests squarely on the doorsteps of the Federal courts which in recent years, have made it clear that they are hostile to traditional laws which seek to curb pornography.

The history of Federal court intrusion into State matters, involving as it does the judicial theory of incorporation of the Bill or Rights against the States through the 14th amendment, is a long and complicated affair. Suffice to say that State legislators who are willing to buck that tide on behalf of public decency have a difficult and sometimes fruitless job. When they undertake such a mission, they should be recognized for doing a public service; when they are successful, they should receive the approbation and gratitude of the public.

I say that, Mr. President, to emphasize that in North Carolina we have had a measure of most encouraging success in this regard. Thanks to the courageous leadership of State Senator I. Beverly Lake, Jr., several North Carolinians have waged a fight against pornography, and thus far they have had a surprising and heartening degree of success.

In early 1977, Senator Lake, a distinguished son of a distinguished father, saw the need to legislate against the growth of pornography in North Carolina. Knowing the problem criminal laws on pornography had encountered in the courts, Senator Lake and others decided that the best approach was a civil abatement procedure. Drafted by Senator Lake and a fine, young citizen, Richard C. Titus, who is a Raleigh attorney and close political ally of Senator Lake, the antipornography bill was introduced in the 1977 North Carolina General Assembly. After clearing some initial hurdles in the Senate Judiciary Committee, the Senate overwhelmingly approved the bill by a vote of 47 to 2. In the House the bill likewise won resounding approval, passing 118 to 1. The battle in the courts began shortly after the law went into effect.

The first decision of an appellate court was *North Carolina ex rel. Andrews* v. *Chateau X, Inc.*, 296 N.C. 251, 250 S.E.2d 603 (1979), in which the

North Carolina Supreme Court upheld the constitutionality of the law. Appeal to the U.S. Supreme Court produced an order vacating the North Carolina Supreme Court judgment and remanding for reconsideration in light of *Vance* v. *Universal Amusement Co., Inc.*, 445 U.S. 308 (1980). *Chateau X, Inc.* v. *North Carolina ex rel. Andrews*, 445 U.S. 947 (1980). On remand the North Carolina Supreme Court again upheld the law as constitutional. *Chateau X, Inc.* v. *North Carolina ex rel. Andrews*, 302 N.C. 321, 275 S.E.2d 443 (1981).

In the Federal courts another battle was being waged over the same statute. The first round resulted in the statute's being declared unconstitutional by a Federal district court. *Fehlhaber* v. *North Carolina*, 445 F. Supp. 130 (E.D. N.C. 1978). The U.S. Court of Appeals for the Fourth Circuit, however, reversed the district court on April 15, 1982, and like the North Carolina Supreme Court, upheld the statute's constitutionality. *Fehlhaber* v. *North Carolina*,—F.2d—(4th Cir. 1982). In that fourth circuit opinion Judge Haynesworth aptly said:

> This is another skirmish in the battle of the purveyors of hard core pornography, seeking the protection of the precious values of the First Amendment, and legislative bodies, seeking to lend protection to other societal values supportive of morality and decorous communities. The North Carolina legislature chose the civil injunctive abatement route for control, a route with many hazards to successful negotiation, but, as now interpreted by the North Carolina Supreme Court, we think the North Carolina statute effectively survives First and Fourteenth Amendment analysis.

Hence, the statute has now been upheld by both the North Carolina Supreme Court and the Fourth Circuit Court of Appeals.

Mr. President, not only did Senator Lake sponsor the antipornography bill in the legislature, but he also took part as counsel in the various court cases. To his credit, he has indeed successfully negotiated a hazardous route resulting in solid legal protection for the people of North Carolina from the degradation of pornography. It is my hope that the law will be vigorously enforced by the proper authorities in North Carolina and that other States will benefit from the experience of Senator Lake and his colleagues in this matter.

Let me again express my gratitude and respect to Senator Lake and others involved in this cause—especially Rev. J. Malloy Owen, formerly of St. Mark's Methodist Church in Raleigh; Clarence Steppe, a Raleigh Businessman and immediate past president of the North Carolina Navy League; and Marvin Schiller, a Raleigh attorney who was deeply involved in the court cases. As the result of the determined efforts of these and other fine North Carolinians, our State now has an excellent and effective antipornography law.

Mr. President, I ask unanimous consent that the North Carolina antipornography law be printed in the RECORD at the conclusion of my remarks.

There being no objection, the statute was ordered to be printed in the RECORD, as follows:

THE GENERAL STATUTES OF NORTH CAROLINA—CONTAINING GENERAL LAWS OF NORTH CAROLINA THROUGH THE SESSION LAWS OF 1977

CHAPTER 19.—OFFENSES AGAINST PUBLIC MORALS

Article 1

Abatement of nuisances

Sec.

19-1. What are nuisances under this Chapter.
19-1.1. Definitions.
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19-1.3. Personal property as a nuisance; knowledge of nuisance.
19-1.4. Liability of successive owners for continuing nuisance.
19-1.5. Abatement does not preclude action.
19-2. [Repealed.]
19-2.1. Action for abatement; injunction.
19-2.2. Pleadings; jurisdiction; venue; application for preliminary injunction.
19-2.3. Temporary order restraining removal of personal property from premises; service; punishment.
19-2.4. Notice of hearing on preliminary injunction; consolidation.
19-2.5. Hearing on the preliminary injunction; issuance.
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19-8.1. Immunity.
19-8.2. Right of entry.
19-8.3. Severability.

Article 1

Abatement of nuisances

§ 19-1. What are nuisances under this Chapter.—(a) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place for the purpose of assignation, prostitution, gambling, illegal possession or sale of intoxicating liquors, illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substance Act, or illegal possession or sale of obscene or lewd matter, as defined in this Chapter, shall constitute a nuisance.

(b) The erection, establishment, continuance, maintenance, use, ownership or leasing of any building or place wherein or whereon are carried on, conducted, or permitted repeated acts which create and constitute a breach of the peace shall constitute a nuisance.

(c) The building, or place, or vehicle, or the ground itself, in or upon which a nuisance as defined in subsections (a) or (b) above is carried on, and the furniture, fixtures, and contents are also declared a nuisance, and shall be enjoined and abated as hereinafter provided. (Pub. Loc. 1913, c. 761, s. 25; 1919, c. 288; C. S., s. 3180; 1949, c. 1164; 1967, c. 142; 1971, c. 655; 1977, c. 819, ss. 1, 2.)

§ 19-1.1. Defintions.—As used in this Chapter relating to illegal possession or sale of obscene matter or to the other conduct prohibited in G.S. 19-1(a), the following definitions shall apply:

(1) "Knowledge" or "knowledge of such nuisance" means having knowledge of the contents and character of the patently offensive sexual conduct which appears in the lewd matter, or knowledge of the acts of lewdness, assignation, gambling, the illegal possession or sale of intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substance Act, or prostitution which occur on the premises.

(2) "Lewd matter" is synonymous with "obscene matter" and means any matter:

(a) Which the average person, applying contemporary community standards, would find, when considered as a whole, appeals to the prurient interest; and

(b) Which depicts patently offensive representations of:

1. Ultimate sexual acts, normal or perverted, actual or simulated;

2. Masturbation, excretory functions, or lewd exhibition of the genitals or genital area;

3. Masochism or sadism; or

4. Sexual acts with a child or animal.

Nothing herein contained is intended to include or proscribe any writing or written material, nor to include or proscribe any matter which, when considered as a whole, and in the context in which it is used, possesses serious literary, artistic, political, educational, or scientific value.

(3) "Lewdness" is synonymous with obscenity and shall mean the act of selling, exhibiting or possessing for sale or exhibition lewd matter.

(4) "Matter" means a motion picture film or a publication or both.

(5) "Motion picture film" shall include any:

(a) Film or plate negative;

(b) Film or plate positive;

(c) Film designed to be projected on a screen for exhibition;

(d) Films, glass slides or transparencies, either in negative or positive form, designed for exhibition by projection on a screen;

(e) Video tape or any other medium used to electronically reproduce images on a screen.

(6) "Person" means any individual, partnership, firm, association, corporation, or other legal entity.

(7) "Place" includes, but is not limited to, any building, structure or places, or any separate part or portion thereof, whether permanent or not, or the ground itself, but excluding a private dwelling place not used for a profit.

(8) "Publication" shall include any book, magazine, pamphlet, illustration, photograph, picture, sound recording, or a motion picture film which is offered for sale or exhibited in a coin-operated machine.

(9) "Sale" means a passing of title or right of possession from a seller to a buyer for valuable consideration, and shall include, but is not limited to, any lease or rental arrangement or other transaction wherein or whereby any valuable consideration is received for the use of, or transfer or possession of, lewd matter. (1977, c. 819, s. 3.)

§ 19-1.2. Types of nuisances.—The following are declared to be nuisances wherein obscene or lewd matter or other conduct prohibited in G.S. 19-1(a) is involved:

(1) Any and every place in the State where lewd films are publicly exhibited as a predominant and regular course of business, or possessed for the purpose of such exhibition;

(2) Any and every place in the State where a lewd film is publicly and repeatedly exhibited, or possessed for the purpose of such exhibition;

(3) Any and every lewd film which is publicly exhibited, or possessed for such purpose at a place which is a nuisance under this Article;

(4) Any and every place of business in the State in which lewd publications constitute a principal or substantial part of the stock in trade;

(5) Any and every lewd publication possessed at a place which is a nuisance under this Article;

(6) Every place which, as a regular course of business, is used for the purposes of lewdness, assignation, gambling, the illegal possession or sale of intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substances Act, or prostitution, and every such place in or upon which acts of lewdness, assignation, gambling, the illegal possession or sale or intoxicating liquor, the illegal possession or sale of narcotic drugs as defined in the North Carolina Controlled Substances Act, or prostitution, are held or occur. (1977, c. 819, s. 3.)

§ 19-1.3. Personal property as a nuisance; knowledge of nuisance.—The following are also declared to be nuisances, as personal property used in conducting and maintaining a nuisance under this Chapter:

(1) All moneys paid as admission price to the exhibition of any lewd film found to be a nuisance;

(2) All valuable consideration received for the sale of any lewd publication which is found to be a nuisance;

(3) All money or other valuable consideration received or used in gambling, prostitution, the illegal sale of intoxicating liquors or the illegal sale of substances proscribed under the North Carolina Controlled Substances Act, as well as the furniture and movable contents of a place used in connection with such prohibited conduct.

From and after service of a copy of the notice of hearing of the application for a preliminary injunction, provided for in G.S. 19-2.4 upon the place, or its manager, or acting manager, or person then in charge, all such parties are deemed to have knowledge of the contents of the restraining order and the use of the place occurring thereafter. Where the circumstantial proof warrants a determination that a person had knowledge of the nuisance prior to such service of process, the court may make such finding. (1977, c. 819, s. 3.)

§ 19-1.4. Liability of successive owners for continuing nuisance.—After notice of a temporary restraining order, preliminary injunction, or permanent injunction, every successive owner of property who neglects to abate a continuing nuisance upon, or in the use of such property, created by a former owner, is liable therefor in the same manner as the one who first created it. (1977, c. 819, s. 3.)

§ 19-1.5. Abatement does not preclude action.—The abatement of a nuisance does not prejudice the right of any person to recover damages for its past existence. (1977, c. 819, s. 3.)

§ 19-2: Repealed by Session Laws 1977, c. 819, s. 4, effective August 1, 1977.

§ 19-2.1. Action for abatement; injunction.—Wherever a nuisance is kept, maintained, or exists, as defined in this Article, the Attorney General, district attorney, or any private citizen of the country may maintain a civil action in the name of the State of North Carolina to abate a nuisance under this Chapter, perpetually to enjoin all persons from maintaining the same, and to enjoin the use of any structure or thing adjudged to be a nuisance under this Chapter; provided, however, that no private citizen may maintain such action where the alleged nuisance involves the illegal possession or sale of obscene or lewd matter.

If an action is instituted by a private person, the complainant shall execute a bond prior to the issuance of a restraining order or a temporary injunction, with good and sufficient surety to be approved by the court or clerk thereof, in the sum of not less than one thousand dollars ($1,000), to secure to the party enjoined the damages he may sustain if such action is wrongfully brought, not prosecuted to final judgment, or is dismissed, or is not maintained, or if it is finally decided that the temporary restraining order or preliminary injunction ought not to have been granted. The party enjoined shall have recourse against said bond for all damages suffered, including damages to his property, person, or character and including reasonable attorney's fees incurred by him in making defense to said action. No bond shall be required of the prosecuting attorney or the Attorney General, and no action shall be maintained against the public official for his official action. (1977, c. 819, s. 4.)

§ 19-2.2. Pleadings; jurisdiction; venue; application for preliminary injunction.—The action, provided for in this Chapter, shall be brought in the superior court of the county in which the property is located. Such action shall be commenced by the filing of a verified complaint alleging the facts constituting the nuisance. After the filing of said complaint, application for a preliminary injunction may be made to the court in which the action is filed which court shall grant a hearing within 10 days after the filing of said application. (1977, c. 819, s. 4.)

§ 19-2.3. Temporary order restraining removal of personal property from premises; service; punishment.—Where such application for a preliminary injunction is made, the court may, on application of the complainant showing good cause, issue an ex parte temporary restraining order in accordance with G.S. 1A-1, Rule 65(b), preserving the status quo and restraining the defendant and all other persons from removing or in any manner interfering with any evidence specifically described, or in any manner removing or interfering with the personal property and contents of the place where such nuisance is alleged to exist, until the decision of the court granting or refusing such preliminary injunction and until further order of the court thereon. Nothing herein shall be interpreted to allow the prior restraint of the distribution of any matter or the sale of the stock in trade, but an inventory and full accounting of all business transactions involving alleged obscene or lewd matter thereafter shall be required.

Any person, firm, or corporation enjoined pursuant to this section may file with the court a motion to dissolve any temporary restraining order. Such a motion shall be heard within 24 hours of the time a copy of the motion is served on the complaining party, or on the next day the superior courts are open in the district, whichever is later. At such hearing the complaining party shall have the burden of showing why the restraining order should be continued.

In the event a temporary restraining order is issued, it may be served in accordance with the provisions of G.S. 1A-1, Rule 4, or may be served by handing to and leaving a copy of such order with any person in charge of such place or residing therein, or by posting a copy thereof in a conspicuous place at or upon one or more of the principal doors or entrances to such place, or by such service under said Rule 4, delivery and posting. The officer serving such temporary restraining order shall forthwith make and return into court an inventory of the personal property and contents situated in and used in conducting or maintaining such nuisance.

Any violation of such temporary restraining order is a contempt of court, and where such order is posted, mutilation or removal thereof, while the same remains in force, is a contempt of court provided such posted order contains therein a notice to that effect. (1977, c. 819, s. 4)

§ 19-2.4. Notice of hearing on preliminary injunction; consolidation.—A copy of the complaint, together with a notice of the time and place of the hearing of the application for a preliminary injunction, shall be served upon the defendant at least five days before such hearing. The place may also be served by posting such papers in the same manner as is provided for in G.S. 19-2.3 in the case of a temporary restraining order. If the hearing is then continued at the instance of any defendant, the temporary restraining order may be continued as a matter of course until the hearing.

Before or after the commencement of the hearing of an application for a preliminary injunction, the court, on application of either of the parties or on its own motion, may order the trial of the action on the merits to be advanced and consolidated with the hearing on the application for the preliminary injunction; provided, however, the defendant shall be entitled to a jury trial if requested. (1977, c. 819, s. 4.)

§ 19-2.5. Hearing on the preliminary injunction; issuance.—If upon hearing, the allegations of the complaint are sustained to the satisfaction of the court, the court shall issue a preliminary injunction restraining the defendant and any other person from continuing the nuisance and effectually enjoining its use thereafter for the purpose of conducting any such nuisance. (1977, c. 819, s. 4.)

§ 19-3. Priority of action; evidence.—(a) The action provided for in this Chapter shall be set down for trial at the first term of the court and shall have precedence over all other cases except crimes, election contests, or injunctions.

(b) In such action, an admission of finding of guilt of any person under the criminal laws against lewdness, assignation, prostitution, gambling, the illegal possession or sale of intoxicating liquors, or the illegal possession or sale of substances proscribed by the North Carolina Controlled Substances Act, at any such place, is admissible for the purpose of proving the existence of said nuisance, and is evidence of such nuisance and of knowledge of, and of acquiescence and participation therein, on the part of the person charged with maintaining said nuisance.

(c) At all hearings upon the merits, evidence of the general reputation of the building or place constituting the alleged nuisance, of the inmates thereof, and of those resorting thereto, is admissible for the purpose of proving the existence of such nuisance. (Pub. Loc. 1913, c. 761, s. 27; 1919, c.

288; C. S., s. 3182; 1971, c. 528, s. 6; 1973, c. 47, s. 2; 1977, c. 819, s. 5.)

§ 19-4. Violation of injunction; punishment.—In case of the violation of any injunction granted under the provisions of this Chapter, the court, or, in vacation, a judge thereof, may summarily try and punish the offender. A party found guilty of contempt under the provisions of this section shall be punished by a fine of not less than two hundred ($200.00) or more than one thousand dollars ($1,000), or by imprisonment in the county jail not less than three or more than six months, or by both fine and imprisonment. (Pub. Loc. 1913, c. 761, s. 28; 1919, c. 288; C. S., s. 3183.)

§ 19-5. Content of final judgment and order.— If the existence of a nuisance is admitted or established in an action as provided for in this Chapter an order of abatement shall be entered as a part of the judgment in the case, which judgment and order shall perpetually enjoin the defendant and any other person from further maintaining the nuisance at the place complained of, and the defendant from maintaining such nuisance elsewhere within the jurisdiction of this State. Lewd matter, illegal intoxicating liquors, gambling paraphernalia, or substances proscribed under the North Carolina Controlled Substances Act shall be destroyed and not be sold.

Such order may also require the effectual closing of the place against its use thereafter for the purpose of conducting any such nuisance.

The provisions of this Article, relating to the closing of a place with respect to obscene or lewd matter, shall not apply in any order of the court to any theatre or motion picture establishment which does not, in the regular, predominant, and ordinary course of its business, show or demonstrate lewd films or motion pictures, as defined in this Article, but any such establishment may be permanently enjoined from showing such film judicially determined to be obscene hereunder and such film or motion picture shall be destroyed and all proceeds and moneys received therefore, after the issuance of a preliminary injunction, forfeited. (Pub. Loc. 1913, c. 761, s. 29; 1919, c. 288; C. S., s. 3184; 1977, c. 819, s. 6.)

§ 19-6. Civil penalty; forfeiture; accounting; lien as to expenses of abatement; invalidation of lease.—Lewd matter is contraband, and there are no property rights therein. All personal property, including all money and other considerations, declared to be a nuisance under the provisions of G.S. 19-1.3 and other sections of this Article, are subject to forfeiture to the local government and are recoverable as damages in the county wherein such matter is sold, exhibited or otherwise used. Such property including moneys may be traced to and shall be recoverable from persons who, under G.S. 19-2.4, have knowledge of the nuisance at the time such moneys are received by them.

Upon judgment against the defendant or defendants in legal proceedings brought pursuant to this Article, an accounting shall be made by such defendant or defendants of all moneys received by them which have been declared to be a nuisance under this Article. An amount equal to the sum of all moneys estimated to have been taken in as gross income from such unlawful commercial activity shall be forfeited to the general funds of the city and county governments wherein such activity took place, to be shared equally, as a forfeiture of the fruits of an unlawful enterprise, and as partial restitution for damages done to the public welfare; provided, however, that no provision of this Article shall authorize the recovery of any moneys or gross income received from the sale of any book, magazine, or exhibition of any motion picture prior to the issuance of a preliminary injunction. Where the action is brought pursuant to this Article, special injury need not be proven, and the costs of abatement are a lien on both the real and personal property used in maintaining the nuisance. Costs of abatement include, but are not limited to, reasonable attorney's fees and court costs.

If it is judicially found after an adversary hearing pursuant to this Article that a tenant or occupant of a building or tenement, under a lawful title, uses such place for the purposes of lewdness, assignation, prostitution, gambling, sale or possession of illegal intoxicating liquors or substances proscribed under the North Carolina Controlled Substances Act, such use makes void the lease or other title under which he holds, at the option of the owner, and, without any act of the owner, causes the right of possession to revert and vest in such owner. (Pub. Loc. 1913, c. 761, s. 30; 1919, c. 288; C. S., s. 3185; 1977, c. 819, s. 7.)

§ 19-7. How order of abatement may be canceled.—If the owner appears and pays all cost of the proceeding and files a bond, with sureties to be approved by the clerk, in the full value of the property, to be ascertained by the court, or, in vacation, by the clerk of the superior court, conditioned that he will immediately abate said nuisance, and prevent the same from being established or kept within a period of one year thereafter, the court may, if satisfied of his good faith, order the premises closed under the order of abatement to be delivered to said owner, and said order of abatement canceled so far as same may relate to said property; and if the proceeding be a civil action, and said bond be given and costs therein paid before judgment and order of abatement, the action shall be thereby abated as to said building only. The release of the property under the provisions of this section shall not release it from any judgment, lien, penalty, or liability to which it may be subject by law. (Pub. Loc. 1913, c. 761, s. 31; 1919, c. 288; C. S., s. 3186.)

§ 19-8. Costs.—The prevailing party shall be entitled to his costs. The court shall tax as part of the costs in any action brought hereunder such fee for the attorney prosecuting or defending the action or proceedings as may in the court's discretion be reasonable remuneration for the services performed by such attorney. (Pub. Loc. 1913, c. 761, s. 32; 1919, c. 288; C. S., s. 3187; 1977, c. 819, s. 8.)

§ 19-8.1. Immunity.—The provisions of any criminal statutes with respect to the exhibition of, or the possession with the intent to exhibit, any obscene film shall not apply to a motion picture projectionist, usher, or ticket taker acting within the scope of his employment, provided that such projectionist, usher, or ticket taker: (i) Has no financial interest in the place wherein he is so employed, and (ii) freely and willingly gives testimony regarding such employment in any judicial proceedings brought under this Chapter, including pretrial discovery proceedings incident thereto, when and if such is requested, and upon being granted immunity by the trial judge sitting in such matters. (1977, c. 819, s. 9.)

§ 19-8.2. Right of entry.—Authorized representatives of the Commission for Health Services, any local health department or the Department of Human Resources, upon presenting appropriate credentials to the owner, operator, or agent in charge of a place described in G.S. 19-1.2, are authorized to enter without delay and at any reasonable time any such place in order to inspect and investigate during the regular hours of operation of such place. (1977, c. 819, s. 9.)

§ 19-8.3. Severability.—If any section, subsection, sentence, or clause of this Article is adjudged to be unconstitutional or invalid, such adjudication shall not affect the validity of the remaining portion of this Article. It is hereby declared that this Article would have been passed, and each section, sentence, of clause thereof, irrespective of the fact that any one or more sections, subsections, sentences or clauses might be adjudged to be unconstitutional, or for any other reason invalid. (1977, c. 819, s. 10.)

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the role.

The legislative clerk proceeded to call the role.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 84-689, appoints the following Senators to attend the North Atlantic Assembly to be held in Maderia, Portugal, May 28-31, 1982: The Senator from Delaware (Mr. BIDEN), Vice Chairman; the Senator from Missouri (Mr. EAGLETON), the Senator from Delaware (Mr. ROTH), the Senator from Idaho (Mr. MCCLURE), the Senator from Georgia (Mr. NUNN), and the Senator from Pennsylvania (Mr. SPECTER).

The Chair, on behalf of the Vice President, pursuant to Public Law 86-420, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference to be held in Santa Barbara, Calif., May 27-31, 1982: The Senator from Oregon (Mr. HATFIELD), and the Senator from Georgia (Mr. MATTINGLY).

The Senator from Illinois is recognized.

S. 2446—SMALL BUSINESS PROCUREMENT REFORM ACT OF 1982

Mr. DIXON. Mr. President, as a Democratic member of the Senate Small Business Committee and as a fellow member with Senator SPECTER of the Northeast-Midwest Senate Coalition, I am pleased to join my distinguished colleague in cosponsoring the Small Business Procurement Reform Act of 1982, S. 2446.

Mr. President, last August Senator PERCY and I, along with the congres-

sional members of the Illinois delegation, held a Federal procurement conference. This conference attracted approximately 1,500 businessmen and women throughout our State. This legislation addresses some of the problems these business people brought forth at the Illinois conference.

Mr. President, every year the Federal Government spends more than $100 billion to buy a vast variety of services and supplies from businesses in the private sector. These purchasing dollars create real economic growth opportunities. But, Mr. President, many firms shy away from a chance to make the Federal Government one of their customers. Some firms lack the information necessary to participate in the system. Others have legitimate fears about the amount of paperwork involved.

This legislation will address some of these obstacles. We need more firms throughout this great country of ours bidding on a competitive basis; more competition will mean more savings to taxpayers.

Senate bill 2446, Mr. President, I feel will help strengthen our country's industrial base. When the number of firms and the number of people providing goods for the military is increased, our country's ability to mobilize behind any increased need for equipment is vastly improved.

Mr. President, I congratulate Senator SPECTER and the other cosponsors of this bill. I look forward to the day in this chamber when I can vote for final passage on this bill to help small businessmen throughout the United States.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. AND ORDER OF PROCEDURE TOMORROW

Mr. BAKER. Mr. President, I have a number of matters to deal with that I believe are cleared for action by unanimous consent.

Before I begin them, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 a.m. on tomorrow, and that at that time, when the Senate reconvenes, the reading of the Journal be dispensed with, with no resolution coming over under the rule; that the call of the calendar be dispensed with; and that following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business not to exceed 30 minutes in length in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Is there objection?

The Chair hears none, and it is so ordered.

ORDER FOR RECOGNITION OF SENATOR NICKLES AND SENATOR SPECTER TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the following Senators be recognized on special order of not to exceed 15 minutes each: Senators NICKLES and SPECTER.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXPENSES OF SENATORS FOR ATTENDANCE AT FUNERAL

Mr. BAKER. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The bill clerk read as follows:

A resolution (S. Res. 389) relative to the expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late, a Senator from the State of New Jersey.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 389) was unanimously agreed to.

The resolution reads as follows:

S. RES. 389

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late a Senator from the State of New Jersey, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. BAKER. Mr. President, there are a number of items on today's calendar that are cleared on this side of the aisle for action by unanimous consent.

I invite the attention of the minority leader to the following items and ask him if he is in a position to consider them for action on that basis at this time. I refer to Calendar Orders Nos. 516, 517, 520, 522, 523, 524, 531, 536, 538, and 539.

Mr. ROBERT C. BYRD. Mr. President, those calendar orders have been cleared on this side of the aisle, and the minority leader is ready to proceed.

Mr. BAKER. I thank the minority leader.

Mr. President, in view of the fact that these items are cleared on both calendars for action by unanimous consent, I wonder if the minority leader would object to a request that they be considered en bloc.

Mr. ROBERT C. BYRD. I have no objection, Mr. President.

Mr. BAKER. I make that request, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF EMERGENCY FUND ACT

The Senate proceeded to consider the bill (S. 1628) to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052), which had been reported from the Committee on Energy and Natural Resources with an amendment to strike out all after the enacting clause, and insert the following:

That the Act entitled "An Act to authorize an emergency fund for the Bureau of Reclamation to assure the continuous operation of its irrigation and power system", approved June 26, 1948, is amended by striking the words "irrigation and power systems" in the title and substituting the words "project facilities." and by changing the first sentence of section 1 of the Act to read as follows: "In order to assure continuous operation of all projects and project facilities governed by the Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), including any project and facilities constructed with funds provided by the Small Reclamation Projects Act (Act of August 6, 1956, 70 Stat. 1044, and Acts amendatory thereof or supplementary thereto) or with funds provided by the Distribution System Loans Act (Act of May 14, 1956, 69 Stat. 244, and Acts amendatory thereof or supplementary thereto), there is hereby authorized to be appropriated from the reclamation fund an emergency fund which shall be available for defraying expenses which the Commissioner of Reclamation determines are required to be incurred because of unusal or emergency conditions.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BELLE FOURCHE IRRIGATION PROJECT

The Senate proceeded to consider the bill (S. 933) to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes, which

had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 14, strike "or", and insert "of";

On page 3, line 10, after "revenues", insert the following:

"of the unit shall be returnable from net revenues";

On page 3, line 16, after "connection", insert the following:

"with the Bell Fourche unit shall be in accordance";

On page 4, after line 17, insert the following:

SEC. 7. The Secretary is authorized to amend existing contracts and enter into additional contracts as may be necessary to implement and facilitate any future agreement between the Belle Fourche Irrigation District and non-Federal entities involving the sale of Belle Fourche project water for use by such non-Federal interest for other than irrigation purposes; provided that, the net proceeds from such transactions between the Secretary, the Belle Fourche Irrigation District, and such non-Federal interest shall be paid to the United States as reimbursement of the cost of the works authorized by this Act, that such transactions are not in violation of applicable state laws, and that such transactions shall be subject to the consent and conditions of the State of South Dakota to such water use by such non-Federal interest in accordance with the laws of South Dakota and the provisions of the Belle Fourche River Compact between the States of Wyoming and South Dakota to which the consent of Congress was given in the Act of February 26, 1944 (ch. 64, 58 Stat. 94).

On page 5, line 12, strike "7.", and insert "8.".

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the general plan for the Belle Fourche project, South Dakota, heretofore authorized for construction by the Secretary of the Interior, May 10, 1904, pursuant to the Reclamation Act of 1902 (32 Stat. 388), is modified to include construction, betterment of works, water conservation, recreation, and fish and wildlife conservation and development. As so modified, the general plan is reauthorized under the designation "Belle Fourche unit" of the Pick-Sloan Missouri Basin program.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary"), is authorized to negotiate and execute an amendatory repayment contract with the Belle Fourche irrigation district covering all lands of the existing Belle Fourche project. This contract shall replace all existing contracts between the Belle Fourche irrigation district and the United States.

(b) The period of repayment of the construction and rehabilitation and betterment costs allocated to irrigation and assigned to be repaid by the irrigation water users shall be not more than forty years from and including the year in which such amendatory repayment contract is executed.

(c) During the period required to complete the rehabilitation and betterment program and other water conservation works, the rates of charge to land class in the unit shall continue to be as established in the November 29, 1949, repayment contract with the district, as subsequently amended and supplemented; thereafter, such rates of charge and assessable acreage shall be in accordance with the amortization capacity and classification of unit lands as then determined by the Secretary.

SEC. 3. (a) All miscellaneous net revenues of the Belle Fourche unit shall accrue to the United States and shall be applied against irregation costs not assigned to be repaid by irrigation water users.

(b) Construction and rehabilitation and betterment costs of the Belle Fourche unit allocated to irrigation and not assigned to be repaid by the irrigation water users nor returned from miscellaneous net revenues *of the unit shall be returnable from net revenues* of the Pick-Sloan Missouri Basin program within fifty years from and including the year in which the amendatory contract authorized by this Act is executed.

SEC. 4. (a) The provision of lands, facilities, and project modifications which furnish recreation and fish and wildlife benefits in connection *with the Belle Fourche until shall be in accordance* with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

(b) The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital cost allocated to interest-bearing features shall be determined by the Secretary of the Treasury as the beginning of the fiscal year in which construction of said interest-bearing features is initiated, on the basis of the computed average interest payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 5. Appropriations heretofore or hereafter made for carrying on the functions of the Water and Power Resources Service shall be available for credits, expenses, charges, and costs provided by or incurred under this Act. The Secretary is authorized to make such rules and regulations as are necessary to carry out the provisions of this Act.

SEC. 6. The limitation of land held in beneficial ownership within the project by one owner, which are eligible to receive water from, through, or by means of project works shall be four hundred and sixty acres of class I land with an equivalency of 110 per centum for class II land, 125 per centum for class III land, and 140 per centum for class IV land. Acreage may be adjusted upward by the Secretary of the Interior if he determines such adjustments are warranted by changing economic conditions.

SEC. 7. The Secretary is authorized to amend existing contracts and enter into additional contracts as may be necessary to implement and facilitate any future agreement between the Belle Fourche Irrigation District and non-Federal entities involving the sale of Belle Fourche project water for use by such non-Federal interest for other than irrigation purposes; provided that, the net proceeds from such transactions between the Secretary, the Belle Fourche Irrigation District, and such non-Federal interest shall be paid to the United States as reimbursement of the cost of the works authorized by this Act, that such transactions are not in violation of applicable state laws, and that such transactions shall be subject to the consent and conditions of the State of South Dakota to such water use by such non-Federal interest in accordance with the laws of South Dakota and the provisions of the Belle Fourche River Compact between the States of Wyoming and South Dakota to which the consent of Congress was given in the Act of February 26, 1944 (ch. 64, 58 Stat. 94).

SEC. 8. There is hereby authorized to be appropriated beginning October 1, 1982, for the rehabilitation and betterment of the irrigation facilities of the Belle Fourche unit and recreation and fish and wildlife measures as authorized by this Act, the sum of $42,000,000 (based on January 1981 prices), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction cost indexes applicable to the types of construction involved herein.

Mr. PRESSLER. Mr. President, I should like to express my support for S. 933 and to outline its importance to South Dakota. S. 933 would authorize funds to rehabilitate the Belle Fourche irrigation project in western South Dakota and integrate the project into the Pick-Sloan Missouri basin dam system.

The Belle Fourche irrigation project was originally authorized under the Federal Reclamation Act of 1902 and was constructed between 1905 and 1914. The project provides water for irrigation to about 57,000 acres of land operated by almost 400 farmers and is the backbone of the agricultural economy in the Belle Fourche-Newell area.

The Belle Fourche irrigation project has been very successful, but to continue to effectively provide water for irrigation, it must be rehabilitated. Rehabilitation of the project would reduce water loss through seepage and increase the land area available for irrigation. Annual maintenance costs would also be reduced.

The Belle Fourche irrigation project has been one of the most successful irrigation projects in the history of the Bureau of Reclamation. I urge my colleagues to join me in support of S. 933, which would allow the Belle Fourche project to continue to provide benefits to South Dakota and the Nation.

Mr. ABDNOR. Mr. President, I am delighted to have the opportunity today to support passage by the Senate of S. 933, to reauthorize the Belle Fourche irrigation project. As author of the bill, I have been joined in cosponsorship by Senator PRESSLER; and Congressman ROBERTS, with Congressman DASCHLE'S cosponsorship, has authored the companion bill which is pending before the House Interior Committee Subcommittee on Water and Power.

Enactment of S. 933 will enable a number of badly needed improvements on the project, including those needed for safety, water conservation, and reduced operation and maintenance expenses. Since the project was among the very first of all reclamation projects constructed in the early years of this century, it was completed prior to realization of many improvements in the science of irrigation and prior to establishment of the Pick-Sloan Missouri basin program, which was authorized in the Flood Control Act of

1944 and sets the ground rules for Federal irrigation projects in the basin.

S. 933 will reauthorize the project as the Belle Fourche unit of the Pick-Sloan Missouri basin program and accord the project the same treatment provided for other basin irrigation projects under the program. In addition, in recognition of current Federal budgetary constraints, an amendment adopted by the committee will authorize the Bureau of Reclamation, with the concurrence of the State of South Dakota and the Belle Fourche irrigation district, to market surplus water from the project and to use any revenue derived therefrom to offset a portion of the cost of the needed repairs.

This measure, with the amendment adopted by the committee, is truly a responsible and realistic means of addressing the very real and growingly urgent problems on the project, while at the same time facing forthrightly the budgetary difficulties besetting the Federal Government. It is a tribute to the members and staff of the Committee on Energy and Natural Resources for having reached an accord which so effectively addresses all of the realities affecting the project both at the local and national level, and I commend them for their insight and for their action.

Finally, I should like to pay tribute to the man who more than any other is responsible for the reauthorization of the Belle Fourche irrigation project having reached this stage. That man is Jim Casey, a man who as chief counsel to the House Subcommittee on Water and Power until his retirement and as an employee of the Bureau of Reclamation for years before that, is well-known to virtually anyone who has had anything to do with reclamation law within the past 20 or 30 years. It was Jim who conceived the concepts contained in S. 933, and it was Jim who gave us the necessary guidance to see that passage of the bill has reached this stage.

I take just a moment now to reflect upon the vital role Jim Casey has played in the success of S. 933 to this point because Jim lies at this very moment recuperating from a condition which left him close to death; in fact, at one point he was clinically dead, without pulse or heartbeat, and was revived only by the grace of God and the wonders of modern medicine.

As I wrote to Jim in a get-well note while he was lying near death in the hospital, "Godspeed and get well soon, Jim, because I'm not sure we can get the job done without you."

Again, I am delighted that the Senate is acting today on this measure. I thank Chairman McCLURE, subcommittee Chairman MURKOWSKI, and the majority leader for their consideration, and I hope that our favorable action today will prompt action by the House as well.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SALE OF BLYTH ARENA PROPERTY

The bill (H.R. 2863) to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena, was considered, ordered to a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JERRY L. CROW

The Senate proceeded to consider the bill (S. 835) for the relief of Jerry L. Crow, which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 8, strike "1967,", and insert "the date of enactment of this Act"; and

On page 2, strike line 10, through and including line 21, and insert the following:

SEC. 3. The Secretary shall offer to lease to Mr. Crow for thirty years, with an option to purchase, for use as a trade and manufacturing site, all or a portion of the lands included in his original application, with rental based on the land's fair market value. If the option to purchase is exercised by Mr. Crow, the purchase price shall be the fair market value at the time of purchase. Fair market value shall be determined by the Secretary or his designee.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jerry L. Crow may, within one year of the date of enactment of this Act, select not more than ten acres of land from the public lands included in his original application to purchase a trade and manufacturing site located at mile numbered 68 on the Denali Highway in the State of Alaska, and shall notify the Secretary of the Interior of his intention to purchase the selected land under the provisions of this Act.

SEC. 2. Notwithstanding the provisions of section 203 of the Federal Land Policy and Management Act (90 Stat. 2743) and as soon as practicable upon receipt of a notification under section 1 of this Act, the Secretary is directed to sell the selected land to Mr. Crow at a price based upon their fair market value as of the date of enactment of this Act excluding any value added to the lands by Mr. Crow.

SEC. 3. The Secretary shall offer to lease to Mr. Crow for thirty years, with an option to purchase, for use as a trade and manufacturing site, all or a portion of the lands included in his original application, with rental based on the land's fair market value. If the option to purchase is exercised by Mr. Crow, the purchase price shall be the fair market value at the time of purchase. Fair market value shall be determined by the Secretary or his designee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EDUCATIONAL MINING ACT OF 1982

The Senate proceeded to consider the bill (S. 1501) entitled the "Educational Mining Act of 1982", which had been reported from the Committee on Energy and Natural Resources with amendments as follows:

On page 3, strike line 2, through and including "quarter," on line 3, and insert the following: "quarter southwest quarter, southeast quarter southwest quarter southwest quarter";

On page 3, strike line 10, and insert the following: "southeast quarter southwest quarter"; and

On page 3, strike line 12, through and including page 4, line 2.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, subject to the conditions and limitations specified in this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized and directed to convey to the University of Alaska, all right, title, and interest of the United States in the following described land comprising approximately seventy-six acres:

FAIRBANKS MERIDIAN, ALASKA

Township 2 North, Range 1 East

Section 8:

East half southeast quarter southwest quarter northeast quarter southeast quarter,

North half southwest quarter southeast quarter northeast quarter southeast quarter,

South half south half southeast quarter northeast quarter southeast quarter,

East half northeast quarter northwest quarter southeast quarter southeast quarter,

Northeast quarter southeast quarter southeast quarter.

North half southeast quarter southeast quarter southeast quarter,

North half south half southeast quarter southeast quarter southeast quarter,

South half southeast quarter southeast quarter southeast quarter southeast quarter,

Section 9:

West half southwest quarter southwest quarter,

South half southwest quarter northwest quarter northeast quarter southwest quarter southwest quarter,

Southwest quarter northeast quarter southwest quarter southwest quarter, southeast quarter southwest quarter southwest quarter,

West half west half southwest quarter southeast quarter southeast quarter southwest quarter,

Southwest quarter southeast quarter southwest quarter,

South half southwest quarter northwest quarter southeast quarter southwest quarter.

SEC. 2. Conveyance under this Act shall be made only (a) upon the Secretary being satisfied that no valid mining claims exist on the described lands; and (b) upon the condition that the described land shall be held and used by the University of alaska and shall not be conveyed by the university.

SEC. 3. No conveyance shall be made unless application for conveyance is filed by the university with the Secretary within six months of the date of the approval of this Act.

SEC. 4. The Secretary may at his discretion require that he be provided a perimeter survey of the described lands. All costs of obtaining such survey shall be borne by the university.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCHANGE OF CERTAIN LANDS IN MONO COUNTY, CALIF.

The Senate proceeded to consider the bill (H.R. 2475) which had been reported from the Committee on Energy and Natural Resources with amendments, as follows:

On page 2, line 3, strike "laws:", and insert "laws, including the mining laws";

On page 2, line 9, strike "2.", and insert "102.";

On page 2, line 17, strike "3", and insert "103";

On page 2, line 19, strike "3.", and insert "103.";

On page 2, line 21, strike "2", and insert "102";

On page 2, line 22, strike "1", and insert "101"; and

On page 3, after line 2, insert the following:

TITLE II

SEC. 201. That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existed under the laws of the State of Montana, to wit: Lots 9, 17, and 21 (all presently encumbered by the Miles City public water system); lots 28, 31, and 32, all in section 32; lots 16 and 17 in section 33, township 8 north, range 47 east, Principal meridian Montana, and tract Q and tract S, townships 7 and 8 north, range 47 east, Principal meridian, Montana.

SEC. 202. The Secretary of the Interior is authorized and directed to convey to the city of Miles City, Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented or conveyed by Act of Congress, to wit: Patent numbered 1021511, tracts A and B; patent numbered 1122295, tracts E and F; patent numbered 1173770, tract G; patent numbered 1173768, tract K; patent numbered 1173769, tract L; patent numbered 1178764, tract M; patent numbered 1219817, tract P, all located in townships 7 and 8 north, range 47 east; and tract D located in township 8 north, range 47 east, Principal meridian, Montana.

SEC. 203. The Secretary of the Interior is further authorized and directed to convey to county of Custer, State of Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented, to wit: Patent numbered 1023689, tract C; patent numbered 25-76-0099, tract T, located in townships 7 and 8 north, range 47 east, Principal meridian, Montana, and patent numbered 25-76-0100, lot 20, located in section 33, township 8 north, range 47 east, Principal meridian, Montana.

SEC. 204. The patents and documents issued pursuant to sections 201, 202 and 203 of this title shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

SEC. 205. No conveyance shall be made pursuant to this title until payment has been made for the fair market value of the interest being conveyed. Where initial conveyance of these lands was conditioned upon payment of a reasonable consideration on the basis of use, the Secretary is directed to determine the basis for the payment made at the time of the original conveyance. If such payment reflected fair market value without any reduction in that price because of the reverter, no additional payments shall be required.

So as to make the bill read:

H.R. 2475

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the Act of March 4, 1931 (46 Stat. 1530-1548), or any other provision of law, the following described lands, situated in Mono County, California, and comprising 202.167 acres, are withdrawn from settlement, sale, location, or entry, under all of the general land laws, including the mining laws: The southeast quarter of the southeast quarter of section 23, the west half of the northwest quarter of section 25, and the north half of the northeast quarter of section 26, all in township 5 south, range 32 east, Mount Diablo meridian, California.

SEC. 102. Notwithstanding the first section of the Act of March 4, 1931 (46 Stat. 1530, 1532), the withdrawal accomplished by said Act of March 4, 1931, of the lands described as the southwest quarter of section 34, township 5 south, range 33 east, Mount Diablo meridian, comprising approximately 160 acres, situated in Mono County, California, is hereby modified to the extent that the lands described in this section may be exchanged by the Secretary of the Interior in accordance with the directive contained in section 103 of this Act.

SEC. 103. Notwithstanding any other provision of law, the Secretary of the Interior is hereby authorized to exchange the Federal lands described in section 102 of this Act for the lands described in section 101 of this Act, the title to the lands to be acquired by the United States to be satisfactory in all respects to the Secretary and to be conveyed by a good and sufficient deed, in recordable form, that is satisfactory to the Secretary.

TITLE II

SEC. 201. That the Secretary of the Interior be, and he hereby is, authorized and directed to convey by patent to the city of Miles City, a municipal corporation organized and existed under the laws of the State of Montana, to wit: Lots 9, 17, and 21 (all presently encumbered by the Miles City public water system); lots 28, 31, and 32, all in section 32; lots 16 and 17 in section 33, township 8 north, range 47 east, Principal meridian, Montana, and tract Q and tract S, townships 7 and 8 north, range 47 east, Principal meridian, Montana.

SEC. 202. The Secretary of the Interior is authorized and directed to convey to the city of Miles City, Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented or conveyed by Act of Congress, to wit: Patent numbered 1021511, tracts A and B; patent numbered 1122295, tracts E and F; patent numbered 1173770, tract G; patent numbered 1173768, tract K; patent numbered 1173769, tract L; patent numbered 1178764, tract M; patent numbered 1219817, tract P, all located in townships 7 and 8 north, range 47 east; and tract D located in township 8 north, range 47 east, Principal meridian, Montana.

SEC. 203. The Secretary of the Interior is further authorized and directed to convey to county of Custer, State of Montana, such evidence as is necessary to remove the reversionary provisions for public lands previously patented, to wit: Patent numbered 1023689, tract C; patent numbered 25-76-0099, tract T, located in townships 7 and 8 north, range 47 east, Principal meridian, Montana, and patent numbered 25-76-0100, lot 20, located in section 33, township 8 north, range 47 east, Principal meridian, Montana.

SEC. 204. The patents and documents issued pursuant to sections 201, 202 and 203 of this title shall contain a reservation to the United States of all gas, oil, coal, and other mineral deposits as may be found in such lands and the right to the use of the lands for extracting and removing same.

SEC. 205. No conveyance shall be made pursuant to this title until payment has been made for the fair market value of the interest being conveyed. Where initial conveyance of these lands was conditioned upon payment of a reasonable consideration on the basis of use, the Secretary is directed to determine the basis for the payment made at the time of the original conveyance. If such payment reflected fair market value without any reduction in that price because of the reverter, no additional payments shall be required.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN INSULAR AREAS OF THE UNITED STATES

The Senate proceeded to consider the bill (H.R. 5139) to authorize appropriations for certain insular areas of the United States, and for other purposes, which had been reported from the Committee on Energy and Natural Resources, with an amendment to strike out all after the enacting clause, and insert the following:

TITLE I—GUAM

SEC. 101. Section 7 of the Organic Act of Guam (64 Stat. 384, 487), as amended, is revised to read as follows:

"SEC. 7. (a) The people of Guam shall have the right of initiative and referendum, to be exercised under conditions and procedures specified in the laws of Guam.

"(b) Any Governor, Lieutenant Governor, or member of the legislature of Guam may be removed from office by a referendum election in which at least two-thirds of the number of persons voting for such official in the last preceding general election at which such official was elected vote in favor of recall and in which those so voting constitute a majority of all those participating in such referendum election. The referendum election shall be initiated by the legislature of Guam following (a) a two-thirds vote of the members of the legislature in favor of a referendum, or (b) petition for such a referendum to the legislature by registered voters equal in number to at least 50 per centum of the whole number of votes cast at the last general election at which such official was elected preceding the filing of the petition.".

SEC. 102. Section 1(a)(1) of Public Law 95-348 (92 Stat. 487) is amended by deleting "involved." and inserting in lieu thereof "involved, and $5,000,000 for fiscal year 1983.".

TITLE II—TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 201. In section 402(a) of Public Law 96-597 (94 Stat. 3478) strike "by October 1, 1982," and insert in lieu thereof: "by a date not later than ninety days following termination of the trusteeship agreement governing the administration of the Trust Territory of the Pacific Islands,".

TITLE III—VIRGIN ISLANDS

SEC. 301. (a) Effective October 1, 1982, there is authorized to be appropriated to the Secretary of the Interior $150,000 for to be paid as a grant to the government of the Virgin Islands for use by the College of the Virgin Islands to study and plan for the creation of an institution for Caribbean educational, cultural, and technical interchange.

(b) The Secretary may place such stipulations as he deems appropriate on the use of funds appropriated pursuant to subsection (a) of this section.

(c) Grant funds appropriated pursuant to subsection (a) but not obligated or expended during the fiscal year in which they are appropriated shall remain available for obligation or expenditure in subsequent fiscal years.

SEC. 302. Section 405 of Public Law 96-205 (94 Stat. 84, 89) is amended by adding at the end thereof the following new sentence: "The officials of the Customs and Postal Services of the United States are directed to assist the appropriate officials of the United States Virgin Islands in the collection of these taxes.".

TITLE IV—MISCELLANEOUS

SEC. 401. Effective October 1, 1982, there is authorized to be appropriated to the Secretary of the Interior for fiscal years 1983, 1984, and 1985 such sums as may be necessary for grants to the Virgin Islands and Guam to reimburse such areas (in amounts equal to any reductions in revenues) for any revenue reductions they sustain as a result of the enactment of any general Federal tax revision or reduction: Provided, That for fiscal years 1984 and 1985 such authorization is limited to the reduction in revenue levels from fiscal year 1983 and 1984 respectively.

SEC. 402. Section 607 of Public Law 96-597 (94 Stat. 3477, 3483) is amended by deleting subsections (b), (c), and (d) and inserting in lieu thereof the following:

"(b) The Governors of Guam and the Virgin Islands shall, as a condition for a grant pursuant to subsection (a) of this section, submit a plan which is designed to eliminate the respective territory's general fund deficit by the beginning of fiscal year 1987 to the Secretary of the Interior. Within sixty days after he has received such a plan, the Secretary of the Interior shall transmit the plan, together with his comments and recommendations to the Congress. The plan shall provide for—

"(1) implementation of an effective budgetary and accounting system;

"(2) realistic revenue and expenditure projections which will progressively reduce current year general fund deficits and result in a balanced general fund budget no later than the beginning of fiscal year 1987;

"(3) financing of accumulated general fund deficits; and

"(4) quarterly goals and timetables for implementing the plan. The plan shall also indicate that the Governor has the necessary authority to implement the plan.

"(c) Not later than thirty days after the close of each quarter which occurs after the plan has been transmitted to the Congress, the respective Governor shall submit a report to the Secretary of the Interior and the Congress describing in detail the success or failure of such territory in meeting the goals and timetables described in such plan.".

● Mr. WEICKER. Mr. President, I am pleased to support and urge the passage of H.R. 5139 as reported by the Committee on Energy and Natural Resources. The measure provides a variety of necessary authorizations which will encourage and strengthen local self-government in the territories as well as contribute to the economic development of these areas and assure the necessary flexibility for the Congress to consider the impact of Federal legislation on these areas.

H.R. 5139, as reported by the committee, would modify the Organic Act of Guam to permit a right of initiative and referendum and provide for the recall of the Lieutenant Governor or members of the legislature. This provision has the support of Guam and is a significant advance in the process of self-government in the territory. The measure would also authorize $5 million for construction of projects in Guam which were requested by the administration in its fiscal year 1983 budget submission. The committee authorized full funding for these projects rather than the 75 percent requested by the administration in order to provide the Appropriations Committees with the necessary flexibility to determine what level of Federal contribution would be necessary to insure that the projects are completed. The committee does not believe that an inflexible cost sharing formula is the proper way to consider the national interest in territorial projects or the capability of the local insular governments to contribute to their construction. In addition, the committee has authorized funds to provide for training for maintenance as a part of the construction project. We believe it is essential that the insular governments have the capability to maintain these projects once they are constructed, and we believe that the best way to insure that adequately trained personnel are available is to provide for training as a part of the construction project.

The committee has also authorized $150,000 for planning for a center for Caribbean studies at the College of the Virgin Islands. The College of the Virgin Islands is a remarkable institution and I am pleased that the administration has endorsed the Center for Caribbean Studies as a part of the Caribbean Basin Initiative. The knowledge and experience which students from the Caribbean Basin can acquire at the College of the Virgin Islands will serve not only their home islands but also the United States in promoting the friendly and peaceful exchange of ideas and knowledge. The committee has also provided the necessary authorization for the U.S. Postal Service and the U.S. Customs service to assist the Virgin Islands in the collection of those excise taxes which are levied on goods at the time of their introduction into the territory.

The committee amendment would, in addition, change the date for transfer of Federal property in the Trust Territory of the Pacific Islands from the present date of October 1, 1982, to a date not later than 90 days following termination of the trusteeship agreement for the area. The original date of October 1, 1982, had been selected to be consistent with the administration's earlier expectation that the trusteeship would have been terminated in 1981. For a variety of reasons, this has not occurred and consequently it is necessary to change the effective date for the transfer of Federal property for which the United States no longer would have need.

The committee amendment would also delete a provision included in H.R. 5139 as approved by the House which

would have authorized the Secretary of the Interior to guarantee bonds or other obligations of the American Samoa Government for power production. The committee deleted this authorization since the American Samoa Government does not have the necessary authority to issue bonds or other obligations for this purpose and since sufficient authorization already exists to provide for essential power services through either direct loans or grants. The committee is extremely concerned over the deteriorating power situation in all of the territories and the increasing impact which total dependence on imported petroleum products is having on the local economies and the local government budgets. We believe that it is essential that careful consideration be given in each of the insular areas to provide an assured power base for local economic development. To the maximum extent possible, we would hope that alternative sources of energy would be explored and developed and I personally regret that the Department of Energy has not committed itself to the full completion of the alternate energy study mandated under Public Law 96-597.

The committee amendment finally would modify the procedure for the submission of deficit elimination plans from Guam and the Virgin Islands to remove the veto power of the Secretary of the Interior in favor of a 60-day period during which the Secretary may review and comment on the adequacy of the plans. The deficit elimination plans were one of the principle recommendations of the President's Territorial Message to the Congress in February 1980. In enacting the necessary authorization, Congress expected that the administration would commit itself to working closely with the territorial governments to develop a plan which would eliminate the general fund deficits in each of the territories and achieve a balanced budget by 1985. Especially in light of the impact of the transfer of Federal programs to local governments and the limited resources available to the territories to assume these new responsibilities, it is essential that the Federal Government provide the local territorial governments with the maximum amount of technical assistance available if essential services are to be maintained and if the local governments are to be expected to maintain a balanced budget. The committee has also authorized funds to reimburse the territories of Guam and the Virgin Islands for the incremental annual reduction in revenues directly attributable to the enactment of general Federal tax legislation last year. An inadvertent effect of the decision to lower Federal tax rates and provide a variety of new tax advantages to businesses and individuals was the extension of these same provisions to the territories of Guam and the Virgin Islands who by law have the Federal internal revenue laws as their local territorial tax.

It is the judgment of the committee that the Appropriations Committees should have the flexibility to examine the budgets of Guam and the Virgin Islands, and, to the extent that essential services cannot be maintained due to the reduction in revenues available to those governments as a result of the Federal tax legislation, the Appropriations Committees should have the flexibility to reimburse these territories. This provision is not designed to be a hold harmless, nor should the territories rely on an expectation that the full amount of the authorization will be annually appropriated. We do believe, however, that the flexibility must be provided to permit these local governments to maintain essential services and to adjust their outyear budgets in accordance with the reduced revenues which will occur.

Mr. President, H.R. 5139, as reported by the Committee on Energy and Natural Resources is responsive to both the needs of the territories and the concerns of the administration. It provides necessary authorizations to the territories and flexibility to both the administration and the Congress. To insure that essential Government and services are maintained I urge the passage of this measure with the committee amendment.●

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIVE AMERICAN CULTURE AND ART DEVELOPMENT ACT

The Senate proceeded to consider the bill (S. 792) to promote the development of Native American culture and art, which had been reported from the Select Committee on Indian Affairs with amendments as follows:

On page 2, line 3, strike "American Indian", and insert "Native American";

On page 2, line 6, strike "American Indian", and insert "Native American";

On page 2, line 13, strike "Indian", and insert "Native American";

On page 2, line 14, strike "Indian", and insert "Native American";

On page 2, line 19, strike "Indian", and insert "Native American";

On page 2, line 20, strike "Indian", and insert "Native American";

On page 2, line 24, strike "Indian", and insert "Native American";

On page 3, line 3, strike "Indian", and insert "Native American";

On page 3, line 8, strike "Indian", and insert "Native American";

On page 3, line 16, strike " "Indian" or";

On page 4, line 18, strike "Indian", and insert "Native American";

On page 9, line 21, strike "American Indian", and insert "Native American";

On page 9, line 22, strike "Indian";

On page 9, line 23, strike "Indian", and insert "Native American";

On page 10, line 1, strike "Indian", and insert "Native American";

On page 10, line 5, strike "Indian", and insert "Native American";

On page 10, line 6, strike "Indian", and insert "Native American";

On page 10, line 10, strike "Indian", and insert "Native American";

On page 10, line 13, strike "Indian", and insert "Native American";

On page 10, line 16, strike "Indian", and insert "Native American";

On page 10, line 19, strike "Indian", and insert "Native American";

On page 12, line 13, strike "HEADQUARTERS", and insert "HEADQUARTERS; RESOURCE CENTERS";

On page 12, strike line 14, through and including line 20, and insert the following:

"SEC. 10. (a) The Board shall consult with the Indian tribes and various organizations of Native Americans regarding a suitable site for the headquarters of the Institute. After such consultation is completed, an existing facility owned by the United States shall be designated by the Board, with the approval of the head of the Department or Agency having jurisdiction over such facility, as the headquarters of the Institute. The head of such Department or Agency is authorized to transfer the real property and any improvements thereon which comprise such facility to the Institute.

"(b) The Board is authorized to establish branch resource centers at various locations within the United States. The location of each resource center shall be determined by the Board after consultation with the Indian tribes and various organizations of Native Americans."

On page 14, line 11, strike "1981", and insert "1982";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Native American Culture and Art Development Act".

FINDINGS

SEC. 2. The Congress finds and declares that—

(1) Native American art and culture has contributed greatly to the artistic and cultural richness of the Nation;

(2) Native American art and culture occupies a unique position in American history as being our only native art form and cultural heritage;

(3) the enhancement and preservation of this Nation's native art and culture has a fundamental influence on the American people;

(4) although the encouragement and support of Native American arts and crafts are primarily a matter for private, local, and Native American initiative, it is also an appropriate matter of concern to the Federal Government;

(5) it is appropriate and necessary for the Federal Government to support research and scholarship in Native American art and culture and to complement programs for

the advancement of Native American art and culture by tribal, private, and public agencies and organizations;

(6) current Federal initiatives in the area of Native American art and culture are fragmented and inadequate; and

(7) in order to coordinate the Federal Government's effort to preserve, support, revitalize, and disseminate Native American art and culture, it is desirable to establish a national Institute of Native American Culture and Arts Development.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Native American art and culture" includes, but is not limited to, the traditional and contemporary expressions of Native American language, history, customs, belief, music, architecture, drama, dance, rituals, and crafts.

(2) The term "Institute" means the Institute of Native American Culture and Arts Development established by this Act.

(3) The term "Native American" means any person who is a member of an Indian tribe or is a Native Hawaiian.

(4) The term "Indian tribe" means any tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for special programs and services provided by the United States to Indians because of their status as Indians.

(5) The term "Native Hawaiian" means any descendant of a person who, prior to 1778, was a native of the Hawaiian Islands.

(6) The term "Secretary" means the Secretary of the Interior.

ESTABLISHMENT OF INSTITUTE

SEC. 4. There is established the Institute of Native American Culture and Arts Development, which shall be under the direction and control of a Board of Trustees (hereinafter referred to in this Act as the "Board") established in accordance with section 5.

BOARD OF TRUSTEES

SEC. 5. (a) The Board shall be composed of eighteen members as follows:

(1) twelve members appointed by the President of the United States from among individuals from private life who are Native Americans widely recognized in the field of Native American art and culture;

(2) Secretary of the Interior (or his designee);

(3) Secretary of Education (or his designee);

(4) Secretary of the Smithsonian Institution (or his designee);

(5) Chairman, National Endowment of the Arts (or his designee);

(6) Chairman, National Endowment of the Humanities (or his designee); and

(7) Librarian of Congress (or his designee).

The President of the Institute shall serve as an ex officio member of the Board.

(b) In making appointments pursuant to paragraph (1) of subsection (a), the President of the United States shall—

(1) consult with the Indian tribes and the various organizations of Native Americans; and

(2) give due consideration to the appointment of individuals who will provide appropriate regional and tribal representation on the Board.

(c) The term of office of each member of the Board appointed pursuant to paragraph (1) of subsection (a) shall be six years, except that of such members first appointed, four shall serve for a term of two years, four for a term of four years, and four for a term of six years, as designated by the President as of the time of appointment. Any member of the Board appointed to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of the term. No member of the Board appointed pursuant to paragraph (1) of subsection (a) shall be eligible to serve in excess of two consecutive terms, but may continue to serve until his successor is appointed.

(d) The President of the United States shall designate the initial Chairman and Vice Chairman of the Board from among the members of the Board appointed pursuant to paragraph (1) of subsection (a). Such Chairman and Vice Chairman so designated shall serve for twelve calendar months. The Chairman and Vice Chairman shall thereafter be elected by the members of the Board appointed pursuant to paragraph (1) of subsection (a) and shall serve for terms of two years. In the case of a vacancy in the office of Chairman or Vice Chairman, such vacancy shall be filled by the members of the Board appointed pursuant to paragraph (1) of subsection (a) and the members filling such vacancy shall serve for the remainder of the unexpired term.

(e) Unless otherwise provided by the bylaws of the Institute, a majority of the members of the Board shall constitute a quorum.

(f) The Board is authorized—

(1) to formulate the policy of the Institute;

(2) to make such bylaws, rules, and regulations as it deems necessary for the administration of its functions under this Act, including the organization and procedure of the Board;

(3) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and to accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(4) to solicit, accept, and dispose of gifts, bequests, devises of money, securities, and other properties of whatever character, for the benefit of the Institute;

(5) to receive grants from, and enter into contracts and other arrangements with, Federal, State, or local governments, public and private agencies, organizations, and institutions, and individuals;

(6) to acquire, hold, maintain, use, operate, and dispose of such real property, including improvements thereon, personal property, equipment, and other items, as may be necessary to enable the Board to carry out the purposes of this Act; and

(7) notwithstanding section 3618 of the Revised Statutes (31 U.S.C. 487), or any similar provision of law, to use any funds or property received by the Institute to carry out the purposes of this Act.

(g) Members of the Board appointed pursuant to paragraph (1) of subsection (a) of this section shall, for each day they are engaged in the performance of the duties under this Act, receive compensation at the rate of $125 per day, including traveltime. All members of the Board, while so serving away from their homes or regular places of business, shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

PRESIDENT; EMPLOYEES

SEC. 6. (a) The Board shall appoint a President of the Institute. The President of the Institute shall serve as the chief executive officer of the Institute. Subject to the direction of the Board and the general supervision of the Chairman, the President of the Institute shall have the responsibility for carrying out the policies and functions of the Institute, and shall have authority over all personnel and activities of the Institute.

(b) The President of the Institute shall be compensated at an annual rate not to exceed that prescribed for GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(c) The President of the Institute, with the approval of the Board, shall have the authority to appoint and fix the compensation and duties of such officers and employees as may be necessary for the efficient administration of the Institute. Such appointments and compensation may be made without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and chapter 51 and subchapter III of chapter 53 of title 5, United States Code.

FUNCTIONS OF THE INSTITUTE

SEC. 7. (a) There shall be established within the Institute—

(1) a Center for Culture and Art Studies to be administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, Departments of Arts and Sciences, Visual Arts, Performing Arts, Language, and Literature;

(2) a Center for Native American Scholars to be administered by a director (appointed by the President of the Institute, with approval of the Board), which shall include, but not limited to, research programs, fellowship programs, and publications;

(3) a Center for Cultural Exchange, administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include an inter Native American program, marketing and promotion of crafts, promotion of Native American art, exhibits and shows; and

(4) a Museum of Native American Arts, administered by a director (appointed by the President of the Institute, with the approval of the Board), which shall include, but not be limited to, the acquisition of Native American art and the curation and exhibition of Native American art.

(b) In addition to the centers and programs described in subsection (a), the Institute shall develop such programs and centers as the Board determines are necessary to—

(1) foster research and scholarship in Native American art and culture;

(2) complement existing tribal programs for the advancement of Native American art and culture; and

(3) coordinate efforts to preserve, support, revitalize and disseminate Native American art and culture.

(c) The Institute shall catalog the items relating to Native American art and culture which are available in museums, archives, libraries and other collections within the United States.

TRANSFER OF FUNCTIONS

SEC. 8. (a) There are transferred to the Institute and the Institute shall perform the functions of—

(1) the Institute of American Indian Arts established by the Secretary of the Interior in 1962; and

(2) the Indian Arts and Crafts Board established by the Act entitled "An Act to promote the development of Indian arts and crafts and to create a board to assist therein, and for other purposes", approved August 27, 1935 (49 Stat. 891).

(b)(1) All personnel, liabilities, contracts, personal property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of this Act, are transferred to the Institute.

(2) Personnel engaged in functions transferred by this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions, except that such transfer shall be without reduction in classification or compensation for one year after such transfer.

(c) All laws and regulations relating to the Institute of American Indian Arts and the Indian Arts and Craft Board transferred to the Institute by this Act shall, insofar as such laws and regulations are applicable, remain in full force and effect. With respect to such transfers, reference in any other Federal law to the Institute of American Indian Arts and the Indian Arts and Crafts Board, or any officer so transferred in connection therewith, shall be deemed to mean the Institute.

ANNUAL REPORT

SEC. 9. The President of the Institute shall submit an annual report to the Congress and to the Board concerning the status of the Institute during the twelve calendar months preceding the date of the report. Such report shall include, among other matters, a detailed statement of all private and public funds, gifts, and other items of a monetary value received by the Institute during such twelve-month period and the disposition thereof as well as any recommendations for improving the Institute.

HEADQUARTERS; RESOURCE CENTERS

SEC. 10. (a) The Board shall consult with the Indian tribes and various organizations of Native Americans regarding a suitable site for the headquarters of the Institute. After such consultation is completed, an existing facility owned by the United States shall be designated by the Board, with the approval of the head of the Department or Agency having jurisdiction over such facility, as the headquarters of the Institute. The head of such Department or Agency is authorized to transfer the real property and any improvements thereon which comprise such facility to the Institute.

(b) The Board is authorized to establish branch resource centers at various locations within the United States. The location of each resource center shall be determined by the Board after consultation with the Indian tribes and various organizations of Native Americans.

ADVISORY COMMITTEE

SEC. 11. (a) The President of the Institute shall establish an Advisory Committee which shall make recommendations to the Board on any matters relating to the Institute.

(b)(1) The Advisory Committee shall be composed of students of the Institute and parents of such students appointed by the President of the Institute.

(2) The number of members of the Advisory Committee and the terms of service of such members shall be determined by the President of the Institute.

(3) In making appointments to the Advisory Committee, the President of the Institute shall consider individuals who will provide appropriate representation of the students of the Institute and the parents of such students.

(c) The Advisory Committee shall elect a Chairman and shall have the authority to make any necessary rules regarding the procedures of the Advisory Committee.

COMPLIANCE WITH OTHER ACTS

SEC. 12. The Institute shall comply with the provisions of the American Indian Religious Freedom Act (92 Stat. 469) and the Archeological Resources Protection Act (93 Stat. 721).

AUTHORIZATION

SEC. 13. There are authorized to be appropriated, for the fiscal year beginning October 1, 1982, the sum of $4,000,000 to carry out the purposes of this Act, and for each fiscal year thereafter, such sum as may be necessary to carry out the purposes of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FLORIDA KEYS WILDERNESS

The bill (S. 1519) to designate certain national wildlife refuge lands was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) That certain lands known as North Cudjoe Key, Monroe County, Florida, which comprise approximately seventy-three acres, will be designated for purposes of the Wilderness Act (16 U.S.C. 1131-1136) as wilderness at the time those lands are included in the National Wildlife Refuge System, and shall become part of the existing "Florida Keys Wilderness".

SEC. 2. That notwithstanding any other provision of law, on the date that certain lands referred to as Racoon Key, Florida, comprising approximately twenty-five acres, and depicted on a map entitled "Florida Keys Wilderness and Great White Heron National Wildlife Refuge (West Part)" dated July 1975, are excluded from the National Wildlife Refuge System, they shall be excluded from the National Wilderness Preservation System.

SEC. 3. As soon as practical after this Act takes effect, the Secretary of the Interior shall file a map and legal description of the Florida Keys Wilderness with the Committee on Energy and Natural Resources of the Senate and the Interior and Insular Affairs Committee of the House of Representatives and such map and description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made. A map and legal description of the Florida Keys Wilderness shall be on file and available for public inspection in the Office of the Director, Fish and Wildlife Service, Department of the Interior.

SEC. 4. The lands designated by this Act as the Florida Keys Wilderness shall be administered in accordance with the applicable provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act and, where appropriate, any reference to the Secretary of Agriculture shall be deemed to be a reference to the Secretary of the Interior.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL NCO/PETTY OFFICER WEEK

The bill (S.J. Res. 161) to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week" was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S.J. RES. 161

Whereas the noncommissioned officers and petty officers of the Army, Air Force, and Marine Corps and the petty officers of the Navy and the Coast Guard have been regarded as the backbone of the Armed Forces of the United States for more than two hundred years;

Whereas noncommissioned officers and petty officers continue to be the recruiters, trainers, and noncommissioned leaders of the men and women who join the Armed Forces of the United States;

Whereas the noncommissioned officers' and petty officers' spirit and devotion to duty is epitomized in the long list of recipients of the Medal of Honor and other decorations of personal valor;

Whereas noncommissioned officers and petty officers have made great sacrifices during their service to this Nation;

Whereas the recent shortage of such officers serving on active duty has highlighted their value to the Nation and its military forces;

Whereas the Non-Commissioned Officers Association (NCOA), with a representative membership of active, retired, Reserve, National Guard, and former noncommissioned officers and petty officers of the Army, Navy, Marine Corps, Air Force, and Coast Guard, will hold its twenty-first international convention in the final week of June 1982; and

Whereas it is fitting and proper to recognize the significant contributions made by all noncommissioned officers and petty officers of the Armed Forces of the United States to the freedom and defense of this Nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America

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in Congress assembled, That the week commencing with the fourth Monday in June 1982 is designated as "National NCO/Petty Officer Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups and organizations to set aside that week to honor past and present noncommissioned officers and petty officers of the Armed Forces of the United States in an appropriate manner.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCHANGE OF CERTAIN LAND HELD BY NAVAJO TRIBE AND BLM

Mr. BAKER. Mr. President, I ask the minority leader if there is any objection to proceeding to the consideration of Calendar No. 534.

Mr. ROBERT C. BYRD. There is no objection, Mr. President.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 534, S. 159.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 159) to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Select Committee on Indian Affairs with an amendment to strike out all after the enacting clause, and insert the following:

That (a) subject to the approval of the Secretary of the Interior and to the provisions of this Act, the Navajo Tribe is authorized to exchange any surface interests of such Tribe in the lands described in subsection (b) for surface interests of the United States in lands described in subsection (c) which are approximately equal in value to such tribal interests.

(b) Lands located within the following New Mexico principal meridian townships are described in this subsection:

Township 8 north, range 12 west;
Township 8 north, range 11 west;
Township 7 north, range 12 west;
Township 7 north, range 11 west;
Township 6 north, range 12 west;
Township 7 north, range 5 west;
Township 6 north, range 5 west;
Township 6 north, range 4 west;
Township 6 north, range 3 west; and
Township 7 north, range 3 west.

(c) The lands described in this subsection are the lands withdrawn for exchange by Public Land Order 5721 (Federal Register, May 2, 1980, pages 29295-29297) other than the following lands:

Township 23 north, range 13 west, New Mexico principal meridian: section 3, southeast quarter; section 13, southeast quarter; and section 28, southwest quarter;

Township 16 north, range 10 west, New Mexico principal meridian: section 6, southeast quarter; and section 18, northeast quarter; and

Township 22 north, range 10 west, New Mexico principal meridian: section 16, north half and southwest quarter.

SEC. 2. Any interests in lands acquired by the Navajo Tribe under section 1(a) shall be held by the Secretary of the Interior in trust for the benefit and use of the Navajo Tribe.

SEC. 3. (a) Lands received by the Navajo Tribe in an exchange under section 1(a) shall be subject to such easements or rights-of-way as the Secretary of the Interior may create in order to provide necessary access to Federal lands adjacent to such lands. The Secretary of the Interior may create such an easement or right-of-way only after he has consulted the governing body of the Navajo Tribe with regard to the location, scope, and use of such easement or right-of-way.

(b) Nothing in this Act shall affect—

(1) the mineral interests of any person, or

(2) any easement or other rights of any person (other than the United States or the Navajo Tribe),

in lands exchanged under section 1(a) which existed prior to the enactment of this Act. The development of such interests and the exercise of such rights may only be controlled by the Navajo Tribe or the Secretary of the Interior to the same extent that such development or exercise could have been controlled by the Secretary of the Interior prior to the enactment of this Act.

SEC. 4. (a) No exchange shall be made under section 1(a) if, at the time such exchange is proposed, the value of the interests in lands described in section 1(b) which are proposed to be exchanged exceeds an amount equal to 125 percent of the value of interests in lands described in section 1(c) which are proposed to be exchanged.

(b)(1) If, at the time of an exchange under section 1(a), the value of the interests in lands described in section 1(b) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(c) which are exchanged under section 1(a), the Secretary of the Interior shall pay to the Navajo Tribe an amount equal to such excess value.

(2) If, at the time of any exchange under section 1(a), the value of the interests in lands described in section 1(c) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(b) which are exchanged under section 1(a), the Navajo Tribe shall pay to the United States an amount equal to such excess value.

SEC. 5. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of section 4(b)(1).

UP AMENDMENT NO. 913

Mr. BAKER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. (Mr. ABDNOR). The amendment will be stated.

The assistant legislative clerk read the following:

The Senator from Tennessee (Mr. BAKER) for Mr. COHEN, proposes an unprinted amendment numbered 913:

On page 22, line 17:

Section 5 of S. 159 is hereby amended by inserting after the word "appropriated" and before the words "such sums" the phrase "during Fiscal Year 1983".

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 913) was agreed to.

● Mr. COHEN. Mr. President, I support S. 159, a bill to authorize an exchange of land held by the Navajo Tribe and the Bureau of Land Management. Mr. President, this bill was introduced by Senator HARRISON SCHMITT, of New Mexico on January 19, 1981, and was referred to the Select Committee on Indian Affairs.

Hearings were held on this bill on July 30, 1981, at which time it was supported by the administration with expressions of support from tribal respondents. A question arose with respect to support of the chairman of the Navajo Tribe and for this reason the committee was delayed in reporting the bill out of committee. The chairman of the Navajo Tribe has now expressed his support for this legislation.

Mr. President, the Navajo Tribe presently owns approximately 79,800 acres of land in the State of New Mexico which it proposes to exchange for lands in that State owned by the United States and managed by the Bureau of Land Management. The Bureau of Land Management proposes to acquire all of the 79,800 acres of land offered by the Navajo Tribe and transfer to the tribe lands of approximately equal value located in the northwest corner of the State. To the extent there is any difference in value in the lands exchanged, S. 159 authorizes and directs the Secretary of the Interior to compensate the tribe in an amount not to exceed 25 percent of the total value of the lands exchanged by the Navajo Tribe.

Mr. President, with respect to UP amendment No. 913, section 5 of the bill authorizes an appropriation of such sums as are necessary to carry out the purposes of the act. The bill fails to state the fiscal year in which such sums are authorized to be appropriated. I therefore ask that the Senate adopt the bill with a technical amendment to provide that the term "during fiscal year 1983" be inserted after the word "appropriated" as it appears in section 5 of the bill.●

● Mr. SCHMITT. Mr. President, the legislation before us represents the culmination of a noteworthy agreement between several agencies and a tribal government which resolves a complex land management problem.

The problem which is addressed by this bill is unique to the State of New Mexico. Land ownership in the northwestern region of the State is intermingled, often called checkboard. This designation reflects the pattern of small parcel ownership by private,

State, Federal, and Indian trust land. Prudent land management policies are often frustrated by this complex ownership pattern. In addition to the checkerboarding problem is the existence of unauthorized Indian occupancy on public lands which are managed by the Bureau of Land Management.

The Indian occupancy issue is a widespread problem and can be traced back to the early part of this century when portions of the public lands were temporarily withdrawn for use by the Navajo Tribe by Executive order. The authorized use by the Navajos was terminated in stages and the land was returned to the public domain on paper, however, the use of these lands by individual Navajos did not end.

The Navajos had lived and grazed their livestock in this region for over 400 years. Some of the people built their homes and put up corrals and fencing as was needed for their livestock operations. Because of the confusing land ownership pattern and missing survey markers, the extent of the trespass problem was not fully appreciated. Only in 1974, when the Bureau of Land Management inventoried the area during the planning process, was the unauthorized occupancy actually verified.

The response to this situation was both creative and compelling as an example of cooperation between agencies of the Federal Government and the Navajo Tribe. In an effort to avoid relocation of the Indians occupying public domain land, the Bureau of Indian Affairs, the Bureau of Land Management, and the Navajo Tribe agreed to cooperate in an exchange of land. In 1977 the Navajo Tribe purchased approximately 80,000 acres of privately owned land in an area which possesses significant natural interest: the El Malpais region of New Mexico. This land, which had been identified by the BLM as appropriate to their land management goals, is to be exchanged for 57,000 acres of public land on which about 1,000 Navajos now live as unauthorized occupants. All parties have agreed on the land appraisals which indicate an exchange of equal value. The agreement enhances the BLM multiple use management program, consolidates a portion of the checkerboard ownership pattern, and eliminates disruption and relocation of the Indian families occupying public domain land.

This exchange does not require legislative action. Such an exchange is fully authorized under section 206 of the Federal Land Policy and Management Act of 1976. However, legislation is necessary to authorize the Secretary of the Interior to accept and hold the lands in trust for the Navajo Tribe—a step which the tribe feels is vital in order to regularize and conform to existing tribal land status.

Therefore, the legislation before the Senate is the linchpin of the land exchange agreement. It provides the Secretary of the Interior to accept title to the exchanged lands on behalf of the Navajo Tribe to be held in trust. Subsurface rights to the land to be held in trust will be reserved to the Federal Government. This is consistent with the land acquired by the Navajo Tribe for the exchange: only surface rights of the previously private land were acquired. Existing mineral rights and existing easements and rights-of-way are protected in this legislation. Access to Federal lands adjacent to the land to be held in trust is guaranteed by the bill, and limited cash equalization of the land values is provided. No change in the official boundary of the Navajo Reservation is contemplated in this legislation and no additional powers are conferred on either the Secretary of the Interior of the Navajo Tribe except to allow the single-purpose transfer of land title into trust status.

I should like to again remark on the praiseworthy effort by all parties involved in this difficult situation. I would also like to thank my colleague, the distinguished chairman of the Select Committee on Indian Affairs, and his staff for the support which this measure has received, and for his understanding of the issues involved. I urge the adoption of this measure.●

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to the approval of the Secretary of the Interior and to the provisions of this Act, the Navajo Tribe is authorized to exchange any surface interests of such Tribe in the lands described in subsection (b) for surface interests of the United States in lands described in subsection (c) which are approximately equal in value to such tribal interests.

(b) Lands located within the following New Mexico principal meridian townships are described in this subsection:

Township 8 north, range 12 west;
Township 8 north, range 11 west;
Township 7 north, range 12 west;
Township 7 north, range 11 west;
Township 6 north, range 12 west;
Township 7 north, range 5 west;
Township 6 north, range 5 west;
Township 6 north, range 4 west;
Township 6 north, range 3 west; and
Township 7 north, range 3 west;

(c) The lands described in this subsection are the lands withdrawn for exchange by Public Land Order 5721 (Federal Register May 2, 1980, pages 29295-29297) other than the following lands:

Township 23 north, range 13 west, New Mexico principal meridian: section 3, southeast quarter; section 13, southeast quarter; and section 28, southwest quarter;

Township 16 north, range 10 west, New Mexico principal meridian: section 6, southeast quarter; and section 18, northeast quarter; and

Township 22 north, range 10 west, New Mexico principal meridian: section 16, north half and southwest quarter.

SEC. 2. Any interests in lands acquired by the Navajo Tribe under section 1(a) shall be held by the Secretary of the Interior in trust for the benefit and use of the Navajo Tribe.

SEC. 3. (a) Lands received by the Navajo Tribe in an exchange under section 1(a) shall be subject to such easements or rights-of-way as the Secretary of the Interior may create in order to provide necessary access to Federal lands adjacent to such lands. The Secretary of the Interior may create such an easement or right-of-way only after he has consulted the governing body of the Navajo Tribe with regard to the location, scope, and use of such easement or right-of-way.

(b) Nothing in this Act shall affect—

(1) the mineral interests of any person, or

(2) any easement or other rights of any person (other than the United States or the Navajo Tribe),

in lands exchanged under section 1(a) which existed prior to the enactment of this Act. The development of such interests and the exercise of such rights may only be controlled by the Navajo Tribe or the Secretary of the Interior to the same extent that such development or exercise could have been controlled by the Secretary of the Interior prior to the enactment of this Act.

SEC. 4. (a) No exchange shall be made under section 1(a) if, at the time such exchange is proposed, the value of the interests in lands described in section 1(b) which are proposed to be exchanged exceeds an amount equal to 125 percent of the value of interests in lands described in section 1(c) which are proposed to be exchanged.

(b)(1) If, at the time of an exchange under section 1(a), the value of the interests in lands described in section 1(b) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(c) which are exchanged under section 1(a), the Secretary of the Interior shall pay to the Navajo Tribe an amount equal to such excess value.

(2) If, at the time of any exchange under section 1(a), the value of the interests in lands described in section 1(c) which are exchanged under section 1(a) exceeds the value of the interests in lands described in section 1(b) which are exchanged under section 1(a), the Navajo Tribe shall pay to the United States an amount equal to such excess value.

SEC. 5. There are hereby authorized to be appropriated during fiscal year 1983 such sums as are necessary to carry out the provisions of section 4(b)(1).

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are certain nominations on the Executive Calendar today that are cleared for action by unanimous consent on this side of the aisle.

I particularly invite the attention of the minority leader to the following items: Calendar No. 744, under Coast Guard, Vice Adm. James S. Gracey, to be Commandant; Calendar No. 745, Rear Adm. Benedict L. Stabile, to be Vice Commandant; Calendar Nos. 746, 747, 748, and 749, under Department of State; Calendar No. 750, under International Communication Agency, Ronald L. Trowbridge, of Michigan, to be an Associate Director.

Is the minority leader in a position to clear these items for consideration by unanimous consent?

Mr. ROBERT C. BYRD. Mr. President, there is no objection to proceeding with the aforementioned nominations.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

IN THE COAST GUARD

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

DEPARTMENT OF STATE

Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. delegation to the Intermediate Range Nuclear Force Negotiations.

James Eugene Goodby, of New Hampshire, a career member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice Chairman, U.S. Delegation to the strategic arms reductions talks (START) and Department of State Representative.

Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. representative to the Committee on Disarmament.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House.

INTERNATIONAL COMMUNICATION AGENCY

Ronald L. Trowbridge, of Michigan, to be an Associate Director of International Communication Agency.

Mr. BAKER. Mr. President, I move to reconsider the votes by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past 4:30 p.m. in which Senators may speak for not more than 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL SMALL BUSINESS WEEK

Mr. BUMPERS. Mr. President, I am pleased to join several of my colleagues today in saluting the small businesses of this country. This week has been proclaimed "National Small Business Week" and it is a very fitting tribute for the thousands of men and women who operate small businesses.

We all know the great track record of the small businesses in this country. They create the vast majority of new jobs, are many times more innovative than larger firms, and are largely responsible for the growth or our economy over the last couple of decades.

These businesses, however, are having severe problems in the current economic environment. Continued high interest rates and the lack of available capital have forced thousands of these firms out of business, and these small business closings have thrown millions of Americans out of work. This administration, while continuing to cling to its hopes for a revived overall economy in which all firms, both large and small, will prosper, has failed to take into account the particular needs of the small businesses. If this neglect continues, the result is certain. Our economy will continue to be stagnant and no new jobs will be created. Since small businesses are on the cutting-edge of the economy we all know that they are going to lead us out of our current economic misery. Therefore, I would hope that the actions of this administration and the Congress would take into account the needs of the small business sector of our economy. Given the right opportunities these entities can create the jobs we so desperately need.

Having once been a small businessman, Mr. President, I know how difficult it can be in tough economic times as you struggle to stay afloat and make ends meet. The men and women who operate these businesses are to be commended for their efforts and hard work, and I am pleased to join the chairman of the Small Business Committee, Mr. WEICKER, and the ranking member, Mr. NUNN, in their support for small business on the beginning of "National Small Business Week."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:08 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4613. An act to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States.

At 12:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that pursuant to the provisions of section 1 of Public Law 689, 84th Congress, as amended, the Speaker appoints as

members of the U.S. Group of the North Atlantic Assembly, to be held from May 27 to June 1, 1982, in Madeira, Portugal, the following Members on the part of the House: Mr. PHILLIP BURTON of California, Chairman, Mr. HAMILTON, Vice Chairman, Mr. BROOKS, Mr. ANNUNZIO, Mr. ROSE, Mr. GARCIA, Ms. OAKAR, Mr. ROSENTHAL, Mr. BROOMFIELD, Mr. WHITEHURST, Mr. BURGENER, and Mr. ROTH.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 361. Joint resolution to grant official recognition to the international ballet competition.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

At 1:13 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3208. An act to amend the Reclamation Safety of Dams Act of 1978, and for other purposes.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 3208. An act to amend the Reclamation Safety of Dams Act of 1978, and for other purposes; to the Committee on Energy and Natural Resources.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 4613. An act to increase the efficiency of Government-wide efforts to collect debts owed the United States and to provide additional procedures for the collection of debts owed the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Con. Res. 92. Original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982 (with additional and minority views) (Rept. No. 97-385).

EXECUTIVE REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under the authority of the order of the Senate of May 6, 1982, the following reports of committees were submitted on May 7, 1982, during the recess of the Senate:

By Mr. PERCY, from the Committee on Foreign Relations: Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. Representative to the Committee on Disarmament:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Louis G. Fields, Jr.

Post: U.S. Representative to the Committee on Disarmament.

Contributions, amount, date, donee.

1. Self: $25, July 8, 1981, GOP Victory Fund; $25, September 20, 1981, Friends of Coleman.
2. Spouse: none.
3. Children and spouses names: none.
4. Parents names: none.
5. Grandparents names: none.
6. Brothers and spouses names: (See attached list of brother's contributions. The spouse made no contributions.)
7. Sisters and spouses names: none.

I certify that the following are political contributions made by my brother, James H. Fields, of Chesterfield, Missouri, Ph 314-531-0460, all for Republican conservative causes, funds, drives:

Amount, Date, Donee.
$15., 4/3/78, NRSC.
$25., 6/14/78, Leadership Letters.
$15., 7/24/78, ASC.
$15., 8/1/78, RSCF.
$15., 2/1/79, Crane.
$15., 4/9/79, NRSC.
$25., 4/16/79, RNC.
$15., 6/28/79, PAC.
$15., 9/18/79, CC.
$25., 3/1/80, RNC.
$25., 5/1/80, NC/PAC.
$25., 5/28/80, Fund/MM.
$20., 5/28/80, MoRP.
$25., 8/26/80, Fund for Reagan.
$25., 8/26/80, Comte/Adv Morael Govt.
$25., 9/23/80, RSCF.
$15., 9/26/80, CC.
$25., 9/13/80, RNC.
$15., 9/26/80, CC.
$15., 10/6/80, McNary for Sen.
$25., 10/13/80, Evan 80 Comte.
$10., 2/9/81, CC.
$10., 2/9/81, TCC.
$10., 2/9/81, FAC.
$10., 2/9/81, RSC.
$10., 2/9/81, RNC.
$10., 4/29/81, RNC.
$25., 5/21/81, MoRP.
$40., Sep/Dec/81, Rep Pres Task Force.

Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. Delegation to the Intermediate Range Nuclear Force Negotiations:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Maynard W. Glitman. Post: Ambassador and Deputy Negotiator Intermediate Range Nuclear Forces.

Contributions, amount, date, donee.

1. Self: Maynard W. Glitman, None.
2. Spouse: G. Christine Glitman, None.
3. Children and Spouses Names: Russell, Eirk, Karen, Matthew, Rebecca, None.
4. Parents Names: Ben Glitman, None.
5. Grandparents Names: Mrs. Max Kutok, None.
6. Brothers and Spouses Names: Joseph S. Glitman, Geraldine Glitman, None.
7. Sisters and Spouses Names: Paula Giltman, None.

James Eugene Goodby, of New Hampshire, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice-Chairman, United States Delegation to the Strategic Arms Reduction Talks (START) and Department of State Representative:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: James E. Goodby.

Post: Vice Chairman START Delegation.

Contributions: amount, date, donee.

1. Self, None.
2. Spouse, None.
3. Children and Spouses Names: None.
4. Parents Names: None.
5. Grandparents Names: None.
6. Brothers and Spouses Names: None.
7. Sisters and Spouses Names: None.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House:

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Selwa Roosevelt.

Post: Chief of Protocol, Rank of Ambassador.

Nominated: March 3, 1981.

Contributions, amount, date, donee.

1. Self—Joint contributions (see attached paper).
2. Spouse.
3. Children and Spouses, Mrs. Roosevelt has no children. Names:
4. Parents, Only living parent—Najla Showker (see attached statement). Names:
5. Grandparents, not applicable. Names:
6. Brothers and Spouses, not applicable. Names:
7. Sisters and spouses Kay Showker (has made no contributions). Names:

Since my husband was in the government most of his career we have never been accustomed to making political contributions as such. However in recent years when asked by personal friends to contribute to their campaigns we have done so as follows:

1978: Citizens for Percy, $100.; Friends of Ed Brooke, $150.; Weld for Attorney Gen., $25. (relative); Marion Barry for Mayor, $100.

1979: George Bush for President, $250.; G.O.P. Victory Fund, $30.

1980: George Bush for President, $100.; G.O.P. Victory Fund, $25.

1981: McCloskey for Senate, $50.; Chuck Percy Senate Club, $100.; Ray Shamie for Senate (Republican candidate for Senate in Mass.), $25.

1982: Mar. 9—People for John Heinz Committee, $100.; Feb. 22—Republican Natl. Committee Sustaining Fund, $50.; March—The Republican Task Force, $120.

Ronald L. Trowbridge, of Michigan, to be an Associate Director of the International Communication Agency.

(The above nominations were reported from the Committee on Foreign Relations with the recommendation that they be confirmed, subject to the nominee's commitment to respond to

requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PELL:

S. 2510. A bill to provide for daylight saving time on an extended basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DIXON:

S. 2511. A bill to amend the Merchant Marine Act of 1936 to provide that Government generated cargoes transported on U.S.-flag or foreign vessels shall be shipped at the lowest landed cost; to the Committee on Commerce, Science, and Transportation.

By Mr. METZENBAUM (for himself, Mr. SASSER, Mr. CRANSTON, Mr. NUNN, MR. RANDOLPH, Mr. BUMPERS, Mr. CHAFEE, Mr. DURENBERGER, Mr. STENNIS, Mrs. HAWKINS, Mr. RIEGLE, Mr. WEICKER, Mr. LUGAR, Mr. PELL, Mr. MATSUNAGA, Mr. DIXON, Mrs. KASSEBAUM, Mr. BURDICK, Mr. MCCLURE, Mr. SYMMS, Mr. ZORINSKY, Mr. KENNEDY, Mr. INOUYE, Mr. BAUCUS, Mr. LEAHY, Mr. BIDEN, Mr. DECONCINI, Mr. MATHIAS, and Mr. SPECTER):

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982 as "Myasthenia Gravis Awareness Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER:

S. Res. 389. A resolution relative to the expenses incurred by the representatives of the Senate who attended the funeral of the Honorable Clifford P. Case, late Senator from the State of New Jersey; considered and agreed to.

By Mr. DOMENICI, from the Committee on the Budget:

S. Con. Res. 92. An original concurrent resolution setting forth the recommended congressional budget for the U.S. Government for fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982; placed on the calendar.

By Mr. DOLE (for himself, Mr. JEPSEN, Mr. LEVIN, and Mr. MOYNIHAN):

S. Con. Res. 93. Concurrent resolution to urge the Government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PELL.

S. 2510. A bill to provide for daylight saving time on an expanded basis, and for other purposes; to the Committee on Commerce, Science, and Transportation.

DAYLIGHT SAVING TIME EXTENSION ACT OF 1982

Mr. PELL. Mr. President, I am introducing today legislation that would amend the Uniform Time Act of 1966 to provide for the observance of daylight saving time—d.s.t.—for an 8-month period beginning the first Sunday in March through the last Sunday in October. Under the current law, daylight saving time is observed from the last Sunday in April to the last Sunday in October. The legislation I propose would advance daylight saving time by a 2-month period.

During the energy emergency of the early 1970's, I introduced similar legislation to extend daylight saving time on a year-round basis as one way to help ease the energy crunch and respond to other concerns during that critical period. I was especially pleased that legislation to extend daylight saving time was enacted—Public Law 93-434—on an experimental basis in 1973 for a 2-year period in response to the energy emergency.

Mr. President, while the immediate concerns of the energy crisis have abated, the importance of emphasizing a continuation of energy conservation by all Americans has not diminished.

Unquestionably, one of the most immediate benefits of daylight saving time extension is the energy savings associated with the consumption of electricity. Recent reports by the Department of Transportation suggest that an extension of daylight saving time would reduce the demand for electricity between 1 and 2 percent nationally. This reduction in demand would mean an energy savings of approximately 100,000 barrels of oil equivalent per day during the 2-month extension.

Beyond the direct reduction in demand for electricity, it is also important to recognize that an expanded period of daylight saving time would serve as further incentive for energy conservation by individuals, businesses, and industry and various government entities. The expanded period of daylight would remind us all of our continued need to conserve energy and reduce the Nation's dependency upon imported oil.

Mr. President, the benefits of an expanded daylight saving time extend beyond the important energy conservation area. There would be additional immediate and noticeable effects on the quality of life for all Americans. These direct benefits beyond conservation include reductions in most categories of crime, reductions in traffic accidents and reductions in fatalities.

The National Highway Traffic Safety Administration, for example, predicted there would be 200 fewer traffic fatalities per year if the observance of daylight saving time was extended to include March and April. In this regard, and in response to the considerable and proper concern over the matter of schoolchildren waiting for school buses in the early morning hours, studies by the Department of Transportation and the National Bureau of Standards have indicated that based upon the daylight saving time experiment in the midseventies, there were no school age fatality increases during the months of March and April of 1974. The National Safety Council and the Department of Transportation further indicated that under extended daylight saving time in March and April, school age children would not be subject to greater involvement in accidents than the general population in any period of the day.

Another key benefit from the 2 additional months of daylight would be a nationwide reduction in most categories of crime—a problem rapidly reaching epidemic proportions in our Nation. Statistics indicate that robbery, muggings, and other forms of violent crime are most frequently committed during the early evening hours. With the extra hour of daylight, at a time when most of the work force would be en route home, criminals would be less apt to threaten these individuals returning to their families. This position is strongly supported by a study conducted by the Law Enforcement Assistance Administration following the 2-year experiment with year-round daylight saving time. The study revealed reductions in violent crime of 10 to 13 percent in the Washington metropolitan area. The analysis showed considerably less violent crime for the daylight saving time periods when compared to similar periods of standard time.

Finally, Mr. President, I believe it is significant to note the wide public support for extending daylight saving time beyond the current 6-month period. In polls conducted during the experimental period 1974-75, a majority of the public favored expanded daylight saving time by a ratio of 2 to 1. More recent polls conducted by the Roper Organization in 1976 and 1980 reaffirm this broad public support for an extended period of daylight saving time.

Mr. President, it seems clear that the benefits of extending daylight saving time for the 2-month period far outweighs the continuation of the present 6-month period. The legislation I am proposing would impose no additional burden for the American taxpayers and require no additional involvement by the Federal Government. Furthermore, this legislation protects those States who opposed any expanded daylight saving time by continuing the authority for any State to exempt itself from the provisions of the bill. In my view, an extension of daylight saving time would be beneficial to all Americans through significant reductions in crime, traffic acci-

dents, and energy consumption. I hope my colleagues will support this legislation and an extension of daylight saving time for the 2-month period including March and April.

I ask unanimous consent, Mr. President, that the text of the legislation I am proposing today be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Daylight Saving Time Extension Act of 1982".

SEC. 2. The Congress hereby finds—

(1) that various studies of governmental and nongovernmental agencies indicate that daylight saving time over an expanded period would produce a significant energy saving in electrical power consumption;

(2) that daylight saving time may yield energy savings in other areas besides electrical power consumption;

(3) that daylight saving time over an expanded period could serve as an incentive for further energy conservation by individuals, companies, and the various governmental entities at all levels of government, and that such energy conservation efforts could lead to greatly expanded energy savings; and

(4) that the use of daylight saving time over an expanded period could have other beneficial effects on the public interest, including the reduction of crime, improved traffic safety, more daylight outdoor playtime for the children and youth of our Nation, greater utilization of parks and recreation areas, expanded economic opportunity through extension of daylight hours to peak shopping hours and through extension of domestic office hours to periods of greater overlap with the European Economic Community.

SEC. 3. (a) Section 3 (a) of the Uniform Time Act of 1966 (15 U.S.C. 260a(a)) is amended by striking out "last Sunday of April" and inserting in lieu thereof "first Sunday of March".

(b) Any law in effect on the date of the enactment of this Act—

(1) adopted pursuant to section 3(a)(2) of the Uniform Time Act of 1966 by a State with parts thereof in more than one time zone, or

(2) adopted pursuant to section 3(a) (1) of such Act by a State that lies entirely within one time zone,

shall be held and considered to remain in effect as the exercise by that State of the exemption permitted by such Act unless that State, by law, provides that such exemption shall not apply.

SEC. 4. Nothwithstanding any other law or any regulation issued under any such law, the Federal Communications Commission shall, consistent with any existing treaty or other agreement, make such adjustment by general rules, or by interim action pending such general rules, with respect to hours of operation of daytime standard amplitude modulation broadcast stations, as may be consistent with the public interest, including the public's interest in receiving interference-free service. Such general rules, or interim action, may include variances with respect to operating power and other technical operating characteristics. Subsequent to the adoption of such general rules, they may be varied with respect to particular stations and areas because of the exigencies in each case.

SEC. 5. This Act shall take effect on the date of the enactment of this Act, except that if the date of enactment occurs in any calendar year after March 1, this Act shall take effect on the first day of the following calendar year.

By Mr. DIXON:

S. 2511. A bill to amend the Merchant Marine Act of 1936 to provide that Government generated cargoes transported on U.S. flag or foreign vessels shall be shipped at the lowest landed cost; to the Committee on Commerce, Science, and Transportation.

TRANSPORTATION OF GOVERNMENT GENERATED CARGOES

Mr. DIXON. Mr. President, the U.S. merchant marine is an important component of our national defense system, but it has fallen into very bad shape. It is costly to operate and often inefficient. In this time of fiscal austerity, it is appropriate for the Congress to be reexamining the maritime subsidy programs' effectiveness and costs.

These programs are presently in the process of being reviewed by the Commerce Committee in the context of the Maritime Administration reauthorization bill. I would like to note that the committee attention has not been limited to these subsidy programs. A major and long-awaited revision of the Nation's shipping regulatory laws was just recently reported by the Commerce Committee, and the committee should be commended for its hard work on this issue.

The bill I am introducing today addresses one important part of the wide range of this Nation's maritime promotional programs—the costs of administering the present cargo preference system. This bill would amend the Merchant Marine Act of 1936 and Public Resolution 17 to provide that Government generated cargoes, whether shipped on U.S. flag or foreign vessels, be shipped at the lowest landed cost. I wish to emphasize at the outset that the bill does not in any way alter the U.S. merchant marine's entitlements to its percentage of cargo preference shipments. The fundamental principles of our cargo preference system are left inviolate. The bill does, however, require that such preference cargoes be shipped in the U.S.-flag vessels that offer to deliver the cargo at the lowest landed cost. Similarly, the bill requires that the remaining cargoes which are carried in foreign vessels must be shipped in those vessels that will deliver the cargo at the lowest landed cost. The bill thereby provides that cargoes which are financed by the Federal Government are shipped at the lowest cost to U.S. taxpayers.

The bill gives the President the authority not to ship at the lowest landed price if he determines that such shipment would not be in the U.S. security or strategic interests, or in the case of an emergency. Finally, the requirement to ship through ports at lowest landed costs is applicable only when vessels offering such transportation are available.

Mr. President, the Government finances for export a wide range of products under the aegis of a large number of agencies. Depending on the particular program, the cargo preference laws dictate that 50 percent or more of that cargo be shipped on U.S.-flag vessels. The U.S.-flag fleet is more expensive than foreign vessels. We all know that, and that is one of the main reasons cargo preference is so important to the U.S. merchant marine—it is a major source of cargo assurance to a fleet that is not economically competitive.

But, if we are going to accept this kind of subsidy program, we should make sure that we are not paying more than is necessary.

The present cargo preference laws are administered by some agencies in a manner that does not insure lowest cost to the Government. What this bill does is require that, if the U.S. Government ships cargo on a U.S.-flag vessel, it must be on the U.S.-flag vessel that provides transportation at the lowest landed cost. Similarly, if the Federal Government finances the transportation of cargo on foreign ships, such cargo must be shipped at lowest landed cost.

Some agencies already manage their cargo shipments in this manner. As a general proposition, for example, the Department of Agriculture Public Law 480 program is run with this principle in mind. On the other hand, cargoes generated by Eximbank financing are not shipped in this fashion.

It seems to me that a fundamental principle of any economically sound operation is its intent to achieve a result at the lowest cost. It is certainly the expectation of the American taxpaying public that the Federal Government will eliminate unnecessary spending whenever it is found. Mr. President, I submit that this bill will insure that shipments of Government generated cargoes involve as little of the Federal purse as possible. And furthermore, it will do so in an equitable fashion and will not repeal or alter the fundamental cargo preference principles. The savings from this proposal can then be used more productively in generating more export cargo, rather than spending needlessly on more costly transportation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2511

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 901(b) of the Merchant Marine Act of 1936 (46 U.S.C. 1241 (b)) is amended by redesignating paragraph (2) as paragraph (3), and by inserting the following new paragraph immediately after paragraph (1):

"(2)(A) All cargoes to which the 50 per centum requirement of this subsection applies, which are transported on privately owned United States-flag commercial vessels, shall be carried on those United States-flag vessels that will transport the cargo at the lowest landed cost whenever such vessels are available, unless the President of the United States or the Secretary of Defense orders otherwise on the basis of a declared emergency.

"(B) All cargoes to which the 50 per centum requirement of this subsection applies, which are not transported on privately owned United States-flag commercial vessels and whose inland or ocean transportation involves financing by the United States, shall be carried on those vessels that will transport the cargo at the lowest landed cost whenever such vessels are available, unless the President of the United States or the Secretary of Defense orders otherwise for national security or strategic reasons or on the basis of a declared emergency.

"(C) For the purposes of this section, "lowest landed cost" shall mean the cost of transporting the cargo from the point of production or final assembly to the designated port of entry abroad. The Secretary of Commerce and every department or agency having responsibility under this subsection shall take such steps as may be necessary: (i) to encourage the consolidation of cargo subject to this subsection whenever consolidation would promote shipment of such cargo at lowest landed cost and would be appropriate, and (ii) to assure that such cargo is transported at the lowest landed cost in compliance with this section, including requiring shippers, freight forwarders or other appropriate persons to invite bids for the ocean transportation of such cargo.".

SEC. 2. The Joint Resolution entitled "Joint Resolution requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (46 U.S.C. 1241-1), is amended—

(1) by inserting "(a)" after "That"; and

(2) by adding at the end thereof the following new subsections:

"(b) All products to which this joint resolution applies, which are carried in vessels of the United States, shall be carried in those United States-flag vessels that will transport the products at the lowest landed cost whenever such vessels are available, unless the President of the United States or Secretary of Defense orders otherwise on the basis of a declared emergency.

"(c) All products to which this joint resolution applies, which are not carried in vessels of the United States and whose inland or ocean transportation involves financing by the United States, shall be carried in those vessels that will transport the products at the lowest landed cost whenever such vessels are available, unless the President of the United States or Secretary of Defense orders otherwise for national security or strategic reasons or on the basis of a declared emergency.

"(d) For the purposes of this section, "lowest landed cost" shall mean the cost of transporting the products from the point of production or final assembly to the designated port of entry abroad. The Secretary of Commerce, or the appropriate Federal agency designated by the Secretary of Commerce, shall take such steps as may be necessary: (1) to encourage the consolidation of products subject to this subsection whenever consolidation would promote shipment of such product at lowest landed cost and would be appropriate, and (2) to assure that such products are transported at the lowest landed cost in compliance with this section, including requiring shippers, freight forwarders or other appropriate persons to invite bids for the ocean transportation of such products.".

By Mr. METZENBAUM (for himself, Mr. SASSER, Mr. CRANSTON, Mr. NUNN, Mr. RANDOLPH, Mr. BUMPERS, Mr. CHAFEE, Mr. DURENBERGER, Mr. STENNIS, Mrs. HAWKINS, Mr. RIEGLE, Mr. WEICKER, Mr. LUGAR, Mr. PELL, Mr. MATSUNAGA, Mr. DIXON, Mrs. KASSEBAUM, Mr. BURDICK, Mr. MCCLURE, Mr. SYMMS, Mr. ZORINSKY, Mr. KENNEDY, Mr. INOUYE, Mr. BAUCUS, Mr. LEAHY, Mr. BIDEN, Mr. DECONCINI, Mr. MATHIAS, and Mr. SPECTER):

S.J. Res. 197. Joint resolution to provide for the designation of the week of October 17 through October 23, 1982, as "Myasthenia Gravis Awareness Week"; to the Committee on the Judiciary.

MYASTHENIA GRAVIS AWARENESS WEEK

● Mr. METZENBAUM. Mr. President, I am introducing today a joint resolution to designate the week of October 17 through 23, 1982, as "Myasthenia Gravis Awareness Week."

I am pleased to have Senators SASSER, CRANSTON, NUNN, RANDOLPH, BUMPERS, CHAFEE, DURENBERGER, STENNIS, HAWKINS, RIEGLE, WEICKER, LUGAR, PELL, MATSUNAGA, DIXON, KASSEBAUM, BURDICK, MCCLURE, SYMMS, ZORINSKY, KENNEDY, INOUYE, BAUCUS, LEAHY, BIDEN, DECONCINI, MATHIAS, and SPECTER join me as cosponsors of this resolution.

Myasthenia Gravis is a neuromuscular disease characterized by spells of extreme, sometimes fatal weakness. It can strike anyone at any age. An estimated 100,000 to 200,000 diagnosed, and over 100,000 undiagnosed, Americans of both sexes and of all races and ages are affected by this debilitating disease.

Although myasthenia gravis is called a neuromuscular disease, it is not a disease of either the nerves or the muscles. It literally lies between the two. Communication between healthy nerves and healthy muscles is lacking because the victim's body is deficient in a substance which acts as an electrical conductor between nerve and muscle.

Myasthenia gravis was first diagnosed in the 17th century, but substantial progress in diagnosing and treating this puzzling disease has only been made in the last decade. In its milder forms, the disease's symptoms indicate chronic fatigue, and doctors will often treat for that condition. Other mistaken diagnoses include emotional disturbance, brain damage, or diseases of the throat, eyes, lungs, limbs, or the heart, since the functioning of any of these may be affected by myasthenia gravis.

We face a continuing need to educate the public and to conduct research into the cause, treatment, and cure of this debilitating disease. Myasthenia gravis awareness week is a first step in meeting this need.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. Res. 197

Whereas the incidence and prevalence of Myasthenia Gravis present a significant health problem in the United States;

Whereas Myasthenia Gravis is a severe neuromuscular disorder, characterized by weakness of the voluntary muscles of the body;

Whereas an estimated 100,000 to 200,000 diagnosed, and over 100,000 undiagnosed, Americans of both sexes, and all races and ages, are afflicted with the disease;

Whereas the Nation faces a continuing need to support innovative research into the causes, treatment and cure of Myasthenia Gravis;

Whereas, it is appropriate to focus the Nation's attention upon the problem of Myasthenia Gravis; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of October 17 through October 23, 1982, is designated as "Myasthenia Gravis Awareness Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies and people of the United States to observe the week with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 2019

At the request of Mr. BUMPERS, the Senator from Ohio (Mr. GLENN), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 2019, A bill to amend title 38, United States Code, to authorize the Administrator of the Veterans' Affairs to pay certain burial and funeral expenses of certain veterans and to provide a cemetery plot allowance for certain veterans.

S. 2226

At the request of Mr. LUGAR, the Senator from Washington (Mr. JACKSON), the Senator from Maryland (Mr. SARBANES), the Senator from Illinois

(Mr. DIXON), the Senator from Connecticut (Mr. DODD), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of S. 2226, A bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2369

At the request of Mr. DOLE, the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Vermont (Mr. LEAHY) were added as cosponsors of S. 2369, A bill to amend the Internal Revenue Act of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes, and for other purposes.

S. 2372

At the request of Mr. HATFIELD, the Senator from Idaho (Mr. MCCLURE), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 2372, A bill to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

S. 2376

At the request of Mr. GRASSLEY, the Senator from Pennsylvania (Mr. SPECTER), the Senator from North Carolina (Mr. HELMS), and the Senator from Idaho (Mr. SYMMS) were added as cosponsors of S. 2376, A bill to direct the Secretary of the Treasury or his delegate to conduct a study of the advisability of replacing the current Federal income tax system for individuals and corporations.

S. 2420

At the request of Mr. HEINZ, the Senator from Iowa (Mr. GRASSLEY), the Senator from North Carolina (Mr. EAST), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Maryland (Mr. MATHIAS), the Senator from Delaware (Mr. BIDEN), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of S. 2420, A bill to protect victims of crime.

S. 2494

At the request of Mr. ABDNOR, the Senator from Montana (Mr. BAUCUS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 2494, A bill to authorize support for an ongoing program of water resources research.

S.J. RES. 150

At the request of Mrs. KASSEBAUM, the Senator from New York (Mr. D'AMATO), the Senator from Iowa (Mr. GRASSLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Indiana (Mr. LUGAR), the Senator from South Dakota (Mr. PRESSLER), the Senator from Florida (Mrs. HAWKINS), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Alaska (Mr. STEVENS), the Senator from Oregon (Mr. PACKWOOD), the Senator from New Mexico (Mr. SCHMITT), the Senator from Missouri (Mr. DANFORTH), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from New York (Mr. MOYNIHAN), the Senator from Montana (Mr. BAUCUS), the Senator from Ohio (Mr. GLENN), the Senator from Connecticut (Mr. WEICKER), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S.J. Res. 150, a joint resolution to authorize and request the President to designate May 20, 1982, as "Amelia Earhart Day".

SENATE JOINT RESOLUTION 175

At the request of Mr. KASTEN, the Senator from Alabama (Mr. DENTON), the Senator from Louisiana (Mr. JOHNSTON), the Senator from New Mexico (Mr. SCHMITT), the Senator from Georgia (Mr. NUNN), the Senator from Nebraska (Mr. EXON), the Senator from Alaska (Mr. MURKOWSKI), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from New Mexico (Mr. DOMENICI), the Senator from Arkansas (Mr. PRYOR), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 185

At the request of Mr. DOLE, the Senator from Texas (Mr. TOWER) was added as a cosponsor of Senate Joint Resolution 185, a joint resolution to establish a national policy on exports of U.S.-produced food and food products

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. PRESSLER, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE RESOLUTION 353

At the request of Mr. BUMPERS, the Senator from Texas (Mr. BENTSEN), the Senator from Ohio (Mr. METZENBAUM), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Michigan (Mr. RIEGLE), the Senator from California (Mr. CRANSTON), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of Senate Resolution 353, a resolution expressing support for preventive health programs.

S. RES. 363

At the request of Mr. SASSER, the Senator from Pennsylvania (Mr. SPECTER), the Senator from Alabama (Mr. HEFLIN), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. Res. 363, A resolution expressing the sense of the Senate with respect to Federal funding for fossil fuel programs.

AMENDMENT NO. 1370

At the request of Mr. HEINZ, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Amendment No. 1370 intended to be proposed to S. 2237, A bill to promote economic revitalization and facilitate expansion of economic opportunity in the Caribbean Basin region.

AMENDMENT NO. 1442

At the request of Mr. ROBERT C. BYRD, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of Amendment No. 1442 proposed to S. 2248, A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1443

At the request of Mr. ROBERT C. BYRD, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of Amendment No. 1443 proposed to S. 2248, A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

SENATE CONCURRENT RESOLUTION 92—ORIGINAL CONGRESSIONAL RESOLUTION SETTING THE CONGRESSIONAL BUDGET FOR FISCAL YEARS 1983, 1984, AND 1985

Mr. DOMENICI, from the Committee on the Budget, reported the following original concurrent resolution; which was placed on the calender:

S. CON. RES. 92

Concurrent Resolution setting forth the recommended congressional budget for the United States Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the United States Government for the fiscal year 1982

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby determines and declares, pursuant to sections 301(a) and 304 of the Congressional Budget Act of 1974, that:

(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1981, October 1, 1982, October 1, 1983, and October 1, 1984:

(1) The recommended levels of Federal revenues are as follows:

Fiscal year 1982: $623,000,000,000.
Fiscal year 1983: $667,000,000,000.
Fiscal year 1984: $739,000,000,000.
Fiscal year 1985: $822,000,000,000.

and the amounts by which the aggregate levels of Federal revenues should be increased are as follows:

Fiscal year 1983: $22,000,000,000.
Fiscal year 1984: $37,000,000,000.
Fiscal year 1985: $42,000,000,000.

(2) The appropriate levels of total new budget authority are as follows:

Fiscal year 1982: $777,600,000,000.
Fiscal year 1983: $831,700,000,000.
Fiscal year 1984: $892,300,000,000.
Fiscal year 1985: $966,000,000,000.

(3) The appropriate levels of total budget outlays are as follows:

Fiscal year 1982: $740,700,000,000.
Fiscal year 1983: $779,100,000,000.
Fiscal year 1984: $825,000,000,000.
Fiscal year 1985: $878,500,000,000.

(4) The appropriate reductions of outlays or increases of revenues, or a combination thereof, to assure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund are as follows:

Fiscal year 1983: $6,000,000,000.
Fiscal year 1984: $17,000,000,000.
Fiscal year 1985: $17,000,000,000.

(5) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

Fiscal year 1982: $117,700,000,000.
Fiscal year 1983: $106,100,000,000.
Fiscal year 1984: $69,000,000,000.
Fiscal year 1985: $39,500,000,000.

(6) The appropriate levels of the public debt are as follows:

Fiscal year 1982: $1,144,200,000,000.
Fiscal year 1983: $1,290,000,000,000.
Fiscal year 1984: $1,414,600,000,000.
Fiscal year 1985: $1,522,900,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

Fiscal year 1982: $64,400,000,000.
Fiscal year 1983: $145,800,000,000.
Fiscal year 1984: $124,600,000,000.
Fiscal year 1985: $108,300,000,000.

(7) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1981, and October 1, 1982, are as follows:

Fiscal year 1982:
(A) New direct loan obligations, $67,300,000,000.
(B) New primary loan guarantee commitments, $93,000,000,000.
(C) New secondary loan guarantee commitments, $69,000,000,000.

Fiscal year 1983:
(A) New direct loan obligations, $63,600,000,000.
(B) New primary loan guarantee commitments, $102,500,000,000.
(C) New secondary loan guarantee commitments, $68,300,000,000.

(b) Pursuant to sections 301 and 304 of the Congressional Budget Act of 1974, the Congress hereby determines and declares the appropriate levels of budget authority, and budget outlays, for the fiscal years 1982 through and inclusive of 1985 and the appropriate levels of new direct loan obligations, new primary loan guarantee commitments, and new secondary loan guarantee commitments for fiscal years 1982 and 1983 for each major functional category are:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $216,900,000,000.
(B) Outlays, $190,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $30,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $251,700,000,000.
(B) Outlays, $215,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $30,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $278,300,000,000.
(B) Outlays, $243,000,000,000.

Fiscal year 1985:
(A) New budget authority, $316,500,000,000.
(B) Outlays, $277,700,000,000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,800,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $10,400,000,000.
(D) New primary loan guarantee commitments, $9,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $16,200,000,000.
(B) Outlays, $12,100,000,000.
(C) New direct loan obligations, $10,200,000,000.
(D) New primary loan guarantee commitments, $9,300,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $16,700,000,000.
(B) Outlays, $12,300,000,000.

Fiscal year 1985:
(A) New budget authority, $21,000,000,000.
(B) Outlays, $12,200,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,100,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,000,000,000.

Fiscal year 1985:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,000,000,000.

(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $4,800,000,000.
(B) Outlays, $6,400,000,000.
(C) New direct loan obligations, $10,600,000,000.
(D) New primary loan guarantee commitments, $1,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $4,900,000,000.
(B) Outlays, $4,800,000,000.
(C) New direct loan obligations, $12,100,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $4,200,000,000.
(B) Outlays, $3,600,000,000.

Fiscal year 1985:
(A) New budget authority, $4,100,000,000.
(B) Outlays, $3,300,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $10,300,000,000.
(B) Outlays, $12,800,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $11,400,000,000.
(C) New direct loan obligations, $30,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $9,300,000,000.
(B) Outlays, $10,300,000,000.

Fiscal year 1985:
(A) New budget authority, $8,900,000,000.
(B) Outlays, $9,300,000,000.

(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $9,900,000,000.
(B) Outlays, $13,800,000,000.
(C) New direct loan obligations, $22,600,000,000.
(D) New primary loan guarantee commitments, $2,700,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1983:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $10,100,000,000.
(C) New direct loan obligations, $19,000,000,000.
(D) New primary loan guarantee commitments, $2,600,000,000.
(E) New secondary loan guarantee commitments, $0.

Fiscal year 1984:
(A) New budget authority, $8,300,000,000.
(B) Outlays, $8,200,000,000.

Fiscal year 1985:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $7,300,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $6,500,000,000.
(B) Outlays, $3,800,000,000.
(C) New direct loan obligations, $15,400,000,000.
(D) New primary loan guarantee commitments, $41,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.

Fiscal year 1983:
(A) New budget authority, $6,900,000,000.

(B) Outlays, $2,800,000,000.
(C) New direct loan obligations, $15,100,000,000.
(D) New primary loan guarantee commitments, $41,200,000,000.
(E) New secondary loan guarantee commitments, $68,200,000,000.
Fiscal year 1984:
(A) New budget authority, $7,400,000,000.
(B) Outlays, $2,400,000,000.
Fiscal year 1985:
(A) New budget authority, $7,200,000,000.
(B) Outlays, $2,100,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $20,800,000,000.
(B) Outlays, $21,300,000,000.
(C) New direct loan obligations, $400,000,000.
(D) New primary loan guarantee commitments, $900,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal year 1983:
(A) New budget authority, $21,300,000,000.
(B) Outlays, $19,900,000,000.
(C) New direct loan obligations, $500,000,000.
(D) New primary loan guarantee commitments, $800,000,000.
(E) New secondary loan guarantee commitments, $3,000,000.
Fiscal year 1984:
(A) New budget authority, $21,500,000,000.
(B) Outlays, $19,600,000,000.
Fiscal year 1985:
(A) New budget authority, $21,800,000,000.
(B) Outlays, $19,500,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $8,500,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,700,000,000.
(C) New direct loan obligations, $2,200,000,000.
(D) New primary loan guarantee commitments, $600,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $7,500,000,000.
Fiscal year 1985:
(A) New budget authority, $7,000,000,000.
(B) Outlays, $7,400,000,000.
(10) Education, Training, Employment and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $25,400,000,000.
(B) Outlays, $28,100,000,000.
(C) New direct loan obligations, $1,300,000,000.
(D) New primary loan guarantee commitments, $6,500,000,000.
(E) New secondary loan guarantee commitments, $700,000,000.
Fiscal year 1983:
(A) New budget authority, $25,500,000,000.
(B) Outlays, $26,400,000,000.
(C) New direct loan obligations, $800,000,000.
(D) New primary loan guarantee commitments, $7,500,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $25,200,000,000.
(B) Outlays, $25,500,000,000.
Fiscal year 1985:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $24,600,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $78,500,000,000.
(B) Outlays, $73,700,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $79,700,000,000.
(B) Outlays, $76,500,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $100,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $92,600,000,000.
(B) Outlays, $83,900,000,000.
Fiscal year 1985:
(A) New budget authority, $104,300,000,000.
(B) Outlays, $94,500,000,000.
(12) Income Security (600):
Fiscal year 1982:
(A) New budget authority, $260,900,000,000.
(B) Outlays, $251,500,000,000.
(C) New direct loan obligations, $2,800,000,000.
(D) New primary loan guarantee commitments, $17,000,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $281,700,000,000.
(B) Outlays, $272,500,000,000.
(C) New direct loan obligations, $2,000,000,000.
(D) New primary loan guarantee commitments, $18,700,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $300,800,000,000.
(B) Outlays, $288,200,000,000.
Fiscal year 1985:
(A) New budget authority, $332,900,000,000.
(B) Outlays, $309,700,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $24,800,000,000.
(B) Outlays, $23,800,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $11,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $23,400,000,000.
(B) Outlays, $22,700,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $20,900,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $24,200,000,000.
(B) Outlays, $23,600,000,000.
Fiscal year 1985:
(A) New budget authority, $24,400,000,000.
(B) Outlays, $24,400,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority, $4,500,000,000.
(B) Outlays, $4,600,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,700,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,600,000,000.
(B) Outlays, $4,600,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $5,200,000,000.
(B) Outlays, $5,000,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $5,000,000,000.
(B) Outlays, $4,800,000,000.
(C) New direct loan obligations, $100,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $4,700,000,000.
(B) Outlays, $4,600,000,000.
Fiscal year 1985:
(A) New budget authority, $4,700,000,000.
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $6,400,000,000.
(B) Outlays, $6,300,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $800,000,000.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $6,600,000,000.
(B) Outlays, $6,500,000,000.
(C) New direct loan obligations, $200,000,000.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $6,700,000,000.
(B) Outlays, $6,700,000,000.
Fiscal year 1985:
(A) New budget authority, $6,900,000,000.
(B) Outlays, $6,800,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $102,000,000,000.
(B) Outlays, $102,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, $115,100,000,000.
(B) Outlays, $115,100,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, $119,800,000,000.
(B) Outlays, $119,800,000,000.
Fiscal year 1985:
(A) New budget authority, $111,600,000,000.
(B) Outlays, $111,600,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $700,000,000.
(B) Outlays, $800,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$2,000,000,000.
(B) Outlays, −$2,000,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$800,000,000.
(B) Outlays, −$800,000,000.
Fiscal year 1985:
(A) New budget authority, −$800,000,000.
(B) Outlays, −$600,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, −$30,500,000,000.
(B) Outlays, −$30,500,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1983:
(A) New budget authority, −$39,300,000,000.
(B) Outlays, −$39,300,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(E) New secondary loan guarantee commitments, $0.
Fiscal year 1984:
(A) New budget authority, −$44,800,000,000.
(B) Outlays, −$44,800,000,000.
Fiscal year 1985:
(A) New budget authority, −$47,300,000,000.
(B) Outlays, −$47,300,000,000.

RECONCILIATION

SEC. 2. (a) Not later than June 18, 1982, the committees named in subsection (a) (1) through (15) of this section shall submit their recommendations to the Committees on the Budget of their respective Houses. Those recommendations shall be sufficient to accomplish the reductions required by subsection (a) (1) through (15) of this section. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

SENATE COMMITTEES

(1) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(2) The Senate Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $583,000,000 and outlays by $583,000,000 in fiscal year 1983; to reduce budget authority by $1,345,000,000 and outlays by $1,345,000,000 in fiscal year 1984; and to reduce budget authority by $1,906,000,000 and outlays by $1,906,000,000 in fiscal year 1985.

(3) The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(4) The Senate Committee on Foreign Relations shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(5) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $680,000,000 in fiscal year 1983; to reduce budget authority by $628,000,000 and outlays by $1,800,000,000 in fiscal year 1984; and to reduce budget authority by $1,000,000,000 and outlays by $2,629,000,000 in fiscal year 1985.

(6) The Senate Committee on Labor and Human Resources shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $391,000,000 and outlays by $601,000,000 in fiscal year 1983; to reduce budget authority by $955,000,000 and outlays by $1,309,000,000 in fiscal year 1984; to reduce budget authority by $1,410,000,000 and outlays by $1,917,000,000 in fiscal year 1985.

(7) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

HOUSE COMMITTEES

(8) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee sufficient to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $779,000,000 in budget authority and $779,000,000 in outlays in fiscal year 1983; and $1,083,000,000 in budget authority and $1,083,000,000 in outlays in fiscal year 1984; and $1,428,000,000 in budget authority and $1,428,000,000 in outlays in fiscal year 1985.

(9) The House Committee on Armed Services shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $581,000,000 and outlays by $581,000,000 in fiscal year 1983; to reduce budget authority by $1,340,000,000 and outlays by $1,340,000,000 in fiscal year 1984; and to reduce budget authority by $1,899,000,000 and outlays by $1,899,000,000 in fiscal year 1985.

(10) The House Committee on Education and Labor shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $446,000,000 and outlays by $301,000,000 in fiscal year 1983; to reduce budget authority by $1,021,000,000 and outlays by $886,000,000 in fiscal year 1984; and to reduce budget authority by $1,486,000,000 and outlays by $1,369,000,000 in fiscal year 1985.

(11) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $514,000,000 and outlays by $1,031,000,000 in fiscal year 1983; to reduce budget authority by $741,000,000 and outlays by $1,230,000,000 in fiscal year 1984; and to reduce budget authority by $815,000,000 and outlays by $1,439,000,000 in fiscal year 1985.

(12) The House Committee on Foreign Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $0 and outlays by $6,000,000 in fiscal year 1983; to reduce budget authority by $5,000,000 and outlays by $15,000,000 in fiscal year 1984; and to reduce budget authority by $8,000,000 and outlays by $21,000,000 in fiscal year 1985.

(13) The House Committee on Merchant Marine and Fisheries shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $11,000,000 and outlays by $11,000,000 in fiscal year 1983; to reduce budget authority by $28,000,000 and outlays by $28,000,000 in fiscal year 1984; and to reduce budget authority by $42,000,000 and outlays by $42,000,000 in fiscal year 1985.

(14) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $2,000,000 and outlays by $688,000,000 in fiscal year 1983; to reduce budget authority by $638,000,000 and outlays by $1,820,000,000 in fiscal year 1984; and to reduce budget authority by $1,015,000,000 and outlays by $2,657,000,000 in fiscal year 1985.

(15) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $188,000,000 and outlays by $188,000,000 in fiscal year 1983; to reduce budget authority by $269,000,000 and outlays by $269,000,000 in fiscal year 1984; and to reduce budget authority by $355,000,000 and outlays by $355,000,000 in fiscal year 1985.

SENATE AND HOUSE COMMITTEES

(b)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,750,000,000 and outlays by $6,656,000,000 in fiscal year 1983; to reduce budget authority by $2,509,000,000 and outlays by $9,923,000,000 in fiscal year 1984; and to reduce budget authority by $3,339,000,000 and outlays by $12,549,000,000 in fiscal year 1985.

(2) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,000,000,000 in fiscal year 1983; $35,000,000,000 in fiscal year 1984; and $40,000,000,000 in fiscal year 1985.

(3) The Senate Committee on Finance shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(4) The legislation required in paragraphs (1) through (3) of this subsection shall be reported to the Senate no later than June 11, 1982.

(5) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $1,183,000,000 and outlays by $5,927,000,000 in fiscal year 1983; to reduce budget authority by $1,707,000,000 and outlays by $9,121,000,000 in fiscal year 1984; and to reduce budget authority by $2,455,000,000 and outlays by $11,665,000,000 in fiscal year 1985.

(6) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $20,000,000,000 in fiscal year 1983; $35,000,000,000 in fiscal year 1984; and $40,000,000,000 in fiscal year 1985.

(7) The House Committee on Ways and Means shall also report changes in laws within the jurisdiction of that committee sufficient to increase receipts from user fees authorized by that committee as follows: $2,000,000,000 in fiscal year 1983; $2,000,000,000 in fiscal year 1984; and $2,000,000,000 in fiscal year 1985.

(8) The legislation required in paragraphs (5) through (7) of this subsection shall be reported to the House no later than June 11, 1982.

(c)(1) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, as follows:

In fiscal year 1983 $6,000,000,000; in fiscal year 1984 $17,000,000,000; and in fiscal year 1985 $17,000,000,000.

(2) In order to insure the solvency of the Social Security Old-Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, as follows:

In fiscal year 1983 $6,000,000,000; in fiscal year 1984 $17,000,000,000; and in fiscal year 1985 $17,000,000,000.

(3) The legislation required in paragraphs (1) and (2) of this subsection shall be reported no later than December 1, 1982, and shall take into account the recommendations of the National Commission on Social Security Reform.

(4) It is the sense of the Congress that the President of the United States should direct the National Commission on Social Security Reform to report its recommendations to the Congress not later than November 11, 1982.

SEC. 3. The enactment of savings required by this resolution is critical to the health of the economy of the Nation; and

Expeditious action on legislation pursuant to these instructions is critical to achieving the savings required by this resolution; and

The Senate is committed to completing action on the savings legislation required by this resolution at the earliest possible time; and

It is the sense of the Senate that Senate committees instructed in this resolution should begin deliberations on the legislation those committees are required to report under this resolution as soon as this resolution is agreed to in the Senate.

MISCELLANEOUS PROVISIONS

SEC. 4. It is the sense of the Congress that the President through administrative actions should limit in fiscal year 1983 total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $15,900,000,000; and Federal Financing Bank purchases of loan assets from Federal agencies to $14,000,000,000. It is the further sense of Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

SEC. 5. It shall not be in order in the House or the Senate during fiscal years 1982 and 1983 to consider any bill, resolution, or amendment, except proposed legislation reported in response to reconciliation instructions contained in this resolution, authorizing new direct loan obligations or new loan guarantee commitments unless that bill, resolution, or amendment also provides that the authority to make or guarantee such loans shall be effective only to such extent or in such amounts as are contained in appropriation Acts.

SEC. 6. It is the sense of the Congress that it is urgent that effective budgetary, control be established over all types of Federal direct loans and Federal loan guarantees. The Congress directs the Committees of jurisdiction to move with expedition to consider legislation that establishes a process of annual determination of appropriate levels and proper budgetary treatment of Federal credit activity.

SEC. 7. No bill or resolution providing new budget authority for fiscal year 1983 or providing new spending authority described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 in excess of the allocation to or report by a committee or subcommittee pursuant to section 302 of the Budget Act shall be enrolled until Congress has completed action on the Second Budget Resolution for that fiscal year as required to be reported under section 310 of the Budget Act.

SEC. 8. It is the sense of the Senate that the new spending and revenue levels for fiscal year 1982, adopted by the Senate, shall be the ceilings against which the spending and revenue actions of the Senate will be measured pending final agreement with the House of Representatives on the revision of the Second Concurrent Resolution on the Budget for Fiscal Year 1982.

SEC. 9. It is the sense of the Congress that if Congress acts to restore fiscal responsibility and reduces projected budget deficits in a substantial and permanent way, then the Federal Reserve Open Market Committee shall reevaluate its monetary targets in order to assure that they are fully complementary to a new and more restrained fiscal policy.

SENATE CONCURRENT RESOLUTION 93—CONCURRENT RESOLUTION RELATING TO THE EMIGRATION OF CERTAIN SOVIET CITIZENS

Mr. DOLE (for himself, Mr. JEPSEN, Mr. LEVIN, and Mr. MOYNIHAN) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 93

Whereas, Tatiana Lozansky, Tatiana Azure, Yuri Balovlenkov, and Iosif Kiblitsky, Soviet citizens married to citizens of the United States of America, the Republic of France, and the Federal Republic of Germany, respectively, have repeatedly been denied exit visas by the Soviet government;

Whereas, they have embarked on a hunger strike beginning on May 10, 1982, and continuing until they are released, to protest the denial of their visas;

Whereas, they are taking this desperate step because they feel they have no other recourse to reunite their families;

Whereas, the separation of these families is especially hard on the children, including the young children of Mr. Balovlenkov and Mr. Kiblitsky who are living in the west and have never seen their fathers, and the ten-year-old daughter of Mrs. Lozansky, Tanya, who has not seen her father since 1976;

Whereas, the Lozansky family is being harassed and persecuted because Mr. Lozansky is the Executive Director of the Sakharov International Committee and spokesman for the Committee of Divided Families, and his father-in-law is a high ranking Soviet military official;

Whereas, the Helsinki Accords pledge that governments will "deal in a positive and humanitarian spirit" with applications for family reunification and facilitate such reunions; and

Whereas, the government of the United States strongly upholds the sanctity of the family, the rights of families to be together, and the concepts of human rights embodied in the Helsinki Accords: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) the Government of the Soviet Union is urged to act immediately to facilitate the emigration of Mrs. Lozansky, her daughter, Tatiana, Mrs. Azure, Mr. Balovlenkov, and Mr. Kiblitsky, under the principles articulated in the Helsinki Accords;

(2) support and sympathy are extended to the families of Tanya and Tatiana Lozansky, and Yuri Balovlenkov in the United States, and to the families of the other hunger strikers in France and West Germany; and

(3) sympathy is extended to the families of the countless other "refuseniks" who have attempted to obtain and been denied exit visas.

SEC. 2. The Secretary of the Senate is requested to transmit a copy of this resolution to the government of the Soviet Union and the United Nations Commission on Human Rights.

● Mr. DOLE. Mr. President, today I join with Senators LEVIN, JEPSEN, and MOYNIHAN in submitting a concurrent resolution urging the Soviets to release four Soviet citizens who want only to be together with their husbands and wives and to live in a free country. These four—Tatyana Lozansky, Tatyana Azure, Yuri Balovlenkov, and Iosif Kiblitsky—have repeatedly applied to the Soviet Government for exit visas, and repeatedly they have been turned down.

These four have been driven to such desperation that today they are beginning a hunger strike which they have said will continue until they are released. I trust their government is not indifferent to their suffering, as we in the Senate are not indifferent—far from it.

Indeed, Mr. President, we should call attention to the anguish and suffering of these four, and others like them in the Soviet Union. We should show our support and sympathy for these families, and show the Soviet Union how serious we are in our concern for their fate.

I trust my colleagues will act swiftly to agree to this concurrent resolution. It is one small way we can hold out a candle of hope to these and others who wish to rejoin their families.

The human toll of family separations is high. Mrs. Lozansky's daughter has not seen her father in 10 years. Mr. Balovlenkov and Mr. Kiblitsky have never seen their young children. Sadly, there are numerous such cases in the Soviet Union. And the Iron Curtain is not lifting. If anything, it is descending even further: Since late 1979 emigration from the Soviet Union has been drastically reduced, a casualty of the end of détente precipitated by the invasion of Afghanistan and the invocation of martial law in Poland.

President Reagan has embarked on a bold initiative for meaningful arms control. And yet peace and détente mean more than just arms control. They mean abiding by international agreements in good faith. Unless and until this happens, such agreements are only empty words.

As Cochairman of the Helsinki Commission, along with Representative DANTE FASCELL, I am well aware of the provisions of the Helsinki accords. They state that governments must "deal in a positive and humanitarian spirit" with applications for family reunification. Yet there has been nothing "positive" nor "humanitarian" in the way these four families have been treated, although these cases clearly come under this provision.

Mr. President, we must make sure that the Soviets hold to their Helsinki commitments and release these people.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION, AND GOVERNMENT PROCESSES

Mr. PERCY. Mr. President, the Subcommittee on Energy, Nuclear Proliferation and Government Processes, of the Committee on Governmental Affairs, will hold a hearing at 10 a.m. on Thursday, May 13, 1982, in room 6226 Dirksen. The subcommittee will be receiving testimony on U.S. nonproliferation policy oversight.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Monday, May 10, at 10 a.m., to consider S. 1844, the Coal Distribution and Utilization Act of 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY

Mr. BAKER. Mr. President, I ask unanimous consent that the Energy Subcommittee, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate at 10 a.m. on Thursday, May 13, to hold an oversight hearing on U.S. nonproliferation policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 12, at 2 p.m., to consider the nuclear arms reduction resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 11, at 9:30 a.m., to consider the nuclear arms reduction resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GOVERNOR LANDON ON CHINA

● Mr. DOLE. Mr. President, as Vice President Bush returns from 2 days of talks with Chinese leaders, our Nation is more aware than ever of the importance of continued good relations with mainland China.

Kansas Governor Alf M. Landon was one of the first American politicians to advocate U.S. recognition of China, arguing for better relations over 33 years ago. On April 23, China's Ambassador to the United States, Chai Zemin, visited Topeka, Kans., to discuss Sino-American relations with Governor Landon. I ask that a Topeka Capital-Journal article describing their meeting be printed in the RECORD.

The article follows:

AMBASSADOR ADVISES U.S. SUPPORT

(By Lew Ferguson)

China's ambassador to the United States said Friday that this country should be far more concerned about fostering its new friendship with China than what happens to Taiwan.

Chai Zemin, the ambassador, said the Sino-American friendship, which provides the U.S. with a strong defense against the threat of Russian expansion in Asia and Europe, is too important for America to jeopardize it by meddling in China's "internal affairs" regarding Taiwan.

Chai told former Kansas Gov. Alf M. Landon the People's Republic of China is very concerned over continued sale of arms to Taiwan by the Reagan administration. He said those sales are a threat to resolving the Taiwan issue and could lead to "a crisis in our relations."

"The reunification (of China and the island of Taiwan) is a very important goal for our country. The United States cannot interfere in the internal affairs of a friendly country," said Chai.

"We hope the U.S. and China will continue to work together to meet the threat posed by Russia. So we hope the U.S. will not interfere in the reunification of China."

Otherwise, the ambassador stressed his government is very pleased with its blossoming relationship with the U.S.

Chai, China's only ambassador to this country since the two nations established diplomatic relations in 1979, came to Topeka to visit Landon, who served as Kansas' governor in 1933–37 and was the Republican nominee for president in 1936.

Chai spoke later Friday at the University of Kansas in Lawrence, and was accompanied to Topeka by Chancellor Gene Budig.

Chai and Landon spent nearly an hour in conversation at the Landon home in northwest Topeka.

Chai, 66, a Chinese diplomat for about 30 years, was chief of liaison to the U.S. until becoming ambassador. He also has served as China's ambassador to Hungary, Thailand, Guinea and Egypt.

Landon, who will be 95 in September, advocated U.S. recognition of Communist China as early as 1949, when the Mao-led revolutionaries seized control of the mainland from the Nationalist Chinese and drove them to Taiwan.

He repeatedly spoke out in favor of such recognition until former President Richard Nixon took that step in the early 1970's.

Chai praised Landon for his "farsightedness" in advocating relations with China for so many years before it became reality.

"The relations between the two countries have, on the whole, made good progress in the last three years," said Chai, who spoke through an interpreter.

"There are also problems in our relations. The U.S. sale of weapons is a key problem in our relations.

"To us, we think this is a matter of principle. We hope the two countries can resolve their differences over Taiwan, so they can make more progress. But if the United States continues to send weapons to Taiwan, then there will be a crisis in our relations."

Landon praised China as a major force in world peace, noting it has tied down one million Soviet troops and 600,000 Vietnamese troops along its borders, preventing those two nations from using those forces in expansionist efforts.

"China is responsible for maintaining the peace of the world since 1968," he said. "The basic effect of what China has done is to tie down Russia, so we've had peace.

"And they're still there. And Russia is still tied down. They haven't been able to move for some 10 or 12 years.

"It is a tremendous cost that Russia can ill afford to maintain in keeping those troops there (in Mongolia, on the China border.)"

Chai, who told Landon in a letter last November he wanted to visit him, agreed with the former Kansas governor that Russia still poses the biggest threat to world peace. But he said the issue of Taiwan also is a major one to China. "What I've said several times in recent years is we owe Taiwan nothing," Landon told Chai.

"We've kept every promise and agreement with Taiwan. And no treaty is made in perpetuity."

"I appreciate your view very much," Chai replied.

"As we see it," the ambassador added, "the Soviet strategy is to put western Europe under its control, but since China has tied down one-fourth of its troops, it cannot do that.

"The Soviet Union is also backing Vietnam in its invasion of Indo-China. Of course the purpose is to put Southeast Asia under its control and the Malaysian Peninsula under its control.

"This is a big threat to China and the United States. So we think we have made our contribution to world peace."

"There's no question about that," commented Landon.

To maintain their common defense posture, Chai told Landon, it is important that the United States keep out of Taiwan matters.

He said China had agreed the U.S. could maintain "unofficial relations" with Taiwan, but in China's view this should be limited to educational and cultural exchanges and trade.●

MAGAZINE PUBLISHING AWARD PRESENTED TO ROBERT A. BURNETT

● Mr. JEPSEN. Mr. President, magazines play an important part in the lives of all Americans. They reflect all facets of our culture—the arts in their myriad forms, opinions, and facts about the past, present, and future of mankind. In sum, magazines mirror the wisdom of our civilization.

Each year since 1964, the Magazine Publishers Association has bestowed on leaders of its industry the Henry Johnson Fisher Award. This award, which in recent years has become known as the "Publisher of the Year" award, is the magazine industry's most prestigious honor.

The 1981 recipient of the Henry Johnson Fisher Award is a distinguished citizen of Iowa, Robert A. Burnett, president and chief executive officer, Meredith Corp.

Mr. Burnett and Meredith Corp. have consistently displayed the finest qualities of individual and corporate leadership and we are proud to have the company headquarters in our capital city of Des Moines.

Mr. President, I ask that the official citation for the 1981 Henry Johnson Fisher Award presented to Robert A. Burnett be printed in the RECORD.

The citation follows:

THE 1981 HENRY JOHNSON FISHER AWARD PRESENTED TO ROBERT A. BURNETT

The magazine industry takes great pride in honoring Robert A. Burnett, whose 30-year career with Meredith Corporation has been largely devoted to enhancing and expanding his company's commitment to service journalism. As a representative of our industry, Mr. Burnett has become an articulate and forceful spokesman for the significant role of magazines in our society.

Mr. Burnett's career progressed from advertising sales trainee in 1952 to president and chief executive officer of Meredith Corporation, which publishes Better Homes and Gardens, Metropolitan Home, Sail, Successful Farming, and a group of more than 20 Better Homes and Gardens Special Interest Publications.

As advertising director and publisher of Better Homes and Gardens, Mr. Burnett formulated a statement of editorial philosophy the magazine still uses today. As a Meredith executive he has been instrumental in the development of new products and services related to the company's magazines, while continuing to concentrate on the basics of magazine publishing and consumer service that are the essence of the company.

Throughout his career, Mr. Burnett has actively participated in the affairs of many industry and industry-related groups, including the Magazine Publishers Association, Advertising Research Foundation and Discover America Travel Organizations. And he now serves several organizations in the fields of business, industry, government education and health care as director or trustee.

Robert A. Burnett well deserves to receive this award, which was established to honor magazine leaders who have distinguished themselves through significant and long-standing contributions to the publishing business, people who have demonstrated extraordinary leadership, skill and understanding in unifying the editorial, advertising, circulation and business aspects of magazine publishing into a successful enterprise—or who are presently making notable contributions to the magazine industry. Robert A. Burnett has met each of these qualifications.●

OREGON COMPANY MEETS SUCCESS IN SELLING IN JAPAN

● Mr. HATFIELD. Mr. President, last Friday's lead article in the Wall Street Journal dealt with an Oregon lumber company and its success in selling lumber to Japan. At a time when, as my colleagues have heard me say many times in the past, our State is reeling under a severe depression in the forest products industry, such an article deserves attention.

I certainly applaud efforts by industry and Government officials to increase the opportunities to sell finished American lumber in Japan. At the same time, however, I think it important to note the recipe for success followed by Webco Lumber. Webco did what the Japanese manufacturers do when they want to market a new product in the United States. Webco, as this article highlights, developed a finished product that met what the Japanese sought. All too often, American companies believe that their finished U.S. product should be acceptable, as is, in markets in Europe, the Far East, the Middle East, or elsewhere.

I certainly hope Webco's success can continue, for it will remind us all, in Congress and elsewhere, that Yankee determination, a good product, and a willingness to adapt the product to meet the customer's needs, can combine to achieve success.

Williams, Oreg., is as far removed as possible from traditional export centers. Yet the success of this small company in a small town is one that I hope can be duplicated by other small companies in smaller towns across the United States. Often, a small company can change specifications, get prompt action, and offer personal commitments that can lead to greater export success. I salute Webco for its initial success, and hope their story is duplicated many times elsewhere.

Mr. President, I submit this article by Erik Larson from the May 7, 1982 Wall Street Journal to be printed in the RECORD.

The article follows:

SMALL SAWMILL SURVIVES BY SETTING ITS BLADES FOR EXPORTS TO JAPAN

(By Erik Larson)

WILLIAMS, OREG.—Nine months ago, Webco Lumber Inc. was tottering.

Its Chico, Calif., sawmill was closed; its remaining Williams mill alternated a week of production with a week of silence. Half its employes had been laid off or had drifted away, unable because of shortened work hours to meet house payments and other obligations. The small, family-run company's lumber sales were down 80% from those of 1979, its best and last year of profits.

"It was disastrous for the people working here," says Barbara A. Webb, 34 years old, who became president in January. "It was horrible."

For most of the Western timber industry, conditions are still horrible. Last week, more than half of Oregon's approximately 30,000 sawmill workers were idled or working short hours, according to the Western Wood Products Association.

But Webco's band saw now is whining through wood as if the industry's depression were over. The company's sales are growing nearly as fast as in 1979, and it is even turning away orders. It expects to add 25 to 30 workers soon.

Behind this unlikely prosperity is the Webb family's decision to export most of its lumber to Japan. "I would say that's the only reason we're alive," Miss Webb comments.

That decision was a drastic step, one that cut against the grain of the lumber industry's traditional production techniques and marketing attitudes. U.S. lumber companies usually haven't cultivated the long-term relationships so important in international trade; they haven't tried to make lumber exports a stable segment of their business. Instead, they have tended to pursue exports only when domestic markets were soft.

"We've been guilty as an industry of looking at exports from an opportunistic viewpoint," says Max Buxton, the Portland based international sales manager for Boise Cascade Corp. Robert H. Hunt, the marketing-services director for the Western association, agrees that "the U.S. has had a hell of a reputation as an inner and outer" in wood-products exports, but he adds: "I don't think it's ever going to be that way again; (exports) are going to be a regular part of the business."

GROWING COMPETITION

The Northwest timber industry's vitality could well depend on such a change, some executives contend. The industry's two-year slump has clearly drawn many producers more heavily into exports. Moreover, growing competition from Canadian and Southern U.S. lumber companies has closed Western concerns out of many of their traditional Midwestern and Eastern markets. This trend is being accelerated by rising land-freight rates that have made it cheaper to ship lumber to Japan than even to Montana.

"It's really only in self-defense that we're turning to the export markets," says George Baker, a marketing manager for Simpson Timber Co. in Seattle.

The challenges and the opportunities of exporting wood are best illustrated by Japan. Although perhaps the most difficult market for U.S. producers to understand, Japan is also the largest one overseas; despite Japan's own economic problems, its traders have continued to buy lumber from companies willing and able to meet their exacting standards.

Japanese purchases are worth the aggravation, exporters say. They "kept us in business," says Vernon Lindgren, the general manager of Michigan-California Lumber Co. of Camino, Calif. But even companies with the right species of wood and sufficiently flexible equipment find it a "tough, very competitive market," says Lawrence Kromer, the manager of the international division of Avison Lumber Co. in Molalla, Oreg.

SATISFYING CUSTOMERS

Webco's success came through patience and a willingness to produce lumber to Japanese standards and specifications, according to David D. Lutjen, an international-trade specialist with the Oregon Department of Economic Development. The company is "cutting the product the market requires," he says. "That's the name of the game."

But that isn't the game that everyone in the industry wants to play. Industry associations, for example, are trying to promote the U.S. two-by-four construction technique in Japan. They argue that its interlocking frame of hidden two-by-fours is a stronger, faster and cheaper way to build a house than the traditional Japanese post-and-beam method, which uses about 20% less wood and relies on square posts and beams for support. Promoting the two-by-four method, however, is about like trying to sell Americans Toyotas with steering wheels on the right. "Frankly," Mr. Hunt observes, "it hasn't taken the market by storm."

On the other hand, U.S. forest-products companies have often got into hot water over their usual exports—uncut logs or logs trimmed just enough to skirt federal restrictions barring export of logs harvested from federal land. Sawmill workers' unions and politicians have complained that exports of unprocessed logs involve exports of jobs.

When the Webbs began looking at the export market last summer, they already were in trouble. Miss Webb says their company had sustained about two years of losses, had laid off workers and had postponed pay raises. It was keeping its Williams mill open to hold on to its crew and to avoid the even heavier losses that closure would entail. "We were at a point where it was actually a good time for us to make a transition," Miss Webb says. "It was probably the riskiest time, but also the best time."

The state agency's Mr. Lutjen comments: "They did everything right. They sat back and said, 'Hey, we aren't going to make it in this domestic market the way things are going.' "

So they went to Japan—with a trade mission led by Mr. Lutjen. Shortly before the trip last July, Ronald Webb, Miss Webb's 40-year-old brother who is sales manager, secretary and treasurer, questioned whether they could afford the travel costs—about $5,000. "We were having a difficult time paying bills," Miss Webb notes. All the same, she recalls telling her brother, "I don't think we can afford not to go."

The two of them made the trip, along with executives of four other independent lumber companies. In the course of 14 days, the Webbs met in individual conferences with about 60 Japanese companies. They quickly learned that the Japanese wanted U.S. lumber. "They were very enthusiastic," she says. "That was probably the key thing. They were actually anxious to buy."

Soon after returning to Williams, the two got further confirmation that the trip had been a good decision. Within six weeks, about two dozen Japanese companies sent representatives to their mill. "They did everything from measuring the thickness of our saw to measuring the ring counts of our logs," Miss Webb says. "They are really particular. They're going to find out whether you can do it or not." Adds Ronald Webb with a grin: "They're real tire-kickers."

APPEARANCE IMPORTANT

Such exacting requirements have been a major obstacle for U.S. lumber companies considering exports to Japan. The Japanese treat wood the way a wine connoisseur treats grapes. "American people require wood for strength," says Kiyoshi Komina, a vice president of Portac Forest Products Inc., a Tacoma, Wash., unit of Mitsui & Co. of Tokyo. "Japanese consider that more secondary. Japanese more highly appreciate the outside look"—largely because post-and-beam construction often leaves much or all of the wood exposed.

Japanese wood buyers know exactly what they want. Almost the first words out of their mouths, Miss Webb says, are "Cascade-type"—such as the hemlock, white fir and Douglas fir grown in the Cascade range. But not just any Cascade-type lumber will do.

The Japanese want wood harvested from the western slopes of the Cascades between altitudes of 2,000 and 4,500 feet, Mr. Lutjen says. At those altitudes, trees grow more slowly, building a tighter ring count and, therefore, a more attractive grain. Mr. Lutjen says the Japanese insist on 20 rings per inch. "Well," says a Japanese trader with a smile, "that is the ideal." His minimum is eight rings.

Japanese lengths and sizes present more problems. U.S. sawmills normally are set up to cut wood in lengths that are multiples of two feet; thus standard lengths for two-by-fours are 12, 14 and 16 feet. But a common Japanese length is four meters—13.12 feet. To adapt to that length, an American company has to make changes not only at its mill but also in the forest, where felled trees are "bucked" to the desired lengths for transport to the mill.

ACCURACY EMPHASIZED

The Japanese are sticklers for accuracy, too. L. Lee Rappleyea, the wood-products export sales manager for Louisiana-Pacific Corp. in Portland, says many domestic mills are geared to such high rates of production that "you don't get the accuracy the Japanese need."

The basic two-by-four, for example, is supposed to be cut to 1½ inches by 3½ inches, according to industry grading rules. However, only about 75 percent of the two-by-fours cut in a high volume mill meet those specifications, says William R. Spannaus, the chief lumber inspector for the Western Wood Products Association. "There's going to be a few that are going to be over; there's a few that are going to be under," he says, though he adds that newer mills are far more accurate.

But when a Japanese buyer says he wants a 90-millimeter-by-90-millimeter square, he means it. "After this depression started, lots of mills have tried, and many very successfully, to cut Japanese sizes," Mr. Spannaus says. "But many have failed."

Webco's first major Japanese order, cut last November, was its toughest, Miss Webb says. The buyer sent an American and a Japanese representative to monitor the cutting and planing. From time to time, the Japanese man would halt the process to check the dimensions of the lumber. Nor-

mally, the mill could have cut an order of that volume in 1½ days, but the Japanese order took nearly twice that. "It was so slow it was really getting on everyone's nerves," Miss Webb says.

GUEST HOUSE PLANNED

The unfamiliar sizes still slow the mill's production, and customers continue to insist on watching their orders be cut. To accommodate them, Webco is converting its former headquarters building into a guest house, Miss Webb says. (It was largely her own single-minded pursuit of exports, she indicates, that prompted Webco's four directors—her father, two brothers and herself—to name her president in January after her father stepped down. There's also another reason: "I'm the meanest one in the bunch," she jokes.)

Many U.S. companies remain reluctant to commit mills to production for the Japanese. "Japan is a great market when it's good," Boise Cascade's Mr. Buxton says, but he adds, "What happens to that mill when the Japanese market goes on the skids?" Last year, for example, the Japanese lumber industry asked U.S. producers to slash their exports to Japan in half.

Miss Webb says she is aware of the risks of concentrating on exports to Japan. But, she says, "when you're faced with no business at all, and maybe losing everything you worked for for 30 years, you do it."

CONTINUING INTEREST?

Some exporters are also skeptical that lumber companies now aiming at the Japanese market will continue serving it once demand improves in the U.S. A manager of a major Japanese trading company says he expects many companies to give up exports. Thomas Spence, an officer of Pacific Lumber & Shipping Co., a family-owned lumber exporter and producer, agrees. "If the situation reverses itself," he says, "I would venture to say that a lot of mills looking at the Japanese market now would beat a hasty retreat back to the U.S. market."

Webco says it won't, although it does plan to broaden its markets once lumber demand picks up. But, Miss Webb adds, the company's experience "convinced us that we will never turn our backs on exports."

Things aren't completely rosy in Williams, of course. Interest costs of financing inventory and accounts receivable still eat heavily into profits, and banks need constant reassurance. "They watch every move we make," Miss Webb says. "But we're making it."●

PROPOSED NEW REGULATIONS TO TITLE X OF THE PUBLIC HEALTH SERVICE ACT

● Mr. SYMMS. Mr. President, the Department of Health and Human Services has recently proposed new regulations to title X of the Public Health Service Act. These regulations would require that federally financed family planning programs notify the parents of unemancipated minors who seek family planning services when prescription drugs or devices are provided. Such a proposal for parental notification has generated criticism of the notification requirement from media and recipient groups.

Frankly, Mr. President, I am not so sure that such proposals are without merit. There is no doubt that proposals such as the one mentioned involve serious questions that require our utmost consideration. In this case, we are faced with the fundamental issue of what is to be the Federal policy regarding the role of the family in the sexual activities of unemancipated family members. Is it the policy of the Federal Government that parents or guardians of minors may be excluded from family planning, birth control, or abortion decisions made by these young family members? Is it the policy of the Federal Government that the Government or funded recipients may interpose themselves between the minor and the family and thus supplant the family in this regard? Is it the policy of the Federal Government that teenage sexual activity is inevitable and irreversible and therefore our only course is to minimize its impact on society by means of Government programs?

To the above questions Mr. President, the answer must be a firm "No." There is no society that can benefit from such policies. A nation's moral strength and character have their foundation in family centered homes. If our society is to remain stable and viable, it must support and promote positive family interaction.

The policy of the Federal Government in this case must be one that encourages the participation of families in this important area where the physical, emotional, and spiritual well-being of the minor is at stake.

The proposed regulations would seem to be in line with such a policy. Though they are attacked for being unreasonable infringements upon a wide array of "rights" of minors, ample provisions for exceptions are contained in the regulations. These exceptions provide for the statutory recognition of the fact that family involvement may not be advisable in all cases.

Mr. President, we all realize that in the case of some minors, no responsible family unit exists. Thankfully, this is the exception to the rule, and because it is, Government must exercise extreme care so that its actions do not overly intrude into areas which are the domain of functioning families. Our society has placed the moral, legal, and financial responsibility for minor children on parents. Governments cannot hope to duplicate or replace such a system. We must be aware that federally funded counselors and organizations unwilling to recognize the interests of a generally functioning family are destructive of our basic social unit.

Mr. President, these proposed regulations have received the support of the United Families of America, a national, profamily lobbying group. The UFA comments on the proposal are contained in an essay which discusses the impact of official policies on behavior thought to be undesirable. I found the comments most interesting, and I think my colleagues will appreciate them as well. Certainly they raise questions which are not being addressed in the debate over this issue in the daily press.

I ask that they be printed at this point in the RECORD.

The material follows:

COMMENTS OF UNITED FAMILIES OF AMERICA

The regulations proposed here, and those which they will replace, have implications both social (or philosophical) and medical. Accordingly, our comments will address those two areas of concern. Additionally, we feel it necessary to comment on the interests of the parties involved in the controversy surrounding these proposals, and our comments will address that issue.

I. SOCIAL IMPLICATIONS

Laws and regulations do not fall into a social and moral vacuum, as pebbles dropped into a well, leaving no trace of their passage. Official pronouncements of society, which laws and regulations certainly are, carry with them implications about the desirability, and even the morality, of the behavior which they affect, and the subject matter with which they deal.

Thus policy which accommodates certain behavior, even where that behavior is technically disapproved by official policy, tends to excuse that behavior, even to encourage it. A good example of this effect occurred in Britain during the 1960s. Although heroin use was officially disapproved, its resulting addiction was accommodated by the government, which furnished free drugs to addicts in an attempt to curtail the destructive results—crime and suicide. The result, easily predictable, was a vast increase in drug addiction. In the end, the policy of accommodating drug addicts had to be abandoned. The United States has seen some confirmation of this British experience, with Methadone, in some local jurisdictions.

It is explicit federal policy to discourage teenage sexual activity (see, for example, Section 2001(a) of the Public Health Services Act, as amended). The existing policies of federally-funded family planning clinics, however, accommodate the results of the officially-discouraged activity, in an attempt to limit the destructive results of that activity—teenage pregnancies, abortion, unstable early marriages, etc.

It is the position of United Families of America that the existing policies are a demonstrable failure. There is not the slightest evidence that the activities of these federally-funded and assisted clinics have reduced the level of adolescent sexual activity. Indeed, the evidence is quite the contrary. As was brought out in hearings before the Senate Committee on Labor and Human Resources 31 March 1981, the spread of these family planning clinics very strongly correlates with the rise in adolescent sexual activity. We did not then and do not now claim a causal relationship, but we did say, and say now, that until some evidence does emerge supporting the efficacy of present policies, they should not be immune to change.

Similarly, it is official government policy to encourage the participation of families in decision-making about family planning activities of minor children (See Section 1001(a) of the Public Health Services Act, as amended in 1981). You have received testi-

mony that some of the federally-funded clinics do already encourage family participation, and yet there is nothing in implementing regulations which requires them to do so, and thus there is no mechanism by which their compliance with the law can be measured. The proposed regulations under discussion here would, for the first time, provide some measuring stick for the Congressional requirement.

It is the position of UFA that present policies, which, far from requiring family involvement, explicitly accommodate the exclusion of the family at the simple request of an adolescent, not only do not meet the statutory requirement, but directly contravene it. The provision of family planning services, irrespective of the knowledge or wishes of other family members, can only make the achievement of the goal of family involvement less likely.

In other words, the actions of government officials (and agencies) will speak more clearly to adolescents than will official pronouncements. The provision, by government-paid officials, of such accommodating services as contraceptives or abortions will be read by teenagers as tacit societal approval of the activity (adolescent sexual relations) which makes those services necessary, and as diminishing the importance of family involvement in family planning activity. What we say will be eclipsed by what we do.

Present family planning policy towards teenagers rests on the following assumptions: however deplorable it may be, the vast majority of teenagers are sexually active, and will remain so no matter what we do. Therefore, if we are to escape the destructive consequences of that sexual activity, we must prevent those consequences through (a) more and better sex education, (b) more readily available contraception of all kinds, and (c) abortion for those cases where sex education and contraception fail. We include this last point even though the federal government is forbidden to perform or fund abortions, because federally-funded family planning clinics continue to advocate abortion and refer counseling patients to abortion clinics. Whether this advocacy is done with federal dollars or not is irrelevant: the clinics derive benefits from federal dollars which permit them to continue advocacy, and the imprimatur of the federal government carries over into all their activities anyway.

With respect to the specific regulations at issue here, current policy adds that informing parents when contraceptive drugs and devices are provided to minor children will discourage contraception without at the same time discouraging sexual activity, and so will lead to increased teenage pregnancy and abortion.

United Families of America rejects these assumptions. The level of teenage sexual activity, while high and still climbing is neither inevitable nor irreversible. It is unlikely to decline or be reversed so long as official policy assumes its inevitability. UFA is willing to state unequivocally that adolescent sexual activity is wrong, and we call upon the federal government, and its funded family planning clinics, to make the same statement. We reject the teaching that such activity is permissible so long as the teenager "is mature enough to handle it," and we call upon the federal government and its funded agencies to abandon such sophistry. It is that sophistry, and the policies which it has spawned, that is responsible, in large measure, for the epidemic of teenage sex. Nothing will be gained by accommodating it, as the present policy does. We regard the proposed regulations as a qualified move in the direction of the position we have proposed, and so welcome them.

It is not only adolescents who perceive the disparity between official policy and official action. If we propose parental involvement, but permit parental exclusion, not only will teenagers conclude (quite rightly) that we do not value parental involvement very highly, but the parents themselves will reach that conclusion. No doubt it would be well if all parents had the courage to stand against officially-expressed social attitudes. But not all do, and those who do not can use the formal support of public policy. Even those who do have the fortitude to maintain their convictions in the face of public policy are disturbed to find government policy encouraging rebelliousness among their teenagers. Enforcing parental discipline is difficult enough during the teenage years without having an official policy that winks at behavior parents are seeking to discourage.

While there may be those who genuinely feel that teenage sex is "broadening," it is time to put official federal policy in line with the views of the majority of parents. These proposals are a beginning.

II. MEDICAL

In formulating regulations in this area, it is important to note that we are dealing with drugs and devices with real and recognized dangerous side effects. These drugs and devices are regulated by the Food and Drug Administration for the very good reason that they can be harmful to the user.

All artificial contraceptive methods entail significant medical risks. For example, the "low-dose" pill, the most popular birth control method, carries with it a substantially increased risk of blood clotting, high blood pressure, liver tumors, gall stones, urinary tract infections, migraine, depression, amenorrhea, and infertility. It may also be a cause of Down's Syndrome (mongoloidism) in subsequent pregnancies.

One intra-uterine device (IUD) which was widely used has now been disapproved by the FDA, and removed from the market. A leading pathologist has now warned that there is "no safe IUD," citing infertility and life-threatening infections among their users. "In particular," he said, "the IUD is a no-no for young high school and college women who have never had children."

The side effects of contraceptive drugs (estrogen) are likewise undesirable, though to date they have not been implicated as directly in medical complications as have IUDs. However, we wish to emphasize "to date." Medical research continues, and as longer medical histories become available, we think it quite likely that medical complications will become more and more evident.

In combination with other drugs, estrogens are particularly dangerous, and it is important that prescribing medical personnel be thoroughly familiar with the medical history of the patient. With respect to venereal disease, for example, certain treatments are contra-indicated for users of birth control pills.

When the patient is a young girl, possibly as young as 12 or 13 years of age, it is unlikely that correct or complete information will be available from the patient. The girl may not be familiar with her own medical history; she may be unaware of the potential long-terms side effects of the drug she is seeking. Under these circumstances, it is eminently reasonable to insist that the patient's parents be available to provide the necessary information. While the proposed regulations do not go far enough in that regard, at the least they make it possible for parents to correct dangerous prescriptions and usage before they have done irreparable damage.

In the final analysis, it is parents who are morally, legally, and financially responsible for their minor children. It is destructive of a cohesive society to undermine that responsibility by the insertion of taxpayer-funded counselors unwilling to honor that legal responsibility. The medical risks are simply beyond the accounting of minors, and the legal responsibility of parents in this area, long-settled as a matter of family law, should be honored. These regulations start in that direction.

III. INTERESTS

United Families of America presents these comments with no financial or institutional stake in the outcome of the controversy. We do not operate family planning clinics, or receive any money from the federal government either under Title X or any other provision of law. We represent 10,000 families directly, and hundreds of thousands more who belong to our local affiliates all across the country.

We feel it necessary to make this disclaimer because it cannot be made by most of those who are opposing these proposed regulations. The majority of the institutional opposition to these changes in public policy are grantees of the federal government. They stand to suffer monetarily from the changes if they are made final as proposed. At least one official of the largest provider of family planning services has said that, if these proposed changes are adopted, that organization will no longer apply for Title X grants.

So be it. There is nothing in this regulation that would prevent that organization, or any other, from continuing to provide family planning services to minor children irrespective of the wishes of their parents. It is, unfortunately, the ruling of the Supreme Court that the parents' rights cannot be enforced against the claims of privacy raised by the minor. The Court has not spoken to the question of responsibilities as yet. Thus the legality of ignoring parents is not presently in question; its widom is. It is the position of United Families of America that ignoring parents is bad public policy, and as such, it should not be subsidized by the taxpayer. Those who wish to ignore parents may do so, but they may not compel the parents to pay the bill. These regulations definitely move in the direction of UFA's position, and while they do not go far enough, they are welcome.

We are not suggesting that organizations with a financial stake in the outcome of the debate should be excluded from participating in it. We merely suggest that their self-interest be taken into account in evaluating the comments received.

We also urge that the ability of taxpayer-funded organizations to generate comments from private individuals also be taken into account. Clinics and organizations receiving millions of dollars in federal funds have taken out full-page ads in major newspapers and journals, and have bought television time to urge opposition to these proposed regulations. We do not question their right to do so (though we do have some questions about using federal dollars to free private dollars for this kind of lobbying). We merely

note it, and hope that it will be taken into account when evaluating citizen input.

To sum up: present policy is bad social philosophy and medically dangerous. While the proposed regulations do not go far enough, they are movement in the right direction, and so have the complete support of United Families of America.●

BILL GIANELLI SPEAKS OUT

● Mr. ABDNOR. Mr. President, I am convinced that the Assistant Secretary of the Army (Civil Works), William R. Gianelli, is one of the most hardworking, loyal, and effective members of the Reagan administration.

Bill Gianelli holds a tough job. It is a job to which he has brought great dedication, as well as new and creative ideas.

He has brought this leadership to Washington at a time when our Federal water resources development program faces great troubles. Construction work by the Army Corps of Engineers has been slashed by two-thirds over the past 15 years, when measured in uninflated dollars. Bill Gianelli believes we must find ways to reverse that decline, to reverse it in a way that reflects the budget realities of today and tomorrow. Our water resources program will continue to be in trouble until we listen to men like Bill Gianelli, men who see the world as it really is, not as we wish it to be.

Last week, Bill Gianelli spoke on the "National Water Outlook for the 1980's," at a meeting of the National Agricultural Marketing Association. I ask that his speech be printed in the RECORD.

The speech follows:

NATIONAL WATER OUTLOOK FOR THE 1980'S

INTRODUCTION

Amenities:

Appreciate opportunity to discuss with you the national water outlook for the 1980's.

Our Nation's water resources play an important part in national economy, of course; vital that good water projects be a part of our economic recovery program.

Have visited Corps projects and programs in 33 States—seen need for new navigation, flood protection, M&I supply, hydro projects.

We have several clear objectives: get good water projects authorized and built; commence a program for equitable cost recovery from project beneficiaries and for greater non-Federal participation in project financing.

Want to cover four particular features of our program.

The Administration's new principles and guidelines for planning water resources projects.

Program for cost-sharing and recovery from beneficiaries of water projects.

1983 new construction starts and innovative financing.

Revisions to the Section 404 regulatory process.

I. New principles and guidelines for development of Federal water resources projects:

Significant step is revoking the old Principles and Standards, which act to stymie projects.

Cabinet Council on Natural Resources and Environment concluded:

National Economic Development (consistent with environmental protection) should be the paramount objective (formerly shared with EQ).

More input and participation from State and local concerns.

Costs of vendible project services should be paid for by project beneficiaries.

New ways of cost-sharing and financing needed for various water project features.

Guidelines will replace the P&S:

Will simplify the process, speed Corps reports to the Washington level, provide more flexibility to planners in the field.

Inhibit third-party suits on trivial issues and insignificant procedural matters.

Status: Have consulted with various water organizations, with interested Congressional Committees, and with State representatives—Cabinet Council has approved. Proposed Principles and Guidelines published in Federal Register on March 22, 1982. 60-day public comment period before documents are put in final form.

II. The Washington outlook on cost-sharing and recovery:

All above and other steps to expedite good water projects must be done within the Federal budget environment with which you are well familiar by now:

Economic recovery essential; budget "crunch" on Federal dollars has to be dealt with.

Role of private sector is a key element—need to have good, sound investment programs with less burden on Federal taxpayers—which means cost recovery programs are imperative.

Innovative financing a "must" for new projects. (Will provide examples of FY 83 in a few minutes.)

Greatest potential in hydro and in M&I water supply.

Administration initiatives for cost recovery and fast-tracking for deep-draft (over 14 feet) and shallow-draft navigation projects.

Will recover 100% of Corps of Engineers' future construction and O&M costs allocated to commercial navigation.

Our bills include fast-tracking provisions to streamline present process for moving navigation projects to construction stage.

New inland bill sent to Hill on March 22nd contains model fast-track provisions consistent with beneficiary-pay requirements.

Secretary of the Army given authority to approve projects without further congressional action.

Expedited planning and coordination schedule established by the Secretary of the Army.

Project eligible for appropriations 180 days after receipt of EIS by Congress unless disapproval by Joint Resolution.

Judicial review limited to constitutional and scope of authority issues.

Cost-sharing for other project purposes: still deciding how best to handle. For flood protection and irrigation project outputs, defining the Federal interest is not as clear as for others.

Cost-sharing for planning should be 50/50; upon completion of a Federally-funded reconnaissance level study.

Reconnaissance Level Study would take about one year and would serve to indicate to the non-Federal participant that his required 50 percent contribution would likely lead to an implementable and productive project.

Non-Federal funding of feasibility study will insure that alternative solutions studied in detail are realistic and responsive to non-Federal partners' concerns.

In any event, the concepts of "user pays" and of innovative financing are fundamental to success of proposed Federal projects.

III. Now mention specifically how innovative financing may lead to construction starts in FY 83:

Corps was asked last September to identify projects which could go to construction in FY 83.

Corps found a number of such projects (15) which covered spectrum geographically and functionally.

OMB then gave green light to explore up-front financing with project sponsors.

Letters were written to sponsors, and the District Engineers arranged meetings.

Bob Eiland of my office visited each sponsor, explained our program for 1983, and asked for responses to our offer prior to April 1st. All sponsors did respond; over half accepted our offer.

We submitted proposal for a budget amendment for 10 projects to OMB on April 1st and are awaiting decision.

Some of the specific projects which appear promising are:

Hydropower at Bradley Lake, Alaska, Strube Lake, Oregon, and Bonneville Fishway, Oregon.

Multi-purpose project at Randleman Lake, North Carolina.

Flood control projects at:

Davenport, Iowa;

Merced, California;

Kahoma, Hawaii;

Ellicott Creek, New York; and

Virginia Beach, Virginia.

The local sponsors of these projects have generally agreed to innovative financing along the following guidelines:

	Non-Federal financing (percent)	Cost-sharing (percent)
Hydropower	100	100
Flood damage reduction	35	35
M. & I. water supply	100	100
Separable recreation	50	50

These guidelines represent our best effort to get some good projects to construction in 1983.

IV. The Washington perspective on Regulatory Reform is another item of great interest to water resource people:

Corps processes about 18,000 permits nationwide annually, with about 6,000 of these in the Western 17.

Long processing times and costs to permit applicants are a burden.

Regulatory reform underway (VP Task Force; OMB-Army review of Corps' program).

Objective was to allow reasonable projects to go forward without undue "hassle," observing the proper Federal concern for the actual navigation servitude and water quality.

Results of our review were submitted on January 29th to Presidential Task Force and recommended:

Reduce time required to obtain permits.

Corps' in-house reform to process normally in 60 days.

Clarify information required of applicant.

New Memorandum of Agreements (MOA's) reduce elevation process.

Give States more authority and responsibility.

Give general permits to States whose programs meet Federal goals.

Do not second guess State and local decisions.

Improve conflicting and overlapping policies and authorities.

Expand general permits.

Better define the objectives and jurisdictional extent of the permit program.

Jurisdiction too broad.

Replace term "wetlands" with "inundated land."

V. Outlook for water projects in next few years:

Future funding requirements for water projects:

I am convinced there is a big need for water projects.

In the decade of the 80's it could take several hundred Army Civil Works projects, costing up to $20 billion, to satisfy problems which have been identified.

A rough breakdown of this gross need might be something like this:

	In billions
Navigation	$8
Flood control	5
Projects for power	5
Projects producing M. & I. water supply	1
Other	1
Total	20

Looking beyond the 80's, one could envision additional needs; another $5B for navigation, and $7B for the other kinds of Civil Works projects.

Pressure on the budget, of course, will prevent the Federal Government from being able to finance all—or even the major portion—of these valuable water projects; hence, we simply have got to work out a program of non-Federal up-front financing. This is a key in moving ahead with new water projects. Even though we are trying to expedite the water planning process, this is not nearly as important as providing for the financing and repayment of Federal water projects in ways never before contemplated.

Well-planned projects with well-conceived financing packages will move quickest toward Administration support and, where necessary, into the Federal budget.

State and local concerns will be more fully considered by Federal water agencies—through a broadened role for them in project planning and financing processes.

Water project services supplied at less cost to the average Federal taxpayer as cost recovery and user charges more effectively associate costs to beneficiaries.

Regulatory reform will "get Government off the backs of the people" and promote less burdensome ways—preferably with more active State roles—to ensure proper regard for the Federal navigation interest.

IN CONCLUSION

Problems ahead; Reagan Administration wants to solve these problems. Business as usual will not suffice. Need new approaches—innovative financing—assessment of charges to project beneficiaries.

Organizations such as the National Agriculture Marketing Association should be part of solution—not part of problem. Administration needs help of such organizations.●

U.S. ARMY'S MODERNIZATION PROGRAM

● Mr. SYMMS. Mr. President, recently there appeared in the May 1982 issue of Armed Forces Journal a thoughtful and incisive article dealing with the challenges and problems faced by the U.S. Army in implementing its long awaited modernization program.

I should like to recommend highly this piece to all my colleagues including those who would increase as well as those who feel that we must moderate our current defense expenditures.

I ask that this article be printed in its entirety in the CONGRESSIONAL RECORD as read.

The article follows:

WHY THE ARMY'S MODERNIZATION WOES AND BUDGETARY CATCH-22s BEWILDER ITS OUTNUMBERED SOLDIERS

(By Benjamin F. Schemmer)

The way our Joint Chiefs of Staff are presently organized, there is no way a Chairman or Member could point out the following incongruities without getting his face ripped off in that little Pentagon room known as "the tank." So AFJ is going to say it for them. (Knowing, of course, that several will not really enjoy the comparisons which follow; perhaps none of them will; the Chiefs like to keep such problems "in the family.")

But more and more long-time observers of the defense scene in Washington are beginning to note that the U.S. Army is getting euchred. It has no real constituency on Capitol Hill (both the Senate and House Armed Services Committees have long had "Seapower" Subcommittees), and it doesn't have a John Lehman/Bing West combination fighting for a ground forces version of the new U.S. "maritime strategy" in the Office, Secretary of Defense.

Astute observers of defense affairs are concerned about substantive contrasts and incongruities like the following:

The Senate Armed Services Committee last month voted to delay production of the Army's long-sought day/night, adverse weather AH-64 advanced attack helicopter by a year (it said "one year," when its action would probably delay it closer to two years). It cited the AH-64 "most notably" as an example of programs which should be "deferred until they can be better defined, justified, and the costs brought into line." The Committee acted because Army witnesses had confused it with seven different cost estimates within recent months (trying really to keep Congress informed as the AH-64 transitions into production after a nine-year development program that can only be hailed as one of the most thorough and successful in aviation history). In fact, the disputed AH-64 costs have increased only about 10% in the past year, although Army witnesses did a poor job of articulating that on Capitol Hill.

In the very week that the Senate Committee rapped the AH-64 across the knuckles, the State Department confirmed that Russia has shipped Hind-D helicopters to Cuba. Thus, even Cuban forces will soon be flying an advanced attack helicopter that is far more modern than anything US soldier will have in the field for at least another 3½ years—and possibly not for another 4½ or five years if the Senate hold on the AH-64 prevails. The House Armed Services Committee voted to fund the program, with a report that brilliantly sorts out the morass of confusion littering Capitol Hill about the program's cost and status. Thus, the Army's long-sought AH-64 hangs in limbo yet again awaiting the outcome of the Senate/House conference, sometime in May, on differences between their authorization bills. In the meantime, the Army is short 58% of the attack helicopters it is supposed to have, according to Rep. Larry McDonald [D-GA].)

The same Senate Committee that voted not to fund an $825-million production build-up of the AH-64, which the Army urgently needs, voted to fund a $996-million production build-up of the Navy's SH-60B LAMPS Mark III anti-submarine warfare helicopter—even though the Navy had admitted that most of the 48 helicopters being bought would have to be put into storage for a few years because the ships from which they are supposed to operate will not be ready to handle them. (As the Navy phrased it in a footnote on its budget submission. "LAMPS MK III ship stand-up schedule lags aircraft delivery schedule, which reflects surplus aircraft until FY89." The House Armed Services Committee reduced the buy of excess aircraft, from 48 to 30.)

The same Senate Committee voted full funding for a $2.6-billion production build-up of Navy F/A-18 fighter/attack aircraft that will increase production rates from 63 to 84 per year, with advance procurement funds to increase production in FY84 to 96 per year. That production build-up costs money; but beginning in FY85, the F-18s being bought will be for Naval Reserve units. The Navy has argued successfully that since the Air Force is being allowed to buy new A-10s and F-16s for its National Guard and Reserve forces, the Navy should be allowed to modernize its Reserve units along equal lines. The argument makes a lot of sense, but there *is* a difference: the Air Force has airfields for its Guard and Reserve units; the Navy doesn't have aircraft carriers for its.

In fact, it doesn't have enough aircraft carriers for its active units. This Administration has decided to buy two squadrons of F-14s for each of its large deck carriers, instead of putting F-18 fighters on them. The F-18 was originally sold as a lightweight, low-cost fighter. Instead, the Navy is buying A-18 attack versions to deploy on those carriers, to replace its present A-7s. There is a Catch-22 in all of this: when the carriers actually deploy, the Navy removes one squadron of A-7s in order to make room for the extra squadron of F-14s. But it is still buying A-18 to replace A-7s it doesn't deploy.

The F/A-18 program was launched with its average unit costs based on a buy of 1,366 aircraft. Since then, that requirement has been offset by a successful U.S. Marine Corps battle to buy 336 V/STOL AV-8Bs (instead of A-18s) for its close air support missions, and it has been reduced by another 150 or so aircraft because the Navy has decided to increase the number of F-14s on its large deck carriers from 18 planes to 24 per squadron. Yet after subtracting the 336 AV-8Bs and the 150 F-14 offsets, the Navy's latest requirement for F/A-18s is still—1,366 aircraft. During all of these gyrations, the F/A-18 program cost has risen from $14-billion to $39.7-billion, and Congress in the past three years has added funds to build them faster than DOD requested.

During approximately the same time frame: AH-64 program costs have grown 113 percent from $3.9-billion to $7.4-billion, taking into account higher than projected inflation rates until the end of production F/A-18 costs have grown 181 percent, or 60

percent faster than the AH-64's. The F-18 program has somehow transitioned from a low-cost, lightweight, hotshot fighter into a $40-billion light-attack airplane. DOD and Navy officials who have tried to kill it tell AFJ that they gave up when they realized that was as futile as trying to pull Excalibur out of a rock. Yet Congress pushes money at F-18s, and has—in one body, at least—just set the AH-64 back by a year or two because its costs "most notably" haven't been defined well enough or "brought into line."

The Navy has increased its F-14 requirements from the 509 aircraft it originally projected to 845 today, and the total program cost has grown 167 percent, from $13.4-billion to $35.8-billion. Of that $22.4-billion increase for 336 aircraft, about $4-billion is for support costs and increased spare parts, and about $2.3-billion is for improvements to the plane's original configuration. Thus, the F-14 has about $6.3-billion of cost growth to buy no airplanes. That is very close to the total cost of the AH-64 program the Army can't sell Congress to buy 536 aircraft.

Unit costs of the F-14s have gone up from about $41-million a copy for the 30 planes bought in FY82 to $51-million a plane for the 24 F-14s in DoD's FY83 budget request. The plane is such a steal that the House Armed Services Committee has just decided to add six more F-14s to the Navy's FY83 budget submission (in part, to reduce its unit costs). To cope with its AH-64 cost growth, the Army had to cut its planned AH-64 buy, which increased unit costs, which made the other body of Congress so mad it may end up killing the program.

The Defense Department allowed the Navy to request a quarter of a billion dollar FY83 budget request to buy eight A-6 medium all-weather attack aircraft—even though it will admittedly have a surplus of about 28 A-6 aircraft until 1987 even after converting 44 of its present A-6s to KA-6D tankers. That $255-million for A-6's excess to Navy needs until FY89 would fund 70% of the $368-million FY82-to-FY83 budget increase which the Army requested to build AH-64 production from 11 aircraft to 48, or six times as many new tank killers in the field as the eight A-6s the Navy will have to put into storage. (The House Armed Services Committee provided the A-6 funding; the Senate Armed Services Committee felt that didn't make a whole lot of sense, and directed the Navy instead to keep the A-6 production line alive by buying more EA-6B electronic warfare variants of the plane, since the Navy is critically short of EA-6Bs, but was going to buy only six of them in the same budget.)

The Senate Armed Services Committee is concerned about what turns out to be roughly a 10% cost increase in the AH-64, and won't buy an adverse-weather, day/night attack helicopter at roughly $10-million a copy. But it is funding at $13-million each a Marine Corps AV-8B day only, fair-weather, close support plane (read attack helicopter without a rotor blade). The Pentagon asked to buy 20 more Air Force day only, fair-weather A-10 close support planes at over $9-million a copy, even though the planes to be produced will be advance attrition aircraft (put into storage now to replace ones we expect to crash sometime in the early 1990s). The House Armed Services Committee was so impressed by the economics of the A-10 budget request that it voted to buy 30 of them instead of 20. The Senate said it was time to quit buying the plane.

The Army has frequently been criticized for designing equipment too big or too heavy to be airlifted easily to distant trouble spots, at a time when the nation is critically short of strategic lift in any case. The M-2/M-3 Bradley fighting vehicles are an example, since they have to be partially disassembled to fit in the C-141, while even staunch Army supporters like Sens. John Stennis (D-MI) and Sam Nunn (D-GA) have balked at buying a new C-X strategic airlifter to carry one M-1 Abrams tank at a time to the Persian Gulf. Thus, Army Chief of Staff General E. C. Meyer endorsed an initiative launched two years ago to restructure some Army units around more lightly armored vehicles. (See "The Light Armored Corps, A Strategic Necessity," Jan 1980 AFJ, and interview with General Meyer, Mar 1980 AFJ.) That intiative was backed strongly by the Senate Armed Services Committee, and Congress added money to the Army and Marine Corps budgets to give the program an earlier start than the Pentagon's proposed budgets would have provided.

Meyer's advocacy of light armor in certain units has caused him some "problems . . . within the Army," he admitted to the Pentagon press corps late in March, "but I think we are pretty well over that."

Now that Meyer is over those troubles, the House Armed Services Committee just voted to delete all of the $201-million requested for the first joint Army and Marine Corps buy of 392 Light Armored Vehicle program—just a few months before source selection was supposed to be made (in July) between the candidates now under test at Twentynine Palms, CA. It said that too many variants were being planned (seven by the Marine Corps, two or more by the Army).

OVERALL FUNDING UP SIGNIFICANTLY

For all of those incongruities, however, the Army's hardware modernization program may now be faring better in one important respect than procurement programs of its sister Services. Notwithstanding the huge amounts of money which the Reagan Administration is investing in its maritime strategy as it tries to build a 600-ship Navy by 1990, the Army's procurement program is getting a proportionately larger share of the Pentagon's hardware budget than it used to. For the three-year period of Fiscal Years 1977-1979, for instance, Army procurement budgets represented only 18.2% of all Defense Department procurement dollars; for the FY 82-84 period, the Reagan Administration's defense program calls for the Army to get 20.4% of all such funds. The 2.2% difference may seem small on the surface—but in fact amounts to $5.6-billion more for new Army equipment than would have been the case at the 18.2% level of five years ago. That $5.6-billion three-year increment, in turn, adds up to more than all of the hardware the Army was able to buy as recently as FY78.

Two factors, however, are putting those funds at risk. First, the detail of that program execution is hurting the Army's modernization program—whipsawed on the one hand to look at light armored vehicles but having the program's funding preempted just as the Army is completing its in-house evaluation of their real potential; having its Roland air defense missile program terminated just as the first production units are being delivered, only to have Congress add millions to another Service's budget to make up for the resulting air defense deficiency.

STRAY VOLTAGE

Second, for every step forward the Army has been able to make in fielding new hardware, there are vocal critics who charge after-the-fact that the Army marched off in the wrong direction. Answering them is more than a distraction, because many influential people take those critics seriously. Two of the worst articles AFJ has ever read on the use of helicopters on the battlefield, for instance, have been widely reprinted in recent months in papers ranging from the Chicago Tribune to the San Francisco Chronicle and the Arizona Republic. Both make it sound as if the United States Army had purposely decided to restage Custer's Last Stand on the World War III battlefield by designing its doctrine and tactics around machines which will fall out of the sky as soon as the opening shots are fired. The articles are too frivolous and their facts too fallacious, on one hand, to warrant serious comment; but ther are too widely circulated, on the other hand, not to be rebutted. (AFJ has tried to put them in perspective on pages 48 and 58.)

There are now 55 members of Congress who belong to the bipartisan Congressional Military Reform Caucus, some of them very senior, very knowledgable, and very influential. Recently they were given a staff paper on "Options for Action on the FY 1983 Defense Budget," prepared by Senate staffer William Lind, an aide to Sen. Gary Hart (D-CO), who is the Caucus' co-chairman. The paper contained some reasonable if not new initiatives: ". . . realistic testing of the M-1 tank;" (it is already the world's most tested tank, but its preplanned improvements surely would benefit from more testing); "improve the M-16 rifle" (something long planned and now underway by the Army and Marine Corps); and "reduce personnel turbulence in the Army" (a key factor behind Army Chief of Staff General E. C. Meyer's initiative several years ago toward a British-type regimental system involving unit rather than individual rotation).

But some of Lind's other options were just plain stray voltage. One has to wonder that so many senior members of Congress may have taken time to read them seriously. Our favorite such off-the-wall proposal involved Lind's self-styled "major initiative" for an "ultra-light infantry battalion based on the cross-country motorcycle." He wanted Congress to fund a $20-million, one-year test for the Army and Marines each to "reorganize and reequip an infantry battalion with motorcycles to mount the troops with their rifles, machine guns, light mortars, and shoulder-fired antitank weapons." Lind said, "This initiative would do more to institutionalize maneuver warfare within US land forces than any other proposals on our list of candidates." He said that "the balance between infantry and tanks could be changed dramatically if infantry could move faster and more invisibly than tanks over terrain impassable to tanks," noting that "the modern light trail motorcycle makes this possible," but that "unfortunately, due to opposition from Army armor interests, the motorcycle has been relegated to secondary courier and scout duties."

LIND'S "SUICIDE BATTALION"

Lind's new unit was quickly labeled a "suicide battalion" in a rebuttal written by a House staffer, Michael Dennis, whose boss, Bruce F. Vento (D-MN), is also an influential member of the Reform Caucus. Dennis wrote of Lind's ultra-light motorcycle battalion:

"No. This is off the wall. The problems are:

(a). No fighting value when mounted (Marlon Brando notwithstanding).
(b). Several seconds would be needed to dismount and take cover.
(c). Because of (a) and (b), the unit would be extremely vulnerable to ambush—even by a single machine gun or mortar.
(d). Once inserted and engaged with the enemy, withdrawal on the vehicles would be next to impossible. Given the deep penetration and maneuver role envisaged for the unit, we are suggesting a suicide battalion. The whole point of light forces in maneuver warfare is to sting and run, sting and run. An expectation of possible survival is essential (as opposed to digging in and fighting to the last man). Thus, the proposal is antithetical.
(e). The trail motorcycle has both a short range and a low life expectancy. Thus a very complex support echelon will be required—possibly requiring up to 300 vehicles. At this point, the combat value of 200 machine gun-armed jeeps would be a valid comparison.
(f). Most trail motorcycles are built in Japan. Japan has a policy (and laws) against the export of military equipment. The procurement of the vehicle for the initiative could well cause major trade policy implications."

THE CHARCOAL-HAMBURGER DEBATE

Lind also proposed that Congress cancel the Army's M-2/M-3 Bradley fighting vehicle and instead upgrade its M-113 armored personnel carriers to the point where they could withstand hits by High Explosive Anti Tank rounds. Dennis is no fan of the M-2/M-3 either, but he said that "staying with the M-113 is even worse." Re-armoring the M-113 against HEAT rounds, he pointed out, would "probably mean a 150-ton APC." As Dennis quipped, "The HEAT round is designed to cause the incineration of everyone and everything inside the vehicle it hits [as opposed to . . . kinetic energy rounds, which are supposed to produce hamburger]." He called the M-2/M-3 "better than the M-113 in silhouette, design, and armor," but said it suffers from "overdesign" which resulted from "catch-up-with-the-Soviet-itis and from an uncritical attempt to match the Soviet BMP. Nobody seems to have asked if the BMP is a good combat vehicle or merely a simple recipe for fried Russian."

Dennis prefers Light Armored Vehicles to the whole M-113 upgrade or M-2/M-3 approach—but of course the House Armed Services Committee has just tried to squash that alternative.

Thus, the US Army's modernization program reels from inter-Service incongruities in budget approaches, which neither the Pentagon's senior civilian leadership nor Congress have sorted out; from distracting stray voltage suggestions by influential Congressional staffers; from some weird (and, less occasionally, some good) criticism from the press; and, at times (as in the 9mm handgun competition covered elsewhere in this issue), from its own work.

It would all be enough to drive good soldiers to drink—but one of them put it in perspective for us recently when he mused at lunch one day, "If enough good men are willing to die, we can overcome."

SENATE ARMED SERVICES COMMITTEE REPORT BARRING AH-64 PRODUCTION START

The AH-64 is a highly mobile attack helicopter intended to be the Army's primary, quick reacting, airborne antitank weapon. The Administration requested $760.3-million for the procurement of 48 aircraft in Fiscal Year 1983 and $116.5-million for advance procurement. The Committee is deeply concerned over the dramatic increase in the unit cost of the AH-64 attack helicopter. Less than one year ago the estimated program unit cost of the AH-64 was $11.2-million (in then-year dollars based on a procurement objective of 536 aircraft). The current estimate exceeds $16-million per aircraft (based on a quantity of 446).

The factors causing this increase are well understood. They include the reduction of 90 aircraft from the program, the addition of $528-million to budget to "most likely cost," higher inflation indices, and revised estimates for production costs.

These cost increases, coupled with major uncertainties over the ability of the manufacturer to execute the program, do not justify Congressional support at this time. It is the Committee's recommendation, therefore, that production of the AH-64 be deferred for one year.

The Committee acknowledges that with only minor exceptions, the performance of the AH-64 in development has been excellent. The aircraft, if produced, would give our Army a significant improvement in night-fighting and antiarmor capability. The Committee's concern however, is focused on cost—not performance.

Deferral for one year should allow the Army and the manufacturer sufficient time to structure a program which, if approved by Congress, will provide acceptable levels of both confidence and risk. Sufficient funds, in the amount of $73-million, are provided to preserve the option of commencing production in FY 84. Should Congress or the Department of Defense decide to terminate the program, unobligated funding for FY 82 and all subsequent years shall be recouped.

The Committee recommends an authorization of $73-million only to sustain the option of initiating production in FY 84. This is a net reduction of $803.8-million from the Administration's request. It is the Committee's intent that none of the unobligated $444.4-million authorized in the FY 82 Defense Authorization Bill for the procurement of AH-64 helicopters shall be used for production of the AH-64 until expressly authorized by a future act of Congress.

The Committee has chosen not to recommend recision of previously authorized funds. Such funds shall remain available to initiate production should the Congress in subsequent legislation, decide to proceed with the program.

HOUSE ARMED SERVICES COMMITTEE'S VIEWS

The budget request contained $760.3-million for procurement of 48 AH-64 helicopters in Fiscal Year 1983, $116.5-million to support procurement of 96 aircraft in fiscal year 1984, and $88.1-million for initial spares.

The AH-64 is designed to provide ground forces a highly mobile tank killer that can operate at night as well as day and in adverse weather. Its Hellfire missiles provide far greater stand-off range than the Improved Tow missiles which arm the present day only AH-1S cobra attack helicopters, and its design features permit safe operations even after absorbing hits by 23mm antiaircraft fire.

The Army has been trying to field an all-weather attack helicopter since the mid-1960s. Development of the AH-64 is virtually complete after one of the most demanding and extensive aircraft test programs in US history; those tests included 3,800 flight hours, 2,400 hours of ground operation, 72 Hellfire missile firings, 4,200 rocket launches, component testing that substantiated 4,500 hours of service life, 41,000 rounds of 30mm firing, and realistic operational field evaluation.

During the conference on the fiscal year 1982 Department of Defense Authorization Act, the Army was in the final stages of updating its baseline cost estimate on the AH-64 to support formal program review prior to entering production on the aircraft. Although the data available at that time were incomplete, the Army advised the conference that previous cost estimates had been understated and that AH-64 program costs could be expected to increase significantly. The Congress responded to this preliminary notification by authorizing and appropriating an additional $73.4-million for the AH-64 program in fiscal year 1982 to ensure a smooth transition from R&D to procurement. This action provided total funding for fiscal year 1982 of $537.0-million for procurement of the initial 11 AH-64 helicopters.

Subsequent to final action of the Defense Appropriation Act in December 1981, the Army provided seven different program cost estimates to the Congress in an effort to keep the Congress informed of all alternative program acquisition strategies being considered. Three of these estimates (October, November, and March) are predicated on a total program of 536 aircraft and four are predicated on a reduced program of 446. Of these seven estimates, only the three based on a 536-aircraft program provide a real comparison with the cost estimate submitted to Congress in fiscal year 1982. And of these three, two are based on now-obsolete inflation indices (all programs were reindexed in December 1981 based upon new, higher, long-term inflation projections.).

During the period November 1981 through March 1982, the Army was engaged in negotiations with the contractor on the fiscal year 1982 program. Based upon preliminary negotiating positions, the Army added $563.0-million to its estimate of the total cost to procure 536 aircraft ($528.0-million for a reduced program of 446 aircraft) as a "management reserve" to ensure that the costs would not again be understated.

The combination of (1) added inflation estimates; (2) program reduction from 536 to 446; (3) a "worst case" management reserve allowance; and, (4) recurring cost growth resulted in the December 1981 selected acquisition report showing the "unit program acquisition cost" estimate for the AH-64 at $16.2-million as compared to an estimate of $10.9 million in September 1981.

This now obsolete estimate was widely cited in the press and depicted as a 48 percent increase in the cost of the AH-64. However, there is a great deal of misunderstanding about such cost estimates. There are three different ways of expressing unit costs: (1) "unit program acquisition cost" which includes the sunk cost of research and development ($1.2-billion in the case of the Apache); (2) "unit procurement cost" which includes nonrecurring costs such as special tooling, ground support equipment, and initial spares and repair parts; and (3) "unit flyaway cost" which is the actual production cost to build the aircraft. The "unit cost" will vary significantly depending on which of these three measures is being cited. In the case of the AH-64, the three unit costs were estimated (based upon a program of 446 aircraft) in December 1981 at (in millions of dollars):

Unit flyaway cost	$10.7
Unit procurement cost	13.8
Unit program acquisition cost	16.2

As a result of a favorable outcome on the FY82 program contract negotiations, the Army has now advised the Congress that its worst case estimates were unduly conservative and that the $528.0-million management reserve would not be needed over the life of the program. This reduced estimate results in the following (in millions of dollars):

Unit flyaway cost	$9.5
Unit procurement cost	12.6
Unit program acquisition cost	15.1

A valid comparison of costs requires comparing the September 1981 estimate for 536 aircraft with the latest (March 1982) estimate for the same number of aircraft. In September 1981, the total procurement cost was estimated at $4.821-billion. In March 1982 the estimate was $6.335-billion, an increase of $1.514-billion or $2.82-million per aircraft. According to the Army, the cost increase consists of the following (in millions of dollars):

Inflation	760
Army program adjustments including expanded training requirements and additional spares and repair parts	321
Increased nonrecurring cost of production	52
Real increase in recurring hardware cost	381
Total procurement cost increase (billions)	$1.514

Of the total increase of $1.514-billion, it can be seen that only $381.0-million results from actual cost increases over which the contractor has any significant degree of control. This represents about $710,000 per aircraft—or less than a 10 percent increase over prior estimates. Considering that the prior estimates were based upon paper analyses prepared early in the development program and the current estimate is based upon detailed vendor quotes for a known design, the real unit cost growth in the AH-64 compares favorably with that of other major programs transitioning from R&D to procurement.

The Committee is aware of claims that the AH-IS Cobra/TOW could be upgraded to approximate the capability of the AH-64 at significantly less cost. Under Secretary of the Army James R. Ambrose responded on March 26, 1982, to Committee inquiries concerning the credibility of such claims about lower cost options, and his comments are instructive:

The Army must have a modern attack helicopter. Without it, the ground forces are in serious jeopardy.

The AH-64 is, by far, the best current solution to this requirement. The best modified version of the Cobra which might be developed would be greatly inferior in battlefield performance and survivability.

On a fully comparable basis the modified Cobra is more expensive than the AH-64. There is no $4-million attack helicopter in the real world. Unit program cost for the modified Cobra is $15.4-million compared to $15.1-million for the AH-64, apples-to-apples.

The unit program cost of $15.06-million compares favorably with any improved version of the Cobra. The best improved Cobra to compete with the AH-64 is the postulated PAH-2 and requires a four-year development for $297-million. The unit program cost is then-year dollars for 446 of these is $15.36-million.

The AH-64 was designed to fight and survive against 12.7 and 23mm weapons, to achieve a high degree of crashworthiness, to be very agile and maneuverable on the battlefield, and to be self-deployable. The Cobra airframe designed in the 1960s with a single engine simply cannot compete with the AH-64 in these areas and the PAH-2 version has four times the vulnerable area exposed to threat weapons.

It is also instructive to note that during the period when Congress' attention was focused on AH-64 cost increases, the Defense Department acknowledged that Russia had shipped Hind-D attack helicopters to Cuba, a fact confirmed by the State Department. This development only emphasizes the incongruity that has been allowed to develop in the past decade: The U.S. which pioneered the use of the attack helicopter and which has led the world in the technology permitting its growth into a formidable, survivable, day/night, adverse weather antitank system, now sadly lags the Soviet Union in fielding them. Intelligence estimates cited in the press indicate that Russia has produced over 1,000 Hind attack helicopters, with production last year averaging close to 15 a month. In contrast, the U.S. has yet to field its first operational counterpart. Russia's Hind inventory has reached the point where some 450 advanced, all weather Hind-Ds and -Es were deployed by the end of 1981; where hundreds have been exported to most of its Warsaw Pact allies; and where, now, these advanced models are even being shipped to Cuba.

The Committee is shocked that for at least a two-year period the armed forces of Cuba will actually be equipped with a more modern attack helicopter than the armed forces of the United States.

The Committee believes that any further delay in fielding the AH-64 would be unwise. The Committee also finds that the Army decision to reduce the program from 536 to 446 was ill-advised and premature. The Committee recommends, therefore, that the Army plan on a minimum of 536 helicopters for the active force.

The Committee recommends authorization of $713.3-million for procurement of 48 AH-64 aircraft in FY 83, $116.5-million for advance procurement, and $88.1-million for initial spares. This represents a reduction of $47.0-million from the amount requested which reflects a reduction in the estimated program cost.

THE HARDSHIP OF UNEMPLOYMENT

● Mr. TSONGAS. Mr. President, the Nation's jobless rate in April was 9.4 percent, the highest in the 40 years the Federal Government has been keeping records of monthly unemployment. Only twice before has the figure exceeded 9 percent, once in May 1975, and again last month.

If the number of "discouraged workers"—those no longer seeking employment—are counted, 12.5 percent of the labor force is unemployed, according to Dr. Janet Norwood, Commissioner of the Bureau of Labor Statistics. For each rise in the jobless rate of 1 percentage point, the Federal Treasury loses $30 billion a year in taxes forgone and unemployment benefits distributed.

But the numbers understate the hardship for some categories of workers. Black workers, for example, face 18.4 percent unemployment, up from 18 percent the previous month, nearly double the rate for all Americans. For black teenagers, the predicament is still worse, a shocking 48.19 percent jobless rate.

For many Americans, the futile search for work can be acutely frustrating. One single parent, mother of a 7-year-old girl and twice the victim in the last 7 years of Federal and county layoffs, says:

> Nobody has tried harder than I have. I'm an eternal optimist, but it seems like as time goes by, finding a job just seems to get farther and farther away.

In my home State of Massachusetts, April was one of the cruelest months in more than 4 years, as the unemployment rate climbed to 8.5 percent. Although Massachusetts' unemployment ranks third lowest among the Nation's 10 industrial States, the State's economy shows unmistakable signs of slackening.

Mr. President, this Nation long has embodied the principle that all Americans should have the opportunity for gainful employment. But this principle is losing its vitality in America today.

Last month, the inflation rate was 3 percent, the lowest figure in 20 years, but the tradeoff between the lowest inflation rate in 20 years and the highest unemployment rate in 40 years is wholly unacceptable.

We must do more at the Federal level to reduce interest rates, which cause unemployment, and to stimulate private investment. We must do more to provide jobs for 10.3 million unemployed Americans who are left dangling without jobs or without hope of finding a job. Unless we do more, the jobless rolls will continue to multiply and multiply.

Mr. President, I would like to share with my colleagues an editorial which appeared in the New York Times, May 8, 1982, regarding April's unemployment rate.

The editorial follows:

[From the New York Times, May 8, 1982]

AND NOW THE BAD NEWS

No wonder President Reagan struck a deal with rebellious Senate Republicans this week to produce his second budget of the year. The President needs every good headline he can get to offset the dismal news about unemployment.

Dismal is the only word. According to the Labor Department, unemployment rose to 9.4 percent in April, the worst rate in the 40 years such monthly records have been kept.

It makes no difference that the news was expected. As long as this deep recession continues, unemployment is bound to keep spreading. And the numbers shock: they are a devastating commentary on an economic policy that aims to drive down a once-cruel

inflation by leaving 10.3 million Americans dangling without jobs.

The President resents anecdotal accounts of their plight. Yet almost every one of these millions can yield stories of anguish and deprivation.

The pain is spread unevenly and causes acute communal distress as well: Michigan stands at 15 precent unemployed, New York at 8.1 percent. Blacks register 18.4, blue-collar worker 13.7, Hispanics 12.5. One of four teen-agers is unemployed, and their scars may last longest.

It is a special misfortune to be out of work when the Government has also run out of money. The tax cut scheduled for July should improve the economic outlook somewhat, but beyond that there is no new help on the way. Unlike other recent recessions, this one has not energized politicians to scurry for quick ways to put people back to work.

This highest unemployment rate in 40 years goes far to explain the lowest inflation rate in 20. In the current climate, the latter figure has become a boast. But the trade-off is no proud achievement for policy. It has long been known that a serious recession could squeeze inflation down to respectable levels. Presidents before Mr. Reagan failed to find a better way. He said he had one. He didn't.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I wonder if the Chair will inquire as to whether there is further morning business?

The PRESIDING OFFICER. Is there any further morning business? If not, morning business is closed.

PROGRAM

Mr. BAKER. Mr. President, when the Senate completes its business today it will stand in adjournment under the order previously entered until the hour of 11 a.m. on tomorrow.

After the recognition of the two leaders under the standing order and the recognition of two Senators under special order, there will be a period for the transaction of routine morning business as ordered today.

At the conclusion of the time for the transaction of routine morning business, it is anticipated that we will be at or near the hour of 12 noon and, as has been the case for the last several weeks, it is the intention of the leadership to ask the Senate to recess between the hours of 12 noon and 2 p.m. to accommodate the requirement for caucuses on both sides of the aisle.

At 2 p.m. the Senate will be asked either to return to the consideration of the Department of Defense authorization bill or to other matters as they may be indicated and appropriate.

I regret that I cannot make a further statement on that point at this time. I will have a further statement to make, it is hoped, at the time we convene in the morning.

Mr. President, the Budget Committee has reported out, I am told, a budget resolution and, under the three-day rule, it is anticipated that that resolution will be eligible for consideration by the Senate on Friday of this week.

It is the intention of the leadership on this side to ask the Senate to turn to the consideration of the budget resolution as soon as possible under all circumstances and under the Rules of the Senate.

As I see it now I expect that the budget resolution, which will be somewhat controversial, will be debated on Friday and on Monday. It is anticipated that general statements will be given on Friday and Monday. It is not anticipated that the sequence of roll-call votes on amendments, if they are offered, will be commenced until Tuesday.

I would hope that we could complete action on the budget resolution by the close of business on Wednesday or perhaps Thursday of next week.

We have a growing backlog now of important matters to dispose of, not only the budget resolution but also a number of others, including the prospect of an urgent supplemental appropriations bill which may reach us from the House of Representatives this week.

Mr. President, I regret that I cannot give a clearer view of the legislative situation for tomorrow, but once again I will try to advise the Senate further on that matter before we go to caucus on our respective side of the aisle.

ADJOURNMENT UNTIL 11 A.M. ON TOMORROW

Mr. BAKER. Mr. President, I know of no further business that can be transacted today. I have attempted to outline the legislative schedule as I see it at this time.

I see no Senator seeking recognition so, Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and at 4:12 p.m. the Senate stood in adjournment until Tuesday, May 11, 1982, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate May 10, 1982:

In the Air Force

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force under the provisions of sections 9353(b) and 531, title 10, United States Code, with grade and date of rank to be determined by the Secretary of the Air Force.

Abramowitz, David J., xxx-xx-xxxx
Abshire, Marc E., xxx-xx-xxxx
Abuyuan, Alex D., xxx-xx-xxxx
Ackerley, Paul R., xxx-xx-xxxx
Ackerman, Paul C., xxx-xx-xxxx
Aguilar, Delane A., xxx-xx-xxxx
Aiken, John M., xxx-xx-xxxx
Alexander, James R., xxx-xx-xxxx
Allen, Raymond W., xxx-xx-xxxx
Allen, William M., xxx-xx-xxxx
Allenby, Christopher B., xxx-xx-xxxx
Ambarian, Gary T., xxx-xx-xxxx
Amrine, John M., xxx-xx-xxxx
Anaya, Richard E., xxx-xx-xxxx
Andersen, Lee C., xxx-xx-xxxx
Anderson, Roger N., Jr., xxx-xx-xxxx
Angeline, Dianna M., xxx-xx-xxxx
Antoine, Edward L., Jr., xxx-xx-xxxx
Arrendale, Frederic M., xxx-xx-xxxx
Athanas, Steven P., xxx-xx-xxxx
Atkins, Steven M., xxx-xx-xxxx
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Ziegler, David W., xxx-xx-xxxx
Zimmerman, Carl E., Jr., xxx-xx-xxxx
Zuegel, Keith W., xxx-xx-xxxx

IN THE ARMY

The following-named officers for promotion in the U.S. Army, under provisions of title 10, United States Code, section 624 and

628; and section 601 or 602, title VI, Transition Provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Army:

To be colonel

Bernstein, Charles P., xxx-xx-xxxx
Daknis, William R., xxx-xx-xxxx
Grier, Edward G., Jr., xxx-xx-xxxx
McQuillen, George P., xxx-xx-xxxx
Peyton, John J., xxx-xx-xxxx
Robertson, Edward H., xxx-xx-xxxx
Westry, Oliver B., xxx-xx-xxxx

To be lieutenant colonel

Blackwell, Eugene B., Jr., xxx-xx-xxxx
Craig, Norton W. II, xxx-xx-xxxx
Fitzgerald, Kirk S., xxx-xx-xxxx
Greene, Allan R., Jr., xxx-xx-xxxx
Guthrie, Jerry L., xxx-xx-xxxx
Jones, Lafayette Jr., xxx-xx-xxxx
Konkle, Thomas E., xxx-xx-xxxx
Leopoldus, Nicholas W., xxx-xx-xxxx
Mathewson, Robert W., xxx-xx-xxxx
Sturgeon, Charles E., xxx-xx-xxxx
Trout, Marvin D., xxx-xx-xxxx
Wheeler, James P., Jr., xxx-xx-xxxx
Wilson, Edward L., xxx-xx-xxxx

CHAPLAIN CORPS

To be lieutenant colonel

McGown, Andrew D., xxx-xx-xxxx
Mills, Harold L., xxx-xx-xxxx
Smidt, Francis R., xxx-xx-xxxx

DENTAL CORPS

To be lieutenant colonel

Walker, Kahn K., xxx-xx-xxxx

To be major

Breland, Andrew F., Jr., xxx-xx-xxxx
Cole, Robert, xxx-xx-xxxx
Dennis, Frances A., xxx-xx-xxxx
Duque, George M., xxx-xx-xxxx
Emig, John T., xxx-xx-xxxx
Funanich, Richard S., xxx-xx-xxxx
Herod, Herbert, xxx-xx-xxxx
Huckabee, Robert H., xxx-xx-xxxx
Jones, Paul R., xxx-xx-xxxx
Kayfetz, Richard, xxx-xx-xxxx
Marker, Jon W., xxx-xx-xxxx
Pratt, John B., II, xxx-xx-xxxx
Rigney, Marvin G., xxx-xx-xxxx
Seay, Joe D., xxx-xx-xxxx
Sharp, Robert A., xxx-xx-xxxx
Smyser, James O., xxx-xx-xxxx
Somerville, Roger J., xxx-xx-xxxx
Taylor, Windley B., xxx-xx-xxxx
Wilson, Edward L., xxx-xx-xxxx

CHAPLAIN CORPS

To be major

Chapman, Floyd C., Jr., xxx-xx-xxxx
Kusevich, Nicholas J., Jr., xxx-xx-xxxx
Scott, Richard A., xxx-xx-xxxx
Wilkinson, James R., xxx-xx-xxxx

MEDICAL CORPS

To be major

Deming, Woodie M., xxx-xx-xxxx
Shekitka, Kris M., xxx-xx-xxxx

VETERINARY CORPS

To be major

Dixon, Robert S., xxx-xx-xxxx

IN THE ARMY

The following-named cadets, graduating class of 1982, U.S. Military Academy, for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531 and 4353:

Abel, Paul F., xxx-xx-xxxx
Abrams, Robert B., xxx-xx-xxxx
Adams, Christopher, xxx-xx-xxxx
Adams, Peter C., xxx-xx-xxxx
Afridi, Rashid J., xxx-xx-xxxx
Albe, Mark A., xxx-xx-xxxx
Allen, Richard R., xxx-xx-xxxx
Allgood, Brian D., xxx-xx-xxxx
Almanza, Ernest J., xxx-xx-xxxx
Almore, Arthur G., xxx-xx-xxxx
Alvarez, Oscar N., xxx-xx-xxxx
Amey, James P., xxx-xx-xxxx
Andres, Gregg, xxx-xx-xxxx
Andrew, Mark J., xxx-xx-xxxx
Anstey, David A., xxx-xx-xxxx
Antrobus, Steven T., xxx-xx-xxxx
Aponte, Manuel, xxx-xx-xxxx
Asencio, Francis X., xxx-xx-xxxx
AuCoin, David E., xxx-xx-xxxx
Austin, Stanley F., xxx-xx-xxxx
Auzene, Michael S., xxx-xx-xxxx
Averill, Mark F., xxx-xx-xxxx
Aviles, Steven M., xxx-xx-xxxx
Bagby, James B., xxx-xx-xxxx
Bailey, Joseph P., xxx-xx-xxxx
Baker, Anita L., xxx-xx-xxxx
Baker, Ralph O., xxx-xx-xxxx
Baldwin, Charles J., xxx-xx-xxxx
Balkus, Monica S., xxx-xx-xxxx
Ball, Arthur T., xxx-xx-xxxx
Baragona, Dominic, xxx-xx-xxxx
Barbero, Michael P., xxx-xx-xxxx
Barends, Frans C., xxx-xx-xxxx
Barnhill, Robert J., xxx-xx-xxxx
Bartholomew, Lee A., xxx-xx-xxxx
Bass, Scott L., xxx-xx-xxxx
Bassett, Richard C., xxx-xx-xxxx
Bates, Maryann E., xxx-xx-xxxx
Bator, Edward, Jr., xxx-xx-xxxx
Bauder, Robert B., xxx-xx-xxxx
Baynes, Roberta B., xxx-xx-xxxx
Beard, Charles R., xxx-xx-xxxx
Beck, Daniel T., xxx-xx-xxxx
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Bull, Hugh M., xxx-xx-xxxx
Bell, Oliver J., xxx-xx-xxxx
Bellos, Helen M., xxx-xx-xxxx
Bellows, David B., xxx-xx-xxxx
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Bennett, Jerryl E., xxx-xx-xxxx
Bent, Patricia A., xxx-xx-xxxx
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White, Michael P., xxx-xx-xxxx
Wickham, Anthony A., xxx-xx-xxxx
Wilcox, Darren A., xxx-xx-xxxx
Wilder, Peter R., xxx-xx-xxxx
Wiley, Thomas M., xxx-xx-xxxx
Wilkins, David M., xxx-xx-xxxx
Willems, Gregory C., xxx-xx-xxxx
Willets, Laurie G., xxx-xx-xxxx
Williams, Curtis R., xxx-xx-xxxx
Williams, Darrell M., xxx-xx-xxxx
Williams, David T., xxx-xx-xxxx
Williams, Debbra A., xxx-xx-xxxx
Williams, Gary S., xxx-xx-xxxx
Williams, Margaret E., xxx-xx-xxxx
Williams, Patrick M., xxx-xx-xxxx
Williams, Robert J., xxx-xx-xxxx
Williams, Scott C., xxx-xx-xxxx
Williams, Stephen C., xxx-xx-xxxx
Williams, Yancey R., xxx-xx-xxxx
Williamson, Donna M., xxx-xx-xxxx
Willis, Brent D., xxx-xx-xxxx
Wilmer, Arche, III, xxx-xx-xxxx
Wilmer, Michael C., xxx-xx-xxxx
Wilson, David C., xxx-xx-xxxx
Wingate, Scott M., xxx-xx-xxxx
Winstead, Michael D., xxx-xx-xxxx
Wiseman, Tey C., xxx-xx-xxxx
Wolf, Francis E., xxx-xx-xxxx
Wolfe, Daniel G., xxx-xx-xxxx
Wolven, Renee S., xxx-xx-xxxx
Wong, Tezeon Y., xxx-xx-xxxx
Wood, Paul J., xxx-xx-xxxx
Woodgerd, Michael E., xxx-xx-xxxx
Woods, Kurt M., xxx-xx-xxxx
Worth, Daniel J., xxx-xx-xxxx
Wrenn, Robert E., xxx-xx-xxxx
Wright, Timothy G., xxx-xx-xxxx
Wuchte, Thomas A., xxx-xx-xxxx
Wynder, Allen G., xxx-xx-xxxx
Yarberry, Kenneth J., xxx-xx-xxxx
Yerks, David M., xxx-xx-xxxx
Yomant, Charles M., xxx-xx-xxxx
York, Richard G., xxx-xx-xxxx
Zander, Tracey L., xxx-xx-xxxx
Zanoli, James J., xxx-xx-xxxx
Zemet, James R., xxx-xx-xxxx
Zemet, John C., xxx-xx-xxxx
Ziegler, David B., xxx-xx-xxxx

CONFIRMATIONS

Executive nominations confirmed by the Senate May 10, 1982:

In the Coast Guard

Vice Adm. James S. Gracey, U.S. Coast Guard, to be Commandant of the U.S. Coast Guard for a term of 4 years with the grade of admiral while so serving.

Rear Adm. Benedict L. Stabile, U.S. Coast Guard, to be the Vice Commandant of the U.S. Coast Guard with the grade of vice admiral while so serving.

INTERNATIONAL COMMUNICATION AGENCY

Ronald L. Towbridge, of Michigan, to be an Associate Director of the International Communication Agency.

DEPARTMENT OF STATE

Maynard W. Glitman, of Vermont, for the rank of Ambassador while serving as Department of State Representative and Deputy Head of the U.S. Delegation to the Intermediate Range Nuclear Force Negotiations.

James Eugene Goodby, of New Hampshire, a career Member of the Senior Foreign Service, class of Minister-Counselor, for the rank of Ambassador during the tenure of his service as Vice Chairman, U.S. Delegaton to the Strategic Arms Reductions Talks (START) and Department of State Representative.

Louis G. Fields, Jr., of Virginia, for the rank of Ambassador while serving as the U.S. Representative to the Committee on Disarmament.

Selwa Roosevelt, of the District of Columbia, for the rank of Ambassador during the tenure of her service as Chief of Protocol for the White House.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

EXTENSIONS OF REMARKS

SOVIET PROPAGANDA ALERT: NO. 6, APRIL 26, 1982

HON. ROBERT H. MICHEL
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MICHEL. Mr. Speaker, a few months ago I inserted into the RECORD items from the International Communication Agency's "Soviet Propaganda Alert." I received some inquiries and comments on the information contained in that publication. I would therefore like to take the opportunity today to place in the RECORD part of the new "Soviet Propaganda Alert." Space considerations forbid the insertion of the entire publication, but I thought you would like to see what is in the summary and to read in its entirety what the Soviet Union has been saying about "Arms Control and the Peace Movements." At this time I wish to insert these two items in the RECORD:

SOVIET PROPAGANDA ALERT: NO. 6., APRIL 26, 1982

SUMMARY

In March and April, Soviet external propaganda has stressed:

Chemical and biological warfare

Soviets continued to deny vehemently that they have any involvement whatever in chemical/biological warfare (CBW). Attacks on the U.S. for alleged past and present use of CBW in many parts of the world—including Vietnam, Pakistan, Afghanistan, Cuba, and even the USSR—have increased in frequency. As more evidence emerges of Soviet use or support of CBW, the more strident have become Soviet assaults on the U.S.

Arms control and peace movements

The Brezhnev moratorium proposal of March 17 has formed the centerpiece of Soviet propaganda. Peace movements in Europe and the U.S. have been emphasized and played as if they completely support Soviet positions. President Reagan's March 31st press conference and Secretary of State Haig's Georgetown speech of April 6 have been cited as duplicitous justifications for U.S. attempts to gain military superiority and for the first use of nuclear weapons.

Falklands and Latin America

Soviets claim that the U.S. plans to exploit the Argentine seizure of the Falkland (Malvina) Islands in order to establish military bases in the South Atlantic. Other charges include alleged American subversion of Nicaragua and Cuba, collusion in the Guatemalan coup, and support of "bloody, repressive" regimes in Honduras and El Salvador.

Espionage, plots, and warmongering

In several other parts of the world the CIA stands accused of spying (Greece) and plotting coups (Iran, Zimbabwe), while American militarists purportedly are bringing Korea and Japan ever closer to war.

The peace movements and Western "freeze" initiatives

In fact, Moscow has tried to make much capital out of peace movements in both Europe and America. Most of its propaganda on arms control is addressed directly to those engaged in the movements.

Thus, wrote Vasilii Kharkov (TASS English, April 9):

"In Britain, Belgium, Holland, Denmark and other West European countries, mass manifestations against the Pentagon's nuclear madness, for talks, and not confrontation, with the Soviet Union, are characterized by a variety of forms used, the mass scale and coordination of action by different antiwar and pacifist organizations."

That many participants in the marches direct their negative sentiments toward Soviet arms as well is, of course, passed over in silence by Soviet analysts. They prefer to see all the demonstrations as a show of the "determination of the West European peoples to avoid being used as the Pentagon's nuclear hostages."

Particularly noteworthy is the fact that the Soviet chief of staff, Marshal Nikolai Ogarkov, has recently called for a crackdown on pacifism within the Soviet Union. In his booklet entitled "Always Ready to Defend the Fatherland," published in late February, Marshal Ogarkov criticized some of the younger generation of Soviets for a "false sense of peace, complacency and pacifism" and urged Party propagandists to "struggle against such elements."

A source of some surprise and pleasure for Soviet propagandists is the fact that the "current antiwar movement in the USA has a broader basis than in the years of the war in Vietnam," involving "not only the youth but also the 'average American,' moderate sections of the population, church circles, organizations of physicians, lawyers, businessmen, and finds support in political circles and the U.S. Congress" (Ivan Ablamov, TASS English, April 12).

Of particular interest to Soviet commentators has been the freeze proposal advanced by Senators Kennedy and Hatfield. Although this proposal has both "good and bad qualities," in the words of radio commentator Oleg Anichkin (Moscow Domestic, April 9), it is a good indication of the growing resistance to the arms race in the U.S. What no Soviet propagandist will do, however, is endorse such mutual freeze proposals, because that would also mean an end to Moscow's massive arms buildup.

"The war opponents in the West," claimed TASS's Ablamov, "clearly see that, while the Soviet Union advances numerous constructive initiatives, Washington rejects them outright without even getting around to studying them attentively."

"Strange speech" on the military balance

Soviet propagandists were quick to pick up on President Reagan's March 31st news conference statement that the USSR had a margin of superiority in nuclear weapons. Valentin Zorin, a prominent television and radio analyst, called this "fresh proof that some really high-ranking United States officials don't feel bound to stick to the truth when they address their fellow countrymen." He accused Reagan of making this statement "obviously to try and keep in check the mounting public demand in his own country for freezing the existing levels of nuclear arms. . . ." (Moscow Radio English, April 10).

Vladimir Bogachev (TASS English, April 9) claimed that "[in] the past, when making similar statements, the President himself and members of his administration got away with it. This time, however, Ronald Reagan's statement has given rise to a stormy reaction in the country." According to Zorin and Bogachev, Senators Moynihan and Jackson have categorically rejected the President's charge, and even earlier statements by Alexander Haig and Caspar Weinberger refute Reagan.

"The President's closest staff members tried to come to Reagan's aid," averred Bogachev, "hinting that the President in his strange speech meant only individual types of Soviet armaments." But the American public will not be fooled, in the view of this Soviet: "broad masses of people in the United States [take the statement] as evidence of the administration's refusal to heed the Soviet Union's new peace proposals and as the administration's refusal to conduct constructive negotiations on limiting and reducing nuclear arms."

Haig "falsifications" and the foreign affairs article

Secretary of State Alexander Haig's speech on arms control at the Georgetown University Center for Strategic and International Studies on April 6 evoked strong response from Soviet propagandists. Haig "resorted to the open falsification of commonly known facts to cover up the aggressive character" of U.S. policy, wrote TASS analyst Igor Orlov (April 7). This speech, in Orlov's report, reaffirmed a U.S. program of nuclear arms buildup "which in fact relies on the admissibility of nuclear war and includes the possibility of delivering the first nuclear strike."

According to Soviet commentators, the Haig speech was an attempt to deal a "preemptive strike" to a forthcoming article in the journal "Foreign Affairs" by four former top U.S. officials (George Kennan, McGeorge Bundy, Robert MacNamara, and Gerard Smith). This article argues for, among other things, U.S. renunciation of first use of nuclear weapons.

INF talks at Geneva and MBFR at Vienna

Not surprisingly, Soviet propaganda has claimed all justice for the Soviet side's positions at Geneva and none for the U.S. stance. Thus, P. Viktorov wrote in "Pravda" (March 12):

"Comparing the Soviet plan for nuclear disarmament in Europe with President R. Reagan's so-called "zero option," international commentators note that the USSR has displayed a desire to make the Geneva talks purposive and constructive and has taken a major step in the direction of solving one of today's most acute problems.

"The U.S. approach, however, presupposes talks which would lead to a limitation of the other side's arms without affecting its own armaments. Washington wants only those armaments whose limitation or liquidation

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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would benefit the United States and NATO to come under scrutiny."

At Vienna, the socialist countries have tabled "an important initiative," according to TASS (April 9), but the West has avoided discussion of this document. The reason: NATO and "above all the United States" want to push on with the arms race and establish "military superiority over the USSR and its allies."

"It is precisely this course which is stalling the Geneva talks on nuclear arms limitation in Europe. It is precisely this course which is raising obstructions on the way to agreement in Vienna. . . . This course is shortsighted and unwise . . . irresponsibility and fanning the nuclear and conventional arms race could end in tragedy."

U.S. "madness"

The root cause for all problems in the arms control process are to be found in Washington's policies, according to Soviet commentators. These charges against the U.S. have become increasingly bitter in recent weeks. Typical of the Soviet attacks is an article in the journal "Selskaia zhizn" (March 13) entitled "Madness as a Policy." In this piece Nilolai Pastukhov wrote: "Real awareness of the terrible danger which is hanging over the planet through the fault of Washington's insane policy is giving rise to a growing protest movement among the broadest circles of the international public against the militarist forces' criminal course."

Pastukhov summed up the current situation as follows: "The threat to peace and universal security emanates from the present American administration, that champion of the U.S. military-industrial complex interests, which has elevated madness to the rank of its official policy."●

APPLIANCE EFFICIENCY STANDARDS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. OTTINGER. Mr. Speaker, last month, the administration proposed to abandon efficiency standards for major home appliances. The Energy Conservation Policy Act of 1975 was amended in 1978 by the National Energy Conservation Policy Act to require that standards be developed for appliances. The regulations proposed by the Department of Energy would not only fail to establish minimum energy efficiency standards, but would also preempt or nullify existing State efficiency requirements in more than 40 States.

This action was taken despite findings that energy savings from more efficient applicances could amount to 2 billion barrels of oil by the year 2005, at a cost savings to energy consumers of up to $19.3 billion. The appliances that would be covered under these standards account for 19.5 percent of the Nation's primary energy use and 82 percent of all residential use.

Similar to the administration's irresponsible position on appliance standards is its stance on building performance standards. Although Congress changed the standards to voluntary guidelines in 1981, it fully intended that the valuable research be continued, and that the information should be used by builders, developers, architects, and consumers to evaluate the energy performance of buildings. Congress has been told repeatedly that the building industry is unable to conduct the research currently being funded by the Energy Department, but would like to apply the research to their trade. The DOE, however, is halting work in this area before the final product is ready.

These reversals of a prudent energy course reflect the Reagan administration's retrogressive policy of repeal and neglect in all areas of conservation, despite the substantial evidence that conservation can contribute significantly to reduced American dependence on imported oil.

This administration remains myopically devoted to production alone, while promoting the dismantlement of the Energy Department and the practical implementation of that goal through the dismemberment of the conservation office and its statutory programs.

The administration's actions have been scrutinized and opposed by Members of Congress and recently, in the conspicuous case of appliance standards, by the public and the press.

Several excellent editorials have focused on this issue, among them an editorial series in the Washington Post on energy prices, conservation and appliance standards. I commend these to the attention of my colleagues:

[From the Washington Post, Apr. 15, 1982]

ENERGY: FORGETTING THE PAST . . .

American dependence on imported oil has dropped substantially over the past two years. But it's not a bad idea to keep a wary eye on those figures.

The peak year for imports was 1977, when American oil consumption was rising rapidly and the Alaskan pipeline was just beginning to go into operation. At that point, imports were getting uncomfortably close to half of the total amount of oil used in this country. Currently, imports are down under one-fourth of total use. That level is perhaps deceptively low since the oil companies, under the pressure of high interest costs, have been running down their stocks. But even after accounting for this drawdown, it's clear that the trends are pointed in the right direction.

The basic relationship here is the amount of energy, from all sources, required to produce each dollar's worth of the economy's output. That crucial ratio has been dropping steadily and substantially ever since the first oil crisis in 1973. It's mainly a response to higher prices.

When American demand for energy drops, the impact falls entirely on the most expensive of the fuels—oil. When demand for oil drops, the impact falls entirely on the imports. Total energy consumption has been falling in this country for the past two years, and that reduction, although it might seem a relatively small percentage, translates into a very large drop in imported oil.

It is by no means certain that this progress will continue if oil prices keep falling. While lower prices are welcome at the moment when you pay your fuel bills, you might want to keep it in mind that American vulnerability to a foreign cutoff is still substantial. Even one-fourth of the country's oil supply is a very large flow, and any signficant disruption of it would rapidly produce the familiar effects. Over the past couple of years Americans have proved to themselves that, without hardship or even great inconvenience, they can do with less oil. The case for continued caution and conservation remains compelling.

. . . AND MORTGAGING THE FUTURE

The Department of Energy has come up with the ultimate bureaucratic solution to a tricky legal problem. The law directs DOE to issue a regulatory standard. Twice during the past year Congress has reiterated its determination that this standard be issued. DOE would rather not. The answer—it is absolutely brilliant: the standard will be that there is no standard.

The Energy and Policy and Conservation Act directs DOE to develop energy efficiency standards for major household appliances, including water heaters, air conditioners, refrigerators and freezers, furnaces, kitchen ranges and clothes dryers. Together they use more than 80 percent of all the energy consumed in residences. In order to avoid an undue economic burden imposed on manufacturers by a patchwork of state and federal standards, the law also provides that, when used the federal efficiency standards will preempt state standards. The kicker in DOE's no-standard standard is that the preemption-remains; state efficiency standards already in effect would become illegal.

Back in 1980, when the requirement for efficiency standards was enacted the memory of 1979—when oil prices more than doubled in less than a year—was still fresh. It helped to focus Congress attention on whatever opportunities existed to cut Americans' very high energy use with a minimum of pain. Applicances were—and are—an obvious target. They use a lot of energy, most of it as electricity, the most expensive form of energy.

But Congress found that higher energy prices alone would not induce as much improvement in the efficiency of appliances as was economically justified. In part this was because consumers lacked the necessary information. So labels describing energy efficiency were required. But even that was not enough for the simple reason that most of the major appliances are purchased by builders, developers and landlords, who do not care what an appliance may cost to run, only what it costs to buy. Faced with a choice a builder will likely as not choose the cheapest appliance even though over its lifetime, it may cost its owner far more than one with a slightly higher initial price. So Congress decided that market forces needed a push in the form of minimum efficiency standards.

Congress told DOE to issue standards only if each were technologically feasible, economically justified and would save a "significant" amount of energy. By fiddling with the economic models, changing a few assumptions here and there and defining "significant" energy savings in a way that could not be met, the Energy Department which appears to believe that any regulation is a

bad regulation managed to confound Congress' order.

The courts may not accept the no-standard standard, but Congress despite continuing support for the standards appears to have no more moves to make. If the proposal stands, the losers will be all of us—that is, all the people who pay electricity bills.

[From the Washington Post Apr. 30, 1982]

NOT SO CONFUSING

The Secretary of Energy, James B. Edwards, chides us for having commited a confusion. A couple of weeks ago we published in this space two editorials on energy prices and conservation. They "blatantly contradicted each other," the secretary exclaimed a few days later in a speech to the National Petroleum Council.

Did they? First, we said that energy consumption was down mainly because prices are up. Mr. Edwards agrees with that. So far, so good.

Then we went on to point out that Mr. Edwards and his department have refused to comply with the law in which Congress told them to set minimum acceptable standards of efficiency for appliances such as furnaces, air conditioners and water heaters. "Which is it?" Mr. Edwards asked. "Does price work or not?" Since the record does not show that the Petroleum Council gave him an answer, we shall offer one here. Certainly price works. But it all depends on who pays.

Usually the heater that costs more to buy and install will cost less to run, and vice versa. The more efficient models tend to be the more expensive ones. When a developer builds a subdivision, there's a strong temptation to install inexpensive appliances in order to hold down the prices of the finished houses. The fuel and power bills are not going to be paid by the developer. Here, price works all too well—and in the wrong direction. The market for houses isn't quite like the market for cars. Not many houses are sold on their energy ratings. Perhaps that will change as energy costs keep rising, but it's not common yet. After a house has been sold, the new owner always has the option of ripping out cheap appliances and putting in better ones. But few people, on picking up a mortgage are likely to find that an attractive idea.

While prices work, in the construction industry they can sometimes work perversely. Building codes already set many rules regarding quality of construction. A country that is concerned about energy consumption has good reason to set a few similar rules about appliances and the minimum standards of efficiency that will be tolerated. There shouldn't be anything confusing about that.●

EXPLANATION OF VOTE

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. GREEN. Mr. Speaker, on the afternoon of May 6, 1982 I was asked to join several other Members of the House for a meeting at the White House to discuss the budget. Because of that meeting, I missed the vote on final passage of H.R. 5539, to amend and supplement the Federal Reclamation Laws. I am very concerned about the environmental consequences of this legislation, and, had I been present, I would have voted "No."●

SAPPHIRE JUBILEE—JUNIOR PHILHARMONIC ORCHESTRA OF CALIFORNIA, DR. ERNST KATZ, FOUNDER-CONDUCTOR

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. WAXMAN. Mr. Speaker, on May 26, 1982, the Junior Philharmonic Orchestra of California will be celebrating its Sapphire Jubilee at the Scottish Rite Auditorium in Los Angeles. This major civic and cultural event will be attended by 2,500 invited guests including many civic leaders, representatives from more than 50 nations, and notables from radio, television, and motion pictures.

Dr. Ernst Katz who founded the Junior Philharmonic in 1937 and has continued to serve as the orchestra's conductor for 45 years will be honored on this occasion.

Under Dr. Katz's inspired leadership, the motto of the Junior Philharmonic Orchestra of California has been, "Give Youth a Chance to be Heard." Each year young musicians between the ages of 12 and 25 from all over Southern California audition for the opportunity to be 1 of its 125 members.

The Junior Philharmonic is unique in that it is completely non commercial, not subsidized by the Government and there are no membership charges. The orchestra is supported entirely by its founder-conductor, Dr. Katz, who has dedicated himself to the youth and music of America. In addition the JPO has never charged a fee for its services in assisting groups raise more than $9 million for many worthwhile causes. For these reasons, and because of his work in the training and development of young musicians, Dr. Katz and the JPO have been honored by Presidents of the United States, Members of Congress, Governors of California, the California Legislature, the county and city of Los Angeles, and numerous cities throughout the Southland.

A number of world-famous composers and musicians have appeared with the Junior Philharmonic and are honorary members of the orchestra. They include Jerome Kern, Oscar Straus, Sigmund Romberg, David Rose, Meredith Wilison, Ernest Gold, Ferde Grofe, Frederick Loewe, Richard and Robert Sherman, Alan and Marilyn Bergman, Dimitri Tiomkin, Rudolf Friml, Jose Iturbi, and Isaac Stern.

Each year the JPO invites four famed personalities to conduct the orchestra in the "Annual Celebrity Battle of Batons" comedy sequence. In previous encounters the battle for the coveted Golden Baton has included Henry Fonda, Eddie Albert, Jack Benny, Jimmy Durante, Buddy Ebsen, Ed Asner, Tommy Smothers, Connie Stevens, the Ken and Bob Company, Tom Snyder, Bill Dana, Lee Merriwether, Jackie Cooper, Marty Ingels, George Segal, Judy Canova, Arte Johnson, Louis Nye, Tom Poston, Avery Schreiber, Ryan O'Neal, Rick Jason, Don Knotts, Dr. George Fishbeck, Peter Bonerz, Glenn Ford, John Rubinstein, and the list goes on.

A number of alumni of the Junior Philharmonic Orchestra have become professional musicians and are now members of symphony orchestras throughout the world. Others have chosen different fields of endeavor and have raised families and built careers in law, medicine, business, and education. All, however, have had a unique experience because of their membership in the JPO, an experience which shaped and enriched their lives.

I ask the Members to join me in saluting Dr. Ernst Katz. His efforts have enriched generations of youth and have served as an inspiration to all who cherish young people and believe in their potential for excellence.●

REQUEST FOR A RULE ON H.R. 4800, THE AIRPORT AND AIRWAY REVENUE ACT OF 1981

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ROSTENKOWSKI. Mr. Speaker, on May 6, 1982, the Committee on Ways and Means ordered favorably reported, with amendments, H.R. 4800, the Airport and Airway Revenue Act of 1981. It is our intention to report this measure to the House on May 12, 1982. I have been instructed by the committee to offer this legislation as a separate revenue title on the House floor to H.R. 2643, the Airport and Airway Improvement Act of 1981—a procedure which has been traditionally followed in the House in recent years on this type of legislation. H.R. 2643 was reported to the House by the Committee on Science and Technology on March 19, 1981, and by the Committee on Public Works and Transportation on May 19, 1981.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule we will request for consideration of the Ways and Means Committee title of the bill. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a closed rule.

The Committee on Ways and Means will request to be heard before the Committee on Rules concurrently with the other committees involved in this legislation.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, Child Care Food, Medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

I believe that the people at Head Start are directly responsible for finding a heart condition that my daughter had. She has had surgery and is now doing fine. The teachers go out of their way to help each person in their special needs. Head Start children are taken out on field trips to hospitals, police departments, fire departments, and other places, so they can get an early start at knowing how our town works.

The children are learning how to take care of themselves a little. My little girl has learned to get along with other children better, and to take care of her things better. She seems to be a happier person since she has become involved in Head Start.

The people at Head Start do a wonderful job and are devoted people to their work and children. It would be a great loss not to have this program.

HEAD START PARENT,
El Dorado Springs, Mo.●

SMALL BUSINESSES IN THE DECISIONMAKING PROCESS

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mrs. FENWICK. Mr. Speaker, last week I introduced along with my colleagues from Rhode Island (Mrs. SCHNEIDER) and Maine (Mr. EMERY) a resolution which will insure that there is complete representation of small businesses in the economic decisions being made in the White House. Our resolution asks that President Reagan include in his Cabinet Council on Economic Affairs the Administrator of the Small Business Administration. A similar resolution is pending in the other Chamber.

It is of the utmost importance that this change be made. Even in this day of the gigantic multinational corporate conglomerates, it is the small business which is still the backbone of our economy. Ninety-seven percent of all businesses in the United States are small businesses. Over half of all jobs in the country are with small businesses. Perhaps most important of all, particularly with the problems we are now experiencing with unemployment, small businesses create 90 percent of the new jobs in the Nation, and in some areas, such as the Northeast, small businesses account for all the net new jobs created.

There are extremely serious questions facing us: How do we bring down the high interest rates? How do we fairly reduce the deficit? How do we best lift the heavy hand of Government from our most productive businesses? To leave out small business in the decisionmaking process is wrong. We must do all we can to free up the independence of the entrepreneur and release the creativity which has characterized our economy for so long and made this Nation the envy of the world. This resolution will send a clear message to the White House that we want full representation for small businesses in the Cabinet meetings on the economy. I invite my colleagues to join as cosponsors so that we can have this passed as quickly as possible.●

RALPH SLEIGHT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MINETA. Mr. Speaker, it gives me great personal pleasure to rise today to salute my good friend, Mr. Ralph Sleight, who is retiring this month after a career of 32 years in the field of public education. Two-thirds of that career, or 24 years, have been spent as a junior high or high school principal in San Jose, Calif. Much of his career was spent as principal of Peter Burnett Junior High School in San Jose. Over the years I have visited this school many times, and have always been impressed with Mr. Sleight's skill and capability.

During this long career, Mr. Sleight has rendered valuable service to students, faculty, and the community in which he lives. I am proud to have had the opportunity to work with him for many years.

Ralph Sleight has been an outstanding educator, and can list among his achievements the introduction of computers into the secondary school classroom in the San Jose Unified School District. This has proved to be of great benefit to students who graduate from high school in one of the Nation's centers of high technology industry. Mr. Sleight has also proven to be an exemplary administrator. He can number among his innovations the use of flexible scheduling, team teaching, and improved staff evaluation techniques.

In the community, as well, Mr. Sleight has long provided leadership and a high level of involvement. He has been an active officer in the Red Cross, and a member of the San Jose Civil Defense Committee. Many years ago, when we first formed the North San Jose Optimist Club, I was the charter president and Mr. Sleight was the charter vice president of that group. He later went on to serve as president of the club.

Finally, Mr. Sleight has made important contributions to the profession of public school administration. He has served three terms as president of the local chapter of the California Association of Secondary School Administrators. He has also served as a regional director of the latter organization.

Mr. Speaker, I ask you to join me and all my colleagues in the House of Representatives in paying tribute to Ralph Sleight in recognition of his 32 years in the field of public education in San Jose.●

THE 125TH ANNIVERSARY, "SENATE" HOOK & LADDER CO., OSSINING, N.Y.

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. OTTINGER. Mr. Speaker, colleagues, today I wish to bring to your attention the 125th anniversary celebration of the Ossining, N.Y., "Senate" Hook and Ladder Fire Co., No. 1.

On May 21, 1982, Senate Hook & Ladder Co. No. 1, of the Ossining Fire Department, will be celebrating their 125th anniversary. In January 1857, the citizens of Sing Sing, N.Y.—which was Ossining's former name—sent a petition to the State of New York. The petition asked the State to provide fire apparatus to the village, due to equipment being worn out in fighting fires in the State prison. An appropriation was passed by the State legislature in answer to this petition. The newly formed hook and ladder company, adopted the name of "Senate," in honor of the State fathers, to whose appropriation they owed their existence.

Twelve members made up the roster on May 21, 1857. The officers were George Birge, foreman, Richard Lusk, assistant foreman, Andrew Finegan,

secretary, and Samuel S. Smith, treasurer. Senate's first hook and ladder apparatus arrived September 30, 1857. There was great celebration when the apparatus arrived in which all the Sing Sing fire companies participated, as well as fire companies from White Plains and Yonkers. Senate Hook & Ladder Co. No. 1 has not only given 125 years of service to Ossining, but has performed mutual aid duty all over Westchester County.

I am pleased to join in honoring this fine group of public servants.●

THE NATIONAL CRUDE OIL PROFIT SHARING ACT IS BAD ENERGY POLICY FOR THE NATION AND THE STATES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, last week, legislation was introduced which would increase Federal taxes, restrict the recognized contitutional rights of States, and increase America's dependence on foreign oil. All three of these evils would be accomplished simultaneously if the National Crude Oil Profit Sharing Act is enacted into law.

This legislation would create a massive new national severance tax on oil and would destroy the traditional powers of the States to use severance taxes to finance necessary public services. The bill would have a significant negative impact on the economy in general as well as having a devastating impact on the domestic oil exploration and production industries which are already suffering from the current slump in the world oil markets.

The proposed 30-percent crude oil tax could cost producers $10 or $11 a barrel. Most of this amount would undoubtedly be passed on to consumers. Despite the claims of the bill's sponsors—the Northeast-Midwest coalition—that the producers would pay the tax at a reduced rate of nearly $5 per barrel, the same interests have consistently maintained that this type of tax is in fact borne by consumers.

As written, the bill does not impose any type of tax on imported oil. The sponsors have not indicated how they expect this tax to affect domestic petroleum markets or industries. However, it is known that the tax would increase the cost of domestic oil in relation to foreign oil by as much as $10 per barrel. Incentives for production and exploration of domestic oil resources will drop drastically and inevitably the United States would increase its use of imported oil. Altogether, this proposed tax would create severe disruptions in the petroleum sector of our economy at a time when such disruptions cannot be afforded.

The bill also proposes limits on State energy severance taxes based on 1978 unit rates adjusted for inflation. The legislation is based on the theory that these limits, in combination with the limited revenue sharing aspects of the bill, would reduce so-called fiscal disparities between the States. This premise of the bill is contradicted by a recent study of the Advisory Commission on Intergovernmental Relations which demonstrated that State and local tax differentials do not constitute a problem for our Federal system. The same study, moreover, found that differences in State tax structures have very little to do with the movement of business and industry from one region to another.

The bill notably fails to mention other forms of State taxation that may be exported to out-of-State consumers. These include State personal and corporate income taxes, stock transfer taxes, taxes on manufactured goods, as well as severance taxes on nonenergy resources. If State taxes are as damaging to the Federal system as the proponents of this legislation claim, then it is difficult to understand why the bill singled out only energy taxes for limitation and left other State taxes to operate without effective legislative restraint.

The fact is that this bill could lead to across-the-board Federal limitations on all State taxes by breaching traditional State taxing authority. Throughout our Nation's history, the courts have been the guardians against unreasonable State taxes which would unreasonably impair interstate commerce. The courts, acting on a case-by-case basis, have been at the forefront in preserving the free flow of interstate commerce while still recognizing the rights and responsibilities of States to provide for needed public services through State taxation. This system of justice has been a wise one and has protected our Federal system from possible abuse. It should not now be cast aside in favor of drastic Federal intervention which would set a dangerous precedent for invading all State taxing powers.

Mr. Speaker, the National Crude Oil Profit Sharing Act would set bad energy policy for the Nation and the States and should not be enacted into law.●

THE ANNIVERSARY OF MRS. JAMES CHASE FOR 25 YEARS OF SERVICE TO THE SOUTHERN BERKSHIRE COMMUNITY OF MASSACHUSETTS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. CONTE. Mr. Speaker, my fellow colleagues, I would like to take this opportunity to give recognition to Mrs. James Chase of the Egremont Cooperative Nursery School. Mrs. Chase has been working with the children of the southern Berkshire community for 25 years. However, "work" is not an adequate description because for Mrs. Chase, it is not work. It is her life. She has given the children of Egremont something which is invaluable: her life, her self, and her love.

At the present time, our educational system is facing many problems. The dedication of those like Mrs. Chase is the first step toward overcoming some of these problems. To insure a high-quality education system, we need more teachers who, like Mrs. Chase, realize that a good education begins with sharing, love, and, of course, patience.

The entire southern Berkshire community has benefited from Mrs. Chase's dedication. Her guidance sent their children on their way, and we are grateful that it was the right way to a sound future. So on behalf of myself, the children, and the parents of Egremont, I want to thank and honor you, Mrs. Chase, for the many years of love and joy that you shared with them. Also, I want to wish you continued luck in the years that are ahead of you.

Thank you, Mr. Speaker.●

CRIMINAL JUSTICE SUBCOMMITTEE TO HOLD HEARINGS ON HABEAS CORPUS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Criminal Justice, which I chair, is continuing hearings on revision of the Federal criminal laws. This week we are focusing on the habeas corpus provisions of H.R. 5679. The hearing will be held on Wednesday, May 12, 1982 at 10 a.m. in room B-352 of the Rayburn House Office Building. The following witnesses are scheduled to testify: Hon. Jim Smith, attorney general of Florida; Richard J. Wilson, director of the defender division of the National Legal Aid Defend-

er's Association; and Prof. LeRoy Pernell of Ohio State University School of Law, on behalf of the National Conference of Black Lawyers.●

A SHAMEFUL SUGAR POLICY

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. PEYSER. Mr. Speaker, 2 weeks ago I introduced legislation to repeal the sugar program included in the 1981 farm bill, since this program, as a result of duties, fees and now the recently imposed quotas, will cost the American consumer up to $3 billion in additional sweetener costs, affecting everything from a pound of sugar to cookies and soft drinks.

Today's New York Times and the Wall Street Journal both carry editorials deploring the imposition of quotas by the Reagan administration and pointing out the devastating impact of this sugar price support program on the consumer. Both editorials advocate a sane sugar policy, which is no sugar policy at all. I commend these statements to my colleagues' attention, and ask that they be inserted in the RECORD.

[From the New York Times, May 10, 1982]

A SHAMEFUL SUGAR POLICY

Not surprisingly, the White House did not really announce the decision to impose quotas on sugar imports. It merely confirmed the rumors that President Reagan will bring joy to a few thousand American sugar growers at a cost of about $1 billion to consumers and a further drain on the incomes of poor countries that depend on sugar exports.

In a rational world, the United States would not bother producing sugar in constant need of protection. Other countries, notably Brazil, the Philippines and some Caribbean islands, can supply all of America's needs at much lower cost.

But owing to protectionism, America still has sugar growers, and they cannot operate in an open world market. By allying themselves with other subsidy-seeking farm lobbies in Congress, the sugar growers keep erecting import barriers that protect a sizable portion of the American market.

Last year that alliance almost cracked. Other agricultural interests, stung by Congress's failure to provide generous price guarantees, wavered on high tariffs on sugar. But a few sugar-state Democrats saved the industry by buying White House support with their votes for the Reagan budget. The 1981 farm bill set an effective minimum price for raw sugar at 18.5 cents a pound, several cents above the world price.

That might have been the end of it if world sugar prices had not further declined. Today sugar sells in the free market for about 9 cents a pound. And legal limits on import tariffs and fees make it impossible to protect the American price at the agreed-upon minimum. So President Reagan has decided to raise the domestic price by further limiting imports with quotas.

The quotas will add an additional $1 billion to Americans' sugar bill. They will also cut deeply into the revenues of impoverished sugar exporters, including the Caribbean nations that Mr. Reagan is so assiduously wooing with lectures on the magic of the free market.

Then why do it? The law's the law, say the President's supporters; the only way to make it satisfy domestic growers is to sock it to consumers and foreign growers.

Well, not quite. The Agriculture Department could help defend the domestic price by taking several hundred thousand tons of sugar "on loan" from domestic growers. Most likely, this sugar would end up as Government surplus, incurring a cost to taxpayers. But that would be only a fraction of the cost of quotas to consumers.

Why, then, choose quotas?

The answer is as simple as it is crude: Mr. Reagan is loath to add expenditures to the Federal budget. He prefers to hide the subsidy in the price of Coke and Frosted Flakes. Billions for sugar growers, but not one cent for Big Government.

Some day, America might adopt a sane sugar policy—that is, no sugar policy at all. For the moment, the best to hope for is a policy that satisfies the sweet deals in Congress at minimum cost to the economy. Quotas are not the answer.

[From the Wall Street Journal, May 10, 1982]

SWEET CHARITY

President Reagan last week imposed import quotas on sugar in hopes of keeping his sugar price support program solvent. No doubt the quotas will shift some of the cost of subsidizing sugar farmers from the Treasury to the consumer. Caribbean Basin nations, supposedly an object of U.S. solicitude, also will likely pay. And none of this will really deal with the problem of the sugar supports.

The problem is that the sugar support prices are too high. That's not necessarily Mr. Reagan's fault, or at least not entirely. Sugar price supports were one of the prices he had to pay to win support for his tax rate cuts in Congress last year. The supports had expired in 1980 but sugar producers and their favorite Congressmen wanted them reinstated.

Sugar producers were worried because last summer's fine weather helped provide a very good harvest and, as a result, world sugar prices had fallen sharply from the 30-cents-a-pound level of last spring. Under the new four-year sugar plan, the price support level was set at its current 16.75 cents a pound, rising to 18 cents by 1985. Even at the time the measure was enacted last year, however, the world price for sugar was already down to 12.6 cents a pound. It has since fallen to about 8.5 cents, or about half the level guaranteed by the U.S. government.

With the U.S. price double the world price, the U.S. taxpayer was in some danger of subsidizing the entire world. U.S. farmers were filing applications for support payments and loans like crazy, threatening to force the government to cough up $800 million next fall to pay for surpluses. The import quotas are an effort to reduce this future exposure.

But this is ultimately a losing game. With those cushy supports provided to them by their Congressmen, the sugar farmers will merely be encouraged to produce more and more sugar and less and less of something else consumers might want. The government's bills, and the need to protect itself through quotas, will keep rising. Substitutes, such as fructose made from corn (which already supply 37 percent of the U.S. sweetener market) will become more attractive. Consumers will pay and pay, at the supermarket and in their tax returns, just as they have to maintain the lifestyles of dairy farmers, peanut farmers et al. Representative Peter Peyser figures the consumer cost of the sugar program as it now stands at $3 billion a year.

Mr. Reagan's quotas also drive a truck through his two-month-old Caribbean Basin plan, which aims at fostering economic growth in the region through increased trade with the U.S. The President did say that Latin American and Caribbean sugar cane producers will receive special treatment under the import quota program. Nonetheless, some producers will be locked out of the U.S. market and the administration's flip-flop doesn't bode well for a lasting trade rapport with our neighbors to the South.

Commodity stabilization is one of those ideas that are plausible in theory—at some price level, government could ease the impact of weather and market cycles for farmers and thus make the business more orderly and secure. But in practice, politics comes into play and the support levels are invariably set too high. The result is inflated prices, overproduction and government stockpiles of unwanted products. The best answer to the sugar problem for Mr. Reagan is not quotas—indeed that may be the worst. It's to scuttle sugar supports at the first opportunity.●

VETERANS OF FOREIGN WARS "VOICE OF DEMOCRACY" SPEECH CONTEST

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. BONKER. Mr. Speaker, each year the American Veterans of Foreign Wars organization and its Ladies Auxiliary, sponsor the "Voice of Democracy" speech contest. This year more than 250,000 high school students participated in the contests, competing for five national scholarships with over $31,000 prize money. This year the contest theme was "Building America Together."

Ms. Debbie Lou Chalberg, a resident of Montesano, Wash., was selected as this year's contest winner for Washington State. In appreciation of Debbie's work, I would like to include the text of her speech in today's RECORD. Debbie is to be congratulated for her patriotism and for her talent.

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM WASHINGTON WINNER

Building America Together. As Americans, we are all carpenters working together to build America. The term "to build" means to make a basis for and establish. We can show this process by comparing America to a house.

A blueprint was drawn up from our forefathers' ideas and dreams. They made their ideas clear in the Constitution and Declaration of Independence. These blueprints were

written down long ago for all Americans to follow. As the Revolutionary War was coming to an end, the Declaration of Independence became a reality. We had fought together to gain our free land. Now we were free to start construction on a great America that our forefathers dreamed about, nothing could destroy that dream. Gradually we set the foundation, stone by stone, until we had a good basis from which to grow on. This foundation grew from sea to sea until our four walls were permanently established. These walls were made possible by the toil and sweat of all who believed in the dream of our house. These walls have been reinforced with steel, to hold up against any outside pressure and assure a strong country.

Inside these steel walls, 50 rooms were built, each varied from each other in every aspect. Although different, they all share in a common brotherhood and are unified, one with the other. This unification is the living body of our great house. They all hold a great feeling of nationalism with each other and share in the warmth of this pride.

For shelter and security, a roof has risen above these rooms. This roof has held up against many bitter storms. It has stayed strong through assassinations, depression, economic tragedies, and foreign turmoils. It has governed the whole house and has allowed equal representation for each room. It has build up our defense, guaranteed equal rights and held up foreign relations. This is our government. Without this above our heads, our house would be incomplete.

This is the land of opportunity, and throughout our house, many doors can be found. These doors are unlocked for anyone and everyone who is willing to open them. We are adding new doors all the time as we try to build equal opportunities for every race, color and profession. These opportunities will educate our offspring and provide a decent living for all Americans.

The windows have played a major role in the building of our house. These windows have inspired great people to look beyond their limits. Great inventions were made, communication was made nationwide and transportation was no longer prehistoric. Advances were made in every field from wearing apparel to medicine. Some of these windows have since gotten dusty and have become a thing of the past. But some windows are still clean and sparkling, ready for what we will find in the future.

Flying above our majestic house are the Stars and Stripes. Our National flag has been remodeled many times since our beginning. As the stripes have stayed constant, the stars have grown from 13 to 50. This flag waves free and proud above our house built by all free men. It is a symbol of our unity, power and purpose as a nation.

Together, with God as our foreman, we made our dream house a reality. It stands strong and proud for the world to see. It was built for us and by us to live together in unity. This is America, the land I call my home.

VETERANS OF FOREIGN WARS,
Washington, D.C., April 2, 1982.

Hon. DON BONKER,
House of Representatives,
Washington, D.C.

MY DEAR MR. BONKER: Each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest. This year more than 250,000 secondary school students participated in the contest competing for the five national scholarships which are awarded as top prizes. First prize is a $14,000 scholarship, second prize is $7,000, third prize is $4,500, fourth prize is $3,500, and the fifth prize is $2,500. The contest theme this year was "Building America Together."

Enclosed are a copy of the winning speech from your State as delivered by Debbie Lou Chalberg, 821 DeVara Lane, Montesano, Washington of your District, the contestant's biographical sketch, and a resume of the Voice of Democracy Scholarship Program. It will be deeply appreciated if you will insert the enclosed speech in the CONGRESSIONAL RECORD.

Thanking you in advance for your assistance, I am

Sincerely,

COOPER T. HOLT,
Executive Director.

VOICE OF DEMOCRACY BIOGRAPHICAL QUESTIONNAIRE FOR STATE WINNERS VETERANS OF FOREIGN WARS OF THE UNITED STATES

DEPARTMENT OF WASHINGTON.

Please type or print the answers to all questions listed below and return this form in triplicate not later than January 19, 1982 to the Voice of Democracy Director, VFW National Headquarters, VFW Building, Broadway at 34th Street, Kansas City, Missouri 64111.

Name Debbie Lou Chalberg Social Security No. Do not have one

Street Address or Post Office Box 821 DeVara Lane

City Montesano County Grays Harbor State Washington Zip Code 98563.

Place of Birth Aberdeen, Wa. Birthdate 3-16-64 Age 17.

Name and Address of School Montesano High School, 418 E. Spruce, Montesano, Wa., 98563.

Grade in School 12 Home Telephone (206) 249-3947 School Telephone 249-4041

Father's Name Vernon Chalberg Occupation Cedar Products.

Mother's Name Mary Lou Chalberg Occupation Housewife.

Names of brothers/sisters and their ages Randy Chalberg—20.

Religious preference Lutheran (Arrangements will be made for Protestant and Catholic services in Washington, D.C.)

What college, university or vocational school do you hope to attend? Pacific Lutheran University.

What career do you plan to pursue? Music Education.

What school organization offices have you held? Honor Society—Vice President Girls League—Treasurer; Vice President; President. High School Band—Secretary-Treasurer; President (2 years).

What are your hobbies? Playing piano, cooking, cake decorating.

If you have a nickname or other name that you prefer to be called by, please designate. Informal name tags will be prepared for each winner.

Don Bonker, 3d, Washington.

List of awards and achievements: Junior Achievement Award; Writing Award; S.W.WA Music Teachers Auditions—1st alternate; Piano contest—rated a I (Superior) for 2 years. Lions Club Girl of the Month; WSU honor band—1981 All-State Band—1982 listed in "Who's Who Among American High School Students".

List the names and address of your local newspaper(s) and radio/TV stations: The Montesano Vidette; 109 Marcy West, Montesano, Washington 98563. The Daily World; 315 S. Michigan, Aberdeen, Washington 98520. KXRO; Coolidge Rd & W. Huntley, Aberdeen, Washington 98520.

Other information of interest: Participated in U.S. Collegiate Wind Band European Concert Tour in summer of 1981. Traveled to Hawaii for the Performing Arts Abroad program. Pianist for our church.

Are you on any special medication or have any specific diet needs? No.

Return completed form in triplicate together with three copies of your winning script and a 3×5 black and white glossy photograph to: Director, Voice of Democracy Program, Veterans of Foreign Wars of the United States, Broadway at 34th Street, Kansas City, Missouri 64111.

A RESUME OF THE VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

The program was started 35 years ago with the endorsement of the United States Office of Education and the National Association of Secondary school principals. Sponsorship was provided by the National Association of Broadcasters, Electronic Industries Association and State Associations of Broadcasters.

Starting in 1958-59 the program was conducted in cooperation with the Veterans of Foreign Wars with the broadcasters still serving as sponsors.

In 1961-62, the Veterans of Foreign Wars assumed sole sponsorship responsibility. At that time, the National Scholarship Award consisted of a single $1,500 scholarship for the first place national winner.

During the past 20 years under VFW sponsorship, the annual national scholarships have been increased to six, totaling $32,500 with the first place winner currently receiving a $14,000 scholarship to the school of his/her choice. Student participation has tripled and school participation has doubled.

This past year more than one-quarter million participated. Over 8,000 schools participated, over 4,400 VFW Posts and 3,600 auxiliaries sponsored the program and over 2,400 radio and TV stations cooperated.

The total monetary value of scholarships and awards provided by VFW Posts, Auxiliaries, County Councils, Districts and Departments amounted to over $575,000 last year. This is in addition to the $32,500 in national scholarships and an annual budget at the national level in excess of $150,000 to conduct the Voice of Democracy Program.

During the twenty years of sponsorship by the VFW over four and one-half million students have participated and awards totaling more than two and one-half million have been given to winners at all levels in scholarships, savings bonds, etc.●

LET US KEEP THE OLYMPIC ISSUE OUT OF THE GUTTER

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ST GERMAIN. Mr. Speaker, many in the Congress have been attempting, for many months, to provide assistance to the 23d Olympic games in Los Angeles and the U.S. Olympic team.

These efforts have centered on proposals to allow the private marketing

of Olympic coins produced by the U.S. Mint as a fund raising program that would not involve use of Treasury funds and which would assure that no costs would be incurred by the United States.

Unfortunately, this effort has been greeted by delays, confusion, and attempts to cast suspicion on the Olympics and the fund raising program. Mr. Speaker, for the sake of the Olympics and the U.S. athletes and this country's amateur sports programs, I am hopeful that we can limit the extraneous issues and concentrate on maximizing private funding for the games.

Mr. Speaker, the use of Olympic coins as a fund raising device has been part of all recent Olympic games and the proceeds of these sales have been shared with the U.S. Olympic Committee—a very important resource for our athletes. We are not embarking on a new program; we are continuing a tradition which has proved workable and beneficial.

These Olympic coin programs have been of varying size and success. All have recorded a profit for the Olympics. Despite all the innuendoes about world class scandals that have been floated, I have yet to see anyone produce evidence to support such charges in connection with the Olympic coin programs.

The Congress has hurt itself in the past when it has allowed runaway innuendoes to substitute for the facts. I particularly regret the situations which arose at a recent subcommittee hearing in which an opponent of the Olympic legislation came up with his series of open-ended questions:

"Could there be some secret deals, under the table payments special contracts, the hiring of favored law firms, or even out-and-out bribes?"

No sooner had this list of questions been rolled into the record than the author conceded:

"I have no information that this is the case, and I hope that these possibilities are not true. * * *"

Mr. Speaker, I have no objections to the issues being debated fully—certainly there has been more than ample time. I want to see any questions pertinent to this legislation brought before us, but I hope sincerely that the zeal to carry legislative points does not lead to dragging the Olympic games in Los Angeles into the gutter.

Apparently finding no evidence to support the charges of "world class scandals" in connection with the Olympic coin programs, some of the proponents of "Let's find a scandal somewhere" have been searching out coin programs initiated by other countries for other purposes. I cannot vouch for the way in which other countries operate their coinage, commemorative or otherwise, and it would be foolish to attempt to defend or endorse the manner in which these other Governments operate their coinage programs or how they employ governmental safeguards or how they handle contract letting. Our committee is not about to become expert in worldwide, country-by-country analyses of governmental contracting procedures.

We do know, with great specificity, the safeguards that are incorporated in H.R. 6058 and the ongoing supervision required by our Government of the Olympic coin program for the 1984 games. We know that these safeguards have been reviewed by the General Accounting Office and fully endorsed by them.

In recent days, documents have been floating around Washington about a coin program operated by the Greek Government, apparently to suggest that any problems attached to that program should be used to smear the 1984 Olympic games.

Again, I do not know the procedures of the Greek Government, past or present, in the letting of coinage or other contracts, but I do know that a confidential State Department cable—apparently requested by staff members of a Subcommittee of the Banking Committee—has been circulated among newsmen, lobbyists involved in the coin program, and other individuals in recent days.

After being informed that this confidential cable had somehow found its way into public circulation, I obtained a copy from the State Department. Later I was furnished another copy by the subcommittee which had received the original document. With the difficulty I encountered in obtaining the document from the State Department, I am confident that the Department was not responsible for the cable's public circulation.

The cable from our Embassy in Greece, after describing the charges and countercharges about the Greek coinage program, concludes that the issue is basically a bitter dispute between competing companies—Numarco and Italcambio.

Of course, much of the dispute and the charges of scandal have filled column after column in the various trade publications of the coin community. We may well see national columnists rewriting these coin columnists in coming days.

Numarco, the winner in the Greek competition, is a marketing subsidary of Lazard Freres, one of the companies that has come forward as a possible bidder on the 1984 Olympic coin program. Italcambio, the embittered loser of the Greek competition, operates out of Venezuela and has subsidiaries in various countries including Switzerland, France, United States, Germany, Canada, and Italy.

Italcambio, which is battling Numarco in Greece and in the press, has operated in this country out of Miami, Fla. Its activities are somewhat obscure, but did get in the headlines a few years ago when it attempted to market gold coins issued by the former Government of Cambodia.

The Cambodian gold coin operations of Italcambio finally reached the New York State authorities and the New York attorney general moved against the company. State Supreme Court Justice George Postel agreed with the efforts of the attorney general and ordered the Italcambio firm to cease its misleading advertising and to offer refunds to customers who had relied on the advertising.

Italcambio subsequently entered its bid for the Greek coinage program. I do not know whether the Greek authorities took the New York legal action into consideration when the competing bids were submitted. In any event, the Secretary of the Treasury is given authority, under H.R. 6058, to review such matters and to reject any bid if necessary.

Until the Olympic coin legislation is enacted and the bidding process set up, we do not have assurance of who and who will not be the successful bidders for the 1984 games. The bidding, under H.R. 6058, is open to any firms that can meet the criteria.

Both Occidental Petroleum and Lazard Freres have indicated an interest in the bidding and will testify in the ongoing hearings. In fact, Occidental has specifically informed me that they and Lazard will meet the criteria, including the $30 million guarantee up front for the Olympic committees.

Mr. Speaker, there have been other firms that have informally suggested an interest. Others may well be awaiting the final outcome of legislative action before committing themselves to bids.

So, anyone who runs around suggesting that this firm or that firm has a lock on the U.S. program, simply is misleading the public. It may well be Occidental and Lazard Freres, but they must meet the competition and, in the end, all firms must meet the public interest tests and fiscal safeguards which will be applied, under the act, by the Secretary of the Treasury.●

EXECUTIVE PRIVILEGE

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. ERLENBORN. Mr. Speaker, permit me to explain a bill Representatives HORTON, MCCLOSKEY, and I are introducing today to define the narrow circumstances and procedure under which a President could withhold information from Congress.

One of the recurring problems that plagues the Congress is difficulty in gaining access to documents of the executive branch which are relevant to our work. These problems have become newsworthy in recent months, as one committee voted to recommend that a cabinet officer be cited for contempt before it was permitted to see various memos.

Throughout all these disputes, the words "executive privilege" lurk in the background. Occasionally, they are even uttered. Never, though, are they defined. No one knows what the term means.

Our bill, which is identical to one we introduced and the House Government Operations Committee approved in 1974, would put an end to guessing about what the mysterious doctrine of executive privilege is. It establishes a specific statutory procedure to restrict the executive branch's ability to withhold information from Congress. Under that procedure, no individual in the executive branch except the President could decide to withhold documents or testimony from us. If either house objected to the decision, it could take the matter to court; and if we pursued the matter there, the president would bear the burden of proof in overcoming the presumption that all information should be provided. He would have to demonstrate a compelling national interest which would include protecting the essential ability of the President to confer with his close advisers, in order to prevail.

By greatly narrowing the executive's prerogative to withhold material and balancing the burden of proof in executive-legislative information conflicts, the bill would greatly enhance the Congress capacity to secure materials it needs to carry out its legislative and constitutional responsibilities.

This would be a great improvement over the present situation, in which our ultimate weapon against a recalcitrant executive official is to cite him for contempt of Congress and ask that he be prosecuted on that charge. If we won such a legal proceeding, all we would accomplish is to throw a Government official into the Capitol dungeon. That strikes me as an unseemly way to operate. However, I doubt very much that we would win. Courts just do not place much stock in Congress claims that certain material is essential to its work.

When Senator Sam Ervin's Watergate Committee sued President Nixon to secure important information, for example, the court of appeals ruled that the committee had failed to show that its duties "cannot responsibly be fulfilled without access to (the) records." The court indicated that such a showing could rarely, if ever, be made, when it stated:

While fact-finding by a legislative committee is undeniably a part of its task, legislative judgments normally depend more on the predicted consequences of proposed legislative actions and their political acceptability, than on precise reconstruction of past events.

Enactment of our bill would make clear Congress ability to enforce our rightful demands on the executive. Importantly, it provides a civil forum for the resolution of these disputes, rather than the criminal contempt procedure.

With no major document conflicts now pending, the time is right for the Congress to consider this legislation on its merits.●

THE TECHNOLOGY OF FREEDOM

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. MICHEL. Mr. Speaker, amidst the constantly changing course of our congressional duties, we tend to concentrate our energies on short-term, dramatic problems and lose sight of the fact that certain trends and long-term policies may be of more importance.

This fact was driven home to me the other day when I came across three clippings from the Los Angeles Times, Tuesday, May 4, 1982. Each story dealt with an aspect of the importance of American technological achievements. Each demonstrated conclusively that we live in an age where the defense of freedom will be determined by technological progress

It seems clear that the Soviet Union is doing all it can to get its hands on our recent technological advances and use them for military purposes, even if the original purpose of the technology was nonmilitary.

Given the vital role high technology has played in the Falkland Islands fighting, how much more important will technology be in the coming decades when the Soviet Union, through its own discoveries and its use of American technology for military purposes, can challenge us in every technological field?

The future of freedom lies in the advancement of American technology and in the means to make certain it does not fall into the wrong hands. At the moment we do not seem to be realizing these facts.

At this point I insert in the RECORD three articles from the Los Angeles Times, May 4, 1982: "Laxity Cited in Export of High-Tech Gear to Soviets," "Drill-Bit Deal Seen Helping Soviet Arms," "British Get Edge for U.S. Electronics, Pentagon Says."

LAXITY CITED IN EXPORT OF HIGH-TECH GEAR TO SOVIETS

(By Robert L. Jackson)

WASHINGTON.—Sensitive American high-technology equipment with potential military applications is easily reaching the Soviet Union and Warsaw Pact nations because a small unit within the Commerce Department is poorly equipped to enforce federal licensing laws; a confidential Senate report concluded Monday.

The report said the compliance division of the Commerce Department's Office of Export Administration is "understaffed and poorly equipped." Its investigators "in certain instances (are) undertrained and unqualified," and the unit thus is "not effective," the report said.

The 80-page study, which contains an internal memorandum by a Customs Service official that is critical of the Commerce Department's enforcement efforts, was prepared by the staff of the permanent investigations subcommittee of the Senate Governmental Affairs Committee. A copy of the report was obtained by The Times.

The panel will begin two weeks of hearings on the problem today. Witnesses will include Theodore W. Wu, an assistant U.S. attorney in Los Angeles who has prosecuted illegal export cases, and William Holden Bell, a former Hughes Aircraft Engineer who was convicted of selling radar secrets to a Polish agent.

Bonnie Whyte, a Commerce Department spokesman, said of criticism in the report: "This Administration has been aware of the problem of high-technology exports for some time and we've been working to upgrade this unit (of the department). We've been transferring personnel and training to this unit because it was recognized as a weak link."

Sen. Sam Nunn (D-Ga.), who directed the staff inquiry, said the most crucial enforcement problem involves "dual-use" technology—technology that is developed in the United States primarily for civilian and commercial purposes but which, in the possession of the Soviets or others, can be used for military purposes.

Such devices, including advanced lasers and certain computers, microchips and semiconductors, cannot be exported legally without a license from the Commerce Department.

But the Senate study said the department has only six inspectors—five of them at John F. Kennedy International Airport in New York—to check whether unlicensed equipment is being shipped abroad. The sixth inspector is in Washington.

"Some airports and seaports never are visited by Commerce Department inspectors in the course of a year," the report said.

INCOMING GOODS

Although U.S. Customs Service inspectors are stationed at airports and seaports, their basic job is to police incoming persons and goods, not shipments leaving the country, federal authorities said. However, they are charged with enforcing the Arms Export Control Act, which covers weapons but not commercial equipment.

Referring to the need for better monitoring of sophisticated exports, Nunn said in a statement accompanying the staff study that "the Soviets have shown a great appetite for certain kinds of American technology.

"They do not come to the United States on a shopping spree, buying any and every computer and microchip they can lay their

hands on," he said. "Just the opposite occurs. They and their representatives know precisely what it is they need, right down to the model number of the desired equipment."

URGES COOPERATION

Sen. William V. Roth Jr. (R-Del.), the subcommittee chairman, said federal enforcement and intelligence agencies should work with private businessmen to protect certain new technologies.

"We must strike a balance between protecting sensitive technologies and allowing U.S. exporters to operate freely in the world marketplace," Roth said in a separate statement. "We accomplish little if we bar U.S. manufacturers from selling overseas while our allies readily trade away sensitive information to the Soviet Bloc."

Senate investigators cited excerpts from an internal Customs Service memorandum dated Oct. 30, 1980, that said the Commerce Department had compromised Customs sources overseas in some cases by taking "unilateral and uncoordinated action" in instances where Customs officials should have been informed.

The Senate report suggested abolishing the Commerce Department unit and consolidating the enforcement of all export laws within the Customs Service.

DRILL-BIT DEAL SEEN HELPING SOVIET ARMS

(By Ralph Vartabedian)

When the Carter Administration approved the 1978 sale to the Soviet Union of a $144 million factory to build petroleum drill bits, U.S. Army officials warned that the seemingly innocuous deal would enhance Russian production of anti-tank weapons.

Despite those objections, Dresser Industries Inc., a big oil-service firm based in Dallas, was permitted to sell the manufacturing plant to the Soviets.

Now, a senior military official has told The Times that according to intelligence information, the Soviets have indeed made at least indirect use of this manufacturing technology and the additional production capacity to increase their output of anti-tank weapons.

MAY REDESIGN TANK

Of major concern to Defense Department officials is evidence that the Soviets now can build greater numbers of high-quality weapons potentially lethal to the Army's new $2.7-million-per-copy M-1 tank. The Army is considering a multibillion-dollar redesign of the tank because of its perceived vulnerability to such weapons.

The Dresser case is the most recent example of how a major technology sale to the Soviet Union can contribute to weapons production, critics of such sales say.

These critics have argued for years that the Soviets would apply ostensibly civilian technology to advanced weapons, but their concerns largely fell on deaf ears during the pursuit of detente in the Carter, Ford and Nixon Administrations. In those years, technology sales were pursued as a diplomatic carrot in dealing with the Soviets.

Contending that too much leading-edge military technology was given away in the 1970s, the Reagan Administration has sought to reverse or at least rein in that U.S. policy, as part of its overall hardening in relations with Moscow.

In addition to concern over the Dresser license, Reagan Administration officials have cited such examples as the sale of 168 precision ball-bearing machines in 1972 that they say has enabled the Soviets to improve the accuracy of their intercontinental ballistic missiles. Also, Pentagon officials assert that the Soviet invasion of Afghanistan was aided by a heavy-truck manufacturing plant set up by several U.S. firms.

The Dresser controversy dates back to May 30, 1978, when the company was licensed by the Commerce Department to sell a so-called turnkey factory to the Soviet Union to produce petroleum drill bits, which the Soviets needed to increase their production of oil.

After the approval was granted, criticism that the sale would improve Soviet weapons and give away important petroleum technology led to a Senate investigation of the deal in October, 1978. Nevertheless, the plant and equipment were transferred to the Soviets.

The manufacturing plant was set up in Kuibyshev, an industrial city on the Volga River about 300 miles north of the Caspian Sea, to make as many as 100,000 bits per year.

The focal point of concern in the Dresser sale involves equipment and know-how that the Soviets gained for manufacturing products out of tungsten carbide—an extremely hard, dense and heavy metal alloy with a broad range of military and industrial applications.

USED BY MILITARY

In drill bits, tungsten-carbide cutting edges permit wells to be drilled through hard rock to depths exceeding three miles. But the same alloy also is used by the military in deadly weapons that penetrate armor.

The technology to form the tungsten-carbide cutting edges of a drill bit is similar to the process for building tungsten-carbide artillery rounds, according to Army experts.

The artillery rounds are formed into very narrow and long rods, called 'long rod penetrators," that can be fired out of conventional artillery guns. The rounds travel very fast and, by concentrating tremendous energy on a small impact point, can punch through thick armor without using an explosive charge.

A key issue in the current controversy is that the Dresser factory enlarged the Soviets' capacity to make tungsten-carbide products, enabling them to convert more of that capacity to weapons production.

Even if the Soviets already had access to the technology used by the plant, military sources said, the ability to produce more armor-piercing weapons without putting strain on their own tungsten-carbide manufacturing capacity could be a significant advantage. Quantity of certain key weapons can be as important as quality, these sources said.

The senior military official, who discussed the Dresser case only on the condition that he remain anonymous, said it has been confirmed that the Soviets have diverted more of their tungsten-carbide capacity to weapons production since getting the Dresser plant. Moreover, he said, the Dresser plant itself has been prepared for conversion to weapons production.

Some Pentagon officials go beyond saying that the Dresser deal gave the Soviets the ability to increase output of anti-tank weapons. They assert that the sale gave Moscow manufacturing expertise that could allow them to improve the quality of those weapons.

In 1978 Senate hearings, Dresser officials said that the Soviets could buy the same technology from European firms, that the deal complied with all U.S. regulations and that the technology at issue was not new.

Much of the current controversy was anticipated in 1978 criticism of the Dresser deal.

PENTAGON APPROVED

The Commerce Department, with the consent of high-level Defense Department officials and other Administration leaders, approved the Dresser license in May of that year, when several high-technology exchanges with the Soviets were being approved.

The Soviets ostensibly wanted the drill-bit plant to increase their drilling of deep petroleum wells. Crude-oil production from shallow wells had long supplied most Soviet needs, but shallow-well production was reaching a peak and could not keep up with increasing demand. The manufacturing plant was designed to produce premium bits of substantially higher quality than the Soviets were capable of producing themselves.

The granting of an export license for the plant evidently produced a deep rift in the Carter Administration. Commerce Secretary Juanita M. Kreps and Secretary of State Cyrus R. Vance strongly supported the sale, according to sources close to the issue. It was opposed by Energy Secretary James R. Schlesinger and national security adviser Zbigniew Brzezinski, as well as a host of military officials. Sen. HENRY M. JACKSON (D-Wash.) led congressional opposition to the deal.

Proponents of the Dresser sale argued that it served U.S. interests to help the Soviet Union develop its own energy resources to avoid potential encroachment in the Middle East. The proponents also said the deal would do little to enhance Soviet weapons technology.

But a panel headed by Fred Bucy, president of Texas Instruments Corp., which the Carter White House later assigned to examine the Dresser sale, found that there was valid ground for concern that the Dresser technology could be used by the Soviets for military purposes.

The Bucy panel also asserted that the United States had a virtual international monopoly in the production of premium rock bits of the type the Soviet plant would produce. It argued that giving away such an advantage ultimately could compromise the ability of the United States to offer Third World nations petroleum-exploration assistance that wasn't available from the Soviets. Despite such criticism, the sale moved forward.

BRITISH GET EDGE FROM U.S. ELECTRONICS, PENTAGON SAYS

(BY DAVID WOOD AND ROBERT C. TOTH)

WASHINGTON.—Sophisticated electronic gear provided by the United States has been a major reason that Britain has gained a clear advantage so far in its Falkland Islands confrontation with Argentina, U.S. defense analysts said Monday.

"It almost makes it an unfair fight," a Pentagon official said, describing the network of eavesdropping and surveillance assistance that has enabled British naval commanders to receive copies of orders transmitted to the Argentine fleet almost as soon as Argentina's Defense Ministry issues them.

The Pentagon has also provided mobile satellite communications devices to the Royal Marines unit that would go ashore in advance of any British assault on the Falk-

land Islands, occupied since April 2 by Argentina.

That equipment, which would give the landing team instant communications with London, would enable British military and political officials to receive immediate first-hand assessments of Argentine defenses of the islands and to give final approval for a full-scale assault.

The equipment is so new, the officials said, that "nobody else in the world has the stuff."

U.S. defense analysts, however, do not expect the British to launch a direct assault on the Falklands soon. One reason is that the main body of marines who would make up the assault force remains on Ascension Island, about two weeks' travel and deployment time away.

Thus, the officials expect Britain to maintain its tight 200-mile "war zone" around the Falklands, with occasional air strikes against the islands' airfields, naval shelling of Argentine facilities on the islands and interdiction of Argentine warships. In that effort to demolish Argentine morale and to push Argentina toward a settlement, the surveillance and eavesdropping assistance given by the United States provides Britain with "an indisputable edge," the U.S. officials said Monday.

Since Britain declared the war zone around the Falklands, its forces have sunk the Argentine cruiser General Belgrano and a patrol boat and have damaged another patrol boat.

Argentine officials conceded Monday that the 13,000-ton General Belgrano, torpedoed by a British submarine Sunday, and sunk. The officals said rescue efforts have been hampered by poor weather and because the disabled ship had been maintaining radio silence for security reasons.

U.S. officials declined to say exactly how the United States is collecting naval intelligence and passing it on to the British. Officials have said the United States collects photographic intelligence from two satellites, but they conceded that such reconaissance is useless in cloudy weather.

The officials insisted, however, that "there is almost nothing that is said in Argentina that we don't know about."

The Soviet Union has at least six satellites that pass over Argentina. The satellites, according to defense sources here, have both electronic-evesdropping and radar-sensing capabilities. Administration officials have suggested that the Soviet Union is passing information collected by its satellites to Argentina, but they said they have no proof of their suspicions.

Further U.S. aid to Britain in the Falklands crisis was discussed Sunday as British Foreign Secretary Francis Pym met with Secretary of State Alexander M. Haig Jr. and Defense Secretary Caspar W. Weinberger. While no details of U.S. offers were reported publicly, Haig said the British would be given unspecified "material support."

U.S. military analysts said the British appear to need little additional support at this point, except supplemental heavy air transport.

At present, according to Administration officials, Britain is using an aging fleet of C-130 military transports to run a continual airlift of food, spare parts and fuel from England to Ascension Island, Britain's mid-Atlantic staging point. En route, the aircraft must refuel in Dakar, Senegal, on the West African coast.

One possibility is for the United States to provide Britain with C-5 aircraft, the largest military transports in the world, to supplement the C-130s, which the British are "working the daylights out of," according to Administration officials.●

FINANCIAL STATEMENT OF F. JAMES SENSENBRENNER, JR.

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 10, 1982

● Mr. SENSENBRENNER. Mr. Speaker, through the following statement, I am making my financial net worth as of March 31, 1982, a matter of public record. I have filed a similar statement for each of the 3 preceding years I have served in Congress.

Assets

REAL PROPERTY

	Value
Single family residence at 701 Kings Court, Alexandria, Va., at assessed valuation. (Assessed at $211,200. Ratio of assessed to market value—100 percent.) (Encumbered)	$211,200.00
Two family residence at 1601 East Lake Bluff Boulevard and 4330 North Newhall Street, in the Village of Shorewood, Milwaukee County, Wis., at equalized assessed valuation. (Assessed at $54,700. Ratio of assessed to equalized value—65.27 percent.) (Unencumbered)	83,805.73
Total	295,005.73

PERSONAL PROPERTY—COMMON AND PREFERRED STOCKS

Number of shares and company:	
450—First Interstate Bancorp. at $29	13,050.00
255.604—American Telephone & Telegraph at $56.25	14,377.73
103.181—Idaho Power Co. at $22.375	2,308.68
346.104—Tenneco Corp. at $27.75	9,604.39
105.082—Nevada Power Co. at $21.75	2,285.54
300—Anchor Hocking Corp. at $15.75	4,725.00
360—General Mills, Inc. at $38.50	13,860.00
400—Kellogg Corp. at $22.125	8,900.00
500—Dunn & Bradstreet at $60.625	30,312.50
1,000—Halliburton Co. at $33.25	33,250.00
1,708—Kimberly-Clark Corp. at $60	102,480.00
385—Insilco Corp. at $14.875	5,726.88
100—Minnesota Mining & Manufacturing at $54.50	5,450.00
100—Rank Organization Ltd., ADR at $4	400.00
416—Exxon Corp. at $28.125	11,700.00
480—Standard Oil Co. (Indiana) at $36.50	17,520.00
170—Dart & Kraft, Inc. at $50.75	8,627.50
380—Eastman Kodak Co. at $72.875	27,692.50
100—General Electric Co. at $63.375	6,337.50
104—General Motors Corp. at $41	4,264.00
400—Merck & Co. at $72.25	28,900.00
200—Warner Lambert Co. at $22.75	4,550.00
188.782—Sperry Rand Co. at $27.75	5,238.70
260—Allied Maintenance Corp. at $21	5,460.00
287—International Business Machines Co. at $59.75	17,148.25
900—Inland Steel Co. at $21.625	19,462.50
168—Monsanto Corp. at $62.50	10,500.00
26—Wisconsin Securities Corp. of Delaware at $180	4,680.00
333—Benton County Mining Co. at No value	Nil.
Total	$418,881.67

BONDS AND NOTES

Par value: $35,000—U.S. Treasury bills due July 15, 1982 (Total)	$30,369.50

LIFE INSURANCE POLICIES

Face amount, company and no.:	*Cash surrender value*
$12,000—Northwestern Mutual, No. 4378000	$8,071.93
$30,000—Northwestern Mutual, No. 4574061	19,082.93
$10,000—Massachusetts Mutual, No. 4116575	2,108.20
$100,000—Massachusetts Mutual, No. 4228344	29,892.85
$25,000—Old Line Life Insurance Co., No. 515950	11,887.98
Total	71,043.89

BANK AND SAVINGS AND LOAN ACCOUNTS

Marine National Exchange Bank of Milwaukee, Checking account No. 4000-9368	26.57
Marine National Exchange Bank of Milwaukee, Checking account No. 0046-2366	598.13
Marine National Exchange Bank of Milwaukee, Savings Account No. 418-986	1,001.81
Marine National Exchange Bank of Milwaukee, Savings account No. 497-525	547.29
North Shore Savings & Loan Association of Wisconsin, Savings account No. 0657029-01	1,172.85
Mutual Savings & Loan of Wisconsin, Savings account No. 10110603361	10,632.57
North Shore Savings & Loan Association of Wisconsin, Savings account No. 0647856-01	463.05
Sergeant at Arms, U.S. House of Representatives Checking account No. 748	2,293.23
Burke & Herbert Bank of Alexandria, Va., Checking account No. 601-301-5	563.46
Marine National Exchange Bank of Milwaukee, all-savers certificate No. 016897	16,520.00
Total	33,818.96

MISCELLANEOUS

1978 Ford LTD automobile (at Blue book trade-in value)	2,050.00

Office furniture and equipment	1,000.00
Furniture, clothing, and personal property (estimated)	90,000.00
Stamp collection (estimated)	14,500.00
Interest in Wisconsin retirement fund	11,080.04
Deposits in congressional retirement fund	15,152.52
Total miscellaneous	133,782.56
Total assets	982,902.31

Liabilities

Perpetual American Savings & Loan Association (Mortgage on Alexandria, Va. residence)	$140,016.00
Miscellaneous 30 day charge accounts (estimated)	1,500.00
Total liabilities	141,516.00
Net worth	841,386.31

Statement of 1981 taxes paid

Federal income tax	$18,624.02
Wisconsin income tax	4,977.12
Shorewood, Wis. property tax	2,270.24
Alexandria, Va. property tax	2,613.96

I further declare that I am a direct beneficiary of two trusts and a contingent beneficiary of one trust. I have no control over the assets of any trust of which I am a direct beneficiary and am a cotrustee of the other trust.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other State or foreign country.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, May 11, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 12

9:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 2367 and S. 2377, bills authorizing funds through fiscal year 1986 for Federal transit assistance programs of the Urban Mass Transportation Administration, Department of Transportation, and S. 2375, extending through September 30, 1987, the Defense Production Act, providing availability of authorities necessary to continue improvement in U.S. ability to mobilize resources in times of national emergency.
5302 Dirksen Building

Judiciary
To hold hearings on S. 675 and S. 1530, bills establishing a Commission to study the jurisdiction of Federal and State courts and to make recommendations with respect to revision of Constitution and Federal law.
357 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focusing on rapid deployment joint task force/readiness.
1114 Dirksen Building

*Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Management and Budget.
1318 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the effectiveness of the Federal Government to enforce export controls, focusing on the transfer of high technology to the Soviet Union and other Warsaw Pact nations.
3302 Dirksen Building

Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine the extent of Communist bloc intelligence activities on Capitol Hill.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on the implementation of guidance and counseling programs of the Department of Education.
4232 Dirksen Building

2:00 p.m.
*Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1318 Dirksen Building

Foreign Relations
To continue hearings on certain nuclear arms reduction proposals.
4221 Dirksen Building

*Governmental Affairs
Intergovernmental Relations Subcommittee
To hold hearings on S. 2386, providing for the establishment of a system to collect data on the geographic distribution of Federal funds.
3302 Dirksen Building

Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold an organizational business meeting.
301 Russell Building

MAY 13

9:00 a.m.
*Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Office of Territorial Affairs, Department of the Interior.
1318 Dirksen Building

9:30 a.m.
Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

Judiciary
Juvenile Justice Subcommittee
Meeting, to discuss the alleged abuse of juveniles in certain state operated facilities.
2228 Dirksen Building

Labor and Human Resources
To resume oversight hearings on the Department of Labor's investigation of alleged abuses within the International Brotherhood of Boilermakers (Local 154).
4232 Dirksen Building

Labor and Human Resources
Investigations and General Oversight Subcommittee
To hold hearings to examine the increased use of certain drugs, focusing on quaaludes.
5302 Dirksen Building

Rules and Administration
Business meeting, to mark up an original bill authorizing funds for fiscal year 1983 for the Federal Election Commission, S. 2102, authorizing funds to the Board of Regents of the Smithsonian Institution to construct a building for the Museum of African Art and a center for Eastern Art, S. 2390, authorizing funds for fiscal years 1983, 1984, and 1985 for the National Museum Act, and S. 2391, relating to the adjustment of the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury.
301 Russell Building

Small Business
Business meeting, to consider pending calendar business.
424 Russell Building

10:00 a.m.
Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the defense establishment, focus-

ing on National Guard and reserve programs.
1114 Dirksen Building

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for Air Force national programs.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to resume consideration of proposed legislation authorizing funds for programs which fall under its legislative jurisdiction.
4200 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on U.S. nuclear nonproliferation policy.
6226 Dirksen Building

Governmental Affairs
Congressional Operations and Oversight Subcommittee
To resume oversight hearings on the use of the Consumer Price Index as a measurement of inflation for the purposes of calculating cost-of-living increases for all indexed programs.
3302 Dirksen Building

1:00 p.m.
Foreign Relations
To continue hearings on nuclear arms reduction proposals.
4221 Dirksen Building

1:30 p.m.
*Appropriations
Interior and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Office of Territorial Affairs, Department of the Interior.
1318 Dirksen Building

Judiciary
To hold hearings on S. 2419, modifying certain provisions of the venue law to allow cases to be heard in courts where the decision would have greater impact.
2228 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the Near East regional and centrally funded programs.
1223 Dirksen Building

Labor and Human Resources
Business meeting, to mark up S. 2036, providing for State and local employment and training assistance, and S. 1889, authorizing funds for the establishment of a national institution to promote international peace and resolution of international conflict.
4232 Dirksen Building

3:00 p.m.
*Foreign Relations
To hold hearings on the nomination of Robert Anderson, of the District of Columbia, to be Ambassador to the Dominican Republic.
4221 Dirksen Building

MAY 14

8:00 a.m.
Appropriations
Legislative Branch Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.
S-128, Capitol

10:00 a.m.
*Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Government of the District of Columbia, focusing on the Department of Housing and Human Development, rental accommodations office, Office of Business and Economic Development, Convention Center Board, Convention and Visitors Association, retirement board, and the lottery and charitable games control board.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 17

9:30 a.m.
Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings on S. 1910, modifying the tax treatment of certain retirement annuities for clergymen and lay employees; and to review certain ERISA statutes or regulations that inhibit mortgage investments by pension funds, and the Department of Labor's current class exemption efforts regarding pension fund investments in residential housing financing.
2221 Dirksen Building

MAY 18

9:30 a.m.
Governmental Affairs
Civil Services, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building

Labor and Human Resources
To hold hearings on the nominations of Marc Sandstrom, of California, William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, each to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.
1224 Dirksen Building

*Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.
235 Russell Building

Energy and Natural Resources
To hold oversight hearings on Federal property management and disposal.
3110 Dirksen Building

Select on Indian Affairs
To hold oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
1223 Dirksen Building

MAY 19

9:30 a.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building

Armed Services
To hear and consider the nominations of Adm. James D. Watkins, U.S. Navy, to be Chief of Naval Operations, and Gen. Charles A. Gabriel, U.S. Air Force, to be Chief of Staff for the Air Force, and to consider other routine military nominations.
212 Russell Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Select on Indian Affairs
To continue oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

MAY 20

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.
235 Russell Building

Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.
3302 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the implementation of the Federal Crop insurance program of the Department of Agriculture.
324 Russell Building

Energy and Natural Resources
To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate piplines which are determined to be in the national interest.
3110 Dirksen Building

Environment and Public Works
To hold hearings on S. 1606, establishing a Federal supplemental property insurance fund for nuclear powerplants, and providing for the cleanup of the damaged Three Mile Island Unit No. 2 nuclear power reactor (TMI-2).
4200 Dirksen Building

MAY 21

9:00 a.m.
Finance
Taxation and Debt Mangement Subcommittee
To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.
2221 Dirksen Building

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

MAY 24

9:30 a.m.
*Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.
235 Russell Building

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm, and S. 1485, clarifying the intent of the investment-tax credit for poultry houses and greenhouses.
2221 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
*Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, providing for jurisdiction over common carriers by water engaging in foreign commerce to and from the United States utilizing ports in nations contiguous to the United States.
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Foreign Relations
Business meeting, to markup certain nuclear arms reduction proposals.
4221 Dirksen Building

MAY 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

MAY 27

9:30 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, Securities and Exchange Commission, and the Federal Trade Commission.
S-146, Capitol

10:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisition of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola

National Forest System and into the existing Sandia Wilderness.
3110 Dirksen Building

Environment and Public Works
Business meeting to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 14

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 15

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Super Fund).
4200 Dirksen Building

JUNE 17

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To resume hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

Select on Indian Affairs
To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.
5110 Dirksen Building

JUNE 23

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).
235 Russell Building

SEPTEMBER 21

10:30 a.m.
Veterans' Affairs
To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.
318 Russell Building

CANCELLATIONS

MAY 11

8:30 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the National Endowment for the Humanities, National Capital Planning Commission, and the Office of Surface Mining of the Department of the Interior.
1114 Dirksen Building

MAY 12

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

MAY 13

2:00 p.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.
3302 Dirksen Building

MAY 18

10:00 a.m.
Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

SENATE, *Tuesday, May 11, 1982*

The Senate met at 11 a.m., and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

God of peace, Lord of Heaven and Earth, who hath made of one blood all nations of men for to dwell on all the face of the Earth, and hath determined the times before appointed, and the bounds of their habitation; that they should seek the Lord.—Acts 17 :26.

We pray for the leadership of the nations. The world languishes for peace: Peace between nations, peace between races, peace between political parties, peace between government and people, peace between labor and management, peace between husbands and wives, peace between parents and children.

Holy Father of us all, lead us to be peacemakers. Forgive us for being academic about peace, for theorizing and idealizing about peace between nations when we refuse to deal with alienation among ourselves; when we devote no effort to make peace with our spouses, or our children; when we will not make peace among blacks and whites and Hispanics. Grant, O God that each of us will take the initiative to make peace where we are, where we have influence. And give us the grace to submit to the Prince of Peace to practice His love, to abide in His grace. In His name we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, am I correct in saying that, pursuant to the order for adjournment yesterday and the unanimous-consent agreement that preceded it, the reading of the Journal has already been dispensed with?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. And that no resolution shall come over under the rule, and the call of the calendar will be dispensed with; is that correct, as well?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. I thank the Chair.

Mr. President, I understand that there will be a period for the transaction of routine morning business not to exceed 30 minutes, in which Senators may speak for 5 minutes each, which will follow on after the recognition of the two leaders under the standing order and the recognition of Senators NICKLES and SPECTER on special orders not to exceed 15 minutes each.

ORDER FOR RECESS FROM 12 NOON UNTIL 2 P.M.

Mr. BAKER. Mr. President, I ask unanimous consent that, at the hour of 12 noon today, the Senate stand in recess until the hour of 2 p.m.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I might say that the practice of recessing on Tuesdays for approximately 2 hours at midday has been observed for some time and, in my judgment, has proven convenient and effective in the arrangement of the affairs of the Senate, since it gives Senators on both sides of the aisle time to meet with their respective party caucuses. These are important caucuses. While they are not statutory, they are the place in which many decisions are made, debates of the Senate are shaped, and they have become increasingly important, in my judgment, to the arrangement of the debates on major issues that confront us.

Mr. President, it is the intention of the leadership on this side to extend morning business, if need be, until the hour of 12 noon, if the time has not been consumed prior to that time. No business will be transacted except in morning business until after the two party caucuses.

S. 2372—FEDERAL ABORTION FUNDING RESTRICTION

Mr. BAKER. Does the Chair have a measure to lay before the Senate, Mr. President?

The PRESIDENT pro tempore. The clerk will report any bill that has had its first reading and remains at the desk for second reading.

The legislative clerk read as follows:

A bill (S. 2372) to affirm the intrinsic value of all human life, to recognize the humanity of unborn children, and to insure that the Federal Government not participate in or support abortions.

(Mr. COCHRAN assumed the chair.)

Mr. BAKER. Mr. President, pursuant to the provisions of rule XIV of the Standing Rules of the Senate, and at the request of another Senator, I object to further consideration of this measure at this time.

The PRESIDING OFFICER. Objection having been heard to further proceedings at this time, the bill will be placed on the calendar pursuant to the precedents in rule XIV.

Mr. BAKER. I thank the Chair.

PUBLIC FINANCIAL DISCLOSURE REPORTS (SENATE RULE 34)

(The following notice is submitted by the Secretary of the Senate:)

The 1982 filing date for Public Financial Disclosure Reports is Monday, May 17.

Public Financial Disclosure Reports should be filed with the Senate Office of Public Records, room 623, 119 D Street, N.E. (telephone 224-0322), no later than the close of business on Monday, May 17. That office will be open from 12 until 3 on the preceding Saturday and Sunday, May 15 and 16, to receive such reports. Request for extension of the filing date should be addressed to the Select Committee on Ethics, 113 Carroll Arms Office Building, 224-2981.

The Office of Public Records currently plans to release all Senators reports simultaneously on Thursday, May 20. Advance orders will be accepted by that office for request involving purchase of substantial quantities or complete sets.

Questions relating to the filing and subsequent release of Public Financial Disclosure Reports should be directed to Alicia Rae Fisher, Superintendent, Office of Public Records, Office of the Secretary of the Senate at 224-0757.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, I thought on yesterday it would be possible to turn to the consideration of one nominee on the Executive Calendar and for a number of reasons it was not possible to do late yesterday evening.

I would inquire of the minority leader if he is prepared now to proceed to the consideration of calendar order No. 741 on today's Executive Calendar, the nomination of Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side.

Mr. BAKER. I thank the minority leader.

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nomination just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa.

● Mr. SPECTER. Mr. President, I am opposed to the nomination of Mr. Evan Hultman because the Department of Justice has not responded to the letter of April 16, 1982, from Senators HATCH and DECONCINI. It may well be that the allegations have no substance; but I believe that the outstanding questions raised by two members of the Committee on the Judiciary should be answered before the committee gives its approval of the nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, I am prepared to yield it to any Senator who seeks recognition or I am prepared to yield it to the minority leader if he has need for further time at this time.

Mr. ROBERT C. BYRD. Mr. President, I do not believe I have a need for it.

Mr. BAKER. I thank the minority leader. Mr. President, in that event, and seeing no Senator seeking recognition for time under the standing order, I yield back the time remaining to me under that order.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

SCHOLAR PAGES

Mr. ROBERT C. BYRD. Mr. President, it has come to my attention that there are a number of our Senate Pages who not only perform their duties in an admirable fashion but also excel in their academic pursuits.

Several Senate Pages, both Democratic and Republican, have attained grades which place them on the Honor Roll for the most recent marking period. This achievement is particularly commendable in light of the fact that the Page's day is such a long one. Their school day begins at 6:10 a.m., and after a full morning of classwork they report to their respective Cloak Rooms at approximately 10 a.m., unless the Senate has convened earlier, which it does from time to time, to begin their day's work. Their tasks are many and varied, and they carry out these tasks for the duration of each day's session, after which they return home to complete their homework for the next day's classes.

I congratulate our Pages, both Republicans and Democrats—or perhaps I should say both Democratic and Republican.

I congratulate them for their diligence, for their hard work, and for the good work they do at all times. They are always good for us, with their enthusiasm, and always so gracious, so courteous, and so understanding.

I do not think we can, with words, tell them how much we appreciate the good work they do for us. It may be well if we took note of their fine example.

I would urge all Pages to take note of the fine example of those on the Honor Roll and try to make the Honor Roll also.

Mr. President, I would like to read into the RECORD the list of those on the Capitol Page School's Senate Honor Roll for the third anniversary. They are: Reuven Carlyle, Nancy Dynan, John Gilmer, William Graham, Steven Kaufman, Linda Miller, Timothy Page, Wilson Perry, Kathryn Rappolt, John Shonebaum, Ruth Stern, Keith Stolte, Scott Liberman, and Barbara Weidenbruch.

Mr. PROXMIRE. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. I congratulate the minority leader on the statement he has just made. I have always been tremendously impressed by our Pages. He stresses exactly the right thing, their academic concern.

Mr. President, these are young people aged 15 to 16 years old, away from their families. These are young people who have had to get up, as the minority leader pointed out, to be in class at 6 o'clock in the morning and then do a full day's work, and it is a full day's work here.

I have always been impressed by their remarkable courtesy and their alertness, considering the hours they work and their age.

The minority leader is absolutely right in paying this fine tribute to them.

Will the Senator yield me 1 minute?

Mr. ROBERT C. BYRD. I yield.

REGIONAL EFFECTS OF A SOVIET NUCLEAR STRIKE AGAINST U.S. ECONOMY

Mr. PROXMIRE. Mr. President, many Americans might assume that a Soviet attack designed to destroy this country's economy would have little effect on those areas lying outside our big cities. The expert analysis by Katz and Osdoby for CATO disputes that. I quote from its findings:

> Not only would major metropolitan areas be heavily damaged, whole regions would be seriously incapacitated. This is true in part because major urban centers tend to be relatively close to one another, such as in the Northeast Corridor, along the southern rim of the Great Lakes, and in Southern California. The primary area of destruction would be the Northeast/East-Central tier of states from Massachusetts to Minnesota. The one-megaton weapon component of the larger attacks would destroy 50 percent or more of the industrial capacity of every state in the area, except Wisconsin and Indiana, which would suffer between 40 to 50 percent Manufacturing Value Added destruction. Thus, the nation's largest block of industrial states is unlikely to continue to exist as a significant functioning unit because of the loss of population, industrial plants, and economic systems.
>
> Several other states or industrial regions are likely to suffer similar destruction and disruption, making their contribution to the survival or recovery of the surrounding territory highly problematic. Key parts of the Sunbelt, sections of Texas, Louisiana, Oklahoma and Missouri, Florida; and the area covered by California, Arizona, Utah, and Colorado would be severely damaged.
>
> These regional patterns of destruction suggest that there will not be large, undamaged areas able to provide adequate refuge and support for the surviving urban population or to foster a rapid economic recovery. Although extensive rural or semi-rural territory will remain undamaged, it is largely devoid of the industrial infrastructure needed for substantial economic recovery.

Tomorrow I will discuss the findings of this study on the effects of a nuclear attack by Russia designed to take out our economic power on selected industries.

SECURITIES INVESTOR PROTECTION CORPORATION

Mr. PROXMIRE. Mr. President, I bring to the attention of my colleagues an article appearing in yesterday's Wall Street Journal concerning the recommendations of a securities industry task force that Congress substantially enhance the operating powers of the Securities Investor Protection Corporation.

Recently the Banking Committee reported out the nomination of James G. Stearns to be Chairman of SIPC by a vote of 8 to 6. Six of the members of the Banking Committee agree that Mr. Stearns is not qualified to be Chairman of SIPC.

Mr. President, it would be particularly unfortunate for the public interest and for the capital markets of this Nation if Mr. Stearns—unqualified as he is—is confirmed by the Senate to be Chairman of SIPC.

The task force is recommending that SIPC's powers be enhanced to permit SIPC to operate insolvent securities firms to maintain the integrity of securities markets while orderly mergers or liquidations are carried out.

As the Wall Street Journal points out, some securities firms that necessitate the examination of new powers have more than 100,000 customers. Obviously, an expert in the securities field is needed at SIPC to exercise the powers. And Congress needs to be persuaded to grant these new powers to SIPC.

Can Mr. Stearns do the job? Emphatically, no. He has no qualifications or background whatsoever in the securities field. He has had 2 years of college and has been a rancher and crop duster pilot. He has headed the California Agriculture and Services Agency and been Director of Conservation in California. SIPC will not be served at all by Mr. Stearns at its head. Remember that the Chairman of SIPC is the day-to-day manager of the agency. It takes an intensive securities background to run SIPC, and Mr. Stearns does not have the background.

I ask the Senate to pause on this nomination. The public and the securities industry are about to be done a massive disservice.

I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PANEL RECOMMENDS CONGRESS BROADEN SIPC'S AUTHORITY

WASHINGTON.—In the wake of several brokerage-house bankruptcies, an industry task force recommended that Congress grant the Securities Investor Protection Corp. greater powers to oversee broker liquidations.

Specifically, the task force said that the quasi-governmental corporation, which conducts liquidations and insures customers of failing brokerage houses, should be granted authority to operate insolvent securities firms while it goes through the lengthy legal procedures of liquidating them. Currently, SIPC simply closes down an insolvent firm, which temporarily prevents customers from getting at their accounts.

The task force also recommended to the seven-member SIPC board that it brace itself for the possible failure of a big brokerage house—one with 100,000 or more customers. The task force said it hasn't any "particular fears about the long- or short-term financial condition" of big houses, but that SIPC should nevertheless prepare sample legal papers to cope with such a catastrophe.

The recommendations come after a year of hard times for many brokerage houses. Last year, with stock prices slumping, SIPC began liquidating 10 firms—double the average of the prior five years. In the last three months of 1981, its insurance fund was drained to $167 million from $219 million. Recently the tempo of liquidation has slowed as stock prices have recovered slightly, but SIPC officials remain worried about their ability to handle a rash of failures.

One of the greatest concerns of SIPC officials is that current liquidation procedures are so cumbersome and lengthy that some customers end up getting hurt, rather than helped, by the agency. Without access to their accounts, clients of some failing brokerage houses last year were forced to sit idly by while the value of their investments fell in the stock market.

The industry group said that if SIPC had legal authority to keep an insolvent brokerage house's doors open during liquidation, customers in some cases might be able to close their accounts to cut their losses. The proposal needs approval from the SIPC board and from Congress. An SIPC official said he doesn't expect Congress, preoccupied by the budget and coming November elections, will get to SIPC legislation this year. Prospects of passage might be better in 1983, the offical said.

The task force, organized last year by SIPC, includes representatives from the New York Stock Exchange, Dean Witter Reynolds Inc., the National Association of Securities Dealers Inc., SIPC, and a Manhattan law firm, Milbank, Tweed, Hadley & McCloy.

A UNIQUE AND EFFECTIVE LEARNING EXPERIENCE

Mr. PROXMIRE. Mr. President, the Christian Science Monitor recently published an article entitled "A Lesson From the Holocaust." It described a unique school curriculum in which students study the Holocaust as a way of understanding democracy and history.

Unlike the other Holocaust curriculums that exist in a small number of schools, these students in school systems ranging from Toledo, Ohio, to Toronto do not begin with movies or journals of concentration camps. That is because they participate in a course named "Facing History and Ourselves: Holocaust and Human Behavior." The authors of the course explain that—

In this curriculum students are stimulated to reason and think about the implications for a society that abuses civil liberty and censors freedom to think. They grapple with the role of the victims, the victimizer and the bystander.

Instead of starting with traditional movies about Auschwitz, students develop working definitions of political and sociological terms to be used in learning about the mentality of totalitarianism. Terms like justice, obedience, power, and scapegoating are examples of this method.

Students become familiar with the backgrounds of the crisis by studying historical events. They learn about Germany's devastation after World War I, about the Weimar experiment in constitutional democracy, and about the gradual steps of demagogues who tore a society apart.

The students focus on human dilemmas and personal accounts. In a film titled "Joseph Schultz," original photographs taken by Germans are mixed with a reenactment. The story is about a Nazi soldier who refuses to participate in a firing squad, and as a result, is ordered to line up and die with the others.

The benefits of this unique learning experience were clearly expressed by a participant who said:

I don't think there will be another Holocaust if we keep on teaching about the Holocaust and the Constitution; all men are created equal.

Mr. President, the facing history curriculum has spurred these students to think about how we go about preventing any more outbreaks of genocide. I have also given much thought to this issue. So, too, have a number of U.S. Presidents, and civic and religious organizations representing millions of Americans across this country. We have come to the conclusion that the Genocide Convention, a treaty making genocide an international crime, is very worthy of our support. Eighty-five other nations have also come to this conclusion and have ratified the Genocide Convention. I urge my colleagues to help the United States join this list by immediately ratifying the Genocide Treaty.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, have I any time remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to yield it to the first Senator who has a special order. Otherwise, I yield back the remaining time.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. NICKLES) is recognized for not to exceed 15 minues.

Mr. NICKLES. I thank the Chair. I also thank the minority leader for his generosity.

THE BUDGET

Mr. NICKLES. Mr. President, ever since the administration submitted its 1983 budget, there has been a great deal of concern with respect to the large deficits which have been reported. No one wants to mortgage away the future of our children by saddling them with an ever-increasing debt that, in my opinion, is virtually out of control.

What has amazed me about as much as the size of the deficit has been the call from many to increase taxes to reduce the red ink. The enemy we face is not a shortage of revenues. Public enemy No. 1 is uncontrolled Government spending.

There are primarily two ways that we can cut the deficit. One is to increase taxes, the second is to spend less. I believe we must ask ourselves, "Are we spending too much or are we taxing too little?"

I personally believe that we are spending too much. I happen to believe that this is the view that is held by a majority of Americans.

When we were campaigning, we repeatedly heard, "Two-thirds of the Federal spending is uncontrollable."

I would say it is out of control and it needs to be controlled.

We have heard people say, "Two-thirds of the Federal budget is untouchable." I would say we need to touch it.

We need the management that the Constitution gives us, the responsibility, the authority, and the obligation to control Government spending. I believe that uncontrolled and ever-increasing Government spending is the real culprit that we need to face.

Government spending, Mr. President, causes two problems: In order to match that Federal spending, we must either tax more, or we must borrow to pay for it, both of which transfer money away from the private sector into the public sector.

We have seen year after year an ever-increasing drain from the private sector into the public sector, causing fewer jobs, causing a decline of the real productivity base that has built and sustained America.

I believe the Government must learn to live within its means without robbing the American taxpayer, or robbing our children of their future inheritance.

Nothing more clearly illustrates the seriousness of our spending epidemic than a look at the growth in Federal budget outlays. From 1930 to 1940, the budget grew from $3.3 billion to $9.4 billion, a 184-percent increase in 10 years.

In 1950, the budget outlays had grown to $42.6 billion, a 570-percent increase over the 10 years before.

In 1960, Government spending went all the way up to $92.2 billion, a 110-percent increase. In the next 10 years, it jumped another 110 percent, to $195.6 billion in 1970.

By 1980, we spent $590.9 billion, a 200-percent increase over 1970. Furthermore, the current budget projections demonstrate a continuation of the spending spiral. Spending in 1981 increased to $678 billion.

Spending this year is estimated by the Senate Budget Committee to be about $760.4 billion including off-budget items. That amounts to about $3,300 spent for every man, woman, and child in the United States.

Mr. President, I included the off-budget items because, in 1973, Congress recognized this alarming spending trend and devised a clever disguise. It created off-budget items. Those off-budget expenditures amounted to roughly $60 million that year, but by last year, off-budget spending had grown to an unbelievable $21 billion.

Mr. President, I have a table that I would like to have printed in the RECORD. I ask unanimous consent that that be done.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET RECEIPTS AND OUTLAYS, 1789–1985

[In millions of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (−)
1789–1849	1,160	1,090	+70
1850–1900	14,462	15,453	−991
1901–1905	2,797	2,678	+119
1906–1910	3,143	3,196	−52
1911–1915	3,517	3,568	−49
1916–1920	17,286	40,195	−22,909
1921	5,571	5,062	+509
1922	4,026	3,289	+736
1923	3,853	3,140	+713
1924	3,871	2,908	+963
1925	3,641	2,924	+717
1926	3,795	2,930	+865
1927	4,013	2,857	+1,155
1928	3,900	2,961	+939
1929	3,862	3,127	+734
1930	4,058	3,320	+738
1931	3,116	3,577	−462
1932	1,924	4,659	−2,735
1933	1,997	4,589	−2,602
1934	3,015	6,645	−3,630
1935	3,706	6,497	−2,791
1936	3,997	8,442	−4,425
1937	4,956	7,733	−2,777
1938	5,588	6,765	−1,177
1939	4,979	8,841	−3,862
1940	6,361	9,456	−3,095
1941	8,621	13,634	−5,013
1942	14,350	35,114	−20,764
1943	23,649	78,533	−54,884
1944	44,276	91,280	−47,004
1945	45,216	92,690	−47,474
1946	39,327	55,183	−15,856
1947	38,394	34,532	+3,862
1948	41,774	29,773	+12,001
1949	39,437	38,834	+603
1950	39,485	42,597	−3,112
1951	51,646	45,546	+6,100
1952	66,204	67,721	−1,517
1953	69,574	76,107	−6,533
1954	69,719	70,890	−1,170
1955	65,469	68,509	−3,041
1956	74,547	70,460	+4,087
1957	79,990	76,741	+3,249
1958	79,636	82,575	−2,939
1959	72,249	92,104	−12,855
1960	92,492	92,223	+269
1961	94,389	97,795	−3,406

BUDGET RECEIPTS AND OUTLAYS, 1789–1985—Continued

[In millions of dollars]

Fiscal year	Budget receipts	Budget outlays	Budget surplus or deficit (−)
1962	99,676	106,813	−7,137
1963	106,560	111,311	−4,751
1964	112,662	118,584	−5,922
1965	116,833	118,430	−1,596
1966	130,856	134,652	−3,796
1967	148,906	157,608	−8,702
1968	152,973	178,134	−25,161
1969	186,882	183,645	+3,236
1970	192,807	195,652	−2,845
1971	187,139	210,172	−23,033
1972	207,309	230,681	−23,373
1973	230,799	245,647	−14,849
1974	263,224	267,912	−4,688
1975	279,090	324,245	−45,154
1976	298,060	364,473	−66,413
TQ	81,232	94,188	−12,956
1977	355,559	400,506	−44,948
1978	399,561	448,368	−48,807
1979	463,302	490,997	−27,694
1980	517,112	576,675	−59,563
1981	599,272	657,204	−57,932
1982 [1]	623,000	742,300	−119,300
1983 [1]	645,000	827,000	−182,000
1984 [1]	702,000	918,000	−216,000
1985 [1]	780,000	1,012,500	−232,500

[1] Data for 1982–85 for receipts and outlays are revised baseline amounts. Figures for off-budget entities are amounts recommended by the President.

Note: Data for 1789–1939 are for the administrative budget; data for 1940 and all following years are for the unified budget In calendar year 1976, the Federal fiscal year was converted from a July 1 to June 30 basis to an Oct. 1 to Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976. Off-budget Federal entity outlays begin in 1973.

TOTALS, INCLUDING OUTLAYS OF OFF-BUDGET FEDERAL ENTITIES

[In millions of dollars]

Fiscal year	Outlays of off-budget Federal entities	Total outlays	Total budget surplus or deficit (−)	Increase in outlays from prior year	Percent change from prior year outlays
1973	60	245,707	−14,908	15,026	6.5
1974	1,447	269,359	−6,135	23,652	9.6
1975	8,088	332,332	−53,242	62,973	23.4
1976	7,307	371,779	−73,719	39,447	11.9
TQ	1,785	95,973	−14,741	NA	NA
1977	8,700	409,206	−53,647	37,427	10.1
1978	10,359	458,726	−59,166	49,520	12.1
1979	12,467	503,464	−40,162	44,738	9.8
1980	14,245	590,920	−73,808	87,456	17.4
1981	21,005	678,209	−78,936	87,289	14.8
1982 [1]	19,689	761,989	−138,989	83,780	12.4
1983 [1]	15,701	842,701	−197,701	80,712	10.6
1984 [1]	14,285	932,285	−230,285	89,584	10.6
1985 [1]	10,950	1,023,450	−243,450	91,165	9.8

[1] Data for 1982–85 for receipts and outlays are revised baseline amounts. Figures for off-budget entities are amounts recommended by the President.

Note: In calendar year 1976, the Federal fiscal year was converted from a July 1 to June 30 basis to as Oct. 1 to Sept. 30 basis. The TQ refers to the transition quarter from July 1 to Sept. 30, 1976. Off-budget Federal entity outlays begin in 1973.

Mr. NICKLES. Mr. President, I point out and, by this table, illustrate to my colleagues that the evil is the continued ever-increasing outlays that are out of control. From 1980 to 1981, outlays increased $87 billion. From 1979 to 1980, they increased $87 billion. In 1982, they are forecast to increase approximately $84 billion. If you follow the projections that were given in the figures that the President and the various negotiating groups had agreed upon if significant changes were not made, Federal spending would have continued to increase. By 1983, they would increase another $80 billion; in 1984, $89 billion; in 1985, they would increase another $91 billion. We are looking at Federal spending that has been compounding at a

double-digit rate and is expected to continue to compound in double-digit figures unless we get Federal spending under control.

Granted, some of this increase in spending reflects inflation, which ran rampantly during the last decade. But I suppose that when spending more than doubled from 1950 to 1960, and more than doubled again from 1960 to 1970, and more than tripled from 1970 to 1980, something more than inflation is at work.

Congress has passed laws and created programs which have obligated the Government to pay more types of benefits, greater amounts of benefits, and more grants and guaranteed loans—regardless of whether funds are available. These are the so-called entitlement programs.

So, Mr. President, as we discuss our budget crisis and proposed deficits, I, for one, would like to see the emphasis switched from increasing taxes to cutting spending. Only in doing so will we really get to the root of our problems.

A more detailed examination better demonstrates our spending dilemma. Federal regulatory agency expenditures have grown more than 530 percent in the last 10 years. In 1970, those agencies spent $866 million. By 1979, that amount jumped to $5.5 billion. Energy and environment regulatory agency expenditures alone expanded by more than 680 percent in that period.

Transfer payments to individuals, our entitlement programs, have become unmanageable, and open to fraud and abuse. These programs, 12 years ago, had a $63.2 billion price tag. By last year, they cost taxpayers about $316.6 billion—five times more than in 1970. These transfer payments amounted to about one-fourth of the Federal budget in 1960; last year, they equaled almost 50 percent of total Federal expenditures.

Mr. President, we hear from special interest groups across the country that the spending cuts enacted last year are devastating. But what is often overlooked is that we did not cut spending last year. Total Federal outlays, including off-budget items, amounted to $590.9 billion in 1980, or 23 percent of the gross national product. Last year, spending totaled $678.2 billion, or 23.7 percent of GNP; this year, outlays are estimated to be $762 billion under current law, in 1982, or 24.7 percent of GNP. Federal spending continues to grow out of control.

Mr. President, I really believe the American people want spending cut. An NBC news poll released April 13, showed that 77 percent of the American public favors spending cuts rather than tax increases to reduce the deficit.

A poll conducted last December by the Gallup organization revealed that Americans have a strong preference for cutting spending. There was 59 percent who said they either strongly or somewhat favor additional spending reductions in Federal spending.

Only 26 percent somewhat or strongly oppose such reductions. Only 4 percent answered that we should increase taxes alone to reduce the deficit.

Another Gallup Poll issued at the same time showed that among union members, 58 percent favored reduced Federal spending over increased taxes as a means of cutting the deficit.

Mr. President, we cannot keep spending money we do not have.

In the short time I have been in the Senate, I have become discouraged and disgusted about Congress total fiscal irresponsibility. I am not talking about just this year, but for the last 20 years. We are not representing the will of the American taxpayer, but the will of the special interest. It has become apparent that only a constitutional constraint could keep Congress from taxing and spending our people to death.

The message is clear. There is now 39 States having constitutional provisions limiting their ability to incur budget deficits, and 31 of the necessary 34 States have approved resolutions calling for a constitutional convention on this issue.

During the next few weeks, I plan to address specifically why a constitutional amendment to balance the budget and limit spending and taxing is our proper course of action. I intend to show historically what our Founding Fathers had in mind regarding Federal spending, and how States and other nations view the problems of spending and taxing.

Today, Mr. President, my objective is to make clear my belief that runaway Government spending is perhaps our greatest national ill. We must work together to change the course of Government from their old ways of more and more taxes, more and more spending, more and more Government regulation over our lives. I think it is a vital fight. I think it is a fight worth fighting. I really believe our children's future and their freedom depend on our efforts.

I thank the Chair.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER FOR THE RECOGNITION OF SENATOR SPECTER

Mr. BAKER. Mr. President, I am advised that the distinguished Senator from Pennsylvania has no need for the special order in his favor this morning. I ask unanimous consent that it be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business.

STATEMENT OF SENATOR ROBERT C. BYRD BEFORE COMMITTEE ON FOREIGN RELATIONS

Mr. DODD. Mr. President, I want to draw the Senate's attention to testimony before the Foreign Relations Committee presented recently by the distinguished minority leader, Senator ROBERT C. BYRD.

This testimony is important for two fundamental reasons. First, it is timely. It focuses on the administration's policy toward the Caribbean and Central America region and raises a number of serious questions about that policy. Second, it is substantive. It deals with the gut issue of Congress constitutional responsibilities respecting decisions to send American combat troops overseas.

On both counts Senator BYRD's eloquent testimony deserves careful examination and consideration by Members of Congress and by the public at large. With respect to Central America, for example, he wisely cautions:

> The policy we finally choose will only succeed if there is a national consensus in support of that policy. The only way to insure that we will choose the wisest course of action for our Nation is for the Congress to first exercise its responsibility under the Constitution.

And zeroing in on the administration's policy toward the region, the Byrd testimony reminds us:

> There is growing concern in America over the direction of the administration's policy in El Salvador and throughout Central America. My mail shows it and I am sure your mail reflects it as well. The polls certainly reflect a growing opposition to a deepening U.S. involvement in the region.

In his quiet, forceful manner, Senator BYRD, then ties the policy issue to the question of institutional responsibility and draws the following conclusion:

> It is my belief that in a matter as serious as this, the executive branch must be able to make a very compelling case, and before troops are committed for combat purposes in El Salvador, Congress should be an equal partner in that decision. The only option

open to us is a response after the fact. I argue strongly that it is our constitutional responsibility to err on the side of debate and caution before we are confronted with a situation that could cost us so dearly in money, national unity, and the spilling of American blood. We know from experience the difficulty in using a foreign military presence to impose a political solution in another country. By moving incautiously, we run a great risk of creating a divisive debate which could once again rip the fabric of our country apart.

Mr. President, I doubt that anyone in the history of the Senate has had a stronger appreciation of or a greater respect for this institution than the able Senator from West Virginia. Indeed, his testimony of May 4, before the Committee on Foreign Relations serves as a convincing reminder of his uncompromising dedication to the U.S. Senate—the kind of dedication that the Founding Fathers would have generously applauded.

I ask unanimous consent, Mr. President, that the complete text of Senator ROBERT BYRD'S May 4, statement be printer in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

PREPARED REMARKS OF SENATOR ROBERT C. BYRD, SENATE COMMITTEE ON FOREIGN RELATIONS, MAY 4, 1982

I want to thank the distinguished Chairman and our distinguished colleagues on the Committee for affording me this opportunity to present testimony on behalf of my legislation amending the War Powers Resolution. I have been joined by 28 of my colleagues in sponsorship of my bill. This indicates that considerable concern does exist regarding the Administration's policies in El Salvador.

As you are well aware, my legislation simply states that the President cannot commit U.S. troops for combat purposes in El Salvador without first obtaining specific congressional authorization for such action. It does maintain Presidential flexibility. The President can introduce combat troops for the purpose of protecting, and assisting in the evacuation of, American citizens threatened by hostilities in that country, or if the territory of the United States is directly threatened.

I realize the War Powers Resolution, which was enacted into law on November 7, 1973, sought to correct the consitutional imbalance which had arisen between the Executive branch and Congress in the area of war powers—an imbalance which developed primarily during the 20th century. The Resolution did go a long way to restore the Constitutional responsibilities of the Congress in the area of war making powers of our government. However, it could not conceivably cover every situation which could arise in the future. The controversy surrounding our policy towards El Salvador is a contingency which I believe was unforeseen during our deliberations on the War Powers Resolution. And that is what my amendment attempts to address.

A number of concerns have been expressed regarding my motivations in submitting this legislation. In fact, on March 9 of this year, one of our colleagues stated the following on the floor of the Senate:

"Presidential powers in the realm of foreign and military affairs as guaranteed by the Constitution were eroded considerably with passage of the War Powers Act. I have always opposed the War Powers Act. Senator BYRD is attempting to paralyze the President further and bring greater power to his own senatorial office."

I want to repeat a portion of what was said by our colleague.

"Senator BYRD is attempting to paralyze the President further and bring greater power to his own senatorial office."

Mr. Chairman, distinguished Members of the Committee, 30 years ago when I was first elected to the U.S. House of Representatives I took the following oath prior to taking my seat.

"Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter: so help you God."

Having been elected to the House of Representatives three times and to the United States Senate four times, I have taken this oath of office on seven different occasions. I do not take this oath lightly. During my 30 years of public service in our nation's legislative branch of government, my energies and my mental resources have been devoted to upholding the Constitution of the United States. As a result, I am devoted to the Senate and the House of Representatives of the United States as one of the three coequal branches of our government. I believe in the Senate as an institution. Consequently, I have very deep concerns when the institutional responsibilities of the Senate are challenged or compromised. And that is what this debate is all about: the war-making powers and responsibilities of our government.

In my estimation, any statement which suggests that the President of the United States is vested with the sole responsibility for the war-making powers of our government flies completely in the face of the Constitution and the intent of our Founding Fathers.

The Constitution is clear that the power to declare war, as well as the power to raise and maintain an Army and a Navy belong to the Congress. Under the Constitution, the President is designated as the Commander-in-Chief for the purpose of prosecuting wars authorized by the Congress. Thus, when the President commits U.S. armed forces to hostilities abroad at his own initiative, he has, in effect, assumed congressional authority.

I think it is important to look at the Constitution once again, to emphasize that Article 1, Section 8 expressly reserved war powers to the Congress. These are as follows:

1. Congress shall have the power . . . .

11. To declare war, grant letters of marque and reprisal, and to make rules concerning captures on land and water;

12. To raise and support armies, but no appropriation of money to that use shall be for a longer term than 2 years;

13. To provide and maintain a Navy;

14. To make rules for the government and regulation and land and naval forces;

15. To provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions;

16. To provide for organizing, arming, and disciplining the militia and for government such part of them as may be employed in the service of the United States;

18. To make all laws which shall be necessary and proper for carrying into execution the foregoing powers vested by this Constitution in the government of the United States, or in any Department or office thereof.

The war powers of the President are expressed in Article II, Section 2 of the Constitution:

"The President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several States, when called into actual service of the United States. . . ."

Keep in mind that our Founding Fathers constructed a government of intricate checks and balances in order to avoid the abuses they had suffered at the hands of the British monarchs. It was the power of the British sovereign to initiate war on his own prerogative that led to a deliberate decision on the part of the framers of our Constitution to vest the power to declare war in the body most broadly representative of the people.

During the debate at our Constitutional Convention on this matter, Mr. Eldridge Gerry of Massachusetts expressed the view that he "never expected to hear in a republic a motion to empower the Executive alone to declare war." Mr. Gerry's point has stood the test of time for it is as relevant today as it was in 1787.

Discussions of the President's power to control the armed forces have invariably focused on the provision in Article II. However, from the first, it has been interpreted as simply placing the President at the top of the pyramid of military command making him, in Alexander Hamilton's words, "first general and admiral of the confederacy." This view was outlined in Federalist Paper No. 69.

In recent months, the Monroe Doctrine has been bandied about as the justification for giving the President a free hand to use U.S. forces in any way he sees fit in this hemisphere. The Monroe Doctrine has been cited as an early precedent for the use of armed forces by the President acting on his own authority. However, President Monroe always kept the intent of the framers of the Constitution in proper perspective by making the appropriate distinction between a statement of policy and the authority to carry it out. In 1824 when the government of Colombia inquired as to what action the United States might take under the Monroe Doctrine to repel certain European intervention in the Latin American Republics, Secretary of State John Quincy Adams replied:

"With respect to the question, 'in what manner the government of the United States intends to resist on its part any interference of the Holy Alliance for the purpose of subjugating the new republics or interfering in their political forms' you understand that by the Constitution of the United States, the ultimate decision of this question belongs to the Legislative Department of government."

I might add, Secretary of State Adams did not caveat his response by stating that the President could commit U.S. forces in defense of Colombia and Congress had 60 days in which to issue a declaration of war, or pass a concurrent resolution mandating a withdrawal of U.S. forces. Quite the contrary, great pains were taken to protect the integrity of the Constitution by properly noting Congress' role in the area of war powers.

Abraham Lincoln admonished Congress when he noted the following in 1848:

"Allow the President to invade a neighboring nation, whenever he shall deem it necessary to repel an invasion, and you allow him to do so, whenever he may choose to say he deem it necessary for such purpose—and you allow him to make war at pleasure. Study to see if you can fix any limit to his power in this respect . . . If today, he should choose to say he thinks it necessary to invade Canada, to prevent the British from invading us, how could you stop him? You may say to him, I see no probability of the British invading us but he will say to you be silent; I see it, if you don't."

I would say that was a very prudent admonishment. It is similar in nature to the situation we face today.

We were extremely fortunate to have had leaders of vision, and leaders of great intellectual capacity during our formative years as a Republic. The sensitivity to the Constitution, the sensitivity to maintaining the proper role of each branch of government was deeply ingrained in the early leaders of our country. One might ask why. I think the answer can be found from Abraham Lincoln himself when he was President. He wrote:

"The provision of the Constitution giving the war making power to the Congress, was dictated, as I understand it, by the following reasons. Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This, our Convention undertook to be the most oppressive of all Kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us."

The tyrannies of the monarch weighed very heavily on the conscience of our leaders in the early years of our nation. They had felt the hand of tyranny and, once having thrown it off, these leaders were bound and determined that the government we had so tortuously constructed would not be compromised in any way.

While there is substantial evidence that, absent direct attack on the United States, the Founding Fathers never intended troops to be used outside the country without congressional consent, a rapid expansion of presidential power to use force abroad took place in the latter part of the 19th Century and throughout this Century.

In addition to the abuses of authority on the part of absolute monarchs, why were the framers of the Constitution so concerned about the delegation of war making powers of our government? First, such a decision involves a risk of great economic and physical sacrifice and should not be incurred without approval from the body most directly representative of popular sentiment. Second, even in cases where no significant physical effort is likely to be required, the very act of using force against a foreign sovereign entails moral and legal consequences sufficiently significant to require an expression of popular approval.

Our involvement in Vietnam precipitated a major debate in the Congress that the balance of authority over war making had swung heavily to the President in modern times. The President's right to defend the nation against attack, without prior congressional authorization, in extreme circumstances, such as a nuclear attack or direct invasion, was not the issue. The issue involved the commitment of U.S. military forces exclusively by the President—allegedly under his authority as commander-in-chief—without Congressional approval or adequate consultation with the Congress.

Senator Jacob Javits, the initial sponsor of the War Powers legislation, in testimony before this Committee in 1971, explained this problem very eloquently when he noted:

". . . We live in an age of undeclared war, which has meant Presidential war. Prolonged engagement in undeclared, Presidential war has created a most dangerous imbalance in our Constitutional system of checks and balances."

However, after much debate and considerable compromise the War Powers Resolution became law. In my view, the War Powers Resolution did not take power from the President. To the contrary, it was a tacit act on the part of the Congress according powers to the President, under certain circumstances, that were not accorded to him under the Constitution. Congress basically said, we recognize that in a modern age and with major global responsibilities, some degree of additional flexibility should be given the President in committing U.S. combat forces abroad.

Yet, the mere passage of the War Powers Resolution did not resolve this dilemma—a dilemma we are presently facing in Central America today. The Administration opposes my amendment as being unnecessary because it does not have any plans to commit U.S. combat troops to El Salvador. Yet, an Administration witness appeared before this Committee two weeks ago to state that my legislation would hamper presidential flexibility to respond to so-called emergencies. Beyond evacuation of U.S. personnel threatened by hostilities, the Administration has yet to define the so-called emergencies which would compel the President to commit U.S. forces to El Salvador.

The problem is compounded by the fact that the Administration has not presented a well-defined strategy in pursuit of clear and agreed upon objectives as they relate to Central America. The Congress has yet to be presented with evidence as to the risks to be accepted or the resources to be expended in the long run, for what could be essentially an open-ended commitment to that area of the world.

The policy we finally choose will only succeed if there is a national consensus in support of that policy. The only way to insure that we will choose the wisest course of action for our nation is for the Congress to first exercise its responsibility under the Constitution.

There is a growing concern in America over the direction of the Administration's policy in El Salvador and throughout Central America. My mail shows it and I am sure your mail reflects it as well. The polls certainly reflect a growing opposition to a deepening U.S. involvement in the region.

It is my belief that in a matter as serious as this, the Executive branch must be able to make a very compelling case, and before troops are committed for combat purposes in El Salvador, Congress should be an equal partner in that decision. The only option open to us is a response after the fact. I argue strongly that it is our constitutional responsibility to err on the side of debate and caution before we are confronted with a situation that could cost us so dearly in money, national unity, and the spilling of American blood. We know from experience the difficulty in using a foreign military presence to impose a political solution in another country. By moving incautiously, we run a great risk of creating a divisive debate which could once again rip the fabric of our country apart.

But beyond the issue of Congress exercising its responsibilities under the Constitution, I think we should be sensitive to the problems we would be creating for our own military if a precipitous decision were to be made to send combat troops to El Salvador.

I was struck by the arguments advanced by Marine Corps Major A. J. Ponnwitz, who analyzed the implications of the War Powers Resolution on the capability of our combat troops committed abroad. Writing in the October 1980 issue of Marine Corps Gazette, Major Ponnwitz made the following points, which are particularly relevant to the situation we may face in El Salvador:

"The United States should be wary and not engage in wars of limited purpose or magnitude simply to send diplomatic signals to the other superpowers. Wars are terrible, violent, aggressive acts; and when the United States does not intend to declare war or to project its power to defeat an enemy or to destroy his will to resist, the military force should not be used.

". . . Constraints, such as those imposed by the Congress with the War Powers Resolution may seem to protect this nation adequately against future successful Presidential military initiatives . . . (However) Those constraints apply only after the fact of an intervention; and the government has the tacit responsibility, once armed forces are committed, to permit the military commander to exercise whatever force is required to achieve a timely and decisive solution to the conflict . . .

"In summary, effective limited wars can be fought and won by U.S. military forces, provided that the President and the Congress are willing to consider declaring war and to unequivocally support the commitment. Once the military forces enter the area of hostilities, the on-scene commander must be permitted to exercise his command prerogatives to ensure the accomplishment of his military mission and the safety of his forces . . .

I think Major Ponnwitz raises appropriate concerns which must be addressed by this committee as you deliberate the merits of my legislation. If one has to balance the risks between my legislation and the present powers delegated to the President under the War Powers Resolution, I see far worse consequences flowing from an introduction of U.S. combat forces into El Salvador, which the Congress would then have to overturn by concurrent resolution. There would be far greater damage to the President, far greater damage to our military, and far greater damage to our national interest, if the scenario I just outlined were to occur.

Under our form of government, the Congress is most directly responsible to the citizens of this country. And as such, the Congress reflects the concerns of the people. For a President to pursue successfully both foreign and domestic policy, he has to have the support of the people and that support is reflected in the representatives directly elected by the people.

Yet, the Administration has yet to respond to growing congressional requests for full consideration on, and discussion of, our Central American policy. A bipartisan concern has arisen. William D. Rogers, who served as Assistant Secretary of State for Inter-American Affairs during the Nixon Administration, made the following point before your Committee last week regarding the Administration's policy:

"The nations of Central America have a heritage unique to them. They are not blank pages upon which outsiders may write as they will. The root cause of Central America's crisis today is not Cuba. It is its own history of repression and poverty. Its victims, first of all, are Central Americans. It is not our front yard. It is theirs. We ignore the reality of Central America's distinction at grave peril to sound policy."

This is the reason for my deep concern. A policy which is predicated upon other assumptions while ignoring reality is an unworkable policy. And if that policy begins to fall apart, then the temptation may be to escalate our involvement in an effort to control events.

Today, stability in most of the world depends on how well governments satisfy the basic social, economic and political requirements of the vast majority of their populations. Governments which are not willing to provide this, will, at the very least, suffer levels of instability sufficient to render them ineffective. The problems in Central America are visible for all to see. Yet, the solutions will come only from the willingness of these countries to commit themselves to change. The United States cannot solve these problems for them. Only they can do it themselves.

Significant resources have been devoted to this region of the world since the 1960s. And the lesson to be learned from our experience is that these resources have not bought us the stability we had hoped because they were not expended on resolving the root problems of these societies. The question is simple: Are we better off in Central America than we were 20 years ago? We had better answer that question intelligently and realistically before we find ourselves throwing increasing amounts of money at problems we alone can't solve.

Before concluding my remarks, I would like to address briefly the resolution offered by the distinguished Senator from Idaho, Mr. SYMMS, relating to the Monroe Doctrine, the Rio Treaty, and the joint resolution on Cuba passed by the Congress in 1962. Recent history should be a lesson for us. In the course of the Vietnam War, the Johnson Administration reconfirmed the Executive's claim to unilateral authority in the use of U.S. armed forces. In August 1967, Under Secretary of State Nicholas Katzenbach contended that the Gulf of Tonkin Resolution was "as broad in authorization for the use of armed forces for a purpose as any declaration of war so-called could be in terms of our internal constitutional process."

This Committee should be very sensitive to Executive branch interpretation of any action taken by the Congress.

We have all taken an oath of office. We accepted responsibilities upon election to these offices. We have serious responsibilities delegated to us under the Constitution—responsibilities which we have sworn to uphold and defend. But just as importantly, our role is to reflect the views and the concerns of the citizens who elected us specifically to carry out these responsibilities. Our experience in Vietnam should have taught us a lesson that policies cannot be pursued effectively, if the policies do not have the support of the American people. That is what our democracy is all about. It has stood us in good stead through the two-hundred plus years of our existence. It will ensure that we will enjoy another two hundred years as the world's greatest democracy.

In summing up my concerns, I want to assure the Committee that I offered this legislation in all seriousness. It was not a demonstration of partisanship. It was not an effort on my part to bring greater power to my own senatorial office. I offered this legislation in response to the concerns of the people who elected me.

And finally, we should learn the lessons of history. Before our Vietnam experience is repeated, our policy toward El Salvador and Central America should be debated thoroughly. No matter how remote the possibility might be that the President would feel compelled to commit troops to El Salvador, he has to do so with the full knowledge that the American people and the Congress unequivocally support him. For the Congress not to demand this, would betray our oath of office, and we would betray our responsibility to the people who elected us to make these decisions.

SMALL BUSINESS WEEK

Mr. DIXON. Mr. President, I rise today to speak on the subject of Small Business Week. I join with my Senate colleagues who have preceeded me and those that will follow during this week.

Mr. President, the President and his administration have stated time and again the belief that the success of small business is important to the country's economic improvement. But their actions, Mr. President, frequently do not support their words.

The administration, through the Small Business Administration, has reduced significantly SBA's role in providing financial and management assistance to small business. It has cut the guaranteed lending programs, a program which has, in years past, helped create new employment and strengthened our country's overall economic well-being. The administration's 5-year budget projections indicate a reduction by three-fourths in these programs from previous years' operating levels.

Additionally, the Treasury has issued regulations that limit the use of industrial revenue bonds by denying tax exemptions for multiple lots of bonds of $1 million or less that are pooled and sold as one bond. These are bonds used to help small businesses by bringing about new business investment expansion, and generating new payroll and corporate tax revenues.

Mr. President, small business is operating today in an oppressive environment. Small business has the proven capacity to be successful at accomplishing objectives which big business cannot.

What is at stake today is the survival of small business, and its widespread failure is a prospect the general economy can ill afford.

Mr. President, we in this body know, and I hope the administration realizes, that the approximately 13 million small businesses provide 55 percent of all American private employment, 48 percent of all business output, 50 percent of all business activity, and 43 percent of the gross national product.

Mr. President, I commend Senator WEICKER, chairman of the Committee on Small Business, and the ranking minority member, Senator NUNN, for their outstanding leadership in fighting to protect small business from the so-called help that is being provided by this administration.

Mr. President, some small businesses will survive, but now is the time to address the overall survival of small business. If the economy were stronger, some small business assistance programs might be reduced. But now is not the time to cut back the programs designed to help small business.

The unemployment in this country is at a post-World War II record, with 10.3 million Americans out of work. Ten million Americans, Mr. President.

Now is the time the administration should be working to help small business reemploy hard-working people.

Let us not talk about the "trickle-down theory." Let us just put people to work to rebuild our devastated economy.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order the Senate will stand in recess until 2 p.m. today.

The Senate, at 12 noon, recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The majority leader is recognized.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business to extend not past the hour of 2:30 p.m. under the same terms and conditions as heretofore.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. LUGAR). The Chair, on behalf of the President pro tempore, in accordance with Public Law 94-201, appoints William L. Kinney, Jr., of South Carolina, to the Board of Trustees of the American Folklife Center, effective March 19, 1982, for a 6-year term.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:30 P.M.

Mr. BAKER. Mr. President, I think it is clear that both caucuses have had busy agendas. All Members have not had an opportunity to return to the floor. There are other meetings going on in other parts of the Capitol.

In view of that I ask unanimous consent that the Senate now stand in recess until the hour of 2:30 p.m.

There being no objection, the Senate, at 2:01 p.m. recessed until 2:30 p.m., at which time the Senate reassembled when called to order by the Presiding Officer (Mr. LUGAR).

The PRESIDING OFFICER. The Senate will come to order. The majority leader is recognized.

Mr. BAKER. Mr. President, there are certain matters that I believe may be cleared for action by unanimous consent, but I do not see the Members on the floor at this time who are prepared to offer them.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business to extend not past 3 p.m., under the same terms and conditions as heretofore.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

S. 2514—TO AMEND THE SOCIAL SECURITY ACT TO REMOVE OASI, DI, AND HI TRUST FUNDS FROM THE UNIFIED BUDGET

Mr. HEINZ. Mr. President, for years we in the Congress have been debating whether social security ought to be a part of the unified budget and whether it ought to be considered each year in the context of the congressional budget process. Mr. President, the time has come to act on this question. The difficult situation we face today has arisen because social security must be considered in the context of the unified budget—a process which I feel threatens the financial solvency of the social security system as well as the integrity of the congressional budget process. I am, therefore, together with Senator DOLE and others, introducing legislation to separate social security from the unified budget and resolve this crisis.

I rise as a member of the committee of jurisdiction, the Senate Committee on Finance, as a member of the Special Senate Committee on Aging, of which I am the chairman, and also over the period of the last several months a member of the National Commission on Social Security Reform.

Yesterday our Commission met for the first time since the Senate Budget Committee reported its resolution and reconciliation instructions, and at the beginning of yesterday's session, which began at 1 o'clock in room 5110, I announced that today I would introduce a bill to remove from the so-called unified budget the Social Security Trust Funds as we think of the social security system. That includes OASI, the old age and survivors insurance program; DI, the disability insurance program; and, of course, HI program, medicare part A. Part B would not be separated from the unified budget because it is financed 75 percent from general revenues and is not trust funded at all.

My purpose in offering this bill, which is cosponsored by Senator DOLE, our chairman in the Finance Committee, by Senator PERCY, and by any other Senators who see me before the close of business today, is very, very straightforward. I have been in a number of forums where the work of the Commission, of the Finance Committee, and of the Budget Committee, has been misunderstood. Any time somebody proposes to try and put social security on a firm financial footing so that we may assure our elderly that their benefit checks are going to go out and assure those with medicare who are hospitalized, that their hospital bills are going to be paid, someone who should know better but does not have the facts, or does not know what the circumstances are, or may not want to recognize those, will get up and say, "These changes are being proposed to balance the budget on the backs of social security recipients."

Mr. President, I do not know of a single Member of this body who wants to even be accused, even to let it be thought for a moment that they want to make a single change, no matter how modest, in the social security system if it is for the purpose of balancing the budget, or for that matter for the purpose of helping finance the defense budget or for the purpose of making up for revenue losses from the third year of the tax cut or safe harbor leasing or any other provision of either expenditure or so-called revenue laws.

I do not know of a single Member who wants to do anything to the social security system for that reason.

Why, then, is anybody proposing to do anything to the social security system?

Mr. President, the reason is very simple and straightforward. Even with interfund borrowing among the three funds, the social security system will find its reserves will drop to such an extent that it will not be possible to mail out the checks on a first-of-the-month basis.

I phrase it that way, very carefully and very much on purpose, because there are a lot of scare stories around that social security is going broke. That sounds a little bit to me like shouting fire in a crowded movie theater, and that is in my judgment not the responsible approach. But it is true that the reserve ratios in the fund will drop to 15 percent, to 12 percent and, according to the statistics I have seen, as low as 4 percent of a year's social security outgo. Of course, you must have at the beginning of a year at least 9 to 12 percent of a year's outgo or a little more to be on the safe side.

The Congress must move to correct the short-term social security problem by the end of this year. We cannot afford to, and we will not, duck this problem. We have set in motion a legitimate bipartisan process through the National Commission on Social Security Reform which I feel will ultimately provide Congress with the answers to this problem. However, I fear that the budget process itself is coming very close to wrecking this bipartisan effort. As long as there is something in the budget resolution dealing with social security, the public perception will be that we are trying to use the social security program to slash budget deficits. If this is the case, we will see positions calcify in the House and in the Senate this summer and we will never be able to get a report from the National Commission or vote through the necessary changes in the social security program at the end of the year.

Mr. President, this is a very serious problem—one which has not been fully considered by my colleagues who have the unenviable task of working on the Budget Committee. I do not care what set of numbers we use in the budget or what wording we use to characterize it or how the Budget Committee words its reconciliation instructions. As long as there are numbers on social security in the budget we approve, the Senate will be perceived as trying to balance the budget on the backs of social security beneficiaries—and all the fast talk we can come up with as justification is not going to change that perception.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HEINZ. I ask unanimous consent to proceed for 3 additional minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. HEINZ. I yield without losing my right to the floor to the Senator from Kansas.

Mr. DOLE. I want to commend the Senator from Pennsylvania for introducing this bill. It seems to me that some cannot have it both ways. They cannot say, "Well, we do not want to put trust funds off budget, but we do want to continue to say that you are balancing the budget on the backs of social security recipients." I think the Senator from Pennsylvania has done us a distinct service by proposing that we should move the social security trust funds off the budget.

The Senator from Kansas has cosponsored the bill. I guess that we would not make any final recommendations until the National Commission on Social Security Reform makes its report sometime later this year.

Mr. HEINZ. I entirely agree with the Senator on that.

Mr. DOLE. But I think the Heinz bill will help us clear the air in the debate on social security—and I am certain we are going to have a lot of it to clear between now and the time we adjourn. It is a very controversial, sensitive issue.

I did some figuring after our colleagues on the other side of the aisle started screaming about how much the Budget Committee was proposing to cut social security. I was interested in knowing how much benefits were cut in the 1977 Social Security Act amendments—when we had another party in control of this body and another party in the White House.

For the beneficiary receiving a maximum benefit, the 3-year cuts (1983-1985 fiscal years) would total more than $6,000. For the average beneficiary, retiring this year at age 65, the cuts would total $5,000—or $130 per month. The 1977 amendments would increase taxes for the average taxpayer by about $685. The maximum taxpayer's increased burden for the 3-year period is $2,280 more. For the system as a whole, the 1977 Social Security Act amendments would mean in fiscal years 1983-85 the following: $83 billion in increased taxes and $10.3 billion in decreased benefits. So that was the other party's proposal in 1977, to increase taxes and to cut benefits by $93.3 billion.

My point is that we must get back to trying to solve the problem. We can point to 1977. The Democrats can point to something else. But I think the American people are going to be pointing at all of us unless we address the problem. That is why I think the resolution of the Senator from Pennsylvania will help us focus on the real problem.

Mr. HEINZ. Mr. President, I thank the Senator from Kansas for his very kind remarks and for his support of the resolution.

Let me just say that I am very concerned that if we allow the debate over social security to degenerate into what some may consider partisan bickering—and I fear we are approaching that point—the odds are that this Congress—we only have until December 31 at the latest—will take no action at all on social security to make it fiscally secure.

Mr. President, that would be a great tragedy, not just for the integrity of the U.S. Congress, and this body in particular, but also for our senior citizens. The longer we postpone addressing the issue of solvency of the system, the greater the likelihood that somebody will have to propose, and we will have to vote on and enact, either a huge tax increase or a huge benefit cut. That is the terrible risk, because each day we are losing time, and time is money. I am sorry to say that it is not our money; it is the money that belongs to either the taxpayers or the social security beneficiaries.

Mr. President, in the reconciliation instructions reported by the committee, the third reconciliation instruction, as currently written, says to the committees with jurisdiction in Congress that we will find $40 billion over the next 3 years to address the issue of solvency of the social security system.

I want it clearly understood that I do not think that anybody—the Budget Committee or anybody else—has the magic number, either in total or in any specific year. I do not necessarily agree that $40 billion is the right number. Indeed, the work we have done on the Aging Committee suggests that to address the issue of solvency—and reasonable people can differ about this—we could do quite well with a number at least $10 billion lower. That would be something in the neighborhood—give or take $2 or $3 billion—of $30 billion in increased revenues or benefit changes.

The fact is, therefore, that we probably could be debating, until the cows come home, not only those numbers, but also what they mean in terms of a unified budget, and never deal with the issue. Whatever the right numbers are, it is too early to play a numbers game with social security when the National Commission has not even had time to study the dimensions of the problem and possible solutions. The Budget Committee has provided us with their very carefully considered assumptions about the short-term social security financing needs. But there are other experts in the field as well who are yet to be heard from.

If we want to be taken seriously—the financial markets appear to be keeping interest rates high because of their lack of confidence in us and their expectations that we will not deal with the Federal budget seriously—if we really expect to find any major improvements in those interest rates and in the financial markets, we will have to adopt a procedure in which people will have confidence.

Removing social security from the unified budget is not, as I pointed out earlier, a new idea, nor is it an idea which we have seized on only because of this current budget impasse. It is an idea which has been studied and mulled over in past years. And it is an idea which was recommended by the National Commisssion on Social Security which reported to the Congress last year.

Although separating social security from the unified budget makes good sense in the context of this year's budget effort, it makes even better sense when we look at social security and the budget in the long term.

Public confidence in social security is at a particularly low ebb right now. Younger people who are contributing to the program today really do not believe that they will receive benefits from social security when they retire. Part of the recent public decline in public confidence can, I think, be attributed to the fact that for several years changes in social security have been suggested as part of a strategy for controlling overall budget outlays. Congress has given the American public the impression that the payment of social security benefits is conditional upon the status of the overall Federal budget, and not solely upon the financial condition of the trust funds. Annual quick fixes in social security, made in the rush of reporting out a comprehensive budget, fly in the face of the fact that this is a social insurance program dependent on long-term commitments by workers and the Government. Its inclusion in the budget process makes it resemble discretionary spending, not social insurance.

Mr. President, the need to restore public confidence in the long-term stability of social security is of overriding importance. The first move in restoring this public confidence is to separate the trust funds from the budget process. The second move is to restore both the long-term and the near-term financial stability of this program.

If we look at this question from a budget perspective, it is even clearer that social security does not belong there. Mr. President, social security is a very different kind of program than those we generally find in the budget. It is a program which has its own dedicated taxes and its own financing reserve. This reserve is intended to provide resources to the program, cushioning the program from the ups and downs of economic cycles. When social security runs deficits, it draws on its reserves; when it runs surpluses it builds the reserves back up. As part of the unified budget, however, social security's deficits add to the budget defi-

cit and its surpluses mask budget deficits that might otherwise be more apparent. But social security is not a program which should be continually adjusted to correct these effects on the overall budget. It is a program which should be set on a sound financial basis and, to the extent possible, left alone to weather economic fluctuation with its own resources.

The horizon of the budget process is 1 to 3 years. The horizon of social security is an individual's working career and retirement. Its trustees project the actuarial balance of the system over a 75-year period. To consider social security only in terms of its financial condition in the next year or so is not only shortsighted but can be extremely dangerous for the long-run integrity of the system

I fully recognize that separating social security from the unified budget will not solve either the social security financing problem or the problem of budget deficits. It will, however, help to clarify the hard choices with which we are faced. It clarifies that about $8 to $12 billion of the current budget deficit in fiscal year 1983 comes from social security and medicare. Separating social security from the unified budget will put this portion of the deficit in the National Commission's lap where it belongs. Separating social security makes clearer the dimensions of the budget problem which must be addressed solely through discretionary spending and revenue decisions.

When social security and the other trust funds were originally included in the unified budget in 1968 the purpose was a different type of clarity. The financial activities of the Federal Government were then scattered among three separate budgets—an administrative budget, a consolidated cash budget, and the national income accounts. It was determined that all the financial activities of the Federal Government should be consolidated in a signal document, giving policymakers and the America people a full understanding and comprehensive statement of all the Federal Government's activities.

Today however, I think we have developed a more sophisicated approach to the analysis of Federal spending by all kinds of agencies through all kinds of vehicles—including credit programs and tax expenditures. Separating social security will not make it any more difficult than it is now for us to evaluate the impact of social security on the economy.

As I said yesterday, I am introducing this bill today as a free-standing bill, it is not an amendment to the DOD bill before us on the calendar. I am doing so because this is a proposal which must be addressed by the National Commission and carefully studied by the appropriate committees and the full Senate. This proposal has tremendous merit when seen in the context of the long run stability of the social security system and the continued viability of the congressional budget process. And it is a proposal which yesterday, many members of the National Commission commented on favorably.

Some have suggested that my legislation would take social security off budget and hide it somewhere in the murky gloom of unknown and uncontrolled off-budget agencies. This is ridiculous. I do not think anyone would seriously believe there is any danger of losing social security in the shadows. Separated from the unified budget, hiding a program of social security's size and importance would be like tucking an elephant behind a telephone pole. We will always know where it is and what it is doing. The purpose of this legislation is to separate social security trust fund solvency from other budget issues that have very different fiscal effects.

Mr. President, the time has come to clarify for the American public that social security is an independent and separate program which must survive on its own basis and not be continually adjusted to respond to budget pressures, and I ask my colleagues to support this method of dealing responsibly with the issue.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 2514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part A of title XI of the Social Security Act is amended by adding at the end thereof the following new section: "REMOVAL OF SOCIAL SECURITY TRUST FUNDS FROM UNIFIED BUDGET

"Sec. 1136. The receipts and disbursements of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund, and the receipts from the taxes imposed under sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954, shall not be included in the totals of the budget of the United States Government, shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays as defined in section (3)(a)(1) of the Congressional Budget and Impoundment Control Act of 1974) of the United States, and shall not be subject to any provision of the Congressional Budget and Impoundment Control Act of 1974 (other than title X thereof relating to impoundment control).".

(b) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act.

QUORUM CALL

Mr. HEINZ. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. JEPSEN. Mr. President, I have been listening to the rhetoric with regard to social security. I have been reading about it and I have been viewing it over the electronic media we call television.

In anticipation of the debate that will be coming up and in the interest of clarity and accuracy on the basis of what has been stated and published in the last few weeks, I shall read into the RECORD a letter I received yesterday from the President, as, I have been advised, have all Senators. It is dated May 8. It says:

THE WHITE HOUSE,
Washington, May 8, 1982.

Hon. ROGER W. JEPSEN,
United States Senate,
Washington, D.C.

DEAR ROGER: In the past few days, several facts about Social Security have been distorted by political rhetoric. As you talk with senior citizens and Social Security beneficiaries, I hope you will give them my personal assurance that they will receive their full 7.4 percent cost-of-living increase in July. I promise you and them: Those benefits will not be cut. Please also assure your constituents that I am determined to protect the current benefits of all Social Security recipients.

Members of both parties have acknowledged honestly and forthrightly that the Congress will have to take action to protect the solvency of the Social Security Trust Fund. We all agree that unless responsible action is taken, the system will run short of money. We must not let that happen. That is why Democratic and Republican leaders agreed to establish the Bipartisan Commission on Social Security. I am hopeful that, based on the recommendations to be provided later this year by the Commission, the Congress will address adequately and fairly the financial needs of the Social Security System.

Our senior citizens deserve responsible action. It is important that we work together to allay their unwarranted fears: We will preserve their current benefits. And we will be able to protect the Social Security Trust Fund's solvency. I assure you of my commitment to work with you to those ends.

Sincerely,

RONALD REAGAN.

Thank you, Mr. President.

HIGHWAY SAFETY GRANTS

UNANIMOUS-CONSENT AGREEMENT—S. 2158

Mr. BAKER. Mr. President, I am advised that the principals involved in Calendar Order No. 512, S. 2158, the drunk driving bill so called, are prepared to proceed at this time, and I

propound the following unanimous-consent request in that respect:

I ask unanimous consent that the Senate now turn to the consideration of Calendar Order No. 512, S. 2158, the drunk driving bill under the following agreement:

That the only floor amendments in order to the bill are two technical committee amendments to be offered by the Senator from Missouri (Mr. DANFORTH) for the chairman of the Commerce Committee, and an amendment to be offered by the Senator from Arizona (Mr. DECONCINI) to provide an appeal of a State plan that does not meet every criteria in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title:

The assistant legislative clerk read as follows:

A bill (S. 2158) to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions relating to driving while intoxicated; to establish a national driver register; and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike out all after the enacting clause, and insert the following:

TITLE I—INCENTIVE GRANTS FOR STATES WITH STRICT DRIVING WHILE INTOXICATED STATUTES

SEC. 101. Section 402 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall make an incentive grant to any State in the first fiscal year (or the first fiscal year following that year) during which there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection.

"(2) Any statute adopted pursuant to paragraph (1) of this subsection shall require the prompt suspension of the motor vehicle operator's license of any individual whom a law enforcement officer of the State has probable cause to believe has committed an alcohol-related traffic offense, and (A) to whom is administered a chemical test to determine whether the individual was intoxicated while operating a motor vehicle and who is determined, as a result of such test, to be intoxicated; or (B) who refuses to submit to such a test. Such suspension shall be for a period of ninety days in the case of a first offender, and one year in the case of any repeat offender.

"(3) Any statute adopted pursuant to paragraph (1) of this subsection shall also require the impoundment for at least ninety days of any motor vehicle operated on a public road of the State by any individual during any period for which the individual's motor vehicle operator's license or permit is suspended or revoked under the laws of any State relating to the operation of a motor vehicle while intoxicated.

"(4) Where pursuant to such statute an individual's motor vehicle operator's license has been suspended, the State shall afford the individual an opportunity, consistent with due process, to show cause why the individual's license or permit should not have been suspended. Where pursuant to such statute any motor vehicle is impounded, the State shall afford any party with a legal or equitable interest in the vehicle an opportunity, consistent with due process, to show cause why the impoundment of such vehicle should cease.

"(5) The State shall adopt a statute which establishes a comprehensive alcohol traffic safety program. Such program shall require—

"(A) at a minimum, that any person found to be driving a motor vehicle on a public road, when the percentage of alcohol by weight in the blood or breath of such person is .10 of 1 per centum or higher, shall be deemed to be driving while intoxicated, for purposes of such program;

"(B) that any person convicted of driving while intoxicated more than once in any five-year period be imprisoned for not less than forty-eight consecutive hours, and that the execution of such sentence shall be mandatory and not suspended or probational;

"(C) alcohol treatment programs;

"(D) traffic safety programs designed to improve enforcement of drunk driving laws; and

"(E) a driver record system which identifies repeat offenders and is readily accessible to the courts in such States.

"(6) The incentive grant payable to any State in a fiscal year under paragraph (1) of this subsection shall be—

"(A) in an amount equal to the amount apportioned to such State during such fiscal year under subsection (c) of this section; and

"(B) in addition to other funds payable to such State in such fiscal year under this section.

"(7)(A) If the total amount of incentive grants payable to States under this subsection exceed the amount appropriated for this subsection in any fiscal year, the Secretary shall distribute to each qualifying State an amount equal to the amount due the State under paragraph (6)(A) of this subsection, multiplied by the ratio of the total amount appropriated for this subsection to the total amount due the States under paragraph (6)(A) of this subsection.

"(B) When a distribution is made pursuant to the provisions of subparagraph (A) of this paragraph, the Secretary shall, in the next fiscal year following the year in which such distribution occurs and to the extent funds are available, pay to each such State an amount equal to the difference between the amount which the State would have received under this subsection if such distribution had not occurred and the amount which the State recieved under such distribution. The Secretary shall make all such payments before making any other grant payable within that fiscal year under this subsection.

"(8) The incentive grant payable to a State in any fiscal year may be used by such State only to promote purposes of section 402 of this chapter.

"(9) For purposes of this subsection, the term—

"(A) 'intoxicated' means that there is present in the blood or breath not less than .10 of 1 per centum, by weight, of alcohol;

"(B) 'chemical test' means any chemical test the use of which is expressly permitted by State statute or regulation for the purpose of detecting alcohol impairment; and

"(C) 'public road' has the same meaning as provided in the fourth sentence of subsection (c) of this section.

"(10) For purposes of this subsection, in addition to other funds authorized by this section, there are authorized to be appropriated from the Highway Trust Fund $25,000,000 for fiscal year 1983, and $50,000,000 for fiscal year 1984. Such sums shall remain available until expended.".

SEC. 102. The amendment made by section 101 of this title shall take effect on October 1, 1982.

TITLE II—NATIONAL DRIVER REGISTER

SEC. 201. This title may be cited as the "National Driver Register Act of 1982".

DEFINITIONS

SEC. 202. For purposes of this title, the term—

(1) "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(2) "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, suspend, or cancel any motor vehicle operator's license issued by such State;

(3) "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(4) "highway" means any road or street;

(5) "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(6) "motor vehicle operator's license" means any license issued by a State which authorizes an individual to operate a motor vehicle on a highway;

(7) "participating State" means any State which has notified the Secretary of its participation in the Register system, pursuant to section 204 of this title;

(8) "Register" and "Register system" mean the National Driver Register established under section 203(a) of this title;

(9) "Secretary" means the Secretary of Transportation;

(10) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(11) "State of record" means any State which has transmitted to the Secretary, pursuant to section 205 of this title, any report regarding any individual who is the subject of a request for information made under section 206 of this title.

ESTABLISHMENT OF REGISTER

SEC. 203. (a) The Secretary shall, as soon as practicable after the date of enactment of this Act, establish and thereafter maintain a Register, to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 205 of this title, and shall be designed to enable the Secretary, either

electronically or, until such time as all States are capable of participating electronically, through the United States mails, to—

(1) receive information submitted under section 205(a) of this title by the chief driver licensing official of any State of record;

(2) receive any request for information made by the chief driver licensing official of any participating State under section 206 of this title;

(3) refer such request to the chief driver licensing official of any State of record; and

(4) relay to the chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State, except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of information during any relay.

(c)(1) The Secretary shall, within eighteen months after the date of enactment of this Act, promulgate a final rule which provides for procedures for the orderly transition from the system regarding the motor vehicle driving records of individuals provided in Public Law 86-660 (74 Stat. 526) to the Register established under subsection (a) of this section.

(2) The Secretary shall not maintain in the Register any report or information which was compiled under the provisions of Public Law 86-660 (74 Stat. 526) and was transferred to the Register after (i) the date the State of record removes it from the State's file; (ii) seven years after the date such report or information is entered into the Register; or (iii) the date of establishment of a fully electronic Register system, whichever is earlier. Such report or information shall be disposed of in accordance with the provisions of chapter 33 of title 44, United States Code.

(3) If the chief driver licensing official of any participating State finds that information which has been transmitted for inclusion in the Register under this section is erroneous or relates to a conviction of a traffic offense which is subsequently reversed, such official shall immediately notify the Secretary of the error. The Secretary shall provide for the immediate deletion from the Register of such material.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system

(e) The Secretary may prescribe such regulations as may be necessary to carry out the provisions of this title.

STATE PARTICIPATION

SEC. 204. (a) Any State may become a participating State under this title by notifying the Secretary of its intention to be bound by the provisions of section 205 of this title.

(b) Any participating State may terminate its status as a participating State under this title by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) of this section shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

SEC. 205. (a) The chief driver licensing official in each participating State shall, as soon as practicable after the date of enactment of this Act, transmit to the Secretary a report containing the information required in subsection (b) of this section regarding any individual—

(1) who is denied a motor vehicle operator's license by such State for cause;

(2) whose motor vehicle operator's license is canceled, revoked, or suspended by such State, for cause; or

(3) who is convicted under the laws of such State of the following motor vehicle-related offenses or comparable offenses—

(A) operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic violation arising in connection with a fatal traffic accident, reckless driving, or racing on the highways;

(C) failure to render aid or provide identification when involved in an accident which results in a fatality or personal injury; or

(D) perjury or the knowledgeable making of a false affidavit or statement to officials in connection with activities governed by a law or regulation relating to the operation of a motor vehicle.

(b) Any report regarding an individual which is transmitted by a chief driver licensing official pursuant to subsection (a) of this section shall contain—

(1) the legal name, date of birth (including day, month, and year), sex, and (at the Secretary's discretion) the height, weight, eye and hair color of such individual;

(2) the name of the State transmitting such information; and

(3) the social security account number, if used by the reporting State for driver record or motor vehicle license purposes, and the motor vehicle operator's license number of such individual (if that number is different from the operator's social security account number);

except that any report concerning an occurrence specified in subsection (a), (1), (2), or (3) of this section which occurs during the two-year period preceding the date on which such State becomes a participating State shall be sufficient if it contains all such information as is available to the chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) of this section shall be transmitted to the Secretary—

(1) not later than thirty-one days after receipt by a State motor vehicle department of any information specified in subsection (a) (1), (2), or (3) of this section which is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the six-month period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in subsection (a) (1), (2), or (3) of this section that occurs during the two-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence which occurs before the two-year period preceding the date on which the State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

SEC. 206. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, the chief driver licensing official of any participating State may, on and after the date of enactment of this Act, request the Secretary to refer electronically or through the United States mails any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically or through the United States mails relay to any chief driver licensing official of a participating State who requests information under paragraph (1) of this subsection any information received from the chief driver licensing official of any State of record regarding an individual in accordance with paragraph (1) of this subsection, except that the Secretary may refuse to relay any information to any such official who is the chief driver licensing official of a participating State which is not in compliance with the provisions of section 205 of this title.

(b)(1) The Chairman of the National Transportation Safety Board and the Administrator of the Federal Highway Administration, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board or Bureau of Motor Carrier Safety, may request the chief driver licensing official of a State to obtain information under subsection (a) of this section regarding such individual. The Chairman and Administrator may receive any such information.

(2) Any individual who is employed as a driver of a motor vehicle or who seeks employment as a driver of a motor vehicle may request the chief driver licensing offical of the State in which the individual is employed or seeks employment to transmit information under subsection (a) of this section to his employer or prospective employer. An employer of prospective employee may receive such information regarding any such individual, and shall make that information available to the affected individual.

(3) Any individual, in order (A) to determine whether the Register is providing any data regarding him or the accuracy of any such data; or (B) to obtain a certified copy of data provided through the Register regarding him, may request the chief driver licensing official of a State to obtain information regarding him under subsection (a) of this section.

(4) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) Any request for, or receipt of, information by means of the Register shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal and State law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in section 205(b) (1) or (3) of this title to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing official, or by any person authorized by subsection (b) of this section to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of section 552a(c) of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such section for more than a seven-year period after the date of such disclosure.

PILOT TEST PROGRAM

SEC. 207. (a) The Secretary shall design and implement, within four years after the date of enactment of this Act, a pilot test program for the purpose of demonstrating the potential effectiveness of a system for electronic referral and relay of information regarding the motor vehicle driving records of individuals.

(b) The Secretary shall solicit the participation of States which are interested in participating in such program and shall, within thirty months after the date of enactment of this Act, select four States to participate in the program.

(c)(1) The Secretary shall select States in accordance with the provisions of subsection (b) of this section from among States which have in effect, on the date of selection, an intrastate on-line driver licensing system capable of electronically transmitting information regarding the motor vehicle driving records of individuals.

(2) The Secretary shall select only those States which indicate a willingness to participate in a comprehensive mechanical and programmatic evaluation of systems for the electronic transfer of information.

(3) The Secretary shall ensure that the selection made pursuant to subsection (b) of this section is representative of varying geographical and population characteristics of the Nation.

(4) No State shall participate in the program unless it agrees to assist in providing information to other States regarding the electronic transfer of the motor vehicle driving records of individuals.

(d) Within three years after the date of enactment of this Act, the Secretary shall begin the pilot program authorized by subsection (a) of this section. Such program shall continue for a period of one year. In carrying out the program, the Secretary shall utilize different computer technologies and equipment in order to determine which technology and equipment is most effective for the electronic transfer of the motor vehicle driving records of individuals. The Secretary shall determine which systems and devices will best interconnect with systems and devices used in the States which are participating in the pilot program, as well as those used in other States.

(e) Any equipment or device which is provided to a State for use in the pilot program conducted under this section may, in the discretion of the Secretary, remain with the State following the conclusion of the pilot program.

(f) Not later than one year after the conclusion of the pilot program, the Secretary shall submit to the Congress a report on the program. Such report shall include an evaluation of the technology utilized during the program, together with an explanation of the nature and degree of State participation in the program. The report shall also contain an evaluation of achievements of the pilot program, as well as a projection of accomplishments which might result from the acquisition of electronic transfer equipment and methods by States other than those which participated in the pilot program.

CRIMINAL PENALTIES

SEC. 208. (a) Any person, other than an individual described in section 206(b)(4) of this title, who receives under section 206 of this title information specified in section 205(b) (1) or (3) of this title (the disclosure of which is not authorized by section 206 of this title), and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) Any person who knowingly and willfully requests or under false pretenses obtains information specified in section 205(b) (1) or (3) of this title from any person who receives such information under section 206 of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

ADVISORY SUBCOMMITTEE

SEC. 209. Section 404 of title 23, United States Code, is amended by—

(1) inserting "(1)" immediately after "(b)";

(2) striking "(1)" and "(2)" therein and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) adding at the end thereof the following paragraph:

"(2) The Committee shall establish a subcommittee to advise the Secretary concerning the operation of the National Driver Register established under the National Driver Register Act of 1982. The Committee shall submit to the Secretary an annual report regarding the subcommittee's activities during the year covered by the report.".

REPORT BY SECRETARY

SEC. 210. Not later than the expiration of the four-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this title beyond the period of authorization provided in section 211 of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 211. (a) There are authorized to be appropriated in fiscal year 1983 for expenses incurred in the establishment of the Register system under this title not to exceed $2,000,000.

(b) There are authorized to be appropriated to carry out the provisions of this title and the provisions of Public Law 86-660 (74 Stat. 526) not to exceed $1,200,000 in fiscal year 1983, not to exceed $1,500,000 in fiscal year 1984, and not to exceed $2,100,000 in fiscal year 1985.

(c) Funds authorized under this section shall remain available until expended.

Amend the title so as to read: "A bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in the first fiscal year during which the State adopts provisions relating to driving while intoxicated; to establish a national driver register, and for other purposes.".

Mr. DANFORTH. Mr. President, national legislation to help the States stop drunk driving is long overdue. In the past 10 years, drunk drivers have killed 260,000 people and maimed another 1¼ million. Of the 50,000 people who die in automobile accidents every single year, over half lose their lives in alcohol-related crashes.

In proposing S. 2158, Senator PELL and I recognize the proper respective roles of the State and Federal Governments. Ultimately, the only place a successful attack can be waged is on the State and local level, where our traffic laws are enforced. However, as the Commerce Committee recognized when it reported S. 2158 to the full Senate on March 29, 1982, the Federal Government bears billions of society's $17 billion alcohol-related accident costs each year. Through medicare, medicaid, and disability payments to accident victims, the drunk driver imposes a financial drain on the Federal taxpayer. Consequently, the Federal Government stands to earn a high rate of return on the incentive grant program provided for in S. 2158.

Unfortunately, we have become desensitized to the statistics where both the terrible human loss and the economic burden are concerned. The greatest tragedy, however, is that we simply do not have to accept the status quo. We do not have to pick up the newspaper and read that some criminal with three drunk driving convictions has just killed a whole family on their way to Christmas dinner. We can do something about it. We must do something about it. With enactment of S. 2158, we will do something about it.

The legislation before the Senate today would encourage and assist State efforts to get drunks off the highways. States which enact a comprehensive two-tiered attack on drunk driving would see their highway safety funding allocations doubled. The first line of attack would be to get drunks off the road by automatically and administratively suspending the license of any driver who refuses to take a chemical sobriety test or who fails such a test. If a driver chooses to ignore a license suspension, his or her car would be impounded for at least 90 days.

To claim an incentive grant, a State would have to beef up its enforcement efforts, accept a 0.10 blood alcohol test result as per se evidence of intoxication, keep records in such a way as to identify repeat drunk driving offenders, put repeat offenders behind bars for at least 48 consecutive hours, and maintain alcohol treatment programs.

Each of these efforts have been employed in States around the country. Each has been found effective in fighting the problem. However, no State presently uses all of these weapons in concert. Testimony at the Surface Transportation Subcommittee's recent hearing on this legislation confirmed that such a program would constitute an all-out attack on the drunk driving problem. Alcohol-related fatalities would drop drastically.

Mr. President, S. 2158 has the support of the National Safety Council, the State highway safety representatives, and several national and regional antidrunk driving groups. I urge prompt passage of the bill.

● Mr. PRESSLER. Mr. President, I am pleased to be a cosponsor of S.

2158, legislation to deal with the very serious national problem of drunk driving. S. 2158 is a thoughtful and reasonable legislative response to the public outcry against the 26,000 tragic alcohol-related traffic fatalities this Nation experienced last year. S. 2158 leaves traffic law enforcement where it belongs—under local and State jurisdiction. However, it provides for appropriate Federal financial incentives for States who implement strict traffic safety programs. I believe this is the proper role of the Federal Government. Decisions remain in local hands but the Federal Government encourages and supports State efforts.

Mr. President, I have been contacted by hundreds of my fellow South Dakotans, all of whom are disturbed by the serious injuries and unnecessary deaths caused by drunk driving. In fact, one community in South Dakota was so concerned about this problem that a petition was circulated and nearly everyone in the town signed it, from teenagers to senior citizens. Congress must pay attention to this kind of public expression. The South Dakota Department of Public Safety, which has done a fine job on traffic safety enforcement, recently published some encouraging statistics. In 1980, 124 deaths resulted from alcohol-related traffic accidents in South Dakota. Last year that number dropped to 110, a decline of over 10 percent. My hope is that this trend will continue. I believe S. 2158 is a step in the right direction.

During the era of the Vietnam conflict, citizen demonstrations across the country strongly protested American deaths in Southeast Asia. Yet every year, thousands of Americans die on our Nation's highways and too little has been done to stop this tragedy. Congress now has the opportunity to do something positive and constructive to make our highways safe for all citizens. I urge my colleagues to join in supporting this legislation for the good of all Americans.●

UP AMENDMENT NO. 914

(Purpose: To limit access to information in the National Driver Register to three years in the case of a request by an employee or prospective employees)

(Purpose: To establish a National Driver Register Advisory Subcommittee)

Mr. DANFORTH. Mr. President, I send two amendments to the desk that are technical in nature and ask unanimous consent that they be stated and considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Missouri (Mr. DANFORTH) proposes an unprinted amendment numbered 914 en bloc:

Mr. DANFORTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, at the end of line 12, insert the following: "There shall be no access to information in the Register under this paragraph if such information was entered in the Register more than three years before the date of such request."

On page 42, strike lines 1 through 6, and insert in lieu thereof the following:

"(2)(A) There is established a National Driver Register Subcommittee of the National Highway Safety Advisory Committee. The Subcommittee shall directly advise the Secretary concerning the efficiency of the maintenance and operation of the National Driver Register established in the National Driver Register Act of 1982, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. The Secretary shall consult with the Subcommittee before prescribing any regulations necessary to carry out the National Driver Register Act of 1982.

"(B) The Subcommittee shall be dissolved one year after the end of the pilot program defined in section 207 of the National Driver Register Act of 1982.".

Mr. DANFORTH. Mr. President, the first of these amendments provides that employers' access to information in the National Drivers Register is restricted to a period of 3 years.

The second amendment authorizes the Highway Safety Advisory Committee to report directly to the Secretary.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DENTON). Without objection, it is so ordered.

Mr. FORD. Mr. President, I understand the distinguished Senator from Missouri (Mr. DANFORTH) has presented technical amendments and asked that they be considered en bloc. We have no objection to that request.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (UP No. 914) was agreed to.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 915

(Purpose: To authorize the National Highway Safety Advisory Committee to approve and recommend to the Secretary statutes of general applicability with other provisions, if as determined by the Committee, such provisions produce a result which equals or exceeds the result of the specified subsection)

Mr. DECONCINI. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 915.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 13, beginning with "which" strike out through line 16 and insert in lieu thereof the following: "which—

"(A) there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection, or

"(B) there is a recommendation by the National Highway Safety Advisory Committee pursuant to paragraph (6) of this subsection.".

On page 26, between lines 14 and 15, insert the following new paragraph:

"(6) Upon application by any State, the National Highway Safety Advisory Committee shall review the provisions of any statute of general applicability that does not include all of the requirements of paragraphs (2), (3), (4), and (5) of this subsection and determine if such other provisions result in the imposition of a penalty for driving while intoxicated which equals or exceeds the penalty for driving while intoxicated that would result under any statute including the requirements of such paragraphs. If the Committee approves such statute, the Committee shall recommend such statute to the Secretary, and the Secretary shall make an incentive grant under paragraph (1) of this subsection.".

On page 26, line 15, strike out "(6)" and insert in lieu thereof "(7)".

On page 26, line 22, strike out "(7)" and insert in lieu thereof "(8)".

On page 27, line 1, strike out "(6)" and insert in lieu thereof "(7)".

On page 27, line 4, strike out "(6)" and insert in lieu thereof "(7)".

On page 27, line 16, strike out "(8)" and insert in lieu thereof "(9)".

On page 27, line 19, strike out "(9)" and insert in lieu thereof "(10)".

On page 28, line 6, strike out "(10)" and insert in lieu thereof "(11)".

Mr. DECONCINI. Mr. President, first I want to compliment the Senator from Missouri for the work he has put in on this legislation. It is indeed a fundamental problem that has been ignored for many years, in many areas, for that matter.

I recognize that the drunk driving problem is a serious national problem, as many of us do. As a matter of fact, Mr. President, when I was a prosecuting attorney we spent a great deal of time prosecuting drunk drivers, and I must say at that time the court system did anything but take these offenses seriously. Minimum sentences, often plea-bargaining, were the order of the day and, indeed, there was little amount of consideration of the carnage and damage that were caused.

I have supported for a long time a tough policy toward drunk driving, as I think the vote ultimately on this bill will demonstrate, if there is a rollcall vote. There may not be one that is necessary.

It seems to me, however, that really drunk driving—and I may not be at odds with the Senator from Missouri—ought to be controlled by the States and on the local level.

The tougher the State, the people want to get tough with people who get into their automobiles offensively after drinking too much, and that is where the decision ought to be made.

State legislatures have focused attention on this in the past few years, and I compliment those States for doing it, although it is long overdue in many cases. I know Arizona has been talking about it for years, and just recently has gotten around to it.

While the criteria outlines in S. 2158 may be the ingredients necessary to insure effective enforcement and control, the criteria should not be stringent, so stringent, that States are penalized for coming up with their own unique way of coping with the problem.

I can see, quite frankly, a State passing legislation that really would be perhaps tougher in the area of penalties, particularly when you refer to incarceration as a penalty, and I would like to see this bill passed and become law, yet not penalize or at least prohibit States from participating.

We all want to reduce drunk driving-related fatalities. But we should make sure our methods are not at the expense of the rights of the States to pass as stiff a law as the people want and meet the objectives of S. 2158.

The State of Arizona, Mr. President, has just passed legislation, both houses, and signed into law by the Governor, which, I think, is the toughest drunk driving law in the country. But Arizona, under S. 2158, will still be ineligible for increase safety grants.

Let me tell you that provisions in the State law are extremely tough. Arizona took the initiative to do something about drunk driving. The Governor of our State stepped out early in his message to the legislature, pointing out some of the statistics that are so well set out in the committee report and the hearings, as well as in the legislature and in the State Senate in Arizona, and that bill became law.

The State recognized what finance problems the law will create to enforce such matters as jail space, court time, updated sophisticated testing equipment, but it still felt it was time to go ahead and time to act, the time being now.

It is a good law, it is a tough law, and if any State can use the money, certainly the State of Arizona can. Few people understand that our tax base is small in Arizona, only 15 percent of the real property in the entire State being privately owned and subject to a tax base. You have a minimum income tax, and if there is, in fact, available Federal funding, I certainly would like to see all States have an opportunity on a voluntary basis to participate.

The State law in Arizona would make a criminal offense driving while intoxicated, which is a person driving a motor vehicle with a blood alcohol content of 0.10 or greater. It is about 4 ounces of alcohol within an hour.

The penalties are: The first offense, with no plea bargaining permitted by the prosecutor or anyone else, the judge or defendant, would require a mandatory 24-hour jail sentence and a 90-day minimum suspension of the driver's license, and a minimum fine of $250 or up to $1,000 and a mandatory alcohol abuse screening clinic.

If you should be so foolish as to do that a second time in Arizona within a 3-year period the minimum jail sentence, with no plea-bargaining, would be 60 days, the minimum fine would be $500 to $1,000, and 1-year license suspension.

Anyone foolish enough to not realize that a serious problem exists and who should be a third offender within a 3-year period would have a felony with a minimum 6-month prison sentence, no plea-bargaining, a fine of up to $150,000 and a minimum of 3-year license suspension.

During driving while having a license that has been suspended as a result of a DWI conviction, would be a mandatory 48-hour jail sentence and a fine of up to $1,000.

Mr. President, I think that demonstrates the certain will of the people of Arizona, the Governor, and the legislature to take this problem head on. It is long overdue, granted, but what is important is that they have done something about it.

The amendment before us today, Mr. President, gives the States the options of meeting the criteria outlined in S. 2158, cosponsored by the Senator from Missouri (Mr. DANFORTH) to be eligible for increased highway safety grants or, if the State's law does not meet the exact criteria, it allows the State to appeal to the National Highway Safety Advisory Committee for a review of their State laws and to make a recommendation to the Secretary on whether the State's laws equal or exceed the general requirements of the bill and whether the State would be eligible for increased safety grants.

The National Highway Safety Advisory Committee was established by law in 1966. It consists of 35 members, mostly from the safety, health, and law enforcement fields. They are a well-respected and competent group which serve 3-year terms on appointment by the President.

The terms are staggered terms. The purpose is to review highway safety-related problems and to make recommendations to the Secretary on ways to improve highway safety. States may or may not be eligible for grants based on the committee's review and recommendation. This allows an independent body, consisting mainly of individuals in the private sector, to make the appropriate recommendations.

Now, Mr. President, this legislation, S. 2158, is a voluntary act, I understand, and I applaud that. I do not think the Federal Government should mandate even laws dealing with this severe subject. But if a State makes a good faith effort, a tough effort, as the State of Arizona has, and I suspect other States, it would be my hope that the sponsor of this amendment and the people who have put so much time into it will see their way clear to agree with this Senator from Arizona that there ought to be some way of appeal so that the objective of the requirements would be met, and they would not be denied the right to participate in a Federal grant program.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, the intention of this bill is to provide a model for State legislatures to follow. The intention is not to write their legislation for them.

I think the amendment offered by the Senator from Arizona is constructive in that it adds a degree of flexibility in the administration of the bill, and, therefore, I am prepared to accept it. I thank the Senator from Arizona.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I want to add my thoughts to the distinguished Senator from Missouri and his acceptance of the amendment by the distinguished Senator from Arizona.

I think he has offered a very constructive amendment, one that will allow us the opportunity to see this work, and the States would have the ability as long as their penalties are equal or better than this particular legislation. I think that is proper. I applaud him for his amendment, and I applaud Arizona for their leadership. I will accept the amendment with my colleague from Missouri.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 915) was agreed to.

Mr. DECONCINI. I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DECONCINI. Mr. President, I thank the distinguished Senator from Missouri, the Senator from Rhode Island, and the distinguished Senator from Kentucky for their fine statements and their involvement in this matter.

I also ask unanimous consent, Mr. President, that I become cosponsor of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I rise in strong support of S. 2158—a tough, realistic bill aimed at controlling our Nation's No. 1 highway safety problem, the drunk driver. If ever there was a problem national in scope, and crying out for congressional attention, it is drunk driving. Each year, these accidents snuff out the lives of over 25,000 of our fellow Americans. An additional 125,000 persons annually are permanently disabled in drunk driver accidents, and 650,000 others are seriously injured. At hearings before the Commerce Committee in March, witnesses estimated that the economic cost of these accidents—annually—adds up to $17 billion.

There is no doubt that the American people want stronger laws to punish drunk drivers. A recent survey in the Christian Science Monitor indicated that 33 State legislatures are presently considering bills to toughen enforcement of drunk driver laws. Local law enforcement is clearly the first line of defense against drunk drivers. Our job as Federal legislators is to provide the tools that will enable local law enforcement officials to keep these potential killers off our highways.

S. 2158 provides a strong incentive to the States to mount an all-out, comprehensive attack on the drunk driver menace. Title I of the bill established an incentive grant program for the States that enact a comprehensive drunk driver statute. States that adopt the bill's provisions for automatic license suspension, mandatory jail sentences for repeat offenders, alcohol treatment programs, and improved enforcement of drunk driver laws will automatically qualify for additional highway safety funding to carry out the comprehensive program. Title II of the bill authorizes funding for the upgrading and computerization of the National Driver Register. The NDR is operated by the Department of Transportation to help the States identify drivers with a history of serious traffic offenses. Presently, inquiries from the States are handled manually, with responses delayed for so long that the number of States making use of the NDR is declining. S. 2158 will give local officials an effective weapon to keep bad drivers off the highways—by providing immediate electronic access to and referral of information by the National Driver Register.

The additional highway safety funding authorized by this bill, Mr. President, is insignificant compared to the loss of life, family tragedy, and health impairment we presently live with and pay for as a society. Legislation alone, of course, is not the whole answer. Drunk driving will never disappear entirely, until public attitudes and outrage demand an end to it. What this bill will do is strongly reinforce efforts already underway in most States to increase the penalties for drunk drivers, and—most critically—get them off our highways through a combination of better law enforcement and automatic license suspension.

I commend the leadership of Senator DANFORTH, who has successfully guided this bill to the floor in just under 6 weeks since the introduction of S. 2158. He has demonstrated outstanding leadership in this effort, and it has been a pleasure to work with him in developing this legislation.

I also commend my own State of Rhode Island, which is very close to being one of the first States to adopt a comprehensive drunk driver law identical to S. 2158. Governor Garrahy has steered his tough drunk driver bill through the Rhode Island House, and Senate consideration of the bill is expected to take place within a few days. Hopefully many other States will quickly follow Rhode Island's lead and enact the model law contained in the bill before the Senate today.

Finally, I congratulate my aide Bradford Penney on all his fine work in moving this legislation along to passage.

Mr. President, I ask unanimous consent that Senator CHAFEE, Senator RANDOLPH, Senator MITCHELL, Senator BRADLEY, Senator LEAHY, and Senator MATSUNAGA be added as cosponsors to this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, this is an issue on which Senator PELL has shown great leadership for a very long period of time. He has been the most attentive Member of the Senate to the problem of drunk driving and the need to do something constructive about it. I think it would be remiss for the Senate not to recognize the long-held leadership on this issue that he has enjoyed. Indeed, without his efforts we would not be at this point today.

I would also like to express my appreciation to Cindy Douglass, of the Commerce Committee staff, and Jerry Cox, of my staff, for their help in preparing this legislation and moving it through the legislative process.

● Mr. CANNON. Mr. President, accidents due to drunk driving are a serious problem in this country today—over 25,000 deaths per year caused by drinking drivers. Everyone familiar with the magnitude of this problem is concerned and anxious to find a solution. Enforcement of driving standards is the primary responsibility of State and local governments, not the Federal Government. Therefore, I believe legislative initiatives should originate at those levels. I support S. 2158, however, because the bill adopts an incentive rather than mandatory approach providing additional section 402 moneys to States which adopt drunk driving statutes incorporating the requirements of the bill.

My concern in committee was that some States, such as Nevada, may have very strict drunk driving laws which are not identical to the Federal law. Indeed, it was pointed out by the author of the bill that at present no State would qualify for an incentive grant. In other words, not one of the 50 States has a statute which incorporates all of the elements required by S. 2158.

I am wary of Federal legislation which takes authority away from the States. In my opinion, Nevada has a tough drunk driving statute. It provides: For first offenders—mandatory attendance at classes on alcohol use and abuse, up to 6 months in jail, and license suspension for at least 30 days; for second offenders (within a 5-year period)—minimum 10 day jail sentence, a fine of $500 to $1,200, and license suspension of not less than 6 months. This statute incorporates some of the requirements of S. 2158 but not all of them—for example, it does not provide for vehicle impoundment; however, it also has stricter penalties than S. 2158 in some respects.

Because of this, I support Senator DECONCINI's amendment to S. 2158. It alleviates many of my concerns. I am pleased that S. 2158 now contains a mechanism to accommodate the need to allow each State to benefit from this legislation by enacting drunk driving statutes which are as strict or stricter than S. 2158 if they so choose.

In a 1981 report done by H. Lawrence Ross for the National Highway Traffic Safety Administration, Ross found that it is not the provisions of the particular drunk driving statute

that are important in deterrence. The key factors are the level of enforcement and the perception by the drivers of the likelihood of being apprehended. The Ross report underscores the crucial role of State and local law enforcement in this area, regardless of the nature of the statute. The Ross report also calls into question the necessity of toughening the penalties for driving while intoxicated.

It is my hope that the increased attention given to this problem and the heightened awareness this bill may engender will help to change the public's perception of the chances of being apprehended and penalized for driving while intoxicated, and will help to encourage greater enforcement of drunk driving statutes, regardless of the penalties those statutes contain.

I fully support title II of the bill—the updating of the National Driver Register (NDR). The NDR, when fully operational will aid the States in their consideration of applicants for a driver's license. This function—that of serving as a national clearinghouse for information concerning problem drivers—is a role which can best (and only) be fulfilled by the Federal Government. I am hopeful that there will eventually be full participation by all 50 States, for it is only with 100-percent participation that the NDR can be most effective.●

Mr. PERCY. Mr. President, for many years I have worked to make our Nation's highways more safe. I sponsored the 55 mile-per-hour speed limit. I have introduced the Truck Safety Act. And, I have opposed legislation that could deny the individual States the right to keep big trucks off their roadways. Today, I am pleased to join my colleages in cosponsoring legislation regarding drunken driving.

More than half of the approximately 50,000 Americans who die in motor vehicle accidents are killed in drunken driving accidents. Every year, at least 26,000 people are killed, 125,000 are permanently disabled, and 650,000 are severely injured in drunken driving accidents. Witnesses before the House and Senate committees considering driver safety legislation have estimated that the cost of these accidents in economic terms would lie between $17 and $24 billion.

And yet, Mr. President, only 1 out of 2,000 drunk drivers is arrested, according to a Senate report.

Illinois and other States have recently enacted tough drunken driving laws. In Illinois, motorists must submit to breath tests if they are suspected of driving while intoxicated. A first-time offender may be fined up to $1,000, jailed up to 1 year, and lose his license for at least 1 year. Under the leadership of Illinois Secretary of State Jim Edgar, the State has established remedial alcohol programs and a streamlined paperwork process.

And, we have seen results in Illinois from the toughened stance. The Illinois State Police report a 43-percent increase in drunken driving arrests during the first quarter of this year, and the Chicago Police Department indicates that arrests for the first 4 months of this year have increased by 23 percent over the same period last year. During the first quarter of 1981, 125 alcohol-related traffic deaths were reported in the State. During the same period of 1982, 70 fewer deaths were reported.

While we have seen results in my home State and in other States, drunken driving is a national problem and we need to do more. For this reason, I fully support S. 2158 which will establish a Federal incentive program to combat drunken driving. I am pleased that the Senate will act favorably on this bill and am pleased to join as a cosponsor.

Mr. WEICKER. Mr. President, I rise in support of S. 2158, a bill to provide incentive grants for highway safety programs for States adopting certain provisions relating to driving while intoxicated and to provide for the establishment of a National Driver Register.

Over 26,000 Americans are killed in accidents involving drunk drivers every year; 750,000 more Americans are crippled or maimed in drunk driving accidents. The statistics are numbing; they begin to pain when we think of the individual people we have known and lost, the valued lives that were cut short by someone who had too much to drink and then got behind the wheel.

Today alone, 70 more Americans will be killed on our highways by drunk drivers. In the hours following each personal tragedy, there will be grim visits by clergymen or police officers to the family's home. Each survivor, in their grief, shock, and pain, will ask the question, "Why?" The answer, which will haunt them, and which will haunt the relatives and friends of 70 more Americans the very next day, is simply that this country is so tolerant of the lethal combination of drinking and driving.

Mr. President, it is estimated that on a typical weekend night, 1 out of every 10 drivers on the road is drunk. Of every 2,000 drunken drivers, only 1 is arrested. Further, the chance of conviction for a first offense runs as low as 1 in 20. People are driving drunk and getting away with it.

In my State of Connecticut, the results of this deadly permissiveness are gruesome. In 1979, 240 of the 568 deaths on Connecticut highways were alcohol-related. In 1980, the figure was 237 out of 575 deaths. In 1981, incomplete statistics show an increase in percentage of fatalities due to drunk driver accidents from 41 percent to more than 50 percent with 245 out of the 480 deaths being alcohol-related.

Today in America, there is a groundswell of outrage against the dangerous complacency that permits these tragedies. People are refusing to accept drunk driving as a fact of life and violent death as its inevitable consequence. Led by such groups as Mothers Against Drunk Driving (MADD), Remove Intoxicated Drivers (RID), and Students Against Drunk Driving (SADD), citizens are forcing this country (town by town and State by State) to confront its conscience.

Mr. President, I am pleased that Connecticut is among those States which have responded by increasing their penalties for persons convicted of drunken driving. Today, a driver in our State who refuses to take a blood alcohol content (BAC) test can have his license suspended for 90 days. Conviction of a drunk-driving charge means loss of license for 1 year for first time offenders and 2 years for two or more incidents. The State has also implemented an extensive drunk-driving education program.

These changes are welcomed, but they are not, by any means, the last word on the issue. There is an urgent need for a united national effort to redress this critical problem. While the fact remains that the battle against drunk driving can only be effectively waged at the State and local level, the Federal Government can and should take a leading role in examining the problem and encouraging certain minimum guidelines for enforcement and stricter penalties. Like the standard bearer marching before the troops to the war, Congress and the administration must set the pace for the attack.

Mr. President, last year, I joined with over 300 other Members of Congress in signing a letter to the President urging him to appoint a blue-ribbon panel to devise a master plan to deal with the problem of drunk driving. The President has since demonstrated his commitment to the problem by forming the commission.

Today, I am proud to join with Senators DANFORTH, PELL, and PACKWOOD in cosponsoring S. 2158, which will provide highway safety incentive grants to States that adopt a program that includes mandatory license suspension of 90 days for first offense, establishment of .10 on a blood alcohol content test as conclusive evidence of drunk driving, mandatory jail sentence of 48 hours for second offense, alcohol treatment programs, improved enforcement, and participation in the national driver record system which will be established to help States keep track of offenders who may have records in other States.

Mr. President, the causes of drunk driving are varied and deep-rooted. Hopefully, the Presidential Commis-

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sion will be able to study these causes and come up with some solutions. In the meantime, while we cannot hope to legislate an end to this problem, we can pass legislation that will begin to spread the work that this country will no longer tolerate, nor excuse those who drive when they drink. The threat of strict enforcement and mandatory punishment will keep many from getting behind the wheel for that last ride. Every day—every hour—there is one less wreck on the highway, one less grim knock on a family's door, then we are one step closer to ending this American nightmare. I urge my colleagues to lend their full support to this important proposal.

● Mr. MOYNIHAN. Mr. President, I rise today to support the passage of S. 2158, a bill to establish a set of voluntary minimum alcohol traffic safety standards for all States to follow. States enacting the minimum standards or tougher drunk-driving laws would receive increased Federal highway safety funds. The minimum standards include an automatic, 90-day suspension of drivers' licenses for all first-time offenders, and a mandatory jail term of at least 48 hours for those convicted of drunk driving twice within 5 years.

This bill, of which I am a cosponsor, launches a long overdue attack on our Nation's serious drunk-driving problems. Drunk driving is responsible for the most common form of violent death in this country, and is a significant cause of death among our youth. Over the past decade alone, an estimated 250,000 Americans have been killed in alcohol-related auto crashes, and millions more have been seriously injured. This year, another 26,000 people are expected to be killed by drunk drivers and about 750,000 seriously injured at a conservatively estimated economic cost exceeding $5 billion. Clearly, drunk driving is one of the Nation's most serious health and safety problems, one which experts say is worsening. I am convinced that much of the pain and suffering inflicted on innocent American families by drunk drivers is needless and preventable.

I have been a dedicated advocate of automobile safety since the 1950's, when, as acting secretary to Governor Harriman of New York, I headed the traffic safety policy coordinating committee. Last November, I joined with over half of my Senate colleagues in asking President Reagan to appoint a blue ribbon commission to bring together the most qualified persons in the Nation to develop a national plan to curtail the drunk-driving epidemic. I am delighted that the President complied with our request and announced on April 14 the establishment of a 30-member Commission on Drunk Driving to carry out this mission. S. 2158, the bill before the Senate today, provides a much-needed deterrent to the crime of drunk driving, and I heartily endorse this critical legislation.●

● Mr. BOSCHWITZ. Mr. President, my interest in the problem of drunk driving evolved before I considered running for the U.S. Senate. On four separate occasions over the years, drunk drivers have seriously injured or killed people close to me. One incident involving the death of one of my employees and his wife left eight children, from 6 months to 18 years of age, as orphans. These personal experiences do not make me an expert on the problem of drunk driving, but they have convinced me that solutions must be found.

Annually, 26,000 deaths occur on our highways from drunk drivers. Hundreds of thousands of other accidents and injuries occur. What a senseless tragedy and human loss those deaths and injuries are and the cost is just enormous. Crashes involving alcohol-impaired drivers cost billions of dollars in money spent for law enforcement, medical bills, insurance premiums, and local fees. Still, despite the outpouring of money and life, no lasting solutions have been found.

The unfortunate fact is that more is known about what does not solve the problem of drunk driving than what does. But rather than be discouraged about this, we must take what we have learned and mcve ahead to find solutions.

Traditionally, the apprehension and conviction of the drunk driver has been left to the individual States. But damage done by the drunk driver on today's roads is too painful, too unnecessary, too expensive, and too abhorrent to leave any possible solution unattended—even on a Federal level.

The Federal Government can be involved in the solution to the problem of drunk driving. Drunk driving is a national problem—it is not unique to any region, economic class, race, or sex. The painful reality is that the drunk driver could be a member of our own families or the person next door. Drunk drivers are not stereotyped criminals.

Here in the Senate, I have testified before several different committees on drunk driving; I have closely monitored various pieces of legislation that have been offered. Until recently, I felt that none of these bills went far enough. But this bill sponsored by Senator DANFORTH, and cosponsored by myself, seems to be on the right track.

This legislation encourages States to enact stiff mandatory sentencing for drunk drivers to make them pay for their crimes. The bill does this by doubling highway safety funding allocation for States calling for immediate revocation of drunk drivers' licenses and impoundment of the vehicle. The bill also authorizes Federal funding for a national driver register for quick nationwide access to information about dangerous traffic offenders.

Many States have already passed strict drunk driving laws. My own State of Minnesota recently enacted legislation that stiffens fines and jail sentences for this offense. Even before the U.S. Supreme Court upheld administrative license suspensions without presuspension hearings, Minnesota enacted a law under which a law enforçement officer, after determining that a driver is drunk, takes the driver's license, and reports the chemical test results to the Minnesota Commissioner of Public Safety. This agency then notifies the driver of the suspension of his driving privileges and informs him of his right to a post-suspension review. License revocation has been proven to be a highly effective deterrent against drunk driving.

Although Minnesota and other States have passed such a law, many other States need to be encouraged to pass similar laws. This bill provides an incentive for States to pass comprehensive anti-drunk-driving laws by doubling their highway safety funds. I urge my colleagues to join in the passage of this legislation.

The problem of drunk driving has received a lot of national attention lately, and a Senate-passed anti-drunk-driving bill will further focus national attention on the need to find and enact lasting and effective solutions to this problem.●

● Mr. GLENN. Mr. President, I am pleased to see the Senate taking action on S. 2158. Prompt enactment of this legislation will greatly strengthen the ability of State and local governments to reduce drunk-driving deaths on our Nation's highways.

Drunk driving deaths are a national tragedy. The statistics tell a gruesome story: more than 25,000 Americans die each year in alcohol-related traffic accidents, and tens of thousands more are injured. No community is immune to the impact of this grim accounting. Who among us has not lost a family member, relative or friend in this senseless manner? It is time to join forces and do something about it.

Indeed, after 250,000 drunk-driving deaths during the last decade alone, it should be clear that the campaign against drunk driving must become everybody's business—including the Federal Government's.

Early on in the 97th Congress, I joined Senator PELL and others in introducing legislation designed to establish comprehensive alcohol traffic safety programs in every State, as well as to upgrade the National Driver Register. I am glad to see that the major components of these bills have been incorporated into S. 2158 because years of experience suggest that they

are the keys to reducing drunk-driving deaths.

At the present time, a full-scale crackdown on drunk driving in one jurisdiction may go unnoticed in neighboring jurisdictions. Local judges and prosecuters are often unprepared to handle the increased caseloads such crackdowns produce. In fact, judges are too often unware of whether a drunk-driving case involves a first offender or a repeater, and no efficient means of obtaining such information currently exists.

S. 2158 will inject some uniformity and coordination into this situation by providing financial incentives for States to enact comprehensive anti-drunk-driving programs with certain basic elements, so the right hand knows what the left hand is doing and all hands are working together. These programs will be built upon public information campaigns, strict enforcement, improved adjudication, and assured penalties.

I stress this last point because I am tired—as many other Americans are tired—of hearing about drunk drivers being treated with kid gloves by our judicial system. It is time we started focusing attention on the victims to this terrible crime.

The pain and suffering inflicted upon innocent Americans by drunk drivers is senseless and preventable. We can and must put a stop to it by taking the steps called for in S. 2158. I urge all of my colleagues to get behind this effort.●

● Mr. RIEGLE. Mr. President, as a cosponsor of S. 2158, I rise today in support of this bill which provides financial incentives for States to enact a comprehensive two-tiered antidrunk driving program and upgrades the National Driver Register.

Drunk driving is a critical national problem. The National Highway Traffic Safety Administration reports that of the 50,000 Americans who die in motor vehicle accidents every year, at least 26,000 are killed in accidents involving alcohol.

Moreover, each year 125,000 Americans are permanently disabled in drunk driving accidents and an additional 650,000 people are injured so severely that they must miss work for at least several days.

Accidents involving drunk drivers cost our society up to $17 billion annually in medical, rehabilitation, and insurance costs, property damage, lost work income, and tax revenue, as well as police and emergency vehicle service costs. But most important of all, the emotional cost to those who lose a family member in a senseless drunk-driving accident and to those disabled persons who survive these terrible accidents is immeasurable.

This carnage can and should be prevented. S. 2158 is an important step in accomplishing this goal because it adopts an incentive rather than mandatory approach. The bill encourages State efforts to enact and enforce strict drunk driving laws by offering significant financial incentives to those States which implement a comprehensive drunk driving program. This program, as outlined in the bill, includes such elements as license suspension, vehicle impoundment, and a comprehensive alcohol traffic safety program.

As a member of the Labor Subcommittee on Alcoholism and Drug Abuse, I strongly support the alcohol treatment program provision in S. 2158. As indicated in the report language, these programs should be developed in conjunction with the State agency responsible for the administration of alcohol abuse and alcoholism prevention, treatment and rehabilitation activities and should use presentence screening and assessment to identify individuals who are problem drinkers or who suffer from the disease of alcoholism, and refer them to local treatment programs and facilities. I am very pleased that the report language includes this extensive explanation of alcohol treatment programs because it is extremely important that those persons who suffer from alcoholism receive prompt attention and proper treatment.

To conclude, S. 2158 marks an important step in the battle against drunk driving. The bill utilizes an incentive approach by providing significant funds to those States which enact a comprehensive two-tiered anti-drunk driving program and thus encourages and assists State and local efforts to reduce the loss of life and serious injury caused by drunk driving.●

● Mr. LEAHY. Mr. President, many tragedies have occupied the attention of this body during its long history, but to me, the most distressing are the ones that might have been avoided. The tragedy of drunk driving is deaths that are avoidable.

My concern with the tragedy of cars and alcohol goes back to my days as State's Attorney in Burlington, Vt. How often was I called to the scene of a really terrible automobile accident where I had to witness mangled bodies and crushed lives. Years later, I still have nightmares about scenes of death that will never leave my mind.

These events are called "accidents," but I think it is time to stop using a word that suggests the unintentional. Crippling and death are not the wishes of drunken drivers. But if they know that they are taking the risks, the results can not be called unintentional. I recently urged my fellow Vermonters to adopt State laws imposing prison sentences where death results from drunken driving, similar to the sentences in manslaughter cases. Talk is important, but there is no substitute for action.

Since everyone agrees that drunken driving is tragic and senseless, the question is why we have waited so long, why we have shown so much tolerance for slaughter.

The answers are not so easy as the questions. People have always railed against alcohol, and in the 18th amendment, talk became action. But prohibition was a tragedy within a tragedy and only postponed our dealing with the problem in lasting ways.

In prohibition we learned that moralizing about alcohol does not make it go away. But we also learned some lessons that were not true. We learned that we cannot change human nature, that reform legislation is a lost cause. This is totally wrong.

I agree that human nature changes slowly and that laws can do little to speed up the change. But human nature is not one dimensional. People enjoy drinking, but people also enjoy living. I believe that this society is ready to act firmly, and harshly if need be, to keep drunks out of the drivers' seats. Work is essential on at least two fronts, one the medical and psychological, the other the social and legal.

We must learn a lot more than we know now about alcoholism as a disease, and we must pursue the search with the vigor we apply to many other diseases. We must continue to ask why rational people defy sense by driving and drinking. We must try to learn why young people continue to kill themselves and others at a time when their finest years lie ahead.

But at the same time we must find effective legal deterrents to drunk driving. It is very easy to pursue sanctions that are severe but do not work because they are not applied in the courtroom and are therefore not credible.

I have no easy formulas, because there are no easy formulas, only difficult and complex ones. But whatever they are, they must be discovered, adopted into law, and applied.

We are changing not only laws, we are changing folkways. Ending drunk driving means ending the tolerance, even the subtle encouragement of what passes as quaint behavior. The drunk has even become part of American humor. But one man's laugh is another man's tragedy. We must realize that even if Government cannot change human nature, our laws can be an expression of revulsion against senseless death, while we wait for a deeper and more enduring revulsion to develop.

I am today announcing my support and cosponsorship of S. 2158, introduced by my colleagues Senator DANFORTH and Senator PELL. This bill would encourage States to adopt strong statutes dealing with drunk driving and would establish a national

driver register to help prevent those who have killed in one State from repeating the tragedy elsewhere. Many States, including Vermont, have some of the features. No State has all of them.

The encouragement to the States to adopt stronger drunk driving statutes would come in the form of an incentive grant for highway safety programs to States that comply. The incentive grant would be over and above funds now received by the States for safety programs, and my support is based on the bill's clear language assuring that present safety program funding is not threatened, whether or not a particular State amends its laws. In short, the bill utilizes incentives, but not coercion, and incentives of all kinds can be helpful in moving the States off dead center on eliminating drunks from the Nation's roads.

Title II of the bill would create a "National Driver Register" to assist States in maintaining accurate information on problem drivers. The goals of the "Register" will be useful, accurate, and up-to-date information, as well as the protection of the computer-based system from the ills that sometimes accompany large-scale information systems, particularly unauthorized use or disclosure. This bill includes stringent criminal sanctions against misuse of the data bank. It goes far to demonstrate that the legitimate rights of privacy need not be sacrificed to achieve sanity at the driver's wheel.

The bill will not cure the problem of alcohol on the highways. It can and should be a dramatic addition to the tools this society has to protect the lives of Americans on the road. And recognition of the problem as national in scope should strengthen the hands of those in the States whose fight in this cause has been lonely and difficult. I believe that finally we have the resolve to follow good intentions with effective law.●

Mr. MITCHELL. Mr. President, I rise as a cosponsor of S. 2158, a bill which provides for incentive grants to States, like Maine, which have taken serious steps to fight drunk driving. This legislation is long overdue in its attempt to address effectively the prodigious human suffering caused by drunk driving.

The figures on highway deaths, particularly those that are the result of drunk driving, are frequently repeated, but even so they have become no less jarring.

Over 50,000 Americans are killed each year on our highways.

More than half, approximately 26,000 of these deaths, are a result of drunk driving.

It is reported that, in addition to the 50,000 deaths, approximately 125,000 Americans are permanently disabled, and 650,000 are temporarily disabled each year.

The numbers shame us; they speak of a national tragedy of immense and increasing proportions.

The fact that these numbers of American deaths are so often overlooked speak of a national scandal of even greater proportions.

Under the headline entitled "Each Week, 900 Die In the Sudden Violence of U.S. Auto Accidents," a recent Wall Street Journal article reported:

> That headline never appears in a newspaper or in a TV bulletin, but it accurately summarizes what happens on U.S. roads in an average week. A single airline crash, such as one that killed 78 people in Washington, D.C. last January, is frontpage news and prompts a federal investigation. But death on the highway remains, for the most part, an invisible slaughter.

The fact remains that the daily, weekly, yearly slaughter of Americans on highways, half of them because of drunk driving, remains largely invisible. We note the large airplane accidents; the human losses in armed conflicts; the frightening effects of natural disasters on persons, their homes, and communities. But we rarely take into full account the daily, steady, familiar horror that is the number of deaths caused by drunk driving.

This bill provides that effective action must be taken to address this horror; that the problem of drunk driving has been ignored too long. The legislation provides for a Federal role in addressing the problem, while at the same time understanding the fact that the most effective manner to combat drunk driving is on the State and local levels.

Accordingly, S. 2158 provides an incentive for each State, through Federal highway safety grants, to enact stronger drunk-driving laws and to establish comprehensive programs to deal with this problem. Specifically, a State would obtain an additional highway safety grant if the State met several minimal but essential alcohol safety standards in its drunk-driving law.

These standards would mandate:

First, the automatic, administrative 90-day suspension of the license of any driver found operating a vehicle under the influence of alcohol;

Second, the administrative impoundment of any vehicle operated by a person whose driving privilege has been suspended for drunk driving;

Third, a minimum, 48-consecutive-hour jail sentence for any person convicted of drunk driving for a second time within a 5-year period;

Fourth, the enactment of comprehensive alcohol safety programs; and

Fifth, a blood alcohol content of 0.10 percent as conclusive, per se proof of intoxication.

These standards are extremely similar to those set forth in Maine's newly adopted State drunk-driving law. It is clear that Maine's law is consistent with the aims of this Senate legislation. Accordingly, it is evident that Maine would receive an additional highway grant under this legislation as it is presently written.

I favor this legislation because it explicitly supports the actions taken by Maine's State Legislature, and the legislatures of New York, West Virginia, and California in particular, to face the problem of drunk driving with a clear and effective drunk-driving law.

Finally, Mr. President, the bill would also provide for the computerization of the National Driver Register, and thereby provide State enforcement officers with more reliable, up-to-date records on drunk drivers and their driving records. In the process, it will allow motor vehicle registrars to identify with bad records in other jurisdictions and to prevent them from obtaining a new license simply by crossing State lines.

To conclude, I firmly support the aim and the intent of this legislation. It takes a crucial first step by the Federal Government to define a policy to address the national tragedy that is drunk driving. The bill will send a strong message from the Federal Government to the States that it pays to enact and enforce tough drunk-driving laws. As a result of this bill, States across the country will be provided with an incentive to follow Maine's lead, and the lead of only a handful of other States, in setting forth a meaningful, tough approach to this critical, national dilemma.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INCENTIVE GRANTS FOR STATES WITH STRICT DRIVING WHILE INTOXICATED STATUTES

SEC. 101. Section 402 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall make an incentive grant to any State in the first fiscal year (or the first fiscal year following that year) during which—

"(A) there is in effect in such State, as determined by the Secretary, statutes of general applicability which comply with the requirements of paragraphs (2), (3), (4), and (5) of this subsection, or

"(B) there is a recommendation by the National Highway Safety Advisory Committee pursuant to paragraph (6) of this subsection.

"(2) Any statute adopted pursuant to paragraph (1) of this subsection shall require the prompt suspension of the motor vehicle operator's license of any individual whom a law enforcement officer of the State has probable cause to believe has committed an alcohol-related traffic offense, and (A) to whom is administered a chemical test to determine whether the individual was intoxicated while operating a motor vehicle and who is determined, as a result of such test, to be intoxicated; or (B) who refuses to submit to such a test. Such suspension shall be for a period of ninety days in the case of a first offender, and one year in the case of any repeat offender.

"(3) Any statute adopted pursuant to paragraph (1) of this subsection shall also require the impoundment for at least ninety days of any motor vehicle operated on a public road of the State by any individual during any period for which the individual's motor vehicle operator's license or permit is suspended or revoked under the laws of any State relating to the operation of a motor vehicle while intoxicated.

"(4) Where pursuant to such statute an individual's motor vehicle operator's license has been suspended, the State shall afford the individual an opportunity, consistent with due process, to show cause why the individual's license or permit should not have been suspended. Where pursuant to such statute any motor vehicle is impounded, the State shall afford any party with a legal or equitable interest in the vehicle an opportunity, consistent with due process, to show cause why the impoundment of such vehicle should cease.

"(5) The State shall adopt a statute which establishes a comprehensive alcohol traffic safety program. Such program shall require—

"(A) at a minimum, that any person found to be driving a motor vehicle on a public road, when the percentage of alcohol by weight in the blood or breath of such person is .10 of 1 per centum or higher, shall be deemed to be driving while intoxicated, for purposes of such program;

"(B) that any person convicted of driving while intoxicated more than once in any five-year period be imprisoned for not less than forty-eight consecutive hours, and that the execution of such sentence shall be mandatory and not suspended or probational;

"(C) alcohol treatment programs;

"(D) traffic safety programs designed to improve enforcement of drunk driving laws; and

"(E) a driver record system which identifies repeat offenders and is readily accessible to the courts in such States.

"(6) Upon application by any State, the National Highway Safety Advisory Committee shall review the provisions of any statute of general applicability that does not include all of the requirements of paragraphs (2), (3), (4), and (5) of this subsection and determine if such other provisions result in the imposition of a penalty for driving while intoxicated which equals or exceeds the penalty for driving while intoxicated that would result under any statute including the requirements of such paragraphs. If the Committee approves such statute, the Committee shall recommend such statute to the Secretary, and the Secretary shall make an incentive grant under paragraph (1) of this subsection.

"(7) The incentive grant payable to any State in a fiscal year under paragraph (1) of this subsection shall be—

"(A) in an amount equal to the amount apportioned to such State during such fiscal year under subsection (c) of this section; and

"(B) in addition to other funds payable to such State in such fiscal year under this section.

"(8)(A) If the total amount of incentive grants payable to States under this subsection exceeds the amount appropriated for this subsection in any fiscal year, the Secretary shall distribute to each qualifying State an amount equal to the amount due the State under paragraph (7)(A) of this subsection, multiplied by the ratio of the total amount appropriated for this subsection to the total amount due the States under paragraph (7)(A) of this subsection.

"(B) When a distribution is made pursuant to the provisions of subparagraph (A) of this paragraph, the Secretary shall, in the next fiscal year following the year in which such distribution occurs and to the extent funds are available, pay to each such State on amount equal to the difference between the amount which the State would have received under this subsection if such distribution had not occurred and the amount which the State received under such distribution. The secretary shall make all such payments before making any other grant payable within the fiscal year under this subsection.

"(9) The incentive grant payable to a State in any fiscal year may be used by such State only to promote the purposes of section 402 of this chapter.

"(10) For purposes of this subsection, the term—

"(A) 'intoxicated' means that there is present in the blood or breath not less than .10 of 1 per centum, by weight, of alcohol;

"(B) 'chemical test' means any chemical test the use of which is expressly permitted by State statute or regulation for the purpose of detecting alcohol impairment; and

"(C) 'public road' has the same meaning as provided in the fourth sentence of subsection (c) of this section.

"(11) For purposes of this subsection, in addition to other funds authorized by this section, there are authorized to be appropriated from the Highway Trust Fund $25,000,000 for fiscal year 1983, and $50,000,000 for fiscal year 1984. Such sums shall remain available until expended.".

SEC. 102. The amendment made by section 101 of this title shall take effect on October 1, 1982.

TITLE II—NATIONAL DRIVER REGISTER

SEC. 201. This title may be cited as the "National Driver Register Act of 1982".

DEFINITIONS

SEC. 202. For purposes of this title, the term—

(1) "alcohol" has the meaning given such term by the Secretary of Transportation under regulations prescribed by the Secretary;

(2) "chief driver licensing official" means the official in each State who is authorized to (A) maintain any record regarding any motor vehicle operator's license issued by such State; and (B) grant, deny, revoke, suspend, or cancel any motor vehicle operator's license issued by such State;

(3) "controlled substance" has the meaning given such term in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 802(6));

(4) "highway" means any road or street;

(5) "motor vehicle" means any vehicle, machine, tractor, trailer, or semitrailer propelled or drawn by mechanical power and used on a highway, except that such term does not include any vehicle, machine, tractor, trailer, or semitrailer operated exclusively on a rail or rails;

(6) "motor vehicle operator's license" means any license issued by a State which authorizes an individual to operate a motor vehicle on a highway;

(7) "participating State" means any State which has notified the Secretary of its participation in the Register system, pursuant to section 204 of this title;

(8) "Register" and "Register system" mean the National Driver Register established under section 203(a) of this title;

(9) "Secretary" means the Secretary of Transportation;

(10) "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States; and

(11) "State of record" means any State which has transmitted to the the Secretary, pursuant to section 205 of this title, any report regarding any individual who is the subject of a request for information made under section 206 of this title.

ESTABLISHMENT OF REGISTER

SEC. 203. (a) The Secretary shall, as soon as practicable after the date of enactment of this Act, establish and thereafter maintain a Register, to be known as the "National Driver Register", to assist chief driver licensing officials of participating States in exchanging information regarding the motor vehicle driving records of individuals. The Register shall contain an index of the information that is reported to the Secretary under section 205 of this title, and shall be designed to enable the Secretary, either electronically or, until such time as all States are capable of participating electronically, through the United States mails, to—

(1) receive information submitted under section 205(a) of this title by the chief driver licensing official of any State of record;

(2) receive any request for information made by the chief driver licensing official of any participating State under section 206 of this title;

(3) refer such request to the chief driver licensing official of any State of record; and

(4) relay to the chief driver licensing official of a participating State any information provided by any chief driver licensing official of a State of record in response to such request.

(b) The Secretary shall not be responsible for the accuracy of any information relayed to the chief driver licensing official of any participating State, except that the Secretary shall maintain the Register in a manner that ensures against any inadvertent alteration of information during any relay.

(c)(1) The Secretary shall, within eighteen months after the date of enactment of this Act, promulgate a final rule which provides for procedures for the orderly transition from the system regarding the motor vehicle driving records of individuals provided in Public Law 86-660 (74 Stat. 526) to the Register established under subsection (a) of this section.

(2) The Secretary shall not maintain in the Register any report or information which was compiled under the provisions of Public Law 86-660 (74 stat. 526) and was transferred to the Register after (i) the date the State of record removes it from the State's file; (ii) seven years after the date such report or information is entered into the Register; or (iii) the date of establishment of a fully electronic Register system, whichever is earlier. Such report or information shall be disposed of in accordance with the provisions of chapter 33 of title 44, United States Code.

(3) If the chief driver licensing official of any participating state finds that information which has been transmitted for inclusion in the Register under this section is erroneous or relates to a conviction of a traffic offense which is subsequently reversed, such official shall immedialtey notify the Secretary of the error. The Secretary shall provide for the immediate deletion from the Register of such material.

(d) The Secretary shall assign to the administration of this Act such personnel as may be necessary to ensure the effective functioning of the Register system.

(e) The Secretary may prescribe such regulations as may be necessary to carry out the provisions of this title.

STATE PARTICIPATION

SEC. 204. (a) Any state may become a participating State under this title by notifying the Secretary of its intention to be bound by the provisions of section 205 of this title.

(b) Any participating State may terminate its status as a participating State under this title by notifying the Secretary of its withdrawal from participation in the Register system.

(c) Any notification made by a State under subsection (a) or (b) of this section shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

REPORTS BY CHIEF DRIVER LICENSING OFFICIALS

SEC. 205. (a) The chief driver licensing official in each participating State shall, as soon as practicable after the date of enactment of this Act, transmit to the Secretary a report containing the information required in subsection (b) of this section regarding any individual—

(1) who is denied a motor vehicle operator's license by such State for cause;

(2) whose motor vehicle operator's license is canceled, revoked, or suspended by such State, for cause; or

(3) who is convicted under the laws of such State of the following motor vehicle-related offenses or comparable offenses—

(A) operation of a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance;

(B) a traffic violation arising in connection with a fatal traffic accident, reckless driving, or racing on the highways;

(C) failure to render aid or provide identification when involved in an accident which results in a fatality or personal injury; or

(D) perjury or the knowledgeable making of a false affidavit or statement to officials in connection with activities governed by a law or regulation relating to the operation of a motor vehicle.

(b) Any report regarding an individual which is transmitted by a chief driver licensing official pursuant to subsection (a) of this section shall contain—

(1) the legal name, date of birth (including day, month, and year), sex, and (at the Secretary's discretion) the height, weight, eye and hair color of such individual;

(2) the name of the State transmitting such information; and

(3) the social security account number, if used by the reporting State for driver record or motor vehicle license purposes, and the motor vehicle operator's license number of such individual (if that number is different from the operator's social security account number);

except that any report concerning an occurrence specified in subsection (a), (1), (2), or (3) of this section which occurs during the two-year period preceding the date on which such State becomes a participating State shall be sufficient if it contains all such information as is available to the chief driver licensing official on such date.

(c) Any report required to be transmitted by a chief driver licensing official of a State under subsection (a) of this section shall be transmitted to the Secretary—

(1) not later than thirty-one days after receipt by a State motor vehicle department of any information specified in subsection (a) (1), (2), or (3) of this section which is the subject of such report, if the date of such occurrence is after the date on which such State becomes a participating State; or

(2) not later than the expiration of the six-month period following the date on which such State becomes a participating State, if such report concerns an occurrence specified in subsection (a) (1), (2), or (3) of this section that occurs during the two-year period preceding such date.

(d) Nothing in this section shall be construed to require any State to report any information concerning any occurrence which occurs before the two-year period preceding the date on which the State becomes a participating State.

ACCESSIBILITY OF REGISTER INFORMATION

SEC. 206. (a)(1) For purposes of fulfilling his duties with respect to driver licensing, driver improvement, or highway safety, the chief driver licensing official of any participating State may, on and after the date of enactment of this Act, request the Secretary to refer electronically or through the United States mails any request for information regarding the motor vehicle driving record of any individual to the chief driver licensing official of any State of record.

(2) The Secretary shall electronically or through the United States mails relay to any chief driver licensing official of a participating State who requests information under paragraph (1) of this subsection any information received from the chief driver licensing official of any State of record regarding an individual in accordance with paragraph (1) of this subsection, except that the Secretary may refuse to relay any information to any such official who is the chief driver licensing official of a participating State which is not in compliance with the provisions of section 205 of this title.

(b)(1) The Chairman of the National Transportation Safety Board and the Administrator of the Federal Highway Administration, for purposes of requesting information regarding any individual who is the subject of any accident investigation conducted by the Board or Bureau of Motor Carrier Safety, may request the chief driver licensing official of a State to obtain information under subsection (a) of this section regarding such individual. The Chairman and Administrator may receive any such information.

(2) Any individual who is employed as a driver of a motor vehicle or who seeks employment as a driver of a motor vehicle may request the chief driver licensing official of the State in which the individual is employed or seeks employment to transmit information under subsection (a) of this section to his employer or prospective employer. An employer or prospective employer may receive such information regarding any such individual, and shall make that information available to the affected individual. There shall be no access to information in the Register under this paragraph if such information was entered in the Register more than three years before the date of such request.

(3) Any individual, in order (A) to determine whether the Register is providing any data regarding him or the accuracy of any such data; or (B) to obtain a certified copy of data provided through the Register regarding him, may request the chief driver licensing official of a State to obtain information regarding him under subsection (a) of this section.

(4) Any request made under this subsection shall be made in such form, and according to such procedures, as the Secretary shall establish by regulation.

(c) Any request for, or receipt of, information by means of the Register shall be subject to the provisions of sections 552 and 552a of title 5, United States Code, and any other applicable Federal and State law, except that—

(1) the Secretary shall not relay, or otherwise transmit, information specified in section 205(b) (1) or (3) of this title to any person not authorized by this section to receive such information;

(2) any request for, or receipt of, information by any chief driver licensing offical, or by any person authorized by subsection (b) of this section to request and receive information, shall be considered to be a routine use for purposes of section 552a(b) of title 5, United States Code; and

(3) any receipt of information by any person authorized by this section to receive information shall be considered to be a disclosure for purposes of section 552a(c) of title 5, United States Code, except that the Secretary shall not be required to retain the accounting made under paragraph (1) of such section for more than a seven-year period after the date of such disclosure.

PILOT TEST PROGRAM

SEC. 207 (a) The Secretary shall design and implement, within four years after the date of enactment of this Act, a pilot test program for the purpose of demonstrating the potential effectiveness of a system for electronic referral and relay of information regarding the motor vehicle driving records of individuals.

(b) The Secretary shall solicit the participation of States which are interested in participating in such program and shall, within thirty months after the date of enactment of this Act, select four States to participate in the program.

(c)(1) The Secretary shall select States in accordance with the provisions of subsection (b) of this section from among States which have in effect, on the date of selection, an intrastate on-line driver licensing system capable of electronically transmitting information regarding the motor vehicle driving records of individuals.

(2) The Secretary shall select only those States which indicate a willingness to participate in a comprehensive mechanical and programmatic evaluation of systems for the electronic transfer of information.

(3) The Secretary shall ensure that the selection made pursuant to subsection (b) of

this section is representative of varying geographical and population characteristics of the Nation.

(4) No State shall participate in the program unless it agrees to assist in providing information to other States regarding the electronic transfer of the motor vehicle driving records of individuals.

(d) Within three years after the date of enactment of this Act, the Secretary shall begin the pilot program authorized by subsection (a) of this section. Such program shall continue for a period of one year. In carrying out the program, the Secretary shall utilize different computer technologies and equipment in order to determine which technology and equipment is most effective for the electronic transfer of the motor vehicle driving records of individuals. The Secretary shall determine which systems and devices will best interconnect with systems and devices used in the States which are participating in the pilot program, as well as those used in other States.

(e) Any equipment or device which is provided to a State for use in the pilot program conducted under this section may, in the discretion of the Secretary, remain with the State following the conclusion of the pilot program.

(f) Not later than one year after the conclusion of the pilot program, the Secretary shall submit to the Congress a report on the program. Such report shall include an evaluation of the technology utilized during the program, together with an explanation of the nature and degree of State participation in the program. The report shall also contain an evaluation of achievements of the pilot program, as well as a projection of accomplishments which might result from the acquisition of electronic transfer equipment and methods by States other than those which participated in the pilot program.

CRIMINAL PENALTIES

SEC. 208. (a) Any person, other than an individual described in section 206(b)(4) of this title, who receives under section 206 of this title information specified in section 205(b) (1) or (3) of this title (the disclosure of which is not authorized by section 206 of this title), and who, knowing that disclosure of such information is not authorized, willfully discloses such information, shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

(b) Any person who knowingly and willfully requests or under false pretenses obtains information specified in section 205(b) (1) or (3) of this title from any person who receives such information under section 206 of this title shall be fined not more than $10,000 or imprisoned for not more than one year, or both.

ADVISORY SUBCOMMITTEE

SEC. 209. Section 404 of title 23, United States Code, is amended by—

(1) inserting "(1)" immediately after "(b)";

(2) striking "(1)" and "(2)" therein and inserting in lieu thereof "(A)" and "(B)", respectively; and

(3) adding at the end thereof the following paragraph:

"(2)(A) There is established a National Driver Register Subcommittee of the National Highway Safety Advisory Committee. The Subcommittee shall directly advise the Secretary concerning the efficiency of the maintenance and operation of the National Driver Register established in the National Driver Register Act of 1982, and the effectiveness of the Register in assisting States in exchanging information regarding motor vehicle driving records. The Secretary shall consult with the Subcommittee before prescribing any regulations necessary to carry out the National Driver Register Act of 1982.

REPORT BY SECRETARY

"(B) The Subcommittee shall be dissolved one year after the end of the pilot program defined in section 207 of the National Driver Register Act of 1982.".

SEC. 210. Not later than the expiration of the four-year period following the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the extent and level of participation in the Register system, and the effectiveness of such system in the identification of unsafe drivers. Such report shall include any recommendations of the Secretary concerning the desirability of extending the authorization of appropriations for this title beyond the period of authorization provided in section 211 of this title.

AUTHORIZATION OF APPROPRIATIONS

SEC. 211. (a) There are authorized to be appropriated in fiscal year 1983 for expenses incurred in the establishment of the Register system under this title not to exceed $2,000,000.

(b) There are authorized to be appropriated to carry out the provisions of this title and the provisions of Public Law 86-660 (74 Stat. 526) not to exceed $1,200,000 in fiscal year 1983, not to exceed $1,500,000 in fiscal year 1984, and not to exceed $2,100,000 in fiscal year 1985.

(c) Funds authorized under this section shall remain available until expended.

Mr. DANFORTH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. FORD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I commend Members for their expeditious handling of this matter. I congratulate the Senator from Missouri for his fine work on this bill and for his efficiency in bringing this matter to the floor and to a successful conclusion.

I thank the Senator from Kentucky for his good work in this respect, and all others who participated in the passage of this important piece of legislation.

SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT OF 1982

Mr. BAKER. Mr. President, the next item on the calendar cleared for action by unanimous consent, I believe, is Calendar Order No. 535. I hope the unanimous-consent request I am about to put will not meet with rejection.

UNANIMOUS-CONSENT AGREEMENT—H.R. 5118

Mr. President, I ask unanimous consent that the Senate turn now to the consideration of Calendar Order No. 535, H.R. 5118, the Papago Indian bill, and, further, Mr. President, I ask unanimous consent that no floor amendment be in order to the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes.

The Senate proceeded to consider the bill (H.R. 5118) which had been reported from the Select Committee on Indian Affairs with an amendent to strike out all after the enacting clause, and insert the following:

CONGRESSIONAL FINDINGS

SECTION 1. The Congress finds that—

(1) water rights claims of the Papago Tribe with respect to the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation are the subject of existing and prospective lawsuits against numerous parties in southern Arizona, including major mining companies, agricultural interests, and the city of Tucson;

(2) these lawsuits not only will prove expensive and time consuming for all participants, but also could have a profound adverse impact upon the health and development of the Indian and non-Indian economies of southern Arizona;

(3) the parties to the lawsuits and others interested in the settlement of the water rights claims of the Papago Indians within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area have diligently attempted to settle these claims and the Federal Government, by providing the assistance specified in this Act, will make possible the execution and implementation of a permanent settlement agreement;

(4) it is in the long-term interest of the United States, the State of Arizona, its political subdivisions, the Papago Indian Tribe, and the non-Indian community of southern Arizona that the United States Government assist in the implementation of a fair and equitable settlement of the water rights claims of the Papago Indians respecting certain portions of the Papago Reservation; and

(5) the settlement contained in this Act will—

(A) provide the necessary flexibility in the management of water resources and will encourage allocation of those resources to their highest and best uses; and

(B) insure conservation and management of water resources in a manner consistent with the goals and programs of the State of Arizona and the Papago Tribe.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "acre-foot" means the amount of water necessary to cover one acre of land to a depth of one foot.

(2) The term "Central Arizona Project" means the project authorized under title III of the Colorado River Basin Project Act (82 Stat. 887; 43 U.S.C. 1521, et seq.).

(3) The term "Papago Tribe" means the Papago Tribe of Arizona organized under section 16 of the Act of June 18, 1934 (48 Stat. 987; 25 U.S.C. 476).

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "subjugate" means to prepare land for the growing of crops through irrigation.

(6) The term "Tucson Active Management Area" means the area of land corresponding to the area initially designated as the Tucson Active Management Area pursuant to the Arizona Groundwater Management Act of 1980, laws 1980, fourth special session, chapter 1.

(7) The term "December 12, 1980, agreement" means the Central Arizona Project water delivery contract between the United States and the Papago Tribe.

(8) The term "replacement costs" means the costs of acquiring and delivering water from sources within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area.

(9) The term "value" means the value attributed to the water based on the Tribe's anticipated or actual use of the water, including its fair market value.

WATER DELIVERIES TO TRIBE FROM CAP; MANAGEMENT PLAN; REPORT ON WATER AVAILABILITY; CONTRACT WITH TRIBE

SEC. 3. (a) As soon as is possible but not later than ten years after the enactment of this Act, if the Papago Tribe has agreed to the conditions set forth in section 6, the Secretary, acting through the Bureau of Reclamation, shall—

(1) in the case of the San Xavier Reservation—

(A) deliver annually from the main project works of the Central Arizona Project twenty-seven thousand acre-feet of water suitable for agricultural use to the reservation in accordance with the provisions of section 4(a); and

(B) improve and extend the existing irrigation system on the San Xavier Reservation and design and construct within the reservation such additional canals, laterals, farm ditches, and irrigation works as are necessary for the efficient distribution for agricultural purposes of the water referred to in subparagraph (A); and

(2) in the case of the Schuk Toak District of the Sells Papago Reservation—

(A) deliver annually from the main project works of the Central Arizona Project ten thousand eight hundred acre-feet of water suitable for agricultural use to the reservation in accordance with the provisions of section 4(a); and

(B) design and construct an irrigation system in the Eastern Schuk Toak District of the Sells Papago Reservation, including such canals, laterals, farm ditches, and irrigation works, as are necessary for the efficient distribution for agricultural purposes of the water referred to in subparagraph (A); and

(3) establish a water management plan for the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation which, except as is necessary to be consistent with the provisions of this Act, will have the same effect as any management plan developed under Arizona law.

(b)(1) In order to encourage the Papago Tribe to develop sources of water on the Sells Papago Reservation, the Secretary shall, if so requested by the tribe, carry out a study to determine the availability and suitability of water resources within the Sells Papago Reservation but outside the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area.

(2) The Secretary shall, in cooperation with the Secretary of Energy, or, with the appropriate agency or officials, carry out a study to determine—

(A) the availability of energy and the energy requirements which result from the enactment of the provisions of this Act, and

(B) the feasibility of constructing a solar power plant or other alternative energy producing facility to meet such requirements.

(c) The Papago Tribe shall have the right to withdraw ground water from beneath the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation subject to the limitations of section 6(a).

(d) Nothing contained in this Act shall diminish or abrogate any obligations of the Secretary to the Papago Tribe under the December 12, 1980, agreement.

(e) Nothing contained in sections 3(c) and 6(c) shall be construed to establish whether or not the Federal reserved rights doctrine applies, or does not apply, to groundwater.

DELIVERIES UNDER EXISTING CONTRACT; ALTERNATIVE WATER SUPPLIES; OPERATION AND MAINTENANCE

SEC. 4. (a) The water delivered from the main project works of the Central Arizona Project to the San Xavier Reservation and to the Schuk Toak District of the Sells Papago Reservation as provided in section 3(a), shall be delivered in such amount, and according to such terms and conditions, as are set forth in the December 12, 1980, agreement, except as otherwise provided under this section.

(b) Where the Secretary, pursuant to the terms and conditions of the agreement referred to in subsection (a), is unable, during any year, to deliver from the main project works of the Central Arizona Project any portion of the full amount of water specified in section 3(a)(1)(A) and section 3(a)(2)(A), the Secretary shall acquire and deliver an equivalent quantity of water from the following sources or any combination thereof:

(1) agricultural water from the Central Arizona Project which has been contracted for but has been released or will be unused by the contractor during the period in which the Secretary will acquire the water;

(2) any water available for delivery through the Central Arizona Project which exists by reason of the augmentation of the water supply available for use and distribution through the Central Arizona Project by subsequent Acts of Congress; and

(3) water from any of the following sources or any combination thereof within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area in the State of Arizona:

(A) private lands or interests therein having rights in surface or ground water recognized under State law; or

(B) reclaimed water to which the seller has a specific right.

Deliveries of water from lands or interests referred to in subparagraph (A) shall be made only to the extent such water may be transported within the Tucson Active Management Area pursuant to State law.

(c) If the Secretary is unable to acquire and deliver quantities of water adequate to fulfill his obligations under this section or paragraphs (1)(A) and (2)(A) of section 3(a), he shall pay damages in an amount equal to—

(1) the actual replacement costs of such quantities of water as are not acquired and delivered, where a delivery system has not been completed within ten years after the date of enactment of this Act, or

(2) the value of such quantities of water as are not acquired and delivered, where the delivery system is completed.

(d) No land, water, water rights, contract rights, or reclaimed water may be acquired under subsection (b) without the consent of the owner thereof. No private lands may be acquired under subsection (b)(3)(A) unless the lands have a recent history of receiving or being capable of actually receiving all or substantially all of the water right the use of which is recognized by State law. In acquiring any private lands under subsection (b)(3)(A), the Secretary shall give preference to the acquisition of lands upon which water has actually been put to beneficial use in any one of the five years preceding the date of acquisition. Nothing in this section shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group, or community.

(e) To meet the obligation referred to in paragraphs (1)(A) and (2)(A) of section 3(a), the Secretary shall, acting through the Bureau of Reclamation, as part of the main project works of the Central Arizona Project—

(1) design, construct and, without cost to the Papago Tribe, operate, maintain, and replace such facilities as are appropriate including any aqueduct and appurtenant pumping facilities, treatment plants, powerplants, and electric power transmission facilities which may be necessary for such purposes; and

(2) deliver the water to the southern boundary of the San Xavier Reservation, and to the boundary of the Schuk Toak District of the Sells Papago Reservation, at points agreed to by the Secretary and the tribe which are suitable for delivery to the reservation distribution systems.

(f) To facilitate the delivery of water to the San Xavier and the Schuk Toak District of the Sells Papago Reservation under this Act, the Secretary is authorized—

(1) to enter into contracts or agreements for the exchange of water, or for the use of aqueducts, canals, conduits, and other facilities for water delivery, including pumping plants, with the State of Arizona or any of its subdivisions, with any irrigation district or project, or with any authority, corporation, partnership, individual, or other legal entity; and

(2) to use facilities constructed in whole or in part with Federal funds.

RECLAIMED WATER; ALTERNATIVE WATER SUPPLIES

SEC. 5. (a) As soon as possible, but not later than ten years after the date of enactment of this Act, the Secretary shall purchase reclaimed water in accordance with the agreement described in section 7(a)(1) and deliver annually twenty-three thousand acre-feet of water suitable for agricultural use to the San Xavier Reservation and deliver annually five thousand two hundred acre-feet of water suitable for agricultural use to the Schuk Toak District of the Sells Papago Reservation.

(b)(1) The obligation of the Secretary referred to in subsection (a) to deliver water suitable for agricultural use may be fulfilled by any additional treatment, including land filtration, of the reclaimed water acquired by the Secretary as provided herein, by any other means which renders such reclaimed water suitable for agricultural use, or by voluntary exchange of that reclaimed water for any other water suitable for agricultural use. To make available and deliver such water, the Secretary acting through the Bureau of Reclamation shall design, construct, operate, maintain, and replace such facilities as are appropriate.

(2) The Secretary shall not construct a separate delivery system to deliver reclaimed water referred to in subsection (a) to the San Xavier Reservation and the Schuk Toak District of the Sells Papago Reservation.

(c) The Secretary may, as an alternative to, and in satisfaction of the obligation to deliver the quantities of water to be delivered under subsection (9a), acquire and deliver pursuant to agreements authorized in section 7(b), an equivalent quantity of water from the following sources or any combination thereof—

(1) agricultural water from the Central Arizona Project which has been contracted for but has been released or will be unused by the contractor during the period in which the Secretary will acquire the water;

(2) any water available for delivery through the Central Arizona Project which exists by reason of the augmentation of the water supply available for use and distribution through the Central Arizona Project by subsequent Acts of Congress; and

(3) water from any of the following sources or any combination thereof within the Tucson Active Management Area in the State of Arizona and that part of the Upper Santa Cruz Basin not within that area—

(A) private lands or interests therein having rights in surface or ground water recognized under State law; or

(B) reclaimed water to which the seller has a specific right.

Deliveries of water from lands referred to in subparagraph (A) shall be made only to the extent such water may be transported within the Tucson Active Management Area pursuant to State law.

(d) If the Secretary is unable to acquire and deliver quantities of water adequate to filfill his obligations under this section, he shall pay damages in an amount equal to—

(1) the actual replacement costs of such quantities of water as are not acquired and delivered, where a delivery system has not been completed within ten years after the date of enactment of this Act, or

(2) the value of such quantities of water as are not acquired and delivered, where a delivery system is completed.

(e) No land, water, water rights, contract rights, or reclaimed water may be acquired under subsection (c) without the consent of the owner thereof. No private lands may be acquired under subsection (c)(3)(A) unless the lands have a recent history of receiving or being capable of actually receiving all or substantially all of the water the right to the use of which is recognized by State law. In acquiring said private lands, the Secretary shall give preference to the acquisition of lands upon which water has actually been put to beneficial use in any one of the five years preceding the date of acquisition. Nothing in this section shall authorize the Secretary to acquire or disturb the water rights of any Indian tribe, band, group, or community.

LIMITATION ON PUMPING FACILITIES FOR WATER DELIVERIES; DISPOSITION OF WATER

SEC. 6. (a) The Secretary shall be required to carry out his obligation under subsections (b), (c), and (e) of section 4 and under section 5 only if the Papago Tribe agrees to—

(1) limit pumping of ground water from beneath the San Xavier Reservation to not more than ten thousand acre-feet per year;

(2) limit the quantity of ground water pumped from beneath the eastern Schuk Toak District of the Sells Papago Reservation which lies within the Tucson Active Management Area to those quantities being withdrawn on January 1, 1981; and

(3) comply with the management plan established by the Secretary under section 3(a)(3).

Noting contained in paragraph (1) shall restrict the tribe from drilling wells and withdrawing ground water therefrom on the San Xavier Reservation if such wells have a capacity of less than thirty-five gallons per minute and are used only for domestic and livestock purposes. Nothing contained in paragraph (2) shall restrict the tribe from drilling wells and withdrawing ground water therefrom in the eastern Schuk Toak District of the Sells Papago Reservation which lies within the Tucson Active Management Area if such wells have a capacity of less than thirty-five gallons per minute and which are used only for domestic and livestock purposes.

(b) The Secretary shall be required to carry out his obligations with respect to distribution systems under paragraphs (1)(B) and (2)(B) of section 3(a) only if the Papago Tribe agrees to—

(1) subjugate the land for which those distribution systems are to be planned, designed, and constructed by the Secretary; and

(2) assume responsibility, through the tribe or its members or an entity designated by the tribe, as appropriate, following completion of those distribution systems and upon delivery of water under this Act, for the operation, maintenance, and replacement of these systems in accordance with the first section of the Act of August 1, 1914 (38 Stat. 583; 25 U.S.C. 385).

(c)(1) The Papago Tribe shall have the right to devote all water supplies under this Act, whether delivered by the Secretary or pumped by the tribe, to any use, including but not limited to agricultural, municipal, industrial, commercial, mining, or recreational use whether within or outside the Papago Reservation so long as such use is within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within such area.

(2) The Papago Tribe may sell, exchange, or temporarily dispose of water, but the tribe may not permanently alienate any water right. In the event the tribe sells, exchanges, or temporarily disposes of water, such sale, exchange, or temporary disposition shall be pursuant to a contract which has been accepted and ratified by a resolution of the Papago Tribal Council and approved and executed by the Secretary as agent and trustee for the tribe. Such contract shall specifically provide that an action may be maintained by the contracting party against the United States and the Secretary for the breach thereof. The proceeds from any sale, exchange, or disposition of water by the Papago Tribe shall be used for social or economic programs which benefit the Papago Tribe.

(d) Nothing in section 6(c) shall be construed to establish whether or not reserved water may be put to use, or sold for use, off of any reservation to which reserved water rights attach.

OBLIGATION OF THE SECRETARY; CONTRACT FOR RECLAIMED WATER; DISMISSAL AND WAIVER OF CLAIMS OF PAPAGO TRIBE AND ALLOTTEES

SEC. 7. (a) The Secretary shall be required to carry out his obligations under subsections (b), (c), and (e) of section 4 and under section 5 only if—

(1) within one year of the date of enactment of this Act—

(A) the city of Tucson, the Secretary, and the Papago Tribe agree, after the enactment of this Act, that the city will make available at no profit to the city such quantity of reclaimed water as is adequate to deliver annually, as contempleted in section 5(a), twenty-eight thousand two hundred acre-feet of water;

(B) the Papago Tribe agrees to file with the United States District Court for the District of Arizona a stipulation for voluntary dismissal with prejudice, in which the Attorney General is authorized and directed to join on behalf of the United States, and the allottee class representatives' petition for dismissal of the class action with prejudice in the United States, the Papago Indian Tribe, and others against the city of Tucson, and others, civil numbered 75-39 TUC (JAW); and

(C) the Papago Tribe executes a waiver and release in a manner satisfactory to the Secretary of—

(i) any and all claims of water rights or injuries to water rights (including water rights in both ground water and surface water) within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within said area, from time immemorial to the date of the execution by the tribe of such waiver, which the Papago Tribe has against the United States, the State of Arizona and any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States or the State of Arizona; and

(ii) any and all future claims of water rights (including water rights in both ground water and surface water) within the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within said area, from and after the date of execution of such waiver, which the Papago Tribe has against the United States, the State of Arizona and any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, under the laws of the United States or the State of Arizona; and

(2) the suit referred to in paragraph (1)(B) is finally dismissed.

(b) After the conditions referred to in subsection (a) have been met the Secretary shall be authorized and required, if necessary or desirable, to enter into agreements with other individuals or entities to acquire and deliver water from such sources set forth in section 5(c) if through such contracts as exercised in conjunction with the contract required in subsection (a)(1)(A) it is possible to deliver the quantities of water required in section 5(a).

(c) Nothing in this section shall be construed as a waiver or release by the Papago Tribe of any claim where such claim arises under this Act.

(d) The waiver and release referred to in this section shall not take effect until such time as the trust fund referred to in section 9 is in existence and the full amount authorized to be appropriated to the trust fund under section 9 has been appropriated by the Congress.

(e) The settlement provided in this Act shall be deemed to fully satisfy any and all claims of water rights or injuries to water rights (including water rights in both ground water and surface water) of all individual members of the Papago Tribe that have a legal interest in lands of the San Xavier Reservation and the Schuk Toak District of the Sells Reservation located within the Tucson Active Management Area

and that part of the Upper Santa Cruz Basin not within said area, as of the date the waiver and release referred to in this section take effect. Any entitlement to water of any individual member of the Papago Tribe shall be satisfied out of the water resources provided in this Act.

STUDY OF LANDS WITHIN THE GILA BEND RESERVATION; EXCHANGE OF LANDS AND ADDITION OF LANDS TO THE RESERVATION; AUTHORIZED APPROPRIATIONS

SEC. 8. (a) The Secretary is hereby authorized and directed to carry out such studies and analysis as he deems necessary to determine which lands, if any, within the Gila Bend Reservation have been rendered unsuitable for agriculture by reason of the operation of the Painted Rock Dam. Such study and analysis shall be completed within one year after the date of the enactment of this Act.

(b) If, on the basis of the study and analysis conducted under subsection (a), the Secretary determines that lands have been rendered unsuitable for agriculture for the reasons set forth in subsection (a), and if the Papago Tribe consents, the Secretary is authorized to exchange such lands for an equivalent acreage of land under his jurisdiction which are within the Federal public domain and which, but for their suitability for agriculture, are of like quality.

(c) The lands exchanged under this section shall be held in trust for the Papago Tribe and shall be part of the Gila Bend Reservation for all purposes. Such lands shall be deemed to have been reserved as of the date of the reservation of the lands for which they are exchanged.

(d) Land exchanged under this section which, prior to the exchange, were part of the Gila Bend Reservation, shall be managed by the Secretary of the Interior through the Bureau of Land Management.

(e) The Secretary may require the Papago Tribe to reimburse the United States for moneys paid, if any, by the Federal Government for flood easements on lands which the Secretary replaces by exchange under subsection (b).

ESTABLISHMENT OF TRUST FUND; EXPENDITURES FROM FUND

SEC. 9. There is hereby authorized to be established in the Treasury of the United States a trust fund for the benefit of the Papago Tribe in the amount of $15,000,000 to be invested by the Secretary in interest bearing deposits and securities including deposits and securities of the United States. The income accruing on such deposits and securities may only be used, pursuant to appropriations legislation, for the subjugation of land, development of water resources, and the construction, operation, maintenance, and replacement of related facilities (including pumping and power transmission facilities) on the Papago Reservation which are not the obligation of the United States under this or any other Act of Congress.

APPLICATION OF INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT

SEC. 10. The functions of the Bureau of Reclamation under this Act shall be subject to the provisions of the Indian Self-Determination and Education Assistance Act (88 Stat. 2203; 25 U.S.C. 450) to the same extent as if performed by the Bureau of Indian Affairs.

EXTENSION OF STATUTE OF LIMITATIONS

SEC. 11. Notwithstanding section 2415 of title 28, United States Code, any action relating to water rights of the Papago Indian Tribe or any member of such tribe brought by the United States for, or on behalf of, such tribe or member of such tribe, or by such tribe on its own behalf, shall not be barred if the complaint is filed prior to January 1, 1985.

ARID LAND RENEWABLE RESOURCE ASSISTANCE

SEC. 12. If a Federal entity is established to provide financial assistance to undertake arid land renewable resources projects and to encourage and assure investment in the development of domestic sources of arid land renewable resources, such entity shall give first priority to the needs of the Papago Tribe in providing such assistance. Such entity shall make available to the Papago Tribe—

(1) price guarantees, loan guarantees, or purchase agreements,

(2) loans, and

(3) joint venture projects,

at a level to adequately cultivate a minimum number of acres as determined by such entity to be necessary to the economically successful cultivation of arid land crops and a level to contribute significantly to the economy of the Papago Tribe.

AUTHORIZATION OF APPROPRIATIONS

SEC. 13. There are authorized to be appropriated for fiscal year 1983, and each fiscal year thereafter, such sums as may be necessary to carry out the purposes of this Act.

COMPLIANCE WITH BUDGET ACT

SEC. 14. No authority under this Act to enter into contracts or to make payments shall be effective except to the extent and in such amounts as provided in advance in appropriations Acts. Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1982.

SHORT TITLE

SEC. 15. This Act may be cited as the "Southern Arizona Water Rights Settlement Act of 1982".

PAPAGO WATER RIGHTS BILL

Mr. GOLDWATER. Mr. President, the bill presently before us, H.R. 5118, seeks to legislatively settle the Papago Indian water rights claims in portions of the Papago Reservations in southern Arizona. It is very important to point out that this is a voluntary settlement on the part of all interested parties, which include the Papago Indian Tribe, the city of Tucson, Pima County, agricultural interests, mining companies, and individual landowners. This is a settlement, indigenous to southern Arizona and has nothing to do with other pending Indian water rights claims in other States or elsewhere in Arizona. In fact, in order to make this point perfectly clear, the bill contains in section 3(e) and section 6(d) language which disclaims any and all applicability to the Winters doctrine. Specifically, nothing in this legislation shall be construed to expand or diminish the Federal reserved water rights doctrine. Nothing is intended to determine whether or not the reserved rights doctrine applies or does not apply to groundwater or whether or not the Federal reserved water may be put to use off the reservation to which the water rights attach.

It has taken 5 long years of delicate and sensitive negotiations among all the interested parties to arrive at this point and, if passed, this bill provides for the Papago Tribe to drop a 7-year pending lawsuit against the non-Indian water users. So, you can see, Mr. President, that a lot of time and effort has been expended in seeking a satisfactory out-of-court settlement.

Assistant Attorney General for Legislative Affairs, Bob McConnell, in his letter of April 8 to OMB Director Dave Stockman concerning the proposed Ancient Indian Land Claims Settlement Act, applauded the Papago negotiations because they included the Indians and all affected parties in the development of a legislative solution. Mr. McConnell suggested the Papago settlement is the preferred approach to resolving these difficult claims.

Basically, what this bill does is guarantee the acquisition and delivery of a firm annual water supply to the San Xavier Papago Reservation and to the Schuk Toak district of the Sells Papago Reservation from specified sources; these sources include the Central Arizona Project, limited groundwater pumping, and reclaimed water obtained from the city of Tucson. In return for this water, the Papago Tribe will waive all claims for additional water in the Upper Santa Cruz and Avra/Altar water basins and all claims for injuries to water rights in these basins. The Papago Tribe must limit its groundwater pumping and the tribe must agree to dismissal of pending claims.

Mr. President, I must admit that the Interior Department has been a bit critical of this bill, basically because it feels that the local parties identified in the lawsuits should be the ones financially responsible for the settlement and not the Federal Government. Frankly, I believe the Federal Government, as trustee for the Indian tribes, should be a financial partner in the settlement of such claims, together with local parties who are contributing toward the proposed settlement. Also, this measure saves the Federal Government money. If it allowed the lawsuit to travel its course, the Federal Government could wind-up with potential liability far exceeding the payments called for in this bill. It is very important to remember that the Papago Tribe is dismissing pending claims against not only the non-Indian water users, but also against the United States.

The city of Tucson is contributing by giving annually 28,200 acre-feet of reclaimed water to the Secretary of the Interior, wherein it would have otherwise had the opportunity of selling the water at a profit to non-Indian water users. Because of this, the non-Indian water users will forgo the opportunity of acquiring the reclaimed

water at lower costs than their current costs for pumped water. As for the mining companies, which were encouraged by the Federal Government to locate in the Tucson Valley and the surrounding area, they have instituted various water conservation methods. These include water recirculation, water recovery from tailings areas, use of settling methods prior to disposal of mine waste, reduction of water levels in flotation cells, and utilization of natural seepage. In addition, companies like DuVal have bought and retired thousands and thousands of acres of farmland to reduce consumption and overall demands on the water basins concerned.

All of this boils down to the fact that all of the water being provided to the Papago Tribe is being done so at the expense of local non-Indian water users. The Federal Government is charged with establishing a $15 million trust fund, of which the Papagos can use only the income for subjugation of land, development of water resources, and the construction, operation, maintenance, and replacement of related facilities on the Papago Reservation. Because only the interest will be used, this $15 million will not result in a budget outlay.

In addition, the Federal Government is required to contribute to the settlement by assuming the cost of delivering the water contributed by the non-Indians to the Papago Tribe. There are various options open to do this. In order to cut down on the costs of a single direct delivery system for the reclaimed water to which the Interior Department objected, H.R. 5118 prohibits the construction of such an expensive delivery system and offers cheaper alternatives. The most recent information on such alternatives calls for a maximum estimate of $42 million.

Mr. President, I cannot stress enough to my colleagues the importance of this legislation. The Papago Reservation encompasses some of the most arid land in the Southwest, and the importance of water to the Indians, to southern Arizona cannot be minimized. We need to resolve our water issues and we need to get on with the business of conserving our water. We cannot do this with outstanding lawsuits hanging over our heads. I might point out that the two water basins involved supply water used by copper mines which produced, in 1980, 24.8 percent of the total production of the United States. The situation facing our copper industry is no secret and the industry cannot afford any further delay in the resolution of the water claims.

I think it is amazing, Mr. President, that we have gotten the farmers, the mining industry, the city of Tucson, the State of Arizona, and the Papago Tribe to agree on the provisions of the settlement. On March 4, the House of Representatives overwhelmingly passed a measure similar to the one we are considering today. I hope that my Senate colleagues will agree with me on the merits of the bill and support it.

Mr. President, I yield to my colleague.

Mr. DECONCINI. Mr. President, I had the honor of introducing this legislation along with my distinguished colleague, the senior Senator from Arizona (Mr. GOLDWATER), on February 11 of this year. It was referred to the Senate Select Committee on Indian Affairs as S. 2114.

First, Mr. President, I thank the senior Senator from Arizona, my distinguished colleague, for his background in this area, that has helped so much to get this legislation presented in the proper light before the Indian Affairs Committee, with the historic background and in the necessity to demonstrate that we are not rewriting the entire Federal water code, about which there has always been some misunderstanding. This would not have happened if it had not been for Senator GOLDWATER.

The bill, as introduced, Mr. President, represented the historic and truly dramatic efforts of a small but dedicated corps of Arizonans who had the imagination, as well as the insight, to believe a problem as complex and explosive as the settlement of Indian water rights could be accomplished with a maximum of patient negotiations, and a minimum of confrontation.

That process of cooperation through mutual respect continued throughout the committee proceedings on the proposal, and has resulted in its consideration by the Senate here today. However, I must say, Mr. President, that the leadership of the distinguished chairman of the Select Committee, Senator COHEN, the experience and knowledge of my respected colleague, and the skill and ability of our excellent staff members have played a considerable role in the expeditious handling of this legislation.

Mr. President, for any community of Americans wishing to descend into the peaceful valley of negotiated water rights settlement, there are two seemingly impossible obstacles which must first be conquered. The first is the availability of water, and the second is cost. Rather than trying to avoid the obstacles, to go under them, or over them, we simply dismantled them.

In this bill, Mr. President, we deal only with the water which will be available in the areas immediately adjacent to the specified areas of the Papago Indian Reservation. The available water will come from within Pima County, Ariz. We did not reach out across the Southwest appropriating the water of others. It is truly a local settlement.

When I first became involved in the formulation of this legislation, the quantities of water being discussed were second only to the fantastic and frightening cost estimates. Skeptics spoke of hundreds of millions of dollars. The costs alone, it was said, would be enough to defeat the bill and throw everyone back into the courtroom for many years of adjudication.

Mr. President, to those skeptics, should any remain, let me hand a copy of the cost estimate just completed by the Congressional Budget Office. It estimates a grant total of $2 million in outlays over the next 5 years, $1 million in fiscal year 1984 and $1 million in fiscal year 1987. That is it. The estimated $1 million in fiscal year 1984 would cover the costs of several specified studies. The bill directs the Secretary to:

Carry out a study to determine the availability of energy and the energy requirements that would result from the enactment of the bill;

Study the feasibility of constructing a solar powerplant or other alternative energy producing facility to meet those requirements;

Establish a water management plan for the two reservations covered by the bill;

Carry out a study to determine the availability and suitability of water resources within the Sells Papago Reservation but outside the Tucson Active Management Area and that part of the Upper Santa Cruz Basin not within that area, subject to a request by the tribe; and

Carry out a study to determine which lands, if any, within the Gila Bend Reservation have been rendered unsuitable for agriculture.

Mr. President, rather than attempt to detail the provisions of the bill, I invite my colleagues to study the committee report and the materials and testimony presented at the committee hearing.

It is certainly testimony to efforts of all those involved that this proposal, as reported, has the support of the Papago Tribal Council, the mayor and council of the city of Tucson, the Pima County Board of Supervisors, and the various major private water users. It is also testimony to the courage and foresight of the chairman of the Papago Tribe, Mr. Max Norris. He has been strong in his determination to represent the best interests of his people, and hard working in reaching that goal. I think—I know—he has achieved it.

I also wish to single out Representative MORRIS UDALL, who has been, undoubtedly, the catalyst of this lengthy and arduous effort. Once again, his experience, skill, and boundless optimism have served well the people of Arizona.

Mr. President, this legislation will not set a precedent of any kind. It does not affect in any way the many

remaining water rights claims in Arizona or elsewhere. It could, however, be a model for those faced with lengthy, expensive, and destructive court battles.

I once again commend the distinguished chairman of the committee for his expeditious handling of the bill and urge my colleagues to support this important and timely legislation.

I must add that, without Senator GOLDWATER chairing the hearings and being sure this came up and was handled in such a proper way, we would not be here on this day. I am most grateful to my distinguished colleague.

I thank the Chair.

Mr. GOLDWATER. I thank my colleague very much.

Mr. WALLOP. Mr. President, I can appreciate my distinguished colleague's concern for wanting H.R. 5118 passed. However, considering the pending Indian water claims in my own State, as well as those in numerous other Western States, I want to make sure that this legislation before us in no way by precedent or otherwise affects other pending water or land claims, whether in Wyoming or anywhere else. We in Wyoming and other Western States may choose to go a different route in settling our own reserved water problems. Therefore, let me ask, just to make this perfectly clear: Am I correct that this bill in no way sets a precedent to extend or contract Federal reserved water rights or other tribal reserved water rights either outside of Arizona or elsewhere within that State?

Mr. GOLDWATER. I understand the Senator's concern and I appreciate it, Mr. President. This is a negotiated, out of court settlement, plain and clear, and does not affect any other State. As I have pointed out in my statement, and as the committee report clearly notes, we added an amendment in committee which specifically precludes the extension reserved water right doctrine, whether Federal or Indian.

Mr. WALLOP. May I ask Senator DECONCINI if this is his understanding as well?

Mr. DECONCINI. That is correct, Mr. President. The legislation is quite clear as to limiting the settlement to specific areas of even the Papago Reservation.

Mr. LAXALT. Mr. President, I wish to express my full support for H.R. 5118 and I can appreciate what my colleague (Mr. GOLDWATER) says about long years of delicate and sensitive negotiations. In northern Nevada, we have a similar problem with regard to water rights. Ours involved the Pyramid Lake Paiute Indian Tribe, the Truckee-Carson Irrigation District (TCID), and the Bureau of Reclamation. We, too, have lawsuits hanging over our heads and we are very anxious to bring about some sort of a satisfactory and acceptable settlement.

At the heart of this dispute is the amount of water that will be made available to Pyramid Lake. It has been determined that an average annual inflow of 385,000 acre feet per year from the Truckee River is needed to maintain the Pyramid Lake at its current level, plus or minus 10 feet, and meet Endangered Species Act obligations.

The Truckee-Carson Irrigation District (TCID) operates the Federal newlands reclamation project. Basically cattle oriented, the 73,000 acre tract is owned and farmed by 2,000 individuals.

In the early 1960's, the Pyramid Lake Paiute Tribe became interested in greatly increasing the flows of Truckee River water to Pyramid Lake, which is on reservation land, for fishery purposes. Any increased flows to Pyramid Lake would necessitate taking away water that was presently being used by someone else. Since the Truckee-Carson Irrigation District was the largest upstream user, efforts to obtain more Truckee River water for the lake have been aimed at the newlands project.

For over a year, the Bureau of Reclamation has been attempting to negotiate a settlement between the tribe, the TCID, and the Bureau. The Bureau has proposed a "Rehabilitation and Betterment Program" for the newlands project, costing approximately $15.5 million which they estimate will save 45,750 acre-feet of water per year.

I am very pleased to say that the TCID has offered to relinguish to the Pyramid Lake Tribe 31,000 acre-feet per year from the 406,000 they claim plus the savings realized through the R. & B. proposal in return for all litigation being dropped. This offer is on the table and I am in great hopes that all affected parties, the Indians, the TCID, and the Bureau will begin earnest negotiations so that we may soon come before Congress with our own settlement legislation.

Mr. GOLDWATER. Mr. President, hopefully, given the importance of this issue to northern Nevada and the fact that the irrigation district has made a proposal for the settlement of this dispute, the affected parties will sit down and start some serious dialog. The Senator's involvement and leadership can be very instrumental in the negotiation process and in the development of legislation, and I, of course, am only too glad to support his efforts.

Mr. COHEN. Mr. President, I support H.R. 5118, a bill to provide water to the Papago Indian Tribe of Arizona, to settle Papago Indian water rights claims in portions of the Papago Indian Reservations, and for other purposes.

This legislation is the culmination of lengthy negotiations among affected water users drawing water from the subsurface water basins in and around Tucson, Ariz. The bill has the general support of the city of Tucson, the Papago Tribal Council, and the majority of non-Indian water users in the surrounding area.

This bill was originally introduced on the House side by Mr. UDALL as H.R. 4363. Extensive hearings were held in Tucson which led to significant revisions embodied in a new bill, H.R. 5118. H.R. 5118 was introduced in the House on December 3, 1981, and companion legislation, S. 2114, was introduced in the Senate on February 11, 1982, by Senator DECONCINI, for himself and Senator GOLDWATER. On March 4, 1982, the House of Representatives, by a vote of 311 for, 50 against, and 73 not voting, passed H.R. 5118. The bill was referred to the Senate Select Committee on Indian Affairs for consideration.

Mr. President, H.R. 5118, as reported by the committee, strikes out all after the enacting clause of the House bill and substitutes therefor the language of S. 2114 with certain amendments. In major outline, H.R. 5118 as reported by the committee would provide for delivery of water to two reservations of the Papago Indian Tribe from two difference sources of water. Under sections 3 and 4 of the bill, provision is made for delivery of 37,800 acre-feet of water from the main project works on the central Arizona project. This figure corresponds with the amounts agreed upon by the Papago Tribe and the Secretary of the Interior in and agreement dated December 12, 1980.

Under section 5 of the bill, the tribe will also receive an additional 28,200 acre-feet of reclaimed water of a quality sufficient for agricultural uses. This water is to be provided by the city of Tucson to the Secretary of the Interior without profit to the city. The Secretary is obligated to deliver these quantities of water to the reservation boundaries of the Papago Tribe, and further provision is made for construction of distribution systems for irrigation within the reservation areas.

In exchange for these provisions, the Papago Tribe must agree to the voluntary dismissal with prejudice of the action now pending in the U.S. District Court for the District of Arizona filed by the United States on the tribe's behalf against the city of Tucson and other water users. It must also execute a waiver of further claims to water within the two water basins described in the bill. In addition, the tribe must agree to limit the amount of subsurface water pumped from the two affected reservations. On its side, the city of Tucson must agree to provide the Secretary of the Interior, without profit to the city, the re-

claimed water necessary for the Secretary to meet his obligations under section 5.

Finally, a very important provision in this legislation is the requirement in section 9 that the United States establish a trust fund for the tribe in the amount of $15 million. The corpus of this trust fund is to be held intact and the income accruing on the account is to be used by the tribe for subjugation of land within the reservation to prepare it for agricultural uses, and for future maintenance and operation of the irrigation systems within the reservation following the initial construction by the United States. None of the agreements provided under this legislation are to take effect until this trust fund is established.

Mr. President, as reported by the Select Committee on Indian Affairs, H.R. 5118 differs from the House bill in certain respects, the most of important of which are as follows:

First, the House bill would authorize appropriation of funds for construction of phase B of the Tucson Aqueduct of the central Arizona project. Construction of this work is already provided for under Public Law 90-537, the general legislation authorizing construction of the central Arizona project. The Senate bill would continue the current allocation of these construction costs to Public Law 90-537.

Second, the House bill provided the Secretary of the Interior with substantial latitude in selecting the means by which to deliver the reclaimed water provided for in section 5 to the reservation boundaries. Nevertheless, some cost estimates by the administration assumed construction of a single purpose delivery system for this water thus resulting in highly inflated cost estimates. The Senate bill specifically prohibits construction of a single purpose delivery system for delivery of this reclaimed water.

Third, the House bill is silent with respect to the affect this legislation might have on water rights of Indian tribes or non-Indian water users that are not specifically addressed by this legislation. The committee received expressions of concern from both Indian and non-Indian sources regarding the precedential aspects of this legislation. The committee does not intend that this bill should have any precedential affect for any rights or areas not specifically addressed in this bill. This intention is made clear through the addition of sections 3(e) and 6(d) providing that this act shall not be construed to establish whether or not the Federal reserved water rights doctrine applies or does not apply to groundwater, nor shall it be construed to establish whether or not reserved water may be put to the uses provided for under the terms of this act.

Mr. President, I believe that H.R. 5118 as reported by the Select Committee on Indian Affairs is good legislation. It will bring an end to litigation now burdening the United States, the Papago Tribe, the city of Tucson, and the non-Indian water users; it will bring specificity to the rights of the various parties; it provides a firm water supply to the Papago Tribe which will enhance economic development and self-sufficiency on that reservation; and it provides a necessary base for future planning of water use and implementation of water management in the affected water basins. I believe it is fair to all parties involved, both Indian and non-Indian, and it has their general support. I strongly urge the Senate to support this bill as reported by the committee.

● Mr. MELCHER. Mr. President, on April 29, 1982, the Select Committee on Indian Affairs favorably reported H.R. 5118, a bill providing water to the Papago Tribe of Arizona, to settle Papago Indian water rights claims in portions of the Papago Reservation, and for other purposes.

H.R. 5118 as amended by the committee makes it clear that the situation surrounding the Papago Indian water rights claim in the Tucson, Ariz. area is unique and does not necessarily apply to other reservations in other States.

The committee report accompanying H.R. 5118 (Report 97-375) makes it abundantly clear on page 12 that this water rights settlement addresses a unique situation:

> The allocation of water resources to the Papago Tribe under this Act is uniquely suited to the geographic, social and economic characteristics of the area and is not intended to be applied to any other Indian water rights claim in other areas, within or without the State of Arizona.

A letter to the committee from the Montana Department of Natural Resources and Conservation raised the need in this legislation for limitations to this unique situation through disclaimers regarding the sale of reserve water rights and the extension of reserve water rights to ground water. The committee substitute in section 6(d) and 3(e) sets forth such disclaimers regarding the sale of reserved water rights as well as any application of Federal reserved water rights doctrine to ground water.●

Mr. STEVENS. Mr. President, I wish to join in support of Senator GOLDWATER in seeking passage of this legislative settlement of the Papago Indian water rights claims. I have had considerable experience in dealing with legislative solutions to settle native claims. I have discovered that this method is generally superior to rolling the dice in litigation.

The Papago's are willing to dismiss any claims against local parties and the United States in return for provision of water by the Secretary of Interior. This legislation will put an end to costly litigation expenses which the United States has incurred and would continue to incur on behalf of the Papagos.

This case has been in court for 6 years and could drag on indefinitely if this solution fails. The settlement also assists the United States in avoiding potential liability for failure to exercise its trust responsibilities in protection of water resources for the tribe.

Most importantly this legislation avoids any involvement with the Federal reserved water rights doctrine on Indian lands. It is my understanding that this bill specifically states that there is no effect on the longstanding Winters doctrine. It is the intent of this legislation to express a voluntary settlement gained through a coordinated negotiation process; not to create or diminish Federal policy on reserved water rights.

I commend Senator GOLDWATER for his great effort in achieving this objective, and urge my colleagues to vote favorably toward passage.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and to be read the third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 5118) passed.

Mr. DECONICINI. I move to reconsider the vote by which the bill was passed.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. Yes, if the Chair will bear with me just for a moment.

Mr. President, in a moment I shall ask the Chair to lay before the Senate a message from the House on S. 1131, the Delinquent Payments Act of 1981. I will not now make that request but, rather, advise Senators who may have an interest in this measure that I will do so shortly. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. KASSEBAUM). Without objection, it is so ordered.

PROMPT PAYMENTS ACT

Mr. BAKER. Madam President, I believe the request I am about to make has been cleared by the minority. I will state it for the consideration of the minority leader.

I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on S. 1131.

There being no objection, the Presiding Officer laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1131) entitled "An Act to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes", do pass with the following amendments:

Strike out all after the enacting clause, and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Prompt Payment Act".

INTEREST PENALTIES ON LATE PAYMENTS

SEC. 2. (a)(1) In accordance with regulations prescribed by the Director of the Office of Management and Budget, each Federal agency which acquires property or services from a business concern but which does not make payment for each such complete delivered item of property or service by the required payment date shall pay an interest penalty to such business concern in accordance with this section on the amount of the payment which is due.

(2) Such regulations—

(A) shall specify that the required payment date shall be—

(i) the date on which payment is due under the terms of the contract for the provision of such property or service; or

(ii) thirty days after receipt of a proper invoice for the amount of the payment due, if a specific date on which payment is due is not established by contract;

(B)(i) in the case of any acquisition of meat or of a meat food product, as defined in section 2(a)(3) of the Packers and Stockyards Act, 1921 (7 U.S.C. 182(3)), shall specify a required payment date which is not later than seven days after the date of delivery of such meat or meat food product; and

(ii) in the case of any acquisition of a perishable agricultural commodity, as defined in section 1(4) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(4)), shall specify a required payment date consistent with requirements imposed pursuant to such Act;

(C) shall specify separate required payment dates for contracts under which property or services are provided in a series of partial executions or deliveries, to the extent that such contract provides for separate payment for such partial execution or delivery; and

(D) shall require that, within fifteen days after the date on which any invoice is received, Federal agencies notify the business concern of any defect or impropriety in such invoice which would prevent the running of the time period specified in subparagraph (A)(ii).

(b)(1) Interest penalties on amounts due to a business concern under this Act shall be paid to the business concern for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made, except that no interest penalty shall be paid if payment for the complete delivered item of property or service concerned is made on or before (A) the third day after the required payment date, in the case of meat or a meat food product described in subsection (a)(2)(B)(i); (B) the fifth day after the required payment date, in the case of an agricultural commodity described in subsection (a)(2)(B)(ii); or (C) the fifteenth day after the required payment date, in the case of any other item. Interest shall be computed at the rate determined by the Secretary of the Treasury for interest payments under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611). The Secretary of the Treasury shall publish each such rate in the Federal Register.

(2) Any amount of an interest penalty which remains unpaid at the end of any thirty-day period shall be added to the principle amount of the debt and thereafter interest penalties shall accrue on such added amount.

(c) This section does not authorize the appropriation of additional funds for the payment of interest penalties required by this section. A Federal agency shall pay any interest penalties required by this section out of funds made available for the administration or operation of the program for which the penalty was incurred.

(d)(1) Any recipient of a grant from a Federal agency may provide in a contract for acquisition of property or services from a business concern for the payment of interest penalties on amounts overdue under such contract, except that—

(A) in no case shall an obligation to pay such interest penalties be construed to be an obligation of the United States, and

(B) any payment of such interest penalties shall not be made from funds provided to the grant recipient by a Federal agency, nor shall any non-Federal funds expended for such interest penalties be counted toward any matching requirement applicable to that grant.

(2) Such interest penalty payments shall be made under such terms and conditions as agreed to by the grant recipient and the business concern, consistent with grant recipient's usual business practices and applicable State and local law.

LIMITATION ON DISCOUNT PAYMENTS

SEC. 3. (a) If a business concern offers a Federal agency a discount from the amount otherwise due under a contract for property or services in exchange for payment within a specified period of time, the Federal agency may make payment in an amount equal to the discounted price only if payment is made within such specified period of time.

(b) Each agency which violates subsection (a) shall pay an interest penalty on any amount which remains unpaid in violation of such subsection. Such interest penalty shall accrue on such unpaid amount in accordance with the regulations prescribed pursuant to section 2, except that the required payment date with respect to such unpaid amount shall be the last day of the specified period of time described in subsection (a).

CLAIMS; RELATION TO OTHER LAW

SEC. 4. (a)(1) Claims for interest penalties which a Federal agency has failed to pay in accordance with the requirements of section 2 or 3 of this Act may be filed under section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605).

(2) Interest penalties under this Act shall not continue to accrue (A) after the filing of a claim for such penalties under the Contract Disputes Act of 1978, or (B) for more than one year.

(3) Paragraph (2) shall not be construed to preclude the accrual of interest pursuant to section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) after interest penalties have ceased accruing under this Act, and interest pursuant to such section may accrue on both any unpaid contract payment and on the unpaid interest penalty required by this Act.

(b) Except as provided in section 3 with respect to disputes concerning discounts, this Act shall not be construed to require interest penalties on payments which are not made by the required payment date by reason of a dispute between a Federal agency and a business concern over the amount of that payment or other allegations concerning compliance with a contract. Claims concerning any such dispute, and any interest which may be payable with respect to the period while the dispute is being resolved, shall be subject to the Contract Disputes Act of 1978.

CONGRESSIONAL OVERSIGHT

SEC. 5. (a) Each Federal agency shall file with the Director of the Office of Management and Budget a detailed report on any interest penalty payments made under this Act during the preceding fiscal year.

(b) Such report shall include the number, amounts, and frequency of interest penalty payments, and the reasons such payments were not avoided by prompt payment, and shall be delivered to the Director within sixty days after the conclusion of each fiscal year.

(c) The Director shall submit to the Committee on Governmental Affairs, the Committee on Appropriations, and the Committee on Small Business of the Senate and to the Committee on Government Operations, the Committee on Appropriations, and the Committee on Small Business of the House of Representatives within one hundred and twenty days after the conclusion of each fiscal year a report on Federal agency compliance with the requirements of this Act. Such report shall include a summary of the report submitted by each Federal agency under subsection (b) and an analysis of the progress made in reducing interest penalty payments by that agency from previous years.

DEFINITIONS

SEC. 6. For the purposes of this Act—

(1) the term "Federal agency" has the same meaning as the term "agency" in section 551(1) of title 5, United States Code, but also includes any entity (A) which is operated exclusively as an instrumentality of such an agency for the purpose of administering one or more programs of that agency, and (B) which is so identified for this purpose by the head of such agency;

(2) the term "business concern" means any person engaged in a trade or business and nonprofit entities operating as contractors;

(3) an invoice shall be considered a "proper invoice" when it contains or is accompanied by such substantiating documentation (A) as the Director of the Office of Management and Budget may require by regulation, and (B) as the Federal agency

involved may require by regulation or contract;

(4) an invoice shall be deemed to have been received by an agency on the later of—

(A) the date on which the agency's designated payment office or finance center actually receives a proper invoice; or

(B) the date on which such agency accepts the property or service concerned;

(5) a payment shall be considered made on the date on which a check for such payment is dated; and

(6) a contract for the rental of real or personal property is a contract for the acquisition of that property.

EFFECTIVE DATE

SEC. 7. (a) This Act applies to the acquisition of property or services on or after the beginning of the first calendar quarter which begins more than ninety days after the date of enactment of this Act.

(b) The provisions of this Act requiring the promulgation of regulations shall be effective upon enactment, and such regulations shall be promulgated not later than ninety days after the date of enactment of this Act.

(c) The provisions of this Act shall apply to the Tennessee Valley Authority, but any regulations promulgated under the authority of this Act shall not be applicable to the Tennessee Valley Authority, which shall be solely responsible for implementing the provisions of this Act with respect to its contracts.

Amend the title so as to read: "An Act to require the Federal Government to pay interest on overdue payments, and for other purposes."

Mr. BAKER. Madam President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

Mr. WEICKER. Madam President, I am delighted that the Senate is today taking final action on S. 1131, the Prompt Payments Act. I would like to thank my distinguished colleague from Missouri for his outstanding leadership in bringing this bill through the Governmental Affairs Committee and the Senate last year, and for his dedication to reducing the late payment dilemma now facing the small business community.

Through the entire legislative process—drafting of the bill, hearings, markup, and full Senate consideration—Senator DANFORTH and I have truly worked as a team to bring the bill to this point. It is due to his cooperation and leadership that we have come this far.

It was almost a year ago today that we introduce this legislation, and during this time, the need for the bill has only become more clear. Of all the many problems that beset small business owners, this is one of the most damaging and frustrating. I say frustrating because it is so unnecessary.

Imagine having to enact legislation to force the Government to pay its bills on time. If anything, you would think the Government would be setting an example for other businesses when it comes to their purchasing and payment procedures. But time and again, we see that this is not the case. Despite the fact that small business payrolls, mortgage payments, or investments often depend on the cash flow generated by payments on account, the Federal Government persists in taking 90, 120, or more days to pay its bills.

For a big business, such a delay in payment would undoubtedly cause some consternation in the bookkeeping department, but life would go on. For a small firm, however, that one payment might mean the difference between survival and disaster.

Madam President, I do not need to tell you that small businesses are going through some pretty rough times out there. If the overall economy is being buffeted by a stiff wind right now, then small business is caught in the middle of a hurricane. Small businesses are failing at a rate unseen since the Great Depression, and those that have not failed are hanging on by their thumbnails.

In this climate, with blows raining down on them from all sides, the last thing our small business owners need is to get sucker-punched by their own Government.

I find it inexcusable that this Government cannot pay its bills in a timely and orderly fashion. Not only is it poor government, it is also—considering that we are the largest purchaser in the world—just plain bad business.

Besides causing the small business owner sizable hardship, late payment of bills also costs the Government money. By not paying within a reasonable period, we routinely and regularly forfeit the discounts offered to us for prompt payment. In times of budget restraint such as these, this kind of cavalier attitude toward paying bills is unconscionable.

This legislation would put a stop to these wasteful and destructive payment practices by requiring the Federal Government to pay its bills in a timely fashion—or face interest penalties; in short, the same terms that you or I, or any small business owner, abide by every day in our own business dealings.

This important principle will now be placed in statute. Hopefully, it will send a clear signal to the Federal bureaucracy to change its sloppy bill-paying practices. Failure to respond will hit those agencies where it hurts—in their pocketbooks. All interest penalty charges will come from the operating budget of the delinquent agency involved. The bill has teeth and provides a real incentive to change.

The analogy has been drawn time and again, but I think it is worth repeating: Imagine how the Federal Government would react if small businesses paid their income tax with the same alacrity the Government shows in its payment procedures. We all know exactly how they would react—with interest penalties and threats of prosecution, that is how. So why should they expect any less when the situation is reversed and they are on the paying side?

Let me just make it clear here that by imposing interest penalties on the Government, we are not attempting to somehow get more money for small businesses. Believe me, all small business owners want is their due, and in this case, that is payment of what is owed; not 6 months from when the bill goes out, not 9 months after it is sent, but within 45 days.

Madam President, the General Accounting Office, in two separate studies done on the late-pay problem, found that 39 percent of all the Government's bills are paid an average of 74 days late, and that because of these delays, small businesses are losing anywhere from $150 to $375 million a year.

Finally, I would like to thank the Slow Pay Coalition, the U.S. Chamber of Commerce, and other trade and business organizations for their help in keeping the Congress and the American people informed about the effects and the extent of the delinquent payments problem.

Mr. DANFORTH. Madam President, as the sponsor of this legislation, I am especially pleased that the Senate today is taking final action on S. 1131, the Prompt Payment Act. It is my understanding that it is to be signed by the President this Thursday during U.S. Small Business Week. This is particularly appropriate because the enactment of S. 1131, will be a substantial benefit to those small businesses that sell to the Federal Government.

S. 1131's goals is very simple—to get the Government to pay its bills when they are due, or pay an interest penalty. We found the problem of Government late payments to those who provide goods, services, or construction to be widespread, very costly, and very resistant to administrative remedy.

In 1978, the General Accounting Office reported that more than 30 percent of all invoices submitted to Government payment centers, representing 15 percent of the dollar volume of Federal payments, were not being made within the commercially accepted 30-day time period simply because of Government tardiness. These delays were a source of friction between the Government and its contractors, and a strong deterrent to those who might want to enter the Government marketplace.

During our hearings on S. 1131, the GAO's Chief Accountant estimated that between $150 million and $375 million was lost by Government contractors because of late payments.

That estimate assumed a 12-percent interest rate and total Federal procurement expenditures of $100 billion. Today, with costs of borrowing far in excess of 12 percent, and total Federal procurement expenditures estimated at $140 billion for fiscal year 1983, the costs to those selling to the Government could have approached half a billion dollars—a staggering cost of doing business with the Federal Government.

S. 1131 provides a direct solution to the problem. It requires Federal agencies to pay an interest penalty, out of program funds, if bills are not paid on time. Currently, the rate of interest is 14.75 percent. The figure is adjusted by the Treasury in January and June of each year, taking into consideration the prime rate and costs of borrowing for 5-year corporate notes.

To help Federal agencies avoid the payment of interest penalties, S. 1131 requires that Government contracts include a specified payment date, or in the absence of such date establishes a 30-day requirement, the commercial standard. Because of existing Federal requirements and industry practices, S. 1131 recognizes shorter payment periods for meats and perishable fruits and vegetables.

As amended by the House, S. 1131 includes a single 15-day grace period after the expiration of the required payment date. Similar grace periods of 3 and 5 days are provided for meat products and perishable fruit and vegetables, respectively. These grace periods were requested by the administration to avoid the administrative burdens growing out of the calculation and payment of claims for interest on late payments of 15 days or less. Despite the availability of these grace periods, I believe that the 30-day payment standard has been preserved, because if the Government still fails to pay up on time, the interest penalty is calculated from the payment date, not the end of the grace period.

Madam President, this is commonsense legislation. There is no excuse for the Government shortchanging the people it does business with; it is my hope that S. 1131 will eliminate this problem and encourage the private sector to compete more vigorously for Government contracts, to the benefit of all concerned.

(At the request of Mr. ROBERT C. BYRD, the following statement was ordered to be printed in the RECORD:)

● Mr. SASSER. Madam President, let me say that this legislation, which I wholeheartedly support and which represents the amended version of the Late Payments Act of 1981 (S. 30), which I introduced on the very first day of the 97th Congress, helps to settle a long-overdue account between the American business community and the Federal Government.

The Delinquent Payments Act will make Federal agencies manage their own accounts in the same proper fashion as do the hundreds of thousands of American businesses these same Federal agencies regulate, oversee and affect on a day-to-day basis.

Normal business practice is the thrust of this legislation: If the Federal Government does not pay its bills to business on time—within 30 days, in most cases—it has to pay interest charges on those bills.

Interest charges on bills due over 30 days represent a near-universal practice in the business community. Department stores, mortgage bankers, and credit card companies all impose an interest charge or penalty if something is overdue beyond a month.

If this bill merely sets in place something that is in effect all across the business community, why should it be necessary at all? Because it has been pointed out time and time again that the facts show—in this case, an exhaustive study by the General Accounting Office—that Federal agencies are overdue on the bills they owe business nearly 40 percent of the time.

Can you imagine the reaction a business would receive if it failed to pay its quarterly taxes to the Internal Revenue Service, explaining that "if it's all right for the Federal Government to do it, then it's all right for us."

I want to emphasize, however, that the objective of this bill is not to penalize Federal agencies with interest charges that will have to come out of their agencies' operating budgets. The objective is to make Federal agencies pay their bills on time—something they have been directed to do time and time again by appropriate Federal officials. The reality that bills must be paid on time will also force Federal agencies to improve their financial management practices.

The Delinquent Payments Act will also help to redress a serious problem the Federal Government has created for small businesses, because small businesses are the principal vendors serving the Federal Government. Small businesses provide 90 percent of the Federal Government's day-to-day needs.

Yet, small businesses do not have the cash flow capability nor finance departments to cope with the cost of carrying debts—elements that help large corporations weather the burden of overdue debts.

This fact is in no small way related to another reality for small businesses: They are failing at record numbers. According to Dun & Bradstreet, small businesses comprise the overwhelming majority of the more than 17,000 businesses that failed in 1981. This depression-era total will, by all accounts, be exceeded in 1982.

I am sure that none of my colleagues will, therefore, have the slightest reservation in supporting the Delinquent Payments Act and in doing so make a payment on an account of debts we owe the American business community, especially the small business community.

Finally, I want to commend my colleague, Senator DANFORTH, for the leadership role he played with regard to this legislation. He and the staff of his Governmental Affairs Subcommittee on Federal Expenditures have been diligent in accommodating the special concerns of the many interests that have followed the bill and in keeping all parties well informed on the progress of the legislation. Special commendation is due also to Kenton Pattie, of the National Audio Visual Association and head of the Slow Pay Coalition, the umbrella group representing the many business associations supporting this legislation, for his work in making legislators, and members of the business community as well, aware of the need to do something about the problem of overdue bills owed by Federal agencies. With all those who worked on this measure, I look forward to its speedy implementation.●

Mr. CHILES. Madam President, it is with great pleasure that I join Senator DANFORTH and others in supporting passage of the Prompt Payment Act.

The principle behind this legislation is simple: The Federal Government should pay its bills on time.

Despite this commonsense principle, there is no law in the books today that compels agencies to pay their bills on time.

Madam President, life is full of small victories, and passage of this bill will certainly be one of them. This legislation has been a long time coming. I incorporated the principle that the agencies pay interest on overdue payments in broader Federal acquisition reform bills I introduced in the 95th and 96th Congresses. We have been talking about the idea for 10 years. The bureaucracy's response has always been to resist this discipline. They have promised regulations and every form of executive branch action you can imagine to avoid this statutory requirement.

All the unkept promises are water over the dam now. Senator DANFORTH and Congressmen BROOKS, HORTON, and others should be thanked for helping to finally see this principle written into law.

The interest payments to private contractors will come out of agency operating funds. That creates a real incentive for the agencies to get their houses in order.

It is not a good business practice to permit the agencies to operate without this incentive. Many businessmen, particularly small businessmen, just refuse to deal with the Federal Gov-

ernment because they do not know when they will get paid and they have to borrow money to cover their cash flow problems.

At today's interest rates, the cost can be 20 percent and higher. That is asking the business who does deal with the Government to commit slow suicide if we do not assure them of either prompt payment or interests costs.

They charge interest in the private sector if you are late. It is standard operating procedure. It is tough enough doing business with the Government given all the paperwork and regulation. This is one double standard we can eliminate.

This legislation also recognizes the private sector standards in the meat and perishable food industries such as fresh fruit and vegetables. I have heard a great deal from the agriculture community on this bill and they will welcome this overdue requirement.

● Mr. ROTH. Madam President, the Federal Government, which has vowed to crack down on overdue taxes, student loans, and other late payments, has problems paying billions of dollars of its own bills on time. The Government pays about 30 percent of its bills after 30 days, the General Accounting Office estimates, with the average late bill paid 74 days after billing. The overdue bills represent about 18 percent of the dollar value of the Federal Government's purchases, according to GAO.

Assuming $100 billion worth of procurements each year, the GAO estimated that the Government paid about $18 billion worth of bills after 30 days. With a 12-percent interest rate, it said, that represents a cost to contractors of between $150 million and $375 million each year in interest that the money could have been earning or in what they might have had to borrow.

Contractors appearing before the Federal Expenditures Subcommittee of my Committee on Governmental Affairs testified that some agencies are better than others in making payments on time. A number singled out the Internal Revenue Service as being notoriously bad, while the FBI and the CIA were thought to be extremely efficient. It seems that the IRS can turn palms up quickly when asking for your taxes but offers only the back of its hand when those to whom it owes money ask to be paid on time.

Madam President, those who provide services to the Government have a right to expect to be paid on time. In the private sector, standard payment periods are set for most bills and interest payments are charged for each day a company is late in settling its accounts. Until now, the Government has cavalierly ignored this practice while it simultaneously charges those late in paying their taxes interest fees.

Small businesses are the ones hurt most by poor Government payment practices. In my own State of Delaware, one former small business owner wrote me to explain how badly this problem has affected his company. I say "former" because Mr. Albert Siegfried, the owner of the company which was named Training Services, Inc., has been forced to sell his operation to a larger firm, in part because of severe cash problems. These cash problems were greatly exacerbated by slow Government bill-paying practices.

As Mr. Siegfried wrote me, and I quote:

> As a taxpayer, it makes me angry to see * * * the U.S. Government paying its bills months after I deliver the goods. I am currently paying 20.5 percent on my short-term money to Delaware Trust. Unless things shape up in a hurry for us on our receivables, I do not think we can survive.

One of the worst examples of Mr. Siegfried's difficulties in receiving prompt payment from the U.S. Government involved the Social Security Administration. He billed them for over $4,000 worth of services supplied by his company and was not paid until 4 months later. To add insult to injury, when he finally was paid, the SSA office took a 2-percent discount which is given only to those who pay before the end of the payment period.

The bill we have before us today would end that type of practice. It would require all Government bills to be paid within 30 days of the receipt of a bill for services rendered. If bills are not paid on time, companies may charge interest on the amount due. To insure that the agencies really feel pain from paying late, these interest charges would have to come out of the existing budgets of the agencies. In other words, it would come out of their own hides.

Madam President, I am proud to have been an original sponsor of this bill, and I am pleased that after more than 2 years of work, we have finally enacted it into law. I commend Senator DANFORTH for his diligence and leadership in this matter, and I look forward to the implementation of this important act.●

● Mr. PRYOR. Madam President, today I join many of my colleagues in urging Senate approval of S. 1131, the Delinquent Payments Act of 1981. I am a cosponsor of this legislation because I believe the Federal Government must, quite simply, pay its bills on time.

The payment practices of the Government are too often unbusinesslike. It strikes me as very important that in a time of increased efforts to collect debts owed to the Federal Government by the private sector, that the Government itself must improve its dismal record of paying its bills. It is crucial that we make promptness the rule, rather than the exception. The Government must not be allowed to exempt itself from fundamental business requirements. On the contrary, it should maintain a standard of performance for which the taxpayers can be proud.

I have been made dramatically aware of the impact of these late payments on businesses, especially small businesses, in my home State of Arkansas. Several constituents have expressed frustration, some helplessness, others anger. "How can we stay in business," many have asked me, "when we cannot get the money that the Government owes us?" Some have been forced to near bankruptcy when they have been compelled to borrow money at prevailing interest rates in order to pay their obligations, while the Government sits idly by, its debts unpaid.

I believe this legislation will serve to spur the Federal Government to improve payment procedures, and in doing so will bolster the efficiency and business reputation of the Government. Most important, it will help some businesses that are struggling to remain viable. And in uncertain economic times like these, the significance of business survival cannot be overemphasized. Indeed, Madam President, it is crucial.

S. 1131 has received broad bi-partisan support in the Senate and was reported out of the Committee on Governmental Affairs with unanimous support. I urge my colleagues to cast their votes in favor of this important bill today.●

Mr. BAKER. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. HEFLIN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

TRANSFER OF BALLISTIC MISSILE DEFENSE FROM THE ARMY TO THE AIR FORCE

Mr. HEFLIN. Mr. President, I am greatly concerned over language in the defense authorization bill which requires the Secretary of Defense to study the idea of transferring the Army's ballistic missile defense program to the Air Force. I do not know the origin of this proposal, but it has been a recurring idea over the years that has been repeatedly rejected in committee before it has reached the floor or been entertained as a serious proposition. Now is a particularly inauspicious time to dredge up this proposal, in the face of an intensive build-up in our strategic nuclear forces, and

an acceleration of the BMD research and development program. It would be extremely disruptive to the BMD program to effect such a transfer, and a waste of time and effort to study it.

The BMD program is an outgrowth of the highly successful air defense missile systems developed by the Army over the last three decades, including Nike Ajax, Nike Hercules, Hawk, and Patriot. Born in the late 1950's, the BMD programs began with the challenging objective of "hitting a bullet with a bullet." Since its inception, the program has indeed demonstrated that this objective can be met. Dozens of live intercept firings in the Safeguard program proved beyond reasonable doubt that lethal ICBM reentry vehicles could be knocked from the sky before they performed their deadly mission.

Since the successful Safeguard program, enormous strides have been made in improving and refining our BMD technology. We are now poised to develop a system with unprecedented effectiveness in shielding U.S. targets against ballistic missile attacks.

Why then is it necessary or desirable to study uprooting the BMD program from the Army and handing it over to the Air Force? What possible advantages could be realized from this transfer that could outweigh its inevitably disruptive effects? Indeed, why should it be necessary to direct the Secretary of Defense to study such a proposal?

I suppose there are those who believe that program efficiency would be enhanced by integrating more strategic programs under a single service. History gives scant support for such a theory. The Navy's illustrious history of strategic programs, embracing Polaris, Poseidon, and Trident, has unfolded in parallel with Air Force development and deployment of Minuteman and other strategic systems. The Army's only strategic program, BMD, has been strikingly successful as an objective and independent enterprise, profiting from its lineage from air defense systems while maintaining a healthy "friendly adversary" relationship with the strategic offensive programs.

I could elaborate at some length about the advantages of maintaining BMD as it now exists in the Army with its proven track record, first-rate team of Government/industry personnel, and healthy institutional environment. I have visited the center of our BMD program in Huntsville, Ala., many times, and I can assure you that it is unmatched in operational efficiency and technology innovation. It is a national center of excellence. This is not just my opinion, but a fact that has been verified many times by scientific review boards at all levels of government. It should not be necessary to defend something that is working well, a state that is all too rare in today's world of military problems.

Mr. President, I respectfully disagree with the position of the Senate Armed Services Committee on this particular item, although I find much to agree with in their major recommendations, including full support of the BMD R. & D. budget. I wish to emphatically record my dissent to this unneeded provision of the bill, which distracts from a long-overdue reemphasis of Ballistic Missile Defense R. & D.

Thank you, Mr. President.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

Mr. BAKER. Mr. President, under the provisions of the unanimous-consent order previously entered, the Department of Defense authorization bill was temporarily laid aside, to be resumed at my suggestion after consulting, first, with the minority leader. I have consulted with him and advised him of my action in this respect.

I ask that the Chair lay before the Senate the Department of Defense authorization bill and that the Senate resume consideration thereof.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strength for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed the consideration of the bill.

TIME LIMITATION AGREEMENT

Mr. TOWER. Mr. President, what is the pending business?

The PRESIDING OFFICER. There is now 1 hour of debate on the amendment of the Senator from Pennsylvania.

Mr. TOWER. Mr. President, I yield to the distinguished majority leader such time as he may require, and ask unanimous consent that the time consumed be charged equally to the Senator from Pennsylvania (Mr. SPECTER) and myself.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Would the Senator permit me to suggest a modification of that, Mr. President? I would hope that the Senator from Pennsylvania and the Senator from Texas who have control of the remaining time might allocate to me 10 minutes or 15 minutes to be equally divided between the majority and the minority leader so that we can present this matter in some sort of balanced form. That would suffice for my purpose, if the Senators would agree to allocate to me 15 minutes to be equally divided. I then will ask unanimous consent to share that with the distinguished minority leader.

Mr. TOWER. That is agreeable to me, Mr. President.

Mr. ROBERT C. BYRD. Mr. President, would it be possible for the minority to have half of the hour? As it is now, Mr. SPECTER has half of the time and Mr. TOWER has half of the time. I think they are probably on both sides.

Mr. BAKER. Could I make a suggestion, if I may?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. On the social security question, I rather expect or I hope that the Senator from Texas and the Senator from Pennsylvania may be on the same side, but on the Specter amendment I rather expect that they will not be. It may be that the better arrangement would be half of Baker and that is why I made the request I did. There would still have to be debate on the Specter amendment, which will be opposed by the Senator from Texas. If they would aggregate half of the time, that would be 30 minutes, and the minority leader and I would share that at 15 minutes each. That would be an approximation of the situation in terms of allocation of time, if that would suit the distinguished minority leader.

Mr. ROBERT C. BYRD. The reason I requested that was I assumed a good deal of the debate during the hour would probably be on the social security question.

Mr. BAKER. I expect a good bit will be on the Specter amendment, too.

Mr. ROBERT C. BYRD. Could we have some agreement whereby there would be a little time equally divided on the social security question?

Mr. BAKER. Let me put this as a unanimous-consent request, Mr. President, if Senator TOWER will withhold his request for a moment.

I ask unanimous consent that there be 30 minutes of additional time for debate prior to the vote in relation to the Specter amendment or any other amendment which may occur at the end of the hour-and-a-half, or in relation to any measure that may occur at the end of the hour-and-a-half, and that 30 minutes of that time would be divided equally between the majority leader and the minority leader. That will provide not for an hour but for an hour-and-a-half. One hour of it would be equally divided between the Senator from Pennsylvania and the Sena-

tor from Texas. Thirty minutes would be under the control of the minority and majority leaders. That would be an hour-and-a-half.

Mr. ROBERT C. BYRD. Would it be possible to reduce the time on the Specter amendment?

Mr. TOWER. I would be agreeable to that. As a matter of fact, if the Senator from Pennsylvania is willing, we could split 15 minutes or have 15 minutes to a side and permit the majority and minority leaders to have the remaining.

Is that agreeable?

Mr. SPECTER. It is.

Mr. BAKER. I am most grateful for that.

Mr. President, I ask unanimous consent that the time for debate be reallocated as follows: 30 minutes to be equally divided between the Senator from Pennsylvania and the Senator from Texas, and 30 minutes to be equally divided between the minority leader and myself, or our designees. I make that request.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield myself 2 minutes.

Mr. President, I make no secret of my plans as I have confided them in the minority leader.

At the expiration of the time for debate, Mr. President, and when it is eligible, I will make a motion to table the Moynihan amendment. I expect to ask for the yeas and nays on that motion.

Mr. President, also I wish to state that, assuming that that amendment is tabled, there will be a resolution in the nature of an amendment to be offered by the distinguished chairman of the Finance Committee (Mr. DOLE), the distinguished chairman of the Budget Committee (Mr. DOMENICI), the distinguished Senator from Rhode Island (Mr. CHAFEE), and others which will read as follows:

S. RES. —

Resolved, That the Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress: Therefore, be it declared that,

The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That the Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That Congress will await the recommendations of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

Copies are available and will be distributed to Senators.

Mr. President, I hope that the Moynihan amendment will be tabled when that motion is made. I will reserve any comment until later on the merits of the issue or on the Specter amendment.

Mr. President, I want to correct my statement. It is an amendment to the bill, not a resolution.

Now, Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 1397, AS MODIFIED

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I yield myself 7 minutes.

Mr. President, the matter now pending is the amendment which calls for a summit between President Reagan and Soviet President Brezhnev. This matter began some time ago with the introduction of a sense of the Congress resolution calling for the summit meeting. Then, when the Department of Defense authorization bill was called up, Senator DIXON and I turned the resolution into the form of an amendment and, after debate last week, the matter was scheduled for a vote on Thursday morning when, as the record will show, I agreed to defer the vote until today at the request of Secretary of State Haig.

At that time, I did not amplify about the reason, but it is now appropriate to say that the basis of the request of Secretary Haig was that President Reagan was about to make a major foreign policy address and it was the administration's request that there not be a resolution or an amendment which would in any way be directive or even suggestive of Presidential action in advance of that speech.

I agreed to that approach in order to give the President full opportunity to make a statement without any implication that the statement was prompted in any way by the matter then pending in the Senate, and, further, to have an opportunity to review the text of the President's statement as a basis for deciding whether to proceed with the pending amendment.

After carefully reviewing the President's statement, and after hearing this morning Secretary of State Haig testify at length on the same subject, it is my judgment, concurred in by Senator DIXON, the cosponsor of the amendment, that it is appropriate to pursue the amendment at the time.

This amendment, we submit, Mr. President, is a gentle suggestion to the President to proceed with a summit at the time when there have been appropriate preparations and there is a realistic likelihood of success. We believe it appropriate to call for such an amendment at a time when we are considering the Department of Defense authorization bill because, while we must be strong, that is not inconsistent with proceeding to discussions. Just as I voted in favor of the B-1 and the MX last year and am prepared to support President Reagan on a strong defense, I think it is relevant to proceed at the same time with talks at the highest level.

Mr. President, I compliment President Reagan for the foreign policy address he made at Eureka College last Sunday. I think it was a decisive step in the right direction. At the same time, I think it is appropriate for the Senate to express the gentle suggestion which is contained in this amendment that the President proceed with a summit meeting with Soviet President Brezhnev.

Mr. President, it is important to note that, in the course of President Reagan's speech at Eureka and in the course of Secretary Haig's prepared remarks today—that is, before the questioning began—there was no statement at all about a summit meeting. There are references to talks and negotiations, but it is significant that the phraseology of the summit is omitted. That is the principal reason that I think it is important to pursue this amendment at this time. The event of a summit carries with it a high level of preparation and an effort to succeed, with stress on success, so that, when the highest levels of leadership of the United States and the U.S.S.R. meet, there should not be failure. I think it is important to cast the talks and the negotiations in terms of a summit

itself to obtain that degree of preparation and that press for success.

Second, Mr. President, the summit, in that context, guarantees the assurance of the participation of President Reagan, who is a superb negotiator and whose talents should be utilized to the fullest extent at the present time. This is especially true in the context that the President has the confidence of the American people and can accomplish, I submit, more than any other leader could in the context of the problems of the day. The situation is not dissimilar to that when former President Nixon accomplished what no one else could have in the negotiations with Red China because of his established record as an anti-Communist.

Similarly, the participation of President Brezhnev is uniquely timely because of his age, the reports of his failing health, his obvious interest, as reinforced by Secretary of State Haig today, the interest of President Brezhnev in achieving arms reductions, and the presumed interest he would have in leaving a mark on history at this particular time. Therefore, the approach of the summit is most relevant and most appropriate for the Senate to express itself in this amendment today.

In addition, Mr. President, it is important beyond what the President has suggested and what the Secretary of State has testified to, that the Senate express itself in support of the summit negotiations. SALT II was not ratified, as we all know, and it is highly unlikely that SALT II would have been ratified had it been called before the Senate. With a sense of the Senate resolution at this time in favor of the summit talks, those talks would be impelled to more likely succeed because the Soviet Union would know that, unlike SALT II, the Senate of the United States was in favor of these summit talks aimed at arms reduction.

Mr. President, it must be emphasized that this amendment in the form of a sense of the Senate resolution is in no way dictation to the President of the United States, who is free to proceed at the time of his choosing, who is free to proceed after preparations are made which are satisfactory to him. It is, in fact and in effect, a gentle suggestion by the legislative branch that such summit talks be held and a most appropriate suggestion, I submit, in the context of the responsibilities of the Senate on foreign policy, with treaty ratification, and most appropriate in the context that the Senate is now being called upon to approve a very extensive Department of Defense authorization bill.

Mr. President, I yield the floor and reserve the remainder of my time.

May I inquire, Mr. President, the time remaining?

The PRESIDING OFFICER. The Senator has 8 minutes remaining.

The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I yield myself 4 minutes.

Mr. President, the amendment offered by the Senator from Pennsylvania and the Senator from Illinois is fully as ill-advised now as it was when they first offered it. To begin with, the President has called for a conference with the Soviet Union. I think it is splitting hairs to say that he did not call for a summit. In fact, summits occur only after negotiations have been going on for some time and conclusions have, for the most part, been arrived at. The President of the United States rarely negotiates, himself, directly in plenary session with the President of the Soviet Union. It does not work that way. It occurs to me, Mr. President, that until some negotiation has been in progress, the summit meeting between the President and Mr. Brezhnev might even be counterproductive.

Be that as it may, the President has taken the initiative and he has called for a conference to discuss terms that he has set forth as a negotiating position with the United States, which are eminently reasonable, as was his proposal for the zero-based option for theater nuclear weapons which he advanced last autumn.

Mr. President, this amendment is mischief. Beyond that, it is dangerously naive. I have a great deal of regard for my colleagues from Pennsylvania and Illinois, but they have only been here a short period of time and they have no corporate memory of what has happened in the Congress of the United States when we have dabbled in foreign policy matters contrary to the wishes of administrations, both Democratic and Republican, without adequate information or adequate understanding of what we are doing.

Today, Mr. President, the Secretary of State testified before the Committee on Foreign Relations, where this matter properly belongs, against the amendment offered by the Senator from Pennsylvania. The chairman of the Committee on Foreign Relations has expressed his opposition to the amendment. The administration is opposed to the amendment. The Committee on Armed Services is opposed to the amendment.

It seems to me, Mr. President, that the rational thing for the Senators from Pennsylvania and Illinois to do would be to pull their amendment down, let the Committee on Foreign Relations act on this business of arms control and, if they do not like what is reported out of the Committee on Foreign Relations, then try to amend that. This is not the proper place to do it. It is ill-advised; it is probably counterproductive, because I think that there is implied undermining of the Presidential positions on strategic arms negotiation, which are much too important for us to fool around with, with sense-of-the-Congress resolutions that are not carefully contrived and thought out or based on adequate knowledge and experience.

Therefore, I urge the rejection of this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. I yield 4 minutes to myself at this time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. In response to the arguments of the Senator from Texas, when he asserts that we are splitting hairs, I disagree. But the splitting of hairs, if it be such, may be of tremendous moment on a process which began with the splitting of atoms.

When the Senator from Texas engages in comments that the Senator from Pennsylvania is dangerously naive, I reject that kind of personalization which has no bearing on the merits of the issue under debate.

When the Senator from Texas asserts that the Senator from Pennsylvania has been present a short period of time and has no corporate memory, whatever that may mean, I again disagree. I have observed and studied the international field for the past 30 years, wrote a thesis in college on the subject, and I do not defer or bow to the knowledge or the background of the Senator from Texas simply because he has been here for 21 years and I a substantially less period of time.

When the Senator from Texas asserts that the sponsors of this amendment are dabbling in foreign policy matters without adequate information, that is a blanket assertion without any basis in fact or without any basis in the record.

When the Senator from Texas relies upon the vague generalization of "implied undermining of the Presidential position," that is equally fallacious, because the record is plain in the several days of debate on this subject that this amendment does not seek to dictate to the President of the United States in any way, shape, or form.

This amendment has not been brought forward, as asserted by the Senator from Texas, without careful thought and based on knowledge and experience. This is a subject which has been thought through very carefully, discussed at the request of the Senator from Virginia (Mr. WARNER) with representatives of the Department of State and the National Security Council, discussed personally by me with Secretary of State Haig, and having listened to Secretary of State Haig's testimony this morning at length,

when the Secretary testified that this was a subject upon which reasonable men could disagree. The tone of the testimony of Secretary of State Haig, while he said he was inclined against this amendment, was certainly not of such a nature that any dire consequences would be forthcoming, and, in fact, when faced with the argument that there was merit to having the Senate express itself so that the Soviets and the world would know that the Senate favored this procedure, unlike its opposition to SALT II, Secretary of State Haig responded that he had, in fact, not thought of that particular consideration.

So that in sum this is a well thought out, sound proposition.

When the Republican Policy Committee met earlier today, the Senator from Texas said that there would be an inclination to support this amendment, if the Senator from Pennsylvania was interested or willing to make a modification. Let the record be plain that the Senator from Pennsylvania and the Senator from Illinois have been ready, willing, and able at every stage of this proceeding to modify the form of the language in any conceivable way so long as the conclusion were to be present calling for a summit meeting.

The Senator from Pennsylvania stands ready, willing, and able to do that at this moment and renews the invitation which was extended over the lunch hour today in that respect to the Senator from Texas.

Mr. President, I yield the floor. How much time is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes remaining. Who yields time?

The majority leader is recognized.

Mr. BAKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Thirteen minutes.

Mr. BAKER. I yield 5 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

AMENDMENT NO. 1442

Mr. DOLE. Mr. President, as I understand the parliamentary situation, there will be a motion to table the Moynihan amendment. The Senator from Tennessee, the distinguished majority leader, will make that motion.

It seems to this Senator that it is time that we move on, not only to the DOD bill, but also to the serious business of social security.

The Senator from Kansas noted earlier today that we could probably spend the rest of this month, all the next month, and all the next month, pointing fingers at what is wrong with social security, why it is wrong and who is at fault.

If you go back to the Social Security Act Amendments of 1977, when the White House and both Houses of Congress were controlled by the other party, the benefits of social security recipients were cut and at the same time the taxes of millions of people paying into the system were raised.

As I said earlier, for the average beneficiary retiring this year at age 65, the 1977 Social Security Act Amendments will result in a cut of $130 per month in benefits, or more than $5,000 counting the CPI increases over the 3-year period 1983, 1984, and 1985. The average taxpayer will pay increased taxes of about $685.

For the maximum beneficiary, the 3-year cuts will total more than $6,000. For the maximum taxpayer feeling the burden of the 1977 amendments, the added tax translates into a 3-year hike of $2,280.

For the system as a whole, the 1977 amendments will mean for fiscal years, 1983, 1984, and 1985, $83 billion in increased taxes and $10.3 billion in decreased benefits—a social security "plug" of over $93.3 billion in the 3-year period.

We are now discussing amounts, contained in the budget resolution, estimated to be about $40 billion to keep social security solvent over the next 3 years. That is why I think it is wise that we go back and briefly discuss what happened in the past, specifically the 1977 act. It helps to make the record perfectly clear and to balance the record against some of the charges and political rhetoric that have been swirling around this Chamber and this city for the past several days. I am certain this rhetoric will continue.

I hope that there will be a unanimous vote to table the Moynihan amendment, along with the amendment of the distinguished minority leader, Senator BYRD.

I hope, frankly, that we will not need to do anything other than that. But I understand that there are Members concerned about the issue. During the course of the afternoon, a number of us have gotten together who are concerned about the issue, concerned about social security, concerned about benefits, concerned about taxes, concerned about senior citizens. We have drafted a resolution which will be offered at the appropriate time after the Moynihan-Byrd amendments have been tabled. Then we will address what we believe to be a correct solution. But there is no question that the political rhetoric surrounding the action of the Senate Budget Committee last week is disturbing and potentially very damaging.

Also, I again commend the distinguished Senator from Pennsylvania, who offered a resolution today that we take social security off budget. Then, perhaps everyone will stop coming to the Senate floor saying, "You are going to balance the budget on the backs of social security recipients." If the funds are off budget, that claim cannot be made. Whether or not the trust funds are off budget is a matter that deserves consideration. There will be widespread disagreement, but it seems to me that the Heinz proposal is a step in the right direction. I commend Senator HEINZ.

We have had about 18 months of partisan conflict about social security. We have had a task force appointed. The task force met as recently as yesterday. We had bitter exchanges during that meeting, and we did not solve the social security problem. Everybody made a speech. Nobody offered anything particularly constructive.

We hope we can develop some bipartisan proposals to deal with the financing problem in this commission, not later than December 31 of this year. In the meantime, we find that 70 percent of the people 45 years of age and under have no confidence in the system. If you look at those under 30, it is 74 percent. They do not appear convinced by the speeches being made in Congress about how the system is not in trouble. It is a fact that the system is in trouble.

If we want to adopt the plan proposed by the Senator from New York and the Senator from Michigan and do nothing, then, come the end of June 1983, we are not going to be able to mail out full checks. The checks will be delayed, or some other impact will be felt across the system by those 36 million beneficiaries.

This is a serious problem. It deserves nonpartisan consideration. So far we have not had that consideration.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOLE. I ask that I may proceed for 1 additional minute.

As chairman of the Senate Finance Committee, which must finally deal with this sensitive, explosive, controversial, and important issue, I hope we will go about our business, wait for the commission to report on their final decisions on the amounts needed by the system. I can pledge my cooperation wherever possible. We hope the Democrats and the Republicans will join in a bipartisan effort.

We almost came to an agreement during the 5 weeks of negotiation by the so-called Gang of 17. We were 1 percent apart on social security, as to what might be done. I am not willing to say that social security has to be a partisan issue. It has been politicized. After all, this is an election year.

However, if we really are concerned about our mothers, fathers, and all the other elderly citizens who are social security recipients, as well as the current and future taxpayers, then our obligations must transcend politics for once.

Mr. BAKER. Mr. President, I yield 3 minutes to the distinguished Senator

from New Mexico, the chairman of the Budget Committee.

Mr. DOMENICI. Mr. President, I am pleased to cosponsor the amendment referred to by the majority leader.

I, too, agree with the chairman of the Finance Committee that we should table the Moynihan amendment.

Let me try to clarify some things. Before the Budget Committee could even complete its work, one of its members, Senator MOYNIHAN, was absent. The reason he was absent was that he was on the floor of the Senate, telling the U.S. Senate that the Budget Committee had done some things, and we had not even completed our work. His amendment is the subject matter of the tabling motion. I am concerned that a number of Senators assume we did something we did not do in the budget resolution.

First, we never assumed in that resolution that we would do anything about social security before the National Commission reported. In fact, if one reads it, it reads to the contrary.

Second, the Budget Committee never assumed that the Federal budget would be balanced through social security solvency action.

The Budget Committee never assumed that benefits would be cut so that social security recipients would be severely hurt in order to balance the budget.

The Budget Committee assumed only one thing—that Congress would take action to make sure that the Nation's 36 million social security recipients continue to receive their checks; and we have made this part of the resolution.

Those who object to the language in the resolution must answer some questions: Do you want social security to remain solvent? How, without some changes to the system? Do you want social security recipients to receive full checks? How, without any change? Finally, if you want no changes, how do you assume that the necessary money will be accumulated to pay benefits next year? Do you simply want the checks to stop sometime next year?

I want to make it clear, as chairman of the Budget Committee, that it was clearly the intention of the committee that the social security system be made solvent. The appropriate committee—the Finance Committee—was mandated before this year ends, and after the Commission reports, to do whatever is necessary to make it solvent for the years 1983, 1984, and 1985. To the best of our ability, we estimated the amount of insolvency, and these were the stated numbers: $6 billion, $17 billion, and $17 billion, respectively, for the 3 years in the resolution. That is all. We did nothing more and nothing less.

Mr. President, I ask unanimous consent that the language of the Budget Committee's report with reference to the National Commission on Social Security Reform be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM BUDGET COMMITTEE REPORT ON S. CON. RES. 92

The Committee calls for the bipartisan National Commission on Social Security Reform to expedite its work and report by November 11 of this year specific recommendations for actions to maintain social security funding. It also directs the Senate Committee on Finance to consider the Commission's recommendations immediately and report legislation by December 1, 1982 which will ensure social security solvency.

The Committee expects that full consideration will be given by the National Commission and the responsible congressional Committees to a wide range of possible solutions. Recent reports and surveys by the Advisory Council on Social Security, the Social Security Coverage Group, and the National Commission on Social Security Reform suggest several possible approaches to the problem.

The Committee notes that its solvency proposal allows a full 7.4 percent increase in social security benefits in July 1982. Finally, the Committee reiterates that its proposal does not specify the extent to which the solvency gap would be filled by increased revenues and how much by reduced costs. It is clear, however, that even if the entire gap were filled through cost savings, retirees could continue to receive benefit increases which would, on average, provide over $1,300 more in benefits over the next three years based on the present economic outlook.

Mr. DOMENICI. I thank the majority leader for yielding.

Mr. BAKER. Mr. President, I yield 2 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. I thank the Senator.

Mr. President, I have been concerned for many years about the social security system. I voted against a number of amendments that added to its burdens. I voted for every major amendment that would sustain it.

However, here, it seems to me, with all deference to everyone, we not only are destroying the committee system in the Senate, but also, we are treading backward on the problems.

It will not look good to have the Armed Services Committee of the Senate meet in conference with a like committee of the House to settle these social security questions. Where is the committee system? What is the committee system coming to, when we put on these amendments willy-nilly? I say that with due deference to the other amendment that would be handled by the same committee, which is a little related to foreign policy.

I want to see a social security bill that has some substance and will be under the jurisdiction of the Senate Finance Committee. I do not mean that as a compliment to that committee, although I have a great deal of respect for their work. I want to see these military bills put together by the people who are versed in that subject matter.

As I say, we are getting off the track in the Senate. This is not a step forward, as I see it, and I speak with great deference to the authors of this amendment.

You do not have to read a poll, when you walk up to the people in your home State and they tell you: "I have known you a long time, and I've been paying social security taxes a long time; and I want to tell you to your face that I don't think I'll ever get back a dime of what I have already paid in." These are responsible people, families I have known for a very long time.

That is what we are flirting with, with all respect to the authors of these amendments. We are tending to destroy, as I see it, confidence and trust in us, the entire institution. I know that would be an error.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. BAKER. I thank the Senator.

Mr. President, I am prepared to yield the floor, and I reserve the remainder of my time.

Mr. GRASSLEY. Mr. President, I support the motion to table the amendment. In doing so, I would like to associate myself with the remarks made by the Senator from Kansas (Mr. DOLE), the Senator from Rhode Island, (Mr. CHAFEE), the Senator from New Mexico (Mr. DOMENICI), and other Senators who have tried to bring some responsibility to an otherwise shameful display of demagoguery.

Figures put out by the Office of Management and Budget, the Senate Budget Committee, and the Congressional Budget Office leave no doubt that if we do not take steps to assure the solvency of the social security trust funds, we will soon face the prospect of not being able to pay benefits on time. I submit, Mr. President, that the cuts being alleged by the sponsors of this amendment, cuts that do not exist in reality, do not hold a candle to the cut that will take place if millions of social security recipients do not receive their benefits on time.

The Senate Budget Committee has not proposed a single cut in social security benefits. Not one. What the Budget Committee has done is to assume that over the next 3 years, we will maintain at least a minimum prudent reserve in the trust funds. I hope that the distinguished panel of experts comprising the President's Commission will at least agree that we ought to leave enough money in the till to pay people's benefits on time and that Congress would agree, and I think we will.

Mr. GLENN. Mr. President, I support the Byrd-Moynihan amendment.

Indeed, in my view it may not go far enough in stating that the issue of social security financing should be treated separately from our concern with the overall budget of the U.S. Government.

While it may be true that, from a purely budgetary perspective, social security represents a massive entitlement program that is not amenable to alteration by the normal appropriations process and has a history of growth impelled by automatic cost-of-living increases, the whole truth is something else again.

These are, after all, trust funds.

These funds consist of payroll taxes that are earmarked for the specific purpose of paying social security benefits. Their money does not come from general purpose taxes. If we go back to 1969, the first year of the "unified" budget, the system under which trust fund receipts and outlays were combined with general fund receipts and outlays, we find that the trust funds have produced a surplus each and every year. Indeed, the trust funds, which include the three social security funds, the Federal employees retirement trust fund, and others, produced a total surplus of $131.7 billion during fiscal years 1969 through 1981. Incumbent Presidents through all those years were undoubtedly happy to have the real operating deficits of the Government offset by the trust fund surpluses.

Indeed, Mr. President, trust fund balances continue to increase. The budget for fiscal year 1983 shows an increase of $15.4 billion in the balances of the various trust funds, which now carry approximately one-fifth of the U.S. Government's debt.

If these are trust funds, then we should treat them as such. They should not be administered for any other reason than to meet the terms of the "trust" explicit in their designation as trust funds. There is no reason, then, to couple the issue of the social security system's fiscal soundness to the budget for fiscal year 1983 or any other year. The underlying soundness of the Nation's primary social insurance system is an issue in its own right. The President, less than 6 months ago, established a National Commission on Social Security Reform for the specific purpose of making recommendations to insure the soundness of the system. That changes are necessary may well be a given, Mr. President. But they should not be made—if this is indeed a trust—for any purpose except to insure the system's fiscal integrity.

The Commission established by President Reagan has not issued its report. Yet we find ourselves facing a proposal for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years.

Those cuts, as I see it, are intended to help provide a lower perceived deficit. But the money involved does not belong to the General Treasury. It may well be loaned—as it almost always is—but it belongs to the funds, which is to say that it belongs to the people who have made or are making regular monthly contributions to our Nation's social insurance program. The same can be said of other trust funds as well.

The trust funds which Congress has established—but especially the social security system—should not be used to balance the budget or to reduce the general fund deficit. To the extent they are we have abandoned the principle of a trust fund.

It may be time, Mr. President, to consider reversal of the 1969 action which "unified" the budget and to establish a separate trust fund budget in order to insure that we do not confuse apples with oranges when we consider issues involving substantial social and economic needs—needs so great, in fact, that Congress has established their funds as "trusts."

Mr. President, the real deficit of the U.S. Government—the deficit which has to be financed in the market—is substantially higher than the unified budget deficit we all read about in the papers or see charted on our TV screens. The trust fund surplus has to be discounted because it is already invested in Government debt. And the off-budget deficit of various Government enterprises must be included, for it is financed. Truth in budgeting would be served, I believe, if we were to adopt such a system.

For now, however, the issue is the Byrd-Moynihan amendment. That amendment recognizes the principles of separating trust funds from the overall budget and of dealing with them on their own merits. It is a good principle.

Mr. BENTSEN. Mr. President, more than 150 million retired and working Americans have a vital interest in our social security system. There is no other Government program that is so important to so many of our people. Social security is not a luxury; for millions of Americans who have spent their adult lives working to build our economy and strengthen the foundation of the American dream, social security is a necessity. It is the difference between a secure, dignified retirement and very real economic hardship.

Given the obvious importance of this program it is unfortunate indeed that the Senate is taking up the issue without first ascertaining what the President and the chairman of the Budget Committee have agreed to in the way of major program changes. We are being asked to make far-reaching changes that could affect millions of people in the context of a budget debate without even having the benefit of the report from the Presidentially created Social Security Commission.

In my opinion social security is far too important to be reformed without the facts, in the context of partisan rhetoric on the floor of the Senate.

Mr. President, I am going to vote against arbitrary changes in social security. I am going to vote with Senators MOYNIHAN and BYRD because I believe any changes that must be made should be undertaken carefully, deliberately, and with a view to insuring the long-term solvency of the largest retirement system in this country.

When it come to social security, I will not compromise the future of the American worker. Until the Commission's report is available, and the proposals have been reviewed and understood, I think it would be wrong for this body to signal support for major yet unknown changes in a program that touches the lives of so many. We should not rely on faith healing to solve our problems with social security. But by the same token, we must not endorse a $40 billion tax increase or benefit reduction blindly, without knowing the impact such a vote will have on millions of Americans who depend on the system for retirement.

Mr. PELL. Mr. President, I strongly support the amendments being considered by the Senate rejecting the actions on social security benefits recently endorsed by the Senate Budget Committee.

The Senate Budget Committee, in its budget resolution for fiscal year 1983, proposes to require actions by the Congress to come up with $40 billion, presumably in social security benefit reductions, to help reduce the Federal Government deficits during the next 3 fiscal years.

I believe it would be unwise, unnecessary, and unfortunate for the Senate to commit itself to this drastic action on social security at this time. In my view, Congress should take no action to change the social security system until we have had an opportunity to receive and study the report of the National Commission for Social Security Reform, which is not scheduled to report to the Senate until late this year.

I believe it is important that the Senate make clear that we will not tolerate an arbitrary requirement that social security benefits, now be reduced by $40 billion. For that reason, I support the amendments to reject the recommendations of the Budget Committee on social security. It is a simple matter of fairness to the millions of older Americans who depend heavily on the social security system for their well-being.

Mr. DECONCINI. Mr. President, during the debate last week on the Department of Defense authorization bill there was an amendment offered by

the Senator from New York (Mr. MOYNIHAN) and the Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD) regarding social security and the Budget Committee.

I support this measure offered by my distinguished colleagues, Senator MOYNIHAN and Minority Leader BYRD. The action by the Budget Committee last night to reduce social security benefits by $40 billion over the next 3 years should be rejected by the Senate.

I know that some members of the majority on the Budget Committee would defend their action by saying that this $40 billion item does not necessarily have to be a reduction—they do not want to prejudge the recommendations of the Social Security Commission which will report later this year. However, it is my understanding that the chairman of the Social Security Subcommittee of the Finance Committee has already indicated that he will not support raising taxes to acquire $40 billion in receipts. Thus, what alternative is left but to reduce social security benefits in one form or another? Further, this reduction is being proposed under the guise of social security "reform" when in reality it is meant to reduce deficits. I support reducing deficits and balancing the budget, but not on the backs of our Nation's retired citizens. If this proposal of the Budget Committee is ultimately implemented, it would mean an approximately $1,100 reduction in benefits over the next 3 years for the more than 34 million recipients. I cannot support a proposal with such a harsh, drastic impact on our retirees, widows, and disabled.

Mr. President, quite frankly I am rather surprised that Republicans would support such a measure. Until a few days ago they were disclaiming any credit for proposing reduction in benefits and in fact trying to tag reduction proposals on the Democratic leadership. Why the change in direction? One can only surmise, but could this proposed reduction in benefits be tied to saving the President's tax cut for 1983? If this is the case, how can they justify financing a tax cut which primarily benefits wealthy and well-to-do individuals by cutting benefits for retirees, widows and disabled—those who depend on these benefits for their existence—the least well-to-do.

I am committed to support measures that will insure the continued viability of the system while keeping our word to those people who have paid, and are paying into the system with the expectation of receiving benefits that they have earned. In my judgment, this proposal to reduce benefits by $40 billion over the next 3 years represents a breach of faith between the Government and those who have contributed to the system. Thus, I oppose the reduction in social security benefits proposed by the Republicans on the Budget Committee and support this measure which would place the Senate on record as also opposing the reductions.

Mr. ROBERT C. BYRD. Mr. President, I should like to address a question to the distinguished majority leader.

We have talked somewhat in private. Can he, at the moment, divulge his intention as to whether or not he will move to table my amendment or move to table the underlying Moynihan amendment?

Mr. BAKER. Mr. President, I thank the Senator. He has every right to ask that question, not only because the right is inherent but also because I have given him both answers within the last 15 minutes.

It is my intention to move to table the Moynihan amendment, as I originally indicated to the minority leader, and not the Byrd amendment.

Also, I do not anticipate more than one rollcall vote this evening. It is now 6 o'clock. I hope that after the motion to table the Moynihan amendment, the Senate will recess until tomorrow, at a reasonably early hour.

Mr. ROBERT C. BYRD. Mr. President, I yield such time as he may require to Mr. MOYNIHAN.

Mr. MOYNIHAN. I thank the distinguished minority leader.

I thank the majority leader for his thoughtfulness in allowing the Senate to work its will in this matter.

I am reminded of the event of a year ago on May 20 when the Members on this side of the aisle introduced a measure calling for the protection of the social security system. At the end of a long day's debate, an essentially identical measure was substituted and adopted unanimously.

I hope I might be able to speak on this matter without fear of being charged with demagoguery. We obviously have a matter of importance to the body or the Members on the other side of the aisle would not have spent a long day working out a substitute amendment which they will offer.

Mr. President, I shall speak briefly on behalf of the amendment now to be voted upon. Its operative paragraphs are direct and simple.

It declares that the unfair action of the Senate Budget Committee on May 5, 1982, supported by the President, calling for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years is hereby rejected and declares further that Congress shall take no action affecting social security until it has considered the recommendations of the National Commission on Social Security Reform.

The Members on the majority side of the aisle have agreed to the second declarative paragraph. It is in their resolution that there will be no legislation until the Commission reports have been received, and that is certainly welcome and that is certainly to be desired.

However, the report language that the Budget Committee will now send to Congress is not consistent with that proposition. It says the Senate Finance Committee and the House Committee on Ways and Means will review promptly the Commission's recommendations and report legislation by December 1, 1982, providing the following changes in revenue outlays to restore social security solvency: $6 billion in 1983, $17 billion in 1984, and $17 billion in 1985. December 1, 1982, is very likely, before the Commission will have finished its work.

What the report language says is that the Finance Committee will adopt the arbitrary $40 billion cut, $1,100 per recipient in 3 years.

Without being tedious, Mr. President, once again I ask unanimous consent to have printed in the RECORD the proposal of the distinguished chairman of the Budget Committee on Wednesday morning, May 5, which contemplated no "solvency" cuts next year, $3 billion in 1984, $11 billion in 1985 for cuts or revenue increases or a combination of either.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MODIFIED DOMENICI PLAN

	1983	1984	1985	3-yr total
(1) Baseline deficit	182	216	233	631
DEFICIT REDUCTION MEASURES				
(2) Management	7	12	12	31
(3) User fees	2	2	2	6
(4) Federal pay freeze [1]	4	6	9	19
(5) Freeze military pay [2]	2	3	4	9
(6) COLA freeze (excluding social security) 1 yr [1]	3	5	7	15
(7) Freeze nondefense discretionary	6	13	20	39
(8) Targeted entitlements	7	11	15	33
(9) Social Security Commission solvency recommendations	6	17	17	40
(10) Defense (excluding pay/retirement)	5	7	10	22
(11) Revenue	20	35	40	95
(12) Interest (market effect)	7	15	20	42
(13) Debt service	6	20	35	61
(14) Total deficit reduction	77	146	191	414
(15) Remaining deficit	105	70	42	217
Exon: Eliminate 3d-yr tax cuts	96	34	0	

[1] Assumes 4-percent increase in out-years.
[2] Allows targeted readiness-related pay contingency fund of $1,400,000,000.

POSSIBLE BUDGET COMPROMISE

	1982	1983	1984	1985
Baseline deficit	119	182	216	233
Freeze elements:				
All COLA (starting July 1982) except SSI and food stamps	3	15	17	18
All Federal pay with last 2 yr at 4 percent		7	11	15
Discretionary, nondefense		6	11	18
Reform/restraint elements:				
Management		9	12	12
Targeted entitlements		6	8	11
Defense		5	10	15
Social security solvency		0	3	11
User fees		1	2	2
Revenues: Basic tax changes		30	45	50
Resulting interest cost benefits:				
Market effect		8	20	28
Debt service savings		6	18	34

POSSIBLE BUDGET COMPROMISE—Continued

	1982	1983	1984	1985
Deficit reduction total	3	93	157	214
Deficit	116	89	59	19

Mr. MOYNIHAN. That was the morning proposal.

In the afternoon, Mr. President, that $14 billion for solvency had become $40 billion and it had become $40 billion for the pure purpose of offsetting deficits elsewhere, exactly what the Commission has resolved was an inappropriate use of the social security funds, and the do it by camouflaging the intent under the term "solvency."

The reason the distinguished Senator from Pennsylvania yesterday informed the Commission that he would introduce legislation to separate the social security funds altogether from the budget, take them out of the jurisdiction of the Budget Committee, was to be sure that what happened Wednesday might not ever happen again.

I cannot speak for him, but clearly he is of this view. Clearly the gentlemen and ladies opposite are worried about what happened. Clearly they should have been able to make such a decision in 3 hours of a hurried conference with Mr. Stockman in the leader's office down the hall. They did not consult with the minority, after we had agreed solutions must be bipartisian. That has not been the spirit of the past year.

Mr. President, I regret, if you will, that the President's budget was unanimously rejected by the Budget Committee and it found itself under this compulsion of time. But I regret that it submitted to that compulsion and provided $40 billion in social security solvency cuts or tax increases, simply as a budgetary device, having no authoritative advice from the Commission, or anyone else, that a measure of this magnitude was in order.

Mr. President, we have before us a direct, simple, and fair-minded resolution. I hope it will be adopted. For it to be rejected is an indication that the $40 billion in cuts will go forward. If they are not to involve the present recipients, Mr. President, they would require over the next 3 years a 53-percent reduction in the benefits of persons entering the system. That is an approximate figure, Mr. President, 53 percent, but it is of that magnitude. Curiously it brings us back a year almost to this day, May 12 a year ago. One year ago tomorrow the administration proposed a 40-percent reduction of the benefits of persons entering the system at age 62 beginning this year.

If a similar pattern were to be followed now, what have we accomplished for a year of a bipartisan and moderate discussion? I hope I am not demagoging. I hope I am merely describing a situation that I find unfortunate. I think it can be resolved, however. I believe the gentlemen and ladies opposite have seen the mistake they made in the rush they were in on last Wednesday night. No one could envy them their situation. They had unanimously voted against the President's budget. They had to do something quick. They did. They did something that was wrong. It can be remedied. They are already acknowledging that it must be remedied.

The measure before us, Mr. President, in my view would provide that remedy and in the view of the distinguished minority leader we hope it will be fairly heard and adopted.

Mr. RIEGLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. MATTINGLY). Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I inquire on the other side and direct this question to either Senator DOLE or Senator DOMENICI or Senator CHAFEE. I have in front of me a copy of a resolution which I gather will be the substitute version that you on that side of the aisle intend to offer, assuming the Moynihan amendment goes down. And I am wondering, having read this language, if any of you can tell me if this means that your resolution, if it is later offered and passed, will knock out of the budget resolution the $40 billion in proposed cuts in social security? Will that come out of the budget resolution if this resolution that I see here is passed?

Mr. DOMENICI. No; it will not.

Mr. RIEGLE. It will not.

Mr. DOMENICI. That is correct.

Mr. RIEGLE. So, in other words, the budget assumptions in terms of the $40 billion coming out of social security will remain in the budget resolution even if this new Domenici-Dole-Chafee resolution is adopted; is that right?

Mr. DOMENICI. This says the budget resolution will come before the Senate and the Senate will debate the budget resolution. We will not judge that issue but we are stating unequivocally that the intention is to make social security solvent contrary to what the Senator from New York has been saying here ad nauseam that that money is something else.

Mr. RIEGLE. I thank the Senator because he makes it clear in fact that this resolution that is going to be offered from that side of the aisle will not touch the budget assumption that has been adopted, the $40 billion in cuts in social security over the next 3 years.

That is really the critical issue because, unless the Moynihan amendment is adopted, what is happening—and I speak as one of the members of the Budget Committee—if we leave that $40 billion worth of social security cuts in the budget as a budget assumption, that obviously affects the bottom line. That affects the size of the deficit and it also affects the question of how much money is available for spending in other areas of the Government.

So if in your resolution you do not deal with that $40 billion cut and you leave that presumed cut in the budget that is coming before us in the budget resolution, then that money will end up getting used in some other way. That $40 billion you will have taken out of the social security system will be allocated in other functions, and the only way to avoid that, to keep that from happening, to avoid that, we have got to have a resolution that makes it clear that there will not be $40 billion worth of cuts in this proposed budget, and that is what the Moynihan amendment would accomplish.

So if this presumed alternative coming from the Republican side of the aisle is going to leave in the $40 billion worth of social security cuts, that is the whole issue, that is the basic issue, that is what we need to vote on.

I would hope that if the other side is going to offer this they will at least allow us the chance to offer a perfecting amendment to make it absolutely clear that there will be no presumption of a $40 billion cut in the budget out over the next 3 years.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. RIEGLE. I yield the floor.

Mr. DOLE. The Riegle-Moynihan plan is the do-nothing plan.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, I indicated earlier that there would be one vote today. There seems to be growing feeling that we should also vote on the Specter amendment or in relation to it, so there may be two votes tonight instead of one.

Mr. President, will the Senator from Texas yield 2 minutes to the Senator from Rhode Island from his time?

Mr. TOWER. I yield 2 minutes.

Mr. BAKER. I yield 1 minute remaining to the Senator from Rhode Island.

Mr. CHAFEE. This amendment which will be offered by Senators DOLE, DOMENICI, and myself is an amendment with considerable merit, and I rise in support of it.

In my view it sets out as the declared intent of the Senate a number of objectives that I have felt it important to achieve since we began to discuss the budget earlier this year.

First, it makes absolutely clear that the full social security cost-of-living

adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled. I have been deeply concerned that this COLA would be delayed or cut back and I have argued very strongly over the course of several months that nothing be done to affect the COLA this year. Social security payments are simply too important to too many elderly men and women to curtail preemptorily in the context of the budget exercise.

Second, I have argued strongly that any changes in the social security system should be the result of study by the National Commission on Social Security Reform, the body established by the President to recommend any changes that may be needed to insure the solvency of the system. Again, the amendment makes clear that we renew our commitment to maintain and assure that the system shall be preserved and strengthened so that benefits will be paid without interruption. It assures that our first concern is to insure the integrity of the system, so that present and future recipients can be sure that moneys will be available to pay benefits when they are due.

Finally the amendment requires that before binding amounts, or changes, or corrective action is taken in the system, the National Commission on Social Security Reform will have reported, and that the Finance Committee will act only after the report is available, to make such changes in the system as may be necessary to insure its viability.

So what this language means, Mr. President, is that following the Commission's report any corrective actions that are decided by the Finance Committee shall be solely based on those necessary to preserve the financial integrity of the social security system. That is what I am dedicated to, that is what I believe the amendment's sponsors and my colleagues on this side of the aisle are devoted to.

I cannot speak for the others on the other side of the aisle. We are going to wait for the recommendations of the Commission, and then the decisions, the binding decisions, will be made as to what steps should be taken.

But I want to stress that I consider this to be but a first step. As Members know, the amendment offered by the Senator from Kansas is the result of a long discussion among a number of Senators, including the chairmen of the Finance and Budget Committees and others, including myself. I think we have made considerable progress in establishing that any amount set in the budget resolution is but a recommendation to the Finance Committee—that the Finance Committee can, when the Commission's report is filed, make any changes deemed necessary by the committee.

I strenuously argued with other Senators to get the understanding that any amounts in this resolution are not binding, and at last language was included in the amendment before us to make that clear.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. CHAFEE. I yield on the Senator's time.

Mr. RIEGLE. Yes, on my time then.

My question of the Senator from Rhode Island is this:

The PRESIDING OFFICER. Who yields time?

Mr. RIEGLE. Mr. President, will the Senator from West Virginia yield me a minute so that I might ask a question?

Mr. ROBERT C. BYRD. Yes, I yield 1 minute to the Senator.

Mr. RIEGLE. Is the Senator from Rhode Island aware of the fact if this resolution he is cosponsoring passes that this does nothing to change the assumption in the budget resolution of the $40 billion in cuts over the next 3 years of social security? Is he aware of that?

Mr. CHAFEE. The budget resolution, which we will take up next week, will contain a recommendation for a specific amount of cuts. But the essence of this amendment is that before any binding amounts, changes, or corrective actions are taken, the Congress will have the Commission's report. Furthermore—and I stress this—it leaves us, as individual Senators, free to offer amendments to the budget resolution. Indeed, this Senator might well present an amendment to eliminate the $40 billion.

Mr. RIEGLE. I thank the Senator. If he wants to answer further on his own time, he may.

Mr. CHAFEE. I am now back on my own time.

Mr. RIEGLE. I thank the Senator.

Mr. CHAFEE. We make it very clear that any corrective actions taken shall soley be for the preservation of the fund, and that is the important point, no more than is required for the preservation of this fund based upon the report of the Commission. That is what we have before us today, and which I support. What we do later, whether we amend the budget resolution is a separate matter and, indeed, I shall undoubtedly support something to change the $40 billion.

The PRESIDING OFFICER. All the time of the Senator from Rhode Island has expired.

Mr. MOYNIHAN. Mr. President, may I have 1 minute?

Mr. ROBERT C. BYRD. How much time do I have, Mr. President?

The PRESIDING OFFICER. Two minutes.

Mr. ROBERT C. BYRD. I yield 1 minute to the Senator from New York.

Mr. MOYNIHAN. Mr. President, I am more than gratified by the statement of the Senator from Rhode Island. He grants that the $40 billion cut remains.

If I could respectfully correct a statement by the Senator from Michigan, there is not an assumption of a $40 billion cut in the committee report; it is a direction. It says you can do anything you want provided you cut $40 billion.

Mr. President, I ask unanimous consent that the text of the budget report be included in the RECORD.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

(3) *Social Security Solvency Actions.*—The Committee recognizes that *social security may soon be bankrupt.* The Committee recommends action to restore social security solvency totaling *$40 billion over the next 3 years. These actions could be either revenue increases, a reduction in the growth of spending, or a combination of the two.* The resolution includes a sense-of-the-Congress provision calling for the report of the National Commission on Social Security Reform to be submitted no later than November 11, 1982. The resolution also contains a reconciliation instruction directing the Senate Finance and House Ways and Means Committees to review promptly the Commission's recommendations and to report legislation by December 1, 1982, providing the following changes in revenues and/or outlays to restore social security solvency: FY 1983, $6 billion; FY 1984, $17 billion; FY 1985, $17 billion.

Mr. RIEGLE. I thank the Senator.

Mr. BAKER. Mr. President, I yield 1 minute to the distinguished Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the majority leader for yielding. This will only take a few seconds to say that I associate myself completely with the remarks of the distinguished chairman of the Finance Committee, the distinguished chairman of the Budget Committee, and Senator CHAFEE.

It is my understanding—if I may have the attention of the majority leader for a moment—I would just like to confirm that it is his plan on tomorrow to call up, assuming the tabling of the pending business, a resolution which will be sponsored by Mr. DOLE, Mr. DOMENICI, Mr. CHAFEE, myself, and others that deals broadly with the social security system.

Mr. BAKER. Yes, that is my intention.

Mr. ARMSTRONG. In view of the brief time available this evening I only want to say that I support the tabling motion and I would expect to speak at some length, if possible, tomorrow to discuss the broader aspects of the social security issue, how it should be financed, and the timing of any changes that need to be made.

I thank the majority leader.

Mr. BAKER. I thank the Senator.

Mr. President, if there is any time remaining to me—there may be 30 seconds—I reserve that time.

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. TOWER. Mr. President I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. I thank the distinguished Senator for yielding.

I certainly want to commend all those who have been working this afternoon drawing up what we think is a clear statement to assure social security recipients that they will get the full 7.4-percent COLA in July as promised by the President. Everybody understands that will happen.

We also indicate that we are trying to keep the system solvent. I do not want to engage in any finger pointing, but I have already recited what happened as a result of the 1977 amendments. Benefits were cut an average of $130 a month, taxes were increased. Many of the people who voted for that act are now on the floor saying, "What about this $40 billion in the next three fiscal years?" It was a $93 billion package enacted in 1977 over the same 3-year period. We are talking about $40 billion now.

It may not be $40 billion; it may be $25 billion; it may be $35 billion; it may be $42 billion. We are going to wait until the commission reports.

What we are trying to do is to be responsible. We can have a do-nothing program as suggested by the Senator from Michigan and the Senator from New York, and then come next June when there is not enough money left to pay the full check, let the people wait; when the money comes in, pay out the checks, or else pay reduced checks on time.

This Senator does not suggest that will happen, but it could happen. So let us stop trying to fool the American people, trying to suggest that somehow Republicans are insensitive, not compassionate, are hardhearted. Let us face up to the facts. The system is in trouble.

I do not care whether you are Democrat or Republican, we have to do something by June of 1983 or we are not going to be able to mail out the checks on time or mail out full checks on time.

And the Senator from Michigan can stand there all day, and he will all day and all year, and rail about the system. But I suggest that sooner or later Members of this body on both sides of the aisle will have to bite the bullet and put together a package to keep this system solvent.

We are not going to balance the budget on the backs of the social security recipients, as we hear so often from the other side. In fact, Senator HEINZ wants to take the funds off budget, so that charge cannot continue to be made.

But it is a very difficult problem. Solving will require cooperation of everybody on the Finance Committee and everybody in this body.

So I hope we can table the Moynihan amendment and the underlying amendment and tomorrow we can have a full discussion, led by the distinguished Senator from Colorado, the chairman of the Social Security Subcommittee, on what we believe is a right approach.

Mr. ARMSTRONG. Full and frank.

Mr. DOLE. Full and frank.

Mr. MOYNIHAN. Mr. President, are the yeas and nays ordered?

The PRESIDING OFFICER. The yeas and nays are ordered on the pending amendment.

Mr. TOWER. Mr. President, I do not see the Senator from Pennsylvania (Mr. SPECTER) in the Chamber. I am prepared to yield back the remainder of my time if he is prepared to yield back the remainder of his time.

Mr. BAKER. Mr. President, I am authorized by the distinguished Senator from Pennsylvania to yield back his time remaining on the Specter amendment. I yield it back.

Mr. TOWER. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, do I have 1 minute remaining?

The PRESIDING OFFICER. The Senator has 30 seconds remaining.

Mr. ROBERT C. BYRD. Mr. President, the vote before us on tabling is simple: Do we want to cut $40 billion, about $1,000 per beneficiary, from social security to address the Roth-Kemp budget crisis?

A vote against the Moynihan-Byrd amendment is a vote to endorse the $40 billion budget clause adopted by the Budget Committee. We hear that social security will not be cut—in spite of the Budget Committee language.

If we are going to wait for the Commission to report, let us take this assumed $40 billion cut out of the budget.

That is what our amendment says. Wait for the Commission. Reject the $40 billion cut, reject the tabling motion.

AMENDMENT NO. 1397, AS MODIFIED

Mr. TOWER. Mr. President, I would like to reclaim 2 minutes of my time and yield it to the distinguished Senator from Illinois.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PERCY. Mr. President, in suitable time I shall move to table the Specter amendment. I do so not because I am against the summit meeting. I have been for it for a year and I think it dangerous not to have it. But I am against it at this time because it does not belong on this bill. It is a matter of jurisdiction in the Foreign Relations Committee. We have nine other regulations dealing with nuclear warfare that could be attached on this bill and we would never finish this bill.

Furthermore, the President has already set a date and said he would like to have a summit meeting and addressed that subject in his speech in Illinois last Sunday, when he said:

> The fifth and final point I propose for East-West relations is dialogue. I've always believed that people's problems can be solved when people talk to each other instead of about each other. And I've already expressed my own desire to meet with President Brezhnev in New York next month. If his can't be done, I would hope we could arrange a future meeting where positive results can be anticipated.

He goes on to discuss what he is going to talk about with President Brezhnev. He said:

> And when we sit down, I'll tell President Brezhnev that the United States is ready to build a new understanding based upon the principles I've outlined today. I'll tell him that his government and his people have nothing to fear from the United States. The free nations living at peace in the world community can vouch for the fact that we seek only harmony. And I'll ask President Brezhnev why our two nations can't practice mutual restraint. Why can't our peoples enjoy the benefits that would flow from real cooperation? Why can't we reduce the number of horrendous weapons?

Mr. President, I yield the floor.

Mr. SPECTER. Mr. President, I yield myself 2 minutes.

Mr. BAKER. Mr. President, I yielded back the time of the Senator. I ask unanimous consent that I may reclaim the time and reassign it to the Senator from Pennsylvania.

The PRESIDING OFFICER, Without objection, it is so ordered.

Mr. SPECTER. Mr. President, while the distinguished Senator from Illinois has accurately read the President's words, it is of real note that nowhere in his speech did he refer to the summit, nor did Secretary of State Haig today. And that is a critical distinction, because the summit carries with it the intensity for success which I think ought to be promoted forward with momentum.

Even if the context of the Summit were contained within President Reagan's speech or Secretary Haig's statement today, it is still of importance for this country that the Senate can express itself in favor of the Summit meeting so that the world will know that, unlike SALT II, where the Senate was not prepared to ratify, that the Senate is in favor of this Summit talk.

The issue which was raised by the distinguished Senator from Illinois, if it were accurate on its face that the Summit has already been postulated, proposed and agreed to by the administration, then what harm is there in the Senate seconding that proposal?

Any way it is interpreted, it is my suggestion and contention that this amendment is most appropriate.

Mr. President, I yield the floor.

Mr. BAKER. Mr. President, I yield 20 seconds to the Senator from Illinois.

Mr. PERCY. Mr. President, on behalf of Senator PELL, the ranking minority member of the Foreign Relations Committee, and myself I move to table the pending Specter amendment.

Mr. BAKER. Will the Senator withhold briefly.

Mr. PERCY. I withdraw my request.

AMENDMENT NO. 1442

Mr. BAKER. Mr. President, might I inquire of the Chair, when the time expires, am I correct in stating that if the tabling motion is made against the Moynihan amendment, that would be the first vote to occur in the sequence of votes, to be followed, without debate, by a vote on a tabling motion, if it is made, against the Specter amendment?

The PRESIDING OFFICER. If no other motion is made, the Senator is correct.

Mr. BAKER. Mr. President, I yield back the remainder of my time.

Mr. President, I move to table the Moynihan amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from New York (Mr. MOYNIHAN). The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from New York. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announced that the Senator from Florida (Mrs. HAWKINS) and the Senator from Wisconsin (Mr. KASTEN) are necessarily absent.

I further announced that, if present and voting, the Senator from Florida (Mrs. HAWKINS) would vote "nay".

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Louisiana (Mr. LONG), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. DODD) and the Senator from Tennessee (Mr. SASSER) would vote "nay".

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 44, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—51

Abdnor	Goldwater	Murkowski
Andrews	Gorton	Nickles
Armstrong	Grassley	Packwood
Baker	Hatch	Percy
Boschwitz	Hatfield	Quayle
Brady	Hayakawa	Rudman
Chafee	Heinz	Schmitt
Cochran	Helms	Simpson
Cohen	Hollings	Specter
D'Amato	Humphrey	Stafford
Danforth	Jepsen	Stennis
Denton	Kassebaum	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mathias	Tower
East	Mattingly	Wallop
Garn	McClure	Warner

NAYS—44

Baucus	Eagleton	Metzenbaum
Bentsen	Exon	Mitchell
Biden	Ford	Moynihan
Boren	Glenn	Nunn
Bradley	Hart	Pell
Bumpers	Heflin	Pressler
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Inouye	Pryor
Byrd, Robert C.	Jackson	Randolph
Cannon	Johnston	Riegle
Chiles	Kennedy	Roth
Cranston	Leahy	Sarbanes
DeConcini	Levin	Tsongas
Dixon	Matsunaga	Weicker
	Melcher	Zorinsky

NOT VOTING—5

Dodd	Kasten	Sasser
Hawkins	Long	

So the motion to lay on the table Mr. MOYNIHAN's amendment (No. 1442) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I read a UPI wire report by Dean Reynolds. I think this is very related to the subject matter of the vote which has just occurred:

Strong bipartisan opposition in both House and Senate to including social security reductions in the 1983 budget embarrassed President Reagan Tuesday and clouded the outlook for a fiscal compromise.

The House Republican leadership agreed in a meeting to oppose the Senate Budget Committee alternative budget's section requiring $40 billion in unspecified "savings" in social security over the next three years.

And a group of six maverick Senate Republicans also oppose it. One of them, Senator John Heinz of Pennsylvania, introduced a Senate resolution that would remove the social security trust fund from the Federal budget altogether.

The split within Reagan's own party inflicted heavy political damage, leaving in tatters his contention that only irresponsible Democrats oppose his austerity plans.

It also left the budget process snarled in a maze of alternative plans from both sides of the aisle, none of which can claim sufficient support for passage.

A source who attended the meeting said House Republican leader Bob Michel announced he "would not accept a social security plug" as part of any budget plan.

Assistant House GOP leader Trent Lott of Mississippi echoed Michel's sentiment, the source said, and "nobody in the meeting disagreed."

Representative William Green, R-N.Y., one of the moderate Republicans called "gypsy moths" who already opposed the cuts Reagan wants in social programs, told reporters the House GOP leadership "does not endorse the Domenici plan"—the alternative budget by Senate Budget Committee Chairman Pete Domenici of New Mexico and embraced by Reagan.

"It was made very clear to us today that the House Republican leadership does not support" the plan "and they did not ask us to support it," Green said.

(Later the following occurred:)

Mr. NUNN. Mr. President, I voted not to table the Robert C. Byrd-Moynihan amendment, but I must admit that it was with some misgivings.

I consider the Budget Committee's $40 billion cut in social security irresponsible fiscally because, first, it does not identify the cuts. Second, President Reagan has been quoted in the papers several times as clearly stating that he is wedded to protect the cost-of-living increases in social security. I understand his position, but I do not understand how this is compatible with the $40 billion in unspecified cuts he has completely endorsed.

Third, the Budget Committee makes it clear that no action will be taken until the President's Social Security Commission reports. This means there will be no fiscal certainty in the period of time we are waiting on that report, either for the social security recipients who are bound to be vitally concerned about the $40 billion that is unspecified or for the financial markets, which are having great doubts about the determination of Congress and the executive branch in really bringing about reform and fiscal responsibility in the budgeting process, both for social security and for the overall budget.

For these reasons, I agree with the Robert C. Byrd-Moynihan amendment, which condemned the Budget Committee's $40 billion in unspecified cuts. I do not, however, agree with the second part of the amendment which says we will make no changes in the social security system until the President's commission reports.

The social security system is in danger. I think everyone agrees that it has real problems that have to be addressed. Our economy is in danger. The time for Congress and the President to act is now, 1982, not 1983, as called for by the Budget Committee, by the President, and by the Robert C. Byrd-Moynihan amendment.

Mr. BOREN. Mr. President, will the Senator yield?

Mr. NUNN. I yield.

Mr. BOREN. Mr. President, I thank my colleague for yielding. I wish to associate myself with the comments just made by the Senator from Georgia. There are serious problems with the social security system. I agree with the Senator that the time for the President and Congress to act is now.

We should be facing up to these responsibilities this year, not after the report of some commission, which would extend it into 1983.

I also voted against the motion to table the Moynihan amendment, and I did so with mixed emotions. I am not in agreement with the last paragraph of the amendment which indicated that Congress should wait to take action to assure the solvency of the social security system until the report, after the election of a commission studying the system. Such a position, in my view, is not responsible.

For the sake of those who depend on social security, Congress should quit passing the buck, merely conducting studies, and never acting to make changes to assure the financial security of social security.

However, while I felt that the amendment was not fully responsible, I felt that the recommendation of the Budget Committee was even less responsible. It, too, says that Congress should wait to act until after the committee reports after the election. To wait is not responsible. It is even less responsible to say that we should make $40 billion in cuts without specifying how they should be made. This approach is inadequate and inappropriate budgeting practice and constitutes poor public policy.

The Budget Committee's arbitrary reduction of benefits is a "shot in the dark," and it is unclear which potential "victims" it might hit. Because of these concerns, I voted against the motion to table.

(Conclusion of late proceedings.)

Mr. DOLE. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment submitted earlier by the majority leader for the Senator from Kansas, the Senator from New Mexico, the Senator from Rhode Island, and the Senator from Colorado, with reference to social security: Senator STAFFORD, Senator JEPSEN, Senator HATCH, Senator HEINZ, Senator PERCY, Senator DANFORTH, and Senator GRASSLEY.

The PRESIDING OFFICER (Mr. RUDMAN). The Senator from Kansas is advised that that amendment has not yet been presented.

Mr. DOLE. I thank the Chair. I will add those names later.

Mr. BAKER. Mr. President, there will be no more votes this evening.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, to extend not past the hour of 7:10 p.m. under the same terms and conditions as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I expect one other item of business to be transacted, a matter to be offered by the Senator from Maryland, the chairman of the Rules Committee. As soon as he reaches the floor, I am prepared to take up that measure.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, I am going to leave the floor, but I wish to state that I am very supportive of the resolution to be offered by Mr. MATHIAS, and unanimous consent is granted on this side of the aisle to proceed immediately to the consideration of that resolution.

Mr. BAKER. I thank the minority leader. I will arrange to have that matter addressed by the Senate this evening.

RESOLUTION PROVIDING FOR A STUDY OF SENATE PRACTICES AND PROCEDURES

Mr. MATHIAS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title:

The legislative clerk read as follows:

A resolution (S. Res. 392) to provide for a study of Senate practices and procedures.

There being no objection, the Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, I rise to state that both the minority leader and I not only approve this resolution for action by unanimous consent but we do so enthusiastically.

Mr. MATHIAS. Mr. President, today I am submitting and asking for the immediate consideration of a Senate resolution to provide for a study of Senate practices and procedures by a study group composed of two distinguished former Senators, one to be appointed upon the recommendation of the majority leader and the other upon the recommendation of the minority leader of the Senate. The purpose of this study is laid out in the second section of this short resolution:

It shall be the duty and function of the Study Group to make a full and complete study of the practices and procedures of the United States Senate with a view to recommending to the Senate such revisions thereof as may be necessary or appropriate to preserve and enhance the traditions, customs, functions, forms, and spirit of the United States Senate while enabling the Senate to conduct debate which is focused on major issues of national policy.

Mr. President, I owe the eloquence of the preserve-and-enhance clause to two of the most thoughtful Senators who have ever served in this body, Jim Pearson and Abe Ribicoff, and I owe the clarity and conciseness of the debate clause to my distinguished colleague from Missouri, Senator DANFORTH. I might note at this point that it is the intent of the majority leader to recommend the appointment of former Senator Pearson to the study group and of the minority leader to recommend former Senator Ribicoff, both appointments to be made by the President of the Senate.

WHY A NEW STUDY OF THE SENATE?

As we approach the 200th anniversary of the Senate, many of us have had our concerns about the present operation of the Senate sharpened to the point of recommending yet another study of the most unique parliamentary body in the world, the U.S. Senate. No other legislative body has the unequaled set of tasks assigned to the Senate in the first article of our Constitution: coequal to the House of Representatives in legislative powers, but solely responsible for advice and consent to treaties and for the confirmation of Presidential nominations for officers of the United States.

As I remarked several months ago at a meeting of the Committee on Rules and Administration,

It has been a matter of concern to many of us that the work of the Senate has become more and more difficult and that to some extent we spend our time dealing with the procedural questions while questions of substance, questions of importance to the nation and to the world, are forced to wait.

And, to some extent, we may find, as former Senator Pearson has said to me, that some of our ills may relate to our very reforms.

One reflection of this is the growth in the number of rollcalls. Fifteen or twenty years ago there may have been 60 or 70 rollcalls a year on matters of policy, when the Senate would give policy direction to the committees, but they would not decide by a rollcall vote on every petty detail. We have now reached a point where we may have as many as 600 or 700 rollcall votes a year. Now, that, of course, in part reflects that there is more work to do here. Twenty years ago the Congress did not concern itself with energy; that was a matter for the private utility companies. It did not concern itself with the environment; that was something for the Audubon Society. But these are just illustrative of two areas of legislation that have been forced upon us by the times in which we live.

It was my thought at that time that we ought to get some person or some small group who are thoroughly famil-

iar with the work of the Senate to consider this problem, and to consider it from a perspective of some distance, to look at it without being under the day-to-day pressure of having to meet the schedule here in the Senate.

I discussed this with our committee's distinguished ranking minority member, Senator FORD, also the majority leader, Senator BAKER, and subsequently with the distringuished minority leader, Senator BYRD, the idea of inviting Senator Ribicoff and Senator Pearson to be our two wisemen; for them to think just about the problems of running the Senate, and to see how we can achieve the majority leader's goal of restoring the Senate to its position as the greatest deliberative body in the world. And, of course, this is not going to be anything other than a consultative role on the part of these two former Senators.

Unlike many previous studies of the Senate, this one will be a study of the Senate by former Senators who will be counsulting with the Senate leadership and the entire Senate membership. It will not be a study of the Senate by management experts—the Senate is not a business or a corporation—nor will it be a study of the Senate by academicians—the Senate is too dynamic, within its profound stability and continuity over the past 193 years, to provide the scientists, political or otherwise, with a fixed landscape for precise study, one where all the roads and fences have been labeled for life. The Senate is a collegial body: 100 Members with equal rights and an unparalleled tradition. I look forward to this study, and to the active involvement of all of my colleagues in its important work. Senator FORD and I will shortly be sending each of you a "Dear Colleague" letter laying out in more detail how Senators Pearson and Ribicoff will be proceeding with their deliberations.

A word on cost and timing: The study will be neither expensive nor complicated. Section four of this resolution provides that "the Committee on Rules and Administration shall provide the study group with office space and facilities and such staff as may be necessary or appropriate to enable the study group to carry out its functions." This staff will be provided from present Rules Committee staff members.

And section five stipulates that "the study group shall conclude its study and submit a report thereon to the Committee on Rules and Administration not later than June 1, 1983, which report shall set forth the results of such study together with the study group's findings and recommendations resulting from such study."

Mr. President, I urge the immediate adoption of this resolution.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 392) was agreed to, as follows:

S. RES. 392

Resolved, That the President of the Senate shall appoint a Study Group on Senate Practices and Procedures (hereinafter referred to as the "Study Group") which shall consist of two former United States Senators, one of whom shall be appointed upon the recommendation of the Majority Leader of the Senate and one of whom shall be appointed upon the recommendation of the Minority Leader of the Senate.

SEC. 2. It shall be the duty and function of the Study Group to make a full and complete study of the practices and procedures of the United States Senate with a view to recommending to the Senate such revisions thereof as may be necessary or appropriate to preserve and enhance the traditions, customs, functions, forms, and spirit of the United States Senate while enabling the Senate to conduct debate which is focused on major issues of national policy.

SEC. 3. Members of the Study Group shall be compensated for their services and reimbursed for their official transportation and subsistence expenses in accordance with such contractual or other arrangement as may be agreed upon by the Study Group and the Committee on Rules and Administration.

SEC. 4. The Committee on Rules and Administration shall provide the Study Group with office space and facilities and such staff as may be necessary or appropriate to enable the Study Group to carry out its functions.

SEC. 5. The Study Group shall conclude its study and submit a report thereon to the Committee on Rules and Administration not later than June 1, 1983, which report shall set forth the results of such study together with the Study Group's findings and recommendations resulting from such study.

Mr. MATHIAS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SMALL BUSINESS WEEK

Mr. HAYAKAWA. Mr. President, in proclaiming the week of May 9, 1982, Small Business Week, President Ronald Reagan called small business the cornerstone of our free enterprise system that has represented opportunity, independence, and the fulfillment of dreams for generations of Americans. I concur with this apt description and I welcome the outstanding representatives of the small business community visiting Washington this week under the aegis of their special spokesman, the Small Business Administration (SBA).

Last week, we were privileged to meet with another small business sector, members of Small Business United, a national network for legislative action. Under the banner, "Small Business—the Economic Engine," these small business men and women—a coalition of regional, State and metropolitan small business associations from 33 States—brought to our attention their legislative priorities which we would do well to consider.

Mr. President, every Member of Congress recognizes that the small business community is organized, intelligent and articulate. Unfortunately, for too many years its members were not pulling together as a group in their own best interests as citizens and taxpayers. The White House Conference on Small business, and activities of their various business trade organizations, helped to bring them together, to find their voices and to demand their rights. I applaud them and sincerely hope they will stay together in a constructive effort to be treated in a manner that will permit and encourage them to start new businesses, provide more jobs, add more dollars to our economy, and invent the new products and processes we need for the future. This is the legacy of small business in this country. It must continue.

I would like to commend the dedicated staff of SBA throughout the country who coordinate the Small Business Week activities that culminate here in Washington. Each year, SBA plays host to selected outstanding small business people from communities all over the country who are a cross section of the millions of small business owners who account for almost half of our total employment and create most of our new jobs. The awardees represent a variety of businesses—home improvement products; advertising; farm equipment; general contracting, and many, many more. I would like to take this opportunity, however, to pay special tribute to the winners from the State of California and to congratulate them for this recognition:

In the Advocacy category, the Senior Entrepreneur Advocate of the Year is Mr. C. N. "Mike" Parker, founder of New Career Opportunities, Inc., Glendale. A retired executive, Mr. Parker started the first organization in the United States to provide practical training to older workers and retirees who are interested in forming manageable, low-risk enterprises based on their craft or service skills.

Linda Lee and William Conner, Homestead Products, Ramona, became distributors of ceiling fans in the mid-1970's when they were too old-fashioned to be popular. Their idea was to market energy-conserving products—and ceiling fans seemed to show promise. Now the company is the largest employer by five times in Ramona. Sales have grown at an average rate of 130-percent annually, rising to $11 million in 1981.

Richard Chavez, the Small Business Subcontractor of the Year, is presi-

dent of Bravo Manufacturing, Inc. of Fremont. This is a small, disadvantaged electronic and electro-mechanical fabricator. Founded in 1978, the company began operations with four employees and several part-time helpers. It now employs 32 persons, with the capability of fabricating and manufacturing almost all types of electronic and mechanical chassis and electro-mechanical systems. Bravo Manufacturing was nominated for this award by Lawrence Livermore National Laboratory, Livermore.

As I congratulate all the winners, I would like to share with you a copy of a recent letter addressed to President Reagan. It is from a California resident who, on behalf of himself and his partner, expresses enough faith in the American economic system and in the President's faith in himself to invest everything they own in a new business. I ask unanimous consent, Mr. President, to insert a verbatim letter from Bill Casper of Data World, North Hollywood, into the RECORD. Perhaps some day Mr. Casper and his partner will be in Washington to celebrate Small Business Week.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DATA WORLD,
North Hollywood, Calif., April 8, 1982.

Hon. RONALD REAGAN,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: With utmost respect, I ask that you accept my letter, meant fully as I wrote fully: as a true "publicity stunt." Not for myself, but for the American people. I think "they" need some good publicity.

I recently found myself having coffee with a friend in a favorite Los Angeles habitat and noticed a framed newspaper on the wall. The headlines read: "Roosevelt Cheered by Million" "Hughes Flies World In 91 Hours." It was the San Francisco Examiner, dated July 15, 1938. Suddenly Easter, 1982, resurrected new meanings.

Recently, in the face of all caution, I and my partner—Harrison Pierce, of Los Angeles—sank everything we owned into a new business. Like many other Americans are doing, right now. Why? Because we have faith. Roosevelt might have been cheered by that "million." You, Mr. President, are still cheered by millions. And America continues to shuttle off into space in 91 minutes, not the 91 hours of decades ago. And in the face of everything that might be happening to our country today, there are millions who still have the faith of a mustard seed. Faith, that can move mountains.

You have invited "comment" and "participation" from the private sector of this society. Well, we are not Exxon. And we are not General Motors. We are, however, exactly who we are—backbones of a country that will discover, and employ, any means necessary, to support a government, and a President, who supports us. Who refuses to be swayed by his own opinion—it is our mandate he must successfully represent. And it must be you, Mr. Reagan, to move the mountains of our mustard seeds.

We probably went into business at the worst time, as we have heard, in American history. In one ear and out the other. We believe—in ourselves. And in those around us. And in those, who lead us.

You spoke of a "crusade" during your campaign. I hope you still think it so. As my dearly departed Grandfather used to say: "It is a poor dog that won't wag his own tail."

Best regards.

Sincerely,

BILL CASPER, *Representative.*

TRANSFER OF THE SILVER FOX MINE

Mr. STEVENS. Mr. President, I am pleased that yesterday we were able to pass S. 1501 which conveys to the University of Alaska in Fairbanks title to any Federal interests in the abandoned Silver Fox Mine. The property will become a field laboratory for the Fairbanks campus' school of mineral industry. This is an important facility for instruction in mining engineering, geological engineering, and geology, as well as for carrying on applied and basic research. I am delighted we were able to move this legislation through the Senate so quickly.

Passage of this bill is largely due to the efforts of Dr. Earl Beistline, dean of the School of Mineral Industry at the University of Alaska, for over 35 years. Dr. Beistline's efforts were instrumental in obtaining public donations and the grant from the State of Alaska to purchase the mining claim. He is soon to retire from his position with the university. His work has been a great contribution to Alaska, and I hope that we can move this legislation through the House and provide Dean Beistline with a well-deserved retirement gift.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXCHANGE OF NOTES ON AN INTERNATIONAL FISHERY AGREEMENT—MESSAGE FROM THE PRESIDENT—PM 136

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

In accordance with the Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 USC 1801), I transmit herewith an exchange of Diplomatic Notes, together with the present agreement, extending the governing international fishery agreement between the United States and the Soviet Union, signed at Washington on November 26, 1976, until July 1, 1983. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the requirements of Section 201 (c) of the Act.

I urge that the Congress give favorable consideration to this extension at an early date. Several U.S. fishing interests have urged prompt consideration of this agreement, and I therefore recommend that the Congress consider issuance of a joint resolution to bring this agreement into force, before the agreement expires on July 1, 1982.

RONALD REAGAN.

THE WHITE HOUSE, *May 11, 1982.*

MESSAGE FROM THE HOUSE

At 11:08 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (S. 691) to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes, without amendment.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3412. A communication from the Chairman of the Federal Energy Regulatory Commission transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3413. A communication from the Chairman of the National Labor Relations Board transmitting, pursuant to law, a report on activities under the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3414. A communication from the Executive Director of the Pension Benefit Guarantee Corporation transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3415. A communication from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, a report on orders suspending deportation of certain aliens pursuant to section

244(a)(1) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3416. A communication from the Board of Directors and the Executive Director of the Pension Benefit Guaranty Corporation transmitting, pursuant to law, the seventh annual report of the Corporation; to the Committee on Labor and Human Resources.

EC-3417. A communication from the Chairman of the Board of Directors of the Pension Benefit Guaranty Corporation transmitting a draft of proposed legislation providing for the establishment of a program for the reimbursement of uncollectible withdrawal liability by multiemployer pension plans; to the Committee on Labor and Human Resources.

EC-3418. A communication from the Chairman of the National Commission on Libraries and Information Science transmitting, pursuant to law, the tenth annual report of the Commission; to the Committee on Labor and Human Resources.

EC-3419. A communication from the Executive Secretary of the Secretary of Defense transmitting, pursuant to law, a report on Department of Defense Procurement from Small and Other Business Firms for October 1981 through January 1982; to the Committee on Small Business.

EC-3420. A communication from the Acting Secretary of the Interior transmitting, pursuant to law, a report certifying that an adequate soil survey and land classification have been accomplished for lands in the Ak Chin Indian Reservation classified for irrigation suitability; to the Committee on Appropriations.

EC-3421. A communication from the Secretary of Commerce transmitting, pursuant to law, a report on the critical materials requirements of the U.S. aerospace industry; to the Committee on Commerce, Science, and Transportation.

EC-3422. A communication from the Secretary of Energy transmitting, pursuant to law, a report on a study of the need for a Federal Geothermal Reservoir Insurance and Reinsurance program; to the Committee on Energy and Natural Resources.

EC-3423. A communication from the Under Secretary of Education transmitting, pursuant to law, a report on the 1982-83 Guaranteed Student Loan Family Contribution Schedule; to the Committee on Labor and Human Resources.

EC-3424. A communication from the Secretary of Agriculture for Small Community and Rural Development transmitting, pursuant to law, a report on actions being taken to improve the management and operations of the Federal Crop Insurance Corporation; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3425. A communication from the Assistant Secretary of the Army for Manpower and Reserve Affairs transmitting a draft of proposed legislation to repeal certain statutes relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

EC-3426. A communication from the Secretary of Transportation transmitting, pursuant to law, a report on the utilization of authority to designate and rent inadequate quarters, lease housing, and hire quarters; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-839. A resolution adopted by the American Bar Association, supporting adequate funding for the United States Tax Court; to the Committee on the Judiciary.

POM-840. A resolution adopted by the San Diego District 25, California Federation of Women's Clubs, relative to the loyalty of citizens receiving federal monies; to the Committee on the Judiciary.

POM-841. A concurrent resolution adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"CONCURRENT RESOLUTION

"Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds a trillion dollars; and

"Whereas, the annual federal budget continually demonstrates an unwillingess or inability of the legislative branch of the federal government to curtail spending to conform to available revenues; and

"Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever a two-thirds majority of both Houses deems it necessary.

"Now, therefore, be it resolved by the members of the Second Regular session of the Forty-sixth Idaho Legislature, the House of Representatives and the Senate concurring, that procedures be instituted in the Congress to add an amendment to the Constitution of the United States, and that this Legislature requests Congress to prepare and submit to the several states an amendment to the Constitution of the United States, to provide that the President of the United States, under the powers granted him by Article I, Section 7, of the Federal Constitution, may line item veto any order, resolution, or bill relating to federal appropriations.

"Be it further resolved, that this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; and

"Be it further resolved, that the Clerk of the House of Representatives be, and she is hereby directed to forward copies of this Resolution to the Secretary of State and presiding officers of the House of the Legislatures of each of the other States in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Congress of the United States representing the State of Idaho."

POM-842. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on the Judiciary:

"Whereas, Between 1960 and 1973 more than three million American soldiers, sailors, airmen, and marines served their country in Southeast Asia; and

"Whereas, The great majority of such veterans were neither professional soldiers nor volunteers but merely young men called by this country to do their duty; and

"Whereas, A nation ambivalent about the war in which they fought has never properly honored the Vietnam veterans for the sacrifice they made; and

"Whereas, Unlike the honored veterans of past wars, the Vietnam veterans returned to indifference; embarrassment, and even hostility; and

"Whereas, The failure of this country to adequately assist in their passage from war to peace has added the anguish of delayed stress syndrome to the wounds of many Vietnam veterans; and

"Whereas, The debt owed the Vietnam veterans by their country derives not from the success of its policies but from the nobility of their sacrifice; now, therefore,

"*Be It Resolved by the Senate of the Fifty-third General Assembly of the State of Colorado, the House of Representatives concurring herein:*

"That April 30, is hereby designated Vietnam Veterans' Day to honor those who served their country bravely and honorably in Southeast Asia.

"*Be It Further Resolved,* That a copy of this Resolution be transmitted to the President of the United States, the Congress of the United States and the Department of Veterans Affairs."

POM-843. A petition from a citizen of East St. Louis, Illinois relating to the court case of a shredding company in National City, Illinois; to the Committee on the Judiciary.

POM-844. A resolution adopted by the General Assembly of the State of Georgia; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, the framers of the Constitution of the United States, in their collective wisdom, established a marvelous and unique form of government; and

"Whereas, the government consists of a centralized form made up of three separate branches but with the ultimate power residing in the people; and

"Whereas, the legislative, executive, and judicial branches were each created to operate as a check and balance on the exercise of governmental power by each other; and

"Whereas, federal judges are appointed for life and are therefore removable only through impeachment or voluntary retirement; and

"Whereas, this system of selecting federal judges appropriately insulates them from the people and the government they serve; and

"Whereas, it is advisable to improve the manner of selecting and continuing in office the federal judges so that the interests of justice and the people can be best served.

"Now, therefore, be it resolved by the general assembly of Georgia that the Congress of the United States is requested to institute procedures to provide that the record of all federal judges be reviewed every eight years and that procedures be available to remove judges found to be derelict in the performance of their constitutional duties.

"Be it further resolved that this legislature calls upon the legislatures of each of the several states to adopt similar resolutions and to forward such resolutions to the Congress.

"Be it further resolved that copies of this resolution be forwarded to the President of the Senate and the Speaker of the House of Representatives of the United States and to all members of the Georgia delegation in Congress.

"Be it further resolved that copies of this resolution also be prepared and forwarded to the Secretaries of State and to the presid-

ing officers of the legislatures of the several states."

POM-845. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind urging Congress to leave intact the Rehabilitation Act of 1973; to the Committee on Labor and Human Resources.

POM-846. A resolution adopted by the Arkansas Chapter of the American Association of Workers for the Blind supporting the restoration of the 1981 level of training funds for the blind; to the Committee on Labor and Human Resources.

POM-847. A resolution adopted by the Southern Governors' Association supporting continued Federal support for educational programs authorized in the continuing resolution; to the Committee on Labor and Human Resources.

POM-848. A resolution adopted by the Southern Governors' Association supporting the maintenance of Federal support for title I of the Elementary and Secondary Education Act; to the Committee on Labor and Human Resources.

POM-849. A resolution adopted by the Southern Governors' Association opposing further cuts in title I, chapter I funding for fiscal year 1982, for fiscal year 1983, and beyond; to the Committee on Labor and Human Resources.

POM-850. A joint resolution adopted by the General Assembly of the State of Colorado; to the Committee on Labor and Human Resources:

"HOUSE JOINT RESOLUTION No. 1007

"Whereas, The needs of the terminally ill and their families in this state and the nation have not been adequately met by the health care delivery system; and

"Whereas, The hospice concept of care for the terminally ill and their families has received worldwide acclaim because of the efforts to deliver such care in England under the leadership of Dr. Cicely Saunders; and

"Whereas, In the United States, the needs of the terminally ill of all ages were first brought to the attention of the health professions and the general public by Dr. Elisabeth Kubler-Ross; and

"Whereas, Through the efforts of many volunteers and health professionals, the hospice program of care has become an accepted part of the health care delivery system; and

"Whereas, The hospice program of care has received the official endorsement of organizations comprised of health profesionals and of labor organizations; and

"Whereas, The hospice program of care is now being accepted by the insurance industry in various regions of this country; and

"Whereas, A number of national corporations have provided the hospice benefit to employees, dependents, and, in some cases, their retirees; and

"Whereas, A large number of terminally ill patients qualify under the provisions of Medicare for financial assistance; and

"Whereas, There has been an actuarial study which clearly indicates that the incorporation of the hospice benefit for Medicare eligibles, as currently defined, will bring about significant savings to Medicare; and

"Whereas, Hospices in Colorado have provided national leadership in the areas of education, training, and program development and in the setting of standards for the quality of care; and

"Whereas, These standards are also for the well-being of the terminally ill living in this state; and

"Whereas, The legislation proposed to modify Medicare benefits to allow hospice care is also in the interest of Colorado residents; now, therefore,

"Be It Resolved by the House of Representatives of the Fifty-third General Assembly of the State of Colorado, the Senate concurring herein:

"Therefore, the members of the Fifty-third General Assembly of the State of Colorado, do urge the members of the Congress of the United States to support the passage of S. 1958 and H.R. 5180 concerning the modification of Medicare provisions to include coverage for hospice care.

"Be It Further Resolved, That the standards proposed by the Colorado Hospice Coalition are appropriate and necessary to the organization and delivery of care for the terminally ill and their families in the state of Colorado.

"Be It Further Resolved, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress and to each member of Congress from the State of Colorado."

POM-851. A petition from a citizen of Newark, Del. supporting the Davis-Bacon Act; to the Committee on Labor and Human Resources.

POM-852. A concurrent resolution offered in the Michigan State Senate; to the Committee on Veterans' Affairs:

"RESOLUTION

"Whereas, Any suggestion to seriously reduce funds available to disabled veterans runs contrary to the stance taken by candidate Ronald Reagan prior to his election to the presidency. In fact, the administration's suggestions to cut Veterans Administration funding include specific decreases in medical programs, medical and prosthetics research, and medical facility construction; and

"Whereas, In addition to this affront to disabled veterans, there is considerable evidence which suggests that these cost-saving measures would, in reality, end up costing the government more in the final analysis. Several surveys indicate that the existing VA hospital facilities are considerably cheaper to operate than comparable hospital facilities throughout the country; and

"Whereas, Most importantly, this type of proposal ignores the plight of many of the individuals whose lives have been forever altered by their courage in standing up for their country; now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That the Michigan Legislature hereby condemn the cutbacks in funding for Veterans Administration programs and memorialize the Congress of the United States to take measures to maintain Veterans Administration programs; and be it further

"Resolved, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Michigan congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Governmental Affairs, with amendments:

S. 1912. A bill to amend title 5, United States Code, to authorize the Administrator, Federal Aviation Administration, to pay additional premium pay to air traffic controllers and certain other employees of the Federal Aviation Administration, and for other purposes (Rept. No. 97-386).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute, and an amendment to the title:

S. 1573. A bill to amend the Water Resources Development Act of 1976 with respect to Lake Oswego, and for other purposes (Rept. No. 97-387).

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources:

S. 1621. A bill to authorize the replacement of existing pump casings in southern Nevada water project pumping plants 1A and 2A, and for other purposes (Rept. No. 97-388).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation:

Mr. PACKWOOD. Mr. President, as in executive session, I report favorably from the Committee on Commerce, Science, and Transportation, a nomination list in the Coast Guard which appeared in the CONGRESSIONAL RECORD of May 3, 1982, and, to save the expense of reprinting them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

By Mr. STAFFORD, from the Committee on Environment and Public Works:

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the remainder of the term expiring June 30, 1982; and

James Kilburn Asselstine, of Virginia, to be a Member of the Nuclear Regulatory Commission for the term of 5 years expiring June 30, 1987.

By Mr. TOWER, from the Committee on Armed Services:

Gen. John W. Vessey, Jr., [redacted], Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

Mr. TOWER. Mr. President, from the Committee on Armed Services, I report favorably the following nominations: Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list, Lt. Gen. William J. White, U.S. Marine Corps (age 57), for appointment to the grade of lieutenant general on the retired list, Vice Adm. Robert F. Schoultz, U.S. Navy, for appointment as Deputy Chief of Naval Operations (Air Warfare), Vice Adm. Sylvester R. Foley, Jr., U.S. Navy, to be admiral, Lt. Gen. Jerome F. O'Malley, U.S. Air Force, to be general and for appointment as Vice Chief of Staff

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for the Air Force, and Gen. John A. Wickham, Jr., U.S. Army, to be Vice Chief of Staff for the Army. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, in addition, in the Air National Guard of the Air Force Reserve there are 9 promotions to the grade of lieutenant colonel (list begins with John O. Ahnert), in the Army there are 167 promotions to the grade of colonel and below (list begins with Stephen I. Alpern), in the Army there are 217 appointments to the grade of colonel and below (list begins with Julius L. Bedynek), in the Army there are 1,930 appointments to the grade of second lieutenant (list begins with Hector J. Acosta), in the Navy there are 863 permanent promotions to the grade of commander (list begins with Randall O. Abshier), in the Navy there are 947 permanent appointments to the grade of ensign (list begins with Frederick K. Abell, Jr.), in the Navy there are 36 permanent appointments to the grade of ensign (list begins with Kurt F. Baker), in the Navy there are 373 permanent promotions to the grade of commander (list begins with Edwin McC. Anderson), in the Air Force there are 34 appointments and promotions to the grade of lieutenant colonel and below (list begins with Walter S. Sorenson), in the Air Force and Air Force Reserve there are 54 appointments and promotions to the grade of colonel and below (list begins with Woodrow M. Ivandick), in the Air Force and Air Force Reserve there are 32 appointments and promotions to the grade of lieutenant colonel and below (list begins with Patrick J. Behnke), in the Air Force there are 1,662 appointments to the grades and dates of rank to be determined by the Secretary of the Air Force (list begins with Randal G. Abraham), in the Navy and Naval Reserve there are 39 permanent appointments to the grade of captain and below (list begins with Brent S. Frampton), and in the Marine Corps there are 407 permanent appointments to the grade of major (list begins with Clifford M. Acree). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 14, April 19, April 26, and May 3, 1982, at the end of the Senate proceedings.)

By Mr. THURMOND, from the Committee on the Judiciary:

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the term of 4 years;

Marvin E. Breazeale, of Mississippi, to be U.S. marshal for the southern district of Mississippi for the term of 4 years;

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 Years.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEVIN (for himself, Mr. BUMPERS, Mr. CRANSTON, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. CANNON, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. WEICKER, Mr. BRADLEY, Mr. BIDEN, and Mr. ZORINSKY):

S. 2512. A bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes; to the Committee on Finance.

By Mr. BAUCUS (for himself and Mr. EXON):

S. 2513. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice and to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ (for himself, Mr. DOLE, Mr. PERCY, and Mr. DURENBERGER):

S. 2514. A bill to amend the Social Security Act to provide for the removal of the OASI, DI, and HI trust funds from the unified budget; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has 30 days of continuous session to report or be discharged.

By Mr. PACKWOOD:

S. 2515. A bill to amend the Internal Revenue Code of 1954 to extend the exclusion from gross income of amounts paid or incurred with respect to educational assistance programs, and for other purposes; to the Committee on Finance.

By Mr. INOUYE:

S. 2516. A bill to make scholarships available to provide clinical psychologists to provide services to Indians; to the Committee on Labor and Human Resources.

By Mr. MATHIAS (for himself and Mr. HEFLIN):

S. 2517. A bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

By Mr. LEVIN:

S. 2518. A bill to establish a National Industrial Development Board for purposes of formulating policy recommendations for industrial development in the United States; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LEVIN (for himself, Mr. RIEGLE, Mr. PERCY, Mr. DIXON, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COHEN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DURENBERGER, Mr. EXON, Mrs. HAWKINS, Mr. HEINZ, Mr. MATTINGLY, Mr. ROTH, Mr. RUDMAN, Mr. TSONGAS, and Mr. ZORINSKY):

S. Res. 390. Resolution urging the Soviet Union to allow Abe Stolar, his wife, Gita, and his son, Michael, to emigrate to Israel; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. Res. 391. Resolution expressing the sense of the Senate with respect to the policy of the U.S. Government during the period of negotiations for a START (Strategic Arms Reduction Talks) treaty; to the Committee on Foreign Relations.

By Mr. MATHIAS:

S. Res. 392. Resolution to provide for a study of Senate practices and procedures; considered and agreed to.

By Mr. SPECTER (for himself, Mr. DURENBERGER, Mr. HUDDLESTON, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PACKWOOD, Mr. PERCY, and Mr. SYMMS):

S. Con. Res. 94. Concurrent resolution calling on the Administrator for Federal Procurement Policy to take immediate action to simplify Federal Government procurement procedures and forms as required by the Office of Federal Procurement Policy Act; to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. BUMPERS, Mr. BURDICK, Mr. CRANSTON, Mr. DODD, Mr. FORD, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUYE, Mr. KENNEDY, Mr. MATSUNAGA, Mr. MELCHER, Mr. CANNON, Mr. MITCHELL, Mr. PELL, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. TSONGAS, Mr. WEICKER, Mr. BRADLEY, Mr. BIDEN, and Mr. ZORINSKY):

S. 2512. A bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY STUDENT BENEFIT EXTENSION AND UNCASHED BENEFIT TRANSFER

● Mr. LEVIN. Mr. President, today I am introducing legislation similar to that which I filed on February 11, 1982. That legislation, S. 2107, delayed the scheduled elimination of the social

security student benefit for 1 year. This new bill contains an added provision which would offset the cost of the extension by $255 million in fiscal 1983 alone, and $20 million annually thereafter. I will discuss this provision of my proposal in greater detail later in these remarks.

Mr. President, this legislation is intended to redress the double injustice done to thousands of recipients of the social security child's benefit whose college education plans may be thwarted because they were misinformed or not informed at all by the Social Security Administration of changes in the 1981 Omnibus Budget Reconciliation Act. That Act eliminated social security student benefits for new beneficiaries not enrolled in a post-secondary educational institution by May 1982. In other words, high school seniors currently receiving social security children's benefits, who were not attending college or post-secondary school on a full-time basis as of May 1, 1982, will be ineligible for any benefit for post-secondary education. There are 250,000 to 300,000 students in this category.

What is doubly disturbing and tragic about this, Mr. President, is that the Social Security Administration never properly informed student beneficiaries, parents or guidance counselors of the change in the law. In fact, the Social Security Kansas City and Birmingham Regional Offices—two out of six centers nationwide—sent wrong pamphlets to high school students from August 1981 to January 1982. To date this error has not been corrected. In fact, social security officials contend that they have no way of tracking who actually received the erroneous information.

During a February 3, 1982, joint hearing of the Subcommittee on Postsecondary Education, and Elementary, Secondary and Vocational Education on the effects of the cutback in social security benefits on the student aid programs, Social Security Associate Commissioner Sandy Crank said:

> We did not discover it until after it had gone on for some time. . . . Unfortunately, through an error, the old stock of pamphlets were not destroyed . . . and unfortunately some of the old stock was used in notices to children after August 1981. We have no way of identifying which children received the incorrect pamphlet.

Mr. President, thousands of young people made their educational plans based on the Social Security Administration's reassurance that promised benefits would continue to be available to them.

Not only did high school seniors receive erroneous information by mail—erroneous information was also given out by phone when parents and students called their local social security offices with questions about the program.

Mr. President, my proposal would provide some relief from the unfair treatment accorded current seniors in high school. It sets the enrollment deadline back from May to October 1982, allowing this fall's college entrants to complete their education with the aid of Social Security benefits they had every expectation they would continue to receive.

Mr. President, last year I argued vigorously against the phasing out of this benefit, particularly in the case of children of workers who are now deceased. Those workers cannot lobby us any more to keep commitments we made to them. The social security student benefit program has been an important means of educational and economic mobility, for this generally disadvantaged group of beneficiaries. The student benefit was intended to provide income security—insuring against the loss of earnings caused by the death of the working parent. The elimination of this benefit cancels the commitment to workers that their children would be entitled to college benefits, in case of the death of the person contributing to the social security system. That was a commitment these workers had a right to rely on.

The student benefit is an entitlement earned by the working parent through contributions paid by himself and his employer during his working years. The arrangement constitutes a compact between the worker and the Federal Government. The Government of the United States has seen fit to break this promise. The student payment is not a "fringe benefit." To the young person approaching his or her 18th birthday, the continuation of benefits to finish college is no more a "fringe benefit" than that of the elderly retiree living out his or her later years in the dignity and security of his or her promised income.

Mr. President, it is only fair that this Government accept the responsibility of its own errors and its own actions. These young people should not have their future educational plans suddenly disrupted—if not destroyed—through no fault of their own.

Most of the young people affected are from marginal income families. In 1981, over 60 percent were survivors of deceased workers. A sizable number were from families where both parents are deceased. Seventy-one percent of the beneficiaries were from families with incomes of under $15,000; 53 percent from families with incomes under $8,000.

Mr. President, restoring the benefit for this year's high school seniors would reduce the social security trust fund by an estimated $700 million for fiscal 1983 through fiscal 1986. However, the second part of my proposal, which I will discuss in greater detail in a moment, addresses the problem of uncashed benefit checks. This legislation offsets the cost of the extension by $255 million in fiscal 1983 alone, and $20 million annually thereafter. Therefore, under this proposal the trust fund will recoup in 1 year over 35 percent of the cost that temporarily restoring the student benefit will incur over 4 years.

Now let me briefly explain this second part of my proposal. Each year over $20 million in unnegotiated social security checks remain in the general fund rather than being recredited to the social security trust fund. According to the Social Security Administration, the accumulated total of uncashed benefits is now up to an estimated $255 million. When payment is made to a social security beneficiary, a voucher is submitted by the Social Security Administration to the Treasury Department for the amount of the benefit. This account is then withdrawn from the social security trust fund and the payment is sent to the beneficiary. Some benefit checks are not cashed. In many instances checks are lost, stolen, burned, or saved for later use. In some cases the beneficiary of the check is deceased. Under present procedure, regardless of why a check is not cashed, the money has technically been spent by the Social Security Administration. The Treasury Department, in the meantime, holds these funds until the check is cashed. If the check is never negotiated, the money is added to the Treasury's general fund.

The social security trust fund thus not only loses the initial amount of the check, but the interest that would be obtained through the proper investment of the trust fund as well.

This bill provides procedures for crediting the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund with the amounts of social security checks which have not been negotiated within 12 months. The bill also applies retroactively, transferring the $255 million of unnegotiated checks so far accumulated.

Before closing, I would like to share with my colleagues the remarks of Mrs. Alice James of Chestertown, Md., the widowed parent of four children affected by the changes in the social security student benefit program. In testimony on February 3 before the House Subcommittee on Postsecondary Education and Elementary, Secondary, and Vocational Education, she said:

REMARKS OF ALICE JAMES

Mr. Chairman and members of the subcommittee, I am Alice James.

I appreciate the opportunity to appear before you to discuss the impact of the elimination of survivor benefits for college students. I shall read my testimony.

I teach in Chestertown, Md.—English to the Kent School, and writing at Washington

College, and am the widow of a scholar who taught at Washington College for 25 years. But it is not as an educator that I am here today: it is as the parent of four students aged 15 to 21. As a widowed parent I must convey to you the plight of not just my own children, but of thousands like them who may be unjustly deprived of the benefits their dead parents earned for them, the benefits which would enable them to contribute their talents and skills to our society.

Let me explain the impact of the cuts on my own family. My oldest child will graduate from college in May. Until recently she had expected to go on to graduate school, preparing herself for a career in teaching or a related field. As a result of the extraordinary stress the cuts will impose on our family, she is shelving her plans and looking for a job. I pray that she will find one. Her father earned his Ph.D. I have an M.A. You can imagine how I feel about this derailment of her professional goals.

My second child is in her second year of college: she too wants to be a teacher. In the next year her annual income from social security will be reduced 50 percent. This year she received 12 checks for $238. During her junior year she will receive eight checks for $178. Her financial planning was predicated on the continued availability of both social security benefits and guaranteed student loans. She is to lose $1,900 in social security, and perhaps $2,000 in loans. How shall we compensate for the loss of $3,900? Which of the other programs will cover our loss?

When she returned to college after Christmas she thought her funding would only be reduced by 25 percent of her annual total. I am ashamed to admit that although I have talked to her since this document arrived on Wednesday, January 27, I have not told her the enormity of her loss. We talked on her 20th birthday. She told me that she missed her father, that she needed him to give her a hug and say. "Your old man is proud of you." Which of you could have delivered another blow? What do you think I should say to her now?

My son is 17. He would be a senior in high school but for a back injury sustained in the spring of his sophomore year. It was misdiagnosed and mistreated for 4 weeks. Finally, he was hospitalized. After another week of painful testing and anxiety, the doctors discovered that their 15-year-old patient had ruptured a disc in his lower back. Summer study was not possible because of lingering pain and the distracting discomfort of a heavy brace. He needed to repeat his sophomore year. Consequently he is not among the high school seniors scrambling to enroll in college programs before May 1.

Extend the deadline. Do all you can to help the multitude of youngsters who cannot help themselves. But even if the deadline is extended to June 1, my boy will be deprived of social security benefits for his college education. On the PSAT he scored in the 94th percentile. Which of you wants to tell him that his education is jeopardized by these cuts?

I must add that his hero is the late David K. E. Bruce, envoy to China, ambassador to many European countries, negotiator at the Paris peace talks. He wants to emulate that distinguished career of service to this country. Which of you wants to tell him that his country does not need his services?

And now my youngest daughter, at 15 an enthusiastic sophomore in a stiff college preparatory program. I worry that she will lose her motivation to excel. On the one hand, she knows that her father and I would want her to work as hard as she could to go on to the best college that would take her, on the other hand, she sees what the financial stress is doing to me. What can I do to assure her that somehow we will find a way for her to pursue a career in architecture?

There are thousands of children like mine around the country. There are students who are asking for the benefits their dead parents earned for them. They are asking for help with their education in order that they may contribute to society, not become a drain on it. I wish their mothers could join me here, for I am a weak spokesman for a group of citizens with so few votes. I wish these students themselves could march on Washington and demonstrate outside your doors. But the administration has picked on a silent minority devoid of political clout.

Must I remind you that the G.I. bill and other educational programs have proved that they are a wise investment that pays dividends through the increased productivity and wage-earning capacity of the recipient?

Must I remind you that responsible parents like my husband took the social security program into consideration when they examined their life insurance coverage? And just as they expected their companies to honor their commitment to a prearranged program, so too they expected the government of their country to honor its commitment. Because my husband and his employer were compelled to contribute to the social security program, he could not afford the additional life insurance that would otherwise compensate us for the loss of social security coverage.

Congress has robbed these children of the educational opportunities their parents earned for them. It has also robbed them of faith in their government. I beg of you—restore their funding; restore their faith in their country.

Mr. President, I urge the speedy enactment of this much needed legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2512

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (c) of section 2210 of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35) (relating to elimination of child's insurance benefits in the case of children aged 18 through 22 who attend postsecondary schools) is amended—

(1) in paragraph (1) (D), by striking out "May 1982" and inserting in lieu thereof "October 1982";

(2) in the matter in paragraph (1) following subparagraph (D), by striking out "August 1985" and inserting in lieu thereof "August 1986";

(3) in paragraph (3) (A), by striking out "July 1982" and "August 1983" and inserting in lieu thereof "July 1983" and "August 1984", respectively;

(4) in paragraph (3) (B), by striking out "July 1983" and "August 1984" and inserting in lieu thereof "July 1984" and "August 1985", respectively; and

(5) in paragraph (3) (C), by striking out "July 1984" and "August 1985" and inserting in lieu thereof "July 1985" and "August 1986", respectively.

(b) The Secretary of Health and Human Services shall notify all individuals who are entitled to child's benefits under title II of the Social Security Act for the month in which this Act is enacted of the changes made in the eligibility for, and amount of, such benefits by reason of the provisions of section 2210 of the Omnibus Budget Reconciliation Act of 1981 and the provisions of this Act. The notification shall be made as soon as possible after the date of the enactment of this Act, but not later than 90 days after such date of enactment.

SEC. 2. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(m) (1) The Secretary of the Treasury shall implement procedures to permit the identification of each check for benefits issued under this title that has not been presented for payment by the close of the twelfth month following the month of its issuance.

"(2) The Secretary of the Treasury shall, on a monthly basis, credit whichever of the Trust Funds is appropriate for the amount of all benefit checks drawn on such Trust Fund more than 12 months previously but not presented for payment and not previously credited to the Trust Fund.

"(3) If a benefit check is presented for payment to the Treasury and the amount thereof has been previously credited pursuant to paragraph (2) to one of the Trust Funds, the Secretary of the Treasury shall nevertheless pay such check, if otherwise proper, recharge such Trust Fund, and notify the Secretary of Health and Human Services.

"(4) A benefit check bearing a current date may be issued to an individual who did not negotiate the original benefit check and who surrenders such check for cancellation if the Secretary of the Treasury determines it is necessary to effect proper payment of benefits.".

(b) The amendment made by subsection (a) shall apply with respect to all benefit checks issued under title II of the Social Security Act on or after the date of the enactment of this Act.

(c) (1) The Secretary of the Treasury shall transfer from the general fund of the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to reimburse such Trust Funds in the total amounts of all unnegotiated benefit checks. After the amounts authorized by this subsection have been transferred to the Trust Funds, the provisions of paragraphs (3) and (4) of section 201(m) of the Social Security Act (as added by subsection (a)) shall be applicable to unnegotiated benefit checks.

(2) As used in paragraph (1), the term "unnegotiated benefit checks" means the checks issued under title II of the Social Security Act prior to the date of the enactment of this Act, which remain unnegotiated after the twelfth month following the date on which they were issued.●

● Mr. DODD. Mr. President, I rise in support of S. 2512, extending the final date by which the sons and daughters of retired, disabled, or deceased workers must attend college in order to qualify for student benefits before this program is phased out. By crediting millions of dollars of uncashed social

security checks to the social security trust funds, this bill also provides a way to help pay for the extension of student benefits.

Mr. President, the Omnibus Budget Reconciliation Act of 1981 eliminated social security student benefits for new beneficiaries not enrolled in a postsecondary educational institution by May 1982. Those students directly affected by this change in the law, however, were never notified.

The results of the failure of the Secretary of Health and Human Services and the Social Security Administration to notify some 3,400 students, affected in Connecticut and most other States of the deadline date were disastrous. Thousands of those high school seniors who would receive benefits only if enrolled in colleges by May 1982 panicked. In order to qualify for such benefits, many of them dropped out of high school to attend college classes on a full-time basis. Others tried to enroll in local colleges, only to be turned away for lack of a high school diploma.

In short, Mr. President, the students affected had to learn of this change in the law on an ad hoc basis, either from reading a newspaper article or from listening to a well-informed guidance counselor. Because these students were not advised in time, many of them are now being forced to make very significant career choices without any chance for reasoned deliberation.

The bill before us addresses this injustice by extending the deadline date 5 months beyond that called for in the 1981 Reconciliation Act. S. 2512 also requires the Secretary of Health and Human Services to inform all individual students affected within 90 days of the date of its enactment.

This bill also will transfer an estimated $255 million in unnegotiated social security checks to the social security trust funds. Approximately $20 million in uncashed social security checks each year remain in the general revenues rather than being returned to the trust funds. Given the recent problems we have had in keeping the trust funds solvent, failure to return uncashed checks to these funds seems unwise indeed.

Such uncashed checks would help pay for an extension of the student benefit program as outlined above and boost our ailing trust funds in general.

We hear a great deal these days about cutting out waste and mismanagement in Government. I can think of no greater mismanagement than wasting the talent of our youth by forcing them to make crucial career decisions in an atmosphere of panic. This bill would both correct that mismanagement and foster better management of social security trust funds.

Mr. President, I urge the Senate to adopt S. 2512.●

● Mr. ZORINSKY. Mr. President, I am pleased to join my colleague from Michigan, Senator CARL LEVIN, in cosponsoring this single piece of legislation, which incorporates two bills that I previously cosponsored. High school seniors currently receiving social security children's benefits, who are not enrolled in a college or post-secondary school full time by May 1, 1982, will be ineligible for any future college benefits. This bill would delay the enrollment deadline from May to October 1, 1982, allowing the approximately 250,000 to 300,000 current high school seniors to enroll in college this fall and complete 4 years of education without the aid of social security benefits they had every expectation they would continue to receive.

Many students and families were not notified of the changes made in the omnibus reconciliation bill by the Social Security Administration and therefore had no idea of the urgency of the May 1, 1982, enrollment deadline. It is only fair that this Government accept the responsibility of its own actions. The cost of the social security restoration for this year's high school seniors would reduce the trust fund by an estimated $700 million for fiscal years 1983 through 1986. However, Senator LEVIN's legislation provides a means to recapture some of these funds.

Each year, over $20 million in uncashed social security checks remain in the general fund of the U.S. Treasury without being resubmitted to the social security trust fund. It is estimated by the Social Security Administration that $255 million has accumulated in unnegotiated checks. It is time that the social security trust fund be recredited with the uncashed benefit checks, in order that the funds be invested, earn interest, and ultimately provide future solvency for the entire social security system.

I encourage prompt action on this proposal by my colleagues in order that the current high school seniors be allowed the opportunity to enroll in college with the aid of the social security children's benefit.●

● Mr. KENNEDY. Mr. President, I am pleased to join with Senator LEVIN In introducing this bill to extend the deadline for qualifying for social security student benefits.

This legislation is intended to right a very serious wrong. The action taken last summer in reconciliation jeopardized the future of hundreds of thousands of students across this country who are depending on social security benefits to fulfill their dreams of a college education.

The action we took last summer will mean an end to that dream for many of these youngsters and their families.

When the administration proposed eliminating student benefits last year it justified the action on grounds that this program violates the real purpose of social security. They argued that just because someone is old, or disabled, or dies, does not mean we have any responsibily to educate their children. After all, there are other programs to assist those who want to go on to college. Never mind that this year alone the Reagan administration would cut Pell grants by $800 million, guaranteed student loans by $912 million, and eliminate virtually all campused based aid.

In order to put this issue in perspective, it may help to know more about these 300,000 students who had their benefits cut off 5 days ago. These young people live in cities and towns all across the country. Over 80 percent of these students have one or both parents who are deceased or disabled. Seventy percent come from families with incomes below $15,000. Over half have incomes under $8,000.

The plight of one such student, Debbie Davis, was brought to President Reagan's attention by a Washington Post article. Debbie is a cheerleader and honor student from Winder, Ga. Her father is dead and her mother has moved away. She is on her own. Without the social security benefit she cannot go on to college. The President was moved by her story and wants to help.

But Debbie Davis is only one of 300,000 seniors across the country whose future is in doubt.

There are the children of Evelyn Grubb, Madeline Van Wagenen, and Clair Leaver. All of these women are widows of the Vietnam war. Their husbands undertook dangerous missions, believing that the Goverment would provide for their wives and children if they did not return. They were wrong. Their widows are organizing others like themselves into a group called "Survivors for Sacrifice" to fight for their children's benefits.

The Veterans Administration estimates 46,000 sons and daughters of those who gave their lives for their country will be affected by the cutoff of benefits.

Seven thousand high school seniors in my own State will have the benefits they were counting on taken away.

Gary Cooper is 18 and lives in East Sandwich, Mass. He has been partially blind since he was 5. Four years ago his father died. His mother is raising Gary and his brother on $12,000 a year.

Despite his handicap and the loss of his father he is an honor student, a musician, and a leader in his class. He dreams of a career in astronomy and a future with NASA. Student benefits are the only way Gary's dream will come true.

And the worst part is that the Social Security Administration never bothered to tell Gary and most of the

other students that the benefits they were counting on would not be there.

Imagine the surprise and shock of these students and their families when they learned through the media that the Reagan administration had no intention of honoring the commitments these families thought they had from their Government.

As late as last December, the Social Security Administration was still sending out thousands of brochures to this year's seniors informing them that they would continue to receive their benefits if they enrolled in college next year. Students all around the country made their plans on this advice.

The Department of Defense has yet to notify servicemen on active duty that these benefits will be cut off. When asked how long notification would take a spokesman for the Department indicated it could take 18 months to publish a new pamphlet.

In 1939, the Social Security Act was amended to provide benefits to dependent children until their 17th birthday if they were attending school full time. In 1946, the age was extended to 18. In 1965, the age was extended to 22. Members of the Ways and Means Committee and Senate Finance Committee argued then that a child over 18 attending school full time is just as dependent as one under 18. They pointed out that a child who cannot look to a father for support (because their father has died, is disabled, or is retired) is at a disadvantage in completing his education.

"Not only may the child be prevented from going to college by loss of parental support and loss of his benefits, he may even be prevented from finishing high school or going to vocational school."

The arguments made in this body in 1965 are as valid today as they were then.

The Levin bill would delay the action taken in reconciliation. It would permit 300,000 members of this year's graduating class to receive the benefits they had planned on. It would delay for 1 year the phaseout of benefits for the remaining 500,000 students.

The estimated cost of this proposal is $700 million for fiscal year 1983 through fiscal year 1986. Senator Levin's bill, however, proposes a way to offset this amount by $255 million in fiscal 1983 and $20 million annually thereafter by recrediting uncashed benefit checks to the social security trust fund.

The Social Security Administration has sought this change in procedure for the past several years. Several bills are now pending in the House that address this reform. I commend Senator LEVIN for taking this initiative. This legislation will give these young people the time they need to plan their education.

● Mr. BURDICK. Mr. President, I am pleased to join as a cosponsor to this important piece of legislation extending the deadline for a student to enroll in college in order to qualify for student benefits under the Social Security Act.

The recent change in student eligibility for social security benefits brings a sense of frustration to many of my constituents. It means a significant reduction in financial resources for those student beneficiaries about to enter college, with very little time allowed for them to try to compensate for that reduction.

Social security benefits are a promise by the Federal Government to the people. To cut back on these benefits suddenly and without proper notice is a breach of that promise and is fundamentally unfair.

The high school seniors who would benefit from this legislation are being hit at too many sides at one time. Not only have their social security benefits been reduced, but these students are faced with a cutback in Federal student financial aid. We need to be more concerned about a student's ability to obtain an education, and his ability to plan for, and count on, that investment in his future. It is, after all, a solid investment for this Nation, as well as for the individual student.

Mr. President, in view of the fact that a substantial amount of the cost of extending the deadline for enrolling in college will be offset by the second aspect of this legislation—the transferring of uncashed social security benefit checks to the social security trust fund—it is my hope that this legislation will be enacted quickly in order to provide for the immediate relief that these students deserve.●

● Mr. WEICKER. Mr. President, I rise once again to address the issue of social security student benefits.

As many of my colleagues are aware, a bill addressing this issue was introduced on February 11, 1982, by Senator LEVIN of Michigan. I was pleased to be a cosponsor of this bill, S. 2107, which would have delayed the planned elimination of the social security student benefit under provisions of the recently enacted omnibus budget bill. The goal of the Levin bill was to provide adequate time for prospective college freshmen to adjust to these recent changes. Thus far, however, no action has been taken on this bill.

Today, however, a new bill has been introduced that would be similar to the old Levin bill with the exception of one provision. This new provision retains the funds lost due to uncashed benefit checks, and would offset the cost of delaying the elimination of social security benefits by approximately 35 percent in the first year.

The reasons for passing this legislation, Mr. President, are no less valid than when the original Levin bill was introduced some months ago. The issue is one of fairness, of whether it is reasonable to expect that this year's high school seniors, many of whom were unaware of these new provisions until just recently, and many of whom were given incorrect information with regard to the new provisions, will be able to find new means of financing their college educations. For high school seniors as a whole perhaps this is not difficult. But the group affected by these new rules is a group of which 60 percent are survivors of deceased workers, and of which 71 percent have family incomes of less than $15,000.

Mr. President, for the survivors of American workers, for the survivors of American soldiers who fought in Vietnam and elsewhere, indeed for anyone who expected that his or her children would always be eligible for social security student benefits, let us at least allow these children a decent interval in which they can adjust the shortsighted measures passed during this most recent session of Congress.

I urge my colleagues to support speedy passage of this bill.●

By Mr. BAUCUS (for himself and Mr. EXON):

S. 2513. A bill to require the Secretary of Agriculture to make land diversion payments for the 1982 crops of wheat, feed grains, cotton, and rice and to establish acreage limitation programs for the 1983 through 1985 crops of wheat, feed grains, and cotton if producers approve such programs or if carryovers of such crops reach certain levels, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARM CRISIS ACT OF 1982

Mr. BAUCUS. Mr. President, I am today introducing a bill similar to the Farm Crisis Act of 1982 introduced last week in the House. The bipartisan group that introduced the Farm Crisis Act in the House recognize how serious the problems are becoming in the farm economy. This group spent long hours and days trying to fashion legislation that will improve the plight faced by our Nation's farmers and, at the same time, recognize current budget limitations.

I am not introducing this legislation as a cure-all for the problems in the farm sector caused by low farm prices and high interest rates. Rather, I hope this measure is a meaningful first step toward preserving the structure of family farms in rural America.

Farm prices can be raised in two ways—by increasing demand or by reducing our supply. I do not know of a single farmer that would tell you he opposes increasing the demand through expanded export promotion. But farmers are also being asked to sacrifice the production they have

worked so hard to achieve through acreage reduction programs.

Farmers simply cannot afford to reduce the acres they have in production with the hope that higher prices will follow. I believe that USDA and Congress must show farmers that we believe acreage reductions will raise prices by increasing the loan rate for wheat, feed grains, cotton, and rice. We need to take action now, not next year.

It is not news to Secretary Block that the farm economy is in a depression. In a recent meeting with the Secretary I pointed out that even farmers without land payments to make are having a tough time meeting operating costs with today's prices. But how we narrow the cost-price squeeze driving farmers and ranchers out of business in record numbers is not so clear.

I believe the provisions of the Farm Crisis Act of 1982 are a reasonable attempt to reduce our surpluses and bolster farm prices.

Last year, during the debate on the farm bill, I said that we were putting the cart before the horse in adopting a free market bill with minimal price supports. The 1981 farm bill assumed that farmers would benefit from increased farm prices due to increased export levels. Yet, even our agricultural exports are disappointingly low this year.

The Farm Crisis Act would make $1 billion available for the agricultural credit revolving fund and direct the administration to take immediate action in negotiating a multiyear trade agreement with the U.S.S.R. This action is necessary if we are to follow through with the commitment we made to U.S. farmers last year.

The root cause of the crisis in our farm economy is the low price farmers receive for their commodities. Farmers can deal with the cost of fuel, the increasing cost of fertilizer—they can even deal with our continued high rates of interest. But only if there is improvement in the prices they receive.

Many of my farm State colleagues have pointed out that net farm income is projected to be below $10 billion this year for the third year in a row. This has not happened since the Great Depression of the 1930's. I believe we must take action to reduce surpluses and improve farm prices. And I believe doing so without additional cost to the Government is a wise investment in the future vitality of U.S. agriculture.

Mr. President, I ask that a summary of the Farm Crisis Act of 1982 appear in the RECORD following my statement along with a copy of the bill.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2513

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Crisis Act of 1982".

TITLE I—LAND DIVERSION PAYMENTS FOR 1982 CROPS OF WHEAT, FEED GRAINS, COTTON, AND RICE

WHEAT

SEC. 101. Notwithstanding section 301 of the Agriculture and Food Act of 1981 (95 Stat. 1221) and section 107B(e)(5) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)(5)), for purposes of the 1982 crop of wheat, such section 107B(e)(5) shall be deemed to read as follows:

"(5) The Secretary shall make land diversion payments available to producers of the 1982 crop of wheat at a rate of $2.50 per bushel for the yield established for the farm for the wheat acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop of wheat and who devote to approved conservation uses or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each wheat-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

FEED GRAINS

SEC. 102. Notwithstanding section 401 of the Agriculture and Food Act of 1981 (95 Stat. 1227) and section 105B(e)(5) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)(5)), for purposes of the 1982 crop of feed grains, such section 105B(e)(5) shall be deemed to read as follows:

"(5) The Secretary shall make land diversion payments available to producers of the 1982 crop of feed grains at a rate of $1.50 per bushel, in the case of corn, and at such rate as the Secretary determines fair and reasonable in relation to the rate at which payments are made for corn, in the case of grain sorghums, oats, and barley, for the yield of such commodities established for the farm for the acreage thereof on the farm which is diverted. Such land diversion payments shall be made only to producers who participate, with respect to any feed grain, in the acreage limitation program for the 1982 crop of feed grains and who devote to approved conservation uses or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for any feed grain for each feed grain-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

COTTON

SEC. 103. Notwithstanding section 502 of the Agriculture and Food Act of 1981 (95 Stat. 1234) and section 103(g)(9)(B) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(9)(B)), for purposes of the 1982 crop of upland cotton, such section 103(g)(9)(B) shall be deemed to read as follows:

"(B) The Secretary shall make land diversion payments available to producers of the 1982 crop of upland cotton at a rate of 20 cents per pound for the yield established for the farm for the upland cotton acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop for upland cotton and who devote to approved conservation uses, or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each cotton-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

RICE

SEC. 104. Notwithstanding section 602 of the Agriculture and Food Act of 1982 (95 Stat. 1242) and section 101(i)(5)(B) of the Agricultural Act of 1949 (7 U.S.C. 1441(i)(5(B)), for purposes of the 1982 crop of rice, such section 101(i)(5)(B) shall be deemed to read as follows:

"(B) The Secretary shall make land diversion payments available to producers of the 1982 crop of rice at a rate of $2.20 per hundred-weight for the yield established for the farm for the rice acreage on the farm which is diverted. Such land diversion payments shall be made only to producers who participate in the acreage limitation program for the 1982 crop for rice and who devote to approved conservation uses, or, if they have planted the 1982 crop before the date of the enactment of the Farm Crisis Act of 1982, to hay and grazing, 5 per centum of the acreage base for each rice-producing farm, in addition to any such base required to be devoted to conservation purposes under the acreage limitation program, in accordance with land diversion contracts entered into by the Secretary with such producers. The Secretary shall provide producers an opportunity to apply to participate in the land diversion program through the end of the certification period under the acreage limitation program.".

TITLE II—ACREAGE LIMITATION AND CROPLAND CONSERVATION PROGRAMS FOR 1983 THROUGH 1985 CROPS

WHEAT

SEC. 201. (a) Section 107B(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(c)(3)) is amended by striking out "subsection (e)(2)" each place it appears and inserting in lieu thereof "subsection (e)(1)(B)".

(b) Section 107B(e) of the Agricultural Act of 1949 (7 U.S.C. 1445b-1(e)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(e)(1)",

(B) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapprove a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carryover of wheat at the be-

ginning of the marketing year which begins in the calendar year of such disapproval exceeds 5 per centum of the quantity of wheat consumed worldwide during the one-year period preceding such marketing year, then the Secretary shall establish an acreage limitation program for such crop.", and

(C) in the second sentence by striking out "or set-aside program",

(2) in paragraph (2)—

(A) in the first sentence—

(i) by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph," and

(ii) by inserting "of not less than 15 per centum" after "reduction"

(B) in the sixth sentence—

(i) by striking out "(A)" and inserting in lieu thereof "(i)", and

(ii) by striking out "(B)" and inserting in lieu thereof "(ii)",

(C) in the eighth sentence by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph",

(D) by adding at the end thereof the following:

"If such an acreage limitation program is announced, then the Secretary shall make available loans and purchases for such crop under subsection (a) of this section at a level which is equal to 105 per centum of the level that would have been established for such crop under such subsection but for the operation of this sentence.", and

(E) by redesignating such paragraph as subparagraph (B),

(3) by striking out paragraph (3) and inserting in lieu thereof the following:

"(C) If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of wheat, then producers may enter into agreements with the Secretary under which—

"(i) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under subparagraph (B) of this paragraph) and devote to conservation uses, in accordance with regulations issued by the Secretary, 15 per centum of the applicable acreage base established under subparagraph (B) of this paragraph; and

"(ii) the Secretary agrees to make available (in lieu of amounts made available under the last sentence of subparagraph (B) of this paragraph) loans and purchases to such producers for such crop under subsection (a) of this section at a level which is equal to 115 per centum of the level that would have been established for such crop under such subsection (without regard to such sentence) but for the operation of this subparagraph.",

(4) in paragraph (4)—

(A) in the first sentence by striking out "paragraphs (2) and (3) of this subsection" and inserting in lieu thereof "subparagraphs (B) and (C) of this paragraph",

(B) in the second sentence by striking out", hay and grazing",

(C) by inserting after the second sentence the following: "The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to hay and grazing.",

(D) in the last sentence by striking out "or set-aside", and

(E) by redesignating such paragraph as subparagraph (D),

(5) in paragraph (5)—

(A) in the first sentence by striking out "or set-aside", and

(B) by redesignating such paragraph as paragraph (2),

(6) in paragraph (6)—

(A) in the first sentence by striking out ", set-aside acreage,", and

(B) by redesignating such paragraph as paragraph (3), and

(7) by redesignating paragraph (7) as paragraph (4).

(c) Section 107B(k) of the Agricultural Act of 1949 (7 U.S.C. 1445-l(k)) is amended by striking out "subsection (e)(2)" and all that follows through the end thereof and inserting in lieu thereof "subsection (e)(1)(A) of this section.".

FEED GRAINS

SEC. 202. (a) Section 105B(c)(3) of the Agricultural Act of 1949 (7 U.S.C. 1444d(c)(3)) is amended by striking out "subsection (e)(2)" each place it appears and inserting in lieu thereof "subsection (e)(1)(B)".

(b) Section 105B(e) of the Agricultural Act of 1949 (7 U.S.C. 1444d(e)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after "(e)(1)",

(B) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapproved a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carry-over of feed grains at the beginning of the marketing year which begins in the calendar year of such disapproval exceeds 18 per centum of the quantity of feed grains utilized domestically and for export by the United States during the one-year period preceding such marketing year, then the Secretary shall establish an acreage limitation program for such crop.", and

(C) in the second sentence by striking out "or set-aside program",

(2) in paragraph (2)—

(A) in the first sentence—

(i) by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph", and

(ii) by inserting "of not less than 15 per centum" after "reduction",

(B) in seventh sentence—

(i) by striking out "(A)" and inserting in lieu thereof "(i)", and

(ii) by striking out "(B)" and inserting in lieu therof "(ii)",

(C) in the ninth sentence by striking out "paragraph (1) of this subsection" and inserting in lieu thereof "subparagraph (A) of this paragraph",

(D) by adding at the end thereof the following: "If such an acreage limitation program is announced, then the Secretary shall make available loans and purchases for such crop under subsection (a) of this section at a level which is equal to 105 per centum of the level that would have been established for such crop under such subsection but for the operation of this sentence.", and

(E) by redesignating such paragraph as subparagraph (B),

(3) by striking out paragraph (3) and inserting in lieu thereof the following:

"(C) If an acreage limitation program is announced under subparagraph (A) of this paragraph for a crop of feed grains, then producers may enter into agreements with the Secretary under which—

"(i) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under subparagraph (B) of this paragraph) and devote to conservation uses, in accordance with regulations issued by the Secretary, 10 per centum of the applicable acreage base established under subparagraph (B) of this paragraph; and

"(ii) the Secretary agrees to make available (in lieu of amounts made available under the last sentence of subparagraph (B) of this paragraph) loans and purchases to such producers for such crop under subsection (a) of this section at a level which is equal to 110 per centum of the level that would have been established for such crop under such subsection (without regard to such sentence) but for the operation of this subparagraph.",

(4) in paragraph (4)—

(A) by striking out "paragraphs (2) and (3) of this subsection" and inserting in lieu thereof "subparagraphs (B) and (C) of this paragraph", and

(B) by redesignating such paragraph as subparagraph (D),

(5) in paragraph (5)—

(A) in the first sentence by striking out "or set-aside", and

(B) by redesignating such paragraph as paragraph (2),

(6) in paragraph (6)—

(A) in the first sentence by striking out", set-aside acreage,", and

(B) by redesignating such paragraph as paragraph (3), and

(7) by redesignating paragraph (7) as paragraph (4).

(c) Section 105B(k) of the Agricultural Act of 949 (7 U.S.C. 1444d(k)) is amended by striking out "subsection (e)(2)" and all that follows through the end thereof and inserting in lieu thereof "subsection (e)(1) of this section.".

COTTON

SEC. 203. Section 103(g)(9)(A) of the Agricultural Act of 1949 (7 U.S.C. 1444(g)(9)(A)) is amended—

(1) by inserting "(i)" after "(9)(A)",

(2) in the first sentence by striking out "the Secretary may" and all that follows through the end of such sentence and inserting in lieu thereof the following: "If producers disapprove a national cropland conservation program proclaimed for a crop of commodities under section 204 of the Farm Crisis Act of 1982 and if the Secretary determines that the carryover of upland cotton at the beginning of the marketing year which begins in the calendar year of such disapproval exceeds 4,200,000 bales, then the Secretary shall establish for such crop a limitation on the acreage planted to upland cotton.",

(3) in the second sentence by inserting "of not less than 15 per centum" after "reduction", and

(4) by adding at the end thereof the following new clauses:

"(ii) If an acreage limitation program is announced under clause (i) of this subparagraph for a crop of upland cotton, then the Secretary shall make available loans and purchases for such crop under paragraph (1) of this subsection at a level which is equal to 110 per centum of the level that would have been established for such crop under such paragraph but for the operation of this clause.

"(iii) If such an acreage limitation program is announced, then producers may enter into agreements with the Secretary under which—

"(I) such producers agree to withdraw from production (in addition to the acreage withdrawn from production under clause (i) of this subparagraph) and devote to conser-

vation uses, in accordance with regulations issued by the Secretary, 10 per centum of the applicable acreage base established under such clause; and

"(II) the Secretary agrees to make available (in lieu of amounts made available under clause (ii) of this subparagraph) loans to such producers for such crop under paragraph (1) of this subsection at a level which is equal to 120 per centum of the level that would have been established for such crop under such paragraph (without regard to clause (ii) of this subparagraph) but for the operation of this clause.".

NATIONAL CROPLAND CONSERVATION PROGRAM

SEC. 204. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall, for the purpose of furthering the conservation and protection of cropland in the United States and regulating production of certain agricultural commodities which move preponderantly in interstate and foreign commerce, proclaim a national cropland conservation program for each of the 1983, 1984, and 1985 crops of all commodities the price of which is supported by the Secretary under the Agricultural Act of 1949, other than milk and honey. Under the program, the Secretary shall provide that the producer of any commodity covered by the proclamation (1) shall not exceed (A) 85 percent of the acreage on the farm normally planted to such commodity, as determined by the Secretary and adjusted as deemed necessary by the Secretary to be fair and reasonable among producers, or (B) such greater percentage thereof as the Secretary may establish with respect to any such commodity, after taking into consideration the estimated stocks of the commodity in the United States (including the qualities of such stocks) and stocks in foreign countries which would be available for the period covered by the proclamation to assure the maintenance of adequate but not excessive stocks in the United States to provide a continuous and stable supply of the commodity needed in the United States and in foreign consuming countries, and for purposes of national security, and (2) shall devote the balance of the acreage on the farm normally planted to such commodity to such conservation uses as the Secretary may by regulation prescribe. For purposes of this subsection, the following, as determined by the Secretary, shall not be considered acreage on the farm normally planted to such commodity:

(1) acreage on the farm devoted to the production of quota peanuts;

(2) acreage on the farm equal to any tobacco acreage allotment established for the farm under the Agricultural Adjustment Act of 1938; and

(3) acreage on the farm devoted to the production of commodities which are subject to marketing agreements or orders under the Agricultural Marketing Agreement Act of 1937.

(b) The Secretary shall make the proclamation required by subsection (a) not later than June 1 of the calendar year preceding the calendar year in which the commodities covered by the proclamation will be harvested. Not later than July 1 following the issuance of the proclamation, the Secretary shall conduct a referendum, by secret ballot, of producers engaged in the production of commodities which are covered by the proclamation and which will be harvested during the calendar year in which the referendum is held, to determine whether such producers are in favor of or opposed to the program so proclaimed. The Secretary shall proclaim the results of the referendum within 30 days after the date on which it is held and if more than 45 percent of the producers voting in the referendum vote against the program, the Secretary shall proclaim that the program will not be in effect with respect to commodities which are covered by the proclamation and which will be harvested in the calendar year immediately following the calendar year in which the referendum is held.

(c) Notwithstanding any other provision of law—

(1) If producers voting in the referendum held under subsection (b) approve the national cropland conservation program proclaimed by the Secretary, (A) the level of loans and purchases for commodities covered by the proclamation shall be not less than 110 percent of the loan and purchase level therefor which would otherwise apply under the Agricultural Act of 1949, as announced in advance by the Secretary before the date of the referendum, and (B) any producer of any commodity subject to the provisions of subsection (a) who, with respect to the crop covered by the proclamation, exceeds 85 percent (or any increased percentage established by the Secretary) of the acreage on the farm normally planted to the commodity, shall not be eligible, during the calendar year in which the commodity is harvested and during the two immediately succeeding calendar years, (i) for loans, purchases, payments, or other benefits under the Agricultural Act of 1949 or the Commodity Credit Corpcration Charter Act, (ii) for financial assistance under the Consolidated Farm and Rural Development Act, (iii) for financial assistance under the Emergency Agricultural Credit Adjustment Act of 1978, (iv) for crop insurance under the Federal Crop Insurance Act, or (v) for financial assistance or other benefits for conservation purposes under the Soil Conservation and Domestic Allotment Act. The Secretary may, however, provide by regulation for exceptions to the provisions of the preceding sentence with respect to a producer to the extent the producer establishes to the satisfaction of the Secretary that the producer unintentionally or unknowingly exceeded the applicable percentage under clause (B) of such sentence.

(d) The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

CONFORMING AMENDMENTS

SEC. 205. (a) Section 1101(4) of the Agriculture and Food Act of 1981 (7 U.S.C. 1308(4)) is amended by striking out "a set-aside or" and inserting in lieu thereof "an".

(b) Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended by striking out "a set-aside or" each place it appears and inserting in lieu thereof "an".

(c) Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is repealed.

SCOPE OF APPLICATION

SEC. 206. The amendments made by this title shall not apply to the 1982 crop of wheat, feed grains, and upland cotton.

TITLE III—FARM STORAGE FACILITY LOAN PROGRAM

FARM STORAGE FACILITY LOAN PROGRAM

SEC. 301. The second sentence of section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by inserting before the period the following: ": *And provided further,* That the Corporation shall guarantee loans made to grain growers by legally organized lending institutions for the construction or purchase of facilities for the storage of grain harvested by such growers, except that not more than 90 percent of the amount of principal and interest of any loan may be guaranteed and, in the aggregate, not more than $250,000,000 of principal and interest may be guaranteed in any fiscal year".

TITLE IV—BARTER OF AGRICULTURAL COMMODITIES FOR STRATEGIC AND CRITICAL MATERIALS AND PETROLEUM PRODUCTS

BARTER OF AGRICULTURAL COMMODITIES FOR STRATEGIC AND CRITICAL MATERIALS AND PETROLEUM PRODUCTS

SEC. 401. (a) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended—

(1) in the fourth sentence—

(A) by striking out "is authorized," and inserting in lieu thereof "shall, to the maximum extent practicable, in consultation with the Secretary of State, and", and

(B) by striking out "to",

(2) in the seventh sentence by striking out "Secretary of the Treasury" and inserting in lieu thereof "Administrator of General Services", and

(3) by inserting after the seventh sentence the following: "If the volume of petroleum products stored in the Strategic Petroleum Reserve is less than the level established under section 154 of the Energy Policy and Conservation Act (42 U.S.C. 6234), then the Corporation shall, to the maximum extent practicable, with the approval of the Secretary of Agriculture, and in consultation with the Secretary of Energy and the Secretary of State, accept petroleum products produced abroad in exchange for agricultural commodities acquired by the Corporation and shall transfer such petroleum products, without reimbursement, to the Secretary of Energy to be placed in such Reserve. Insofar as practicable, in effecting exchanges under the preceding sentence, normal commercial trade channels shall be utilized.".

REPORT

SEC. 402. Not later than 90 days after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Congress a report which contains a description of the status of programs being carried out under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) and other provisions of law with respect to the barter or exchange of commodities owned by the Commodity Credit Corporation for materials and products produced in foreign countries.

TITLE V—EMERGENCY AGRICULTURAL CREDIT

EMERGENCY AGRICULTURAL CREDIT

SEC. 501. (a) Section 202 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended by striking out "The Secretary of Agriculture may" and inserting in lieu thereof "The Secretary of Agriculture shall".

(b)(1) Section 207(b) of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended—

(A) by striking out "$400,000" and inserting in lieu thereof "$200,000", and

(B) by striking out "$650,000" each place it appears and inserting in lieu thereof "$450,000".

(2) The amendments made by paragraph (1) shall not be construed to affect any loan insured or guaranteed before the date of the enactment of this Act.

(c) Section 211 of the Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961) is amended by striking out "September 30, 1982" and inserting in lieu thereof "September 30, 1983".

TITLE VI—AGRICULTURAL EXPORTS

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

SEC. 601. It is the sense of the Congress that for fiscal year 1983 not less than $1,000,000,000 should be made available to the Agricultural Export Credit Revolving Fund established under section 4(d) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(d)).

GRAIN SALES TO UNION OF SOVIET SOCIALISTS REPUBLICS

SEC. 602. It is the sense of the Congress that, as soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture should take action to initiate negotiations with the Government of the Union of Soviet Socialist Republics to establish a multiyear agreement under which such Government would purchase grain produced in the United States.

TITLE VII—WHITE HOUSE CONFERENCE ON AGRICULTURE

WHITE HOUSE CONFERENCE ON AGRICULTURE

SEC. 701. (a) The President is requested to convene a White House Conference on Agriculture, not later than 1 year after the date of the enactment of this Act, to study current problems in the agricultural sector of the economy and to develop recommendations for legislation and administrative action regarding short-term and long-term solutions to such problems.

(b) The President is requested to appoint members of the White House Conference on Agriculture from among—

(1) heads of organizations comprised of producers of agricultural commodities,

(2) representatives of the banking industry,

(3) representatives of businesses which provide services, or produce goods, used by producers of agricultural commodities,

(4) heads of organizations representing the interests of consumers, and

(5) producers of agricultural commodities.

(c) The White House Conference on Agriculture shall submit a report to the President and to the Congress, not later than 1 year after the members of such Conference are first appointed, containing recommendations developed under subsection (a).

FARM CRISIS ACT OF 1982

Not since the Great Depression has American agriculture faced conditions like those today. The combination of low farm prices and high interest rates is having a devastating effect. These conditions, which have been reported by the farm-state press for many months, have recently been documented by coverage in national publications like the New York Times, the Washington Post, Newsweek, Time Magazine, and on the major television and radio networks. Unfortunately, the 1981 Farm Bill is not adequate to meet the challenge of this major and ever worsening farm crisis. The Farm Crisis Act of 1982 is designed to meet this highly unusual and extremely serious situation.

PROVISIONS OF THE ACT

The Farm Crisis Act of 1982 offers these specific provisions to deal reasonably, and within the bounds of prudent federal spending constraints, with the problems posed by today's depressed agricultural economy:

1. Producers of feed grains, wheat, cotton, and rice who have already signed up to participate in the existing 1982 diversion program would have the additional option of diverting another 5 percent of their acreage and being paid for that diversion. This would lessen demands on the federal budget, since it is cheaper to avoid producing additional units of commodities that are already in surplus supply, rather than making payments—price supports, storage, or otherwise—after the commodities have been produced.

In addition, the effect of reduced supplies would stimulate prices, thus reducing required target prices. And because of the late date in the 1982 season, the sign-up would be open until the end of the certification period. Haying and grazing would also be available to those farmers who have already planted.

The levels of diversion payments would be: Corn $1.25 per bushel; Wheat $2 per bushel; Rice $2.20 per hundredweight; Cotton 20 cents per pound. These would be calculated thus: Normal production X acreage diverted (equal to 5 percent of historically planted acres.)

2. A nationwide referendum would be held in July on whether farmers will lay aside 15 percent of their crop land for conservation purposes. Not included in the referendum would be crop acres under marketing order or allotment. An affirmative vote by 55 percent of the farmers participating would be required for approval. If the referendum passed, loan rates would increase by 10 percent. Failure to comply with the referendum provisions would mean denial of access to farm programs for three years.

3. If the referendum should be defeated, the Secretary of Agriculture would be required to establish a voluntary set-aside program when carryover reached certain levels:

For wheat, if domestic carryover grew to more than 5 percent of world wheat utilization, a minimum 15 percent acreage set-aside program would be implemented, and farmers would receive a 5 percent loan rate increase. Farmers would also have the option to set aside 30 percent of the previous year's plantings in return for a 15 percent increase in the wheat loan. The set-aside acreage could be devoted to haying and grazing.

For feed grains, if domestic carryover grew to more than 18 percent of total domestic and export use, a minimum 15 percent set-aside program would be implemented, and farmers would receive a 5 percent loan rate increase. Farmers also would have the option to set aside 25 percent of the previous year's plantings in return for a 10 percent increase in the loan rate.

For cotton, if total domestic carryover stocks of upland cotton at the end of the marketing year exceeded 4.2 million bales, the Secretary of Agriculture would provide for a minimum 15 percent set-aside, and farmers would receive an increase of 10 percent in loan rates. Farmers would have the option to set aside 25 percent of acreage, in which case the loan rate would be increased by 20 percent.

4. It would be expressed as the sense of Congress that $1 billion should be made available for the Agricultural Credit Revolving Fund, and expressed also as the sense of Congress that the Administration should take immediate action to begin negotiations with the government of the U.S.S.R. for a multi-year trade agreement.

5. The government would guarantee up to $250 million in loans for construction of on-farm storage facilities. This would make storage available for 500-600 million bushels of grain.

6. Use of the Economic Emergency Loan Program would be mandated, retaining the current $600 million cap. The program would be extended until September 30, 1983, and the cap on loan size would be lowered from $400,000 to $200,000.

7. The President would be directed to call a White House Conference on Agriculture to provide a forum for in-depth and long-range examination of agriculture's problems, solutions, and future potential.

8. The Secretary of Agriculture would be directed to survey and expedite bartering of U.S. government-owned agricultural commodities for strategic materials.

TIMETABLE FOR ACTION

Because the subjects covered by the Farm Crisis Act of 1982 have been thoroughly considered in previous Sub-committee hearings and meetings, it will be possible for the bill to be referred directly for Committee action. Mark-up is anticipated before May 15. An exact date for House floor consideration is not possible to project, but the Speaker has indicated his interest and willingness to provide assistance in expediting the bill.

COST

The Congressional Budget Office estimates that because of the amount of land taken out of production, deficiency payments and storage costs will decrease and less grain will be redeemed, thereby saving $899 million over four years. This is a saving over the current law.

By Mr. HEINZ (for himself, Mr. DOLE, and Mr. PERCY):

S. 2514. A bill to amend the Social Security Act to provide for the removal of the OASI, DI, and HI trust funds from the unified budget; pursuant to the order of August 4, 1977, referred jointly to the Committee on the Budget and the Committee on Governmental Affairs.

(The remarks of Mr. HEINZ on this legislation appear elsewhere in today's RECORD.)

By Mr. PACKWOOD:

S. 2515. A bill to amend the Internal Revenue Code of 1954 to extend the exclusion from gross income of amounts paid or incurred with respect to educational assistance programs, and for other purposes; to the Committee on Finance.

EMPLOYEE EDUCATIONAL ASSISTANCE EXTENSION ACT

● Mr. PACKWOOD. Mr. President, today I am introducing the "Employee Educational Assistance Extension Act."

This bill will make permanent tax rules enacted in 1978 applicable to employees who receive educational assistance from their employers. Currently, those rules expire December 31, 1983. The Revenue Act of 1978 included a provision dealing with the taxation of educational assistance provided for employees by employers. These rules became section 127 of the Internal Revenue Code. Generally, that section provides that educational assistance provided by the employer is tax free to

the employee if the educational assistance program is operated in compliance with several restrictions. For example, the educational assistance offered by the employer may not discriminate in favor of officers, shareholders, or highly compensated employees.

The bill I am introducing today makes that section permanent, and also makes a few revisions to it so that it can better achieve its original purpose.

BACKGROUND

The purpose of the section made permanent by this bill is to encourage employees, especially women, members of minority groups, and unskilled persons, to take advantage of opportunities for self-improvement provided by their employers. It has clarified a confusing and ambiguous area of the law.

Employer programs providing tuition assistance for employees are common. They exist in about 90 percent of corporations with more than 500 employees, and 75 percent of companies with between 100 and 500 employees. They are also common for employees of smaller companies, all levels of government, and nonprofit organizations.

Courses provided by employers provide important opportunities for self-improvement for employees at all levels. The programs are typically available for all full-time employees, with little or no minimum service requirement. The programs have traditionally been open to hourly employees, union members, and clerical and technical employees.

Most of the programs require that the course bears some relation to present or future job duties. Typically, the courses are subsidized by employers to enable the employee to prepare for a promotion. The courses in greatest demand are engineering, management, general business courses, accounting, and technical courses such as drafting and blueprint reading.

When some people first hear of employer-provided educational assistance, they envision basketweaving or snake charming courses. However, experience has shown that employers simply do not provide frivolous courses.

THE PROBLEM BEFORE 1978

Before enactment of section 127, the tax rules applicable to tuition assistance programs were confusing, difficult to administer equitably, and had a disproportionately harsh effect on women, members of minority groups, and persons without skills.

The general rule was that the cost of training was taxable to the employee unless the training was related to his or her current job. Because the employee was liable for tax on the tuition payment, the employer was, in turn, required to withhold more from the employee's paycheck when the tuition assistance was provided. This interpretation of the law was announced by the Internal Revenue Service in Revenue Rulings 76-71, 76-352, and 78-184.

The "job-related" distinction was unfair. There was no shortage of important and fascinating job-related—tax-free—training opportunities for senior executives. But it was a different story for people further down the company ladder. If a person with little or no work experience employed in an entry-level position received training to advance to virtually any other job with an employer, the value of the training was taxable. This discouraged self-improvement.

Similarly, if a typist received training to become a secretary, or if a secretary received training in a paralegal program, it might be considered not job-related.

The job-related distinction was ambiguous. In many cases there was no agreement as to when to subject an employee to withholding, even where the tuition assistance program was identical from one company to another. This led to differing interpretations of the law from company to company, and from audit to audit. It raised the risk that an employee would have rightfully believed tuition received was not taxable, only to find out months or years later that it was.

Those hurt most were unskilled workers, women, and minorities. They would be less likely to have a skill to which training could relate. They were also more likely to have low-paying, undesirable jobs. And they were less likely to participate in a program, if, the day training began, the employer withheld an additional amount from their small paycheck to cover the Federal tax imposed on the training. For example, a 1977 study of 57 educational assistance programs by the American Telephone & Telegraph Co. showed that employees not subject to withholding were three times as likely to participate as employees subject to withholding.

REVENUE ACT OF 1978

Section 164 of the Revenue Act of 1978 created new Internal Revenue Code section 127 addressing this problem. Section 127 provides that, if several safeguards are complied with, that educational assistance provided by employers is tax free to employees. One of the restrictions is that the program may not discriminate in favor of officers, shareholders, or highly compensated employees. Another restriction is that not more than 5 percent of the benefits of the program may go to persons who own more than 5 percent of the company. Further, the program may not provide sports, games or hobby courses.

The new statute has worked well. It has proven easy to administer for the IRS, and understandable to employers. Best of all, it has resolved the puzzling and punitive features of prior law which discouraged self-improvement by workers.

CHANGES PROPOSED BY THIS BILL

I believe section 127 can be improved in a few respects. First, it should be made easier for educational assistance to be provided with a cafeteria plan or a flexible benefit program. Current law requires that educational benefits not be offered as an alternative to items includable in gross income, such as wages. This bill deletes that requirement. This increases the likelihood that educational assistance will be provided by employers in cafeteria or flexible benefit plans.

The bill also provides that benefits provided to spouses or family members of employees will be tax-free. Currently, educational assistance benefits are tax-free only if provided to the employee. This change will help encourage employers to provide opportunities for self-improvement beyond the employees themselves. This change is not intended to have any adverse effect on tuition remission programs sponsored by educational institutions for employees, and members of their family. The taxation of these programs has been governed for many years by Treasury Regulations 1.117-3(a).

Section 127 currently provides that qualified educational assistance programs may not reimburse the cost of meals, travel or lodging. This bill deletes this restriction. I believe the restriction is a mistake. It discriminates against employees in locations away from educational institutions who must travel to obtain needed training, and incur expenses for meals and lodging. Further, it makes administration of these programs more convoluted if the employer must treat educational assistance and associated meals, lodging or travel separately.

CONCLUSION

Our Nation's employers are making a giant contribution toward the education of workers. They are helping employees at all levels improve themselves. The educational assistance tax rules enacted in 1978 are an important part of encouraging employers to continue to perform this responsibility. I hope Congress will consider this legislation and enact it in a timely manner to avoid needless confusion for individual taxpayers and employers.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2515

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. MODIFICATION OF EXCLUSION FROM GROSS INCOME OF EDUCATIONAL ASSISTANCE.

(a) EDUCATIONAL ASSISTANCE FOR SPOUSES AND DEPENDENTS OF EMPLOYEES.—

(1) IN GENERAL.—Subsection (a) of section 127 of the Internal Revenue Code of 1954 (relating to educational assistance programs) is amended by inserting ", his spouse, or his dependents" after "employee" the second place it appears.

(2) CONFORMING AMENDMENTS.—

(A) Section 127 (b) (1) of such Code is amended by inserting ", their spouses, or their dependents" after "employees" the second place it appears.

(B) Section 127 (c) (1) of such Code is amended by inserting ", his spouse, or his dependents" after "employee" each place it appears.

(b) ELIMINATION OF PROHIBITION OF OTHER BENEFITS AS AN ALTERNATIVE.—

(1) IN GENERAL.—Subsection (b) of Section 127 of such Code is amended by striking out paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(2) CONFORMING AMENDMENT.—Section 127(b)(1) of such Code is amended by striking out "(6)" and inserting in lieu thereof "(5)".

(c) ELIMINATION OF DISALLOWANCE OF PAYMENTS FOR MEALS, LODGING OR TRAVEL.—Section 127(c)(1) of such Code is amended by deleting ", or meals, lodging, or transportation".

(d) CLARIFICATION OF DEDUCTION TO EMPLOYER.—Paragraph (7) of Section 127(c) (relating to disallowance of excluded amounts as credit or deduction) is amended—

(A) by striking out "shall be allowed" and inserting in lieu thereof "shall be allowed to the employee", and

(B) by striking out "excluded from income" and inserting in lieu thereof "excluded from the gross income of the employee".

(e) ELIMINATION OF TERMINATION DATE FOR EXCLUSION OF EDUCATIONAL ASSISTANCE FROM GROSS INCOME.—Subsection (d) of Section 127 of such Code is repealed.

(f) The amendments made by Subsections (a) through (d) shall apply to taxable years beginning after December 31, 1982.●

By Mr. INOUYE:

S. 2516. A bill to make scholarships available to provide clinical psychologists to provide services to Indians; to the Committee on Labor and Human Resources.

MENTAL HEALTH SERVICES TO INDIANS

● Mr. INOUYE. Mr. President, today I am introducing legislation to amend the Indian health scholarship program to authorize scholarships for those Indians who may wish to become clinical psychologists.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2516

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 338G(a) of the Public Health Service Act (42 U.S.C. 294y-1(a)) is amended by inserting "clinical psychologists," after "pharmacists,".●

By Mr. MATHIAS (for himself and Mr. HEFLIN):

S. 2517. A bill to revise the first section of the Clayton Act to expand the scope of the antitrust laws, and for other purposes; to the Committee on the Judiciary.

UNFAIR FOREIGN COMPETITION ACT OF 1982

● Mr. MATHIAS. Mr. President, the United States is blessed with an energetic population, bountiful raw materials, and a vast continental market which has helped us become the world's leading industrial power. Yet economic problems continue to plague us. One of the underlying causes of our current distress is our balance of trade situation.

Through negotiating efforts, including multilateral trade negotiations, the United States has reduced many of the barriers to international trade, in return for similar reductions from our trading partners. These reductions in the long run promote production, create jobs and encourage efficient allocation of resources on a worldwide scale. These efforts ought to help reduce our trade deficit. As long as our competitors play by the rules, I think American workers can more than hold their own to the benefit of workers, business, and consumer alike.

However, with this relaxation of restrictions on imports, I think we may need to insure that no one takes advantage of what may be our vulnerability. I think it is commonly recognized that competition has not always been fair competition. Goods manufactured abroad are often sold in this country below their marginal cost of production or below their price in their home market. In either case, this is dumping, and it has caused massive dislocations in U.S. industries.

One of the bulwarks against this predatory behavior from abroad should be the Revenue Act of 1916. However, this law requires proof of intent to injure domestic markets by importers of dumped goods before any damages can be collected by the injured U.S. party. Intent to injure is such a difficult test that this law has never been successfully used in the 66 years it has been on the books. As a result, no American company or union has ever collected damages. Clearly, we lack a coherent, enforceable policy toward dumping. Foreign businesses and their U.S. importers need to know what conduct the laws forbid, and the injured U.S. parties must be able to collect damages swiftly and enjoin further dumping when it occurs.

For this reason, I am introducing my unfair foreign competition bill, to amend the antitrust laws to include dumping within the behavior prohibited by those laws. Dumping is one of the worst anticompetitive acts, and I think we should give both the Antitrust Division and the injured American companies the right to sue for treble damages by including dumping under our antitrust laws.

My unfair foreign competition bill would eliminate the need to show intent to injure. All that would have to be shown is that the imported goods are knowingly being sold at below production cost or below the sale price in the home market.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2517

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unfair Foreign Competition Act of 1982".

SEC. 2. The first paragraph of the first section of the Clayton Act (15 U.S.C. 12) is amended by inserting "section 801 of the Act of September 8, 1916, entitled 'An Act to increase the revenue, and for other purposes' (15 U.S.C. 72);" after "nineteen hundred and thirteen;".

SEC. 3. Section 801 of the Act of September 8, 1916, entitled "An Act to increase the revenue, and for other purposes" (15 U.S.C. 72) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following:

"(a) It is unlawful for any person importing or assisting in importing any articles from any foreign country into the United States knowingly and purposely to import such articles into the United States or to sell or cause such articles to be imported or sold within the United States, at a price substantially less than (1) the actual market value or wholesale price of such articles, at the time of their importation into the United States, in the principal markets of the country of their production or of other foreign countries to which they are commonly exported, after adding to such market value or wholesale price, freight, duty, and other charges and expenses necessarily incident to the importation and sale thereof in the United States; or (2) where no home or third country market exists, the constructed value of such articles as determined by the standards set forth in section 773 (e) of the Trade Agreements Act of 1979 (19 U.S.C. 1677b (e)), if—

"(A) the sale of such articles at such price would (i) cause material injury to an industry or labor in any line of commerce in any section of the United States, (ii) prevent, in whole or in part, the establishment of an industry in the United States, or (iii) restrain or monopolize any part of trade and commerce in such articles in the United States; and

"(B) such injury, prevention, restraint, or monopoly results therefrom.";

(2) by inserting the subsection designation "(b)" before the second paragraph of such section, and by striking out "$5,000" and inserting in lieu thereof "$50,000";

(3) by inserting the subsection designation "(c)" before the third paragraph of such section;

(4) by inserting before the last paragraph of such section the following:

"(d) Whenever it appears to the court before which any proceeding under this Act

is pending that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not, and subpenas to that end may be served in any district by the marshal thereof.

"(e) If a defendant in any proceeding brought under subsection (c) of this section in any court of the United States fails to comply with any discovery order, or other order or decree, of such court, the court shall have power to enjoin the further importation into the United States, or distribution in interstate commerce within the United States, by such defendant of articles which are the same as, or similar to, those articles which are alleged in such proceeding to have been sold or imported in violation of the provisions of subsection (a) of this section, until such time as the defendant complies with such order or decree."; and

(5) by inserting the subsection designation "(f)" before the last paragraph of such section.●

By Mr. LEVIN:

S. 2518. A bill to establish a National Industrial Development Board for purposes of formulating policy recommendations for industrial development in the United States; to the Committee on Governmental Affairs.

NATIONAL INDUSTRIAL DEVELOPMENT ACT

● Mr. LEVIN. Mr. President, I am today introducing legislation designed to parallel the National Industrial Development Act introduced in the House by Congressman STAN LUNDINE. I am pleased to introduce this bill because I believe it may point us toward a long-term strategy of economic development.

Right now, most of our attention is focused on the immediate problems we confront—the budget crisis, the unemployment rate, the interest rate, the general lack of economic response to the various stimuli we have sought to apply. And given the seriousness of those immediate problems, it is a good thing we are focusing on them. My point, however, is that no matter how we manage to muddle through this crisis, no matter what "quick fix" we use to get by this time, we are still going to need to face some fundamental questions about the nature of our economic system.

The plain truth is that for a number of years we just put our economic engine on automatic pilot and let it run down the highway. And it worked. We had so much technology, so much of an edge over our competitors, that we could afford to operate that way. But things have changed. Energy costs have soared, productivity has sagged, our competitors have advanced, and our access to foreign markets has been restricted.

In this new environment, we cannot afford to continue operating as we have. We need to look at where we are, how we got there, and most importantly, where we want to be and how we can get there from here.

In that context, it seems to me that one of the major structural causes of our current plight springs from the kind of relationship we have allowed to develop between labor and management and Government in this country. During the "salad days" of unlimited growth, we allowed an environment to develop which pitted these institutions against each other. They developed an adversarial relationship rather than an alliance. They became foes rather than friends. Each one seemed to view their relationship as a zero-sum game in which someone had to win and someone else had to lose. The result was a lack of cooperation and a loss of competitive strength.

If we are to improve our economic climate and find ways to adapt to new markets, new technologies, new organizational designs, and new work patterns, we have to have a structure which allows Government and labor and management to work together. Recent economic conditions—reaching a crisis state in distressed industries like autos and trucking—have produced ad hoc "solutions" and temporary truces. But unless we build on the base that these actions have created, we will lose momentum and forgo an opportunity to structure industrial relations in this country.

In order to avoid that, the legislation I am introducing today would establish a National Industrial Development Board charged with the responsibility of developing a national industrial policy. The Board's specific duties would be to make recommendations for national development priorities, and to make recommendations at the request of executive agencies or congressional committees on specific industrial policy problems pending before them. Since any strategy developed by the Board can only succeed if it has the common support of the principal sectors of the economy, the Board will be a quadripartite body composed of leading representatives of business, labor, Government, and the public. The members of the Board will be appointed by the President from among those candidates nominated by the majority and minority leaders of the Senate and the Speaker and minority leader of the House of Representatives and will be eligible to serve up to two 6-year terms. The Board can hold hearings and will publish a brief annual report outlining development priorities for the United States and recommend legislative and administrative actions in support of them.

Mr. President, shortly before he left office in 1980, Secretary of Transportation Neil Goldschmidt issued a report on the state of the auto industry. But it did more than simply look at that specific industry. It also addressed some of the basic concerns that I have raised here. In that report, Mr. Goldschmidt called for the development of what he called a new socio-economic compact between government and management and labor. That is precisely the task that I think we need to move ahead on—and that is precisely the task that the National Industrial Development Board would tackle.

We simply have got to find ways to transform potentially antagonistic sectors of our economy into a multifaceted force for rational and sustained national economic growth.

Mr. President, I ask unanimous consent to have the text of the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2518

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Industrial Development Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) the vitality of industry in the United States has declined precipitously in recent years;

(2) such decline constitutes a severe threat to the economic future of the United States;

(3) many factors have contributed to such decline, including lagging productivity and product quality, increasing imports, reduced competitiveness of goods in foreign markets, high energy prices, shortsighted management strategies, inadequate supply of skilled workers, hostility between management and labor, insufficient employee participation in the workplace, and inadequate Federal commitments in such crucial areas as transportation, and other infrastructure, and research;

(4) the numerous causes of economic decline in the United States can be redressed only by a comprehensive national industrial strategy;

(5) such a strategy should also encourage the development of emerging high-technology industries that can provide substantial economic growth and employment;

(6) such a strategy will succeed only if (A) it has the common support of the principal sectors of the economy, including business, labor, Government, and the public; and (B) each such sector is willing to make sacrifices to ensure mutual recovery; and

(7) the antipathy that often prevails among such sectors hampers development of a consensus necessary for economic recovery in the United States.

(b) It is the purpose of this Act—

(1) to establish a Federal board designed to produce a national industrial strategy that will have the support of each principal party to the industrial problems of the United States;

(2) to establish a mechanism for the development, outside of the normal political process, of consensual solutions to specific industrial problems confronting the Congress or any Federal department or agency;

(3) to establish a mechanism for the anticipation of future industrial problems and the timely identification of shifts in international markets and competitive standings;

(4) to supplement the adversarial mode of problem solving that has prevailed in industry in the United States during the past century with a new approach based upon consensus among business, labor, Government, and appropriate public groups; and

(5) to revive the industrial base of the United States through an approach premised on the proposition that most sectors of the economy are necessary and can survive if they adapt sensibly to the new markets, technologies, organizational designs, and relationships between labor and management that are presently emerging.

ESTABLISHMENT OF BOARD

SEC. 3. There is established a board to be known as the National Industrial Development Board (hereafter in this Act referred to as the "Board").

DUTIES OF BOARD

SEC. 4. (a) The duties of the Board are—

(1) to prepare and publish reports setting forth the recommendations of the Board with respect to national industrial development priorities, including (A) macroeconomic policy; and (B) the needs of basic industrial sectors (such as the automobile, steel, and semiconductor industries) and supportive sectors (such as the financial and communications industries), without regard to whether any such sector is undergoing or anticipating difficulties; and

(2) to provide policy recommendations and reports to the Congress and to Federal departments and agencies with respect to specific issues of national industrial policy, in response to requests from the Congress or any such department or agency under subsection (c)(1).

(b) The Board may encourage, with respect to individual industrial sectors, the development of committees, consisting of representatives of business, labor, Government, and the public, to examine the particular problems of such industrial sectors.

(C)(1) The Board shall issue recommendations and reports under subsection (a)(2) only upon request of—

(A) the head of a Federal department or agency, with respect to a matter pending before such department or agency; or

(B) a majority vote by a committee or subcommittee of the Congress, with respect to a matter pending before such committee or subcommittee.

(2) The Board shall issue any report requested under paragraph (1) as soon as practicable within the six-month period following the date such report is requested. The Board shall, to the extent practicable, comply with any request for expedited preparation of a report.

(3) Upon receipt by any committee or subcommittee of the Congress of any report requested by such committee or subcommittee under paragraph (1)(B), the Board shall consult with such committee or subcommittee with respect to such report, and, following such consultation, such committee or subcommittee shall submit to its House a report setting forth its views and recommendations with respect to the report of the Board.

(4) The Board may, upon the vote of a majority of its members, decline to respond to any request for a report under paragraph (1) if such majority determines that such request relates to any matter that is not of immediate importance. The Board may not decline to respond to any such request if (A) such request relates to a Government loan or loan guarantee, or (B) the Board is notified by the President that such request relates to an emergency situation.

(d) In preparing reports and formulating recommendations under this Act, the members of the Board shall attempt to reach the maximum degree of consensus practicable on any matter of controversy.

(e) The Board shall establish procedures to ensure that no report issued by the Board under this Act shall be released to the public by any member or employee of the Board before the expiration of seven days following the date such report is issued, unless the Board, by a vote of two-thirds of its members, determines that earlier release of such report to the public is appropriate.

MEMBERSHIP OF BOARD

SEC. 5. (a)(1) The Board shall be composed of thirty-two members appointed by the President from among individuals recommended for appointment to the Board by the majority leader of the Senate, the minority leader of the Senate, the Speaker of the House, and the minority leader of the House.

(2) Of the individuals appointed under paragraph (1)—

(A)(i) eleven shall be appointed from among the individuals recommended by the majority leader of the Senate;

(ii) five shall be appointed from among the individuals recommended by the minority leader of the Senate;

(iii) eleven shall be appointed from among the individuals recommended by the Speaker of the House; and

(iv) five shall be appointed from among the individuals recommended by the minority leader of the House; and

(B)(i) eight shall be, on the date of their appointment, Members of the Congress or heads of Federal departments or agencies;

(ii) eight shall be, on the date of their appointment, chief executive officers or chief operating officers of corporations determined by the President to be major corporations engaging in interstate commerce;

(iii) eight shall be, on the date of their appointment, heads of national or international labor unions; and

(iv) eight shall be, on the date of their appointment, individuals representative of sectors of society or the economy that are not otherwise represented on the Board and are determined by the President to be challenging the economic status quo, such as consumer, educational, environmental, and minority groups, and small businesses in emerging sectors having substantial potential for growth.

(b)(1) Except as provided in paragraph (2) and paragraph (3), each member of the Board shall be appointed for a term of six years. No individual may serve as a member of the Board for more than two terms.

(2) Of the members first appointed—

(A) two of the members described in each clause of subsection (a)(2)(B) shall be appointed for a term of two years; and

(B) three of the members described in each such clause shall be appointed for a term of four years; as designated by the President at the time of appointment.

(3) A vacancy in the Board shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) No member of the Board shall be required, by reason of membership on the Board, to file any financial disclosure report under title II of the Ethics in Government Act of 1978 (5 U.S.C. appendix).

(d) Members of the Board shall serve without pay, allowances, or benefits. Members shall be reimbursed for actual expenses, including travel expenses, incurred in the course of performing the duties vested in the Board.

(e) The Board shall establish a quorum requirement to ensure that a substantial number of members described in each clause of subsection (a)(2)(B) are required for any action by the Board, except that the Board may provide that a lesser number of its members may hold hearings.

(f) The President shall designate one member of the Board as its Chairman. The term of office of the Chairman shall be one year. In making such designations, the President shall ensure that the office of Chairman shall be rotated consecutively among the four categories of members described in subsection (a)(2)(B).

(g)(1) The Board shall meet not less than six times in each calendar year, at the call of the Chairman or a majority of its members. The Board shall seek to ensure that each member of the Board attends not less than one-half of the meetings of the Board held in each calendar year. Each member of the Board shall designate one alternate representative to attend any meeting that member is unable to attend. In the course of attending any such meeting, an alternate representative shall be considered a member of the Board for all purposes, including voting.

(2) Each member of the Board shall be notified not less than three weeks in advance of any meeting of the Board, unless the Chairman and a majority of the members of the Board determine in any case that it is necessary for the Board to meet without such period of advance notice.

DIRECTOR AND STAFF OF BOARD; EXPERTS AND CONSULTANTS

SEC. 6. (a) The Board shall, without regard to section 5311(b) of title 5, United States Code, have a Director who shall be appointed upon a vote of three-fourths of the members of the Board, and who shall be paid at a rate of pay determined by the Board to be appropriate.

(b) Subject to such rules as may be prescribed by the Board, and without regard to section 5311(b) of title 5, United States Code—

(1) each member of the Board may appoint and fix the pay of personnel to serve on the personal staff of such member; and

(2) the Board may appoint and fix the pay of additional personnel to serve the Board generally.

(c) The Director and staff of the Board may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Subject to such rules as may be prescribed by the Board, the Board may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) Upon request of the Board, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such agency to the Board to assist the Board in carrying out its duties under this Act.

POWERS OF BOARD

SEC. 7. (a) The Board may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. The Board may administer oaths or affirmations to witnesses appearing before it.

(b) Any member or agent of the Board may, if so authorized by the Board, take any action that the Board is authorized to take in this section.

(c) The Board may secure directly from any Federal department or agency information necessary to enable it to carry out this Act. Upon request of the Chairman of the Board, the head of such department or agency shall furnish such information to the Board.

(d) The Board may accept, use, and dispose of gifts or donations or services or property.

(e) The Board may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies.

(f) The Administrator of General Services shall provide to the Board on a reimbursable basis such administrative support services as the Board may request.

(g)(1) The Board may issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation by the Board. Such attendance of witnesses and the production of such evidence may be required from any place within the United States at any designated place of hearing within the United States.

(2) If a person issued a subpena under paragraph (1) refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may, upon application by the Board, order such person to appear before the Board to produce evidence or to give testimony relating to the matter under investigation. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(3) The subpenas of the Board shall be served in the manner provided for subpenas issued by a United States district court under the Federal Rules of Civil Procedure for the United States district courts.

(4) All process of any court to which application may be made under this section may be served in the judicial district in which the person required to be served resides or may be found.

(5) No person shall be excused from the attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to a subpena, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture. No individual shall be prosecuted or subjected to any penalty or forfeiture by reason of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

EXEMPTION FROM FEDERAL ADVISORY COMMITTEE ACT

SEC. 8. The Board shall be exempt from the provisions of the Federal Advisory Committee Act (5 U.S.C. Appendix).

ANNUAL REPORT

SEC. 9. (a) The board shall annually prepare and transmit to the President and to each House of the Congress a brief report setting forth the major industrial development priorities of the United States and the policies needed to meet such priorities. Such report shall contain a statement of the findings and conclusions of the Board during the previous fiscal year, together with any recommendations of the Board for such legislation or administrative actions as it considers appropriate.

(b) Upon receipt by either House of the Congress, the report described in subsection (a) shall be referred to the appropriate committee or committees of such House. The Board shall consult with each such committee with respect to such report, and, following such consultation, each such committee shall submit to its House a report setting forth the views and recommendations of such committee with respect to the report of the Board.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed $8,000,000 for fiscal year 1983, and for each of the succeeding five fiscal years.●

ADDITIONAL COSPONSORS

S. 46

At the request of Mr. THURMOND, the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 46, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 121

At the request of Mr. INOUYE, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 121, a bill for the relief of Ms. Saturnina V. Bonifacio.

S. 312

At the request of Mr. LEVIN, the Senator from South Dakota (Mr. ABDNOR) was added as a cosponsor of S. 312, a bill for the relief of Maria and Timofei Chmykhalov, and for Lilia, Peter, Liubov, Lidia, and Augustina Vashchenko.

S. 1025

At the request of Mr. GRASSLEY, the Senator from North Dakota (Mr. BURDICK) and the Senator from New Hampshire (Mr. HUMPHREY) were added as a cosponsors of S. 1025, a bill to provide for penalties for persons who obtain or attempt to obtain narcotics or other controlled substances from any pharmacist by terror, force, or violence, and for other purposes.

S. 1365

At the request of Mr. DOLE, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 1365, a bill to amend the Bankruptcy Act regarding farm produce storage facilities, and for other purposes.

S. 1407

At the request of Mr. PRYOR, the Senator from Maryland (Mr. MATHIAS) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 1407, a bill to amend title 39, United States Code, by strengthening the investigatory and enforcement powers of the Postal Service by authorizing inspection authority and by providing for civil penalties for violations of orders under section 3005 of such title (pertaining to schemes for obtaining money by false representations or lotteries), and for other purposes.

S. 1564

At the request of Mr. WEICKER, the Senator from Vermont (Mr. STAFFORD) was added as a cosponsor of S. 1564, a bill entitled the "American Tuna Protection Act."

S. 1581

At the request of Mr. JEPSEN, the Senator from Wisconsin (Mr. KASTEN) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1581, a bill to amend the Internal Revenue Code of 1954 to allow the taxpayer the choice of a tax credit or a deduction for each household which includes a dependent person who is at least 65 years old.

S. 1582

At the request of Mr. JEPSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1582, a bill to amend the Internal Revenue Code of 1954 to exempt from taxation certain trusts established for the benefit of parents or handicapped relatives, and to provide a deduction for contributions to such trusts.

S. 1678

At the request of Mr. HATCH, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 1678, a bill to amend the Employee Retirement Income Security Act of 1974 with regard to mortgage investments.

S. 1748

At the request of Mr. HATCH, the Senator from Wyoming (Mr. SIMPSON) and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of S. 1748, a bill to exempt certain fixed-contribution multiemployer pension plans from title IV of the Employee Retirement Income Security Act of 1974.

S. 1944

At the request of Mr. LEVIN, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1944, a bill to amend title II of the Social Security Act to provide that disability benefits shall not be terminated prior

to an exhaustion of administrative remedies unless current medical evidence substantiates such termination.

S. 1951

At the request of Mr. BENTSEN, the Senator from Florida (Mr. CHILES) was added as a cosponsor of S. 1951, a bill to change the penalties for possession of controlled substances under section 401(b) of the Controlled Substances Act.

S. 1984

At the request of Mr. MCCLURE, the Senator from Alabama (Mr. DENTON), the Senator from Utah (Mr. GARN), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1984, a bill to amend the Federal Trade Commission Act to protect the legislative and regulatory authority of the State legislatures, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from New Hampshire (Mr. RUDMAN), the Senator from Georgia (Mr. MATTINGLY), and the Senator from Tennessee (Mr. SASSER) were added as cosponsors of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2094

At the request of Mr. DANFORTH, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 2094, a bill to amend the Trade Act of 1974 to insure reciprocal trade opportunities, and for other purposes.

S. 2113

At the request of Mr. DECONCINI, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of S. 2113, a bill to amend the Internal Revenue Code of 1954 to limit the deduction of living expenses by Members of Congress and to require substantiation of such living expenses.

S. 2151

At the request of Mr. ROBERT C. BYRD, the Senator from Pennsylvania (Mr. SPECTER) was added as a cosponsor of S. 2151, a bill to amend the Internal Revenue Code of 1954 to include modifications to chlor-alkali electrolytic cells in credit for investment in certain depreciable property.

S. 2158

At the request of Mr. PELL, the Senator from West Virginia (Mr. RANDOLPH), the Senator from New Jersey (Mr. BRADLEY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Vermont (Mr. LEAHY), the Senator from Maine (Mr. MITCHELL), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 2158, a bill to amend title 23, United States Code, to authorize and direct the payment of an incentive grant for highway safety programs to any State in any fiscal year during which the statutes of the State include certain provisions relating to driving while intoxicated; to establish a national driver register, and for other purposes.

At the request of Mr. DECONCINI, his name was added as a cosponsor of S. 2158, supra.

At the request of Mr. DANFORTH, the Senator from Illinois (Mr. PERCY), and the Senator from Alaska (Mr. MURKOWSKI) were added as cosponsors of S. 2158, supra.

S. 2280

At the request of Mr. MURKOWSKI, the Senator from Oregon (Mr. HATFIELD), the Senator from Alaska (Mr. STEVENS), the Senator from Idaho (Mr. SYMMS), the Senator from Arizona (Mr. GOLDWATER), the Senator from New Mexico (Mr. DOMENICI), the Senator from Texas (Mr. BENTSEN), the Senator from Wyoming (Mr. WALLOP), the Senator from Wyoming (Mr. SIMPSON), the Senator from North Dakota (Mr. BURDICK), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 2280, a bill to amend the Clean Water Act of 1977.

S. 2282

At the request of Mr. HUMPHREY, the Senator from North Carolina (Mr. EAST) was added as a cosponsor of S. 2282, a bill to amend the Federal Election Campaign Act of 1971 to provide for adjustments in campaign contribution limits.

S. 2309

At the request of Mr. RANDOLPH, the Senator from Montana (Mr. BAUCUS), and his name were added as cosponsors of S. 2309, a bill to amend the Endangered Species Act of 1973, to authorize funds for fiscal year 1983, and for other purposes.

S. 2338

At the request of Mr. PERCY, the Senator from Rhode Island (Mr. PELL), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Texas (Mr. BENTSEN), the Senator from Florida (Mr. CHILES), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Arizona (Mr. DECONCINI), and the Senator from Illinois (Mr. DIXON) were added as cosponsors of S. 2338, a bill to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

S. 2356

At the request of Mr. HART, the Senator from Maryland (Mr. MATHIAS), and the Senator from Maine (Mr. MITCHELL) were added as cosponsors of S. 2356, a bill to authorize negotiations directed toward opening foreign markets to U.S. exports of high-technology products, and for other purposes.

S. 2357

At the request of Mr. LUGAR, the Senator from Montana (Mr. BAUCUS), the Senator from Illinois (Mr. DIXON), the Senator from Utah (Mr. HATCH), the Senator from Oklahoma (Mr. NICKLES), the Senator from Indiana (Mr. QUAYLE), the Senator from Idaho (Mr. SYMMS), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 2357, a bill to prohibit export restrictions that interfere with existing contracts for the exportation of such commodities.

S. 2362

At the request of Mr. ARMSTRONG, the Senator from Florida (Mrs. HAWKINS), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 2362, a bill to abolish the Synthetic Fuels Corporation.

S. 2377

At the request of Mr. D'AMATO, the Senator from Pennsylvania (Mr. SPECTER), the Senator from New Jersey (Mr. BRADY), and the Senator from North Dakota (Mr. ANDREWS) were added as cosponsors of S. 2377, a bill entitled "The Mass Transportation Act of 1982."

S. 2425

At the request of Mr. ROTH, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

SENATE JOINT RESOLUTION 133

At the request of Mr. DECONCINI, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of Senate Joint Resolution 133, a joint resolution to authorize and request the President to designate August 14, 1982, as "National Navajo Code Talkers Day."

SENATE JOINT RESOLUTION 161

At the request of Mr. THURMOND, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of Senate Joint Resolution 161, a joint resolution to designate the week commencing with the fourth Monday in June of 1982 as "National NCO/Petty Officer Week."

SENATE JOINT RESOLUTION 162

At the request of Mr. ROTH, the Senator from Iowa (Mr. JEPSEN), the Senator from Maryland (Mr. SARBANES), the Senator from Alabama (Mr. HEFLIN), and the Senator from Massachusetts (Mr. TSONGAS) were added as cosponsors of Senate Joint Resolution 162, a joint resolution to authorize and request the President to designate the week of June 20, 1982, through June 27, 1982, as "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 170

At the request of Mr. RANDOLPH, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Joint Resolution 170, a joint resolution to designate the week of Novem-

ber 7, 1982, through November 14, 1982, as "National Hospice Week."

SENATE JOINT RESOLUTION 175

At the request of Mr. KASTEN, the Senator from South Carolina (Mr. THURMOND), the Senator from Rhode Island (Mr. PELL), the Senator from Delaware (Mr. ROTH), the Senator from Florida (Mr. CHILES), and the Senator from Minnesota (Mr. BOSCHWITZ) were added as cosponsors of Senate Joint Resolution 175, a joint resolution authorizing and requesting the President to proclaim "National Junior Bowling Championship Week."

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Mississippi (Mr. COCHRAN), the Senator from Connecticut (Mr. WEICKER), the Senator from Montana (Mr. BAUCUS), and the Senator from Arizona (Mr. GOLDWATER) were added as cosponsors of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week."

SENATE JOINT RESOLUTION 183

At the request of Mr. SPECTER, the Senator from Tennessee (Mr. SASSER), the Senator from Arkansas (Mr. BUMPERS), and the Senator from California (Mr. CRANSTON) were added as cosponsors of Senate Joint Resolution 183, a joint resolution to authorize and request the President to issue a proclamation designating October 19 through October 25, 1982, as "Lupus Awareness Week."

SENATE JOINT RESOLUTION 184

At the request of Mr. INOUYE, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of Senate Joint Resolution 184, a joint resolution to designate January 28, 1983, as "Native American Day."

SENATE CONCURRENT RESOLUTION 60

At the request of Mr. PRESSLER, the Senator from Minnesota (Mr. BOSCHWITZ), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of Senate Concurrent Resolution 60, a concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

SENATE RESOLUTION 386

At the request of Mr. DANFORTH, the Senator from Rhode Island (Mr. CHAFEE), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New York (Mr. MOYNIHAN), the Senator from Oklahoma (Mr. BOREN), the Senator from Montana (Mr. BAUCUS), the Senator from Idaho (Mr. SYMMS), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of Senate Resolution 386, a resolution to express the sense of the Senate on the goals of the United States for the November 1982 meeting of ministerial-level representatives to the General Agreement on Tariffs and Trade.

AMENDMENT NO. 1386

At the request of Mr. NUNN, the Senator from Minnesota (Mr. DURENBERGER), the Senator from Maine (Mr. MITCHELL), the Senator from California (Mr. CRANSTON), the Senator from North Dakota (Mr. BURDICK), the Senator from Florida (Mr. CHILES), and the Senator from Washington (Mr. JACKSON) were added as cosponsors of amendment No. 1386 intended to be proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1441

At the request of Mr. HAYAKAWA, the Senator from Georgia (Mr. NUNN), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of amendment No. 1441 intended to be proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

SENATE CONCURRENT RESOLUTION 94—CALLING FOR IMMEDIATE ACTION TO SIMPLIFY FEDERAL GOVERNMENT PROCUREMENT PROCEDURES

Mr. SPECTER (for himself, Mr. DURENBERGER, Mr. HUDDLESTON, Mr. MITCHELL, Mr. MURKOWSKI, Mr. PACKWOOD, Mr. PERCY, and Mr. SYMMS) submitted the following concurrent resolution, which was referred to the Committee on Governmental Affairs:

S. CON. RES. 94

Whereas the Congress has declared in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) a policy that Federal Government procurement procedures should be simplified;

Whereas the Administrator for Federal Procurement Policy is required by such Act to develop a system of simplified and uniform procurement procedures and forms and to promulgate a single, simplified, uniform Federal procurement regulation incorporating simplified bidding, contract performance, and contract administration procedures for small business concerns;

Whereas the procurement procedures and forms of the Federal Government are unduly complex;

Whereas such procurement procedures and forms discourage many business concerns, especially small business concerns, from making bids or proposals for contracts with the Federal Government; and

Whereas such procurement procedures and forms discourage competition for contracts with the Federal Government: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Administrator for Federal Procurement Policy, should take immediate action to carry out the provisions of the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), with respect to the simplification of all procurement procedures and forms of the Federal Government.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Administrator for Federal Procurement Policy.

Mr. SPECTER. Mr. President, on my behalf and that of Senators DURENBERGER, HUDDLESTON, MITCHELL, MURKOWSKI, PACKWOOD, PERCY, and SYMMS, I introduce a resolution calling on the Administrator for Federal Procurement Policy to take immediate action to simplify Federal Government procurement procedures.

As I have traveled through my State of Pennsylvania, businessmen have complained about the complexities of bidding on Government contracts. Small businesses are particularly at a disadvantage under these conditions. Several government procurement conferences I have sponsored in Pennsylvania communities surfaced the same complaint.

Mr. President, as pointed out in a recent study by the Office of Federal Procurement Policy:

Federal procurement is a $134 billion a year business, involving about one-fifth of the Federal budget, tens of thousands of Federal employees, and over 18 million procurement actions a year. Another $25 billion are spent on procurement under assistance programs.

Federal procurement over the past decade has been studied in depth by the Congressional Commission on Government Procurement and the Presidential Blue Ribbon Defense Panel, and has been the subject of numerous General Accounting Office reports and congressional hearings. A recent report of the Special Panel on Defense Procurement Procedures of the House Committee on Armed Services, "Weapons Acquisition Policy and Procedures: Curbing Cost Growth," surfaced similar problems in defense purchasing.

The Office of Federal Procurement Policy reports that, at the present time:

The procurement process is so complex that users of products and services often do not get what they need when they need it.

The statutory base is outdated; regulations are voluminous and complex; meaningful standards of performance are lacking; flow of authority and responsibility is not clear; and there is a lack of accountability for results.

Excessive delays, changes, and cost growth in the procurement of new systems have resulted in wasted resources and shortfalls in agency capabilities.

Competition is curtailed by the complexity of the process, lack of funding

flexibility, restrictive specifications, and limited advance planning and market knowledge.

The Government and its suppliers are often adversaries because the procurement process is cumbersome, costly, and frustrating. This has discouraged competition and contributed to the erosion of the industrial base.

There are quality extremes. The preferred method of competition encourages suppliers to cut corners; on the other hand, overly expensive items are sometimes procured to be sure of acceptable quality.

Wasteful, hurry-up spending occurs at the end of each fiscal year.

Mr. President, while the issue addressed by this resolution is not entirely a small business issue, the future of small business in America is involved here. I and a group of distinguished Senators already introduced on April 8, S. 2446, the Small Business Procurement Reform Act of 1982. This resolution is a companion to that bill. In an article "How To Save A Few Billion Dollars," Paul J. Seidman, a Washington attorney and former Chief Council for Procurement in SBA's Office of Advocacy, describes in a February 1982 issue of a magazine called Inc. the motives and ruses of Department of Defense procurement officials to restrict competition and bypass small business.

If the resolution we are introducing today is enacted, it will be a clear signal to OMB and the executive agencies that the U.S. Senate is quite serious about improving and making more equitable procurement policies and practices throughout the U.S. Government.

SENATE RESOLUTION 390—URGING THE SOVIET UNION TO ALLOW THE STOLAR FAMILY TO EMIGRATE

Mr. LEVIN (for himself, Mr. RIEGLE, Mr. PERCY, Mr. DIXON, Mr. ARMSTRONG, Mr. BOSCHWITZ, Mr. CHAFEE, Mr. COHEN, Mr. CRANSTON, Mr. D'AMATO, Mr. DECONCINI, Mr. DURENBERGER, Mr. EXON, Mrs. HAWKINS, Mr. HEINZ, Mr. MATTINGLY, Mr. ROTH, Mr. RUDMAN, Mr. TSONGAS, and Mr. ZORINSKY) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 390

Whereas Abe Stolar was born on December 19, 1911, in Chicago, Illinois, and is by right of birth a citizen of the United States;

Whereas Abe Stolar moved to the Soviet Union with his parents and sister in 1931;

Whereas Stolar and his son, Michael, hold valid United States passports, and his wife, Gita, has been granted Israeli citizenship;

Whereas Abe Stolar, Gita Stolar, and Michael Stolar were granted exit visas which were revoked just before their scheduled departure from the Soviet Union in 1975;

Whereas since 1975 Abe Stolar and his family have repeatedly been denied permission to emigrate to Israel to join relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe which ensures the right to emigrate, particularly in the case of family reunification;

Whereas the Soviet Union is a party to the Universal Declaration of Human Rights and has signed the International Covenant on Civil and Political Rights, both ensuring the right to emigrate; and

Whereas it is the responsibility of the United States to protect and support its citizens unjustly held captive by foreign governments: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) Abe Stolar, his wife, Gita, and his son, Michael, should be permitted to emigrate to Israel; and

(2) the President, acting through the Secretary of State, should express at each opportune moment and in the strongest terms the opposition of the United States to the forced captivity of Abe Stolar and his family by the Soviet Union.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Secretary of State with the request that such copy be further transmitted to the Government of the Soviet Union.

Mr. LEVIN. Mr. President, Abe Stolar is an American citizen who is being held in the Soviet Union against his will. The resolution I am submitting today with 19 of my colleagues is another step in the U.S. efforts to precipitate his emigration.

Abe Stolar was born in Chicago in 1911 to Russian-born parents. In 1931, in the midst of the Depression, the family decided to move to Russia in search of a better life. But the family's dreams were shortly thereafter shattered. Five years after returning to the Soviet Union, his father disappeared in the Stalin purges of 1936, and a year after that, his mother and older sister were arrested and sent to Siberia where they both died in concentration camps. His younger sister, Eva, survived the war and emigrated to Israel in 1972.

After serving on the front line in World War II, Abe Stolar settled in Moscow and got a job as a radio announcer. He still lives in Moscow, but he wants to leave. He, his wife, Gita, and their son, Michael, have been trying to emigrate to Israel for 8 years.

The Stolars' emigration story began in 1974 when they first applied to leave. In 1975, they received their exit visas to emigrate to Israel. After shipping all their belongings to Israel and selling their apartment, they went to the Moscow International Airport to catch their flight to freedom. But at the last minute, they were turned back on the pretext that Mrs. Stolar had had access to state secrets in her job as an analytical chemist.

The Soviet interference was deplorable and compassionless, and their excuse for aborting the Stolars' departure was undoubtedly fabricated. During the processing of the visas, Mrs. Stolar's employer had provided written confirmation that she had not been involved in secret work. Had she indeed been party to such work, never would she have been granted the original exit visa.

Since the 1975 incident, the Stolars have been living in a bare apartment in Moscow and have been victims of acts of persecution typically mounted by the Soviets against emigration applicants. They are virtualy being held hostage by the Soviets. All this despite the fact that Abe Stolar is a U.S. citizen by virtue of his Chicago birth, that Michael, born of a U.S. father, is also a U.S. citizen, and that Gita has been granted Israeli citizenship.

Many appeals have been made on the Stolars' behalf. One, made by his late sister, Eva Stolar Meltz, in 1975 is still pertinent today because this problem has not been resolved.

I earnestly appeal to you to help my brother Abe Stolar and his family—his wife and son to be allowed to exercise their human and lawful rights, guaranteed by the . . . Helsinki Declaration. . . .

This long suffering family, which lost both parents and many relatives in the Stalin death camps and Hitler Ghettoes, now find themselves in a nightmarish state: They have been deprived of all rights, have no home, no financial means and no Soviet documents of any kind. . . .

It is quite clear that they cannot last long in their present situation, for there is a limit to just how much mockery, persecution, cruelty and oppression a human being can take. Considering the fact that Abe Stolar was born in the U.S., lived there the first nineteen years of his life, and is an American citizen, I sincerely hope that the sorry plight of this family will find a heartfelt and broad response among the American people and its official representatives . . . I ask you to join in the efforts to convince the Soviet authorities to allow an American citizen and his family their elementary rights of freedom to move from one country to another to rejoin their families.

Congressional response like this resolution will help to convince the Soviet authorities that the United States is concerned about this case and it will also let the Stolars know that we are continuing to press for their emigration to Israel.

Mr. PERCY. Mr. President, on the all too long list of cases of Soviet failure to live up to the obligations the U.S.S.R. undertook in signing the Helsinki Final Act, few are more egregious than that of Abe Stolar and his family.

Abe Stolar was born in Chicago in 1911. He is therefore a U.S. citizen. As a young man he moved to the Soviet Union with his Russian-born parents. For many years Abe Stolar has been trying to emigrate from the U.S.S.R. with his own wife, Gita, who has been granted Israeli citizenship, and their son Michael, who is also a U.S. citizen. In 1975 they finally received permission to emigrate to Israel. After selling their apartment, and shipping their belongings ahead of them out of the country, they were turned back at

Moscow airport. Since then they have lived without adequate support and under unremitting harassment.

The U.S. Government has intervened with Soviet authorities numerous times on behalf of the Stolar family. I commend Senator LEVIN for this new initiative calling for the Soviets to allow them to emigrate and the U.S. Government to continue to press their case with the Soviets. I am proud to co-sponsor this Sense of the Senate Resolution.

Mr. President, I ask unanimous consent that Senator LEVIN's "Dear Colleague" letter on this matter be printed in the RECORD.

There being no objection the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 20, 1982.

DEAR COLLEAGUE: Abe Stolar is an American citizen who is being held in the Soviet Union against his will. I am writing to invite you to cosponsor a resolution urging the Soviet government to allow him and his wife, Gita, and his son, Michael, to emigrate to Israel.

Born in 1911 in Chicago to Russian-born parents, Abe Stolar moved to the Soviet Union with his mother, father, and sister in 1931. He is currently living in Moscow with his wife and their son. After years of persistent emigration efforts, the family is still being held hostage in Moscow, despite the fact that Abe and Michael are both U.S. citizens with valid U.S. passports and Gita has been granted Israeli citizenship.

In 1975, the family received visas to emigrate to Israel. After shipping all their belongings to Israel and selling their apartment, they went to the Moscow International Airport to catch their flight to freedom. But at the last minute, they were turned back on the pretext that Mrs. Stolar had access to state secrets in her job as an analytical chemist. Since then, they have been living in a bare apartment in Moscow and have been victims of acts of persecution typically mounted by Soviets against emigration applicants.

The U.S. government has on several occasions raised this case with the Soviet government and Abe Stolar has written numerous letters of appeal, but to no avail. Congressional response to their plight will let both the Soviet government and the Stolar family know that we are continuing to press for their emigration to Israel. If you wish to cosponsor this resolution, please contact Leslie Powell at 4-9118.

Sincerely,

CARL LEVIN.

SENATE RESOLUTION 391—RESOLUTION RELATING TO THE UNITED STATES POSITION WITH RESPECT TO STRATEGIC ARMS REDUCTION TALKS

Mr. MATHIAS submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 391

Whereas the President has proposed a schedule of reductions in the numbers of nuclear missiles and launchers now in the arsenals of the United States and the Union of Soviet Socialist Republics;

Whereas the President has invited the government of the Soviet Union to join in negotiations for the purpose of achieving such reductions;

Whereas since 1979, both the United States and the Soviet Union have refrained from any action that is inconsistent with the terms of the SALT I treaty, and the SALT II treaty, which has been signed by both governments, but not ratified; and

Whereas this policy of restraint has contributed to a climate of nuclear stability: Now, therefore be it

Resolved, That it is the sense of the Senate that, throughout the period of negotiations with respect to a START (Strategic Arms Reduction Talks) treaty with the Soviet Union, the United States government should not act in any way that contravenes the terms of SALT I and SALT II provided that the government of the Soviet Union follows a similar policy.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

STRATEGIC ARMS PROPOSALS

Mr. MATHIAS. Mr. President, Secretary of State Haig testified before the Foreign Relations Committee this morning with respect to President Reagan's new strategic arms proposals. I asked the Secretary of State the following question: "What will be the administration's policy with respect to both SALT I compliance and SALT II compliance during this era of negotiation?"

Secretary Haig responded: "At this juncture, Senator, we intend to comply with those provisions, providing the Soviet Union does likewise."

I welcome this statement of policy from the Secretary of State and warmly endorse it.

However, we face a protracted period of negotiations on the President's proposals. During that time it is absolutely vital that the accomplishments of past administrations in the field of arms control not be allowed to lapse.

It is important that the President's policy of refraining from doing anything inconsistent with the terms of SALT I and SALT II receive the endorsement of the Senate. I am, therefore, submitting Senate Resolution 391, putting the Senate on record in support of the President.

Mr. President, I ask unanimous consent to have printed in the RECORD my statement in the committee this morning and the transcript of Secretary Haig's testimony.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR CHARLES MC. MATHIAS, JR. TO THE SENATE FOREIGN RELATIONS COMMITTEE

The most critical issue we face today is the prevention of nuclear war. Yet, it is an issue on which we appear to be fracturing as a people. The sheer quantity and variety of Congressional resolutions on this subject underline our confusion.

What we lack—and lack badly—is a national consensus around a strategic security policy which is underpinned by prudent defense efforts and an ongoing arms control process.

The Reagan Administration came to office determined to "restore" U.S. military strength and global leadership and, by so doing, convince the Soviet Union that it has more to gain from cooperation than through confrontation. Tactically, the administration has emphasized expanded defense budgets and has generally discouraged dialog and exchange with the Soviet Union either by us or by our allies. Rhetorically, the administration has emphasized Soviet strength, our weaknesses, and the range of global military threats facing the West.

But the rhetoric and tactics have risked placing the strategy in jeopardy.

The tough rhetoric has not necessarily contributed to Western willingness to do more. Instead, the criticism of bellicose statements and policies is rising in both Europe and the United States. This criticism could endanger defense budgets, missile deployments, and other administration plans.

On March 31, President Reagan declared with respect to Soviet strategic nuclear programs, "On balance, the Soviet Union does have a definite margin of superiority." By these and other efforts to inflate the strength of Soviet power, we feed that power in the eyes of friend and foe alike.

The public criticism of our allies over Poland, the gas pipeline, handling Soviet debt, and trade with the East has given Congressional skeptics of the alliance verbal ammunition that threatens dangerous consequences for support of NATO in the U.S.

We can only speculate on the effect of all this on the Soviet Union, but need to keep in mind the observation of one Soviet expert that the most dangerous situation is when the Soviet Union has nothing to fear from the United States and sees no opening for cooperation.

It was to respond to this situation that I introduced my resolution S. Res. 343 calling on the President to immediately invite the Soviet Union to begin strategic nuclear arms negotiations.

I am pleased that the President has heeded this call, and has announced that strategic arms negotiations will be resumed this summer.

But I throw out this cautionary note, and it is one which applies as well to freeze proponents.

We are dealing with an aging Soviet leadership, which must someday obey the inexorable laws of nature. At the best of times, the Communist hierarchy does not absorb new ideas quickly. This is not the best of times in the Kremlin.

Unfortunately, they have had to become used to the fact that each new American administration tends to abandon the efforts of its predecessor and tries to come up with "new" initiatives.

Such dramatic lurches on our part historically have accomplished little. Eventually, we will have to recognize that we are not negotiating among ourselves but with the occupants of the Kremlin.

Our urgent task is not to structure an agreement designed to give us every thing we want. Such an agreement would languish on the table in Geneva. Nor should our goal be to score propaganda points.

Rather we should seek to enhance our security through arms control. This is admittedly a complex task. The steady march of technology makes it more and more difficult, as weapons proliferate and miniatur-

ization and other progress makes verification more difficult. We cannot look for easy answers. Slogans like "freeze" and "real reductions" have limited utility at the table.

A freeze will not enhance our security if, in practice, its negotiation would take many years. "Real reductions" would not necessarily improve our security if they include massive cuts in our most survivable seabased force.

We must insure that our deterrent remains credible, that our forces are survivable, but we must also seek to negotiate limitations which are in our mutual interest. Prohibitions on encryption of telemetry and limitations on testing of new missiles can provide immediate benefits.

I hope that the administration has these concerns in mind. It must recognize that radical departures will not necessarily move the process in constructive directions. I hope, in particular, that the positive achievements of previous administrations will not be jettisoned.

To this end, I intend to introduce a resolution that will commend the President for the prudent course of policy he has followed to date in taking no action inconsistent with the terms of SALT II. The resolution will express the support of the Senate for continuing such a policy of restraint in nuclear arms policy and will call on the administration to do nothing inconsistent with the terms of SALT I and II during START negotiations providing the Soviet Union restrains itself as well. Both sides are pursuing such a policy at present.

Secretary HAIG. There have been some questions on timing, both on missiles and submarines, in the compliance area. But they have already dismantled some 9 submarines, for example, and to the best of our knowledge they are complying. There may be a variance in specific date of the modernization step versus the retirement step.

Senator MATHIAS. But, in substance, they have complied with the terms. They have actually dismantled ships?

Secretary HAIG. Yes, sir.

Senator MATHIAS. The President, in his speech at Eureka College, referred to verfication procedures to insure compliance. Would you anticipate procedures that went beyond phase one of START (sic)? If we are counting warheads and launchers, the existing procedures might be satisfactory. But if we say we want to worry about reload capabilities, then we might need a great deal more and that might be very difficult to negotiate, would it not?

Secretary HAIG. Well, clearly, it can. We think something beyond purely national means is probably going to be required. But I don't want to get any more specific than that. That gets to the question, again, of Soviet attitude on the subject of verification, which has been a very difficult subject for them.

You will recall in SALT II, in the telemetry area, for example, we were genuinely concerned about it because the Soviet response was that they would provide us what we need in telemetry to verify. Well, that is a rather paranoia-generating assurance. I think we are going to have to deal with this subject forthrightly and clearly. But I don't believe it is an insurmountable problem, without getting into some of the equally paranoia-raising code words.

Senator MATHIAS. As you have described our proposal, half of all warheads, both American and Soviet, only half could be deployed on land-based missiles, isn't that correct?

Secretary HAIG. (Nods affirmatively.)

Senator MATHIAS. We wouldn't have any particular problem with meeting that, would we?

Secretary HAIG. Well, not that specific provision, but the overall reductions will require substantial reductions for the United States as well as for the Soviet Union.

Senator MATHIAS. But that particular provision—my time is up—that provision would be more onerous on the Soviet Union, wouldn't it?

Secretary HAIG. Yes, because we are focusing on the destabilizing weapon systems, and this we consider to be the most destabilizing factor, the first strike hard target kill.

Senator MATHIAS. But the question is whether it is so onerous that it raises the threshold beyond the point of credibility. What is your judgment on that?

Secretary HAIG. Our judgment on that, Senator, is this. I don't want to delude you. These are tough proposals that require major reductions on both sides. It is not going to be easy for the Soviet Union to accept. But they do represent an enhancement of the objective that must meet the concerns of the Soviets as well as ourselves, and that is the maximum attention to the destabilizing systems.

I suppose over the years the Soviets have been very concerned about our submarine launched systems because they have certain invulnerabilities and in the period ahead they are going to have accuracies which will put them into the category of capability of the land based system. So, there are compensations to the Soviet Union for these mutual reductions. In the process of negotiating these proposals, I think that will become increasingly clear to them.

But it also underlines another factor, and that is the part of my introductory statement which addressed the need to continue with the modernization efforts that the President has put forward in our defense program—the Trident, the D-5 missile and the B-1 bomber. These are absolutely crucial to our hopes for meaningful arms control, meaningful arms reductions.

Senator MATHIAS. Thank you, Mr. Chairman.

NOTICES OF HEARINGS

SUBCOMMITTEE ON CONGRESSIONAL OPERATIONS AND OVERSIGHT

Mr. MATTINGLY. Mr. President, I would like to announce for the information of the Senate and the public that the Subcommittee on Congressional Operations and Oversight of the Senate Committee on Governmental Affairs will hold a followup hearing on the possible changes in the Consumer Price Index on Thursday, May 13, 1982 at 9 a.m. in room 3302 of the Dirksen Senate Office Building. For further information regarding this hearing, please contact Karah Henry at 224-5337.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. ROTH. Mr. President, the Committee on Governmental Affairs will hold a hearing to review the Annual Report of the Postmaster General on May 25, 1982, at 9 a.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Wayne Schley at 224-2254.

The committee will hold a hearing on the following day, May 26, 1982, to discuss the Arctic Research Policy Act, S. 1562. The hearing will convene at 9 a.m. in room 1224 of the Dirksen Building. For further information on this hearing, please contact Tonja Musko at 224-2254.

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

Mr. ANDREWS. Mr. President, I wish to announce that the Senate Agriculture Subcommittee on Rural Development, Oversight, and Investigations has scheduled a hearing on the effectiveness of the rural development insurance fund loan programs which are administered by the Farmers Home Administration. Specifically, the hearing will address how these programs fit into an overall rural development strategy.

The hearing will begin at 9:30 a.m. on Tuesday, May 18, in room 324, Russell Building. Anyone wishing further information should contract the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, May 11, at 2 p.m., to hold a meeting to consider the nominations of William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia; Marvin E. Breazeale, of Mississippi, to be U.S. marshal for the southern district of Mississippi and Gilbert G. Pompa, of Texas, to be Director of the Community Relations Service; and to consider the following bills; S. 1730, the Freedom of Information Reform Act; S. 2222, Immigration Reform and Control Act of 1982; S. 2216, Habeas Corpus Reform Act of 1982; S. 2320, a bill to facilitate criminal forfeitures in drug-related and racketeering cases; S. 585, a bill to amend title 42, United States Code, section 1982 so as to limit liability of political subdivisions of a State and deal with attorneys fees; S. 2317, a bill to grant a Federal charter to the National Federation of Music Clubs; S. 2215, a bill to grant a Federal charter to the National Association of State Directors of Veterans' Affairs; and H.R. 4769, a bill to grant a Federal charter to the American Council of Learned Societies.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INVESTIGATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations, of the Governmental Affairs Committee, be authorized to hold an oversight hearing on transfer of U.S. high tech-

nology to the Soviet Union and Soviet bloc nations during the session of the Senate at 10 a.m. on Wednesday, May 12.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE "HUMAN CAPITAL" PROBLEM

● Mr. HOLLINGS. Mr. President, last Sunday, in the Washington Post, Pat Choate and Noel Epstein wrote a very important article that crystalizes many of the ideas regarding education and training that I and others have been voicing lately. The article "Workers of the Future, Retool! Nothing To Lose but Your Jobs" focuses our attention on the "human capital" problem that confronts our Nation now, and increasingly in the future.

Mr. President, I shall ask that the article be printed in the RECORD following the completion of my remarks.

All of us, Mr. President, are interested in getting our economy moving again and unleashing our industrial strength. The Nation's security and economic welfare depend upon it. We are entering a significant period of international industrial competition. How we meet this challenge will go a long way toward determining America's position among the nations of the world. As we seek to become more productive and meet the world industrial competition head on, we are being directed by the Reagan administration's policies to achieve more, but the harsh reality is that we are provided with less and less capacity to accomplish our goal.

With the massive spending reductions for education programs to assist the needy and disadvantaged and reduction of funding for training the unskilled, the Reagan administration is charting a course that provides us with an industrial infrastructure of greatly reduced competitive value. While the administration's widely heralded economic recovery program provides industry with the financial incentives to meet its "physical capital" needs, this questionable program does very little to provide for its "human capital" needs. In fact, the Reagan spending cuts for education and training programs will set us back, just at a time when we desperately need a skilled work force capable of fulfilling the challenging jobs of the future. Trickle down will not work here.

It takes years to create the capacity we need in our work force in order to remain competitive in the world arena. Fortunately, we have an education system that is the envy of the world and is unsurpassed at providing educational opportunity to our young people. We need to upgrade the capacity of our schools and insure that they provide a quality education. However, the Reagan administration's charge is to propose further cut backs in education programs and introduce a multibillion dollar program—tuition tax credits—that will provide general financial assistance to some of this Nation's wealthiest children at the expense of some of its poorest. That is not only the wrong approach, but a harmful one. In the future we will need the ability and capacity of all our young people, not just a chosen few if we are going to provide a strong national defense and the vibrant economy necessary to remain competitive in the world of the future.

Mr. President, Pat Choate and Noel Epstein have done us a favor. They have helped focus our attention on a problem that poses a significant challenge for us. Recently during the Budget Committee's consideration of the budget resolution we discussed the President's education and training proposals. I found them seriously deficient. In light of the article I have mentioned, I am more convinced than ever that my assessment is accurate.

The article follows:

[From the Washington Post Outlook, May 9, 1982]

WORKERS OF THE FUTURE, RETOOL! NOTHING TO LOSE BUT YOUR JOBS

(By Pat Choate and Noel Epstein)

You can stop looking for one of those "new ideas" everyone seems to be hunting for in American politics. It's about to hit us over the head, whether we want it or not.

Right now the idea is trapped in a yawn of a phrase—"human capital"—but that should not deter anyone from appreciating its power. What it means is that the prevailing wisdom is nonsense, that we certainly cannot revive our economy or our national defense merely by pumping more investment into microchips or megabombs, robots or rocketry.

Consider some simple facts of "human capital":

American productivity still relies as much, if not more on people—you remember them—as on machines. Traditionally, about half of our productivity growth comes from increases in individuals' skills and knowledge.

Despite our lengthening unemployment lines, we are suffering from shortages of critical workers, from machinists to engineers. The result: bottlenecks, higher prices and lower quality in both domestic and defense products.

This problem will worsen dramatically in coming years when greatly accelerating technological change confronts a work force which, for the most part, could not find its way home in the Techno-Era around the corner.

We have no choice but to equip ourselves for the future that's upon us. We have to retrain the millions whose current jobs can be kissed goodbye and who will be needed for new work. We have to boost the skills of the still-employed and pound knowledge into millions of adults who are functionally illiterate. We have to ensure, once and for all, education, training and job opportunities for women, blacks and Hispanics, who will make up the overwhelming majority of new workers.

In short, we have to invest in people or we'll get precious little out of the machines. That fact has been dawning on many people.

MIT's Lester Thurow, an adviser to the Democratic National Committee: "The economy is not going to thrive unless there is a major effort to upgrade the American labor force from the top to the bottom."

The Pentagon's Defense Science Board: A "major contributor to the increased lead times and costs currently afflicting the defense community is a continuing shortage of skilled labor."

The House Wednesday Group, a caucus of moderate Republicans: An unreleased Army training study in 1977-78 "found that 17 percent of the tank commanders in Europe and 21 percent of those in the United States 'did not know where to aim when employing battlefield gunnery techniques.'" Similarly, the survey uncovered men in charge of firing suface-to-air missiles would couldn't "differentiate between the silhouettes of Soviet and American planes."

The National Alliance for Business, on the need to train on-the-street youth, disproportionately black and Hispanic: "If you look out a decade at the demographics, it is clear that we will be doing all this out of economic necessity rather than out of any moral concern. . . ." Forget justice; think profits.

Yet so far there has been little but rhetoric. That can't last—unless America wishes to sit back and watch its inevitable decline. Without serious action, that's what's ahead. Bet on it. The forces at work are unstoppable.

Start with the displaced workers from Akron or Detroit or other decaying cities who've begun their migratory treks for work elsewhere, reminding some Sun Belt folks of "The Grapes of Wrath." We can expect more warnings like the one issued recently by the Texas labor chieftain who told the cars and hitchhikers from Michigan and elsewhere to stay out, that "jobs are no longer available in Texas," that they are not wanted.

We can expect these episodes because the ranks of such modern-day Okies are going to expand as technology and foreign competition continue to do their nasty work—with the displaced largely unaware of and unprepared for the jobs for which they will be needed.

Management analyst Peter Drucker, for example, anticipates that through the 1980s and 1990s, 10 million to 15 million manufacturing jobs will disappear from the American landscape. Even if he is only half right—and some think he is entirely right—you can wave farewell to 5 million to 7.5 million manufacturing jobs, starting yesterday.

In other words, brace yourself: The economic, social and political panic created in 1980-81 by the loss of a mere 300,000 auto industry jobs will multiply 16 to 25 times—unless the dispossessed are redirected toward and retrained for new jobs.

That millions of new jobs are being created—in addition to the existing ones tragically going begging in hard times—there is no doubt. A survey last year by the American Electronics Association, for example, estimates that 671 of its member companies will create more than 140,000 paraprofessional spots (engineering aides, laser technicians, drafters, assemblers and the like) and over 113,000 professional places (chiefly engineers, computer analysts and programmers) by 1985.

The National Tooling and Machining Association projects a shortage in three years of more than 240,000 machinists, those people who make the tools and other devices needed to make everything else.

Millions of slots will emerge in the design, production, installation, operation and servicing of the robots that are going to populate American industry. While as recently as 1979 we had only 2,000 of these technological wonders, business leaders expect robot ranks to multiply a hundredfold—to at least 200,000—just eight years from now.

Other jobs will open in fiber optics, which has the capacity to revolutionize communications by making copper wire obsolete, and in genetic engineering, which, for starters, will change the face of agriculture and medicine. And this is to say little of the explosion of computer applications we can anticipate in the office as well as the home—in banking, insurance, health, education, communications and other service fields.

There will be far too many new spots, of course, for all to be filled by the displaced, even if they acquire the skills and knowledge to do so. But what seems little appreciated is that the Techno-Era's employes will have to come chiefly from the people already working, and that this will hold true for well into the next century. There simply isn't anybody else. Just as economic survival dictates technological advance, so demography is destiny.

What the demographers' population figures tell us is that with much of the post-World War II baby-boom generation now into its thirties, our labor force growth rate is slowing dramatically. In fact, unless we suddenly import large numbers of highly skilled individuals from abroad, more than 90 percent of the American work force in 1990 and more than 75 percent in the year 2000 will be composed of those working here now. The largest need, then, will be to train and retrain today's workers.

The figures also tell us that the ranks of young workers, aged 16 to 25, are shrinking—by about 16 percent in this decade—and that an increased portion of this smaller youth force will be black and Hispanic.

That means, for one thing, that it will be the military against business, the Joint Chiefs versus McDonald's, in a rivalry for the young. Something will have to give. More women in the military? A draft? More grandparents behind fast-food counters?

Martin Binkin, a senior fellow at the Brookings Institution who specializes in military manpower issues, remarks: "The decline in the number of youths unquestionably is going to contribute to, and provide added pressure in, the debate on renewing conscription in coming years." According to The Wall Street Journal, Burger King has already begun recruiting employes among the elderly.

The increased portion of minorities among scarcer youth (and in the prime-age labor force as well because of retirement patterns and other factors) will produce another intriguing clash: prejudice versus pocketbooks. Will fear of deep American decline finally move us to do what speeches about dreams and justice have not? In the words of Robert B. Hill, former research director of the National Urban League:

"If America wants its Social Security checks to keep being paid in coming years, it had better ensure full opportunity and productivity for minorities and women."

Definitely women. The population tallies tell us that the primary source—indeed, two-thirds—of new workers in this decade will be women. While about half of adult women already work, we can reasonably expect that number to climb to 60 percent or above by 1990.

Will we at last break down job barriers against women? Will sufficient day care facilities finally be provided? More flexible work hours?

As the Bureau of Labor Statistics remarks in its understated manner: "Given that much of the increase in female labor force activity will probably come from mothers, employers may have to review their personnel practices (such as provision of day care) to attract these workers."

Okay, those are some of the inescapable needs ahead and the people available to meet them. What, specifically, will a national "human capital" drive require? How do we, for example, redirect and retrain millions of displaced workers?

It would be folly to do it by expanding the maze of 22 separate training programs already on the books—from Trade Adjustment Assistance to aid for redwood forest lumberjacks. That would just bury the effort beneath confusion, fragmentation, bureaucracy and the political pork barrel. What's needed is a single, fresh approach.

Try this one: an Individual Training Account (ITA), jointly funded by employer and employe, that guarantees retraining—and, if necessary, help with the movers—to any worker whose job goes poof. Say the company and individual each put up $500 a year, up to a total over six years of $3,000 each, and that each would get back the cash plus interest if it is not used by retirement.

The money would finance retraining vouchers to be used, as with the GI Bill, at any institution the displaced worker chooses. Moreover, as with Individual Retirement Accounts (IRAs), these Individual Training Accounts would inject an additional pool of capital for executives to finance more new technology and jobs. No bureaucracy. No money directly to vocational schools or businesses or other institutions. No overhead. A clean approach.

Before any workers are retrained, though, it would be nice if they knew where they were needed. Current federal job-vacancy information is so incomplete, untimely and unspecific as to be virtually useless. That's why the Houston papers are such big sellers in Detroit these days—for the help-wanted ads.

It's past time for Washington to collect useful information about job vacancies and to insist that the computerized job listings of each state finally be connected to each other, which, absurdly, they now are not.

What about immediate shortages of critical workers? Note that Atlantic Research Corp. of Alexandria is offering staff members a $1,000-a-head bonus to land new workers for hard-to-fill jobs, ranging from communications test equipment technicians to electronic engineers. More broadly, the National Science Foundation has forecast a 47 percent shortage of industrial engineers in this decade. In such areas as California's Silicon Valley, bidding wars for engineers, computer professionals and other skilled workers are so intense that they have spawned annual job turnover rates of 80 to 100 percent.

Clearly, Adam Smith's "invisible hand" has palsied: His "marketplace" is not filling these and other needs (shortages of machinists and engineers have been plaguing us for 10 or 15 years, with scarely any relief from supply-and-demand curves). So, if you'll pardon the expression, we've got to give the marketplace another hand. We'll have to define more sharply our vital defense and domestic needs. We'll have to create special government and business fellowships to attract and hold on to top-quality teaching faculty, who are being lured away with fatter paychecks from industry. We'll have to give special cash breaks to draw qualified students to essential (and expensive) fields of study.

During World War II, the National Emergency Production Act financed the training of 7.5 million skilled workers, popularly symbolized by "Rosie the Riveter" at aircraft and shipbuilding yards. (Indeed, a large portion of today's skilled workers were trained then and are now in or heading toward retirement. To wit: Today's 300,000 machinists have an average age of 58.) There is nothing stopping us from meeting our less massive critical skills needs today—except our will to do so.

Next, how do we boost the skills of the still-employed, from clerical workers to the executives whose weak thinking and rotten management are heavily responsible for our current predicament? Much of this training task is now paid for by business, as it should be. The private sector, led by the largest corporations, shells out an estimated $30 billion annually to train workers. But smaller employers—who create most new jobs and hire the majority of American workers—are least able to foot these bills.

What's mainly needed is to help the smaller guys invest in people as much as in machines—while making sure taxpayers don't subsidize any corporation for doing what it should and would be paying for anyway. One possible approach: a training tax credit. It would apply only to training above and beyond what a business historically has done itself. (If you wonder how we keep the corporate folks honest, remember that they already report the highest training outlays possible to the Internal Revenue Service for tax-deduction purposes.)

In this way, only the training needed would be done. If the credit isn't used, there would be zero cost to taxpayers.

Finally, the issue of education, where we need an effort far exceeding our late-1950s response to the Soviet launching of Sputnik. We must, for one thing, develop students' critical thinking, their ability to analyze and organize and express information—the essence of the liberal arts. We obviously must also sharpen their knowledge of math, science, and specific technologies. These are all areas in which students are not exactly excelling these days, to put it mildly.

As the National Assessment of Educational Progress reports, "The gap between the number of students prepared for higher-level jobs is widening. Clearly we are not cultivating the raw materials, our future workers, who will be vital both for economic progress and ultimately for economic survival."

So what are we doing about this? With many large school systems in or near bankruptcy—particularly those with the heaviest concentrations of minority students—we're slashing national aid for the disadvantaged, for math, for science and for other education programs. It's as if we were bent on making sure that essential instruction disintegrates further. That's a sure-fire formula not only for American economic and defense erosion but for creating a large and brooding underclass, permanently locked out.

It's also a sure-fire formula for intensified decay of hard-hit cities, whose best single shot at rekindling economic growth lies in

their human capital. The industrial Northeast, with its troubled metropolises from Chicago to New York, still has an immense advantage over others in its vast pool of skilled labor—if existing and future workers are reducated and retained for new jobs.

The education needs do not stop there. We have to attack the anti-blue-collar arrogance that discourages our children from learning skilled trades. We must overhaul a vocational education system that has failed miserably in imporant respects. William E. Hardman, executive vice president of the National Tooling and Machining Association, remarks:

"Many of our vocational schools have better equipment than contract tool shops—except they don't know what to do with it in most cases. . . . If our members had as much money as the vocational education system to spend on training for this purpose, we could no doubt end the skill shortage in four years and ensure that we never fall behind again."

Then we've got to reverse the decline in American teacher competence. Full fellowships to lure qualified students into teaching could be one step, intensive summer retraining institutes for today's teachers another. Retraining is essential, for example, if teachers are to teach the varied uses of computers; forget about having those shiny toys in schools if most teachers really don't know what to do with them, as is now the case.

All this by no means exhausts the issues wrapped up in the human capital agenda. But it should make one thing crystal clear. We are currently in the process of killing American hope for economic, defense and social renewal. One after another, we are cutting or ending programs that invest in people, from job training to public school assistance, from day care to college aid to basic research monies. If that were not enough, we are not even seriously addressing such crucial problems as helping the displaced workers lost in the confusion of change.

The supply-side crowd obviously thinks that people don't count as much as machines. If that mindset continues, the historians can start writing their books about the deline of America.●

THE REAGAN DEFENSE PROGRAM

● Mr. GARN. Mr. President, I think that it is quite appropriate at this time, when the Senate is considering the fiscal year 1983 defense authorization bill, to bring to the attention of my colleagues a recent letter to the editor by Mr. Tidal W. McCoy, Assistant Secretary of the Air Force for Manpower, Reserve Affairs, and Installations.

Before joining the Reagan administration in his current position, Ty was my assistant for National Security Affairs. I found Ty's advise and assistance of invaluable worth at that time, and I believe his counsel today is equally worthy of our consideration.

It seems that the Brookings Institution, through the publication of its annual report, "Setting National Priorities," has attempted to challenge some of the key principles and programs upon which the Reagan administration has constructed its national security posture. In his response, Ty does a skillful job in picking the holes in the Brookings' analysis. It is a pointed, concise retort, and I request that it be printed in the RECORD.

The letter follows:

[A letter to the editor, from the Baltimore Sun, May 3, 1982]

A PREEMPTIVE STRIKE BY BROOKINGS?

EDITOR: With congressional debate on the defense authorizations bill about to begin, the Brookings Institution release of "Setting National Priorities," and media coverage of its criticism of the Reagan defense program, focuses on the issue of national defense at a crucial juncture.

Brookings' sense of timing to achieve maximum effect could not have been better. It is unfortunate, however, that there has been so much publicity for a document not yet published and available to the administration, Congress and the public for examination.

Dr. William Kaufman appears to have forgotten some history and his perceptions of the menace from the growing threat since his days in the Pentagon in 1977. In one section of the FY78 Defense Report, which he authored, the report said, "The principal cause of international instability lies . . . in the Soviet Union with its combination of beliefs and military power—and there is no pretending to the contrary."

That same report said, "Self-restraint in the expectation that we will follow their example has not been a part of their doctrine or their pattern. Neither has reciprocity on their part for restraint in ours. Western weaknesses and irresolution are not examples the Soviets are likely to emulate but an opportunity to seize."

That report also clearly supported both the MX and the "acute" need for the B-1. Now, according to the Brookings report, the B-1 is obsolete.

We must be ready by the mid-1980s to meet the escalating Soviet threat. One does not fix 12 years of neglect with a slow-measured response—given the reality of Soviet preparations.

We have to catch up on some areas quickly—and then maintain that measured response. Dr. Kaufman's approach seems to be basically that all one has to do if one doesn't like the threat is to redfine it. By advocating cancellation of the B-1, he is also clearly a proponent of the technological endrun school. That is, don't build anything, but continue research and development which will give us vaulting superiority over the Soviets—on the drawing boards and with prototypes.

Paper weapons systems don't deter anyone. In 1953, when funding the Air Force's "new" B-52 bomber, Congress noted that this would be an "interim" aircraft designed to fill the gap between the B-47 and the B-58 which was then on the drawing boards. We will soon celebrate the 30th anniversary of the first flight of that "stopgap" bomber while Congress discusses whether to fund the B-1 or wait for the advanced technology bomber.

Professor Kaufman's recommendation that the U.S. rely on fast ships, rather than buy additional airlift, conveniently forgets the lessons of our convoy experience in the Atlantic during the early part of WWII and the value of airlift so convincingly demonstated during the Yom Kippur War of 1973.

Moreover, we can't count on convoys arriving safely if we fail to increase the Navy. Nonetheless, the Brookings report recommends not building a fully capable Navy. Airlift and sealift are complementary—we need both, particularly in view of possibly very short warning times for the next conflict.

Dr. Kaufman also implies the nation cannot afford the current build-up. In 1960, Air Force spending was twice as great as what Americans spent on alcohol. By 1976, annual spending on alcohol exceeded Air Force spending. Americans spent more on soft drinks in 1981 than the Air Force spent on missiles and aircraft.

Since 1962 per capita defense spending, in constant dollars, increased 1.2 percent while transfer payments (income security, health care, education, training, social services, etc.) have increased some 214 percent. At the same time in 1969 the U.S. accounted for 34.5 percent (height of Vietnam involvement) and the Soviet Union for 28.1 percent of total world military spending. By 1978, Soviet military spending accounted for 32 percent of the world total and the U.S. share declined to 22.6 percent.

Americans spent 8 to 9 percent of the GNP on defense during the 1950s and 1960s. The apex of the Reagan plan will only account for 7 percent of the GNP.

By any measure, the Reagan program is achievable, affordable and vital to the security of this great nation during the perilous 1980s. To argue otherwise is to rationalize imprudent risk.

TIDAL W. MCCOY.

Washington.

(The writer is assistant secretary of the Air Force for manpower, reserve affairs and installations.)●

A VOICE FOR FREEDOM—MISS FERRYL BOYANCE OF HOUSTON

● Mr. TOWER. Mr. President, it seems that freedom is under attack around the world today. It is evident that a voice for freedom needs to be raised, if it is to be preserved. Miss Ferryl Boyance of Houston, Tex., has done so in the Friends of Free China "I Speak for Freedom" high school speech contest. She has stated with fervor the case for freedom. So that her voice might reach many ears, I ask that her speech be printed in the RECORD.

The speech follows:

HOW FREEDOM AFFECTS PROGRESS—I SPEAK FOR FREEDOM

All good stories begin with 'once upon a time'. Once upon a time, there was a little tree which had the incentive to become a big tree. So it carefully planned its steps of development. It first had to have a sturdy root system which a sound and capable government provided. It would have to be watered and fertilized everyday with that life sustaining element, freedom! Gradually, this tree grew and grew and the branches of prosperity spanned over the entire area. All the nations awed in amazement at this rapid growth!

The Republic of China has indeed had a rapid rate of economic growth. It was able to do this because of its 1949 Constitution which clearly espouses progressive economic and social rights.

Taiwan is a country of limited resources and size. But with only 18 million people and 14,000 square miles of territory, Taiwan

has a larger volume of trade than the Chinese mainland with 1 billion people and 3.7 million square miles.

The gross national product for 1980 amounted to NT$1,449.4 billion. Taiwan's exports have increased 171 times from 1952 to 1980. In 1979, its exports amounted to 16.1 billion making it the 20th largest exporting country in the world!

This progressive economic outlook has brought tangible benefits to the Republic of China's citizens. In 1980, they had a per capita income of $2,100. Compare this with mainland China where the per capita income was only $256. Chinese communist leader Ting Hsiao Ping holds out the hope that in 20 years the per capita income of his nation may reach $800 a year.

Daily life has increased for the Republic of China's citizens in other progressive ways. The average living space per person went up from 12.6 square feet in 1955 to 28.2 square feet in 1980. Household facilities and appliances are now regarded as daily necessities instead of luxury items. Today the country has more than 1.14 million motorcycles and 740,000 automobiles. Nearly every family has a television set.

Have all of these benefits of economic prosperity come about by some fluke of fate? No, the ideas that were sown in the economic field have been nurtured by the waters of freedom and are now being harvested as a higher standard of living for all citizens.

Freedom of education has played a leading role in developing business and technology leaders. Illiteracy is unknown among the young.

Freedom of religion, alien to many societies, has allowed the citizen to follow his conscience and God-given talents. This brings personal peace of mind that allows creative ideas to flow forth.

Freedom of the job market is extremely crucial. If a person has no opportunity to change jobs, the incentive to work diligently disappears.

Freedom to elect local and national leaders gives each citizen a vested interest in the welfare of his country.

These basic freedoms make Taiwan a free nation in every sense of the word and these freedoms have created a climate of economic expansion that has benefited every citizen no matter what their social status.

The citizens on Taiwan are a content and confident people. They are not plaqued with the mental anguish of living under an oppressive government. As a result, you can sense a certain peace and happiness these people possess.

So, only in a country in which freedom is the key nutrient, can a man see his dreams for a better, happier future progress into the reality of today.●

ECONOMIC FOCUS

● Mr. BAUCUS. Mr. President, over the past year, Mr. Robert J. Samuelson of the staff of the National Journal has authored some of the finest pieces on economics that I have seen. As we strive to reach agreement on vital budget and economic matters, it is important that we separate rhetoric from reality. Mr. Samuelson's writings are a good place to begin. I, therefore, ask that a number of articles by Mr. Samuelson be inserted in the RECORD.

The articles follow:

[From the Washington Post, April 28, 1981]

TOP-HEAVY TAX SYSTEM ITS OWN WORST ENEMY

(By Robert J. Samuelson)

The temptation is to say that Jim Jones has crossed the thin line between crusader and crackpot.

Jones—not to be confused with the chairman of the House Budget Committee or the fanatical cult leader—is an amiable, retired Texas businessman who thinks the U.S. tax system stinks. He's been poking around Washington for the past few years, telling anyone who will listen. Too much paperwork, too many contradictions. Junk it, he says. Replace it with a flat tax.

Any practical politician will tell you that Jones is a fool. You can't simply scrap the whole system and replace it with a nice simple tax. That would cause rebellion. We live in a complex society. The tax system reflects the complexity. Its provisions—complicated though they may be—respond to the peculiar needs of all the diverse groups that comprise America.

Which is precisely Jones's insight. We have lost sight of the essential purpose of any tax system: to raise money for legitimate public purposes.

Instead, it has become a vehicle for social engineering and political favoritism. It's tinkered with and twisted to satisfy the gripes and self-pleading of any group that can hire a clever tax attorney and publicist to make its case. Responding to some bad causes and a lot of good ones—individually worthy—has produced a top-heavy system that is becoming its own worst enemy.

All this is worth pondering as Congress prepares to write another tax bill. For no public program is bigger and affects more people than the tax system. Whether people respect the system—no one expects them to like it—determines to a considerable extent whether they respect government. And the evidence is beginning to show that public respect is on the wane.

For years, Americans' high rate of voluntary tax compliance has been the envy of the world. But anecdotal and statistical evidence is now challenging this reassuring cliche. A public opinon survey commissioned last year by the Internal Revenue Service found that as many as one-quarter of the taxpayers may have under-reported their income deliberately at one time or another. A more thorough IRS investigation a few years ago estimated that perhaps 9 percent to 12 percent of income goes unreported.

Of course, there always has been unreported income—from crime, for instance. But the hunch of specialists is that chiseling and cheating are on the rise and, more important, have gained increasing respectability. The system's very complexity—making everyone believe that someone else is benefiting from a special tax break, so why not me?—encourages it.

Jones' description of the tax system as grotesque is hardly unique. Here is Aaron Wildavsky, a well-known political scientist at the University of California (Berkeley), writing in a recent issue of the Washington newsletter Tax Notes:

"Practically everyone I know believes that other people take unfair advantage of the tax code. . . . Those who benefit sneer at how easy it is or feel guilty at taking advantage of provisions presumably designed to do good. There is a pervasive sense that moral values are being subordinated to strategies for minimizing taxes, so that financial gain is suspect—because it appears to be derived more from special privilege than from unusual talent. Consequently, the legitimacy afforded to government by the people, the respect that supports the authority to govern, is being undermined."

And here is the conclusion of a special study commission established by the Chamber of Commerce of the United States:

"The primary conclusion of the commission is that massive tax simplification is urgently required. . . . The Internal Revenue Service is generally an efficient and well-run agency, but no organizaion can administer so grossly complicated a tax system without gradually assimilating some of the problems of the system it represents. The myriad social policy decisions currently being enforced through the tax system also turns the IRS into a 'lightening rod' for all manner of citizen complaints about their government, whether or not connected with revenue matters."

We have come to this in barely a generation's time. Thomas F. Fields, a lawyer with Tax Notes, recalls that, before the early 1940's, a lot of people "were proud to pay income tax." Rates were low, and a relatively small part of the population paid taxes; it was a sign of distinction, of "having made it." But during the war the government adopted withholding, and then the bite of government spending and taxes increased sharply.

The result is a system so riddled with deductions, credits and income exclusions that tax rates (what's on the forms) and the tax burden (what government actually takes out of the economy) diverge substantially. How much?

Look at it this way. Government spending constitutes about 22 percent to 23 percent of the nation's gross national product. Roughly, a tax of slightly more than one-fifth of what we produce will cover that. But the top corporate tax rate is 46 percent. And the individual rates run from 14 percent to 50 percent (for earned income, such as wages) and to 70 percent for so-called unearned income (such as dividends and interest).

All this produces collective gamesmanship on two levels.

First, there's the individual and the firm. Everyone strives to find the maximum combination of credits, deductions and exclusions to reduce taxes. For this reason—or simply because the system is so complicated—two-fifths of all individual returns are prepared by professional accountants or tax services, according to the IRS.

Second, there is the political gamesmanship. At the moment, groups are exhorting Congress to enact, among other things, the following: tax credits for college and private school tuition, tax credits for firms engaging in research and development, liberalized deductions for charitable contributions, and refundable investment tax credits for firms that have large losses. The list goes on.

The upshot is a remarkable centralization of political and economic power. The tax system tells people and firms to do some things, not to do others—and many of the commands represent inefficiencies. At the same time, an increasingly large army of lawyers, accountants, lobbyists and economists now dedicates itself to manipulating the system or (as with economists) simply trying to understand its effects.

Talk about paperwork. The Office of Management and Budget estimates that about half of all government-created paperwork stems from tax forms, to the tune of about 650 million hours annually.

Undoing this mess won't be easy, precisely because tax provisions satisfy broad constituencies, and most were enacted (as Wildavsky puts it) "to accomplish a good purpose." But we need to acknowledge the destructive logic of the process: that every special provision means that general tax rates go higher and that more groups, seeing others with tax breaks, are encouraged to seek similar treatment.

What this requires is a change in mood.

More than ever, every part of the political spectrum believes that the tax system is to be used for special purposes. Liberals, conservatives, unions, corporations, charitable organizations all are chanting for their own pet proposals. The paradox is that the politicians who encourage and respond to these pressures think they're upholding the worth of the political system and the public's confidence in government. In fact, they may be slowly destroying both.

[From the National Journal, Sept. 12, 1981]

WAITING FOR WALL STREET

(By Robert J. Samuelson)

In the late 1940s, something surprising happened to the American economy. It boomed. Economists had openly worried that wartime prosperity wouldn't last, and, as late as 1946, 60 percent of the respondents to a public opinion survey expected a "serious business depression" within a decade. The bastion of skepticism was Wall Street. Despite the boom, stock prices languished.

All this relates very much to the running feud between Wall Street and the Reagan Administration. The White House is arguing, in effect, that the nation has reached a juncture—similar to the late 1940s—when the past no longer accurately charts the future. Wall Street isn't buying. No one knows who's right, but if history is any guide, the White House shouldn't count on a quick conversion.

Wall Street, of course, is just a euphemism. It's not a physical location—financial power long ago defused beyond New York—so much as journalistic shorthand for the collective judgment of money movers: the individuals, investment advisers and institutions (such as insurance companies and pension funds) that deploy the nation's financial capital.

No one can miss the irony when this group, vocal supporters of President Reagan and beneficiaries of his policies, silently votes against the Administration in the stock and bond markets. But too much can be made of the friction. In the short run, the adverse reaction helps the White House. The near panic over spiraling deficits makes further budget cutting (the ultimate political virtue for Reagan) easier.

The long-run danger, though, is serious. Persistent skepticism and high interest rates could subvert the Administration's economic program and erode its political support. What this involves is a test of economic theory in real life, and, so far, real life is treating theory with rude disdain.

In brief, the theory holds that inflation results from the creation of too much money. If the government shows its determination to reduce money growth, so the theory goes, then inflation should decline and so should people's inflationary expectations. Because interest rates embody an element of inflation—to compensate investors for the cheapening of their dollars—interest rates should drop.

There's little doubt that the Federal Reserve is squeezing the money growth. In the past six months, the money supply (so-called M-1B, which consists of cash and checking deposits) has grown at an annual rate of less than 6 percent. By contrast, it expanded 8.25 percent in 1978 and 7.2 percent in 1979. Inflation has also subsided, but interest rates have remained at or near historic highs.

To blame deficits, past and prospective, is gross simplification—though one now much in vogue. More relevant are the mechnanics of the nation's financial markets and the scorched memories of the players.

Consider a simple, if absurd, example. Suppose government spending totaled only $100 billion (compared with the more than $700 billion expected in fiscal 1982), but that all the spending were financed by borrowing. There would be no taxes, but the deficit would be $100 billion instead of the $42 billion estimated now by the Administration.

There is no logical reason why the larger deficit, by itself, should lead to more inflation or higher interest rates. Lower government spending and no taxes would mean that people and corporations have more money to spend (so they might borrow less) and more money to save (so they could more easily lend to government). What determines interest rates are people's inflation outlook, their willingness to hold government bonds and the existence of other competitors for credit.

History bears this out. Inflation makes the current deficits look large, but they shrink when measured against the inflated size of the American economy. Although the 1982 deficit may well exceed the administration's optimistic estimates, even a $75 billion deficit would amount to only about 2.4 per cent of the economy's output, or gross national product (GNP).

By contrast, government financed much of World War II defense spending by borrowing, and the 1945 deficit, typical of the war years, amounted to nearly a fifth of GNP. More recently, the 1976 deficit ($66 billion) equaled 4 per cent of GNP, and the 1977 and 1978 deficits ($45 billion and $49 billion) were 2.4 and 2.3 per cent of GNP.

More critical than deficits themselves are the changes in inflationary expectations, willingness to hold government bonds and competition for credit.

Until a few years ago, Wall Street—again, the euphemistic collective—was sufficiently unworried about the inflation outlook that it was willing to buy long-term bonds at rates a few points above the inflation rate. In 1975 and 1976, for instance, 10-year Treasury bonds fetched 7.5 to 8 per cent when inflation (measured by the GNP "deflator") was 5 to 6 per cent.

No more. Today, similar bonds carry a rate exceeding 15 per cent when inflation is 8 to 11 per cent. In effect, investors no longer believe in the stability of inflation. They want a much larger interest rate cushion against unexpected future inflation.

A vicious circle ensues. Borrowers, unwilling to lock themselves into high long-term interest rates, shift to short-term loans. Combined with the Federal Reserve's money squeeze, this pushes short-term interest rates above long-term rates. Cautious investors funnel funds into high-yielding short-term securities, further hurting the stock and bond markets.

The Washington-Wall Street quarrel is really about the nature of the world. Wall Street has convinced itself that the world is an undisciplined place: that governments (no matter how good their intentions) can't control inflation and that other forces—wars, revolutions, droughts—simply exaggerate the uncertainties. Reagan says he's reasserted control.

Fundamental breaks with the past do occur. History is littered with them. But the history of the past quarter century is that Wall Street is usually the last to acknowledge change. It awoke slowly not only to postwar prosperity but also to the rising inflation of the 1970s. If nothing else, this sluggish reaction time ought to sober the White House. For a stubborn skepticism could become self-fulfilling.

[From the National Journal, Nov. 21, 1981]

THE SUPPLY SIDE REVISITED

(By Robert J. Samuelson)

The whole episode of Dave Stockman's humiliation speaks to the fairyland mentality and rhetoric that surround serious political discussion of the economy. Stockman's sin was to admit that he no longer believes in fairy tales. It would not have been a sin if the nation's major political leaders—including the President and most prominent Members of Congress—were not themselves such peddlers of economic fantasies.

Major political figures in this country invariably talk about the economy in absolutist terms. Something is either utopia or hell; there isn't much in between. Few, if any, attempt to explain our economic choices, in part because understanding them is genuinely difficult. And they are still more difficult to explain because the choices are often complicated and unpleasant.

The result is that although economic issues dominate politics, discussion of them proceeds at an infantile level. The news media gladly promote the simplified morality tale because a good story requires antagonists flailing at each other. Understandable as the hype is, it ultimately leads to public disillusion with economic doctrines and political figures. No one believes anyone or anything because every idea and every leader is seen to have failed.

The slogan that brought Stockman to grief and is now threatened with being discredited is, of course, "supply-side" economics. Stripped of the exaggerated claims made on its behalf, supply-side economics offers important—though hardly novel—lessons about how the economy operates. But it has been oversold and abused by its most ardent advocates.

Most Administrations come to office promising more than they can deliver. Ronald Reagan pledged to balance the budget, lower taxes and increase defense spending while reducing inflation and unemployment. The only way to reconcile these inconsistent objectives was to project high economic growth. Supply-side economics provided the rationale. Between 1982 and 1986, the White House initially projected annual growth between 4 and 5 percent.

Although the label was new, the ploy was not. When Jimmy Carter took office, he had a laundry list of objectives even longer and more inconsistent than Reagan's. Aside from the usual ones of lowering inflation and unemployment, he wanted to increase spending for social programs without raising taxes. Achieving these goals, the Congressional Budget Office estimated, would have required sustained annual growth in excess of 5 percent.

Boiled down to its essentials, supply-side economics holds that government is discouraging useful work and investment with excessively high-tax rates. Bring down tax

rates, then, and work and investment will expand. The economy will, therefore, be better off. Common sense suggests that this might work, and there is some evidence that it does.

One of the first supply-side proposals involved cutting the tax rate on capital gains—the profits from the sale of stocks and other investments. The argument was that high capital gains tax rates suppressed investments in stocks, especially of new high-technology firms. If people gambled to back these risky enterprises, so the argument went, they wanted the reward if the companies succeeded.

In 1978, Congress cut the maximum capital gains rate from 49 per cent (as a practical matter, it was more like 40 per cent) to 28 per cent. The number of new firms selling stock to the public rose from 46 (and $250 million) in 1978 to 237 (and $1.4 billion) in 1980. At the same time, venture capital investments in firms too new and too small to go public increased from $550 million in 1978 to more than $1 billion in 1980.

No one really knows whether the cut in the capital gains rate caused these increases. Economist Jospeh A. Pechman of the Brookings Institution thinks the general state of the economy was a more important factor. Morton Collins, president of the National Venture Capital Association and a supporter of the cut, points our nevertheless that much new venture capital money came from pension funds and university endowments, which aren't taxed.

This experience suggests cautious conclusions. Despite the qualifications, it seems probable that the capital gains cut had something—perhaps a great deal—to do with the increased investment. But tax rates aren't the only force affecting the economy. Moreover, beneficial results don't materialize immediately. It will be years before new products or technologies appear from the higher investment.

But supply-side economics isn't a cautious theory. It has been blessed and cursed with energetic propagandists such as Jude Wanniski, a former editorial writer for The Wall Street Journal, and Arthur B. Laffer, an economist at the University of Southern California. They both popularized it and imbued it with mystical, almost cult-like qualities: embrace supply-side policies and utopia lies just over the ridge. The Administration tempered this extravagant outlook only slightly.

Much of the supply-side rhetoric is also hypocritical. Supply siders argue that marginal tax rates—the tax rates on the last dollar of income—are critical to people's work and investment decisions. Yet, most supply-side advocates don't support measures that would dramatically reduce marginal rates.

What has driven up marginal rates is the vast array of deductions, credits and exclusions, which erode the tax base and raise rates on the remaining income. Just incidentally, they also riddle the tax code with economic distortions. Eliminate these tax preferences, and top tax rates could be dropped to 20 or 30 per cent. The conspicuous silence of most supply siders on this issue is a glaring inconsistency that leaves them open to the criticism that their doctrine is simply a guise for redistributing income to the rich.

To the White House, Dave Stockman sinned by mentioning these shortcomings. Maybe the public will now dismiss supply-side ideas. But maybe not. At their best, they ought to offer the vision of a more liberated economy served by a less cluttered tax system. If Stockman's confessions make the theory more plausible, he may turn out to have been its best friend. If not, supply-side economics will have fallen victim to the old cycle of over-promotion and disillusion.

[From the National Journal, Jan. 9, 1982]

BEYOND OUR REACH

(By Robert J. Samuelson)

A year into office, President Reagan's failure extends well beyond a list of unfulfilled promises. Dozens of small inconsistencies and contradictions afflict his Administration, but they all pale before one: a self-proclaimed champion of small government, he is the master of Big Government—permanently Big Government.

The President seems incapable of reconciling himself to this. He keeps talking about the need to cut down government, as if it were a demon to be exorcised. He seems temperamentally and intellectually unable to recognize that, as society's largest and most important institution, government must project itself as a positive force in national life.

The illusion at the base of the President's policies is that, somehow, the presence of government can be made to fade. In dozens of areas, the Administration has acted to reduce the government's role. Specialists will debate the merits and significance of these different moves, but after a year, one thing ought to be clear: Big Government isn't vanishing.

Even if the Administration achieves all its budget cuts—which it won't—government spending would recede (as a proportion of the nation's output) only to the levels of the mid 1960s. More likely, it will settle close to levels prevailing during the Carter Administration. Much in the same way, the highly adverse reaction to many of the Administration's dramatic regulatory changes indicates that the President can at best compromise—not abandon—commitments made in the 1970s.

Reagan's failure is not his alone. It strikes at the heart of the frustration and contradiction pervading American politics today. People are dissatisfied with government's performance—if they weren't, Reagan wouldn't have been elected—but they aren't willing to junk Big Government altogether.

Put simply, the presidential problem is to match more closely the government's responsibilities with its capabilities and people's expectations. This does not mean holding government's responsibilities static and simply promising to improve performance; better management is a slogan and usually a deception. The discontent flows from a deeper imbalance between what government can do and what people expect it to do.

Ever since the Great Depression, domestic policy has increasingly revolved around two central purposes. The first is to monitor and manage the national economy to achieve low unemployment, low inflation and maximum growth. The second is to marshal the nation's resources to achieve a higher degree of social justice; in practice, that has meant abolishing poverty, ending discrimination and assuring fairer economic treatment among groups.

The desirability of these objectives is not at issue, and the fact that the government sought them for a half century—with much success—reflects well on the nation's values. But yesterday's goals do not serve all tomorrows, and a nation that refuses to heed today's lessons is one unwilling to accept reality.

The plain lesson is that government, in seeking these goals, has reached the limits of its competence and, at times, overstepped it.

Consider the economy. Government lacks the precise control to assure permanently low unemployment, low inflation and maximum growth. Indeed, its promise to achieve these objectives—embraced by every Administration for the past two decades—perversely makes their attainment more difficult.

As businesses and workers came to believe that government would assure permanent growth, their expectations and behavior changed. They worried less about maintaining their own competitiveness. They began to adopt wage and price practices that make inflation self-perpetuating. Government efforts to stop inflation have, consequently, involved excessive unemployment and stagnation.

Likewise, the quest for social justice has now become hobbled by contradiction. The more government compensates for every hardship or mishap, the more it relieves individuals of responsibility for their fates. Government can correct much injustice, but at some point, the individual's own struggle is the only avenue of advance.

There are also more practical obstacles. Government cannot make everyone equal because there is no social consensus to do so. But when government acts to help some groups, all groups believe they are entitled to special favor. Government becomes inundated with competing and mutually exclusive claims.

Without tempering its rhetorical commitment, government has retreated from the pursuit of the twin objectives of the past half century simply as a matter of economic necessity. President Carter did this reluctantly, quietly and modestly. Reagan simply proclaimed a bold switch of strategy, promising that less government and more private enterprise would miraculously and instantly fulfill government's purposes.

It hasn't washed. The half-life of political promises grows increasingly short. People cannot mistake the gap between pledge and performance, and their cynicism only deepens.

If there were an easy exit from these dilemmas, someone would have taken it years ago. At one level, the President needs to be more candid: to disavow supernatural powers over the economy's short-term performance and to devise a more limited view of achievable social justice. The "safety net" was not a bad concept; it was simply shabbily and hypocritically executed.

Difficult as this is, it is not enough. The political problem of modern government is to find a constructive purpose that provides some vision of where society is headed and creates a general framework within which a multitude of specific policies can be fitted.

The domestic themes of the past 50 years originated in an economy full of abject poverty and subject to wild boom and bust cycles. This is no longer today's world. For all its flaws, the American economy has created a prosperous base less susceptible to violent business cycles.

But America is an aging society. Its people, its roads, its cities, its industry—and maybe its spirit—are growing older. Unable to prevent this, government must either deal with it or suffer the consequences. This is a legitimate starting point for redirecting domestic government.

[From the National Journal, Feb. 27, 1982]

MONETARISM MALIGNED

(By Robert J. Samuelson)

It's been a demolition derby for economic theories in the past 20 years. One after another, they've been bashed and consigned to the scrap heap. The wreckers' latest target is monetarism: the idea that inflation is too much money chasing too few goods and that reducing it requires reducing money growth. If the wreckers succeed, the nation will be the loser.

It is true that monetarism has contributed mightily to the economy's appalling condition. Interest rates are sky high. The credit-sensitive housing and auto industries are mired in depression. The Europeans and Japanese blame high U.S. rates (which they emulate to prevent currency outflows) for having deepened the world recession. Slump at home and abroad encourages protectionism and stifles investment.

No one wants this, but monetarism never promised easy economic adjustment. That is a great virtue. Most other economic theories, as they were simplified for public consumption, assumed magical qualities; they implied that all good things (low inflation, high employment, rising living standards) would be possible simultaneously. The monetarists never played the popularity game. Their ideas are not the ultimate wisdom on economic policy, but they are the necessary starting point.

What is—or ought to be—at issue is not monetarism's credibility as economic theory but its workability as public policy. Monetarism is harsh and, unless its social and political acceptability can be improved, it may not be given the chance to succeed. Sadly, President Reagan has virtually ignored this.

By monetarist theory, short-term changes in economic growth and inflation fundamentally result from changes in the money supply. If the Federal Reserve Board increases money growth, people find themselves with higher money balances—cash and checking deposits—than they want; they spend more and the economy grows faster. By the same token, if the Fed reduces money growth, people find their money balances diminished; they spend less and the economy slows down—or goes into slump.

The effect on prices is said to occur with a lag of 12 to 24 months. In the monetarists' ideal world, the combination of new money and the increase in the turnover of money, or "velocity," would precisely equal the economy's increased production; additional spending would exactly absorb the new output. But if the money increase is too large, prices must be bid up to balance the economy's limited output with the bloated money supply. In short, there is inflation.

The same logic works in reverse and explains why most monetarists never claimed that controlling inflation would be painless. Lower money growth does not suffice to accommodate the money needs of consumers and businesses at higher inflation rates. The resulting spending slowdown creates "slack" in the economy (translation: underused factories, higher unemployment) that puts downward pressure on prices.

Anyone who took seriously the Federal Reserve Board's October 1979 pledge to reduce money supply growth ought to have realized that the economy was in for a spell of stagnation or slump. The Fed has, in fact, carried through. From 1978 to 1981, growth of so-called M-1 (cash plus checking accounts) has declined from 8.3 to 5 percent, measured from the fourth quarter of one year to the fourth quarter of the next.

The results roughly fit the monetarists' pattern. Changes in money growth generally preceded changes in spending. In the past six months, inflation has abated significantly. The consumer price index (December to December) rose 8.9 percent last year compared with 12.4 percent in 1980. The rise in average hourly earnings declined from 9.6 percent in 1980 to 8.3 percent in 1981. If serious monetarism dates to October 1979, these improvements arrived right on schedule.

But the features that make monetarism an attractive economic theory—its honesty in admitting that change takes time and involves disruption—also render it unappealing to politicians. It has an almost medieval flavor; most economists like to think they've come up with something better.

The trouble is that they haven't. The "liberal" approach of an incomes policy—persuading labor and business to restrain wages and prices instead of having tight money do the job—suffers from inherent contradiction. In return for restraint, it promises to keep the economy near full employment. But the resulting tight markets for labor and goods are precisely those that enable workers and firms to raise wages and prices.

The current recession only confirms that people and firms react more to experience than exhortation. One of the slump's hallmarks is major concessions by labor unions, eliminating past benefits, reducing future wage gains and even accepting some wage cuts. But it has taken massive distress—in autos, in trucking, in airlines—to produce these concessions. Alone, no incomes policy could possibly have achieved them.

But equally large social defects may defeat monetarism. If inflationary bias discredited liberal economic policies, monetarism risks foundering on its depressive effects: persisting high unemployment, stagnant investment and living standards. It can succeed politically only if declines in inflation are sufficiently rapid to allow resumed economic growth. This is hardly a certainty. Much of inflation's recent drop has involved slower increases in oil and food prices and interest rates.

What might hasten the process are policies to make wage and price decisions more realistic and competitive. In health care, housing and labor markets, such policies exist, but the administration has embraced them only half-heartedly. Even more important is a deeper public appreciation of the choices involved. The idea that wage increases can be divorced from gains in efficiency—an idea that spread in the 1960s and 1970s—assures inflation and, ultimately, unemployment.

But the President has remained stone silent on the broader issues. What is at stake goes beyond economic theory or quibbles with the Federal Reserve. Monetarism is a form of discipline. No economic approach, not even an incomes policy, can work if people don't accept the discipline. The basic question is whether democratic societies can control their economies without veering toward the extremities of high inflation and prolonged slump—or simply stagnating in between.

From the National Journal, Apr. 3, 1982]

INFLUENCE OVER INTEGRITY?

(By Robert J. Samuelson)

Last fall, William A. Niskanen Jr., a member of the Council of Economic Advisers, testified before the Joint Economic Committee on social security's economic effects. It was good testimony, summarizing recent research. To many key questions, Niskanen admitted that the economists' answer is: we don't know. According to Niskanen, almost no one listened.

Niskanen's story goes to the heart of the problem economists have in politics. They all face one of those cruel deals with the devil. On the one hand is offered influence, celebrity and sometimes fortune. The sacrifice often demanded, though, is integrity and candor.

Economists' limitations are especially worth pondering now because the recession and the perceived failure of President Reagan's programs have had their inevitable results. Democratic economists have poured forth new proposals, while other economists have distanced their profession from the current distress. "We are better than being pictured," writes John Kenneth Galbraith in the Washington Post.

But are they? Economists first emerged as major political figures in the Kennedy Administration, and the question now is whether their excursion into politics has done more harm than good. The issue is not whether they will retreat en masse back into academia (as unlikely as it is unrealistic) but whether their public behavior is part of the economic problem.

The hunch here is that it is. What economists do—unconsciously perhaps, but inevitably—is to help shape public expectations. As the presumed experts, they form, through their statements and the ideas they peddle to politicians, the public perceptions of what's possible and likely. This is an amorphous process, but on balance, it probably has contributed to unrealistic expectations.

It surely did in the 1960s. The economists of the Kennedy-Johnson years believed they could eliminate recessions and achieve high employment with low inflation. The apparent early success of these policies (the continued expansion from February 1961 to December 1969 remains the nation's longest) still exerts a powerful influence over the popular psyche. It is the utopia to which everyone yearns to return.

This episode aside, the political process inherently stretches economists beyond their capabilities. Honest analysis admits to ambiguity and uncertainty; effective advocacy demands self-assurance, the selective use of evidence and slick presentation. The two coexist uneasily, and often not at all.

Economists who wish to appeal to a wide audience or to attain political influence must cater to the demands of the process. Those economists who have wished for such recognition have, consequently, projected themselves as Mr. Fix-its. Pick the right mechanic and the economy will perform better.

Implicit in this notion are assumptions that economists understand the economy and that their understanding enables the government to exert control. But the understanding is imperfect at best, and the control is, therefore, widely exaggerated. To anyone (perhaps Galbraith) who thinks otherwise, a review of the past decade ought to be enlightening.

During this period, a list of the more important economic events—in no particular order—might read: (a) the oil price explosion; (b) the food price explosion; (c) the emergence of stubborn, sustained high inflation—a product of the oil and food price jumps, but more than these combined; (d) the drop in U.S. productivity growth; (e) the sharp increase in interest rates during the

past 18 months. What all these have in common is that none was widely foreseen by economists.

All this suggests that the process of economic change is a long-term affair, with events today reflecting the weight of experience and trends that may have started years ago. The favorable inflation of the early 1960s, for example, surely reflected a social climate conditioned by memories of the Depression and three recessions in the 1950s. Likewise, today's changes—for good or ill—may not show up for years.

Politics turns this process on its head. What matters almost exclusively are short-term consequences. The economic debate becomes skewed toward policies that will produce short-term results, even when (as in recent years) the rhetoric gives lip service to long-term consequences. Equally important, advocates repeatedly claim unwarranted power for their policies.

Sinning is widespread. Supply-siders made extravagant claims for tax changes, well beyond the merits of their arguments. Liberals minimized the inflationary side effects of expansionary policies by embracing wage-price guidelines, an approach so politically awkward that it has won neither support nor understanding. Monetarists, though admitting their medicine takes time, have generally ignored the consequences; specifically, they have not adequately emphasized the politically unpopular steps needed to make markets more competitive.

What is striking about the public behavior of economists is that it often contrasts markedly with their professional behavior. Among their peers, they admit to doubts, ambiguities and tolerances. But when they package their ideas for public consumption, simplification takes over.

The clash of ideas in the essence of democracy, but the rivalry of economic doctrines sets up a competition in which each tries to outbid the others. That is happening as partisan recriminations increase over the state of the economy. The result is to confuse the public and subvert the prospects for social consensus.

Therein lies the key. Those countries that have better managed to maintain economic growth with low inflation (West Germany, Japan) have done so only by establishing a modest social consensus about the limits of economic policy. No wage-price guidelines can work without it, nor can any tight money policy. But if there is any U.S. consensus, it is that everyone should have more even if the economy produces less.

This assures both more inflation and (as a reaction to it) stagnation. The paradox is that when people believe they will get more, they may get less—and vice versa. Economists have been eager to be politically relevant and to be rid of the "dismal science." But they have been most useful when they have illuminated difficult choices, not spawned satisfying illusions.

[From the National Journal, Apr. 10, 1982]

THE TAX TRAP

(By Robert J. Samuelson)

It's tax time, and nothing better reveals the state of the tax system today than a television commercial from Texas Instruments Inc. Happily punching his TI desk-top calculator, comedian Bill Cosby commends it as just jim-dandy for adding up deductions. To watch Cosby, happiness is more deductions.

When tax avoidance becomes an advertising gimmick, something fundamental has happened. Taxes are now so complicated and income sheltering so widespread that its incidental, almost casual promotion seems routine and respectable. There is a subtle corruption in public morals; tax avoidance easily blurs into tax evasion. Tax time increasingly becomes an exercise in national shoplifting.

Evidence of public cynicism is rising. Once considered among the fairest of taxes, the federal income tax is now judged "least fair" by more of the public (36 per cent) than any other. The Internal Revenue Service recently reported that exaggerated deductions, underreported income and unfiled returns have all increased faster than personal income. At best, the system of willing compliance is fraying at the edges.

The underlying reasons are simple enough. The rise in over-all tax burdens has made income sheltering and tax evasion more attractive. Between 1965 and 1980, the marginal tax rate (that is, the rate on the last dollar of income) rose from 17 to 24 per cent for a family of four at the median income (about $21,000 in 1980). The rate for those with double the median income jumped from 22 to 43 per cent.

Cosby's calculator knows what to make of this. For each new $1 deduction, the median family saves about 25 cents in taxes and higher-income families nearly twice that. Higher rates have equally affected politics and business. Congress has increasingly riddled the tax code with new deductions, credits and exclusions. Businesses find that employees often prefer extra fringe benefits—generally not taxed—to larger salaries.

The resulting tax trap cannot but spawn public anger and resentment. The more complicated the tax system becomes, the more public mystification increases. The idea of the government's walking away from this problem is offensive, and yet that's what the IRS contemplates. Citing budget pressures, it's proposing to end its toll-free service for general tax questions, which handled 25 million calls in 1981.

But curiously, the better the public understands today's complicated tax system, the more cynical it may become. More complexities mean more opportunities to avoid or evade taxes; the arbitrariness of some tax preferences invites abuse. This puts the IRS in the awkward position of telling people not only how to comply with the law but also how to get around it.

The Texas Instruments commercial is but one sign of pervasive cynicism. "Super Tax Loophole," reads an advertisement in a recent issue of Mainliner, a magazine put out by United Air Lines Inc. The latest Barron's runs an article on how to pick tax shelters that the IRS won't audit. A recent advertisement in the Washington Post urges readers to incorporate as a way to minimize taxes.

To appreciate the full flavor of these appeals, listen to some audio cassettes made as a part of an Amway Corp. solicitation for independent sales distributors. One recording—which the parent company disavows and says was made by an independent local distributor—features a doctor.

"The tax advantages are so significant that I just don't see how any professional person can possibly pass [Amway] up," he says. "I don't know any other business you can really get into that takes no real investment and [has] the possibility of writing off 100 percent of two automobiles, a mobile home, a plane—and all your travel and all your entertainment and a cleaning lady and maid."

Another tape features a man, purporting to be an ex-IRS agent, who touts Amway as a way of "converting . . . personal expenses into business deductions." An Amway distributor, he says, can make his house a "place of business." Therefore, he concludes, commuting between home and work (two "principal places of business") can be deductible, as long as the taxpayer does some Amway work in the morning and evening.

"You can listen to a cassette tape for training," he says, "you can look at one piece of paper and check it for accuracy, you can make a call to someone you know. . . . It doesn't say you have to be doing a lot, just doing something."

The point here is not whether these deductions are legitimate (they may or may not be), but the inherently corrupting nature of tax avoidance. People and corporations do things more for their tax consequences, less for personal satisfaction or normal economic gain. Such activities feed on themselves. As they become better understood, anyone who doesn't take advantage is considered a sucker and a fool.

Reducing tax rates might arrest this vicious circle. Even if the total tax burden remains high (as it surely will), today's rates could be lowered considerably by eliminating many deductions, credits and income exclusions. The top rate could probably be dropped to between 20 and 30 percent, making remaining shelter activities far less attractive.

But the difficulty of doing this lies in the tax system's complexity. The system has now created so many vested interests that almost any effort to remold it would encounter immense political opposition. Everyone favors simple taxes with low rates until the implications of such a system become clear.

The implications are that popular tax preferences would have to go. Propose eliminating the deductibility of interest on mortgage and consumer loans (1982 revenue loss: $33 billion), and homeowners and real estate groups would scream. Unions and insurance companies jealously guard the exclusion of employer-paid health insurance from workers' income (1982 loss: $21 billion). Churches would yipe at any threat to charitable contributions (1982 loss: $11 billion).

So this is the tax trap. Technicians could easily devise ways to ease the pain of abrupt change, but that's not the problem. What matters is politics, and no major politician has yet seen the wisdom of assaulting this amalgam of interest groups. The public as a whole may be dissatisfied with the status quo, but the public defends it through all its special interests.●

POLICY PROPOSALS FOR OUTFITTERS AND GUIDES

● Mr. BAUCUS. Mr. President, during a recent trip home, I had the opportunity to attend the annual meeting of the Montana Outfitters and Guides Association. By and large, members of this organization are part of an increasingly endangered species—small businessmen.

But in addition to the economic troubles facing small businessmen these days, Montana's outfitters and guides face additional concern—a USDA Forest Service policy analysis that could spell serious trouble for their industry.

The Forest Service is considering changes in the fee structure for outfitters and guides. One option is to abandon the "service day" fee in favor of a fee based on the permittee's gross revenue. Competitive bidding is also being considered.

Of even greater concern are the proposals being examined for awarding permits. These include selecting permittees by lottery, giving performance to current permittees with satisfactory performance or by using a bidding process.

Other policies being reviewed affect the transfer of permits when an outfitter's business is sold and the problem of unlicensed or "rogue" outfitters.

Montanans' are not pleased with these proposals. As one outfitter from Columbia Falls, Mont., wrote me:

Frankly, I am scared.

I'm scared the government will follow through on this proposal and implement the bidding process. I'm scared that someone or some corporation will come along and clamber over our backs—utilizing the experience we've paid for so dearly—and out bid us for our permit. . . . I'm scared I'll not be able to turn a life's work over to a son who will have earned every right to it; or I'm scared I'll not be able to convey our business to a willing buyer at the end of our life should our son decide to go on with his life in another endeavor.

The concerns of this outfitter and many others like him throughout the West deserve careful attention. Outfitters and guides are extremely important to the outdoor recreation industry. By providing services such as hunting and fishing trips, horseback rides, river running, hiking and cross country skiing, these businessmen generate millions of dollars of revenue in local economies throughout the nation. Furthermore, they provide a valuable service in making our public lands more accessible and usable to their owners—the American people.

The Forest Service is to be commended for its effort to inform outfitters and other interested parties of their thinking on issues such as the collection of fees and the issuance of permits for the outfitting industry. Certainly some changes in current policy may be in order. However, at a time when Congress is allowing billions of dollars to pour into the coffers of major corporations through provisions like "safe harbor leasing," I don't have the heart to wring more money from Mom-and-Pop outfitting services.

The outfitters and guides with whom I have spoken are willing to pay a reasonable fee for the use of the trails, campsites, and rivers in national forests, all renewable resources. The real threat to their enterprises is the proposal for competitive bidding for the award of permits. Besides being complex and cumbersome to administer, this system raises the threat that large corporations—with massive resources—will bid family-operated services out of existence. While the revenues to the Government might be enhanced, the quality of service to the public and the tradition of family owned businesses will pay the price.

In a letter to Deputy Chief R. W. Housley, Mr. Duane Neal of the Montana Outfitters and Guides Association made a number of points which deserve review. They are:

1. The outfitters must be assured that their businesses will be transferable, and that the value of their business upon transfer can take into account the good-will value as established between a willing buyer and a willing seller.

2. The outfitters must be assured that upon transfer of their business to another outfitter who is determined to be reputable by the managing agency, the sellers permit to operate will be transferred by the managing agency to the buyer.

3. The outfitters must be assured that they will be able to renew their permits so long as they continue to provide a satisfactory and safe service to the public. Existing outfitters with historically good performance shall be granted a preferential right of renewal.

4. The term of the permits issued to the outfitters should be extended from the existing one year to a five or ten year permit.

5. New applicants shall be awarded any special use permit that has been revoked, not used, or that otherwise becomes available for issuance. This also encompasses new special use permits when authorized by the managing agency after consultation with the proper state agencies and appropriate outfitter bodies. New special use permits would be awarded to new applicants by the following methods:

(a) An outfitter with an existing permit for an operation in a congested area will have preference for another available location.

(b) Outfitter permittees with small operations may be allowed to expand to a more efficient size if outfitted public needs warrant, but only after each situation is thoroughly analyzed by the aforementioned agencies and outfitter bodies.

(c) If there is more than one qualified applicant, then a simple drawing could be used.

6. Fees connected with the special use permits; the day use fee is the fairest and easiest to administer. We recommend its continued use.

Who is considering these policies? Forest Service?

As consideration of Forest Service policies continues, I am hopeful that careful attention will be given to these concerns. Increasing Federal revenues may be simpler to quantify, but lets not lose the incalcuable benefits of family involvement in outfitting and guiding on our public lands, public safety, and the quality of the outdoor experience.●

THE DEFENSE BUDGET DEBATE

● Mr. GOLDWATER. Mr. President, with all of the sound and fury being expended in the defense budget debate, there has been little if any real light shed on the problems we face. Unfortunately, those who would deny Soviet military superiority and the unilateral disarmers get much more publicity than their numbers warrant. A recent example of this is a Brookings Institution study about setting our national priorities. While I am the first to admit that the DOD budget contains waste which must be eliminated, the Brookings call for a meat-ax approach flies in the face of reality and logic. In a recent article, Assistant Secretary of the Air Force Tidal McCoy, in a rebuttal to the Brookings study, put some perspective on the dollars and sense issues facing us. As Secretary McCoy rightfully points out:

Since 1962 per capita defense spending increased 1.2 percent while transfer payments [i.e. social programs] have increased 214 percent. . . . [and] Americans spent 829 percent of the GNP on defense during the 1950's and 1960's. [While] the apex of the Reagan plan will only account for 7 percent of the GNP.

Mr. President. because this article is so pertinent to the budget debate we find ourselves in. I ask that this entire article be printed in the RECORD.

The article follows:

[From the Baltimore Sun, May 1, 1982]

A PREEMPTIVE STRIKE BY BROOKINGS?

Editor: With congressional debate on the defense authorization bill about to begin, the Brookings Institution release of "setting National Priorities," and media coverage of its criticism of the Reagan defense program, focuses on the issue of national defense at a crucial juncture.

Brookings' sense of timing to achieve maximum effect could not have been better. It is unfortunate, however, that there has been so much publicity for a document not yet published and available to the administration, Congress and the public for examination.

Dr. William Kaufman appears to have forgotten some history and his perceptions of the menace from the growing threat since his days in the Pentagon in 1977. In one section of the FY78 Defense Report, which he authored, the report said, "The principal cause of international instability lies. . . in the Soviet Union with its combination of beliefs and military power—and there is no pretending to the contrary."

That same report said, "Self restraint in the expectation that we will follow their example has not been a part of their doctrine or their pattern. Neither has reciprocity on their part for restraint in ours. Western weaknesses and irresolution are not examples the Soviets are likely to emulate but an opportunity to seize."

That report also clearly supported both the MX and the "acute" need for the B-1. Now, according to the Brookings report, the B-1 is obsolete.

We must be ready by the mid-1980's to meet the escalating Soviet threat. One does not fix 12 years of neglect with a slow-measured response—given the reality of Soviet preparations.

We have to catch up on some areas quickly—and then maintain that measured response. Dr. Kaufman's approach seems to be basically that all one has to do if one doesn't like the threat is to redefine it, by advocating cancellation of the B-1, he is also clearly a proponent of the technological

end-run school. That is, don't build anything, but continue research and development which will give us vaulting superiority over the Soviets—on the drawing boards and with prototypes.

Paper weapons systems don't deter anyone. In 1953, when funding the Air Force's "new" B-52 bomber, Congress noted that this would be an "interim" aircraft designed to fill the gap between the B-47 and the B-58 which was then on the drawing boards. We will soon celebrate the 30th anniversary of the first flight of that "stopgap" bomber while Congress discusses whether to fund the B-1 or wait for the advanced technology bomber.

Professor Kaufman's recommendation that the U.S. rely on fast ships, rather than buy additional airlift, conveniently forgets the lessons of our convoy experience in the Atlantic during the early part of WWII and the value of airlift so convincingly demonstrated during the Yom Kippur War of 1973.

Moreover, we can't count on convoys arriving safely if we fail to increase the Navy. Nonetheless, the Brookings report recommends not building a fully capable Navy. Airlift and sealift are complementary—we need both, particularly in view of possibly very short warning times for the next conflict.

Dr. Kaufman also implies the nation cannot afford the current build-up. In 1960, Air Force spending was twice as great as what Americans spent on alcohol. By 1976, annual spending on alcohol exceeded Air Force spending. Americans spent more on soft drinks in 1981 than the Air Force spent on missiles and aircraft.

Since 1962 per capita defense spending, in constant dollars, increased 1.2 percent while transfer payments (income security, health care, education, training, social services, etc.) have increased some 214 percent. At the same time in 1969 the U.S. accounted for 34.5 per cent (height of Vietnam involvement) and the Soviet Union for 28.1 percent of total world military spending. By 1978, Soviet military spending accounted for 32 percent of the world total and the U.S. share declined to 22.6 percent.

Americans spent 8 to 9 percent of the GNP on defense during the 1950s and 1960s. The apex of the Reagan plan will only account for 7 percent of the GNP.

By any measure, the Reagan program is achievable, affordable and vital to the security of this great nation during the perilous 1980s. To argue otherwise is to rationalize imprudent risk.

TIDAL W. MCCOY.●

RUTH COHEN, CONNECTICUT SMALL BUSINESS PERSON OF THE YEAR

● Mr. WEICKER. Mr. President, I rise today to commend and congratulate a woman of skill, intelligence, determination, and courage. I refer to Ruth Cohen of Norwalk, Conn., who has been named Connecticut's "Small Business Person of the Year."

In awarding this honor to Ruth, the Small Business Administration has made a wise decision. Indeed, I find it hard to think of anyone who more completely epitomizes the small business spirit and drive than Ruth Cohen.

Mrs. Cohen did not start out to be a successful small business owner, or in fact, any small business owner. Prior to 1974, she was a journalist and, by her own admission, "couldn't care less" about her husband's fledgling company, Airpot, Inc.

But in 1974, her life changed. When her husband died of a sudden heart attack, she found herself alone, no longer a free-lance journalist and the wife of a small businessman, but the owner and president of a 9-month-old company.

Even the most hardened and experienced businessperson could be expected to have some second, and even third, thoughts about tackling a struggling young company, just getting off the ground. Certainly, no one would have blamed Ruth—who knew nothing about running a business—if she had backed away from the prospect.

But if Ruth felt any intimidation at plunging into this unknown area, she did not let it show. Instead, she accepted the challenge head on, enrolling in an accounting class at a local college, and studying bookkeeping. In between, she talked to just about everyone she knew who worked with businesses—large and small—to get their ideas and advice.

Always an active participant in local and community affairs, Ruth drew on the management skills she had learned as head of the PTA and League of Women Voters. These, coupled with the marketing and promotional techniques she acquired in her work as a writer, and the financial management experience she gained from handling the family finances, gave her a solid base to start from as she entered this new phase in her life.

Airpot, Inc., had not just lost its president when Arthur Cohen died. A successful engineer and designer of high technology components before starting Airpot, Inc., he had served as the company's chief engineer and business manager as well. Showing the kind of decisiveness which would become her trademark in the months ahead, Ruth turned the engineering end of the company over to a qualified engineer familiar with the Airpot, thus freeing her to concentrate on the business and marketing end of the business.

Within a year, Ruth had taken charge, bringing new promotional techniques to the company, and imprinting her own style and form of management on the Airpot Corp. Despite the recession which was then ongoing, the company flourished under Ruth's stewardship and aggressive marketing techniques.

Today, almost 8 years after Ruth was thrust headlong into this unknown and unfamiliar world, Airpot, Inc., is a solid success. The work force, which stood at 10 when she entered the firm, has tripled, and sales have been increased by 700 percent. In 1976, the company began exporting, and now has numerous orders from Japan, Canada, and Western Europe.

But if the company has flourished in the past 8 years, so has its new owner. Formerly bored by small business, Ruth now calls it "The most exciting thing I've ever done." As a result, she has become one of its leading champions and foremost spokespersons, both on a State and national level.

Despite the demands of her business, Ruth now allocates at least 10 to 15 hours a week for small business advocacy efforts. A member of the Connecticut delegation to the White House Conference on Small Business, she now sits on numerous small business task forces, including, I am proud to say, my own.

She is a member of the board of directors of the Connecticut Business & Industry Association, as well as a member of their Small Business Advisory Council. She is on the task force of Gov. William O'Neill, Congressman STEWART MCKINNEY, Connecticut Speaker of the House Ernest Abate, and State Director of Economic Development John Carson.

If that were not enough, she also sits on the National Small Business Advisory Group of the Financial Accounting Standard Advisory Council and is Cochairman of the Fourth Congressional District's Small Business Grassroots Group. She is a member of both the Norwalk Chamber of Commerce and SACIA's Small Business Council.

Finally, Mrs. Cohen this year served as vice chairman of the Connecticut Conference on Small Business.

Mr. President, I can think of no finer example of the kind of ingenuity, perseverance, dedication, and drive that make our small businesses great than the one presented by Ruth Cohen. Where there were challenges, she met them with optimism, determination, and a practical tough mindedness. Where there were trials, she handled them with a characteristic frankness and indefatigability. Most important, she never quit.

As I said at the beginning of my statement, I want to commend Ruth and to congratulate her for being awarded this honor. And I also want to thank her for showing us all what the old-fashioned virtues of hard work and gutsy determination can accomplish. Ruth Cohen's example should be an inspiration to us all. She is a credit to the small business community, to the State of Connecticut, and is justly deserving of the title of "Small Business Person of the Year."●

THE WISE USE OF CONSUMER CREDIT

● Mr. DANFORTH. Mr. President, the wise use of consumer credit is im-

portant to every American household. We are all aware of the dramatic changes that are occurring in the financial options available to savers and to users of consumer credit. In coming years, the importance and the complexity of the decisions made by Americans in this area will increase, not diminish.

The efforts of the Missouri Consumer Credit Association-Education Foundation are doing a great deal to expand the knowledge in the hands of future users of credit—our high school students. As part of its program, the foundation sponsors an annual essay contest for high school seniors. The purpose of the contest is to enhance the students' understanding of consumer credit issues.

The first-place winner of this year's contest is Stacye Black of Springfield, Mo. My congratulations go to Ms. Black, to her family, and to her teachers on a job well done.

Ms. Black's essay reflects the serious thought and research devoted to her topic. Her observations on the importance of consumer credit to American households and to our economy merit attention. I ask that her essay be printed in the RECORD.

Ms. Black's essay follows:

THE WISE USE OF CREDIT

(By Stacye Black)

"The American market place is an economic jungle."[1] If you don't know the rules of survival, you will quickly become the prey of other animals. You can easily fall into traps if you aren't careful where you step, and if you aren't trained at an early age to understand the rules and heed them, you may be destroyed. The use of consumer credit is very similar to a jungle. Managing your family money, knowing when to use credit, developing an understanding of credit, and dealing with reputable firms is vital to your flourishing in the jungle.

The first thing you should do after you have decided that you want or need credit is to search for a reputable establishment. You should always deal with well-established firms. Trying to save a little money by going to an unknown firm may end up costing you a lot more. Before signing any contracts, make sure that you know the exact amount of finance charge, percentage rate, and all other costs. Make sure that all blanks are filled and that you understand all terms and conditions. Once you sign that contract, you have made a promise to pay under those agreements. Keeping to those agreements is your job, and remember, your performance now will affect your credit rating later.

Before borrowing money or starting any kind of credit account, there are certain factors one should consider. Whether you are trying to establish a good credit rating, saving money for an emergency, or just for the convenience of a charge account, you need to decide if the extra cost involved is worth it. If so, you need to choose the type of credit which will suit your needs and your ability to pay. It is important that you remember to shop just as carefully with credit as you would with cash. Making a budget before you borrow or start any type of credit account is extremely important. One should include durable and nondurable goods, an emergency fund, and some money for savings. Don't contract for larger payments than your budgeted income will permit. Depending upon the size of the family, limiting total credit to fifteen to twenty percent of the take-home pay would be a good idea. You should be careful not to overburden yourself so as not to damage your credit rating.

For a good credit rating, promptness in payment is essential. Pay credit card bills immediately, department store charge accounts by the tenth of the month, and other debts as soon as possible, preferably before the second notice. Third or fourth reminders mark you as a doubtful case, and a telephone call to prod you is a black mark against you. If you have more than one account, you should keep close track so that you won't accidentally fall into debt. If for any reason you cannot meet your payments, you should contact the credit granter immediately. Remember, honesty is the best policy. Establishing a good employment record is another important factor in achieving a good credit record. Your past performance will determine the rating you receive, and only you can create that rating.

The right to receive credit must be earned. "However gradual may be the growth of confidence, that of credit requires still more time to arrive at maturity."[2] It takes time to establish a good credit rating, but it is vital to one's financial status. Your credit record follows you throughout your life. You will be judged by the type of rating you have created for yourself. Unquestioned credit can bring a continuous flow of good things to you. A good credit rating will bring satisfaction and security for your family and will never depreciate by use; therefore, it will always be helpful. "A good reputation is more valuable than money."[3]

If you use your credit wisely, it can be of great importance and value to you. The rising costs of durable goods makes it almost impossible for a family to buy these things without some type of credit. However, if your credit is used unwisely, you may find yourself with more bills than funds.

The wise use of consumer credit benefits not only individuals, but our entire nation. Consumer credit stimulates and helps support the American economy. It serves to maintain a balance between production, distribution, and consumption. Since consumer credit is an important part of our everyday lives, we need to work on developing the use of credit wisely and its many functions in today's world. With this accomplished we all can flourish in this economic jungle.●

[1] Sylvia Porter, "Sylvia Porter's Money Book," (Garden City, N.Y., Doubleday & Co., Inc., 1975), Forward.

[2] John Bartlett, "Familiar Quotations," XV (Boston, Mass., Little, Brown, and Co., Inc., 1980), p. 502:8.

[3] John Bartlett, p. 110:19.

SMALL BUSINESS WEEK

● Mr. BOREN. Mr. President, I am pleased to join with my colleagues this week in honoring the men and women who are classified as engaging in small business. As you know, May 9 through 15 this week has been designated by Presidential order as Small Business Week.

Small business is the backbone of the American economy. The statistics proving this statement are well known. Small business employs nearly half of all the nongovernment labor force in the United States. Significantly, close to 80 percent of all new jobs are created in firms with less than 50 employees. Small business firms comprise 38 percent of the GNP of the United States. As further evidence of the pervasiveness of small business, I would note that there are some 10,000 corporations in the United States with more than 500 employees; but there are 14 million business operations in this country with less than 500 employees. It is certainly fitting that we set aside a week to honor the achievements of this outstanding group of Americans.

But, Mr. President, while we pay tribute to these men and women this week, we must also rededicate ourselves to keeping the problem they face before us during the other 51 weeks of the year. Particularly as we deliberate the various factors involved in our current economic crisis, this is true. In deliberations on the budget, in discussing the Federal Reserve Board and its monetary policies, in evaluating the various proposals from the administration, and in our search for the proper signals to send to the private money markets, we must pause and ask ourselves how all of this affects small business.

One of the most devastating statistics in an economy which abounds with bad news is the number of small business firms which are going bankrupt each week, in record numbers. Included in the latest information I have received is that business failures as of April 30, 1981, totaled just over 5,000. This year, during the same period, business failures have totaled 7,599. The average week in 1981 saw 348 businesses go bankrupt. The weekly average this year is 474. While I recognize that not all of those failures fall under the heading of "small businesses," the vast majority of them do.

Mr. President, we simply cannot allow this to continue. Interest rates must come down, and there is no better time to rededicate ourselves to that purpose than during Small Business Week. Therefore, Mr. President, I salute these enterprising men and women during this, their week of recognition. I pledge to them my efforts, not just this week, but every week, to find solutions that will ease the tremendous financial burdens under which they now find themselves.●

S. 1501, TRANSFER OF THE SILVER FOX MINE

● Mr. MURKOWSKI. Mr. President, the Committee on Energy and Natural Resources considered S. 1501, the Educational Mining Act of 1982. The bill

would convey approximately 60 acres near Fairbanks, Alaska, to the University of Alaska.

S. 1501 would provide for a beneficial conveyance of lands under Federal jurisdiction for a true life learning experience to compliment the university's program in mining engineering and geological engineering. The conveyance of these lands will coordinate with the transfer of an additional 445 acres to the State of Alaska. These lands originally were subject to the valid mining claims of Mr. Turry Anderson, a well-know Alaskan miner. It is the desire of Mr. Anderson and the University of Alaska that these lands will provide for a better educational opportunity and a more complete learning center for mine engineering.

This is not a new concept, and Congress has acted favorably on legislation of this sort in the past. The University of New Mexico, the Colorado School of Mines, and Michigan Tech have all been beneficiaries of this type of conveyance. It has greatly enhanced their ability to have comprehensive educational programs.

I joined with my colleague from Alaska, Senator STEVENS, in sponsoring this legislation earlier this year. However, it was also introduced during the 96th Congress and was favorably reviewed by the Department of the Interior Bureau of Land Management. This administration has also favorably reviewed this legislation.

The bill, would enhance the University of Alaska's program. The legislation is consistent with congressional actions in the past. Therefore, I am hopeful we can expeditiously move S. 1501 so we can resolve this issue.●

CIVIL RIGHTS ATTORNEYS' FEES

● Mr. HATCH. Mr. President, on April 22, 1982, the Subcommittee on the Constitution reported S. 585 favorably to the Judiciary Committee with amendments. At the subcommittee markup I offered a substitute amendment which was accepted. Because of the critical and sensitive nature of this legislation, I want to take this opportunity to carefully explain the changes I have made. The liability of State and local governments under 42 U.S.C. 1983 and 42 U.S.C. 1988 has increased drastically in recent years. In my opinion, many of these added burdens do little to protect civil rights but do result in a greatly lessened ability of State and local governments to serve the public. The first part of this amendment provides municipalities with a good faith defense in section 1983 actions. In my statement on S. 585, CONGRESSIONAL RECORD, February 26, 1981, page 3190, I explained why I feel that a good faith defense for municipalities is so important. The 4 days of hearings which I conducted, as chairman of the Constitution Subcommittee, confirmed for me the necessity of this legislation.

During those hearings to consider the extent of State and local government liability under section 1983, virtually every witness discussed attorneys' fees as a major component of that liability. State and local government witnesses testified that high fee awards were unduly burdensome on already strained public treasuries and provided incentive for the bringing of highly questionable or frivolous suits which were costly for the Government unit to simply defend itself against. On March 1 the Subcommittee on the Constitution held a hearing specifically on the awarding of attorneys' fees under section 1988. As a result of these hearings I proposed some amendments to section 1988 which would modify the awarding of attorneys' fees to reduce the burden on State and local governments while maintaining the original purpose of the fee award—to aid poor people in asserting their constitutional rights.

PURPOSE OF THE FEES ACT

The Civil Rights Attorneys' Fees Awards Act of 1976, now codified in 42 U.S.C. 1988, was enacted for the laudatory goal of providing poor people with the opportunity to attract competent counsel to remedy violations of their constitutional rights. The Fees Act provides that the prevailing party will be awarded reasonable attorneys' fees in actions under several civil rights statutes, the most important of which is 42 U.S.C. 1983. Suits brought under section 1983 have dramatically increased in recent years and now represent a substantial portion of the suits brought in Federal Courts. But the damage awards recovered by prevailing plaintiffs in these cases are often not enough to attract an attorney on a contingent fee basis, and often the plaintiffs are poor. Thus, the 1976 Fees Act was intended by Congress to increase the enforcement of individual civil rights by providing incentive for attorneys to represent individuals who otherwise could not afford to pay for the attorney's services in these civil rights suits. I applaud the overall goal of the Fees Act, and I feel that in the years since its enactment it has aided many impecunious individuals in enforcing their civil rights. To that extent, the Fees Act has been very beneficial.

CRITICISMS OF THE APPLICATION OF THE FEES ACT

However, the application of the Fees Act has not been without substantial criticism, and I believe much of this criticism is warranted. Justice Sandra D. O'Connor, before she became a member of the Supreme Court, wrote in a William and Mary Law Review article that the burden of section 1983 litigation could be beneficially reduced,

> By limiting or disallowing recovery of attorney's fees. Such a move—
>
> She said—
>
> Would be welcomed by State courts, as well as State legislatures and executive officers.

I am aware of several State attorneys general, who are usually considered quite liberal, but who have expressed the view that the Fees Act has resulted in such burdens and inequities that it should be repealed. Virtually all of the State and local government organizations have called for changes in the way attorneys' fees are awarded under section 1988. Many local government officials to whom I have spoken have expressed concern about the substantial fee awards they have already paid, the increasing amounts of money that are being diverted from public services to legal defense, and their view that a number of these suits are simply being brought to collect attorneys' fees.

A few examples of some fee awards and results of the Fees Act will help in understanding the concern over the Fees Act. For example, according to a committee report by the Lawyers' Committee for Civil Rights Under Law—Report No. 39, October 1980—courts are increasingly applying a "multiplier" or "bonus" after determining a "lodestar" amount by multiplying the hours spent by a reasonable hourly rate in determining the amount of the fee award. In *Keith* v. *Volpe,* 86 F.R.D. 565 (C.D. Cal. 1980), the court applied a multiplier of 3.5 to reasonable hourly rates of from $25 to $117.50, for effective hourly rates of from $87.50 to $411.25. In another case listed by the report hourly rates of from $50 to $75 were doubled, for effective hourly rates of from $100 to $150. In *Copeland* v. *Marshall,* 594 F. 2d 244 (1978) (a non-1983 sex discrimination suit), a large Washington, D.C., law firm, who had appeared pro bono, received attorneys' fees of $160,000 where they obtained $33,000 in back pay. The Dissent characterized the majority's fee computation as being "up, up, and away."

In *Regina* v. *Dalsheim* (S.D. N.Y. 78 Civ. 1677), the court rejected the prisoner's numerous challenges to the condition of the prison hosptial. The court did direct the prison to install an electric buzzer over the prisoner's bed, and, in light of that relief, the court awarded $13,383.22 in attorneys' fees. In *Oniskor, Logan and Dock* v. *Milliken,* No. C-79-0142, U.S.D.C., Utah 1980, each of three mentally ill prison inmates received $500 while their three lawyers received approximately $22,000 in fees. According to the attorney general of Utah, David Wilkinson, in one case 45 hours of editing and proofreading were compensated at approximately $75 per hour, and in one

case even the dog kennel expenses of one expert witness were compensated.

Many State and local government officials are upset because courts routinely award fees to organizations which are already publicly funded, and thus taxpayer funds are being used to pay such organizations twice to do the same thing—that is, represent poor people who cannot afford legal counsel. But the ultimate twist occurred in the case of the *Seattle School District* v. *State of Washington*, CA 9 No. 79-4643, where a municipal corporation of the State of Washington brought a successful action against the State. The district court refused to grant them fees, reasoning that the litigation had already been publicly funded, but the ninth circuit reversed and awarded attorneys' fees to the school district. Thus, this litigation will be funded three times out of the public treasury: Once to support the school district, once to support the State, and once more to pay attorneys' fees to the school district's attorneys.

I will discuss some of the other criticisms States and municipalities have with the application of the Fees Act when I describe my proposed amendments, but I would like to mention an exchange during a recent oral argument before the Supreme Court in *Parrat* v. *Taylor* (argued Mar. 2, 1981) in which several Justices seemed to recognize the claim being made by State and local officials that many of these suits are simply being undertaken to collect attorneys' fees. In that case, a prisoner sued under section 1983 because a prison had lost a hobby kit of his valued at $22.50. Justice Stevens inquired why the plaintiff had sued under section 1983 and had come all the way to the Supreme Court when remedies existed under State law which would have easily returned his $22.50. Plaintiff's counsel replied that he could not have gotten a jury trial. Justice Stevens countered by asking if he really needed a jury trial and was it not something else, namely, attorney's fees. Plaintiff's counsel responded that that might have entered into the decision. Justice Marshall stated that the only difference, then, between what he could recover under section 1983 and the State procedure was attorney's fees.

AVAILABLE STATISTICS

Over the last several years there has been an explosion of civil rights suits and, in particular, civil rights suits brought under section 1983. In 1961, according to the administrative office of the U.S. courts, 270 civil rights cases were brought in Federal courts. This figure and those following exclude cases in which the United States was a party. Unfortunately, statistics are not available on specifically the number of section 1983 cases brought in Federal courts, but, in practice, the vast majority of these cases are suits against State and local governments, virtually all of which allege a section 1983 claim. By 1976 the number of these suits had leaped to 10,585; in addition, 6,958 State prisoners suits were brought—all of which would be section 1983 suits; habeas corpus suits are not included in this figure. During 1981 the number of civil rights suits brought in Federal court had increased to 13,534, plus 15,639 State prisoners suits. Between 1976 and 1981 the number of civil rights suits brought in Federal court—still excluding suits in which the United States was a party—per year increased from 17,543 to 29,173, a 66 percent increase.

Thus, a very conservative estimate would indicate that 23,000 suits were brought alleging section 1983 claims against State and local governments or officials in 1981 alone. Some would estimate the number to be closer to 26,000. An extremely large amount of taxpayer money must be spent to merely defend States and municipalities in these suits. If the plaintiffs prevail in any substantial portion of these suits, the cost to the public treasuries of our States and local governments for the payment of attorneys' fees awards pursuant to the Fees Act will be tremendous. From these figures alone it is obvious, particularly in light of the strained financial condition of many States and localities, that we cannot afford to encourage the bringing of questionable suits or burden public treasuries by overcompensating attorneys bringing these cases.

The National Association of Attorneys General submitted a survey to the Constitution Subcommittee which demonstrates the impact of the Fees Act. While States have generally not kept statistics on Fees Act awards and many of the States could not afford to divert the resources needed to respond to the survey, the data for the States which were able to respond to the survey, is typical of the experience of the other States, according to the National Association of Attorneys General. It should be kept in mind that these figures only represent Fees Act cases against States; they do not include the numerous suits which may have been brought against municipalities within the State. The following are some of the findings of the survey:

Ohio has over 600 Fees Act cases pending against it. In addition, Ohio has paid over $270,000 in attorneys' fees under the Fees Act.

The State of Washington has over 95 cases pending against it and has paid over $400,000 in attorneys' fees. Also, Washington reports that it is facing pending fee requests potentially exceeding $4,500,000.

New York has currently pending fees requests exceeding $2,000,000.

Massachusetts has paid over $400,000 in attorneys' fees.

Hawaii reports it has paid $428,000 in attorneys' fees and $15,386,000 in program costs as a result of judgments.

Florida has paid $778,090 in attorneys' fees while it only paid $211,042 in damages during the same period. In other words, the State of Florida has paid 269 percent more in fees to the lawyer than it has in damages to the individual harmed by the Government conduct.

Tennessee has over 200 cases pending against it and estimates litigation costs exceeding $1,000,000 in two cases only.

Again, according to the National Association of Attorneys General, the experience of these States is typical of the other States.

A survey by the National Institute of Municipal Law Officers gives some sense of the liability municipalities are facing from section 1983 litigation. The survey revealed that there were over $4.78 billion in pending damage claims under section 1983 against a sampling of 200 cities. This figure is somewhat misleading since damage claims are generally greatly inflated, but even if an extremely small percentage of the damages claimed were awarded and if this was extended to the approximately 17,000 cities nationwide, the financial liability is tremendous. NIMLO's figures did not include attorneys' fees, which are often higher than the damage award.

Some opponents of changes in the Fees Act have suggested that a study be undertaken to determine whether the Fees Act is creating a burden for State and local governments. In my opinion, the available statistics—not to mention the expressed concerns of numerous State and local government officials—establish that the current application of the Fees Act is resulting in substantial burdens, some of which are not necessary to fulfill the basic purposes of the Fees Act. In any event, the amendments I am proposing, as I will show, are reasonable and necessary improvements on the awarding of fees under section 1988.

PROPOSED AMENDMENTS

There are approximately 100 statutes, like section 1988, which provide for fee shifting. But none of these other fee-shifting statutes involve such enormous numbers of suits, and in many of these other statutes the fees are not awarded out of public treasuries, as is the case with section 1988. Neither, to my knowledge, have these other fee-shifting statutes aroused the kind of opposition and concern that section 1988 has. For these reasons amendments modifying fee shifting under section 1988 are fully justified.

Before discussing the changes I am proposing, I want to clearly indicate what these provisions would not

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change: A prevailing plaintiff will still recover attorneys' fees which will compensate his attorney at the prevailing market rate, and no plaintiff need fear having to pay the other party's fees, even if he loses the case, as long as his claim is not frivolous or groundless. These amendments do not by any means drastically change the awarding of attorneys' fees under section 1988. In fact, several State and local government groups have suggested that these amendments should go much further than they do. These changes will only discourage the bringing of nonmeritorious claims or suits.

In my opinion, we will be doing ourselves a great disservice if this issue is framed in terms of being either for or against civil rights. Clearly, it is of utmost importance that individuals have a practical remedy for violations of their civil rights. If we were to pay attorneys incredible amounts of money to bring civil rights cases, we would insure that every conceivable civil rights complaint, and probably a lot that cannot be conceived, would be brought. But such a course would be also clearly not in the best interest of the taxpayers who fund these fee awards and would be very detrimental to the ability of State and local governments to serve the public.

As was stated repeatedly in the Senate floor debates, the purpose of the Fees Act was not to create a lucrative civil rights bar. The purpose was to enable poor persons to assert their constitutional rights by providing reasonable attorneys' fees if they won the case.

THE DUAL STANDARD

Subsection (a) of this amendment deals with the standard to be used to determine whether the prevailing party should recover fees. The language of section 1988 makes no distinction between prevailing defendants and prevailing plaintiffs; however, the legislative history of the Fees Act makes it clear that the so-called dual standard is to apply. The dual standard provides that plaintiffs are to be routinely awarded fees when they prevail, but the defendants are not to recover fees when they win, according to the House report,

"if the action is not brought in bad faith.—H. Rept. 94-1558, 7 (1976).

The dual standard, particularly with the incredible number of lawyers in our country today, creates a tremendous incentive to bring these suits: the lawyer knows that if he can prevail on any part of his claim, he will be awarded his attorney's fees and possibly a bonus on top of that. According to testimony at the hearings which I chaired, this situation is resulting in numerous frivolous and questionable suits being brought which are costly to defend against even when the government wins. In a letter to the Constitution Subcommittee, the attorney general of Louisiana stated that:

Frivolous lawsuits can be time consuming. Over 40 hours were spent obtaining a routine motion to dismiss in one of the latest instances of groundless litigation handled by this office.

Some State and local government officials have suggested that a fairer approach, and one which would deter frivolous suits, would be to allow plaintiffs and defendants to recover equally.

The legislative history of the 1976 Fees Act pointed out clearly, and correctly I think, the need for the dual standard: If the persons seeking to enforce their civil rights were faced with paying their opponents attorneys' fees if they simply did not win the case, the Fees Act would create a greater disincentive to bring these civil rights suits than the situation it attempted to remedy. The amendment that I am proposing would clarify that the standard enunciated by the Supreme Court in *Christiansburg Garment Co.* v. *Equal Employment Opportunity Commission,* 434 U.S. 412, was to apply to prevailing defendants in claims covered under section 1988. The Christiansburg Garment standard would provide some deterrent by forcing the plaintiffs to pay the defendant's attorneys' fees if the suit was frivolous or groundless. In fact, the standard has been applied in other civil rights fee statutes, and has been cited in some section 1988 cases, but I feel it is important that Congress make it clear that while meritorious civil rights suits are encouraged, those who would file frivolous suits at taxpayer's expenses do so at the risk of paying the other party's attorneys' fees. Two of the four witnesses on the civil rights/plaintiffs panel at the Constitution Subcommittee's March 1 hearing on attorneys' fees even agreed that this change was warranted.

THE USE OF PENDENT JURISDICTION

Subsection (b) modifies the awarding of fees where the plaintiff prevails on a claim not covered under section 1988 but there is a pendent claim covered under section 1988 which the court does not decide. The use of pendent jurisdiction allows creative attorney's to recover fees for claims not covered under section 1988 and turns section 1988 into a general fee-shifting statute.

Currently, when a plaintiff prevails on the basis of a claim which does not provide for attorneys' fees but is joined to a claim which is covered under section 1988, the plaintiff will recover fees for the entire suit despite the fact that the court did not reach the claim covered by section 1988 and despite the fact that the claim may have no merit. In these situations, the standard used to determine whether the section 1988 claim may be joined to a vaild State claim, for example, is that it is not "obviously frivolous" or "wholly insubstantial". Justice Rehnquist characterized this standard as permitting joinder of claims whenever the "plaintiff is able to plead his claim with a straight face." *Hagans* v. *Lavine,* 415 U.S. 528, 536-37 (1974).

In these situations the courts, following the sound judicial rule that constitutional questions should not be decided if the case can be resolved on other grounds, will decide the case on the valid State claim. Prof. Arthur Wolf, who was a special counsel to one of the leaders in the House's passage of the Fees Act, former Congressman Drinan, has written that joinder of claims—

Will provide the basis for applying the 1976 Fees Awards Act in an ever-widening circle of litigation, especially in those lawsuits where the defendants are persons acting under color of state law. It is not improbable to suggest that with a little bit of creative thinking many (and maybe most) suits involving state action will be covered by the Fees Act.—2 Western New England Law Review 193, 249.

I believe, despite a footnote in the House report to the contrary, that Congress did not intend, in enacting the Fees Act, to provide attorney's fees from the public treasury to creative attorneys in any suit against State or local governments regardless of whether it pertains to civil rights or not. Even if this was the intention of Congress in 1976, I believe this policy is unwise and should be changed. Some groups have suggested that his problem be corrected by providing that no fees may be awarded unless the plaintiff specifically prevails on the claim covered by section 1988. But that approach would hamper judicial economy in situations in which there was in fact a valid State or Federal claim not covered under section 1988 and a valid section 1988 claim, because the plaintiff would be likely to bring two separate actions to insure he recovered fees he was entitled to, or the court would have to decide a constitutional claim which was not necessary for it to decide.

The change I propose would direct the judge, in these situations, to make a determination as to whether it would have been rational to have brought the section 1988 claim as a separate suit. One court has, contrary to the legislative history of the Fees Act, denied fees in this situation, stating that,

This court sees no basis for awarding fees when the fee triggering statute plays no role but that of allowing attorney fees. *Tatro* v. *State of Texas,* 516 F. Supp. 968, 984 (N.D. Tex. 1981).

If the court determined that the claim covered under section 1988 had sufficient merit to have been reasonably brought as a separate suit, attorneys' fees will be awarded even though the plaintiff prevailed on a non-1988

claim. The judge would not have to determine whether the plaintiff prevailed on the section 1988 claim, and the decision would not require extensive analysis in the vast majority of cases. I want to emphasize that this proposal will not require the court to decide any additional constitutional questions.

While this amendment would require an additional determination by the court, I feel it is more than justified by the two alternatives—leaving the situation as it exists now or not allowing fees unless the court makes a final determination on the claim covered under section 1988. The latter course would probably severely hamper judicial economy, while the former is too burdensome on State and local governments. This proposal should not burden the plaintiff since he simply has to determine whether he is joining the section 1988 claim because it has merit or because he is trying to use it to collect fees.

ENCOURAGING SETTLEMENTS

Subsection (C) would deny fees to a party that has rejected a settlement offer which was as favorable to the party as the relief ultimately granted by the court. I have been told by plaintiffs' attorneys that State and local governments often refuse to settle, and thus drag out litigation, where it is clear that the government is in the wrong; on the other hand, defendants' attorneys have advised me that plaintiffs' counsel refuse to settle knowing they will be racking up attorneys' fees if they continue to litigate the case. Whichever of these views is correct, if either is, the settlement provision I have suggested would be beneficial to both parties. The provision would provide great incentive to the defendants to offer reasonable settlements to the plaintiffs, resulting in a quick and fair resolution of the dispute to the benefit of the plaintiff and resulting in a reduction of the terrible congestion that now exists in our courts. After accepting the settlement, the plaintiff would be considered to have prevailed in the action and the attorneys' fees for work up to that point would be awarded. State and local governments would know that if they offered a reasonable settlement they could protect themselves against large, and possibly crippling, fee judgments and could also protect themselves against attorneys who would try to run up the fees.

It has been argued that this proposal would place the entire risk upon the plaintiff's attorney and would "place the attorney and his client in a conflict—the attorney may feel compelled to encourage the plaintiff to accept a less than adequate settlement, rather than risk denial of fees for litigating to a judgment." But this argument ignores the fact that there presently exists a substantial risk and a conflict of interest for the plaintiff's attorney—presently the attorney can settle and receive his fees up to that point or he can go ahead with the suit and risk not winning and thus recover no fees. In addition, the argument fails to account for the present overly strong incentive which exists for defendants to settle these cases. As has been illustrated earlier, the fees in these cases often far exceed the damages awarded to the plaintiff. Robert Corbin, attorney general of Arizona, stated that:

> The potential burden of having to pay attorneys' fees often affects the states' or defendants' ability to litigate or defend a case fully in trial or on appeal. Therefore, it is not uncommon, in a close case, for the defendant to capitulate early in order to minimize the attorneys' fees liability.

While this amendment may increase the risk upon the attorney and the conflict with his client, the increase is a matter of degree and not of kind. Consideration by the attorney of his potential fee is currently injected throughout the litigation by the Fees Act itself. I feel that the benefits of the proposed settlement provision far outweigh the costs: First, the plaintiffs, often the forgotten figure in this issue, will get a quick resolution of his claim rather than having to wait possibly years; second, court congestion from these cases will be reduced and the notion that each of these disputes must go through the grossly inefficient process of full litigation will be lessened; third, local governments will be able to protect themselves from costly fee judgments; and fourth, the attorney will recover his fees for his efforts up to the settlement and can still recover fees for the entire suit should the defendant's offer not be reasonable and he later prevails.

In addition, the subcommittee further reduced the risk upon the plaintiff's attorney by providing the court some discretion to award fees anyway in these situations where it finds substantial justification for declining the settlement; for example, an intervening change in the law or the necessity to go through discovery might be rational reasons to reject an early settlement offer. This provision was an amendment offered by Senator DECONCINI and accepted by the subcommittee.

THE CATALYST THEORY

Currently a plaintiff will be held to be a prevailing party and entitled to recover fees even if the claim has been mooted if the court finds that the suit was a catalyst for the change of policy which rendered the claim moot. Subsection (d) would clarify that the pendency of the litigation had to be a material factor in the Government's decision to change the policy which moots the suit. This standard is, in fact, being currently applied by most courts. See, for example, *Morrison* v. *Ayoob*, 627 F.2d 669 (3d Cir. 1980), cert. denied, 449 U.S. 1102 (1981). But some courts' strong emphasis on chronology—that is, the fact that the plaintiffs' case was pending when the Government changed the policy which mooted the litigation—as establishing that the suit was a catalyst for the Government's action has led many local governments to fear making changes and improvements in its policy lest it become liable for fees in a pending suit. For example, the city of Tarpon Springs, Fla., stated in a letter to Congressman BILL MCCOLLUM which was forwarded to me:

> Furthermore, a city can be involved in revising its policies and subsequently be served with lawsuits such as those discussed above. The city would then be subjected to a claim that in part the program for improving practices continued because of the lawsuit. This is the exact situation in the City of Tarpon Springs, where prior to the litigation, the City of Tarpon Springs engaged consultants and otherwise had established a planned program to improve personnel practices, employment, recreation, and many other municipal services. This type of strategy and tactic has the effect of encouraging public officials to do absolutely nothing and take their chances with lengthy litigation. (Letter of September 14, 1981)

These suits do often act as "catalysts" in pointing out policies which need to be changed and which the Government does subsequently change as a result of the pendency of the litigation. In these situations awards of attorneys' fees are totally appropriate. Subsection (d) is needed to insure that planned improvements are not delayed in order to prevent an adverse judgment.

DETERMINING A REASONABLE FEE

Subsection (c) simply provides that a prevailing party eligible for attorneys' fees will be compensated by determining a reasonable market rate and multiplying this by the number of hours which were reasonably spent on the issues in which the plaintiff prevailed. Typically the hourly rate for an attorney who handles these types of cases would be his usual hourly rate. If this is not appropriate, the market rate or a reasonable hourly rate for that type of litigation should be used. In addition, the hourly rate should be the attorney's current hourly rate to take into account the impact of inflation on suits which have been pending for a long period of time. The plaintiff's attorney's hourly rate should also include a limited—for example, 20 percent—factor to account for the contingent nature of these cases.

Subsection (f) requires the attorney to submit a statement detailing the precise nature of the work done during each increment of time. From this the court will determine the number of hours reasonably necessary to further the client's interests on the claims in which the plaintiff prevailed. Duplicative work should not be compensated;

in other words, taxpayer funds should not be used to pay four or five attorneys a high hourly rate to sit around and listen to depositions or, as one witness at the hearings indicated, to read Newsweek during the trial.

Subsection (e) clarifies that only claims in which the plaintiff prevailed will be compensated. Currently the circuits are split on this issue. Probably the majority hold that if, for example, a plaintiff alleges five separate claims and the court finds that he only prevailed on one of those claims, attorney's fees will be awarded for the entire litigation despite the fact that the Government won the vast majority of the claims. This result is anomalous since if the plantiff only alleged the four claims that failed, he would have received no fees at all. For example, in *Eckerhart* v. *Hensley*, 475 F. Supp. 908 (W.D.MO. 1979), according to the attorney general of Missouri, John Ashcroft, Missouri prevailed on the vast majority of substantive issues. Yet the court refused to reduce attorneys' fees and awarded fees of $133,332.25 and expenses of $15,177.40. The Supreme Court has granted certiorari on this issue, but it is possible that the Court could determine from references in the Fees Act report that Congress intended this result, a contention that I cannot believe.

The approach I am proposing would provide fees to the plaintiff's attorney even on claims the plaintiff did not win if the attorney could show that the particular work was interrelated with claims in which the plaintiff prevailed upon; for example, evidence gathered for a losing claim may very well be interrelated to claims in which the plaintiff prevailed. But the court should be careful not to award fees for work done specifically on losing claims. This will reduce the incentive to join questionable claims where the plantiff knows he has a claim which he will prevail upon. It should be remembered that awarding fees on claims not prevailed upon does not benefit the plantiff. In fact, poor people in general lose in these situations because awarding fees on claims not prevailed upon is one of the factors which leads to fee awards far in excess of the relief granted to the plaintiff himself. Moreover, there have been several cases in which the Government did not upgrade prison facilities, for example, because of a lack of funds. After a large attorney fee has been awarded in a suit, the Government unit has far less money to devote to needed services than the problem which prompted the suit in the first place.

Finally, I am proposing in subsection (e) to eliminate the use of multipliers or bonuses on top a fee which represents a reasonable hourly rate multiplied by the number of hours worked, a rate which everyone except lawyers would agree was more than adequate. Earlier in this statement I gave examples of some of the huge fee awards which result from the use of multipliers; these awards result in incentives to take even highly questionable cases in hopes of recovering a large fee award. Since courts now usually award bonuses because of the contingent nature of the case, the awarding of bonuses also results in another anomalous situation where a small fee award is given for obvious, egregious violations of a person's civil rights, but a huge fee may be awarded in situations where it was not at all clear that the State or local government even violated anyone's civil rights. I am aware that multipliers, resulting in incredible fee awards are given in complex antitrust suits, for example, but section 1988 can be distinguished because the fees are awarded directly from the public treasuries of State and local governments and the fact that the Fees Act has generated unprecedented criticism and burdens, as I pointed out earlier. Whether or not multipliers are justified in antitrust suits where the attorneys are probably making well over $100 an hour already is not for us to decide here.

If the suggestions of the civil rights and plaintiffs' attorneys were followed with respect to contingency multipliers, cases with little chance of success but which are successful would be awarded fees to cover work done on similar cases which were not successful. For example, some cases have awarded a multiplier of three on top of a reasonable rate. This means the attorney is being paid for two other similar cases which failed; thus the attorney could continue to bring cases with little chance of prevailing and effectively recover fees for all the hours he worked on any of these cases. Carried to its logical conclusion, a more direct approach, but hardly advisable, would be to pay the plaintiff's attorney by the hour directly out of the public treasury for any case he brought. As I suggested earlier, a small contingent factor should be figured into the attorney's reasonable hourly rate to account for the fact that he only gets paid if he wins, but the contingent multiplier rationale some courts are applying is clearly harmful to State and local governments.

CONCLUSION

While these amendments all affect the awarding of fees to plaintiffs' attorneys, I would be remiss if I did not acknowledge the fact that the governments sometimes cause their own problems with attorneys' fees. For example, Fletcher Farrington, a plaintiffs' attorney from Savannah, Ga., testified that a county commission rejected plaintiff's offer to settle in one case where the settlement offer was for $8,000 and the court ended up awarding $74,000 in damages and $24,000 in attorney's fees. I certainly have no sympathy for defendants in situations like this and, while Congress has no authority to limit fees paid by the government unit to defend itself, I hope that the public will hold those officials accountable who stubbornly increase the cost of defending the government unit and also increase unnecessarily the awards to plaintiffs.

I hope that my colleagues will support these amendments to section 1988. I believe these are moderate amendments which will lessen the tremendous financial liability which State and local governments are facing and will not discourage the bringing of civil rights suits, except those suits and claims which are meritless.●

U.S. SMALL BUSINESS WEEK FOR 1982

● Mr. GLENN. Mr. President, Sunday marked the beginning of National Small Business Week here in the United States. In my judgment, the timing of this week's festivities could not have been better. Indeed, to the extent that our celebration causes the Nation to reflect on how truly important smaller enterprises are to the American economy, then one might say that this is a week whose time has surely come. Now I would not burden this Chamber with a long-winded recitation of how important small business really is; the facts are familiar enough:

Small business provides almost half of America's GNP, more than half of our private sector employment and the majority of our new inventions and innovations.

We also are well aware that the economic climate prevailing in this country today is wreaking havoc with the small business community. The twin ogres of recession and high interest rates are pushing smaller firms to the wall—and the skyrocketing number of small business bankruptcies is truly alarming. In fact, the annual rate of business failures is now higher than at any time since the 1930's, and a large proportion of those failures are unfortunately concentrated in the ranks of smaller enterprise.

I believe that Congress has a responsibility to help; to take whatever steps we can to ease the crisis and to restore health to this important sector of our economy. Altruism need not be our motive. After all, only if America's smaller firms recover themselves can they play a role in America's economic recovery.

That, Mr. President, is why I hope this year's National Small Business Week will lead us beyond the homilies, the banners, the hoopla and the rhetoric. This year, I hope that every Member of the U.S. Congress will reflect not only on what he or she has

done to help small business in the past—but more importantly, on what all of us can do to help in the future. The stakes are simply too high to do anything less.

Mr. President, throughout the 7 years I have spent in this body, I have proudly stood shoulder to shoulder with the small business community in its effort to obtain economic justice. I do not have to tell you that the struggle has not always been easy. Far too often, Congress has failed to recognize the potential of small business—to overlook the fact that the role of smaller firms is every bit as important as that of big business and organized labor. That is not to say, of course, that we stood by and did nothing.

In 1978, for example, I cosponsored, and Congress passed, legislation to reduce the level of capital gains taxes to 28 percent. When we did so, more than half a billion dollars became available to entrepreneurs.

We also made some attempts at regulatory reform. I, for example, was a coauthor of the original Sunset legislation which would have required periodic congressional review and evaluation of all Government programs and regulations. Had that legislation been passed, I am convinced that many useless programs and a lot of unnecessary paperwork would have been eliminated long ago.

Congress made other stabs at helping small business in the 1970's as well—but I think we would all have to agree that these efforts can probably best be characterized as "too little, too late." By 1980, however, it appeared that a new day for smaller firms might finally be dawning. In January of that year the White House Conference on Small Business was held in Washington. The Conference, attended by more than 1,600 delegates from every State in the Union, concluded its work by voting a list of recommendations concerning Federal initiatives on behalf of small enterprises.

In the 2 years that have elapsed since the White House Conference, Congress has acted on a number of those recommendations.

In the area of regulatory reform, for example, I supported and Congress passed such measures as the Paperwork Reduction Act and the Regulatory Flexibility Act.

More recently, I cosponsored the Regulatory Reform Act which was the first successful congressional attempt to bring comprehensive control over the regulatory process.

To encourage smaller firms to export, I cosponsored the Export Trading Company Act of 1981—Legislation which would provide financing, expertise and encouragement to smaller firms wishing to sell their goods abroad. Although the bill was passed by the Senate, it unfortunately remains bottled up in the House of Representatives.

To assist smaller firms who must meet exacting environmental standards, I cosponsored the Pollution Control Financing Act of 1981. This bill—which has been frustrated at every turn by the current administration—would significantly increase the amount of low-interest money available to smaller firms through industrial development bonds. Such money would enable smaller firms to design, install and finance the pollution control equipment that they are legally required to have.

Mr. President, measures such as these represent good faith attempts by Congress to meet some of the needs identified by small businesses themselves at the White House Conference. But let us not kid ourselves. In 1980, by far the most important issue to smaller firms was that of capital formation. Today, there is absolutely no doubt that that issue remains supreme. And although the Economic Recovery Act passed last summer has helped, the fact is that adequate financing is still not available to millions of smaller firms. What has Congress done in this connection?

When the administration first submitted its proposed tax package to Congress, I believed that it was grossly unfair to smaller firms. In fact, less than 23 percent of the administration's original tax reduction proposals were earmarked for business at all—and even those were overwhelmingly weighted in favor of larger firms.

So the first thing I did in 1981 was to cosponsor S. 360—the Omnibus Small Business Capital Formation Act. That bill addressed each and every one of the five initiatives put forward last year by such groups as Small Business United. Among other things, the bill proposed to: Graduate and reduce corporate tax rates; authorize the creation of small business participating debentures; dramatically reduce gift and estate taxes on small businesses; graduate and reduce capital gains taxes; and accelerate and simplify the tax code's outdated depreciation schedules.

Fortunately, some of these proposals were eventually incorporated into the Economic Recovery Act that became law last summer. Unfortunately, a number of others were not. Nor, I might add, were we successful in amending the act in ways that would have helped small business even more. For my part, however, I can proudly report that I voted for every single small business amendment that was offered to last summer's tax bill. Had they passed, I believe small business would be in less dire straits today.

But Mr. President, all that is past history. The question now is what are we doing in the present—and what can we do in the future? In the area of capital formation, it is obvious to everyone that the single most important thing we can do is reduce today's exorbitant interest rates. And that can only be accomplished by getting our ballooning Federal deficits down to manageable proportions. In that connection, I believe Congress can do a number of things. First, we can cut spending by examining all areas of the Federal budget for potential savings. Second, we can reexamine the ill-advised portions of last year's tax cut bill most responsible for getting us into our present mess. In particular, I believe that we ought to consider postponing or eliminating future personal tax cuts until interest rates are reduced. At the same time, we must also do our best to close some of the more blatant corporate tax loopholes that are permitting many larger firms to take unfair advantage of the system. And third, Congress should ask the Federal Reserve System to loosen up on the monetary reins—at least enough so that the Fed can hit the high range of their own money supply targets.

But Mr. President, these steps have not yet been taken—and we have no guarantee that they will be taken any time soon. In the meantime, therefore, we must explore alternative ways to provide small firms with the capital they need now. In that connection, two measures come immediately to mind: Industrial development bonds and small business participating debentures.

It is time to stop the Treasury Department's continuing assault on the tax-exempt small issue industrial development bond program. Historically, industrial development bonds have been one of small business' most effective tools in financing plant expansion and growth—and have allowed them to do so with money loaned at about two-thirds of the prime rate. At a time when smaller firms have no access to traditional capital markets, it is vital that they have access to small-issue IDB's—and the IRS should not be allowed to terminate this important source of captial.

The other thing we can do to help in the capital formation area is to authorize the creation of a small business participating debenture (SBPD). As I mentioned earlier, the SBPD was a part of Senate bill 360 that I cosponsored last year. If the revenue costs of the SBPD would not dramatically increase Federal deficits, Congress should approve its creation as soon as possible. Without going into all the details, suffice it to say that the SBPD is a private sector-based alternative for financing small business growth. Investors purchasing debentures would get a stipulated rate of interest, as well as a share of the company's profits, for a specified period of time. The

interest would be taxed as ordinary income, while the profits would be taxed at the capital gains rate. For his part, the entrepreneur would be able to deduct both payments as a business expense. It is likely that this new investment tool would make much private sector capital immediately available to smaller firms, and I think its something Congress should not delay in considering.

In addition to capital formation measures, Mr. President, I believe that there are several other areas where congressional action must be taken to improve the position of smaller firms. Among the most important of these areas are:

FEDERAL PROCUREMENT

Last month, I cosponsored the Small Business Procurement Reform Act of 1982, a measure designed to reform cumbersome Federal procurement practices and permit smaller firms to receive their fair share of Government contracts. Its most important provision would require all Federal agencies to break down large system contracts into smaller component contracts wherever practical. By thus opening the procurement process to small business participation, the measure would increase competition and, therefore, encourage greater efficiency in the spending of tax dollars. During hearings on this measure, I anticipate that other areas of concern in the procurement area will be identified and perhaps included in the bill.

Last year I also cosponsored the Delinquent Payments Act of 1981, slightly different versions of which have now been passed by both Houses of Congress. Its purpose is simple and direct: To require the Federal Government to pay its bills on time. In the past, many Federal agencies were little better than deadbeats—forcing businesses to absorb the costs associated with the Government's "slow-pay" practices. Under the bill, agencies not paying their bills within 30 days will be required to pay interest—and that interest must be taken from their existing budgets, rather than through new appropriations.

INNOVATION

Last fall I was an original cosponsor of the Small Business Innovation Research Act of 1981, a bill that was passed by the Senate and is currently awaiting action in the House of Represenatives. Although smaller firms contribute over half of our industrial inventions and innovations, they now receive only 3½ percent of all Federal research dollars. To help correct this imbalance, the bill requires Federal agencies to earmark 1 percent of their total R. & D. budgets for small business. After these firms develop new products and processes with Federal financial support, private capital takes over to pay for the commercial production and marketing of these products. In my view, this is precisely the kind of private-public partnership that we must have if America is to regain her international competitiveness and maintain the technological superiority that has been her national trademark.

Finally, Mr. President, let me suggest that there is one more thing that we in Congress must resolve to do. And that is to insure that from this point forward, small business has a voice in America's economic decisionmaking. In the past, the small business viewpoint was not always well-represented in the policymaking process. It should be in the future. Only then can we be certain that the special needs of small business will be adequately addressed—and only then can we be sure that this valuable national resource will be adequately utilized. At a minimum, effective small business representation in Government decisionmaking should include:

Adequate small business representation at those agencies and commissions where important economic decisionmaking is actually made;

The continued existence of the SBA as an independent and adequately funded agency. The SBA's Office of Advocacy should also be strengthened and be given authority to intervene on behalf of small business whenever necessary;

The appointment of a special adviser to the President on small business affairs; and

Strong and consistent congressional oversight of all laws already on the books concerning small business.

Mr. President, I began my remarks today by expressing the hope that this year, Small Business Week could be the occasion for something more than rhetoric. I suggested that we use it as an opportunity to reflect; to reflect both upon how well each of us has served small business in the past and how we might better serve it in the future. By summarizing my own past and present efforts on behalf of small business—and by proposing a few steps that we might yet take—perhaps I have encouraged others to engage in a similar analysis. In any event, there is one thing of which I am absolutely sure: Only by freeing and strengthening the entrepreneurial spirit of America's small business community can we hope to get this country moving again. So this year, let us resolve that U.S. Small Business Week will not end 7 days after it started. Instead, let us make it a beginning—a beginning in which we allow our small business resource to transform the decade of the 1980's into what it should and can be: A golden age of prosperity and opportunity for every American.●

STEADFAST SERVICE

● Mr. HAYAKAWA. Mr. President, I am pleased to have the opportunity to acknowledge Mr. Bob Murphy, superintendent of the Fallbrook Union School District, who is retiring after 30 years of devoted service. Throughout his career as an administrator and teacher, Mr. Murphy has made many fine contributions to the field of education in California. He truly deserves the recognition he will receive from Fallbrook's citizens on June 4, 1982, at Fallbrook Country Club.

I, along with every other American, should be proud of Bob Murphy. I wish him the best of luck in his future endeavors and commend him for all his years of service.●

PROTECTION FOR PHARMACISTS IS NEEDED

● Mr. McCLURE. Mr. President, I respectfully submit for the RECORD a column by the distinguished Senator from Iowa, ROGER JEPSEN, which appeared recently in newspapers across the United States. This informative and timely commentary exemplifies the overwhelming concern and desire of many in Congress to alleviate the problem of crime and especially crime which is directly related to drug addiction. I commend to the Senate's attention the serious threat to American pharmacists, raised by Senator JEPSEN.

The column is as follows:

[Republican Conference Column (Appeared in newspapers across the country in December 1981)]

PROTECTION FOR PHARMACISTS IS NEEDED

(By U.S. Senator ROGER W. JEPSEN)

More than 10 years ago, Congress passed the Comprehensive Drug Abuse Prevention and Control Act of 1970 to limit the rampant use and abuse of illegal drugs. Since that time, pharmacists have experienced increased threats to their lives as a result of drug-related robberies. Whether drug addicts or hardened criminals commit these crimes, the crimes are always senseless and violent and, many times, tragically result in the death of an innocent pharmacist or customer.

In my home state of Iowa, the incidence of pharmacy robberies and burglaries has shot up alarmingly. In 1979, there were 157 reported pharmacy break-ins. That number is almost double the number committed in 1977. Nationally, thefts of controlled substances are reported to have increased a startling 225 percent between 1976 and 1978. Pharmacists are suffering from a "drug" problem that is reaching epidemic proportions.

In its September, 1980 issue, American Druggist magazine listed the names of over 50 pharmacists who have lost their lives because of drug-related robberies. The loss of one life, in my opinion, is one too many. Those of us in government must support legislation to ensure that more pharmacists do not lose their lives. Without exaggeration, it is fair to say that the government helped create this situation. But, it could have been prevented.

Under existing law, the manufacture, distribution, disposal, and possession of a controlled substance are all subject to federal criminal prosecution and penalties. In fact,

the theft of a controlled substance is the only act not covered by federal penalties. For this reason, the number and severity of pharmacy robberies has risen dramatically in the past several years. Unfortunately, this is exactly what the pharmacy industry predicted when Congress was debating this issue 12 years ago.

Appearing before the Senate Judiciary Committee, in its opening series of hearings on the Controlled Substances Act of 1969, Mr. William Woods, Executive Director of the National Association of Retail Druggists stated, "Too many retail pharamacists have been murdered, blinded, or assaulted as a result . . . We are concerned, however, that the robberies, assaults, and senseless murders in retail pharmacies may increase."

The facts show that the greatest fears of pharmacists have proven true. The practical effect of the 1970 Act has been to make pharmacists extremely vulnerable to the ravages of violent crime. I cannot imagine that the intent of the Drug Abuse Prevention and Control Act of 1970 was to make these individuals "sacrificial lambs" in the war against drug abuse; but this is exactly what has happened.

A number of different bills have been introduced in the 97th Congress to deal with the problem. Although the approaches of the various bills may be different, the intent is still the same—stop pharmacy crimes involving controlled substances.

In addition to the legislation, the Senate Judiciary Subcommittee on Criminal Law has indicated that it will make pharmacy crime its number one priority during the 2nd Session of this Congress.

While I am encouraged by the possibility that Congress will finally act, we must realize that similar opportunities have arisen in the past, only to be lost in the legislative maze. Let's hope that legislation can finally be adopted which will protect pharmacists and their customers from these senseless acts.

("Conference Reports" is the bimonthly column of the Senate Republican Conference. The opinions expressed are those of individual senators who comprise the new Senate Majority.)

THE NATIONAL ASSOCIATION OF RETAIL DRUGGISTS,
Washington, D.C., March 26, 1982.

Hon. JAMES A. MCCLURE,
Chairman, Republican Conference,
Washington, D.C.

DEAR SENATOR MCCLURE: As Chairman of the Republican Conference, I wanted to call your attention to an article written by Senator Jepsen which appeared in newspapers across the country in the Conference Reports column. The topic of the commentary was pharmacy crime, an issue which continues to be a grave concern to the National Association of Retail Druggists.

NARD represents the owners of more than 30,000 pharmacies where 75,000 pharmacists practice their profession. These pharmacies fill approximately 70 percent of all prescriptions and serve 18 million consumers daily. NARD member pharmacies have annual sales exceeding $8 billion.

The issue of pharmacy crime ranked high on the list of concerns to the pharmacy leaders who attended NARD's 14th Annual Conference on National Legislation and Public Affairs. NARD members brought that concern to the attention of their Senators and Congressmen during their Congressional visits and following their lobbying efforts, cosponsors for the legislation to make robbery of a pharmacy to obtain controlled substances a felony under Federal law doubled. In light of this recent development, perhaps you would like to include Senator Jepsen's column in a Congressional Record statement.

Please feel free to contact me if I can be of assistance to you in this matter or others of mutual concern.

With warm regards,

JOHN M. RECTOR,
Esq., Director of Government Affairs.●

Enclosures.

OFF-EXCHANGE COMMODITY TRANSACTIONS

● Mr. HELMS. Mr. President, the Senate shortly will consider the Futures Trading Act of 1982, reported on March 31 by the Committee on Agriculture, Nutrition, and Forestry. This bill contains a number of provisions, and it may be helpful to Senators if I mention a few dealing with the general topic of commodity fraud.

The issue of commodity fraud has attracted a good deal of attention in the past 6 months. However, it is my understanding that the commodity fraud being discussed generally does not involve the traditional activities regulated by the Commodity Futures Trading Commission. Rather, this fraud involves persons selling "off-exchange" investment vehicles situated on the fringe of the Commission's regulatory jurisdiction.

While the committee noted that neither the States or other Federal agencies have been precluded from instituting criminal prosecutions of these fraudulent off-exchange activities under general criminal statutes, the committee took two major steps to deal with this problem.

The first was the adoption of a provision to delcare open season on these off-exchange investment vehicles and the persons who offer and sell them by specifically authorizing all Federal, State, and local officials to prosecute these persons under any relevant law or regulation. Moreover, this provision makes clear that State attorneys general or securities administrators may take administrative or other legal action, under their own laws, against persons offering and selling these off-exchange investment vehicles and against persons engaged in activities requiring registration by the Commission who are not so registered.

Activities subject to the comprehensive regulatory powers of the Commission—including exchange traded futures contracts, foreign futures contracts, except as otherwise specified by the Commission, authorized commodity options and regulated leverage transactions—will remain within the Commission's exclusive jurisdiction.

The committee bill does not alter the Commission's exclusive jurisdiction vis-a-vis the States with respect to the regulation of persons and firms who register with, and conform their activities to, the requirements of the Commodity Exchange Act. The Commission's regulations embody a uniform comprehensive, nationwide scheme of regulation. The committee continues to endorse the congressional judgment that a single, uniform Federal regulatory program in this area is preferable to 50 different and arguably conflicting schemes of State regulation.

The second step taken by the committee, Mr. President was a provision to grant the Commission explicit authority to share with State and foreign governments information which is now subject to confidential treatment on the part of the agency. This provision will permit the Commission to provide these governmental entities with any information in its possession, so long as the information is provided for law enforcement purposes; the Commission is satisfied that the information will be disclosed only in connection with law enforcement proceedings brought under Federal, State, or foreign law to which the information recipient is a party.

The bill also provides that the Commission shall, upon request, provide any State with registration information maintained by the Commission on any registrant. The Commission shall provide this registration information to the States without request if the Commission determines that the information may be appropriate for use of the States. This provision is a variation of a provision contained in S. 2210, introduced by the able Senator from Delaware (Mr. ROTH) and others.

Mr. President, I believe these provisions in the committee bill will permit any State or Federal prosecutor or regulator to gain access to the necessary evidence and to proceed effectively against those persons offering and selling these off-exchange investment vehicles as a means to defraud the public.●

UNITED STATES-CHINA POLICY

● Mr. PELL. Mr. President, I rise today to express my concern about certain aspects of the Reagan administration's China policy. Along with many of my colleagues, I fully supported the normalization of relations between the United States and the People's Republic of China achieved by President Carter in 1979. I also approve in principle President Reagan's efforts to achieve further improvements in the United States-People's Republic of China relationship. But I believe it is most inappropriate to seek these improvements by encouraging the People's Republic of China to think that we support Taiwan's reunification with mainland China. Such an approach disregards tne hopes and as-

pirations of the Taiwanese people. Hopefully, Vice President BUSH did not discuss this issue when he met with Chinese leaders late last week.

My concern for the people on Taiwan dates back to World War II days. In anticipation of an American invasion of Formosa, as it was then called, I studied at Columbia University in a Government-sponsored program to prepare a contingent of Americans to participate in the eventual administration of the island once it had been wrested from Japanese control. As part of this training, we studied the history of Formosa and its people, the Native Taiwanese who have lived on the island for some hundreds of years. Although the people originally emigrated from China, by the 1940's they saw themselves as a separate nation and desperately wanted to be independent from both Japan and China.

Today, the native Taiwanese—the nearly 16 million pre-1949 inhabitants of the island, who are ruled by the some 2 million Chinese that set up the nationalist government headquarters on Taiwan after 1949—do not often agree with the Kuomintang (KMT) policies. For over 30 years they have been excluded from the national level decisionmaking process, and until recently given little control over even their local affairs. As you know, the KMT purports to represent all China and considers Taiwan only one of its provinces. The authorities view demands for greater political participation as endangering its national ideology and undermining its pledges to "return to the mainland" someday. Taiwanese who press the issue—politicans, journalists, religious leaders, and educators—often find themselves in jail charged with subversion.

The United States long ago acknowledged that both the PRC and the ROC agreed that there was but one China, and that Taiwan was an integral part of it. We have never, however, recognized this claim and for good reason. We believe that neither the native Taiwanese nor their KMT rulers want reunification dictated to them. In fact, the native Taiwanese, if given a real choice—one without fear of reprisal—would overwhelmingly choose an independent Taiwan.

Admittedly, a declaration of independence at this moment could prove counterproductive and jeopardize the native Taiwanese's safety and well-being. But that does not mean that the U.S. Government should do anything which would encourage any of the mainland Chinese, in either Beijing or Taipei, to believe that we support "reunification" now or ever.

Unfortunately, this is exactly what the Reagan administration appears intent on accomplishing. Last November a New York Times article indicated that Secretary Haig, during a question-and-answer period in Florida:

Seemed to acknowledge Peking's complaint that, by continuing to supply arms to the nationalists, the United States was undermining efforts at reunification.

The article goes on to quote Secretary Haig's comments on a nine-point PRC proposal for reunification which he characterized as "rather remarkable." The Secretary also said that:

The Chinese call for peaceful integration, they recognize Federalism in Taipei and their ability to maintain their own political, economic and security framework . . . so these were not meaningless proposals.

Another report, this time in the Los Angeles Times, purportedly based on a November memorandum from Secretary Haig to the President, also suggests that the administration sanctions Taiwan's reunification with the mainland. In discussing arms sales to Taiwan and the FX aircraft decision, the Secretary apparently wrote:

We must recognize that mainland capabilities and intentions do not require a level of U.S. arms sales above the final year of the Carter administration, which provided an unusually high ceiling. We can agree to stay within this level, so long as Peking pursues a peaceful Taiwan policy. We can also decide the replacement aircraft issue in this context. Second, while we cannot specify a time certain for ending arms sales, we can develop formulation linking our future actions to genuine progress on peaceful reunification.

I believe we should oppose such suggestions which tend to close out the option for Taiwanese self-determination, and would prohibit them from some sort of independent course. I again urge that all talk of reunification cease. Even if the executive branch is not prepared to promote native Taiwanese interests and concerns, it can at least remain neutral on the question and avoid seeming to support China's sovereignty over the island.

Mr. President, I ask that the two press articles to which I referred to earlier be printed in full at this point in the RECORD.

The articles follow:

[From the New York Times, Nov. 15, 1981]

HAIG SEES TROUBLE IN TIES WITH CHINA OVER TAIWAN ARMS: DECLARES THE U.S. FACES "VERY WORRISOME SPECTER" OVER ISSUE OF PLANE SALES

(By Bernard Gwertzman)

WASHINGTON, Nov. 14.—Secretary of State Alexander M. Haig Jr. said today that relations with the Chinese Communists faced "a very worrisome specter" over the question of American military sales to Taiwan.

In a candid statement about the difficulties the United States faces in its relations with the Chinese Nationalists in Taiwan and the Communists in Peking, Mr. Haig told an audience in Palm Beach, Fla.:

"In the period ahead it is going to be essential to both Peking and the United States to handle this particular question with great sensitivity and care."

WARNING FROM THE COMMUNISTS

The Communists have warned that, if the United States supplies the Nationalists with advanced fighter planes or other modern equipment, this could lead to a deterioration of relations.

As a sign of disquiet, Peking has delayed sending a military mission here to discuss possible arms purchases of its own. According to American officials, the Chinese Communists have said that they will not do so until the United States makes known what it will do about supplying military equipment to the Nationalists.

Mr. Haig took part in a question-and-answer period before The Round Table, a Palm Beach organization, that was broadcast to reporters here over a closed circuit at the State Department.

PEKING'S UNIFICATION BID PRAISED

He seemed to acknowledge Peking's complaint that, by continuing to supply arms to the Nationalists, the United States was undermining efforts at reunification.

He said a nine-point proposal by the Chinese Communists on Sept. 30, for reunification was "rather remarkable."

"They call for peaceful integration, they recognize federalism in Taipei and their ability to maintain their own political, economic and security framework," he said. "So these were not meaningless proposals."

American officials said that, in recent conversations here, Foreign Minister Huang Hua of Communist China told Mr. Haig that Taiwan was the key issue between Peking and Washington.

According to the Americans, Mr. Huang said the Nationalists could continue to receive arms at the present level of sophistication already present in Taiwan, but that any increase would lead to a setback in relations.

Moreover, the Chinese Communists want a commitment that military supplies to Taiwan will continue only for a fixed period, about five years, and should diminish in quantity yearly.

Such a demand is contrary to the Taiwan Relations Act, enacted by Congress after President Carter extended formal recognition to the Communists. The act obliges the United States to supply Taiwan with military equipment to meet its legitimate defensive needs and imposes no time limit.

The United States is now discussing the Nationalists' request to upgrade their fighter planes. Taiwan has American F-5E fighters and has expressed interest either in an F-16, a less advanced model known as the F-16/79, or in an improved F-5, known as the F-5G.

Either plane is believed to carry the possibility of a strong reaction for Peking. Some officials advocate an improvement in the F-5E, without the need of going to the next generation.

Mr. Haig said in testimony before the House Foreign Affairs Committee on Thursday that no decision, even in principle, had been taken.

"It is an extremely sensitive question in Peking," he said in that testimony, "and we have to proceed with utmost respect for that sensitivity."

On other issues today, Mr. Haig seemed to support the idea of an embargo on Libyan oil when he was asked whether the United States might impose a ban on imports in retaliation for Libya's actions beyond its borders and its reported support for terrorism.

He said a study was under way and the United States had to be careful that "we don't shoot ourselves in the foot" by an embargo as, he said, had been the case when the Carter Administration limited grain sales to the Soviet Union in retaliation for the Russians' military intervention in Af-

ghanistan. The curbs were rescinded this year by the Reagan Administration.

But Mr. Haig said, "I do not think that applies in this particular case on oil."

He added that, with Libya appearing to withdraw its troops from Chad, "we are in a very dynamic situation," suggesting that the United States did not want to introduce some new element at this time.

He noted that Exxon and Mobil had both announced that they were stopping oil activities in Libya, and that American citizens had previously been urged to leave Libya.

Mr. Haig attacked Cuba and the Soviet Union for their support of the insurgents in El Salvador. He said the United States would have to extend more aid to the Salvadoran Government.

[From the Los Angeles Times, Jan. 17, 1982]

THE REAGAN ADMINISTRATION'S PUSH TOWARD CHINA CAME FROM WARSAW

(By Tad Szulc)

By denying the sale of advanced jet aircraft to Taiwan last week—a decision that was politically and personally painful to him—President Reagan bowed to a necessary reality: It is more important for the United States to salvage its collapsing relationship with mainland China than to please its Nationalist friends on Taiwan.

What ultimately pushed Reagan to rule against Taiwan in an urgent act of crisis decision-making was the Peking regime's clearly calculated refusal to join the United States in condemning the Soviet Union for forcing the proclamation of martial law in Poland in order to destroy the Solidarity trade-union Movement.

When the Russians invaded Czechoslovakia in 1968, the Chinese not only denounced it in the most strident tones, but also initiated secret talks with Washington, leading to President R. M. Nixon's breakthrough trip to Peking nearly a decade ago. This time, however, there has been disturbing silence in China over the Polish event—not withstanding the continuing Soviet-Chinese enmity—and the Reagan Administration evidently concluded that its anti-Soviet policy was being undermined on the eastern flank.

In announcing the decision not to sell the high-performance F-5G Tigershark fighter plane to the Nationalists (but to go on selling the slower and less effective F-5E aircraft, which is co-produced on the island), the State Department simply said that "no sale of advanced fighter aircraft to Taiwan is required because no military need for such aircraft exists."

This terse statement masked, however, the truth about the alarming deterioration in the relations between Washington and Peking since the advent of the Reagan Administration: the realization, enhanced by the Polish crisis, that the deterioriation in relations had to be arrested. In the end, the aircraft decision represented a signal victory for Secretary of State Alexander M. Haig Jr., who for months had been privately warning the President that American policies toward China were verging on disaster.

That Peking opposed the sale of any U.S. military equipment to Taiwan and especially the sale of sophisticated aircraft had been known for a long time, the Chinese having repeatedly made their views known both publicly and privately. After the Netherlands sold a submarine to Taiwan last year, Peking immediately downgraded its diplomatic relations with the Dutch. And when the United States, in fulfillment of Reagan's campaign promises, indicating its intention to sell the advanced planes to Taiwan, Peking made it clear that it would do the same with Washington.

A visit to the United States by the deputy chief of the general staff of the Chinese armed forces was canceled last fall because of the aircraft controversy (the Chinese general was to have discussed military cooperation with the United States), and American experts in Chinese affairs worried that the whole relationship might become frozen at a low level—undoing a decade of steadily growing contact in all areas. This, they felt, would play into the hands of the Russians.

In a memorandum market "Secret/Sensitive" drafted for the President on Nov. 26, Haig warned that the relations with China stood at a "critical juncture." The memorandum, a copy of which was shown to this writer by White House sources on the understanding that they would not be identified, went on to say that in dealing with China, "Careful management is essential, if we are to avoid a setback which could gravely damage our global strategic policy."

Actually, two separate issues, as Haig saw it, increasingly complicated relations with China. One was the aircraft issue. (Haig opposed all along the sale of sophisticated planes to Taiwan on the military grounds that the Nationalists did not need them because there was no threat from Peking, and on the political grounds that it would gravely damage the rapport with China.) The other was what Haig regarded as bureaucratic sabotage of President Reagan's order last June authorizing the transfer of modern technology to China, including technology with potential "dual" use, such as truck engines and computers with both civilian and military applications. Reagan presumably authorized such technology transfers to soften the impact of his planned sales of advanced aircraft to Taiwan. But this was a trade-off Peking was not buying anyway, and American policy progressively became bogged down in political and bureaucratic contradictions.

In his November memorandum to the President, Haig addressed both problems. Reagan had wanted to announce before the end of 1981 that Taiwan would receive the sophisticated aircraft, but Haig succeeded in winning a delay of a few months in order to make his arguments prevail against the pro-Taiwan inclinations of the President and his immediate entourage. In this battle within the Administration, Haig was virtually isolated.

Listing the origins of the Chinese crisis, Haig wrote that one of them was "our campaign rhetoric and subsequent behavior which gave Peking the impression we wanted to reverse normalization and pursue a two-China policy." The "normalization" to which he referred was the move by the Carter Administration in December, 1978, to end formal diplomatic relations with Taiwan and to establish them with Peking instead. It was harshly criticized by Reagan and other conservatives. The United States and China exchanged ambassadors on Feb. 28, 1979, as the final step in recognizing Peking's claim that there was only "one China," represented by the mainland regime. This completed the process initiated in February, 1972, when President Nixon and the late Chinese Premier Chou En-lai signed the Shanghai communique.

Haig wrote the President that the impression created in Peking that the United States was reverting to old "two-Chinas" policy had "transformed the aircraft replacement question, which might otherwise have been manageable into a symbolic challenge to China's sovereignty and territorial integrity."

The Taiwan Relations Act, approved by Congress after the 1979 "normalization" with Peking, provided for the supply to the Nationalists of "defensive" military equipment as required by the circumstances. Haig believed that the United States should continue to make it available on the same level as the Carter Administration had done. China, not surprisingly, opposed even this formula, but Haig had become convinced that the sale of the advanced planes was the crucial issue and that, in the end, Peking would settle for the status quo.

Therefore, Haig told the President that "just as we must not take Peking for granted, we cannot build a long-term relationship with the Chinese if we allow ourselves to be pushed around. There are, nonetheless, things we can do to allay Peking's suspicions and get our relations back on the track."

"First," he wrote, "We must recognize that mainland capabilities and intentions do not require a level of U.S. arms sales above the final year of the Carter Administration, which provided an unusually high ceiling. We can agree to stay within this level, so long as Peking pursues a peaceful Taiwan policy. We can also decide the replacement aircraft issue in this context. Second, while we cannot specify a time certain for ending arms sales, we can develop formulation linking our future actions to genuine progress on peaceful reunification."

Alluding to China's recent overtures to Taiwan concerning reunification—overtures that included proposals for the participation of Nationalist officials in the Peking government—Haig suggested to the President that he "state publicly, without pressuring Taipei, that you view Peking's efforts as a constructive and hopeful sign that the Taiwan issue, ultimately, can be peacefully resolved." Thus far, the Nationalists have flatly rejected the Communist overtures.

Concerning the Administration's promise of technology transfers to China—as well as the simultaneous decision last June to consider export licenses for arms sales on a case-by-case basis—Haig expressed his preoccupation that the bureaucracy in Washington was compounding the difficulties with Peking.

He noted is his memorandum to the President that there was "disillusionment in Peking at the lack of tangible benefits to China in the technology transfer and economic modernization areas since normalization, and a perception that this Administration, like the last, says it wants to further the process but in practice still treats China as an enemy. Poor bureaucratic performance in implementing your June 4 guidelines has been killing us in this respect."

"A reaffirmation of your determination to treat China as a friendly nation," he wrote the President, "would be a great help in dealing with entrenched bureaucrats who continue to treat China as a quasi-enemy. To build a long-term, strategic relationship with China, and to enhance its value as a counterweight to the U.S.S.R., we must make available the technology Peking needs for energy development and industrial growth."

Referring to his Washington talks last October with China's Foreign Minister Huang Hua and to "subsequent intelligence," Haig wrote that he was convinced that "the Chinese will hang tough until we make some credible gesture towards respecting their po-

sition: but they do not want to break with us and will be willing to compromise."

Pleading for time. Haig said that Arthur Hummel, the U.S. ambassador to China, was instructed to open negotiations with the Chinese in the New Year on all the outstanding issues, and that, in effect, relations would soon be bettered.

All of Haig's arguments seem, however, to have fallen on deaf ears in the White House. Senior officials said privately that as of the beginning of January—soon after the imposition of martial law in Poland—the President and his top advisers were still determined to sell advanced fighter planes to Taiwan on the ideological grounds that old allies should not be abandoned. All signs were that the White House either minimized Chinese reactions or simply refused to draw a political link between the fighter planes and the basic relationship with Peking—Haig's entreaties notwithstanding.

In the end, Poland made the difference. Although China had fully lined up with the United States against the Russians over the 1979 invasion of Afghanistan—when Defense Secretary Harold Brown visited Peking in January, 1980, he took along a senior Central Intelligence Agency official to coordinate covert aid to Afghan rebels with the Chinese—it chose to look the other way in the Polish crisis.

By the end of the first week in January, the Administration finally realized that China's silence on Poland was Peking's way of signaling its displeasure with Washington over the plummeting relationship. At a time when the Administration sought to forge a united front against the Soviet Union over Poland, China's absence was intolerable.

Last Sunday, President Reagan, meeting with the National Security Council at Camp David, reversed himself on the fighter plane sale, thus maintaining the Carter Administration's policies, and, up to a point, accepting Haig's advice. The next day John Holdridge, the assistant secretary of state for East Asian and Pacific affairs rushed to Peking on an unannounced mission to inform the Chinese of the aircraft decision and to solicit China's support over Poland. The State Department's top expert on Polish affairs accompanied him.

Whether the Chinese have been pacified and are now prepared to adopt the kind of position on Poland the United States wants remains unclear. They have protested the Reagan decision to keep supplying Taiwan F-5E planes and other "defensive" weapons, which the Administration expected, but Peking has given so far no indication of any change in their general policies.

The President, for one thing, had not offered Peking the basic reassurances Haig had recommended—particularly on technology transfers. It is entirely possible that Reagan's half-a-loaf decision will not remove the whole U.S.-China relationship from the "critical juncture" of last November. Besides, China, with many of its own internal political problems still unresolved, may be reluctant to take a stand that would amount to an endorsement of the type of freedoms in a communist society that Solidarity had advocated in Poland.

At best, Reagan came out with an incomplete policy that is unlikely to provide the strategic cooperation desired by Haig. The fundamental China problem thus remains unresolved.●

THE AMERICAN STEEL INDUSTRY

● Mr. SPECTER. Mr. President, on March 4, I introduced S. 2167, a bill which grants direct access to American industries to the courts in antidumping and countervailing duty cases. This bill would provide an expeditious remedy to those industries affected by unfair foreign competition in the form of government-subsidized products and dumping.

Recently, I held hearings in Pittsburgh, Pa., the Steel City, to gage the impact of steel imports on the economy of western Pennsylvania. In addition, I conducted a citizens forum in Mon Valley. Based on the testimony at the hearing and the remarks of various citizens at the forum, the impact of dumping and foreign government subsidies on the American steel industry has been absolutely devastating and is worsening. Pete Love of National Steel testified:

The steel business in this country is currently suffering through the longest and deepest depression since National Steel was founded in 1929. The average operating rate for the industry at the end of 1981 was barely 55 percent.

Julius Uehlein of the National Steelworks of America offered similar testimony.

Recently, Colt Industries decided it would sell its Crucible plant in Midland, Pa. With a rapid drop-off in orders for that plant due to this recent announcement, it is entirely possible that the plant will close down by the middle of the summer with a devastating impact on that city's economy. Dwight Kaufman, executive vice president of Crucible stainless and alloy division, testified that the major reason for the decision was the lack of confidence on the part of that company that Government will take the action necessary to curb foreign imports. Loss of this plant, with its 4,500 employees, will decimate Midland, Pa., which is almost totally dependent on Crucible.

Richard Mercer, vice president of Allegheny Ludlum, Inc., testified that even in those cases where his company had won suits against imports, no duties were ever collected. This is illustrative of the philosophy of many foreign steel companies who "dump and run" knowing that under current law all relief will be prospective and they will not be subject to any retroactive damages. Many companies intentionally dump their products on the American market until there is a formal finding and relief can be granted through the slow and cumbersome process currently in effect under our trade laws.

Passage of this legislation will send a clear signal to those companies who are breaking international law by dumping that they can no longer "dump and run" without being subject to sanctions and penalties.

Mr. President, all of the witnesses at the hearing in Pittsburgh testified that the U.S. steel industry can compete with foreign competition if it is placed on the same equal footing. The U.S. industry, contrary to popular perception, has among the most modern facilities in the world. What it does not have are the billions of dollars in subsidies provided to foreign producers, which enable them to dump their products on the only open steel market in the world today—the United States. I ask to have printed in the RECORD the testimonies of Pete Love and Julius Uehlein, a list of participants in the hearing, and a resolution adopted by the Pennsylvania Senate and House of Representatives concerning the specialty steel industry.

I plan to conduct further hearings on S. 2167 before the Judiciary Committee on May 24.

The material follows:

STATEMENT OF HOWARD M. LOVE, CHAIRMAN AND PRESIDENT, NATIONAL STEEL CORP.

Senator Spector, it is a pleasure to have this opportunity to appear before you today, and to testify about the impact of unfair trading practices by foreign steel producers on the domestic steel industry.

I want to commend you for holding these hearings in Pittsburgh, a city whose economy is so greatly effected by unfair imports of foreign steel. Also, I want to thank you Senator Spector for the concern you have shown in the U.S. Senate with the problems of unfair foreign competition, and for introducing S. 2167, a bill aimed at providing more effective relief from unfair imports. Later, I shall address myself more fully to this legislation.

First, let me be frank in stating that the steel business in this country is currently suffering through the longest and deepest depression since National Steel was founded in 1929. The average operating rate for the industry at the end of 1981 was barely 55%. In 1982, conditions have remained terrible; operating levels are now only about 57 percent and there is little sign of recovery on the horizon.

Yet, as domestic production has fallen there has been a steady increase in the amount of steel, as a percent of market share, imported to the United States. The dimensions of the problem are best illustrated by a brief summary of recent steel import and employment figures.

For the full year in 1981, a total of 19.9 million tons of steel were shipped into the U.S. market, an increase of 28% over 1980. Total imports' share of the domestic market, which had been 16.3% in 1980 (compared with an average 15.4% for 1970-80) reached a record 19.1%. By the year's end, the number of employees on layoff was near 77,000 and an additional 17,000 men and women were on short work weeks. These figures do not include the additional steel that was imported into this country in the form of cars, trucks and other finished products.

The numbers have continued to deteriorate in 1982 right up to the present. Total steel imports in February 1982 were 1.6 million tons, an increase of 29.7% over the same month last year. For the week ending March 27, 1982, there were nearly 81,000 steel industry employees on layoff and

almost 26,000 more working a shortened week.

As you consider the unfortunate situation facing these men and women, please keep in mind that there are many thousands more currently out of work in raw materials mining and fabricating operations. These layoffs are also the result of low steel demand and high steel imports.

I personally detest having to make the decisions to lay off steelworkers, but we clearly have no choice if demand for our products is not sufficient to keep people working. Last year, employment at the steel divisions of National Steel was reduced from just over 25,000 to around 21,000. Right now we have 6,200 employees on layoff or short work week.

In addition to sacrifices being made by our steelworkers, a wide variety of cost-cutting measures have been instituted at National Steel affecting all management personnel for the duration of the economic decline. The salaries of senior corporate officers have been reduced by 10 to 25%, and all other salaries are frozen. I won't go into further detail about these measures, but I believe that every one of our employees is feeling the pain of imported steel in this economy.

Displacement of American-produced steel by imported steel is clearly the single most serious problem confronting the domestic industry. The question you might ask is how have foreign steel producers been able to capture so much of the American steel market?

We have all heard the accusations aimed at the domestic steel industry, and the adulation that foreign steel producers have received for their efficiency. But I believe our steel-workers and our facilities can compete with those anywhere in the world. So I will tell you how foreign steel producers have been taking our market: through dumping, and through very heavy direct and indirect government subsidies in blatant violation of U.S. trade laws.

The American steel market is the largest and most open in the world and foreign steel producers know this better than anyone, siphoning off much of our growth, jobs and profitability. Over many years foreign nations have—for internal political reasons—substantially increased, and subsequently maintained, their steelmaking capacity. In order to keep operating rates and employment as high as possible these foreign producers have maximized their export sales selling at any price regardles of production cost or fair value. They have done this through extensive government subsidies in disregard of international trade agreements. The U.S. market and American workers have been the main victims of these practices.

While these unfair trading practices by foreign steel producers were increasing, U.S. trade policy either ignored, or failed to stop them.

The Trigger Price Mechanism which was established to reduce foreign dumping and subsidization has not worked. As soon as a strengthened TPM was reinstated in 1980 at the urging of European steel producers, those same producers again began to disregard it. Such violations of U.S. law cannot be condoned.

I believe there is only one solution left to this problem and that is strict and swift enforcement of our trade laws using every option provided under those laws.

In January, National and four other domestic producers filed a petition seeking relief from dumped and subsidized products imported from ten countries.

Our petition showed, for example, that French steel is being subsidized by as much as $300 per ton; Belgian steel by $178 per ton; West German steel by $120 per ton; Italian steel by $290 per ton; and the United Kingdom by $533 per ton or more.

With government subsidies as large as these it is easy to see how some foreign steel producers can undercut domestic steel prices.

In February, the International Trade Commission issued a preliminary ruling that domestic steel makers are probably being injured by unfair trade practices in 38 cases representing 90 percent of the import volume for which National Steel is seeking relief. We have filed an appeal from negative determinations on 39 additional cases because there is overwhelming evidence of injury from subsidized imports there too. Relief from unfair steel imports is essential if the domestic industry's modernization program—which includes over $6 billion of new investments announced since the end of 1980—is to go forward on schedule. But regardless of the outcome of our cases, subsidized steel imports have already caused grave economic injury for which there is no redress available under existing U.S. trade law.

At the conclusion of my testimony is a chart prepared by the American Iron and Steel Institute that outlines the procedures required in bringing a Countervailing Duty case through the Department of Commerce and the ITC, and the time periods applicable. As you can see, in a complicated case such as ours, a long time may elapse between the filing of a complaint and the completion of the investigations. This chart does not take into account the substantial time it takes to put together a complaint and compile the voluminous evidence necessary to prove injury. You can see that the major harm may already be done long before the investigations are finished.

Since all relief under the trade law is prospective there is really no effective disincentive for engaging in illegal trade practices. Another major shortcoming of the existing law, in my view, is that it may take more than a year to resolve an antidumping case.

A number of measures have been introduced in Congress seeking to strengthen our laws against international trade violations. The legislative activity in this area is a response to a general sense of frustration over our inability to stem the flood of subsidized or dumped foreign products being sold in American markets.

Senator Heinz, Senator Robert Byrd and you, Senator Specter, are members of the Senate Steel Caucus with a special appreciation of the impact of unfair trade on the domestic steel producers and workers. Each of you has introduced constructive measures dealing with problems in our trade laws. I would like to focus the remainder of my comments today on your proposal, S. 2167, "the Unfair Competition Act of 1982."

Your bill, Senator Specter, reflects your considerable expertise, as a former prosecutor, with the court system. It is an innovative proposal which seeks to address some of the problems with existing trade law I mentioned earlier.

S. 2167 would provide all industries—not just steel—immediate access to the federal district courts where allegations of unfair trade practices could be determined expeditiously. The courts would have power to issue a temporary or permanent injunction or a temporary restraining order to bar further imports. Under your bill, the burden of proof would shift to defendants, and either preliminary or final determinations by the ITC or Department of Commerce would be considered a prima facie case.

S. 2167 would rectify what I believe was an oversight in the Antidumping Act of 1916 by placing the Act within the context of the U.S. antitrust laws. The bill would also ease the almost insurmountable problem of proving intent, which triggers possible criminal sanctions under the Act.

I won't go into further detail about the provisions contained in S. 2167. I would only express my strong encouragement and support for your efforts to provide all industries, including steel, with faster and more effective relief from unfair foreign trade.

In conclusion, the time is long past when mere verbal assurances of restraint can be accepted. Unfair imports have already done serious injury to the American steel industry. Now, future jobs, earnings and our ability to modernize are in jeopardy. The blatant violation of U.S. trade laws by foreign steel producers requires stronger action, which our suits and your legislation are designed to bring about.

Thank you for this opportunity to testify. I will be glad to answer any questions you may have.

STATUTORY TIMETABLES FOR ANTIDUMPING AND COUNTERVAILING DUTY CASES FILED ON JANUARY 11, 1982

DATE AND AGENCY ACTION DUE

2/1/82, Determination by Commerce as to sufficiency of antidumping and countervailing duty petitions.

2/25/82, ITC's preliminary determination in antidumping and countervailing duty case.

6/10/82, Commerce's preliminary determination in countervailing duty cases.

8/9/82, Commerce's preliminary determination in antidumping cases.

8/24/82, Commerce's final determination in countervailing duty cases.

10/8/82, ITC's final determination in countervailing duty cases.

10/25/82, Commerce's final determination in antidumping cases.

12/7/82, ITC's final determination in antidumping cases.

Note: The above dates are based upon the following assumptions:

1. Both the antidumping and countervailing duty cases will be determined to be "extraordinarily complicated."

2. Each agency will use the full amount of time permitted by the statute for each determination.

3. Commerce's preliminary determination will be affirmative in both the antidumping and countervailing duty cases.

4. The losing party in Commerce's preliminary antidumping determination will not request a 60-day postponement of Commerce's final determination.

Changes in the assumptions can result in several different dates for the agencies' final determinations. The latest possible dates for the ITC's final determinations are November 8, 1982 in the countervailing duty cases and March 7, 1983 in the antidumping cases.

OUTLINE OF TIME PERIODS APPLICABLE IN COUNTERVAILING DUTY PROCEEDINGS, AMERICAN IRON & STEEL INSTITUTE, NOVEMBER 18, 1981

TIME AND ACTION

O; Petition filed with Commerce Department and U.S. International Trade Commission.

Not more than 20 days after petition filed; Determination by Commerce as to sufficiency of petition. If sufficient, investigation initiate and notice published in Federal Register.

NMT 45 days after petition filed; Preliminary determination by ITC re reasonable indication of injury

NMT 85 days after petition filed (150 in "extraordinarily complicated" cases) but not before affirmative preliminary determination by ITC; Preliminary determination by Commerce as to existence of a subsidy. If affirmative, notice states estimated net subsidy, orders suspension of liquidation and imposes provisional measures such as posting of a bond for estimated duties. (Suspension of liquidation applies to entries subsequent to date of preliminary determination by Commerce, except that if there is a finding that "critical circumstances" exist the suspension can be retroactive for unliquidated entries subsequent to 90 days prior to the preliminary determination.)

NMT 75 days after affirmative preliminary determination by Commerce (135 days after, if exporters or petitioners request extension under specified circumstances); Final determination by Commerce re subsidy. If negative, proceeding terminated and provision security released.

NMT (a) the later of (i) 120 days after affirmative preliminary determination by Commerce or (ii) 45 days after affirmative final determination by Commerce following affirmative preliminary determination or (b) 75 days after affirmative final determination by Commerce following negative preliminary determination; Final determination by ITC re injury.

Upon or after affirmative preliminary determination by Commerce; Suspension of investigation base on agreement from foreign government or exporters. (Petitioner receives 30 days prior notice of proposed suspension agreement and has 20 days thereafter to request review by ITC, which has 75 days to review.)

NMT 7 days after affirmative final determination by ITC: Publication by Commerce of countervailing duty order directing Customs to assess countervailing duties equal to the net subsidy.

STATEMENT OF JULIUS UEHLEIN

For the record, my name is Julius Uehlein, International Representative for the United Steelworkers of America. Presently I am assigned to the Harrisburg Area holding the office of Secretary-Treasurer of the USWA Legislative Committee of Pennsylvania. We represent approximately 300,000 Steelworkers in this state. Also for the record, I am representing today the President of our Union, Lloyd McBride, who wanted to be here; however, due to a very serious crisis within the steel industry, he is participating in a two-day conference at Linden Hall. All Steelworker Directors, department heads, as well as those representing the steel industry are at this conference discussing the crisis which I will most likely make reference to in my remarks today. In representing President McBride, I will be relaying to you much of the testimony which he gave before the House Steel Caucus on March 25, 1982. I will also be conveying to you many of the problems that we feel are particularly affecting Pennsylvania. The very fact, Senators, that you are here today indicates that you, too, are concerned about the problems and especially the tremendous amount of unemployment now accurring in the steel industry. We feel that an industry as basic as steel requires special attention and a very firm integrated policy on the part of the federal government.

Unfortunately, the present Administration has rejected a sectoral approach for steel—rejected it even after we had a successful experience with the approach under the auspices of the Steel Tripartite Advisory Committee. Therefore, efforts to provide an overall legislative evaluation of the factors influencing the steel industry and affecting its workers and the steel communities is not matched with a comparable evaluation by a joint private-governmental dialogue. This void in the process of steel industry adjustment to domestic and international events is tragic because not all the required responses are legislative even though, when all else fails, solutions are sought through legislation. Gentlemen, we are in a crisis—although the crisis is not steel-specific—but we do not have the tripartite form for determining the proper reactions from the various sectors of decision makers.

Decisions are being made nevertheless, but they may not be consistent or equitably allocated. The Tripartite Committee, while not guaranteeing the adequacy of the decisions, was at least an effort to seek an interrelationship between the decisions. I would, therefore, strongly recommend that more attention be directed at reconstituting the Steel Tripartite Advisory Committee.

GREATER ECONOMIC FACTORS

I have indicated that the steel industry is in a crisis but that the crisis is not steel specific.

It should come as no surprise that the American steel industry is fast approaching the dimensions of an economic depression. Capacity utilization in January was 58 percent and employment was down to 252,000, the lowest monthly figure on record, with some 76,000 steelworkers on lay off. At least one steel company, McLouth Steel Corporation, is on the verge of bankruptcy and others are taking a good hard look at some of their facilities. National steel has announced its intention to sell its Weirton, West Virginia plant.

We in the steel industry are not alone. The auto, construction, and general manufacturing industries are in the same economic shape or worse. More small businesses are going bankrupt than at any time since the Great Depression, and some larger ones may not be far behind. The savings and loan industry is seeking the largest government bail out in history.

While all of this is going on, we see the federal social budget being reduced by staggering proportions. As a result of last year's budget reconciliation bill, the unemployment compensation system has been seriously weakened; trade adjustment assistance all but eliminated; the food stamp program gutted; Social Security and health care services cut; and a host of other essential social protection programs eliminated or reduced. In the meantime, the rich are getting richer due to last year's irresponsible tax cut bill.

Our people in the steel communities are frightened and angry and are looking for leadership out of this intolerable economic mess. You must put politics aside and reverse the misguided, ideological economic policies of this Administration before the current damage to the economy becomes structurally permanent. That another full-scale economic depression cannot happen is something that none of us can afford to believe. The signs are there and they must not be ignored.

The economic recovery of the steel industry is largely dependent upon a general economic recovery. We believe that such a recovery is not possible without major adjustments to this Administration's monetary, fiscal and budget policies.

CAPACITY RETRENCHMENT

The dependency of the steel industry upon the general economy is to be understood not only in terms of its ability—like other corporations—to make profits and accrue capital reserves, but also of its tendency to permanently shut down facilities during the periods of recession. We are, of course, concerned about the high layoffs in steel but even more threatening is the prospect for permanent job losses. You should be aware of the fact that many analysts have been advocating that the steel industry reduce its capacity at marginal or obsolete facilities. Furthermore, steel companies are being urged to diversify. Paul Marshall, a consultant on steel industry issues, stated that: ". . . the seven largest American steel producers . . . are following strategies of divesting steel operations and diversifying into non-steel businesses."

Yet, we do not have a forum, let alone an industrial policy, to respond to these trends. We don't even have a worker-community adaptation program to handle these huge dislocation problems, if indeed we are to submit to a policy of reductions. It is true that our own collective bargaining agreements attempt to grapple with the situation through various readjustment benefit schemes and early warning (9 months) of shutdown. But, this is a wider issue than just the two parties.

Moreover, we do not think that broad scale tax privileges should be granted to companies without a condition that recaptured funds be committed to modernization of the existing facilities. It may be some existing facilities should not be reconditioned. But, relaxation of government measures should not be predicated on the basis that all these facilities will be upgraded. In other words, relaxation should be targeted only to where there will be job protection.

FISCAL AND MONETARY POLICY

The root cause of this recession—which was purposefully engineered—is the pathological, almost religious devotion of the Reagan Administration and the Federal Reserve to a highly restrictive monetary policy and supply-side economics. The tight money policy has driven up interest rates to intolerable levels resulting in business contraction and increased unemployment.

Last year's tax cut bill—described by some as human green run amok—is the single largest factor responsible for the record federal budget deficits. Combined with a military budget which even the Wall Street defense analysts say cannot be effectively spent by the Pentagon, the tax cuts are simply all out of proportion to what the Treasury can stand. Indeed, the high interest rates make the deficits even more intolerable because borrowing to finance the public debt crowds out private borrowing, thereby fueling continued high interest rates. It is a vicious circle which feeds on itself.

The only response from the Administration is to further cut the non-defense federal budget, something we reject as socially irresponsible. The damage caused by last year's budget cuts have been compounded as the recession grows deeper and affects more people. Last year's $33 billion budget cuts came dangerously close to permanently weakening the social infra-structure developed over the last 50 years. Without many of these social protections and assistance, the poor and unemployed will have no where to go. Thus, at a time when there are 9 million workers who are officially counted as unemployed and another 16 million experiencing some job or income loss, it is foolhardy to expect that the federal non-defense budget can be cut an additional $43 billion, as recently proposed by the President.

Here in Pennsylvania there is an added burden to the thousands of unemployed who are seeking desperately to find work. Our Governor, Richard Thornburgh, saw fit to propose, and was able to get passed, legislation (House Bill 720, Printer's Number 3051) which will deny welfare grants to able-bodied persons between the ages of 18 and 45. Our Governor made reference to daily newspapers which he said were full of jobs that would provide the equivalent of welfare income. He added—it makes no sense for us to subsidize those who are unemployed because they choose to be so. The leader of the Senate, Samuel Hayes, a Republican from Blair County, declared that taxpayers were tired of supporting "Willy Welfare Careerists". Only time will reveal the hardships and sufferings that this legislation will bring about.

I would point out to you, however, at present we have over 11 percent unemployment in Pennsylvania and in the black communities of Pittsburgh and Philadelphia, over 41 percent of black youths are unemployed with no hope of getting a job. I pray that this legislation does not result in conflicts but only a fool would think that legislation denying human beings the right to a decent existence could possibly go uncontested. I am most fearful that the riots and burnings of communities which we experienced in the 70s may very well be repeated in the 80s. I trust those responsible for the type of inhumane legislation such as Pennsylvania's House Bill 720, will be able to cope with the heat of the summer in some other way than police enforcement.

STEEL IMPORTS

One of the major effects of Reaganomics—particularly the high interest rates—has been to encourage imports by making the dollar stronger in the international money markets. Coupled with the tendency of our trading partners to more aggressively export to the United States during times of worldwide recession, the currency exchange rates have resulted in historic levels of steel imports into our market.

Steel imports last year accounted for 19.1 percent of the American market, an all time high. For the last half of 1981, the situation was even worse, with imports capturing an average of 22.6 percent of the market. In January 1982, imports took 26.6 percent of the domestic steel market. While 1981 steel imports from Japan were about the same as 1980, imports from the European Community (EC) nearly doubled in 1981 compared to 1980. Moreover, steel imports from countries other than Japan and the EC continued to increase. Whereas in 1974, steel imports from these other countries accounted for 21 percent of all steel imports, last year they rose to 36 percent.

In response to this import situation, the domestic steel industry has filed the largest trade relief case in history aimed at steel producers in 11 countries. The antidumping and countervailing duty petitions, which have initially been accepted by the Commerce Department and ITC, are aimed largely at steel producers in the EC and cover some 89 percent of the steel imports from the Community. Our union has testified in support of the industry's position.

Moreover, we have joined with the specialty steel industry as co-petitioners in a "301" case against specialty steel producers in seven countries. The U.S. Special Trade Representative has accepted the petition largely in tact, and that process—as well as the carbon steel cases—is well underway.

In response to the steel industry's antidumping and countervailing duty petitions, the Reagan Administration terminated the Trigger Price Mechanism (TPM), which eliminated any effective price regulation of steel imports. In spite of the Administration's public rationale for ending the TPM, we view it as a punitive measure taken against the industry for exercising its legal rights.

Other than to wait for the trade relief process to complete its course with respect to the antidumping, countervailing duty, and "301" cases, there appears to be little else that is being done administratively to deal with the import problem.

But, we have no indication that the root cause of the accelerated imports is being eliminated. Again, according to Paul Marshall: "Planned rationalizations in Europe have not occurred, and instead, these governments have been increasing their financial assistance." Excess subsidized capacity continues to exist.

We are hoping that our government will continue to use the OECD forum in an aggressive way with our trading partners on the issue of subsidies. However, the American Metal Market carried a very discouraging news item. It recorded an interview with Willy Corf, President of Independent European Steelmakers, at which he decried:

"The government subsidies paid enable many companies to maintain uneconomic production capacities and the resultant steel surplus threatens the existence of those enterprises which operate efficiently.

No real restructuring of the European steel industry has yet occurred because of the home government subsidies for steelmaking losses, the refusal of EEC Commission or European Parliament to order plant shutdowns and EEC Commission-approved plans by some large steel firms to replace old, inefficient capacity with new plants to make the same products already in excess supply or new products already being made by mini-mills.

That is quite a condemnation of European governmental policies. Yet nothing is being done. I can understand the reluctance by some foreign governments to take aggressive action. But, we have been in a steel crisis for a number of years. The American steel industry has been rationalizing. It is now time that these competitors, who are pressing our markets with the highest levels of imports in our history, begin to reciprocate, or at least back out those imports at a time of our deepening recession.

Our trade laws are now for the first time being fully tested. While I do not consider aggressive enforcement to be a substitute for a more responsible national economic policy, I do insist that the pain of Reaganomics will be less immediately experienced by some steelworkers if the unfair imports are withdrawn.

Additionally, you should realize that our union is concerned not only with the import of steel but also iron ore. As steel mill production declines, then iron ore imports should be curtailed, commensurate with such a decline.

LEGISLATION

1. Content legislation

Legislatively, our union has joined with the United Auto Workers and other unions in actively supporting H.R. 5133, the "Fair Practices in Automotive Products Act," better known as the "Domestic Content" bill. Sponsored by Congressman Dick Ottinger and co-sponsored by another 160 House members, this bill would require that all auto companies who enjoy high auto sales in our market to comply with a schedule of minimum domestic content ratios based upon their sales volume. By model year 1985, those companies which sell more than 500,000 vehicles a year in our market would be required to achieve a 90 percent domestic content ratio. This bill would do nothing more than what all other industrial countries do to protect their auto market. Such a law would substantially help auto supplying industries such as ours, and I urge the Senate to vigorously support H.R. 5133.

2. Clean Air Act

Gentlemen, I must insist that the serious weakening of the Clean Air Act, as proposed by H.R. 5252, will not result in a national economic revival. Furthermore, the prevailing notion is that a substantive revision rather than a moderate fine tuning of the Clean Air Act is needed to allow economic growth and to save jobs. While this is not the forum for debating that contention, let me emphasize that the steel stretchout legislation, which allowed an additional three years for compliance, did so by making mandatory that assumption. The stretchout is conditioned upon the fact that the recaptured abatement funds will be expended for modernization.

H.R. 5252, however, allows the steel industry to avoid that commitment and to slip the deadline which, only a few months ago, it said was reasonable. There is no need to go beyond the 1985 deadline.

There have been complaints that some steel companies are unable to qualify for the stretchout because they have more than minimal violations of the Clean Air Act. We have already urged that that restrictive provision be deleted, but we are also insistent that the stretchout provisions be the exclusive remedy for the relaxation because:

a. our environmental health will be protected; and

b. recaptured funds will stay in the steel industry and in steel mill towns.

Again, let me urge you not to disarrange the Clean Air Act because of some presumed favorable impact upon industrial growth. If the same economic conditions prevail beyond 1985, then I can assure you that there will be need for a much more aggressive action than scapegoating the Clean Air Act and/or other regulatory social programs like OSHA and MSHA.

3. Economic recovery

On a much broader scale, however, the recovery of the American steel industry is largely dependent upon a general economic recovery. And the longer such a recovery is postponed by insufficient public policies,

the longer our industry and people will suffer. Indeed, it usually takes the steel industry a longer time to come out of a recession than the rest of the economy so that we might be in trouble for some time to come.

We in the labor movement believe that the time is long since past for aggressive Congressional action to reverse what a growing consensus believe to be the harmful and unworkable economic policies of this Administration. Presidential loyalty is simply no substitute for sound economic judgment.

The Executive Council of the AFL-CIO, has developed an alternative to Reaganomics which we believe deserves serious Congressional considerations. Attached to this testimony is the detailed statement adopted by the Executive Council. Stated briefly it calls for:

Rejection of the President's recently proposed cuts in the social budget;

Undoing the worst features of last year's massive tax cut giveaway bill and closing some long standing tax loopholes;

Enacting a far reaching jobs creation program, including investment in the public infrastructure which is rapidly deteriorating;

Reverse the undue reliance on tight monetary policy, and control credit in an effort to channel funds into the productive sectors of the economy.

Such a program would not only bring relief to those who are disadvantaged and unemployed, it would also begin the necessary long-term recovery of basic industries like steel. We believe that this kind of an effort is long overdue and recommend it for your study and consideration.

The development of a national economic policy is critically dependent upon a White House intent for a joint legislative and executive involvement. Last year we witnessed instead an ultimatum to the Congress to acquiesce to a proposed policy, the essential factors of which were untested and, unfortunately for the nation, are proving unworkable. We need a shift—indeed a switch—in economic policy. Members of Congress are in a better position to judge whether that will occur cooperatively with the Administration or through unilateral action by the Congress.

4. Unemployment compensation

There is, however, one part of that program for which I would urge immediate action. We need to substantially reinforce our unemployment system.

Last year, in a flurry of budget-cutting and under the assumption of success for the President's program, various aspects of unemployment compensation were seriously weakened. We are now caught in a period of structural deficits during which chronically high levels of unemployment are to be expected. While we must devise policies to correct the deep-seated economic distress, and such a prospect is admittedly highly political, we should at least determine to allow a more humane response to the economic hardship of long periods of unemployment. Congressional action should be directed at removing the "reforms" enacted last year which made more restrictive the federal extended benefits program. Additionally, Congress should enact a federal emergency extension of unemployment compensation. Not only is it an obvious countercyclical measure, already endorsed by Congress in the past. It is also a response by a compassionate government to the injury imposed upon individual workers and their families, which in this case was the result of a deliberate government policy to fight inflation with fiscal and monetary policies that resulted in high unemployment.

In 1972 Congress responded to chronic high rates of unemployment by enacting Emergency Unemployment Compensation for an additional 13 weeks of benefits beyond the regular state coverage and the 13-week Extended Benefit coverage for a maximum of 52 weeks. In response to the 1975–76 recession, the Congress extended coverage to a maximum of 65 weeks of unemployment benefits.

While we are urging additional benefits because of the growing devastation due to unemployment, it is necessary to note that the White House has already achieved—with congressional approval—retrenchment in the current unemployment compensation system.

All but one of the Reagan Administration's proposals for slashing the unemployment compensation program were adopted in the 1981 Omnibus Reconciliation Act. These included:

The immediate elimination of the national trigger which required all states to pay up to an additional 13 weeks of extended unemployment benefits when the national Insurance Unemployment Rate (IUR)[1] equalled or exceeded 4.5 percent.

A requirement that the individual states raise their individual trigger for the extended benefits from 4 percent to 5 percent, with an additional provision that its IUR must be 20 percent higher than the average for the past two-year period. This requirement will come into effect on October 1, 1982.

A provision which eliminates from the calculation of the insured unemployment rate those workers who are receiving extended benefits. This deflation of the IUR means that states will trigger "off" the extended benefit program earlier than if they were counted.

In addition to these recalculations for triggering "on" and "off" the extended benefits, a number of individual disqualifications have been added. These include:

Disqualification for Extended Benefits (EB) of any worker who voluntarily quit his job (including military personnel who fail to re-enlist), or who was fired for misconduct;

Requirement of a one-week waiting period before drawing EB benefits;

Denial of EB benefits for refusal to accept a "reasonable" work offer which meets minimum wage standards and working conditions;

Elimination from EB benefits those workers who had not worked for at least 20 weeks in the base period, despite the fact that such workers had been receiving and are exhausting state benefits.

Various bills have been submitted to restore the national trigger and the former state trigger formulas, and to provide for an additional Emergency Unemployment Benefit period.

Without enumerating specific restorations and revisions, we must press all Representatives to respond immediately to the economic disaster facing workers who are unemployed as a result of the widening and deepening recession.

Simply put, we are requesting an improvement and expansion of unemployment compensation benefits. Long-term unemployment is growing as workers are unable to find jobs in a shrinking economy. Unemployment is over 10% in 19 states.

The regulations adopted by the federal government were at first put into effect in Pennsylvania in such a manner that it would have made it almost impossible for the unemployed to receive the 13-week extension. For example; the first ruling provided that an unemployed person must seek employment in at least five (5) separate establishments and be able to prove conclusively that such an effort was made. This could only mean that he would have to have something in writing from the places he sought employment. I am sure you are aware many small towns are a one-factory town making this requirement impossible. I am also sure you are aware that most places of employment, when they put out a sign indicating no jobs available, they do not want to be pestered by someone asking proof they were there. The Steelworkers, as well as others, raised such a furor about this requirement, that our labor department has relaxed that stipulation somewhat. In some communities they have reduced this to one visit, along with three telephone calls. In communities where you have as high as 17% unemployment, even this requirement is ridiculous and should be removed.

ATTENDEES

Senator ARLEN SPECTER;

National Steel—Howard M. Love, President and Chief Executive Officer;

United Steelworkers of America—Julius Uehlein, Executive Secretary of Pennsylvania U.S.W.A. Legislative Committee;

Specialty Steel:

Allegheny Ludlum, Inc.—Richard Mercer, Vice President/Commercial;

Armco—Jack Barnett, Director/Sales, Stainless Division, Armco Industries

Crucible—Dwight Kaufman, Executive Vice President of Crucible Stainless and Alloy Division, Colt Industries;

Community Officials and Groups:

Allegheny County Commissioner—Dr. William R. Hunt;

Mayor of Midland—Martin Schulte;

Job Action Committee for the Tri-State Area—Ron Friess, Co-Chairman; and also President of Local 1212 U.S.W.A., Crucible, Midland.

HOUSE OF REPRESENTATIVES,
COMMONWEALTH OF PENNSYLVANIA,
Harrisburg, April 7, 1982.

Hon. ARLEN SPECTER,
U.S. Senate,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR SPECTER: Enclosed is a copy of House Resolution Number 149, which was adopted by the Pennsylvania House of Representatives on February 9, 1982 and concurred by the Senate of Pennsylvania on March 24, 1982.

This Resolution is sent to you for your consideration in accordance with the direction contained in said Resolution.

Very truly yours,

JOHN J. ZUBECK,
Chief Clerk.

Enclosure.

THE GENERAL ASSEMBLY OF PENNSYLVANIA,
HOUSE RESOLUTION No. 149

Whereas, Specialty steels are an essential industrial material and, therefore, the domestic industry is a strategic resource necessary to national defense; and

[1] The IUR counts only unemployed workers currently receiving unemployment compensation; and is a figure well below the real unemployment rate which includes all persons who are ready, willing and actively seeking work.

Whereas, The United States can, and must, maintain an adequate level of self-sufficiency and production capability in specialty steels, including a skilled and adequate labor force; and

Whereas, The economic base of the specialty steel industry has been seriously eroded in recent years by the damaging flow of imports of specialty steels and products containing these materials; and

Whereas, Under pressure of excessive imports, unemployment has climbed as high as forty percent in the specialty steel industry during recent years; and

Whereas, American privately-owned specialty steel producers compete in the marketplace with foreign companies which are government-owned, subsidized, or directed and do not have to meet the disciplines of our free-market system; and

Whereas, The specialty steel industry has always favored development of open, fair, and mutually beneficial world trade—it is not protectionist; and

Whereas, The problem of assuring that foreign companies compete fairly and legally confronts the specialty steel industry, many other industries, and our entire economy. As the major open world market, our Nation faces industrial stagnation—reduced job opportunities—and a declining standard of living, unless new understandings and rules relating to trade can be developed with foreign governments; and

Whereas, The specialty steel industry is experiencing massive layoffs due to the unfair dumping of foreign specialty steel; and

Whereas, Unfair competition and the dumping of foreign steels in United States markets is causing substantial and lasting hardship for Pennsylvania citizens employed in the specialty steel industry; therefore be it

Resolved (the Senate Concurring), That the General Assembly of the Commonwealth of Pennsylvania memorialize the President of the United States, the Congress, and the International Trade Commission to take prompt and aggressive action to control unfair foreign competition and the dumping of specialty steels in the United States markets; and be it further

Resolved, That copies of this resolution be sent to the President of the United States, the presiding officers of both Houses of Congress, each member of Congress from the Commonwealth of Pennsylvania, the International Trade Commission, along with its United States Trade Representive, and the Department of Commerce.●

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I ask the Chair to inquire if there is further morning business.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 8:45 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF CERTAIN SENATORS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that after the recognition of the two leaders under the standing order tomorrow, five Senators be recognized on special orders for not to exceed 15 minutes each: Senators WEICKER, BUMPERS, NICKLES, KASTEN, and BENTSEN, in that order.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining after the execution of special orders tomorrow, and prior to 10 a.m., be devoted to the transaction of routine morning business, in which Senators may speak for not more than 1 minute each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION TOMORROW OF DEPARTMENT OF DEFENSE AUTHORIZATION BILL

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, at 10 a.m., the Senate resume consideration of the Department of Defense authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, a parliamentary inquiry: When the Senate resumes consideration of the Department of Defense authorization bill, what will be the pending question?

The PRESIDING OFFICER. The amendment by the Senator from Pennsylvania.

Mr. BAKER. I anticipate that there may be a tabling motion offered with respect to the amendment. That will not be done this evening. But Senators are on notice that that or other action will be taken in respect to the amendment.

A further inquiry, Mr. President: Is there any time remaining for debate on the Specter amendment?

The PRESIDING OFFICER. There is no time remaining on the amendment itself. There is time remaining on amendments thereto.

Mr. BAKER. A second-degree amendment would be debatable for not more than 30 minutes, under the previous order. Is that correct?

The PRESIDING OFFICER. The majority leader is correct.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in recess until 8:45 a.m. on tomorrow.

The motion was agreed to; and at 7:11 p.m. the Senate recessed until Wednesday, May 12, 1982, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate May 11, 1982:

U.S. POSTAL SERVICE

Peter E. Voss, of Ohio, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1990, vice Hung Wai Ching, term expired.

IN THE AIR FORCE

Gen. Lew Allen, Jr., U.S. Air Force (age 56), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, and 533:

Lieutenant colonel

Hunter, Ronald, xxx-xx-xxxx

Majors

Basso, Richard M., xxx-xx-xxxx
Coverley, Charles C., xxx-xx-xxxx
Ham, Walter D., xxx-xx-xxxx
Hamilton, James R., xxx-xx-xxxx
Hoagland, Michael, xxx-xx-xxxx
Jerome, Ronald L., xxx-xx-xxxx
Kehoe, John F., xxx-xx-xxxx
Manchester, Donald A., xxx-xx-xxxx
Roberts, Leonard J., xxx-xx-xxxx
Sanders, Charles E., xxx-xx-xxxx

Captains

Meli, James L., xxx-xx-xxxx
Neumann, Richard R., xxx-xx-xxxx
Thompson, Jerry A., xxx-xx-xxxx

First lieutenants

Spright, Michael G., xxx-xx-xxxx
Vorderbruegge, William F., xxx-xx-xxxx
Williamson, Michael E., xxx-xx-xxxx

CONFIRMATION

Executive nomination confirmed by the Senate May 11, 1982:

DEPARTMENT OF JUSTICE

Evan L. Hultman, of Iowa, to be U.S. attorney for the northern district of Iowa for the term of 4 years.

HOUSE OF REPRESENTATIVES *Tuesday, May 11, 1982*

The House met at 12 o'clock noon.

The Reverend Barbara Trombley Fitterer, Episcopal Diocese of California, San Francisco, Calif., offered the following prayer:

Heavenly Father, You have brought us together to face the issues of this day. Therefore, make us patient with one another, slow to anger and ready to pardon, turning to Your divine guidance in all of our decisions and actions.

We are conscious of our human frailty and aware that more is asked of us than we know how to accomplish. If we fail to seek Your guidance, coincidences will stop happening. Help us to live expectantly, witnessing with hope and trust as we seek to shed light in a troubled and broken world.

Lift us to Your greater purpose that we may understand Your plan unfolds not in the we's and they's of life but when we pressure less and pray more.

We would be firmly quiet in Your holy presence, Lord, claiming always the promise You made to Your people: "I will fight for you. You have only to be still."

Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. WHITTAKER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Chair's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WHITTAKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 351, nays 24, answered "present" 1, not voting 56, as follows:

[Roll No. 65]

YEAS—351

Addabbo	Anderson	Archer
Akaka	Andrews	Aspin
Alexander	Annunzio	Atkinson
AuCoin	English	Lee
Badham	Erlenborn	Lehman
Bafalis	Ertel	Leland
Bailey (MO)	Evans (DE)	Lent
Bailey (PA)	Evans (GA)	Levitas
Barnard	Fary	Lewis
Beard	Fascell	Livingston
Bedell	Fazio	Loeffler
Beilenson	Fenwick	Long (LA)
Benedict	Fiedler	Long (MD)
Benjamin	Fields	Lott
Bennett	Fish	Lowery (CA)
Bethune	Fithian	Lowry (WA)
Bevill	Flippo	Lujan
Biaggi	Florio	Luken
Bingham	Foley	Lundine
Blanchard	Ford (MI)	Lungren
Bliley	Ford (TN)	Madigan
Boggs	Fountain	Markey
Boland	Fowler	Martin (IL)
Bolling	Frank	Martin (NC)
Boner	Frenzel	Martin (NY)
Bonior	Frost	Matsui
Bonker	Fuqua	Mavroules
Bouquard	Garcia	Mazzoli
Bowen	Gaydos	McClory
Breaux	Gibbons	McCloskey
Brinkley	Gilman	McCollum
Brodhead	Glickman	McCurdy
Brooks	Gonzalez	McDade
Broomfield	Gore	McDonald
Brown (CA)	Gradison	McEwen
Brown (CO)	Gramm	McHugh
Broyhill	Gray	McKinney
Burton, Phillip	Green	Mica
Byron	Gregg	Michel
Campbell	Guarini	Mikulski
Carman	Gunderson	Miller (CA)
Carney	Hagedorn	Mineta
Chappie	Hall (OH)	Minish
Cheney	Hall, Ralph	Mitchell (NY)
Clausen	Hall, Sam	Moakley
Clinger	Hamilton	Molinari
Coats	Hammerschmidt	Mollohan
Coelho	Hance	Montgomery
Coleman	Hansen (ID)	Moore
Collins (IL)	Hartnett	Moorhead
Collins (TX)	Hatcher	Morrison
Conable	Heckler	Mottl
Conte	Hefner	Murphy
Conyers	Heftel	Myers
Corcoran	Hendon	Napier
Coyne, James	Hertel	Natcher
Coyne, William	Hightower	Neal
Craig	Hiler	Nelligan
Crane, Daniel	Hillis	Nelson
D'Amours	Hollenbeck	Nichols
Daniel, R. W.	Hopkins	Nowak
Dannemeyer	Horton	O'Brien
Daschle	Howard	Oakar
Daub	Hoyer	Oberstar
Davis	Hubbard	Obey
de la Garza	Huckaby	Oxley
Deckard	Hughes	Panetta
Dellums	Hunter	Parris
Derwinski	Hutto	Pashayan
Dicks	Hyde	Patman
Dingell	Jeffords	Patterson
Dixon	Jeffries	Paul
Donnelly	Jenkins	Perkins
Dorgan	Jones (NC)	Petri
Dornan	Jones (OK)	Peyser
Dougherty	Kastenmeier	Pickle
Dowdy	Kazen	Porter
Downey	Kemp	Price
Duncan	Kennelly	Pritchard
Dwyer	Kildee	Quillen
Dymally	Kindness	Rahall
Dyson	Kogovsek	Railsback
Early	Kramer	Rangel
Eckart	LaFalce	Ratchford
Edwards (AL)	Lagomarsino	Regula
Edwards (CA)	Lantos	Reuss
Edwards (OK)	Latta	Richmond
Emery	Leath	Rinaldo
Ritter	Skeen	Volkmer
Roberts (KS)	Skelton	Walgren
Robinson	Smith (AL)	Wampler
Rodino	Smith (IA)	Washington
Roe	Smith (NE)	Waxman
Rogers	Smith (NJ)	Weaver
Rose	Smith (OR)	Weber (MN)
Rosenthal	Smith (PA)	Weber (OH)
Rostenkowski	Snowe	Weiss
Roth	Snyder	White
Roukema	Solarz	Whitehurst
Roybal	Spence	Whitley
Santini	St Germain	Whittaker
Sawyer	Stangeland	Whitten
Scheuer	Staton	Williams (MT)
Schneider	Stenholm	Williams (OH)
Schulze	Stokes	Winn
Schumer	Stratton	Wirth
Seiberling	Studds	Wolf
Sensenbrenner	Stump	Wolpe
Shamansky	Swift	Wortley
Shannon	Synar	Wright
Sharp	Tauke	Wyden
Shaw	Tauzin	Wylie
Shelby	Taylor	Yatron
Shumway	Thomas	Young (AK)
Shuster	Trible	Young (FL)
Siljander	Vander Jagt	Zablocki
Simon	Vento	Zeferetti

NAYS—24

Barnes	Goodling	Miller (OH)
Butler	Harkin	Mitchell (MD)
Clay	Hawkins	Roemer
Coughlin	Holt	Sabo
Edgar	Jacobs	Schroeder
Emerson	Johnston	Solomon
Evans (IA)	LeBoutillier	Walker
Gejdenson	Marlenee	Yates

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—56

Albosta	Evans (IN)	Moffett
Anthony	Ferraro	Murtha
Applegate	Findley	Pease
Bereuter	Foglietta	Pepper
Brown (OH)	Forsythe	Pursell
Burgener	Gephardt	Rhodes
Burton, John	Gingrich	Roberts (SD)
Chappell	Ginn	Rousselot
Chisholm	Goldwater	Rudd
Courter	Grisham	Russo
Crane, Philip	Hansen (UT)	Savage
Crockett	Holland	Stanton
Daniel, Dan	Ireland	Stark
DeNardis	Jones (TN)	Traxler
Derrick	Leach	Udall
Dickinson	Marks	Watkins
Dreier	Marriott	Wilson
Dunn	Mattox	Young (MO)
Erdahl	McGrath	

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blythe Arena.

The message also announced that the Vice President, pursuant to Public

Law 86-420, appointed Mr. HATFIELD and Mr. MATTINGLY to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in Santa Barbara, Calif., May 27-31, 1982.

The message also announced that the Vice President, pursuant to Public Law 84-689, appointed Mr. BIDEN (vice chairman), Mr. EAGLETON, Mr. ROTH, Mr. MCCLURE, Mr. NUNN, and Mr. SPECTER to attend, on the part of the Senate, the North Atlantic Assembly, to be held in Maderia, Portugal, May 28-31, 1982.

□ 1215

REV. BARBARA FITTERER

(Mr. PRITCHARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRITCHARD. Mr. Speaker, it is a great pleasure for me to welcome and introduce our guest chaplain today, Rev. Barbara Fitterer. She is a brilliant, compassionate, and very thoughtful person serving in the California Diocese for the Episcopal Church.

Following a brilliant academic career, she was ordained a priest in 1979.

At a time in America when the fabric of our society is being torn, stretched, and strained in a manner that our country has not witnessed in 200 years, it is important that people having great talent and compassion go into the work of carrying the Lord's word, and work, helping people.

We are pleased to welcome the chaplain here and we expect great things from her in the coming years.

ANNOUNCEMENT OF AVAILABILITY FOR REVIEW OF CLASSIFIED INDEX TO REPORT ON INTELLIGENCE AUTHORIZATION ACT

Mr. BOLAND. Mr. Speaker, I wish to announce that, pursuant to House Rule XLVIII, the classified annex to the report to accompany H.R. 6068, the Intelligence Authorization Act for Fiscal Year 1983, will be available for review, for Members of the House, daily until the bill is considered by the House, in room H-405 of the Capitol, between 9 a.m. and 5 p.m.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore (Mr. FRANK). Is there objection to the request of the gentleman from Missouri?

Mr. WALKER. Reserving the right to object, could the gentleman indicate what the nature of these privileged reports might be?

Mr. BOLLING. I would be glad to reply.

We have five rules that we expect to report out this afternoon, one on H.R. 5922, additional procedures during the consideration of the urgent supplemental, fiscal year 1982.

There are rules on all of these: H.R. 5726, National Bureau of Standards Authorization Act; H.R. 5842, National Science Foundation Authorization Act; H.R. 5980, the NASA authorization; and H.R. 6068, the Intelligence Authorization Act.

Mr. WALKER. Further reserving the right to object, it was my understanding that we had already passed the rule on the supplemental appropriations. Is the gentleman telling the House that we have additional things to add to that rule, or are we going to have a whole new rule?

Mr. BOLLING. I had indicated on last Thursday that the additions the gentleman is now speaking of would be added, as well as one or two more I believe will be added in the rule that will come to the floor.

Mr. WALKER. Further reserving the right to object, is this what this gentleman understands to be a provision that would allow an additional amendment to the supplemental?

I would be glad to yield to the gentleman.

Mr. BOLLING. That is correct.

Mr. WALKER. Further reserving the right to object, can we expect that we will see printed in the RECORD the language of that amendment before we are asked to vote on it in the House?

Mr. BOLLING. That is planned. The amendment will not be in order unless it is printed.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

A BUDGET WITH A HEART AND A MIND

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I want to take this time to congratulate the Budget Committee and the Democratic leadership for moving toward the conclusion of a budget with both a heart and a mind, a budget that will decrease the deficit, will lower interest rates, and at the same time will guarantee senior citizens and those who are approaching the age when they would be eligible for social security that they will not have their benefits cut.

Mr. Speaker, this will be a budget that will protect students, that will restore over $1 billion that the Reagan administration wanted to cut.

Mr. Speaker, once again the Republicans do not believe that we have the stomach to reverse the unfair tax cuts in an election year. I believe it is obvious that we will have that courage and we will act. The public is sick of delays by the administration in coming forth with an honest and decent approach to solve our problems. This budget that will be coming out will put us back, Mr. Speaker, on the road to recovery.

□ 1230

CONGRESSIONAL FAMILY NIGHT

(Mr. GORE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GORE. I take this opportunity to invite my colleagues and to remind them of the prior invitation to the Congressional Family Night tonight. All Members and their spouses are invited, along with their children and grandchildren, to the Capitol Children's Museum, 800 Third Street NE., which is just behind Union Station.

This is the third in a series of Congressional Family Nights. The idea really started 2 years ago with our colleague from California (Mr. LEWIS) and the specific idea to have it this year at the Children's Museum originated with the gentleman from Colorado (Mr. WIRTH).

The Congressional Clearing House on the Future and several of the wives' clubs have sponsored this event, and the Children's Museum is planning a fun time for Members and their families. A lot of us believe that we need more such opportunities to be together with our families and each other. In addition, this offers a chance to enjoy the excellent exhibits and activities at the Children's Museum.

There will be a Mexican buffet from 6 to 9. I encourage all Members to come.

SMALL BUSINESS PROBLEMS

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, you perhaps wonder what I, a representative from a flourishing Sun Belt State with a statewide unemployment rate of only 5.9 percent in April, might find to say about the small businessmen's problems in my district. Let me assure you the difficulties are everywhere. Several counties I represent along the Mexican border have traditionally had

higher unemployment rates than the national average. For example, preliminary March unemployment for the two SMSA counties in my district was: 10.6 percent for Cameron County and 14.5 percent for Hidalgo County.

Compounding the very major problems caused by the recession, high-interest rates, and increased unemployment, the Mexican Government's devaluation of the peso last February has had a devastating effect on small businesses in my district. Border town retail businesses have been particularly hard hit, suffering a 10-40 percent decline in sales with large inventories on hand.

In 1976 during a similar peso devaluation, the SBA offered low-cost economic injury loans to tide small businesses through the adjustment period following the devaluation. Last summer the Congress in approving the Gramm-Latta 1981 Budget Reconciliation Act eliminated the economic injury loan in the package of budget cutbacks. As a result, the small businessman must now seek a direct SBA loan with a 15⅝-percent interest rate or a guaranteed loan at market rates or above. Both rates are prohibitive for a business with declining sales.

Large corporations are hurting now as well. But the many advantages they often enjoy over small businesses, such as a capital reserve cushion, broadbased management capabilities, and ability to obtain more favorable interest rates, are enabling the big corporations to survive this recession better than the small businesses, the backbone of our economy.

PRESIDENT REAGAN DEPENDS ON DEMOCRATIC PROGRAMS TO SOFTEN UNEMPLOYMENT

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, last week the President blamed the country's problems on 40 years of mismanagement, but yesterday the President attempted to minimize the pain his depression is causing in comparison to the pain in the Great Depression by pointing out that people have programs today like unemployment compensation and welfare to fall back on. He might have also had the grace to point out that those very programs are part of the legacy he so blithely dismisses as "mismanagement."

So is social security, which he once opposed. So is the FDIC, so is medicare and a whole host of other programs which are helping to insulate people from the unemployment which President Reagan promised during the campaign he would never use to fight our economic problems.

REAGANOMICS, THE RIVERBOAT GAMBLE, HAS LOST

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, in writing about Black Tuesday—the infamous day the stock market crashed in 1929—John Kenneth Galbraith observed, "it was all over, only no one knew."

I am not suggesting that we are heading for another Great Depression—although that suggestion can no longer be so easily dismissed.

What is over, and what Ronald Reagan does not yet know, is our national experiment in Reaganomics. The riverboat gamble lost. Last Friday, we learned that unemployment in April reached 9.4 percent—the highest official jobless rate since 1941. Today over 10 million people are looking for work; another 2 million have become so discouraged they have stopped looking, 3 million more can get only part-time jobs, over 13 percent of blue-collar workers are unemployed; 18.4 percent of black workers are unemployed; 12.5 percent of Hispanics; half of minority teenagers cannot find jobs.

The millions of Americans who are searching for jobs know that there was no magic in the President's voodoo economics. We cannot wait for the "modern Hoover with a smile" in the White House to ever acknowledge the utter failure of his policies. We in Congress must accept our responsibility to put America back to work.

SUPPLY-SIDE SELFISHNESS

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, for 70 years our income tax system has been based on ability to pay.

It is simple. And it is fair.

Now, President counselor Ed Meese tells us that this is immoral.

Why requiring more taxes of a millionaire than a blue collar worker is immoral is beyond me but Meese says it is the basis of a lot of our troubles.

If ever an administration is designed and predicated to be of the rich, by the rich, and for the rich, this is evidence of it.

I have two questions after reading Mr. Meese's incredible statements:

First. Was he speaking for the President?

Second. What is the President's more moral tax system?

BROKEN PROMISES

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, the recent unemployment statistics released by the Department of Labor are a sad but accurate reminder of the devasting impact the Reagan administration's economic recovery program is having on millions of Americans. Our unemployment rate now stands at 9.4 percent—the highest level since the Great Depression—and the administration's fiscal 1983 budget proposals offer no hope of a quick or effective solution to this problem.

The Reagan administration takes great pride in noting that its economic policies have significantly reduced the rate of inflation. It is time, therefore, for the administration to also acknowledge the fact that these same policies are directly responsible for our record high unemployment rate. The President's promise of an expanding, productive industrial base has only materialized into the collapse of thousands of businesses, industries, and farms. Bankruptcies and long unemployment lines do not make a sound economic policy.

As long as the administration continues to point the finger of blame at past administrations and the Congress for the tragic unemployment situation, nothing will protect more Americans from joining the ranks of the unemployed. No amount of budget cuts can overcome the negative impact that these jobless millions will continue to have on our economy. The unemployed are not mere numbers—they are individuals—who deserve far better than to have their lives, their hopes, and their futures dangle on the end of a broken string of promises.

DEFENSE TECHNOLOGY LOST

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, a recent event in my home State of Tennessee illustrates one reason why our defense spending is unnecessarily high—and how it could be reduced over the next several years while enhancing our national security at the same time.

A Senate investigation has disclosed that sensitive technology with military value is being regularly sent to the Soviet Union because of poor oversight by the U.S. Government agencies set up to control the exports of such technology. In fact, the Government frequently makes the Russians' work even easier by publishing technical data on military programs. For example, in 1979 two officials from the Soviet Embassy went to the public library in Milan, Tenn., to photocopy pages from an environmental impact statement concerning the construction

of a plant to manufacture military explosives.

When the Soviets take our high technology and apply it to their weapons systems, our national security is threatened. And to meet this greater Soviet threat, we have to spend more and more money on developing weapons to counter this new threat.

To deal with this serious problem, I will ask that the Subcommittee on Investigations of the Armed Services Committee hold hearings on this issue, and also will introduce legislation dealing with this important issue.

AMENDING THE CLEAN WATER ACT

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, today, I am introducing a companion bill to S. 2280 that amends the Clean Water Act. The bill that I am introducing today, along with five of my colleagues, will remove requirements that dams comply with Clean Water Act standards.

There is a need to amend Public Law 92-500, the Clean Water Act, to eliminate the application of national pollutant discharge elimination system (NPDES) permits to discharges from reservoirs.

Apparently, recent action in the U.S. District Court for the District of Columbia makes this necessary. The decision in National Wildlife against Gorsuch issued on January 29, 1982, ruled that EPA must adopt regulations and issue NPDES permits regulating the quality of discharges from reservoirs.

It is my opinion and the opinion of those who have cosponsored this bill with me, that this is unnecessary and harmful to the interests of the Western States.

JAPANESE WANT OPEN UNITED STATES MARKETS BUT CLOSED JAPANESE MARKETS

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, recently during Vice President BUSH'S visit to Japan, he was met by some 8,000 Japanese demonstrators in Tokyo. The Japanese farmers who were demonstrating were not asking for free trade, but were telling their Government to continue their protectionism that presently shelters Japan's agriculture industry from American competition.

Mr. Speaker, demonstrating with the farmers were over 100 Government representatives.

The Japanese do not want free trade, Mr. Speaker. They want open United States markets for their products, but closed Japanese markets where American products threaten their industry. It is time, Mr. Speaker, to make the trade relationship between Japan and America a two-way street.

CROWDING OUT

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, recently, I read a report by a unit of Goldman Sachs which contained two startling statistics. First, the level of profits—the main source of investment capital—reached a postwar low, and second, for the first time ever, interest income has surpassed profits as a proportion of national income.

These otherwise dry economic statistics are the effect of high interest rates which have channeled investment into interest-bearing paper rather than job-producing plant and equipment.

The effect is not unique to the private sector. In the recent past, only about one-third of the national debt had to be rolled over each year; now, more than half of the total national debt must be refinanced each year, the result of high interest rates leading the Treasury to float shorter term securities.

As if this were not bad enough, the high deficits which loom on the economic horizon threaten to crowd out U.S. capital markets, keeping interest rates high, steering investments into liquid rather than "hard" assets, and, in effect, preventing the economic recovery which we all desire and which the country so desperately needs.

The Federal Government, or entities under Federal auspices, will account for more than half of the total funds advanced in U.S. capital markets this year, and without substantially lower deficits could go even higher. As recent as 1979, this Federal participation rate was below 18 percent.

Without substantial reduction, future deficits may comprise as much as 70 percent of net personal saving.

Mr. Speaker, these and related statistics heighten the need for the Congress to craft a fiscal policy, embodied in a budget resolution, that sends the clearest message to the American people that Congress has the will and the courage to do what is right, irrespective of political concerns.

DEMOCRATIC BUDGET FINALLY COMES TO THE HOUSE

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, finally we have a Democratic leadership budget before this House of Representatives, and guess what? Jimmy Carter has been revived. The plans and policies that he had for America have been delineated once again as the policy of the Democratic Party—less defense, more taxes, and more spending.

Let us remember what those policies brought to America. Three out of four workers that are unemployed today lost their jobs under Jimmy Carter and the Democrats. Interest rates soared, and today's interest rates, which are far too high, are still lower than what the Democratic Congress produced. The housing and construction industries were annihilated, placed flat on their backs as a result of what the Carter administration and the Democrats did, and they have not been able to recover.

The Democrats took the social security system to the very brink of bankruptcy, and now, today, they come to this House and they say that they are willing to do nothing to help solve the social security problems and to help stave off bankruptcy. The revival of the Carter budget priorities and legacy is a sad day indeed for America.

□ 1245

THE DEMOCRATIC ALTERNATIVE BUDGET PROPOSAL

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, after months of finger pointing and name calling, the Democrats have finally come up with an alternative budget proposal; and that alternative, Mr. Speaker, looks strikingly familiar.

The proposal introduced yesterday by the chairman of the Budget Committee not only follows the basic framework of the President's original budget submission, it also includes, with minor differences, many of the spending initiatives approved by the other body's Budget Committee. But there are major differences, however.

While the details of the Jones proposal are still unknown, one thing is clear: Rather than providing for a reduction in Federal spending, the Jones budget actually proposes to increase spending, and provide for dramatic tax increases to pay for those increases. By raising taxes by more than $150 billion over 3 years, the Democratic "alternative" would confirm the worst fears of the financial markets and of the American people—that the Congress will return to business as usual—more spending, more taxes, and higher inflation.

The American people want real cuts in the Federal budget—but the House leadership seems more interested in

maintaining its "Old Deal" programs in favor of higher taxes for working Americans. That is the difference between the President's budget and the Democratic alternative.

SINGLE-FAMILY HOUSING PRODUCTION ACT OF 1982

Mr. ST GERMAIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6294) to provide supplemental authorization in order to stimulate the sales and production of housing.

The Clerk read as follows:

H.R. 6294

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION. 1. This Act may be cited as the "Single-Family Housing Production Act of 1982".

SINGLE-FAMILY HOUSING PRODUCTION PROGRAM

SEC. 2. (a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to in this Act as the "Secretary") shall, to the extent approved in an appropriation Act for fiscal year 1982, make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements of this Act.

(2) The aggregate amount of payments made pursuant to contracts entered into under this Act shall not exceed $172,000,000 per annum, and the aggregate amount which may be obligated over the duration of such contracts may not exceed $1,000,000,000. Any authority approved in appropriation Acts for use under this Act shall remain available until expended.

(3) The authority to make commitments to enter into contracts under this Act shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this Act, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this Act.

(5) In making available assistance under this Act, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary have not owned dwelling units within the preceding three years.

(b) Payments under this Act may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this Act shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this Act.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this Act which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under subsection (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this Act may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this Act, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgage approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in subsection (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this subsection, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage

described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of paragraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such paragraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this Act in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted pursuant to this Act, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this Act, other than any amount provided under subsection (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this subsection, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this subsection shall be deposited in the fund described in subsection(e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to this section not later than 30 days after the enactment of legislation appropriating funds to carry out this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in subsection (d).

The SPEAKER pro tempore. (Mr. FRANK). Pursuant to the rule, a second is not required on this motion.

The gentleman from Rhode Island (Mr. ST GERMAIN) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Rhode Island (Mr. ST GERMAIN).

Mr. ST GERMAIN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, today, more than 1 million carpenters, plumbers, electricians, bricklayers, and other construction workers are without jobs—19.4 percent of this important segment of our economy.

H.R. 6294 is much more than a housing bill. It is clearly a jobs bill for an industry that has all but been wiped off the books by high interest rates.

We are talking about an industry not in a recession, but in the depths of a prolonged depression.

This bill will provide thousands of American families with decent housing, something that the Government has almost forgotten how to do in recent months.

No industry in America surpasses housing as a multiplier of jobs. Housing construction triggers activity in the woods of Oregon, Washington, Maine, Georgia, and other timber areas and sweeps across the panorama of industries which manufacture products that go into houses. All this is in addition to the jobs created for the building trades at the construction site.

Housing starts have been below 1 million units on an annual basis for 8 straight months. The sales of new single-family units fell in March to the lowest level—334,000 units on an annual basis—since the Government started keeping housing numbers.

If we are to mount an attack on unemployment, clearly the front lines are manned by the building industry and its workers. They have been in the trenches longer and they have taken most of the heavy shelling of the recession-depression.

This legislation is an important congressional initiative on the road to recovery in the housing industry. Not only will it provide direct and immediate assistance, but the activity that it will generate is certain to be contagious. It will help convince America that it can build again.

If even the outer fringes of the administration's economic projections are correct, the $1 billion provided in this legislation will stretch beyond the 74,000 units we have calculated. The subsidy can be reduced if the administration can get its economic act together and lower interest rates.

We have estimated that the $1 billion in budget authority being provided for in this bill would assist in the creation of 140,000 new jobs in housing-related industries; would increase Federal, State, and local tax revenues by $1.2 billion; and would have the effect of increasing the gross national product by $11 billion.

H.R. 6294 would assist home buyers whose income is below 130 percent of the area median income, with a priority given to the first-time home buyers. For families with incomes of 115 percent of area median income or below, assistance would be provided to reduce the mortgage interest rate by up to 6 percentage points below the market rate for a period of 7 years, but in no case would the interest rate be subsidized below 9½ percent. For families with incomes above 115 percent of the area median, assistance would be provided to reduce the mortgage interest rate by up to 4 percentage points below the market rate for a period of 5 years, but in no case would the interest rate be subsidized below 10 percent. A downpayment of at least 3 percent would be required. In all cases, a family would be required to contribute at least 25 percent of its monthly income toward the mortgage payment.

The mortgage assistance could be continued beyond the 5- or 7-year period if the Secretary determines such assistance is necessary and if appropriations are made from a fund created from recaptured assistance payments of unused authority. Whenever property is sold or in the event it is rented for more than 1 year, the owner would be required to repay the lesser of the assistance received or 50 percent of the net appreciation of the property.

Mortgages assisted under this program could be FHA insured, VA guaranteed, FmHA guaranteed, conventional, privately insured or guaranteed. The maximum mortgage amount could not exceed the maximum amount which may be insured under the FHA 203(b) program; $67,500 generally, but up to $90,000 in high-cost areas. The mortgage must involve a residence on which construction has begun no earlier than 1 year prior to enactment of this bill, and which meets or exceeds FHA minimum property standards for energy conservation.

The assistance funds would be allocated to assure a reasonable distribution among the various regions of the country, taking into account population, relative decline in building permits and the need for increased housing production. Allocations and commitments of funds must begin not later than 30 days after funds are appropriated.

The need for this legislation is clear. It is recognized by key Members on both sides of the aisle. This is a national need of the highest priority.

Mr. Speaker, I would be remiss if I were not to commend the Speaker of the House, the gentleman from Massachusetts (Mr. O'NEILL); the majority leader, the gentleman from Texas (Mr. WRIGHT); the gentleman from Texas (Mr. GONZALEZ), the chairman of the Housing Subcommittee; the chairman of the Rules Committee, the gentleman from Missouri (Mr. BOLLING); the chairman of the Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN); the chairman of the Appropriations Subcommittee, the gentleman from Massachusetts (Mr. BOLAND); the gentleman from California (Mr. PATTERSON); the gentleman from Oregon (Mr. AUCOIN); the gentleman from Oklahoma (Mr. JONES), chairman of the Budget Committee; and my colleagues on the other side, the gentleman from Ohio (Mr. WYLIE), and the gentleman from Connecticut (Mr. MCKINNEY) for their contributions to this legislation.

Mr. WYLIE. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of H.R. 6294, not because I think it is a really good bill, and I do not intend to get into lengthy discussion in that regard just now. The chairman of the subcommittee has done an excellent job of explaining the bill, and I will not be repetitive.

I would say that I do not like the two-tier approach which is encompassed in this legislation. I would prefer a straight 4-percent write-down provision to 10 percent, which is similar to the bill which is now pending in the other body and which has been reported out by the full Banking Committee.

This bill would provide $1 billion to be used between now and October 1. In other words, it would provide immediate relief to the homebuilding industry and would or could build up to 74,000 homes during that period of time of shortly thereafter.

I think, because of the urgency of the Nation's homebuilding industry, we need to pass this bill on the House floor today as an emergency measure. Several times during the markup of the housing bill which is now going on in the full committee I called upon the chairman of the full committee and the chairman of the Housing Subcommittee to split off this housing stimulus portion of the bill for fiscal year 1982 so that we could get it on a fast track, and after persisting in that motion several times, the chairman of the full committee decided that he would remove this bill from the full committee bill now being marked up, and thus we have brought it to the House floor today.

May I observe that there are 1,100,000 people unemployed in the housing industry today. That means that 1 out of every 10 unemployed people is in the housing industry. In my own county of Franklin, which has Columbus, Ohio, within it, the unemployment rate went above 9 percent for the first time since 1942, and most of that unemployment is attributable to layoffs in the housing industry.

Historically, as President Reagan said in his speech to the National Realtors Association 2 weeks ago, the housing industry has led this country out of recessions. As I said earlier, I would have preferred a different type of formula. I would have preferred a 4-percent writedown provision to 10 percent. That could have provided an additional 59,000 units, according to my calculations. But we are here today and we do have a sense of urgency in the housing industry.

So, Mr. Speaker, because of the extreme nature of the problem, I am supporting H.R. 6294, and I hope that the Members of the House will support it under suspension of the rules.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to commend the gentleman from Ohio (Mr. WYLIE) for an absolutely first-rate statement. I think the gentleman has gone to the core of this problem. It is an unemployment problem, it is a housing problem, and it is something that is vitally important to this country. I commend the gentleman for his leadership on this issue.

Mr. WYLIE. Mr. Speaker, I thank the gentleman from Washington (Mr. DICKS) for his contribution and appreciate his observation.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, I thank the gentleman from Ohio for yielding me these 3 minutes.

Mr. Speaker, I rise in opposition to this bill, not because I object or quarrel with the substance of the legislation. In fact, I think that the comments of the gentleman from Rhode Island (Mr. ST GERMAIN) and the gentleman from Ohio (Mr. WYLIE) indicate that the housing industry is in a tremendous slump, perhaps its worst in 35 years. So the question of whether or not the Congress or in this case the House of Representatives ought to consider some kind of stimulus program is not something to which I take exception.

But in this particular case I think, given the nature of the controversy and given the nature of the issues involved, we should not be limited to the procedure that is being followed in the consideration of this bill. The procedure involving the Suspension Calendar means that we only have 40 minutes of debate, and most particularly and most objectionable from my standpoint is the further requirement that there would be no amendments permitted.

As the Speaker knows and as I think many of the House Members know, we have attempted for some time to raise the question of whether or not in the financing of a housing stimulus program we should go to new spending, new appropriations, or new authority in these days of budget crisis or whether we ought to take an alternative route, that is, to go into some existing program of Government, in particular the Synthetic Fuels Corporation, and take financing for this stimulus program from that existing program.

So, Mr. Speaker, I think that we ought to vote no on this legislation because it is a controversial matter.

It is, second, a matter with a high price tag, and ordinarily legislation scheduled on the Suspension Calendar is not characterized by those particular aspects.

Finally, Mr. Speaker, let me say this: I would submit, Mr. Speaker, that one of the reasons the housing industry is in the tremendous slump it is presently in is because of the fact that year after year for almost 30 years the Congress of the United States, upon finding a new problem, always threw more money at it, more additional funds out of the Treasury, and that has gotten us to the position we are now in. I think in this particular case we ought to set a different precedent. We ought to recognize that in this time of budget crisis we should not embark on some new financing program or some new Government program however worthy the cause unless we take a simultaneous step to reduce the obligations to the taxpayer. We should reduce the risk to the taxpayer until we get to the point where we can put this particular budget in some kind of balance.

It just seems to me, Mr. Speaker, that we have a golden opportunity to deal with a very substantial problem and do it in a way which is precedent-setting, which is history-making, and which provides for the assistance we need without new Federal funds.

Mr. AUCOIN. Mr. Speaker, will the gentleman yield?

The SPEAKER pro tempore (Mr. BONIOR of Michigan). The time of the gentleman from Illinois (Mr. CORCORAN) has expired.

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Mr. ST GERMAIN. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Texas (Mr. GONZALEZ), chairman of the Subcommittee on Housing and Community Development.

Mr. GONZALEZ. Mr. Speaker, the housing industry of this country is in the midst of an unprecedented disaster. In March of this year housing starts were down 28 percent from the level of the previous year. This marks the fourth straight year of decline in the housing industry. Housing starts in the private market today are less than half of what they were in 1978.

A decline that long and that steep can only be called what it is, and that is a depression in the housing industry.

The problem is that housing simply cannot be afforded by the typical American citizen. It is not that the construction costs have increased per se in the past few years. In fact, there has been almost no change in the cost per square foot of the housing built in the last 2 years.

The problem is interest rates. In 1978, the last good year for housing, the mortgage interest rate was just under 10 percent. Today that rate is up to about 16 percent or better. Inexorably, as interest rates on mortgages went up by half, the production of housing went down by half.

This bill will provide Federal funds to subsidize interest rates down to an affordable rate or level so that houses can be sold, builders given a market, and construction workers called back to their jobs. The bill authorizes the Secretary of Housing and Urban Development to subsidize interest rates down to 9.5 percent in the case of families with moderate income, and down to 10 percent in the case of families with somewhat higher income.

To be eligible a buyer must have an income no higher than 130 percent of the area median. The subsidy would be available for a 5- to 7-year period depending on the situation. At the time the home is sold the subsidy would be repaid in whole or in part to the Government, depending on the market situation at the time of the sale.

This program is simple. It relies on tested mechanisms and it can be in operation within 30 days. There is no other comparable suggestion anywhere in America today.

I want to emphasize that this bill is for the present fiscal year. Within a short time we will bring to the House a comprehensive housing bill for 1983 which will provide further additional stimulus for housing production. When these bills are taken together, you will see that we will have a real national sense of priority when it comes to bringing about the prosperity and the level of production that is tied in with the general economic level of the well-being of this Nation.

If we intend to revive the housing industry, this bill affords the quickest and the most certain way of doing it. The mechanisms created in this bill will not require an elaborate and time-consuming new set of regulations. The program created in this bill is based on a well thought-out, carefully crafted language. It is a program that complements the housing stimulus program for fiscal 1983.

This is a bill that will work. It is a bill that addresses the most urgent of our domestic needs, and it can most certainly make an immediate and critical difference for housing.

I urge the passage of this bill today. We need to move quickly and we need to act today.

I do not sacrifice, notwithstanding to the contrary some of the arguments on proper procedures.

Mr. DICKS. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Washington.

Mr. DICKS. Is it not true that with a 9.4-percent unemployment rate that that is the best thing we could do to revitalize our economy?

Mr. GONZALEZ. The gentleman is correct. It is the only thing I know of.

Mr. DICKS. In seven past recessions since World War II housing has been a primary cause of economic recovery. I am convinced that in the context of a revised budget that reduces the deficits in fiscal year 1983, 1984, and 1985 that we can afford this important economic stimulus program. The American people want jobs not welfare. We can reduce the deficit by putting people back to work. If we reduce unemployment by one percentage point the deficit will be reduced by between $25 to $30 billion. If you are concerned about reducing deficits and bringing interest rates down then reduce unemployment and put the American people back to work.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the minority leader, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, there is nothing I would like more than to support a housing initiative today, but I cannot support this one.

There should have been an opportunity to consider and vote for a good solid effort to help an industry that is in dire need of our help and our support. That opportunity does not present itself here.

This bill is a bad bill and it is all we get, under a suspension of the rules procedure where the debate is limited to 40 minutes and there is no opportunity for amendments to be offered.

But here we are again, grasping for straws, and highly political ones at that, with a bill that at most can provide only a small number of new housing starts. The subsidized interest rate is not limited to lower income families or even to first-time buyers. Here we are again, locking ourselves into paying a subsidy for 5 to 7 years for a problem that needs fixing over the next 5 to 7 months.

I suppose I could swallow hard and accept it if I were absolutely sure it did not go beyond a billion dollars in outlays, but we all know the truth. This billion-dollar bailout has all of the potential of becoming another of our great multibillion boondoggles.

The political opportunism got so frenzied last week this House put the urgent supplemental bill in serious jeopardy all because two Republican members, the gentleman from Delaware, Mr. EVANS, and the gentleman from Illinois, Mr. CORCORAN were thoughtful enough to initiate a housing proposal of their own.

I would expect that a majority in this House will be voting for this authorization bill, if for no other reason than the lack of an alternative. The minority was not and will not be permitted to offer one and quite frankly, my own administration has not given us any indication of what they are in a position to propose.

This bill we have here is certainly not the best of the alternatives.

It is a lousy way to run the Government and does not reflect well on either side and I for one am going to vote against the bill.

Mr. ST GERMAIN. Mr. Speaker, I yield 3 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in support of this bill. I think what the minority leader has just said is exactly right in one sense. He said a substantial majority of the Members of this House will want to vote for this bill because there is no alternative. I think that is exactly right. There is no alternative.

So far as I am concerned, I would prefer to do it some other way if I could think of another way than by subsidizing interest. I would like just to ordain that interest rates should all come down. If interest rates were at a livable level today, this bill would not be necessary. But it is necessary.

This bill is necessary because, according to the National Association of Home Builders, only 3 percent—I repeat, only 3 percent—of the newly formed family units can afford to buy a home in the market today. That is going a long way toward killing a substantial part of the American dream—that distinctly American promise that every young couple, even of modest circumstances, can afford to have its own home—to own a piece of the action, to be capitalists themselves—and that is what has made this country strong. It is what has made it great.

Two historical pillars of the American economy, the automobile industry and the homebuilding industry, between them probably provide jobs for 1 out of every 4 Americans working in the United States today, both directly and indirectly through the collateral industries that they affect.

There is no single industry which has a more vital and direct as well as an indirect impact upon jobs than the housing industry, and the housing industry is in a terrible depression. Not a recession. The housing industry is in a depression.

Unemployment among the building trades today stands at 1 out of every 5 craftsmen available for a job. There is no job for that 1 out of every 5. This bill would provide the stimulus that would make it possible, immediately, to turn around this highly unacceptable level of unemployment.

If my colleagues think that 9.4 percent of the work force being unemployed is acceptable, they can vote against the bill. If they think it is acceptable for more than 10 million Americans not to be able to find jobs, then they can vote against the bill in good conscience. If they think it is perfectly all right for only 3 percent of America's young families to be able to afford to buy a home, then I can understand their voting against a bill like this.

There is no alternative, as the minority leader clearly has said, and this is our opportunity to say whether or not we want to make that dream a reality again for America's couples, for America's young families, in order that they, too, might reasonably aspire to own a home that they can pay for at a decent rate of interest.

This legislation will put some 174,000 people back to work and permit some 43,000 home buyers to buy homes.

Mr. WYLIE. Mr. Speaker, I yield 5 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Speaker, I applaud the concern for housing expressed on both sides of the aisle today. The housing industry literally impacts millions of Americans. This vital sector of our economy has traditionally led us into recessions and has brought us out of recessions. It can do it again but those effected need help now, not next year, not 4 months from now, but immediately.

We must assist housing without seriously aggravating the already bloated budget deficit. It would be patently unfair to assist one segment of our Nation at the expense of another. Within these constraints, I agree completely that we must provide some short-term, immediate, and effective assistance to this vital sector of our economy. Unfortunately, the vehicle before us today, H.R. 6294, will certainly not accomplish those aims.

Along with my colleague from Illinois (Mr. CORCORAN) I have proposed an alternative which will provide assistance that is a timely, effective, and broad-based stimulus.

Mr. Speaker, I would like to take just a minute to compare the provisions and results of the Evans-Corcoran approach with those of the measure before us today. I believe that a side-by-side comparison leaves no doubt whatever about which is the better measure.

H.R. 6294 is costly, adding $1 billion in new appropriations. The Evans/Corcoran proposal would transfer $1 billion in already appropriated funds earmarked for multinational energy company subsidies for costly and unfeasible synthetic fuel projects.

H.R. 6294 is not cost-effective, aiding in the very best case only 60,000 or 70,000 units in 1982. The interest subsidy is too deep at 9½ and 10 percent to generate sufficient activity for a real stimulant. Evans/Corcoran is a much more cost-effective approach. The $1 billion stimulus used in conjunction with the mortgage revenue bond program will produce 156,000 homes and home sales for 1982 and an additional 150,000 homes in fiscal 1983, subsidizing mortgages to a rate of 12 percent.

The deep level of subsidy mandated by H.R. 6294 would require the American taxpayer to subsidize as much as $25,000 per home. It would cost $3,900 per year to write down a $70,000, 30-year mortgage to 9½ percent. The annual cost of writing the mortgage down to 12 percent would be only $2,300 for every 100 homes assisted at 9½ percent. We assist 170 at 12 percent. (These figures are based on the current FHA interest rate of 15½ percent.)

By granting flexibility to the State and local housing agencies in allocating this assistance, the Evans/Corcoran proposal allows for far better targeting of assistance to a level, and for a duration, that is appropriate to an individual area. This flexibility increases the cost effectiveness of any amount of assistance.

H.R. 6294 mandates a very complex formula for determining eligibility for assistance. Significant delay will incur while a whole new delivery framework and the attendant regulations are formulated by HUD. In fact, HUD Secretary Sam Pierce recently testified before the Appropriations Committee that it will take HUD at least 120 days—after enactment—to implement the provisions of H.R. 6294.

By contrast, the Evans/Corcoran approach would use the already existing mortgage revenue bond framework, and could be in use in only 30 days. The mortgage revenue bond programs in more than 46 States are ready right now to provide this much-needed assistance.

Finally, because of the more shallow and widespread subsidy provided in Evans/Corcoran, significantly more jobs—287,000 versus 140,000 in H.R. 6294—will be affected, and the amount of tax revenue generated under our proposal will reach $1.8 billion in 1982 versus $1.2 billion under H.R. 6294.

Mr. Speaker, I believe it is critical that Members of this body give serious consideration to the need for providing a cost-effective, immediate stimulus to our housing industry. We should certainly not consider this serious matter in a forum which permits no discussion of amendments or modifications that could dramatically improve the legislation before us today. I urge my colleagues to vote against suspending the rules of the House on this measure, and I urge the leadership of this body to act with all speed to bring the proposal forward in a manner which allows for prompt and responsible efforts to legislate the best housing stimulus we can provide.

□ 1315

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Michigan.

Mr. DUNN. I thank the gentleman for yielding.

Mr. Speaker, I wholeheartedly agree with what the gentleman says. We did fight the good fight on the gentleman's bill. We did lose it. Every Member in this room is aware of the infighting that has gone on. but the homebuilders of this Nation and the young people who cannot afford the homes, they are not aware of the infighting. They are the ones we are talking about.

This bill, a $1 billion bailout, as the gentleman so correctly calls it, will stimulate; it is needed. I urge my Republican colleagues to support this bill bill.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, I rise today in support of H.R. 6294, the Single Family Housing Production Act of 1982. This is an extremely worthwhile bill which attempts to aid the ailing housing industry, while at the same time making affordable mortgages available to home buyers.

At the present time, our Nation's housing industry is in the depths of a recession which has lasted over 36 months. Indeed, this is the longest recorded slump since World War II. Construction starts have plummeted, and unemployment in the construction trades industry is registering at approximately 18 percent, twice the national average. The side effects of the current housing slump can be felt in many other sectors of our Nation's economy, ranging from lumber mills to furniture companies to moving services. Homebuyers are equally frustrated since high interests rates have made it virtually impossible for middle-income Americans to buy a home of their own.

While this bill will not in itself resolve all of these problems, it nevertheless represents a necessary first step in stimulating our Nation's housing sector. H.R. 6294 provides for an interest subsidy of up to 6 percent on mortgages loans to home buyers. While the bill requires an initial outlay of money on the part of the Federal Government, it includes a recapture provision which requires that when the property is sold, refinanced, or rented, the interest subsidy must be repaid to the Federal Government by the owner. In this way, the money will be returned to the Federal Treasury.

must be repaid to the Federal Government by the owner. In this way, the money will be returned to the Federal Treasury.

I have been very supportive of this approach because I am convinced that the dire conditions in the housing industry dictate that we take this step. Because of the way the bill is formulated, I am confident that it will be only a temporary outlay of Federal funds. Considering the state of our Nation's economy, particularly the housing industry, I feel that this temporary outlay is clearly warranted. The housing industry has led our Nation out of economic downturns before. Under H.R. 6294 it will help lead us out of our current recession and on the road to recovery. This can be done immediately and without a governmental bureaucracy.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in strong support of this legislation, which will finally give potential homeowners a chance to buy a home. This bill will also give the building trades an opportunity to put thousands of men and women back to work.

Just this morning, I spoke with a builder in Rockland County who told me that business there was at an absolute standstill. I also talked with a member of the building trades in Orange County who told me that unemployment is reaching an impossible level largely due to the lack of construction.

How can the Reagan administration, with the support of Republican members, continue to play a political game that is hurting so many people and creating such hardship. If a better plan to help potential homeowners is developed later, then let us take a look at it. However, to hold off at this time would really be outrageous.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Speaker, I rise in support of H.R. 6294, the Single Family Housing Production Act of 1982.

This legislation comes to the floor today at a critical time for our national housing industry which, both here on the mainland and in Puerto Rico has been severely affected for many months—perhaps more than any other sector of the economy.

The bill which the House Banking and Currency Committee has fashioned is one measure in a series of steps that have to be taken if we are to restore some degree of vitality to the housing and construction industry.

While only one step, it is, however, a very important one and the legislation may help the housing industry out of its greatest crisis since World War II.

The bill before us proposes two immediate and essential steps that will help stop the housing slump.

First, more home buyers would be able to afford purchase of new or different homes since the legislation would reduce mortgage interest rates by up to 4 percent.

Second, the legislation would increase employment in the housing industry by stimulating housing construction and, in that sense, could also be considered a jobs bill.

The legislation incorporates the principal features of the original housing stimulus bill sponsored by Congressman JERRY PATTERSON and Congressman LES AUCOIN and, as the original sponsors note, the provisions of H.R. 6294 will pay for itself through the tax revenues generated by the jobs created in housing construction and related industries.

The bill before us will help keep alive the dream of homeownership for many individuals who have literally been priced out of the housing market. It restores housing to a national priority once again.

It does so by the provisions which allow the Secretary of HUD to provide mortgage interest assistance for purchasers of new single-family homes, manufactured homes, condominiums, or cooperative units.

In Puerto Rico, the scarcity of housing units is a serious problem and, as in other areas of the country, the demand for adequate dwelling exceeds the market's offer as population increases.

A recent report prepared by the Department of Housing of Puerto Rico indicates that a coordinated effort in both public and private sectors is needed to provide approximately 28,000 new housing units per year in Puerto Rico.

This figure would allow the island to expand its housing industry to meet the needs of approximately 20,000 new families established every year.

Mr. Speaker, I am hopeful that the Housing Subcommittee chaired by Congressman HENRY GONZALEZ will also soon report its major housing and community development bill (H.R. 5371) which is geared toward the need to restore the existing and successful subsidized housing programs of HUD for low- and moderate-income families. However, I believe that the bill before us today is necessary to bring about a prompt and immediate relief to the housing and construction industry and to allow middle-income families in the U.S. mainland and Puerto Rico to realize their legitimate aspirations of acquiring a home at mortgage interest rates they can afford.

I urge the passage of H.R. 6294.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. SWIFT).

Mr. SWIFT. Mr. Speaker, one of the groups that are hardest for Members of Congress to stay in touch with are young people between 25 and 35 years old. They tend not to belong to various community organizations in the proportions that their parents did and, because of that, we often miss them as we tour our districts working to stay in touch with those we represent.

A little while ago, recognizing this, I sought out a group of young married people at the age where they were just starting their families, just beginning their careers and focusing on what would be their lifetime aspirations and goals.

Their No. 1 concern—and it surprised me somewhat—their No. 1 concern was whether or not they would ever be able to afford to own their own home.

Now this surprised me, I guess, because when my wife and I were at that stage of our lives, we just assumed we could buy a home. We did not, as a matter of fact, for many years—but we always knew that we could, anytime we really wanted to. And so, it was not such a big deal with us. It was one of those things we took for granted.

Not so the current generation of young adults. It is definitely not something they can take for granted. And as a result, they know how important the opportunity to own a home is.

Some in the group had purchased homes very early in their marriage. They felt they had just got in under the wire—but worried that they would never be able to trade up. One young mother told me that she had to assume that if they were to continue to own a home, they would have to live in the one they were fortunate enough to purchase—for the rest of their lives. If they had to move for reasons of career change or promotion, they might loose their only chance to be homeowners.

The other group had either been married somewhat later, or chose to put off a few months or years the decision to buy. They felt that they had missed their last opportunity to own their own home. And it was a major concern in their lives.

I could not help contrast the thoughtless optimism with which my generation left college and entered young married life—in very good economic times—with the world faced by today's young people. The economy is as bad as it has been since I was an infant. And high interest rates have erased any opportunity for today's generation to get on that first rung of the ladder of homeownership on which one can build equity and from

which one can trade up as careers develop and prosper.

This bill today offers this current generation hope—hope of owning their own home.

It is no panacea. It will not solve all our economic problems. It will not assure every young couple a home. But it is a beginning. It is a tool by which many thousands of young people can get a hand up on that first rung.

It is no give away. It is a loan program. It just gives this generation some of the chance that you and I had when we were their age. To refuse them the very chance we had would be as callous an act of generational arrogance as I can imagine.

Finally, Mr. Speaker, this measure is a different version of a bill that, with my colleague from Washington, Mr. DICKS, I introduced recently. It is not my bill. But the gentleman from Oregon (Mr. AUCOIN) and the gentleman from California (Mr. PATTERSON) are to be commended for their work in developing this measure. No pride of authorship on our part can stand in the way of recognizing this is a good bill that will start the process by which young Americans can again expect to own homes. And, in the process, we can begin to build our way out of the stagnant economy by stimulating the homebuilding industry. It has led the way to prosperity before. Here is our chance to help it get started on the process of doing it again.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Speaker, I rise in support of the legislation.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. WYDEN).

Mr. WYDEN. Mr. Speaker, I rise to lend my unequivocal support to the emergency housing stimulus legislation we are debating today. I believe this bill is absolutely essential to the survival of our Nation's housing and construction industries.

Because this administration has repeatedly stated their opposition to this legislation, a clear showing of bipartisan support for this bill is absolutely essential. I have a difficult time understanding the administration's advocacy of policies that would destroy the historic partnership between the Federal Government and the Nation's housing industry—a partnership that has provided the American people with better, cheaper, and more plentiful housing than any other nation on Earth.

Because of the misguided housing policy of this administration—and because the failure of the administration's economic game plan has brought us the worst recession and highest interest rates in 40 years—the housing industry is now on the precipice of complete disaster and is in desperate need of an immediate and substantial shot in the arm.

H.R. 6924 will provide that stimulus quickly and effectively by insuring the immediate construction of hundreds of thousands of new homes and by putting hundreds of thousands of unemployed Americans back to work.

H.R. 6924 will do this by providing thousands of middle-income Americans who are currently shut out of the housing market with affordable mortgage credit.

H.R. 6924 will get our homebuilders and construction workers back on the job this summer.

H.R. 6924 will also provide an immediate boost to the thousands of savings and loans that are on the brink of insolvency.

The American people should not be denied a fair chance to purchase decent and affordable housing. For many months now, all but a very few have been effectively denied that chance. The potential social and economic consequences of continuing on our present course are ominous. If we do not get behind this legislation, what can we tell the millions of young Americans who are now entering the housing market only to find that the American dream has turned to ashes?

I continue to believe that the most important responsibility facing the Congress today is to reduce the size of the Federal budget and regain control of the skyrocketing Federal deficit. I am well aware of the fiscal dangers inherent in any pump-priming legislation.

Nevertheless, I support this bill because I believe we are talking about a unique situation here today, a situation where a major American industry has been left to die on the vine by an administration that stubbornly clings to an economic game plan that is clearly not working and is causing real human suffering in every corner of this land.

We are not talking about a subsidy here today, we are talking about the survival of one of the most important sectors of our economy. For this reason, I again urge Members on both sides of the aisle to enthusiastically support this bill.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. Mr. Speaker, I rise in support of the bill. I would like to commend the committee chairman, the gentleman from Oregon (Mr. AUCOIN), and the gentleman from California (Mr. PATTERSON) for their excellent work.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Wisconsin (Mr. GUNDERSON).

Mr. GUNDERSON. Mr. Speaker, the economic peril threatening to destroy today's housing industry may not wait for the fiscal year 1983 budget or even the July tax cut. Alarming statistics from my home State of Wisconsin magnify the urgent crisis facing the housing industry.

The nationwide depression in the industry has already crippled the housing market. Nationally housing starts have decreased by 45 percent since 1978. In Wisconsin, the statistics are even more awesome. In the past 2½ years, housing production has run 80-percent below the statewide average set in 1977 and 1978. Recent production has run between 6,000 and 8,000 units per year, compared to 43,000 units annually in 1977 and 1978.

While construction unemployment hit 19.4 percent in April 1982, unemployment in the Wisconsin construction industry hit 20 percent and continues to increase. Within the residential homebuilding industry alone, unemployment has reached a whopping 42 percent.

Statewide, the Wisconsin Builders Association has lost 25 percent of its membership and unofficial surveys show that up to 60 percent of the homebuilders have gone out of business in the past year.

These conditions, coupled with 17 percent average interest rates for long-term mortgages, threaten to foreclose the entire housing industry in Wisconsin. History has shown that as the housing market goes, so goes the economy.

Without question, this problem impacts severely on the economy at large. The Congressional Budget Office estimates that every 1-percent increase in unemployment costs the Treasury $25 billion—$19 billion in lost revenue and $6 billion in new expenditures to pay for unemployment programs. Clearly, we cannot overlook legislation to stimulate the sagging industry in our search for means to reduce the mounting Federal deficit.

The issue we face today is not one of whether or not an economic recovery will occur—certainly, it will. Rather, we must realize that unless we act soon, there will not be a housing industry to meet the needs and demands for new housing as a part of that recovery. Now is the time for all of us to voice our support for a strong national housing policy that will help lead the Nation out of recession, create jobs for millions of unemployed, generate tax revenue, and produce desperately needed, affordable housing for our growing adult population.

The Single-Family Housing Production Act would provide emergency Federal mortgage rate assistance to home buyers as a vital first step in this

direction. As a cosponsor of H.R. 6294, I urge all of my colleagues today to support this important legislation—not only for the future of our housing industry but for the success of our entire economic recovery program.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Speaker, I want to congratulate the Chairman and all of the Members who are responsible for this very, very fine bill.

Mr. Speaker, I have heard a lot of people talk about the cost of the legislation. But let us not forget one thing. For every 1 percent of unemployment in this country, which is at a record high, we add $25 billion to the deficit.

In an article published in one of the older labor newspapers in the country, the Cleveland Citizen, in my area, they state that unemployment in construction amounted to 946,000 workers in January, or 18.7 percent. And in certain areas of Ohio, we have up to 50 percent unemployment in the construction area. Therefore, I think not only for these trades people but for the people who distribute lumber, bricks, glass, steel, plumbing and heating equipment, furniture, home furnishings, home appliances, and other types of building materials and their components, this bill really will assist in revitalizing housing and construction for millions of Americans.

I congratulate the Chair on the bill.

Mr. WYLIE. Mr. Speaker, I yield 1 minute to the gentleman from Wyoming (Mr. CHENEY).

Mr. CHENEY. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to H.R. 6294. I think all of us are concerned about the plight of the housing industry and would like to do something to assist, but I am fearful that this bill moves in exactly the wrong direction.

If you really want to help the housing industry, the answer is to reduce interest rates. and, unfortunately, this bill will have the opposite effect. It sends the wrong signal to the Nation's financial markets. The signal it sends is that down here in Washington it is business as usual; that all of the efforts we have made over the past several months to reduce spending and to reduce the deficits and to bring down inflation and to bring down interest rates have gone for naught. When the going gets tough, ultimately we are prepared to go the same bailout route that we have gone in the past, and provide the kinds of subsidies and assistance that discriminate unfairly on behalf of a particular industry.

The best thing we can do for the housing industry, for the entire economy, is to bring down interest rates, and that means we ought to avoid these kinds of budget-busting measures.

Mr. Speaker, this bill is a turkey, and I would urge its defeat.

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. CHENEY. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Speaker, I would just like to say there is a connection between the Federal loan guarantees and interest rates, and that is what we are trying to preclude.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. MINISH).

Mr. MINISH. Mr. Speaker, I rise in strong support of this much-needed legislation.

Mr. Speaker, I rise to voice my strong support for H.R. 6294, the Single-Family Housing Production Act of 1982. At a time when housing starts have fallen to their lowest levels in 30 years and young people are unable to buy homes due to the exhorbitant levels of mortgage interest rates, this bill offers immediate relief. It would make homeownership more affordable to qualified home buyers by reducing the mortgage interest rates by up to 6 percent. New home purchase activity would stimulate the construction of new homes and thereby lead to increased levels of employment in the housing industry. I do not believe this legislation could have been offered at a better time.

Department of Labor statistics indicate that this country is in the deepest economic recession it has experienced since the Great Depression. When the economy has lagged in the past, new activity in the housing industry has inspired broad economic recovery. Housing activity has the ability to generate spending and employment in many related services and industries. Given the present economic condition, it is essential that we look to those sectors which can stimulate an overall revitalization. The housing industry has proven to be effective in this role in the past, and I believe that if we provide the necessary stimulus it will do so again.

It has been estimated that the bill before us would assist up to 74,000 homebuyers who are presently prevented from making purchases due to high mortgage rates, to buy homes. In addition it would lead to the creation of 140,000 new jobs in housing related industries.

Mr. Speaker, this is an economic incentive that under the present circumstances we can hardly afford to ignore. I urge my colleagues to vote with me on the emergency housing stimulus bill.

Mr. ST GERMAIN. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota (Mr. VENTO), a member of the committee.

Mr. VENTO. Mr. Speaker, I rise in strong support of this legislation. If we want the homebuilding industry to meet our Nation's housing needs to get construction workers back to work and businesses to be profitable, we have to give them the tools to do so. Clearly, the present economic path that we are pursuing is not delivering that type of resource.

Every Member of this House realizes that we face a crisis in the homebuilding industry today. This crisis is directly caused by high interest rates and the resulting inability of prospective home buyers to afford the monthly payments needed to finance a 16-percent mortgage. The depression in the housing industry is a critical situation because, as it continues into its second year, it erodes the ability of this industry to respond to the housing needs of this Nation when economic conditions improve.

Millions of American families that wish to purchase a home are currently shut out from this market. This is an especially critical situation for the first time home buyer because they do not have the equity in a home to reduce the monthly mortgage costs. At a time when there is the greatest need in our history for new home construction, this Nation has not been able to provide enough homes to meet half the documented need.

The bill we are considering today directly responds to the cause of the homebuilding crisis and targets the assistance to those families most in need. H.R. 6294 provides a mortgage at affordable interest rates and gives a priority to first time home buyers. This legislation assists these families in an equitable manner by providing a more substantial "interest write down" over a longer period of time for families with more modest incomes.

The committee has insured that homes will be of modest cost and design by using the FHA mortgage insurance limits. In addition, we have sought to protect the financial interests of the Federal Government with the inclusion of a requirement to recapture the assistance upon sale or refinancing of the home.

A lot of people are arguing today against the process. They suggest instead a process in which we dip into the synthetic fuels program and provide a tax modification to address a housing stimulus program. Well, under any rule that we would have, that type of an amendment which cuts across three jurisdictions would almost be impossible. So I cannot imagine a more jerry-rigged reason to vote against this measure before us today. I hope that the opponents would recognize that they have called attention to this issue. They ought to be supporting this particular initiative of the Housing Subcommittee. There is a dire need. It is something that will provide a tool and will help things get moving

again. The present economic course is not delivering. Therefore, we have to demonstrate that when economic policy doesn't work that we must be pragmatic, that we should be reasonable and, that we will temper our actions to meet the needs that are at hand today.

I am most pleased that this legislation builds upon the work of the Housing and Community Development Subcommittee. This legislation authorizes, for the remainder of this fiscal year, a cornerstone of the Housing and Urban-Rural Recovery Act which the Banking Committee is considering today. Building upon the hearings before the subcommittee and the expertise in the subcommittee is a far more preferable approach than a shot in the dark, unstructured billion dollar program proposed by some of my colleagues.

It is essential that we approve this legislation today. The economic policy of this administration has forced thousands of builders and suppliers out of business; millions of construction workers to the unemployment lines; and, turned the dream of home ownership for American families into a nightmare. Passage by the House today demonstrates that we understand the needs of these American families and we are willing to help. There are very few issues which are more important for the vast majority of American families than this. I urge the passage of this amendment.

Mr. WYLIE. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, why are not houses being built and why are not construction workers working? Because of high interest. Why are there high interest rates? Because of a decade of irresponsible Government spending programs. Why will this program not work and, in fact, may hurt? Because it does exactly what has caused all of the problems in the first place. It spends money we have not got.

Once again our concern about deficits is only so many words if we continue to fund this kind of big and new spending program.

There is another alternative. We could take some money out of the fat-cat oil companies and put it into housing. That would be a responsible approach. But under the legislative procedure used today we are not allowed to take the responsible route. So that is the question before us. Do we take a responsible route or an irresponsible route? Approval of this bill that expands the deficit is clearly irresponsible.

Mr. ST GERMAIN. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. PATTERSON), a cosponsor of the legislation.

Mr. PATTERSON. Mr. Speaker, today's consideration of H.R. 6294, the Single-Family Housing Production Act of 1982 is the culmination of several months of hard work. I and a number of Members have devoted substantial amounts of time and energy in a bipartisan effort to give the House of Representatives an opportunity to provide a housing stimulus program this year.

To try to condense an explanation of these activities into the short time alloted to me is not going to be easy. I am fortunate our able chairmen, Mr. ST GERMAIN, chairman of the full Banking Committee, and Mr. GONZALEZ, chairman of the Housing Subcommittee, have already covered much ground with their explanation of the bill.

However, I have listened to some Members on the other side of the aisle, even those who are sympathetic to this housing program—indicate that the bill has certain problems. The key issue raised has been with regard to the source of funds for this emergency program. Some have argued that using funds already authorized for the Synthetic Fuels Corporation will not have a budget impact. This belief is a fallacy; the fact is, use of synfuels money will have an outlay impact—the very same $1 billion outlay impact over the life of the program will be affected, regardless of the source of funds. It is deceptive to think that we can provide this housing stimulus program this year without having any outlay impact. It simply can not be done with mirrors. So let us have some honest budgeting here and approve this legislation which, without mirrors, can provide the vital housing stimulus program this year. This may be our only chance to enact such legislation which can take effect in time for this summer's building season.

Another matter I would like to clear up is the question of whether or not this is a bailout. It is not a bailout; it is an investment. It is an investment in our Nation's families—an investment to help them achieve the American dream of homeownership. Most potential home buyers—to be precise, more than 90 percent of them—cannot afford to buy a home today if they do not already own one. We need this program in order to assist thousands of families in the achievement of this dream, a dream which has been the foundation of our way of life.

It is not a bailout for homebuilders; it is an investment in homebuilders as well as in all of the other providers of the more than 3,000 goods and services that go into the creation of every new home. This housing industry infrastructure must not be allowed to deteriorate any further; additional losses of these economic supply lines will make any hope of economic recovery extremely difficult, if not impossible, in the short run.

It is not a bailout for construction workers; it is an investment in these citizens. The almost 20-percent unemployment in the construction industry can only be considered a drain on our society and economy. As we have all heard recited time and time again, every 1 percentage point of unemployment adds approximately $25 billion to the Federal deficit. This housing assistance program would allow us to put back to work thousands of construction workers and thereby curtail any additional drag on the Federal deficit.

In addition, this program more than pays for itself. The $1 billion in budget authority will return about $950 million in Federal revenues to the Treasury through taxes on the economic activity generated by the program. That is quite a good return on our investment, especially when you consider that the assistance itself is repaid to the Federal Treasury through the recapture provisions of the bill.

Mr. Speaker, there are no losers under this bill, only winners, including families who want to buy homes, builders and workers who want to build them, lenders who want to finance them, realtors who want to sell them, and our citizens who want to see this Nation's economy begin on the path toward economic recovery.

The bill is supported by industry: The National Association of Homebuilders, the National Association of Brick Distributors, the Hardwood Plywood Manufacturers Association, the Northeastern Retail Lumbermen's Association, the National Concrete Masonry Association, the National Forest Products Association, the National Home Furnishing Association, and many, many more. It is supported by labor; the Building and Construction Trades Department of the AFL-CIO has formally endorsed this bill. I have a letter in my possession from Robert A. Georgine, president, which clearly indicates labor's support of this bill. Labor supports it, homebuilders support it, potential home buyers will thank you, and I believe the President—yes, the President—will sign the bill when it is presented to him if we show the courage to deliver it to his desk. I urge a "yes" vote.

Mr. WYLIE. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. MCKINNEY).

□ 1330

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, we have the opportunity today to take a fledgling step on the road to recovery for the housing in-

dustry, a major segment of the American economy.

H.R. 6294, the Single-Family Housing Production Act of 1982, offers assistance to this industry, in the form of a subsidy to middle-income home buyers. The bill provides for a mortgage interest rate buydown, scaled to meet the financial needs of eligible middle-income families. The buydown would continue for 5 to 7 years, and be recaptured upon sale of the home. The legislation before us is not perfect, but it does address a pressing domestic need.

By encouraging the construction of new homes—an estimated 75,000, involving the creation of 135,000 new jobs in construction and related industries—the bill is designed not only to stimulate the housing industry but also to enable middle-income Americans who have not been able to afford a home, due to high interest rates, to fulfill their dreams of homeownership.

We all know the plight of the housing industry. The current housing slump has stretched for 36 months, the longest since World War II, far exceeding the record 27-month housing recession of the midfiftys. It is clear that the housing industry needs help and that such assistance must come during the 1982 construction season, which has already begun. H.R. 6294 is no panacea, but it does offer a partial solution.

This solution—however partial—has residual effects: On the thrift institutions, which would offer some of the subsidized home loans; on producers of building supplies; on manufacturers of furniture; and on other businesses related to growth or decline in housing starts.

Even though we have many steps before us, let us take a first step today and approve this measure. This bill is a step forward; in passing it, let us resolve to keep up the momentum.

Mr. EMERY. Mr. Speaker, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Maine.

Mr. EMERY. Mr. Speaker, I rise in support of H.R. 6294, the emergency housing authorization bill. The best solution to the housing slump remains a reduction in interest rates. But unless we offer potential home buyers a small degree of relief from prohibitively expensive mortgage rates, there will be no U.S. homebuilding industry around when the recovery finally arrives. By adopting the legislation before us today, not only will we be helping the couple attempting to make the purchase of a lifetime, we will also be stimulating the entire homebuilding and homefurnishing industry. Although some have alleged that this legislation is a "band-aid" approach to the problem, those of us who have met homebuilders with unsold inventories or unemployed construction workers know that a renewed demand for housing will trigger a wave of activity in the homebuilding industry, create new jobs, generate tax revenues, and improve the overall state of the economy. Additionally, the dream of homeownership will be placed back within the reach of most Americans.

The legislation before us today is a modest attempt to inject some life into the housing market by reducing effective mortgage rates for middle-income and primarily first-time home buyers, and it deserves our support.

Mr. McKINNEY. Mr. Speaker, as one of the original cosponsors of this piece of legislation I think there are a few things we ought to get very clear for the record.

I deeply admire my two friends' efforts for the Evans-Corcoran initiative, but, however, I must say as well as one of the original cosponsors of the legislation, I was one of the original, very original cosponsors of the synthetic fuels legislation. The synthetic fuels bill did not call for expenditures. To have expended that money would have been new spending this year. If in fact there are some problems with our writedown level and our interest level in this bill, which there may well be, I am quite sure we will determine that before we go to conference and do something about it.

I would also suggest to everyone, which seems to be forgotten, that essentially there are only three large programs within the synthetic fuels bill. One of them has had a very bad streak of luck, but the synthetic fuels program will employ more workmen, use more steel, use more concrete, than any single housing program we have ever passed in the history of this country.

So that is also employment, it is also jobs, not to also mention the fact that the synthetic fuels argument is one of national security in the long run.

This dream world we are living in right now is going to disappear, the ability for this country to react and to have the mobility fuels that should be necessary should there be a national emergency is almost nonexistent.

I think it is very important that that point be made. The United States has two base industries: housing and automobiles. Upon those two industries almost every other industry you can name depends for some part of its business.

All one has to do is drive down any street in America and see the lumber yards, the hardware shops, the plumbing shops, the electric shops, all going belly up, I believe is the expression. They need help.

Mr. ST GERMAIN. Mr. Speaker, I yield 2½ minutes to the gentleman from Oregon (Mr. AuCoin).

Mr. AuCOIN. Mr. Speaker, we face an emergency on the floor today. The emergency is that we are watching, even as we meet, the complete collapse of the housing industry and related industries.

Today as we debate this bill, one-half of the builders in America are losing money; one-fourth of them are only managing to break even, and about 60 to 70 percent of them say that they cannot get through this construction season unless this Congress takes action in the next few weeks to provide a housing stimulus program for the country.

One can sit back and say that we should debate and refine and consider the problem ad nauseam and ad infinitium. But we do not have the luxury of doing that.

The builders who are out of work and going bankrupt—and the increase has been 50 percent over the last year—the workers in the mills and the workers in the woods and the workers on construction sites cannot put housing bill alternatives in their lunch pails, they cannot bank the fact that somebody else may have an idea that he thinks or she thinks is better to relieve the housing industry. They need relief, they need action, they need a bill now. They want and need this bill.

No one cannot say on the Republican side of the aisle that he or she is in support of a national housing stimulus program unless he or she votes for this bill. If you are for housing, you vote for this bill. It is our only shot at the problem.

We have a crisis here. I want to say to my friend from Delaware (Mr. Evans), with whom I served on the Housing Subcommittee, I know of few who have a greater commitment to housing that he does. I understand that he has an alternative proposal, but I would say to him to think about the builders and think about the people whose jobs are dependent upon the passage of this bill. We cannot use pride of authorship on a question like this. We need action.

I would make only one other point. In terms of spending, the gentleman's proposal which he says would be better provides as much spending as this proposal does. This proposal, however, has a recapture provision of any subsidy that is expended, so that subsidy can be returned to the Treasury at the point of the sale of the home that is subsidized.

More than that, the jobs that are created, the revenue that is generated to the Treasury by those jobs, pays for this program. It is an infinitely better proposal than we have seen suggested by others. It is supported by labor and management.

I hope that my colleague from Delaware—and all my colleagues—will consider the gravity of this crisis and will support this legislation.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. NELLIGAN).

Mr. NELLIGAN. Mr. Speaker, I rise in support of this bill.

Mr. WYLIE. Mr. Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Speaker, I rise in support of this legislation.

Mr. Speaker, the economic problems facing the country today have their roots in past policies—trying to do too much, too quickly; taking and regulating too severely; and then thinking that Government can pay for these excesses by turning on the printing presses and passing the costs on to the American public in the form of another round of inflation.

I am confident that the tax reductions, the slower growth of Government spending, the reform of unnecessary regulation, and the responsible monetary policies now in place have put us on the right path to economic recovery. We must stay on that path and not turn back to the policies that have caused today's recession.

Recovery from problems that have their origins in years and years of bad government cannot be achieved quickly. It will take time, as events are demonstrating.

In the meantime, while we are waiting for the economy to respond, we must not continue to turn our backs on the housing industry of this country, most of whom are small businesses; we cannot ignore the first-time home purchaser, most of whom are young couples starting out in life; and we surely cannot be forgetful of all those who depend on housing for their livelihood, the artisans, craftsmen, and other building tradesmen who make their living by constructing our Nation's houses.

This industry has borne the brunt of our recession and the battle against inflation long enough. This industry has absorbed the punishment of bad congressional policies long enough. It is now time to act.

This is a good bill. It is not in all respects the bill that I would have put together if the opportunity had been mine. But it will reduce interest rates for home purchasers. It will perhaps save some businesses from bankruptcy. It will preserve jobs.

I am as opposed to increases in the Federal deficit as any Member of this Congress, but this legislation will create tax revenue; it will help to get the economy moving again. The effect on the deficit is counterbalanced by its effect on increasing economic activity.

Not a perfect bill; but a good enough bill. I am supporting it because I care about housing, I care about homeownership, I care about the country's homebuilders, and I care about those whose livelihood depends on an active market in housing.

Mr. WYLIE. Mr. Speaker, I think the talk about a rule or an amendment with reference to opening this bill so that money could be taken from the Synthetic Fuels Corporation to finance housing points up the problem that we face today as we brought this bill to the House floor under a closed rule.

All kinds of amendments would have been offered and debated and so forth. I think that procedure would have just muddied up the waters to the true purpose of the legislation which we have before us today, which is that there is an urgent need for emergency assistance for the housing industry.

There are a number of provisions in the bill that I would like to see changed and I would have preferred to see the legislation come out under a normal procedure which would have provided an opportunity for all those who have some objection to it to make those changes.

However, under the circumstances, and in view of the fact that we are trying to accelerate the process, I urge that we pass this bill today with the thought we may want to look to changes in conference if corrections are needed.

Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. CRAIG).

Mr. CRAIG. Mr. Speaker, I rise today to reluctantly vote in favor of H.R. 6294, authorizing the expenditure of $1 billion for mortgage subsidies. I do so with some very great reservations about the measure's ability to achieve the end designed and with great disappointment regarding the deplorable manner in which this body has addressed the issue.

My reservations and disappointment are only exceeded by my grave concern for the plight of the Nation's housing industry. The leadership of this body has made it brutally clear that they want this matter decided their way. That is really too bad.

There are those of us who have been diligently working on this issue for many months; who believe that better, more effective, and less expensive solutions are available. We had wanted only that these alternatives be considered. We have felt the need for urgency long before this time, but also knew that urgent passage of something that would not become law, or if it did, would not stimulate the housing industry, would be counterproductive. This issue is important enough to be thoroughly discussed. It could have been, it should have been.

I want to applaud the actions of Congressmen CORCORAN and EVANS last week. If it were not for their actions to force the hand of the leadership of this body, we might still be languishing in the partisan politics of "who gets the credit." So here we are today. We are going to pass a $1 billion measure that adds to the already exorbitant deficit when it did not have to; that will expend more Federal dollars per mortgage than is needed, needlessly diminishing the bill's impact; that prescribes standards and regulations that will add time and cost to implementation; and stands the chance of Presidential veto.

I do not particularly like this bill, but it might be all we will get from this House. I think we have done the housing industry and the Nation a great disservice by proceeding in this manner and there are many of us who know better. But, you have painted us into a corner and at this late date, there is no other alternative but to vote "yea" and hope that, for some unforeseen reason, the bill works.

In the words used by the distinguished Rules Committee chairman, "I don't intend to forget this."

Mr. WYLIE. Mr. Speaker, we need to pass this bill today and I urge my colleagues to vote for it.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Speaker, I would like to commend my colleagues, Mr. PATTERSON, Mr. AUCOIN, and Mr. ST GERMAIN, as well as the leadership, for bringing this urgently needed legislation to the floor today.

As my colleagues know, I come from a State with a strong dependence on the housing industry. Because of Washington State's economic reliance on the forest products industry, we suffer deeply when housing starts and sales decline. Nationally, housing production is at its lowest point in 40 years. The slump in housing is not the only sign of the economic crisis our Nation is facing at present. But a housing stimulus program can help us bottom out the current recession, and put Americans back to work in every area of production.

A housing crisis affects us all. The repercussions of a slump in housing are felt in many related industries, like roofing, insulation, contracting, and plumbing. A decline in housing affects the small businessman and the large corporation. Its impact is felt throughout the economy. But just as a decline in housing construction and sales has a widespread impact, a recovery in these industries could trigger improvement and growth in a broad spectrum of businesses. That is why I feel it is so important to give a push to housing now—to bottom out the recession and get the Nation back to work.

In 1981, less than 1.1 million housing starts were recorded. That is a 45-percent decline from the years 1977–78, when 2 million units were started. High interest rates are largely to

blame for the slump. Nationally, 686 construction companies failed in the first quarter of 1981. The previous cyclical peak was in the second quarter of 1975, when some 660 companies failed. And things are getting worse, not better. My concern is that we act quickly to stimulate the industry, while there is still time to stimulate the 1982 building season.

The impact of the housing slump on Washington State has been severe. Unemployment in my State now tops 13 percent. In many of the lumber counties, it exceeds 30 percent. Fifty percent of the real estate licensees are now inactive. Out of 270 sawmills in Washington State, 100 are closed or working curtailed shifts. Permits for housing starts fell 24 percent in Washington State from their 1980 level over the last year. Since 1979, permits are down more than 50 percent. This same story is repeated throughout our 50 States—though it varies where employment is less dependent on a single industry. But the impact of a strong housing industry would be felt in increased employment and new revenues at every level. Even the administration's own economic advisers have admitted that there can be no sustained economic recovery without a recovery in housing.

Housing construction has been particularly depressed by high interest rates. Though half of the Nation's families could afford to buy a modest home in 1963, today less than 15 percent could afford that same home. And the difference is in the cost of money. The market has adjusted to an extent through the development of new financing mechanisms. In the Seattle area, for example, the Washington State realtors tell me that over 70 percent of all sales of single-family homes involve some form of seller financing. But we can only expect creative financing to take us so far. The Congress has to provide a stimulus to get the industry back on its feet. And I think many of us here today agree that the program before us would fit the bill. The impact of a strong housing industry would be felt in increased employment and increased revenues across the board. These factors are the keys to our economic recovery—jobs and revenues.

Mr. Speaker, a housing bill like the one before us today could serve as a key countercyclical device to stimulate the economy. In the context of the new budget which is being formulated, a housing stimulus bill could help bottom out the recession and start the economy on the road to recovery. If you want to reduce the deficit, put the people back to work. In Washington State and across the country, this bill will help us achieve that goal.

Mr. Speaker, just a few minutes ago I received a letter from the White House opposing this legislation. I am shocked that the administration would oppose legislation that would revive our economy and help homebuilders, and I place in the RECORD the letter from the White House:

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Wasington, D.C., May 11, 1982.

DEAR CONGRESSMAN: Attached for your information is a letter from Budget Director David Stockman to Minority Leader Robert Michel expressing the Administration's strong opposition to the Single-Family Housing Production Act of 1982, H.R. 6294.

I encourage you to review this letter carefully before H.R. 6294 comes to a vote in the House this week.

Very sincerely yours,

STEPHEN MAY,
Assistant Secretary for Legislation and Congressional Relations.

EXECUTIVE OFFICE OF THE
PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., May 10, 1982.

Hon. ROBERT H. MICHEL,
House of Representatives,
Wahington, D.C.

DEAR BOB: I understand that the House may soon consider the Single-Family Housing Production Act of 1982 (H.R. 6294). This bill would attempt to assist the housing industry by authorizing $1 billion to be committed in the remainder of this fiscal year to buy-down interest rates on mortgages on new homes.

Although the Administration is deeply concerned about the impact the current high interest rates are having on housing, expensive bail-out proposals for housing, such as H.R. 6294, are inconsistent with this Administration's basic policies. As the President stated in his March 29 speech to the National Association of Realtors, "You [Realtors] recognize, as I do, that budget-busting bail-outs will only aggravate the interest rate problem—the underlying problem in the housing industry."

Thus, the Administration strongly opposes passage of the Single-Family Housing Production Act of 1982. Should this or similar housing bail-out proposals reach the President's desk, they would not be recommended for approval.

Sincerely,

DAVID A. STOCKMAN,
Director.

Mr. ST GERMAIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. KAZEN).

Mr. KAZEN. Mr. Speaker, I rise in strong support of this bill. As coauthor of this amendment I urge my colleagues to pass it by the necessary two-thirds vote.

Mrs. SCHNEIDER. Mr. Speaker, it is my intention to support H.R. 6294, emergency housing authorizations, because it will help to address the problems of near-depression in the housing and related industries. However, I do so with regret that we are not following the Evans-Corcoran amendment which I so strongly supported last week.

It is necessary to lend Federal support to the housing industry. But it need not have been necessary to follow the old habits of spend, spend, spend. The same amount of funds could have been made available by transferring funds already appropriated to the Synfuels Corporation. Instead of allowing such an innovative approach to this Nation's housing problems, we are leaving the money in synfuels for large oil corporations and appropriating still more money.

Let us give homebuilders a boost, and let us give frustrated potential home buyers a chance to get a home of their own. Let us support this bill—but let us learn a lesson about innovative approaches and special interests.

● Mrs. HOLT. Mr. Speaker, perhaps it is good politics to vote for suspension of the rules to pass H.R. 6294, but I believe it is bad economics and would not help the housing industry.

At a time when the financial markets are maintaining extremely high interest rates because of huge Federal budget deficits and fear of future inflation, here is legislation for a new program costing as much as $1 billion.

You might argue that it does not cost very much as compared with the total of the Federal budget, and it is described as an emergency act.

But I would remind the House that the Federal budget deficit was built to enormous and ruinous dimensions by a Congress that added a billion here and a billion there over the years, and the small, new, temporary programs always grew to be large and permanent.

We are sending the wrong signal to the financial markets with this legislation. It will make them more nervous about the prospects for future inflation. It will make the task of reducing interest rates much more difficult.

I share the concern of the sponsors of this bill for the desperate condition of the housing industry, but the interest subsidies provided by this legislation would not make any significant improvement, and there is a real chance that the increase in Federal spending would make the problem worse.

The only real hope for the housing industry lies in reducing interest rates, and that requires strong discipline on Federal spending. Let us get on with the task of reducing the Federal budget deficit.●

● Mr. RATCHFORD. Mr. Speaker, it is vital that this Chamber approve H.R. 6294, the Single-Family Housing Production Act of 1982. Housing is an essential commodity for all people, and the housing industry is a vital part of our Nation's economy.

In fact, a recovery in housing has at times in the past generated movement for an overall economic rebound. And I think few in this Chamber would disagree that movement toward recovery is needed now.

I support H.R. 6294 because it creates a sensible framework for encour-

aging buyers to get back into the housing market. High interest rates are clearly the major deterrent for people who want to buy homes, and the mortgage assistance provided under H.R. 6294 would make the cost of buying a home less prohibitive. I believe the returns from this legislation to our economy will be substantial, putting people back to work and reviving affected businesses.

To underscore current attitudes on the housing market in my own State of Connecticut, Mr. Speaker, I would like to insert the following information on a poll recently conducted by the University of Connecticut's Institute for Social Inquiry:

HARFORD, CONN.—A new poll indicates most Connecticut residents believe the ability of a typical young couple to buy their own home is slipping away.

Two thirds of those polled said they owned their home. But more than 75 percent of those homeowners thought they couldn't afford to buy their house if they had to today.

More than 90 percent said it was harder for young couples to buy a home now, compared to the market 20 years ago. About 40 percent said those couples never will be able to buy their own homes.

Almost two thirds of the non-owners said they would like to buy a home. But only a third said they planned to buy in the next five years and one in 10 said they intended to purchase a home within a year.

More than half of those questioned cited interest rates as the major barrier to home ownership. The purchase price of a house and general inflation were mentioned by about a third of those polled.

Despite the problems, 79 percent said they would prefer to own their homes. Only 7 percent said they favored renting.

Home ownership was highest in Fairfield County, at 72 percent. About 33 percent of families statewide with incomes below $10,000 said they owned homes. About 86 percent of families with incomes of $30,000 or more said they were home owners.

The University of Connecticut's Institute for Social Inquiry selected 500 adults at random from April 28 to May 3 for the poll.●

● Mr. COURTER. Mr. Speaker, today the House of Representatives has taken an important step toward the revitalization of the housing industry with the passage of H.R. 6294. A housing stimulus was urgently needed because the housing industry is now at its lowest point in 35 years. I am pleased that this vital bill has received the House's support as it is of the utmost importance to our Nation during this critical period.●

● Mr. LANTOS. Mr. Speaker, today we take an important first step to revitalize the economy and to make the American dream of homeownership a reality once again. With housing starts cut almost in half from last year, and with mortgage loan activity down 65 percent, it is clearly time to take decisive and convincing action to reverse this destructive trend.

I rise in full support of the Single-Family Housing Production Act of 1982. This essential legislation would make homeownership more affordable to qualified home buyers by reducing the mortgage interest rates by up to 6 percent below the market rate. This action would provide a tremendous boost to the housing and thrift industries and to the overall economy in terms of employment and income. It is estimated that 140,000 new jobs in housing-related industries would be created and that as many as 74,000 new home buyers would be assisted.

The effort to revitalize the housing industry transcends political, partisan, and ideological lines. The dream of homeownership is severely threatened. Unemployment is rising at an alarming rate. Homebuilders are going out of business daily, creating permanent losses to the economy. The viability of our thrift institutions is in danger.

As a member of the Congressional Housing Caucus, I urge my colleagues to join in this significant effort to avert the crisis at hand and to reestablish housing as a key national economic priority.●

● Mr. MOFFETT. Mr. Speaker, with housing starts the lowest in 26 years; with a dropoff in housing starts in the North Central States equaling 56 percent; with record unemployment and bankruptcy figures in the construction industry, the American people are waiting for the Reagan administration to announce its housing program. But we have been greeted with inaction, a shaky commitment to a balanced budget, and the newly announced $40 billion cuts in social security. Because we cannot wait any longer for the leading man to lead, this Congress must act independently and enact the emergency housing assistance bill before us today.

The major features of the bill include a mortgage subsidy of 6 percent below market rates, but not lower than 9.5 percent. It would apply for 7 years, for families with incomes no higher than 115 percent of an area's median income. It provides a subsidy of 4 percent below market levels but not lower than 10 percent, for 5 years, for families whose incomes are between 116 and 130 percent of the area median. The bill requires that borrowers pay at least 25 percent of their income toward mortgage costs—to insure that the commitment is there to receive Government assistance. The bill's authority would become effective within 30 days after enactment.

The national figures, generally, and the Connecticut figures, specifically, on housing starts explain rather plainly why this bill is needed.

If the first quarter national figures are projected for the entire year, they would represent annual starts amounting to less than 950,000 units. The previous low was 1.023 million, and that was set in 1946. The normal rate for home sales is 4 million units per year. The projection for 1982 is about 2.4 million; this is 55 percent of normal sales. Even if we assume that the recession will end sometime this year—and let us hope it does—home sales are not expected to reach normal levels until 1985—3 years from now.

In Connecticut, the builders have suffered an awful year. In most counties, home starts are down by 40 percent below 1981. Unbelievably, there were only 10,000 housing starts in our State in 1981. And, the situation has not improved so far in 1982.

It is my conviction that this legislation is needed and will provide direct benefits to the housing industry, to the families starting out who want to realize their economic birthright—the right to own a home—and will stimulate new employment in the industry. With unemployment moving toward the 10-percent mark, that would be critically important.

By the same token, we will need to continue to offer new alternatives, new initiatives, and new policies. This administration remains sitting on the sidelines; the American people are battling the economy, and they are falling behind. At current interest rates, with the prime at 16.5 percent, barely 10 percent of the Nation's families can afford to purchase the average priced house. The average priced home now costs $71,000—a staggering figure. But a 30-year mortgage, at 2 percentage points under the current prime, would yield a total price of $290,000 for that same $71,000 home. It is the interest rates which are driving Americans out of the home buying marketplace.

We all know where these high interest rates are coming from. The Reagan deficits are being sustained by bloated Pentagon spending and massive tax loopholes for corporations and wealthy individuals which are driving Senators and Representatives of all ideologies toward the goal of tax reform. The President himself has finally admitted that the deficit figures for the next 3 fiscal years will total $182 billion; $216 billion; and $233 billion. Combined with the projected deficit for fiscal year 1982, the Reagan administration will have put together a 4-year record deficit of $750 billion. It is precisely this proposed record debt—a 75-percent increase in the Nation's total debt since 1787—that is keeping interest rates at 16.5 percent.

Interest rates at these levels are driving the housing industry recession. The National Association of Realtors estimates that high interest rates and the current recession have resulted in lost home sales of 3.2 million units, thus depriving the economy of $230 billion in private investment. This loss arises from lost home construction sales and fewer jobs in the construction and raw materials industries. Realtors in Fairfield County right

through to loggers in Oregon are waiting for us to do something.

The legislation before us today represents a first, historic, and courageous attempt by the 97th Congress to break away from Reaganomics and to assert itself in the economic policy realm. The administration simply has no program. In fact, the administration sought as recently as this spring to cut more than $8 billion in housing funds from the current fiscal year—while we are in a recession. Fortunately, this rescission was blocked. But it does represent another indication that the administration does not care about what is happening in the "South Succotash" communities which are racked by the recession its policies have caused.

The legislation is a carefully constructed compromise drawn from many proposals before the House. It authorizes $172 million in contract authority and $1 billion in budget authority in fiscal year 1982 for mortgage interest subsidies on new, single-family homes, manufactured homes, and condominium or cooperative units. First-time home buyers will have priority in obtaining loans from the moneys that the bill provides, and the subsidies will be recaptured when the home is sold—this will minimize the costs to the taxpayer.

Just a few weeks ago, Secretary Regan of the Treasury Department declared that "the economy is dead in the water." Since then, the administration has continued its policies which placed us in this position. This bill shows that the House is prepared to act and save the housing industry. But most importantly, it shows that we are sensitive to the needs and desires of families starting out. They merely want a home to call their own.●

● Mr. CLAUSEN. Mr. Speaker, over the past 3 to 4 months, I have consulted many redwood empire builders, lenders, representatives of the lumber industry, and local elected officials about unemployment and the housing slump—both have reached crisis proportions, in fact, housing starts are at their lowest rate since the end of World War II.

Mr. Speaker, the proposal before us today is a program which is designed to stimulate the construction of housing and create an estimated 140,000 new jobs in housing-related industries, such as the lumber industry. I must go on record in support of this housing initiative even though I would have preferred an alternative approach to the proposed funding mechanism which this legislation sets forth. What we are considering, is a new program which provides $1 billion in new budget authority for the Secretary of HUD to provide mortgage interest assistance in order to reduce the mortgage interest rate. In other words, a Federal subsidy used to "buy down" mortgage interest rates. I would have preferred the interdepartmental transfer of existing funds without adding to the Federal budget problems such as the Evans-Corcoran proposal which would have provided immediate relief by using the existing mortgage revenue bond program.

It is my understanding that the proposal before us today is a new program which HUD estimates will take at least 120 days to implement after the date of enactment. Unfortunately, the construction start season will be over by the time this program is in place. I do not feel that this is the wisest proposal to address a critical problem which exists today, however, it is the only proposal which is under consideration today.

Housing has been a national priority historically and the passage of the original Housing Act over 30 years ago clearly articulated as a national priority "a decent home and a suitable living environment for every American." We must do something that turns the housing industry around before the homebuilding infrastructure is destroyed any further. Once the supply lines of the industry are destroyed, it will make economic recovery all the more difficult and take much longer to achieve. One of the major suppliers for the housing industry, the lumber industry, currently has over half of its mills closed or operating on curtailed schedules. This industry cannot wait for any long-term solutions to take effect without suffering irreversible damage. Unemployment figures in my congressional district indicate a state of depression and I believe that these unique circumstances require unique solutions, therefore, I support the bill and its enactment.●

● Mr. FRENZEL. Mr. Speaker, H.R. 6294 is a try for a quick fix for our housing dilemma. Our housing recession is a serious, urgent problem.

It is tainted as the only housing solution. It is, instead, the only solution the leadership of this House will allow to be presented to us. It will cost $1 billion in new appropriations. It will make a bad deficit worse.

Another proposal, which the House leadership refused to allow to come before us, would have financed assistance to this distressed industry by reducing unnecessary Federal expenditures in other areas.

This bill is not the way I would prefer to deal with the problem. I fear it may cost more in future problems than it brings in benefits in fiscal year 1983.

I believe the housing industry really needs lower deficits and lower interest rates. This bill takes us in the other direction—the Chrysler direction.

It is solving problems in the old, discredited way of throwing somebody else's money at a problem. This time the money we are throwing may be the future sales of the housing industry.●

● Mr. MATSUI. Mr. Speaker, I rise in strong support of the Single-Family Housing Production Act of 1982, one of the single most important economic stimulus actions which can be taken by this Congress.

One of the real tragedies of this high interest rate, recession-plagued economy has been the terrible disruption of the housing market. Homeownership, so important to American family life, and homebuilding, one of the most productive activities of our economy, have suffered tremendously during recent years. This Congress has an obligation to take swift, effective action to promote new home construction and to make housing affordable for low- and middle-income Americans.

As others have pointed out, the housing industry has led the Nation out of recession seven times since World War II. Homebuilding has a multiplier effect, which generates spending and employment in scores of diverse services and industries. The $1 billion in budget authority contained in H.R. 6294 would assist in the creation of 140,000 new jobs in housing-related industries; no stronger argument than that single statistic need be made for this important legislation as we consider the unconscionable tragedy of a 10-percent unemployment rate in our land.

But in addition to creating jobs, H.R. 6294 would assist up to 74,000 home buyers. And it would increase Federal, State, and local tax revenues by $1.2 billion—which more than pays for the cost of this program.

By acting now, we can put this stimulus into effect in time for this summer's building season.

As a cosponsor of the Patterson-AuCoin Family Housing Production Act, the essential components of which have been incorporated into H.R. 6294, I enthusiastically endorse the passage of this important legislation and the supplemental appropriation for it, which we will be considering in the very near future.

Let us put thousands of Americans back to work and help put an end to an economic nightmare that has shadowed the American dream of homeownership.●

● Mr. RUDD. Mr. Speaker, I rise in opposition to the bill, H.R. 6294, the emergency housing authorization.

Certainly, no one can argue that there is not a definite emergency in the homebuilding industry. But before this body responds to that emergency, it is vital to understand how this situation has developed.

The current status of the homebuilding industry is the result of a credit market that has been hammered for decades by unrelenting in-

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flationary pressure, and a general credit squeeze caused by a Federal Government that has actively consumed more and more of the credit pie as the growth of the Federal budget has skyrocketed.

Let us look at each of those factors separately. There are many variables in an overall inflationary cycle. Wages, rate contracts, excessive monetary growth, and balloning energy prices all contributed to the years of inflation that we have experienced. However, that problem has come under control in the last several months. The credit squeeze caused by the Federal Government's inability to live within its own means is quite another problem.

The Federal budget has only been balanced twice in the last 25 years. The gross Federal debt, which now stands at over $1 trillion, has more than doubled since 1974. That growth in debt has caused what used to be a mild component of the budget, the debt service, to reach a level of $118 billion this year and is expected to go higher than $130 billion next year. That is more than the entire Federal budget of 1963.

This unrelenting hunger on the part of the Federal Government for credit to finance itself has reached a point where the Federal Government now consumes almost half of all the available credit in the market. Naturally, if half the available credit is eaten up by the Government, the costs of the rest to the credit available will be bid up. Since there is only half available, the money needed for expansion, replacement of equipment, starting a new business, building more homes, and creating more jobs, will cost that much more, and that is exactly where we stand today.

The problem is not on Wall Street, nor is it on Main Street. It is right here.

Last year was the first year that this body actually tried to pass a budget that did, indeed, make a serious attempt to reduce the growth of the Federal budget. But make no mistake, that was all that was done. The budget was not cut in real terms: The only thing that was cut was the rate of increase of that budget. This year, the Federal budget will still increase, and working Americans will still pay more taxes than they did last year. And, the Federal Government will still be consuming enormous amounts of credit to finance programs that were supposedly cut.

The blame for the condition of the housing industry can, and should be placed at this body's doorstep. The bill before us today, H.R. 6924, is a serious, if misguided attempt to ease that situation.

The bill, which would authorize $1 billion for an interest subsidy program should be applauded for its sentiment. But it should be avoided, and cast aside for its methods. This bill would repeat the very same actions that have put the housing industry where it is today.

Where is the money for that program going to come from? As I see it, there are only three possible alternatives. First, we could ask the taxpayer to dig deeper in his pocket for the money. I do not think that is very likely. This Government has picked that pocket clean over the last few years. Second, it could come from the Federal Reserve. We could go back to the policy of having the central bank monetize this obligation; that is, print more money. That would only bring us back to the familiar problem of inflation: A problem that we have only recently been able to control. Finally, we could go into the market and borrow the money. And that is probably what would happen if the bill were to pass. More Federal borrowing, which means bidding up the price of whatever credit is left, and there we are: Continued higher interest rates forcing more and more homebuilders out of business, more and more families unable to afford housing, more carpenters, lumbermen, construction workers, and salesmen out of work. Surely, this type of cure is only more of the same medicine, or rather more of the same disease that is plaguing the housing industry.

As I said before, I rise in opposition to this bill, but I do not do so without offering an alternative. We need to put a program into place that will allow the housing industry to survive the delicate transition period we are in. I have introduced a bill, H.R. 4833, the national homeownership bond bill, which will enable the housing industry to weather the current economic climate without committing any outlays from the Federal Treasury.

This bill, which would authorize lending institutions to issue national home ownership bonds with a face yield of 10 percent, would earmark the income from the bonds for 12-percent mortgages. The investor in the bond would receive a tax preference which would make the return on the bond the equivalent to a 14-percent taxable instrument.

This bill is a tax incentive for homebuilding and home buying. Most importantly, it is not a governmental subsidy. It will, in fact, generate more revenue from new housing constitution than any possible tax forgoence. We have tax incentives for many kinds of business activity. We need a tax incentive for the housing industry; which is, after all, the second largest industry in this Nation, behind agribusiness. This program will allow the housing industry to revive itself, and at the same time, not place an added burden on the Federal budget or the credit markets.

I urge my colleagues to avoid repeating the same mistakes that have caused our current problems and join me in support of the national home ownership bond program. We need a vital housing industry, and Federal budget that is controlled; that is restrained from absorbing the credit we so badly need to revive our homebuilding industry.●

● Mrs. SNOWE. Mr. Speaker, I rise in support of H.R. 6294, the emergency housing authorization, and I urge my colleagues to join me in that support.

As we are all painfully aware, the housing industry is in its 39th month of recession. Not since the 1930's has the housing sector in Maine experienced such uncertainty and depression. Maine's construction, lumber, and wood products industries, which account for the largest manufacturing establishments in the State, have been adversely affected by the housing recession. Home sales have fallen by more than 50 percent over the last year and Maine's lumber and home construction industries have lost approximately 1,600 jobs as a result of the unfavorable economic conditions plaguing our country. In addition, as many as one-fourth of Maine's real estate agents could go out of business this year.

Ironically, a record level of need for housing in Maine exists side-by-side with an idle and struggling construction industry. The record level of need stems in large part from the entrance into the housing market of the "baby boom" generation. That demand cannot be met, however, until interest rates come down making homes once again affordable for home buyers. I firmly believe that H.R. 6294 is one measure that addresses the problem of our high interest rates.

The mortgage assistance provided in this legislation will greatly ease the economic burden of purchasing a new home for first-time home buyers. Because this bill is geared toward new production, the jobs that will be generated in Maine will be substantial. The homebuilders, realtors, construction and lumber industries, as well as the suppliers of materials and services that go into each home will greatly benefit from this legislation. Finally, the economic activity that will be produced from this legislation will greatly enhance State and local tax revenues.

Although I am concerned that this bill would place an additional $1 billion in budget authority for fiscal year 1982, H.R. 6294 requires recapture of the subsidies upon the property's sale or rental for a period of more than 1 year. Therefore, the budget impact is reduced with this assistance payments recapture provision.

The continuing depression in the home construction industry should not be tolerated any further, and I am

convinced that H.R. 6294 will provide immediate action to correct the situation.●

● Mr. SMITH of Oregon. Mr. Speaker, extraordinary times require extraordinary measures, measures that sometimes run against ideological and philosophical lines. The Reagan administration and this Congress have approved extraordinary measures to reduce the tax rates and to hold the line on Federal spending. But those measures are long term and will require time to have an impact on our economy. We all knew that when we voted for them.

The situation in the housing industry has reached such a critical state that it was clear some short-term assistance was necessary to help Americans get through to the new beginning.

The administration had asked for my vote against this measure, but the Oregonians I represent deserved my support for this effort. I am not Washington, D.C.'s, Representative to Oregon; I am Oregon's Representative to Washington, D.C.

Anyone who knows me will tell you that I am not a supporter of bailout programs. And frankly, I am not enthused about this one. But we are talking about people's lives and their ability to afford to buy a home, and in the case of homebuilders, we are talking about their ability just to keep food on the table.

Three years ago in Oregon, there were 25,000 home starts. Last year there were just 8,000 and in the first quarter of 1982 there were only 750 home starts. Clearly, the homebuilders and those who would like to afford to buy a home are in serious, critical condition.

This measure will provide about 740 home starts in Oregon, but the impact will be even greater because of the new demand for lumber that will occur. The harvesting and milling of timber is Oregon's No. 1 source of jobs. With record unemployment in Oregon, help for the timber and homebuilding industries is essential.

Had the administration had a clear housing assistance program ready to meet this emergency situation, my vote might have been different. Since this was the only vehicle to provide help for Americans who want to build and buy new homes, I agreed to support it.●

● Mr. SHUMWAY. Mr. Speaker, I rise in opposition to H.R. 6294, the emergency housing legislation before us today. I do so with some reluctance because I share with our colleagues and my constituents deep concern over the condition of our Nation's vital housing industry. Very simply, housing is perhaps the most basic foundation upon which healthy economy must rest. Until the current housing recession is ended, contractors, realtors, thrift industry employees, and the lumbermen who are particularly important in my congressional district, will continue to be disproportionately burdened by our economic difficulties.

Unfortunately, Mr. Speaker, H.R. 6294 is not an appropriate response to the housing industry's plight. Without detailing the specific provisions of the bill, the fact is that, with this legislation, we are being asked to support yet another Federal bailout—at a cost to the Federal Government of up to $1 billion per year. Even with this price tag, it is estimated that the construction of only 50,000 additional housing units will be stimulated.

It is my firm belief that a true recovery in housing can only be achieved with a substantial and sustained decline in interest rates. Our efforts to resolve the budget crisis and to reduce the deficit are all premised on this central fact. H.R. 6294, in adding to Federal deficits over the life of the subsidy program, actually moves us in the wrong direction. While those involved in the construction and sale of the housing subsidized by this bill will no doubt realize some short-run benefit, the housing industry as a whole, as well as the overall economy, will be a little farther from ultimate recovery.●

● Mr. TRIBLE. Mr. Speaker, I rise in support of H.R. 6294, the Single Family Housing Production Act. For an intolerably long period, new homes have been beyond the means of the vast majority of potential home buyers. High interest rates have made homeownership a chimera for millions of Americans.

As a result, the housing industry is in the throes of the most severe downturn in recent memory and forecasts for this year project a comparably depressed market. This continuing slump in housing threatens our economic recovery; without a sustained rebound in housing, long-term economic well-being becomes problematic.

We must recognize that our policy of fighting inflation falls unequally on different sectors of our economy. We can redress this inequitable condition without undermining our goal of eliminating the inflationary pressure that has beset us for so long.

Only prompt Federal action can appropriately address this problem. And before us today we have a measure designed to provide this badly needed stimulus to the housing market. H.R. 6294 directly attacks the problem of high interest rates. It makes available a temporary interest subsidy to put homeownership back within the reach of many Americans. And it does not do violence to our economic recovery program.

In sum, H.R. 6294 is a well-conceived bill that will restore to millions of Americans that essential component of the American dream—homeownership.●

Mr. ST GERMAIN. Mr. Speaker, I was a little disappointed in my colleague from Delaware when he was describing the legislation that stands before us today and was playing with the numbers in talking about a 30-year subsidy. He knows full well that the subsidy here is for 5 years, for those who are in the 115 percent median income and above, and 7 years for those individuals whose income is 115 percent of the median or below, and at the discretion of the Secretary those terms could be extended out of the funds that have been repaid from the recapture provision.

It will indeed provide immediate action and stimulus whereas the multiversions of the other legislation that the gentleman was referring to, that was changed so many times, frankly, it is tough from day to day to know which version would be the one.

In addition, 30 days after enactment the Secretary of HUD shall promulgate the regulations. I do not care if he said 120, it is 30 days after.

I ask and hope that my colleagues will support this legislation. We need it. We need it now and we need a two-thirds vote.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill H.R. 6294.

The question was taken.

Mr. CORCORAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 349, nays 55, not voting 28, as follows:

[Roll No. 66]

YEAS—349

Addabbo	Boggs	Coughlin
Akaka	Boland	Coyne, James
Alexander	Bolling	Coyne, William
Anderson	Boner	Craig
Andrews	Bonior	Crockett
Annunzio	Bonker	D'Amours
Anthony	Bouquard	Daniel, Dan
Applegate	Bowen	Daniel, R. W.
Archer	Breaux	Daschle
Aspin	Brinkley	Daub
Atkinson	Brodhead	Davis
AuCoin	Brooks	de la Garza
Bafalis	Broomfield	Deckard
Bailey (MO)	Brown (CA)	Dellums
Bailey (PA)	Burton, Phillip	DeNardis
Barnard	Byron	Derrick
Barnes	Campbell	Derwinski
Beard	Carman	Dicks
Bedell	Carney	Dingell
Beilenson	Chappie	Dorgan
Benedict	Clausen	Dougherty
Benjamin	Clay	Dowdy
Bennett	Coats	Downey
Bevill	Coelho	Duncan
Biaggi	Coleman	Dunn
Bingham	Collins (IL)	Dwyer
Blanchard	Conte	Dymally
Bliley	Conyers	Dyson

Eckart	Lee	Roemer
Edgar	Lehman	Rogers
Edwards (AL)	Leland	Rose
Edwards (CA)	Lent	Rosenthal
Edwards (OK)	Levitas	Rostenkowski
Emerson	Lewis	Roth
Emery	Loeffler	Rousselot
English	Long (LA)	Roybal
Erdahl	Lott	Russo
Ertel	Lowery (CA)	Sabo
Evans (GA)	Lowry (WA)	Santini
Evans (IA)	Lujan	Savage
Fary	Luken	Sawyer
Fazio	Lundine	Scheuer
Ferraro	Madigan	Schneider
Fiedler	Markey	Schroeder
Fields	Marks	Schulze
Findley	Marlenee	Schumer
Fish	Martin (IL)	Seiberling
Fithian	Martin (NC)	Sensenbrenner
Flippo	Martin (NY)	Shamansky
Florio	Matsui	Shannon
Foley	Mavroules	Sharp
Ford (MI)	Mazzoli	Shaw
Ford (TN)	McClory	Shelby
Fountain	McCollum	Shuster
Fowler	McCurdy	Siljander
Frank	McDade	Simon
Frost	McEwen	Skelton
Fuqua	McGrath	Smith (AL)
Garcia	McHugh	Smith (IA)
Gaydos	McKinney	Smith (NE)
Gejdenson	Mica	Smith (NJ)
Gephardt	Mikulski	Smith (OR)
Gilman	Miller (CA)	Smith (PA)
Glickman	Mineta	Snowe
Gonzalez	Minish	Solarz
Goodling	Mitchell (MD)	Solomon
Gore	Mitchell (NY)	Spence
Gray	Moakley	St Germain
Gregg	Moffett	Stangeland
Guarini	Molinari	Stark
Gunderson	Mollohan	Staton
Hall (OH)	Montgomery	Stokes
Hall, Ralph	Moore	Stratton
Hall, Sam	Morrison	Studds
Hamilton	Mottl	Swift
Hammerschmidt	Murphy	Synar
Hansen (UT)	Myers	Tauke
Harkin	Napier	Tauzin
Hartnett	Natcher	Thomas
Hatcher	Neal	Traxler
Hawkins	Nelligan	Trible
Heckler	Nelson	Udall
Hefner	Nowak	Vander Jagt
Heftel	O'Brien	Vento
Hendon	Oakar	Volkmer
Hertel	Oberstar	Walgren
Hightower	Obey	Wampler
Hiler	Ottinger	Washington
Hillis	Oxley	Watkins
Holland	Panetta	Waxman
Hollenbeck	Parris	Weaver
Hopkins	Pashayan	Weber (MN)
Horton	Patman	Weber (OH)
Howard	Patterson	Weiss
Hoyer	Pease	White
Hubbard	Perkins	Whitehurst
Huckaby	Petri	Whitley
Hughes	Peyser	Whittaker
Hutto	Pickle	Whitten
Hyde	Porter	Williams (MT)
Jacobs	Pritchard	Williams (OH)
Jeffords	Pursell	Winn
Jenkins	Quillen	Wirth
Jones (NC)	Rahall	Wolf
Jones (OK)	Railsback	Wolpe
Jones (TN)	Rangel	Wortley
Kastenmeier	Ratchford	Wright
Kazen	Regula	Wyden
Kennelly	Reuss	Wylie
Kildee	Richmond	Yates
Kindness	Rinaldo	Yatron
Kogovsek	Ritter	Young (AK)
LaFalce	Roberts (KS)	Young (FL)
Lagomarsino	Roberts (SD)	Zablocki
Lantos	Robinson	Zeferetti
Leach	Rodino	
LeBoutillier	Roe	

NAYS—55

Badham	Butler	Conable
Bethune	Cheney	Corcoran
Brown (CO)	Clinger	Crane, Daniel
Broyhill	Collins (TX)	Crane, Philip
Dannemeyer	Hansen (ID)	Miller (OH)
Donnelly	Holt	Moorhead
Dornan	Hunter	Nichols
Early	Jeffries	Paul
Erlenborn	Johnston	Roukema
Evans (DE)	Kemp	Rudd
Fascell	Kramer	Shumway
Fenwick	Latta	Skeen
Frenzel	Leath	Snyder
Gibbons	Livingston	Stenholm
Gradison	Long (MD)	Stump
Gramm	Lungren	Taylor
Green	McCloskey	Walker
Hagedorn	McDonald	
Hance	Michel	

NOT VOTING—28

Albosta	Dreier	Mattox
Bereuter	Evans (IN)	Murtha
Brown (OH)	Foglietta	Pepper
Burgener	Forsythe	Price
Burton, John	Gingrich	Rhodes
Chappell	Ginn	Stanton
Chisholm	Goldwater	Wilson
Courter	Grisham	Young (MO)
Dickinson	Ireland	
Dixon	Marriott	

□ 1345

Messrs. HAGEDORN, RUDD, MOORHEAD, SNYDER, and TAYLOR, Mrs. FENWICK, and Mrs. ROUKEMA, changed their votes from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 6294, the bill just passed.

The SPEAKER pro tempore. (Mr. SMITH of Iowa). Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

PERSONAL EXPLANATION AS TO VOTING ERROR

Mr. LONG of Louisiana. Mr. Speaker, when the House voted earlier today on H.R. 6294, the emergency housing authorization bill for fiscal year 1982, I was recorded as voting "no," either through my own mistake or a mechanical malfunction. I strongly support this legislation to revive the housing industry. In fact, I offered the amendment in the Rules Committee this afternoon that will permit the program to be funded through the fiscal year 1982 urgent supplemental appropriation bill.

My vote should have been recorded as "yes."

PROVIDING FOR CONSIDERATION OF H.R. 3481, PRETRIAL SERVICES ACT OF 1981

Mr. ZEFERETTI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 439 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 439

Resolved, That upon the adoption of this resolution it shall be in order to move, section 401(a) of Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

□ 1400

Mr. ZEFERETTI. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 439 provides for the consideration of H.R. 3481 the Pretrial Services Act of 1981. The Rules Committee has granted an open rule, allowing 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Judiciary.

Further, the rule waives section 401(a) of the Budget Act which states that new contract or borrowing authority may be effective for a fiscal year only to the extent of provisions in Appropriations Act. Sections 2 and 3 of the bill provide new contract authority but does not make that authority subject to appropriations acts. The Judiciary Committee has informed the Rules Committee they plan to offer amendments on the floor curing this Budget Act violation.

At the conclusion of the amendment process the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. Speaker, H.R. 3481 provides for the expansion of pretrial services, first authorized in the form of demonstration projects, in title II of the Speedy Trial Act of 1974. It will establish a

pretrial services program in every judicial district upon recommendation of a Federal District Court and Circuit Judicial Council, and will give the Judiciary the discretion to choose the type of services that will be provided in each district.

In addition, the bill will require pretrial service providers to collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information relating to the pretrial release of a defendant. The providers of these services will be required to supervise the people released to their custody, and will follow guidelines issued by the Director of the Administrative Office of the U.S. Courts.

Mr. Speaker, this is a good bill and I fully intend to vote for its passage when the time comes. However, I feel it is unfortunate that this measure, does not address the related issue of effective bail reform.

For example presently, a judge cannot consider, as a separate factor, whether release will pose a danger to an individual or the community.

Until this and other aspects of present bail regulations are addressed forcefully, we can expect a substantial increase of crimes perpetrated by individuals released on bail.

Since H.R. 3481 was first reported out by committee last May, the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, chaired by Mr. KASTENMEIER, has held hearings on several bail reform measures. It is my understanding we can look forward to final markup in the very near future. With the assurance of a bail reform bill, further delay of pretrial services legislation would serve little purpose.

I sincerely believe, that pretrial services coupled with effective bail reform legislation will have a dramatic effect in the decrease of crime in this country. I urge my colleagues to support House Resolution 439 so we may proceed to the consideration of H.R. 3481, the Pretrial Services Act of 1981.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the gentleman from New York has stated, House Resolution 439 grants a 1-hour open rule for the consideration of H.R. 3481, the Pretrial Services Act. Section 401(a) of the Budget Act, which prohibits contract authority not subject to appropriations, is waived against two provisions of the bill.

The Pretrial Services Act provides for expansion of existing pretrial services presently provided on a demonstration basis in 10 Federal judicial districts. A primary objective of pretrail services has been to carry out the policy of the 1966 Bail Reform Act to reduce reliance on monetary bail and to assist judicial officers in making pretrial release decisions.

In testimony before the Rules Committee, members of the Judiciary Committee concluded that the pretrial services program has been a success in protecting the rights of arrested persons while helping to insure appearance in court, reducing the incidence of crime-on-bail, and cutting the Government's pretrial costs. Accordingly, this legislation proposes a phased expansion of the pretrial service agencies, which was originally recommended by the administrative office of the U.S. courts.

While I commend the committee's efforts in this legislation, there are some members of this body, myself included, who are concerned that the bill does not address the lack of authority in the Bail Reform Act for Federal judicial officers to consider the danger that a defendant might pose to another person or the community while setting bail conditions in noncapital cases. In fact, the Rules Committee declined the initial request for a rule on this bill until the bail reform issue had been reconsidered. We subsequently have been informed that the Courts and Civil Liberties Subcommittee will be addressing bail reform in separate legislation and received assurances that such legislation is forthcoming. I trust the Committee will see that this commitment is met.

With such assurances, Mr. Speaker, the committee has proposed the open rule which is before us. I urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. ZEFERETTI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each additional motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcalls, if postponed, will be taken on Wednesday, May 12, 1982.

CORN GLUTEN FEED EXPORTS

Mr. ZABLOCKI. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 435) to urge the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

The Clerk read as follows:

H. RES. 435

Whereas the Commission of the European Communities has requested the Council of Ministers of the European Communities for authority to renegotiate the duty on corn gluten feed which is bound at zero;

Whereas this zero duty was a result of United States concessions in the Kennedy round of negotiations under the General Agreement on Tariffs and Trade;

Whereas such approval by the Council of Ministers of the European Communities would threaten United States corn gluten exports and adversely affect the income of United States corn producers and processors and soybean producers;

Whereas action by the European Community to breach a negotiated concession would set a dangerous precedent that would be contrary to the interests of both the United States and the European Community;

Whereas the House of Representatives considers that the imposition of trade restrictions would undermine the free trading system covering such commodities; and,

Whereas restrictions on these American exports could seriously affect United States and European relations: Now, therefore, be it.

Resolved, That it is the sense of the House that—

(1) the President communicate to the Council of Ministers of the European Communities that—

(A) renegotiation of this binding is not in the best interests of the United States, and

(B) the imposition of any trade restriction on corn gluten feed would be a serious impediment to our relations with the European Community, since it is specifically directed against United States interests, and

(2) the President take all other appropriate steps to protect United States exports of corn gluten feed.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. FINDLEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution before the House, House Resolution 435, calls on the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

This is an important emerging trade issue which we must commend the gentleman from Illinois (Mr. FINDLEY) for bringing to our attention.

The basic issue is whether the European Community takes action to restrict entry of traditional U.S. exports of corn gluten feed into the EEC. There has been a proposal before the EEC Commission to renegotiate the duty on corn gluten feed imports, in contravention of the concession made to the United States by the Kennedy round of trade negotiations of the 1960's.

If the EEC were to take action to change the treatment of corn gluten feed imports, the reaction from the U.S. farm community would be one of appropriate outrage and could threaten a major trade dispute.

It is my understanding that since the Committee on Foreign Affairs reported this resolution that the EC 113 Committee has voted to shelve the proposal. It would appear that our colleague's efforts have helped nip this matter in the bud and we may be spared a major rift in U.S.-EEC trade relations.

I urge the Members to support House Resolution 435 so that there is a clear record of the position of the House of Representatives on this issue.

Mr. Speaker, I reserve the balance of my time.

Mr. FINDLEY. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, passage of this resolution is important not only to farmers and manufacturers of corn gluten feed, but also to all Americans who work to produce items covered by the General Agreement on Tariffs and Trade.

What we are doing is sending a signal to our friends in the European Economic Community, as well as to the other signatories of GATT, that the Congress of the United States will oppose efforts to limit market access for U.S. products.

Here in the United States, our markets are more open than almost any other markets in the world. As a result, American workers and investors occasionally suffer the necessary pain of competition, as people throughout the world seek to produce better products at less cost. At the same time, however, many more workers and investors benefit from expanded markets. Competition encourages the growth and innovation that give the people of the country the highest standard of living in the world.

Corn gluten feed is a byproduct of the corn wet milling process that gives us corn sweeteners and alcohol. It is used primarily as a high-protein animal feed.

During the Kennedy round of multilateral trade negotiations, the EC granted duty-free status to corn gluten feed, as well as other nongrain feed ingredients and soybeans. Market access for these products was negotiated at the expense of concessions on our part. It was the result of prolonged and arduous negotiations between the United States and the European community on a broad range of trade issues. As such, it is only within a "total trade" context that any reexamination of this subject should take place. Any unilateral action under article 28 of GATT to restrict access of these products would jeopardize the careful balance established through GATT negotiations.

Recently, there has been increased concern within the EC that imported feed grain substitutes are displacing EC-produced grains. It is clear to me that EC imports of these feed grain substitutes have increased primarily because high EC support prices for feed grains have created an artificial price differential between feed grains and feed grain substitutes, making the substitutes more attractive to EC feed compounders.

What is worse, the high EC support prices for grains have led to surplus production which can be marketed only through the use of export subsidies. These export subsidies are displacing the sale of U.S. grains in third country markets. It would appear that some elements within the EC, not content to displace U.S. exports to third country markets, now want to limit U.S. exports to the EC, too.

As I mentioned earlier, the duty on corn gluten feed is bound, under GATT, at zero. The United States has informed the EC that the tariff is not negotiable. Nonetheless, the EC Commission has requested authority from the EC Council of Ministers to negotiate a tariff quota on corn gluten feed at 3 million metric tons from all sources. About 99 percent of U.S. corn gluten feed production is exported to the Community. In 1981, U.S. exports of this product amounted to 2.7 million tons, valued at $434 million. That request for authority for negotiations is still pending, despite a tentative vote favorable to the U.S. position.

The intent to pass this resolution is well known in Europe. Failure to do so could be interpreted as a weakening of U.S. opposition to the threatened restriction on corn gluten feed. If the EC were to freeze imports of corn gluten feed at 3 million tons, I am almost certain that pressure for other restrictions would follow.

The Congressional Research Service, in an October 7, 1981, report, stated:

> If the European Community imposed a duty on CGF, it would probably have to take similar action on other imported feedstuffs such as soybeans, soybean meal, and other nongrain feed ingredients if it is to meet an objective of reducing common agricultural policy (CAP) expenditures and increasing the use of indigenously produced feed grains.

This resolution has the strong support of the Reagan administration. An identical resolution was offered in the Senate by my good friend and colleague, the senior Senator from Illinois, Mr. PERCY. It passed unanimously.

The need for this resolution is clear. The United States can no longer afford to give away markets. We can no longer afford to export jobs. We must export products, and keep the jobs at home. I urge you to support this resolution to encourage our President to do just that.

Mr. Speaker, I reserve the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, I, too, want to rise in support of this resolution, House Resolution 435, expressing the sense of the House that the President immediately communicate to the European Community that the renegotiation of our agreement with the European Community regarding the corn gluten feed that has been in existence since the early 1960's, since the Kennedy round of talks, not be renegotiated.

The gentleman from Illinois (Mr. FINDLEY) is right that any imposition of a trade restriction on corn gluten feed would, in fact, trigger some response on the part of the United States.

As has been stated, there has been a zero duty on this aspect of our agricultural exports since the early 1960's and, quite frankly, one of the reasons that the European Community now is looking at possibly putting a duty on it is because the exports of our corn gluten feed amounted to 2.7 million tons at somewhat near $700 million in 1981. So it has increased substantially.

Now the European Community has said that they are afraid that the exports of this corn gluten feed—and I might say that there are other types of nongrain feeds that are included here, corn gluten feed, of course, being the biggest—but our Members from the South and from citrus-producing areas ought to know that their citrus pulp also is included. I think that is the second biggest component of the nongrain feeds that go to Europe.

I think what the EC is saying is, "Look, if this trend continues, it is going to seriously displace a lot of the nongrain feed that is produced in the European Community."

□ 1415

But, when you look at it, you find that this is really a false argument. Right now, the nongrain feed or the grain substitutes—molasses, brans, corn gluten feed, corn gluten meal, various distilled dried grains, and of course citrus pulp, which I mentioned, are all the ones we are talking about. They are not, however, a perfect substitute for grain. Rather, they can only be substituted for a portion of the grain in the feed rations, and nongrain feeds are not an acceptable substitute for grain in all livestock and poultry rations.

For example, corn gluten feed, the major nongrain feed exported to the European Community by the United States, and the importation of which is apparently causing the European

market concern, is a very low energy, fibrous, medium protein—about 22 to 25 percent protein feedstuff. It is best suited for dairy and beef rations, but does not replace a significant quantity of grain, as only marginal amounts of grain are fed to cattle in the first place in the European Community. Due to the high fiber content, corn gluten feed can only account for up to one-third of the grain in hog rations, and because of amino acid composition, fiber, and pigmentation, it should be excluded from all poultry rations.

So, we see that even the use of all this corn gluten feed at the most could replace only up to one-third of the grain that is fed entirely to hogs. So, these constraints and the constraints that are built into corn gluten feed itself already place an effective ceiling on the maximum quantity of corn gluten feed that can be utilized effectively in the European Community. I believe it is also the European Community's contention that the future nongrain feed exports will flood the European Community unless controlled by quota or high tariffs.

Mr. Speaker, the following table shows the increase in the amount of nongrain feed imported by the EC from the United States since 1975. Keep in mind, however, that there has been a corresponding increase in livestock feeding. So, I would just end my comments by saying that because of the nature of corn gluten feed, and because of its very low protein value, that there is an effective ceiling really placed on how much they can utilize anyway in the European Community, and that their fears are greatly unfounded in trying to put this import restriction on our nongrain feed exports.

So, I support House Resolution 435. I hope that the European Community will take under consideration the vote that was held in their committee, I believe a week or two ago, a vote of 8 to 2 in their committee to disapprove of this kind of action, and I hope the Commission will follow the vote on that committee and not follow through in recommending any import duties be placed on our corn gluten feed.

Mr. Speaker, the chart follows:

EC IMPORTS OF MAJOR FEED GRAIN SUBSTITUTES FROM THE UNITED STATES, 1975–80

[Metric tons in thousands; dollars in thousands]

Product	1975		1976		1977		1978		1979		1980	
	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount	Metric tons	Amount
Bran, corn, and rice	52	$4,551	137	$16,385	147	$15,465	40	$4,394	69	$9,028	127	$18,338
Bran, wheat, and other cereals	74	8,523	126	15,950	204	25,938	79	8,487	150	23,093	139	22,199
Corn gluten	861	107,150	1,052	149,661	1,365	212,327	1,567	236,329	1,916	359,669	2,476	497,095
Sugar beet pulp	19	1,967	95	12,217	164	22,176	58	6,062	92	16,360	81	14,682
Brewing and distilling waste, starch industry waste	37	5,581	69	9,792	87	13,582	139	20,184	182	33,179	251	51,327
Citrus pulp pellets	263	27,086	338	42,073	676	80,701	604	67,911	674	92,922	932	163,181
Other animal food products of vegetable origin	5	623	35	4,291	56	5,989	23	2,244	28	4,215	14	2,193

Source: NIMEXE.

TRADE IMPACT

The cost to U.S. producers of trade restraint measures would be severe. EC imports of feed grain substitutes have grown from $155 million in 1975 to nearly $770 million in 1980. U.S. 1980 corn gluten exports totalled nearly 2.5 mmt, valued at over $497 million. Preliminary data indicate that 1981 EC corn gluten imports exceeded the 1980 record level. Exports account for 90-95 percent of total U.S. corn gluten feed disappearance; essentially all (99 percent) U.S. exports from 1972 to 1980 have gone to the EC. The U.S. supplies 99 percent of the EC's corn gluten imports.

Mr. FINDLEY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. COLEMAN).

Mr. COLEMAN. Mr. Speaker, today the House debates a resolution that must concern us all because it affects us all. The issue is trade, specifically U.S. trade of corn gluten feed with the European Economic Community.

Many of us who watch our farm export situation on a continuing basis are tired of the way U.S. farm products—the best at the most reasonable price of any in the world—are resisted overseas. The latest example is that the EEC is contemplating restricting imports of U.S.-manufactured corn gluten feed. While such a decision has not been made, it is possible, and so the Congress must resolve itself now on this particular issue. House Resolution 435 of which I am a sponsor will do that.

In response to its own inefficiencies, the EEC may clamp a restrictive tariff upon our exports of corn gluten feed that have historically entered the EEC duty free. To renegotiate this zero binding on U.S. corn gluten feed cannot be tolerated. President Reagan has indicated he will defend our exports in this vital farm commerce. It is time now for the House of Representatives to stand behind the administration and assure this multimillion-dollar industry continues to provide corn gluten feed under the terms of the General Agreement on Tariffs and Trade.

● Mr. WAMPLER. Mr. Speaker, I wholeheartedly support House Resolution 435 which urges the President of the United States to take appropriate action to protect U.S. exports of corn gluten feed.

Much as I would prefer a situation which would not demand this action, I firmly believe that the Congress of the United States must rally behind the cause of multilateral trade negotiations and against the dangerous precedent which would be established by the European Community if it takes action to breach the negotiated concessions regarding imports of corn gluten feeds from the United States.

The European Community (EC) is an important export market for U.S. feed grain substitutes, accounting last year for 4 million tons, valued at $684 million. Corn gluten feed made up the major part of those exports, reaching nearly 2.5 million tons, valued at nearly $500 million.

Corn gluten feed, a byproduct of the wet milling process of obtaining starch, sweeteners, and ethanol from corn, is used as a livestock feed ingredient. Purchases by the EC have accounted for 99 percent of all U.S. corn gluten feed exports. Our product is favored by EC livestock feeders over their comparatively higher priced domestic grains, wheat and barley. The higher EC prices paid to its producers are a result of the Community's domestic grain price system and import policies, which support grain produced within the EC at prices said to be almost twice that of world market prices.

Generally, EC grain prices are protected from competition from cheaper imported grains by means of high import levies. However, as a result of previous multi-lateral trade agreements, the EC's import levy system does not apply to most grain substitutes, including corn gluten feed. The EC, in exchange for concessions from the United States, agreed to bind or fix their external duties on corn gluten feed at zero.

To emphasize this point, the current duty-free status of corn gluten was a concession granted to the United States and the United States paid for that concession by giving concessions to the Europeans.

There is a growing concern in the U.S. corn refining industry and in many other sectors of American agriculture as well that abrogation of the zero-duty concession on corn gluten feeds by the EC could lead to similar

protective tariffs and quotas for other commodities involving U.S. exports.

A study prepared by the Congressional Research Service for Senator CHARLES PERCY of Illinois concluded that if the EC's zero binding on corn gluten feeds were removed net farm income in the United States would be reduced by $100 million in 1983. Further, the CRS study noted that if the EC imposed a duty on corn gluten it would probably have to take similar action on other imported feedstuffs, such as soybeans, soybean meal, and other nongrain feed ingredients, if the EC is to meet an objective of reducing Common Agricultural Policy expenditures and increasing the use of indigenously produced feed grains.

Mr. Speaker, any such unilateral action as has been proposed within the European Community strikes at the very heart of the delicate but working balance of multilateral trade agreements already reached.

A similar resolution was adopted by the Senate April 15. Identical in language to the resolution now before the House, the Senate resolution was introduced by Senator PERCY; Senator JESSE HELMS, chairman of the Agriculture Committee; and Senator ROBERT DOLE, chairman of the Finance Committee. They were joined by a number of other Senators in support of the resolution.

Mr. Speaker, transcending the immediate economic consequences of any unilateral action that might be taken by the EC, it seems to me that this resolution serves the worthwhile purpose of putting the EC on notice that the Congress is joined in its resolve to uphold commitments made at the negotiating table and that it expects its trading partners to honor their commitments as well.

I urge the passage of House Resolution 435.●

Mr. FINDLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ZABLOCKI. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. ZABLOCKI), that the House suspend the rules and agree to the resolution, House Resolution 435.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection of the request of the gentleman from Wisconsin?

There was no objection.

AUTHORIZATION FOR AN UNDER SECRETARY OF COMMERCE FOR ECONOMIC AFFAIRS

Ms. FERRARO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3141) to authorize an Under Secretary of Commerce for Economic Affairs, as amended.

The Clerk read as follows:

H.R. 3141

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be in the Department of Commerce an Under Secretary of Commerce for Economic Affairs who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties as the Secretary of Commerce shall prescribe.

(b)(1) Section 5314 of title 5, United States Code, is amended by inserting before "and Under" in the item relating to the Under Secretaries of Commerce: ", Under Secretary of Commerce for Economic Affairs,".

(2) Section 5315 of title 5, United States Code, is amended in the item relating to the Assistant Secretaries of Commerce by striking out "(7)" and inserting in lieu thereof "(8)".

(c)(1) Section 2 of the Act entitled "An Act to establish the Departments of Commerce and Labor", approved February 14, 1903, as amended (15 U.S.C. 1504) is amended by striking out the first two sentences.

(2) Section 8 of the Air Commerce Act of 1926 (44 Stat. 568; 52 Stat. 1029) is hereby repealed.

(3) Section 601(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3201) is amended by striking out "and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule".

(4) Section 9(a) of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b) is amended by striking out "shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and".

(5) Section 4 of the Reorganization Plan Numbered 1 of 1977 (91 Stat. 1633; 5 U.S.C. Appendix) is amended by striking out ", and who shall be entitled to receive compensation at the rate now or hereafter prescribed by law for level IV of the Executive Schedule".

(6) Section 2(d) of Reorganization Plan Numbered 3 of 1979 (93 Stat. 1382; 5 U.S.C. Appendix) is amended by striking out "shall receive compensation at the rate payable for level IV of the Executive Schedule, and".

SEC. 2. During the fiscal year ending September 30, 1982, any payment or obligation pursuant to this Act may be made only to such extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. PASHAYAN. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentlewoman from New York (Ms. FERRARO) will be recognized for 20 minutes, and the gentleman from California (Mr. PASHAYAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from New York (Ms. FERRARO).

Ms. FERRARO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House is considering H.R. 3141, a bill to amend title 5 of the United States Code to authorize an Under Secretary of Commerce. This proposal was introduced by the ranking minority member of the House Post Office and Civil Service Committee at the request of the administration.

This bill allows the Department of Commerce to establish a management structure to reflect changes which have been made through departmental reorganization. The Department of Commerce has reorganized its economic affairs activities to include data collection and analysis in the same organizational component as domestic economic policy development. Prior to this reorganization, data collection and analysis were responsibilities of the Bureau of the Census, the Bureau of Economic Analysis, the Bureau of Industrial Economics, and the Office of the Chief Economist, all of which reported to the Chief Economist. The policy development function was the responsibility of an Assistant Secretary for policy. The Department reorganization consolidated these functions, and the administration proposed that the expanded activities be directed by an executive level III Under Secretary. This would be accomplished by elevating the position of Assistant Secretary for Economic Affairs, executive level IV, to an executive level III Under Secretary for Economic Affairs and eliminating the Assistant Secretary position.

According to the administration, the Under Secretary for Economic Affairs will be the principal adviser to the Secretary on economic and industrial policy and on the general area of economic and statistical data and analyses; will serve as the Department's representative with the Council of Economic Advisers and other high-level economic policy officials of the Government; will be the Department's spokesman on economic policy and related matters; and will exercise policy direction and general supervision over the Bureau of the Census, the Bureau of Economic Analysis, and the Bureau of Industrial Economics. The Department currently has an Under Secretary for International Trade, and this legislation would provide an equal focal point for domestic economic policy.

In a hearing before the Subcommittee on Human Resources the Deputy Secretary of the Department argued that the expanded duties and responsibilities warranted authorization of an executive level III Under Secretary position as the reorganized activity's top official.

During hearings, the committee voiced three concerns, two of which were addressed through amendment. First, the committee felt that a reorganization should not result in an overall increase in the number of executive level positions. The committee has historically been very concerned about the proliferation of these top level positions. Accordingly, the proposal was amended to eliminate authority for one executive level IV position at the same time it authorizes an executive level III. By this amendment, the bill now implements the necessary structure for the reorganization, while insuring that the overall number of executive level positions at the Department of Commerce will remain unchanged.

Second, the committee amended the proposal to make various technical amendments to statutory and reorganization plan provisions relating to the appointment and pay of Assistant Secretaries. At the current time, these provisions are scattered throughout the Code and are not properly reflected in title 5. Accordingly, the amended language properly places all of these pay authorities in title 5 and insures that statutes reflect the existing structure.

The final issue of concern to the committee could not be corrected in this bill. That issue concerns the lack of an overall plan for authorizing and classifying executive level positions.

The Civil Service Reform Act of 1978 requires the President to transmit a plan to Congress for authorizing and classifying these positions. That plan is long overdue. Despite assurances to me by this administration last May 13, 1 full year ago, that a legislative proposal was being prepared, that proposal has not been transmitted.

The administration's failure to produce the statutory plan placed the committee in a difficult position. We did not want to stand in the way of the Commerce Department's efforts to reorganize and improve its economic affairs structure. However, I want the administration to clearly understand that there is a limit to our patience. Insuring that the overall number of executive levels in the Department will not increase made this bill acceptable to the committee; but that does not eliminate the statutory requirement for an overall plan or explain the failure of the administration to abide by its assurances.

The legislation before this House today is supported by the Commerce Department. It gives the Department the authority it requests without increasing the total number of executive level positions. It makes various technical amendments to eliminate conflicting provisions of law which currently exist. In short, in lieu of the congressionally mandated plan, H.R. 3141 is the best legislative proposal which could be considered. I urge my colleagues to support H.R. 3141, and I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I yield myself as much time as I may require.

Mr. Speaker, I rise in support of suspending the rules and passing H.R. 3141, legislation to authorize creation of the position of Under Secretary of Commerce for Economic Affairs.

Hearings before the Committee on Post Office and Civil Service, of which I am a member, indicated that the Department of Commerce would be better served by an organizational structure which improved coordination of data collection and analysis, and domestic economic policy development. H.R. 3141 would bring these responsibilities under the authority of an Under Secretary for Economic Affairs. In addition, the Under Secretary will be given the duty of managing the consolidation and integration of business analysis and productivity programs. Such programs also have suffered from the lack of a coordinated approach. The Under Secretary will also serve as the Department's representative to the Council of Economic Advisers, meet with other high-level economic policy officials of the Government, and serve as the Department's spokesman on economic policy and related matters.

As amended by our committee, H.R. 3141 assures that we are not creating a new position. In effect, we are upgrading the position of Assistant Secretary for Economic Affairs, not the number of assistant secretaryships at the Commerce Department.

Accordingly, Mr. Speaker, I urge my colleagues to support this proposal, which is particularly timely given the importance of economic policy in our Nation's affairs.

GENERAL LEAVE

Ms. FERRARO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous material, on the bill, H.R. 3141.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the distinguished ranking minority member of our committee, the gentleman from Illinois (Mr. DERWINSKI).

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, I welcome the gentleman back, and I am speaking on behalf of the House when I say we are grateful that your injury was not more serious and that you are up and around and healthy again. The gentleman is certainly one of the fellows most admired on both sides of the aisle, and we are pleased you are back.

Mr. DERWINSKI. I thank the Speaker.

Mr. Speaker, as the sponsor of H.R. 3141, I am pleased to be associated with a basic good Government bill which was reported by the Post Office and Civil Service Committee without a dissenting vote. Specifically, this bill creates within the Department of Commerce, the position of Under Secretary for Economic Affairs. The position will be paid at the Executive Level III rate of pay, $59,500; and I want to point out that an amendment adopted in subcommittee eliminated one Assistant Secretary in Commerce, so there is no net increase in the number of executive levels.

The new Under Secretary will be the chief adviser to the Secretary of Commerce on economic policy and on the general areas of statistical data analysis. In the past, responsibility for data collection and analysis was held by the Chief Economist, while domestic economic policy issues were the responsibility of the Assistant Secretary for Policy. This dual division of responsibility has weakened the capacity of the Department of Commerce to participate in economic policy development, although the Department plays the major role in the executive branch in the collection and analysis of economic and related data.

The Under Secretary for Economic Affairs will be the Department's spokesman on economic policy and will be supported by the full economic analysis and economic policy development capability of the Department. The Department currently has an Under Secretary of International Trade and needs an equal focal point for domestic economic policy. That is what this legislation does.

The utilization of the talents and strengths of highly qualified Federal employees becomes even more important at a time when we are struggling to stretch the tax dollar. This legislation will facilitate the establishment of a coherent, cohesive economic policy within the Department of Commerce and the administration.

I strongly recommend enactment of this legislation. The creation of the new Under Secretary position is consistent with the goal of good government, since it will enable us to make better use of the resources of the Department of Commerce.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. FERRARO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from New York (Ms. FERRARO) that the House suspend the rules and pass the bill, H.R. 3141, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Ms. FERRARO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1808) to authorize an Under Secretary of Commerce for Economic Affairs, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) there shall be in the Department of Commerce an Under Secretary of Commerce for Economic Affairs who shall be appointed by the President by and with the advice and consent of the Senate. The Under Secretary shall perform such duties as the Secretary of Commerce shall prescribe.

(b)(1) Section 5314 of title 5, United States Code, is amended by inserting before "and Under" in the item relating to the Under Secretaries of Commerce: ", Under Secretary of Commerce for Economic Affairs,".

(2) Section 5315 of title 5, United States Code, is amended in the item relating to the Assistant Secretaries of Commerce by striking Out "(7)" and inserting in lieu thereof "(8)".

(c)(1) Section 2 of the Act entitled "An Act to establish the Department of Commerce and Labor", approved February 14, 1903, as amended (15 U.S.C. 1504), is amended by striking out the first two sentences.

(2) Section 8 of the Air Commerce Act of 1926 (44 Stat. 568; 52 Stat. 1029) is hereby repealed.

(3) Section 601(a) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3201) is amended by striking out "and shall be compensated at the rate provided for level IV of the Federal Executive Salary Schedule".

(4) Section 9(a) of the Maritime Appropriation Authorization Act for Fiscal Year 1978 (15 U.S.C. 1507b) is amended by striking out "shall receive compensation at the rate prescribed by law for Assistants Secretaries of Commerce, and".

(5) Section 4 of the Reorganization Plan Numbered 1 of 1977 (91 Stat. 1633; 5 U.S.C. Appendix) is amended by striking out ", and who shall be entitled to receive compensation at the rate now or hereafter prescribed by law for level IV of the Executive Schedule".

(6) Section 2(d) of Reorganization Plan Numbered 3 of 1979 (93 Stat. 1382; 5 U.S.C. Appendix) is amended by striking out "shall receive compensation at the rate payable for level IV of the Executive Schedule, and".

MOTION OFFERED BY MS. FERRARO

Ms. FERRARO. Mr. Speaker, I offer a motion.

The clerk read as follows:

Ms. FERRARO moves to strike out all after the enacting clause of the Senate bill, S. 1808, and to insert in lieu thereof the provisions of the bill, H.R. 3141, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 3141) was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at 12 o'clock noon on tomorrow.

The SPEAKER pro tempore Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1430

TRAINING FOR EMPLOYEES OF THE ARCHITECT OF THE CAPITOL

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5145) to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes.

The Clerk read as follows:

H.R. 5145

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 41 of title 5, United States Code, relating to employee training programs, is amended by adding at the end thereof the following new section:

§ 4119. Training for employees under the Office of the Architect of the Capitol and the Botanic Garden

"(a) The Architect of the Capitol may, by regulation, make applicable such provisions of this chapter as the Architect determines necessary to provide for training of (1) individuals employed under the Office of the Architect of the Capitol and the Botanic Garden and (2) other congressional employees who are subject to the administrative control of the Architect. The regulations shall provide for training which, in the determination of the Architect, is consistent with the training provided by agencies under the preceding sections of this chapter.

"(b) The Office of Personnel Management shall provide the Architect of the Capitol with such advice and assistance as the Architect may request in order to enable the Architect to carry out the purposes of this section.".

(b) The table of sections for chapter 41 of title 5, United States Code, is amended by adding at the end thereof the following new item:

"4119. Training for employees under the Office of the Architect of the Capitol and the Botanic Garden.".

SEC. 2. Section 5401(b) of title 5, United States Code, is amended by striking out "paragraph (2)" in paragraph (1) and inserting in lieu thereof "paragraphs (2) and (3)", and by adding at the end thereof the following:

"(3) This chapter shall not apply to individuals employed under the Office of the Architect of the Capitol or the Botanic Garden.".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Colorado (Mrs. SCHROEDER) will be recognized for 20 minutes, and the gentleman from New York (Mr. GILMAN) will be recognized for 20 minutes.

The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, most Federal agencies are authorized to pay the costs of training for their employees by the Government Employees Training Act, passed in 1958. This act, however, has never been extended to permit the Architect of the Capitol to provide training for the employees under the Architect's supervision. The bill before us today merely permits the Architect to use the same training authorities available to other agencies.

The bill permits the Architect to provide training to three groups of congressional employees: First, those who work in the Architect's office maintaining and developing the Capitol and its grounds; second, those who work for the Botanic Garden; and third, those who work for the Senate restaurants. The Architect employs around 1,900 people for the physical plant and grounds of the Capitol. The Architect is Acting Director of the U.S. Botanic Garden, which employs nearly 60. And, the Architect is charged with administrative control over the Senate restaurants, which employs 200 individuals.

H.R. 5145 permits the Architect to issue regulations making applicable those provisions of the Training Act necessary to provide training to employees the Architect supervises. These regulations would have to be consistent with the Training Act including the basic provision limiting training of an employee to study "in scientific, professional, technical, mechanical, trade, clerical, fiscal, administrative, or other fields which are or will be related to the performance by the employee of official duties for the Government, in order to increase the knowledge, proficiency, ability, skill,

and qualifications of the employee in the performance of official duties."

The bill also makes it clear that the merit pay provisions of the Civil Service Reform Act of 1978 do not cover employees of the Architect of the Capitol.

Training of Government employees has been drastically curtailed as a result of the budget cuts over the last couple of years. The committee believes that this reduction is an example of how short-term cost savings result in long-term costs. The better training Federal workers are for their jobs, the better they do their jobs. The better they do their jobs, the cheaper the cost of Government service to the taxpayer. Small expenditures for training can result in tremendous gains, in productivity. This truth is being proven again day in and day out, both in the private sector and in the public sector. H.R. 5145 does nothing to turn around the retrenchment in training in the executive branch. Our passage of this bill does, however, reaffirm our commitment to the need for training of Federal workers.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5145, which authorizes the Architect of the Capitol to provide training opportunities of employees of the Architect of the Capitol, the Botanic Gardens, and employees of the Senate restaurants under the Architect's authority.

The Government Employees Training Act of 1958 originally applied only to the executive branch of Government. Since then, it has been amended to include such agencies as the Library of Congress and the Government Printing Office. Although the Architect supervises more than 2,000 employees, the act never has been amended to provide training authority for those employees.

This legislation will provide the Architect with effective management that will result in improved performance and higher productivity. Computers have made it possible to perform many of the management tasks of the Architect more rapidly, so it is logical to provide him with authority to train employees to make full use of automated equipment.

H.R. 5145 also makes it clear that the merit pay provisions of the 1978 Civil Service Reform Act do not apply to the Office of the Architect of the Capitol or the Botanic Gardens.

Accordingly, I urge my colleagues to support what is essentially a good housekeeping bill.

● Mr. DERWINSKI. Mr. Speaker, H.R. 5145 is a simple housekeeping measure which will permit the Architect of the Capitol to provide training for all employees under his control, totaling more than 2,000, and for employees of the Botanic Gardens.

The provisions of the Government Employees Training Act presently only apply to the executive branch, the Library of Congress, and the Government Printing Office.

Extending this authority to the Architect will especially help him in augmenting the data-processing capability of his office. Computers have made it possible for the Architect to perform many of his management responsibilities more rapidly and accurately. Obviously, managing records, inventory payroll, and other data systems can be improved through the use of automated equipment, and employees of the Office of the Architect should be trained to fully utilize whatever equipment the Architect obtains.

H.R. 5145 also makes it clear that the merit pay provisions of the Civil Service Reform Act of 1978 do not apply to the Office of the Architect of the Capitol or the Botanic Gardens.

The extension of the Government Employees Training Act to the Architect of the Capitol is good legislation.●

Mrs. SCHROEDER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I have no further requests for time on this side of the aisle.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado (Mrs. SCHROEDER) that the House suspend the rules and pass the bill, H.R. 5145.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 5145, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

PRETRIAL SERVICES ACT OF 1981

Mr. HUGHES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. HUGHES).

The motion was agreed to.

The SPEAKER pro tempore. The Chair designates the gentleman from California (Mr. MILLER) as Chairman of the Committee of the Whole and requests the gentleman from Hawaii (Mr. AKAKA) to assume the chair temporarily.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3481, with Mr. AKAKA (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey (Mr. HUGHES) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. SAWYER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a rare privilege to be able to speak for a bill that is supported by the Reagan administration and the American Bar Association, by prosecutors and defense lawyers, by the Judicial Conference of the United States, by independent research organizations and by Government studies. This bill will reduce crime, reduce bail jumping, and reduce unnecessary detention. It will save the judicial system a great deal of money, and it will make the system more efficient. It will aid the courts in identifying those defendants who should be incarcerated before trial, or released on conditions, and will help insure that those defendants who should not be incarcerated pretrial are not.

H.R. 3481 is a bill to expand the pretrial services agencies from the 10 demonstration districts where they have been operating since 1974, to other Federal judicial districts where the courts think they are needed.

Let me tell you briefly what the pretrial services agencies are all about. The agencies have assigned officers to investigate and report to the court about a criminal defendant's background—including family ties, criminal history, past record of attending or failing to appear at court appearances, and the like. The courts are required by the Federal Bail Reform Act to consider these factors in deciding whether to release a defendant on bail, or to impose certain conditions on that defendant, or even whether to release the defendant at all if the defendant will not otherwise show up for future court appearances. Without the pretrial services agencies, judges have no way of obtaining this crucial information about the defendant. The PSA's have gathered full and complete information on these issues, and have enabled the courts to make more accurate bail decisions.

Accurate bail decisions are essential to the workings of the criminal justice system for at least two major reasons. First, without the information that the PSA's provide, judges would have no satisfactory way of knowing whether a defendant is likely to appear in court in the future. As a result, defendants who will not appear may be released on too low a bond, and defendants who will appear for trial may be placed unnecessarily in custody until trial. The PSA's have enabled judges to make accurate determinations about who will and who will not appear, and in the 10 demonstration districts, failure to appear rates have been reduced dramatically—by about 75 percent.

PSA's have also been able to inform judges about when a particular defendant may benefit from conditions being imposed on his or her release. These conditions may range anywhere from having the defendant report to the PSA officer on a regular basis, to having the defendant incarcerated on a part-time basis pending trial. These conditions have also contributed to the decline in failure to appear rates, and to another dramatic decline—in the rate of pretrial rearrests—by nearly two-thirds.

We can conclude from the results in the 10 demonstration districts that failure to appear and pretrial rearrests for new crimes are virtually no longer a problem. While it is of course impossible for either the PSA officer or the judge to make predictions with 100 percent accuracy, the problem of defendants jumping bond or committing new crimes while on pretrial release is negligible in PSA districts. The overall failure to appear rate went from an average of 5.3 percent just after the PSA's went into operation, to 1.3 percent now. The overall rate of pretrial rearrests went from an average of 8.5 to 3.3 now. This is a remarkable rate of success.

The GAO has studied the effectiveness of the PSA's and has concluded that they "are having positive effects on the bail process. They are assisting the courts in making better bail decisions and are contributing to the downward trends in failure to appear and new crime rates among defendants on bail." By way of contrast, in the one district without a pretrial services agency where the GAO was able to obtain bail statistics, the failure to appear rate has increased dramatically.

There is one other reason why the PSA's have been so successful. As we all know, it costs money—and a lot of it—to operate our prisons and jails. As we also all know, our prisons and jails are badly overcrowded and their resources greatly taxed. We must do all we can to preserve prison space for those who really need to be incarcerated—so that we can protect society from those who are too dangerous to be free. We have neither the money nor the space to confine people unnecessarily. The PSA's have enabled judges to distinguish between those who do and those who do not need to be confined pretrial. The Administrative Office of the U.S. Courts estimates that it costs at least $2,000 for 100 days of pretrial detention for every defendant. In contrast, the cost of 100 days of pretrial release and supervision by a PSA officer is only $400. When unnecessary detention is eliminated, the cost savings can be enormous.

For a number of reasons, of course, unnecessary pretrial detention is wrong. The PSA's give us the opportunity to greatly reduce this problem, and to save the Government a great deal of money.

The PSA's are strongly supported by the Reagan administration, the Judicial Conference of the United States and the American Bar Association. The Subcommittee on Crime heard testimony from a number of judges, magistrates, prosecutors, defense counsel and others who have had favorable experiences with the PSA's in their judicial districts. These witnesses strongly support expansion, where appropriate, to other Federal judicial districts. The final decision about whether to have a PSA in a particular judicial district, and if so, what kind of agency it should be, should be left up to the courts, and H.R. 3481 so provides. But this bill authorizes the courts to have a pretrial services agency if they think it is needed.

This country needs to do something about its crime problem. We are all agreed on that. A "yes" vote for this bill will enable you to tell your constituents that you have done something about crime—you have voted to reduce failure to appear rates and pretrial rearrest rates, and in the process have voted to save the Government wasteful and unnecessary expenditures of money. A "yes" vote on this bill will be a positive step toward controlling this country's crime problem. I urge you to support H.R. 3481.

Mr. SAWYER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3481, the Pretrial Services Act.

This is not the complete picture of the subcommittee's activities in this area. We really had two facets to this bill when we considered it, both of which are supported by the administration and the Department of Justice. One was a bail reform provision, which we separated out because of jurisdictional problems. I am now assured, as is the chairman of the subcommittee, that we will very shortly have a markup of that legislation in the Subcommittee on Courts. Hopefully, it will shortly be on the floor.

The Pretrial Services Act has been in effect now on an experimental or pilot basis in 10 Federal judicial districts for approximately 8 years. Its success has been phenomenal. In general, the probation department or, if necessary, a separate agency, although it is usually the probation office, undertakes to investigate criminal defendants and to make recommendations to the court as to whether or not they are fit subjects for release on bail, whether they should be released on personal cognizance, and whether any restrictions or conditions, including money bail, ought to be imposed on their release.

This has given the judge more information than judges historically have had. They also supervise the defendant while he is released on bail. This has really produced fantastically good results. The commission of crime while on bail has been reduced by approximately two-thirds. The failure to appear at trial has been reduced by even more than that, approaching three-quarters.

Of course, some of the Members may be aware of the tremendous problem we have had in the serious drug cases in recent years. The money to which these defendants have access is so great that they really do not think much about forfeiting cash bail in the millions of dollars. They just treat it as a cost of doing business. This bill would give the judges more information to deal with that situation.

Based on an amendment which I offered in the subcommittee with the strong support of the chairman, the pretrial services agencies are required to give judges information concerning the danger that the defendant may pose to any other person or the community or whether the defendant is likely to pursue further criminal activity while he is out. Now, at this particular moment, the judge is not empowered to do anything with that information in noncapital cases, except to a very limited extent, because the Bail Reform Act of 1966 specifically limits the judge's consideration to whether the defendant is likely to appear for trial. He may not consider whether the defendant is likely to be a danger while out on bail. The legislation amending the Bail Reform Act that I mentioned and that we are starting to mark up tomorrow in a different subcommittee and, hopefully, will bring to the floor very shortly will correct that shortcoming. It will allow the judge to make better use of that information that is required to be provided and, in the appropriate case, to deny bail.

Mr. Chairman, I am assured that the chairman of the subcommittee, the gentleman from New Jersey (Mr. HUGHES), is in full accord with that and will lend his not insignificant sup-

port to that when it comes to the full committee and to the floor.

□ 1445

Mr. HUGHES. Mr. Chairman, will the gentleman yield?

Mr. SAWYER. Surely.

Mr. HUGHES. As the gentleman knows, I fully support the gentleman's position on that. As a matter of fact, in subcommittee we accepted the gentleman's amendment that would, in fact, provide that danger to the community be considered by the pretrial service agency and communicated to the court.

Now, to complete that, we do have to modify the Bail Reform Act and I support the gentleman. I join with him in urging the gentleman from Wisconsin (Mr. KASTENMEIER) to move ahead with markup tomorrow so that we can complete that circle.

Mr. SAWYER. Good. I thank the gentleman and note the gentleman was in strong support of our efforts. In fact, the gentleman and I, despite being on different sides of the aisle, see pretty much eye-to-eye on the question of crime. Neither of us can find any partisan concerns on that issue. Both of us have had some background as urban prosecutors and trial lawyers before coming here, so we are somewhat free from some of the usual political controversies that we get involved in from different points of view.

This, I think, is a very good act. It is not mandated in any judicial district.

H.R. 3481 is endorsed by the American Bar Association, the Department of Justice, the Judicial Conference of the United States, and to my knowledge, has no significant opposition.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. I thank the gentleman for yielding.

Mr. Chairman, I want first of all to commend the distinguished gentleman from New Jersey, chairman of the subcommittee (Mr. HUGHES), and my colleague from Michigan (Mr. SAWYER), the ranking minority member of the subcommittee, for bringing this extremely important legislation to the floor of the House.

It seems to me that with the problem of crime in America so directly affecting all of our citizens, particularly older Americans and in the inner city, that we should give earnest concern to this type of legislation which can contribute so much to reducing crime, the problem of incarceration and the overtaxing of our penal institutions.

This measure was reported by the committee in the last session, and subsequently, I appeared before the Rules Committee. At that time, I expressed serious doubts about the legislation since it did not provide an opportunity to authorize pretrial detention. I think that issue as part of the pretrial process is extremely important and I am encouraged by the fact that the Subcommittee on Courts is going to take up this issue so that we can have the opportunity to mark up a bill which will permit preventive detention, and will permit revision of the Bail Reform Act so that the courts can give consideration to the subject of danger to the community in more than just capital cases.

I heard the mayor of this city say not too long ago that the problem of crime in this city, this Capital City, is the result of activities by a very small number of people and many of them are committing the crimes when they are out on bail.

I was one of those who was here when we enacted the Bail Reform Act and undertook to assure to rich and poor alike that they would have an opportunity to make bail, providing that the court was assured that they would not leave the jurisdiction. That was the only criterion which the court had to consider in noncapital cases.

But with the prevalence of crime on the part of repeaters, and the fact that we have small numbers of persons committing a large number of crimes, it seems to me to be highly appropriate that we should take action on the subject of preventive detention and reform of the Bail Act so that the judges can take into consideration the subject of danger to the community.

I rise in strong support of this measure. I think all of the pretrial services that are authorized are justified and can contribute to reducing crime. I think that both the victims and those charged with crime can benefit as a result of this legislation.

I am satisfied that the pilot projects that have been developed have been successful and justify the expansion of this legislation.

I again commend the subcommittee and the committee for bringing forth this legislation. I would just like to say, as another reminder to the chairman of the committee, that we have a lot of other legislation pending before the full committee, the Rules Committee, and various subcommittees that can and should be brought out to the floor of the House of Representatives for action at an early date.

No legislation is more important than that which we have before the Judiciary Committee, which handles, incidentally, more legislation than any other committee of the House. To have it bottled up in a subcommittee or in the full committee or before the Rules Committee does a disservice to this body and to the people of this Nation.

I am happy that we have this bill and I hope we will have other important legislation to bring forward very soon.

Mr. Chairman, as many of my colleagues are aware, I appeared before the Rules Committee 1 year ago to oppose the granting of a rule on H.R. 3481, the Pretrial Services Act. I did so with some reluctance, since the Subcommittee on Crime, with substantial input from my side of the aisle, had produced a cost-conscious program aimed at reducing bail crime and flight before trial.

As my colleagues and I noted in additional views to the committee's report on this bill, pretrial services, while a valuable component of our release system, are only a partial solution to the problem. What is even more essential is the major revision of the Bail Reform Act of 1966, which suffers two basic defects. First, it does not authorize Federal judges and magistrates to consider danger to the community in setting conditions on pretrial release in noncapital cases. Second, it fails to permit, in certain egregious cases, the pretrial detention of dangerous defendants. As a primary sponsor of legislation to correct these deficiencies in the past, I watched it expire from lack of attention. For that reason, 1 year ago, I felt it would be inappropriate for this body to act upon legislation which lacked these features.

Mr. Chairman, my feelings about the urgent need for further bail reform have not changed. However, we have recently seen somewhat encouraging progress on that issue. The Subcommittee on Courts has completed its hearings and a markup has been set, which I trust will proceed on schedule. Furthermore, I understand that the sponsors of this bill, the gentleman from New Jersey (Mr. HUGHES) and the gentleman from Michigan (Mr. SAWYER) will participate in the effort to encourage prompt committee consideration of, and floor action on, such legislation so that the 97th Congress will be remembered for this significant reform. Under these circumstances, I concurred with the chairman and ranking minority member of the subcommittee that floor action on H.R. 3481 was timely at this point.

Mr. Chairman, I want to commend the members of the subcommittee for their hard work, which is readily apparent in the bill before us. The experience of the demonstration programs, which my colleagues have described at length, was sufficiently successful to warrant expansion of the services into other judicial districts which want them. Based on amendments from this side of the aisle in the last Congress, which limit appropriations and the period during which the services are authorized, the program is, as the administration has commented, "cost-effective." Finally, I strongly approve of the amendments offered by the gentleman from Michigan, with the strong support of the chairman of the subcommittee, which would require

the provider of pretrial services to inform the judicial officer of information concerning any danger that the defendant may pose to any other person or the community. Although danger to the community can only be considered in noncapital cases to a very limited extent under current law, we must guarantee that this crucial information is available. Furthermore, it will be of inestimable assistance in capital and postconviction cases, where danger to the community must be considered prior to release.

Mr. Chairman, again, I commend the chairman and ranking minority member of the subcommittee on this product of their careful deliberation. I look forward to working with them to remedy the underlying Bail Reform Act problems, and, specifically, to enact the legislation proposed by the gentleman from Michigan, which has received the adminstration's strong endorsement.

Mr. SAWYER. Mr. Chairman, I yield 7 minutes to the gentleman from Wisconsin, (Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Chairman, I hate to disturb the love-in that has been going on over this piece of legislation with all of my colleagues from the Judiciary Committee singing its praises. But once again the Judiciary Committee has put the cart before the horse. Rather than bringing a bail reform bill to the floor of the House, the committee has brought a money bill to attempt to solve the problems of bail jumpers and inadequate information being given to magistrates and judges by expanding the bureaucracy and by throwing more scarce taxpayers' dollars at the problem.

I dissent from that. I believe that this bill should not be passed until such time as substantive bail reform actually comes before the House of Representatives and is passed.

As one who witnessed the tortuous progress of the pretrial services bill in the last Congress when it was defeated on the floor, I was gratified by the prospect that it would enjoy a similar and well-merited death in this budget-conscious session.

At one time it appeared that we might at least correct one of the fundamental deficiencies associated with this bill by postponing its consideration until this body could also act on a measure to correct the disastrous effects of the Bail Reform Act of 1966.

Unfortunately, as one has learned to expect from the Committee on the Judiciary, the money bill before us today advanced with lightning speed, while more crucial legislation moves at a snail's pace.

Mr. Chairman, my objections to this bill are basically three. First, I am not convinced, given our perilous budget situation, that a compelling need for pretrial services has been demonstrated.

My second objection involves the mechanism used to provide pretrial services under the bill. It does not place the services in the existing probation offices, but instead expands the bureaucracy needlessly.

If we are, indeed, serious about limiting Federal spending, we cannot afford to ignore any potential avenue for cutting costs, or at the very least, preventing an expansion of those costs.

Although several cost-saving features were added to this bill, including a specific dollar authorization and a sunset provision, companion legislation in the other body does not contain these improvements.

Who knows what will emerge from the conference?

Mr. Chairman, my third objection to this bill relates to the committee's priorities. At the beginning of this Congress, two bills to improve the Bail Reform Act, which this present bill implements, were introduced. On May 19, 1981, the committee favorably reported this bill, but the bail reform bills languished in subcommittee.

Almost 1 year ago we were assured that action would finally be taken on bail reform, but nothing has happened.

Mr. Chairman, action has been taken on bail reform, to quote an infamous Supreme Court decision, "with all deliberate speed" and I am certain that my colleagues recall from civil rights history just how slow such action may be. While a subcommittee markup on bail reform has indeed been scheduled at long last, I would point out to my colleagues that similar legislation was reported by the full Judiciary Committee in the other body months and months ago.

Unless bail reform legislation is moved promptly through the subcommittee, the full Judiciary Committee and the Rules Committee and on to this floor, it will die as certainly as it did in many previous Congresses.

At that point, as usual, we will be left with the distinction of having only passed a highly questionable money bill and done nothing else.

Mr. Chairman, my opposition to this bill is unqualified. In particular I object to the illusion that it will solve our pretrial release problems. It may temporarily patch the cracks, but the underlying statute is in such disrepair that a major overhaul is in order.

We do not need an expanded and expensive bureaucracy when reform of the bail laws will accomplish the same effect at much less cost.

This bill should be defeated.

Mr. SAWYER. Mr. Chairman, will the gentleman yield?

Mr. SENSENBRENNER. I yield to my colleague from Michigan.

Mr. SAWYER. However long the Bail Reform Act has taken, it is scheduled for markup tomorrow. The gentleman's subcommittee, on which the gentleman is ranking, is still sitting on a complete revision of the Criminal Code that has been in gestation for 16 years and probably holds the record for delay.

Mr. SENSENBRENNER. Reclaiming my time, I certainly concur with the fact that the Criminal Code reform bill, if done in a proper manner, will be the cornerstone of the solution of our criminal procedure and crime problems, at least at the Federal level.

The gentleman from Michigan is well aware that the gentleman from Wisconsin, joined by the gentleman from Texas (Mr. SAM B. HALL, JR.), and the gentleman from Ohio (Mr. KINDNESS), and the gentleman from Florida (Mr. MCCOLLUM) did petition for a subcommittee markup of the Criminal Code bill over 2 months ago. The subcommittee got hung up on parliamentary procedure and our chairman, the gentleman's colleague from Michigan (Mr. CONYERS) walked out of the room during a 5-minute recess of the committee to unsnarl the parliamentary redtape.

We have had no markup since then. I think that is a shame, and I believe that the only way to get the Criminal Code out of gestation is for either this House or the Judiciary Committee to perform a cesarean section on the gentleman from Michigan (Mr. CONYERS) and I yield back the balance of my time.

□ 1500

Mr. HUGHES. Mr. Chairman, I yield 3 minutes to the gentleman from Texas (Mr. SAM B. HALL, JR.).

Mr. SAM B. HALL, JR. Mr. Chairman, I would like to compliment the gentleman from New Jersey (Mr. HUGHES) and the gentleman from Michigan (Mr. SAWYER) for the work they have done on this bill. I support it in its entirety. I think it is a good bill. I think it performs a need that we have needed in the judiciary for a great number of years.

One need only go to the monetary sums that are used each year for detention of people. We all know that our jails and penitentiaries are overflowing. We know that there are more people in the penitentiaries than there have ever been before. And I am sure that many of those people should be there. I am not for one moment saying that they should not be incarcerated for the crimes that they have committed.

I will say that this Pretrial Services Act, as so designated, will allow judges to make a determination as to whether or not a person should be placed in detention or whether or not those people should be allowed bail, pending trial. Now, I believe that those people who the court finds should be in jail pending bail, should be there. I do not

think there is any question about it. But I believe that it can be said without any fear of contradiction that the pretrial detention costs—in the 10 demonstration districts have been reduced by more than two-thirds.

I think that every bit of help that we can give to a Federal district judge in this area is something that we should look upon with great favor. The demonstration districts that have used these services have proven and have shown that it is a workable plan, it is a plan that will save money for the taxpayer. For that reason I wholeheartedly support this legislation.

Mr. SAWYER. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. HUGHES. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I just want to say to my colleagues, the gentleman from Michigan, and my colleague, the gentleman from Wisconsin, that I too, regret that this committee, the Subcommittee on Crime, did not have jurisdiction so that we could have considered bail reform as a total package. But as my colleague from Wisconsin knows, I do not decide jurisdiction. That is decided by a higher authority. Had we such jurisdiction, I can assure my colleagues that we would have exercised it by now. That does not take away from the fact that it is a good program. Anyone who would argue against the data that has been collected in these districts has totally ignored the facts.

It is a program that is working. It makes sense to learn a lot more about a defendant than we have to date before he or she appears before the court for the setting of bail. That is what we are talking about—getting more information when the defendant first comes into the criminal justice system. We have found out that by doing that we can make a better bail decision. If the decision is to free the defendant on bail, we can impose conditions at that point and monitor that individual and his behavior during the time that he is out on bail. We have found that by doing that we can reduce the incidence of rearrest. We also find that we are saving money because we are not incarcerating those individuals who should not be incarcerated. So it is a saving of taxpayers' funds.

Just as importantly, we have learned during this process a lot about a defendant. During this time he is out on bail, if he has a drug problem and has slipped, we do not have to wait until he is rearrested, because if we are imposing conditions and we are monitoring his activities, we can report that to the court right away.

We also find that when the defendant appears before the court at the time of sentencing that we make a better decision as to whether the defendant should be placed on probation or should be incarcerated.

So commonsense would dictate that this is something that we should have done a long time ago. It is not too late. We have found in these 10 districts that we can in fact advance the interests of the criminal justice system by implementing pretrial services. That is all this legislation does. It is not going to mandate it. It is up to the court to decide whether or not it makes sense in their particular vicinage. I urge my colleagues to support what I consider to be a simple but important crime initiative.

Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. RODINO), the chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Chairman, I would like to give you a practical idea about what the pretrial services agencies do—how they promote efficiency and cost-savings in the criminal justice system. The best way, I think, is to give you an idea of what the system would be like without pretrial services organizations, and what it was like in the 10 demonstration districts before the PSA's were created there.

Judges considering whether to release a particular defendant in a criminal case would be operating totally in the dark. They would have to rely solely on opposing counsel to find out about the defendant's background: Whether the defendant had a criminal record, whether the defendant had missed court appearances in the past, whether the defendant had community ties—a job or family in the local area. There would be no independent organization devoting its time solely to investigating the defendant's background, making sure its information was accurate, and reporting it to the court.

As a result, courts had no idea whether the defendant was a good bail risk, whether the defendant would appear in court, whether the defendant had a drug problem, whether the defendant could be released but needed extensive supervision. Even if the defendant needed to be supervised, there was no one to perform the supervision.

This system led to defendants being incarcerated before trial when they did not need to be. It also led to defendants being released before trial when they should not have been. Rates of failures to appear and pretrial rearrests were high. Costs to the Government from unnecessary pretrial detention were high, as were the costs of U.S. marshals having to seek out and arrest defendants who had absconded. The costs of crime committed by defendants on release who either should not have been released or who should have had close supervision on release cannot be quantified.

If we do not pass H.R. 3481, this system will continue in all Federal judicial districts. The dramatic results obtained in the 10 demonstration districts will be lost. As you have already heard, in the 10 demonstration districts, failure to appear rates have declined by about 75 percent, pretrial rearrest rates have declined by nearly two-thirds, and costs from unnecessary pretrial detention have declined by over two-thirds.

The judges who sit in the 10 demonstration districts testified at hearings on this bill that they rely heavily on the pretrial services agencies to provide them with accurate and complete information—that their decisions would be more like guesswork without them. We should not deprive the judiciary of this important tool. I ask you to support this important crime-fighting and court efficiency measure by voting yes on H.R. 3481.

Mr. FISH. Mr. Chairman, I rise in support of H.R. 3481, the Pretrial Services Act, which will provide a nationwide network of informational and supervisory services to Federal judges and magistrates in making delicate decisions relating to the pretrial release of defendants.

As a member of the Subcommittee on Crime, I had the privilege of joining the gentleman from New Jersey (Mr. HUGHES) in hearings held on this bill in my own State of New York 1 year ago. The testimony from various participants in the Federal criminal justice system, including U.S. attorneys, magistrates, and the defense bar, was overwhelmingly in support of these services and the mechanisms used to provide them under H.R. 3481. I came away from that hearing a firm believer in the value of pretrial services in the Federal system and I am hopeful that the successful Federal experience will serve as a model for the States in this area.

Mr. Chairman, because of our concern over budget deficits, I am encouraged by the serious effort that was made in the development of this legislation to minimize the cost of these programs. My strong support for this legislation stems, in large part, from the fact that it contains a fair, but modest dollar authorization.

Furthermore, it contains a sunset provision which will afford our committee an opportunity to examine the operation of the program on a nationwide level and to make any appropriate adjustments in the authorizing legislation.

Mr. Chairman, I am one of the many members of the Judiciary Committee who view with grave disappointment the slow progress that the committee has made on improving the Bail Reform Act of 1966. Like the Attorney General's Task Force on Violent Crime and the administration, I be-

lieve that it is absolutely imperative for this Congress—and I mean this Congress, not the next—to enact legislation which will permit Federal judges to consider "danger to the community" and to detain particularly dangerous defendants prior to trial. However, considering the fact that the committee has begun to proceed on separate legislation to address these problems, I believe it is appropriate to move H.R. 3481 at this time, particularly since pretrial services will be instrumental in implementing any legislation that we pass.

Mr. Chairman, I commend the chairman and the ranking minority member for their work on this legislation and I urge my colleagues to join me in support of H.R. 3481.

● Mr. CORRADA. Mr. Chairman, I rise in support on H.R. 3481, the Pretrail Services Act which would lend a hand in the arduous task of screening and supervising persons arrested and detained for Federal offenses who seek release while awaiting trial.

This bill authorizes the establishment of Pretrail Service Agencies (PSA's) throughout the Federal district court system which are currently operating as demonstration programs in 10 U.S. judicial districts. The Speedy Trial Act of 1974 brought about this pilot program which in light of its accomplishments and fine performance, today we are considering expanding for the benefit of many more judicial districts in the Nation.

These agencies were created to assist Federal judges and magistrates in making determinations regarding the conditions of pretrial release and for aiding judicial officers in supervising those released. The record shows that its assistance has been effective in reducing rates of failure to appear, pretrial arrests and costly and unnecessary pretrial detention.

I believe that sound judgment can only be made by well-informed judges. This legislation gives them the tools to get the work done right. We can no longer allow judges to lack precise and up-to-date background information of detainees, forcing the judges in many instances to release into society criminal elements and gamble with the lives of our citizens.

Crime while on bail is on the rise and with it internal terrorism. Many people tend to feel betrayed and upset for not taking justice in their own hands instead of trusting the judicial system to do it for them and ending up with the short end of the stick. Our ideal of "justice for all" demands our careful consideration of new initiatives and forceful commitments to fight this plague that threatens to destroy our peace and faith in the system.

In line with this quest, I fully support an amendment to the Bail Reform Act of 1966, to permit Federal judges to consider the element of dangerousness to the community in determining whether to release the accused and under what conditions or for the sake of our citizens not release him at all. The judges should not have their hands tied in release determinations by limiting their discretion to cases where the offense is punishable by death. Many noncapital offenses are committed by highly violent and volatile persons who certainly pose a great deal of danger to the community if released. We should strive to save forseeable victims of crime from misfortune.

Even though this legislation is solely directed to the creation of "pretrial service agencies" in the Federal district court system, I trust that the local governments copy these efforts and with the assistance of the Federal Government implement a similar program for local courts. The Federal and State governments need to join efforts to overturn the overgrown octopus of crime.●

Mr. HUGHES. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 3481

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pretrial Services Act of 1981".

SEC. 2. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise, for the establishment of pretrial services in each judicial district (other than the District of Columbia) with respect to which the appropriate United States district court and circuit judicial council have recommended such establishment.".

SEC. 3. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services

"(a) The pretrial services established under section 3152 of this title shall be under the general authority and direction of the Director.

"(b) Pretrial services shall be supervised by a chief pretrial services officer selected by the chief judge of the district court. An individual who is a probation officer appointed under section 3654 of this title may perform functions and duties of an officer or employee providing pretrial services including a function or duty of the chief pretrial services officer.

"(c)(1) With the approval of the district court, the chief pretrial services officer shall appoint such other personnel as may be required to provide pretrial services under section 3152 of this title. The position requirements and rate of compensation of the chief pretrial services officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The chief pretrial services officer is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code.

"(d)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer or staff member during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(a) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files is not admissible on the issue of guilt in any criminal judicial proceeding, except that such information, if otherwise admissible, may be admitted on the issue of guilt for a crime committed in the course of obtaining pretrial release.".

SEC. 4. Section 3154 of title 18, United States Code, is amended—

(1) by striking the catchline and all that follows before paragraph (1) and inserting in lieu thereof the following:

"§ 3154. Functions and powers relating to pretrial services

"Pretrial services shall include such of the following functions as the district court to be served may specify:";

(2) so that paragraph (1) reads as follows:

"(1) Collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, including information relating to any danger that the release of such person may pose to any other person or the community, and recommend appropriate release conditions for such individual.";

(3) by amending paragraph (3) to read as follows: "Supervise persons released into the custody of providers of pretrial services under this chapter. The Director shall, not later than ninety days after the enactment of the Pretrial Services Act of 1981, issue guidelines for such supervision which shall (A) avoid unnecessary supervision; and (B) specify the factors to be considered in determining which persons need not be super-

vised and the appropriate degree and conditions of supervision.";

(4) in paragraph (4), by striking out "With the cooperation of the Administrative Office of the United States Courts, and with the approval of the Attorney General, operate or contract for the operation of" and inserting "Provide for" in lieu thereof;

(5) so that paragraph (5) reads as follows:

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions, arrests of persons released to the custody of providers of pretrial services or under the supervision of providers of pretrial services, and any danger that any such person may come to pose to any other person or the community, and recommend appropriate modifications of release conditions.";

(6) so that paragraph (9) reads as follows:

"(9) Perform other functions under this chapter."; and

(7) by adding at the end the following:

"(10) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(11) To the extent provided for in an agreement between a chief pretrial services officer and the United States attorney, collect, verify, and prepare reports for the United States attorneys office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(12) Make contracts for the carrying out of any pretrial services function.".

SEC. 5. Section 3155 of title 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports

"Each chief pretrial services officer shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year.".

SEC. 6. The table of sections for chapter 207 of title 18, United States Code, is amended by striking out the item relating to section 3152 and all that follows through the item relating to section 3155 and inserting in lieu thereof the following:

"3152. Establishment of pretrial services.
"3153. Organization and administration of pretrial services.
"3154. Functions and powers relating to pretrial services.
"3155. Annual reports.".

SEC. 7. Secton 604(a) of title 28, United States Code is amended by—

(1) striking out "agencies" in paragraph (9);

(2) striking out "for pretrial services agencies" and inserting in lieu thereof "providing pretrial services" in paragraph (10); and

(3) by striking "pretrial services agencies" in each of paragraphs (11) and (12) and inserting "offices providing pretrial services" in lieu thereof.

SEC. 8. For the purposes of carrying out sections 3152 through 3155 of title 18 of the United States Code, there is authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, beginning on line 15, strike out "by amending" and all that follows through "Supervise" in line 16 and insert in lieu thereof the following:

so that paragraph (3) reads as follows:

"(3) Supervise

The committee amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will report the next committee amendment.

The clerk read as follows:

Committee amendment: Page 8, line 6, strike out "and ".

The committee amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will report the final committee amendment.

The Clerk read as follows:

Committee amendment: Page 8, strike out line 7 and all that follows through line 9 and insert in lieu thereof the following:

(3) by striking out "pretrial service agencies" in paragraph (11) and inserting "offices providing pretrial services" in lieu thereof; and

(4) by striking out "pretrial services agencies" in paragraph (12) and inserting "offices providing pretrial services" in lieu thereof.

The committee amendment was agreed to.

The CHAIRMAN pro tempore. Are there any other amendments?

AMENDMENTS OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Chairman, I offer a series of technical amendments.

The Clerk read as follows:

Amendments offered by Mr. HUGHES: On the first page, line 4, strike out "1981" and insert "1982" in lieu thereof.

Page 2, line 8, after "otherwise" insert "(to such extent and in such amounts as are provided in appropriation Acts)."

Page 5, line 20, strike out "1981" and insert "1982" in lieu thereof.

Page 7, line 7, after "contracts" insert "to such extent and in such amounts as are provided in appropriation Acts".

Mr. HUGHES (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Mr. Chairman, the amendments are technical in nature. There are four such amendments. The first and third amendments would simply change the name of the bill from "Pretrial Services Act of 1981" to "Pretrial Services Act of 1982."

The second and fourth amendments have been requested by the Budget Committee. They add to the bill in two different places language that is needed to conform the bill to section 401(a) of the Budget Act. The language was, unfortunately, omitted from the bill. I ask my colleagues to support the technical amendments.

Mr. SAWYER. Mr. Chairman, we accept the technical amendments.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from New Jersey (Mr. HUGHES).

The amendments were agreed to.

The CHAIRMAN pro tempore. Are there any other amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FROST) having assumed the chair, Mr. AKAKA, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3481) to amend chapter 207 of title 18, United States Code, relating to pretrial services, pursuant to House Resolution 439, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

□ 1510

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 369, nays 30, not voting 33, as follows:

[Roll No. 67]

YEAS—369

Addabbo	Early	Latta
Akaka	Eckart	Leach
Alexander	Edgar	Leath
Anderson	Edwards (AL)	LeBoutillier
Andrews	Edwards (CA)	Lehman
Annunzio	Edwards (OK)	Leland
Anthony	Emery	Lent
Applegate	English	Levitas
Archer	Erdahl	Lewis
Aspin	Erlenborn	Livingston
Atkinson	Ertel	Loeffler
AuCoin	Evans (DE)	Long (LA)
Badham	Evans (GA)	Long (MD)
Bafalis	Evans (IA)	Lott
Bailey (PA)	Fary	Lowery (CA)
Barnard	Fascell	Luken
Barnes	Fazio	Lundine
Beard	Fenwick	Lungren
Bedell	Ferraro	Madigan
Beilenson	Fiedler	Markey
Benedict	Findley	Marks
Benjamin	Fish	Marlenee
Bennett	Fithian	Martin (IL)
Bethune	Flippo	Martin (NC)
Bevill	Florio	Martin (NY)
Biaggi	Foley	Matsui
Bingham	Ford (MI)	Mavroules
Blanchard	Ford (TN)	Mazzoli
Bliley	Forsythe	McClory
Boland	Fowler	McCloskey
Bolling	Frank	McCollum
Boner	Frenzel	McCurdy
Bonker	Frost	McDade
Bouquard	Fuqua	McEwen
Bowen	Garcia	McGrath
Breaux	Gaydos	McHugh
Brinkley	Gejdenson	McKinney
Brodhead	Gephardt	Mica
Brooks	Gibbons	Michel
Broomfield	Gilman	Mikulski
Brown (CA)	Glickman	Miller (CA)
Brown (OH)	Gonzalez	Miller (OH)
Burton, Phillip	Goodling	Mineta
Butler	Gore	Minish
Byron	Gramm	Mitchell (MD)
Campbell	Gray	Mitchell (NY)
Carman	Green	Moakley
Carney	Gregg	Moffett
Chappell	Guarini	Molinari
Chappie	Hall (OH)	Mollohan
Cheney	Hall, Ralph	Montgomery
Chisholm	Hall, Sam	Moore
Clausen	Hamilton	Moorhead
Clay	Hammerschmidt	Morrison
Clinger	Hance	Mottl
Coats	Hansen (UT)	Myers
Coelho	Hartnett	Napier
Coleman	Hawkins	Natcher
Collins (IL)	Heckler	Neal
Conable	Hefner	Nelligan
Conte	Heftel	Nelson
Conyers	Hertel	Nichols
Coughlin	Hightower	Nowak
Coyne, James	Hiler	O'Brien
Coyne, William	Hillis	Oakar
Crockett	Holland	Oberstar
D'Amours	Hollenbeck	Obey
Daniel, Dan	Hopkins	Ottinger
Daniel, R. W.	Horton	Oxley
Dannemeyer	Howard	Panetta
Daschle	Hoyer	Parris
Daub	Hubbard	Pashayan
Davis	Huckaby	Patman
de la Garza	Hughes	Patterson
Deckard	Hunter	Pease
Dellums	Hutto	Perkins
DeNardis	Hyde	Peyser
Derrick	Jeffords	Pickle
Derwinski	Jenkins	Porter
Dicks	Jones (NC)	Price
Dingell	Jones (OK)	Pritchard
Dixon	Jones (TN)	Pursell
Donnelly	Kastenmeier	Quillen
Dorgan	Kazen	Railsback
Dornan	Kemp	Rangel
Dougherty	Kennelly	Ratchford
Dowdy	Kildee	Regula
Downey	Kindness	Reuss
Duncan	Kogovsek	Rhodes
Dunn	Kramer	Richmond
Dwyer	LaFalce	Rinaldo
Dymally	Lagomarsino	Ritter
Dyson	Lantos	Roberts (KS)
Roberts (SD)	Shuster	Walgren
Robinson	Siljander	Walker
Rodino	Simon	Wampler
Roe	Skelton	Washington
Roemer	Smith (AL)	Watkins
Rogers	Smith (IA)	Waxman
Rose	Smith (NE)	Weaver
Rosenthal	Smith (NJ)	Weber (OH)
Rostenkowski	Snowe	Weiss
Roth	Snyder	White
Roukema	Spence	Whitehurst
Rousselot	St Germain	Whitley
Roybal	Stangeland	Whittaker
Russo	Stark	Whitten
Sabo	Staton	Williams (MT)
Santini	Stenholm	Williams (OH)
Savage	Stokes	Winn
Sawyer	Stratton	Wirth
Scheuer	Studds	Wolf
Schneider	Swift	Wolpe
Schroeder	Synar	Wortley
Schulze	Tauke	Wright
Schumer	Tauzin	Wyden
Seiberling	Thomas	Wylie
Shamansky	Traxler	Yates
Shannon	Trible	Yatron
Sharp	Udall	Young (AK)
Shaw	Vander Jagt	Young (FL)
Shelby	Vento	Zablocki
Shumway	Volkmer	Zeferetti

NAYS—30

Bailey (MO)	Gradison	Paul
Brown (CO)	Gunderson	Petri
Broyhill	Hansen (ID)	Rudd
Collins (TX)	Hendon	Sensenbrenner
Craig	Holt	Skeen
Crane, Daniel	Jeffries	Smith (OR)
Crane, Philip	Johnston	Solomon
Emerson	Lee	Stump
Fields	Lujan	Taylor
Fountain	McDonald	Weber (MN)

NOT VOTING—33

Albosta	Foglietta	Marriott
Bereuter	Gingrich	Mattox
Boggs	Ginn	Murphy
Bonior	Goldwater	Murtha
Burgener	Grisham	Pepper
Burton, John	Hagedorn	Rahall
Corcoran	Harkin	Smith (PA)
Courter	Hatcher	Solarz
Dickinson	Ireland	Stanton
Dreier	Jacobs	Wilson
Evans (IN)	Lowry (WA)	Young (MO)

□ 1520

Mr. SOLOMON changed his vote from "yea" to "nay."

Mr. BLILEY changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1530

Mr. HUGHES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 923) to amend chapter 207 of title 18, United States Code, relating to pretrial services, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—PRETRIAL SERVICES ACT OF 1981

SEC. 101. This title may be cited as the "Pretrial Services Act of 1981".

SEC. 102. Section 3152 of title 18, United States Code, is amended to read as follows:

"§ 3152. Establishment of pretrial services in all districts

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise, to such extent and in such amounts as are provided in appropriation Acts, for the establishment of pretrial services in each judicial district (other than the District of Columbia). Pretrial services established under this section shall be supervised by a chief probation officer appointed under section 3654 of this title or by a chief pretrial services officer appointed pursuant to section 3152A of this title.".

SEC. 103. Chapter 207 of title 18, United States Code, is amended by inserting after section 3152, the following new section:

"§ 3152A. Establishment of pretrial services in special districts

"(a) If an appropriate United States district court and the circuit judicial council jointly recommend the establishment of pretrial services in a particular district, pretrial services shall be established under the general authority of the Administrative Office of the United States Courts.

"(b) The pretrial services established under subsection (a) shall be supervised by a chief pretrial services officer selected by a panel consisting of the chief judge of the circuit, the chief judge of the district, and a magistrate of the district or their designees. The chief pretrial services officer appointed under this subsection shall be an individual other than one serving under authority of section 3654 of this title.".

SEC. 104. Section 3153 of title 18, United States Code, is amended to read as follows:

"§ 3153. Organization and administration of pretrial services in all districts

"(a) With the approval of the district court, the chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, shall appoint such other personnel as may be required. The position requirements and rate of compensation of the chief pretrial services officer, the chief probation officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and then payable for grade GS–16 of the General Schedule under section 5332 of title 5, United States Code.

"(b) The chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code. The staff, other

than clerical staff, may be drawn from law school students, graduate students, or such other available personnel.

"(c)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall be used only for the purposes of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(4) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer, a chief probation officer, or a staff member during the course of any hearing, shall not be admissible on the issue of guilt in any judicial proceeding, except that such information may be used in proceedings to determine guilt or penalties for failure to appear or a violation of the conditions of release, in perjury proceedings, and for the purpose of impeachment in any subsequent proceeding.".

SEC. 105. Section 3154 of title 18, United States Code, is amended to read as follows:

"Pretrial services functions shall include the following:

"(1) Collect, verify, and report to the judicial officer prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, and recommend appropriate release conditions for each such individual.

"(2) Review and modify the reports and recommendations specified in paragraph (1) of this section for persons seeking release pursuant to section 3146(e) or section 3147 of this chapter.

"(3) Supervise persons released into its custody under this chapter.

"(4) Operate or contract for the operation of appropriate facilities for the custody or care of persons released under this chapter including residential halfway houses, addict and alcoholic treatment centers, and counseling services.

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions or arrests of persons released to its custody or under its supervision and recommend appropriate modifications of release conditions.

"(6) Serve as coordinator for other local agencies which serve or are eligible to serve as custodians under this chapter and advise the court as to the eligibility, availability, and capacity of such agencies.

"(7) Assist persons released under this chapter in securing any necessary employment, medical, legal, or social services.

"(8) Prepare, in cooperation with the United States marshal and the United States attorney such pretrial detention reports as are required by the provisions of the Federal Rules of Criminal Procedure relating to the supervision of detention pending trial.

"(9) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(10) To the extent provided for in an agreement between a pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, or the chief probation officer in all other districts, or a staff member in his or her official capacity, and the United States attorney, collect, verify, and prepare reports for the United States attorney's office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(11) Make contracts, to such extent and in such amounts as are provided in appropriation Acts, for the carrying out of any pretrial services functions.

"(12) Perform such other functions as specified under this chapter.".

SEC. 106. Section 3155 of title 18, United States Code, is amended to read as follows:

"§3155. Annual reports

"Each chief pretrial services officer in districts in which pretrial services are established pursuant to section 3152A of this title, and each chief probation officer in all other districts, shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include in the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year.".

SEC. 107. The table of sections for chapter 207 of title 18, United States Code, is amended—

(1) so that the item relating to section 3152 reads as follows:

"3152. Establishment of pretrial services in all districts.";

(2) by adding after the item relating to section 3152, the following:

"3152A. Establishment of pretrial services in special districts.";

(3) so that the item relating to section 3153 reads as follows:

"3153. Organization and administration of pretrial services in all districts.";

and

(4) so that the item relating to section 3155 reads as follows:

"3155. Annual reports.".

SEC. 108. (a)(1) Except as provided in paragraph (2), this title and the amendments made by this title shall take effect on the date of enactment of this title.

(2) The amendment made by section 103 of this title shall take effect eighteen months after the date of enactment of this title.

(b) During the period beginning on the date of enactment of this title and ending on the effective date specified in subsection (a)(2) of this section, the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title may continue to operate, employ staff, provide pretrial services, and perform such functions and powers as are authorized under the provisions of chapter 207 of title 18 of the United States Code.

SEC. 109. (a) There are authorized to be appropriated, for fiscal year 1982 and each succeeding fiscal year thereafter, such sums as may be necessary to carry out the provisions of chapter 207 of title 18 of the United States Code, as amended by section 103 of this title.

(b) There are authorized to be appropriated for the period beginning after September 30, 1981, and ending on the effective date specified in section 108(a)(2) of this title, such sums as may be necessary to carry out the activities of the pretrial services agencies established under section 3152 of title 18 of the United States Code in effect before the date of enactment of this title.

MOTION OFFERED BY MR. HUGHES

Mr. HUGHES. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. HUGHES moves to strike out all after the enacting clause of the Senate bill, S. 923, and to insert in lieu thereof the provisions of the bill, H.R. 3481, as passed by the House, as follows:

That this Act may be cited as the "Pretrial Services Act of 1982".

SEC. 2. Section 3152 of title 18, United States Code, is amended to read as follows:

"§3152. Establishment of pretrial services

"The Director of the Administrative Office of the United States Courts (hereinafter in this chapter referred to as the 'Director') shall, under the supervision and direction of the Judicial Conference of the United States, provide directly, or by contract or otherwise (to such extent and in such amounts as are provided in appropriations Acts), for the establishment of pretrial services in each judicial district (other than the District of Columbia) with respect to which the appropriate United States district court and circuit judicial council have recommended such establishment.".

SEC. 3. Section 3153 of title 18, United States Code is amended to read as follows:

"§3153. Organization and administration of pretrial services

"(a) The pretrial services established under section 3152 of this title shall be under the general authority and direction of the Director.

"(b) Pretrial services shall be supervised by a chief pretrial services officer selected by the chief judge of the district court. An individual who is a probation officer appointed under section 3654 of this title may perform functions and duties of an officer or employee providing pretrial services including a function or duty of the chief pretrial services officer.

"(c)(1) With the approval of the district court, the chief pretrail services officer shall appoint such other personnel as may be required to provide pretrial services under section 3152 of this title. The position requirements and rate of compensation of the chief pretrial services officer and such other personnel shall be established by the Director with the approval of the Judicial Conference of the United States, except that no such rate of compensation shall exceed the rate of basic pay in effect and

then payable for grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

"(2) The chief pretrial services officer is authorized, subject to the general policy established by the Director and the approval of the district court, to procure temporary and intermittent services to the extent authorized by section 3109 of title 5, United States Code.

"(d)(1) Except as provided in paragraph (2) of this subsection, information contained in pretrial services files, presented in any pretrial services report, or divulged by a pretrial services officer or staff member during the course of any hearing, shall be used only for the purpose of a bail determination and shall otherwise be confidential. The report shall be made available to the attorney for the accused and the attorney for the Government.

"(2) The Director shall issue regulations establishing the policy for release of information contained in pretrial services files. Such regulations shall provide exceptions to the confidentiality requirements under paragraph (1) of this subsection to allow access to such information—

"(A) by qualified persons for purposes of research related to the administration of criminal justice;

"(B) by persons under contract under section 3154(a) of this title;

"(C) by probation officers for the purpose of compiling presentence reports;

"(D) insofar as such information is a pretrial diversion report, to the attorney for the accused and the attorney for the Government; and

"(E) in certain limited cases, to law enforcement agencies for law enforcement purposes.

"(3) Information contained in pretrial services files is not admissible on the issue of guilt in any criminal judicial proceeding, except that such information, if otherwise adminissible, may be admitted on the issue of guilt for a crime committed in the course of obtaining pretrial release.".

SEC. 4. Section 3154 of title 18, United States Code, is amended—

(1) by striking the catchline and all that follows before paragraph (1) and inserting in lieu thereof the following:

"§3154. Functions and powers relating to pretrial services

"Pretrial services shall include such of the following functions as the district court to be served may specify:";

(2) so that paragraph (1) reads as follows:

"(1) Collect, verify, and report to the judicial officer, prior to the pretrial release hearing, information pertaining to the pretrial release of each individual charged with an offense, including information relating to any danger that the release of such person may pose to any other person or the community, and recommend appropriate release conditions for such individual.";

(3) so that paragraph (3) reads as follows:

"(3) Supervise persons released into the custody of providers of pretrial services under this chapter. The Director shall, not later than ninety days after the enactment of the Pretrial Services Act of 1982, issue guidelines for such supervision which shall (A) avoid unnecessary supervision; and (B) specify the factors to be considered in determining which persons need not be supervised and the appropriate degree and conditions of supervision.";

(4) in paragraph (4), by striking out "With the cooperation of the Administrative Office of the United States Courts, and with the approval of the Attorney General, operate or contract for the operation of" and inserting "Provide for" in lieu thereof;

(5) so that paragraph (5) reads as follows:

"(5) Inform the court and the United States attorney of all apparent violations of pretrial release conditions, arrests of persons released to the custody of providers of pretrial services or under the supervision of providers of pretrial services, and any danger that any such person may come to pose to any other person or the community, and recommend appropriate modifications of release conditions.";

(6) so that paragraph (9) reads as follows:

"(9) Perform other functions under this chapter."; and

(7) by adding at the end the following:

"(10) Develop and implement a system to monitor and evaluate bail activities, provide information to judicial officers on the results of bail decisions, and prepare periodic reports to assist in the improvement of the bail process.

"(11) To the extent provided for in an agreement between a chief pretrial services officer and the United States attorney, collect, verify, and prepare reports for the United States attorneys office of information pertaining to the pretrial diversion of any individual who is or may be charged with an offense, and perform such other duties as may be required under any such agreement.

"(12) Make contracts to such extent and in such amounts as are provided in appropriation Acts for the carrying out of any pretrial services function."

SEC. 5. Section 3155 of title 18, United States Code, is amended to read as follows:

"§ 3155. Annual reports

"Each chief pretrial services officer shall prepare an annual report to the chief judge of the district court and the Director concerning the administration and operation of pretrial services. The Director shall be required to include the Director's annual report to the Judicial Conference under section 604 of title 28, United States Code, a report on the administration and operation of the pretrial services for the previous year."

SEC. 6. The table of sections for chapter 207 of title 18, United States Code, is amended by striking out the item relating to section 3152 and all that follows through the item relating to section 3155 and inserting in lieu thereof the following:

"3152. Establishment of pretrial services.
"3153. Organization and administration of pretrial services.
"3154. Functions and powers relating to pretrial services.
"3155. Annual reports."

SEC. 7. Section 604(a) of title 28, United States Code is amended by—

(1) striking out "agencies" in paragraph (9);

(2) striking out "for pretrial services agencies" and inserting in lieu thereof "providing pretrial services" in paragraph (10);

(3) by striking out "pretrial service agencies" in paragraph (11) and inserting "offices providing pretrial services" in lieu thereof; and

(4) by striking out "pretrial services agencies" in paragraph (12) and inserting "offices providing pretrial services" in lieu thereof.

SEC. 8. For the purposes of carrying out sections 3152 through 3155 of title 18 of the United States Code, there is authorized to be appropriated $6,000,000 for the fiscal year ending September 30, 1982, and $8,000,000 for the fiscal year ending September 30, 1983.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

A similar House bill (H.R. 3481) was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 3481

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill, S. 923, and request a conference with the Senate thereon.

The SPEAKER. is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees: Messrs. RODINO, HUGHES, CONYERS, KASTENMEIER, GLICKMAN, MCCLORY, SAWYER, and FISH.

GENERAL LEAVE

Mr. HUGHES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

PROVIDING FOR CONSIDERATION OF H.R. 861, NATIONAL TRAILS SYSTEM ACT AMENDMENTS

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 358 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 861) to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in

the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be read for amendment by titles instead of by sections, and all points of order against said substitute for failure to comply with the provisions of clause 5, Rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 358 is an open rule providing for the consideration of H.R. 861, a bill to amend the National Trails System Act by designating additional national scenic and historic trails and for other purposes. The rule also provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs.

House Resolution 358 waives points of order against consideration of H.R. 861 for failure to comply with the provisions of section 402(a) of the Congressional Budget Act. Section 402(a) prohibits the consideration of any bill providing new budget authority that has not been reported by May 15 preceding the beginning of the fiscal year in which it is to take effect. The Committee on Interior and Insular Affairs has cured this violation by adoption of a committee amendment in the nature of a substitute which is now printed in the bill and thus this waiver of section 402(a) is technical in nature. In addition, the rule makes in order the committee amendment in the nature of a substitute as original text for purpose of amendment under the 5-minute rule and provides that the bill shall be read by titles rather than by sections.

The rule does make one substantive waiver. Clause 5, rule XXI, prohibits appropriations in a legislative bill and the committee substitute contains a provision which does make an appropriation for the cost of acquisition and development of trail rights-of-way through the proceeds of land disposal. Because of this appropriation in the committee substitute, clause 5, rule XXI, is waived by the rule.

The rule further provides that at the conclusion of the consideration of the bill for amendment, any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute and provides for one motion to recommit with or without instructions.

Mr. Speaker, this is an open rule and I know of no controversy over the consideration of H.R. 861 under an open rule. The bill makes many administrative changes in the National Trails System Act, adds provisions to the act that recognize, encourage, and support continued volunteer contributions to the national trails throughout the country, and adds three new trails to that system. In addition, the committee amendment eliminates most of the items that were in the original bill which would require future Federal expenditures, but does authorize $500,000 for land acquisition along the new Natchez Trace Trail and $2 million for development of that trail.

Mr. Speaker, I urge my colleagues to adopt House Resolution 358.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Texas has accurately explained the provisions of this resolution. House Resolution 358 grants an open rule with 1 hour of general debate on H.R. 861, the National Trails System Act amendments. The rule waives section 402(a) of the Budget Act, requiring new budget authority to be reported by May 15 of the preceding year; and clause 5 of rule XXI, appropriations in a legislative bill.

By way of background, H.R. 861 is a refinement of a measure approved by the House in the 96th Congress, but which failed to receive necessary Senate action for final passage. The bill contains three major provisions:

First, the identification of six national trail routes for study purposes;

Second, the designation of three new trails to the existing system; and

Third, further encouragement and assistance to volunteer citizen involvement.

The bill's $3.6 million authorization is expected to be spent over a 3-year period.

Finally, during the Rules Committee hearing we were informed that the administration opposes a legislative veto provision in this bill. However, it was the consensus of the committee that the open rule proposed for consideration of the bill will allow the House the freedom to work its will on this issue.

Mr. Speaker, the committee heard no testimony opposing this rule or the legislation. Consequently, I urge adoption of House Resolution 358 so we may proceed to the consideration of the bill.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I have no requests for time and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF S. 146, CAMDEN, S.C., HISTORIC PRESERVATION

Mr. DERRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 448 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 448

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore (Mr. DYMALLY). The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

□ 1540

Mr. DERRICK. Mr. Speaker, for the purpose of debate only, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 448 is the rule providing for the consideration of S. 146 to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes.

It is a straight open rule, providing 1 hour of general debate with the time to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Interior and Insular Affairs. One motion to recommit is in order upon conclusion of the consideration of the bill.

S. 146 authorizes the Secretary of the Interior to enter into cooperative agreements with the Camden Historical Commission, Camden District Heritage Foundation, and other appropriate organizations to assist in the protection and restoration of the historic

resources of Camden, S.C. No more than $250,000 is authorized to be appropriated for such purposes, although a total of $1.6 million will be invested in preserving this area.

During the American Revolutionary War, Camden, S.C., was the scene of intense and important military activity. The British occupied Camden from June of 1780 to May of 1781. When forced to retreat, the British burned the old town of Camden in an effort to diminish its strategic value. The loss of Camden by the British significantly hastened their eventual defeat.

Mr. Speaker, I urge by colleagues to adopt the rule, House Resolution 448, so that we can proceed to the consideration of the bill, S. 146.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from South Carolina has explained the rule adequately. I am well aware of the provisions of the resolution, and also the provisions of the bill. I have been given the opportunity to go over the bill and the purposes of it, the things it would accomplish, with persons from the great State of South Carolina, including the distinguished senior Senator. In my opinion, this is a bill which should be adopted, and adopted as rapidly and expeditiously as possible.

The Historical Commission of Camden and the Camden District Heritage Foundation are appropriate public and governmental institutions, and they are perfectly well equipped and appropriate to undertake the provisions that this bill sets forth.

So, Mr. Speaker, I have no further requests for time. I know of no opposition on this side to the resolution, and I ask that it be adopted and that the bill be passed as expeditiously as possible.

Mr. Speaker, I yield back the balance of my time.

Mr. DERRICK. Mr. Speaker, before I move the previous question on the resolution, I would like to commend my friend and colleague, KEN HOLLAND, for his efforts to achieve passage of the bill. This legislation will help to preserve for all Americans one of the country's historic resources in Camden, S.C.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTENDING GOVERNING INTERNATIONAL FISHERY AGREEMENT BETWEEN THE UNITED STATES AND THE SOVIET UNION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-177)

The SPEAKER pro tempore. (Mr. DYMALLY) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries and ordered to be printed:

(For message, see proceedings of the Senate of today, Tuesday, May 11, 1982).

NATIONAL TRAILS SYSTEM ACT AMENDMENTS

Mr. SEIBERLING. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 861), to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 861, with Mr. WEISS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio (Mr. SEIBERLING) will be recognized for 30 minutes, and the gentleman from Alaska, (Mr. YOUNG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 861 would designate three new trails in the National Trails System and authorize studies for six trail routes. The National Trail System Act would be amended to encourage additional contributions of volunteers to develop and maintain trails and to clarify existing authority to use abandoned railroad rights-of-way for trail purposes. Various technical and clarifying amendments are included. The bill would also name an existing trail in the State of California as the Harold T. "Bizz" Johnson "Trail" and designate an area in the Nantahala National Forest, S.C., as the "Roy Taylor Forest."

H.R. 861 was introduced by my good friend PHILLIP BURTON whose knowledge, expertise, and accomplishments in preserving the great treasures that make up our National Park System are without parallel in the House of Representatives. I wish to take this opportunity to commend him for his splendid efforts and perseverance on this bill during this Congress and the 96th Congress. Generations of hikers, campers, and lovers of wildlife and natural beauty will be forever benefited by his work in their behalf.

The National Trails System Act of 1968 was intended by the Congress to be a generic measure through which the outdoor recreation opportunities of America could be expanded by the development of a nationwide program to establish and maintain trails of various kinds.

The 94th Congress conducted oversight hearings on the act, and also enacted legislation designating additional routes for study under the act. The oversight hearings revealed that the Federal agencies were not moving expeditiously to implement the provisions of the original act with respect to the protection of the designated trails. Completion of the required studies was slow, thus frustrating expansion of the system.

The hearings and related discussions during these recent sessions of the Congress brought forth several points. There was a consensus that the diverse needs of various types of trails users could not be met by Federal agencies alone. Volunteer efforts by interested trail users themselves, working in concert with various levels of government, have been highly effective in expanding trail recreation opportunities at low cost. Finally, with a decade of experience under the 1968 act to draw upon, there was a sense that a number of adjustments to the act could be made to enhance the ability to advance trail recreation programs in a variety of ways.

During the 96th Congress, members of a variety of trail-related organizations and agency professionals worked with the committee to develop legislation which would respond to many of the lessons learned from the administration of the National Trails System Act.

The product of that effort, H.R. 8087, was reported by the Committee on Interior and Insular Affairs and subsequently adopted by the House of Representatives on September 22, 1980. Although the Senate later approved a modified text of H.R. 8087 as part of another measure, disagreement with other items not related to the trails measure prevented the final enactment of the legislation.

H.R. 861 is a refinement of the measure which was approved by the House of Representatives during the 96th Congress. The bill, as introduced, contained the text approved by the Senate in 1980. Following additional hearings in 1981, the committee recommended a revised text which eliminates most of the items which would require future Federal expenditures. The amended text is also more cautious in designating any additional components of the National Trails System, deleting several proposed na-

tional historic trails in order to permit additional review by the Department of the Interior. Additional recommendations reflect continuing efforts to encourage the expansion of trail recreation opportunities across the Nation at low cost. H.R. 861 places a greater reliance on citizen participation than ever before to accomplish the purpose of the National Trails System Act of 1968.

Mr. Chairman, the proposed new subsection 7(j) of the act would permit the appropriate secretaries to allow trail bikes and other off-the-road vehicles on portions of the national trail system. I would like to emphasize that this provision gives authority to the secretaries to permit such uses where appropriate, but that it must also be exercised in keeping with those other provisions of the law that require the secretaries to protect the resources themselves and the users of the system.

It is intended, for example, that motorized vehicles will not normally be allowed on national scenic or historical trails and will be allowed on recreational trails only at times and places where such use will not create significant on-trail or off-trail environmental damage and will not jeopardize the safety of hikers, equestrians, or other users or conflict with the primary purposes for which the trail, or the portion of the trail, was created.

□ 1550

Mr. Chairman, I now yield such time as he may consume to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Chairman, I wish to thank my good friend, the chairman of the subcommittee, the gentleman from Ohio (Mr. SEIBERLING), and our distinguished colleagues on the other side of the aisle for their efforts in this respect.

I would particularly like to note, with reference to the California Trails System, the leadership given by Congressmen DON CLAUSEN, LAGOMARSINO, and PASHAYAN on that side of the aisle, as well as Congressmen MILLER, PATTERSON, and COELHO on the Democratic side of the aisle. I would also note the leadership of the gentleman from California (Mr. MINETA) and the gentleman from California (Mr. PANETTA), who were also coauthors of the California trail section of this bill.

Mr. Chairman, I wish to thank my good friend, Chairman JOHN SEIBERLING for his efforts in bringing H.R. 861 before this body. Representative SEIBERLING is not only one of our most dedicated and hard-working Members, he is quite simply a statesman of great knowledge and principle whose presence in the House of Representatives aids all of us.

Mr. Chairman, in the 96th Congress I brought before the House H.R. 8087, a bill almost the same as H.R. 861. On September 22, 1980, with bipartisan support, the House passed that bill by voice vote. My remarks on that day are essentially relevant to todays debate.

Subsequently, the Senate passed the text of H.R. 8067, with some modifications, as part of another measure, but disagreement over items in that measure unrelated to trials issues prevented final enactment of the bill in the 96th Congress.

Chairman SEIBERLING has worked diligently during this Congress to eliminate any known controversy from this measure and to bring the bill language as closely into agreement with the Senate language of the 96th Congress as possible.

H.R. 861 designates three scenic trails, the Potomac Heritage National Scenic Trail, the Florida National Scenic Trail, and the Natchez Trace National Scenic Trail. Because of some conflict four trial designations that were in the measure proposed in the 96th Congress have been excluded (the Santa Fe, Chisholm, Shawnee, and Western National Historic Trails).

The bill also designates six trails for study; Juan Bautista de Anza, Trail of Tears, Ill., Jedediah Smith, General Crook, and the Beale Wagon Road. Again I note that H.R. 861 has been modified to parallel the Senate language for trail studies.

Mr. Chairman, I wish to make it clear that our efforts in the 96th Congress to work out agreements on this bill with our Republican friends in the House as well as in the other body date from late in the 96th Congress, in fact from after November 1980.

I am confident that these understandings were and are based on the idea of achieving the very best possible amendments to the National Trails Act.

Mr. Chairman, finally, as the author of this legislation, I wish to call attention to section 211 of the bill which limits the collection of entrance fees in certain units of the National Park System and National Wild and Scenic Rivers or Trails under the jurisdiction of the U.S. Forest Service. This language is duplicative in part of language already in law as section 402 of Public Law 9687. We have replicated a ban on entrance and admission fees to doubly underscore our unambiguous opposition to any such fees in any units of the National Trails System, the National Wild and Scenic Rivers System or national recreation areas.

Mr. Chairman, I urge my colleagues to join me in support of H.R. 861.

Mr. SEIBERLING. Mr. Chairman, I thank the gentleman from California (Mr. PHILLIP BURTON).

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland (Mrs. BYRON), and I ask the gentlewoman if she will yield to me.

Mrs. BYRON. I am delighted to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I would like to commend the gentlewoman from Maryland (Mrs. BYRON) for her interest in this legislation and also remind our colleagues that our beloved late colleague, Goodloe Byron, was one of the great hikers who served in this Congress and was particularly dedicated to the National Trails System. He was also one of the principal supporters and advocates of the further expansion and preservation of the Appalachian Trail which runs very close to the Byron home in Frederick, Md. His charming wife and successor in Congress, the gentlewoman from Maryland shared his love of outdoor life and now gives her outstanding support in the House for the preservation of our natural heritage and, in particular, the National Trails System.

Mrs. BYRON. Mr. Chairman, I thank the gentleman from Ohio (Mr. SEIBERLING).

Mr. Chairman, I rise in support of H.R. 861, the National Trails System Act amendments.

I am a cosponsor of that bill and a member of the House Interior Committee's Subcommittee on Public Lands and National Parks which reported this legislation. I am also a member of the board of directors of the American Hiking Society and chairman of the Maryland Commission on Physical Fitness, and both my family and I have had a long history of enjoyment of the trail system on a firsthand basis.

This measure designates three new national scenic trails. It calls for the study of six additional trails for consideration as part of the National Trails System. I think that it is commendable that we are taking these steps to increase and diversify our National Trails System, and I feel confident that many more Americans will take advantage of these new additions in the years to come. I applaud their support of the trails system.

The Appalachian Trail has always been a favorite of mine and my family's. I recommend the Appalachian Trail as an afternoon hike for many of my colleagues who might find it rather enjoyable.

Perhaps the greatest asset of this legislation is its emphasis on encouraging volunteer groups to become even more involved in the planning, development, and management of our National Trails System. The tremendous volunteer effort in support of trails is invaluable, particularly during these times of tight budget constraints. The present efforts of volunteers are readily seen when one uses our National Trails System, and I think that this is the kind of care and effort we as Members of Congress should continue to encourage.

Mr. Chairman, I wish to commend the chairman of the Subcommittee on Public Lands and National Parks, the gentleman from Ohio (Mr. SEIBERLING), and the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona (Mr. UDALL), for the great effort they have made to bring this measure to the floor, and I urge immediate passage of this important bill.

Mr. SEIBERLING. Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, today I wish to call to the attention of my colleagues the achievements and distinguished service of the Honorable Harold T. "Bizz" Johnson, our former colleague, who represented the First District of California for 22 years, and to propose an appropriate memorial in commemoration of the outstanding contributions of Congressman Johnson.

As a cosponsor of H.R. 2789, which has been incorporated into H.R. 861, I believe a fitting tribute has been found to a colleague who demonstrated considerable expertise in the area of this Nation's water resources, and whose steady hand and willingness to rise above partisanship in matters vital to our State guided numerous pieces of legislation through the Interior and Insular Affairs Committee on which he served. One of the many projects Bizz, the former dean of the California congressional delegation, worked on for his congressional district was the conversion of an abandoned railroad right-of-way in Lassen County to a 25-mile trail to provide access to the undeveloped Susan River Canyon in the Sierra Nevada Mountains for hikers, horseback riders, and cross-country skiers.

Largely through his assistance, the Susanville-Westwood rails-to-trails project was transformed from an idea to a public recreation trail. In recognition of Bizz' efforts, community leaders of Lassen County mounted an effort to dedicate the Susanville-Westwood Trail to Bizz Johnson as a tribute to the man who was instrumental in converting this abandoned railroad line to a public recreation trail.

H.R. 861 would designate this trail as the "Bizz Johnson Trail" and authorize the Secretary of the Interior, in cooperation with the city of Susanville and the county of Lassen, to design and erect at a suitable location along the trail an appropriate marker in commemoration of the vital role Bizz played in serving the needs of the public.

H.R. 861 contains an additional item of interest to those of us from California. The bill amends the National Trails System Act to provide for a study of two segments of the Jedediah Smith Trail to determine the feasibility and desirability of designating it as a national scenic or national historic trail.

As my colleagues know, Jedediah Smith was a fur trader and explorer who in the years from 1826 to 1828, braving the horrors of the desert and passing unscathed from Indian attacks which carried off most of his companions, opened to knowledge much of the vast country between Great Salt Lake and the Pacific.

One of the two segments identified in this bill for study is the route traveled by Jedediah Smith in 1828 extending from the Sacramento and Trinity River Valleys along the Pacific coastline, through the Smith and Willamette River Valleys to the Fort Vancouver National Historic Site in Washington State.

The National Trails System Act requires that studies be made in consultation with all affected Federal agencies and in cooperation with interested interstate, State, and local governmental agencies, public and private organizations, and landowners and land users concerned. The study must be completed within 3 years and submitted to Congress, which alone has the authority to designate and authorize national scenic and national historic trails.

These provisions provide adequate safeguards to insure full public input and review by the Congress and, for these reasons, I support the study provision and the bill as a whole.

Mr. YOUNG of Alaska. Mr. Chairman, I support the bill now under consideration, H.R. 861, which makes numerous amendments to the existing law which guides our National Trails System. A bill quite similar to this one passed the House last Congress, but was never resolved with the Senate.

Mr. Chairman, the act creating our National Trails System was enacted in 1968. While early progress in getting a trails system going was very slow, a great deal has by now been accomplished.

This bill has constituted an opportunity to add to what we have already done, and to also perfect its operation. A good many of the provisions of this bill are aimed at fine tuning what is already in place.

This bill adds three new trails to the national system, and also identifies six others for study so as to determine their ultimate suitability for possible later addition to the system.

One very important new provision is the requirement for the Secretary of the Interior to develop an overall National Trails System plan—a document which should represent the long-range master plan as to what is envisioned to constitute a finally completed and perfected nationwide system of trails. To date we have wandered rather aimlessly in our identification and selection of trail components to become a part of the developing system. This new provision in the bill should be an important one to which major analysis, planning, and conceptualization should be devoted, and I hope it will be worked on with deep professional commitment.

Mr. Chairman, another very important and new feature of this bill is the expanded authority to incorporate volunteer effort into the development of our trails system. Voluntarism was and still is the backbone of the success of the Appalachian Trail—one of the first of two trails making up the new trails system which emerged in law in 1968. This bill extends and amplifies numerous volunteer features to the entire trails system. It should result in a lot more good work being accomplished at a very minimal cost, and it is a very timely sort of feature for us to endorse during these times of extremely tight Federal budget conditions.

Finally, Mr. Chairman, I want to point out that this bill includes quite an assemblage of miscellaneous provisions, all designed to perfect the operation and protection of the National Trails System.

I think this is a good bill, and I urge my colleagues to vote in favor of its adoption.

● Mr. EDWARDS of California, Mr. Chairman, it is with great pleasure that I rise today to voice my support for this measure to expand the National Trails System and ask my colleagues to approve it. I want to first thank the distinguished gentleman from Ohio (Mr. SEIBERLING) for his leadership in seeing that Congress expands the trail system in this most responsible manner.

H.R. 861 would add three new trails to the National Trail System and authorizes the Interior and Agriculture Departments to study six additional routes for inclusion under this act. The bill facilitiates the interim use of abandoned railroad corridors for trail use by providing that this use would not constitute the formal abandonment of the railroads' right of way.

Of particular interest to all the Members of the California delegation are sections 301-304 of this act which pertain to an abandoned railway in northern California. These sections of the act recognize the efforts on behalf of outdoor recreation made by our retired colleague Harold "Bizz" Johnson. This legislation has the support of the entire California delegation, as well as several civic groups in Lassen County where the trail is located. As the Chairman of the California Democrats here in the House, I am most proud of this bipartisan statewide sponsorship.

I know Bizz was particularly proud of the work which he did on the Rails to Trails project in the Susan River Canyon of California. These sections of the legislation now before us would designate this trail as the Bizz Johnson Trail. and direct the Secretary of Interior to place an appropriate marker along the trail in recognition of Bizz Johnson's great contribution to our country.

For 22 years Bizz served in the House, as a member of the Public Works and Transportation Committee. This trail runs through the Susan River Canyon, and is a wonderful place for walkers, joggers, and backpackers to enjoy the pristine Susan River. I think it is truly fitting that we enact legislation to name this recreational trail after Bizz and urge all my colleagues to support H.R. 861.●

● Mr. NICHOLS. Mr. Chairman, we are today offering a brief amendment to H.R. 861, which proposes to amend the National Trails System Act by designating additional national scenic and historic trails and by authorizing, among others, a specific feasibility study of the historic Trail of Tears.

Our amendment would add language to this legislation to specifically designate Fort Mitchell, Ala., to be included in the feasibility study along with other associated forts and historic properties relative to the Trail of Tears.

The Fort Mitchell site, located 10 miles southeast of Columbus, Ga., and Phenix City, Ala.'s metropolitan area, has a rich cultural heritage which predates the arrival of European settlers. The Muscogee "Creek" Nation of various American Indian Tribes inhabited Fort Mitchell, Ala. during the early 1800's when historic records for the area first appeared. Historic Fort Mitchell was an active military frontier outpost and trading center from 1813 until its abandonment in 1840 and Fort Mitchell was used as assembly point for embarkation of the Creek Indian Nation along the Trail of Tears.

Fort Mitchell was added to the National Register of Historic Places in 1972 and we strongly feel that this historic fort should be specifically included as part of the Trail of Tears feasibility study.●

● Mr. LAGOMARSINO. Mr. Chairman, I am pleased to rise in support of H.R. 861 which is a major rewrite by the Interior Committee, of the National Trails System Act, designating additional national scenic and historic trails. This legislation is a refinement of a bill passed by the last Congress which includes my legislation authorizing a feasibility study for the designation of the Juan Bautista de Anza Trail as a national historic trail.

Mr. Chairman, Juan Bautista de Anza explored the American Southwest from 1775 to 1776. His expedition concluded with a journey through California orginating in Mexico and terminating in the San Francisco Bay Area. The route was commemorated in the 1976 Bicentennial reenactment of the California expedition. Juan Bautista is remembered for his important discovery of a workable overland route for settlement which contributed to the founding of San Francisco. Today, his route cuts through heavily developed urban areas providing important cultural and recreational opportunities for the surrounding metropolitan region.

In view of its historical and cultural values, I believe the route merits further study to determine its feasibility for national historic trail designation and whether or not it warrants inclusion in the National Trails System. Such a study would not only identify the potential of the de Anza Trail as a national historic trail, but additionally, may prompt the Secretary of the Interior to consult with the Mexican Government regarding the possibility of memorializing this historic trail in both countries.

Mr. Chairman, this final bill has received a great deal of valuable input from numerous parties interested in our Nation's historic trails, resulting in its broad-based support.

I urge all of my colleagues to join me in supporting H.R. 861.●

● Mr. REUSS. Mr. Chairman, I congratulate the House Committee on Interior and Insular Affairs, and particularly Chairman SEIBERLING of the Subcommittee on Public Lands and National Parks, for bringing to the floor this excellent bill to make our National Trail System even finer.

We in Wisconsin are particularly proud of our member of the National Trails System—the Ice Age Trail. After a quarter of a century of concerted effort by Federal and State Governments and by Wisconsin citizens, the Ice Age National Scientific Trail winds for a thousand miles from the sandy beaches of Door County on Lake Michigan, south past Milwaukee, west past Madison, then north and northwest to the St. Croix River border with Minnesota.

The Ice Age Trail was given national scenic trail status by the National Trail Act Amendments of September 1980.

For many years I have worked on the Ice Age Trail, along with thousands of other Wisconsinites. In the guidebook I wrote last year, "On the Trail of the Ice Age," is set forth how the trail makes contact with the moraines, kanes, eskers, drumlins, kettles, and other features of the Wisconsin glacier 10,000 years ago.

Where possible, the trail is built in national forest, State forests, State parks, county parks, county forests. But it also goes over some private lands—through the voluntary and generous cooperation of the owners. The permission granted to the Ice Age Trail Council by the landowner is generally an informal one and is revocable at will. Increasingly though, an effort is being made either to attract donations of the right-of-way needed for the trail—for which an attractive tax deduction awaits the owner—or, upon occasion, to purchase outright a narrow strip from the landowner for the benefit of the Ice Age Trail.

H.R. 861 will be of particular benefit to the Ice Age Trail in a number of ways.

The bill encourages volunteer groups to help develop and maintain trails by providing such groups with the equipment and tools they need. The volunteers do their work for nothing, but some yellow paint with which to blaze a tree, signs and directional indicators, clippers and saws to thin out the encroaching brush, will make their work easier. The Secretaries of Interior and Agriculture are encouraged to use the Volunteers in the Parks Act of 1969, the Volunteers in the Forest Act of 1972, and the Land and Water Conservation Fund Act of 1965 to assist in the volunteer effort.

Subsection 7(c) and section 209 of the bill authorizes the Government to provide for one trail interpretation site in each State for each listed national scenic or historic trail. These sites could well be located along historic features of a trail, and according to the subcommittee report "are to be a low-cost means of providing information about a trail." Wisconsin's Ice Age Trail has along it many such a historic site—where Father Jacques Marquette made the portage from the Fox to the Wisconsin Rivers; where John Muir lived as a boy at his family's glacial lake; where Aldo Leopold wrote his Sand County Almanac; where Thorstein Veblen's father cleared the glacial boulders from the farmstead; where Robert M. La Follette was born, where Carl Schurz fell in love with the Wisconsin landscape; where Frank Lloyd Wright gathered images for his architecture from the moraines and drumlins; where Alfred Lunt and Lynn Fontanne enjoyed their farm at Genesee Depot, Wis., right on the moraine.

Section 7(h) addresses the difficult problem of the liability of private landowners who allow the trail to cross their land. These generous people deserve protection against law suits brought by third persons. The bill encourages States and localities to enact laws protecting private landowners from unreasonable personal liability and property damage suits incurred by users of the trail.

Subsection 7(k) encourages the donation to the trail by private citizens of land and easements by defining the types of interest in lands that qualify

under existing Federal tax law for deductions when made for trail purposes.

Section 208 makes it easier to incorporate an abandoned railroad right-of-way into the trail, by providing that interim use of the railroad right-of-way for trail purposes does not constitute an abandonment if rail service should be feasible again at some time in the future. This will make the use of disused railroad rights-of-way much more readily available. On the Ice Age Trail, for example, long sections of abandoned Milwaukee Road, Northwestern Road, and Illinois Central rights-of-way will now become more firmly available.

H.R. 861 does many other fine things, such as establishing three new national scenic trails—the Potomac Heritage Trail, the Florida Trail, and the Natchez Trace Trail. It also gives recognition to two of our finest former members, the Harold T. "Bizz" Johnson Trail in California, and the Roy Taylor Forest in North Carolina.●

● Mr. PORTER. Mr. Chairman. I rise in support of H.R. 861, a bill to amend the National Trails System Act of 1968 to add new trails for consideration as part of the national trail network and to encourage volunteer participation in the development and maintenance of the system.

One trail included for study under this bill is the Illinois trail which follows the Illinois River and passes through the Illinois and Michigan canal corridor on its way to the Chicago Portage National Historic Site.

An exciting provision of this legislation is the encouragement of volunteers to do much of the work on the trails system. H.R. 861 would further the development of the national system while minimizing the burden on the Federal Government as well as the State and local governments with jurisdiction along the trail network.

In my own State of Illinois, volunteers have been active in canal restoration along the Illinois and Michigan canal corridor. At public meetings on the project, citizens expressed their willingness to continue to give their time to create a recreation area that would be used by residents and visitors alike. Volunteers have been the driving force behind this one example and without the commitment of the many dedicated citizens of Illinois, I do not believe the recreation corridor concept would have become a reality.

Therefore, I urge my colleagues in the House to join me in support of this important measure to strengthen our National Trails System through the use of volunteers while lessening the role of the Federal Government.●

Mr. SEIBERLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate having expired, pursuant to the rule, the clerk will now read by titles the substitute committee amendment recommended by the Committee on Interior and Insular Affairs now printed in the reported bill as an orginal bill for the purpose of amendment.

The Clerk read as follows:

H.R. 861

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—LIMITATION ON APPROPRIATIONS

SEC. 101. Authorizations of appropriations under this Act shall be effective only for the fiscal year beginning on October 1, 1982, and subsequent fiscal years. Notwithstanding any other provision of this Act, authority to enter into contracts, and to make payments, under this Act shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

TITLE II—AMENDMENTS TO THE NATIONAL TRAILS SYSTEM ACT

SEC. 201. This title may be cited as the "National Trails System Act Amendments of 1981".

SEC. 202. Section 2 of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1241 et seq.) is amended—

(1) in subsection (b), by striking out "the purpose" and inserting in lieu thereof "The purpose"; and

(2) by adding at the end thereof the following new subsection:

"(c) The Congress recognizes the valuable contributions that volunteers and private, nonprofit trail groups have made to the development and maintenance of the Nation's trails. In recognition of these contributions, it is further the purpose of this Act to encourage and assist volunteer citizen involvement in the planning, development, maintenance, and management, where appropriate, of trails.".

SEC. 203. Section 3 of the National Trails System Act is amended—

(1) by striking out "composed of—" and inserting in lieu thereof "composed of the following:";

(2) by redesignating paragraphs (a) through (d) as paragraphs (1) through (4), respectively, and by inserting "(a)" after "SEC. 3.";

(3) in paragraph (2) of subsection (a) (as so redesignated), by adding at the end thereof the following: "National scenic trails may be located so as to represent desert, marsh, grassland, mountain, canyon, river, forest, and other areas, as well as landforms which exhibit significant characteristics of the physiographic regions of the Nation.";

(4) in the fourth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "Act, are established as initial" and inserting in lieu thereof "Act are included as";

(5) in the fifth sentence of paragraph (3) of subsection (a) (as so redesignated), by striking out "subsequently"; and

(6) by adding at the end thereof the following new subsections:

"(b) For purposes of this section, the term 'extended trails' means trails or trail segments which total at least one hundred miles in length, except that historic trails of less than one hundred miles may be designated as extended trails. While it is desirable that extended trails be continuous, studies of such trails may conclude that it is feasible to propose one or more trail segments which, in the aggregate, constitute at least one hundred miles in length.

"(c) On October 1, 1982, and at the beginning of each odd numbered fiscal year thereafter, the Secretary of the Interior shall submit to the Speaker of the United States House of Representatives and to the President of the United States Senate, an initial and revised (respectively) National Trails System plan. Such comprehensive plan shall indicate the scope and extent of a completed nationwide system of trails, to include (1) desirable nationally significant scenic and historic components which are considered necessary to complete a comprehensive national system, and (2) other trails which would balance out a complete and comprehensive nationwide system of trails. Such plan, and the periodic revisions thereto, shall be prepared in full consultation with the Secretary of Agriculture, the Governors of the various States, and the trails community.".

SEC. 204. Section 4(b) of the National Trails System Act is amended—

(1) in clauses (i) and (ii) by striking out "Secretary of the Interior" and inserting in lieu thereof "appropriate Secretary";

(2) in clause (i), by striking out "agencies, and" and inserting in lieu thereof "agencies;";

(3) in clause (ii), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(4) by adding at the end thereof the following:

"(iii) trails on privately owned lands may be designated 'National Recreation Trails' by the appropriate Secretary with the written consent of the owner of the property involved.".

SEC. 205. (a) Section 5(a) of the National Trails System Act is amended by adding at the end thereof the following:

"(11) The Potomac Heritage National Scenic Trail, a corridor of approximately seven hundred and four miles following the route as generally depicted on the map identified as 'National Trails System, Proposed Potomac Heritage Trail' in 'The Potomac Heritage Trail', a report prepared by the Department of the Interior and dated December 1974, except that no designation of the trail shall be made in the State of West Virginia. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Washington, District of Columbia. The trail shall initially consist of only those segments of the corridor located within the exterior boundaries of federally administered areas. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Potomac Heritage Trail. The Secretary of the Interior may designate lands outside of federally administered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of the Interior.

"(12) The Natchez Trace National Scenic Trail, a trail system of approximately six hundred and ninety-four miles extending

from Nashville, Tennessee, to Natchez, Mississippi, as depicted on the maps entitled 'Concept Plan, Natchez Trace Trails Study' in 'The Natchez Trace,' a report prepared by the Department of the Interior and dated August 1979. The map shall be on file and available for public inspection in the office of the Director of the National Park Service, Department of the Interior, Washington, District of Columbia. The trail shall be administered by the Secretary of the Interior.

"(13) The Florida National Scenic Trail, a route of approximately thirteen hundred miles extending through the State of Florida as generally depicted in 'The Florida Trail', a national scenic trail study draft report prepared by the Department of the Interior and dated February 1980. The report shall be on file and available for public inspection in the office of the Chief of the Forest Service, Washington, District of Columbia. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Florida Trail except with the consent of the owner thereof. The Secretary of Agriculture may designate lands outside of federally administered areas as segments of the trail, only upon application from the States or local governmental agencies involved, if such segments meet the criteria established in this Act and are administered by such agencies without expense to the United States. The trail shall be administered by the Secretary of Agriculture.".

(b) Section 5(b) of the National Trails System Act is amended—

(1) by inserting "(1)" after "(b)";

(2) by inserting after the second sentence the following: "The feasibility of designating a trail shall be determined on the basis of an evaluation of whether or not it is physically possible to develop a trail along a route being studied, and whether the development of the trail would be financially feasible.";

(3) by striking out "The studies listed" and inserting in lieu thereof "Subject to paragraph (2), the studies listed";

(4) by striking out "Such studies, when submitted" and all that follows down through the colon and inserting in lieu thereof the following:

"(2)(A) If, during the course of conducting a study under this section, the appropriate Secretary determines that it is not feasible to develop a national scenic or national historic trail along the proposed route and that there is no significant need for such a trail, he shall submit a report containing such determination to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate. Unless a resolution of disapproval of the determination is adopted by either of such committees within the period of thirty calendar days of continuous session of Congress after the date of their receipt of the report, the Secretary may terminate further study of the proposed trail by publication of notice thereof in the Federal Register.

"(B) Before submitting any report under subparagraph (A) containing a recommendation against designation of a trail, the Secretary shall examine—

"(i) whether the route affords an opportunity to commemorate a significant event in the development of the Nation or the region or to memorialize an individual whose activities had a far-reaching effect on the development thereof, and

"(ii) whether any segments of the route have the potential to be developed as national recreation trails.

Based on such examination, any such report containing a recommendation against designation of a trail shall indicate whether the route provides an opportunity to memorialize or commemorate such an event or individual or whether any segments of the route could potentially be developed as national recreation trails, and, if so, shall contain suggestions for appropriate methods for carrying out the memorialization or commemoration or the trail development, including an estimate of the anticipated costs of each such activity.

"(C) For the purpose of this paragraph—

"(i) continuity of session is broken only by an adjournment of Congress sine die; and

"(ii) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

"(3) Completed studies, when submitted under paragraph (1), shall be printed as a House or Senate document, and shall include, but need not be limited to—";

(5) by redesignating paragraphs (1) through (10) as subparagraphs (A) through (J);

(6) in paragraph (3)(C) (as so redesignated), by inserting "16" before "U.S.C.";

(7) in paragraph (3)(I) (as so redesignated), by inserting "and" after the semicolon at the end of the paragraph;

(8) in paragraph (3)(J) (as so redesignated), by striking out "; and" and inserting in lieu thereof a period;

(9) by striking out "(11) to" and inserting in lieu thereof "(4) To"; and

(10) in paragraph (4) (as renumbered by paragraph (9) of this subsection) by inserting "exploration," after "commerce," in the first sentence of subparagraph (B).

(c) Section 5(c) of the National Trails System Act is amended—

(1) in paragraph (9), by striking out "Sante Fe" and inserting in lieu thereof "Santa Fe"; and

(2) by adding after paragraph (23) the following:

"(24) Juan Bautista de Anza Trail, following the overland route taken by Juan Bautista de Anza in connection with his travels from the United Mexican States to San Francisco, California.

"(25) Trail of Tears, including the associated forts and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma.

"(26) Illinois Trail, extending from the Lewis and Clark Trail at Wood River, Illinois, to the Chicago Portage National Historic Site, generally following the Illinois River and the Illinois and Michigan Canal.

"(27) Jedediah Smith Trail, to include the routes of the explorations led by Jedediah Smith—

"(A) during the period 1826-1827, extending from the Idaho-Wyoming border, through the Great Salt Lake, Sevier, Virgin, and Colorado River Valleys, and the Mojave Desert, to the San Gabriel Mission, California; thence through the Tehachapi Mountains, San Joaquin and Stanislaus River Valleys, Ebbetts Pass, Walker River Valley, Bald Mount, Mount Grafton, and Great Salt Lake to Bear Lake, Utah; and

"(B) during 1828, extending from the Sacramento and Trinity River Valleys along the Pacific coastline, through the Smith and Willamette River Valleys to the Fort Vancouver National Historic Site, Washington, on the Columbia River.

"(28) General Crook Trail, extending from Prescott, Arizona, across the Mogollon Rim to Fort Apache.

"(29) Beale Wagon Road, extending along United States Highway 66 (Interstate 40) through Arizona.".

(d) Section 5(d) of the National Trails System Act is amended—

(1) by inserting after the first sentence the following: "If the appropriate Secretary is unable to establish such an advisory council because of the lack of adequate public interest, the Secretary shall so advise the appropriate committees of the Congress."; and

(2) by redesignating paragraphs (i) through (iv) as paragraphs (1) through (4), respectively, and by amending paragraph (1) (as so redesignated) to read as follows:

"(1) the head of each Federal department or independent agency administering lands through which the trail route passes, or his designee;".

(e) Section 5(f) of the National Trails System Act is amended—

(1) in paragraph (1), by striking out "national recreational" and inserting in lieu thereof "national historic", and by striking out "and" after the semicolon;

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

"(3) a protection plan for any high potential historic sites or high potential route segments; and

"(4) general and site-specific development plans, including anticipated costs.".

SEC. 206. Section 6 of the National Trails System Act is amended—

(1) in the first sentence, by inserting "by the appropriate Secretary" after "marked"; and

(2) by striking out ": Provided" and all that follows through the period and inserting in lieu thereof the following: ", or, where the Secretary deems necessary or desirable, on privately owned lands with the consent of the landowner. Applications for approval and designation of connecting and side trails on non-Federal lands shall be submitted to the appropriate Secretary.".

SEC. 207. (a) Section 7 of the National Trails System Act is amended—

(1) by striking out "SEC. 7. (a)" and inserting in lieu thereof "(2)"; and

(2) by inserting the following immediately after the section heading:

"SEC. 7. (a)(1)(A) The Secretary charged with the overall administration of a trail pursuant to section 5(a) shall, in administering and managing the trail, consult with the heads of all other affected State and Federal agencies. Nothing contained in this Act shall be deemed to transfer among Federal agencies any management responsibilities established under any other law for federally administered lands which are components of the National Trails System. Any transfer of management responsibilities may be carried out between the Secretary of the Interior and the Secretary of Agriculture only as provided under subparagraph (B).

"(B) The Secretary charged with the overall administration of any trail pursuant to section 5(a) may transfer management of any specified trail segment of such trail to the other appropriate Secretary pursuant to a joint memorandum of agreement containing such terms and conditions as the Secre-

taries consider most appropriate to accomplish the purposes of this Act. During any period in which management responsibilities for any trail segment are transferred under such an agreement, the management of any such segment shall be subject to the laws, rules, and regulations of the Secretary provided with the management authority under the agreement, except to such extent as the agreement may otherwise expressly provide.";

(3) in the first sentence of paragraph (2) of this subsection (a) (as redesignated by paragraph (1) of this subsection), by striking out "thereof", and inserting in lieu thereof "of the availability of appropriate maps or descriptions", and striking out ", together with appropriate maps and descriptions"; and

(4) in the second sentence of such paragraph (2) of subsection (a), by inserting before the period "consistent with the purpose of this Act".

(b) Section 7(b) is amended—

(1) by inserting "of the availability of appropriate maps or descriptions" after "notice"; and

(2) by striking out "together with appropriate maps and descriptions,".

(c) Section 7(c) is amended by adding at the end thereof the following: "The appropriate Secretary may also provide for trail interpretation sites, which shall be located at historic sites along the route of any national scenic or national historic trail, in order to present information to the public about the trail, at the lowest possible cost, with emphasis on the portion of the trail passing through the State in which the site is located. Wherever possible, the sites shall be maintained by a State agency under a cooperative agreement between the appropriate Secretary and the State agency.".

(d) Section 7(f) of the National Trails System Act is amended by inserting "(1)" after "(f)" and by adding at the end thereof the following:

"(2) When a tract of land lies partly within and partly without a national scenic or national historic trail right-of-way, the appropriate Secretary may, with the consent of the owner thereof, acquire the entire tract. Land so acquired outside the right-of-way may be exchanged for non-Federal land within such right-of-way, and any portion of the land not used for such exchanges may be disposed of in accordance with the provisions of section 5 of Public Law 90-401. The proceeds from any such disposal shall be credited to the appropriation account bearing the cost of land acquisition for the affected trail right-of-way.".

(e) Section 7(g) of the National Trails System Act is amended in the last sentence by striking out "No" and inserting in lieu thereof "Except for designated protected components of the trail, no".

(f) Section 7(h) of the National Trails System Act is amended—

(1) by inserting "(1)" after "(h)";

(2) in the second sentence, by striking out "a national scenic or national historic trail" and inserting in lieu thereof "such a trail";

(3) by inserting after the second sentence the following: "Such agreements may include provisions for limited financial assistance to encourage participation in the operation, development, or maintenance of such trails, provisions providing volunteer in the park or volunteer in the forest status (in accordance with the Volunteers in the Parks Act of 1969 and the Volunteers in the Forests Act of 1972) to individuals, private organizations, or landowners participating in such activities, or provisions of both types. Such Secretary shall also initiate consultations with affected States and their political subdivisions to encourage—

"(A) the development and implementation by such entities of appropriate measures to protect private landowners from trespass resulting from trail use and from unreasonable personal liability and property damage caused by trail use, and

"(B) the development and implementation by such entities of provisions for land practices, compatible with the purposes of this Act,

for property within or adjacent to trail rights-of-way. After consulting with States and their political subdivisions under the preceding sentence, the Secretary may provide assistance to such entities under appropriate cooperative agreements in the manner provided by this subsection."; and

(4) by striking out "Whenever the" in the last sentence of such subsection and inserting in lieu thereof the following:

"(2) Whenever the".

(g) Section 7(i) of the National Trails System Act is amended by adding at the end thereof the following new sentence: "The Secretary responsible for the administration of any segment of any component of the National Trails System (as determined in a manner consistent with subsection (a)(1) of this section) may also utilize authorities related to units of the national park system or the national forest system, as the case may be, in carrying out his administrative responsibilities for such component.".

(h) Section 7 of the National Trails System Act is amended by inserting after subsection (i) the following:

"(j) Potential trail uses allowed on designated components of the national trails system may include, but are not limited to, the following: bicycling, cross-country skiing, day hiking, equestrian activities, jogging or similar fitness activities, trail biking, overnight and long-distance backpacking, snowmobiling, and surface water and underwater activities. Vehicles which may be permitted on certain trails may include, but need not be limited to, motorcycles, bicycles, four-wheel drive or all-terrain off-road vehicles. In addition, trail access for handicapped individuals may be provided. The provisions of this subsection shall not supersede any other provisions of this Act or other Federal laws, or any State or local laws.

"(k) For the conservation purpose of preserving or enhancing the recreational, scenic, natural, or historical values of components of the national trails system, and environs thereof as determined by the appropriate Secretary, landowners are authorized to donate or otherwise convey qualified real property interests to qualified organizations consistent with section 170(h)(3) of the Internal Revenue Code of 1954, including, but not limited to, right-of-way, open space, scenic, or conservation easements, without regard to any limitation on the nature of the estate or interest otherwise transferable within the jurisdiction where the land is located.".

SEC. 208. Section 8 of the National Trails System Act is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following:

"(d) The Secretary of Transportation, the Chairman of the Interstate Commerce Commission, and the Secretary of the Interior, in administering the Railroad Revitalization and Regulatory Reform Act of 1976, shall encourage State and local agencies and private interests to establish appropriate trails using the provisions of such programs. Consistent with the purposes of that Act, and in furtherance of the national policy to preserve established railroad rights-of-way for future reactivation of rail service, to protect rail transportation corridors, and to encourage energy efficient transportation use, in the case of interim use of any established railroad rights-of-way pursuant to donation, tranfer, lease, sale, or otherwise in a manner consistent with the National Trails System Act, if such interim use is subject to restoration or reconstruction for railroad purposes, such interim use shall not be treated, for purposes of any law or rule of law, as an abandonment of the use of such rights-of-way for railroad purposes. If a State, political subdivision, or qualified private organization is prepared to assume full responsibility for management of such rights-of-way and for any legal liability arising out of such tranfer or use, and for the payment of any and all taxes that may be levied or assessed against such rights-of-way, then the Commission shall impose such terms and conditions as a requirement of any transfer or conveyance for interm use in a manner consistent with this Act, and shall not permit abandonment or discontinuance inconsistent or disruptive of such use.".

SEC. 209. Section 10 of the National Trails System Act is amended—

(1) by inserting "(a)(1)" after "SEC. 10.";

(2) by striking out "(a) The" in the second sentence and inserting in lieu thereof "for the";

(3) by striking out "It is the express intent" and inserting in lieu thereof the following:

"(2) It is the express intent";

(4) in subsection (a)(2) (as designated by paragraph (3) of this subsection), by inserting "Appalachian" before "Trail"; and

(5) in subsection (c)—

(A) by inserting "(1)" after "(c)";

(B) by inserting before the period at the end of paragraph (1) (as designated by subparagraph (A) of this paragraph) ", except that funds may be expended for the acquisition of lands or interests therein for the purpose of providing for one trail interpretation site, as described in section 7(c), along with such trail in each State crossed by the trail"; and

(C) by adding at the end of each such subsection the following:

"(2) There is hereby authorized to be appropriated for fiscal year 1983 and subsequent fiscal years such sums as may be necessary to implement the provisions of this Act relating to the trails designated by paragraphs (9) through (13) of section 5(a) of this Act. Not more than $500,000 may be appropriated for the purposes of acquisition of land and interests therein for the trail designated by section 5(a)(12) of this Act, and not more than $2,000,000 may be appropriated for the purposes of the development of such trail. The administering agency for the trail shall encourage volunteer trail groups to participate in the development of the trail.".

SEC. 210. The National Trails System Act is amended by adding the following new sections at the end thereof:

"VOLUNTEER TRAILS ASSISTANCE

"SEC. 11. (a)(1) In addition to the cooperative agreement and other authorities contained in this Act, the Secretary of the Interior and the Secretary of Agriculture are au-

thorized to encourage volunteers and volunteer organizations to plan, develop, maintain, and manage, where appropriate, trails throughout the Nation.

"(2) Wherever appropriate in futherance of the purposes of this Act, the Secretaries are authorized and encouraged to utilize the Volunteers in the Parks Act of 1969, the Volunteers in the Forests Act of 1972, and section 6 of the Land and Water Conservation Fund Act of 1965 (relating to the development of Statewide Comprehensive Outdoor Recreation Plans).

"(b) Each Secretary may assist volunteers and volunteer organizations in planning, developing, maintaining, and managing trails. Volunteer work may include, but need not be limited to—

"(1) planning, developing, maintaining, or managing (A) trails which are components of the national trails system, or (B) trails which, if so developed and maintained, could qualify for designation as components of the national trails system; or

"(2) operating programs to organize and supervise volunteer trail building efforts with respect to the trails referred to in paragraph (1), conducing trail-related research projects, or providing eduction and training to volunteers on methods of trails planning, construction, and maintenance.

"(c) The appropriate Secretary may utilize and make available Federal facilities, equipment, tools, and technical assistance to volunteers and volunteer organizations, subject to such limitations and restrictions as the appropriate Secretary deems necessary or desirable.

"SEC. 12. As used in this Act:

"(1) The term 'high potential historic sites' means those historic sites related to the route, or sites in close proximity thereto, which provide opportunity to interpret the historic significance of the trail during the period of its major use. Criteria for consideration as high potential sites include historic significance, presence of visible historic remnants, scenic quality, and relative freedom from intrusion.

"(2) The term 'high potential route segments' means those segments of a trail which would afford high quality recreation experience in a portion of the route having greater than average scenic values or affording an opportunity to vicariously share the experience of the original users of a historic route.

"(3) The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Northern Mariana Islands, and any other territory or possession of the United States.

"(4) The term 'without expense to the United States' means that no funds may be expended by Federal agencies for the development of trail related facilities or for the acquisition of lands or interests in lands outside the exterior boundaries of Federal areas. For the purposes of the preceding sentence, amounts made available to any State or political subdivision under the Land and Water Conservation Fund Act of 1965 or any other provision of law shall not be treated as an expense to the United States.".

SEC. 211. Section 4(a) of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-6a) is amended at the end of the first paragraph by adding the following new sentences: "Notwithstanding any other provision of law, no Federal fee shall be imposed for entrance or admission to any national recreation area, any unit of the National Wild and Scenic Rivers System, or any unit of the National Trails System. Notwithstanding any other provision of law, effective June 1, 1981, no Federal fee shall continue to be imposed for entrance or admission to any unit of the National Park System at which the cost of collection of such fee exceeded the receipts collected in calendar year 1979 (as determined by the National Park Service report entitled 'Report of Entrance Fee Rates, Collections and Costs to Collect CY 1979' and dated May 13, 1980): Provided, That if the Secretary of the Interior, prior to April 1, 1981, makes a specific determination that fee collection will be reasonably necessary to protect park resources in an individual unit affected by this sentence, the Secretary may continue an entrance fee at that unit after providing notice of his intention to do so to the Committee on Interior and Insular Affairs of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.".

TITLE III—DESIGNATION OF THE "BIZZ JOHNSON TRAIL"

SEC. 301. The Congress finds that Harold T. "Bizz" Johnson, for twenty-two years a United States Representative from the State of California, should be afforded recognition for his deep appreciation and respect for the mountains, forests, rivers, and fertile valleys of northern California, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto. 'Bizz' Johnson took an early and leading interest in proposals to convert an abandoned railroad right-of-way in Lassen County to a twenty-five-mile trail to provide access to the undeveloped Susan River Canyon in the Sierra Nevada Mountains for hikers, horseback riders, cross-country skiers, handicapped individuals, and others. As Representative for the First Congressional District he worked with, and provided major assistance to, local groups, officials of the city of Susanville and the county of Lassen, the Bureau of Land Management, the Forest Service, and the Trust for Public Land in implementing plans for the project.

SEC. 302. The Susanville-Westwood Rails to Trails project described in a joint Bureau of Land Management/Forest Service Recreation Land Acquisition Composite, converting an abandoned railbed in Lassen County, California, extending from the county seat in Susanville westward twenty-five miles to Mason Junction, four miles from the community of Westwood, and traversing the Susan River Canyon, to a public recreation trail is hereby designated and hereafter shall be known as the "Bizz Johnson Trail". Any law, regulation, record, map, or other document of the United States referring to this trail shall be held to refer to the "Bizz Johnson Trail", and any future regulations, records, maps, or other documents of the United States, in reference to this trail, shall bear the name "Bizz Johnson Trail".

SEC. 303. The Secretary of the Interior is authorized and directed, in cooperation with the city of Susanville and the county of Lassen, State of California, to design and erect at a suitable location along the Bizz Johnson Trail an appropriate marker in commemoration of the outstanding contributions of Harold T. "Bizz" Johnson toward the protection of undeveloped scenic areas of northern California for the use and enjoyment of the American people, in perpetuity.

SEC. 304. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TITLE IV—ROY TAYLOR FOREST

SEC. 401. The Congress finds and declares that Roy Taylor, for sixteen years a United States Representative from the State of North Carolina, a member of the Committee on Interior and Insular Affairs, and chairman of the Subcommittee on National Parks and Recreation, should be afforded recognition for his deep appreciation, affection and respect for the mountains, forests, and streams of western North Carolina, and for his sustained efforts to protect areas especially suited to outdoor recreation and the enjoyment of nature, and to assure public access thereto.

SEC. 402. The thirty-nine thousand acres of forested mountain land within the Nantahala National Forest in Jackson County, North Carolina, commonly referred to as the Balsam-Bonas Defeat area, are hereby designated and hereafter shall be known as the "Roy Taylor Forest". Any law, regulation, record, map, or other document of the United States referring to this land shall be held to refer to the "Roy Taylor Forest", and any future regulations, records, maps, or other documents of the United States, in reference to this area of the Nantahala National Forest, shall bear the name "Roy Taylor Forest".

SEC. 403. The Secretary of Agriculture is authorized and directed, in cooperation with the county of Jackson, State of North Carolina, to design and erect at a suitable location in the Roy Taylor Forest area an appropriate marker in commemoration of the outstanding contributions of Roy Taylor toward the protection of public lands in western North Carolina and the Nation for the use and enjoyment of the American people.

SEC. 404. The Secretary of the Interior is authorized and directed to make designations regarding the Roy Taylor Forest area in publications produced for the Blue Ridge Parkway. The Secretary is further authorized to erect appropriate signs at a suitable location on the Blue Ridge Parkway to commemorate the contributions of Roy Taylor and the designation of the forest area authorized in this title.

SEC. 405. There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

AMENDMENT OFFERED BY MR. PHILLIP BURTON

Mr. PHILLIP BURTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIP BURTON: Page 8, delete lines 1 through 24;

Page 9, delete lines 1 through 24;

Page 10, delete lines 1 through 3;

Page 10, line 4, change "(5)" to "(3)" and renumber all of the following paragraphs on

page 10 which are currently numbered "(6)" through "(10)".

□ 1600

Mr. PHILLIP BURTON. This amendment, though in my view of little moment, is designed to eliminate any concern expressed by some with reference to the legislative veto. I am unaware of any opposition.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I have no objection to the amendment.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Chairman, I commend the gentleman from California for the amendment, and I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. PHILLIP BURTON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BRINKLEY

Mr. BRINKLEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRINKLEY, amending title II, section 205(c), item 25:

"Trail of Tears, including the associated forts, and specifically, Fort Mitchell, Alabama, and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma."

Mr. BRINKLEY. Mr. Chairman, actually I offer this amendment in behalf of my colleague from the Third District of Alabama, Mr. NICHOLS, who represents the area in question. And, of course, myself as a close neighbor, and as a party of interest because of the fact that the area in question is contiguous to the State of Georgia, the Third District of Georgia, which I have the privilege of representing.

Congressman NICHOLS has been detained momentarily because of the fact that he is chairman of the Personnel and Compensation Subcommittee which is presently dealing with the Armed Services Committee on the new revised GI bill which is of enormous consequence to the future of this country. So I am carrying on for him and, of course, in my own behalf.

Mr. Chairman, I am grateful to the fine work of the gentleman from Ohio, Mr. JOHN SEIBERLING, and his fine subcommittee, and also our counterparts on the minority side.

I do rise in support of H.R. 861, a bill which includes a provision to authorize a feasibility study for including the Trail of Tears under the National Trails System Act.

The Trail of Tears, which began in October 1838, was a sad, but historically important, chapter in America's frontier history. Fort Mitchell, Ala., played a significant role in this historic trail, for some on the tribes forced on the march were assembled at Fort Mitchell for the long trek westward.

To insure Fort Mitchell's permanent, rightful place in the Trail of Tears, my good friend from the great State of Alabama, BILL NICHOLS, and I today offer an amendment to include Fort Mitchell in the Trail of Tears study. The amendment reads as follows (amendment italic):

Amendment to Title II, Section 205(c), Item 25:

"Trail of Tears, including the associated forts, *and specifically, Fort Mitchell, Alabama,* and historic properties, extending from the vicinity of Murphy, North Carolina, through Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, and Arkansas, to the vicinity of Tahlequah, Oklahoma."

Fort Mitchell is rich in Indian heritage. Of special importance was the Oswichee council meeting held there, which resulted in a treaty of peace being signed in New York in August 1790 by President George Washington and Alexander McGillivary, head of the Creek Indian Confederacy.

The Lower Creeks and Yuchee Indians settled in the area, which served as the capital of the Creek Indian Nation. In 1805 a treaty with the Creek Indians permitted the Federal Government to open a horse path through their nation. The path was improved to become the famous Federal road from Washington to New Orleans—a much-traveled route. In the winter of 1813-14 came Gen. John Floyd and members of the Georgia Militia, who built Fort Mitchell as protection against hostilities of the Creeks. The fort was named for Gen. David B. Mitchell, Governor of Georgia.

Grave sites from the Creek Indian war and the Seminole war of 1818 are located there, as well as the remains of Indian countrymen, a Creek chief, and veterans of the Revolutionary War and the War of 1812. Col. John Crowell, Indian agent, whose agency headquarters were located at Fort Mitchell, is buried there, also.

From 1817 to 1820 the trading post for the southeast was at Fort Mitchell. In 1821 Bishop William C. Capers, of the Methodist Conference of South Carolina, established the Asbury Mission School for the Creeks, the first known educational project in the Chattahoochee Valley.

Fort Mitchell remained a military post until 1840.

Mr. Chairman, Fort Mitchell is a vital component of the Trail of Tears story, and I urge my colleagues to support this amendment, which seeks to guarantee its proper place in American history.

As an aside, Mr. Chairman, I note that the Veterans' Administration, contiguous to this site, is establishing the region IV cemetery for veterans within the southeastern region of the United States. This would in an important way complement this addition to this very important bill, and I urge the chairman to consider it and I urge my colleagues to accept it.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. BRINKLEY. I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. I want to commend the gentleman for his support of this amendment and for the statement he has just made.

I would like also to again extend recognition to the gentleman for his contribution to preserving our heritage and particularly to commend the gentleman for the work that he did in getting the Warm Springs preservation bill that we recently passed in the House put together to preserve the Franklin D. Roosevelt home at Warm Springs as a part of our national historic heritage.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. BRINKLEY) has expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. BRINKLEY was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman.

Mr. SEIBERLING. I think it takes on particular significance since the gentleman, since then, has informed his colleagues that he does not intend to run again for the House of Representatives. I know we are all going to be missing him a great deal. I think this is a good opportunity to pay tribute to his achievements and his contributions to our country in his service in this body.

I want to thank the gentleman again for his statement and for his support for these causes.

Mr. BRINKLEY. I thank the gentleman very much. I shall never forget the work of the gentleman from Ohio in helping me and the State of Georgia as well as the Nation in preserving an item of such importance as Warm Springs, Ga., and this present initiative of the Trail of Tears located at Fort Mitchell.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(At the request of Mr. YOUNG of Alaska and by unanimous consent, Mr. BRINKLEY was allowed to proceed for 2 additional minutes.)

Mr. YOUNG of Alaska. Will the gentleman yield?

Mr. BRINKLEY. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I, too, would like to compliment the gentleman on his amendment and rise in support of the amendment.

I would also like to compliment the gentleman on his tenure in the House and the work that he has done on this effort in bringing this to the Committee's attention. I again wish the gentleman good luck in his endeavors out in the great State of Georgia.

Mr. BRINKLEY. I thank the gentleman from Alaska, my longstanding friend, for those sentiments. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. BRINKLEY).

The amendment was agreed to.

The CHAIRMAN. Are there any further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WEISS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 861) to amend the National Trails System Act by designating additional national scenic and historic trails, and for other purposes, pursuant to House Resolution 358, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SEIBERLING. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 6, not voting 37, as follows:

[Roll No. 68]

YEAS—389

Addabbo	Dymally	Jones (TN)
Akaka	Dyson	Kastenmeier
Alexander	Early	Kazen
Anderson	Eckart	Kemp
Andrews	Edwards (AL)	Kennelly
Annunzio	Edwards (CA)	Kildee
Anthony	Edwards (OK)	Kindness
Applegate	Emerson	Kogovsek
Archer	Emery	Kramer
Aspin	English	LaFalce
Atkinson	Erdahl	Lagomarsino
AuCoin	Erlenborn	Lantos
Badham	Ertel	Latta
Bafalis	Evans (DE)	Leach
Bailey (MO)	Evans (GA)	Leath
Bailey (PA)	Evans (IA)	LeBoutillier
Barnard	Fary	Lee
Barnes	Fascell	Lehman
Beard	Fazio	Leland
Bedell	Fenwick	Lent
Beilenson	Ferraro	Levitas
Benedict	Fiedler	Lewis
Benjamin	Fields	Livingston
Bennett	Findley	Loeffler
Bethune	Fish	Long (LA)
Bevill	Fithian	Long (MD)
Biaggi	Flippo	Lott
Bingham	Florio	Lowery (CA)
Blanchard	Foley	Lujan
Bliley	Ford (MI)	Luken
Boggs	Ford (TN)	Lundine
Boland	Forsythe	Lungren
Bolling	Fountain	Madigan
Boner	Fowler	Markey
Bonker	Frank	Marlenee
Bouquard	Frenzel	Martin (IL)
Bowen	Frost	Martin (NC)
Breaux	Fuqua	Martin (NY)
Brinkley	Garcia	Matsui
Brodhead	Gaydos	Mavroules
Brooks	Gejdenson	Mazzoli
Broomfield	Gephardt	McClory
Brown (CA)	Gibbons	McCloskey
Brown (CO)	Gilman	McCollum
Brown (OH)	Glickman	McCurdy
Broyhill	Gonzalez	McDade
Burton, Phillip	Gore	McEwen
Butler	Gradison	McGrath
Byron	Gramm	McHugh
Campbell	Gray	McKinney
Carman	Green	Mica
Carney	Gregg	Michel
Chappell	Guarini	Mikulski
Chappie	Gunderson	Miller (CA)
Cheney	Hagedorn	Miller (OH)
Chisholm	Hall, Ralph	Mineta
Clausen	Hall, Sam	Minish
Clay	Hamilton	Mitchell (MD)
Clinger	Hammerschmidt	Mitchell (NY)
Coats	Hance	Moakley
Coelho	Hansen (ID)	Moffett
Coleman	Hansen (UT)	Molinari
Collins (IL)	Harkin	Mollohan
Collins (TX)	Hartnett	Montgomery
Conte	Hatcher	Moore
Conyers	Hawkins	Moorhead
Coyne, James	Heckler	Morrison
Coyne, William	Hefner	Murphy
Craig	Hendon	Myers
D'Amours	Hertel	Napier
Daniel, Dan	Hightower	Natcher
Daniel, R. W.	Hiler	Neal
Dannemeyer	Hillis	Nelligan
Daschle	Holland	Nelson
Daub	Hollenbeck	Nichols
Davis	Holt	Nowak
de la Garza	Hopkins	O'Brien
Deckard	Horton	Oakar
Dellums	Howard	Oberstar
DeNardis	Hoyer	Obey
Derrick	Hubbard	Ottinger
Dicks	Huckaby	Oxley
Dingell	Hughes	Panetta
Dixon	Hunter	Parris
Donnelly	Hutto	Pashayan
Dorgan	Hyde	Patman
Dornan	Jacobs	Patterson
Dougherty	Jeffords	Pease
Dowdy	Jeffries	Perkins
Downey	Jenkins	Petri
Duncan	Johnston	Peyser
Dunn	Jones (NC)	Pickle
Dwyer	Jones (OK)	Porter
Price	Schulze	Thomas
Pritchard	Schumer	Traxler
Pursell	Seiberling	Udall
Quillen	Sensenbrenner	Vander Jagt
Rahall	Shamansky	Vento
Railsback	Shannon	Volkmer
Rangel	Sharp	Walgren
Ratchford	Shaw	Walker
Regula	Shelby	Wampler
Reuss	Shumway	Washington
Rhodes	Shuster	Watkins
Richmond	Siljander	Waxman
Rinaldo	Simon	Weaver
Ritter	Skeen	Weber (MN)
Roberts (KS)	Skelton	Weber (OH)
Roberts (SD)	Smith (IA)	Weiss
Robinson	Smith (NE)	White
Rodino	Smith (NJ)	Whitehurst
Roe	Smith (OR)	Whitley
Roemer	Snowe	Whittaker
Rogers	Snyder	Williams (MT)
Rose	Solomon	Williams (OH)
Rosenthal	Spence	Winn
Rostenkowski	St Germain	Wirth
Roth	Stangeland	Wolf
Roukema	Stark	Wolpe
Rousselot	Staton	Wortley
Roybal	Stenholm	Wright
Rudd	Stokes	Wyden
Russo	Stratton	Wylie
Sabo	Studds	Yates
Santini	Stump	Yatron
Savage	Swift	Young (AK)
Sawyer	Synar	Young (FL)
Scheuer	Tauke	Zablocki
Schneider	Tauzin	Zeferetti
Schroeder	Taylor	

NAYS—6

Crane, Daniel	Goodling	Paul
Crane, Philip	McDonald	Smith (AL)

NOT VOTING—37

Albosta	Edgar	Mattox
Bereuter	Evans (IN)	Motti
Bonior	Foglietta	Murtha
Burgener	Gingrich	Pepper
Burton, John	Ginn	Smith (PA)
Conable	Goldwater	Solarz
Corcoran	Grisham	Stanton
Coughlin	Hall (OH)	Trible
Courter	Heftel	Whitten
Crockett	Ireland	Wilson
Derwinski	Lowry (WA)	Young (MO)
Dickinson	Marks	
Dreier	Marriott	

□ 1610

Mr. GOODLING changed his vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1630

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET WHILE HOUSE IS IN SESSION TOMORROW

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may meet while the House is in session tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CAMDEN, S.C., HISTORIC PRESERVATION

Mr. SEIBERLING. Mr. Speaker, pursuant to the provisions of House Resolution 448, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. SEIBERLING).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 146, with Mr. WEISS in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Ohio (Mr. SEIBERLING) will be recognized for 30 minutes, and the gentleman from Alaska (Mr. YOUNG) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there is no need to restate my remarks before the House on March 23, 1982, as to the historic value of this revolutionary battlefield at Camden, S.C., in particular, KEN HOLLAND'S role. However, I would like to clarify some misconceptions that have arisen.

First, let me say that the authorization in the bill is limited to no more than $250,000, a very small amount when considered in relationship to the local, State, and volunteer efforts to preserve the Camden area. I am advised that the local people have invested about $1.5 million already, and this small contribution by the Department of the Interior would provide great incentive to continue the fine job of preserving a historic site of national concern.

The administration report stated, and I quote: "Camden, South Carolina, contains nationally significant historic resources, and is listed on the National Register of Historic Places." I believe that statement confirms a nearly unanimous agreement as to the national value of the resource. That report further states that "modern features" have intruded on the site and, therefore, it is not suitable as a unit of the national park system. I agree. However, the local people have not asked for this area to be a unit of the national park system; they simply request some help to aid their efforts in removing the modern features and restoring the site.

The administration report adds that technical assistance is available to help State and local people in planning and research. The local people know that and have availed themselves of that help. They do not need a great deal more planning and research. They need a small amount of financial assistance to implement preservation efforts that are underway.

The report further notes that adequate authority to provide assistance to the people of Camden already exists. That is true, if we are only talking about technical assistance. We are not. We are talking about authorizing funds to help restore this resource.

Mr. Chairman, the people of Camden, and particularly Ms. Hope Cooper, have demonstrated great initiative by committing their time and money to preserving a nationally significant historic resource and, I believe, deserve the limited assistance provided for in this bill to aid them in preserving that resource for all of our Nation.

I urge my colleagues to support the passage of this bill.

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there has been some concern expressed over the merits of this bill.

As the ranking minority member of the subcommittee handling this measure, I want to point out that the administration does not endorse the bill, and I too, have had some earlier and continuing misgivings about it.

Since the time this same bill was brought to the floor last March, I have looked a little more closely at the circumstances of the issue here, and I must say that I now have even stronger doubts as to the merits of the bill.

I was not aware that so much Federal funding had already been devoted to this site—apparently almost as much or more than this bill now before us calls for again.

The further expense entailed, to be carved out of an already squeezed Federal budget, does begin to raise questions, particularly since so much of the expenditure is requested to be applied to completely new reconstruction, rather than to the preservation of actual historic remnants of the past.

I do want to point out that should this bill be enacted, a key point of decisionmaking from that point onward will be the provisions of the cooperative agreement, which by terms of the bill is to be consummated between the Secretary and the Camden historic preservation interests. The entire basis for the implementation of this bill, and the funding that could ultimately flow from it, is predicated upon the provisions to subsequently be included in this cooperative agreement.

Now, first of all, I understand the phrase "nationally significant historic resources" in the first sentence of this bill to mean that it is only historic resources of national significance which can directly benefit from any of the funding that may derive from the bill. It will, of course, be most important that the thrust of the cooperative agreement to be drawn up addresses the specific parameters of where and how technical assistance and funding will be applied at Camden.

It is well recognized by the study report developed on historic Camden and submitted to the Congress—following the mandate to do so under the provisions of section 401 of Public Law 95-629—that many of the historic resources in historic Camden are of less than national significance. Since the intention of this bill is to assist the preservation of those "nationally significant historic resources," that purpose must become a cornerstone of the cooperative agreement. With that element in place, I feel that the fears of the possibility of funds being misdirected to uses which are not related to national significant elements are greatly, if not almost totally, reduced.

Mr. Chairman, this general area of concern is the same one I raised in my comments on the bill the last time it was considered by the House in March.

The National Park Service will still retain strong control over the use of its technical assistance and funding made available through the provisions to be developed in the cooperative agreement, and it should exercise that responsibility seriously.

As a further thought, should there be some aspects of the historic preservation effort that are of marginal priority in the judgment of the National Park Service, I do not see what would prohibit the cooperative agreement from establishing a matching arrangement to apply to those features, at a match ratio to be made a provision of the cooperaive agreement.

Mr. Chairman, there are no further comments I want to make on this at this time.

Mr. Chairman, I yield to the ranking member of the full committee, the gentleman from California (Mr. CLAUSEN).

Mr. CLAUSEN. Mr. Chairman, when this same bill was on the floor in March, I voted against it. I had some concerns that the features to which the funds were to be devoted were of marginal significance, considering the great backlog of nationally significant historic and archaeological resources across the Nation which are in urgent need of protection and funding assistance.

I have since gained additional insights on this issue, however, and am now satisfied that the provisions of this bill insure that a process will follow which will assure that these funds will be properly applied in a professional manner.

There is no doubt but what the Camden site addressed by this bill is of national significance. There are quite major amounts of remaining original historic remnants of Revolutionary War days activities remaining on this site. All of them are surface or subsurface features as, due to the passage of time, all of the above-ground features have vanished.

A very significant amount of preservation and restoration work has been accomplished here already through the strong interest and commitment of local leaders and organizations. It is appropriate that the Interior Department continue to devote some assistance, as this bill provides.

Through the mechanism of a cooperative agreement between these local organizations and the Secretary of the Interior, as provided for in this bill, that assistance can proceed to assure the preservation and protection of this site's nationally significant historic resources.

Mr. Chairman, I am confident that the National Park Service, who will be implementing the provisions of this bill, will carry forward this intent in a dependably professional manner, and with that comfort, and again, considering the unquestioned national significance of the site, I, therefore, support the passage of this bill.

I do so after having been given the expanded historical perspective by the South Carolina delegation and, in particular, from Senator STROM THURMOND, who was good enough to provide these details:

As you may know, the town of Camden played a major role in the early development of the State of South Carolina and in the American Revolution. One of the pivotal battles in the conflict was fought nearby, and although the British were victorious, their late retreat from this town was one of the turning points in the War. The Camden Historic Commission, the Camden District Heritage Foundation, and other historical societies have worked long and hard to restore and preserve the historic areas of Camden. S. 146 is a very limited bill which authorizes the Secretary of the Interior to enter into cooperative agreements with these organizations to aid in the preservation and restoration of those areas. Thus, this bill would ensure the future enjoyment of the town's historical assets without the substantial expenditures which would have been necessary had Federal acquisition been required.

Mr. CAMPBELL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I am glad to yield to the gentleman from South Carolina.

Mr. CAMPBELL. Mr. Chairman, I rise in support of the bill.

We are all aware of the important role the town of Camden played in the Revolutionary War. It was occupied by the British from June 1780 to May 1781, and Andrew Jackson was imprisoned there to the end of the British occupation. Colonial generals such as Gates, Green, DeKalb, and British Lord Cornwallis are among the military leaders that concentrated their activities at or near Camden during the Revolution. The fall of Camden as a British stronghold was crucial to the eventual victory of our Nation. Few towns in this country are blessed with such a rich historic background.

Now we have the opportunity to assist in the preservation of this fine old town. The bill we are considering would authorize the Secretary of the Interior to enter into cooperative agreement or agreements with the Camden Historical Commission, Camden Heritage Foundation, or other appropriate groups to help in funding the protection, restoration, and interpretation of the historic Camden area.

Toward this end, several points should be emphasized:

First, the appropriations are limited to $250,000;

Second, the committee intends to carefully monitor the implementation of this legislation to assure compliance;

Third, the committee had determined that the costs incurred as a result of enactment of this bill will be minor, and this measure would have no inflationary impact on the national economy; and

Fourth, this bill would insure the future enjoyment of the town's historical assets without the substantial expenditures which would have been necessary had Federal acquisition been required.

Carl Sandburg once wrote that when a society perishes, one condition can always be found: They forgot where they came from. We are most fortunate to have this opportunity to remember and preserve "where we came from."

Mr. SEIBERLING. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina (Mr. HOLLAND).

Mr. HOLLAND. Mr. Chairman, I thank the chairman of the subcommittee for yielding me this brief amount of time.

I suppose it is appropriate, the first thing would be to thank the subcommittee on both sides of the aisle for the courtesy and assistance that we have had from every Member on this matter and to the gentleman from Arizona (Mr. UDALL) and the full committee I would like to say thank you.

This matter has been within the Congress for a number of years. It has had bipartisan support in the other body and in this body.

I think when the gentleman from Ohio (Mr. SEIBERLING) came down to visit this site, he became convinced, as those of us who have lived there for years are convinced, that it has a vast amount of significance as a national historical site. I want to thank the gentleman from Ohio for his interest in going those extra miles to bring this matter to this body today.

Now, I do not know that many Members of this body have ever been to this particular site, but briefly I would like to describe it. It is a small area within the city limits of Camden, S.C. It is visited by people from all over the Nation.

I have always been proud of it, because it shows the young people in our community down there where this Nation began and gives them a firmer hold on this great Nation as they study it through the history that is given to them in public schools down in South Carolina and other institutions of learning.

I thank my colleagues of the House, because they have been most kind and gracious in considering this matter. I think it is a matter that is of national significance. The Department of the Interior, I think, has had some minor reservations about the matter, but I believe they will support it now that we bring it to the floor today. It was passed in the other body under the sponsorship of Senators THURMOND and HOLLINGS without dissent, I understand.

So I ask my colleagues today to support this measure. It has been a long, hard effort by many people in the private sector. It demonstrates what this Government and our people in the private sector can do when they work together.

Mr. Chairman, I call on my colleagues today to give this matter an overwhelming yes vote, because the efforts of everybody, and my good friend, the gentleman from Ohio merit that we give it our complete and total support. It does not cost much money. I doubt that it will cost the entire amount of money being authorized by this bill.

89-059 O-85-32 (Pt. 7)

Again, I thank the chairman.

□ 1640

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HOLLAND. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for those kind and thoughtful words.

Mr. Chairman, I again wish to commend the gentleman for the initiative he has taken in this legislation. I think part of our problems in this country are that many of our people, particularly younger people, do not have the sense of our heritage that they need in order to have the pride and the confidence on our future that they need.

This contribution, which was initiated by the people of Camden and other parts of South Carolina, themselves, is an important contribution to preserving that heritage in the sense of what our country is all about and where we came from.

I think particularly the gentleman from South Carolina deserves that recognition because he has announced that he is not going to run again for reelection. The gentleman has made tremendous contributions in the House and to the country during his service here, and I personally, will miss him a great deal. I think this is a fitting tribute to his work in the House and I want to thank him for his efforts.

Mr. HOLLAND. I thank my friend, the chairman. I would simply say in closing, Mr. Chairman, in years gone by my own children have had the opportunity to spend a lot of days and a lot of hours on this site, and through the good wishes of the people of my district, I have had the opportunity to come to Washington and bring them here. So I hope millions of other young people will have that same opportunity to view where this Nation started, where it is today, and maybe have a lot more hope for where it is going in the future.

Again, I thank the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. YOUNG of Alaska. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

S. 146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in order to assist in the preservation of the nationally significant historic resources associated with the town of Camden, South Carolina, a key location in the development of South Carolina and in military operations in the South during the American Revolution, the Secretary of the Interior is authorized, in accordance with subsection 2(e) of the Act of August 21, 1935 (49 Stat. 666), to enter into a cooperative agreement or agreements with the Camden Historical Commission, the Camden District Heritage Foundation, or other appropriate public, governmental, or private nonprofit entities pursuant to which the Secretary may assist in the protection, restoration, and interpretation of such resources for the benefit of the public.

(b) Beginning October 1, 1982, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, but not to exceed $250,000.

Mr. SEIBERLING (during the reading). Mr. Chairman, I ask unanimous consent that the Senate bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WEISS, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 146) to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes, pursuant to House Resolution 448, he reported the Senate bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate bill just enacted.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 907

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 907.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

NATIONAL P.O.W./M.I.A. RECOGNITION DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 479) to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day," and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Speaker, reserving the right to object, and I do not intend to object, I will yield to the gentleman from New York (Mr. GARCIA) for an explanation of the legislation.

Mr. GARCIA. Mr. Speaker, essentially what it does is, there are a series of three or four M.I.A./P.O.W. bills that have been sponsored by Members on both sides of the aisle. What we are going to do, as soon as we terminate with this particular passage of House Joint Resolution 479, we are going to substitute a resolution which carries the name of the gentleman from California (Mr. DORNAN), the gentleman from Wisconsin (Mr. ASPIN), and the gentleman from Maryland (Mr. DYSON). It is an agreement that has been reached by the three Members, I think after consultation and after deliberation.

But essentially what the bill does is recognize the fact that there is a National P.O.W./M.I.A. Recognition Day, and the names of those persons who may still be presently incarcerated in Southeast Asia as an aftermath of the war in Vietnam.

Essentially, what we are trying to do is to recognize that that possibility exists.

Mr. WALKER. Mr. Speaker, I thank the gentleman and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 479

Whereas thousands of Americans have been captured by enemies or declared missing in action in wars in which the United States has been involved;

Whereas many American prisoners of war were subjected to cruel and inhumane treatment at the hands of their captors in violation of international law and convention;

Whereas many Americans died as a result of such treatment and, historically, those that survived continued to suffer to a far greater degree than other veterans of America's wars as a result of such treatment;

Whereas it remains uncertain whether those American soldiers who are still considered to be missing in action have died or are alive and such uncertainty causes hardship and suffering for their families;

Whereas the sacrifices of American prisoners of war, Americans missing in action,

and their families are deserving of national recognition; and

Whereas on the ninth of April 1942, American soldiers comprising the largest single group of such soldiers ever to fall into enemy hands were taken prisoner: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the ninth day of July 1982 and the ninth day of April 1983 shall be designated as "National P.O.W./M.I.A Recognition Day" and the President of the United States is authorized and requested to issue a proclamation each year calling upon the people of the United States to commemorate such day with appropriate activities.

Mr. DYSON. Mr. Speaker, it is certainly a pleasure and, indeed, a privilege to be the sponsor of House Joint Resolution 479, to provide for the designation of July 9, 1982 and April 9, 1983, as the "National P.O.W./M.I.A. Recognition Day."

Our Nation has endured the hardships of four major conflicts in this century to preserve America's freedom and ideals at home and abroad. During the course of these hostilities, 142,000 of our citizens were confined by enemies of the United States as prisoners of war. They are deserving of our highest accolades for their bravery and perseverance in the face of the perils and pressures of weeks—and often years—of captivity.

Mr. Speaker, President John F. Kennedy once said that: "A nation reveals itself not only by the men it produces but also by the men it honors, the men it remembers." We owe a continuing debt to those men and women who have put aside their lives to serve in the national interest. All across this land we should acknowledge this contribution. The benefits we enjoy as a great Nation are inextricably connected to the tremendous sacrifices that have been made in the past by the brave men we will honor with this resolution.

POW's and MIA's are perhaps the most deserving heroes America has today. Soldiers held captive by enemy forces in World War I, World War II, the Korean war, and the Vietnam war often suffered brutality and hardships far surpassing even the worst cruelty endured by the Americans held hostage in Iran. Their minds and bodies were often ravaged by inhumane treatment and neglect at the hands of their Japanese, German, North Korean, or Vietnamese captors. They lived with constant physical abuse and the worst form of mental torture; that of living at the total mercy of an enemy and depending on his goodwill for their lives. As most POW's can attest, that goodwill was often in short supply.

The men who served their country in the frontlines of battle or in dangerous enemy territory were the first to be killed or taken captive. POW or MIA immediately denotes men of a special quality—those with the bravery and determination to take the greatest risks and pay the highest prices for their beliefs.

The ordeal of the POW's and MIA's certainly did not end with the wars in which they fought. The aftereffects of starvation, disease, and torture linger today in the bodies and minds of so many of our POW's. Skin, respiratory, heart, and systemic diseases are abnormally frequent for them. For Americans held hostage by the Japanese, Koreans, and Vietnamese, anxiety neurosis and maladjustment are common problems. The suffering of these men continues today, so we cannot allow ourselves to forget their great sacrifices.

And perhaps for many men, the sacrifice and daily trauma of incarceration continues today at the hands of their captors, for there are over 2,000 soldiers labeled "Missing in Action" in Vietnam. The Vietnamese Government has been largely uncooperative in our attempts to account for these men. Perhaps they are still alive, left behind in Vietnam. The war may never end for some of our MIA's.

But the trauma of these missing soldiers is most strongly felt by their families and friends at home. Their families may never know what happened to the sons or husbands or fathers they loved. These unresolved questions are troubling, and deserve renewed investigation.

Mr. Speaker, we must never forget the sacrifice that our men in uniform have made to keep this country and the free world safe for democracy.

● Mr. GILMAN. Mr. Speaker, I rise in support of this legislation designating July 9, 1982, as National P.O.W./M.I.A. Recognition Day.

Few of us have to be reminded of the sacrifices that our prisoners of war and servicemen still missing in action have made in the defense of our Nation. There are 2,500 Americans still listed as prisoners of war or missing in action from the Vietnam war. Their families have waited through years of uncertainty for information on their whereabouts. The vigil continues for their loved ones and I think that it is fitting that our Government set aside a day on which formal ceremonies and commemoration will take place.

Traditionally, this day reminds our citizenry of the sacrifices that all prisoners of war and MIA's have made for our Nation. There are men still missing from the Korean war, and the First and Second World Wars. For many families, the knowledge of the fates of their loved ones would be far preferable to the uncertainty which is a result of war; but war's cruelty has not diminished with time.

In the past year, we have seen the return of four sets of remains from the nations of Southeast Asia. Most recently, the remains of Lt. Comdr. Nick Brooks were repatriated after Lao nationals presented them to our Embassy. After 12 years of agonizing uncertainty, the Brooks family now has the peace that knowledge brings, but for too many others, their vigil continues.

This legislation is the least we can do to keep the memory and vision of our prisoners of war and missing in action alive. I urge my colleagues to join in support of adopting this resolution.●

● Mr. ASPIN. Mr. Speaker, I would like to take this opportunity to express my support for House Joint Resolution 428, declaring July 9, 1982, and April 9, 1983, as National P.O.W./M.I.A. Commemoration Day.

This resolution honors the POW's and MIA's from both world wars, the Korean conflict, and the Vietnam war.

It is a declaration of this Nation's continuing debt to those Americans who have suffered at the hands of foreign enemies and to the sacrifices of their families and the families of those men whose fate remains unknown.

I believe this resolution is a fitting tribute from the American people in recognition of those who sacrificed their freedom so that ours would continue. There should never be a time in American history when the freedom for which they fought is not felt and appreciated.

As a point of reference, 142,307 American prisoners were taken and held captive by enemies of the United States during the wars of this century.

The citizens of the United States recognize that, in addition to sacrifices for their country on battlefields and in combat, former prisoners of war lost their freedom and did so under the most brutal and appalling conditions. This is a unique sacrifice in pursuit of the freedom that is America's highest and most valued precept.

I am proud to be a joint sponsor, along with Mr. DYSON, and I would like to take this opportunity to thank the chairman of the subcommittee, the gentleman from New York (Mr. GARCIA), and the resolution's 248 cosponsors for their help in bringing this measure to the floor of the House.

The passage of this resolution will make it profoundly clear that those Americans who have suffered at the hands of our enemies will always be remembered. The full committee's expeditious passage of this resolution is deeply appreciated so that our strong voice of concern is recorded on behalf of all POW's and MIA's.●

● Mr. DORNAN of California. Mr. Speaker, I am exceedingly pleased that after many months of deliberation we have finally agreed upon a bipartisan compromise regarding our men who are missing and may yet be alive in Southeast Asia.

It was a great honor when the National League of Families asked me as chairman of the House Task Force on American Prisoners and Missing in Southeast Asia to introduce this resolution on the ninth anniversary of the Paris Peace accords on behalf of our heroes who remain in Southeast Asia. I am encouraged that my two distinguished colleagues and I could join forces by merging our two resolutions, House Joint Resolution 385 and House Joint Resolution 428. It is a major victory for our brave men that such support was demonstrated on their behalf in the new bill House Joint Resolution 479. Now we can be assured that July 9, 1982, and April 9, 1983, are designated as National P.O.W./M.I.A Recognition Day.

At this time, I also want to thank my distinguished friend and colleague in the Senate, Senator S. I. HAYAKAWA, for introducing the Senate version of Senate Joint Resolution 160 earlier this year.

It is also appropriate at this time to reflect on the sacrifice and the hardship that the men, their families, and the American people have endured over the years that have passed since the Vietnam conflict.

We left something behind in that war—men being held as prisoners, and men missing in action. Now, 9 years after the signing of the Paris Peace Accords, we still do not know how many of these fine young men are alive and how many have since died. But, the public outcry for them is increasing daily. The efforts to remember those who were left behind was slow to gain a foothold at first, but the foothold seems to have been secured.

I continue to be encouraged by this administration's involvement in this area. I met with Deputy Assistant Secretary of Defense for Asian and Pacific Affairs, Richard L. Armitage, regarding his trip to Hanoi in February, and I am pleased that his delegation was successful in impressing upon the Vietnamese that this humanitarian issue is indeed of concern to the American people and that we will continue to press for an honorable resolution to this problem that has now been unresolved for over 9 years.

In the past few weeks hundreds of individuals have written to me from all over the country, and I have also been informed that 10,000 concerned listeners in the Greater Chicago area have taken the time to write a card or letter to National Security Adviser William P. Clark in care of WGN Continental Broadcasting Co.

I hope and pray that all of us will understand the necessity of putting sustained and increasing pressure on the administration to do more than investigate, but rather to pursue this matter.

These men have answered the call of duty in Vietnam for over two decades. I firmly believe that every single man among them dead or alive would have wagered anything or everything that they possess that this great Nation of ours would leave no stone unturned to learn the fate of those missing soldiers, sailors, and airmen.

We are speaking of our very best citizens. If we allow this missing-in-action issue to die in a slow and ignoble way, what are we telling our young men and women in unform today? What will we be telling our posterity?

In order to show the President and the administration that we in Congress are concerned with the POW/MIA problem, I introduced earlier this year House Concurrent Resolution 275. This measure concurs that it is the sense of the Congress that the problem of Americans missing in Southeast Asia as a result of the military conflict in Vietnam should be resolved as soon as possible and that the President of the United States should, first, take such action as he considers necessary to insure the release of all Americans who remain captive in Southeast Asia as a result of such conflict; and second, obtain from the Governments of Vietnam, Laos, and Kampuchea a complete accounting for all Americans who are missing in Southeast Asia including the return of the remains of each such American who died while in captivity. I hope you will join me and over 96 of our colleagues in cosponsoring this measure.

My fellow colleagues, I urge you to encourage your constituents to write officials in the executive branch. Our efforts in this area will not be complete until every last one of our men who remains unaccounted for has been released and the remains of those who have died have been returned to this Nation to which they devoted their lives.

In the next few days I will be sending the President a new letter, identical to the one I sent last October, requesting a meeting between him and the House Task Force on American Prisoners and Missing in Southeast Asia. I will send you a "Dear Colleague" requesting your support in this effort. We must be able to tell the American people that something is indeed being done to bring our men home.

Thank you, Mr. Speaker.●

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid upon the table.

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 160) to designate July 9, 1982, as "National P.O.W.-M.I.A. Recognition Day," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 160

Whereas the United States has fought in many wars;

Whereas thousands of Americans who served in such wars were captured by the enemy or are missing in action;

Whereas many American prisoners of war were subjected to brutal and inhuman treatment by their enemy captors in violation of international codes and customs for the treatment of prisoners of war and many such prisoners of war died from such treatment;

Whereas it is uncertain whether those Americans missing in action are alive or dead and such uncertainty has caused their families to suffer acute hardship; and

Whereas the sacrifices of American prisoners of war and Americans missing in action and their families are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That July 9, 1982, is designated as "National P.O.W.-M.I.A. Recognition Day", and the President of the United States is authorized to issue a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

MOTION OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. GARCIA moves to strike all after the resolving clause of the Senate joint resolution (S.J. Res. 160), and insert the provisions of the joint resolution H.J. Res. 479, as passed by the House.

The motion was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The title of the Senate joint resolution was amended so as to read: "To provide for the designation of July 9, 1982, and April 9, 1983, as 'National P.O.W./M.I.A. Recognition Day.' "

A motion to reconsider was laid on the table.

OLDER AMERICANS MONTH

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 82) expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate concurrent resolution.

□ 1740

The SPEAKER pro tempore. (Mr. MILLER of California). Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON RES. 82

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas acknowledgment would be given to older Americans for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities provide such acknowledgement of older Americans during the month of May: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That, in recognition of—

(1) the designation of the month of May 1982, as "Older Americans Month" by the President of the United States, and

(2) the repeated expression by the Congress of its appreciation and respect for the achievements of older Americans and its desire that these Americans continue to play an active role in the life of the Nation,

it is the sense of the Congress that the people of the United States should observe Older Americans Month with appropriate programs, ceremonies, and activities.

● Mr. DERWINSKI. Mr. Speaker, I rise in support of Senate Concurrent Resolution 82 designating the month of May 1982, as "Older Americans Month."

While 1 out of 9 Americans is now over age 65, in 50 years the number of Americans over age 65 will double to 55 million. This demographic shift will be caused by the aging of the postwar baby boom and medical developments that increase life expectancy. The ability and willingness of the elderly to continue to work and contribute to the quality of American life is very encouraging. Though we should all prepare for this dramatic change in demographics, we should not regard it as a problem or a burden. Instead, our Nation's elderly should be regarded as a vast natural resource. A wealth of wisdom, knowledge, and experience ready to be tapped.

Our Nation's senior citizens have made a major and lasting contribution to improving the quality of American life. While we should honor and thank our elderly Americans every day, we have traditionally set aside the month of May to pay special tribute to the accomplishments and contributions of our elderly citizens. President Reagan, on April 2, 1982, issued a proclamation designating the month of May 1982 as Older Americans Month.

I urge my colleagues to join with me in expressing our thanks to the elderly citizens during the month of May.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

WORKING MOTHERS' DAY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 53), to provide for the designation of September 6, 1981, as "Working Mothers' Day," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mrs. COLLINS of Illinois. Mr. Speaker, reserving the right to object, and I shall not object, but I did want to point out that just this past Sunday everybody gave special recognition to their mothers. I do think that it is appropriate as well to realize that many women have entered the working force, and those working mothers ought to have some kind of public recognition because of the double duties that they have.

I hope this resolution will pass.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 53

Whereas more than sixteen million American women are employed outside the home and have children under the age of eighteen;

Whereas these working mothers are making unique and substantial contributions, to both the growth of the economy and the strength of the American Family; and

Whereas working mothers deserve special recognition for fulfilling their exceptional responsibilities in the home and in the world of commerce: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating September 6, 1981, as "Working Mothers' Day", and calling upon families, individual citizens, labor and civic organizations, the media, and the business community to acknowledge the importance of the working mother and to express appreciation for her role in American society.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: On page 2, lines 2 and 3, after the word "designating" strike "September 6, 1981" and insert in lieu thereof "September 5, 1982".

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING THE SQUARE DANCE AS THE NATIONAL FOLK DANCE OF THE UNITED STATES

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 59) designating the square dance as the national folk dance of the United States, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. MINETA. Mr. Speaker, reserving the right to object, I will not object, but I just wish to commend our fine colleague, the gentleman from New York (Mr. GARCIA) for bringing this to our attention in an expeditious manner.

I rise on this occasion to recognize the dance known as the square dance as part of our national heritage. The square dance, which has been a favorite pastime of American people since the mid-1600's, links our present generation with the rich past of our pioneers. Since the beginning of our country's history, square dancing has brought together the customs, languages, skills, and dances of people from virtually every European country. When people first settled as ethnic groups they only danced in forms of their homeland. As people migrated West, they began to appreciate and share each others cultural dance. Not long after, a dance representing people from the many ethnic backgrounds emerged and became known as the square dance, obviously because of the position of the dancers. Because of its own traditions, such as the colorful costumes, oldtime music, and festive jubilees, square dancing has enhanced the cultural stature of the United States.

It is not just the square dance I would like to recognize today but the amazing spirit of the 6 million square dancers across the United States. As individuals and as a group, these enthusiastic people have shown their love of our great country and their love of life itself by expressing their neighborliness and their feeling for the past. In communities in more than 36 States these people promote wholesome recreation and lasting friendships for all ages. Young, old, and handicapped have the opportunity to

partake in the inspiring activity of square dancing.

By acknowledging this significant dance we are encouraging people, both nationally and internationally, to enjoy their heritage, their neighbors and themselves through involvement in square dancing.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York.

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 59

Whereas square dancing has been a popular tradition in America since early colonial days;

Whereas square dancing has attained a revered status as part of the folklore of this country;

Whereas square dancing is a joyful expression of the vibrant spirit of the people of the United States;

Whereas the American people value the display of etiquette among men and women which is a major element of square dancing;

Whereas square dancing is a traditional form of family recreation which symbolizes a basic strength of this country, namely, the unity of the family;

Whereas square dancing epitomizes democracy because it dissolves arbitrary social distinctions; and

Whereas it is fitting that the square dance be added to the array of symbols of our national character and pride: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the square dance is designated the national folk dance of the United States of America.

AMENDMENT OFFERED BY MR. GARCIA

Mr. GARCIA. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GARCIA: On page 2, line 4, after the word "America" insert, "for 1982 and 1983."

The amendment was agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL ORCHESTRA WEEK

Mr. GARCIA. Mr Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 145) authorizing and requesting the President to proclaim "National Orchestra Week", and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WEISS. Mr. Speaker, reserving the right to object, and I shall not object, I simply want to express my appreciation to our distinguished colleague from New York and his subcommittee and committee for the expeditious handling of this matter.

Mr. Speaker, as coauthor of House Joint Resolution 375, together with the gentlemen from Ohio (Mr. REGULA) I would like to thank my colleagues for their enthusiastic support of the resolution to designate the week of June 13 "National Orchestra Week." It reflects the Congress continuing commitment to recognize and support the arts as integral and essential elements of American life.

The arts provide spiritual nourishment during these tension-ridden times of economic recession and international conflict. The arts, once the province of the wealthy alone, are today available to us all. The American arts community has been singularly creative and resourceful in devising programs that bring the arts to all segments of our heterogeneous society. One important mission of the National Endowment for the Arts is to broaden the audience for the arts. Today, as a result of this enlightened national policy, families in small towns that might never have been able to hear a symphony orchestra in concert, can do so in their local schools. Professional dance companies perform, at no cost to the audience, in public parks. Beautiful murals adorn the walls of old buildings in many American cities. Not only do they make the environment more pleasing for those who live and work nearby, but they have even attracted the attention of European tourists who, with the help of a guidebook devoted exclusively to American wall paintings, come to see them firsthand.

America's symphony and chamber orchestras are a source of pride for us all. The United States has over 1,500 orchestras, more than any nation in the world. They are among our finest cultural and artistic resources and bring both enjoyment and inspiration to nearly every American community. Last year, more than 23 million Americans attended orchestra performances, while millions more listened to orchestras performing on tape, radio, TV, and records.

But, America's orchestras do not simply play fine music—they also serve their communities. Orchestra members teach students in schools and conservatories. In some areas, they provide the only music education that is available and so are, in large part, responsible for the training of future generations of musicians. Millions of school-age children's first exposure to symphonic music occur through the highly developed education programs of local orchestras, which feature youth concerts, in-school training programs, and demonstrations. Last year, more than 3 million young people across the Nation attended these programs. The New York Philharmonic's Young People's Concerts have been a New York City tradition since 1924. Many of my colleagues may remember enjoying their first taste of symphonic music in the late 1950's when the Young People's Concerts, led by Leonard Bernstein, were first televised.

I would like to recognize the American Symphony Orchestra League, the national professional service organization for America's orchestras, for its outstanding work supporting our orchestras and, in particular, for their assistance with House Joint Resolution 375. National Orchestra week will coincide with their annual convention and the Stravinsky centennial celebration. On June 17, at the National Cathedral in Washington, D.C., Leonard Bernstein and Michael Tilson Thomas will conduct the National Symphony Orchestra in an all-Stravinsky program.

Mr. Speaker, America's orchestras comprise a vital and integral part of our Nation's heritage. I am pleased that my colleagues share my pride in a great national treasure, our symphony and chamber orchestras.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. Res. 145

Whereas America's one thousand five hundred and seventy-two symphony and chamber orchestras are among our Nation's finest cultural and artistic resources, providing inspiration and enjoyment to more than twenty-three million people each year throughout the country;

Whereas America's greatest professional orchestras are internationally recognized as among the finest in the world, setting the standards of excellence against which other musical endeavors are measured;

Whereas America's orchestras serve their communities as total musical resources by supporting other arts activities and cooperating in joint artistic ventures;

Whereas America's orchestras cultivate a national musical heritage by nurturing young talent, providing opportunities for American-trained musicians and conductors, and promoting performances of American music;

Whereas America's orchestras educate the youth of the country by providing high quality music education through youth concerts, in-school demonstrations and training programs, and master classes;

Whereas America's orchestras reach diverse audiences beyond the concert hall through regional and national tours, free outdoor performances, and other special events;

Whereas the success of America's orchestras has been the result of a joint effort of skilled professionals and dedicated volunteers working together to promote and produce music in their communities; and

Whereas America's orchestras have grown in size and artistic quality during the past ten years, with the help of direct grants from the orchestra program of the National Endowment for the Arts: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning June 13, 1982, is designated as "National Orchestra Week", and the President of the United States is authorized and requested to issue a proclamation calling upon Federal, State, and local government agencies, interest groups and organizations, and the people of the United States to observe that week by engaging in appropriate activities and programs, thereby showing their support of America's orchestras and the arts.

● Mr. DERWINSKI. Mr. Speaker, I am pleased that the House is acting today on the resolution to honor America's orchestras, which make such a valuable contribution to our country's culture. As a cosponsor, I urge the House to approve the resolution so that the President can proclaim the week of June 13 to 19, 1982, as "National Orchestra Week."

The orchestras and ensembles which provide all of us with such fine musical enjoyment through their concerts also make many other contributions to their communities. Education programs, free concerts in parks and other special events are examples. The orchestras are also an inspiration to musical students throughout America.

The millions who enjoy these concerts and other activities which are offered by our orchestras will welcome the opportunity to honor the members of the orchestras which give us so much musical pleasure during this special week in June.●

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONGRATULATING HADASSAH ON ITS 70TH ANNIVERSARY

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate concurrent resolution (S. Con. Res. 62) to congratulate Hadassah, the Women's Zionist Organization of America, on the celebration of its 70th anniversary, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 62

Whereas Hadassah, the Women's Zionist Organization of America and the largest women's volunteer organization in the United States, was founded on February 24, 1912;

Whereas Hadassah, with three hundred and seventy thousand members in all fifty States and Puerto Rico, celebrates its seventieth anniversary;

Whereas its seven decades of service have contributed to the health and education of countless thousands of persons both directly and through the training of medicial personnel;

Whereas Hadassah created and maintains the world renowned Hadassah-Hebrew University Medical Center in Jerusalem, Israel, which is a living expression of the common humanitarian, social, ethical, religious, and scientific values and friendship shared between the peoples of the United States and Israel;

Whereas the Hadassah-Hebrew University Medical Center and its facilities have been made available to treat all peoples of the region regardless of religion, race, or nationality in the tradition of this oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen, because he is sick.";

Whereas Hadassah has striven to help promote democracy and create a better society for all peoples;

Whereas Hadassah's volunteerism in helping others, exemplified by its founder, Henrietta Szold, has provided inspiration and encouragement at a time when citizen groups are being urged to play a greater role in promoting the general well-being: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress congratulates Hasassah on its seventieth anniversary and extends its best wishes for many more decades of international humanitarian service.

● Mr. FORD of Michigan. Mr. Speaker, Senate Concurrent Resolution 62 which congratulates Hadassah, the Women's Zionist Organization of America on the celebration of its 70th anniversary, enjoys broad bipartisan support. In addition, it is supported by the sponsors of House Resolution 374, a similar proposal drafted by the gentleman from Pennsylvania (Mr. MCDADE). Further, an identical resolution has passed the Senate with 40 cosponsors.

As the largest women's volunteer organization in America, with 370,000 members, Hadassah has seven decades of remarkable achievement behind it. Hadassah has contributed to the health, education, and safety of countless thousands of people through its comprehensive program of medical research, treatment and social welfare.

Since World War II, under the auspices of the Jewish Agency for Israel, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from 72 lands. In addition to this rescue work, Hadassah established a comprehensive system of vocational education to train young men and women with useful skills.

Hadassah founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem, Israel. This center had established a tradition of excellence in teaching, research and treatment for all peoples of the region regardless of religion, race, or nationality on the basis of the oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen because he is sick."

Hadassah's contribution as a humanitarian service organization is especially significant at this time when citizen groups are being urged to play a greater role in promoting the general well-being. Through the dedicated work of its members, Hadassah has striven to help promote democratic ideals and create a better society for all peoples.

It is timely and appropriate to honor Hadassah by adopting this resolution.●

● Mr. DERWINSKI. Mr. Speaker, I am proud to be the chief sponsor, along with Chairman FORD, of this resolution congratulating Hadassah, the Women's Zionist Organization of America, on their 70th anniversary.

Hadassah is now the largest women's volunteer organization in the United States with a membership of 370,000. Over the years, the women of Hadassah have made a great contribution to the health of thousands of people, both directly through their volunteer work and through the medical personnel trained with their help.

In Jerusalem, the famous medical center founded and maintained by Hadassah symbolizes the humanitarian, religious, and ethical values which the United States and Israel share. People of all nationalities and religions are treated there.

With the emphasis of the Reagan administration on encouraging volunteer groups to take a more active role in our society, it is fitting that we pay tribute through this resolution to one our great volunteer organizations, Hadassah, whose members have served their fellow human beings so unselfishly for 70 years.●

● Mr. RITTER. Mr. Speaker, I rise in support of a resolution which I am cosponsoring to honor the 70th anniversary of Hadassah, the Women's Zionist Organization of America. It is fitting and appropriate that we pause and take the opportunity to recognize the contribution made by this impressive group of womem both in this country and internationally.

Hadassah was founded in New York on February 24, 1912, by Henrietta Szold, the eldest daughter of a Hungarian-born rabbi and his wife. Miss Szold was well known in the American Jewish community as an educator, journalist, editor, and active Zionist. In the 1890's she helped to organize a Zionist society in Baltimore and later, after moving to New York, she became actively involved in a women's Zionist study circle. In 1909 Miss Szold visited Palestine and saw the appalling health conditions under which the people lived. It was from this experience that the real evolution of Hadassah began

until today this group is over 370,000 strong and comprises one of the most organized and progressive humanitarian service organizations in this country.

Committed to caring for the needs of the underprivileged and downtrodden, this outstanding group has truly made the world a better place to live in the last 70 years, and while they have not been easy years, Hadassah has thrived on the challenge and difficulties inherent in human suffering and been successful. Hadassah has played a vital role in bringing this country closer to the commitment to peace in the Middle East and particularly closer to the preservation of Israel.

Primarily concerned about the health needs of individuals this organization has now branched out into a variety of different areas and serve the needs of everyone from educating the youth to providing social activities for the aging and elderly. Hadassah represents the best qualities of the human spirit, unselfish and dedicated humanitarian service to others with the goal of creating a better society and world.

I congratulate the members of Hadassah on their 70th anniversary and am deeply honored to represent hundreds of these impressive women in the Lehigh Valley of Pennsylvania. As a Congressman, I have worked with our Lehigh Valley chapters and have observed their deeds of good will and service many times. I look forward to a continued good working relationship and again extend my very best wishes to them on their special day.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

NATIONAL HOSPICE WEEK

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 170) to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week," and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 170

Whereas hospice care provided in the United States has demonstrated that it is possible for people who are nearing the end of life to have appropriate, competent, and compassionate care;

Whereas providers of hospice care are interdisciplinary teams of physicians, nurses, social workers, pharmacists, physical and occupational therapists, psychological and spiritual counselors, and other trained community volunteers;

Whereas hospice services are provided by volunteer teams on an unintermittent basis, tailored to the needs of each individual patient and patient family;

Whereas the hospice care concept has not had the national recognition necessary to cause general public awareness of an alternate care system for the terminally ill;

Whereas lack of national recognition has caused many hundreds of patients and patient families to suffer unnecessary physical, emotional, and spiritual pain and grief attendant on terminal illness; and

Whereas hospice care is a realistic alternative to unnecessary suffering that allows terminally ill patients and their families the opportunity to live and die in peace and comfort in an environment of personal individuality and integrity: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 7, 1982, through November 14, 1982, is designated as "National Hospice Week" and the President of the United States is authorized and requested to issue a proclamation calling upon all government agencies, the medical community, appropriate private organizations, and the people of the United States to observe the week with appropriate forums, programs, and activities designed to encourage national recognition and support for the hospice care concept as a realistic and humane response to the needs of the terminally ill.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GARCIA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the several matters just under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

UNITED STATES-CENTRAL AMERICA RELATIONS IN GREAT DIFFICULTY

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, on two occasions I have addressed the House with respect to the Central American situation, and once with respect to the emerging Argentinian-British situation. The Argentinian-British crisis has overshadowed and removed our attention from what has been happening in El Salvador, in Honduras, in Nicaragua, and to what is happening in Guatemala. But the most disturbing thing of all has been the failure to have my questions answered, questions addressed to the chairman of the Armed Services Committee, and to the Appropriations Subcommittee with respect to our involvement militarily in Central America. Now, it turns out that after the elections the very man who is responsible directly and indirectly for the murder of Archbishop Romero is heading that government, and our Government through our Ambassador is saying that it is going to recognize him and do business with him and let him have our aid and money. I cannot begin to report to this House the devastating effect that this has with respect to America's position with our neighbors south of us.

SENSE OF THE HOUSE RESOLUTION INTRODUCED OBJECTING TO ARBITRARY AND UNNECESSARY REDUCTIONS IN SOCIAL SECURITY

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous material.)

Mr. ALEXANDER. Mr. Speaker, I have joined with the gentleman from Florida (Mr. PEPPER), chairman of the House Committee on Aging, and the gentleman from Texas (Mr. WRIGHT), the distinguished majority leader, in introducing a resolution to express the sense of the House in objecting to arbitrary and unspecified reductions in social security benefits which have received President Reagan's blessing.

Mr. Reagan's support of the Senate budget recommendation, which includes a $40 billion cut in social security, is an affront to the senior citizens who believed him when he promised not to support cuts in social security.

As this resolution states, Mr. Reagan has made such promises at least twice. He has built false hopes of security for older Americans with the promise to exempt social security from budget cuts.

I urge my colleagues in the House to adopt this measure, which resolves that no reductions in social security benefits be a part of its budget resolution.

I insert at this point in the RECORD a text of the resolution.

H. RES. 457

Resolution expressing the sense of the House in opposition to arbitrary and unspecified reductions in social security benefits over the next three fiscal years

Whereas the social security system is vital to the well-being of the Nation's elderly, disabled, widows, and orphans and currently provides benefits to more than thirty-five million Americans;

Whereas the President on February 19, 1981, promised the American people that social security retirement benefits would be exempt from his administration's Federal budget-cutting plan, and be preserved in full, along with an annual cost-of-living in-

crease, as part of the Nation's "safety net" of Federal programs;

Whereas the projected shortfalls in social security are of a short-term, cash-flow nature, and should be addressed in a deliberative manner removed from the context of the Federal budget;

Whereas the Ninety-seventh Congress has recorded its opposition to social security cuts by its votes to restore the minimum benefit and to reject the President's May 12, 1981, plan to make deep and precipitous reductions in social security benefits;

Whereas the President on September 24, 1981, said that social security benefits were not being cut and that he would soon appoint a commission to study social security financing issues;

Whereas the President on December 16, 1981, established a National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the social security system;

Whereas the National Commission on Social Security Reform is charged with issuing its recommendations by December 31, 1982;

Whereas the House on December 16, 1981, passed legislation authorizing interfund transfers among three social security trust funds to provide that social security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider the recommendations;

Whereas the Senate Budget Committee on May 5, 1982, called for arbitrary and unspecified reductions of $40,000,000,000 in social security benefits over the next three fiscal years;

Whereas the President endorsed the action of the Senate Budget Committee in making a $40,000,000,000 unspecified cut in social security benefits: Now, therefore, be it

Resolved, That the House bind itself not to make any reductions in social security (old age, survivor, and disability insurance) protection or benefits as provided under present law as part of its budget resolution.

COLEMAN PROPOSES LEGISLATION TO COLLECT DEFAULTED STUDENT LOANS

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, I am today introducing two pieces of legislation addressing the continuing problem of defaults in the guaranteed student loan program. The combined effect of the legislation I am introducing will make it considerably more difficult for college students to evade their responsibility to pay back their student loans for education. It is estimated that passage of these two bills will result in an $80 million savings for the program.

Past GSL recipients have reaped the benefits of this program, and are now unwilling to pay any of the costs. They are depriving tomorrow's students of valuable loan moneys that would make their dream of college possible.

My first bill closes a loophole in the Bankruptcy Code through which thousands of guaranteed student loan borrowers have had their debt obligation to the Government canceled; even though these individuals have good jobs and a steady income.

These people have beaten out their loan obligations through chapter 13 of the Bankruptcy Code, which allows debtors to keep a substantial portion of their assets under repayment plans approved by the courts. Although chapter 13 is designed to encourage debtors with steady income to make partial repayment to their creditors, the courts are often allocating a very low repayment percentage to unsecured debts, such as student loans. Some bankruptcy courts routinely settle the student loan debts, which often amount in the thousands of dollars for just a few cents on the dollar. Courts in some States are even canceling the entire student loan debt for the payment of $1.

The guaranteed student loan program is intended to provide loans at low interest rates to needy students, not grants. This cheap evasion tactic is depriving the GSL program of moneys it could use to help needy students get loans for their education today and tomorrow. At a time when every education dollar is being stretched, I fail to see why these people should be able to walk away from their obligations.

My legislation applies the stricter existing standard for chapter 7 bankruptcy filings to chapter 13 filings seeking to forgive unpaid student loans. Under this legislation, repayment plans could no longer be devised to writeoff significant student loan debts. Providing for a stricter bankruptcy standard will save the GSL program from paying out approximately $25 million in defaulted loans.

My second bill allows the Internal Revenue to withhold any tax refunds due delinquent GSL holders who have made no attempt to settle their responsibility. The legislation simply directs the Secretary of Education to inform the Commissioner of the Internal Revenue Service of the amount of loan in default and authorizes the IRS to deduct the amount of a default from any refund check the defaulter may have coming. Student loan borrowers would be informed of the possibility of this procedure in the default notices sent to them by the Department of Education, and collection agencies.

Instead of getting a refund check, these people will receive a notification from the GSL program, stating their tax return moneys have been applied to their GSL debt. The savings estimated will be $55 million.

Mr. Speaker, passage of these bills are necessary if the integrity of the GSL program is to be preserved.

□ 1700

TRIBUTE TO THE LATE JOHN M. ASHBROOK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. LATTA) is recognized for 60 minutes.

Mr. LATTA. Mr. Speaker, I have taken this time to pay tribute to our former colleague and friend, JOHN ASHBROOK, who passed away suddenly in his hometown of Johnstown, Ohio, on April 24.

The untimely passing of JOHN ASHBROOK will be felt by countless of people throughout the Nation and especially by those in his congressional district and in the State of Ohio. JOHN'S integrity, courage, and dedication to principle served all of them well.

JOHN had many, many friends throughout the Nation, throughout the State of Ohio, his district, and in this body; he will be sorely missed.

President Reagan issued the following statement upon learning of Congressman ASHBROOK'S passing:

John Ashbrook was a man of courage and principle. He served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man. His patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him.

I valued John Ashbrook's friendship and will miss his wise counsel. Nancy and I join in sending our deepest sympathy to John's family.

With the passing of our friend and colleague, JOHN ASHBROOK, the cause of freedom everywhere has lost a noble spirit and a courageous champion. At such a time, it is difficult to express not only the depth of our affection for JOHN, but the larger meaning of his contribution to the lives of all those who knew and worked with him, as well as to the values we cherish as Americans.

No better expression of that contribution and of those values can be found than the words of JOHN'S friend of many years, Victor Lasky, in his moving eulogy delivered at funeral ceremonies in JOHN'S native Johnstown, Ohio.

I include Victor Lasky's eulogy and tribute to our colleague, JOHN ASHBROOK, in the RECORD at this point:

EULOGY FOR JOHN ASHBROOK

(By Victor Lasky)

(Memorial Service, First Baptist Church, Johnstown, Ohio, April 28, 1982)

In its coverage of the life of John M. Ashbrook, The New York Times quoted the Almanac of American Politics 1982 as describing John's twenty years in Congress as "almost a catalogue of lost causes."

Lost causes, indeed!

I've got news for The New York Times and the Almanac of American Politics.

John Ashbrook's ideas and his point of view took root in this country and came to fruition with the election of Ronald Reagan to the Presidency.

And just as important, John Ashbrook lived to see conservative ideas become fashionable. For there was a time when big media and the trendies in academia could not conceive of the possibility that their collectivist biases could be effectively challenged.

Those biases are being challenged in magazines like the New—I almost said the New Republic, but of course I didn't mean that one. I meant the National Review and the American Spectator and Human Events, all representing the finest in conservative ideas.

John Ashbrook was exhilarated by the battle of ideas. For he was an intellectual, in the best sense of that often-abused word. Having studied with professors like Arthur Schlesinger Jr. and John Kenneth Galbraith, John did the unusual Instead of turning towards the left, he turned right. John lived to see many young people in this country become interested in conservative ideas. He lived to see young people who admired John Ashbrook run for office. For there had been a time when, as our dear friend Bill Buckley once said, the conservative movement consisted of almost one individual, Johnny Ashbrook. The fact is that Johnny was a Reaganite, even before Reagan. John fought big government, big labor, the arrogance of big media and he always loved to taunt the good grey lady of West 43rd Street, the New York Times. He would insert a little column in the Congressional Record every now and then, reprinting something that the Times had said that John didn't like and he would label it "All the News Fit to Tint."

Now John was often called an obstructionist and worse things by our liberal friends, but he was not an obstructionist. He was a man who believed sincerely in the workings of the Congress and as his colleagues here could well tell you, he worked day and night, rarely leaving the House Floor to make sure that his friends on the other side of the aisle knew he was there. As Les Arends, then the Minority Whip, once told me, "The only time Johnny would vote 'yes' was to adjourn."

John was a partisan, deeply rooted in his ideas, principles and his objections to what the opposition had to offer, but he was never a mean man. He was in many ways what we in New York call a Mensch. He was a stand-up guy. He fought for what he believed, but he fought fairly. I recall just a year or so ago when we were discussing a Congressional colleague of his, the leader of a House Committee who had gotten into a ridiculous and stupid jam involving Abscam and John, although he opposed everything this man stood for politically, was brokenhearted because for many years he had worked with this man and loved him like a brother. They would fight on the House floor, they would fight in committee, but he said "I am going to support this man if I can," and he contributed to this man's campaign, defense campaign, not to his political campaign. I thought that was a stupid thing to do, because I thought it could be used against him, but he didn't particularly care. As a matter of fact over the thirty years I've known John, I don't think he listened to me once. And there was another Congressman who got into another sort of trouble. And yet John went out of his way to support his campaign for re-election. Again some of us said, "Look, you've got your own campaign to run. It's going to be a tough one." But he couldn't have cared less. He said, "This man is my friend. He asked for my help and I will help him." And he did so. Again he failed to listen to me, which was to his credit in many ways.

Yes, Johnny wanted to win. He was a partisan. But it would not be the end of the world, he often told me, if he should lose. He looked forward to the campaign this fall because he felt that it would be one of those historic battles of ideas—conservatism versus liberalism—and let the people decide, let them pick the philosophy they wanted most. But as he often said his greatest political asset—the best thing he had going for him—was the fact that he would rather be a printer. He would rather put out that little newspaper here in Johnstown, Ohio, than occupy the greatest office in the land if it meant that he had to trim his views. Because whatever else you might say about John Ashbrook, he was not a trimmer. He did not compromise his views. He felt strongly about his views and as he often said about his opponents, those he liked best, curiously enough, were those who stuck by their liberal convictions without compromise. He liked them because he himself stood for principle and as he often said, "I like people who have principles."

I first met John over thirty years ago because I was lucky enough to marry into the family. When I met him here on Main Street, he was covered with printer's ink. He had served in the Navy. How many of you realize that he had served with Admiral Byrd in the Antarctic? He didn't have any fancy job—he was a store clerk down there with the penguins. And he had just come out of Harvard where, as I have already noted, despite having studied under Arthur Schlesinger, he remained a young conservative.

Now John, as they say in French but I am not going to use the French expression, was a most serious man, but he did have a great sense of humor. I can remember in a speech during the Carter years when he told people in his audiences that he also had a brother named Billy, except that his brother Billy ran a bank and not a filling station. And I can remember when he tried to tease me by running an item in the Johnstown Independent in which he announced that a New York hood had come to town. And I can still remember, Billy, those wonderful days when we would meet at nine o'clock in the morning at the Cottage (I don't know what the restaurant is called now, but it's had fifteen owners since) and order coffee and doughnuts. We would solve the problems of the world and have lots of laughs in the process. This town has been America to me. A boy from New York meeting these wonderful people from Johnstown, Ohio. I was accepted by these people as one of their own. And I will never forget that. I appreciate it very much, Billy.

John often said, as Billy reminded me, "If laughter is the best medicine, we should all live a thousand years, because we've had a million laughs." And we've had a million laughs, and in John's memory we will continue to have a million laughs because that is the way he would have wanted it.

John lived to be 53 years of age. But as Doc Young, wonderful Doc Young, said in the paper this morning—in those 53 years Johnny Ashbrook did 106 years of work.

But it wasn't all work. He loved his family. I know. He loved his daughters Barbara, Laura and Madeline. And Jean's children, too, who consider themselves twice-blessed for having John as a second father. And there is Billy, of course, and Lucy and Leah, his sisters. And there is John's beloved mother, Marie, a tower of strength at a time of despair. And I can remember when I spoke at a bullroast for Johnny. It was always a family affair. They must have gotten the idea for the TV series "All in the Family" from the Ashbrooks. There was mama playing " Stout Hearted Men" on the organ. She kept going while I tried to speak. And Governor Reagan appeared at that time, but it was really, truly all in the family.

As President Reagan put it, "John Ashbrook's patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all those who knew him." And then, when Jean Ashbrook was called by the President just this past weekend after the President heard the terrible news at Camp David, Jean, sweet Jeanie, told the President, "Mr. President, he so wanted to be with you serving in the United States Senate, to help you fight your battles and to help you make this country great again. Mr. President, Johnny believed in you and valued your friendship for so many years. I know he loved you as he also loved his country."

And Johnny also loved his wife—dear, beloved Jeanie. Here is a special poem that they both loved. Jean asked me to read it to you. I don't know who the author is. It is entitled, "Alone."

There should be two words, dearest, one made up
Of all glad sounds that ever breathed on earth
Of all the ecstacies that fill joy's cup,
Of love and peace and happiness and mirth.
The other, like a weary, wailing sigh,
Full of sad tones in longing, hungry strain.
Hopeless, despairing, just a baffled cry
Of love and loneliness and blank, numb pain.
One I would love—the other I would fear.
There two words, chosen with consummate art;
One meaning we're alone together, dear.
The other meaning we're alone—apart.

John was our friend, a deep, caring friend. He was our brother, a compassionate brother.

He was also the light of our lives.

JOHN ASHBROOK was a conservative through and through, and even at a time when it was not popular to be a conservative, JOHN was not afraid to stand up against great political odds and speak what he thought was right. He was always a most articulate spokesman and a tremendous leader for the conservative cause.

Even though JOHN attended Harvard University where many of his professors were classified as liberals, JOHN was able to keep his conservative convictions and graduate with his principles intact. Upon his graduation from Harvard, JOHN attended law school at Ohio State University receiving a juris doctor degree. JOHN began his political career when he joined the Young Republican Club at Harvard.

JOHN holds the distinction of having defeated three Democrat incumbents in 10 years. In 1956, he was elected to the Ohio General Assembly, defeating an incumbent Democrat legislator. In 1960, he defeated a Democrat Congressman for national office; and after the redistricting in 1966, he defeated another Democrat Congressman, a 20-year veteran, as they had been placed for the same seat for the 17th District of Ohio. At the time of his death, JOHN was the leading candidate for the Ohio Republican Party's U.S. Senate nomination this year.

My wife, Rose Mary, joins me in expressing our deepest sympathy to JOHN's wife, Jean, and his three lovely daughters, Barbara, Laura, and Madeline. We all miss him greatly, but we are immensely proud of all that JOHN had accomplished and feel fortunate to have shared these few short years on Earth with him.

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Speaker, in sadness I join my colleagues today in paying tribute to our friend JOHN ASHBROOK. For 21 years JOHN faithfully served the people of the 17th District of Ohio, which adjoins my own 16th District.

JOHN stood out in our Ohio delegation as an activist for the conservative cause, a leading voice of conservatism in the Congress. He never wavered or compromised the integrity of his positions.

JOHN ASHBROOK was an idealist who never lost his idealism, a legislator who courageously fought for the principles he believed in.

As I mentioned in an earlier statement, I remember that last year, as we worked with the budget reconciliation legislation, his compassion for others was clearly evident as he, the ranking minority member of the Committee on Education and Labor, fought valiantly and, I might add, successfully, to strengthen programs for the handicapped and for those desiring vocational education.

The destiny which took JOHN from us smiled just long enough to allow him to enjoy seeing America adopt many of the conservative principles he so staunchly advocated during his political career.

JOHN loved the rural part of the Buckeye State he represented, which he often referred to affectionately as the real America. And the people of his expanded community obviously respected him and the quality of his labors in their behalf for they returned him to the Congress 10 times.

Shortly before he was struck down so tragically he made the decision to seek the office of U.S. Senator. Many qualities, including intellectual honesty and faith in America, had made him our party's foremost contender for this high office.

JOHN and I were born in Ohio and served together nearly 10 years in the House of Representatives. During that time and before, he gave of himself tirelessly in a manner that is an example of those who will follow as servants of the people. In fact, the last advice given to him by his physicians was to the effect that he was "not to work so many 120-hour weeks."

In the passing of JOHN ASHBROOK, Ohio has lost a respected public servant, we have lost an esteemed and cherished colleague. The Nation has lost perhaps its most articulate conservative spokesman.

On a personal note, I treasured the friendship of JOHN and will miss his wise counsel.

My wife, Mary, joins me in extending our deepest sympathy to Jean and JOHN's daughters in the loss of a loving husband and devoted father.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding and commend the gentleman, the dean of the Ohio delegation, for taking this special order in order that all of us may have an opportunity to pay a final tribute to JOHN ASHBROOK and his memory.

□ 1710

Mr. Speaker, it is doubly sad to note the passing from this body of one of our most experienced and courageous legislators, JOHN ASHBROOK of Ohio.

First, it is deeply saddening to reflect that JOHN was only 53 years old. Not only was he in the prime of his life, but because he came to Congress at such an early age, he was in the prime of his career as well. We mourn for his family and many Ohio friends who must feel unfairly deprived of one among their midst so loved, trusted, and depended upon.

Second, we shall keenly miss JOHN's participation in the Federal lawmaking process. His innate intelligence, his courage, his adherence to the highest principles of individual and professional conduct were individual qualities which surpassed even his special talents as a debater and as a political and public leader. JOHN ASHBROOK was tenacious and unyielding in holding to his convictions, and his virtues were part of a personal makeup, not techniques employed simply for political or even legislative advantage.

Mr. Speaker, it was my privilege to watch at close range as JOHN applied himself as a member of the House Judiciary Committee and the House Intelligence Committee upon which both of us have served. Congressman ASHBROOK's tenacity was always displayed in pursuit of an ideal, a goal, or a concept of Government or social policy which he revered to the exclusion of any petty, personal, or even partisan considerations.

The loss of any individual from this Chamber, whether by death or by choice or by the will of the voters, creates a vacancy which is felt by some or most of his or her colleagues. However, the loss of JOHN ASHBROOK as a colleague creates a large and special vacancy; he was a unique Member of the U.S. House of Representatives whose influence was substantial and whose character drew respect from all of us.

On behalf of my wife Doris and me, I extend deep sympathy to his widow, Jean and all members of his family.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, the paths of JOHN ASHBROOK and BILL YOUNG crossed many times during the last 25 years, and with each experience I gained a greater degree of respect for my friend and colleague.

We first met in 1957 during the National Young Republican Convention. As the Florida State chairman, I attended the convention where I was immediately impressed by JOHN ASHBROOK, and became involved in the successful effort to elect him national chairman, a position he served in for the next 3 years.

Following our successful first meeting, 3 years elapsed before we again combined efforts. In 1960, we both were coming off successful campaigns—JOHN was elected to his first term in Congress and I was elected to my first term in the Florida State Senate. Following our victories, we traveled throughout the country together, sharing the Republican philosophy with people throughout our Nation. It was during that trip that JOHN and I found out how close our ideological beliefs really were.

Ten years later, I was elected by the people of Pinellas County to serve in this body, where JOHN had already established his reputation after five terms in office. It comes as no surprise that JOHN was the first member I became closely associated with upon my arrival in Washington. For the last 3 years, we served side by side on the Permanent Select Committee on Intelligence, where we battled together for the passage of legislation to strengthen our intelligence community and protect our intelligence agents.

Throughout the quarter-century I knew JOHN, I saw him as a courageous leader. Despite the odds, he always stood firm for the position he felt was right. His prime motivation was to do what was best for the people of Ohio and our country.

The true measure of success of any elected official is the opinion held by

those he serves. JOHN was elected to this body 11 times by the people of Johnstown.

Their respect was evident 2 weeks ago when I traveled to Johnstown with the congressional delegation which attended JOHN's funeral services. Upon entering Johnstown, we first noticed the American flags placed everywhere to honor JOHN. Homes, businesses, and schools flew their flags at half-mast. These people without flag poles lined their sidewalks with flags on small wooden sticks.

Businesses closed for the day to honor JOHN, and many displayed large signs in remembrance of their hometown hero. At the church, several hundred people stood outside the overflowing building to pay their last respects.

Following the service, the procession route was lined with people. The town's firefighters and policemen turned out in uniform, saluting JOHN as the procession passed. Many knew JOHN personally others simply knew of JOHN's work, but all agreed that no one in their town, or State, was more respected.

When we arrived at the cemetery, the congressional delegation turned and watched as an endless stream of cars flowed into the cemetery for a chance to say one last goodby to their friend.

Some of us knew JOHN better than others, and while some had ideological differences of opinion, there was unanimity in the feeling of respect for our colleague who served in this body for 22 years. While we pay tribute to him here in the Chamber where he so honorably served, I cannot help but think that the greatest tribute of all was paid our colleague in Johnstown, Ohio, where the people who knew him best, his friends and neighbors, turned out to say goodby to the man they loved.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I would like to commend the gentleman from Ohio, the dean of the Ohio delegation, for taking out this special order for our friend, Congressman JOHN ASHBROOK.

Mr. Speaker, it is with great sadness, yet equally magnanimous admiration and deep respect, that we pay tribute in this special order to one of our fellow legislators and good friend, JOHN MILAN ASHBROOK.

President Reagan aptly characterized JOHN with his statement a few weeks back:

> (Congressman Ashbrook) was a man of courage and principle who "served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man."

Our President went on to say that—

> (John's) patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him.

We greatly honor Congressman ASHBROOK by describing him as a man who believed strongly in the principles on which our great Nation was founded: a nation under God, respect for individual rights, and the often-forgotten freedoms and liberty blessed to our country.

The loss of JOHN ASHBROOK is great: to his wife, Jean, and family, to the citizens of Ohio, and America; to his many friends in Congress, and elsewhere; but, also to the conservative movement for which JOHN devoted much of his life.

Since he was first elected to this body 22 years ago, JOHN demonstrated the kind of spirited leadership on a wide range of conservative issues that left him recognized as one of the standard-bearers of a philosophy shared by many of us.

JOHN also was a devoted Republican who kept his party faithful to its own principles. In criticizing a former Republican administration for failing to honor its campaign promises, JOHN once said:

> I still believe it is in the best American tradition to speak out, even when it is in criticism of your party's actions. I have not and will not shrink from that role, regardless of the consequences.

The son of William Albert Ashbrook, a Member of Congress himself, JOHN M. ASHBROOK never failed to speak his mind in the variety of occupations he held.

He was an attorney who held a position as a special counsel to the Ohio Attorney General. He served as an assemblyman in the Ohio State Legislature. He was one of the founders of the American Conservative Union. He was a newspaper publisher. He was campaign chairman of the Young Republican National Federation. He served in a number of leadership roles in individual rights and freedom advocacy organizations, and he served our Nation as an outspoken patriot who was a strong believer in the paramount values of our free and open system in America.

When he first ran for national office, he told the citizens, of Ohio's 17th Congressional District to beware of "unbridled national power with a resultant loss of individual freedom and autonomy." He warned the voters of the "State planners, the economy wreckers, the spenders, the destroyers of local government" who "weave a web of socialistic control over us."

JOHN spoke as he believed, in this body and elsewhere, with a spirit and style that left no one in doubt of where he stood on the issues.

A biographer from Human Events described JOHN as "big (over 6 feet) and handsome, a sandy-haired man * * * who lives and works with an intensity to make the average man breathless."

"My greatest asset," he once told a Wall Street Journal interviewer, "is that I'd rather be a printer. So I don't have to worry that much about a poltical future and I don't have to trim."

We will all recall JOHN M. ASHBROOK as a man who stood tall for the principles which he strongly endorsed, who did not back down but called the shots as he plainly and honestly saw them. As a fellow conservative and associate of JOHN, I know that I will miss his always activated presence, his tremendous grasp of the parliamentary procedures, his forthrightness, and the integrity and livelihood he added to the conservative movement in our Nation.

There were not many issues that JOHN did not influence with his bold words, and few people have stood as firmly for America as JOHN did.

We will all miss JOHN MILAN ASHBROOK. My deepest sympathies are extended to his wife Jean, his family, his many friends and followers.

□ 1720

Mr. KINDNESS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding and for arranging for this special order in memory of our departed colleague this afternoon.

The Ohio news service on May 3 wrote these words about JOHN ASHBROOK, saying:

> Farewell, John Ashbrook. No one we have ever known has enjoyed the frantic give and take of political decisionmaking and campaigning with as much good humor and grace as John Ashbrook. He knew what he believed and knew how to communicate those beliefs to his constituency, whether the national conservatives or Ohio's big 17th Congressional District. No cause was ever lost to him as long as there was another day. We join the sadness of the many who wish his days were not over.

Mr. Speaker, our departed colleague, JOHN ASHBROOK, was a man of many aspects and I choose to remember him particularly as a man of purpose.

There is very little that anybody who knew him could recall that JOHN did aimlessly. He had purpose before him and beside him in practically all he did during the years in which I at least had the opportunity to observe him and share activity and friendship.

Many have heard JOHN ASHBROOK say, "There goes one of the great Americans," within the hearing of the person so complimented. And indeed that was meant as a compliment.

Even that expression had its purpose for JOHN.

JOHN liked to encourage people. Nothing could be dearer to JOHN ASHBROOK's public heart than the encour-

agement of patriots to greater heights of patriotism.

Much of JOHN's life was purposefully devoted to his attempts to make our Nation greater, stronger, and better as a nation of free people in a free enterprise economy.

In the loss of our friend and colleague we suffer the loss of a great patriot.

While extending great sympathy to Jean and JOHN's daughters and all of his friends and family, I find my thoughts of JOHN summarized and concentrated in the expression, "There goes one of the really great Americans."

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding. I also wish to express to my colleague, the gentleman from Ohio (Mr. LATTA), the appreciation of all of us for setting this time aside so that those of us who have served with JOHN ASHBROOK will have an opportunity to talk about some of the things that we so appreciated in the leadership and service that he brought to this House of Representatives. JOHN ASHBROOK brought a sense of dedication to his job and to the service of constituents that all of us hope most sincerely we can achieve that same level of excellences.

As has already been described so eloquently by some of our other colleagues, the memorial services in JOHN's hometown of Johnstown were impressive, not that we did not know that so many of his constituents knew and loved him, but that the outpouring that occurred on that day as we drove to and from the funeral, as we went to the cemetary, was so overwhelming, as stated by our colleague, BILL YOUNG, because there was just a natural outpouring of so many of the citizens in the town of Johnstown. Flags were indeed displayed everywhere the eye could see.

All of those items were proof positive that the people there not only knew him and loved him but appreciated the way he had served them here in the House of Representatives.

The local newspaper, which he published, I thought interestingly enough on April 28 used a quote from Daniel Webster, which I think clearly stated what we have all come to know about JOHN ASHBROOK. The statement of Daniel Webster went:

> I was born an American, I live an American, I shall die an American, and I intend to perform the duties incumbent upon me in that character to the end of my career.

That is certainly what JOHN ASHBROOK did in his service to his country, to his constituents, to this House of Representatives, which he loved so much, and in which he was so much a part and participated.

There was a unique quality of JOHN that was the central theme of the moving eulogy delivered at his funeral in Johnstown, Ohio, by many of his friends, and as already stated by our colleague, DEL LATTA, Victor Lasky, who was a major part of this moving service, stated it in such perfect ways, when he said:

> John was a man who deeply and sincerely believed in the workings of Congress. He was a man dedicated to the idea of individual liberty, a representative of the people who trusted in their wisdom but distrusted big government with all his soul. He worked day and night on behalf of these principles, rarely left the House floor and always made sure that his friends on the other side of the aisle knew he was there. As Les Arends, once the Minority Whip, once put it, "The only time Johnny would vote yes was to adjourn."
>
> Yes, John was deeply rooted to his principles, Victor Lasky continued in his eulogy, but he was never a mean man. He was what we in New York call a "mensch"—a stand-up guy who fought for what he believed, but always fought fairly. I recall, just a year or so ago, we were discussing a Congressional colleague of his who had gotten into trouble involving the Abscam investigation, and although John opposed everything this man stood for ideologically, he was broken-hearted because for many years he had worked with this man and loved him like a brother. They would fight on the House floor. They would fight in Committee. But John said, "I'm going to support this man if I can", and contributed to his colleague's defense fund.

Victor Lasky went on to say:

> And there was another Congressman who had gotten into some other sort of trouble, and dispite the risk to his own career, John went out of his way to support that colleague in his time of need. Many of John's friends, myself included, advised him to be prudent and cautious, to consider his own political interests, but that wasn't John Ashbrook's way. He said, "This man is my friend, and I'm going to help him." In short, just as John didn't compromise his political beliefs on behalf of self-interest, he didn't compromise his friendships. To him, friendship was a deep and meaningful thing.
>
> John was a conservative, a fierce adversary in the political field, Victor Lasky continued, but he was able to maintain his friendship with his colleagues across the aisle—no matter how deeply he disagreed with them—because above all, he liked people who stand by their principles. He was exhilarated by the clash of ideas, and he understood that the free, open clash of ideas is the essence of the American way.
>
> As President Reagan has said, "John Ashbrook's patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate call for a return to old-fashioned American values earned him the respect of all who knew him."

It is true that he stood very, very firmly for those things in which he really believed and was unwilling to trim his sails just for the sake of convenience.

As a matter of fact, as others have pointed out, or may point out, when once discussing a congressional colleague of his, who had gotten into trouble involving the Abscam investigation, and although JOHN ASHBROOK was very much in opposition to what this individual stood for ideologically, he, JOHN ASHBROOK, was indeed brokenhearted because for so many years he had worked with this individual and had come to appreciate what he did on the House floor, even though he disagreed with him all the time.

And he, JOHN ASHBROOK, then contributed to this colleague's defense fund, not because again he condoned what he had done, but because he realized that he had fallen into the trap of easy activity, I guess you would put it, but he still felt the gentleman needed an appropriate defense.

I can remember in my association with JOHN ASHBROOK, which goes back to Young Republican days, where he served, believe it or not—and some of my colleagues might not have known he was active in the Young Republican Club at Harvard—JOHN ASHBROOK was even then a unique political activist. There were not too many of them then at Harvard when he joined and helped participate in that club, but then JOHN never backed away from tough assignments.

Many of my colleagues know, he was chairman of the Young Republican National Federation from 1957 to 1959, and when he ran for that office he was unopposed, which is one of the few times that has occurred in that national organization. But the reason was because he was so well known even then as such a vigorous advocate of conservatism and for his own point of view and people appreciated that leadership that he showed even back in those days, many days ago.

I do not have to convince this House as to what an outstanding advocate of conservative principles JOHN ASHBROOK was, and I know it is a high target, a high symbol for which we can all hope that we work as aggressively as he did for the ideas in which he believes—and he debated any time almost any place some of the strongest liberal advocates of the time, Hubert Humphrey, John Lindsay, John Kenneth Galbraith, all of those people as advocates he was willing to face on radio, television, and in any public forum.

He may not have been as articulate as the others, but was always willing to be there to debate the issues in a positive way.

Through all of this, JOHN ASHBROOK maintained a sense of humor that was so helpful to relieve some of the tensions that sometimes existed.

I never will forget when JOHN and I were first elected in the 1960 elections. After we both had arrived here, to look for offices and finally found them, he called me one day to come to his office, because he wanted me to meet a friend, he said, from Ohio. The friend happened to be George Koch,

whom I was meeting for the first time. But JOHN and his wonderful sense of humor introduced George Koch who at that time was representing Sears and Roebuck in a very different way. He said, "John, come in. I want you to meet so and so," and he gave him a different name and said, "He represents the Retail Clerks Union, and you know who they are." I started right off without hesitating, before JOHN could interrupt, to accost George Koch, who I did not know was representing Sears, thinking he was representing the Retail Clerks Union. At that particular moment in time the Retail Clerks Union had a major disagreement with Sears and Roebuck. And I began a verbal barrage of accusations as to where they were being so unfair to this fine retail firm. Neither JOHN nor George Koch interrupted me but let me go on forever and ever—as I tend to do, as my colleagues all know—before JOHN finally interrupted me and explained to me that George Koch was really a good and close friend who represented the free market point of view. But this was his way of introducing me to a good and close friend. So I would not forget him—and I did not.

Let me quickly review his outstanding record of achievements:

Young Republicans: Joined the Young Republicans Club at Harvard and on return to Ohio following graduation became active in Licking County and Ohio State Law School YRs. Chairman of Licking County YR Club, 1953-55. Chairman, Ohio League of Young Republicans Clubs, 1955-56. Chairman Young Republican National Federation, 1957-59, only unopposed candidate for that office in organization's history. Recipient of many awards and citations for leadership in area of working with youth.

Republican organization: Member of Licking County Republican Central Committee since 1954, having served as precinct committeeman in Johnstown, Ohio since that time. Chairman, Licking County Republican Central Committee, 1956-60. Attended 1956, 1960, 1964 and 1968 Republican National Conventions as a Delegate or Alternate, Candidate in New Hampshire, Florida and California primaries for President in 1972. Presently a member of Ohio Republican State Central Committee for 17th District.

Elected office: Holds distinction of having defeated three Democrat incumbents in 10 years. In 1956, elected to Ohio General Assembly, defeating incumbent Democrat legislator. In 1960, defeated Democrat congressman in his first bid for national office. After redistricting in 1966, defeated another Democrat congressman, a 20-year veteran, when the two were placed in the same district.

In 1956, he was the next to the youngest legislator in the Ohio General Assembly. When elected to Congress in 1960, of the 535 in the 87th Congress, only one congressman was younger than Rep. Ashbrook.

Political organizations: He has been active in anti-communist and conservative organizations. On steering committee of Committee of One Million Against the Admission of Red China. One of founders of Draft Goldwater organization in 1963. One of founders of American Conservative Union in 1964 and has served as Chairman (1966-71) and Director (1964-present). Active in Republican Regulars, composed of Congressmen of conservative, constitutional philosophy. Recognized national leader for conservative cause and as watchdog on House floor. Referred to by Washington Post as leader of a small band of fiscal conservatives who demands roll calls on spending bills. One of founders of Young Americans for Freedom.

Conservative advocate: Has debated on hundreds of campuses, television panels and forums as advocate of the conservative, free enterprise, anti-Communist position. Has debated most national figures such as William Kunstler, Hubert Humphrey, John Lindsay and John Kenneth Galbraith.

Chairman of the American Delegation of young political leaders to the Atlantic Youth Conference NATO, Paris, France, 1958. American representative at Asian People's Anti-Communist League (APACL) in Philippines, 1965. Chosen as one of the most respected conservative leaders in America in national poll in 1970, ranking in top five out of almost 100 prominent conservatives with Barry Goldwater, Ronald Reagan, John Tower and Bill Buckley.

Selected as Man of Year in 1976 by Associated Builders and Contractors of the U.S. and as legislator of year (1976) by National Rifle Association. Has received top award in every Congress for his conservative, constitutional voting record by Americans for Constitutional Action. Recipient of a record number of "Bulldogs" because of his role as Watchdog of Treasury. Has served as member of American delegation to International Labor Organization (ILO) in Geneva, Switzerland.

□ 1730

Well, there are so many things that we could all talk about, the tremendous number of fine amendments that JOHN ASHBROOK was always prepared to offer to bills that gave us an opportunity, many of us on this floor, to vote for principles and ideas that otherwise we would not have the chance to bring up. JOHN was always willing to get up and take the time to craft an amendment that would bring an issue into better focus.

How do we in a few minutes say what we feel so deeply about this fine colleague. JOHN ASHBROOK's presence will be remembered in so many ways. He has set so many fine precedents, has given us so many fine hours in this House by which to remember him and to remember the deeds and the legislative ideas that he brought to this floor. We obviously cannot forget him, although he obviously has parted for another place.

We say to his family, to Jean, and his children and his close friends and associates that we know are here, "Thank you for giving us such a fine public servant and for allowing us the privilege of serving with a man that really has expressed everything that is so American about this House and this country."

I thank my colleague for yielding.

Mr. LATTA. I thank the gentleman.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. BRINKLEY. Mr. Speaker, JOHN ASHBROOK was our friend. More than a Republican, more than a Democrat, JOHN ASHBROOK was an American.

The gentleman preceding me, the gentleman from California, referred to Webster and his philosophy in his glowing words in a quote and I too, refer to Webster. I think the words fit JOHN ASHBROOK so very well, when Webster said, "Thank God! I—I, also—am an American."

This was the man, JOHN ASHBROOK, and his philosophy was a philosophy of a conservative, to conserve the liberties of man and to limit the powers of government.

JOHN ASHBROOK, citizen.

In the House restaurant just beneath us there is a painting on the back wall which we have all seen. It was done by a man who immigrated to this country from the nation of Italy, whose name was Constantino Brumidi. Coming to this country because he was exiled for his political beliefs, he subscribed to the principles of liberty which he found here. Enormously proud of his country, he signed his paintings "C. Brumidi, artist, citizen of the U.S."

This is how JOHN ASHBROOK would have done were he an artist, and he was in the sense of being an artist among us. So we shall remember him as JOHN ASHBROOK, artist, citizen of the United States.

Jonathan Swift, better than 250 years ago, writing in Gulliver's Travels, said that the man who can make two blades of grass grow where only one had grown before would do more essential service for his country than the entire race of politicians put together.

Well, JOHN ASHBROOK was something more than a politician. He was a statesman and JOHN ASHBROOK made two blades of grass grow.

We shall miss him. We grieve with his family and we thank the Congressman from Ohio for affording this opportunity to salute JOHN ASHBROOK, citizen.

Mr. LATTA. I thank the gentleman, Mr. Speaker, and I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding and I especially thank the gentleman for taking the time to take this special order to pay tribute to probably one of the greatest Americans that I have ever had the privilege of knowing in my whole life.

Mr. Speaker, the preceding speakers have spoken eloquently on the qualities that made us admire JOHN ASHBROOK so much. I would like to endorse their comments and add a few of my own.

JOHN ASHBROOK was one of the men I admired and respected most in the Congress. As a freshman Member 3

years ago, I found that I could look to him for guidance and I found that his advice was outstanding in every respect.

JOHN recognized early that liberalism was a dying philosophy and more than once he contributed some telling blows. For years he served as a lightning rod for conservative causes. He did not win so many of those early battles but as history proved him and the other conservatives right, he won more frequently.

Perhaps what we will miss most about JOHN ASHBROOK was his ability to guide legislation through Congress. He frequently attached very important amendments onto bills that would have otherwise been harmful.

Mr. Speaker, I am going to miss JOHN ASHBROOK very much. He was an inspiration, a leader, and a very fine man.

Most of all, he was a patriot and a great, great American.

Mr. SEIBERLING. Mr. Speaker, would the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I want to commend the gentleman from Ohio and the dean of our delegation for taking this special order and the time to talk about our departed friend, JOHN ASHBROOK.

It hardly seems possible that it was over 11 years since I first came to this body and met JOHN personally, although I had known him by reputation for years, since he was a fellow Ohioan and an outstanding legislator.

I suppose we probably voted on the opposite side of issues in this body at least as many times as we voted on the same side and if you looked at our ratings by liberal or conservative organizations, one of us would probably be at the top and the other at the bottom of that particular organization's ratings; and yet I found a real affinity for JOHN ASHBROOK, not only as a fellow human being and Member of this body, but as a really outstanding mind and a wonderful personality.

After I had been here for a couple years, JOHN said to me one day on the floor, "By the way, were you related to Fred Seiberling?"

I said, "Yes. He was my dad."

"My Lord," said JOHN "he was a dyed-in-the-wool Republican."

Well, I tried to think what was an appropriate response and I said, "Well, JOHN, all I can say is this. My dad was a Democrat with a small 'd' and I am a Republican with a small 'r'".

Well, JOHN was a Republican with a capital "R", but he was also a Democrat with a small "d".

JOHN ASHBROOK had no pretense, no side, no pomposity.

He was a very likeable, gentlemanly, thoughtful, humane human being.

I did not agree with most of the amendments that he offered on bills here and he probably did not agree with a lot of mine; but whatever his disagreement, he was always courteous, always thoughtful, and he always had something worthwhile to say, whether you agreed with him or not, and I must say, I found myself at times in profound agreement with his objectives, even if I did not always agree with his ways of achieving them.

I think that is true of most of us who served in this body with JOHN ASHBROOK. We shared his profound commitment to America, his commitment to democracy, his commitment to our Republican form of government, his commitment to our free enterprise system, even as we might have disagreed with the specifics of the ways to implement those commitments.

□ 1740

JOHN ASHBROOK I think had one of the finest minds in this body. As has already been said, he had a very excellent sense of humor, a gentle sense of humor, though at times it could be biting in its implications.

He was really a truly great human being, and I think one of the most outstanding men it has been my privilege to serve with, even though he and I at times tilted on specific issues.

I want to say that he was a credit to our body, he was a credit to Ohio, and he was a credit to our great Nation.

I would like to also express my profound sympathy to his wife and family for their bereavement which indeed is a bereavement for all of us.

Thank you very much.

Mr. LATTA. I yield to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. I thank the gentleman for taking this time.

Mr. Speaker, it is a privilege for me to join my colleagues in paying tribute to our friend, Congressman JOHN ASHBROOK, an outstanding citizen and Congressman. I know we are all still saddened and shocked to know of his untimely passing away on April 24.

In fact, it is hard for me to believe he is not going to be sitting there tomorrow going through his huge pile of papers, speed reading as he would, and then dumping them on the ground and grousing about something he read in the newspaper and pointing it out to us.

JOHN had become such an integral part of this institution that there is an absent feeling knowing we will not be able to serve with him any longer.

I will remember JOHN ASHBROOK most as a man of strong personal conviction. Regardless of the odds involved, JOHN worked tirelessly for what he believed was right. He fought for ideas not on the basis of their popularity or political expediency, but rather on the basis of their merit and principle. Whether JOHN had the support of 1 or 100 was unimportant. Because of the strong convictions in his heart, he never hesitated to speak out. JOHN once said:

> I have a philosophy, viable or unviable, salable or unsalable, I know what I want to do . . . . I only persist in this because I believe in what I am doing. I'm not going to conform to what other people are doing just for the sake of conformity.

That is probably the best definition I have heard of courage of one's convictions. It is a far cry from what one newspaper described JOHN as in their summary of JOHN's life, upon learning of his death. They called him the champion of lost causes. I do not think I could think of anything that was further from the mark of what JOHN stood for. He did what he did because he thought it was important and it was right. And, in fact, he was one of those who lived long enough to see views that were unpopular become popular, and become someone who was perhaps viewed as a political outsider, looked to as one of the leaders of the real movement of politics and government in this country.

It was this philosophy that led him to be such a driving force behind the conservative cause during his 22 years in the House of Representatives.

Because of his strong personal dedication to his convictions, JOHN was often the initiator of action. He was one of the founders of the Draft Goldwater organization in 1963. After Goldwater suffered defeat in 1964, JOHN ASHBROOK did not accept that the conservative philosophy in politics had died, as many others at that time had begun to believe. Instead, JOHN helped found the American Conservative Union, serving also as its chairman and as its director. In addition, JOHN was one of the founders of the Young Americans for Freedom.

Other Members have talked about his strong work here in the Congress. I am not going to belabor that point.

JOHN ASHBROOK will be remembered as a most effective Congressman. His service as the ranking minority member of the Education and Labor Committee and the Internal Security Committee, as well as on the Judiciary Committee and the Select Intelligence Committee will long be noted. He was an articulate and gifted speaker and an able debator. Of couse, all Members admired his parliamentary skill and expertise.

The country has lost an outstanding citizen, the State of Ohio has lost an effective legislator, and the conservative cause has lost a powerful and respected voice. His inspiration, ideas, and friendship will be sorely missed. I am grateful for having had the privilege to work with him in this body and to serve with him on the Judiciary Committee.

I wish to express my regret and extend my sincere sympathy to his

wife, three daughters, family, friends, and followers.

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Speaker, I thank the gentleman from Ohio for yielding, and express my appreciation for his taking this special order today to pay tribute to our late colleague the gentleman from Ohio (Mr. ASHBROOK).

Mr. Speaker, I was greatly saddened by the death of my close personal friend and colleague, the Representative JOHN ASHBROOK of Ohio.

Mr. ASHBROOK was admired by many who knew him, not so much for his conservative opinions, but for the fortitude and courage for which he upheld them. He carried this resolve all the way to the point of opposing Richard Nixon in the Republican primary for President of the United States in 1972.

I first met JOHN ASHBROOK when he was the president of the Young Republicans in 1959. We maintained close contact through the years. Upon coming to Congress, my respect for him greatly increased when observing his parliamentary maneuvers and tenaciousness on the House floor.

In addition to being my friend, Mr. ASHBROOK was my mentor during my freshman term. His leadership and patience as demonstrated on the House floor by rollcalls, points of order, and amendments were instrumental in protecting our freedom and saving taxpayer's dollars. We worked very closely together on fighting the reauthorization of the Law Enforcement Assistance Administration (LEAA). JOHN ASHBROOK had already fought this battle several times before. The logic of his position on this was demonstrated earlier this year when LEAA was terminated.

Mr. Speaker, the passing away of JOHN ASHBROOK will leave a void that can never be filled. I'm just happy that I was a associated with him on both a personal and professional basis. His leadership and courage will provide an inspiration to all who were touched by him. The departure of this man from the political scene marks the departure of a great American.

My wife Cheryl and I express our deepest sympathies to his wife Jean, to his daughters, and to his family. JOHN ASHBROOK will be missed by all.

Mr. McDONALD. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Georgia.

Mr. McDONALD. Mr. Speaker, our esteemed colleague, the late JOHN ASHBROOK, came from a political background but was no typical politician. His father, Congressman William A. Ashbrook, served the same area of Ohio during the periods of 1907-21, and 1934-40.

His father was a gentleman with an honored career and distinguished himself as an anti-New Deal Democrat; our colleague, JOHN, distinguished himself as an antielitist Republican.

In 1972, when it was clearly evident that President Nixon had deserted so many of the values he had advocated in 1968, Congressman ASHBROOK was willing to offer himself for the Presidency as a matter of principle, not politics. Many of JOHN's friends quietly agreed with his concern and stand, but publicly these same friends were either silent or alined themselves with the Nixon 1972 bandwagon.

This incident in 1972 demonstrates the man (VIR) and courage of JOHN ASHBROOK. The party loyalty or political thing to do was to "get along by going along." It would have been easy to remain silent and do nothing. Many of those who were disgusted with the Nixon international elitist cabinet and direction took the easy way out and did remain silent; JOHN ASHBROOK put his devotion to country and principle about loyalty to party and personal gain.

We do not know God's plan and sometimes it is impossible to understand why so bright a star must be removed from our midst. Perhaps such a dramatic loss is to remind all of us of our ultimate dependency upon Him and not ourselves.

There are some feelings that seem to be best expressed in poetry than the volumes of political rhetoric. While not wishing to present myself as a scholar of verse and rhyme, I remember certain appropriate lines from Rudyard Kipling's, "If":

If you can keep your head when all about
you are losing theirs and blaming it on you,
If you can trust yourself when all men
doubt you,
But make allowance for their doubting too;
If you can wait and not be tired by waiting
Or being lied about, don't deal in lies,
Or being hated, don't give way to hating
And yet don't look too good, nor talk too
wise:
If you can dream—and not make dreams
your master;
If you can think—and not make thoughts
your aim;
If you can meet with triumph and disaster
And treat those two imposters just the
same;
If you can bear to hear the truth you've
spoken
Twisted by knaves to make a trap for fools,
If you can talk with crowds and keep your
virtue
Or walk with Kings—nor lose the common
touch,
If neither foes nor loving friends can hurt
you,
If all men count with you, but none too
much;
Yours is the Earth and everything that's in
it,
And—which is more—you'll be a Man, my
son!

JOHN ASHBROOK was that unusual person who comes on Life's stage rarely. There are pitifully few people of the wisdom, personal courage, deep honor, inner strength, sense of history and purpose of Congressman ASHBROOK. He has these rare qualities and amazingly had them interlaced with a warm and American sense of humor. Unfortunately, in my experience, people of the combination of such qualities are not the rule; to the contrary, they are the rare exception—even in this body.

Congressman ASHBROOK was that person of "If", and we were all the richer for having had him with us. To the extent that we can capture his talents with our memories, his wisdom may remain.

JOHN ASHBROOK, 1928-82, loving father and husband, dedicated American and Christian patriot.

□ 1750

Mr. LATTA. I thank the gentleman.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I do not know where we are going to get another JOHN ASHBROOK. I do not know where this body will, because they just do not make them like JOHN anymore. He was absolutely incapable of sham. He was incapable of posturing. He was incapable of saying something that he did not believe and that he did not mean. He had that rare quality of grace under pressure, which is Hemingway's definition of courage.

I do not think his sense of humor was all that pervasive, that he did not deeply feel and was not capable of being hurt.

His death was an unusual one because he was in the midst of a campaign, the most important campaign of his life. I think of what Thomas Hart Benton, I believe, said when John Quincy Adams fell over while sitting on the floor of this House back in I believe, 1848, and then died a couple of days later. He said, "Where else would you find him but at his post of duty?"

When you read the history of this body and read about Calhoun and Clay and Webster and Andrew Jackson and Davy Crockett and all the famous people that roamed these Halls, and the impact that they had on their day, you have to rank with them and at the head of them, in my judgment, a JOHN ASHBROOK. He was not as celebrated as they were in their time, nor today, because he was not in the spirit of the age. He was not a liberal or a moderate, as they euphemistically called themselves.

He was a conservative, one who believed in principles, believed in the Constitution. He was a fierce anti-

Communist. He recognized that the struggle of this century is between the collectivist philosophy of atheistic communism, which sounds so anachronistic in this body, and the spirit of freedom as represented by the traditions and the culture of this country.

He was a religious man. He believed in prayer in schools. He did not think it was so wrong or such a violation of history or the Constitution to recognize the fatherhood of God. He understood more than most that you will not have the brotherhood of man unless you recognize the fatherhood of God, and he was willing to fight for it. He was not intimidated by any special interests in this country. He was a brave, courageous man, and his like will not walk around here again, at least not in my memory.

That whole area of this House will always have his presence there, and I will never look at it that I will not think of him. I know he is in a place of refreshment. I know he is in a place of light. I know he would be amused at the words we are uttering today, but it is little enough we have to do. We are so impotent and futile at his loss. We are certainly impoverished by losing one of his spirit, his intelligence, and his courage.

We have all been enriched, those of us who have known him, and we have learned from him. His family can be proud that he lived a useful life—a useful life. He contributed more than he got. He was able to draw the line between liberty and order. He understood freedom to his very core.

How proud you must be to be of his family, and how proud I am to have known him and to in some small way have been influenced by him.

JOHN, we need you now like we never needed you before, and I hope you will pray for us, because your prayers will be heard.

Mr. LATTA. I thank the gentleman.

Mr. CRAIG. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Idaho.

Mr. CRAIG. Mr. Speaker, I would like to thank the gentleman for providing us with this special order.

I did not know JOHN ASHBROOK as long or as well as many of my colleagues. But I did get to know him fairly well because of the work we did together on the Education and Labor Committee.

JOHN ASHBROOK knew that our Nation's schools helped shape the mind and character of our Nation's youth. He knew that the strength or weakness of our education system today would go far to determine the strength or weakness of our national wisdom and our national morality tomorrow.

As a strong and dedicated conservative, JOHN ASHBROOK was a friend of education. He knew the value of a well educated America. His presence on our committee will be deeply missed.

The 17th Congressional District of Ohio, the Buckeye State, and America as a whole has lost a good American. Our sympathies go out to his wife and family and to the people he represented in this body for 22 years.

Mr. LATTA. I thank the gentleman.

Mr. ROBERTS of Kansas. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Kansas.

Mr. ROBERTS of Kansas. Mr. Speaker, I thank the gentleman for yielding, and I wish to thank him for taking this special order.

Mr. Speaker, I rise to join my colleagues to pay my respects to JOHN ASHBROOK, a Member of this body, a recognized champion of the conservative cause, a man of principle and a personal friend.

Mr. Speaker, my family shares in the sense of personal loss in JOHN's passing. My wife, Franki Roberts, was a member of JOHN's office staff here in Washington for several years.

There will be many words spoken and written regarding JOHN ASHBROOK's achievements. It will be said that he had an outstanding academic career and that he played a key role within the Young Republican National Federation in the 1950's. JOHN was a real pioneer within the Young Republican movement during that time and gained lifelong friends and admirers as a result of his leadership and experience.

It will be pointed out that he truly believed in the Republican Party as an instrument through which social and economic progress could be realized. He was a party man, but one whose conviction was to make sure the Republican Party remained true to principle, that it not stray from intended purpose and goal.

JOHN ASHBROOK, it will be said, was one of the youngest legislators ever elected to the Ohio General Assembly and to this body. It was his style to lead the charge with the zeal of youth and dedication to cause.

Men of ideas and letters will stress that JOHN ASHBROOK was also dedicated to individual freedom and a staunch opponent of communism. Thousands of people involved in freedom's cause worldwide will remember JOHN who joined and led the battles for men's minds and souls. Conversely, JOHN ASHBROOK was a staunch defender of the free enterprise system; receiving awards too numerous to mention here from business organizations, conservative groups, and from those who believe this country's best course will be determined by the guidelines set forth in the U.S. Constitution.

JOHN ASHBROOK was indeed all of these things. But, you know, Mr. Speaker, we all tend to define and judge our fellow man through our own eyes and personal experiences. And, in my case, there are two attributes I would like to mention.

First, with all of his fervor to cause and intent of purpose, JOHN ASHBROOK never took himself seriously, even when he felt it was incumbent to run for President of the United States. He was the kind of man, who in the midst of debate or discussion or the most serious in nature, never lost his sense of perspective and humor.

JOHN and I always shared the true story about the trials and many tribulations of a particular western entertainer of years past, and he would always close with the line, "Sure, he did all of those things, but he was a great American." That line was not meant to be presumptuous or lacking in respect. It was just JOHN's way of poking a little fun at all of us in public life who tend to take things and themselves too seriously. I will miss that line and I will miss his sense of humor.

I also remember the time, as a staff member to my predecessor, I asked JOHN to vote for a farm bill back in 1970. Now, you have to realize that when it came to legislation and votes, JOHN did take both very seriously. His will was like iron. After giving him the benefit of all the reasons why he should vote for the bill, he asked me one question, "Pat, is this the best farm bill we can pass?"

You see, in JOHN ASHBROOK's world of values, compromise and principle were like oil and water; they did not mix. With his question he answered my question. The farm bill passed that year. And, doubtlessly, if every Member of this body held each vote complete hostage to unwavering personal principle, we would never get anything done. But, the point is we need men who will take a stand. Men who will choose conviction rather than comfort, perceived truth rather than accommodation.

In JOHN ASHBROOK, we found such a man. He was not for sale. He was honest with a steady conscience. He told the truth as he saw it and looked the world straight in the eye. He had courage without shouting it and he knew his message and told it. He knew his place and filled it. He did not lie, shirk, or dodge. He knew his business and attended to it. JOHN ASHBROOK, above all else, was a man who stood for principle.

Mr. Speaker, my family, like JOHN's many friends, his colleagues, and his family share and mourn his loss. We are better citizens of this great Nation for knowing him.

□ 1800

TRIBUTE TO THE LATE JOHN M. ASHBROOK

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Ohio (Mr. MILLER) is recognized for 60 minutes.

Mr. MILLER of Ohio. Mr. Speaker, the untimely death of my fellow Ohioan and colleague JOHN ASHBROOK has left a void in this Chamber that can never be filled. JOHN was a man that I deeply respected as a fellow Representative and as a fellow man. He never wavered in his belief in America. As a native and lifelong resident of Johnstown in Licking County, Ohio, he knew that the backbone of our country lay within the values that are typical of smalltown America. he fought for these values unwaveringly for 22 years in Congress. He would sacrifice nothing in order to do what he believed was right for not only his constituents but for the Nation as a whole. He was a keen student of Government who knew what had to be done and how to get it done. He was a man of courage and conviction, a man who was not afraid to stand alone to fight for a principle or for a cause he believed in.

JOHN'S love and concern for his country drove him to be one of the most hardworking Members of Congress that has ever sat in this Chamber. His 22 years in Congress will serve as a lasting memorial to his hard work and dedication. His articulate and well prepared arguments added a special dimension to the House of Representatives that will be missed.

JOHN would have been a big success in any field he chose. We as Americans are most grateful he chose Congress and the body politic as his life's pursuit, that he chose to serve the people through the Government. His dedication, his principles, and his love for this country and what it stands for made JOHN ASHBROOK a great Representative, a greater American, and a great man.

I join his constituents, the Nation, and his family in mourning his passing.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, it was with a real sense of loss and shock that I learned of the untimely death of our good friend and colleague, the gentleman from Ohio, JOHN ASHBROOK.

JOHN ASHBROOK was an exemplary Member of this House. He assumed the responsibilities of his work, especially his work here on the floor of the House with the utmost seriousness and devotion. He participated frequently in debate, ever watchful over the matters that came before the Congress and diligently guarding the rights of the minority party. JOHN was an effective proponent of his point of view in committee, working constructively with Members on both sides of the aisle, as the gentleman from Kentucky mentioned 2 weeks ago, just after JOHN'S passing.

JOHN ASHBROOK was a staunch conservative. His political principles frequently brought him into lonely conflict with his colleagues and even brought him to the point of courageously challenging a sitting President of his own party for the nomination for the Presidency.

Although on occasion we differed on the merits of legislation, I considered JOHN a friend. As a more experienced and senior Member, he assisted me with numerous matters during my early service in the House.

JOHN ASHBROOK will be missed by Members from both sides of the aisle and of all points of view. He was honest, forthright, kind, intelligent—all in all, a valued colleague who will be sorely missed.

I join my colleagues in extending my deepest sympathies to Jean Ashbrook and their three daughters, and hope that they will be comforted by the fact that JOHN was so superb in his life's work—his devoted public service.

Mr. KRAMER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Colorado.

Mr. KRAMER. Mr Speaker, although our colleague served more than a generation in this body, he was certainly a relatively young man in age and certainly a young man in spirit.

One of the things I thought about that came to mind during this special order here this afternoon was one of our colleagues remarked that he will look over at that corner over there and always think of JOHN ASHBROOK when he walks by or looks over there. I think that we can assume that although JOHN will physically be gone, his spirit will remain in that corner as an inspiration to all of us every day that we are privileged to serve in this body.

Liberty was always a dear cause to JOHN ASHBROOK, and he recognized that maintaining a free society is an ongoing effort by good citizens, and he dedicated his life to that cause. He served in a number of positions of tribute where others recognized his accomplishments and what he could give to whatever effort he was involved in.

He was chairman of the Young Republicans on the national level. His first year in Congress he helped found the Young Americans for Freedom, a group that has continued since its founding to keep the debate for the cause of freedom well aired on our campuses and in our elections.

Recently he was the distinguished chairman of the American Conservative Union, a citizens' forum for freedom in our economy and more effective defense of peace and freedom through national strength. He was very active in the National Rifle Association. He gave his time, his money, and mostly his leadership to that effort, an effort involved in freedom and in maintaining the constitutional prerogatives which the Constitution affords to all citizens to keep and bear arms.

Something I did not know, unfortunately, and I think some of us do not take the time to learn enough about our colleagues until it is too late, or until at least we cannot really appreciate what we have until we no longer have it, and that is the case where one fact I learned was that JOHN received more votes than any other candidate for the board of directors of the National Rifle Association, which certainly to me and members of that organization recognized JOHN'S leadership.

We all know that he loved America. He loved Ohio. But he had an active life that took him even beyond the borders of our country. Another fact that I did not know, he served with Adm. Richard Byrd on the last expedition to Antarctica in 1946.

He went on to Harvard, returned to his State to study and practice law, to work as a publisher. He went to the State legislature, and then he came here to Congress.

I have had the privilege of knowing him not only as a leader of brilliant debate and a brilliant spokesman on national issues of our time, but also because I served with him on the Education and Labor Committee in which he was the ranking member. He made contributions both to our committee system as this body relates, and also to the floor work to which this body relates.

JOHN ASHBROOK was truly a great man. I express my heartfelt sympathy and condolences to his family. He will be missed, and not only by them, but by all of us that served with him in this body, and by our country.

Mr. EDWARDS of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Oklahoma.

□ 1810

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman from Ohio for taking this time and for giving us an opportunity to express our sadness at the loss of JOHN ASHBROOK. I think we all miss JOHN. We are all going to have a heavy sadness in our hearts for JOHN, but I also feel a very great sadness for America at his loss.

Mr. Speaker, Members of Congress come and go. There have been a great many Members in and out of this Chamber just in the short time I have served in the Congress; yet there are

some whose loss very much diminishes America, just as their presence very much has enriched America. JOHN ASHBROOK is one of those people.

I have felt sort of a strange kinship through the years with JOHN ASHBROOK long before I knew him. I am a native of Ohio, before I moved to Oklahoma. Most of my family is in Ohio. As I was visiting in Ohio, I would always hear about this very unique Member of the Ohio congressional delegation, who always stood up for what he believed in. that was JOHN ASHBROOK. And then I got active in politics, I went into the Young Republicans and into the national leadership of the Young Republicans, and one of the people who we were shown as one of our role models was JOHN ASHBROOK, who had been already a national chairman of the Young Republicans. I went over to the American Conservative Union as a director, and I am now privileged to be the chairman of that organization. I inherited a very strong organization that had been founded by JOHN ASHBROOK and of which he had served as its national chairman.

I came to the Congress. I was appointed to the Education and Labor Committee, where I found that JOHN ASHBROOK must have been one of the most effective, efficient and most popular, most effective ranking members on any committee in the Congress. He provided great leadership to those of us who were new members on the committee looking for guidance. Then as I attempted to involve myself in activities on the floor, we all know that JOHN ASHBROOK had a special place on this House floor and that we had one great man there overseeing what was happening in this Chamber and protecting the Republic from his seat on the House floor.

I found that JOHN ASHBROOK did reflect, as so many people have said here today, a great reservoir of principle and of courage. But I think there is something that is even more important than that. JOHN ASHBROOK was a man of principle and courage, but, more than that, JOHN ASHBROOK, as he stood for things that so many of us find difficult, so many tough decisions where he never wavered, we also found that JOHN ASHBROOK managed to do it being one of the most popular Members of Congress and one of the most effective. I do not think that most people here realize that JOHN ASHBROOK ranked among the most effective Members of Congress in having his amendments adopted by the entire Congress from both sides of the aisle. He had a tremendous track record, if you just keep track of the percentages of his amendments that were adopted and became law.

The thing that I remember most about JOHN ASHBROOK is that he would sit in his usual place on the House floor, and for those of us who were younger Members, who were trying to contribute to the debate, and to have some voice in shaping public policy, JOHN ASHBROOK never lacked the time to give us guidance and to teach us, knowing perhaps that the time would come when he would move on from this place and others would be called on to try to fill his shoes. JOHN ASHBROOK was a great teacher.

America cannot stand to lose very many JOHN ASHBROOKS. But on the other hand, there are not very many JOHN ASHBROOKS.

I thank the gentleman for getting this time for us.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Virginia.

Mr. BUTLER. I thank the gentleman from Ohio for yielding, and I appreciate the gentleman giving us the opportunity to participate in this opportunity again to be reminded of the contribution of our friend, JOHN ASHBROOK.

I will not trespass on the gentleman's time, except to say that I want to be associated with all of the things that have been said about JOHN.

I was privileged to serve with JOHN on the Judiciary Committee. He was well respected there for his intelligence, his ability, his integrity and his candor. He made a substantial contribution to our deliberations, always in good humor. I valued JOHN ASHBROOK's friendship. He will be long remembered and greatly missed. Our deepest sympathy is also extended to his family and friends.

I thank the gentleman for this opportunity to participate in this special order today.

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, JOHN ASHBROOK was my friend for 25 years, and we were colleagues for only 16 months. But whether as a friend or a colleague, I can certainly attest to the stalwart character of the man. He was a leader with boundless and unremitting faith in America and Americans, and he never, never wavered in his deep and fundamental belief in his conservation approach to the ideals that all Americans cherish.

Many very fine and well deserved things have been said about JOHN here today, and I want to associate myself with all of them. They are all true, and it would be hard to articulate them better than they have been. But I also want to express my thanks to JOHN's family and to his constituents for having shared JOHN with us, for having shared with us a man of principle, who was a great leader, who will be greatly missed here. But certainly his spirit will remain with us and will always be welcomed, not only here, but wherever stout and great souls assemble.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Mr. Speaker, it is difficult to comprehend that our colleague, JOHN ASHBROOK, has passed away.

JOHN ASHBROOK came to Congress in January 1961 as a young man with a great future in front of him. During his 21 years in Congress he steadily moved to the forefront and by 1978 had become the leading Republican figure in the House of Representatives on education and labor issues.

As the senior minority member on the Education and Labor Committee, JOHN was a leader and guiding light for those of us who served with him. I came to know and respect JOHN as a rugged individualist and a man of deep convictions. I was consistently impressed by the depth of his intellect and the openness of his mind. He took such a reasonable approach toward the issues before us and never failed to engage in honest discussion over differences of opinion—that is probably one reason he was such an effective leader.

As an articulate speaker and tireless worker, JOHN spent much of his legislative effort on education and child nutrition. He placed great emphasis upon our youth. Our Nation's schoolchildren owe much more to JOHN ASHBROOK than they will ever likely realize. I saw first hand on the Education and Labor Committee the positive effect and impact of JOHN's efforts. I am proud to have been associated with him in many of those endeavors.

When I think of JOHN ASHBROOK outside of the committee context, I remember him as one of the best informed Members of Congress. When he spoke he had the facts at hand. He knew the issues. Politics can indeed be strange. The very thing many people criticized JOHN ASHBROOK for is precisely the reason he was reelected to Congress 11 times—that is, his independence. He thought about issues and he voted independently. That is what a true representative should do.

When I think of JOHN ASHBROOK, the man, I recall the words of William F. Buckley, Jr., who once described JOHN as "among the world's most charming, intelligent, and natural men." I certainly will miss JOHN ASHBROOK's leadership but most of all I will miss his friendship. JOHN's voice may be silent but his impact will carry on in the lives of those who came to know and respect him.

My heartfelt condolences are extended to his family.

□ 1820

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding.

Mr. Speaker, I want to thank both of my colleagues, the dean of the Ohio delegation, DEL LATTA, and CLARENCE MILLER, for reserving this time today so that we in the House of Representatives can pay tribute to one of this Chamber's most articulate and respected Members, the late Honorable JOHN ASHBROOK.

As the newest Member of the Ohio congressional delegation, I had the privilege of serving with JOHN ASHBROOK for only a very short time. Although he was among the busiest people I have ever known with his congressional duties and a U.S. Senate campaign, he still made time to help me adjust to the rigors of congressional duty, and I appreciated his willingness to work with me.

I learned a tremendous amount from JOHN ASHBROOK, both before I came to Congress as I listened to him articulate the conservative causes he cherished so deeply and after I became a Member of this body. I deeply regret that our exposure to him was so brief.

JOHN ASHBROOK was without doubt one of the most respected conservative leaders in America today. He was proud to be called a conservative long before it became fashionable. In a national poll ranking prominent conservatives, he was selected among the country's top five, a listing which included Ronald Reagan, BARRY GOLDWATER, and Bill Buckley.

People throughout Ohio and across this country knew JOHN ASHBROOK as a man dedicated to preserving freedom and liberty for all. His patriotism and deep belief in the greatness of America never wavered and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of friends and foes alike. From State legislator to U.S. Congressman, he never wavered in his belief that America was, and would continue to be, the greatest country in history.

Despite the national acclaim afforded him, JOHN never outgrew or overstepped his roots. Born in Johnstown, Ohio, only 53 years ago, he was a familiar and frequent figure in his hometown and across the 17th Congressional District he so capably represented for 22 years. He took tremendous pride and interest in his community and his district, giving freely and frequently of his time and talents to bolster the causes of civic and social organizations.

Constantly aware of the need to keep in close touch with the views and concerns of those back home, he prided himself in never having spent a weekend in Washington throughout his entire congressional career.

Mr. Speaker, several counties currently encompassed in the 17th District represented by JOHN ASHBROOK will be joined with the Fourth District I currently represent. I can only pledge that I will do my best to continue assuring those constituents the same high quality of representation they received from JOHN ASHBROOK, hopefully I might add on a personal note, with the kind of humor and good grace JOHN always presented.

Mr. ROBERTS of Kansas said, and I would like to point out that as well, JOHN took his job very seriously, but he never took himself too seriously, and that indeed was an indication of what kind of person he was.

One of his strongest assets was the fact that he could disagree without being disagreeable.

From my discussions with Members of this House who have known JOHN a lot longer on both sides of the aisle, and from various political persuasions, indicated to me that JOHN was not only one of the more effective Members of this House but clearly one of the most popular as well.

JOHN ASHBROOK will be sadly missed in this Chamber and by the American people as a whole. Fortunately for this Nation, however, his principles will live on as his legacy.

I want to join with my wife, Pat, and my colleagues here today and all Members of the House of Representatives and JOHN'S many friends in Ohio in expressing our heartfelt condolences to his wife, Jean, and to his family on JOHN'S passing.

Mr. ECKART. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. ECKART. I thank the gentleman in the well and I commend him and my fellow colleagues from Ohio and others from the Ohio congressional delegation for taking time this afternoon to commemorate a young man whom I had an opportunity to follow for many years as I grew up in politics.

Who of us can forget JOHN ASHBROOK walking around with a newspaper tucked under his arm, as he was so famous for doing. Perhaps it was because of his many years as a newspaper editor. Perhaps it was because of his great thirst for knowledge and what was going on in the world. Perhaps he still thought he was editing all those newspapers from time to time in years gone by. But his background and training as a newspaper editor served him well here.

I remember my first encounter with my colleague from Ohio with fear and trembling as the baby Democrat on the Education and Labor Committee, I knew of my need to get an amendment adopted during the important budget considerations of last year, and I knew of my staff's advice to go check it out with the senior Republican.

Well, the senior Republican was JOHN ASHBROOK, a man who had served with distinction on that committee. And so with hat in hand and an amendment in my coat pocket I went up to JOHN'S office and knocked on the door, got the time to see him, and went in and tried to introduce myself but I found out that he knew more about me than I had ever thought about. And I started to explain my amendment to him, and he said, "Who is it for?" And I said, "Well, it is for Ohio State." Since we are both from Ohio I thought you would be interested in it. He said, "If it is good for our State and if it is good for Ohio State, then I think we all both better be for it."

My fear, my trembling immediately left me and I knew that here was a man who was genuinely concerned about what was taking place in our State.

Sitting on that committee with JOHN was indeed an education. As we sat and wrestled with very difficult issues, as my colleagues all remember, $12 billion in cuts came from that committee during the consideration of Gramm-Latta, and I think what few people recall, it was JOHN ASHBROOK who fashioned much of the language that went into the educational section of that budget.

My epitaph for him is an epitaph that I think would serve all of us well in politics.

When JOHN ASHBROOK came to the floor, or when he came to committee, he was prepared. When JOHN ASHBROOK worked, he worked hard. And when he spoke, he knew what he was talking about.

Those are the best words that I think we can say about any man after decades of public service, and that is the epitaph that is the benchmark by which I hope we all can be judged.

Mr. MCEWEN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. MCEWEN. I thank the gentleman for yielding.

I also extend my appreciation for his offering us this opportunity to briefly recall the great moments that we have had with our friend and colleague, JOHN ASHBROOK.

The stage in a person's life between 19 and 25 is often referred to in psychology books as the mentor stage, in which young men and women have those to whom they look for advice and direction and after whom they choose to pattern their lives.

We see a great deal of activity on college campuses as young people choose a course of life for the first time that is individual to themselves.

As a student at the University of Miami at Coral Gables, Fla., in 1972, it was my privilege to serve as a volunteer in the "Ashbrook for President" campaign and Thursday evenings were a delightful time when I would go to the Miami International Airport and pick up JOHN ASHBROOK in order to engage in campaigning across the State of Florida as he attempted to win that State's primary for President in 1972.

As a college student, JOHN ASHBROOK possessed for me all of the attributes that I hoped to become. His dedication to principle, his humor, his kindness, his love for America, were an inspiration that I believe are unparalleled.

JOHN ASHBROOK was the definition of what I believe was a true American and what a true American should be.

JOHN ASHBROOK was a true patriot. He understood the global conflict in which freedom is engaged.

He was dedicated to America. He was dedicated to liberty. His truthfulness and his principles will live on beyond him and those who loved and admired him.

Mr. Speaker, it is with a sense of personal loss that the Members of the Ohio delegation join our esteemed colleagues in noting the passing of JOHN ASHBROOK. Although I did not have the privilege of serving with Congressman ASHBROOK but a short time, I have known and respected him for many years.

When thinking of JOHN ASHBROOK, the words "integrity" and "conviction" first come to mind. As most in this Chamber are well-aware, once JOHN ASHBROOK reviewed an issue and took a position, he stood by that decision no matter what others said. He never shirked his responsibility or skirted an issue.

JOHN ASHBROOK ably represented not only the residents of the 17th District of Ohio but was recognized as a leading national spokesman for the conservative cause. He long ago advocated many of the programs which are now being advanced by national leaders. He was truly a man of courage and foresight.

JOHN ASHBROOK spent over 30 years in service to his country. He served in the U.S. Navy and two terms in the Ohio House of Representatives before being elected to the U.S. House of Representatives. These 30 years of service to his country exemplify his patriotism and commitment to his country.

Much can be learned about a man by the attitudes of those who work with and for him. He was respected by his colleagues and his loyal staff. The ideals of this great man will continue to influence the Nation for generations to come.

The 20th century American psychologist, Rollo May, once said:

The hallmark of courage in our age of conformity is the capacity to stand on one's convictions—not obstinately or defiantly, nor as a gesture of retaliation, but simply because these are what one believes.

JOHN ASHBROOK will always be remembered as a man of conviction.

I wish to associate myself with the comments that have been shared by my colleagues.

Mr. SHAMANSKY. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio.

Mr. SHAMANSKY. I appreciate the thoughtfulness of my colleagues, Mr. MILLER and Mr. LATTA, in providing us time this afternoon.

I prefer to think of JOHN ASHBROOK in the only way I think I have truly encountered him, which was, namely, as a matter of fun.

Being on the other side of the aisle in the House, and on the other side of views politically from JOHN, you never confused a political view that he held, and held very deeply, with his personal charm and innate gaiety.

I often remember also the seriousness with which he took his views, and I went up and told his friend, Huge Wait, our mutual friend, one time, after JOHN ASHBROOK had chosen to run against Richard Nixon, I believe in 1972, and I said about JOHN, I said, "Any man who can run against Richard Nixon can't be all bad," which meant to me the JOHN really did care about his views. The easy political thing to do in 1972 was to go along with Nixon and JOHN simply could not do that, which was a measure for me of the seriousness of purpose and I think it was almost prescience maybe that JOHN saw something in that particular Presidency which maybe most of the rest of us simply did not.

□ 1830

I cannot help but think the last time that Jean and JOHN and I were together at a very pleasant evening in Columbus at the Players Theater. Again, I think the significant thing is that JOHN, as far as I could tell, certainly never toward me, would ever inject any ideological matters or political considerations in the interpersonal relationships. It was always good to encounter him, because you never hesitated to talk. He was direct and accessible and always courteous, certainly in my experience, and I have never heard anyone suggest anything other than that.

For those of us who have been around central Ohio for some decades now, it seems as if a part of the firmament has gone, but I do not really think so, because with any luck at all we will have a third Ashbrook soon serving in the House of Representatives.

My sympathies go to the family.

Mr. MILLER of Ohio. Mr. Speaker, I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, may I, too, offer my thanks and appreciation to the two gentlemen from Ohio, Mr. LATTA and Mr. MILLER, for taking this special order so that we might talk about our good friend, JOHN ASHBROOK.

Mr. Speaker, I would like to say something about JOHN ASHBROOK in a little different vein.

My first rememberance of JOHN ASHBROOK was when I came to Washington in 1939 as a graduating senior from Pataskala High School. Each of the 16 high schools in Licking County selected its so-called best citizen for an all-expense-paid, 8-day trip to out Nation's Capital. I was fortunate enough to be selected from Pataskala High School. We really crammed a lot into our trip, including a visit with our Congressman, William Ashbrook, JOHN's father. I mentioned to Congressman Bill Ashbrook having played basketball against his son BILL whereupon he brought out a picture of his family which, of course, included JOHN. JOHN's father was a Democrat who supported President Franklin Roosevelt. My father was a Republican who could never bring himself to vote for President Roosevelt but thought Congressman Bill Ashbrook was all right and voted for him. That is what he told me when I came home and said that I had met Congressman Ashbrook. My mother said she always like Congressman Bill Ashbrook, but then she was a Democrat. She was a Democrat that is until I entered politics in 1948. Then she saw the light and switched.

But just as JOHN's dad attracted votes from members of the other party, so did JOHN. I would recall a couple of reflections about JOHN.

Shortly after I was elected to Congress, I was on a plane to Washington seated next to Congressman Sam Devine. JOHN ASHBROOK spotted us as he got on the plane and said, "There's a couple of big spenders." As the plane landed, JOHN said to everyone in hearing distance, "Lucked out again." These were scenes to be repeated many times, and they always brought a laugh.

JOHN was an insatiable reader of newspapers. He would frequently come on the plane or to the House floor with a stack of newspapers under his arm. When he finished reading them, he would leave them there—which caused Congressman Frank Thompson to refer to him as "Trashbrook."

These episodes reflect a humorous side to this intense person who was so conservative in his political philosophy.

JOHN was an absolutely tireless worker who could have been expected to make a real run for the Senate. The Nation will be denied a classic confrontation between a committed liberal and a dedicated conservative. JOHN always expected me to vote with him but never dwelled on it if I did not. One thing could be said for JOHN ASHBROOK: You always knew where he stood, honest and frank, and that is what endeared him to his constituents.

This was evident at JOHN'S funeral. Never have I seen such an outpouring of affection and sorrow as I did in Johnstown, JOHN'S hometown. My wife Marjorie commented as we approached Johnstown about the display of flags in each yard and how proud JOHN would have been. The outpouring of people at JOHN'S funeral was testimony to the esteem in which he was held.

A secret service agent who had come to Johnstown the night before said to me:

This town is really bent out of shape over Congressman ASHBROOK'S death.

JOHN was a good friend who will be missed.

Marjorie and I extend to his wife Jean, his mother, and his family our condolences and deepest sympathy.

Mr. MILLER of Ohio. Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. Mr. Speaker, I thank the gentleman from Ohio for yielding. I want to congratulate him and the other gentleman from Ohio, (Mr. LATTA), for taking this time in order that a number of us may have this chance to pay special tribute to the work of JOHN ASHBROOK in this House and for the Nation.

You know, there is an old joke around the Congress here about the Congressman who was introduced at a dinner as a great, great American, and he is impressed by that and as he is leaving the dinner that night, he turns to his wife and he says, "I wonder how many great, great, great Americans there really are?"

And she says, "Well, one less than you think."

Well, in this case we have lost somebody, though, who really fits into the category. He truly was somebody who was recognized across this country as a great, great American. He stood for principles time and time again; stood for principle at times when it was not popular to do so, stood for principle at times when in this House people from all sides of the aisle, from his own side and from other sides, were saying, you know, this is a fight that should not be made, and yet JOHN knew all the time that the fights that he was engaged in were things that he had to do personally, but because he did them the Nation benefited.

I think it is important to recognize that he, day after day, followed legislation here on the floor and often engaged in causes that he probably did not even come to the floor recognizing were going to be raised on that particular day; but because he was here he felt it was something that he needed to say and he needed to engage in because the issue had been raised and there was a point of principle involved.

We are going to miss him around here. I do not think that we realized how much until this tragedy struck.

We had reluctantly decided to accede to his wishes to move on to the upper body, knowing that that was going to leave a void here; but this tragedy tells us just how much of a void has been left, because in the time since he has not been here, some of the fights that have been on this floor have been the kinds of thing that JOHN ASHBROOK would have been there continuing to speak out on courageously.

So I join with the gentleman from Ohio in wishing his family a note of sympathy and again thank them for giving us this opportunity.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from Pennsylvania.

I yield to the gentleman from California (Mr. DORNAN).

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I was utterly stunned and overcome with heavy sadness to learn of the untimely death of my dear friend and colleague from Ohio, JOHN ASHBROOK. After 21 energetic years in the Halls of Congress, who can believe that his dynamic presence will no longer be felt among us? We have all been immeasurably impoverished with his passing.

I have had the privilege of knowing JOHN since 1976 when I was first elected to serve in the House. By then, he already had 16 years of distinguished service behind him with an untarnished track record as a champion of conservative principles. As a freshman Congressman, I could not help but be struck by JOHN'S indefatigable energy, his mastery of parliamentary procedure, his eloquence and persuasiveness as an orator, his understanding of the issues, and, above all, his faithful and unflagging adherence to conservative principles. Freshman Congressmen instinctively look to someone as a source of inspiration and JOHN ASHBROOK was the proverbial right man in the right place at the right time.

I am particularly honored to be associated with JOHN in the passage of the Ashbrook-Dornan amendments to the Treasury, Postal Services appropriations bill. The amendments prohibited the implementation of proposed regulations by the Internal Revenue Service which would have required the adoption of racial qoutas for private schools and which assumed that private schools were guilty of racial discrimination until they proved themselves innocent. The proposed IRS regulations would have revoked the tax-exempt status of private schools—the very lifeblood of these schools. The overwhelming vote in favor of the Ashbrook-Dornan amendments was an unprecedented measure to protect the excellent private schools of this land from the social engineering experiments of unelected and unaccountable bureaucrats and judges.

Mr. Speaker, for over 20 years JOHN ASHBROOK poured out his heart and soul in the public arena for the good of this Republic. He gave to America more than he took from it. How many of us can say the same? I fear that we may not see the likes of him again.

Goodby, JOHN. May you rest in the peace of Christ.

I also want to compliment all the Members from Ohio for affording this opportunity for all of us who loved JOHN so much to say a few words.

Mr. Speaker, my first memory of JOHN ASHBROOK is in his freshman year, reading some of the conservative publications and learning about this young firebrand that had come to the Congress against such tremendous odds to completely reverse the course of American history.

In the eloquent words spoken at his funeral by Victor Lasky, I think no truer words were spoken than that JOHN ASHBROOK was a Reaganite a decade before Ronald Reagan.

I think that the moment of his death will remain a terrible pain to all of us who loved him in this Chamber.

I remember exactly where I was driving when I heard it and I could not believe my ears when I first caught the tail end of the name ASHBROOK. I thought they were going to be announcing some exciting development in his Senate race.

□ 1840

I knew how well he was the front runner because we talked about the race only a few days before in the cloakroom. And when I heard that it was his death that the commentators were talking about, I could not stand listening to the following story, an ugly little war building up in the South Atlantic, so I turned the dial and I hit a music station, and they were playing one of the most beautiful themes in recent memory of a motion picture, "Chariots of Fire."

I remember thinking that JOHN would have made an incredible missionary. The odds of missionaries in the last century and in this, millions against one or two people, were the kind of odds that he liked to take on. In that film, "Chariots of Fire," one of the two leading protagonists says of his running skill preceding his trip and his entire life's work in China: "God

made me to go to China. He also made me fast. And when I run, I feel his pleasure."

God made JOHN to serve his country, and he made him fast on his feet, he made him fast as a legislator, and he made him fast as a communicator. I think when JOHN spoke on this House floor, he gave his fellow Members on both sides of the aisle pleasure. He also gave God pleasure.

I had a television show in Los Angeles in 1972. When I asked my producer to book young JOHN ASHBROOK, 43 years of age, on the program, I was well aware that no man other than John F. Kennedy at age 43 had been sworn in as President, no man other than Teddy Roosevelt had ever assumed that office, Teddy by assassination at age 42. And I thought, "What is this young Congressman on this quixotic journey trying to accomplish?" No Congressman had ever gone to the Presidency since James A. Garfield, and he paid with his life. When JOHN ASHBROOK walked into the studio, and it was the first time I had met him in the flesh, I saw exactly what his quest was all about. And within less than a month after that exciting guesting, I cast my vote in California for JOHN ASHBROOK, and it is one of the proudest votes I have ever cast for the Presidency, because our party that very month of the California primary of 1972 fell upon bad times, the only scandal to ever rip a President from office by resignation. Without meaning to say anything unkind about anyone involved in those troubles, it has always been very easy for me as a Republican to separate myself from that period because I proclaimed many times over the last decade, and still will, that in June of 1972 I voted for JOHN ASHBROOK for President of the United States.

JOHN'S presence was commanding in the very center of this House. He liked to look right up the gun barrel at this dynamic Speaker that sits in that chair over the last 5 years. But JOHN'S presence in the cloakroom was also commanding.

When I came back here 5 years ago, planning on changing things within months if not minutes, I could always look up from the lectern down there when I probably got carried away and see a big smile on JOHN ASHBROOK'S face.

Twenty-one years is a very long time to serve your country in this Chamber or in the other body. There are very, very few men who have had that honor.

Mr. DORNAN. I am convinced that if JOHN ASHBROOK had been serving the American people in his 16th year of 21 years of service in 1776 instead of 1976, if he had been around during that year that gave birth to our country, we would be talking about him in the schoolrooms of America for over two centuries as one of the Founding Fathers of our country. He truly was of the caliber of James Madison, the father of our Constitution; James Monroe, Thomas Jefferson, of all of those men who wrote our early documents.

My memories of our conferences creating the Ashbrook-Dornan amendments to protect decent Christian education in tiny little schools from the IRS' heavy handedness and encroachment upon their rights will be among the only victories that I have had in this Chamber in the 6 years that I will have spent here, because for me, this year is up or out.

The name JOHN ASHBROOK has the ring of an American patriot about it, and I know, being a man of the temporal world, of the secular world, that he would be embarrassed by religious comparisons, although I have stood here for many friends, from Bill Ketchum in my first term to another great Ohioan, a decent man of God, Teddy Guyer, just last year.

The words of Saint Paul have not come to mind so vividly as they have with JOHN. As with the end of that great man of God, this excellent American and lover of liberty, the same words apply to JOHN ASHBROOK as applied to Paul of Tarsus. He has run the course, he has fought the good fight, he has kept the faith.

I would just close by mentioning how often JOHN ASHBROOK discussed with me any breakthroughs on Americans who might still be suffering in some lonely, rotten jungle dungeon in Indochina. There was not one problem involving Americans in the whole breadth of this world with which JOHN ASHBROOK did not intimately and with great empathy, concern himself.

Thank you, Mr. Speaker.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from California.

I yield to the gentleman from Ohio (Mr. WEBER).

Mr. WEBER of Ohio. Mr. Speaker, I am very pleased that we have this opportunity today to remember the life of our colleague, JOHN ASHBROOK. I thank Congressman MILLER and Congressman LATTA for making these arrangements.

Two weeks ago I was part of the delegation from this House that traveled to the home of JOHN ASHBROOK at Johnstown, Ohio, for his last rites. The ceremonies were a fitting tribute to one who served his country and his constituents with distinction and honor for 22 years in Congress.

I am sure that there were no dry eyes and no throats that were not choked with emotion at those services.

I did not know JOHN ASHBROOK particularly well. I met him for the first time about 2 years ago. He was a cheerful person. He was a skilled political warrior, a man of conviction. He never allowed his disagreement with a person to prevent him from displaying his friendly manner.

He was a big help to me in so many ways, both with his sound advice here in the House, but also with his willing presence at several events during my first campaign 2 years ago.

All of us feel great sadness for JOHN'S wife, Jean, and his children, and other members of his family. To them his life is irreplaceable.

□ 1850

The thing which made the services in Johnstown so special for me was to see the way in which the people whom JOHN served in that little town and across the State of Ohio, the way in which they had gathered together in Johnstown to pay tribute to JOHN and to honor the ideals for which he stood. I can still see the 1,000 or more people who stood outside the church during the funeral services, the caravan of cars stretching from the town all the way out to the gravesite. Every home seemed to be flying the American flag, and bystanders stood all along the route. On that day, Johnstown was truly "JOHN'S Town."

On that day, the people of Johnstown and others from throughout the State and elsewhere who knew JOHN, put away what they were doing. They stopped their lives to show respect to one who had served them faithfully, and to give respect again to those qualities which were embodied in the life of JOHN ASHBROOK. Just as we did 2 weeks ago in Johnstown, today we pay tribute to JOHN ASHBROOK and the values for which he stood; among which are honor, duty to country, courage to stand by your beliefs, and uncompromising allegience to your political principles. None can live those values in quite the way that JOHN ASHBROOK did.

● Mr. RHODES. Mr. Speaker, I join with the many friends of JOHN ASHBROOK in paying tribute to our former colleague. I was shocked and saddened when the announcement of JOHN'S death was made on the Saturday evening news a few weeks ago.

JOHN was one of the hardest working Members of the House and a dedicated American. It was typical of him to have launched a campaign for a seat in the Senate after serving over 20 years in the House, running hard, and working hard to serve the public.

JOHN'S staunch defense of the principles which he held dear, was based upon a genuine concern to preserve the freedoms upon which our Nation was built.

He worked diligently in committee and on the House floor for the preservation of individual liberty.

JOHN'S untiring efforts on behalf of his constituents and democratic principles were generously made—not for

self-aggrandizement—but for the good of the country.

He will be missed by those who knew and worked with him during his distinguished career in the Congress. Mrs. Rhodes joins me in extending heartfelt sympathy to Mrs. Ashbrook and JOHN's daughters.●

● Mr. KEMP. Mr. Speaker, the sudden passing away of JOHN ASHBROOK is a heartbreaking event. It is a devastating blow for those of us who knew him and enjoyed his friendship and for the people of Ohio whom he so ably represented. And it is a tragedy for all the American people. JOHN ASHBROOK was a tireless defender of the values and principles that this Nation cherishes. I cannot think of another Member who battled for them with greater purpose and commitment.

A friend of JOHN's recently described him as a "quixotic" hero because of his willingness to struggle against seemingly irreversible odds. Those of us who followed JOHN's career know that he possessed a trait that is much too rare in this town: He stuck to his principles at all times, regardless of political costs. He was a stalwart Republican and party activist at a time when the party was in greatest disarray. It is easy to be loyal to a winner, but only the truly committed stand by in times of defeat and disfavor.

I was surprised recently to read that the Almanac of American Politics makes this statement: "Ashbrook's political career is almost a catalog of lost causes."

The only true word in that sentence is "almost." Most of the causes JOHN fought for have come to fruition; and those that have not are among the highest items on the national agenda. This is no accident. It is precisely because principled men like JOHN ASHBROOK were willing to endure years of political isolation while they called for badly needed reforms. Now the reforms are here.

Day after day, year after year, JOHN ASHBROOK stood on the floor of the House inveighing against the excessive growth of Government, the rising tax burden, the soaring inflation, the economic stagnation, and the decay of family values. At the time, his may have been a voice in the wilderness. But gradually it was heard. He once said, "I do not mean to sound like a broken record," but the apology was completely unnecessary. It was precisely his willingness to defend his principles again and again that helped turn the tide in this country.

It was hard work. As JOHN said, "It has been my weekly chore to point out what the liberals have been doing." He did it for 20 years, and finally it sank in. His lost causes became winning themes. His career was testimony to Richard Weaver's observation that ideas have consequences.

JOHN had often supported the idea of tax indexing and reduced tax rates. Both have been enacted. He advocated ventilating the regulatory system to give the private sector more breathing space. That is now being done. He criticized the tyranny of the courts, which were slowly changing the landscape of American values against the wishes of the people. That problem is now being addressed. He advocated a strong foreign policy, one that rewarded our friends and penalized our enemies. After years of appeasement and vacillation, we are finally moving in that direction.

Frankly, if the causes JOHN ASHBROOK fought for really were lost, then this whole Nation would be lost. They aren't. In fact, they are the only causes that offer a positive reponse to what has gone before them. JOHN understood as well as any of us the task that lies ahead of us in repairing two decades of misguided policy. As he said,

> They have been wrong, but they built a tower of Babel on these false foundations. To us comes the challenge to build anew, on the old free enterprise foundations which made this the greatest country in the world.

Of all the Members of Congress, JOHN ASHBROOK had a uniquely clear perception of the contradictions of American liberalism. At every pass he exposed its implicit coercion, its meek acceptance of an end to economic growth, its quiet abandonment of any value systems. And JOHN continually took his case to the people, amassing enormous popularity at home. At a time when our economic program is under attack from those who would rather have such threadbare approaches as incomes-policy and a "Reconstruction Finance Corporation,"—not to mention higher taxes—JOHN ASHBROOK's lucid mind and strong voice will be sorely missed.

Conservatism is traditionally associated with the past and with resistance to change. But JOHN ASHBROOK was a conservative of the future. It was the liberal vision, he felt, that was resistant to change, that accepted too calmly the decline of American economic and military power. After listening to an address by President Carter, calling for a new foundation which paradoxically consisted of wornout ideas, JOHN ASHBROOK said this:

> Our old foundation built by the genius of Washingtons, Jeffersons and Franklins, is the finest any nation has ever been blessed with. That foundation, which encourages individuals rather than government to blaze new trails and to make their own fair deals is the basis upon which we must build in the future.

JOHN ASHBROOK, cut off in the prime of his life, will not be with us to see that future attained. But without his efforts we might not have had such a future. In fact, we might have had no future at all. The Kemp family expresses our love and prayers for the Ashbrook family in the days and years ahead.●

● Mr. BOLAND. Mr. Speaker, I appreciate the opportunity afforded by my colleague from Ohio, (Mr. LATTA), to pay tribute to JOHN ASHBROOK.

I had the privilege of working with JOHN ASHBROOK on the Permanent Select Committee on Intelligence for almost 5 years. His appointment as an original member of that committee was a testament not only to his advocacy of the need for the United States to possess a strong intelligence collection system, but to his well-deserved reputation for hard work as well. From the outset, JOHN ASHBROOK was an extremely vigorous member of the committee. He devoted a great deal of his energy to exposing the efforts of the Soviet and Soviet bloc intelligence services to collect information and influence events in the United States. He was a champion of the FBI's efforts to counter terrorism and foreign espionage activities, and his articulate support for increasing the manpower of the FBI to meet these threats played an important role in the committee's decision to support such increases.

JOHN ASHBROOK never tired of struggling for those issues he saw as important. He mounted a pivotal campaign to amend the so-called names of agents bill on the House floor, an effort which led to victory for his position. In this, as in so many other issues, he took the lead, undeterred by the odds. His spirit was that of a fighter who would not give up. Nonetheless, I never knew him to be other than gracious and generous, whether in victory or defeat.

Mr. Speaker, JOHN ASHBROOK believed in America. He studied its history and he cared about its future. He knew that this Nation needs a strong defense, but he also knew that our young people need a good education. He was never afraid to speak out in furtherance of these beliefs and when he spoke, the Members of the House listened because they knew—whether they agreed with him or not—that he spoke from conviction. His ability as a legislator will be missed by his colleagues in this House and by the people of the 17th District of Ohio, who he served so well. I want to extend to his wife, Jean, and to his children my deepest sympathies and condolences. Their loss is shared by all of us.●

● Mr. SMITH of New Jersey. Mr. Speaker, the passing of our distinguished colleague, JOHN ASHBROOK, leaves a void in this House that will be very difficult to fill.

JOHN ASHBROOK was a man of high principle. He was never reluctant to speak out on issues that were important to him. Whether he was advocating the rights of the unborn, the

handicapped, the elderly or overregulated private citizens, JOHN ASHBROOK was articulate and persuasive.

I had the pleasure of meeting JOHN ASHBROOK on the day I was sworn in as a Member of this House. Several friends of mine, who had known JOHN through their mutual involvement in the Young Republican National Federation, proudly introduced me to their longtime friend. Having since had the opportunity to work with this giant of a man, I can appreciate my friends' affection for JOHN. Like them, I am proud that I have had the opportunity to share his friendship.

Mr. Speaker, in his tribute to Congressman JOHN ASHBROOK, President Reagan praised him as a man of courage and principle who "served his constituents and his country with dedication and devotion, always working toward the betterment of his fellow man."

"His patriotism and deep belief in the greatness of America never wavered, and his articulate and passionate calls for a return to old-fashioned American values earned him the respect of all who knew him," the President said.

The people of Ohio, and indeed the entire Nation, received the benefits of 21 years of distinguished congressional service from JOHN ASHBROOK. He also served with distinction in the Ohio Legislature and the U.S. Navy.

JOHN was a gifted writer, a skillful operator, an outstanding organizer, and above all, a man of conscience.

He will be sorely missed and long remembered. We are fortunate to have had the chance to serve with him and we have been enriched by his shining example.●

● Mr. STOKES. Mr. Speaker, I would like to thank my distinguished colleague and dean of the Ohio Republican Congressional Delegation, Mr. LATTA, for taking this special order so that all of us can memorialize our departed colleague, JOHN M. ASHBROOK. I take this opportunity to send my condolences on the passing of my friend and colleague, JOHN ASHBROOK, to his family and constituents.

Mr. Speaker, for 22 years, Congressman ASHBROOK faithfully served the people of the 17th Congressional District of Ohio in Congress. In every bill he introduced and issue he commented on, JOHN always followed the dictates of his conscience in attempting to do what was best for the residents of the Johnstown, Ohio area, and the constituency he represented across the Nation.

Mr. Speaker, when I was first elected to this Congress in 1968, I served with Congressman ASHBROOK on the House Un-American Activities Committee and the Education and Labor Committee.

JOHN and I were miles apart both philosophically and ideologically and on both committees he and I frequently debated the issues. Also, over the years, we opposed one another in debate on the floor. JOHN was not afraid to take an unpopular position. He was a very principled man and always stood up and spoke out on an issue without fear. He also had the ability to disagree with you without being disagreeable. In fact, he was always a gentleman whether he was arguing forcibly for his point of view in debate or whether he was passing by you in the corridor. His greeting to me was always, "Hi, Louie."

So, while I did not agree with JOHN in his philosophy or his ideology, I respected him both for having the courage to stand up for what he believed in and for his sharp legal mind.

JOHN ASHBROOK became an important and highly respected leader in the Johnstown area. Similarly, he became the ranking Republican on the House Education and Labor Committee and a high ranking member of the Judiciary Committee.

Mr. Speaker, with the sudden passing of JOHN ASHBROOK, the Congress has lost a sincere and dedicated voice of principle. In an institution which melds diverse points of view from every persuasion and perspective, this institution has lost a respected advocate.●

● Mr. PEYSER. Mr. Speaker, I would like to thank the gentleman from Ohio for providing for this special order commemorating Representative JOHN ASHBROOK, who has ably served in the House of Representatives since 1960.

I have had the privilege of serving with JOHN on the House Education and Labor Committee since 1971. I truly believe that he was one of the brightest and fairest people that I have met in my years in the Congress.

He will be truly missed by his colleagues on the committee and in the Congress.●

● Mr. ROBERTS of South Dakota. Mr. Speaker, this House finds itself without a conservative leader and spokesman with the sad death of Representative JOHN M. ASHBROOK. It was JOHN ASHBROOK who fought those lonely fights for our heritage during his 20 years and whose leadership we will miss.

Recently, I was asked to comment on America's meaning to me. It is a common question for us who are fortunate enough to serve in public office to have to answer. My answer was that our country's opportunities—for individuals and for our whole society—are at the heart of her meaning. To JOHN ASHBROOK, America is a set of values to be cherished and enjoyed with great care. While others screamed for the system to be torn down. while others demanded that education be used as a revolutionary tool to remake society, while bosses of big labor unions sought special favors and powers, JOHN ASHBROOK remembered the American heritage and firmly said "no."

Building on the foundation of men like H. R. Gross, JOHN ASHBROOK carried the battle to those who would undermine or cheapen our values. This meant that, in 1972, JOHN ASHBROOK challenged President Nixon for the Presidency. Did he want to be President? Probably not. But the great promise of the 1968 election had been largely squandered by the winner by 1972. The left offered its candidate, a Senator from my own State. But JOHN ASHBROOK felt it was more important to be an oracle than to place his political party above principle. This demonstrated clearly his courage under fire, regardless of the costs.

That same commitment to values made JOHN ASHBROOK a leader on the Education and Labor Committee when it came to blatant power grabs by special interests and greedy union leaders. It extended to his service on the Judiciary Committee in the areas of crime control and protection of our system through a legal system that did not bend with every wind.

JOHN'S final battle was against another formidible opponent whose liberal record made him anathema. Had the Senate campaign been carried to conclusion, the people of Ohio would have certainly seen the choice in JOHN ASHBROOK, not the echo of past failed policies. But JOHN was taken from us—fighting for principle to the end.

I join my colleagues in mourning JOHN ASHBROOK. Beyond my regret at his passing and my sympathy for his family, I would say as a personal note that I do wish I had had more time to serve with him in this House that we both revere.●

● Mr. ERDAHL. Mr. Speaker, I commend my colleague from Ohio for taking this special order to eulogize our late colleague, JOHN ASHBROOK.

JOHN had a very long and distinguished career in the House of Representatives. It has been my good fortune to have known him, however, for just these past two Congresses after being elected in 1978. As the ranking minority member on the Education and Labor Committee, he was always willing to listen to me, a junior member of his committee, and to cooperate in every way possible on business coming before our committee. Interestingly enough, he became ranking minority member when my predecessor, Al Quie, was elected Governor of Minnesota and I was elected to Congress from Minnesota's First District. I know that Governor Quie is also saddened by the news of our colleague's passing.

Our late colleague will long be remembered for the firm stands he took in committee and in the House of Rep-

resentatives on those issues where he held deep convictions. He was very articulate and persuasive in debate. One of the great conservative voices has been silenced, but his influence will be felt for years to come.

My heartfelt condolences are extended to his family.●

● Mr. WINN. Mr. Speaker, the conservative cause in our country was dealt a cruel blow with the untimely death of one of its acknowledged leaders, JOHN ASHBROOK.

JOHN represented the 17th District of Ohio from 1961 until the date of his death, at which time he was campaigning to provide further service to his fellow Ohioans in the U.S. Senate.

JOHN, a Navy veteran, and son of a Member of Congress from the same central area of Ohio, was a former chairman of the Young Republican Federation, a practicing attorney, and publisher of four weekly newspapers in his home State.

He was a conservative who was a staunch supporter of State's rights and other conservative causes, and was the founder and first chairman of the American Conservative Union. He was not afraid to raise his voice in support of his views, when they were not as popular as they are today. Those of us on both sides of the aisle respected him, and the manner in which he pursued his conservative beliefs. He was an honest and honorable man and his voice will be missed.

I would join his many friends and colleagues in extending my heartfelt sympathy to his wife Jean, and their three daughters.●

● Mr. BROWN of Ohio. Mr. Speaker, writing in the New Republic on February 6, 1956, John P. Roche observed:

> In a healthy democracy the majority and the non-conformist depend upon each other, and each supplies a vital component to the whole. Stability is provided by the majority, while vitality flows from the nonconformist. Consequently, the democrat protects the right of the non-conformist not merely as an act of decency, but more significantly as an imperative for himself and the whole society.

Mr. Roche had no way of knowing that he was describing a brilliant political career which would begin later that year when a newspaper publisher from Johnstown was elected to the 101st Ohio General Assembly. If ever vitality flowed from nonconformity, it did so in the life of our beloved late colleague, JOHN ASHBROOK.

That Mr. Roche's musings appear within the covers of National Review rather than the New Republic these days suggests that for much of his career JOHN ASHBROOK was indeed ahead of his time.

Thomas Paine once warned us that "moderation in temper is always a virtue; but moderation in principle is always a vice."

It seems to me that JOHN was the embodiment of both moderation in temper and devotion to principle.

His self-effacing, gentle manner stood in marked contrast to the single-minded devotion with which he fought for what he believed was best for his country.

Whether challenging a President of his own party or offering the carefully crafted amendments for which he became so well known, JOHN always chose principle over expedience.

JOHN'S support for what he believed was right went beyond the easy stereotypical perceptions of liberalism or conservatism. Perhaps his colleagues on the Education and Labor Committee saw more of a side of JOHN too few people had a chance to see. I remember his support of a bill to allow interns and residents in hospitals to form unions and of another to revamp Federal aid to education, a bill which many said would add more than $1 billion a year in new spending.

His adherence to conservative principles, his leadership and single-minded attention to Republican and conservative principles were unquestioned.

It is hardly possible to believe that such a vibrant life has been cut so short. Many were convinced that JOHN ASHBROOK was likely to become the next Senator from the State of Ohio. Almost no one, including his supporters and his critics, doubted that this outstanding Representative in Congress would have given a great deal in service in the other body.

His untimely departure is a loss to the people of Ohio, to the Congress of the United States, and, indeed, to the American people. For JOHN'S wife, Jean, and his three daughters, Joyce and I offer our prayers and our deepest sympathy.●

● Mr. PHILIP M. CRANE. Mr. Speaker, several years ago, at a Republican Lincoln Day dinner in his district, JOHN ASHBROOK introduced me by saying: "Some people go to Washington because it is a job; others go because there is a job to be done."

Naturally, I was flattered by the fact JOHN put me in the latter category. But the truth is, no one in the Congress was more committed to getting the job done of reducing the size of Government, reducing Government spending, reducing Government red-tape and regulations, reducing taxes, and restoring military supremacy than JOHN ASHBROOK.

I first met JOHN ASHBROOK personally at a meeting in Washington, D.C., on the heels of the Goldwater defeat. That meeting resulted in the creation of the American Conservative Union. I served on the board of directors all the years that JOHN was chairman. Before entering politics myself, I was struck with JOHN'S quiet, good-humored strength and courage in leading what were often—in those days—quixotic battles in behalf of what were right principles, but battles that had to cause JOHN political problems.

JOHN never bothered to calculate the political consequences of his actions; he did what he believed to be right. In this, he was an inspiration to all Americans who knew or worked with him. Moreover, JOHN always kept the debate above the level of personalities. I never saw rancor or ad hominem fallacies when JOHN presented his case. He respected adversaries as individuals, particularly those who held principled views as passionately as he did, but who were ideologically in disagreement with him. As a man governed by a set of ideals and values that were consistent with personal liberty, free enterprise, limited constitutional government, and a strong national defense, JOHN could always join battle with those who disagreed with him, but his arguments focused on the issues and he did not challenge opponents' sincerity and equal conviction that they were right. Thus, he was on friendly terms even with his most ardent political foes.

Another endearing quality JOHN possessed was loyalty. He was not a fair-weather friend any more than he was a sunshine patriot. Any number of his friends will attest to the fact that JOHN stood beside them during personal travails—again, on occasion, even when it caused him some political injuries.

But that was JOHN. A good friend, a gentle man, a crusader for liberty, a distinguished statesman, and a true and Godfearing patriot. He is missed by his friends and our Nation. Unborn generations can be grateful there was a JOHN ASHBROOK for the role he played in reviving the faith of our fathers.●

● Mr. LOTT. Mr. Speaker, it is with considerable sadness, but also great admiration that I rise today to join my colleagues in paying tribute to the life of JOHN ASHBROOK, a most remarkable Member of this House.

The illustrious son of another illustrious Member of this body, JOHN ASHBROOK understood, as perhaps few others of us did, the true essence of public service. He was a thinking man's conservative, who took his stands on the issues long before they came into fashion. He was never one who caved into political expediency, believing that it would be far preferable to be returned by the voters to his original calling as a printer than to depart from the convictions in which he believed so intensely.

JOHN'S rock-ribbed conservative philosophy and strict constructionist view of the Constitution were views with which I happended to agree. However, even those who seldom if ever shared his views on the great issues of the day respected him for his consistency to

philosophy, his integrity, and his intellect.

During my 9½ years in this body, I came to admire JOHN and to value his assessment of the issues. I felt a special political kinship with him, having been raised in the Democratic Party just as he was. He was an inspiration to conservatives like me who came to realize that our views could best be represented by a realinement with the Republican Party.

Mr. Speaker, during times when many persons of his political persuasion were in despair over the actions of Federal courts, JOHN ASHBROOK was right here on this House floor offering innovative legislative solutions which proved effective and workable. On occasion, I would begin to wrestle with problems which I believed were unique to my own State, only to find that JOHN had already begun to carry the ball—not as a matter of provincial interest, but simply because of the principle involved. It was this same type of energy and action orientation which had led him in earlier years to found a nationwide conservative organization and to take on an incumbent Republican President in his party primaries.

Mr. Speaker, I cannot think of the award-winning motion picture, "Chariots of Fire," without JOHN ASHBROOK also coming to mind. That motion picture depicted the true story of young Englishmen who strove courageously for excellence on behalf of their country and who succeeded while remaining true to their deeply held religious convictions. JOHN ASHBROOK, too, ran the good race for his Nation and for his constituents and never broke faith with his ideals. He deserves a special place in the history of this great institution.●

● Mr. LAGOMARSINO. Mr. Speaker, there are few Members of the House with a more consistent record of voting on principle than JOHN ASHBROOK. In an arena where expediency is often the motive force, the record left by JOHN ASHBROOK stands as firm and as dependable as the mace of office beside your chair.

JOHN ASHBROOK loved the Congress, and served it well. Following in the footsteps of his father, he became an institution in this hall, constantly battling in defense of the principles he articulated so well. Bowing to no one, he challenged even an incumbent President of his own party, in what many viewed as a futile gesture, but which those who knew him saw as an eloquent way of making a point—that principle is more important than party. There are few who would have dared such a race. Yet history proved the validity of his concern, and the voters of his own district gave him 73 percent of the vote in his last election.

JOHN'S personal modesty and charm surprised many who knew him only as an ardent defender of principles. Yet it was in integral part of his outlook; many of differing points of view, called him friend. His ability to work with others, made his record more than just one of dedication to principle. And his knowledge of House rules and floor strategies served to extend his influence beyond that of a lone individual. JOHN'S patriotism is beyond question; so is his compassion. His concern for both country and for those less fortunate among us marked him as a man of extraordinary intellectual capacity and heart.

It is sobering, but nevertheless not surprising, that he died in the midst of a campaign—a campaign for a wider forum for the views he held so firmly. There are few of whom it can be said with greater accuracy, that his life stands as a monument to his belief. We shall all miss him.●

● Mr. FORD of Michigan. Mr. Speaker, many will remember Congressman JOHN M. ASHBROOK as an undaunted, unwaivering conservative, who promoted his philosophy without regard to his chances for legislative success. While this portrayal is a true reflection of JOHN'S approach on the House floor, I will recall him as a skillful legislative technician who worked as the ranking minority member on the House Education and Labor Committee in the true spirit of compromise. There is not a member on the committee who did not admire his leadership and ability to quickly grasp complex issues.

His wit and personal charm were unmatched. Even during the most heated political debates on issues on which we vehemently disagreed, JOHN could elicit a hearty laugh with a clever quip.

He may be best remembered for his political acumen, but he was equally strong in his knowledge of substantive issues. For example, he stood firmly by my side during the reauthorization of the Higher Education Act, fending off those who thought we should have less of a commitment to student aid programs. His advice and support were critical during the House debate; and the far-reaching improvements we made in postsecondary programs would not have been possible without him.

I will sincerely miss JOHN ASHBROOK. He made the legislative process a worthy pursuit, and brought credit to the Congress.●

● Mr. BROOMFIELD. Mr. Speaker, I am pleased to join in paying tribute to our friend and respected colleague, JOHN ASHBROOK.

It is always hard to accept when a friend passes away. The acceptance of such a loss is even more difficult when the person is young and has always been vibrant and full of vitality.

When JOHN was taken away from us, he was in full stride as a contributing, hard working Member of Congress.

He always ably represented the people of the 17th Congressional District of Ohio. But beyond his work of his district, JOHN was a strong and articulate voice for a conservative point of view on major national issues.

Over the more than two decades that JOHN served in this body, he became a leader in the fight for fiscal responsibility and the limitation of the role and activities of the Government. He sought to limit big Government. But guided by his deep compassion for others, he always recognized the legitimate role of the Government in helping the truly needy. JOHN clearly demonstrated to those who would have us believe otherwise that there is nothing inconsistent between being a true conservative and being a compassionate person.

Mr. Speaker, JOHN was a real and sorely needed asset to the Congress. His death is a tragic loss to the Nation, the Congress, and the people of Ohio.

I join my colleagues in expressing our heartfelt sympathies and condolences to JOHN'S wife, Jean, their three children, and the people of Ohio's 17th District.●

● Mr. ADDABBO. Mr. Speaker, it is with great sorrow that I join my colleagues today to pay tribute to our late friend and colleague, JOHN ASHBROOK. JOHN and I came to Congress together 21 years ago. We did not always agree on issues, but I always respected his courage and idealism. JOHN was and will be remembered as an honest, hard-working, and devoted public official who honorably served the people of the great State of Ohio for 11 terms. He was a loyal Republican with his own ideas of what the Republican Party should represent, and never sacrificed his personal convictions for political expediency.

He was a man of conscience, and it was his personal character which enabled him to be such a principled and idealistic Congressman. JOHN'S political career was characterized by his patriotism and respect for traditional American values; he cared deeply for our Nation and its people. He served his constituents with dedication, and worked tirelessly on behalf of individual rights and freedoms.

JOHN ASHBROOK will be sorely missed by the people of Ohio, and by all of us. My deepest sympathies go out to his family for their tragic loss.●

● Mr. PEASE. Mr. Speaker, I am very glad to have this opportunity to share with my colleagues my memory of a very special Member of this body: the late Congressman JOHN ASHBROOK, who spent 22 years in the U.S. House of Representatives working to advance the principles of public policy in which he believed so strongly.

Each week I write a newspaper column for my constituents in Ohio. Following is the text of my May 5

column which I wrote in tribute to this special person:

As I sat in a small church in Johnstown, Ohio, last week with more than 50 other congressmen attending the funeral of Congressman John Ashbrook, I thought of a statement I had read some years ago.

Attributed to Theodore Roosevelt, the statement urged that proper credit be given to "the man in the arena, the man whose face is marred by dust and sweat and blood" from combat, who is willing to fight valiantly for his beliefs, and whose place "shall never be with those cold and timid souls who know neither victory nor defeat."

Safe, middle-of-the-road-ism was not John Ashbrook's style. He was an unabashed conservative. He felt very strongly about the need for America to adopt his conservative views, and he fought at every opportunity to translate his conservative philosophy into public policy.

John Ashbrook was a fighter. He battled tirelessly for his beliefs within the Congress.

Furthermore, he did it with a sense of humor. Although he was dead serious about the importance of his work in Congress, he never took himself too seriously. He had a delightful sense of humor which made his greatest adversaries not only respect but genuinely like him.

During the six years that I knew him in Congress (I had known him casually for many years before that), John knew a little of victory and a great deal of defeat. For the first four years of our joint tenure in Congress, John Ashbrook rarely won a victory on the House floor. On bill after bill, he would offer his conservative amendments, and down they would go to defeat.

When the bells sounded to announce a 15-minute recorded vote was in progress, the majority party whip would take his place at the entrance to the House chamber to advise members rushing in what the issue might be. Often he would say, "It's another Ashbrook amendment." Some members never bothered to find out precisely what the amendment was. If it was an Ashbrook amendment, they simply voted against it—knowing it would be another one of John's conservative crusades.

But as the mood of the country became more conservative in 1979 and 1980, the margin of defeat for John Ashbrook's amendments grew smaller and smaller, and finally, in 1981, after Ronald Reagan became President, John began to taste victory as well as defeat.

Public opinion had changed. The mood in Congress had changed. John Ashbrook stayed close to his principles. In earlier years, he had not hesitated for a moment to be the only member of Congress voting against a particular bill that he didn't feel was right for America. Nor did he automatically go along with proposals from President Reagan, whose election in 1980 surely must have been the high point in John Ashbrook's long crusade to turn America to a conservative path. He was his own man, and he believed that conservative as well as liberal Presidents could make mistakes.

Last week John Ashbrook was laid to rest. Though he and I often disagreed on major issues, I always felt that he was a very valuable member of Congress. The country and the Congress will be the poorer without him.●

● Mr. JEFFORDS. Mr. Speaker, on April 24, our good friend and colleague, JOHN ASHBROOK, passed away. JOHN represented the Seventeenth District of Ohio, and represented it well. He was first elected to the 87th Congress on November 8, 1960, and was reelected overwhelmingly to each succeeding Congress.

Here in the House he served on the Education and Labor Committee, where he was the ranking minority member on the Labor-Management Subcommittee, and on the Judiciary Committee. I had the distinct privilege of working with JOHN on the Education and Labor Committee. Although I certainly had differences of opinion with him on both philosophical issues and narrower issues, he was always willing to listen to an opposing viewpoint. While he was an able spokesman for the philosophical causes in which he believed, he also had a knack for molding compromises which were acceptable to the committee, and to the House as a whole. In the 96th Congress, I did a study as to which Members of the House were most successful with floor amendments, and lo and behold JOHN ASHBROOK was near the top of the list when it came to not only as to the total amendments offered, but also as to a success percentage.

We will miss him on the committee, because he ran the affairs of the minority with an evenhandedness and a flexibility which fostered team efforts and gave each individual Member an important part to play. He also believed strongly in bipartisan efforts, and spearheaded vital Republican contributions to all of the major initiatives of the Education and Labor Committee while he was the ranking minority member.

I particularly enjoyed putting heads together with JOHN on youth legislation. He felt strongly that there was an acute need for programs to help young people who wanted to better their lot in life. He was a very strong proponent of the youth initiatives that came out of the committee last year, and I hope he will approve of the way we are furthering the cause in his absence. He and I also worked closely together last year in putting together the consolidation package of education programs in the reconciliation bill. He had a deep understanding of these programs and their worth.

in his distinguished tenure here in the Congress, JOHN left his mark on those of us who served with him and an indelible mark on the laws of this country. Although he is gone, his voice will continue to be heard in this Chamber. The man, his leadership, his credo, will not be forgotten.●

● Mr. SHUMWAY. Mr. Speaker, it was with deep sadness and regret that I learned of the passing of our friend and colleague, JOHN ASHBROOK, and I appreciate having this opportunity to pay tribute to his memory.

I became personally acquainted with JOHN during our travel together to Taiwan in 1979. During that time, I was able to see him in a very human capacity, not just as a lawmaker, but as a sound thinker and as a spokesman for the conservative point of view. JOHN respected his colleagues, no doubt one reason why he was so highly respected and admired in return.

JOHN particularly impressed me with his efforts on the floor of the House. He was nearly always present during debate, and very little escaped his watchful attention. I particularly recall his habit of bringing stacks of district newspapers with him to the floor, papers which he would appear to be absorbed in perusing. However, I rapidly learned that he was also giving close attention to the debate, and he would be on his feet in seconds with the appropriate remark or amendment when he saw fit. Indeed, he seemed always ready with the right language at the right time, an ability which I found almost awesome.

In my opinion, there is no one with JOHN'S ability and ready to take his place in our Chamber. Thus, JOHN ASHBROOK will be missed with increased intensity. Not only will he leave a void as a friend and colleague, but as an exceptional legislator who never lost track of the Nation's best interest. I am proud to have been able to serve with him, and I extend every best wish to his family.●

● Mr. WILLIAMS of Ohio. Mr. Speaker, it is with much sadness that I say this final farewell to my friend and colleague, the late JOHN ASHBROOK.

JOHN was one of the first friends I made when I came to Congress. He counseled me, supported me, sometimes defended me. And, though we sat on the same side of the aisle, we were sometimes adversaries.

However, with JOHN, it was always an adversary relationship of ideas and issues, never an adversary relationship of personalities or men. He was able to separate the person from the position and regard each on its own merits. Yet, one was never left in doubt as to where he stood.

He was a tireless worker for the causes in which he believed and a man of deep concern for the issues with which he dealt. JOHN ASHBROOK was the perfect example of a dedicated legislator.

He was also one of the most gracious Members of the House and with his passing, I sense not only a personal loss, but also a loss to all of us here in the House of Representatives, a loss to his constituents and a loss to all who believe in the strengths of our way of government. I feel confident that we here in the House make up only a very small percentage of those who will

miss JOHN deeply and who always will remember him fondly.●

● Mr. ARCHER. Mr. Speaker, all of us who serve in the House of Representatives, and this institution itself, have suffered a great loss with the passing away of our esteemed colleague, JOHN ASHBROOK.

JOHN ASHBROOK was a man of great principle and personal courage, sincere in his beliefs and resolute in his determination to do what he felt was best for this Nation and all its people. He was a man to be admired and respected, by political friend and foe alike.

While we knew he would be leaving the House at the end of this term, it was with the expectation that his service to the people of Ohio and the Nation might well be continuing in the U.S. Senate. It seems patently unfair that this Nation be deprived of JOHN ASHBROOK's leadership in any capacity in Congress at this critical time.

I join my colleagues in the House in mourning the passing of JOHN ASHBROOK. We and the Nation have lost a friend, a leader, and a statesman.●

● Mr. ERLENBORN. Mr. Speaker, it has been said that one man's death diminishes those who remain, and filling the void left by JOHN ASHBROOK's passing will indeed be difficult.

JOHN was a man of firm convictions who did not retreat if the odds were against him. He persevered, but always as a gentleman and always with good grace. He learned early in life that a sense of humor was essential in walking the tightrope of life.

For 21 years, JOHN competently and ably represented the people of Ohio's 17th District. I know he will be sorely missed by them, as well as by his colleagues on the Education and Labor Committee, where I had the good fortune to work with him on hundreds of issues over the years.

My deepest sympathies go to his wife and three daughters, who I hope, find comfort, as I do, in having been closely associated with this decent and good man, a legislator par excellence.●

● Mr. GAYDOS. Mr. Speaker, neither the people of a congressional district nor the citizens of a republic can want more of an elected representative than that he do his unstinting best for what he thinks is right.

In this, our late colleague JOHN M. ASHBROOK gave the 17th District of Ohio, and the United States, what was due, and more.

I knew Mr. ASHBROOK by shared service on the Committee on Education and Labor and on the Congressional Steel Caucus, and by his day-to-day conduct over 20 years he illustrated the truth that a worthy adversary makes a reliable friend.

Against you, he often put your ideas to tests that made them better, stronger. With you, he could be counted on for the same kind of steadiness.

And no Member of Congress can want more from a colleague.

From him, we got what was due, and more. I will miss, the committee will miss and the House of Representatives will miss his understanding and his expertise.●

● Mr. SAWYER. Mr. Speaker, it is a great honor for me to participate in this tribute to my colleague and friend, JOHN ASHBROOK, who died suddenly on April 24. My only regret is that we must use the occasion of JOHN's untimely death in order to belatedly appreciate his many good qualities.

I first met JOHN ASHBROOK shortly after I came to Congress in 1977. It was readily apparent to me that it was no accident that JOHN was a well-established political veteran in Washington. All who knew him would agree that he was one of those rare combinations on Capitol Hill: an intelligent man, a compassionate human being, a good legislator, a shrewd politician, and a dedicated American.

During the 97th Congress, I have had the privilege to work with JOHN on the Judiciary Committee's Subcommittee on Crime. We did not always agree on the issues, but we never were unable to discuss them and we never lost our respect for each other.

JOHN's reputation was legendary as a debater and parliamentarian. He worked tirelessly for his constitutents in Ohio's 17th District and always remained true to his conservative principles. JOHN did not vacillate on these principles, either. After carefully weighing the issues, he would stand fast—and sometimes alone—on his beliefs, not caring that he might be bucking party members, the majority of the Congress, or even the President of the United States.

We need people like JOHN ASHBROOK in Congress. Whether we agreed with him or not, he made us all have to think and work hard. It pleases me to note that other Members of Congress realize this as well. Democrats and Republicans, Senators and Representatives, liberals and conservatives all who knew JOHN will miss him.

JOHN ASHBROOK's death at the age of 53 ended a family tradition during this century of almost 42 years of public service in the House of Representatives. It is with great sadness that I offer my condolences to JOHN's family and to the people of the State of Ohio.●

● Mr. GRADISON. Mr. Speaker, I share with my colleagues a deep sense of loss at the sudden and untimely death of our friend, JOHN ASHBROOK. JOHN was a man of principle and courage. He had that all-too-rare habit of speaking his mind clearly, openly, and frankly and letting the chips fall where they may. He served his Ohio constituents with dedication and zeal, had an encyclopedic knowledge of government programs, and a wide following not only Ohio, but elsewhere around in the country. I join in this special order to express my own personal regret at his passing and to extend my deepest sympathies to his family.●

● Mr. MARKS. Mr. Speaker, it was with a sense of shock and deep sadness that I learned of the death of our distinguished colleague from Ohio, and my friend JOHN ASHBROOK.

Perhaps the high regard and genuine affection I had for JOHN is best expressed by a note of condolence I sent to his wife and children.

Text of the letter follows:

WASHINGTON, D.C., *April 27, 1982.*

MRS. JEAN ASHBROOK,
910 West Village Drive,
Newark, Ohio.

DEAR MRS. ASHBROOK AND CHILDREN: I write you as a colleague of John's who very early in my first year learned to admire him and respect him and his views. You may not be aware but I am sure that my voting record and John's voting record, over the six years I have had the privilege of being his colleague, are probably as dissimilar as any two in the House. However, at no time to my knowledge, did that ever interfere with our friendship. John, although disagreeing with my positions most of the time, always gave me the opportunity of voicing them and did not ever belittle me. I appreciate that more than I can tell you since that was not always true of other colleagues of mine who may not have agreed with me in my positions.

Your very dear husband went so far before the last election to voluntarily offer to come and campaign in my behalf. Although to do so I am certain would have tarnished him at least to some degree—yet he never considered that was important but only considered that helping me return, in spite of my off-times differences of opinion with him, was important.

Your husband—your father—my friend, John Ashbrook, was in fact one of the great Americans. I admired him and I truly will miss him.

Having experienced a death in my family of someone very close, I at least to some small extent can share with you your feelings at this time. I send to you all the love and affection of my entire family.

Respectfully,

MARK LINCOLN MARKS,
Member of Congress.●

● Mr. MONTGOMERY. Mr. Speaker, the death of Representative JOHN ASHBROOK of Ohio on April 24 saddened all of us who knew him. I join with my fellow Members of the House of Representatives today in paying tribute to this outstanding man.

He was a good friend and served as a stabilizing force on the Education and Labor Committee.

JOHN ASHBROOK was always an articulate spokesman for conservative causes in the House and he was never one to back away from an issue. He enjoyed the popularity and respect of his House colleagues as well as his constituents in the 17th District in Ohio. We will miss him.●

● Mr. QUILLEN. Mr. Speaker, I would like to take this opportunity, along with my colleagues, to pay tribute to Congressman JOHN M. ASHBROOK of Ohio.

I am deeply saddened by JOHN's passing and will miss greatly his warmth, his wisdom and his friendship.

The tremendous work he did in serving his constituents and our country is a shining example for others to follow, and his efforts and accomplishments will be long remembered.

JOHN was first elected to the Congress in 1960 and served for many years on the Committee on Education and Labor where his contribution to the Nation's labor laws and education programs was impressive.

Congressman ASHBROOK's integrity, abilities, and dedication to firm conservative principles earned for him a well deserved national reputation.

I wish to extend my sincere condolences to his family in this time of sorrow. Their loss is shared by those who knew JOHN.●

● Mr. CLAUSEN. Mr. Speaker, it is with great sadness that I join with my colleagues in paying tribute to the passing of a great statesman, the late JOHN M. ASHBROOK of Ohio.

Many of the senior Members among us, on both sides of the aisle, would have to cast into the depths of their memories to recall an individual whose commitment and determination in the pursuit of his ideals surpassed those of JOHN ASHBROOK. Such was his spirit in the service of his beloved country, a service spanning over 20 years in the House.

JOHN will long be remembered as an advocate of returning control of America to her people, through consistent efforts to reduce the growth of Federal programs which he felt State and local agencies could more effectively replace, and to increase the accountability of elected officials to the electorate. He held fast to these principles and worked tirelessly toward the ends in which he believed long before it became "popular" to do so. He would often request a rollcall on a spending bill, never letting us forget who pays our salaries. The awards he has received as watchdog of the Treasury are indeed well-deserved.

It was my privilege and honor to have had the opportunity to work together with JOHN toward our shared goals in the area of education during his service as the ranking minority member on the Education and Labor Committee. His absence on this committee will no doubt be deeply felt, especially in terms of his perceptiveness and the striking insights he offered on complex issues.

It is hardly possible to speak of JOHN ASHBROOK's leadership in the House without mentioning his willingness to promote and defend the cause in which he believed before the Nation and abroad. He had long been active in organizations espousing a conservative, constitutional philosophy, and has debated on hundreds of campuses, television panels, and forums as an advocate of this philosophy. In a 1970 national poll, he was chosen as one of the most respected conservative leaders in America, ranking in the top 5 of almost 100 prominent conservative leaders, along with BARRY GOLDWATER, Ronald Reagan, JOHN TOWER, and Bill Buckley.

Mr. Speaker, it is with great honor and respect that we mark the passing of JOHN ASHBROOK. No words can fully express the emptiness we all feel and the void which he has left. Our prayers go out to his family, for we know what a loss they have suffered, and pray that God will give them strength.●

● Mr. DERWINSKI. Mr. Speaker, I was deeply saddened and shocked by the news of the untimely passing of our distinguished colleague, JOHN ASHBROOK. His outstanding record of faithful service and his strength of character earned him an honored place in the hearts of his constituents and in the hearts of people throughout Ohio.

John was a dedicated Representative who was always loyal to conservative principles of government. As founder and former chairman of the American Conservative Union, JOHN ASHBROOK was a leading spokesman for conservative, Republican policy decisions.

During his 21 years in Congress, the people of America had the benefit of JOHN's hard work and expertise on legislation affecting tax and budgetary policy, States rights, and education. As ranking minority member on the House Education and Labor Committee and the Judiciary Committee, JOHN was instrumental in forming initiatives which protected individual freedoms against government interference.

Throughout his public career, JOHN worked diligently on behalf of his district and his country. He was dedicated to the discharge of his congressional duties in a fashion that was totally responsive to the needs of our Nation as well as the State of Ohio and the district he represented. His concern and commitment to the welfare of the people of Ohio was shown by the dedication which marked his campaign for the Senate seat in that State.

Having served with JOHN during the last 21 years, having campaigned for him in his initial congressional race, I appreciated his friendship and our longstanding political relationship.

My wife Pat joins me in expressing our sincere condolences to his wife, Jean, and the entire Ashbrook family. We have lost the services of a truly dedicated colleague. We will always remember JOHN as a true friend and a man of firm responsible, conservative, political principles.●

● Mr. TAYLOR. Mr. Speaker, I deemed it a privilege to serve in this body with one so dedicated to the principles of our Constitution as was JOHN ASHBROOK.

I have not only lost a personal friend who has visited in my home and came to my district to speak in behalf of my reelection, but also we have all lost a colleague who had the courage of his convictions and never missed an opportunity to express in the strongest terms the conservative point of view. He never shied away from controversial issues and was a formidable debater.

JOHN ASHBROOK had the respect and confidence of millions of Americans who knew him as the champion of limited Federal Government, strong national defense, low taxation, and the need to reduce the regulatory burden that has been placed on the businesses and industries of this Nation.

I would like to convey to JOHN's family my deep regret over his untimely death. It is always difficult in times like these to find the proper words to express our feelings but needless to say JOHN ASHBROOK will be missed.●

● Mr. RITTER. Mr. Speaker, I, too, will miss JOHN ASHBROOK. My heartfelt sympathy goes out to his wife Jean and his three daughters.

JOHN ASHBROOK will be greatly missed not only in this Congress, but across this country by all who value freedom and the rights of the individual. Whether it be in support of the rights of private institutions or speaking out against oppression in totalitarian societies, his beliefs were valued by Republicans and Democrats alike because of their emphasis on the positive role of the individual in society.

His words and deeds where those of the freedom loving individual who symbolizes all that this Nation stands for. He once said, "I'm not going to conform to what other people are doing for the sake of conformity. I try harder than most people to do what I think is right." JOHN not only believed these words but lived them. Although considered to be a conservative, he was a liberal in the classical sense, fighting for the individual's rights against inherent evils that stem from a government that is so big and so powerful that it simply cannot deal with individual human needs.

Whether it was forced schoolbusing, wage and price controls, or bailouts to large corporations, JOHN fought against unwarranted Federal intrusion into the daily life of a free society. He continued to offer an alternative of less government and less Federal spending, an alternative which recently has become a major part of the philosophical direction of our coun-

try's citizens and so many of us in Congress.

He was an eloquent spokesman, but even more he was a friend. In closing I would like to pay special attention to a belief he held dearly. He once told a reporter, "In the end, those who have stood and fought for principle have usually been vindicated." History has and will continue to show that his fight for principle and the individual was not in vain.●

● Mr. BIAGGI. Mr. Speaker, shock and sadness were two emotions which enveloped me when I learned of the death of our dear and esteemed colleague JOHN ASHBROOK. For more than two decades, JOHN ASHBROOK served in this House with unique distinction. Therefore it seems so incomplete that we try and capsulate his accomplishments in one brief, special order.

I had the privilege of serving with JOHN throughout my 14 years in this House. We grew close because we both served on the House Education and Labor Committee, where for the past 2 years, he was the ranking minority member. To fully understand and appreciate JOHN ASHBROOK—all one had to do is watch him in a markup session on a given bill. If JOHN was on your side—yours was a simpler task. If you had JOHN as an opponent—you knew you had a tough fight and could only win on merit. Clearly, as a two-party House of Representatives—there are many of my colleagues who found themselves on the opposite side of the political and ideological fence from JOHN ASHBROOK. Yet, there are few, if any, who did not appreciate and or benefit from the experience of comparing views with JOHN ASHBROOK.

For JOHN, his convictions were his greatest strength. One of my colleagues said it right when he referred to JOHN as a idealist who never lost his idealism. His intellectual capacities were enormous, and it made him one of the most impressive spokesmen for the cause of conservatism ever in American political life.

It is not an exaggeration to say that JOHN ASHBROOK had many friends in this body. He was warm, humorous and always personable. He was sought out by many; his advise and counsel was valued like few others. He was a type of political barometer, when you got a reading from him, you got a much clearer reading on which way to proceed.

The loss of JOHN ASHBROOK in many ways is impossible to assess. It leaves this institution a much poorer place. It will leave those of us who knew him with feelings of deep remorse and loss. It deprives our Nation of one of its most eloquent and formidable political leaders. His death leaves me without a good and dear friend.

It might be best to say that it is a real shame that JOHN ASHBROOK is no longer with us. All we can do is offer solace to his beloved wife and children and comfort them with the knowledge that they should be proud of what JOHN ASHBROOK did in service to his country.●

● Mr. FOUNTAIN. Mr. Speaker, I want to join with my colleagues in expressing the deep sense of loss felt in this Chamber with the passing of our distinguished colleague, JOHN ASHBROOK of Ohio.

Although JOHN and I were on different sides of the aisle, I had the great pleasure and privilege of working with JOHN for over 20 years in the House of Representatives. During that time JOHN and I shared the same goal of a strong America, and his wisdom and insight will be sorely missed in this body.

A man of high intelligence and dedication to principle, JOHN put what he thought was right before what might have been politically expedient. And whether in agreement or opposition to JOHN's position on any given issue, Members were assured of capable and honest advocacy on his part.

Indeed, with his dedication to a better America, his strong stance against the evils of communism, and his unique sense of purpose, JOHN was a legislator of truly national stature.

As we all know, apart from his work in the House, his hundreds of debates, forum and television appearances, JOHN was in the midst of a campaign for the U.S. Senate. And anyone who knew JOHN ASHBROOK knew that that race would have been extremely exciting, with issues and positions clearly defined and well articulated.

Here in the House, JOHN built a solid record. Until its abolition, JOHN ASHBROOK was the ranking Republican member of the House Internal Security Committee, and he was the well respected ranking member of the important Education and Labor Committee.

In addition, JOHN was a senior member of the House Judiciary Committee and also a key member of the Select Committee on Intelligence—a committee with oversight of the CIA, FBI, NSA, and Defense Intelligence Agencies.

Of course, JOHN served with distinction in a number of capacities apart from the prominent role he played in the House of Representatives.

JOHN was a member of the Johnston Baptist Church, and he served as moderator, chairman of the board of deacons, and chairman of the board of trustees. JOHN was also a 32d Degree Mason, and he served as an able and active participant in other civic and school affairs.

Here in the House, we have lost a true and valued friend, adviser, and colleague, a man who served both his State and Nation with deep devotion and with great ability and skill.

My wife Christine and I send out to JOHN's wife Jean, and to his three lovely children, our thoughts and prayers and deepest sympathy at this time of loss. May they find strength and peace during this time.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I am most grateful for these few moments to honor the memory and service of a great statesman and outstanding American, Representative JOHN M. ASHBROOK.

The son of an Ohio newspaper editor and former Member of Congress, JOHN undoubtedly was deeply influenced by his father's career. However, his own decision to seek public office was based on his firm commitment to the protection of individual freedom.

Ohioans of the 17th District will feel the loss of this courageous and committed man, who they first elected to the 87th Congress in 1960 and have elected to successive terms until the time of his death. JOHN's death has come just weeks before the election to determine the Senate Republican nomination in Ohio, a seat which JOHN was enthusiastically seeking in an effort to better serve the people of Ohio and this Nation.

JOHN was not man to be pacified when his convictions to individual freedom were in question or threatened. A man of principle, JOHN made this observation of himself, "I'm not going to conform to what other people are doing for the sake of conformity. I try harder than most people to do what I think is right." With that philosophy, he attacked his work, his leisure, and his hopes for the future of this country.

As JOHN's good friend William F. Buckley, Jr., once said:

> Mr. Ashbrook shows that kind of personal political courage by which one distinguishes between those automatons who represent us in Washington and those special others who are human beings endowed with mind and an active conscience.

Not many men will come along with the courage, compassion, and active conscience that permeated the life and career of JOHN M. ASHBROOK.

It was with these qualities that JOHN approached his latest endeavor to reach the Senate and it is with these qualities he has made a lasting impression on his colleagues and constituents.

As we contemplate the passing of this fine statesman, I wish to express my heartfelt sympathy to his wife Jean and his three daughters, his sisters and brothers, two of whom reside in JOHN's hometown of Johnstown, Ohio. I also extend my sincere sympathy to the people of the 17th District, who JOHN proudly represented for 21 years.

I hope and trust his influence will inspire us to remain unrelenting in our own dedication to serve this Nation.●

● Mr. SAM B. HALL, JR. Mr. Speaker, JOHN ASHBROOK was a product of

middle America. He loved our country, and he had a fierce pride in the American dream. His values and sense of ethics were of an America that far too many people have abandoned. He was straightforward, unassuming, and made no apologies for his beliefs.

More often as not, JOHN ASHBROOK found himself in a minority. He would tackle issues of controversy that others sought to ignore. In doing so, he made his colleagues face up to the tough issues. In his mind Congress should not be a rubberstamp, and he was fighting to restore legislative equality in the balance of powers doctrine long before the current flap over congressional prerogatives.

The Ashbrook name has been synonymous with Ohio politics as long as anyone can remember. His father was a Democrat in a sea of Republicans. JOHN was a conservative Republican to the end. Both men were known as scrappers who did not mind fighting for what they saw as the right course of action.

Not long ago I read an article about the positive work done by the senior Ashbrook to enhance and foster numismatics and assist the Nation's coin collectors. It may have been providential, but it was the father who worked to get a charter for the American Numismatic Association for a period of 50 years, and after that 50-year period, it was the son who successfully worked in behalf of a perpetual Federal charter.

Tragically, so many of the Nation's great leaders have been taken from us at an early age—John F. Kennedy a prime example. JOHN ASHBROOK leaves us at age 53, yet few people accomplished more or had the respect and devotion of so many in such a short lifespan as JOHN.

I will miss his counsel, his constant battle for principle and decency, his devotion to America. To his family I extend my heartfelt sympathy. To my colleagues I say we have lost a valued and trusted friend.●

● Mr. PHILLIP BURTON. Mr. Speaker, the U.S. Congress has suffered a great loss with the untimely death of one of its finest Members, Congressman JOHN ASHBROOK of Ohio. I was fortunate to have the opportunity to work with JOHN ASHBROOK for many years on the Education and Labor Committee.

Although we often disagreed on issues, I greatly respected JOHN ASHBROOK for his integrity, his honesty, and his warmth. His service to our Nation in the Congress was a tribute to the best traditions of representative government.

One attribute of JOHN ASHBROOK that stood out was his rugged independence of thought and action. There were several important instances during JOHN ASHBROOK's distinguished career when he courageously supported issues not necessarily popular with his normal constituencies. His assistance in passing the hospital amendments to National Labor Relation Act in 1974—extending NLRB protection to several hundred thousand workers—was invaluable as well as his willingness to support the rights of medical interns and residents to collectively bargain. He served effectively and constructively the causes in which he believed precisely because he was always willing to listen to other points of view and to seek constructive resolution of their differences.

JOHN ASHBROOK was known for his personal warmth and charm. It was always enjoyable to work and be with JOHN. He relished the joys of life—as he enjoyed the challenge of the legislative process. I was most fortunate to know JOHN as a friend. We will all miss him. The Congress and the country will be a good deal less on the level because of JOHN's death.●

● Mr. O'BRIEN. Mr. Speaker, of the qualities of which the good Lord blessed JOHN ASHBROOK, and there were many, I think I will remember his candor in setting forth his position on an issue, and his calm, pointmaking style in debate, never losing control and always maintaining his objectivity.

His loss is felt here already. He was one of those special Members of Congress whose conduct added a luster of its own to the honored body in which we serve.●

● Mrs. HOLT. Mr. Speaker, I feel great sadness at this moment. JOHN ASHBROOK was a man of vigor who approached every challenge in life with great enthusiasm. I know the House shares my sense of loss that he was taken from us at the age of 53.

During 22 years in the U.S. House of Representatives, JOHN ASHBROOK served with energy and distinction and strong commitment to principles. I well recall his campaign for the Republican Presidential nomination in 1968 as a demonstration for political principles that he believed would not be served well by the establishment candidate of the party.

In recent years, he was the ranking minority member of the House Education and Labor Committee, where he was an aggressive and brilliant advocate.

I happen to believe that the cause of education in the United States was well-served by the work of JOHN ASHBROOK, who constantly challenged Federal legislative proposals that would have an adverse impact on local school systems.

I shall miss my friend JOHN ASHBROOK, his keen intellect, and his sound advice on Federal programs affecting education.●

● Mr. ZABLOCKI. Mr. Speaker, the untimely death of JOHN ASHBROOK has left a void in the ranks of conservative spokesmen which will be hard to fill.

At a time when consistency is not all that popular a virtue, JOHN could be counted on to speak out with the conservative viewpoint on almost any important subject before the House. He was articulate. He was energetic. He was a master of parliamentary procedures.

JOHN was active in the floor consideration of many bills of which I was manager as chairman of the Foreign Affairs Committee. While I did not agree with him on a number of issues, I always respected the sincerity of his advocacy.

JOHN was in the prime of life, he was a rising star, when death struck. He will be greatly missed. I join in expressing deepest sympathy to his wife and daughters.●

● Ms. OAKAR. Mr. Speaker, today, we are here to pay tribute to our dedicated colleague and friend, JOHN ASHBROOK. His untimely death is indeed a loss to the citizens of Ohio. JOHN served Ohioans in Congress for the past 21 years, and was a conscientious and devoted worker. He was a firm believer in this country's greatness and was often praised for his endless work for the betterment of mankind. He served his constituents and country with real integrity and dedication, never losing his patriotism. JOHN had a deep-rooted pride in the United States and worked to instill this pride in the people that he met every day.

After graduating from Harvard with a B.S. degree, and Ohio State University with a law degree, JOHN began his career in politics. In 1956, only 1 year after graduating from law school, he obtained his first public position by winning a seat in the Ohio State Legislature. Four years later, he was elected to his first national office, becoming a Representative from Ohio for the 17th District. At this time, JOHN was the second youngest Member of Congress.

While not everyone agreed with JOHN's positions, one admired his sincerity and his commitment to his beliefs. He was an extremely principled man. He was also a kind and generous man. Ohio and the Nation has lost an outstanding legislator.●

● Mr. HALL of Ohio. Mr. Speaker, I join with the Members of the House in mourning the death of our colleague, JOHN M. ASHBROOK.

JOHN ASHBROOK was a man of principle who never wavered from his belief in individual liberty and the greatness of America. He advanced those ideals fearlessly, sometimes taking a quixotic approach that reflected more a deep-seated hope than a successful cause.

JOHN was a hard worker who always felt a sense of dedication and devotion. For this JOHN earned the respect of not only those who shared his particular vision, but his opponents as well.

Despite the intensity of his beliefs, JOHN remained softspoken and a gentleman of great personal charm. He was an eloquent spokesman for the old-fashioned American values he championed.

JOHN served well his constituents, the State of Ohio, and the Nation. His passing will be missed by all.●

● Mr. FUQUA. Mr. Speaker, it is with a deep sense of loss that I rise to join so many other colleagues in paying respect to the memory of JOHN ASHBROOK.

JOHN ASHBROOK preceded me in this House by only 2 years, so we have shared the joys and frustrations of serving together through 10 consecutive Congresses.

One cannot work with somebody for 20 years and not develop a kinship from these shared experiences.

Throughout this time JOHN ASHBROOK proved a good friend, a good legislator, a statesman, and a patriot.

I can think of no greater praise for any man.●

● Mr. DE LA GARZA. Mr. Speaker, today we are here to pay tribute to our colleague JOHN ASHBROOK whose untimely passing is a loss not only to his family, but to his district, his State, and his country.

When I came to the House of Representatives in 1965 one of the first to greet me was our departed colleague whose tenure began in the 87th Congress. During the intervening years, and especially as neighbors sharing the same area of the Longworth House Office Building, I, along with many others, enjoyed his friendship and consultations on various matters pertaining to the Government, the Nation, and other mutual problems.

Representative ASHBROOK possessed one of the most extraordinary personalities of any individual whom I have met in public life. He had keen insight into legislative problems and devoted long hours of work in his legislative duties and services to his constituents. He epitomized the spirit of the Ohio delegation, leaders all, a man who served his State and his Nation with integrity and courage. His many reelections from the 17th District of Ohio attest to his remarkable ability.

The greatest honor anyone can receive is to be remembered by those who come after him. JOHN ASHBROOK's shining record of service will continue as an inspiration to me and I know to others.

In recognition of this outstanding American's endeavors for the betterment of his fellow man I join with my colleagues in mourning the passing of an eminent statesman, a friend, and a grand human being. My life is richer for having known and worked with him.●

● Mr. ROE. Mr. Speaker, it is with great sadness that I rise today to salute the memory of our recently departed colleague, the Honorable JOHN M. ASHBROOK of Ohio.

For the past 22 years, Congressman ASHBROOK served in Congress as the distinguished Representative from the 17th District of Ohio. His death creates a great vacuum for both the people he served in Congress and we who worked alongside him on a daily basis.

While JOHN and I did not always share the same political philosophy I always admired his hard driving approach to advance the ideals he believed in. He was a worker who did his homework. And anyone who faced JOHN in a debate on this floor knew that he was facing a well prepared and worthy opponent.

JOHN ASHBROOK served with distinction as the ranking member of the House Education and Labor Committee. During the late 1970's he joined with House Democrats in a bipartisan effort to draft an historic Federal aid to education measure that helped bring badly needed funds to our Nation's schools.

He was a man with an unabiding love for his country who was extremely vocal in denouncing anyone who spoke out against this cherished land.

JOHN ASHBROOK was a unique individual whose alert mind and spirited manner will be sorely missed.●

● Mr. MAZZOLI. Mr. Speaker, the passing of my good friend and colleague, JOHN ASHBROOK, came as a great shock to all of us.

JOHN and I served together in the House for many years as members of the Judiciary, the Education and Labor, and the Intelligence Committees of the House.

More recently I had the privilege of working with JOHN on pro-life issues, as he was a great defender of the rights of the unborn. As a Representative, JOHN's committment and dedication to his constituents, and his hard work in the House was always an inspiration to me.

I extend my condolences to his wife Jean and their children, and take comfort knowing JOHN has served his country well.●

● Mr. PICKLE. Mr. Speaker, JOHN ASHBROOK was a true conservative. He always made his position clear from the outset, and he never deviated from his commitments. Members knew how he felt and respected his position. I dare say there were just as many misty eyes on the liberal side of the aisle as the conservative at news of his death—because almost everyone respected JOHN ASHBROOK.

As I said, he was a rock-ribbed conservative. But he was not borishly predictable, and you could not count on him to simply "vote against" proposals on the floor. Sometimes he would surprise the life out of the leadership and propose or endorse bills that were truly progressive, or liberal. And this would cause Members to do an occassional double take and remind themselves that JOHN ASHBROOK was one of that rare breed who say and do exactly what they believe.

His stands were never based on prejudice, or bigotry, or hatred, but on sincere conviction, and on his idea of what the laws of the Nation should be. I cannot recall a time when he ever lost his temper, or showed evidence of a mean streak. He was simply JOHN ASHBROOK, advocating his position in a positive and forceful—and I must say, generally effective—manner. We will all miss him.●

● Mr. MOAKLEY. Mr. Speaker, I rise to express a deep sense of sorrow at the passing of our colleague, JOHN ASHBROOK. I wish to extend my sympathy to his family and friends at this tragic and untimely death. While JOHN ASHBROOK and I stood at opposite sides of the aisle and did not agree on many issues, he was a man who was never afraid to speak his beliefs and stand by his convictions. This is a quality that is to be admired.

JOHN ASHBROOK was an outspoken member of the Education and Labor Committee. Though he was a strong advocate of restrained Federal spending, he always worked to insure a quality education for all of our Nation's youth. He also had the tough but thankless job of serving on the Judiciary Committee's Subcommittee on Crime. During committee meetings and meetings of the full House it was to be expected that JOHN ASHBROOK would be both an active and articulate debator. I am sure I speak for all my colleagues when I say that his absence will be deeply felt by us all.●

● Mr. COLLINS of Texas. Mr. Speaker, as we join together to pay our respect to JOHN ASHBROOK, I am reminded of the first impressions I had of JOHN. It also emphasized what an institution he was in Congress. I have been here eight terms and I remember the key campaign I had when I first won my seat to come up here. At that time, I was checking the Republican Members of Congress to see who was the most highly respected in our area. Among the top four, and this was many years ago, was JOHN ASHBROOK. The very high regard that Texans had for JOHN came from his leading roll on the Americanism committee. He was such a strong advocate of the American system, the American ideals, and the American way of life. He fought consistently and with courage against communism and socialism. But what impressed people the most was when he made a speech, he had the facts and he told it like it was.

In serving with JOHN, it was inspiring to see him always on the floor in the middle of the fight. He was always a gentleman but his questions were penetrating and JOHN never took the

soft, easy way out. If it was a sensitive issue where you might disturb some of your constituents, JOHN took the position of what was best for the country. I especially appreciated the part JOHN played in our fight for quality education. Forced school busing has had a negative impact on the school system of America. And every time I took the battle to the House floor, JOHN was there, side by side, bringing out one good point after another.

It is with deep sorrow that we see a young man of 53, who was in the prime of his congressional career, taken from our ranks. JOHN was not only young, but he was vigorous and most active. There was a certain electric magnetism about JOHN. It is an honor for Texans to be able to join the neighbors of JOHN ASHBROOK, who lived in Ohio, in paying our warmest and deepest sentiments to his family and also to the State of Ohio where history will always remember JOHN ASHBROOK for his outstanding service to our Nation.●

● Mr. CONTE. Mr. Speaker, it is an understatement to say that this Congress will miss our friend and respected colleague, JOHN ASHBROOK. Although we may not have all agreed with his ideology or his proposals, no one could criticize his principles and integrity. JOHN was a man of great convictions, of distinguished courage, and of many talents. In addition to the time he spent here, his career encompassed the Navy, the fields of law and publishing, and the State legislature. No matter what JOHN was doing at any given time, he was sure to be doing it with determination. JOHN was not afraid to fight for the underdog or to take a politically unpopular stand. I find those characteristics to be a refreshingly noble model for all of us.

In our sadness over his loss, we should rejoice in the fact that we were able to have him with us for 22 years and that he made a deep impression upon this body. The wide margins by which JOHN won his district in recent elections is proof of the excellent job he did and the respect which he amassed in the 17th District of Ohio. That respect is one which can only be equalled by that which he garnered in this venerable institution.

All of JOHN's attributes were only heightened by his personal modesty and Midwestern charm. We are all grieved by this terrible misfortune. He will be missed, but he will not be forgotten.●

● Mr. RODINO. Mr. Speaker, it may be true that you can learn more about a man from what is said about him by his adversaries than by his friends. I was one who seldom agreed with JOHN ASHBROOK's conservative views. In fact, we approached most issues from opposite ends of the political spectrum; and, as members of the Judiciary Committee, we were frequently at odds. While JOHN was always a forceful advocate for what he believed was right, he never fought in anger or with ad hominem arguments. Instead he relied on his courage, intelligence, and integrity in fighting his legislative battles. For these qualities, he had my respect, and the respect of all his colleagues.

JOHN ASHBROOK was a tireless worker who was devoted to serving the people of Ohio. They returned his dedication by electing him 11 times to his House seat. It is a true tragedy that this vibrant man has been taken from us so soon, and I want to express my deepest sympathies to JOHN ASHBROOK's family at this most difficult time.●

● Mr. SCHULZE. Mr. Speaker, I was shocked and saddened, as were we all, by the untimely passing of our dedicated colleague, JOHN ASHBROOK. His wise and able counsel will be sorely missed during the difficult debate to come on the pressing issues facing our Nation.

It could always be said of JOHN that he cared for this country in a way which made us all proud to know him. His tireless fight for what he believed to be best for our Nation set him above the average man. He did not seek the limelight, but instead sought the truth. Many times he faced this body on an issue with the cards clearly stacked against him, but he fought anyway knowing that he would be less than true to his beliefs if he abandoned the fight in the face of opposition. This type of devotion will be sorely missed in this body.

JOHN has embarked on what some have called the last great adventure. I am certain that he will succeed in this as he has in everything he did in life. I wish him eternal peaceful rest and extend to his family my sincerest sympathy.●

● Mr. ROBINSON. Mr. Speaker, it is with sadness and a deep sense of loss that I rise at this time to offer a few words in tribute to the service of my valued colleague and friend, JOHN ASHBROOK.

While I had enjoyed the beneifts of JOHN's friendship and advice throughout my congressional service, it was through our work together on the House Permanent Select Committee on Intelligence that our rapport was reinforced in a way which makes his passing a wrenching experience for me.

As all of my colleagues in this House know, this committee is not one which seeks the limelight. To be effective, it must rely on the dedication of its members, and of the supportive staff, to the intelligence elements of our national security effort. JOHN ASHBROOK made a full commitment to the mission of the committee, without any thought of increased political visibility. His other assignments in the House, and his work in behalf of the constituents of his district were not neglected in any degree, but when JOHN ASHBROOK came to the meetings of the Intelligence Committee, he gave these sessions full attention, and his contributions always were responsible and constructively responsive to the questions at hand.

The loss of JOHN ASHBROOK is a severe one to this House. It is a major loss to his constituency and a most grievous one to his family. His was a voice of responsible, realistic conservatism in the national interest which the House profited by in its deliberations and decisions.

I will miss him sorely, and so will all here who had the privilege of working closely with him and receiving the support of his well-considered judgments and balanced perception.●

● Mr. MICHEL. Mr. Speaker, I never thought it would be my sad chore to speak in memory of our dear, departed friend, JOHN ASHBROOK. I had always considered him to be a hardy man, indefatigable, but then, every now and then, we are brought to our senses that the worst can happen at any time and it is with a deep sense of loss that I join in this tribute to JOHN ASHBROOK.

Our friendship stretches back to those days when we were considered to be young Republicans and ever since he came to this House he has been something very special to this institution. I know of no one during my better than 25 years as a Member of this body who has stood more solidly and consistently for the principles in which he believed. He was one of those who never flinched from standing alone if that was necessary. He always knew where JOHN would be on an issue. We never had to speculate on how he would vote and the tougher the issue, the more he committed himself to a cause and battled fiercely for his point of view.

He was a gifted and able debater. He knew how to dish it out and how to take it. He could be oh, so partisan, but I dare say no one was more respected by his adversaries and political opponents than was JOHN ASHBROOK. Whether it was in committee or on the floor of this House you could always count on JOHN having done his homework and he never needed anyone to pull his irons out of the fire, and when all the debate was over, whether in committee, at a convention, or on this floor, he could always be the most gentle and kind person to talk to and to make light of all the verbosity that had just taken place.

He was one of those who could truly be characterized as a super patriot. He had to live his life that way, because he felt so intensely about it and I will tell you when we flew out to Johnstown, Ohio, for his funeral, one had to

be especially touched when driving into town from the airport to see the people gathered along the way with miniature flags placed every 10 to 20 yards and flags flying from what seemed to be everyone's front porch. It was a very moving experience for me that I shall never forget.

The memorial service at the church was a very beautiful and personal one. There was the singing of the Battle Hymn of the Republic and Victor Lasky's eulogy that made it all the more personal.

The Reverend W. J. Schlatter who spoke of "our eternal hope" was a longtime friend of JOHN's and obviously delivered his sermon with deep emotion and love for one he had respected for many years.

I never thought of the popular song, "You Light Up My Life" as one that would be appropriate for a funeral service, but it was most appropriate, for JOHN did light up our lives while he was here in our midst. JOHN gave us so many things to remember him by. This House will never be the same for me without him lighting our way from time to time.

I hope JOHN's wife, Jean, his three daughters, and all the members of the family will take some little measure of comfort from the fact that there are so many Members of this House who feel they have lost so much with JOHN's passing. He was in my view one of the greatest who will ever have served in this body, and I am sorely grieved that our long abiding friendship should have to come to such an abrupt ending.

We are deeply distressed and I want to join with my colleagues in extending my profound sympathies to Jean, the three girls, and all members of JOHN's family.●

GENERAL LEAVE

Mr. MILLER of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the life, character, and public service of our late colleague, the Honorable JOHN ASHBROOK, and to include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 60 minutes.

[Mr. STRATTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

PERMISSION TO POSTPONE SPECIAL ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. EMERSON) is recognized for 60 minutes.

Mr. EMERSON. Mr. Speaker, given the lateness of the hour I do not intend to proceed with my special order this evening. A number of other Members have asked to join with me and had other engagements this evening. So I would ask unanimous consent that the special order I had reserved this evening be put over until Thursday.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SOCIAL SECURITY COST OF LIVING ADJUSTMENTS MUST NOT BE TAMPERED WITH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 10 minutes.

Mrs. HECKLER. Mr. Speaker, many of the issues that this Congress faces this week and this year center on the quality of life of this Nation's elderly, people 65 years of age and older who comprise over 10.5 percent of our population. From funding for social security benefits, to preservation of employment and meal programs in the Older Americans Act, to housing subsidies under the section 8 program, to health benefits under medicare, the well-being of senior citizens in this country is at stake.

Inflation—during the past few years a constant threat to the income security of many elderly—has been substantially reduced. However, this reduction offers little comfort to seniors who are fearful that the income they receive from the Social Security Administration may be cut back, the senior aide programs in which they participate cut off, the assistance they gain for housing reduced, or the benefits they have under medicare decreased.

Mr. Speaker, it behooves us not to offer empty words of comfort but to make firm pledges to our elderly constituents that their well-being is of primary concern to us and that the programs that contribute to the quality of their lives will be maintained and strengthened.

I have gone on record, Mr. Speaker, through cosponsorship of House Concurrent Resolution 298, that I oppose any tampering with cost-of-living adjustments for social security recipients. Moreover, I have stated to my constituents that, with the bipartisan task force on social security scheduled to issue its recommendations the end of this year, no changes should be made this session in social security programs.

In addition, I have gone on record as opposing funding cuts in the senior aide program, which provides meaningful employment, at minimum wage, for 10,000 retired persons each year in this country. Having voted late last year to extend, through September 1984, funding not only for senior aides, but also for home-delivered and congregate meals and other Older American Act programs, I support appropriations to carry out these activities.

Moreover, while I believe that there are certain Federal activities, such as defense expenditures, that should be cut in order to reduce the devastating budget deficit, I do not think that the deficit should be reduced at the expense of elderly persons who benefit from the Housing and Urban Development Department loan program for nonprofit organization to build section 8 housing for low-income elderly persons.

While discussing housing, I want to mention my bill, H.R. 5290, to continue low-income energy assistance and weatherization at no cost to the Federal Government or the taxpayer. This measure directs that overcharge violations plus penalties collected from oil companies be used to finance energy assistance and weatherization for the needy—especially the elderly. This means that from $11 to $14 billion in violation funds could be made available for home heating and weatherization. Because the elderly on low, fixed incomes are particularly disadvantaged by high fuel costs and because the elderly are most vulnerable to hypothermia, enactment of this legislation would be of direct benefit to them.

Finally, Mr. Speaker, although overall inflation has dipped below the double-digit level, the rate of increase in health care has not. Moreover, the percentage of income, 19.1 percent in 1980, paid by persons over 65 for health care has risen to almost its pre-medicare level, 20.4 percent. With medicare eligibles having just experienced increases in program deductibles, they are understandably concerned about further rises in costs allotted to them and about possible reductions in benefit levels. In addressing such apprehension, we must make clear that provision of high quality health care to our elderly population is a priority of this Congress. It is certainly a priority of mine.

Mr. Speaker, the conversations I have had with my elderly constituents and the letters I have received from them bring me to the floor of the House today, to say that I believe that the needs of the elderly are of paramount importance in our budget deliberations. A country is judged by the treatment of its elders, and our seniors ask only for that which is rightfully and respectfully theirs.

AMERICA'S SMALL BUSINESSMEN AND WOMEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. HATCHER) is recognized for 5 minutes.

● Mr. HATCHER. Mr. Speaker, this week we commemorate the men and women in the 14 million small businesses in the United States.

We commemorate those who have enriched our economy through the risk of investment and the attachment of courage and belief in an idea and talented people.

We find Americans of all ages and from all walks of life becoming entrepreneurs, relying largely on their personal resources for financing. This 97th Congress can be proud of its record of concern for America's small businessmen:

In addition to enacting substantial estate tax relief, this House has passed legislation to insure swift payment to small businesses when contracting with Federal agencies.

And this House has authored legislation to make small businesses more accessible to Government contracts.

The administration can be applauded for its efforts to arrest regulatory control.

But, in south Georgia, we face another problem. In addition to the battle of the budget that all small businessmen are waging, agribusinessmen in south Georgia are facing the natural obstacles that have plagued our farmers for the last several years: Drought and record high temperatures. I implore the Members of this distinguished body to consider the plight of these individuals and not to turn your backs on those who have made us the best fed and best clothed society the world has ever known.

Finally, there are those who rightly assert that none of the actions by this House can make any difference until we free up capital and interest rates begin to fall. To this end, I urge that we renew our commitment to balance the budget in the best interests of all Americans.●

UNITED STATES-CENTRAL AMERICAN RELATIONS IN JEOPARDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, it is certainly not my intention to prolong this and utilize the 15 minutes, but earlier this afternoon I had sought recognition to speak out of order for 2 minutes, but under the rules, could be recognized for only 1 minute. So, the remarks I made were left suspended. I feel that they need to be concluded and rounded out, because I was impelled to rise and speak because of the urgency that I sense and the meaning to the country in both short as well as long-range significance to our relationships and dealings with the countries that share the Western Hemisphere with us.

Earlier, I said that at this point I think we have * * * is one in which our leaders both on the executive branch level as well as here on the congressional level, must make decisions. The hour of decision has long been postponed, and I do not think we are going to be able to afford to postpone. I mentioned that in the case of El Salvador, which is out of the news headlines because of the developments in the South Atlantic in the confrontation between Argentina and Great Britain, tragic as that is, I had said earlier with respect to that, at the very outset that it was reflective, sadly, of the failure of our diplomacy because it was our Secretary of State, General Haig, our Government, that insisted and pressured the Argentines to send military, where they have been until, I am sure, recently, to Central America and to invade and help invade Nicaragua in order to destabilize the so-called Sandinistas. All of this is in the name of anticommunism. We have got such a paranoia that it has led us to learn nothing from our experience either in Korea or in Southeast Asia, in Vietnam.

I think this is most tragic, because though we may be permitted to be lulled into complacency about the terrible tragedy there, we cannot in our own front and back porch, in this New World, we just cannot afford to make a serious error of that nature, and, we are.

At this point, our country has lost the last leverage that it had, and vestige of when I first addressed the House on this matter over 2 years ago, on April 1, 1980. I said, and I am saying now, that in the case of El Salvador the same nonpolicy, because I cannot even consider it to be a policy that we have forged—is actually placing us in the same position, a losing position, and not only with respect to so-called communism but to the position of actual leadership that by historical fact and by the very nature of our country really imposes upon us, and that we cannot abdicate even if we wanted to. Destiny has thrust it upon our shoulders.

But, when we get identified with the murderers of the Archbishop of El Salvador, Archbishop Romero; with the murderers of the four American nuns; with the murderers of the two American civilians that everybody has forgotten about; when we get identified with those forces we are not being fair to our country.

Our country is the most genuinely compassionate and justice loving that anybody could point to in the whole world. Yet, this is not the way we are identified. This is not the image. What makes it worse, is that actually collaborating with the forces such as the one individual I mentioned earlier this afternoon, the man that has emerged as the leader as the result of the so-called elections in El Salvador, who is actually a hit man, is actually the man who is most directly responsible for the murder of Archbishop Romero, and also the murders of the nuns, and also the two American civilians, not counting a host of Salvadorans that have been murdered and liquidated by the so-called hit squads, death squads they call them. It is terrible and tragic and unfair that tantamount to being accessories to the fact, the CIA, for example, some of the military, American military associated with the counterparts of the CIA, with the military intelligence, they have been and continue to be in a position of cheek by jowl with these individuals that are responsible for these murders.

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They could have prevented those murders. As a matter of fact, they are tantamount, in my book, to accessories to the fact.

Here, in America, that picture is not conveyed at all, but let me assure you that tragically and to our detriment this is the way we are being identified now throughout Latin America and this is bad—this is terrible.

We cannot afford that.

But we have leadership and men in positions of power that I myself have been scared of. The Secretary of State, Gen. Alexander Haig, this country has not seen the likes of that man since Aaron Burr 150 years ago. This is the kind of man that recognizes his kith and kin in the form and shape of tyrannical generals of Argentina, and the same thing is happening to us as happens to any individual or collective body that thinks it can make an accommodation with the wrongdoer, with the criminal, with the murderer, with the assassin.

I also have compared it on the record with the experience that our law enforcement agencies have had when they think they can resolve crime by going into partnership with the criminal element, and the pleadings of those law enforcement agents I have heard now for two decades saying that the only way they could resolve a crime was by getting into partnership cheek and jowl with the criminal element, to use them under the peculiarities of Federal law.

Incidentally, this kind of practice cannot happen on the State level because, believe it or not, on the State level, it takes a corroborative witness before you can have any kind of a successful accusation or prosecution there of any individual. But not on the Federal level.

So you have these lazy law enforcement agents, who say they cannot solve crime any other way, indulge in the fantasy that they have penetrated the underworld by using what they call informers, but actually are paid hirelings that will testify in exchange for immunity for their own wrongdoing against anybody.

I have been inveighing against this since the passage of the so-called omnibus anticrime bill of 1970, and the record will show it.

So when case after case shows that the law enforcement agencies have been victimized by these accommodating criminals, by in turn having been doublecrossed themselves, still the system goes on, and this is what is happening south of us.

General Haig thinks that these Generales De Dedo—that is the name they give this type of general in Latin America—when he himself is what I call an American General De Dedo, in other words a general by the finger, appointed by the finger, and a political general like General Haig who is overwhelmingly ambitious and his record shows indelibly has accommodated and sacrificed principle for some political connivances as he did during the Watergate period. He thinks this kind of diplomacy is going to succeed in South America, in Latin America, where he thinks we can play one Latin country against another Latin country.

I think what he has found out in just the case of Argentina ought to prove beyond doubt the folly of that practice.

But when we have agencies such as the CIA so intellectually involved that they actually become accessories to the fact in such tragic things as murder of an archbishop, murder of four nuns, and the man who now at this very point says, proudly, "So, what, these death squads are serving a glorious purpose." He feels and knows that he has the connivance and at least the acceptance of some of those in our representation in those countries in position of great power.

After the elections, and since we have declared them to have been successful, why do we still insist on having our military men there without even minimal protection?

We are indulging in the same folly we did in Vietnam when we had advisers without guns exposing their lives and exposing their limbs without even minimal protection of self-defense under the illusory concept that they were there just in an advisory capacity.

We continue this in El Salvador. The Salvadoran people actually do not want our military. They even claim they do not need them. What they want is the money, but they do not want our personnel.

We have now trained about 1,800 just this week; we have shipped back from Fort Bragg to El Salvador. I say that is fine from a military standpoint, but then why do we still have our American boys there though they are really not wanted by the Salvadorans? They are not needed.

But talk to the American military advisers, some of whom I have spoken with. They will tell you that is true, and that they themselves think that it is a mistake, at least under those circumstances.

But then when we are also identified with the oppressors, with the tyrant, with the unjust, all in the name of anticommunism, I think we can see that we are headed for a very, very perilous time.

We have sewn dragon's teeth all up and down the Caribbean and South Atlantic and it is coming back, it is going to haunt us, and it never is too late to correct errors. I urge the President now, I urge the Secretary of State to recall that kind of military presence at this time, especially in El Salvador, because the way it is going it is not decreasing, we are increasing.

We have made a formidable naval base that has not even been reported in the American press right offshore of El Salvador, mostly for use against Nicaragua where we have publicly stated and confessed that we have not hesitated to intervene in the purely internal affairs of that country, all in the name of anticommunism.

Communism, any other ism, any other thought, can never be by force done in. No concept, no thinking can ever be bombed out of existence. And our country I think faces a critical decision.

Like the prophet of ancient Hebraic Old Testament, Elijah, when he demanded of the Hebrew priests to make a decision as to who their true god was, the true god, the Lord or the false one by El, we are also at that point, at that juncture in American history.

A RESOLUTION OF INQUIRY REGARDING ROBERTO D'AUBUISSON OF EL SALVADOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. STARK) is recognized for 5 minutes.

● Mr. STARK. Mr. Speaker, today I am introducing a resolution of inquiry, directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson, a former major in the army of El Salvador. Considering the transitions which the Government of El Salvador is currently undergoing, I believe that it is imperative to learn more about the people who the United States may be dealing with in the very near future. In particular, I believe that we must learn more about Roberto D'Aubuisson, a right-wing leader who had his visa revoked, then later entered the United States and was deported, and finally had an Immigration and Naturalization Service entry ban instituted against him. With Thomas Enders, Assistant Secretary of State for Inner-American Affairs, now saying that D'Aubuisson will be allowed to enter the United States, we must examine the background of this leader more carefully.

Unfortunately, the State Department has refused to cooperate with me in my written and telephone requests for information on Roberto D'Aubuisson, so that I am forced into introducing a resolution of inquiry. After many fruitless and frustrating telephone conversations, I notified the State Department that if they continued to be uncooperative, I would use a resolution of inquiry to obtain the information on D'Aubuisson. While they thanked me for notifying them, they did not make any effort to cooperate. I firmly believe that providing Congress with the requested information of a purely factual nature is compatible with the public interest.

Former U.S. Ambassador Robert W. White described D'Aubuisson as a pathological killer and the person linked repeatedly to incipient military coups and paramilitary terrorist activities. Information contained in documents seized from D'Aubuisson in May 1980, which the United States and Salvadoran Governments possess, points to D'Aubuisson as a key figure in an international paramilitary network. According to an article in the Boston Globe, March 17, 1982, D'Aubuisson reportedly tried to eat some of the papers, which were eventually seized, when he and a group of civilian and military colleagues were arrested in May 1980, in connection with an alleged coup conspiracy. The captured documents include propaganda to discredit U.S. policy in El Salvador, a plan for a coup, a daily log of meetings and expenditures, arms lists, the composition of hit teams, and proof of D'Aubuisson's connection to the Miami underworld.

Among the papers is also the outline for what has been identified as the plan for the murder of Archbishop Romero. In testimony before the Foreign Relations Committee of the other body, in the 97th Congress, first session, Ambassador White also presented documents containing "evidence that is compelling, if not 100-percent conclusive, that D'Aubuisson and his group are responsible for the murder of Archbishop Romero." The physical elimination of Romero and more than 100 other persons, including then-U.S. Ambassador White, is called for in another of the captured papers.

D'Aubuisson has been known for more violent and life-threatening actions than those mentioned above. He was the founding father of a death squad that plotted a coup against Jose Napoleon Duarte, who D'Aubuisson calls a Communist. He also threatened the American charge d'affaires on Salvadoran television. Perhaps most telling, however, is the fact that D'Aubuisson managed to get himself thrown out of the Salvadoran Army for human rights violations, which is not an easy thing to do.

Six months ago, D'Aubuisson founded the Nationalist Republican Alliance Party, known as ARENA. His campaign platform included such promises as exterminating the guerrillas in 3 months and trying Jose Napoleon Duarte for treason. D'Aubuisson said that the only thing he wanted from the United States was napalm to wipe out the "left." It is unlikely that he will change his views or tactics. His attitude toward the German treatment of the Jews is indicative of his tactics—he told three European reporters, "You Germans are very intelligent. You realized that the Jews were responsible for the spread of communism, and you began to kill them."

Reports such as those described above, have led me to believe that we must examine information about Roberto D'Aubuisson more carefully before cozying up to him. Since the State Department has continued to be thoroughly uncooperative, there seems to be no way to obtain the necessary facts, other than through a resolution of inquiry. To be more specific, I believe that the Secretary of State should furnish the House of Representatives with full and complete information on the following:

First, all documents in the possession of the Secretary concerning the revocation of the visa issued to Roberto D'Aubuisson, formerly a major in the army of El Salvador.

Second, any document in the possession of the Secretary which reports that Roberto D'Aubuisson claimed credit, in March 1981, for a shooting attack on the U.S. Embassy in San Salvador.

Third, all documents in the possession of the Secretary reporting public statements by Roberto D'Aubuisson, during his recent election campaign in El Salvador, concerning future United States-Salvadoran relations, including his statement that the only thing he wanted from the United States was napalm to wipe out the "left."

Fourth, all documents in the possession of the Secretary that identify or explain the procedure which is followed in considering a visa application from an individual who has previously been excluded from entering the United States or has had a visa revoked, including documents containing findings or recommendations concerning the information and issues to be considered when reviewing such an application.

I believe that once the House of Representatives has had time to examine this information, we will be more fully prepared to intelligently aid in the formation of U.S. foreign policy. I look to my colleagues for support in this endeavor.●

ASSESSING OUR NATIONAL DEFENSE: GUIDELINES FOR ANALYSIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 60 minutes.

● Mr. LAFALCE. Mr. Speaker, Saturday, in Newport News, Va., a ceremony took place which has a significance for the western New York community and, indeed, Nation, vastly transcending those brief formalities. Due in large part to the efforts of my colleague, Representative KEMP, a new nuclear submarine was christened the "U.S.S. *Buffalo.*" Surely western New Yorkers all share a sense of pride in this event. Certainly the association of Buffalo's name with something other than a snowstorm is long overdue.

The scene in Virginia will be all too familiar to us—an atmosphere of camaraderie, celebration, some inspirational remarks, and finally a bottle of champagne shattered on the bow of a massive engine of destruction. The juxtaposition of these images triggers a flood of thoughts about a larger related issue—the question of the relative weight of the military within our scale of national priorities.

Before continuing, let me make sharply explicit my views on national defense. Our military might is, like it or not, vitally important to our national interest. Our military strength must be not only respectable but formidable. Accomplishing that end will always require a major commitment of our national resources. This commitment, moreover, cannot be defined in static terms. It must expand and flex commensurate with our national interest and security. And right here is the nub of the problem. How do we determine the appropriate scale of our national defense? For the moment, I will leave aside the equally perplexing question of the appropriate content of that defense structure; for example, the mix of land, sea, and air power; and the correct balance of strategic and tactical capabilities.

To the question I raise there are no simple answers, and perhaps no really right answers, but there are rational guidelines which can be applied in the analysis of the question. I question whether we have even reached this level of discipline in our thinking about the problem.

The first principle of our analysis must be the recognition of relativity in defining our defense need. The quest for absolutes is folly for at least two reasons: First, it is probably beyond our capacity to define and measure all the data which would enter any equation based on absolutes; second, the kinds of considerations entering this analysis are frequently not quantifiable in the first place. For example, mathematics also cannot help a nation measure the value of defending a remote island territory of 1,900 citizens. Other concepts, such as national pride, principles of sovereignty, and world opinion, take on much greater relative significance.

Even where hard data appear to be available, the numbers are often specious. We can and must look at numbers of divisions, warheads, aircraft, submarines, and so forth, to see the rough contour of comparative power. However, an analysis which operates only at that numerical level is deficient and dangerous, albeit attractive and compelling. We all know how quickly we can become captivated by sophisticated manipulations of data and lose sight of—perhaps even interest in—the validity of the basic data. This is a common problem of confusing precision with accuracy.

There are at least three major reasons for a cautious and skeptical interpretation of quantitative assessments of defense capacity. First, as I have just suggested, numbers are abstractions and can be misleading without knowledge of what they represent. For example, we will hear alarming news of the Russian troop strength approaching 200 divisions. We will less often hear the rest of the story—probably only 50 of those divisions are war ready, as the United States defines that condition, and even these are heavily committed already to occupation of Eastern Europe and defense of the Chinese border. Clearly, the numbers alone tell us little of the true military threat posed by these troop strength numbers. Similar illustrations can be made with respect to other measures of military strength.

Let us take another example. The Soviets have the largest submarine fleet in the world. Does not that fact alone represent a true or absolute dimension of superiority over our Navy? Well, it does if you stop with the numbers, but what if we consider that Russian ports are frozen-in most of the year and undetected movement in and out of port by those submarines is extremely difficult. Surely that must alter the equation somewhat, and at least should be considered.

Secondly, there are other critical factors behind the numbers which are even more difficult, if not impossible, to measure and quantify. I refer to such relative intangibles as combat

readiness, morale, and leadership. Any experienced military professional will quickly testify to the maddening frustration of highly sophisticated hardware in the hands of untrained, unmotivated, and poorly led troops. Of course, the converse is equally demoralizing.

Finally, and perhaps most importantly, inaccuracies, imprecisions, and misinterpretation of the data in this exceedingly complex area are particularly perilous. Misjudgment can result in complacency or over-reaction, either of which can have devastating consequences, especially in an era where our destructive capacities are obliterative.

I have only suggested the magnitude of the problem of establishing absolute measures of military strength. Full explication of the complexity of this problem is impossible within the scope of this or any other address. What has been presented, however, should sensitize you to the futility of seeking absolute criteria or definitions of military or defense capacity.

But please do not misread my message. Establishing the difficulty of a task does not release us from the responsibility to deal with it. The problem is far too important to adopt any such nihilistic posture.

If the search for absolutes is futile, and I believe it is, what is our alternative? In my view, a realistic and reasonable approach is to adopt a relativistic model in which we would continually weigh our military strength and defense needs against both external threats and internal or domestic considerations. This places the debate in an overall context of national priorities and thus reduces the probability of being caught up in intriguing but distracting arguments—interminable debate over a particular weapons system or troop commitment can easily divert attention from basic considerations of our overall defense strategy. As general Maxwell Taylor admonished just last week, in our preoccupation with specific pieces of the defense budget, such as the MX missile and B-1 bomber, we fail to attend to the central issue of what kind of defense our country needs and what choices we are prepared to make regarding costs, risks, and priorities.

We can, therefore, frame our analysis in terms of two broad criteria against which judgments must be made: internal and external.

INTERNAL

The heated debate about national defense is currently occurring largely within the content of the Federal budget. Underlying most of the arguments about the need for one program or another is a fundamental question of how much we need to spend to protect our national interests against external threats. What is not often heard is the question of the cost to our Nation to be safe against others. Do we reach a point where the cost of security erodes or destroys what we hope to secure? Again the answer to that question calls for a judgment on a relative scale, but before forming that judgment we must know the nature of these costs. Let me discuss briefly several.

EMPLOYMENT

The current overall unemployment rate in this country equals a level reached only one other year since the depression years of the 30's. (In western New York, the rate is some 40 percent higher than that national average.) The proposed DOD budget reflects real growth in all areas but especially large increases in procurement—$24 billion or 34 percent for fiscal year 1983. This is the portion of the budget providing mainly for military hardware, including all the controversial new weapons and weapons systems. This kind of activity is capital rather than labor intensive. Dollars spent in this area generate fewer jobs than they would in more conventional enterprises. For example, $1 billion spent on the MX missile would effect about 53,000 jobs. That same amount spent on energy conservation and development, mass transit, or day care would create about 65,000, 79,000, and 120,000 jobs respectively. Incidentally, the MX missile spending request for fiscal year 1983 is $4.5 billion, $2.5 billion more than the fiscal year 1982 request.

BRAIN DRAIN

Given the high technology emphasis of the military, the demand for human talent focuses on engineers, physical scientists, and highly skilled technicians. Despite our overall depressed economy, these are precisely the categories of personnel in short supply in the civilian sector. This competition has consequences far more serious than personnel shortages. One of the critical needs for the short- and long-term health of our economy is solid commitment to research and development, not simply for new product lines but more importantly to improve productivity to keep us competitive in the world market. Certainly, defense is not the sole problem here—we train relatively few people in this area to begin with. Japan, for example, one of our major economic competitors, currently turns out twice the number of engineers as we with half our population.

Of course, it is true that military technology development spins off many products and processes with civilian industrial and commercial application. Spinoffs, however, are low-yield returns on our investment—they might well be viewed as the technological equivalents of the dollars which reach the general population in "trickle-down" economics.

CAPITAL FORMATION

One of the fundamental weaknesses in our economy is what economists call "capital formation." Simply put, this is the capacity of industry to expand, develop, and innovate made possible by available and affordable investment capital. The huge Federal spending on defense diminishes the number and raises the costs of dollars available to civilian industry. Obviously, this will exacerbate our capital formation problem, particularly in peacetime when most of our industrial sector does not participate directly or in a major way in the defense business.

GENERAL ECONOMIC CONSEQUENCES

Anyone even dimly aware of the economic and political scene in this country knows that the central issue today is the inability of the Federal Government to put together a budget for the upcoming fiscal year. The focus of attention is on the size of the Federal deficit. Basically, this deficit is the difference between budgeted amounts for spending and revenues. As things stand right now, the deficit for next year will be at least $100 billion and probably much higher. Either figure sets a new record high for federal deficits. Psychologically and technically, the deficit is a major impediment to economic recovery. Because it means continued heavy Government borrowing, it tends to sustain the high interest rates which are choking our economy, especially in interest sensitive sectors such as automobiles and housing.

How do you reduce a deficit? Either reduce spending or increase revenues, or both. Let us look at expenditure reduction. Approximately 75 percent of the spending in the fiscal year 1983 budget represents mandatory expenditures under existing provisions of law. These expenditures include such things as social security, unemployment, Federal retirement, interest on the Federal debt, and spending authorized in prior years. This leaves only one-fourth of the spending side of the budget. Of that 25 percent discretionary spending, 78 percent is budgeted for national defense. To reduce significantly the deficit without substantial reductions in both the defense budget and the so-called entitlement programs, is virtually impossible.

SOCIAL AND ECONOMIC DIVISIVENESS

Recent years have seen a menacing growth of regional inequities in our economy. For a variety of reasons, not all due to Federal policy, certain regions of the country have been expanding and prospering while others, such as the "snowbelt States" suffer disproportionate losses in population, revenues, and the resultant benefits. The massive growth of defense spending effectively compounds this maldistribution of human and physical resources. Defense industries tend to be

concentrated in the areas of the country already enjoying growing prosperity—the West, mountain States, and the Sunbelt. Obviously, major increases in both absolute and relative defense dollars in those regions contributes to the balkanization of our society, What began as a drift of money, people and political clout from the older, Northeastern industrial regions easily becomes a hemorrhage.

CONCENTRATION OF ECONOMIC/POLICITICAL POWER IN THE MILITARY

In his final official message to the American people on January 17, 1961, Dwight Eisenhower, our President, a military professional, and a Republican, warned us about the dangerously expanding influence of the military-industrial complex. His words were uttered over two decades ago. We listened and applauded politely, but after 21 years, you may judge for yourselves how we heeded his warning. The increasing relevance of his words today is the ultimate confirmation of our inattention. His admonition bears repeating:

Now this conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence—economic, political, even spiritual—is felt in every city, every statehouse, every office of the federal government. We recognize the imperative need for this development yet we must not fail to comprehend its grave implications. In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought by the military-industrial complex.

To underscore the continuing relevance of those words, I will quote remarks made only weeks ago by William E. Miller, staunch Republican, supporter of President Reagan, former congressman, and one-time Vice-Presidential running mate of Barry Goldwater.

"I fear there is too much fraud, cronyism and waste in the military-industrial complex . . . Eisenhower warned us against it a long time ago."

Mr. Miller and many others close to the system know all too well how this complex works. Military contractors become locked into Government defense contracts and many tend to become favorites. Retiring military officers of high rank frequently find ready employment in these defense-dependent firms to further cement their access to military procurement. Gradually, these inner circles become larger and more powerful. Billions of dollars are involved in expansion which may have no bearing on the real defense needs of our Nation.

The incredible cost overruns about which we all hear are not so incredible when you understand the system and the immense and potentially corrupting influence of multibillion-dollar contracts. Perhaps I begin to sound partisan. Let me spike that suspicion by quoting someone whose motives can hardly be questioned. My colleague JOHN RHODES, a Republican, addressed the House of Representatives at length on April 20. Mr. RHODES is a self-described hawk, a former military officer, and has served as a member of the Defense Subcommittee of the House Appropriations Committee, minority leader of the House, and member of the House Intelligence Committee. One of his fields of special interest is geopolitics and global strategy. The extended introduction is to establish clearly two facts: He knows intimately the defense issues, and has no ax to grind.

Something must be wrong with the manner in which the Pentagon sets about to develop a new tank and produce it. And this is just one example. We could go into many other areas, such as attack helicopters, in which we should excel and do not . . . I am bothered by the apparently widespread practice by defense contractors of making deliberately low estimates on the cost of new weapons systems. The name of the game is to get the contract at any price, get the military committed to you, then raise the price. The result is horrendous cost overruns . . . Eisenhower was obviously right when he said that the military industrial complex needed to be watched. It does. And it is not being watched to the point that it must be in the future. This adds up to a major defect in our military posture—in our ability to build the best defense our economy can produce and can afford. It must be remedied.

Sobering observations from an avowed and ardent advocate of a national defense without peer on this planet.

Let me sum up my remarks on the internal criteria of the national defense issue. I have cited seven threats to our internal national strength resulting from disproportionate and unnecessary military spending. This list is not exhaustive, but I believe sufficient to make my point. Among the consequences are: Exacerbation of unemployment, competition for capital and critical skills, retardation of economic recovery, social and economic divisiveness, and an insidious concentration of economic and political power in the iron triangle—the Pentagon, the Government, and the defense industry. The theme throughout has been competition for scarce resources within our society. When I reflect on that theme, I am reminded again of the words of Dwight Eisenhower on the subject of competition:

Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and not clothed. This world in arms is not spending money alone. It is spending the sweat of the laborers, the genius of its scientists, the hopes of its children!

Those words were spoken 25 years ago. The echo today is sharp and penetrating.

Unfortunately, discussions such as this tend to be viewed in the context of guns versus butter. Let me emphasize that we can ill-afford to be seduced by that false dichotomy. Our national interest will never be served by such disjunctive thinking. We must and can seek excellence in all dimensions of our society. Defensive strength can never be less than necessary, yet must never diminish the life which it sustains. Likewise, a weak economy cannot support a strong defense.

EXTERNAL CRITERIA

Typically, the rationale and rallying cry for boosting defense spending is the putative superiority of our enemies, usually the Soviets, and by implication, our own weakness.

THE SOVIET THREAT

Make no mistake, the Soviet Union is a real and powerful military force, backed by an aggressive and dangerously paranoid political philosophy. The image which we are often presented, however, is of a grossly lopsided military relationship in which we are inferior in virtually every dimension: armament, manpower, and motivation. I think it is important to paint some reality into that picture, not to mitigate the Soviet threat, but to protect ourselves against the tendency for overreaction and inappropriate response. Here again, we deal with data which are extremely difficult to obtain, quantify, and compare. Given this, the opportunity for self-serving and otherwise creative use of data is abundant. Nonetheless, let us examine just a few areas in which we are widely believed to be inadequate vis-a-vis Russia.

Russian armament exceeds our own. Perhaps so, but it is equally true for us and them that hardware is no better or worse than the manpower available to use and maintain it. According to military analyst James Dunnigan, for Russia to provide manpower commensurate with their military equipment would destroy their economy. Moreover, the sophistication and quality of their equipment is significantly less than ours.

Their highly touted submarine fleet has some serious deficiencies beyond the problem of frozen ports which I mentioned earlier. For example, their ship designs sacrifice access, damage control, and onboard repair for greater space and size, Consequently, a repair problem could send an entire ship and crew back to port. No one can know the real effect of this outside of a real combat situation. But it points up the fallacy of simply comparing numbers. Their new T-72 tank has no manual backup for its automatic loader. What happens in real combat to notoriously touchy automatic devices? We do not know and we hope not to, but we can be sure that tanks without guns change the numbers in a hurry. Also far more of their aircraft than ours are not equipped or ill-equipped for

bad weather operation. Again, you can't rely on numbers alone.

The point of all this is not to convince you that we are x times stronger or weaker than the Soviets. Rather, my goal is to impress you with the need for healthy skepticism when presented with quantitative comparisons. The absence of such skepticism is not trivial. In the era of nuclear power, over- or under-reaction can be fatal.

The subject of reaction is important for other reasons. One of the fundamental problems of our defensive posture is the absence of a strategic plan linked clearly to a consistent foreign policy. This, as Congressman RHODES also points out, explains our tendency to react and respond to military and diplomatic initiatives of other nations, rather than develop a deliberate, rational strategic defense system. Inappropriate use of and reliance on numbers is symptomatic of this reactive tendency. It also makes us politically vulnerable to emergencies which emanate from the Pentagon whenever their budget is questioned.

INTERNATIONAL ISSUES AND POLICIES

Another set of external criteria in the defense analysis is our relationship with other countries and the implied and actual military consequences. The multibillion dollar Rapid Deployment Force is predicated largely on a presumed need to move rapidly and effectively in the Persian Gulf area. As JOHN RHODES has pointed out, our capacity to sustain a defense of the Persian Gulf against a determined local enemy is minimal at best. Further, there is serious question about the wisdom of maintaining indefinitely a foreign policy so tightly pinned to Mideast oil. The money and the talent might be more productively spent on reducing our dependence on Mideast oil.

Western Europe presents a similar situation of a major commitment based on shaky military and foreign policy foundations. We have some 350,000 troops stationed in Germany. Their purpose is to contain any Soviet attack while NATO mobilizes its full resources. Supply lines to our troops in central and southern Germany run from North Sea ports and are highly vulnerable to almost immediate interdiction in the event of attack. This situation persists because France no longer permits supply routes and NATO countries would not permit the neutron bomb which would have given our troops the power and security to be effective. Further, it appears that while our forces in Europe increased by 58,000 over the past 6 years, NATO members have cut their forces by 56,000 during the same period. Our commitment of personnel and resources to NATO is massive; the degree of reciprocity is questionable at best. From a foreign policy standpoint, the soundness of our Western European investment is less than clear.

VESTED INTERESTS AND INFORMATION ABOUT DEFENSE NEEDS

When politically conservative Republican figures, such as Gerald Ford and former Defense Secretary Melvin Laird, characterize the current administration's military policy as incoherent, senseless, and misdirected, and warn against "extremists in the Pentagon," one must pause to wonder. What rewards, political or otherwise, do they expect from such critical and disloyal attacks? Probably none—if anything, such statements would incur more risk than gain. The same applies to conservatives like JOHN RHODES and Republican Senators TED STEVENS and DAN QUAYLE, all of whom are speaking out, sharply critical of the scale and nature of our current military programs. The credibility of such people who take heavy political risks by such behavior must be weighed against that of Pentagon experts whose support of increased spending and expansion carries obvious benefits. Even David Stockman has asserted that the defense budget could be cut by billions without endangering our national security.

We cannot, in fairness, conclude that anyone is deliberately lying or that anyone speaks without taint of personal or organizational prejudice. We can, however, legitimately be ever wary of facts and arguments presented by persons or groups who have vested interests and high stakes in the outcome of an issue.

Unfortunately, we are severely handicapped in our capacities to judge the statements of experts under the best of circumstances. In this case, the handicap is more disabling because of the exotic technology which is so central to the issue. As Bill Miller has asserted, the high technology, understood by very few, shrouds the military-industrial complex in mystery.

We simply cannot, as laymen, judge the relative merits of various arguments about strategy and technology. We can, however, make pretty sound judgments about the credibility quotient of those who can. It is an alternative far from perfect or intellectually comfortable, but one we must use to the best of our ability. Otherwise, we cede all judgment to the experts.

In concluding this section, let me reemphasize a point alluded to earlier. There is a distinction between the actual consequences of the defense budget, internal or external, and the mantle in which they are draped when presented for our scrutiny. This administration has demonstrated a remarkable penchant for euphemisms and slogans in marketing its programs. The defense budget is no exception. How many times have we been urged to close the "window of vulnerability"—an intriguing metaphor, but like numbers, dollars, and percentages out of context, misleading and tendentious.

CONCLUSIONS/RECOMMENDATIONS

Must we have another nuclear attack submarine? Probably yes. Must we continue to increase our military strength? Certainly yes. To the extent that we are larger as are our actual and potential enemies, growth of our defense capacity must be commensurate. But what is commensurate? Again, we are back to relative measures but now with considerably more insight. William Kaufman, author of major Pentagon policy papers and adviser to Defense Secretaries Robert McNamara and Harold Brown, has just released a study which demonstrates that next year's budget request could be reduced by $32 billion without sacrificing national security. His analysis includes extensive fiscal and military parameters. He does not propose reducing our military preparedness, only structuring it more appropriately and at greatly less cost. He, among others, recommends an increase in annual spending, but at a reduced rate and level. He suggests 6.5 annually, and submits a program which can be carried out within that growth pattern. I cannot judge whether 6.5 percent is precisely the right growth rate, but the idea of a targeted percentage increase projected over the long term is far more compelling to me than massive crash programs that invariably cost too much and accomplish too little.

Crash responses are unnecessary in peacetime, and would be less necessary in wartime were we to expand according to a targeted level of growth, with a consistent and integrated foreign policy. Crash programs, although often seemingly successful, typically incur enormous costs. In the case of national defense, this precipitous build-up, the current fiscal year 1982 budget represents the largest peacetime increase in our history, invariably must occur at the expense of other federally supported programs. This reduction is immediate and abrupt, unlike many of the domestic effects described earlier. The rapidity of the change can be as destructive and demoralizing as the nature of the change. Huge dislocations occur as this impact reverberates throughout the society. Time and space for adjustment are simply inadequate.

Not only are other programs savaged by crash approaches, the intended beneficiaries are likely to be damaged. We are building the B-1 bomber which many experts believe will be obsolete before it is ever used. The money is available and machinery for production is in place. Perhaps the motivation to think through the wisdom of this weapon is lacking. We cannot expect rational deliberate action in a

crisis atmosphere. We will spend the money, but we cannot expect a balanced maximally effective mix of programs and weapons systems. Let me again quote Mr. Rhodes:

A massive increase like this is very difficult to handle efficiently, although I must say the military is very good at finding ways of spending money.

He was commenting on the proposed 8 percent per year increase in military spending which he believes the military incapable of absorbing usefully. Another conservative Republican and member of the Senate Armed Services Committee, Senator DAN QUAYLE, has put it this way:

The Republicans have the same problems the Democrats have. The Republicans are now giving the impression that the only way of solving national security problems is throwing money at it. The Democrats have given the impression that the only way of dealing with social problems is throwing money at them. Neither works.

Above all, let us not be stampeded by meaningless slogans: "window of vulnerability," "missile gap," or equally meaningless numbers—dollars, warheads, percentages—which serve more to obscure than elucidate.

Finally, let us avoid the trap of technology—building things not because we must, but because we can. We are all subject to infatuation with the dazzle of high technology, but the dazzle can often be more entertaining than necessary. We are already severely pushing the limits in this area. We have planes too large and clumsy for close air support because of the equipment they must carry, a new supertank more sophisticated than any tank before, but also more costly, more expensive to run, harder to maintain, and slower, and weapons so expensive and complex that they cannot be tested. How will our F-14 fighters fare in combat when 97 hours of maintenance are required for each flight?

For a number of very poor reasons—technological capability, vested interests, crash responses to available money and perceived threats—we are building things we cannot use, cannot fix, and cannot afford.●

RESOLUTION CALLING ON THE DEPARTMENT OF THE ARMY TO GRANT VIETNAM VETERANS A PERMIT TO CONDUCT MEMORIAL CEREMONY IN ARLINGTON NATIONAL CEMETERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, I am today introducing a sense of the House resolution calling on the Department of the Army to grant the permit requested by the Vietnam Veterans Against the War to conduct a memorial ceremony on May 15, 1982, in Arlington National Cemetery honoring those who died in Vietnam.

Requests by the VVAW for such permits have consistently been denied by the Department in years past. It is time that the veterans of this unfortunate war who gave their lives receive the same recognition as those who fought in other wars for this country. Vietnam veterans have, for far too long, been ostracized, scorned, and discriminated against largely because of the desire of the Government and the American people to forget a tragic mistake.

The VVAW has provided the Department of the Army with written assurances that the memorial ceremony will be conducted with full regard for the peace, decorum, and dignity of Arlington National Cemetery and in compliance with applicable Federal regulations. The organization has accepted full responsibility for requirements accompanying the granting of the permit.

Surely, Mr. Speaker, it is time to honor those veterans of a war whose services and sacrifices have largely gone unrecognized to date. I call on my colleagues to support this resolution and urge the Department of the Army to grant the permit without further delay.

The text of the resolution follows:

H. RES. 464

Resolution declaring the sense of the House with respect to granting Vietnam Veterans their rights to conduct a memorial ceremony at Arlington National Cemetery

Whereas Vietnam veterans and their families from throughout the United States will be in Washington from May 12 through May 15, 1982, to give and gain recognition for the sacrifices made by all men and women who served during the course of the Vietnam war and to familiarize Government officials with the continuing needs and problems of all Vietnam veterans and their families;

Whereas Vietnam Veterans Against the War (VVAW) is an acknowledged national organization of Vietnam veterans and their supporters and is the primary sponsor of the events scheduled to take place from May 12 through May 15, 1982;

Whereas VVAW has applied through appropriate channels within the Department of the Army for a permit to conduct a memorial ceremony on May 15, 1982, in memory of the men and women who died in Vietnam;

Whereas VVAW has provided written assurances to the Department of the Army at the request of that Department that the memorial ceremony will be conducted with full regard for the peace, decorum, and dignity of Arlington National Cemetery and in compliance with applicable Federal regulations;

Whereas VVAW fully understands and accepts the responsibility which would accompany the granting of the permit: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that—

(1) The granting of the permit to VVAW to conduct a memorial ceremony would be one appropriate way by which the United States Government could help honor the veterans of a war whose services and sacrifices have largely gone unrecognized to date; and

(2) The Department of the Army should immediately grant the permit to VVAW so that a public memorial ceremony can be held on May 15, 1982, in Arlington National Cemetery permitting VVAW and all Americans who wish to join them in honoring those who died in Vietnam.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. BEREUTER (at the request of Mr. MICHEL), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STRATTON, special order for 60 minutes, for today, May 11, 1982.

Mr. EMERSON, special order for 60 minutes, for Thursday, May 13, 1982.

(The following Members (at the request of Mr. WHITTAKER) to revise and extend their remarks and include extraneous material:)

Mr. EMERSON, for 60 minutes, today.

Mrs. HECKLER, for 10 minutes, today.

Mr. COLEMAN, for 15 minutes, May 13, 1982.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. HATCHER, for 5 minutes, today.

Mr. MCCURDY, for 10 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. COELHO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. LAFALCE, for 60 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. DASCHLE, for 10 minutes, today.

Mr. MITCHELL of Maryland, for 60 minutes, May 12, 1982.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FISH, before the final vote in the House today on H.R. 3481.

Mrs. SCHNEIDER, immediately prior to the vote on H.R. 6294.

Mr. DORNAN of California, to revise and extend his remarks just prior to passage of House Joint Resolution 479, the POW/MIA bill, in the House today.

Mr. GONZALEZ, to revise and extend his remarks on the subject of the late JOHN M. ASHBROOK.

(The following Members (at the request of Mr. WHITTAKER) and to include extraneous matter:)

Mr. YOUNG of Alaska.
Mr. BROOMFIELD.
Mr. LATTA.
Mr. BROWN of Ohio.
Mr. FRENZEL.
Mr. LOWERY of California in two instances.
Mr. WOLF.
Mr. MCDADE.
Mr. DERWINSKI in two instances.
Mr. RHODES.
Mr. GINGRICH.
Mr. GRISHAM.
Mr. BETHUNE.
Mr. ROBERTS of South Dakota.
Mr. HARTNETT in two instances.
Mr. ERDAHL.
Mr. SMITH of Oregon.
Mr. SHUMWAY.
Mr. FIELDS.
Mr. BENEDICT.
Mr. LEACH of Iowa.
Mr. MARRIOTT.
Mr. DOUGHERTY in two instances.
Mr. GRADISON.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. YATRON in two instances.
Mr. MATSUI.
Mr. MINETA.
Mr. STOKES in three instances.
Mr. VENTO.
Mr. MAZZOLI in two instances.
Mr. STARK in five instances.
Mr. WAXMAN in five instances.
Mr. ROE in two instances.
Mr. FLORIO.
Mr. LONG of Maryland in five instances.
Mr. CONYERS.
Mr. HUBBARD.
Mr. RATCHFORD in two instances.
Mr. WALGREN.
Mr. KASTENMEIER.
Mr. LANTOS.
Mr. BROOKS.
Mr. MILLER of California.
Mr. SHELBY.
Mr. RUSSO.
Mrs. SCHROEDER.
Mr. GARCIA.
Mr. LAFALCE.
Mr. SOLARZ.
Mr. BONKER.
Mr. SKELTON.
Mr. DWYER.
Mr. DASCHLE in five instances.
Mr. SIMON in two instances.
Mr. APPLEGATE.
Mr. MOAKLEY in two instances.
Mr. OTTINGER.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 12, 1982, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

3888. Under clause 2 of rule XXIV, a letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of May 1, 1982, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 97-178), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HALL of Ohio: Committee on Rules. House Resolution 458. Resolution providing for the consideration of H.R. 5726, a bill to authorize appropriations to the Secretary of Commerce for the programs of the National Bureau of Standards for fiscal year 1983 and for other purposes; (Rept. No. 97-505). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 459. Resolution providing for the consideration of H.R. 5842, a bill to authorize appropriations for activities of the National Science Foundation for fiscal years 1982 and 1983, and for other purposes; (Rept. No. 97-506). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 460. Resolution providing for the consideration of H.R. 5890, a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; (Rept. No. 97-507). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 461. Resolution providing additional procedures during consideration of H.R. 5922, a bill making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; (Rept. No. 97-508). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 462. Resolution providing for the consideration of H.R. 6068, a bill to authorize appropriations for fiscal year 1983 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; (Rept. No. 97-509). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SHARP:

H.R. 6337. A bill to amend the Energy Policy and Conservation Act to extend certain authorities relating to the international energy program, and for other purposes; to the Committee on Energy and Commerce.

By Mr. WAXMAN:

H.R. 6338. A bill to amend the Public Health Service Act to revise and extend the authorities under that act relating to national research institutes, assistance to medical libraries, and health promotion, and for other purposes; to the Committee on Energy and Commerce.

H.R. 6339. A bill to revise and extend the health planning authority of title XV of the Public Health Services Act; to the Committee on Energy and Commerce.

By Mr. BAILEY of Pennsylvania:

H.R. 6340. A bill to amend section 203(e)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended) with respect to the determination of the insured unemployment rate; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 6341. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for maintaining a household a member of which is a dependent of the taxpayer who has attained age 65; to the Committee on Ways and Means.

By Mr. COLEMAN:

H.R. 6342. A bill to amend the Internal Revenue Code of 1954 to provide for the collection of defaulted Federal student loans from income tax refunds; to the Committee on Ways and Means.

H.R. 6343. A bill to amend title 11, United States Code, to provide that certain educational loans which are not dischargeable under chapter 7 of such title shall not be dischargeable under chapter 13 of such title; to the Committee on the Judiciary.

By Mr. CRAIG (for himself, Mr. HANSEN of Idaho, Mr. CHENEY, Mr. ROBERTS of South Dakota, Mr. RHODES, and Mr. STUMP):

H.R. 6344. A bill to amend the Clean Water Act of 1977; to the Committee on Public Works and Transportation.

By Mr. DICKINSON:

H.R. 6345. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 6346. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for sewer charges in the same manner as the deduction allowed for real property taxes; to the Committee on Ways and Means.

By Mr. FARY:

H.R. 6347. A bill to provide free mailing privileges with respect to parcels of food, medicine, or clothing sent to Poland; to the Committee on Post Office and Civil Service.

By Mr. LEATH of Texas (for himself, Mr. MONTGOMERY, and Mr. HAMMERSCHMIDT):

H.R. 6348. A bill to recognize the organization known as the National Association of State Directors of Veterans Affairs, Inc.; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 6349. A bill to prohibit the collection of recreational boat user fees by the U.S. Coast Guard; to the Committee on Merchant Marine and Fisheries.

By Mr. MONTGOMERY (for himself, Mr. HAMMERSCHMIDT, Mr. EDWARDS of California, Mr. BRINKLEY, Mrs. HECKLER, Mr. MOTTL, Mr. EDGAR, Mr.

WYLIE, Mr. SAM B. HALL, JR., Mr. HILLIS, Mr. APPLEGATE, Mr. SAWYER, Mr. LEATH of Texas, Mr. SOLOMON, Mr. BONER of Tennessee, Mr. JEFFRIES, Mr. MICA, Mr. MCEWEN, Mr. DASCHLE, Mr. DUNN, Mr. STUMP, Mr. SMITH of New Jersey, Mr. DOWDY, Mr. SMITH of Alabama, Mr. GRAMM, Mr. SMITH of Oregon, Mr. MURPHY, Mr. SILJANDER, Mr. DORGAN of North Dakota, Mr. NAPIER, Mr. WON PAT, and Mr. NELLIGAN):

H.R. 6350. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to provide that Veterans' Administration nurses who work two 12-hour regularly scheduled tours of duty over a weekend shall be considered to have worked a full basic workweek, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PASHAYAN:

H.R. 6351. A bill to authorize and direct the Secretary of Agriculture to provide agricultural weather (including fruit frost) and fire weather services, and for other purposes; jointly, to the Committees on Agriculture and Science and Technology.

By Mr. PAUL:

H.R. 6352. A bill to amend the Internal Revenue Code of 1954 to provide that a 10-percent income tax rate shall apply to all individuals, and to repeal all deductions, credits, and exclusions for individuals other than an exemption of $10,000; to the Committee on Ways and Means.

By Mr. SHANNON:

H.R. 6353. A bill entitled: "The Educational Organization Investment Act"; to the Committee on Ways and Means.

By Mr. SIMON:

H.R. 6354. A bill to amend title 5, United States Code, to provide that three extra points be awarded on the civil service examination to individuals demonstrating foreign language proficiency; to the Committee on Post Office and Civil Service.

By Mr. DYSON (for himself, Mr. ASPIN, Mr. DORNAN of California Mr. ADDABBO, Mr. AKAKA, Mr. ALBOSTA, Mr. ALEXANDER, Mr. ANDREWS, Mr. ANNUNZIO, Mr. ANTHONY, Mr. APPLEGATE, Mr. ARCHER, Mr. ATKINSON, Mr. AUCOIN, Mr. BADHAM, Mr. BAFALIS, Mr. BAILEY of Pennsylvania, Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BARNES, Mr. BEARD, Mr. BEILENSON, Mr. BENEDICT, Mr. BENJAMIN, Mr. BENNETT, Mr. BETHUNE, Mr. BEVILL, Mr. BINGHAM, Mr. BLANCHARD, Mr. BLILEY, Mrs. BOGGS, Mr. BOLAND, Mr. BONER of Tennessee, Mr. BONIOR of Michigan, Mr. BONKER, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BRINKLEY, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BROWN of Colorado, Mr. JOHN L. BURTON, Mrs. BYRON, Mr. CAMPBELL, Mr. CARMAN, Mr. CARNEY, Mr. CHAPPELL, Mr. CHAPPIE, Mrs. CHISHOLM, Mr. CLAUSEN, Mr. COATS, Mr. COELHO, Mr. COLLINS of Texas, Mr. CONTE, Mr. CORCORAN, Mr. CORRADA, Mr. COUGHLIN, Mr. COURTER, Mr. JAMES K. COYNE, Mr. DANIEL B. CRANE, Mr. DAN DANIEL, Mr. ROBERT W. DANIEL, JR., Mr. DANNEMEYER, Mr. DASCHLE, Mr. DAUB, Mr. DAVIS, Mr. DE LA GARZA, Mr. DENARDIS, Mr. D'AMOURS, Mr. DERWINSKI, Mr. DICKINSON, Mr. DICKS, Mr. DINGELL, Mr. DIXON, Mr. DONNELLY, Mr. DORGAN of North Dakota, Mr. DOUGHERTY, Mr. DOWDY, Mr. DREIER, Mr. DUNCAN, Mr. DUNN, Mr. DWYER, Mr. DYMALLY, Mr. EARLY, Mr. EDGAR, Mr. EDWARDS of Alabama, Mr. EDWARDS of Oklahoma, Mr. EMERY, Mr. ENGLISH, Mr. ERDAHL, Mr. EVANS of Georgia, Mr. EVANS of Delaware, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Ms. FERRARO, Ms. FIEDLER, Mr. FIELDS, Mr. FINDLEY, Mr. FISH, Mr. FITHIAN, Mr. FLORIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FOWLER, Mr. FRANK, Mr. FRENZEL, Mr. FROST, Mr. FUQUA, Mr. GARCIA, Mr. GEJDENSON, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GOLDWATER, Mr. GONZALEZ, Mr. GORE, Mr. GRAY, Mr. GREEN, Mr. GREGG, Mr. GRISHAM, Mr. GUARINI, Mr. GUNDERSON, Mr. HALL of Ohio, Mr. SAM B. HALL, JR., Mr. HAGEDORN, Mr. HAMILTON, Mr. HAMMERSCHMIDT, Mr. HANCE, Mr. HANSEN of Idaho, Mr. HANSEN of Utah, Mr. HARTNETT, Mr. HATCHER, Mrs. HECKLER, Mr. HEFNER, Mr. HEFTEL, Mr. HENDON, Mr. HERTEL, Mr. HIGHTOWER, Mr. HILER, Mr. HOLLAND, Mr. HOLLENBECK, Mrs. HOLT, Mr. HOPKINS, Mr. HORTON, Mr. HOWARD, Mr. HOYER, Mr. HUGHES, Mr. HUNTER, Mr. HUTTO, Mr. HYDE, Mr. IRELAND, Mr. JEFFORDS, Mr. JONES of North Carolina, Mr. JONES of Tennessee, Mr. JOHNSTON, Mr. KAZEN, Mr. KEMP, Mrs. KENNELLY, Mr. KILDEE, Mr. KINDNESS, Mr. KOGOVSEK, Mr. KRAMER, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LATTA, Mr. LEACH of Iowa, Mr. LEBOUTILLIER, Mr. LEE, Mr. LENT, Mr. LEWIS, Mr. LIVINGSTON, Mr. LOEFFLER, Mr. LOTT, Mr. LOWERY of California, Mr. LOWRY of Washington, Mr. LUJAN, Mr. LUNGREN, Mr. MCCOLLUM, Mr. MCCURDY, Mr. MCDADE, Mr. MCDONALD, Mr. MCEWEN, Mr. MCGRATH, Mr. MCHUGH, Mr. MADIGAN, Mr. MARKEY, Mr. MARRIOTT, Mr. MARTIN of New York, Mrs. MARTIN of Illinois, Mr. MARTIN of North Carolina, Mr. MATSUI, Mr. MATTOX, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICA, Mr. MICHEL, Ms. MIKULSKI, Mr. MINETA, Mr. MOAKLEY, Mr. MOFFETT, Mr. MOLINARI, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOORE, Mr. MOORHEAD, Mr. MORRISON, Mr. MOTTL, Mr. MURPHY, Mr. MURTHA, Mr. MYERS, Mr. NAPIER, Mr. NATCHER, Mr. NEAL, Mr. NELLIGAN, Mr. NELSON, Mr. NICHOLS, Mr. NOWAK, Ms. OAKAR, Mr. OBERSTAR, Mr. OBEY, Mr. O'BRIEN, Mr. OTTINGER, Mr. OXLEY, Mr. PANETTA, Mr. PARRIS, Mr. PASHAYAN, Mr. PATTERSON, Mr. PAUL, Mr. PEPPER, Mr. PERKINS, Mr. PETRI, Mr. PEYSER, Mr. PORTER, Mr. PRICE, Mr. PRITCHARD, Mr. PURSELL, Mr. RAILSBACK, Mr. RANGEL, Mr. RICHMOND, Mr. RINALDO, Mr. RITTER, Mr. ROBINSON, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. RODINO, Mr. ROE, Mr. ROEMER, Mr. ROSENTHAL, Mr. ROTH, Mrs. ROUKEMA, Mr. RUDD, Mr. ROUSSELOT, Mr. SABO, Mr. ST GERMAIN, Mr. SANTINI, Mr. SAWYER, Mr. SCHEUER, Mrs. SCHNEIDER, Mr. SHAMANSKY, Mr. SHARP, Mr. SHELBY, Mr. SHUMWAY, Mr. SHUSTER, Mr. SILJANDER, Mr. SIMON, Mr. SKEEN, Mr. SKELTON, Mr. SMITH of Alabama, Mr. SMITH of New Jersey, Mr. SMITH of Pennsylvania, Mr. SMITH of Oregon, Mr. SMITH of Iowa, Mrs. SNOWE, Mr. SNYDER, Mr. SOLARZ, Mr. SOLOMON, Mr. STATON of West Virginia, Mr. STANGELAND, Mr. STENHOLM, Mr. STRATTON, Mr. STUMP, Mr. SUNIA, Mr. SWIFT, Mr. SYNAR, Mr. TAUKE, Mr. TAUZIN, Mr. THOMAS, Mr. TRIBLE, Mr. UDALL, Mr. VANDER JAGT, Mr. VENTO, Mr. WALGREN, Mr. WALKER, Mr. WAMPLER, Mr. WAXMAN, Mr. WEAVER, Mr. WEBER of Ohio, Mr. WHITE, Mr. WHITEHURST, Mr. WHITLEY, Mr. WILLIAMS of Ohio, Mr. WILSON, Mr. WIRTH, Mr. WOLF, Mr. WOLPE, Mr. WON PAT, Mr. WORTLEY, Mr. WRIGHT, Mr. YATRON, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, Mr. YOUNG of Missouri, Mr. ZABLOCKI, and Mr. ZEFERETTI):

H.J. Res. 479. Joint resolution to provide for the designation of July 9, 1982, and April 9, 1983, as "National P.O.W./M.I.A. Recognition Day"; to the Committee on Post Office and Civil Service.

By Mr. GONZALEZ:

H.J. Res, 480. Joint resolution to disapprove certain rules prescribed by the Secretary of Housing and Urban Development; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEWIS:

H.J. Res. 481. Joint resolution to designate June 22 through June 28, 1982, as the National Friendship Week; to the Committee on Post Office and Civil Service.

By Mr. SPENCE (for himself and Mr. HARTNETT):

H.J. Res. 482. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

By Mr. EMERSON (for himself, Mr. BETHUNE, Mr. ROBERTS of Kansas, Mr. BAILEY of Missouri, Mr. VOLKMER, Mr. HANSEN of Idaho, and Mr. ROBERTS of South Dakota):

H. Con. Res. 337. Concurrent resolution expressing the sense of the Congress concerning the health of the Agricultural community, in light of the Wayne Cryts affair; to the Committee on Agriculture.

By Mr. GORE (for himself, Mr. ASPIN, and Mr. DOWNEY):

H. Con. Res. 338. Concurrent resolution urging the President to notify the Congress before any action is taken that does not conform with the SALT II agreement; to the Committee on Foreign Affairs.

By Mr. KEMP:

H. Con. Res. 339. Concurrent resolution to urge the government of the Soviet Union to facilitate the emigration of certain Soviet citizens, and for other purposes; to the Committee on Foreign Affairs.

By Mr. DELLUMS (for himself, Mr. JACOBS, Mr. PERKINS, Mr. HAWKINS, Mr. ROSENTHAL, Ms. FERRARO, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. RICHMOND, Mr. WEISS, Mr. BINGHAM, Mr. FAUNTROY, Mr. DICKS, Mr. BENJAMIN, Mr. MOLLOHAN, Mr. SEIBERLING, Mr. OBERSTAR, Mr. CLAY, Mr. FORD of Tennessee, Mr. RODINO, Mr. FOGLIETTA, Ms. OAKAR, Mr. WASHINGTON, Mr. SAVAGE, Mr. STOKES, and Mr. MARKS):

H. Res. 463. Resolution expressing the sense of the House of Representatives concerning the administration's policy on unemployment; to the Committee on Education and Labor.

By Mr. KASTENMEIER:

H. Res. 464. Resolution declaring the sense of the House with respect to granting Vietnam veterans their rights to conduct a memorial ceremony at Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. STARK:

H. Res. 465. Resolution directing the Secretary of State to provide to the House of Representatives certain information concerning Roberto D'Aubuisson; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 349: Mr. BEREUTER.

H.R. 852: Mr. MAVROULES and Mr. MARRIOTT.

H.R. 2007: Mr. MURPHY, Mr. HUCKABY, Ms. FERRARO, and Mr. JONES of North Carolina.

H.R. 2163: Mr. TRIBLE.

H.R. 3252: Mr. MINETA, Mr. DECKARD, and Mr. FOGLIETTA.

H.R. 3984: Mr. ALEXANDER and Mr. HAMMERSCHMIDT.

H.R. 4147: Mr. PEYSER and Mr. MOLINARI.

H.R. 4554: Mr. MYERS.

H.R. 4657: Mr. WASHINGTON.

H.R. 4833: Mr. MILLER of Ohio.

H.R. 4996: Mr. FORD of Tennessee, Mr. ROEMER, Mr. LUNGREN, and Mr. FORSYTHE.

H.R. 5193: Mr. FLORIO, Mr. WRIGHT, and Mr. DELLUMS.

H.R. 5321: Mr. HUBBARD, Mr. SIMON, Mr. MINETA, and Mr. BUTLER.

H.R. 5481: Mr. JAMES K. COYNE and Mr. SOLARZ.

H.R. 5510: Mr. MCCOLLUM.

H.R. 5572: Mr. HANSEN of Idaho, and Mr. OTTINGER.

H.R. 5573: Mr. ROEMER, Mr. WEISS, Mr. DE LUGO, Mr. BONKER, Mr. MCKINNEY, Mr. SUNIA, Mr. RANGEL, Mr. TAUKE, Mr. ROYBAL, Mr. AKAKA, Mr. SAWYER, Mr. LUNDINE, Mr. MAVROULES, Mr. MCCLOSKEY, Mr. ARCHER, Mr. ROSE, Mrs. SCHROEDER, Mr. FOGLIETTA, Mr. KILDEE, Mr. JAMES K. COYNE, Mr. MCGRATH, and Mr. BLANCHARD.

H.R. 5583: Mr. JAMES K. COYNE.

H.R. 5800: Mr. JAMES K. COYNE.

H.R. 5810: Mr. SWIFT.

H.R. 5872: Mr. GORE, Mr. DECKARD, and Mr. COURTER.

H.R. 5987: Mr. HUGHES.

H.R. 5988: Mr. WATKINS, Mr. KOGOVSEK, and Mr. SYNAR.

H.R. 5995: Mr. DOUGHERTY, Mr. LOWRY of Washington, Mr. MARKEY, Mr. BRODHEAD, Mr. RANGEL, Mr. MINETA, Mr. DASCHLE, Mr. BINGHAM, Mr. FRANK, Mr. PEPPER, Mr. SABO, Mr. BENNETT, and Mr. JONES of North Carolina.

H.R. 6053: Mr. COLLINS of Texas.

H.R. 6070: Mrs. BOUQUARD, Mr. COELHO, Mr. DANNEMEYER, Mr. EDWARDS of California, Mr. KINDNESS, Mr. PETRI, and Mr. YOUNG of Alaska.

H.R. 6076: Mr. STANGELAND.

H.R. 6085: Mr. MARKS.

H.R. 6126: Mrs. HOLT, Mr. KINDNESS, Mr. COATS, Mr. JAMES K. COYNE, and Mr. LOTT.

H.R. 6170: Mr. PEPPER, Mr. MOAKLEY, Mr. LOWRY of Washington, Mr. D'AMOURS, Mr. STUDDS, Mr. STANGELAND, Mr. HUGHES, Mr. MITCHELL of Maryland, Mr. STARK, Mr. HOYER, Mr. LEHMAN, Mr. FROST, Mr. FAZIO, Mr. JOHN L. BURTON, Mr. GORE, Mr. MAZZOLI, and Mr. SCHUMER.

H.R. 6181: Mr. SKELTON, Mr. JONES of North Carolina, Mr. SMITH of New Jersey, Mr. WEBER of Ohio, Mr. MITCHELL of New York, and Mrs. BOUQUARD.

H.R. 6183: Mr. RAHALL, Mr. HORTON, Mr. ROE, Mr. BARNES, Mrs. CHISHOLM, Mr. WYDEN, Mr. MOLINARI, Mr. SCHEUER, Mr. STANGELAND, Mr. MARTIN of New York, Mr. KILDEE, Mr. STRATTON, Mr. PEPPER, Mr. GORE, Mr. SKEEN, and Mr. OBERSTAR.

H.R. 6225: Mr. JAMES K. COYNE.

H.R. 6274: Mr. KOGOVSEK, Mr. ALEXANDER, Mr. ANTHONY, Mr. FAUNTROY, Mr. MATTOX, and Mr. HUBBARD.

H.R. 6285: Mr. PEPPER and Mr. WASHINGTON.

H.R. 6294: Mr. WHITEHURST, Mr. BARNES, Mr. NATCHER, Mr. LANTOS, Mr. MATTOX, Mr. WEISS, Mr. DELLUMS, Mr. ROYBAL, Mr. WYDEN, Mr. DIXON, Mr. VENTO, and Mr. MINISH.

H.R. 6296: Mr. MINISH.

H.J. Res. 172: Mr. FORSYTHE, Mr. FLORIO, and Mrs. FENWICK.

H.J. Res. 305: Mr. DELLUMS and Mr. FOGLIETTA.

H.J. Res. 363: Mr. BROOKS, Mrs. BOGGS, Mr. JEFFORDS, Mr. JENKINS, Mr. MCDONALD, Mr. DANNEMEYER, Mr. YOUNG of Missouri, Mr. KRAMER, and Mr. KOGOVSEK.

H.J. Res. 400: Mr. FISH, Mr. GREEN, and Mr. PEPPER.

H.J. Res. 416: Mr. JONES of Tennessee, Mr. ROSENTHAL, Mr. ENGLISH, Mr. MONTGOMERY, Mr. STRATTON, Mr. RITTER, Mr. ZEFERETTI, Mr. YOUNG of Alaska, Mr. MATSUI, Mr. CLAUSSEN, Mr. DOWDY, Mr. FIELDS, Mr. MORRISON, Mr. PARRIS, Mr. WEBER of Minnesota, Mr. CARNEY, Mr. GUNDERSON, Mr. HUNTER, Mr. GREEN, Mr. COLLINS of Texas, Mr. BUTLER, Mr. ANDREWS, Mr. JOHN L. BURTON, Mr. SWIFT, Mr. ROGERS, Mr. DREIER, Mr. DECKARD, Mr. RAILSBACK, Mr. MCCOLLUM, Mr. WASHINGTON, Mr. BAILEY of Missouri, Mr. STARK, Mr. STOKES, Mr. LEVITAS, Mr. SYNAR, and Mr. RANGEL.

H.J. Res. 431: Mr. ADDABBO, Mr. AKAKA, Mr. ANNUNZIO, Mr. BARNES, Mr. BEILENSON, Mr. BINGHAM, Mr. BONER of Tennessee, Mr. BROYHILL, Mr. JOHN L. BURTON, Mrs. CHISHOLM, Mr. CLINGER, Mr. CROCKETT, Mr. D'AMOURS, Mr. DASCHLE, Mr. FAUNTROY, Mr. FAZIO, Mr. FOGLIETTA, Mr. FOLEY, Mr. FORSYTHE, Mr. FRENZEL, Mr. FROST, Mr. HORTON, Mr. HOYER, Mr. HUGHES, Mr. IRELAND, Mrs. KENNELLY, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LELAND, Mr. LONG of Maryland, Mr. MATSUI, Ms. MIKULSKI, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MOLINARI, Mr. MURPHY, Mr. NATCHER, Mr. OBERSTAR, Mr. PEPPER, Mr. PEYSER, Mr. RAHALL, Mr. RATCHFORD, Mr. RICHMOND, Mr. ROBERTS of South Dakota, Mr. RODINO, Mr. ROE, Mr. ROSENTHAL, Mr. SAVAGE, Mr. SCHEUER, Mr. SHAMANSKY, Mr. SHELBY, Mr. SKEEN, Mr. SUNIA, Mr. WASHINGTON, Mr. WAXMAN, Mr. WEISS, Mr. WHITEHURST, Mr. WON PAT, and Mr. YOUNG of Missouri.

H.J. Res. 434: Mr. ANDERSON.

H.J. Res. 449: Mr. LANTOS, Mr. ANNUNZIO, Mr. EVANS of Delaware, Mr. HERTEL, Mr. PATTERSON, Mr. ROE, Mr. FORSYTHE, and Mr. FROST.

H.J. Res. 455: Mr. WYLIE, Mr. HORTON, Mr. DERRICK, Mr. NATCHER, Mr. BROWN of Ohio, Mr. PRITCHARD, Mr. YOUNG of Alaska, Mr. WALGREN, Mr. MOLLOHAN, Mr. MAZZOLI, Mr. OBERSTAR, Mr. BEVILL, Mr. YATRON, Mr. SABO, Mr. DENARDIS, Mrs. SCHNEIDER, Mr. LEHMAN, Mr. DREIER, Mr. BRODHEAD, Mr. MCDONALD, Mr. TAUZIN, Mr. WILSON, Mr. FLORIO, Mr. CAMPBELL, Mr. ROTH, Mr. HARTNETT, Mr. HUBBARD, Mr. BENNETT, Mr. BLILEY, Mr. SKEEN, Mr. ZABLOCKI, Mr. DICKINSON, Mr. ADDABBO, Mr. NELSON, Mr. WINN, Mr. RAHALL, Mr. NICHOLS, Mr. RAILSBACK, and Mr. ROBERTS of Kansas.

H. Con. Res. 159: Mr. DERWINSKI and Mr. JAMES K. COYNE.

H. Con. Res. 280: Mr. ROSENTHAL, Mr. AUCOIN, Mr. MURPHY, Mr. OTTINGER, Mr. RICHMOND, Mr. FAUNTROY, and Mr. SIMON.

H. Con. Res. 298: Mr. BLANCHARD.

H. Con. Res. 309: Mr. DANIEL B. CRANE, Mr. DREIER, Mr. FOWLER, and Mr. ZABLOCKI.

H. Con. Res. 313: Mr. WEISS, Mr. WOLF, Mr. LEHMAN, Mr. ANNUNZIO, Mr. CHAPPELL, Mr. FAUNTROY, Mr. YATES, Mr. FAZIO, Mr. BENNETT, Mr. BREAUX, Mr. MCHUGH, Mr. YOUNG of Alaska, Mr. DWYER, Mr. IRELAND, Mr. MARKEY, Mr. MITCHELL of Maryland, Mr. OTTINGER, Mr. BARNES, Mr. WILSON, Mr. JACOBS, Mr. BROWN of California, Mr. COELHO, Mr. MOAKLEY, Mr. PARRIS, Mr. DICKS, Mr. VENTO, Mr. BINGHAM, and Mr. EDGAR.

H. Con Res. 314: Mr. LEHMAN, Mr. PARRIS, Mr. MCEWEN, Mrs. SCHROEDER, and Mr. ANNUNZIO.

H. Con Res. 322: Mr. PEPPER and Mr. BLANCHARD.

H. Res. 406: Mr. ATKINSON and Mr. JAMES K. COYNE.

H. Res. 412: Mr. WRIGHT, Mr. TRIBLE, Mrs. BYRON, Mr. EVANS of Georgia, Mr. NEAL, Mr. WIRTH, Mr. BAILEY of Pennsylvania, Mr. DYSON, Mr. SHELBY, Mr. MARKS, Mr. BRODHEAD, Mr. EDGAR, Mr. FORD of Michigan, Mr. FINDLEY, Mr. KAZEN, and Mrs. COLLINS of Illinois.

H. Res. 421: Mr. AUCOIN, Mr. BARNES, Mrs. COLLINS of Illinois, Mr. DASCHLE, Mr. DENARDIS, Mr. DICKS, Mr. MCCOLLUM, Mr. NEAL, Mr. NELLIGAN, Mr. ROGERS, Mr. SAVAGE, Mr. WASHINGTON, and Mr. COATS.

H. Res. 427: Mr. MCCLOSKEY, Mr. AUCOIN, Mr. SHAMANSKY, Mr. PEPPER, Mr. MOTTL, Mr. LEHMAN, Mr. LANTOS, Mr. REUSS, Mr. SCHUMER, and Mr. WASHINGTON.

H. Res. 443: Mr. YATES, Mr. ROSENTHAL, Mr. MOFFETT, Mr. FORD of Tennessee, Mr. OTTINGER, Mr. GREEN, Mr. FAZIO, Mr. FORSYTHE, Mr. FASCELL, Mr. GORE, Mr. WOLPE, Mr. FAUNTROY, Mr. MARKEY, Mr. MITCHELL of Maryland, Mr. FRANK, Mr. HOLLENBECK, Mr. FROST, Mr. EDWARDS of California, Mr. CONTE, Mr. WASHINGTON, and Mr. BONKER.

H. Res. 456: Mr. ROBERTS of South Dakota, Mr. EDGAR, and Mr. SYNAR.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 907: Mr. GARCIA.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 5922

By Mr. BOLAND:

—On page 7, after line 18, insert the following:

HOUSING PRODUCTION ASSISTANCE PAYMENTS

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall

make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, as is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of subparagraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of such subparagraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted under this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under paragraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this paragraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall

constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

By Mr. LOWRY of Washington:

—Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

EXTENSIONS OF REMARKS

MONTHLY LIST OF GAO REPORTS

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The March 1982 list includes:

NATIONAL DEFENSE

The Army Needs to Reevaluate its Extended Basic Training Program. Acc. No., 117659, FPCD-82-11, March 3.

Proposed Program for New 9-mm. Handguns Should Be Reexamined. Acc. No. 117779, PLRD-82-42, March 8.

The Army Needs to Modify its System for Measuring Individual Soldier Proficiency. FPCD-82-28, March 30.

U.S. Military Coproduction Programs Assist Japan in Developing Its Civil Aircraft Industry. Acc. No. 117848, ID-82-23, March 18.

Navy's F/A-18 Expected to be an Effective Performer but Problems Still Face the Program. Acc. No. 117780, MASAD-82-20, February 26.

Mission Effectiveness of the AV-8B Harrier II Could Be Improved if Actions are Taken Now. Acc. No. 117765, MASAD-82-19, February 26.

Critical Considerations in Developing Improved Capability to Identify Aircraft as Friend or Foe. C-MASAD-82-6, February 24.

The Air Force Lantirn Program Must Surmount Some Formidable Difficulties. C-MASAD-82-12, February 25.

Defense Plans to Deploy Some Cruise Missiles Before They Are Ready. C-MASAD-82-15, February 26.

DOD's Space-Based Laser Program—Potential, Progress, and Problems. C-MASAD-82-10, February 26.

The Navy's New Antisubmarine Warfare Standoff Weapon—An Uncertain Future. C-MASAD-82-11, February 26.

Air Launched Cruise Missile Shows Promise But Problems Could Result in Operational Limitations. C-MASAD-82-13, February 26.

Issues Concerning the Navy's Expendable Reliable Acoustic Path Sonobuoy and Advanced Signal Processor. C-MASAD-82-14, February 26.

Letter reports

Issues concerning the survivability and capability of the ICBM Force modernization. Acc. No. 117607, MASAD-82-21, February 25.

Opportunities exist to achieve greater standardization of aircraft and helicopter seats. Acc. No. 117648, MASAD-82-22, February 26.

Recent changes in defense procurements reporting competition are misleading. Acc. No. 117726, PLRD-82-45, March 8.

The ALR-74 radar warning receiver program schedule needs further examination. Acc. No. 117777, MASAD-82-23, March 10.

The services' costly attrition could be reduced by using biodata inventories. Acc. No. 117781, FPCD-82-27, March 12.

Defense inventories contain about 109,900 unserviceable .45 caliber pistols, most of which can be rebuilt. Acc. No. 117920, PLRD-82-60, March 12.

DOD and Rand Corporation studies do not provide an adequate basis for deciding on a military physician assistant grade structure. Acc. No. 117805, FPCD-82-36, March 17.

The Department of Defense has made progress in its compliance with A-109 on weapon system acquisitions. Acc. No. 117806, MASAD-82-10, March 17.

Allegations of insufficient reimbursement under the Value Engineering Program. PLRD-82-57, March 19.

Before authorizing further expenditures for the multiple stores ejector rack, the Air Force and the Navy should determine whether a common bomb rack is still needed and whether it is cost effective. MASAD-82-26, March 26.

ENERGY

Possible Energy Effects of a U.S. Ban on Libyan Oil Imports. Acc. No. 117671, EMD-82-43, February 24.

Mitigating Socioeconomic Impacts of Energy Development. Acc. No. 117654, EMD-82-13, March 2.

Studies on Effectiveness of Energy Tax Incentives are Inconclusive. Acc. No. 117776, EMD-82-20, March 11.

Building Energy Analysis Computer Programs Developed by Federal Agencies-Cost, Use, and Need. Acc. No. 117914, PLRD-82-47, March 22.

TVA's Internal Audit Improved But Inspector General May Still Be Needed. EMD-82-61, March 19.

TVA's Nuclear Fuel Sale and Leaseback Arrangement Needs Further Analysis and Congressional Oversight. EMD-82-52, March 18.

Tennessee Valley Authority—Options for Oversight. EMD-82-54, March 19.

Letter reports

Leasing storage capacity for the strategic petroleum reserve. Acc. No. 117847, EMD-82-62, March 12.

The Tennessee Valley Authority needs to develop a formal process for determining whether to construct projects in-house or by private contractor. Acc. No. 117809, EMD-82-49, March 15.

Information concerning Western Area Power Administration's sale and purchase of power. Acc. No. 117881, EMD-82-65, March 18.

Increased filing fees for noncompetitive onshore oil and gas leases will reduce casual speculation and multiple filings and thereby reduce fraud potential. EMD-82-67, March 19.

The Department of Energy does not plan to use an abandoned salt mine at Lyons, Kansas, for nuclear high-level waste disposal. EMD-82-64, March 23.

NATURAL RESOURCES AND ENVIRONMENT

States' Compliance Lacking in Meeting Safe Drinking Water Regulations. Acc. No. 117664, CED-82-43, March 3.

A Market Approach to Air Pollution Control Could Reduce Compliance Costs Without Jeopardizing Clean Air Goals. PAD-82-15, March 23. PAD-82-15A, March 23.

Information on Corps of Engineers Deauthorization Program for Water Projects. Acc. No. 117916, CED-82-55, March 23.

Corps of Engineers Should Reevaluate the Elk Creek Project's Benefits and Costs. CED-82-53, March 15.

Letter reports

The Burbank-Glendale-Pasadena Airport Authority is in compliance with the noise provision of its Federal grant. Acc. No. 117794, CED-82-49, March 5.

COMMERCE AND HOUSING CREDIT

Greater Use of Innovative Building Materials and Construction Techniques Could Reduce Housing Costs. Acc. No. 117524, CED-82-35, February 18.

October 1981 Recommendations of the President's Commission on Housing: Issues for Congressional Consideration. Acc. No. 117656, CED-82-42, February 25.

Letter reports

The Coast Guard had a deferral in budget authority of $216,520,000. OGC-82-10, March 25.

TRANSPORTATION

Letter reports

Assessment of the Federal Aviation Administration's plan to close its Denver and Honolulu regional offices. Acc. No. 117653, CED-82-45, February 25.

Urban Mass Transportation Administration's R&D program should pay closer attention to transit industry needs. Acc. No. 117320, CED-82-17, January 20.

Cost to the Federal Government of a safe harbor lease is less than the cost of an Urban Mass Transit Administration grant program. Acc. No. 117869, PAD-82-30, March 15.

The Urban Mass Transportation Administration needs to ensure that adequate testing and evaluation is done on future mass transit rail vehicles. Acc. No. 117875, MASAD-82-25, March 22.

COMMUNITY AND REGIONAL DEVELOPMENT

District Could Get More For Urban Renewal Property, But HUD Debt will be Repaid. Acc. No. 117731, GGD-82-32, March 8.

Housing Block Grant Activity in Pittsburgh: A Case Study. Acc. No. 117918, CED-82-52, March 24.

Letters reports

Economy, efficiency and effectiveness of metropolitan planning organizations. Acc. No. 117766, CED-82-47, March 10.

SOCIAL SERVICES

Analysis of Four States' Administration of the AFDC Program: Management Improving But More Needs to be Done. Acc. No. 117725, HRD-82-20, February 22.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Letter reports

Information on selected legal services activities in North Carolina. Acc. No. 117704, HRD-82-38, February 5.

The Office of Refugee Resettlement used poor management in awarding a grant to Human Resources Development associates. Acc. No. 117706, HRD-82-44, February 25.

HEALTH

FDA Can Further Improve its Adverse Drug Reaction Reporting System. Acc. No. 117703, HRD-82-37, March 8.

Audit of the office of the Attending Physician Revolving Fund—Fiscal Year 1981. Acc. No. 117702, AFMD-82-36, March 5.

ADMINISTRATION OF JUSTICE

Illegal and Unauthorized Activities on Public Lands—A Problem with Serious Implications. Acc. No. 117764, CED-82-48, March 10.

Letter reports

Statistics show that release on bail, failure to appear, and new crime rates vary among selected Federal district courts. Acc. No. 117662, GGD-82-51, February 23.

GENERAL GOVERNMENT

Better Management Would Improve the Effectiveness of the District of Columbia's ADP Resources. Acc. No. 117870, GGD-82-47, March 12.

The District of Columbia Should Assess its Needs before it Makes Major Acquisitions of Space. Acc. No. 117666, GGD-82-27, March 2.

The Federal Audit Function in the Territories Should Be Strengthened. AFMD-82-23, March 25.

Audit of Financial Transactions of the House Sergeant at Arms for the 12 Months Ended June 30, 1981. Acc. No. 117919, AFMD-82-37, March 24.

Letter reports

The Federal Government spent about $1.8 million for FY 1978 and $3.3 million for FY 1980 on economic modeling activities done by four private forecasting firms. Acc. No. 117705, PAD-82-26, February 16.

President's proposal of 22 rescissions totaling $10,655 million, 14 new deferrals totaling $2,334 million, and revisions to previous deferrals which increase amounts deferred by $768 million. Acc. No. 17797, OGC-82-9, March 10.

Information on a stamp kit procurement activity through contract award. Acc. No. 117778, GGD-82-45, March 10.

Design problems in the Merit Systems Protection Board's questionnaires limits their usefulness. Acc. No. 117784, FPCD-82-9, March 11.

Requirements determination process can be improved at NASA's Langley Research Center. Acc. No. 117804, PLRD-82-56, March 15.

VA forefeiture decisions highlight need to strengthen procedural protections afforded Filipino veterans and their survivors residing in the Philippines. Acc. No. 117796, HRD-82-46, March 15.

Overtime management and controls at the Environmental Protection Agency headquarters are deficient. Acc. No. 117798, FPCD-82-34, March 16.

Fiscal year 1983 estimated revenues and deposits for the Panama Canal Commission. Acc. No. 117849, ID-82-26, March 19.

A comparison of the General Service Administration's completion dates for repair and alteration projects relating to the Omnibus Judgeship Act, with GAO's dates showed a number of differences. Acc. No. 117915, PLRD-82-63, March 22.

Federal activities designed to promote Government contracting with socially and economically disadvantaged businesses are duplicated among Federal agencies. Acc. No. 117876, PLRD-82-58, March 23.

Effects of the presidential transition on the Senior Executive Service. FPCD-82-29, March 23.

Legislation is needed to ensure that cost-of-living increases in Federal programs will be considered on a more timely basis in computing supplemental security income benefits. HRD-82-52, March 26.

States which accepted administration of block grants were allotted grants differently from those States which did not. GGD-82-65, March 26.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, Distribution Section, Room 1518, 441 G Street, N.W., Washington, D.C. 20548. Phone (202) 275-6241.●

A BILL TO PROHIBIT THE CHARGING OF COAST GUARD USER FEES FOR RECREATIONAL BOATS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LONG of Maryland. Mr. Speaker, I am today introducing legislation to prohibit the charging of Coast Guard user fees for recreational boats. The administration's insistence on user fees requires that Congress act to ban these added taxes on millions of middle-income people who use America's lakes, rivers, and streams for pleasure.

Some claim that wealthy owners of palatial yachts will have little trouble paying $200 or $300 a year for Coast Guard services. No doubt. But fewer than 1 in 1,000 boats registered in the United States today can reasonably be considered a yacht. The average boatowner in the United States owns a boat only 15 to 20 feet long and earns less than $20,000 per year—hardly a fat cat. These boats offer rest, relaxation, and diversion and are often the owner's sole recreation.

Does the Coast Guard provide special services for these boaters for which it should be reimbursed? On the contrary. The Coast Guard concedes that its navigation aids would have to be provided for commercial craft, whether recreational craft existed or not. The Coast Guard has recently agreed to exclude the costs of lifesaving missions in its user fee calculations. Marine police and patrols are increasingly a State and local rather than a Coast Guard function. Search-and-rescue activities are being taken up by the Coast Guard Auxiliary, a volunteer citizen group which now handles about 25 percent of all the search and rescue missions formerly the province of the Coast Guard.

A number of boaters have stated that for extraordinary services such as regatta patrols or for nonemergency services such as towing, they would be willing to pay on an "as used" basis. The vast majority of boaters never in their boating careers use such services and should not be forced to pay for them through mandatory user fees to benefit the relatively few who elect them. The one identifiable Coast Guard service of direct benefit to all recreational boaters is the setting of nationwide boat and equipment safety standards and the enforcement of those standards. I point out, Mr. Speaker, that safe boats benefit us all—occasional boaters, regular sailors, and the general public. The safer the boat and equipment, the less likely a costly or even fatal accident.

Would boaters gain from these user fees to the Coast Guard? Hardly, in view of the ongoing Coast Guard plans for retrenchments and reductions in services, whether user fees are enacted or not.

It is too often overlooked, Mr. Speaker, that boaters already pay plenty of taxes: Sales taxes on boats and equipment, the Federal fuel tax, State fuel tax, slip taxes, personal property taxes, income taxes—to say nothing of the administration's proposed excise tax on boating supplies and boats themselves, a levy which will be passed along to the recreational boating public.

User fees for recreational boating are simply more taxes on millions of average working men and women. My bill would forbid them.●

ITALIAN NATIONAL DAY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, on June 2, the people of Italy will celebrate Italian National Day—the day in 1946 when the Italian monarchy was abolished and the modern Republic of Italy was created by popular referendum. The American people, particularly the tens of millions who are of Italian ancestry, extend to the people and Government of Italy our sincere congratulations and our heartfelt wish that Italy may continue to enjoy the blessings of peace, prosperity, and personal freedom.

If I were to include in these remarks even the barest outline of the immense achievements and contributions of the Italian people to Western civilization and to American life, I am afraid it would sorely try the patience of my colleagues and threaten the budget of the Government Printing Office.

Michelangelo once described his work as an artist as an attempt to "liberate the spirit from the marble that imprisons it." In a sense this may serve as a metaphor for all Italians, whether one is describing the work of an artist in Florence, a philosopher in Bologna, a film maker in Rome, or a fisherman in San Pedro.

The Italians, it has been said, taught the French to cook, the English to govern, and the world to love music and art. At the entrance to the Uffizi Palace in Florence, a relatively small city, is a line of busts commemorating just a few of that city's most distinguished sons—Michelangelo, Galileo, Dante, Machiavelli, Boccaccio, Da Vinci. The works of these men stand as the definitive classics in art, science, literature, and politics. It is astonishing to consider that they lived in the same small community at about the same time.

Many other Italian cities could erect a gallery of native sons and daughters equally distinguished if they should wish to.

More recently, Italian film makers led the world into a realization of the possibilities of transforming the movie business into an art form, and Italian design has brought style, grace, and beauty to a variety of products from women's shoes to automobiles. Italy is one of the world's leading exporting nations. But by far the country's most important exports have been Italian ideas and the Italian himself.

In the realm of ideas, for example, Thomas Jefferson borrowed many of the principles which were ultimately incorporated into the Declaration of Independence and the American Constitution from his studies of the Italian humanist philosophers. He was also struck, incidentally, by the quality of two less abstract Italian favorites, wine and macaroni. He brought both back to Monticello, cultivated them, and tried to teach his fellow Americans their virtues. Unfortunately, at that time, Americans preferred hard whiskey and plain bread. As always, he was ahead of his time. Today, of course, there is hardly a community in our Nation which does not boast of flourishing Italian gourmet restaurants.

The millions of Italians who came to our country brought with them a sense of the richness, the variety, the possibility of living with grace and beauty—in short, culture. Wherever they congregated in substantial numbers—in New York, New Orleans, San Francisco, and southern California—the civilizing arts soon followed. They worked as hard and in time became just as prosperous as their Anglo-Saxon neighbors. At the same time, they taught the rest of us to add a little flavor to the sauce of life.

This has been amply demonstrated in my own district, where young Italians first began to arrive in the 1880's in what was then a rather forlorn and undeveloped natural harbor in the San Pedro-Wilmington area. Young Italian sailors sensed the possibilities of this free new land and the surrounding seas teeming with fish. The climate, so similar to their native land, seemed congenial. They let their ships sail back to the Old World without them. In a few years, they established a flourishing fishing industry. Wives, sweethearts, and relatives soon followed. They created new businesses, restaurants, bakeries, canneries, many of which survive to this day. Their restaurants, for example, still attract visitors from all over the Nation, and the harbor area remains a mecca for lovers of authentic ethnic food. Their sons and daughters, and now their grandsons and granddaughters, moved into the mainstream of American business, politics, athletics, and the arts.

In the short span of a century, they have gone from being Italian immigrants, to Italian-Americans, to, simply, Americans. And yet, while many of them have never seen the land of their grandfathers, and have largely lost the ability to speak and read the beautiful Italian language, they remain profoundly tied to a culture, an idea, and a way of living that is inherent in the word "Italian."

"Italy," Henry James once said, "is an immense sensibility." It is a way of feeling the full range of life's possibilities, from the tragedy of war and poverty to the bawdy comedy of the great Italian films. It is an adventure of the mind, from Columbus sailing beyond the ends of the Earth to Fermi exploring the world of the atom.

Italian civilization is among the world's oldest and richest. The Republic of Italy, on the other hand, is not yet 40. It has not been an easy four decades for the young Italian democracy, but I believe the spirit, intelligence, and quality of the people will prevail. The successes and achievements of the Italian people here in America augurs well for the future of democratic Italy.

It is often observed among Americans returning from abroad that there is no country in the world where ordinary people are more friendly and cordial to Americans than Italy. I believe this is because there is a genuine bond of affection between our two peoples.

On the occasion of the birthday of the Republic of Italy, may I express the appreciation of the American people and its elected representatives for the loyalty and friendship of the Italian people and of their government. The Italian Government has opened its ports to our navy; the Italian people have opened their artistic and cultural treasures to tourists, students, and artists. The relationship between our two nations and our two peoples goes deeper than a common penchant for gadgetry, or a taste for pasta, or even the recent gallant rescue of General Dozier. Millions of our citizens of Italian descent, and a common commitment to the civilizing arts and sciences, including the art of free government, bind us together.●

SALUTE TO NATIONAL SMALL BUSINESS WEEK

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROE. Mr. Speaker, I take great joy in joining my colleagues today in saluting the American small business men and women, whom I consider to be the backbone of our Nation's economy.

At a time when our Nation is suffering record unemployment rates, the importance of small businesses on our daily lives cannot be overemphasized. Out of our national work force of 97 million, 60 million Americans find their livelihoods in small business. Small businesses also provide the best opportunities for job seekers. A Massachusetts Institute of Technology study found that 68 percent of all the new jobs in the private sector were provided by firms with 20 or fewer employees. By contrast, Fortune magazine's top 1,000 firms, as measured by revenue, created only 10.6 percent of all jobs.

Small businesses play a major social role in providing work for those troubled sectors of our society who would otherwise remain unemployed. For example, small companies provide more than 80 percent of all jobs for black youths and other disadvantaged groups.

One of our Nation's greatest resources is its advanced high technology, which is the envy of other industrial countries around the world. Small business has played a phenomenal role in the development of the United States as the world leader in technological development. More than half the major technological advances of this century were developed by individual inventors or small businesses, including the office copying machine, insulin, the vacuum tube, power steering, the self-winding wristwatch, the helicopter, cellophane, ballpoint pens, and the zipper.

A National Science Foundation study showed that small firms produce four times as many industrial innovations per research dollar than medium-sized firms and 24 times as many new innovations as the largest firms.

Mr. Speaker, small businesses truly represent the entrepreneurial spirit that made this Nation great. The cour-

age of the small businessman paved the way for the development of our Nation. Today, our disastrous economic situation, has placed different pitfalls in the path of the small businessman, some as dangerous in many ways as the outlaws who threatened his existence during the early days of our Nation.

Three out of four new enterprises fail within their first 5 years, and 9 out of 10 fold within 10 years. And those failures are increasing at a higher rate than anytime during the past decade.

The roadblocks to success for small businesses are rugged. At the top of the list is money. Unlike the bigger firms, small businesses often cannot get loans when they need them, and when they are available, they are forced to pay higher interest rates on them. An additional factor, which we in this Congress must be concerned with, is the labyrinth of horrors of Federal regulation and paperwork that confronts the small businessman.

Mr. Speaker, productivity and self-reliance are essential requirements for success in small businesses. Those high values are what makes them such an integral part of our economic system. I am most proud to salute these vital Americans during National Business Week.●

VISTA 1999 AND THE DEFENSE DEBATE

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GINGRICH. Mr. Speaker, I urge my colleagues to read the VISTA 1999 report. It is an important document and has received national press attention.

The article below is reprinted from the editorial page of the Christian Science Monitor. While some of the points it makes are off the mark factually, overall the themes are correct. Its major message it clear: VISTA 1999's ideas may offer us a way to get the defense we need at a price we can afford.

The Christian Science Monitor editorial states: "Lawmakers would be well served by a careful reading of the VISTA 1999 Report." I think this is correct, which is why I sent all my colleagues a copy.

I urge my colleagues to read the editorial. And then carefully read the VISTA 1999 report. We should take a look at what the press has picked up on; especially when its discovery can help us provide for the defense of the Nation.

The editorial follows:

MAKING WEAPONS THAT WORK

Charges that the Pentagon is relying excessively on complicated, delicate, and expensive weapons systems are not new. Many defense analysts have been saying this for the past several years, including Colorado senator Gary Hart and former Carter adminstration speechwriter James Fallows, who set out the case for a leaner, more cost-effective Pentagon in his 1981 book "National Defense." But when a panel of—would you believe?—15 generals and five colonels raises many of the same complaints in a detailed new study of military procurement practices, the public should take special notice.

The 20 high-ranking officers, all from the Army and Air National Guard, blame shortages of military equipment on "the current trend of purchasing high-cost, high-technology systems that have uncertain reliability and significant difficulties of maintenance above the operator level." The panel urges the Pentagon to buy simpler, more reliable weapons—as well as adopt a leaner force structure for the active Army. The Army unfortunately, is currently taking just the opposite route, towards a larger and more complicated divisional structure.

There are two issues here. One is the budgetary problem, now being thrashed out in the back corridors of Washington as Congress and the Reagan administration seek ways of slashing the fiscal year 1983 deficit. Any successful effort to reduce the deficit will require substantial cutbacks in defense. But there is also another consideration that should not be overlooked.

That is the possibility that the US is now producing weapons so complicated that they are increasingly unable to perform the basic tasks they are designed to do. The irony is that the United States may in effect be buying less—not more—defense with such costly procurement programs.

Take aircraft. The national guard panel notes that in constant fiscal year 1982 dollars the Air Force spent $6.9 billion in 1955 to buy 1,415 aircraft. But in 1980 it spent $9.4 billion to buy 407 aircraft. In short, more taxpayer dollars for far fewer planes. Do those aircraft, at greater cost, really provide the US better defense? The military panel says no.

That is not to say that some procurement projects will not require extremely sophisticated, and perhaps costly, equipment. Presumably laser weapons, now in the development stage, would fall in such a category, as would communication equipment or military satellites. But such systems should be rare exceptions.

Lawmakers would be well-served by a careful reading of the panel's conclusions as they go about the budget-cutting process. It is not a matter of pruning the military establishment to the point of endangering national security. It is a matter of selecting those weapons systems that do what they are supposed to do—provide the most efficient defense at the best possible price.●

LOUISVILLE WELCOMES REGIONAL CONFERENCE OF THE NATIONAL BAR ASSOCIATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MAZZOLI. Mr. Speaker, on behalf of the citizens of the Third Congressional District of Kentucky, I would like to extend a warm welcome to the delegates to the Third Annual Regional VI Conference of the National Bar Association in Louisville, Ky., from May 14, 1982 through May 16, 1982.

A special welcome is extended to Attorney Samuel E. McCargo, who is the regional VI director of the National Bar Association.

I would like to commend the Kentucky Chapter of the National Bar Association, and its president, Attorney Henry J. Curtis, for hosting the conference.

Special recognition is given to Attorneys Gerald A. Neal and Larry D. Beale, who served as conference coordinators.

Again, welcome to Louisville and best wishes for a successful conference.●

THOMAS JEFFERSON'S BIRTHDAY

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WAXMAN. Mr. Speaker, I would like to commend to the attention of my colleagues an insightful and thought-provoking article written recently by Adele I. Springer, legal affairs correspondent for Meredith Newspapers of Los Angeles. The article appeared in the April 7, 1982, edition of the Wilshire Press.

Ms. Springer is past president of the National Association of Women Lawyers. Her article is a very perceptive application of the philosophy of Thomas Jefferson to issues of contemporary debate. She reminds us of the legacy Mr. Jefferson left for the American people and the everlasting value of his thoughts.

THOMAS JEFFERSON'S BIRTH MARKED APRIL 13

(By Adele I. Springer)

Tuesday, April 13, is the birthday of Thomas Jefferson, third president of the United States, who was born in 1743.

President Jefferson is best remembered and revered as author of the Declaration of Independence. He also wrote the Statute of Religious Freedom, challenging intolerance. He earned his place in history also as the nation's first Secretary of State in the cabinet of President George Washington. He founded the University of Virginia, was envoy to France, and took a step in continental expansion by the purchase of Louisiana. A major accomplishment of his presidency was reduction of the national debt and suppression of piracy. This lawyer, scholar, statesman, political philosopher, was regarded as the most versatile patriot of his era.

Jefferson, known as the Sage of Monticello, died in 1826 on the 50th anniversary of the adoption of the Declaration of Independence, murmuring his last words, "this is

the Fourth?" His colleague, John Adams, who died that same 4th day of July, uttered as his last words, "Jefferson still survives."

Today, Jefferson's spirit still survives—in that great charter of American independence he penned in 1776, and in the timeless character of his many historical writings. U.S. Supreme Court Justice Lewis Powell, in a tribute to Jefferson, concluded that Jefferson "has influenced, living and dead, the daily thought of his fellow countrymen more than any other man in all their history; for he it was who formulated, defended and made victorious that social and political philosophy of individualism and equality by which America has lived."

President F. D. Roosevelt, on Jefferson's 200th birthday in 1943, dedicated the Thomas Jefferson Memorial in Washington, D.C., "To Thomas Jefferson, Apostle of Freedom, we are paying a debt long overdue."

Now, on Jefferson's birthday, April 13, we should pause to reflect upon the fundamental principles set down more than two centuries ago by that great architect of our republic. For, as Abraham Lincoln so aptly put it, "The principles of Jefferson are the definitions and axioms of a free society."

Jefferson believed as a cardinal principle of government that it should be decentralized. He had witnessed at first hand both at home and abroad the evils, the abuses, and the dangers of a concentrated government. "He thought in terms of the morrow as well as of the day." If Jefferson were living today, it sems quite certain that he would favor decentralization of power, budgetary cuts, lower taxes, and elimination of the national deficit.

The objectives of Thomas Jefferson were set forth in his first inaugural address: "What more is necessary to make up a happy and prosperous people? Still one thing more, fellow citizens, a wise and frugal government which shall restrain men from injuring one another, which shall leave them otherwise free to regulate their own pursuits of industry and employment and shall not take from the mouth of labor the bread that it has earned—Economy in public expense that labor may be lightly burdened."

In his second annual message President Jefferson urged "substituting economy for taxation," and "to expend the public money with the same care and economy we would practice with our own, and impose on our citizens no unnecessary burden; to keep in all things within the pale of our constitutional powers," as the "landmarks by which we are to guide ourselves."

In his second inaugural address he pointed out: "The suppression of unnecessary offices, of useless establishments and expenses, enabled us to discontinue our internal taxes."

Years later, writing about the events that led up to the Revolution, Jefferson deplored: "We have more machinery of government than is necessary, too many parasites living on the labor of the industrious." And: "I consider the extravagance which has seized the country as a more painful evil than Toryism was during the war."

The constitutional morality of statesman Jefferson contrasts with the attitude of many politicians today. He wrote: "I am for a government rigorously frugal and simple, applying all the possible savings of the public revenue to the discharge of the national debt; and not for a multiplication of officers and salaries merely to make partisans." He wished "With sincere zeal, an inviolable preservation of our present Constitution according to the true sense in which it was adopted by the States."

Never in the history of this republic has there been greater need of public understanding of what Thomas Jefferson meant when he advocated "The first principle of human society is the guarantee to everyone of a free exercise of his industry and the possession of the fruits acquired by it."

Every American who believes that loyalty to country comes before loyalty to party politics must find inspiration in the question posed by Jefferson: "Is my country the better for my having lived at all?"●

MAJOR EXPO PLANNED AS DULLES AIRPORT TURNS 20

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WOLF. Mr. Speaker, Dulles International Airport, which is owned and operated by the Federal Government and which is located in the 10th Congressional District of Virginia, will mark its 20th anniversary this June. I would like to bring to the attention of my colleagues an article in the April 26, 1982, Arlington Journal which reports on activities planned at Dulles Airport for the anniversary celebration.

[From the Arlington Journal, Apr. 26, 1982]

MAJOR EXPO PLANNED AS DULLES AIRPORT TURNS 20

(By Jim Wolffe)

Bouyed by recent announcements of new service to Chicago, the West Coast and Paris by three airlines, supporters of Dulles International Airport are planning a major business exposition to celebrate the sprawling terminal's 20th birthday.

Sponsored by the Loudoun County Chamber of Commerce, the Dulles Policy Task Force and the Federal Aviation Administration, the "Dulles Expo '82" on the weekend of June 26 and 27 will be designed not only to display the business potential of the area around the airport, but also to make more people aware that the much underused airport exists.

The official birthday of the graceful airport, designed by world-renowned architect Eero Sarrinen, is actually in November, 20 years after ground was broken for what was supposed to have become the new hub for air travel in the Washington area.

"We're hoping to get 40,000 to 45,000 people into the airport during the weekend," said expo director J. W. Porter.

Speaking last week to the Loudoun chamber, Porter said he is convinced that if people visit the airport, requests to fly out of Dulles rather than crowded and overused Washington National Airport in Arlington will increase. If so, airlines will be pressured into adding flights at Dulles.

"It's a chicken-and-egg type thing," said Porter. "We've got to convince people to ask for Dulles first."

He said movement in that direction is already beginning, pointing to surveys that show many air travelers ask to fly from Dulles but are told that no flights are available to their destination. The expo is intended to increase pressure on the airlines, Porter said.

Recent statistics from the Federal Aviation Administration, which owns and operates Dulles and National, show that about 2.4 million passengers pass through Dulles each year, compared to 13.5 million travelers who use the much smaller National.

Porter hopes that 100 local and national businesses will pay a minimum of $300 for exhibit space in the main concourse of the terminal.

And plans call for displays of about a dozen antique and modern aircraft to be on display on the runways, tours of the airport, rides on the mobile lounges that take passengers from the terminal to their planes and drawings for free airline tickets—for trip from Dulles, of course.

Businesses interested in setting up displays should call the expo committee at 777-2350 or 777-2176.

The exhibits will be open to the public from 10 a.m. to 7 p.m. on June 26, and from 10 a.m. to 6 p.m. to June 27.●

HUD BUZZ WORDS FOR 1982

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GARCIA. Mr. Speaker, in late March Secretary Pierce testified before the Subcommittee on Housing and Community Development on the Reagan administration's housing program. Now, whether one is considering low income families in search of an apartment or the first-time homebuyer, we all know that the need for housing in this Nation has not been this dramatic since the Great Depression. Vacancy rates are near zero in some areas for the family seeking rental housing and very little new rental housing has been built that has not been Government subsidized. A quick look at the housing industry reveals some of the worse production, sales and unemployment numbers in decades. Despite these facts, the administration has repeatedly refused to lend a hand to the millions of Americans in need of basic shelter. As evidence of this disregard, I would like to list for my colleagues 20 phrases and words included in Mr. Pierce's March testimony. The list is from an article entitled "By Their Words Shall Ye Know Them" which appeared in the May edition of the New York State Association of Renewal and Housing Official's newsletter, MYSARHO, Inc. Review.

The list follows:

"Liquidate"
"No further funding"
"Ample room for private firms"
"Reduction"
"More realistic"
"Cost effectiveness, no new outlay"
"No new authority"
"Tenant income includes food stamps"
"Reduce inequities"
"Increase in tenant contribution"
"20% cap on rent increases"

"Adjust PHA Operation Subsidies"
"Option to cancel reservation"
"Cease offering new commitments"
"Eliminate unnecessary amenities"
"Reduce level"
"Too costly"
"Set subsidies"
"Cancel the commitments"
"Deobligated funds".●

J. ARMSTRONG MAHONEY

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HARTNETT. Mr. Speaker, I would like to share with my colleagues a memorial written by Mr. J. J. Mahoney to his brother, Mr. J. Armstrong Mahoney. I, along with James B. Edwards, Secretary of Energy, share the family's grief at the loss of such a stalwart pillar of dedication and total commitment to his home, State, and country.

ROUTE 1, PORCHER'S BLUFF,
Mt. Pleasant, S.C., December 1981.

To: Friends and Relatives of J. Armstrong Mahoney and his Family.

Subject: The Death of J. Armstrong Mahoney.

A great void occurred in all of our lives on Wednesday, December 9, when around 4 P.M. in the afternoon Army went to God.

It was my lot to be called by one of Army's children and be told that he had died minutes before. I was at the hospital within fifteen minutes and a very beautiful scene took place. The four of Army's children, who were in the Charleston area and several others, including my wife, Betty, gathered around Army's bedside. We had the ancient prayers of the Church for those who have just died. As you know, they are very beautiful and very moving. I think we caught the spiritual being of the moment. I could not help but think of Memorial Day, 1958, when my father died at Lenox Hill Hospital in New York City. Army and I had gathered around his bedside with a Priest who had been hastily called in the middle of the night (my memory is that it was around 2 A.M.). There Army and I were on our knees giving the responses to those same beautiful prayers. It is my hope that when each of our time comes that so wonderful a pathway to God will be intoned for each of us.

Some of you may not have received word of his leaving us and we wished to let you know.

As most of you all know Army had been in declining health for five or six years. About two weeks ago, he had a brain hemorrhage which left him, after about two days, unable to verbally communicate. He lingered, in the hospital, in this state for about 13 days. We think he was able to, many times, understand what we were saying to him. Two Priests annointed him. Some of his friends would come and touchingly sing Irish songs to him. There's no doubt in any of our minds that he knew that he was surrounded by the love of family and friends that had accompanied him throughout his entire conscious life. The final twenty-four hours saw an additional brain damage and bleeding.

There has not been in my life, or most of the lives of those who knew Army, anyone who so genuinely touched them in so many of their fine emotional traits. It was hard for us to let him go. However, after the last weeks of the state he was in, and his absolute lack of potential recovery, no one could have wished for Army, a great communicator, to have lingered any longer. It made us letting him go absolutely more bearable.

The English language and the multitude of all of our experiences is not enough to capture even a small portion of that magnificent essence, which was Army. My Mother said many years ago, "no one is going to categorize or structure Army." He was just as much at home with the senators and cabinet members of government as he was with workers on the Docks, Black and White. He was truly what Kipling had in mind when he wrote, "If you can walk with kings and not lose the common touch." It was enough for Army if you were just a Human Being. He knew that God did not make "junk" and those Human Beings who were touched by Army were somehow lifted to be better than themselves and had a better self-image of themselves. For those of us who were exposed to him over a more protracted period of time and in greater depth; we were truly blessed.

For me personally, that trip to Ireland (which included the Annual O'Mahoney Rally) with him was most memorable. Almost everyone has a great experience with the Irish people. However, Army's rapport with them was something almost mystical. It was more than striking a match to gasoline, it was that, plus the Crescendo of a Wagerian Aria, the winning touchdown at a Tennessee-Alabama game and the celebration of V-J-Day all rolled into one and then some. He had to pace himself, as all of you well know. However, he never paced himself as far as his humor and repartee is concerned. There was one example, and there are many, of a taxicab driver taking him on about an eight or nine mile fare and was so charmed with Army that he refused to accept anything for the trip. Night and day I had not had that much time with Army since we were boys, before I left for college. Those of you who have heard himself express it, know that it was one of the highlights of his life. Father Kelly mentioned it very movingly in his Eulogy.

I will not recount for you all here how Army dedicated the best part of his secular life in his attempt to bring America back to the spirit of Constitutional Government as envisioned by the Founding Fathers. It was more than just a deep seated love of what the American Dream meant to the human spirit. It was, for him, the opportunity to join with the democracy of the early Greeks, the best in the senate at Rome during the Republic down through Edmund Burke, Daniel O'Connell, the effort of The Southern Confederacy to build a nation based on states rights and more decentralized government, The Irish Patriots of 1916, down to the present. Anyone in the United States of America or anywhere in the world had a supporter in Army when his human dignity or his authentic freedoms were challenged. In all this, he was quite selfless and made a lifetime of not putting himself first.

Everyone has a special vignette, or many vignettes, that are special to that person and Army. He was that type of individual. No one could be exposed to Army and be the same afterward and that would include an encounter as minor as being on the same elevator with him.

This is now going too long and Army would not like that. He was one for the quick rejoiner that said it all in one quick phrase or sentence, maybe word. Therefore, I will only recount the wonderful day we had on the day of his funeral Mass.

The Mass was a beautiful one and Army's entire family of six children were present (one from Texas and one from Maryland, included). It was my privilege to be the Deacon of the Mass celebrated by Father Robert Kelly. Father Kelly was not only Army's pastoral contact but was a very intimate friend. He captured some of the essences of Army in his Eulogy. One of the things I think all would appreciate, and his children told me they especially appreciated it, was Father Kelly's reference to the good blood that flowed in Army's veins and which he had reinvigorated in his trip to Ireland. There were many who were quite impressed with the telling effect of Father Kelly's tying together the essentials of what Army was about as well as what we all were about in this human condition.

Army's body was laid to rest in the Episcopal Christ Church Churchyard. He is laid right next to Barbara. Later on, God willing, Betty and I will be next to each of them. The Porchers very generously wanted the Mahoneys with them in this final resting place, where our bodies will all await the reuniting with our souls for all Eternity.

Afterward many, many of Army's friends came to Porcher's Bluff for a commingling of relatives, close family, close friends and associates. Irish Coffee and other "fruits of the vine" were available for the conviviality of the moment. Ample food was there for all. It was a great gathering and we all felt the sense of Army's presence as we felt the joy he had always wished for us all. The J. F. Armstrong family was there is force and, as many of you know, they are our only close family left on my Mother's side. Calls came in from all over the country, including Chattagnooga's wonderful Mahoneys. I think there was a sense that of all of us there that we would have to grow closer to each other to attempt to make up for the tremendous void Army had left in all of our lives.

The front of Porcher's Bluff was the recipient and demonstrator of three rather large flags: The United States, The Confederate, and The Republic of Ireland. It is not unsymbolic that all three of those flags were born out of rebellion. Such was the spirit of Army.

And so, we say something about Army that was very current in all those years. We always say, "We are not saying goodbye, we are saying so long." So for you, Army, it is "so long" until we join you for that great Eternity for which we were all born.

Yours faithfully,

J.J. MAHONEY.●

A BELOVED HISTORIC FIGURE

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. McDADE. Mr. Speaker, the Washington area has lost a venerable and beloved figure—111-year-old Zachariah D. Blackistone. Long an inspiration to this community, and long responsible for bringing beauty into our daily lives, Zachariah Blackistone ar-

rived in Washington in 1898, having traveled up the Potomac by riverboat.

He had taken his mother's advice to seek his fortune in Government, but while he was still searching for his first job, he chanced upon a Madame de Wattville rose. Its beauty so overwhelmed him that he immediately determined to become a florist. Starting with a $10 investment, he went into business with both energy and enterprise. Expanding to four floral shops, Blackistone Florists soon became a byword.

"Zeddie" Blackistone, as he was known in the trade, was the archetypal small businessman. He arrived in his shop by 7:30 a.m. each morning, except on Sundays which he reserved for church activities. After a light breakfast and morning prayers, he was in constant motion, tending to flowers and customers with equal delight. He worked this way well into his 100th year.

Those who knew him never questioned why Blackistone was so successful. Nor did they accept his own humble explanation that it was all due to the location of his first shop.

His success was due as much to his philosophy as to his energetic personal involvement in the business. His idea was simple: Bring to everyone the glory and majesty of flowers—the beauty he himself had seen exemplified in that first rose. Blackistone offered "the goodwill dozen," a bouquet of 15 roses selling for the price of 12. He saw that a few more flowers made for a fuller, more beautiful arrangement . . . and was good business, as well.

Blackistone's flowers have graced innumerable events in Washington over the years, historic and otherwise. Earlier in this century, "Uncle Joe" Cannon would stop at Blackistone's each day to pick up a boutonniere for his lapel. Over the years, in moments of celebration and sadness, Zachariah Blackistone's lovely flowers helped express our great joys and deepest sorrows.

We mourn the passing of Zachariah Blackistone at 111 years of age. He, as well as his flowers, brought life to all who knew him.●

PRESIDENT'S BUDGET RESPONSIBLE FOR HIGH BUDGET DEFICITS

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. NEAL. Mr. Speaker, some Americans have the impression that the $200 billion annual budget deficits this country is facing were proposed by the Congress, not by President Reagan.

The truth is, President Reagan submitted a budget this year for fiscal 1983, which the Congressional Budget Office says will produce a budget deficit of approximately $182 billion. The President's own budget director, David Stockman, agreed with this estimate.

Even worse, the President's plans for fiscal 1984 and 1985, if adopted as proposed, could run up deficits exceeding $200 billion in each of those years and similarly huge amounts in succeeding years.

Mr. Speaker, an excellent editorial in the May 5, 1982, edition of the Charlotte (N.C.) Observer, put the budget issue in correct perspective. It said, in part:

What Mr. Reagan didn't say in his televised speech about the budget, or in his weekend radio address about the economy, or in his remarks opening the World's Fair, was that the budget proposals under discussion are his proposals and that the deficits being proposed would be his deficits.

At this point, I would like to submit the entire Charlotte Observer editorial for publication in the RECORD. I commend it to my colleagues and to anyone who wants to understand what the budget controversy is really about.

[An editorial, from the Charlotte (N.C.) Observer]

REAGAN'S DEFICIT—HE CAN'T SHIFT BLAME FOR IT

Listening to President Reagan's recent speeches, you could get the impression that Congress has proposed a 1983 budget with a $182-billion deficit, and that only his determination to hold down federal spending is preventing its adoption.

What Mr. Reagan didn't say in his televised speech about the budget, or in his weekend radio address about the economy, or in his remarks opening the World's Fair, was that the budget proposals under discussion are his proposals and that the deficits being proposed would be his deficits.

Leaders of Congress—Republicans as well as Democrats—have been trying to cut the Reagan budget and hold down the deficit. Instead of cooperating in that effort, the President is trying to shift the blame for the looming deficit to the Democrats in Congress.

But the budget at issue is the same budget Mr. Reagan sent to Congress in February; only its price tags have changed. Back then the President estimated his proposals would create deficits of $91.5 billion in 1983 and $82.9 billion in 1984. Members of congressional budget committees pointed out that those estimates were optimistic and that the deficits might be twice that high.

Congressional leaders in both parties have warned that the president cannot have two more large tax cuts plus a record increase in defense spending and not incur massive deficits. After months of wrangling, Mr. Reagan finally said he would "go the extra mile" and accept some changes—but not in his tax or defense proposals. Instead, he proposed $60 billion in additional cuts from social programs and other government expenses that already have been cut deeply. That's where the talks collapsed, not only for Democrats but also for many Republicans.

Mr. Reagan is trying to divert attention from the real budget debate by criticizing spending by past Democratic Congresses and proposing a constitutional amendment to require balanced budgets in the future. But the spending that needs to be restrained now is not the spending proposed by Congress; it's that proposed by Ronald Reagan.●

ISRAELI INDEPENDENCE

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RATCHFORD. Mr. Speaker, in reflecting on the recent 34th anniversary of the establishment of the State of Israel, it is important for this Chamber and the rest of the Nation to recognize the value of our alliance with Israel and the struggle that nation has had to endure.

It may be useful to point out that our own Nation was involved in a struggle over its freedom during its fourth decade of independence. The War of 1812 was indeed a watershed in American history, for it was the last time a foreign nation has invaded the continental United States.

It is tragic that any nation, the United States, Israel, or any other country, must engage in conflict to protect its territorial integrity from other, hostile nations. No American wants to see bloodshed in the Middle East, and it is incumbent upon our Government to advance the cause of peace among Israel and the other nations of the Middle East.

The Democratic State of Israel has come far in 34 years. Its people have transformed the land into a productive center, and its parlimentary system of government has been one of the few recent successes for popular rule. I hope our Government continues to recognize the special bond between the United States and Israel, and wish the courageous men and women of that nation peace and further prosperity.●

A BILL TO AMEND A PROVISION OF THE INTERNAL REVENUE CODE

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SHANNON. Mr. Speaker, today I am introducing a bill to amend a provision of the Internal Revenue Code that is restricting the endowment growth of colleges, universities, and other educational institutions. Senator SPARK MATSUNAGA has introduced an identical bill in the Senate.

Under the present law most tax-exempt organizations, including educa-

tional institutions, are subject to a tax on income from debt financed real property which is unrelated to their tax-exempt functions. This has discouraged educational institutions from investing their endowment funds in real property, which is considered by many to be the most stable and renumerative long-term investment. Instead, they have had to turn to more risky investments in stocks and bonds.

The current provision was enacted in 1969 to address the problem of "sham" transactions in which businesses would utilize the tax-free status of exempt organizations through sale-leaseback arrangements. But in doing so, it has prevented tax-exempt organizations from making legitimate investments.

The legislation which I am introducing would extend an exemption from this tax already existing for tax-exempt pension plans to educational institutions. The exemption includes safeguards that will prevent its utilization for sham transactions of the type that led to the existing law.

This change in the law will give our colleges, universities, and other schools the flexibility they need to invest their endowments in the manner they deem to be the most prudent and profitable. The resulting growth in endowment funds could well provide a much needed source of additional student financial aid. For this reason especially, I hope that my colleagues will join my in supporting this measure.

The text of the bill follows:

H.R. 6353

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (9) of section 514(c) of the Internal Revenue Code of 1954 (relating to unrelated debt-financed income) is amended to read as follows:

"(9) REAL PROPERTY ACQUIRED BY A QUALIFIED TRUST OR EDUCATIONAL ORGANIZATION.—For purposes of this section—

"(A) IN GENERAL.—Except as provided in subparagraph (b), the term 'acquisition indebtedness' does not include indebtedness incurred by a qualified organization in acquiring or improving any real property.

"(B) EXCEPTIONS.—The provisions of subparagraph (A) shall not apply in any case in which—

"(i) the acquisition price is not a fixed amount determined as of the date of acquisition;

"(ii) the amount of any indebtedness or any other amount payable with respect to such indebtedness, or the time for making any payment of any such amount, is dependent, in whole or in part, upon any revenue, income, or profits derived from such real property;

"(iii) the real property is at any time after the acquisition leased by the qualified organization to the person selling such property to such organization or to any person tho bears a relationship described in section 267(b) to such person;

"(iv) the real property is acquired by a qualified trust from, or is at any time after the acquisition leased by such trust to, any person who—

"(I) bears a relationship which is described in section 4975(e)(2) (C), (E), or (G) to any plan with respect to which such trust was formed, or

"(II) bears a relationship which is described in section 4975(e)(2) (F), or (H) to any person described in subclause (I); or

"(v) any person described in clause (iii) or (iv) provides the qualified organization with nonrecourse financing in connection with such transaction and such debt—

"(I) is subordinate to any other indebtedness on such property; or

"(II) bears interests at a rate which is significantly less than the rate available from any person not described in clause (iii) or (iv) at the time such indebtedness is incurred.

"(C) QUALIFIED ORGANIZATION.—The term 'qualified organization' means an organization described in section 170(b)(1)(A)(ii) or a qualified trust.

"(D) QUALIFIED TRUST.—For purposes of this paragraph, the term 'qualified trust' means any trust which constitutes a qualified trust under section 401.".

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1982.●

IN UNIONTOWN, "HE'S SOMETHING"

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SHELBY. Mr. Speaker, I would like to share with my colleagues in the House of Representatives a story that appeared in the Selma Times-Journal on Sunday, April 4, 1982.

The article written by Janet Gresham of the paper's staff features H. Coleman Long of Uniontown, Ala., which is located in the Seventh Congressional District. Coleman's story is fascinating and very special. Following is the article in its entirety as it appeared in the paper:

UNIONTOWN.—"In New York, I wouldn't be nothing much, but in Uniontown, I'm a pretty big frog."

That's 86-year-old H. Coleman Long's philosophy of one reason why it's nice to live your life in a small community.

And that's exactly what the lanky landowner, businessman and World War I veteran told a friend who invited him to stay in New York after the war.

Members of the Long family have lived in this Perry County town situated on U.S. Highway 80 for six generations now, since before Alabama became a state, and Long wasn't going to break the tradition.

Besides, Long just plain likes Uniontown, and so did his great-grandfather, Sir William Long. The latter Long left a land grant of 12,000 acres in North and South Carolina and traveled by horseback all the way to Texas before he decided the rich Blackbelt soil around Uniontown (then Woodsville) was the most fertile he'd seen. He turned around and headed back, and that is where he settled.

Long's grandfather Coleman came to Uniontown under quite different circumstances.

Coleman owned a plantation in Virginia before the War Between the States, and he was a physician. In fact, Long said, his grandfather was the doctor for Confederate Gen. Robert E. Lee and Gen. Stonewall Jackson.

The story goes that when the war broke out and the Confederate Army "got hard-pressed" for medical supplies, Dr. Coleman would take off his uniform and ride his horse into Yankee territory to Philadelphia, Pa. where he had some friends who would give him supplies.

Long said he remembers his grandfather telling stories about how he would have to put a block of wood between the teeth of amputation patients to keep them from screaming during the operation.

On one trip to Pennsylvania, however, Long said the Yankee Cavalry spotted his grandfather and pursued him, but the Yankees didn't catch him. But when the war was over, the doctor's name was on the "Washington list;" so Dr. Coleman decided to clear out—all the way to Uniontown.

After the war, Long said, "My family lost their slaves and most of their money (since the money was Confederate dollars), and his father, who was then a 16-year-old, began work as a store clerk in Uniontown. By age 20, he said his father owned the store, the second largest mercantile in Uniontown.

Long himself was sent to Mercersburg Academy in Pennsylvania and Princeton University where he was a member of the American Championship Track Team. When World War I broke out, Long applied for officers' training school and became a second lieutenant in the 10th Field Artillery of the Third Division regular Army.

He trained in Arizona and was among the third group to arrive in France. One of his most vivid recollections of the war is the time his unit caught two German soldiers. Long said he and another officer questioned the pair and found out the Germans were planning an attack and would be coming across the pontoon bridge on the Marne.

While they weren't sure whether the prisoners were telling them the truth, Long went ahead and figured the firing data for just such an attack. Sure enough, the Germans attacked, and when the bridges were full of the enemy, Long said his unit "let 'em have it." Over 800 Germans were killed that day on those bridges, Long said.

Later in the war, Long became a French interpreter for Gen. Robert E. Bullard of Alabama. Still later, he became the military ruler of the civilian population in Neuweid, Germany. Long was in charge not only of Neuweid, where headquarters was set up in the castle of the Prince of Weid, but also of Cologne and the Rhine River Valley.

It was during this time in Germany that Long said he "saw what happens to a nation when it loses its government and its monetary system."

He said one woman there who once had been wealthy, had only her daughter and a hotel business left. Her husband and son had been killed in the war. While Long said the hotel was worth hundreds of thousands of dollars, the woman finally had to sell it for $8,800 (in American money) in order to buy food.

While that economic disaster occurred in World War I, Long said, "We are faced with the same thing because of absolutely spendthrift presidents and congressmen."

Long added, "It's something every American should know and ought to try to pray that the Good Lord gives President Reagan

enough brains for us to avoid it, because if we don't, God help us."

Long added that unless the United States soon starts toward an economic recovery, the country could already be ruined.

"I've already spilled some blood for my country, and I don't want to have to do it again," he said.

H. Coleman Long is truly an outstanding individual. His devotion and service to the people of Uniontown, Perry County, and the State of Alabama, are outstanding.

I am honored to have a gentleman of this caliber in my district. This tribute, Mr. Speaker, recognizes men who we as Congressmen depend on for help and advice back home. We need today more citizens like H. Coleman Long.

It is a real pleasure to know this individual and I wanted to share this delightful, refreshing story with my colleagues in the House of Representatives.●

TRIBUTE TO GORDON HUMPHREY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, as a Representative whose district encompasses the great ports of Los Angeles and Long Beach, I feel a strong affinity toward the maritime trades. Consequently, it gives me great pleasure today to be able to rise and give tribute to a leading force in the maritime labor movement, Gordon Humphrey. Gordon will be retiring at the end of this month after 40 years in the National Maritime Union.

Gordon, born and raised in Oakland, Calif., yielded to the romance and adventure of the seafaring life soon after he graduated from high school. After working for 2 years building Liberty ships at the Kaiser yards, in 1942 he enrolled in the U.S. Maritime Service. His enthusiasm for the life of a mariner was dampened but not squelched on his very first trip on board a ship; 2 days out of New York the tanker on which Gordon crewed, rammed and sank a U.S. Navy destroyer. I hasten to add that Gordon was in no way responsible for this regrettable incident, but he has not liked tankers since.

During the ensuing years of the Second World War, Gordon sailed in all theaters of the war: Atlantic, Caribbean, Mediterranean, and Pacific.

In 1959, Gordon left the seafaring life for an only slightly less nomadic existence onshore, working for his union. Gordon's devotion to the National Maritime Union and their high regard for his ability is at least partially illustrated by the extent he relocated in compliance with his union's requests. I believe, however, that the National Maritime Union should be at least as appreciative of the efforts of Gordon's wife Jean, who was responsible for moving their home from San Francisco, to Honolulu, to Boston, and to Corpus Christi before they finally settled in San Pedro, Calif.

Of service to his union, Gordon claims that: "I am proud to have played a small part in the building of this great union, the National Maritime Union, and I hope that in some way I have helped bring a better life for those who will follow."

For my part, I am proud to call Gordon Humphrey my friend. My wife Lee joins me in sincerely wishing Gordon, his lovely wife Jean, and their daughter Christine the best of everything in the years ahead.●

EQUAL TAX TREATMENT FOR ALL

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. WALGREN. Mr. Speaker, this morning I was one of only three Members of this House to appear before the Internal Revenue Service to urge that the IRS regulations implementing the infamous congressional tax break be rescinded.

As my colleagues know, I have refused to take advantage of this tax break. I filed my 1981 tax return as if the special tax advantage did not exist.

But the tax break is still law, and I would like, once again, to urge each of my colleagues to join me in our effort to repeal the tax break and to sign the discharge petition which would permit prompt consideration of repeal legislation.

I would also like to share with you my statement before the Internal Revenue Service this morning. It is clear that the IRS—along with the Congress—must act to restore the integrity of our tax system in America.

The statement follows:

Commissioner Egger; Ladies & Gentleman:

My name is Doug Walgren and I am a taxpayer in Allegheny County, Pennsylvania. I am also a member of the United States Congress.

In truth, I am not happy to be here. This is a hearing which should never have been necessary over Internal Revenue Service regulations which should never have been written pursuant to an act of Congress which should never have been passed and which should never have been signed into law by the President of the United States.

Last January when I first petitioned the IRS to hold public hearings on its regulations implementing the congressional tax break, the voices of outrage were few and scattered.

Today, four months later, hundreds of thousands of Americans have joined in this urgent appeal to you to revise those regulations so that, when it comes to taxes, fairness and equality of treatment for all citizens can once again be the standard at the IRS.

I am here today to speak on behalf of millions of taxpayers who cannot be here to voice their outrage. But their letters—thousands of letters—have flooded the IRS. Many of them come from citizens in Western Pennsylvania who share my strong views and my deep conviction that something has gone wrong with taxation in America.

I am saddened that not more of our 435 colleagues in the House of Representatives and not a single United States Senator has joined us in this testimony today.

I recognize that by speaking out we risk the displeasure of our colleagues and the House leadership.

But I would rather stand alone and speak as honestly as I can for people who cannot be here, than join in a congressional silence that embarrasses the only government our citizens can rely on.

What is at stake is the integrity of our tax system in America, and the respect of our citizens for our government.

Do we have one system of taxation for the law-abiding citizen—and a different preferential tax system for the law-maker?

In its January regulations making thousands of dollars of deductions available only to congressmen, the IRS answered "YES." Members of Congress are to be treated differently than other citizens for tax purposes.

In the five years I have been privileged to serve the people of my region in the U.S. Congress, I have strictly held to my view that elected representatives should neither cash in on their position nor receive any special treatment.

When it came to taxes, I thought that was also the position of the IRS.

But the IRS, which can squeeze tax dollars out of the average citizen like blood from a rock, literally throws bushels of dollars at our elected officials.

To be fair, there is plenty of blame to pass around for this congressional tax break. The Congress, particularly the leadership of both parties, used trickery to conceal the tax break in a needed Black Lung Benefits Bill. The President signed the tax break into law. And the Secretary of Treasury, through the Internal Revenue Service, came up with this $75-a-day, unaudited tax giveaway program.

Many of us in the Congress are trying to correct the wrong that was done. I, and a number of others, have refused to claim any tax deductions under the law. We have filed our tax returns as if this tax break simply did not exist. Over 58 bills have been introduced to repeal the tax provisions. A discharge petition is now on the House Floor in an effort to speed up consideration of the repeal. And a number of us have recently introduced legislation (the Omnibus Congressional Pay Reform Act) to prevent this from ever happening again.

But the focus today is not on what I believe the Congress must do to restore its integrity in the eyes of our citizens. Today the focus is on the IRS and the fact that the IRS can act immediately to restore faith in our tax system.

The tax provision of the Black Lung Bill provides that the Secretary of Treasury shall prescribe "appropriate" amounts which may be deductible by congressmen and senators as living expense in Washing-

ton, D.C. In January, the IRS issued a complicated set of regulations which essentially provide that eligible representatives may deduct, without audit, $75 per day for each "congressional day" during the taxable year.

I do not believe that this provision is appropriate as required by the statute under any possible stretch of the imagination.

No one objects to a congessman or any citizen deducting his actual, provable, and substantiated business expenses, just like those claimed by every other citizen with recognized business expenses, so long as those deductions are subject to the same audit as every other citizen's tax return.

I object to this special, unaudited, and clearly extravagant "deduction" that the IRS set for congressmen and senators alone. That deduction permits 535 Americans to receive $20,000 in personal income tax free—simply because they happen to be elected to the United States Congress.

The IRS computes this double "standard deduction" for congressmen by multiplying $75 times a fictitious number the IRS calls "congressional days."

First, the $75 per day figure is much too high.

The IRS justifies this figure because it is the same as "the maximum amount of reimbursement presently available to a government employee traveling in Washington, D.C."

Members of Congress are not "traveling" to Washington—we are living here, usually Mondays through Fridays. We are not staying at $75-a-night hotels or eating out in restaurants every night like a government employee might have to when "traveling" to Washington on official business.

Instead, most congressmen generally buy a home in the Washington area or sign a long-term lease for an apartment or house. We frequently eat at home, or if we eat out, believe me, it is generally at someone else's expense. In short, the IRS has completely ignored the "economies of scale" that congressmen can make to save dollars because they are not simply "overnight" visitors to Washington.

The deduction of nearly $20,000 set by the IRS would give each congressman an automatic $1667 deductible expense each month. If the average Washington apartment rents for around $600, that still leaves over $1000-a-month for food and other expenses. That is nearly $50 a day for each of the so-called "congressional days." From personal experience, I challenge the IRS to discover any congressman who has to spend $50 every day for food and other deductible expenses.

Very simply the $75 figure on its face has nothing to do with reality—and could never pass the test of appropriateness and reasonableness as required in the statute.

Second, the IRS has used a grossly inflated definition of "congressional days" in calculating the standard deduction for congressmen and senators.

Last year the House of Representatives was in session 163 days and the Senate was in session 165 days. But under the broad definition of the IRS which counts weekends and other times when the House or Senate adjourns for less than five days, the House's "congressional days" increase magically to 262, and the Senate's days increase to 256.

Those extra days alone add $7,425 in deductions for House members and $6,825 in deductions for Senators.

I think it is just plain wrong to pad for tax purposes the number of days Congress is in session. Most members of Congress return to their home districts on Thursday or Friday and come back to Washington on Sunday or Monday. Their legitimate travel expenses are reimbursed directly from the official expense accounts of the Congress. Yet, the IRS treats the congressmen as if they spent the whole weekend in Washington on official business—and allows them, not only to be reimbursed for travel back home, but also to claim a deduction for working in Washington at the same time.

You cannot be in two places at once. The IRS's expansive—and expensive—definition of "congresssional days" allows for double-dipping, pure and simple.

I want to urge the IRS to revoke this sweeping standard deduction for congressmen and senators. It is unreasonable, inappropriate, and just not fair to the average taxpayer.

If the IRS feels obligated by statute to provide some sort of standard deduction, then set a token dollar-a-day amount—not $75—and limit the days deductible to actual working days in Washington.

Millions of Americans want this tax break repealed and the regulations implementing it revoked.

I have attached a number of exhibits which ought to be a part of the official record of this proceeding. They include letters, newspapers columns, a protest song, and a dozen red ribbons—symbolizing our commitment to equal tax treatment for everyone.

The Congress has a job to do, and, believe me, no one is working harder than I to persuade my colleagues that few issues are more important than restoring the integrity of Congress.

But the IRS must do its part. It was the IRS that concocted this $20,000 standard deduction, and it is the IRS that can undo it.

In a society where the rich seem to be getting richer and all the rest of us are falling behind, how can this fat-cat deduction be possibly justified?

This deduction cannot be justified to the American public which is being asked to make do with less.

All taxpayers, regardless of income or position, should operate under the same rules. Special tax treatment for elected officials is abhorrent in a democratic society.

The United States Government Manual describes the mission of the IRS "to conduct itself so as to warrant the highest degree of public confidence in the integrity of the Service."

Public confidence requires fair, impartial, equal treatment of all taxpayers. The IRS today has an opportunity to reaffirm that basic principle. It is not too late to do so.●

SALUTE TO SOUTH CAROLINA AWARDEE, VOICE OF DEMOCRACY CONTEST

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HARTNETT. Mr. Speaker, one of the greatest assets of our free Nation is its resource of young men and women who dare to dream and then, as they take their place in society, make those dreams come true. One method for our youth to verbalize those aspirations is the voice of democracy competition, a program started 35 years ago, sponsored by the Veterans of Foreign Wars. I would like to share with my colleagues the speech prepared and presented by Mr. Nicholas G. Johnston, selected as the South Carolina awardee, in the State competition:

When the Europeans discovered America, they saw in it the resources to build an empire. From the very beginning, America was destined to become the mightiest country ever constructed. Our forefathers formulated the best blueprints for a democratic republic the world has ever seen. Even now we continue to build upon and fortify what they started.

America will never be completely built, and it never would have been built at all if our predecessors had not assembled to construct it. Its citizens must strive to work together because without unity nothing is accomplished. United we progress, divided we collapse. When we work together, we become a nation of carpenters who do not know the word "finished".

In all of America's history nothing of national import has ever been accomplished by just one person. In every instance, progress in America has been the result of a group effort. The writing of the Declaration of Independence and the Constitution were both group efforts. Each of these documents is nearly perfect in its protection of individual rights.

We do not claim to be a perfect nation, but the world has yet to see a structure as close to perfection as ours. This country has its flaws, but these flaws are minor compared to the significant problems faced by a repressive country such as the Soviet Union. When they built this country, our founders used only the best materials.

Using freedom, equality, justice, and knowledge as our bricks and mortar, we have built a superstructure. America has come so far in such a short time, that we are the envy of nearly every other country in the world. Roughly half of the world looks to us for leadership and assistance, while the other half of the world looks for a way to undermine our foundations. But our foundations are strong, and they will not be easily eroded.

The blueprints of this country are constantly being modified because an important characteristic of the master plan is its adaptability to necessary change. We unceasingly break new ground as we progress and our needs change. When we need more room to grow, we just draw up the plans and add another wing to our country. Our forefathers designed and built this country and left us a beautifully functional place to live. It is up to all of us to maintain and repair, when necessary, the country that was built for our use.

Americans have much to be proud of. We have proven that when the need arises Americans rally and confront the situation together. Just as in the previous world wars, the Americans on the home front did everything in their power to supply our troops. Whether it was actually working in a tank factory, or just conserving tin foil and gasoline around the home, everyone willingly contributed to the cause.

We who live in this building are not perfect, and neither is the building itself. There will always be dissatisfied people who want

to change its color, but that's the beauty of our building. Everyone has the right to his opinion, but no one has to agree. If enough people believe something is antiquated, this country's blueprints grant permission to remodel.

I look forward to the day when I can contribute something to the building of America. It may be in the form of defending the building, or it may be in the maintenance department. Whatever I choose, I will perform it to the best of my ability in order to uphold America's supremacy.●

SOVIET JEWISH "REFUSNIK"

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. FRENZEL. Mr. Speaker, I wish to take this moment to discuss a Soviet Jewish "refusnik" whose plight I have followed with anguish over the past 3 years. This particular case serves as yet another dispiriting reminder of the Soviet Union's gross violations of their free emigration policy as agreed to under the Helsinki Accords.

Mr. Alexander Botvinnik and his wife Galyna have twice been denied permission to emigrate from the Soviet Union. The reason given for these denials was Mr. Botvinnik's knowledge of classified information allegedly acquired during his military enlistment. Since he served well over 10 years ago, it is highly unlikely that he was exposed to any contemporary Soviet intelligence.

Mr. Botvinnik's sister in the United States tells me that the officials in Leningrad have now declared that her brother's "visov" or invitation has expired. I also understand that his relatives have been unsuccessful in their attempts to have the new invitation received by him.

Mr. Botvinnik's life as a refusnik is like that of so many other refusniks. Despite the frustration and seemingly unending obstacles, he is able to maintain his determination and convictions to keep fighting for his right to emigrate.

I urge all my colleagues to continue, and to intensify, their efforts to publicize the hardships of these refusniks, to appeal to the Soviet officials on their behalf, and to let these brave men and women know of our support for them.●

HALTING MILITARY AID TO EL SALVADOR

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. CONYERS. Mr. Speaker, the Foreign Affairs Committee this week will continue the markup on the 1983 foreign assistance authorization bill, including the question of further aid to El Salvador. The tables have now turned in El Salvador with the coming to power of the right wing military coalition. Yet we continue to sit back and provide military assistance to a regime whose leaders have been identified with every form of coercion and repression in that troubled nation.

To put a stop to further U.S. military assistance, that is mainly used to undermine popular consent in El Salvador, a group of my colleagues have introduced House Joint Resolution 426. The principal sponsor of that resolution, and my esteemed colleague from New York, Representative BENJAMIN S. ROSENTHAL, argued the case against further U.S. military aid to El Salvador in an article that appeared in the Washington Post on Sunday, May 9, 1982. I strongly recommend that my colleagues review Representative ROSENTHAL'S arguments in the article that follows, as we move toward action on the foreign assistance bill.

[From the Washington Post, May 9, 1982]

CUT OFF SALVADOR

(Representative BENJAMIN S. ROSENTHAL)

The Reagan administration's policy in El Salvador has failed. El Salvador's March elections have given more power to those attributed with sanctioning the murder of civilians and members of the clergy. By focusing attention on polictical squabbles, political "coalitions" and the balance of power between the new provisional President, Alvaro Alfredo Magana, and the Constituent Assembly, headed by Robert D'Aubuisson, we have lost sight of the real effect of the election: that the very forces we sought to control during the Duarte government have now received far more influence and authority than anyone ever dreamed. Congress must oppose continued military support for such a regime.

The best argument for the administration's election strategy was that Duarte and the Christian Democrats would gain the legitimacy and power to control repression by the military, abolish the death squads, and open the political arena to dialogue with opposition groups. That strategy has now been proven bankrupt. The Christian Democrats are in an even weaker position: D'Aubuisson is president of the new Constituent Assembly; the right-wing parties that support him have excluded the Christian Democrats from all positions in the assembly leadership; and their control of this rule-making body will surely limit the power of President Magana. The right-wing rhetoric may change—they are unlikely to be foolish enough to publicly advocate violence or reject reforms—but they will not take action to actually push reforms or to tame the repression and terror of the military or death squads like the White Warrior Union, organized by D'Aubuisson himself. And the administration's distorted East-West vision of the conflict assures them they can always play the "Communist card" to get continued aid. As one D'Aubuisson supporter with close links to the military put it: "The United States has never cut off aid anywhere for very long or even entirely. Reagan will never let the Communists win here. It's just a complete bluff."

Many top-ranking military officers, however, are worried that it's not a bluff. They insisted that the provisional president have a moderate image and that Christian Democrats be given cabinet positions. We should not, however, conclude that these officers are anxious to end repression or pursue reform, but only that they desire a veneer to beguile Congress into believing that democracy has prevailed. "Help us help you," U.S. envoy Gen. Vernon Walters was reported to have told the Army. One thing is certain: President Magana, who was "recommended" by the Army, will have even less power than Duarte had in ending the military-backed repression that is the major obstacle to ending armed insurgency and creating the enivornment for negotiations and a political settlement.

Congress must not be lulled into inaction by administration claims that military aid should continue until the new government has been given a chance. The U.S. cannot condition its aid based upon what we hope will happen: we should cut off military aid until the provisional government backs its pledges with acts. This was the intention of the administration's certification that the Salvadoran government had made meaningful progress toward stemming human rights abuses or in implementing promised reforms. But the administration made a charade of the certification.

Congress must now adopt a stiffer measurer: the immediate cutoff of all military aid to El Salvador, including the military credits and the "emergency" aid funds that President Reagan has used to avoid congressional scrutiny and approval. Such an action would send a clear message to the Salvadoran military as well as the rightwing parties: until they take actions that show they merit our military aid, we will not continue to finance their repression and terror simply because they wrap themselves in the banner of "anti-communism." The administration will be put on notice that they must convince the Salvadoran military to tame their own officers as well as the death squads, and to move toward negotiations that will open up the political process so that opposition groups will have a choice other than armed insurgency.

Will we lose our influence if we cut off all military aid? No. The "carrot" of military aid may enable the administration to create a more moderate facade, but it has failed completely in bringing about the necessary conditions for a stable, political settlement; an end to the repression by the military and paramilitary forces.

Immediately cutting off all military aid will enhance our influence in El Salvador. The government and military will know that we are serious when we ask for a change. They can come to us again and request that aid be reinstated. But our position will be far stronger; they must change their ways to prove they deserve our aid. It is time for Congress to use the "stick": only if it cuts military aid will those who hold the power in El Salvador take seriously the

need to create conditions for a peaceful political settlement.●

FANTASIES ABOUT FORESTS EXPOSED; WILDERNESS DAMAGING TO RESOURCE

HON. DON YOUNG
OF ALASKA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YOUNG of Alaska. Mr. Speaker, many of us in Congress have voted for millions of acres of wilderness in the past with the belief that by establishing areas where "man himself is a visitor," we can preserve growing forests and stands of timber that are healthy because of nonharvesting, and special because they are pristine. Many times we have been assured that these areas need this highest level of protection because of their plant and animal life and the need to preserve them. However, professional managers have maintained all along that while such areas do have special values that should be preserved, such preservation is not consistent with the health of either the forest or the wildlife within. Thus, despite their urgings for moderation, the Congress has sought this single use designation for some 80 million acres on the public (and sometimes private) lands.

In the May 14, 1982, National Review, Fred C. Simmons, a retired professional forester with the U.S. Forest Service, makes a case against the restrictive classification of lands, which I would like to insert into the RECORD.

Thank you Mr. Speaker.

[From the National Review, May 14, 1982]

A WOODLAND FANTASY

(Fred C. Simmons)

The people of the United States are suffering from the consequences of a widespread belief in a forest fantasy that never was, and never will be true. A little band of misinformed but vociferous zealots has convinced much of the American public and its legislators of the factuality of this myth, and of its current applicability. Now, thanks to the Reagan Administration, there seem to be grounds for some hope that this mistaken belief can be discredited and the disastrous program based on it brought to a halt and possibly even reversed.

What is this fantasy? It is that when the white man came to these shores he saw a practically unbroken expanse of lush, all-aged forest. This forest, so the fantasy goes, contained a heavy representation of our most attractive and useful tree species, and it was teeming with wildlife, including both vegetarian species such as moose, deer, and elk, and predators like wildcats, wolves, and foxes. There were birds of every kind, and the clear, free-flowing streams teemed with fish. The popular belief has been that all we need to do to restore this state of affairs is to establish tremendous "forest preserves," protected from fire, insects, and disease, in which timber-management activitities, including all timber cutting, are prohibited. Nothing could be further from the truth.

No one questions that the original settlers in the East found great quantities of such blue-chip tree species as white and yellow pine, cedar, birch, black cherry, white ash, and black walnut. In the West there were redwood, Douglas fir, sugar pine, and red cedar. These furnished the settlers wood for construction and cabinet-making, with enough left over to export. There's only one catch: these species could not have been there in the type of stand described in our forest fantasy.

The truth is that sugar maple is just about the only one of our prized tree species that can maintain itself in an all-aged stand. Practically all the rest of our most desirable trees, like most of our garden plants, are shade-intolerant. This means they cannot reproduce themselves, or grow during their early years, in dense shade, even that of their own parents. In addition, a number of these intolerants, and even some of the shade-enduring species like red spruce, need a seedbed of exposed mineral soil. Their seedlings cannot develop on leaf or needle litter. Mineral soil is exposed by such disturbances as forest fires and logging. Consequently, the intolerants plus some tolerants are found in quantity only in even-aged stands which have developed in sizable open areas.

This means that there had to be a mixture of stands of different age classes in our original forests. Our best guess is that in the East 20 to 30 per cent of these original forests were in seedling or sapling stands (zero to twenty years old), 30 to 40 per cent in pole stands (21 to 60 years old), and about 40 per cent in older growth (61 years or older). The older-growth stands were composed primarily of shade-in tolerant species, which would live out their lifespan and die, unable to replace themselves. Meanwhile, however, those few, generally undesirable, species that are shade-tolerant could seed in underneath. This ultimate stand of tolerant trees, which is able to maintain itself indefinitely if left undisturbed, is called a climax forest. Thus our "forest preserves" today are developing "monocultures" of the worst sort—practically pure stands of inferior species like beech or hemlock. The few wisps of sugar maple that get started are usually eaten by deer or rabbits.

Evidence that our original forests consisted of the balance of age classes that we have described, and that there was very little, probably no more than 10 per cent, climax forest, has come from many different sources. One is from careful study of the journals of reliable early explorers such as Captain John Smith, Sir Francis Drake, and the botanist William Bartram. Another is the records of early surveyors who noted the species and sizes of trees growing on their survey lines. And finally, of course, there are studies of the development of the forests themselves. All these indicate that Mother Nature had her own methods of opening up the stands to allow desirable reproduction to get started. Chief among these were occasional intense wildfires, set by lightning. Such fires were aided and abetted by blowdowns and insect and disease attacks, which may have killed or weakened some of the trees beforehand. Indians also set many fires, in warfare, to clear land for agriculture, and in a conscious effort to improve the wildlife habitat.

The Indians recognized, as present-day wildlife managers have also come to recognize, that a solid expanse of climax or near-climax forest furnishes just about the poorest wildlife habitat imaginable. The supply of succulent leaves and twigs in the tops of the surviving intolerants is far out of the reach of ground-dwelling birds and animals. The sparse understory of tolerant trees and shrubs is mostly unpalatable or unnutritious. So these old-growth forests provide little sustenance for grouse, turkeys, moose, elk, deer, beavers, and rabbits. As populations of these vegetarians decline, the predators also are starved out. Hungry timber wolves have been reported to be raiding farmers' livestock as much as a hundred miles away from their former homes in Minnesota's "forest preserves." Last year's fatal attacks on human beings by grizzly bears in the Glacier National Park in Montana were in all likelihood due to shortages of the bears' natural foods in the "preserved" forests.

Downstream fish and human beings also suffer. In mature Eastern hardwoods, most of the rain that falls in the summer months is returned to the atmosphere by interception, evaporation, and transpiration. Stream flow is severely reduced. In softwoods, losses occur in the winter as well as in the summer. New York State found this out when it developed that the flow of the Adirondack streams was insufficient to maintain the state's canal system. Dams were erected at the outlets of many lakes and swamps to provide the needed summertime water supplies. Many of these structures are maintained today at the expense of downstream industries and communities. In addition, many municipalities have drastically thinned the forests surrounding their public water supplies to forestall the need for additional reservoir capacity.

Even the atmosphere is adversely affected by overmature and climax forests. Because there is no net production of new wood substance, there is no net conversion of carbon dioxide into pure life-giving oxygen. Rotting wood releases to the air as much carbon, or more, as the living trees absorb.

To top it off, there is little scenic or recreational value in climax or near-climax stands. The tolerant trees are generally small and short, with live limbs far down on the stems. Fallen trees make travel difficult. The areas are silent because of the absence of birds and animals, the scenery is monotonous, and it is easy for the traveler to get lost. As a result hundreds of thousands of acres of existing "preserves" are never visited from year's end to year's end. Reports of overcrowding of such "preserves" are confined to the few more accessible and scenic areas. All in all the "preserved" forest areas of this country are of little use to man.

When I go back into areas in the Adirondacks I knew well fifty years ago, I can see that the black cherry, the yellow and white birch, the white pine, and the white ash have disappeared. Their place has been taken by beech and hemlock. Similarly, the redwoods in California and the Douglas fir in the Pacific Northwest are giving way to Western hemlock and the true firs. In the South the yellow pines are being replaced by scrub hardwoods.

Yet a tiny, misguided, but clamorous minority continue to agitate for "preservation" of millions of additional acres of potentially productive forest land, and to prescribe exactly the wrong course to attain it. They continue to rant against the "cupidity" of the lumbermen, never realizing, or at least never admitting, that many of the areas they now most want to "preserve" resulted from "forest destruction" as recently

as fifty years ago. (The Pemigewasset area of the White Mountain National Forest in New Hampshire is an example.) As a result of this program some 42 million acres of potentially productive forest land have now been set aside for "preservation." This figure includes only those areas capable of producing at least twenty cubic feet of wood products per acre per year, not mountain tops or arid lands.

Not the least of the undesirable features of this program is its effect on the economy. Local residents around the "preserved" areas suffer from lack of employment opportunities. The nation is deprived of increasingly needed forest products and the employment and tax revenues that would be generated in the course of supplying them. A conservative estimate indicates that the areas now withdrawn from use could annually supply enough timber to build half a million houses, with some four million cords of fuel wood available as a by-product.

Knowledgeable administrators of many of the "preserved" areas, their hands tied by laws and regulations prohibiting timber cutting, are resorting to nature's method of restoring these areas to productivity—uncontrolled forest fires. This is a discouragingly slow, dangerous, and wasteful process. In hardwoods particularly, in only a few cases does a single fire accomplish the purpose of opening up the stand. It is usually so damp that only the surface layers of the ground litter are burned off, and the standing trees are merely scorched. This opens the way to butt rot, but the trees may survive several such fires. Only following a drought or some other natural disaster does a single fire ordinarily do the job, and then it often takes several decades for a sizable burned area to revegetate itself. The areas are too large to seed in promptly, and they do not provide good wildlife habitats because the animals do not like to get too far from the shelter of the high forest. Moreover, prescribed burns all too often escape into adjoining ownerships and even inhabited areas.

Nevertheless, the National Park Service and the U.S. Forest Service have a compact that fires will be allowed to burn uncontrolled in the more remote parts of the Yellowstone area in Wyoming, in an attempt to restore the habitat of the elk herds. A high official of the Park Service even told me that fires would be allowed to burn in the Adirondacks if a National Park were established there, to restore the habitat of the moose, the elk, and the woods buffalo. Fires are similarly burning on "preserved" forest lands all over the country, in the Sierras to provide conditions for reproduction of the giant redwoods, in Minnesota to bring back the white pine, and in Florida to rejuvenate the yellow pine.

There can be no doubt that modern scientific forest management can supply a safer, quicker, and more economical method of preserving our public forest areas. The problem, of course, is that such a forest-management program is not simple, and it cannot be handled by any blanket set of rules and regulations. Conditions are too variable for any such easy solution.

The forester must take into account the existing stands; the local climate, soil, slope, and aspect; and the tree and shrub species desired and their requirements. Above all, he must consider local economic conditions and whether or not intensive management practices are feasible. If intensive management and a one-hundred-year rotation are decided upon, reproduction cuttings might be rotated throughout the area at a rate of 1 per cent per year, possibly in the form of scattered clear cuttings with or without seed trees, seedbed preparation, direct seeding, or tree planting. Or group selection or shelterwood might be called for. Improvement and salvage cuttings could be made in portions of the remaining stand. Under extensive management, a longer rotation might be selected and a ten- or even a twenty-year quota of reproduction cuttings made in a single year. Then the loggers would be sent elsewhere until the next cut was due. Choice of methods and equipment for logging and their supervision is important in either case. Weedings and thinnings could be made in the resulting young stands.

Such a program would result in a healthier, better-balanced stand of more desirable trees, a better wildlife habitat, more regular stream flow, continuous income from forest products, and better conditions for all types of recreation. Most of the big estates and club properties in the Northeast now follow some type of forestry program, although they all started out as "forest preserves." Similarly, big forest-industry properties generally have waiting lists of people clamoring for hunting and fishing rights and summer home sites. This is quite correctly called "multiple use."

The following is a suggested program to attain these ends on our publicly owned forest lands:

1. Initiate a concentrated and scientifically sound educational program to acquaint the general public and their legislators as to what forest preservation actually entails.

2. Stop establishing additional "forest preserves" where cutting is prohibited.

3. Revert to "The greatest good for the greatest number in the long run" as the guiding policy for public forest management. This would involve possible reclassification of little-used portions of our "forest preserves" to multiple-use status and relaxation of the rules prohibiting cutting on the more heavily used areas.

4. Prepare detailed management plans for each area. These would include, in addition to cultural guidelines, provision for such things as development of scenic vistas, winter yarding areas for deer, and retention of hollow trees for dens and nesting sites.

Implementation of such a program would be neither easy nor simple. Many different points of view would have to be reconciled. But such a program is necessary to forestall continued deterioration of our "preserved" forest lands and application of present mistaken practices to additional lands.●

PROBLEMS WON'T BE SOLVED OVERNIGHT

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HUBBARD. Mr. Speaker, in a recent letter to me, Nancy Herron of Route 5, Princeton, Ky., shared her thoughts about some of the problems and issues currently facing our Nation. I believe Mrs. Herron's letter is one which should be shared with my colleagues and I wish to do so at this time.

The letter follows:

DEAR SIR: For some time now I have listened intently to the news, and read every article in the paper and news magazines I can, to try to discern the right and the wrong with what is going on in our government today and about what the President has asked the Congress to do regarding budget cuts and spending, and other legislation.

ABORTION

I am convinced that abortion is wrong. It is murder under any circumstances, and I urge you to support legislation that prohibits abortion and work against any that supports it or makes it possible for any woman to get an abortion.

WELFARE

Being retired, we have felt the pinch of inflation as much as most anyone else, but we still believe that the President is on the right track in correcting our economic problems. I feel sorry for anyone who has been out of a job who really wants to work. But, I also know from experience that, if a person is really willing to work, he will find something to do. It may not be the job he dreamed of or one he will want to continue for his lifetime, but he can find a job that will give him some income.

I also am a firm believer in requiring welfare recipients who are physically able to work at some kind of job to perform a service to the community where the person resides. Without this requirement, those who are working and paying the bill for those who are not working begin to get the attitude that it is not worth it to work.

My husband and I both worked for many years and paid much in taxes and are glad to know that we have contributed to help those who cannot help themselves. But, as President Reagan has said in the past, "Government has gotten too big." Many of the programs now in process are ideally good and humane, but they have gotten out of hand. The people who will be hurt the most by cutting the programs are the ones who administer them. (Some of my family included.) It really is no different from running a household budget. You only do those things you can afford to do. The others have to wait. . .

DEFENSE

The greatest deterrent to war is a strong defense. I urge you to support the President in every way possible in building up our defense. . .We must be strong or we will go down with the rest under Communist rule.

In summation, I have faith in President Reagan and believe that he is acting in the best interest of the United States. Let's give him a chance to make his plans work. We didn't get these problems overnight and it will take some time before we can see the results of any changes. Please give careful consideration to supporting him at every opportunity.

Sincerely,

(MS. JEFF) NANCY HERRON.●

A TRIBUTE TO DOUGLAS W. FERGUSON

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GRISHAM. Mr. Speaker, on May 27, 1982, the Whittier Uptown Association will honor Mr. Douglas W.

Ferguson for his outstanding contributions to the Whittier community. Mr. Ferguson, president and managing officer of Quaker City Federal Savings and Loan Association, has been instrumental in shaping the success of Quaker City and has been a driving force in helping the city of Whittier, Calif., achieve its goals.

As chairman of many civic committees, Mr. Ferguson has unselfishly given his time and effort to help others. He has been an active leader in his church and has worked toward bettering the quality of education in Whittier.

Mr. Ferguson served as trustee of the Whittier Union High School District from 1950 to 1959. During his terms as president of the board, he guided the district through a rapid growth period which included the building of several new schools.

Doug Ferguson has set an example of service by his willingness to serve on many civic and professional organizations. He is a former president of the California Savings and Loan League, director and member of the executive committee of the United States Savings and Loan League, director of the Central and West Basin Water Replenishment District, and director of the Metropolitan Water District of Southern California.

The Whittier Uptown Association is dedicated to enhancing growth in Whittier and maintaining community pride. Quaker City, under the direction of Mr. Ferguson, has set an example of commitment by its continuing visibility in the central business district.

Business and education are the backbone of any city. Doug Ferguson has contributed generously in both areas. Mr. Speaker, I join with my colleagues in the House and my many friends in the 33d District in offering warmest congratulations and best wishes to one of Whittier's finest citizens.●

TROOP 38 CELEBRATES SIXTIETH ANNIVERSARY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LaFALCE. Mr. Speaker, in these very difficult and uncertain times it is refreshing to observe an organization which aims to build the moral and physical character of this Nation's youth. Since 1910, the Boy Scouts of America have positively influenced the lives of what has been called this Nation's richest resource.

The Boy Scouts of America are charged by their congressional charter with the responsibility of promoting—

Through organization and cooperation with other agencies, the ability of boys to do things for themselves and others, to train them in Scoutcraft, and to teach them patriotism, courage, self-reliance and kindred virtues.

Scouting teaches these important qualities which enhance the citizenship of an individual in democratic society.

Many great men have participated in the Boy Scouts, including many Congressmen, Senators, Cabinet members, and officials of the armed services. The leadership qualities promoted by the Boy Scouts of America have helped these men in both their individual accomplishments and in their accomplishments as a part of a larger enterprise, our great American Government. The epitomy of these leadership qualities can be seen in the founder of the Boy Scouts, Lt. Gen. Robert S. Baden-Powell. The importance of his simple conception of moral, mental, and physical excellence cannot be exaggerated. The Boy Scout oath, which he wrote, sets out the principles which are the basis of this excellence:

On my honor I will do my best, to do my duty to God and my country and to obey the Scout Law; to help other people at all times; to keep myself physically strong, mentally awake and morally straight.

Nationally, over 4 million young men participate in this program. In my own district, one group of these fine young men and their leaders will soon celebrate its 60th anniversary. Boy Scout Troop No. 38 is the second oldest continuously chartered troop in the Ken-Ton district. This anniversary will be celebrated at a charter dinner to be held at the church parish hall located at 54 Delaware Road in Kenmore on May 17, 1982. I wish to commend this fine group of young men and their leaders for 60 fine years of community service and wish them the best of luck for many fruitful years to come.●

ABE AND GITA STOLAR

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mrs. SCHROEDER. Mr. Speaker, I would like to share the following letter with other Members:

APRIL 5, 1982.

DEAR PAT: The season of Passover and Easter and freedom, peace and hope is here. We, as Americans, who enjoy the blessings of liberty, I believe, have a special obligation to not only ourselves, but to help others throughout the world who have had them abridged.

Many people come to mind when I think these thoughts. But I am especially concerned about a friend or possibly a relative of mine, Abe Stolar, about whom I have written to you many times. Abe, a citizen of the United State, together with his wife Gita and his son Michael were leaving the U.S.S.R. on June 19, 1975 when they were abruptly taken from the airport and returned to Moscow after they received permission to leave for Israel. Since that date, U.S. citizen Abe Stolar and his family have been living in limbo. It is now seven and one half years since that fatal day.

During these years, I have carried on an active correspondance with Abe and have spoken with him by telephone many times. In spite of the frustration this delay in reaching the goal of immigrating to Israel has created for Abe and his family, they remain optimistic and believe their right of freedom to move to the country of their choice, as guaranteed by the Helinski accords which were signed by the officials of the U.S.S.R., will eventually be accorded them.

Abe appreciates all the help you have given him, Pat, and also knows about the committee to help him formed by your friends in Michigan. He has written to thank you for this, but his letters are often intercepted. So, I am thanking you for him and for me too for I really believe that the denial of liberty to anyone in the world is a denial of liberty to ourselves.

Time is getting short for this U.S. citizen. On December 19, 1981, Abe reached his 70th birthday.

Thank you Pat for caring. I know that Abe and his family and others throughout the world caught in this maze of injustice are appreciative of your help and that of your colleagues.

May justice reign throughout the world.

Shalom,

MIRA LEE GOLDSTEIN.●

CLEAN AIR WEEK

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. VENTO. Mr. Speaker, May 2-9 has been proclaimed as National Clean Air Week by the American Lung Association. I believe this is an appropriate time to focus our attention on the increasingly controversial issues surrounding the reauthorization of the Clean Air Act. It is vitally important that we do not lose sight of the overwhelming support of our friends and constituents back home for keeping the Clean Air Act strong and effective.

In the State of Minnesota alone, strong public support of the Clean Air Act was demonstrated in a petition presented to me with approximately 5,000 signatures of Twin City area residents. I am also proud to tell you that the Minnesota State Legislature took strong action last month when it passed the Acid Rain Reduction Act. I submit a copy of the act for the RECORD and hope that acid rain remedies will be included in our national clean air policy in the future.

I continue to be impressed by the consistently solid support evident in national polls on the importance of protecting the environment. In the expectation that we will be asked to vote on the changes in the Clean Air Act

before this session of Congress is over, I would like to share with you some samplings of results from recent public opinion polls.

A recent poll in the New York Times said that:

Air pollution was named by nearly a fifth of the public as the most important environmental problem . . . There was two to one support for maintaining current air pollution laws among both Democrats and Republicans, and among union households.

In a February 1982 Newsweek poll, in answer to the question, "Do you think Federal spending in protecting the environment should be cut further, increased or remain the same?", 44 percent said they felt it should be increased, 37 percent said it should remain the same and only 9 percent said environmental protection money should be cut.

The well-known pollster, Louis Harris, in addressing the Environmental Industry Council in March 1982 said:

. . . make no mistake about it, there is as strong a mandate from the American people today to strictly enforce the Clean Air and Clean Water Acts as any that exists in our society. For example, in just the latest of several tests we have made on this issue, a startlingly high 82-14 percent majority favors strict or stricter enforcement of the Clean Air Act.

Harris went on to say:

The American people are willing to make sacrifices in many areas to stop the miseries and ravages of inflation and an economy that is out of joint. But they will not tolerate any reductions in environmental cleanup efforts—and will regard such cuts as threatening the very quality of life in this last quarter of the twentieth century.

While the American people have repeatedly stated their support of a strong Clean Air Act, it is difficult to follow through with their wishes when the administration has cut back on the enforcement budget for EPA and supports a bill that would substantially alter the original intentions of the Clean Air Act.

I believe these samplings are accurate representations of the kind of results that have been obtained in every major poll taken over the past year. The message is clear: Americans—regardless of political persuasion, economic status or geographical location—oppose weakening the Clean Air Act.●

ARMS SALES TO THE MIDDLE EAST

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. FLORIO. Mr. Speaker, I would like to share with my colleagues some of my observations from a recent trip to the Middle East. My trip to the Middle East stemmed from my desire to investigate U.S. arms sales to the region. I was specifically motivated by the possibility that the United States is considering a new arms sale to Jordan. During his recent trip to the Middle East, Secretary of Defense Caspar Weinberger is reputed to have discussed the sale of F-16 jet fighters and mobile Hawk missiles to Jordan. King Hussein later appeared on American television to state that he was interested in additional purchases from the United States. On April 28, Assistant Secretary of Defense Francis (Bing) West discussed with Jordanian officials the details of future arms transfers, including the possible sale of F-5G's, F-16's and mobile Hawk missiles.

In light on this background, I feel it is imperative to analyze these potential sales from the perspective of the goals of the United States in the Middle East. I believe that four criteria must be used in analyzing every sale to the region: First, does the sale promote regional stability? Second, does the sale advance the peace process? Third, does the sale minimize Soviet activity? Fourth, are there adequate assurances for the security of American technology and equipment?

After a series of defense briefings with officials in the United States and Israel, I have concluded that the proposed sale to Jordan would be detrimental to America's national interests and would create the climate for new Middle East hostilities.

Rather than promoting regional stability, the proposed sales would upset the rather tenuous balance of power that exists between Israel and her Arab neighbors. The proposed sales would enlarge Jordan's offensive capabilities. Jordan already possesses 80 F-5 fighter planes and has ordered 36 French Mirage F-1's. Jordan's air defense system currently has 14 batteries of Hawk SAM missiles, and over 500 missiles for the Hawk system. The Jordanian army has 300 Redeye handheld antiaircraft missiles and 100 Vulcan six-barrel antiaircraft guns. The army is one of the best in the Middle East, with at least four mechanized armored and infantry divisions equipped with M-60A3's and British made Chieftains. In a rather disturbing recent development, Jordan has supplemented this arsenal with the purchase of 20 batteries of Soviet SAM-8's.

The geography of Israel is a key factor that must be considered in any discussion of the relative strengths of the two nations. I was struck by the smallness of Israel, particularly the short distances between points in Jordan and Israeli cities. For example, an F-16 could cover the distance from Amman to Jerusalem in only 6 minutes (4 minutes at high speed); it could fly from the airbase in Mafrak to Tel Aviv in only 10 minutes (5-6 at high speed) and from Mafrak to Haifa in 9 minutes (6 minutes at high speed). Such short preparation times represent intolerable threats to the security of Israel. If the improved Hawks were deployed along the Jordanian mountain range, over 25 percent of Israeli territory would be covered by the new system. Jordan would then have the potential to threaten Israeli aircraft flying over Jerusalem, Tiberias, Nazareth and Afula. Israeli aircraft from most airbases, including the new Ovda Air Base in Negev, would be threatened by Hawk batteries stationed within Jordan.

Jordan did not participate directly in the 1973 war largely because they claimed that they did not have an adequate air defense system. Instead of attacking directly across their common border, Jordanian troops were dispatched to assist the Syrians in the Golan region. In the future, Jordan might not feel similarly constrained.

The threat presented by the potential sale of F-16's and mobile Hawks is even more ominous when the impact these arms will have on other Arab nations is considered. Jordan's new capacities would play a major role in Arab regional military planning. The Israelis are convinced that the mere possession of such new offensive capabilities would induce Jordan to join in any future Arab-initiated attack.

In light of these factors, I was not surprised by the Israeli reaction to the proposed sale. Foreign Minister Yitzhak Shamir informed me that such a weapons sale to Jordan would so dramatically shift the balance of power that under certain conditions a preemptive strike by Israel would not be out of the question. In sum, I do not believe that this proposed sale would meet the first criterion; rather than promoting stability, the sale would create an atmosphere of tension and hostility. It would fuel the arms race and set the stage for future hostilities.

The proposed sale does not meet the second criterion. It would undermine the peace process by rewarding a state that has steadfastly rejected all overtures to join in the Camp David process and other peace efforts. King Hussein has rejected Camp David and has joined the Arab Rejectionist Front. He supported the resolution adopted at the first Baghdad Arab Summit calling on Egypt "not to sign any reconciliation with the enemy."

Despite these activities, I found a number of Israeli officials who quietly hoped that Jordanian policy might eventually moderate. These Israelis stated that a minimal precondition before any sale should be Jordanian acceptance of the Camp David accords, which implies recognition of

Israel. Among others, Foreign Minister Shamir stressed Jordanian acceptance of Camp David as a major step toward eventual peace in the region. Unfortunately, the proposed arms sales discussions do not include this condition.

The third goal of American arms sales policies should be the prevention of Soviet activities in the region. A few weeks ago, Jordan announced its intention to purchase 20 batteries of mobile SAM-8's from the Soviet Union for approximately $200 million, which would be financed largely by Iraq. In addition to the sale of equipment, the Jordanians will agree to have Soviet training and technicians. There is no indication that a future American sale will cancel or negate the Soviet presence in Jordan.

The final criterion that should be used to evaluate whether these sales are in America's national interest concerns the security of our technology. I believe that the presence of Soviet technicians in Jordan and the increasing Jordanian-Iraqi military cooperations would pose a grave security threat to American technology. In addition, the real threat to King Hussein's regime is internal, not external. Radical Palestinian groups have vowed to end his Hashimite rule, particularly since the 1970 civil war when Hussein crushed the PLO in Jordan, massacred thousands of Palestinians, and forced thousands of others into exile. There have been over a dozen attempts against the King's life.

In sum, the first major conclusion of my recent trip is that the proposed sale of sophisticated equipment to Jordan would not be in the interests of the United States.

THE GOLAN HEIGHTS

The strategic value of the Golan Heights is the region's most striking feature. The mountain plateau, which ranges in height from 400 to 3,000 feet, overlooks and controls the Sea of Galilee, the Hula Valley, and Israel's northern towns. Despite the region's strategic value, I was surprised to discover that it is a relatively small plateau, only 45 miles long and less than 16 miles wide. The population of the area consists of about 12,000 Druzes, within four villages, 900 Alawhites in one village, and approximately 7,000 Jews living in one town and 30 villages. Although there is some light industry, agriculture is the main source of income for the residents of the Golan Heights.

Whoever holds the Golan will be able to dominate the critical areas of Israel that lie below. Syria regularly exercised this advantage when it occupied the Heights between 1947 and 1967. The Syrians repeatedly used this vantage point to attack Israeli farmers, and fisherman in the Kibbutzim below. Potentially an even greater danger was posed by the Syrian effort to interfere with Israel's comprehensive water plan. Syria threatened to divert the headwaters of the Jordan River, which would have transformed northern Israel into a desert.

On three separate occasions—in 1948, 1967 and 1973—Syria used the Golan as a staging area to launch attacks against Israel. After the 1967 war, Syrian batteries were pushed back to positions which no longer allowed direct bombardment of Israeli villages. In addition, the territory provided Israel with a strategic depth of 16 miles in which to block future Syrian advances. During the October 1973 war, Syrian units penetrated in several places to a depth of 6 to 10 miles. Had Israel's borders still been at the 1967 lines, northern Galilee would have been overrun.

In all my discussions with Israeli citizens and officials, I found unanimity in the desire not to return this territory. The Israelis, still remembering the Syrian shelling of their villages and the potential control of their water supply, appear unwilling to make concessions to the current regime in Syria. Syria rejects any direct negotiations with Israel, making an agreement on the Golan territory impossible.

SOUTHERN LEBANON

I received extensive briefings from Israeli military sources on the situation in southern Lebanon. In addition, I was fortunate to meet with Major Sa'ad Haddad, who is the leader of the Christian forces in southern Lebanon. I traveled to the northernmost town in Israel, Metula, from which I was able to get a good feeling for the geographic factors in southern Lebanon. Major Haddad controls a Christian enclave between Israel and the PLO-controlled area. Haddad's region is approximately 41 miles by 6 miles. Because he serves as a buffer between Israel and the PLO forces, the Israelis have a vested interest in his continued existence. As a result, they have provided logistical support and opened a gate at Metula to permit his people access to Israeli medical supplies and consumer goods.

In July 1981, U.S. special envoy Phillip Habib was able to negotiate a cease-fire between Israel and the PLO forces in southern Lebanon. I was able to see the PLO headquarters in southern Lebanon. The PLO is using a former crusader castle, Beaufort Castle, which is on the edge of the Litani River. The PLO has the capacity to cover, with artillery, positions within Israel as well as territory controlled by Major Haddad.

The cease-fire is controlled by the United Nations International Forces in Lebanon (UNIFIL). Major Haddad showed us where these troops were stationed and explained why he felt that they were ineffective. He explained that the PLO could infiltrate between UNIFIL stations and send terrorists into the region he controls as well as into Israel.

In sum, the level of tensions in northern Israel and southern Lebanon are extremely high. I believe that the cease-fire could be broken by one of the following scenarios: A rocket attack on Israeli settlements by the PLO; PLO or Syrian attacks on the enclave of Major Haddad; a PLO raid across the border into Israel, either directly from Lebanon or through Syria or Jordan; and, an attack on Israeli citizens or other Jews elsewhere in the world.

THE SINAI

One of the major topics of discussion throughout Israel was the anguish felt regarding the return of the Sinai to Egypt. Israelis understand that they made a crucial and strategic decision to give up the Sinai. This decision was based on the premise of peace with Egypt and the recognition of Israel's right to exist. It is crucial to understand that for years, Israel has been striving for recognition of the nation and its right to exist.

Although mostly barren and largely uninhabited, the Sinai is strategically vital. Control of the peninsula by hostile forces could pose a great threat to Israel's security.

In addition to giving up the strategic buffer provided by the Sinai, Israel also relinquishes two of the most sophisticated military installations in the region at Eitan and Etzion. Along with six other tactical airfields in the Sinai, these bases played crucial roles in the military defense of Israel's southwestern flank. Israel is also giving up the electronic early warning stations which were situated on the Sinai mountain tops. These had provided Israel with accurate data on military movement on the western side of the Suez Canal and on the eastern coast of the Red Sea and the Gulf of Aqaba.

I was also continuously reminded of the psychological trauma involved in returning the Sinai. Israeli troops were forced to remove settlers by force. This specter caused mixed feelings even among those Israelis who supported the Camp David accords. Israelis told me that this is the first time that any Israeli settlements have been dismantled. Furthermore, no Israeli approved of the prospect of the Israeli army being used against Jews whose only crime is trying to settle new lands.

Israelis are concerned that their tangible sacrifices involved in the return of the Sinai may not lead to the long awaited peace. They are deeply troubled that Egyptian President Mubarak did not visit Israel before the return of the Sinai. They are also concerned by Egyptian efforts to "return into the Arab fold." Still, the majority of Israe-

lis still supported this sacrifice on behalf of peace.

THE WEST BANK

The West Bank is the most essential buffer zone for Israel. The West Bank is a relatively small region, comprising roughly 85 miles in length and 33 miles at its broadest point. It is important to note that, at one point, the West Bank juts into Israel to a depth of only 9 miles from the Mediterranean. There are points in the West Bank where Ben Gurion Airport and Tel Aviv are clearly visible.

No single issue divides Israelis as much as the future of the West Bank. Some Israelis argue from a religious perspective. They refer to the region as Judea and Samaria, using the Biblical terms. Israelis who take this perspective argue that Israel must keep the entire region because the Bible says it belongs to the nation. Because of the position these people hold in the Begin government, settlements are rapidly being built in the West Bank area.

Other Israelis stress the strategic perspectives of the West Bank. They argue that it would be impossible for Israel to allow the creation of a potentially hostile base for terrorist activities within the West Bank.

Foreign Minister Shamir informed me that the government desires to negotiate "autonomy" for the 700,000 Arabs living in the West Bank area. The Begin approach toward autonomy would grant full rights except for the ability of the Palestinians to conduct foreign policy and defense.

Other Israelis, including retired General Yariv, who is currently at the Center for Strategic Studies, are willing to consider an approach in which the territories would be divided in such a way that would allow Israel some flexibility, with regard to early warning and buffer zones, but also would enable even greater autonomy for the Palestinians. This approach is similar to the "Allon Plan;" which was named for the former Minister of Foreign Affairs. This plan would permit the Arabs a demilitarized zone in the populated areas of the West Bank. This area could then be independent or federated with Jordan. The Israelis would maintain possession over a small, sparsely populated area between the West Bank and Jordan. They would also monitor a narrow corridor connecting the populated area of the West Bank and Jordan, to prevent military supplies from passing into the West Bank.

In essence, Israelis make a distinction between territorial autonomy and administrative autonomy. The resolution of the problems in the West Bank is an extremely sensitive and difficult political decision. It must be decided by Israelis.

OVERALL CONCLUSIONS

I was particularly impressed with the small size of Israel. After the return of the Sinai, the entire country will be only slightly larger than the State of New Jersey—7,922 square miles as compared to 7,521 square miles. One cannot understand the political and military considerations unless one understands the geography and appreciates the small size of the country.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost-effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, child care food, medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

When my daughter first began Head Start she wasn't sure of herself. Now, by the end of the year, she is more sure of herself. She talks to no end of Head Start, the staff, and the many friends she has made. Without Head Start I know she would in no way be ready for kindergarten in the fall.

For myself, I've learned so much about myself and all my children. I was one of the lucky ones that was able to have the opportunity. There's so many things to do at the center. Lots of them are very new to me. The children are so creative. They teach you as much as you teach them. Thank you so much for the great Head Start program. Hope you always have the opportunity to keep it going.●

FUNERAL SERVICE CONSUMER ACTION PROGRAM

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RUSSO. Mr. Speaker, for the last several years I have opposed Federal regulation of the funeral industry. This industry, comprised mostly of small businesses, has been the subject of a lengthy Federal Trade Commission investigation which has produced few complaints. This industry has been one of the leaders in the area of both consumer information and self-enforcement of ethical guidelines. Recently, they made a major move to resolve what few complaints the funeral industry does receive. I can think of no other business group which has undertaken such a voluntary policing of their own industry. As a result, I want the Congress and the public to know about it.

A nationwide consumer action panel has been established to handle any complaints against funeral firms which haven't been resolved by the parties involved. The National Funeral Directors Association at a press conference in Washington, D.C. on April 22 announced that it will sponsor the complaint-handling system to be called ThanaCAP. (The name "ThanaCAP" is a combination of "Thana" from the Greek word meaning "death" and the first letter from each of the words—Consumer Action Panel.)

This is how the panel will work: A national panel has been set up. It includes a chairperson and 10 additional members, one from each of 10 geographic regions. No one connected with funeral service can be a member of the national panel. The U.S. Office of Consumer Affairs will serve the panel in an advisory capacity. National panel members were selected from persons suggested by Mrs. Virginia Knauer, consumer groups, state licensing boards and NFDA and its affiliated state associations.

In addition to the national panel there will be 10 regional subpanels, with each member of the national panel serving as chairperson of one of the regional panels. Each regional panel shall consist of five members, four in addition to the chairperson. Only two members of any regional panel can have any affiliation with funeral service.

Consumers either as individual or through organizations assisting consumers can make a complaint to ThanaCAP. Persons wishing to file a complaint should write to ThanaCAP, 135 West Wells Street, Milwaukee, Wis. 53203. Those having questions or desiring any additional information can also contact ThanaCAP by phone (414) 276-9788.

If the complaint cannot be resolved with the funeral firm involved, it will be directed to the regional panel of the area served by the funeral firm against which the complaint has been filed. The hearing panel will vote on a solution. If no majority opinion can be reached the complaint shall be referred to the national panel as a whole. The decisions of either panel will be binding on all parties involved. ThanaCAP should provide a track record, not of hearsay, but of fact—both in the public interest and for the good of funeral service.

ThanaCAP was created by the National Funeral Directors Association, an affiliation of 48 State associations and the District of Columbia. It is the largest association of funeral directors in the United States and its current membership is more than 13,500. Its headquarters is in Milwaukee, Wis.

Mr. Speaker, what more can an industry do? The NFDA has created this panel in good faith. They should be commended. As a result, I call upon the FTC to suspend their proposed regulation of the funeral industry. If they do not, I believe the Congress should then move to keep the Federal bureaucracy out of the funeral business.●

THE 75TH ANNIVERSARY OF THE GOODWILL FIRE COMPANY

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YATRON. Mr. Speaker, on Saturday, May 15, the Goodwill Fire Company of Laureldale, Pa., will be celebrating its 75th anniversary.

I think it is indeed fitting to take this opportunity to acknowledge the enormous contribution these firefighters have made, and will continue to make, to the public safety.

The firefighter's job requires an exceedingly high degree of dedication, courage and professional skill. They underline through their actions everyday, the community spirit of helping one's neighbors. Each day they place their very lives in jeopardy in order to secure the lives and property of the citizens they have sworn to protect. I would like to extend a personal note of gratitude, and I know that my colleagues in the U.S. Congress will join me, to the members of the Goodwill Fire Company of Laureldale, for their high degree of concern and dedication to the public safety and welfare. Their contributions exemplify the emphasis that our Nation has always placed on community action and service.●

MAINSTREET 78 DEDICATION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROOMFIELD. Mr. Speaker, next week on May 21, the city of Northville, which I am honored to represent, will be holding ceremonies to mark the completion of a renovation of its downtown area.

Northville was established in 1867 as a village and has over the years continued to grow to its present size of about 6,000 people. More than 5 years ago Northville undertook a program to give its downtown area a new look. The project included plans for a new traffic pattern, new streets and sidewalks, and improved parking. In addition, the plans provided for a new town square and more trees and flowers along the streets. Now "Mainstreet 78" is complete and the end result is so attractive many businesses in the downtown are redoing their own space to further enhance Northville's new look.

The completion of this project is significant for a number of reasons. First, no money from the State or Federal Government was used in the construction or completion of this renovation. While many communities look to the Federal Government to finance such an undertaking, Northville raised the revenues through a tax increment supported by the citizens, to provide its bonds with the full faith and credit of the taxpayers.

Northville's accomplishment is an example of the kind of spirit that has made this country great. Michigan's economy has faced some tough problems over the past few years and, in spite of this, the city of Northville has had the pride and the motivation to tackle a serious renovation effort.

While Northville, is celebrating its new downtown, it can also celebrate the values which have made the community so unique over the years. Northville is a place of history and tradition—a solid, friendly community that is a great place to raise a family. And now the completion of this renovation will make it even better.

Mr. Speaker, I wish to again congratulate Northville and her people. They have helped provide Michigan with a history and a future that takes a backseat to no other area.●

REMOVE SOCIAL SECURITY FROM THE UNIFIED BUDGET

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BONKER. Mr. Speaker, on April 27, I introduced H.R. 6163, a bill to remove the social security trust funds from the unified budget and once again make them independent as they were prior to 1969. In the current debate over the Federal budget, we risk making senior citizens the victims of hard-pressed efforts to cut spending by allowing the social security program to be a prime target for cuts. By taking social security out of the Federal budget we eliminate that risk and at the same time alleviate the anxiety of millions of older Americans.

This legislation is long overdue. It will simply remove the social security trust funds from the unified budget, thus keeping the system's financial reporting and accounting procedures separate and apart from the general budget. The removal of the trust funds has become necessary to maintain the integrity of the social security system, remove a major distortion and obstacle in the present debate on the budget, and to protect senior citizens who fear they will be sacrificed in the tradeoffs that will necessarily occur in a compromise. My bill will also correct a little-known policy which has been an unwarranted drain upon the social security trust funds by requiring that all uncashed social security checks to return back to the rightful trust funds after 1 year. Presently, this money reverts to the general trust funds of the Treasury, costing social security some $200 million a year.

My legislation mirrors S. 2175, recently introduced in the Senate by Senator METZENBAUM of Ohio. I also applaud the leadership of Senator HEINZ of Pennsylvania, who today is introducing similar legislation to remove the trust funds from the unified budget.

Unfortunately, the social security system has increasingly become the target of congressional and the administration's budget cutting initiatives. These attempts make a mockery of the social security system's traditional role as an independent, internally balanced trust fund. Last March, President Reagan proposed massive reductions in the social security program in an effort to balance the budget.

More recently during the fiscal year 1983 budget negotiations, we have heard suggestions that social security cuts be somehow traded for concessions in other parts of the Federal budget. Mr. Speaker, it is inappropriate to subject the hard-earned moneys of this Nation's retirees and workers to hasty and ill-advised actions by this Congress. We also deceive ourselves and the country if we do not remove the trust funds and once again consider the true revenue sources and spending requirements provided in the general budget.

I am not arguing Mr. Speaker, that we must remove the social security program from congressional scrutiny and debates. Obviously, the trust funds are encountering serious financial problems and difficult choices are around the corner. The recent trustee report confirms what we already know about the severity of problems at hand. However, by restoring independence to the social security program, Congress would mandate that any benefit cuts or revenue adjustments—especially in the long term—should be considered exclusively on the merit of the trust funds, not to accomplish other budgetary objectives.

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To appreciate the importance of removing the social security trust funds from the unified budget, it is necessary to understand some budget history. Prior to 1969, the social security program was autonomous. Revenues and outlays under social security and several smaller trust funds, such as the highways trust fund, were reported separately from the Federal Government's administrative budget. On the recommendation of President Johnson's Commission on Budget Concepts, the operations of the general fund and the various Federal trust funds were first combined in a single unified budget statement in fiscal year 1969. No congressional action was ever required for the trust fund transfer, although the 1974 Congressional Budget Act gave implicit approval to the unified budget concept by not differing between the trust fund activities and other government activities in defining authority and outlays.

Although the social security trust funds still retain separate status under the law, the trust funds are currently counted as part of the overall budget, along with other Government income and expenses. What this means is that payroll tax moneys going into the social security system and benefit payments going out directly affect Federal budget deficits and surpluses. In other words, the social security trust funds greatly distort the budget picture.

By removing the trust funds entirely, Congress will have a more realistic view of the national budget and the hard decisions that have to be made to reduce spending.

I have just concluded a series of forums on social security in my congressional district and discussed this matter at length with my constituents. Many senior citizens that I talked to are willing to accept reforms if it would protect the trust funds. They are realistic and can understand the importance of keeping the funds solvent for the benefit of all workers who pay into it. But, they will not tolerate being dragged into the budget debate where they risk lower benefits to shore up other parts of the Federal budget. They have a point.

The second provision in my bill would settle an ongoing dispute between the Social Security Administration and the Treasury Department. H.R. 6163 would make the social security trust funds the rightful beneficiaries of the money from uncashed social security checks.

The $20 million yearly savings obtained by my bill, though small in comparison to Social Security's $200 billion budget, is a necessary step in returning solvency to the program.

Mr. Speaker, Congress should not delay in restoring independence and integrity to the social security program. This legislation provides Congress an opportunity to send a message to America, that we will not allow the social security program to be subjected to further budget politics. Removing the social security trust funds from the unified budget is a good bipartisan issue that all can support. I urge my colleagues to join with me and cosponsor H.R. 6163.●

SEVENTY-FIVE YEARS OF SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ANDERSON. Mr. Speaker, this year the Memorial Hospital Medical Center of Long Beach will celebrate its 75th year of service to the citizens of Long Beach, Calif. The medical center has grown from a small 12-room community hospital established in 1907 to today's modern regional medical center, which has been cited as one of the most efficient and cost-effective institutions of its kind in the Nation.

A dozen dedicated physicians banded together in 1907 to establish Seaside Hospital, the first for the city of Long Beach, which then had a population of just under 10,000. One of the early leaders, Dr. Albert C. Sellery, rented a rambling victorian mansion at the corner of what is now East Broadway and Junipero Avenue and converted it to an 18-bed hospital.

On May 24, 1913 when the huge Long Beach Municipal Pier collapsed into the Pacific with its holiday throng, carrying 50 persons to their deaths and injuring more than 200 others, most of the victims were taken to Seaside Hospital where the physicians worked around the clock treating the injured for no pay.

On March 10, 1933 when the great earthquake struck Long Beach nearly 200 victims were treated at Seaside in the first 24 hours.

As a result of a $10.5 million bond issue for hospital improvements, the old Seaside Hospital was demolished after Memorial Hospital of Long Beach was established. Additions have included the Earl and Loraine Miller Children's Hospital; Memorial West, a rehabilitation center housing psychiatric services as well as an alcoholism education and treatment center; the Center for Health Education and the specialized Women's Hospitals. Thus grew the present Memorial Hospital Medical Center, one of the largest acute-care health institutions in California.

I wish to congratulate George Johnson, the chairman of the board of directors, and all the directors and trustees for their devotion to this great medical center. The medical staff, the many volunteers and host of employees who have created the helpful atmosphere in the center's component parts are also to be congratulated.

The city of Long Beach is indeed fortunate to have this great institution serving our community.●

THE COMSTOCK FIFE AND DRUM CORPS

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. RATCHFORD. Mr. Speaker, it is always a pleasure for Members of the House and Senate to receive groups from home which are visiting Washington, but one group in town last month was especially memorable for me.

The Samuel Comstock Fife and Drum Corps' visit to Washington and their performances before the Capitol and elsewhere in the city was truly a special event. I joined them for their appearance at the Capitol and was astounded both by their music and by the way their brand of music attracted dozens of passers-by. Their performance was inspirational, and apparently the trip was as memorable for them as it was for me.

Mr. Speaker, I would like to take this opportunity to include in the RECORD an account of the Samuel Comstock Fife and Drum Corps' trip to the Nation's Capital, as told by corps commander Don Klotz.

COMSTOCK CORPS VISITS NATION'S CAPITAL

(Editors' Note: The following is an account of the Samuel Comstock Fife and Drum Corps visit to Washington, D.C. recently. It was written by corps commander Don Klotz.)

Our nation's capital beckons millions of people each year to bear witness to the American dream and give inspiration to the multitude of its citizens.

Participating in that dream this past week, the Samuel Comstock Fife and Drum Corps boarded a bus from Wilton Center (April 21) in the predawn and began a five day trip which included appearances at the White House, the Lincoln Memorial, Washington Monument and Jefferson Memorial, the National Soldiers and Airmans Home, a visit with Cong. William Ratchford, a tour through the Senate, some sightseeing in the Smithsonian Institution and finally a two-day campout at a National Muster of the Company of Fifers and Drummers in Indian Head, Md.

Our nation's capital in the full bloom of spring, engulfed with cherry blossoms, flowering tulip trees and azalea bushes, its carpet of green grass and tulips lining paths to glistening white marble monuments standing against a bright blue sky and billowing clouds is the elixir that prompts handsprings on the street . . . and a Fife and Drum Corps to parade about the White House.

To fifer Cpl. Jill Meyer, the crowds were electric.

Everywhere, as the Comstock Corps gathered, hundreds of people came running at the sounds of music to listen and record the moment with their cameras.

The spontaneity of appearances proved most exciting. As the Comstock Corps was playing for the crowds standing in line to get into the White House, a Capital policeman on a motorcycle suggested that the corps march on the street around to what Cmdr. Klotz thought would be the head of the line and front of the White House.

Instead the color guard unexpectedly turned into the Presidential receiving gate and suddenly the whole corps was marking time and playing to a group of secret service men who had come running up to find out what was going on. Militiaman Jeff Mednick with musket gave them no comfort. Commander Klotz explained that the corps was there to entertain but also to get a tour through the White House. "Not at this gate you don't," one of the secret service men said. "Where's your special papers? Move 'em out."

And so Commander Klotz reversed his troops and resumed following the policeman on a motorcycle whose intent was to escort the group to a place in the line of people waiting to get into the White House. That place was the end of the line . . . of thousands of people waiting! The corps instead repeated its march in the street, back by the cheering crowds.

The corps met and played for Cong. William Ratchford on the Capitol steps and caught the attention of an ABC-TV camera crew which began taking pictures. After the congressman took the corps on the tour of the senate floor, the corps resumed playing on the Capitol steps and again were the prime focus for the ABC-TV crews. Among the members interviewed were Banner-carrier Erin Kuntz and fifer Jessica Block.

While playing at Lincoln and Jefferson memorials was impressive, an appearance at the Washington Monument proved most challenging.

As the corps reached the base of the structure it was greeted by a whipping wind that lashed about the tall monument taking tricorn hats to the air and forcing color guards to firmly grasp flapping flags. Flag carriers Charles Flaccus, David Whittenbauer and Will Mathews had a most difficult time before Color Guard Corporal Brad Stanley finally gave a counter march order to bring the group back to the lee side where the corps resumed playing.

On a tour of the White House taken by some members, drummer Fred Collis was impressed by the first lady's favorite room, the red room, recently refurbished by Nancy Reagan.

Fifers Claire Tackas, Dur Throckmorton, Kelly O'Brien, Lauren Beebe, Sue Zieman, and drummer Chris Flemming attended a concert and fireworks display for the visiting Netherlands Queen and thought the display the most spectacular they had seen.

All of the members enjoyed sight-seeing at the Smithsonian Museums of Air & Space, natural history and American history. Sgt. Fifer Karen Salerno especially enjoyed the museum of American History which was giving particular accents to the circus era in our country.

At the muster in Indian Head, the corps marched in a torch light parade on the first night and was presented a muster ribbon the next day for its performance in front of the reviewing stand. Jam sessions were held both nights where all corps gathered to play informally, meet with each other and have a generally good time. Adjutant Lyn Posner, fifer John Groo, and fifer Stacey Hengert shared a common "like best event" for the jam sessions.

A high note at the muster was the appearance of the Old Guard. As part of the third Army, who guards the nation's Capitol and participates at all of the president's ceremonies, the Old Guard is an elite group of fifers and drummers who appear resplendent in red coated colonial uniforms and white wigs under their tricorns, to play the traditional music of the revolutionary period. They were the special favorites of drummer Glen Forslund and fifer Lauren Beebe.

It was a trip long anticipated and saved for over the last three years and money was raised by the group through special appearances at parades, fund raising drives, and private solicitation.

An unscheduled event occurred as the journey to Washington began, when the bus, about one hour away from Wilton on the New Jersey Turnpike had a flat tire. With the help of Mr. and Mrs. David Forslund following in a car behind, help was sought and with only about an hour and a half delay, the Comstock group was again on its way to Washington.

It was a tired but a happier, closer group that boarded the bus back to Wilton.

Militiaman Cpl. Jeff Mednick reflected, "A trip to the nation's Capitol is always appealing, but performing at landmarks like The Lincoln Memorial, The Washington Monument and the White House, with receptive crowds cheering, was so exhilarating an experience, and I am pleased to have been a part of it.

"It is a shame that more people in the community are not aware of the opportunities offered for those joining the corps."

As a gag, Commander Klotz wearing a hairnet that he had purchased at a flea market at the Indian Head Muster, led a string of his members with hands tied off the bus in Wilton. Alas, not a parent had yet arrived to pick up their children.

"It is a trip that will be long remembered," said Commander Klotz, "Washington was so full of beautiful feelings. Foreign visitors wanting to pose with you, crowds cheering us . . . and watching my kids reading the words of Thomas Jefferson on the walls of his memorial brought a lump to my throat. It was America the Beautiful all the way . . . and yes, I have a love affair with my country."●

AN END TO INSTITUTIONALIZATION AND LONELINESS—MAINTAINING THE ELDERLY AT HOME

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BIAGGI. Mr. Speaker, today I am introducing legislation which would provide an important opportunity for alternative living arrangements for those elderly citizens who either live alone or are forced into unnecessary and unwarranted institutionalization.

This legislation provides a $500 tax credit to those families and individuals who maintain an elderly dependent at least 65 years of age for over one-half of the taxable year. In this fashion, it offers both single individuals and families an incentive to help defray the added strain placed on the family budget.

This proposal has a dual benefit: It seeks to encourage the preservation of the extended family through financial incentives. Such a move eases the major obstacle that many families face in caring for their older parents and relatives at home—the costs of in-home care. As the number of elderly in this Nation continues to rise—estimated to exceed 30 million by the year 2000—it is imperative that we find viable alternatives to institutional care.

Information from the field clearly points to the family as the preferred provider of services to the elderly. However, the number of elderly living alone has increased substantially. Of those persons over 65, 46 percent lived with their children 20 years ago; by 1975, this figure had dropped to 18 percent. At the same time, the number of institutionalized elderly—often the poorest and often without family—is increasing. A study by the Congressional Budget Office estimates a marked increase in demand for elderly long-term care for those who cannot help themselves. This study found that in 1980, between 6.3 and 11.1 million elderly required long-term care and that this demand would jump to 12.5 million in 1985. Parenthetically, this study was conducted prior to the budget cuts enacted last year and I feel that it is fair to conclude that these numbers are actually higher today as a result of the major reductions in health care programs which occurred last year. If no preferred alternative exists for this growing population of dependent elderly—such as the family—the elderly will then be forced into unnecessary institutionalization or other living arrangements.

Even a cursory look at the costs of in-home care in lieu of institutionalization provides a stark contrast between the two alternatives. A recent study of the Chelsea-Village program of St. Vincent's Hospital in New York City, which provides home health care to elderly individuals, estimated the annual cost per client at $1,169 per year as compared to over $20,000 per year for a client in a public home infirmary.

Another benefit of this approach is that such a tax credit would help to relieve some of the strain placed on family income which often manifests itself in acts of abuse. Two important studies of domestic violence against the elderly were conducted at the Chronic Illness Center of Cleveland and at the Center of Aging at the Uni-

versity of Maryland. Both studies identified material abuse as one of the major forms of domestic violence against the elderly.

My Subcommittee on Human Services of the House Select Committee on Aging has examined the problem of domestic violence against the elderly in great depth as I have introduced H.R. 1007, a bill which would provide for the prevention and treatment of domestic violence against people of all ages. Our committee learned that such abuse is often directly related to the lack of periodic respites for the overburdened caregiver. Shouldering the full responsibility for an ailing parent without the benefit of external or community supports can arouse feelings of entrapment on the part of the adult child who sees no avenues of relief. When pressures are high, this kind of tension can precipitate acts of violence against elderly family members. The adoption of a tax credit would at least begin to ease the financial strain that so many families are faced with and can begin to promote healthier intergenerational living arrangements.

Support for the idea of a tax credit for families which care for the elderly in the home is extensive and diverse. Endorsement of such a proposal has been supported by the delegates at the recently completed White House Conference on Aging, the 1980 White House Conference on Families, as well as the Urban Elderly Coalition. Further, the 1981 National Council on Aging survey conducted by Louis Harris & Associates found overwhelming support across all segments of their survey sample for giving a "tax break" to families that provide health care at home to the elderly.

As an original member of the House Select Committee on Aging, I am especially familiar with those problems which face the elderly today as well as those family members who want to maintain older relatives in their homes. This bill will seek to encourage health care in the home while retaining medicare benefits for eligible seniors. The tax credit for the family will be for those expenses incurred—such as food, clothing, and those nonreimbursable medicare items—that have inhibited home health care in the past. My bill will provide incentives to home health care by the family and will, at last, recognize the full potential of support and services that the family can bring to the elderly and the source of wisdom and strength that the elderly can bring to younger family members. I urge my colleagues to join me in this timely and important initiative.●

A VISIT BY DEER PARK ELEMENTARY SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LONG of Maryland. Mr. Speaker, on Wednesday, May 12, 1982, 80 young men and women from Deer Park Elementary School in Owings Mills, Md., will journey to Washington for a firsthand look at their Nation's Capitol.

These students, accompanied by their teachers and parents, will tour the Capitol and the Supreme Court.

I am delighted they are taking the opportunity to visit with us, and hope their interest in our Nation's political process will continue.

Teachers and parents accompanying the students are: Linda McFadden, Sonya Morton, Barbara Yolken, Nancy Alsop, Nancy Feldman, Susan Mack, Patricia Fiero, Shirley Quillens, Barbara Stern, Deborah Gerber, and Susan Golden.

Students visiting us Wednesday are: Scott Alsop, Lawrence Capps, Un Sang Chin, Steven Chism, Christopher Christofilopoulos, Anthony Compton, Christopher Coyle, Bryan Dillon, Brian Elmore, Joseph Enochs, Jessie Ewing, Michael Feldman, Christopher Fiero, Christopher Ford, Marc Fribush, Jonathan Gerber, and Robert Golden.

Jason Goldvarg, Philip Greenfeld, Christopher Hodgkiss, Derek Holley, Kenny Horton, Andre Johnson, David Kapper, Lloyd Levin, Sean Love, Adam Lublinsky, Michael Mack, Christopher Martone, Troy Matthews, Brian Mekiliesky, Shawn Miller, Craig Quillens, William Ross, Allen Schrott, Bobby Sheppard, Damon Tate, Aaron Till, Keith Tyler, Jeffrey Weissberg, Marshall Wynham, Scott Zlotak.

Mitzi Agetstein, Tanya Anderson, Tracey Anderson, Nicole Bachmann, Karen Brady, Shantil Carter, Karen Dumser, Tonya Elmore, Anne Euredjian, Jessehna Ewing, Caryn Feldman, Lisa Forgang, Crystal Foster, Jennifer Graul, Patricia Guenthner, Mary Hopkins, Stacy Kaufman, Rachel Johnson, Lisa Laughard, Kelli Lesser.

Leigh Levene, Nia Manns, Kim Mekiliesky, Theresa Norton, Sandra Ondis, Michelle Pillow, Susan Powell, Suzanne Rafferty, Michelle Reid, Wendy Rogers, Willette Ross, Kara Salganik, Susan Shapiro, Elizabeth Somers, Kristin Strevig, Mia Stern, Monica Windley, Jennifer Yolken.●

DANNY BYRD

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SKELTON. Mr. Speaker, I would like to bring to the attention of this body an outstanding young man from my district who recently appeared in the 1982 National Wrangler Starsearch contest. Danny Byrd, from Blue Springs, Mo., placed third in the National Wrangler Starsearch contest held on April 28, 1982, in Nashville, Tenn.

Danny's stage performance culminated a 5-month talent search for the three best acts in the country. This quest spread nationwide and involved more than 33,000 singers and musicians and 287 radio stations. Radio station KFKF of Kansas City was Danny's sponsoring station.

Of the 33,000 contestants, not one male singer placed ahead of Danny. His rendition of Marty Robbins' song "Lord You Gave Me a Mountain" has assured Danny's place as Wrangler's Best Male Singer in the country for 1982.

Following the reception of this prestigious award, Danny's future plans include cultivating recording contracts and national bookings. He is already scheduled to release the record "Pride" this summer.

I congratulate Danny Byrd for placing third in the Wrangler National Starsearch contest. He is truly a credit to the great State of Missouri and I have no doubt that we will hear more from this fine young vocalist in the near future.●

H.R. 6212

HON. EUGENE V. ATKINSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ATKINSON. Mr. Speaker, last Thursday, I introduced a bill which, together with quantitative import limitation legislation, will allow America's steel industry to revitalize. The American steel industry is the centerpiece of our industrial economy. We in the Federal Government cannot allow this most important part of our free economic system to be destroyed by the unfair trading habits of steel exporting nations abroad. While international trade is a vital and significant part of the U.S. economy, we must recognize that our No. 1 priority is the livelihood of our domestic industries and those who work in manufacturing plants across this country.

My hometown of Aliquippa, Pa., is the site of the Aliquippa works of the Jones & Laughlin Steel Co. My father, my two brothers, and I worked there making steel. Many of those who are now employed there are people with whom I grew up and now see on my hometown's sidewalks every time I return home.

For the week ending April 24 of this year, over 40 percent of a total of 8,100 steelworkers normally employed at the Aliquippa works were either laid off or on a short workweek. At Babcock & Wilcox's Tubular Products Division in Beaver Falls, Pa., which is one of the most advanced specialty steel plants in the world, there are now 748 unemployed steelworkers. Nationally, there were 122,000 steelworkers either laid-off or on a short workweek by the week ending May 1.

Colt Industries announced that it would shut down its crucible stainless steel plant in Medland, Pa., if a buyer could not be found by July 1. This possible steel plant closing follows what seems to be a growing trend in the industry.

In addition, the corporate earnings of companies in the industry have plunged to crisis depths. Of the top 8 steel companies in the United States, only 3 posted some kind of profit for the first quarter of 1982. The three include United States Steel, Jones & Laughlin Steel, and Armco. United States Steel's first quarter earnings were 71 percent below what their first quarter earnings were the previous year. Bethlehem Steel posted a first quarter loss of $111.6 million.

STEELMAKER'S EARNINGS

	Income (lost) from continuing operations (millions)		Shipments (million tons)		Capacity utilization rate (percent)		Sales (millions)	
	1st quarter 1982	1st quarter 1981	1st quarter 1982	1st quarter 1981	1st quarter 1982	1st quarter 1980	1st quarter 1982	1st quarter 1981
1. United States Steel	$240.5	$198.5	3.2	4.6	50.9	81.7	$5,000	3,399
2. Bethlehem	(111.6)	22.4	2.39	3.06	62.5	75.4	1,564	1,858
3. J&L	5.2	46.4	1.49	2.01	61.0	92.0	1,037	1,183
4. National	(84.9)	18.1	1.3	1.8	50.0	70.0	825	1,055
5. Republic	(89.3)	56.6	1.25	1.77	N/A	N/A	880	1,112
6. Armco	67.0	144.0	1.15	1.59	67.0	92.0	1,648	1,635
7. Inland	(49.5)	27.3	1.09	1.57	59.0	N/A	763	969
8. Wheeling-Pgh	(10.5)	5.2	.371	.577	50.0	N/A	216	295

While these earnings figures are for the first quarter alone, there is little chance for profitability in the second quarter. A sign of a possible future trend is that McLouth Steel is in bankruptcy proceedings.

While an argument could be made that these problems—high unemployment, plant shutdowns, low earnings levels—are due in part to the current domestic economic situation, it is clear that the unjustifiable level of steel imports coming into the United States has only exacerbated the problems of our steel industry.

I have, therefore, offered two bills in a comprehensive attempt to help the steel industry recover from its long-standing problems. I believe that through the imposition of temporary quantitative import limitations and the revision of the trade injury adjudication process, an effective comprehensive solution would be in effect. These two bills are designed to provide relief from trade injury to the steel industry both in the short run and the long run.

My short-term solution is set out in H.R. 6212, the Steel Recovery Act of 1982. H.R. 6212 would impose quantitative import limitations on all product lines of steel, that is, both carbon and specialty steel, for a 5-year period. For each of the 5 years, not more than 10 percent of the previous year's domestic consumption would be permitted into the United States. H.R. 6212 also limits the quantity of steel imports by product line to insure that a substitution effect does not occur with imports being shifted from less profitable product lines to more profitable ones during the limitation period.

H.R. 6212

A BILL to impose quotas on the importation of steel

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Steel Recovery Act of 1982".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) The term "steel" means any article provided for in subpart B of part 2 of Schedule 6 of the Tariff Schedules of the United States (19 U.S.C. 1202).

(2) The term "domestic consumption" means the quantity of steel that is produced in the United States or another country and that is sold in the United States during a calendar year.

(3) The term "product line" means, with respect to steel products entered, a product or group or range of products described in section 771(4)(D) of the Tariff Act of 1930 (19 U.S.C. 1677(4)(D)).

(4) The term "entered" means entered, or withdrawn from warehouse for consumption, within the customs territory of the United States.

(5) The term "quota year" means each calendar year after 1982.

(6) The term "Secretary" means the Secretary of Commerce.

SEC. 3. IMPOSITION OF QUANTITATIVE LIMITATIONS.

During each quota year the total quantity of each product line of steel that may be entered may not exceed an amount equal to 10 percent of the domestic consumption of that product line during the immediately preceding calendar year. The total quantity of each product line of steel that may be entered during each calendar month of a calendar year may not exceed an amount equal to one-twelfth of the total quantity of that product line that may be entered for that calendar year.

SEC. 4. DETERMINATION OF QUANTITATIVE LIMITATION.

Not later than 30 days after the date of the enactment of this Act, in the case of calendar year 1982, and not later than January 31 of each quota year thereafter, the Secretary shall calculate, on the basis of the best available evidence, the domestic consumption of each product line of steel during the immediately preceding calendar year, determine the total quantity of each product line of steel that may be entered under section 3 during that quota year, and immediately certify that determination to the Secretary of the Treasury.

SEC. 5. ADMINISTRATION.

(a) IN GENERAL.—The Secretary of the Treasury shall take such actions as may be necessary to ensure that the quantity of steel that is entered during any quota year does not exceed the quantitative limitations determined under section 4 for that quota year.

(b) ALLOCATION.—The Secretary shall allocate the total quantity of steel permitted entry during any quota year under this Act among supplying countries on the basis of the average of the total quantity of those articles imported by each such country into the United States during calendar years 1973 to 1974. The Secretary shall certify such allocations to the Secretary of the Treasury.

SEC. 6. TERMINATION DATE.

This Act shall cease to be effective at midnight on December 31, 1987.

A longer term solution to the steel import problem is a revision of the process by which trade injury complaints are handled. I have introduced H.R. 6299, which was first proposed by Senator ARLEN SPECTER as S. 2167. H.R. 6299/S. 2167 is an attempt to speed the processing of trade injury complaints in a much more timely fashion in comparison to the current system. The Unfair Competition Act of 1916 would be amended to allow trade injury plaintiffs to go directly to any U.S. district court and file a trade injury complaint. Through this system, a preliminary determination

of trade injury could be made by the court more expeditiously than the current process, which takes at least 6 months.

H.R. 6299

A BILL to amend the Unfair Competition Act of 1916 to provide for further relief in the event of unfair foreign competition

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Unfair Foreign Competition Act of 1982".

SEC. 2. Section 801 of the Act of September 8, 1916, entitled "An Act to raise revenue, and for other purposes" (15 U.S.C. 72) is amended to read as follows:

"(a) It shall be unlawful for any person to import, assist in importing, or sell within the United States, or cause another person to import, assist in importing, or sell within the United States, at a purchase price less than the foreign market value (or, in the absence of any such value, the constructed value) prevailing at the time, any article manufactured in a foreign country, if the reasonably foreseeable effect of such importation or sale of such article is—

"(1) material injury to an industry or labor in the United States; or

"(2) the prevention, in whole or in part, of the establishment, modernization, or expansion of an industry in the United States.

"(b) Any person who knowingly violates or combines or conspires with any other person to violate this section shall, upon conviction, be imprisoned for not more than one year, or fined not more than $1,000,000, or both.

"(c)(1) Any person who has been injured in his business or property by reason of any violation of or conspiracy to violate this section may sue in the district court of the United States for the district in which the defendant resides, transacts business, is found, or has an agent, without respect to the amount in controversy.

"(2) In any suit filed under paragraph (1), the court shall have jurisdiction to decide such suit and may issue a temporary or permanent injunction or a temporary restraining order prohibiting the importation or sale of any articles which will be imported or sold in violation of subsection (a) of this section or prohibiting the sale of any articles that have been imported in violation of such subsection.

"(3) Any plaintiff prevailing in a suit filed under paragraph (1) of this subsection shall, upon a finding of injury under subsection (a), recover threefold the damages sustained, any other equitable relief as may be appropriate, and the cost of the suit, including reasonable attorney fees.

"(d) The standard of proof in any action filed under subsection (c) is a preponderance of the evidence. Upon a prima facie showing that there has been a violation of subsection (a), or upon any preliminary or final determination by the United States International Trade Commission or administering authority which is affirmative under section 703, 705, 733, or 735 of the Tariff Act of 1930 (19 U.S.C. 1671b, 1671d, 1673b and 1673d) and which shall be considered a prima facie case for purposes of this section, the burden of rebutting the prima facie case thus made shall be upon the person charged with a violation of this section, and unless it is affirmatively shown that such articles have not been imported or sold at less than foreign market value, the court may issue an appropriate order, including any penalty or sanction authorized by subsection (c).

"(e) If, during the course of any proceeding under this section, the court determines that there is reason to believe that there is a violation of this section, the court may direct that the articles concerned be prohibited from entry into or sale in the United States, pending completion of the suit.

"(f) Whenever it appears to the court before which any proceeding under this section is pending that the ends of justice require that other parties should be brought before the court, the court may cause those other parties to be summoned before the court, whether or not they reside in the district in which the court is held, and subpenas so summoning those parties may be served and enforced in any judicial district of the United States.

"(g) If a defendant, in any proceeding brought under subsection (c) of this section in any court of the United States, fails to comply with any discovery order or other order or decree of such court, the court may enjoin the further importation into the United States, sale, or distribution in interstate commerce within the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such proceeding to have been imported or sold in violation of the provisions of subsection (a) of this section, until such time as the defendant complies with such order or decree, or may take any other action authorized by law, including entering judgment for the plaintiff.

"(h) The confidential or privileged status accorded to any documents, comments, or information by law shall be preserved in any action under this section. Notwithstanding the preceding sentence, the court may examine, in camera, the confidential or privileged material, may accept depositions, documents, or affidavits under seal, and may disclose such material under such terms and conditions as it may order.

"(i) Any suit filed under subsection (c) shall be advanced on the docket and expedited in every way possible.

"(j) For purposes of this section, the terms 'foreign market value' and 'constructed value' have the meanings given those terms in section 773 of the Tariff Act of 1930 (19 U.S.C. 1677b). To the extent that any governmental or other subsidy provided to a manufacturer or producer is not included in the foreign market value or constructed value, then the amount of such subsidy shall be added on to the foreign market value or constructed value.

"(k) Any foreign manufacturer or exporter who sells the products of that manufacturer or exporter in the United States or who designates another party to sell those products in the United States shall be considered to have designated the Commissioner of Customs to be the lawful attorney of that manufacturer or exporter, upon whom may be served all lawful process in any action or proceeding under this section relating to that foreign manufacturer or exporter.

"(l) Any action under subsection (c) shall be barred unless commenced within four years after the cause of action accrues.".

SEC. 3. It is the sense of the Congress that the provisions of this Act are consistent with and in accordance with the General Agreement on Tariffs and Trade (GATT).

The effects of this current low-point in steelmaking are not limited to the steel industry itself. There are also suppliers to the steel industry. An estimated three supplier jobs follow each steelworker to a layoff status.

The various unemployment related services of local and State governments, as well as the Federal Government will just not be able to handle the unemployment impact of the current steel crisis. Four States—Pennsylvania, Ohio, Illinois, and Michigan—have had to borrow in excess of $1 billion from the United States to cover their increasingly unmanageable unemployment compensation funds.

It is clear that we are headed toward this unmerciful situation, as Members who have steel plants in their districts can attest. The real tragedy of this situation is that the steelworkers who have been forced out of their jobs do not want checks from their Government—they want their jobs.

While there continues to be a highly competitive adversarial relationship between management and labor in many industries, the condition of the labor-management relationship in the steel industry is changing. While a new partnership has just been developed in the U.S. domestic automobile industry, labor-management teams have been in existence for several years in the steel industry, with mutual respect and cooperation prevalent on both sides. The main purpose of these teams has been to work together in a bootstrap operation to try to solve a steel company's problems. Perhaps the epitome of this new partnership is exemplified by the Job Action Committee of the Tri-State Area. This committee is in actuality a tripartite commission of labor, management, and government leaders who are trying to find a joint solution to the impending crisis at the Crucible plant in Midland.

However, this new partnership has restrictions on what can realistically be achieved. It is therefore incumbent upon the Federal Government to assist in the recovery of the American steel industry. Congress must awaken and recognize the plight of the steel industry and the workers it employs, and take effective action.

There are those who argue the merits and benefits of a free and open international trading system. I have heard the words "free trade" in these halls and other halls across this land. Yet I do not know where this thing called "free trade" exists. It is America which will be the big loser in this game. It is a game this Nation cannot afford to lose in regards to our national security and the security of our allies and friends around the world.

It has been said that America is currently in a search for its identity. I suggest that America rediscover the virtues that have been the creed of this Nation since its foundation. I speak of hope, fairness, and opportunity. We, the Members of the U.S. House of Representatives, must never lose sight of these values.

I hope my colleagues will support these efforts to help alleviate the problems of the steel industry. The point of no return as to the viability of an American steel industry is swiftly approaching. We must therefore act with all due deliberate speed.●

LET THE VIETNAM VETERANS IN ARLINGTON CEMETERY

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. KASTENMEIER. Mr. Speaker, few would deny that the Vietnam war is a black mark on our history. For a variety of reasons most Americans view this war as the most unpopular war in which this country ever engaged.

But, the fact remains that we were involved in that war as a matter of officially declared Government policy. The men who fought and died in that war fought for what their country told them was an honorable and necessary cause. In that regard, they are no different from those who fought and died in any of the other wars in our history.

Yet, tragically, our Government continues to treat Vietnam veterans and their fallen comrades as pariahs in so many ways. The Government has transferred the black mark of the war to those who fought that war as, in fact, did the American people for so long, seemingly trying to forget the tragedy of our involvement in Vietnam by also forgetting those who fought there.

Since 1971 the Vietnam Veterans Against the War have been trying to obtain a permit to hold a memorial observance in Arlington Cemetery for their dead comrades. Each year the Army says no, arguing that such a ceremony would be closely tied to partisan activities outside the cemetery. They have applied again this year for such a permit and their application is currently pending with the Department of the Army.

Mr. Speaker, Vietnam veterans have suffered enough. They have been ostracized, ignored, scorned, and denied the treatment afforded veterans who preceded them in other wars, simply because our country and our Government continues to try to forget an enormous mistake. To deny them the right to pay tribute to those who fought in that war but did not make it home is cruel and unconscionable.

Newsday editorialized on this matter in a compassionate and reasoned fashion on Monday, May 10, and I would like to share this editorial with my colleagues, hoping that it will raise their consciousness and finally end the discrimination that is so pervasive when it comes to our Vietnam veterans.

[From Newsday, May 10, 1982]

AN OCCASION FOR RECONCILIATION IN ARLINGTON

From the time both Union and Confederate soldiers were first buried there, Arlington National Cemetery has been a final resting place for the honored dead of all this country's wars. Each year its hallowed ground is the scene of hundreds of solemn wreath-laying ceremonies and memorial services by veterans' groups, schoolchildren, scout troops and other organizations and individuals.

Each year since 1971, however, the Army has said no to request by Vietnam Veterans Against the War for a permit to hold an observance of this kind. Officials have drawn up regulations denying permits to organizations if their services would be "closely related, both in time and location, to partisan activities" outside the cemetery.

Perhaps the Army's misgivings are understandable. Some veterans' groups wear dress uniforms to Arlington and place red, white and blue wreaths. This one prefers the jungle fatigues its members fought in, and it wants a red and yellow wreath and orange armbands, to symbolize the effects of Agent Orange.

Vietnam Veterans Against the War and more than a dozen other veterans' organizations have applied for a permit to conduct a ceremony in the cemetery this Saturday. Although they'll be lobbying in Washington earlier in the week, that shouldn't disqualify them from honoring their dead comrades with full regard for decorum and the dignity of their surroundings, and bearing in mind that any breach of the trust their permit implies would deeply offend other mourners.

Cemeteries are meant to be peaceful places. Arlington is on a gentle Virginia slope separated by the wide Potomac River from Washington's political hurly-burly. Cemeteries are also places where people try to reconcile themselves to sorrows that cannot be erased. Those who wore this country's uniform in Vietnam should not be denied this opportunity for reconciliation.●

ISRAEL MAKES SACRIFICES FOR PEACE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SOLARZ. Mr. Speaker, I rise to call to my colleagues' attention a historic occasion in the quest for peace in the Middle East. I refer, of course, to Israel's peaceful withdrawal from the Sinai Peninsula on April 25 in accordance with the terms of the 1979 peace treaty between Israel and Egypt.

In withdrawing from the Sinai, Israel has once again demonstrated its unequivocal and unswerving commitment to the Camp David peace process. I cannot think of any other country that has voluntarily sacrificed so much in its search for peace.

From a military standpoint, Israel has made a number of significant concessions. It has relinquished more than 100 military installations in the Sinai, including two ultrasophisticated airbases at Eitam and Etzion, and a vital naval base at Sharm el-Sheikh. It has also dismantled its electronic early warning stations on several Sinai mountaintops, which had provided invaluable intelligence data. Furthermore, the withdrawal from the broad expanses of the Sinai will make it much more difficult for Israel to train its air force and armored corps, which must now operate within the considerably smaller confines of the Negev. And, if the peace treaty with Egypt should break down at any future point, Israel will surely miss the strategic depth that the 23,000 square miles of Sinai had previously afforded it.

From an economic standpoint, Israel's sacrifices are just as great. The cost of redeploying its forces from the Sinai to the Negev has already exceeded $5 billion. Although the United States has provided Israel with $3.2 billion to assist in this enormous redeployment effort, only $800 million of this assistance was in grant form. Israel will have to pay interest on the remaining $2.4 billion in loans, thereby even further increasing the cost of the redeployment.

The greatest economic sacrifice that Israel has made for peace is the return of the Abu Rodeis and Alma oilfields. Israel spent more than $5 billion developing these fields, and the Alma oilfield alone was producing 40,000 barrels per day at the time that Israel returned it to Egypt. Israel estimates that the combined production of the two oilfields would have provided it with 75 percent of its oil needs in 1981. Put in concrete terms, this means that Israel would have saved 75 percent of its estimated $1.9 billion oil bill in 1981—some $1.45 billion—if it had held onto the oilfields.

From an ideological standpoint, Israel has also made a momentous sacrifice. For the first time in the history of the Zionist movement, Israel has voluntarily abandoned some of its settlements. Israel had built from scratch 14 agricultural villages in the Sinai that had literally made the desert bloom. And it had also constructed two brand new towns—Yamit and Ophira—that had provided homes and livelihoods for thousands of Israelis. Years of labor and sweat had gone into the construction of these settlements, and their evacuation was a wrenching national trauma.

In the history of the nation-state, there have been few, if any, countries that have ever voluntarily made such sacrifices for peace. Has the Soviet Union, for example, relinquished control over the Baltic Republic it occupied during World War II? Or, to cite a more recent case, has Vietnam withdrawn its forces from Cambodia?

We must ask ourselves why Israel was willing to make all of these concessions. The answer, of course, is that Israel was willing to pay a very high price for peace. In the Camp David peace process, Israel saw the realization of its fervent dream for a new era—a peaceful era—in Arab-Israel relations.

By withdrawing from the Sinai and fulfilling its obligation under the peace treaty, Israel has conclusively demonstrated to its Arab neighbors that they can achieve far more in the context of a policy of conciliation than by a policy of confrontation. The late Anwar Sadat was the first Arab leader to recognize this fact, which prompted his historic visit to Jerusalem in November 1977, and earned him a lasting place in history as a visionary statesman and a courageous peacemaker.

It remains to be seen whether or not another Arab leader—another Sadat—will accept the olive branch offered by Israel and come to the negotiating table. In the meantime, the immediate task before us must be the successful completion of the autonomy negotiations. The long-term viability of the peace agreement between Egypt and Israel may very well depend upon continued progress in these negotiations. They will not be easy. The issues are complicated and complex. We should recognize, however, that a number of contentious issues have already been resolved. In fact Sol Linowitz, who served as the special representative of President Carter to the negotiations, estimates that there is already agreement on 80 percent of the outstanding issues.

But important differences still remain to be worked out, and it is vitally important that our own country play an active role in the negotiations that lie ahead. I hope that the Reagan administration will build upon the successes that have already been achieved through the Camp David process and undertake a major effort to bring the autonomy negotiations to a successful conclusion. This is the best and surest path to achieving the kind of durable peace that we all so desperately desire.●

CALIFORNIA ACTS ON "COP KILLER BULLETS": TIME FOR U.S. CONGRESS TO ACT

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STARK. Mr. Speaker, the California Assembly has just passed, by 61 to 3, a bill outlawing the manufacture, sale, or possession of armor-piercing bullets in California.

As one State assemblyman noted, "Why do you need an armor-piercing bullet to kill an animal or a bird?"

The California legislation is a step in the right direction, but to be effective we need national legislation. It is my hope that the House will soon be able to act on our colleague from New York's (Mr. BIAGGI) legislation, H.R. 5437, which address the problem of these unnecessarily destructive bullets at the national level.

Following is an article describing the action of the California Assembly:

BILL WOULD OUTLAW "POLICE KILLERS"

(By Jennifer Kerr)

SACRAMENTO—The state Assembly passed a bill Monday to outlaw manufacture, sale or possession of armor-piercing bullets, which supporters of the bill called "police killers."

Opponents of the bill, including the National Rifle Association, contend some "legitimate hunters" use the bullets for target practice and hunting.

But Assemblywoman Maxine Waters, D-Los Angeles, said a vote against the bill would be "an anti-police vote."

"Who would want to have this kind of bullet on the streets?" she asked. The vote was 61-3 for AB 2392 by Assemblyman Tom Bane, D-Van Nuys. It goes to the Senate, which has before it a similar bill, SB 1320 by Sen. Ed Davis, R-Chatsworth.

Bane's bill would make it a felony to manufacture, sell or possess for sale any handgun ammunition designed primarily to penetrate metal or armor. Possession of such ammunition in a public place would be a misdemeanor.

The bullets have been manufactured for many years, but recent news stories brought them to lawmakers' attention.

Bane held up one of the orange-tipped, Teflon-coated bullets during the Assembly debate, remarking that "it's kind of a pretty thing" that would make a lovely necklace.

But he said it could go through eight bullet-proof vests, could puncture an engine and could sail through walls.

"It's supposed to be manufactured for police to use but police don't want it. It's dubbed a police-killer bullet because that's the only value it has," Bane said.

He read a letter from the Los Angeles County sheriff's department saying that four people had been recently arrested with concealed guns loaded with the bullets.

Assemblyman Art Tores, D-Los Angeles, said a 9-year-old Los Angeles boy was hit by one of the bullets, fired during a fight in the street outside, while he sat in his dining room two weeks ago.

"Why do you need an armor-piercing bullet to kill an animal or bird?" asked Assemblyman John Thurman, D-Modesto. "That's ridiculous."●

URBAN MASS TRANSIT—IT'S NOT JUST NEW YORK'S PROBLEM

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DASCHLE. Mr. Speaker, the State I represent, South Dakota, is primarily a rural State. As such, one would not think that there would be much interest in my State about the proposed administration gutting of funding for the Urban Mass Transportation Act. The popular perception is that this program serves only the very large cities like New York, Los Angeles, and Chicago. To correct that mistaken assumption, I would like to call my colleagues' attention to three separate communications I have recently received. The first is a letter from the general manager of Sioux Falls transit, John R. Andrews. In this letter to William Blue, general manager of the Flint, Mich., Mass Transit Authority, Mr. Andrews spells out in very precise detail what these proposed cuts would do to bus service in Sioux Falls, S. Dak. I also enclose for your consideration excerpts from responses of transportation officials in small cities across the country, indicating that the reduction of operating assistance may well shut down entirely mass transit systems all over the country. And, finally, I would submit 10 recommendations, or legislative principles, adopted by the American Public Transportation Association. I find these principles to have considerable merit, and look forward to implementing them in legislation.

SIOUX FALLS TRANSIT,
Sioux Falls, S. Dak., April 6, 1982.

WILLIAM R. BLUE,
General Manager,
Mass Transit Authority,
Flint, Mich.

DEAR BILL: Thank you for your letter of March 31, 1982, which I hope, as in our case, will get all of us "off our butts" and demonstrate to Congress just how drastically the total loss of federal operating assistance will affect transit systems large and small, throughout the United States.

In the case of Sioux Falls, South Dakota, we shall initially be affected in fiscal year 1983, projecting a shortfall of $70,000. To counteract this loss of funds, we anticipate a need to increase our revenue from the farebox by 50 to 75 percent, nearly double our current fare of 50¢, just to maintain the same level of service provided in fiscal year 1982. Since attaining this goal would require fare increases that we feel would adversely affect ridership, we shall be forced to enact service cut backs as well as fare increases, further fueling the downward spiral in ridership.

By fiscal year 1985, with the total loss of federal operating assistance, the Sioux Falls Transit base fare will have to be at a minimum of $1.50 to maintain 50 percent of required subsidy. The city would also have to consider again reducing the amount of service available to the public or drastically increase local taxes.

Given this spiral of increased fares and reduced service, by 1990 the City of Sioux Falls, South Dakota, may well find itself with a transit system that doesn't go anywhere, for a base fare of $2.50. Thus, effectively eliminating mass transit in the City of Sioux Falls.

Again Bill, let me thank you for your hard work and dedication on behalf of the small operators.

Sincerely,

JOHN R. ANDREWS,
General Manager.

THE IMPACT OF ELIMINATION OF SECTION 5 AND SECTION 18 OPERATING ASSISTANCE: SELECTED COMMENTS FROM MEDIUM AND SMALLER COMMUNITIES

The following comments were excerpted from letters received by APTA in response to a survey of transit properties conducted in April 1982.

Sioux Falls, S. Dak.: "Given this spiral of increased fares and reduced service, by 1990 the City of Sioux Falls, South Dakota, may well find itself with a transit system that doesn't go anywhere, for a base fare of $2.50. Thus, effectively eliminating mass transit in the City of Sioux Falls."

Columbus, Ohio (Ohio DOT): "Currently we have 17 systems receiving Section 5 operating assistance and 19 Section 18 properties in Ohio. In our opinion, nine of the Section 5 systems (53 percent) and 11 of the Section 18 systems (61 percent) could not survive the cutoff of Federal operating funds."

Battle, Creek, Mich.: "In fact, the Battle Creek Transit System may cut out all operations as early as July, 1983. If we are not successful in increasing or even maintaining sufficient operating funding, we will cease operations."

Saginaw, Mich.: "It is inevitable that the total loss of operating assistance could mean the end of mass transit in Saginaw."

Waco, Tex.: "My opinion is, that when federal operating assistance is withdrawn in 1985, our system if retained, will be so reduced in scope that efficiency would be questionable. If so, a system shutdown is expected."

Erie, Pa.: "The City and County are both in financial difficulties and we doubt very much if they will meet our 1982 funding. They have practically told us that they will not raise our funding and if this happens Erie will be out of business in fiscal 1984."

West Palm Beach, Fla.: "We are now faced with the immediate realization that public transit in Palm Beach County could disappear from our streets by 1985 and more probably by 1984."

Topeka, Kans.: "I know that within a very short period of time, we would start to decrease our service, which would lead ultimately to the death of a transit system that has been in the Topeka area for well over 100 years."

Bellingham, Wash.: "The initial phase would reduce service output by 33 percent. The second phase would further reduce us another twenty-five percent which would place us back to the 1960's in terms of both service and ridership.

"The possibility of total closure, while not anticipated at this point, would become a hard consideration during phase two since with decreased ridership comes decreased public support and this is especially critical with all the smaller systems such as ours."

Ypsilanti, Mich.: "The total loss of Federal operation assistance would result in the following: Ridership must increase by 120 percent from 3 million to 6.6 million annual riders at current fare levels. Base fares must increase by 75 percent from 60 cents to $1.05 with no decrease in ridership. Service hours must be reduced by 23 percent or the equivalent of all evening, Sunday and elderly and handicapped dial-a-ride service."

Lexington, Ky.: "As to what the total loss of federal operating assistance will do, you have to only imagine the loss of one-third of your operating budget and the net results."

Brockton, Mass.: "The grim statistics are as follows: In fiscal 1983, a 20 percent service reduction resulting in a ridership loss of equal magnitude. By fiscal 1985, a 50 percent service reduction and a 60 percent fare increase resulting in a ridership loss of 50 percent or greater."

Decatur, Ill.: ". . . if the current plans for a phase-out of operating assistance do become a reality, Decatur will exhaust all federal operating monies by March 1, 1984. At that time, the local tax levy would have to be increased 6 times (from $125,000 to $750,000) to make up for the loss of federal funds."

Johnstown, Pa.: "Should President Reagan succeed in his program to eliminate operating funds by 1985, the effect on mass transit in Cambria County will be catastrophic. It will mean reducing service to the point where the Authority would no longer be serving the community. Particularly hard hit would be the 600,000 senior citizens we transport each year; the 2,000 wheelchair passengers, and 25,000 handicapped half-fare passengers."

Bethel, Vt.: "The effect of the Reagan Administration's proposed gutting of the S. 18 Program can be visualized as simply as cutting out 40 pounds from a 120 pound man. The only prospect can be terminal."

McMinnville, Oreg.: ". . . the impact to our program is that it will discontinue entirely, due to the fact there is no other source of funds to run our Public Transportation Program.

". . . if Section 18 monies for operating assistance is abolished, then so is our transportation program."

Boone, N.C.: "In short, a reduction on the magnitude 40 percent or, the elimination of the UMTA Section 18 Program, would most assuredly signal the end for rural public transportation here in Watauga County."

Petersburg, W. Va.: "The proposed elimination of the Section 18 program in fiscal year 1983 would have a devastating effect on the Potomac Valley Transit Authority. Without these funds the Transit Authority would cease to exist."

Sumter, S.C.: "Section 18 assistance is the glue that holds this project together. Without federal assistance, we would no longer be in operation."

Olathe, Kans.: "Loss of Section 18 funds would necessitate a fare of $3.10.

"Realistically, I think the loss of Section 18 would mean the termination of service."

Monroe, Mich.: "The total loss of federal operating assistance for Lake Erie Transit by Oct. 1, 1982 (Section 18) probably means one simple thing. We'll be out of business by 1984 unless the State increases its contribution to transit by 50 percent."

Mankato, Minn.: "Federal funding is essential to maintain even necessary levels of service in Mankato.

"Federal transit funding is one of the few federal programs that benefits both poor and rich, young and old, and wage earners as well as students.

"I only hope that some Congressmen in Washington, D.C. are able to understand how really large an impact elimination of transit funding will have on many of their constituents."

LEGISLATIVE PRINCIPLES

AMERICAN PUBLIC TRANSIT ASSOCIATION

1. Federal transit assistance should be provided through a block grant mechanism which allows the local recipient to exercise maximum discretion in the use of funds;

2. Federal assistance for transit should be targeted for capital and maintenance purposes primarily;

3. Operating assistance in some form must remain a component of the federal transit program;

4. A discretionary program of capital funding should be available for major rail rehabilitation and construction projects, and extraordinary bus needs;

5. In recognition of differing needs, separate bus and rail programs should be established for capital and operating purposes within a single authorization;

6. Communities over 200,000 should receive their formula funds on the basis of service and population factors, beginning no later than Fiscal Year 1983;

7. Urban areas under 200,000 population should continue to receive formula funds on the basis of population and population density;

8. The Section 18 program must be preserved with funds available for operating or capital purposes, at local discretion;

9. New legislation must preserve the existing designated recipient structure;

10. To the extent that a cap is necessary on the proportion of a recipient's formula allocation which can be used for operating and operating-related purposes, it should be set at a reasonable level.●

CONGRESSIONAL SALUTE TO HON. SANDY R. GALACIO, ESTEEMED CHIEF OF POLICE OF POMPTON LAKES, N.J., OUTSTANDING CITIZEN AND GREAT AMERICAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROE. Mr. Speaker, on Friday, May 14, the residents of Pompton Lakes, my congressional district and State of New Jersey will gather in testimony to the outstanding public service rendered to our community, State, and Nation by one of our most distinguished public safety officers, the Honorable Sandy R. Galacio, chief of the Pompton Lakes Police Department, good friend, leading citizen, and great American.

As Chief Galacio retires from his law enforcement career, I know that you and our colleagues here in the Congress will want to join with me in deep appreciation of all of his good works and share great pride in the success of his achievements with his family.

Mr. Speaker, Chief Galacio has indeed earned the highest respect and esteem of all of us for the quality of his leadership and highest standards of excellence in seeking to achieve optimum public safety for all of our people. He was appointed to the Pompton Lakes Police Department on March 17, 1952. He served in all official ranks of the Pompton Lakes Police Department—promoted to sergeant in October 1955, lieutenant in 1964, captain in 1969—and on August 1, 1971, attained his present high office of public trust as chief of the department.

Sandy Galacio was born in Little Falls, N.J. on August 16, 1922, and

later moved to the Totowa section of the city of Paterson where he attended Public School No. 2 and Paterson Central High School where he played football, was on the swimming team and played golf, which he has enjoyed since high school.

He served our people and our country with distinction. On December 11, 1942, shortly after graduation from high school, he entered the U.S. Navy, and served in the Navy Air Corps as an aviation specialist during World War II. He received his honorable discharge in March 1946 as a first-class petty officer.

Sandy then joined the textile industry where he worked as a journeyman screen printer until he became interested in a law enforcement career. At 29 he placed first in the civil service test and was appointed to the police force in Pompton Lakes. On May 5, 1953 he graduated from the sixth municipal class of police officers, the first municipal class to be held at Sea Girt, N.J., with a grade average of 91.2. He has always been proud of his attendance at this highly prestigious police training center and as training officer over the years has insisted that all of the Pompton Lakes police officers attend the State police training center for municipal police officers, which he contends gives all of the men an equal basis to grow on. All of the Pompton Lakes officers have completed this course. He is also proud of the fact that his son, who is now a sergeant with the Wayne, N.J. Police Department, graduated the 100th municipal class at Sea Girt and attended the celebration of this occasion, his son's class graduation exercises.

Throughout his lifetime Chief Galacio has forged ahead with dedication, devotion, and sincerity of purpose in combating crime and protecting the life of our people. We applaud his knowledge, training, hard work, and personal commitment that has enabled him to achieve the fullest confidence and strongest support of the people of our community. He has always applied the most sophisticated and advanced techniques of his profession.

He served as a detective for 7 years, the last 3 of which were as captain of the detective bureau. Because of the growing narcotics problem, he sought and received extensive training in this area and has become one of the most sought after lecturers in narcotics enforcement and its related problems.

Since becoming chief of police, he has been actively involved in the affairs of the Police Chiefs Association. He is a member of the executive board of the New Jersey State Chiefs of Police Association. He has represented the New Jersey State Chiefs as a police consultant at the league of municipalities convention for 2 years. At the league convention in 1974, he was one of the guest speakers at the seminar on law enforcement attended by some 500 municipal public officials.

Over the years Chief Galacio has attended many police academies specializing in many disciplines including police administration, crime investigation, narcotics, public speaking, interrogation, juvenile offenders, homicide investigation, finger printing, etc. Many of these were at Sea Girt where he completed the resident seminar, operation combine for civil disturbances. He attended Rutgers the State university for police administration and juvenile problems.

He is treasurer of the North Jersey Police Radio, a police communications network in North Jersey and the headquarters for the North Jersey Police Radio is in Pompton Lakes Police Headquarters. Through Chief Galacio's efforts, they obtained a $62,000 SLEPA grant with which they completed renovations upgrading the communications center in Pompton Lakes. This is one of two grants obtained under Chief Galacio, the other is a $5,400 grant for the purchase of two new radar units for use by his department under the highway safety department.

His department, under his leadership, is versatile, having an underwater rescue unit which recently was commended for their efforts in saving the lives of three men when their boat was capsized at the Pompton Dam.

Chief Galacio was also cited for bravery in 1964 by the Passaic County VFW for rescuing two men who were buried in a trench as a result of a cave-in.

Sandy Galacio has been a staunch supporter and active participant in many civic and community improvement programs and we applaud the quality of his leadership endeavors for three decades in the vanguard of our public safety officers.

Mr. Speaker, it is indeed appropriate that we reflect on the deeds and achievements of our people who have contributed to the quality of our way of life here in America and I am pleased to call your attention to his lifetime of outstanding public service. As Chief Galacio retires his official leadership badge of courage and valor as the esteemed chief of police of Pompton Lakes, N.J., I respectively seek this national recognition of his contribution to our country in placing others above self in providing safety on the streets, security in the home, and optimum public safety for all of our people. We do indeed salute Chief Sandy R. Galacio of Pompton Lakes, N.J. for his contribution to the quality of life for the people of our community, State, and Nation.●

IN TRIBUTE TO OUR NATION'S SMALL BUSINESSES

HON. BERNARD J. DWYER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DWYER. Mr. Speaker, it is an honor to participate in today's special order paying a well-deserved tribute to our country's small businesses. I want to thank our esteemed Small Business Committee chairman, PARREN MITCHELL, for calling this special order.

As Americans, we have witnessed—time and time again—the productive genius of our small business community. We are all well aware of the profound contributions this sector has made to our Nation's economic vitality and overall quality of life. The achievements made by our small business men and women in such areas as trade, technological advancement, and American investment—both capital and human—cannot be overstated.

Small businesses are already the source of our economy's most innovative and productive ideas and most of the new jobs. Their role in our increasingly technology-based economy is now, and will continue to be, a pivotal one.

If we are to be truly competitive in the world marketplace, we must strike a meaningful partnership between Government and business that recognizes this role and affords small business the real growth opportunities it needs to do what it does best: Innovate, produce, employ, and prosper.

The call for renewed American competitiveness and pride in the workplace is clear. Our small business community stands ready, willing, and able to answer that call, and we must continue to work together toward more effective economic programs that will allow it to do so.●

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORTS ITS FINDINGS FOR 1981-82

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BROWN of Ohio. Mr. Speaker, recently the Seventh Ohio District Congressional Youth Advisory Council, which I sponsor, completed its work for the 1981-82 school year and reported to me at its winter meeting. I want to take this opportunity to share with my colleagues the conclusion of these high school students.

The council is now in its 11th year, and consists annually of students se-

lected by the high schools from throughout the Seventh Congressional District to participate. In the fall of each year, the students meet for a 1-day session at Urbana College to organize into four committees and to select legislative topics for study. The students then meet a second time to do additional research, to debate the topics and to draw up final reports on their conclusions which are presented to me during this second meeting.

I also want to take this opportunity to thank not only the students who worked on the committees, but also the faculty advisers from the various high schools who contributed time and effort to the projects, without whom the program would not reach anywhere near the potential that it does in allowing the students to deal, in a very real way, with the legislation under consideration.

For the past 2 years, I have also conducted opinion surveys of the students' attitudes regarding current issues of public concern. Identical questionnaires were filled out by the students during the first meeting and then the second meeting of the advisory council to determine changes in their attitudes as a result of the information provided and insight gathered as they studied the issues.

Following are reprinted the results of those two surveys:

CYAC MEETINGS—SURVEYS NO. 1 and NO. 2 RESULTS

[In percent]

	Yes	No	Undecided
1. Do you believe that the Carter budget should be cut?			
Oct. 29	77	17	6
Dec. 16	87	6	7
2. Do you think that the Federal budget should be balanced?			
Oct. 29	98	1	1
Dec. 16	94	1	5
3. Do you think that the Soviet Union poses a significant and increasing military threat to the United States?			
Oct. 29	89	10	1
Dec. 16	85	12	3
4. Should U.S. investment in strategic weapons be increased?			
Oct. 29	71	20	9
Dec. 16	67	24	9
5. Should U.S. investment in conventional weapons be increased?			
Oct. 29	54	33	12
Dec. 16	90	9	1
6. Should U.S. military pay be increased?			
Oct. 29	87	10	2
Dec. 16	94	1	5
7. Should access to entitlement programs (aid to individuals) be cut?			
Oct. 29	83	7	7
Dec. 16	52	33	15
8. Should categorical programs be changed to block grants?			
Oct. 29	51	25	23
Dec. 16	62	19	19
9. Should overall Federal spending as a percent of GNP be cut?			
Oct. 29	80	8	11
Dec. 16	79	15	6
10. Should military spending as a percent of GNP be increased?			
Oct. 29	68	18	13
Dec. 16	75	18	7

For this year, the two topics selected were: Champaign-Logan Counties and Greene County-Mad River Township—defense spending; Clark County and Marion-Union Counties—social spending.

Those students who worked on the reports and assisted in the presentations were:

From Champaign-Logan Counties—Mike Lee and Boris Terebuh of Bellefontaine High School; Shelli Schneider, Tom Rau and Bob Carpenter of Benjamin Logan High School; Richard Halterman, John McDaniel and Kevin Fitch of Graham High School; Jeff Snapp, Alice Meier and Jane Shawver of Indian Lake High School; Paul Black and Beth Yates of Mechanicsburg High School; Wesley Heath, Luann Comer, Christ Newland and Mandy Goings of Riverside High School; Lori Puckett, Susan Lininger, Kevin Kitchen, Jerry Fields, Jon Detwiler, Butch Willis, Alicia Phelps, and Tammy Ketchell of Triad High School; Mark Neiswander and Elizabeth Cameron of Urbana High School; Randy Kauffmen, Andy Smith, Dawn Murray and Sandy Bragg of West Liberty-Salem High School; Dave Patrick, Susan Evans, Wendy Craner, Graeme Garscaden, Mike Hoffman and Edie Lockwood of Ohio Hi-Point JVS.

From Greene County-Mad River Township—Don McGurk, Randy Welton and Beth Freckman of Beavercreek High School; John Adkins, Natalie Sayer and Paul Avona of Bellbrook High School; Kelli Snyder and Carol Cook of Carroll High School; Jim Breckenridge, Mark Bennington and Lee Gillispie of Cedarville High School; Joe Kinlin and Falecia Files of Fairborn Baker High School; Andy Ostrognai and Emilio Knox of Fairborn Park Hills High School; Mike Casterline and John Volz of Stebbins High School; Dana Bone and Winston Apgar of Xenia High School; Carolyn Marie Walsh, Linda Thomas, Martha Hatcher, Jeff Annis and Richard Assaf of Yellow Springs High School; Lisa Lowery, Matt Toohey and Kristi Marshall of Greene Vocational School.

From Clark County—Elaine Williams, Roger Kramer and Mary Beth Carl of Catholic Central High School; Greg Barnhart, Holy Ross, and Ana Lukehart of Kenton Ridge High School; Carolyn Farley of North High School; Cheryl McGraw, Robin Biester, Carrie Briley and Janice Hoy of Northeastern High School; John Rutan, Wendy Detrick and Mark Myers of Shawnee High School; Amy Levens, Mark Robbins and Eric Skeens of Southeastern High School; Mark Benner, Lori Hedberg, Steve Hunley, Carla Purvis, Jerry Geer and Tony Cooper of Tecumseh High School; Brian Short, Shelley Grube, Lyn McDonald and Dave Smith of Springfield-Clark JVS.

From Marion-Union Counties—Gina Blumenschein, Rich Gansheimer and Brad Trees of Fairbanks High School; David Hartline, Tina Thome and Peggy Gibb of Marion Catholic High School; Terry Kale, Kevin Buyer and Jamie Gilliland of North Union High School; Todd Ballinger, Tim Wright, Shelley Coffman and Lynn Dennison of Pleasant High School; Wendell Smith and Sarah Ebert of River Valley High School; Tammy Adams and Sharon Pfeifer of Tri-Rivers Joint Vocational School.

Those faculty advisers who participated in the program and assisted in the presentations were:

Mrs. Dolly Kline of Springfield North High School; Diane Bartlett of Tecumseh High School; Steven C. Lowe of Fairbanks High School; Mike Lowary or North Union High School; Carmen G. Knox of Fairborn Park Hills High School; Mrs. Eva Fletcher of Greene Vocational School; Donald L. Bumgarner of Pleasant High School; Steven C. Jackson of Indian Lake High School; Wanda Nicol of Springfield-Clark JVS; Dave Sisson of Beavercreek High School; Max A. Forsythe of Ohio Hi-Point JVS; Dorothy Blake of Fairborn Park Hills High School; Dan Montgomery of River Valley High School; and Dick Smith of Triad High School.

Following is the report of the committee from Champaign-Logan Counties:

1981-82 CYAC SUMMARY OF REPORT OF CHAMPAIGN-LOGAN COMMITTEE ON DEFENSE SPENDING

(Report submitted by Kevin Fitch, Chairman)

The Champaign-Logan Committee considered the manpower shortage in all of the Armed Forces as the most pressing defense issue.

The most commonly proposed solution to this shortage was an increase in pay, especially for technically skilled people. Incentives like increasing educational benefits for men who stay in the service were also proposed. In light of the Soviet's 2 to 1 superiority in manpower to the United States, the manpower shortage requires swift action by Congress.

An increase in the numbers and quality of conventional forces should play a major role in any plan for defense spending. Programs like the M-1 tank received wide support because of its superiority to any Soviet tank in production. The plan to increase the Navy from 450 to 600 ships also received support because of the key role the Navy would play in any overseas operations. A strong naval presence is very important in areas like the Persian Gulf and the Mediterranean Sea.

In the area of strategic forces, the committee recommended funding for some programs and not for others. The B-1 bomber was favored because of the need to replace the aging B-52 fleet. Funding for more advanced bomber research was also recommended. The Trident submarine program received support, but its extreme price is a deterrent to building large numbers of the sub. Funding for more cruise missiles should continue because of its versatility in delivery systems and accuracy. Any funding for construction of multiple protective structures for the MX missile was rejected because of its cost, and the Soviets could build more missiles as easily as the United States could build more shelters. This would defeat the purpose of the multiple protective structures. However, maintaining the current strength of missiles was recommended by replacing aging Titan and Minuteman missiles by introducing MX missiles in their silos.

The Rapid Deployment Force (RDF) was not recommended to receive more funding because the merger of the different units that make up the RDF has created another branch of the Armed Services which is too costly to maintain and administrate. The committee believed the Marines should be given the RDF's duties, and the money that would be saved could be used for other purposes.

SUMMARY OF REPORT OF GREENE-MAD RIVER COMMITTEE ON DEFENSE SPENDING

(Submitted by John Adkins, Committee Chairman)

The following report represents the views of the student representatives of the Greene County-Mad River Committee on Defense Spending.

We agree with President Reagan's overall defense budget increases; we feel that budget increases cannot be a gigantic one-time increase. The President's more gradual increase will benefit the overall budget as well as the effectiveness with which the money will be spent. Our report will concentrate on how we think the funds should be distributed within the defense budget concerning nuclear weapons, conventional weapons, overall technology, and civil defense.

It is of the utmost importance that we keep in step with Russia in terms of missiles and nuclear weapons. This importance is just as great in preventing war as in fighting one. Our government must continue to conduct intensive research in order to keep a balance in nuclear weaponry. It would be a tragic mistake if we "rested on our laurels" while other nations race ahead technologically. There remains one other possible solution to the problem of nuclear weapons.

Our country must continue to pursue the subject of nuclear disarmament. The fact that it has been unsuccessful in the past is no reason to give it up. One thing which we must be certain of is that we do not make dangerous concessions that make us more vulnerable to attack from the Russians simply so we can have an agreement. We need nuclear weapons as a drawing card because if we do not have them, other nations have no reason to pursue disarmament or listen to us at all in matters that pertain to military strength. There is nonetheless a definite danger in excess concentration on nuclear war, and that danger is our being caught off guard by the threat of conventional warfare.

In conventional warfare as well as nuclear, the best defense is (to use the cliche) a good offense. To use an analogy, Superman can deflect bullets all day long, but his opponents are not going to see him as a threat unless they know that he can do something. Actual nuclear war is unlikely because no nation is going to want to be the first to drop the bomb. More than likely, if there were to be another major war, it would be of the conventional type, only on a larger scale than before. Weapons technology and people are the two important factors to be considered in the conventional warfare area.

Because of the rapid progress of high technology we need to keep our conventional weapons technologically advanced. We need to pursue production of the B-1, new tanks, and the like because one cannot fight a ground invasion with long range missiles. But technology cannot operate without people, so the armed services must train people in these areas and must be able to keep them in employment. Pay and benefits need to be offered so that the armed services will not be training people only to release them into private industry. In matters as important as our national defense the government must be able to compete with private industry. Technology is the major factor in defense; therefore, those who are in the service need to be trained to deal with increasing sophistication in technology. Serving one's country should not become so appealing that it is a luxurious job, but the draft is also not a good idea for various reasons. Not only would reinstating the draft be vastly unpopular, but it would also cause the public to become frightened of the prospect of impending war. It is the hope of our group that spending money for defense in order to make ourselves more formidable would keep us out of war.

The public needs to be made aware of what is available to them in the way of civil defense. They need to be alerted as to what is available to them in protecting themselves in conventional and nuclear war. The public should feel in tune and prepared as they possibly can be in the unfortunate event of a national emergency.

The increased defense budget proposed by President Reagan is a step in the right direction in improving our ability to defend ourselves. We need to be realistic instead of succumbing to generalizations such as "we can blow the world up eight times over, so why worry?" We must make up for the headway we have lost in respects to the Russians so that we can pose a formidable enough threat that we will not have to make use of the power we have. A powerful defense is an effective tool in preventing war.

SUMMARY OF REPORT OF CLARK COUNTY COMMITTEE ON SOCIAL SPENDING

(Report submitted by Carla Purvis, Tony Cooper, cochairmen)

This is Clark County's report on Social Spending. Only two of the schools did reports. They were on Social Security and Block Grants.

We agreed with President Reagan's overall cuts in social programs. For too many years the government has been supplying money that it does not have to services. They cannot keep this up. The cuts are very necessary. If they are not made, the government will stay very much in debt. The only cut that we disagreed with was the one in the College Student Aid Program.

The main thing that we discussed was Block Grants. There are eight different major ones, which are:

Primary and Secondary Education;
Maternal and Child Health;
Alcoholic and Mental Health;
Social Services;
Primary Health Care;
Community Service;
Low Income and Home Energy Assistance;
Preventative Health and Health Services.

We think the Block Grants are a good idea. They will give the power back to the states. The state government will know more about the local problems than the Federal government will. The national government is too big and this will help decrease the size. Block Grants make the distribution of money more organized. Instead of having to go to the Federal government for money local programs can get it directly from the state. The national government gives Ohio $310,000,000 out of the $7,605,000,000 that it has to split up among all of the states for Block Grants.

We feel there should be a few changes made in the Block Grant Program. First, they should be phased in, this is so there will not be crisis management in the state government. There should also be controls by the Federal government. This way fraud will likely not develop on the state level. With these changes we feel the Block Grant Program would be successful.

Following is the report of the committee from Marion-Union Counties:

SUMMARY OF REPORT OF MARION-UNION COMMITTEE ON SOCIAL SPENDING

(Report submitted by David Hartline, Chairman)

Many tough decisions are involved in the budget cutting process and after extensive discussion, we have reached the following conclusions:

We, of course feel that budget cuts are necessary, and we support the idea. However we are worried that some programs are being cut too extensively. We would favor cutting most non-essential programs a certain percentage each while leaving the most essential programs like Social Security intact completely. This way, the non-essential programs would still be able to function, even though on a reduced scale, while the most important programs could function as they have been accustomed to.

One big mistake we feel that has been made is in the elimination of the CETA Public Service jobs. Many unemployed and unskilled people were being taught much needed skills. Now that the program has been cut entirely, they will most likely remain unemployed. Also being unemployed many will be eligible for food stamps and welfare. The government really might not save any money on this budget cut.

We feel that Medicaid, Medicare, and unemployment insurance should not be cut because the people on these programs probably couldn't afford to live without these programs.

The school lunch program is another controversial subject. Our group feels that so far the cuts have been fairly reasonable. It was appropriate that some of the higher income level children were stopped from receiving free school lunches. However, now children who really need free lunches are not getting them because their school doesn't offer the program any more due to decreased government subsidies.

Almost every social program is one that is needed and used by many. However if there are to be budget cuts then only the most needed and should be immune from cuts. For instance, Housing Assistance and many programs like it are used by many but since programs like Medicare are desperately more needed than the housing assistance must be cut like it already has.

Block grants are highly favored by our group since we feel it would reduce government red tape. We would hope that the money be put to the best use by the states as they promised.●

CASTRO VALLEY STUDENTS OF THE YEAR

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STARK. Mr. Speaker, on May 21 the Castro Valley Chamber of Commerce will honor outstanding students from 16 public and private schools in Castro Valley at their annual Student of the Year awards luncheon.

There are 16 businesses in Castro Valley which sponsor a school in conjunction with the Student of the Year program. The chamber of commerce determines the criteria that are used

in the selection process. The sponsoring business, the school principal, and teachers all participate in the selection of the winner from each school.

The criteria that are used to select each of the honorees include self-discipline, leadership, scholastic ability, athletic participation, community projects, church activities, involvement in youth organizations, home responsibilities, and fine arts participation.

The students this year who have met the criteria and have been selected Student Citizens of the Year are:

Patty Fredette, Castro Valley Elementary;

Tasha Cartwright, Clifton Elementary;

Lance West, Independent Elementary;

Regina Vendejas, Marshall Elementary;

Heather Mietz, Palomares Elementary;

Nichole Fink, Parsons Elementary;

Kim Scales, Proctor Elementary;

Julie Maashoff, Stanton Elementary;

Shauna Minall, Vannoy Elementary;

Leslie Borad, Canyon Junior High;

Carey Sanchez, Castro Valley High;

Denise Testi, Community Park High;

Roshounda Cooper, Redwood Christian (Redwood Campus);

Stacy Shoemaker, Redwood Christian (Crossroads Campus);

Meagan Clarke, Our Lady of Grace; and

Mary Beth Garrett, Roy A. Johnson High.

I salute the Castro Valley Chamber of Commerce for their participation and commitment to the educational system in Castro Valley and I applaud the outstanding students who are being honored.

My congratulations to the chamber and the students.●

HIGH BLOOD PRESSURE CONTROL IN THE BLACK COMMUNITY

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, for a number of years I have brought to the attention of this body the special problem of high blood pressure control in the black community. High blood pressure related illnesses represents the No. 1 and the No. 3 causes of death and disability in that community. Since 1977, I have supported the work of the National Black Health Providers Task Force on High Blood Pressure Education and Control. This group ended its deliberations at a White House symposium on the issue of high blood pressure control in the black community in June 1980.

A cardinal recommendation of this task force was to create a broad based coalition of groups and individuals to provide a framework for the oversight of and actual implementation of a 20-year strategy to control high blood pressure in the black community. The new Trilateral Working Group on High Blood Pressure Control in the Black Community thoroughly respond to this recommendation.

I am pleased to say that this great humanitarian effort has strong support from Democrats and Republicans, labor and business, strong minority and majority groups. I am very pleased to have given my early and continuing support to this cause.

Mr. Speaker, in recognition of May as High Blood Pressure Month, I am delighted to include the remarks of Donald R. Ware, M.D., chairman of the Trilateral Working Group, presented at the press briefing on this program held at the national headquarters of the American Red Cross.

The statement follows:

REMARKS OF DONALD R. WARE, M.D., F.A.C.P.M., CHAIRMAN, TRILATERAL PROJECT ON HIGH BLOOD PRESSURE EDUCATION AND CONTROL, THE AMERICAN RED CROSS NATIONAL HEADQUARTERS

"Thank you Mr. President. It is with the greatest degree of pleasure that I stand here, at this time, in this place, to participate in the announcement of an historic multisector collaboration for health.

The announcement of the Trilateral Working Group on high blood pressure control will mark the beginning of the implementation of the report of the Black Health Provider Task Force on High Blood Pressure Education and Control. This multidisciplinary group, representing many segments of the Black community, developed over 85 recommendations, covering diverse areas that affect high blood pressure control efforts.

One of the early recommendations of this task force called for the development of a national planning body to coordinate the overall effort to understand how to control high blood pressure in the Black community. The Trilateral Working Group responds in a comprehensive way to this national organizational consensus of need.

The three sides of the trilateral triangle are: (1) The National Organized Black Community, (2) The Private Voluntary Sector, and (3) The Federal Government.

The National Organized Black Community will include virtually all of the national health groups with support from the bar association and the Congressional Black Caucus on legal and legislative issues respectively. In addition, a broad spectrum of the black religious experience has been and will continue to be represented. Further, other organizations including civil rights, fraternities, sororities and friends of the Black community such as the AFL-CIO will cooperate in this national effort.

In the near future we expect to see Church based high blood pressure control programs, industry based programs; programs operating out of the lodges and temples of America all tied back to delivery systems that are a part of that community.

The American National Red Cross will serve as the principal partner representing the private and voluntary sectors. Like a good neighbor, the Red Cross is clearly committed to the use of its national resources—to train and participate with Black organizations and other partners in the identification, referral, followup and eventual control of individuals with high blood pressure.

Financial development through the Red Cross/United Way mechanism as well as through community businesses and national businesses that operate within local communities will be coordinated. The symbiotic relationship between business and the communities in which they operate should afford creative and effective approaches to necessary fundraising. Businesses have a responsibility to invest in the communities in which they operate, particularly in the programs that have compelling importance to those communities. High Blood Pressure is one such program in the Black community.

It is hoped that this new configuration for health will, over time, assist local programs to be self sufficient. Private-voluntary sector resource development should occur through Black community—Red Cross—business labor, philanthropic coalitions. These coalitions will also permit a more real opportunity to meaningfully participate in the administration's block grant strategy.

This issue is not black or white—as high blood pressure kills all of us—but Black people do suffer more. The issue is not Republican or Democratic as high blood pressure does not distinguish political affiliation. The issue is not labor or management as it is clearly in the interest of both to control blood pressure rather than to pay the consequence. The issues are those of saving lives and minimizing disability which are clear humanitarian goals. We are indeed pleased to have the cooperation of an organization known throughout the land for their humanitarian efforts—The American National Red Cross.

The third side of the Trilateral Working Group is the federal sector. The Department of Health and Human Services will cooperate as the lead partner in the federal sphere. As noted earlier, the administration is committed to a two year funding effort. Although this is not enough to totally operate the program, it will provide key support as we assess and develop state of the art high blood pressure education and control appropriate to the many different needs of the Black community, and develop the appropriate mode of message dissemination based on differing community needs.

In addition, the countinuing relationship with the department will afford an opportunity to address other areas that provide an overall framework for health care (finance, neighborhood health center policy, manpower training).

Because of the high number of Black people in the military experience, the Department of Defense was asked and has agreed to participate in the trilateral program. There are many lessons in preventive medicine that can be used by the DOD to control this problem and many insights within DOD that can be useful to the civilian effort. Exposure of this and other areas of health promotion may ease the transition of the serviceman back into the general society after discharge.

In addition, the Veterans Administration as well as champus are involved in the collaborative work, thus affording a total military initiative.

There are currently discussions underway that will further increase federal presence, in a constructive way in the program. At any rate, we are pleased with the initial re-

sponse of the federal sector to our implementation efforts.

The three components of the trilateral program as discussed will function as a thirty (30) person working group developing policies to be implemented by similar groups at the local level. This group will be advised by several trilateral advisory working groups on various subjects of interest. One such advisory group was announced by Dr. McGinnis earlier today. Other areas will include: (1) Reimbursement policy for 3rd party carriers, (2) Financial development, (3) Site selection, and (4) Media Strategy.

But why are we focusing all of this attention on the Black community and high blood pressure?

Uncontrolled high blood pressure represents the number one cause of death and disability among the adult Black population within the United States. Well over 5 million Black people have high blood pressure which represents almost one out of four Black adults as opposed to one out of seven adults from the general population.

High Blood Pressure related disease kills from 3 to 5 times the number of Black men and women between the ages of 35 and 54 than the general population. This is precisely the time when Black people, and other groups, raise children, earn peak income, often from two or more sources; provide optimum community and national leadership as well as optimal role models for the coming generations.

In the Black community there is a high value and subsequent emphasis on the health and welfare of the children: The next generation. This is to be expected as most of us attempt in a concerted way to improve our next generation. Since High Blood Pressure causes so much devastation in the Black community, the issue of who shall raise, teach and give direction to the new generation is a very real and pressing question.

The travesty and opportunity of all of this is that High Blood Pressure can be controlled extremely well in the Black community by medication and lifestyle changes for the vast majority of people. Blood pressure control represents the silver bullet against the werewolves of stroke, renal and heart disease that is differentially destroying the lifeblood of this community.

Segments of the national leadership of the Black community have recognized the travesty and opportunity of High Blood Pressure control and have moved collectively to solve this problem. Along the way, a strong partner was found in our good neighbor . . . the American National Red Cross and several federal units, principally the Department of Health and Human Services, to date.

We are all very pleased that you, and the press are with us today as we are able to announce the good news.●

A BAD YEAR FOR THE DISABLED

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SIMON. Mr. Speaker, there is a tendency in this administration and in this Congress right now to ignore the needs of those least fortunate among us. I see evidence of that in a great variety of ways.

Newsweek magazine had an article titled simply, "A Bad Year for the Disabled."

Unfortunately, that is an apt description.

I urge my colleagues to read the article.

A BAD YEAR FOR THE DISABLED

The trim white ranch house on the quiet side street in Berkeley, Calif., looks just like its modest neighbors—except for a bright red ramp that curves gently from curb to doorway. The ramp makes a graphic declaration of independence for the spirited young woman who lives there. Ten years ago Dottie SantaPaul was considered a hopeless invalid, confined forever to a nursing-home bed by amotonia congenita, a rare disease that destroys muscle tone. Today, thanks to a combination of her own grit and some innovative assistance, the 33-year-old paraplegic has both a full-time counceling job and a home of her own. "I'm a very happy person," says SantaPaul, who pilots her motorized wheelchair down the ramp every weekday to commute to work by van. "I have a pretty ordinary life."

For most handicapped Americans, ordinary life remains an extraordinary achievement. During the 1970s landmark legislation brought many of the nation's 36 million disabled citizens closer to the mainstream of American life. Like blacks and women before them, the handicapped forged an effective civil-rights movement that reached a symbolic high point when the United Nations declared 1981 the "International Year of Disabled Persons."

The designation spurred some significant progress abroad, particularly in Third World countries. But at home the year of the disabled was hardly a vintage one. A decade of hard-won gains was threatened by Federal budget cuts, deregulation and a backlash of public opinion. "I hope to hell handicapped people never have to endure another year of the disabled," says Mason Rose, former chairman of a Federal watchdog group established to make sure that public facilities are accessible to the handicapped. "We lost more rights last year than any other."

The handicapped have long fought against artificial barriers that make it difficult for them to lead productive lives. Some are physical obstructions that keep those in wheelchairs from classrooms or subways. Others are psychological blocks that prevent the disabled from getting jobs or promotions. Three key Federal laws passed in the last decade seemed to assure the destruction of those barriers. The Rehabilitation Act of 1973 amounted to a bill of rights for the disabled. It barred any recipient of Federal aid from discriminating against the handicapped, architecturally as well as economically. To enforce the law, the Federal Architectural and Transportation Barriers Compliance Board was created. In 1975 a special-education law was passed requiring schools to "mainstream" handicapped students into regular classes wherever possible. And in 1980 the Social Security Act was temporarily amended to allow the disabled to earn more than $280 a month without forefeiting their government assistance.

However tough the laws appear on paper, they have been weakened by scanty funding and slack enforcement. Some programs have never been fully funded; for example, though the Federal government is supposed to be paying 30 percent of New York City's school-mainstreaming costs, it paid only 12 percent last year. Others have been cut back sharply: California recently lost a $28 million-a-year Federal grant for a program that permits the severely disabled to live and work outside institutions. In addition, the Reagan Administration tried to abolish the Carter-appointed compliance board and scuttle the rules it adopted. Congress preserved the board, but a board compromise put off the most controversial regulations. In addition, the Administration left transit issues up to local officials.

PRIVATE SECTOR

Many activists fear there are heavier losses to come. "Washington's ultraconservative mood gives license for restrictive action," says James L. Cherry, president of the National Center for Handicapped Rights. Some worry that an austerity-minded Congress might refuse to extend the social-security amendments and abandon other programs. Without Federal pressure, activists say, employers may stop seeking out qualified handicapped workers, and cities may not install or maintain expensive equipment designed to improve access.

Advocates of the cutbacks contend that many programs for the handicapped are extravagant and inefficient. The Congressional Budget Office, for example, estimates that renovating old subway systems to make them accessible to wheelchairs would cost $44 per disabled rider, as opposed to $9 for a special van system. In any case, the Administration insists that it is not abandoning the handicapped. "We're working to get the private sector to help pick up where budget cuts leave off," says C. Boyden Gray, legal counsel to the White House task force on regulatory reform. Indeed, the White House has sponsored a private program to encourage business to train and hire more handicapped workers.

OPPOSITION

But volunteerism may not be enough. Many employers still balk at giving disabled people meaningful jobs, acting on the mistaken assumption that handicapped workers will be absent more often than their able-bodied colleagues. And some Americans resent what they see as excessive demands for special privileges in a shrinking economy. It is this sort of opposition, activists say, that turns physical disabilities into true handicaps. "This scares us," says Doe West, the wheelchairbound executive director of the Boston Commission on the Physically Handicapped. "But we refuse to go back to pity and fear."

In response to the changed mood in Washington, disabled activists are changing their tactics to emphasize their desire for self-reliance. Economics has become a popular pitch: lobbyists frequently argue that every dollar spent on helping the handicapped to find—and get to—work produces $9 in taxes. "We have to make people understand that if they invest in handicapped people, it's money in their pocket," says Frank Bowe, a deaf attorney who was chairman of the U.S. delegation to the U.N.'s year of the disabled.

ON BEHALF OF YULI KOSHAROVSKY

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SMITH of Alabama. Mr. Speaker, I rise today to speak on behalf of Yuli Kosharovsky, his wife, Inna, and his son, Mikhail, whose only crime is a desire for religious freedom: a desire to emigrate from the Soviet Union to Israel.

The framers of our Constitution know the guarantee of religious freedom is paramount. It forms the basis of all other civil liberties. The Soviets are well aware of this. That is why Yuli and Inna and even their child are being persecuted by the Soviets. The totalitarian Soviet Government knows that religion gives people a strength beyond their own. Religion encourages thought and resistance to oppression. Faith always has social consequences. Faith influences beliefs about government authority, family life, education, and all other matters of critical concern to the Soviet State. That is exactly what the Soviets fear.

For almost one year, I have been dealing with the Soviets on behalf of a similar family, Boris and Irene Ghinis and their children. Not only have the Soviets been unresponsive, but even after repeated personal inquiries on the family's behalf, I have not received from the embassy so much as a status report on their condition. The case of the Kosharovskys and of the Ghinises shows that whether in personal human rights or matters of international arms control, the Soviets cannot be trusted. Whether it is the Soviet constitution, the Helsinki accords or arms treaties, the Soviets continue to violate every agreement.

I say to you today that we, as free men and women, cannot abandon our brothers and sisters of faith who wish to leave the oppression of the Soviet Union. The persecution of families like the Kosharovskys and the Ghinises is a direct violation of the commitments to freedom of thought, conscience, religious expression, and emigration made by the Soviet Government. I call upon my distinguished colleagues to join me in condemning the Soviet treatment of families seeking freedom and in urging the President to communicate directly to the Soviet leadership America's deep concern about continuing repressive immigration policies and human rights violations.●

A CONCERN FOR OUR RAILROAD RETIREMENT SYSTEM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. YATRON. Mr. Speaker, I rise today to express my deep concern over the administration's proposals regarding railroad retirement, which will have a negative impact on this Nation's 1 million railroad retirees and 500,000 railroad workers.

The administration's plan calls for the elimination of the railroad retirement system and Railroad Retirement Board by October 1. Retirees would receive part of their benefits from social security and part from some new "private corporation." This new corporation would administer a private pension plan for the railroad industry, but unlike other private pension plans, the current benefits would not be subject to the important protections of the Employee Retirement Income Security Act (ERISA).

I strongly oppose this proposal because it would place the earned benefits of railroad retirees and rail workers in great jeopardy and would not result in any real savings for the Federal Government.

The administration has also called for large cuts in the administrative budget of the Railroad Retirement Board. This would mean the closing of the Board's field offices which provide direct, personal service to railroad retirees and employees throughout the country.

I believe that the administration's proposals in this regard must be defeated and I have cosponsored legislation toward this end. I call on my colleagues in the House to join me in rejecting administration's proposals and in keeping the railroad retirement system completely intact.●

DAVE LIPPETT—"IT'S A DIRTY JOB, BUT SOMEBODY HAS TO DO IT"

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LOWERY of California. Mr. Speaker, it may be hard to find a free lunch these days, but I know where you can find a free car wash: San Diego, Calif. On July 1, the International Carwash Association is urging its members to give their customers free washes in honor of the Fourth of July. One of my constituents, Dave Lippitt, founding president of ICA and owner of Mission Valley Carwash, has already signed on to the proposition.

Dave Lippett opened the first conveyor carwash in San Diego in 1949. Since that time, he has built up a diversified business operation covering variety of enterprises ranging from apartment units to discotheques. Frank Rhodes, of the San Diego Union, profiled Mr. Lippett in a recent edition of the paper. I would like to take this opportunity to commend that article to the attention of my colleagues.

Who said freebies have vanished from the face of the United States?

You'll have a chance at a free car wash on July 1.

From its headquarters in Hillside, Ill., the International Carwash Association is urging its members in this country to give free washes that day, celebrating the Fourth of July.

San Diego's Dave Lippitt was the founding president of ICA (in 1955). He will go along with the headquarters request and, at a meeting in May, he will urge the other five local members to do likewise.

"Three of them have already indicated they will," Dave said. "Altogether we represent more than a dozen carwashes."

ICA headquarters feels it likely that "a new wave of partriotism is sweeping the land" and has chosen a slogan: "Happy Birthday, America—the Greatest Ever."

Dave Lippitt recalls the ICA founding "Eighteen carwash operators from this country went to Mexico City, just for the fun of it, and while we were there somebody said we should be organized. The others told me, 'You make the most noise so you are the president.' I served two years."

This is more or less the way Lippitt's career was launched.

While he was enrolled in USC as a graduate student in 1948, another student from San Diego, Ben Chadwell, invited Dave to come along while he got his car washed.

Dave says: "We drove to a Los Angeles filling station. The car washer was off the job with a hangover. The attendant sent us to an early conveyor carwash at 54th and Figueroa.

"I looked at it and I was fascinated. I was hooked. I returned to San Diego to build one. Everybody told me I was crazy, that it wouldn't work in San Diego."

But Dave was encouraged by his father, the late Henry Lippitt, who operated a Providence, R.I., textile mill but resided here. Dave opened a carwash at 11th and C, Aug. 10, 1949.

Twenty-three years later, this landmark was to be sold to Pete Burnham, but, meanwhile, Lippitt had built another at Pacific Highway and Laurel, and bought one on El Cajon Boulevard, along with an interest in two in Orange County.

Together with Ben Chadwell, Dave built still another carwash at 11th and G.

All have been disposed of, and since 1962, Lippitt has operated the one carwash at Mission Center Road and Camino de la Reina in Mission Valley. It turns out 100,000 wash jobs a year.

Income from the car-washing business provided capital for diversification.

Lippitt owns a number of rental apartment buildings in San Diego, El Centro and Riverside. He was president of The San Diego Apartment Association, 1976-77.

For 13 years he operated as lease holder the marina at Shelter Island Inn, selling to

real estate developer Irvin Kahn, six weeks before Kahn's death.

Lippitt was one of the builders of the Odyssey, the city's first private discotheque, and during the war in Korea, he manufactured parachutes for the U.S. Air Force.

And Lippitt always has had a good time. Each year that insurance agent Chuck Ghio celebrated his own birthday, the party was held in a foreign country, sometimes lasting two weeks, and Dave always was there.

He also has traveled widely as a tourist. He became a China watcher after spending a year there in the Seabees during World War II and has twice returned.

His other hobby is attending bullfights. He has traveled to Spain and South America to see the best in both places and each year he conducts a "family day" at the bullfights in Mexico.

Twice married and now single, he has two adult daughters. His bachelor pads have been in several parts of the city but he invariably moves back to the beach area.

During the gasoline shortages, Lippitt's Mission Valley carwash-filling station sold 1 million gallons a year. That figure now is down to 600,000.

"Cars are simply getting better mileage today," he said. Lippitt has seen a lot of changes in the carwash business. In 1949, at 11th and C, a wash job cost 99 cents. Today he gets $4.29.

Dave said he learned early in the business that a successful carwash "is run exactly like a successful restaurant: by a capable team of employees."

After the war, Lippitt finished studies at San Diego State and received a degree in civil engineering—which he never used. "I look around and all the engineers I ever saw were tied to a drawing board and working for somebody else. So I went to USC for a master's degree in business administration. But I didn't get it, never finished my thesis."

Ben Chadwell had come along, driving him to a filling station where the car washer was off with a hangover.●

BACKGROUND OF BIPARTISAN BUDGET PROPOSAL

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LEACH of Iowa. Mr. Speaker, the inability in recent weeks of Congress and the administration to arrive at a budget compromise acceptable to a broad enough political spectrum to insure its enactment has precipitated a potential economic crisis.

To help get the process moving again, a group of five Democrats and five Republicans in the House—Mr. WIRTH, Mr. PANETTA, Mr. MINETA, Mr. GEPHARDT, Mr. ASPEN, Mr. PRITCHARD, Mr. TAUKE, Mr. CLINGER, Mr. JEFFORDS, and myself—put forward last week a budget proposal which hopefully can serve as a basis for bipartisan compromise. Our proposal is based on the assumption that any solution to America's economic problems will entail meeting five goals:

First, the need to substantially reduce the projected deficits for fiscal years 1983, 1984, and 1985 in order to bring the Federal budget into balance at the earliest possible date;

Second, the need to make some prudent cuts in the defense budget in order to insure we are getting what we pay for as we upgrade our security;

Third, the need to leave social security benefits untouched while protecting the viability of the system for the future;

Fourth, the need to resolve the budget impasse as rapidly as possible in order to reinstill confidence in the economy and give a sure sense of direction to the private sector; and

Fifth, the need to bring to a halt the rancor and social division implicit in stark partisanship.

Given the failure of the highly publicized "negotiation" between President Reagan and key congressional Democrats to produce a compromise budget settlement, it is now the challenge for Congress to work out internally the types of proposals which can lead to lower deficits. If we do not succeed, interest rates will stay high and the Federal Reserve will be forced to keep a taut rein on the money supply.

Few thoughtful Americans would deny that what is needed today is a bipartisan commitment by Congress and the President to reduce the deficit and a mutual accommodation among Congress, the Executive, and the Federal Reserve Board to modify monetary policy.

Above all, the American economy must not be sacrificed to either the fiscal profligacy of the Congress or the constraints of economic orthodoxy of the Federal Reserve Board.

What is demanded is a perceived change in both fiscal and monetary policy and a resurgence of confidence in governmental policy brokers. A prudent, bipartisan, confidence-building change of course is warranted for the sake of humaneness as well as enhanced economic activity. The alternatives are potentially disastrous.

Finally, it should be stressed that any budget proposal must reflect the realities of the economy at any point in time, and a futuristic assessment of the long-term as well as short-term potential for economic and societal growth. Accordingly, members of the group which introduced the bipartisan budget approach reserve the right to support later this summer further specific jobs initiatives and expanded programs for basic education, research and development, agriculture, and broad infrastructure strengthening.

The bipartisan budget proposal differs from the approach of Mr. DOMENICI, chairman of the Senate Budget Committee, in five principal respects:

First, social security is fully protected;

Second, greater restraint is applied to the military budget;

Third, the freeze on domestic program spending is set at a somewhat higher base level and Federal pay, instead of being frozen, is allowed to expand at a moderate rate;

Fourth, the need for greater revenue is recognized, although tax adjustments are not so onerous as to necessarily affect any part of the 3-year individual income tax cut; and

Fifth, the near-term budget deficit is lower than either the President's initial proposal or the administration-backed Senate alternative.

The bipartisan budget proposal differs from the boll weevil alternative in a number of respects as well, the two most important being social security programing and defense. While the Domenici approach leaves open the tactic of dealing with social security, the boll weevils specifically slash social security funding by $14 billion in fiscal year 1983 alone. With regard to defense, the boll weevils envision 7 percent a year real growth versus 5 percent in the bipartisan proposal. Several of us associated with the bipartisan approach had hoped to exact more from the defense budget but feel strongly that our major goal is to achieve a realistic budget that will in the final measure not only get a majority vote in the House but prove veto proof.

In this regard we are pleased that the budget presented by chairman JONES reflects in any of the priorities with which we are concerned although several differences remain. The Jones budget calls for raising somewhat more in revenues than the bipartisan approach and in exchange provides for somewhat higher defense spending.

We feel our bipartisan proposal is sensible and holds the best chance of any so far set forth of achieving a consensus in the Congress. However, we acknowledge that the Jones figures are very close to our own, and believe the Jones package can serve as the most effective vehicle for further negotiations.

MINNESOTA VIETNAM VETERANS COMMEMORATIVE TREE PLANTING

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ERDAHL. Mr. Speaker, today I had the privilege of presiding over a ceremony on the U.S. Capitol Grounds in which a tree was planted to commemorate the 186,000 Minnesotans who served in the Vietnam conflict.

A large majority of those Minnesotans who served are now back to civilian life. There remain, however, many lingering issues and questions which still affect their daily lives. While the primary goal of the ceremony was to

honor the Minnesota Vietnam veterans, I am also hopeful that the sturdy Minnesota oak which we planted today will serve to remind Members of Congress and everyone who visits the Capitol of the sacrifices that the Vietnam veterans made, and of their ongoing needs.

One of my special guests for the ceremony was to be a Minnesota Vietnam veteran by the name of Ron Skaw. Ron served as the team leader of a seven man long range recon patrol during 1966. It was during one of these patrols in the Cambodian jungle, near the Ho Chi Minh Trail that Ron was wounded and forced to spend some time in Vung Tau Hospital, Vietnam. His stay at the hospital allowed him to reflect more fully on his combat experience and prompted him to write a poem which he says, "reflects my thoughts and feelings while engaged with the 3d N.V.A. in Cambodia."

Ron had hoped to be in attendance at the ceremony and read his poem, but was unable to be here so I read it at the conclusion of the program. I think its message is still relevant and I hope everyone who reads this poem will benefit from it as much as I have:

WARRIOR DOVE—MINNESOTA WHITE

(By Ronald Skaw)

I remember walking down that blood strewn trail, in a jungle far from home, thinking of my Minnesota White, and thanking God I'm not alone.

Minnesota snow so cool and white, where a body can forget his fright, a good warm land to live and love, God please help this warrior dove, with Minnesota white.

A flash of red screams from the dark, an angry Bee strikes my best friends heart, I slam some rounds into the night and make my mind think of Minnesota white, Oh Lord, Minnesota White!!!!

I scream and cry, get mad as Hell, for there is no one I can tell, of how I felt from where I lie, and watched as my best friend died!!!!!!, Minnesota White, God Please Give Me, Minnesota White.

The night explodes into Fire and Hate, I take my gun, don't hesitate, Sweat streaming into my eyes, Lord I know quite well, tonight I die in this burning Hell. Minnesota white, oh please, Minnesota white.

I force myself to stand and fight, my body shaking from its fright, I look around, I've got 4 men down, come on mind with Minnesota white, beautiful Minnesota white.

The warrior dove counts his kill, he feels his body growing cold and still, he fights as a tuned machine thru out the night, he's psyched his mind with Minnesota white, Thank God and Minnesota White.

The new dawn breaks calm and bright, the warrior dove seems alright, he checks his gun and cleans his wounds as he sits, all alone, with a soul that's dead and a mind of Minnesota White and back home.●

MEDICAID: THE DILEMMA OF HOSPITALS AND THE POOR

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, health care quality and access in Ohio, particularly in areas such as the 21st Congressional District with its heavy concentration of hospitals providing care for the indigent, is in jeopardy. The cuts in medicare and medicaid proposed by the administration will mean that Ohio's poor and elderly will carry an even greater burden than the one now causing havoc throughout our grievously impacted State.

Cleveland contains only 5 percent of Ohio's population, but Cleveland hospitals provide 20 percent of the State's indigent care. Four private hospitals in the inner city, all in the 21st district—University Hospitals, Saint Luke's, Saint Vincent Charity, and Mt. Sinai—serve 45 percent of Cleveland's indigent. The county hospital serves another 45 percent, with the other 10 percent divided among other private institutions had aggregate losses amounting to $10 million. At the end of 1980, the losses of these five hospitals had climbed to $30 million. We do not yet have the figures for 1981, but conservative estimates by the Greater Cleveland Hospital Association tell us the losses for those hospitals—the total accounted for by unpaid or partially paid services probably exceeded $40 million.

More than half of those losses are simple "bad debt" services rendered to patients who simply had no money and who, for one reason or another, failed to qualify for public assistance. The rest of the loss results from such factors as private policies that pay as little as $25 a day, or medicare and medicaid payments which are often below the actual cost of providing care. This has come to be known in some cities as "free care," and yet it must be obvious that any services delivered in a hospital must be paid for. They are rendered by people who must be paid.

How do you scrape together $40 million? Some comes out of county general funds which are already running dangerously low. Some comes from simple charity, including United Way. Much of the markup is gained by diverting the interest from foundation funds to day-to-day operations. Some hospitals have gone into the principal of their foundation funds. Some of the markup comes from bills paid by commercial insurers.

Certain facts about Ohio itself are worth noting. Ohio ranks second only to Michigan in its economic dependence upon the automotive industry. The national economic downturn has reduced Ohio to the Nation's second most economically depressed State with a chronic monthly unemployment rate which exceeds the national average by more than 2 percent. Employment in the auto industry has dropped 69 percent over the past 2 years. There were 92,600 Greater Clevelanders unemployed in December, many from the auto industry. Unemployment in the 21st District, one of the big pockets of unemployment in the State, is well over 20 percent. In Lorain County, adjacent to Cuyahoga County, with heavy steel industry, unemployment has been 17.5 percent.

What does this unemployment mean to hospitals? Workers and professionals, whose lives are torn apart by unemployment, are seeking mental health services from public and private institutions. Hospital emergency rooms report increases in wife beatings and child abuse, problems due to alcohol, stress-related accidents, and other traumas due to feelings of hopelessness and fear.

Unemployment also means loss of medical coverage, the effects of which are just beginning to be felt. Some frightened workers rush themselves and their families to the emergency rooms, whether they can pay or not. Others, too "proud" to seek "free care," try to give treatment at home, waiting for their illnesses to pass. Hospitals are worried about the day when they must deal with these illnesses in advanced, or hopeless, stages.

Ohio has a $1 billion budget deficit. Revenues from sales taxes across the board continue to slump. February tax revenues in Ohio were 9 percent below original estimates and below revised projections in January. Tax revenues are running $145 million below the original budget estimates since the start of the fiscal year in July. The major contributor to this decrease in State revenue is the big dip in the sales of autos and other big price items we often buy with borrowed money. Ohio's recent proposed 1-percent cut in State spending will have a serious effect on the welfare budget.

Ohio receives $55.10 from the Federal Government for every $100 the State spends on medicaid. Ohio ranks 34th nationally in its return from Washington. Ohio's share of Federal aid is based on ranking 22d nationally in per capita income. Mississippi ranks 51st; thus, Mississippi gets a $77.55 return from Washington for every $100 it spends on medicaid. Yet in today's economy, Mississippi is better off in terms of joblessness anyway, than Ohio. Louisiana and several other Sunbelt States also recieve larger shares of Federal assistance, though their economic statistics and medicaid caseloads are far more favorable than Ohio's.

The Ohio General Assembly recently passed House Joint Resolution 27, which memorializes Congress to change the formula for Federal matching funds in medicaid. House Joint Resolution 27 urges Congress to make a State's rate of unemployment a more realistic factor in the medicaid-matching formula. The Greater Cleveland and Ohio Hospital Associations strongly support this concept, as does Cleveland's Federation for Community Planning and similar civic organizations statewide.

In order to qualify for medicaid in Ohio, a family of three must have an income no greater than $263 a month. Even under the most liberal allowances for medical indigency in a city like Cleveland, a family income of $500 a month disqualifies it from coverage under State and/or county programs. Tightening the screws even further on the poor seems almost unbelievable to the institutions they count upon for help when they are sick or injured.

Medicaid was originally designed to serve the health needs of the economically disadvantaged. It never fully delivered on that promise, partly because of regulations, limitations on eligibility, payment levels, and approved services. The proposed cutbacks could take us back to many of the conditions that medicaid was designed to alleviate in the first place.

The four private hospitals in the 21st district have always honored their obligation and privilege to serve all who come to them for help, irrespective of economic status. While continuing as best they can to treat the rapidly growing number of poor families, these hospitals are now being forced to consider choices they once looked upon as unthinkable.

They will never turn away people in need of emergency help, but as the lines get longer and the budgets become more strained, many patients may be directed to Metropolitan General Hospital. Metro is our public hospital and an excellent institution by any standards, but it is financially pressed and already taking on more than it should have to handle in unpaid care.

When medicaid reimbursement is cut, providers like physicians, pharmacists, dentists, must limit the number of "free" patients. As that happens, more and more poor people adopt hospital emergency rooms as their "family doctor." This is the highest-cost care in the medical system because of the necessary overhead and the need to be open and staffed 24 hours a day, 7 days a week.

The administration's proposed 1983 budget reductions again target programs designed to help low-income persons. The idea that "fat" exists in the delivery of medical care for the poor and elderly is hard to comprehend. Certainly, it makes no sense in our State and our city.●

PHILIP MEYERS—1982 GUARDIAN OF THE MENORAH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. GRADISON. Mr. Speaker, I have the privilege and pleasure of recognizing Philip M. Meyers, who will be honored at the 18th annual "Guardian of the Menorah" tribute luncheon to be held May 20, 1982, in Cincinnati, Ohio. The tribute helps support the B'nai B'rith National Youth Service programs, which foster personal growth through involvement in philanthropic projects as well as cultural, social, and civic functions, all within the framework of Jewish tradition.

Philip Meyers, a native Cincinnatian, is known as a man with foresight. He has a noteworthy record as an industrialist and philanthropist. He has held positions as president and chairman of the executive committee of the Meyers Development Corp., executive committee member and director emeritus of the First National Bank, president of Meyers Enterprises, and partner in the Workum Construction Co. He is recognized throughout the industry as a man of acumen and vision and is admired expressly for developing the beautiful community known as Williamsburg of Cincinnati.

Yet, when thinking of Phil Meyers, there is not a philanthropic cause nor civic commitment which comes to mind for which he has not labored extensively.

I find extraordinary his commitment to the University of Cincinnati, from where he graduated. In 1977, Mr. Meyers was elected to the University of Cincinnati Football Hall of Fame, and in 1978, he was awarded an honorary doctorate by the university. He serves on the university board of directors and is a past chairman of its finance committee.

He was chosen Man of the Year in 1964 by the Cincinnati chapter, National Conference of Christians and Jews, and was recipient of Certificates of Merit from the National Foundation of Infantile Paralysis and Sigma Alpha Mu fraternity. As well, B'nai B'rith is recognizing Phil Meyer's service to the Cincinnati Zoological Society, the Greater Cincinnati Hospital Council, the Cincinnati Council on World Affairs, the Greater Cincinnati Girl Scouts, and the National Conference of Christians and Jews.

The Cincinnati Enquirer recently summarized that: "To survey Mr. Meyer's long and active career is to conclude that he has missed no opportunity to serve his community, his nation, and his faith."

I am proud to join in paying tribute to Philip Meyers, the 1982 Guardian of the Menorah.●

A TRIBUTE TO ERWIN ASAM

HON. CLEVE BENEDICT

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. BENEDICT. Mr. Speaker, I am privileged today to inform my colleagues that West Virginia's Small Businessperson of the Year is from the Second Congressional District which I represent. Mr. Erwin Asam, owner of the Bavarian Inn in Shepherdstown, W. Va., was selected by the Small Business Administration from many successful small businessmen and women working throughout our State.

Mr. Asam is an excellent example of what the small businessperson can accomplish. In just 5 years, he has established one of the finest restaurants in West Virginia and has gained national acclaim for the beauty of his restaurant and the outstanding quality of its menu.

As proof of his success, last December he celebrated the completion of an expansion project which added overnight accommodations.

Mr. Speaker, I commend Mr. Asam for his accomplishments. He is an outstanding illustration of the hard work, dedication, and resourcefulness that has made the American small businessperson the backbone of our economy.●

THE FALKLAND ISLANDS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. HAMILTON. Mr. Speaker, I am inserting my Washington report for Wednesday, May 12, 1982, into the CONGRESSIONAL RECORD:

THE FALKLAND ISLANDS

When it began most of us thought it was a comic opera, a light diversion from more serious matters. Now it is a deadly serious dispute. It has caused the tragic loss of hundreds of young lives. A major vessel on each side has been destroyed. It places the United States between Great Britain, our closest ally, and Argentina, a major Latin American nation with whom we are trying to improve relations. It has exacted a toll on U.S. relations with many Latin American nations and caused Argentina to move toward the Soviet Union. It has diminished Britain's ability to participate in NATO.

On April 4, 1982, Argentina seized and occupied the British crown colony of the Falk-

land Islands and the island of South Georgia. These wind-swept, treeless islands are inhabited by 1,800 English-speaking people who consider themselves British subjects. They are located about 350 miles east of Argentina's southeast coast. Argentina and Great Britain have both claimed sovereignty over these islands since Spain withdrew its garrison in 1811. Interest in the natural resources of the islands has intensified as contracts have been awarded for offshore oil exploration and interest in fishing has increased. Moreover the title to the islands may carry with it the title to a section of Antarctica, with all its resources. Negotiations toward a resolution of the dispute have gone on since 1965 with little progress.

The Argentines claim that the British forcibly expelled Argentinian settlers in 1833. They are demanding an end to colonial possession by the British; they argue that the islanders do not have the right of self-determination because they are not a "people" but rather employees of the Falkland Islands company, which is a colonial tool. Argentina's demand for sovereignty over the islands is a point of intense nationalist sentiment. Argentines are brought up as children with maps which show the "Malvinas" as Argentine possessions. Moreover the Argentine invasion took place while the government was under severe political and economic stress.

Argentina's seizure of the islands has been a frustration for the British people, partly because it reminds them of the decline of British power. The British argue that the islands are effectively and legally theirs, and that British inhabitants have been there for 149 years. The British Government has shown a willingness to negotiate the sovereignty question, with the important reservation that any solution must abide by the wishes of the islanders themselves.

The United Nations is a potential mediator of the dispute, though neither Britain nor Argentina has yet accepted its mediation. It passed a resolution which demanded an immediate cessation of hostilities and an immediate withdrawal of Argentine forces. The Secretary General of the U.N. has also proposed the appointment of a U.N. administrator for the islands while negotiations proceed. The Organization of American States passed a resolution recognizing Argentine sovereignty, and urging a truce and consideration of the islanders' wishes. The OAS resolution called for Britain to cease hostile actions in the region and for Argentina not to make the situation worse.

The United States was asked by both Argentina and Great Britain to mediate the dispute. As mediator it has sought ways to satisfy Argentina's demand for sovereignty over the islands while allaying British concern about the islanders. The United States has proposed a joint British-Argentine government and a lease-back plan under which Argentina would be given sovereignty but Britain would lease the islands for a specified period. A major problem with the proposal is that it ignores the principle of self-determination.

Initially, the United States extended its friendship to both countries and stated that it did not want to choose sides. It hesitated to come out in open support of Britain since it wanted to attempt mediation. But when Argentina stood firm on its demand to have its aggression ratified, the United States chose to back Great Britain, with economic and political pressures on Argentina and material assistance to Great Britain.

The United States cannot support the Argentine attempt to assert sovereignty over the islands by force. It should also make clear that it does not support any colonial claims in Latin America. While the British deserve support, they should ease their insistence on giving the islanders a veto on the negotiations. Argentina must yield its demand that sovereignty be granted to them before negotiations even begin. The United States should not participate in direct military action against Argentina but should assist Great Britain with supplies, and economic and political pressure on Argentina. At the same time the United States must leave open the possibility of resuming the diplomatic effort to reach a political settlement of the dispute.

If the negotiations fail to resolve the dispute soon, the implications are serious. The conflict will place severe strains on Great Britain, whose economy is already weak, and whose ability to meet its NATO responsibilities (for example, patrolling the North Atlantic sea lanes) may be compromised. Argentina's forcible seizure of the islands sets a dangerous precedent for other states involved in territorial claims. The United States' support of Great Britain may enhance our relations with some European countries and with Great Britain, but it will certainly complicate our relationships with Latin America. A military confrontation increases the potential for involvement in the area by other countries, including the Soviet Union. The dispute gives Moscow an opportunity to strengthen its image in Latin America by endorsing the Argentine claims. Either the British or the Argentine government could fail if it does not emerge from the crisis with its honor intact.

The United States must support any diplomatic effort that has the chance to bring the dispute to a peaceful and equitable conclusion.●

SMALL BUSINESS—CRADLE OF INNOVATION

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MARRIOTT. Mr. Speaker, one of this Nation's greatest natural resources, while far from depleted, is in danger of being priced out of the market. The resource is good, old Yankee ingenuity.

I would like to quote from the testimony of one of my constituents who appeared before the Senate and House Committees on Small Business of the 96th and 97th Congresses and who is this week being honored as the Small Business Administration's Region 8 Subcontractor of the Year. Sidney Green, President of Terra Tek, Inc., of Salt Lake City, told those panels in the 96th Congress:

When I speak of industrial innovation—and I mean the development and commercialization of high-technology, innovative products, services, and processes—universities, national laboratories, not-for-profit institutes, big businesses and small businesses all contribute inventors and entrepreneurs to the process.

Numerous studies have shown, however, that the small, high-technology firm—frequently a firm with a few to a few tens of people—offers the best environment for innovation.

Let me call your attention to his next point:

Innovation is clearly a process where big is not better; and, in fact, well-documented investigations clearly show the fact that small, high-technology firms produce a very, very disproportionately large share of technical innovations.

Mr. Green's point is well-taken. An MIT study of the years 1969–76 showed that firms with fewer than 20 employees created 66 percent of all net new jobs in the private sector; 80 percent of all new jobs during that period came from businesses less than 5 years old. And, 87 percent came from firms with 500 employees or less.

An American Electronics Association study showed that employment growth in companies less than 5 years old was 115 times greater than in companies more than 20 years old. And, an OMB study in 1977 showed that firms with fewer than 1,000 employees accounted for almost one-half of all major U.S. innovations during the years 1953–73.

The AEA study concluded as follows:

The new and small enterprises with the new innovative products demonstrated higher rates of growth, job creation and other contributions . . . in terms of overall growth, taxes paid, and export sales.

Yet, small business receives only about 4 percent of total Federal research and development funds. As Mr. Green states it:

Small businesses have access to relatively little capital, relatively small amounts of equipment and facilities assets, and relatively little in the way of management and know-how skills required to compete with the big institutions and the big institutional bureaucracies.

He cites the enormous time and effort required to deal with the complexity of tax and legal problems in obtaining funding, in the proliferation of local and Federal regulations. The overhead in just these areas is enormous. Yet, in spite of all these handicaps, small, high-technology companies still produce a disproportionately large number of innovations and inventions.

Speaking to the House Small Business Committee on May 4 of this year, Mr. Green expanded on his earlier comments. As he so eloquently points out, the universities and small, high technology firms that seem to be on opposite sides of this issue are, in reality, partners in technological progress.

As he explains it:

Anything that universities can do to improve the economic climate is, of course, in

their own best interests. Increases in productivity and jobs result in a greater tax base which makes possible more Federal R&D funding, as well as direct support to state institutions. Thus, encouraging technical spin-offs from universities and making their facilities and staff available to small companies can have long-term beneficial effects.

Before turning to his concluding remarks, let us take a closer look at the implications of the above comments. Increases in productivity and jobs are good for universities; as he has already noted, nearly all new private sector jobs are created by small business. Moreover, we know that most increases in productivity are dependent on innovation, new ways of doing things that enable each worker to produce more; and, small businesses are generally 2 to 2½ times as innovative per employee as larger firms. So, harnessing these strengths of small business will, in the long run, greatly benefit the universities and large firms who are questioning the wisdom of the small business innovation research bill—H.R. 4326.

As Mr. Green says:

The legislation under consideration, which would shift a small fraction of R&D expenditures to small businesses can have a strong impact on our country's economy. From first-hand experience with several small companies, which have received grants from the pilot program run by the National Science Foundation, I am convinced that the $30,000 grant was essential to getting the project started. In one case, the grant funds enabled a struggling young company to run a crucial experiment which demonstrated the validity of a new separation process with broad commercial potential. Funds are now being sought from private investors to continue the project, and due to the success of the initial work, the prospects are excellent.

Expansion of the NSF pilot program to the broad R&D base of all Federal agencies will have a significant payoff for Americans. The dedicated and committed technical personnel in small companies perform high quality research, and the potential for economic rewards which exists so clearly in small companies is often the key to converting the research results into successful innovative products and service.

Mr. Green suggests, and I agree, that universities should welcome—not fight—Federal programs of the type under consideration and, in his words:

Encourage cooperative arrangements with the companies which receive the grants, thus further strengthening the academic-industry bridges.

I urge my colleagues to join us in this effort to guarantee that small businesses are included in the Federal R. & D. picture, so that both they and the academic community can lend their strengths to it in a way that will guarantee the highest return for the taxpayers' hard-earned dollars.●

HEALTH PLANNING

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. STOKES. Mr. Speaker, I address my remarks to a subject which affects the availability, accessibility, and cost of health services across the country. It is a subject which will be debated in the coming months and which is likely to result in congressional action by the fall of this year. I am speaking of the reauthorization of legislation for the national health planning program.

I feel that it is important that Congress fully understand that there is a pressing need to assure the delivery of quality health care at a reasonable cost to all citizens, particularly those who are underserved and medically indigent. In order to insure that this happens, it is imperative to have a mechanism in place which rationally plans for the distribution of health care resources and actively monitors and contains rising health care costs.

Over the past 8 years, one of the important tools for accomplishing equitable distribution of health resources and containing the cost of health facility capital expenditures and the introduction of new services, has been the national network of State and local health planning agencies. Through the implementation of certificate of need programs, the review of proposed uses of Federeal funds, and the development of long-range plans, these agencies have made a significant contribution toward controlling the unnecessary expansion of health care systems across the country.

The national health planning program, which was created by the National Health Planning and Resources Development Act of 1974, Public Law 93-641, is now in jeopardy because of the administration's proposals to phase the program out in fiscal year 1983. The administration has not, however, proposed a viable alternative to replace or continue the functions currently performed by health planning agencies. With national health care expenditures exceeding $280 billion a year, it becomes even more important to carefully scrutinize health care costs. Other Federal cuts which have been proposed in Federal health programs will collectively compound the problem of resource allocation and service delivery among local health care systems.

Dismantling the national health planning program will be very expensive, not only to the Federal Government, but also to the Nation's consumers of health services. Without proper planning and regulation, there will be excessive and unnecessary expansion of health facilities and programs. The cost for this expansion will be passed on to third-party payors and consumers. Higher priced health care will make services financially inaccessible to the medically underserved, medically indigent, and in many cases, to those with health benefits which require large copayments. Services will not be distributed equitably and there will be considerable duplication and fragmentation of health services.

I have received information from several major urban areas around the country regarding the significant impact that they have had on their respective service areas. I have reviewed information from New York City, Newark, Baltimore, Washington, D.C., and Chicago. The following comments summarize my findings:

The New York City Health Systems Agency plans for a service area which contains more than 7 million people. During 1981, the New York City Health Systems Agency reviewed more than $300 million of certificate of need applications. Mr. ANTHONY WATSON, executive director of the New York City Health Systems Agency, estimates that during that year, more than $60 million was saved by agency action which resulted in denials or reductions in certificate of need applications. So far, in 1982, the New York City Health Systems Agency reports having more than $1.5 billion of certificate of need applications on hand awaiting reviews. Mr. Watson has stated that his agency has continuously strived to improve consumer access to health services through updating the identification of medically underserved areas and producing special studies such as the Harlem Health Plan and the report on the acute care hospital system in New York City.

The Newark, New Jersey, Health Systems Agency covers a target population of approximately 2 million people. According to Mr. Edgar Duncan, former director of this agency, more than $150 million in certificate of need projects were reviewed in 1980. An estimated $22 million was saved during that year due to denials and reductions in projects. The Newark Health Systems Agency has been active in insuring the accessibility of primary care services through the identification of medically underserved areas.

The Baltimore Health Systems Agency covers a service area which includes more than 2 million people, which represents one-half of the State of Maryland's population. During 1981, the Central Maryland Health Systems Agency reviewed more than $202 million of certificate of need proposals of which the agency disapproved seven projects totalling more than $123 million.

According to Mr. Marshall Spurlock, director of the Central Maryland Health Systems Agency, primary care, particularly in medically underserved areas, has been a priority of the agency. They have initiated a process of reclassifying medically underserved areas formerly deleted by the Department of Health and Human Services. This action will increase consumer access to low-cost primary care services and help to preserve threatened funding for community health centers.

According to Mr. Carl Wilson, director of the District of Columbia State Health Planning and Development Agency (SHPDA), more than $204 million of certificate of need proposals were reviewed by the D.C. SHPDA in 1981. According to a recent statement from the District of Columbia Blue Cross plan, health planning efforts in the Washington metropolitan area have helped to save over $180 million since 1972 in proposed expenditures for health services and facilities determined to be unneeded. The cost of operating these facilities, if they existed, would have been about $96 million per year.

Substantial efforts have also been made to insure the availability of primary care services to the District's medically underserved and medically indigent populations. The D.C. SHPDA applied for and recently received Federal designation for 15 additional medically underserved areas.

The Chicago Health Systems Agency covers a health service area which contains 3 million people. According to Mr. Philip Davis, executive director of the agency, more than $175 million of certificate of need applications were received in 1981. Approximately $70 million was saved by agency action which resulted in denials or reductions in certificate of need applications, which were sustained by the State.

The Chicago Health Systems Agency has recently been successful in having 31 of its 77 community areas designated as medically underserved areas. They have also developed a program to increase the recruitment of minority physicians and nurses in the medical and nursing schools located in Chicago.

Using these examples of what is happening in major urban areas around the country, it is clear that health care expenditures are significant and will continue to escalate in the future. As health expenditures rise, significant portions of these expenditures are passed on to consumers and third-party payors. It is, therefore, important that Congress play a signficant role in insuring that a national health planning system continues beyond this fiscal year. There are currently three bills under development which will address the continuation of this process. I have been encouraged by numerous advocacy groups and organizations, including the National Black Health Planners Association, to play an active role in the review and discussion of proposed legislation in order to insure that a mechanism exists for continuing health planning on a national basis.

Efforts by the administration to phase out health planning agencies before an alternate system is developed are not in the public's best interest. The present system should be maintained until the current legislation is reauthorized or new legislation is passed.●

POOR BEING HURT IN ADMINISTRATION REQUEST

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. SIMON. Mr. Speaker, as Congress prepares its response to the President's budget, I would like to focus attention on the entitlement programs. As chairman of the House Budget Committee Task Force on Entitlements, Uncontrollables, and Indexing, I held hearings on February 22, 1982, on the impact of the 1982 and proposed 1983 budget cuts on these programs.

Dr. Alice Rivlin, Director of the Congressional Budget Office, presented an excellent analysis of entitlement spending. She testified that entitlement programs comprise approximately one-half of Federal outlays. Nearly two-thirds of the entitlement programs are retirement programs. By contrast, the programs with income eligibility levels, means-tested programs for poor families, account for approximately 18 percent of total entitlement spending. Yet, in fiscal 1982, 40 percent of all cuts in entitlements came from these means-tested programs for low-income families. The same inequity is proposed for fiscal 1983. Specifically, the bulk of the proposed cuts, 60 percent, will again be targeted at the programs for low-income families.

In sum, I am very concerned that the proposed cuts in entitlement programs place an unfair burden on the poor families in this country. Dr. Rivlin's full statement is entered here as evidence for this concern:

STATEMENT OF ALICE M. RIVLIN, DIRECTOR, CONGRESSIONAL BUDGET OFFICE

Mr. Chairman, I am pleased to appear today to discuss possible ways to control the federal deficit by reducing spending for benefit payments to individuals, most of which are entitlement programs. My remarks will concentrate on three general topics:

The impact of last year's reductions in payments to individuals and the outlook for future program growth;

The Administration's proposals contained in the fiscal year 1983 budget; and

Some other options for reducing the deficit.

Reductions in the growth of federal spending are of particular concern because of the size of projected budget deficits. Despite a projected recovery from the present recession, the federal deficit will more than double over the next five years if no changes are made in current policies. On the basis of current policy, the Congressional Budget Office projects the deficit to rise from $109 billion in 1982, to $157 billion in 1983, and to $248 billion in 1987; this translates into an increase from 3.6 percent of the Gross National Product (GNP) in 1982 to 5 percent of the GNP beginning in 1984.[1] Though lower, the Administration's deficit figures, which take into account cuts proposed for 1983, are also very large. Thus, if the deficit is to be reduced and the budget eventually balanced, policy changes affecting either outlays or revenues—or a combination of the two—will be needed.

Payments to individuals constitute about half of the federal budget—$366 billion in 1982.[2] Of this total, nearly two-thirds goes for retirement programs, the largest of which is Social Security. Means-tested programs directed toward low-income persons—including many elderly persons—account for only 18 percent of all outlays for payments to individuals. (Table 1 summarizes the distribution of the major components, and Table 2 shows CBO's projections for the largest of these programs, through fiscal year 1987.)

TABLE 1.—MAJOR CATEGORIES OF FEDERAL BENEFIT PAYMENTS TO INDIVIDUALS

[Dollars in billions]

Category	Estimated 1982 outlays	Percent of total
Social insurance programs:		
Retirement [1]	$229	63
Other	72	19
Means-tested programs	65	18
Total benefit payments	366	100

[1] Includes all of medicare outlays, although about 13 percent of benefits goes to disabled persons.

Source: Congressional Budget Office.

TABLE 2.—FEDERAL OUTLAYS FOR SELECTED PAYMENTS TO INDIVIDUALS

[In billions of dollars]

Major program	Actual 1981	Estimated 1982	Baseline projections	
			1983	1987
Retirement Programs:				
Social Security	$122.3	$139.3	$153.6	$214.2
Medicare	42.5	49.7	58.2	103.1
Civil service	17.7	19.8	22.0	31.6
Military	13.7	15.0	16.5	22.5
Railroad	5.3	5.3	5.7	7.2
Other social insurance programs:				
Unemployment trust fund	18.7	23.7	21.8	22.4
Social security disability	17.3	18.8	20.0	23.5
Veterans' disability compensation	8.4	9.5	10.4	14.0
Postsecondary education	6.8	6.9	7.7	7.8
Means-tested programs:				
Aid to families with dependent children	8.0	8.1	8.3	9.9
Supplemental security income	7.2	8.0	9.1	10.6
Veterans' pensions	3.7	3.6	3.5	3.5
Medicaid	16.4	17.9	20.1	30.5

[1] See Congressional Budget Office, "Baseline Budget Projections for Fiscal Years 1983-1987" (February 1982).

[2] See Congressional Budget Office, "Reducing the Federal Deficit: Strategies and Options" (February 1982).

TABLE 2.—FEDERAL OUTLAYS FOR SELECTED PAYMENTS TO INDIVIDUALS—Continued

[In billions of dollars]

Major program	Actual 1981	Estimated 1982	Baseline projections 1983	Baseline projections 1987
Food stamps	10.3	11.5	12.5	15.7
Other nutrition programs	5.0	4.6	4.9	6.6
Housing assistance programs	6.8	8.3	9.8	16.0
Other social insurance and means-tested programs	23.9	16.0	15.9	16.4
Total	334.0	366.0	400.0	555.5

Source: Congressional Budget Office.

In considering reducing payments to individuals to lower the deficit, the Congress might also review some related tax expenditure provisions. Tax expenditures have much in common with entitlements since both provide benefits to all individuals who meet certain eligibility criteria. In 1982, tax provisions directed toward individuals are expected to reduce revenues by about $212 billion. About half of these tax expenditures are in the areas of education, training, health, and income security.

IMPACT OF LAST YEAR'S BUDGET DECISIONS FOR FISCAL YEAR 1982 AND BEYOND

Total savings in benefit payments to individuals from last year's budget decisions were originally estimated at about $12.3 billion, and they are, in fact, likely to be at least that large. These spending cuts primarily affected benefits from means-tested programs. Although such outlays represent only 18 percent of total benefit payments to individuals, cuts in the means-tested programs account for 40 percent of the reduction in benefit payments. Lower benefits, combined with more stringent income and eligibility standards, resulted in savings projected at $3.8 billion from the Aid to Families with Dependent Children (AFDC), child nutrition, and Food Stamp programs. In addition, Medicaid—the health care program for the poor—was cut by about $0.9 billion. Though the Medicaid reductions primarily lowered federal grants to the states, the states in turn are likely to respond by restricting eligibility and lowering benefits.

About 60 percent of the cuts in benefits to individuals were in programs not specifically targeted toward the poor (that is, programs that are not means-tested), although these programs altogether constituted 82 percent of this spending category. Moreover, reductions in the retirement programs make up only 25 percent of all cuts. No major changes were made, for example, in basic Social Security and other retirement benefits. Reductions in Social Security retirement will save only about $1.5 billion, or approximately 1 percent of the program's outlays. A change in Civil Service Retirement postponing the scheduled cost-of-living adjustment (COLA) from September to March will yield relatively larger savings of $0.5 billion. Changes in other social insurance programs include eliminating the federal trigger for unemployment insurance, and requiring proof of need for families with incomes above $30,000 and so-called "origination" fees for Guaranteed Student Loans.

Partly as a result of last year's cuts, growth in all benefit payments to individuals is expected to slow. Spending on these programs is projected to decline slightly as a proportion of GNP from 11 percent in 1981 to 10.5 percent in 1987.

These aggregate figures mask some major disparities between the means-tested and the retirement programs, however. In the means-tested programs, outlays are also projected to decline about 10 percent relative to GNP—from 2.1 percent of GNP in 1981 to 1.9 percent in 1987. These projections reflect the impact of last year's budget reductions and an expected decline in the number of families in poverty, especially those with young children.

Outlays for the retirement programs, in contrast, are projected to increase, rising from 7.1 percent of GNP in 1983 to 7.4 percent in 1987. These programs will keep pace with the expected real growth in GNP because the number of elderly persons drawing benefits each year will grow and because medical care costs are expected to continue rising rapidly. In addition, the automatic indexation of benefits will contribute to the growth of those programs as a proportion of federal outlays.

THE ADMINISTRATION'S PROPOSALS

In the budget for fiscal year 1983, the Administration has proposed large additional reductions in payments to individuals. The Administration estimates that these cuts will lower the deficit by $11.7 billion.[3] In addition, cuts in housing assistance and low-income energy assistance—which are payments to individuals but not entitlements—would bring the total to $12.8 billion. Citing rapid growth in this area and the need for reforms, the Administration has recommended changes in 18 entitlement programs. Social Security, which in 1983 will be nearly as large as all the other programs in this area combined, would be exempt from any cuts, however.

Although the magnitude and specific nature of the cuts the Administration is now recommending differ from the 1982 changes, the proposed 1983 reductions are again concentrated in programs restricted to low-income persons. Cuts in means-tested programs account for over three-fifths—$7.7 billion—of the total savings in benefit payments to individuals, and would reduce outlays by 13 percent from CBO's baseline levels. The largest of these cuts would be a $2.3 billion (18 percent) reduction in food stamp outlays, a $2.0 billion (20 percent) reduction in Medicaid, and a $1.3 billion (16 percent) cut in AFDC. The effects of the food stamp reductions would fall particularly heavily on the working poor and the elderly; AFDC cuts would have more uniform effects across the entire recipient population.

In anticipation of the Administration's "New Federalism" initiative to be developed for fiscal year 1984, some of the changes proposed for the means-tested programs would give states additional responsibilities. For example, the Administration is proposing to shift as much as $2.2 billion in AFDC, Food Stamps, and Medicaid program costs to the states in 1983, by making states fully responsible for program administration and erroneous benefits, and for a greater proportion of Medicaid benefits. As with the 1982 changes, states can again be expected to reduce benefits to individuals in the programs affected.

Under the Administration's budget proposals, Medicare, federal civilian and military retirement, and Railroad Retirement would be cut, accounting for 31 percent of the reduction in payments to individuals. The Administration's estimated $2.5 billion in outlay savings in Medicare reflect a combination of reimbursement and benefit changes, but mostly the former. In addition, another $0.6 billion in additional revenues would be generated by taxing federal workers for Medicare. Annual adjustments in civil service and military retirement benefits would be restricted either to the change in the Consumer Price Index (CPI) or to the corresponding federal pay increase, whichever is lower. This change could generate large savings: the Administration estimates the amount would be about $600 million in 1983 for both programs.

The remaining reductions in benefit payments—9 percent of the total—are spread over various other programs. For example, the Guaranteed Student Loan program would be cut back by $0.8 billion, mainly by raising the cost of loans for participants and restricting eligibility to students with demonstrable need. Changes in the veterans' compensation program would reduce benefits for some disabled veterans and their families.

ALTERNATIVE APPROACHES TO RESTRICTING GROWTH IN PAYMENTS TO INDIVIDUALS

Alternative approaches to those proposed by the Administration are possible for restricting the growth of payments to individuals. The Congress might broaden the range of programs targeted for cuts by including changes in all retirement programs, for example, or in tax expenditures.

Besides the changes in some retirement programs the Administration has already proposed, other options could be considered and the scope broadened to include Social Security. Social Security is more than half again as large as all the other retirement programs combined. Since the Social Security recipient population is so large, the burden of a benefit reduction generating sizable savings could be distributed widely, lessening the sacrifice for each individual beneficiary.

Much of the rapid growth in retirement benefits has resulted from automatic COLAs. In the last three years, the CPI—which determines most federal COLAs—has risen faster than wages. Thus, retirement benefits have maintained their purchasing power, while wages of the working population have fallen in real terms. In addition, the CPI contains a flaw in its treatment of housing costs, which results in overestimating price increases during periods of rapidly rising home mortgage interest rates. Consequently, the CPI has risen faster than other price indexes during the last five years.

While the expansion in federal outlays for retirement benefits is a concern in and of itself, the growth in Social Security benefits has also contributed to another now widely recognized problem, namely, the low balances in the trust funds that finance the system. Even if, as has been proposed by several Administrations, the Old Age and Survivors Insurance (OASI) trust fund were permitted to borrow from the Disability Insurance (DI) and Hospital Insurance (HI) funds indefinitely, the combined balances are now projected to have unacceptably low reserves in 1984.

A change in the COLA for retirement programs including both portions of federal retirement, railroad retirement, and Social Security, could achieve large, short-run savings. This approach would affect both current and new beneficiaries, helping to slow the growth in outlays for benefits. On the other hand, although nominal benefits would not fall, a decline in real benefits

[3] CBO reestimates of proposals in the Administration's budget are scheduled for release on February 25, 1982.

could place a burden on recipients who have no other financial resources.

One potential change in the automatic COLA in federal retirement programs would reduce the adjustment to two-thirds of the increase in the CPI. Some or all of the remaining one-third could be granted at the Congress' discretion, perhaps depending on the extent of budget stringency, on the condition of the programs' finances, or on real wage growth. If this change were implemented with the July 1982 and March 1983 COLAs and no discretionary supplements were made, savings would be $6 billion in 1983 and $28 billion per year by 1987. (To some extent these savings could be offset by greater benefits under and participation in SSI for individuals also covered by the retirement programs.)

Alternatively, smaller savings could be achieved by permanently delaying the annual COLA for Social Security and Railroad Retirement from July 1 to October 1. The COLA for Civil Service Retirement, already changed from twice to once a year, could be delayed from March to June. This would be equivalent to about a 2 percent reduction in benefits, producing savings of $2.5 billion in 1983 and $4.3 billion in 1987. (Here again some of the savings may be offset by increased SSI costs.)

A third change—limiting the COLA to the lower of the CPI or a wage index—would generate no immediate savings under current projections. It would, however, result in smaller increases in benefits in future years if wages again rise at a slower pace than prices. This change would provide particularly important protection for the Social Security trust funds, since outlay savings would be larger in years when trust fund revenues—which are directly related to the growth of wages—are also low. Moreover, choosing the lower of a wage or price index would prevent retirees' benefits from rising faster than workers' earnings.

In addition to the broad indexation options, which would affect all beneficiaries in the various retirement programs, more limited changes affecting only specific groups are also possible. In Social Security, for example, benefits for children of early retirees could be eliminated, or the earnings test could be retained for beneficiaries aged 70 and 71. Availability of children's benefits to families with early retirees may increase the incentive for workers under 65 to retire while their children are still eligible for benefits. Cancelling these benefits for persons retiring in 1983 would save about $30 million in 1983 and $600 million in 1987, in part by discouraging early retirement. Retaining the earnings test for persons aged 70 and 71 would affect persons who are relatively well off, saving $400 million in 1983 and $690 million by 1987. Since the effects of both of these options would be concentrated on relatively small groups, however, the income reduction to each affected beneficiary would be much greater than for reforms in the COLA's yielding comparable total savings.

Another way to broaden the base of reductions in benefits to individuals would be to consider changing various expenditures that currently result in substantial revenue losses to the federal government. One approach would be to include in taxable income certain benefit payments to individuals—such as those in the retirement area—which are currently tax-exempt. Another approach would reduce tax expenditures that now tend to create perverse incentives. An example is the employer-paid portion of health insurance premiums, which are now entirely exempt from taxation. Instead, premium costs above $150 per month could be included as taxable income in 1983 and indexed thereafter. Besides increasing federal revenues by $2.6 billion in 1983 (and by $8.0 billion in 1987), this option would be likely to narrow the scope of employer-provided health insurance, prompting people to economize in their use of medical care. Ultimately, this could help curb health-care costs.

Another possibility—and one that could raise still larger revenues—would be to terminate the deductibility of consumer interest payments. This deduction encourages consumers to buy on credit and discourages saving, particularly in times of high inflation. Withdrawal of this deduction would yield additional revenues of $1.2 billion in 1983 and $9.6 billion in 1987.

CONCLUSION

In summary, last year's budget decisions and the Administration's current proposals both focus reductions in benefit payments to individuals on programs that are directed toward low-income people. Partly as a result of the changes already enacted, the means-tested programs are projected to decline as a portion of GNP (assuming that current policies will continue). This decline will be greater if proposals such as the Administration's are enacted.

In contrast, the retirement portion of benefit payments to individuals—and Social Security, in particular—is expected to grow rapidly. The options I have discussed for further reduction in entitlements therefore focus on those retirement programs. In particular, modifications in their automatic COLAs could yield large short-run savings. In addition, altering or eliminating certain tax expenditures provides another way to reduce the deficit.

Thank you, Mr. Chairman. That concludes my prepared statement. I will be happy to answer any questions the Committee may have.●

SAFE HARBOR LEASING—ESSENTIAL TO AIRLINES

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. LOWERY of California. Mr. Speaker, for many businesses and workers, the Economic Recovery Tax Act of 1981 contains the seeds of a new American economic renaissance. It combines personal and business tax incentives that are aimed at boosting productivity and reindustrialization of our aging plant and equipment inventory.

One tax innovation, the safe harbor leasing provision, has been criticized by some for misuse. However, the airline industry is a very good example of how this provision has proved essential to their survival.

As we debate the options in the budget this year, including some amendments to the ERTA, I commend to you a recent letter from Mr. Paul Barkley, president of Pacific Southwest Airlines, concerning their excellent use of the safe harbor leasing provisions. Clearly, this has saved hundreds of jobs in our community and even more in the aircraft manufacturing sector as well.

The letter follows:

PACIFIC SOUTHWEST AIRLINES,
San Diego, Calif., April 23, 1982.

Re Safe Harbor Leasing.
Hon. BILL LOWERY,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LOWERY: I am writing to you to state Pacific Southwest Airlines' ("PSA") strong support for the continuance of safe harbor leasing.

Congress is currently debating the efficacy of the safe harbor leasing provisions of the Economic Recovery Tax Act of 1981. Some now claim Congress made a mistake and that safe harbor leasing is not accomplishing its purpose of stimulating capital investment and creating jobs. These same people want to repeal the safe harbor leasing law.

Those who argue that safe harbor leasing doesn't work as intended are wrong. Certainly for the airline industry in general, and PSA in particular, the law is working precisely as intended. It is making additional capital investment possible and creating employment for thousands of Americans, many of them Californians.

I need not tell you that the aviation industry is in the worst recession ever. Airlines as a group have had operation losses approaching $1 billion in the last two years. At the same time, the airline industry remains one of the most capital intensive industries in the nation. Skyrocketing fuel costs and the public's demand for quieter aircraft mandate fleet modernization for the industry. Billions of dollars must be spent by airlines to meet this mandate. Obviously, without profits those dollars must be found elsewhere or the aircraft purchases cannot be made. PSA is at the forefront of the airline industry in fleet replacement and may represent a microcosm of the industry.

PSA has ordered a total of twenty-seven quiet, fuel-efficient DC-9-80 aircraft with options for six more. They cost approximately $23 million each. Part of PSA's commitment to purchase new aircraft was made after safe harbor leasing became law and on specific reliance of the law. At least some of PSA's commitment cannot be fulfilled without it. At a minimum, if safe harbor leasing is repealed PSA will not exercise its options for six aircraft and could be forced to cancel or delay delivery of some current orders.

PSA's total commitment for purchase of Super 80's and related spare parts is nearly $750 million. Yet, PSA has not had a profit from its airline operations since 1980. With deliveries of eight Super 80's in 1982, six in 1983, and possibly six more in 1984, it is critical that PSA find sources of capital to pay for these airplanes. Without safe harbor leasing, approximately one-third of this investment will be jeopardized.

In 1981, PSA used the safe harbor leasing law precisely as it was meant to be used. It acquired twelve Super 80's and financed them partially by selling the tax credits to a taxpaying corporation. The result was that PSA obtained badly needed capital to purchase these new aircraft, PSA employees who might otherwise have been furloughed were kept working, McDonnell Douglas (the manufacturer of the Super 80) was able to sell airplanes, and thousands of McDonnell Douglas employees were also kept working. The tax credits PSA marketed were used ex-

actly as Congress intended—they provided investment in capital equipment and kept Americans working, thus stimulating the U.S. economy.

It is important to note that repeal of safe harbor leasing will not do away with the investment tax credit for the purchase of capital equipment. It will simply shift once again the primary benefits of those credits to financial leasing institutions rather than the industries that really need them. Before safe harbor leasing became law, a lessor as the legal purchaser of equipment could still obtain an investment tax credit. Unfortunately, the lessee of the the equipment (e.g., an airline) would pay the full cost of the equipment, plus interest, through lease payments, yet, at the end of the lease the lessor would own the equipment. The only alternative was for a company to purchase the equipment outright. But, if the company didn't have profits, it could not utilize the tax credit to help finance the equipment. Safe harbor leasing simply allows a company without current profits to immediately utilize the tax credit as a financing tool and to retain the equipment as its own after it is fully paid for. Thus, repeal of safe harbor leasing will primarily benefit leasing institutions (who have heretofore obtained windfalls from the leasing Law), not the federal government. It should be obvious why some major financial institutions are working so hard to repeal this law.

It is equally important to remember another of the specific reasons Congress adopted safe harbor leasing—to put businesses without current profits on an equal footing with profitable competitors. Absent safe harbor leasing, a wealthy company with large profits can obtain an investment tax credit for capital purchases and reduce the cost of such equipment by approximately 10 percent. A company without current profits can't obtain such an immediate reduction in the cost of equipment. This only serves to widen the gap between competitors. Safe harbor leasing corrects this imbalance and permits all competitors in an industry to enjoy similar costs for capital equipment.

Recently, some stories of abuses of safe harbor leasing have surfaced. The "horror stories" have caused some to question whether safe harbor leasing is producing the desired result. I assure you that for the aviation industry, it is having precisely the intended result. PSA is only one example of many airlines to whom it is critically important. I know of no airline that has abused the concepts of safe harbor leasing.

If a few are abusing the law, those abuses should be specifically addressed without "throwing the baby out with the bathwater." Repeal of safe harbor leasing at this time, when our nation's economy so desperately needs the stimulus of capital investment and the private borrower is being crowded out of the financial markets by massive government borrowing, would be a serious blow. It will directly affect PSA and its employees, plus the nation's economy as a whole. I urge you to ensure that safe harbor leasing is retained in a form which will permit it to achieve the intended result.

Thank you.

Sincerely,

PSA—PACIFIC SOUTHWEST AIRLINES,

PAUL C. BARKLEY,

President and Chief Operating Officer.●

A TRIBUTE TO FATHER THOMAS W. NELSON

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DOUGHERTY. Mr. Speaker, on May 22, 1982, Father Thomas W. Nelson, pastor of Incarnation of Our Lord Roman Catholic Church in Philadelphia, will celebrate the 40th anniversary of his ordination to the priesthood. I would like to share this special event in Father Nelson's life with my colleagues.

Father Nelson's long years of faithful service to the people of the archdiocese of Philadelphia have been manifested through a variety of ministries. Father served as a faculty member of St. Thomas More High School for Boys in Philadelphia. Later, Father Nelson became the first principal of one of our largest girls' Catholic high schools in the archdiocese, Archbishop Prendergast High School. During those years, as an educator and spiritual guide to adolescents, he was known for his interest and concern for youth at that critical period of their personal development toward adulthood.

After these early years of his priesthood, as shepherd and guide to the young, Father was called to serve in the life of the Catholic Christian community of St. Barbara's Church in West Philadelphia. And, now, Father has ably and strongly manifested his care for God and his people at Incarnation parish in the Fourth Congressional District.

Despite failing health and a crippling disability, Father Thomas Nelson continues to show a deep personal interest in those he has been asked to serve since his ordination in 1942. He is known throughout our community as a humble and faithful man, a model to the young and old, deserving of our admiration and respect and good wishes on this happy occasion.●

NATIONAL SMALL BUSINESS WEEK

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MOAKLEY. Mr. Speaker, I am honored to join with my colleagues in commemorating National Small Business Week. I think it only appropriate that we pay tribute to the driving force behind our economy—the American small business.

No other sector of the economy has been so consistent and so innovative as the small business community. It has provided millions of jobs for our citizens, and has done a great deal to lift our economy from this present recession. In fact, I would even say that the small businesses in this country are bearing an inordinate burden in helping cure our economic ills. The administration should be made aware that it is unfair to ask small businesses of this country to support long-range goals that will, in the short term, cause them to face almost certain bankruptcy.

At present, small business in America is suffering much too much. It is the small business community that has been the hallmark of free enterprise in this country. Many of our fathers and grandfathers came to the United States and found that America was truly the land of opportunity. Many of them were successfully able to start their own businesses. I fear that the present administration has lost sight of this dream.

I think it is proper that we, as Members of this great body, honor American small businesses by assuring them a positive legislative future.●

H.R. 6294

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. PICKLE. Mr. Speaker, H.R. 6294, the Patterson-Gonzalez bill passed by this House earlier today, represents a significant improvement over the Senate's Lugar bill. The interest rate buy-down moneys provided in H.R. 6294 will be equitably distributed among the various regions of the country. Allocation criteria will consist of the State's population, relative decline in building permits, and the need for increased housing.

In H.R. 6294 Congressmen PATTERSON and GONZALEZ replace Senator LUGAR'S "unemployment" criteria with "the need for increased housing production." This change insures that demand for housing will be factored into the allocation formula by the Secretary of Housing and Urban Development.

H.R. 6294 is an improvement over the Lugar bill, too, because the legislation stipulates that "funds must be equitably distributed among various regions of the country." This further assures that the program will not be limited to only those areas with out-migration, rapid decline in housing starts, high unemployment and consequently low demand for housing. These changes make the Patterson-Gonzalez bill more workable than the Lugar proposal.

Mr. Speaker, I would urge that the legislative history of this proposal include the suggestion that the "relative decline in housing permits" be based on a multiyear period—1979-81, for example. A longer period would be more representative statistically of the relative declines in housing permits in various regions of the country. I have discussed this point with sponsors of the bill, as well as with staff, and I believe there is a general feeling that the measure of the relative decline in housing permits should be based on a 2- to 3-year period.

Mr. Speaker, though I have some reservations about the interest rate buy-down approach, both as national policy and as a budget matter, I believe this bill will benefit an industry that is in bad shape and needs some type of immediate assistance, and I am advised that the program can be paid for by funds already authorized. Most importantly, I think it offers us an opportunity to make homeownership a reality for thousands of families. I am pleased to speak in behalf of this approach and to express appreciation for the excellent work of my distinguished colleagues, Mr. JERRY PATTERSON of California and Mr. HENRY B. GONZALEZ of Texas.●

"RECYCLING'S FRANKENSTEIN"—THE PERILS OF A PLUTONIUM ECONOMY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. OTTINGER. Mr. Speaker, recently I introduced a resolution calling for negotiations leading to a worldwide halt in the production of separated plutonium in both military and civilian nuclear power programs. While it is clear that the horrors of nuclear war are increasingly on the minds of a growing number of Americans, we should also become more aware of the potentially equal risks to our security that the advocates of a "plutonium economy" would thrust upon us.

These risks were recently described in an article which appeared in the Los Angeles Times by Paul L. Leventhal, a former Senate staff member and president of the Nuclear Club, Inc., a Washington based, nonprofit membership organization concerned exclusively with the spread of nuclear weapons. Mr. Leventhal's article provides convincing arguments as to why separated plutonium must never become an article of international commerce. It also proposes steps which should be taken to avoid such an outcome. I commend it to my colleagues in the Congress.

The article follows:

PLUTONIUM: RECYCLING'S FRANKENSTEIN—REPROCESSING OF NUCLEAR FUEL WILL SPREAD INGREDIENTS FOR WAR

(By Paul L. Leventhal)

If you think the nuclear arms race between the United States and the Soviet Union has reached lunatic proportions, ponder for a moment what nuclear industrialists and bureaucrats are cooking up in the worldwide "Atoms for Peace" program: the spread of plutonium, the stuff of atomic bombs.

The situation is dangerous and getting out of control. The typical nuclear power plant produces, as a waste byproduct, 300 to 500 pounds of plutonium a year—enough for about 25 to 40 Nagasaki-type weapons. Plutonium in this form is "locked" in the reactor's highly radioactive uranium fuel and is unusable in nuclear weapons. The spent fuel elements are counted by inspectors from the International Atomic Energy Agency as part of audits to verify that peaceful plutonium is not diverted to the manufacture of nuclear weapons.

However, the agency's small inspection force is beset by obstacles and constraints that conspire to turn even this simple job into a burdensome, imprecise, incomplete task. Now, the nuclear industry is rapidly transforming this task from the difficult to the impossible.

Spent fuel is now being moved from storage pools at reactor sites to reprocessing plants where tons of pure plutonium, suitable for use in bombs, is to be chemically separated for use as reactor fuel. Separated plutonium, unlike spent fuel, is handled in bulk, is hard to measure or count, and is subject to theft. A heist of 11 pounds is enough for rapid assembly—perhaps taking only a few days—into an atomic bomb.

Assigning the agency to safeguard pure plutonium is an exercise in safeguarding the unsafeguardable. Yet commercial recovery of plutonium from spent fuel already is getting under way in France, India and Japan; pilot or laboratory-scale programs have been initiated in a least 10 other countries. If the nuclear industry gets its way, large reprocessing operations will spread to dozens of nations, and there will be commercial trafficking in hundreds of tons of separated plutonium each year—enough for hundreds of thousands of atomic bombs annually by the end of the next decade.

Nuclear industrial development has brought us to the point of no return. Plutonium may soon become a commercial fuel, and many nations will then have the wherewithal to make nuclear weapons. As the number of these nations grows, so does the danger that a nuclear war between the superpowers will be triggered by a "nouveau nuclear" nation or by nuclear-armed terrorists. Even if the nuclear-freeze movement succeeds in limiting or reducing U.S. and Soviet arsenals, the superpowers will retain enough weapons for mutual annihilation in such a war.

The danger is incredible—all the more so because the public still knows so little about the linkage between the risk of nuclear war and the spread of plutonium. A nuclear weapons freeze by the superpowers would be incomplete unless accompanied by a plutonium freeze worldwide.

Given the obvious limitations of safeguards and the hazards of plutonium, it would seem logical and prudent to ban plutonium as a fuel before the world is awash in the stuff. This is perfectly feasible. Neither research reactors nor utilities need plutonium fuel. There is more than enough natural and low-enriched uranium, which is unusable in weapons, to run all the reactors that can possibly be built well into the next century.

Why, then, aren't we abandoning plutonium? The short answer is, the nuclear industry and bureaucracy don't want to.

Ever since the Atoms for Peace program was launched in the 1950s, the principal objective has been to develop a breeder reactor—one designed to be fueled with recycled plutonium and to "breed" more plutonium than it consumes. The worldwide nuclear industry and bureaucracy continue to pursue this dream of "limitless" energy even though an anticipated global scarcity of uranium—the original premise for developing the breeder—is now known to be false.

Several things need to be done in a hurry:

First, the agency's safeguards chief should announce publicly what is acknowledged privately: namely, that vast amounts of separated plutonium cannot now, and never can, be safeguarded effectively.

Second, Congress should ban reprocessing of U.S.-supplied fuel abroad and eliminate funds for reprocessing and breeder development at home, particularly for the Clinch River Breeder Reactor. Congress also should bar nuclear exports to nations that pursue plutonium and breeder programs. As a positive step, Congress should provide energy credits in the form of low-enriched uranium fuel to nations that agree to forgo plutonium.

Third, the United States should join with the two other principal suppliers of uranium, Australia and Canada, to guarantee economical, lifetime stockpiles of reactor fuel for nations that agree to forgo plutonium and to place their spent fuel in multinational repositories safeguarded by the agency.

Fourth, the United States should persuade other major nuclear industrial suppliers to agree to a ban on plutonium and breeder reactors, but should stand ready to apply tough moral, economic, political and security-related sanctions to any country that refuses to join such a ban.

The United States still has the leverage to be persuasive if only it can find the political will to exercise it. Reagan Administration officials are fond of saying that President Jimmy Carter's nuclear non-proliferation policy failed spectacularly. They cite the failure to win general adherence to tight controls over plutonium and sensitive nuclear technology as proof positive that proliferation can only be managed, not prevented. Yet this was not so much a failure of policy as a failure of will on the part of many U.S. nuclear bureaucrats and industrialists who had little interest in seeing the policy succeed and much interest in seeing it fail.

Now, without a dramatic showing of popular concern, there is little hope that the Reagan Administration can be moved to abandon its unabashed zealotry for nuclear trade, especially for plutonium fuel and breeder development at home and abroad.

As long as most of the world's commercial plutonium remains locked in spent fuel, there is time to prevent a world full of proliferating nuclear weapons. If we fail, ours will be a world of regional wars erupting into nuclear wars, of urban terrorism evolving into nuclear terrorism—in short, a nuclear Dark Age.●

STOP ACID RAIN

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. APPLEGATE. Mr. Speaker, I have heard those who think that we should rush headlong into legislation to stop acid rain—that it all comes from utility plants in the Midwest—that it is killing people and lakes and foliage and fish. All of this, and they do not even know what acid rain is, or what it does, where it comes from, its effect on soil, or the economic devastation that this kind of legislation would do to others not, incidentally, in their areas.

If these uninformed people want to do something constructive to save lives, they should introduce legislation to repeal the use of automobiles which kill 55,000 people a year and which destroy millions of dollars worth of property each year, eliminate cigarettes and alcohol which kill hundreds of thousands more, or do away with everything else that is the cause of deaths. This way they can have their Utopia, their Garden of Eden.

Economic factors have always been a major consideration when formulating legislation that effects these multibillion-dollar corporations, yet when it comes to air pollution they are bent on destroying a part of our economy.

We know there is a problem, but let us approach it in a commonsense way. It can be done, but not by irrationality.●

SALUTE TO KAY RIORDAN

HON. CLINT ROBERTS

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. ROBERTS of South Dakota. Mr. Speaker, it is most fitting that during this 1982 Small Business Week, we honor those individuals who have been selected as Small Business Person of the Year for each respective State.

Selected this year to be South Dakota's Small Business Person of the Year is Kay Riordan of Keystone, S. Dak. Kay is president of The Mountain Co., operator of the concession at Mount Rushmore National Monument since 1951. She opened the first restaurant and gift shop there in a one room log building and made use of two old CCC barracks as employee dorms.

Since that time, Miss Riordan has expanded the facility to a new concession building of over 30,000 square feet and a modern dormitory which houses the 150 employees hired each year. The dining room seats 200 and the fast food area seats over 100. Merchandise from all over the world is carried in the gift shop, and Native American jewelry and handcrafts are featured in the arts and crafts room.

Today, the Mount Rushmore concession is considered one of the finest in the country by the National Park Service—a tribute to the hard work and capabilities of Miss Riordan and the entrepreneurial spirit which makes our small business community the backbone of our free enterprise system.

Kay is a long-time friend of mine, and I believe she exemplifies the essence of small business and all it represents to Americans who alue the opportunity and independence this country has to offer.

She began her business career with the Old Dawson Trading Post at Pine Ridge, S. Dak. and her experience includes such endeavors as manager of the State Game Lodge, motel operator, clothing store manager and owner of an art gallery.

What makes Kay especially deserving of the award she has received, however, is that she has allowed time from her very busy schedule to actively participate in community activities of all types and to promote the travel and tourism industry in South Dakota and across America. She is a member of the South Dakota Tourism Advisory Board and sole woman member of the 17 member Travel and Tourism Industry Council to the U.S. Senate Committee on Commerce, Science and Transportation, which reviews tourism legislation and Federal policy on travel.

I ask you to join me to salute Miss Kay Riordan for her accomplishments and contributions to small buisness, to South Dakota and to the future of America.●

NATIONAL POLICE WEEK

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. DOUGHERTY. Mr. Speaker, almost two decades ago, Congress set aside by law the week in which May 15 falls as National Police Week. The Citizens Crime Commission of Philadelphia is also sponsoring a week-long observance—Law Enforcement Appreciation Week. Throughout the week, the Law Enforcement Appreciation Week committee will be holding a number of events including seminars, crime prevention displays, and an awards ceremony to recognize those police officers and individual citizens who have actively participated in efforts to reduce crime in and around the city of Philadelphia.

These efforts and the many others undertaken by the Citizens Crime Commission of Philadelphia deserve our strong commendation. The activities of the commission may serve as a model for other community-based efforts to combat crime. For example, Law Enforcement Appreciation Week will help recognize the heroic work of police officers, disseminate information on crime prevention techniques, and draw together people sharing a desire for a safer place to live and work.

For over 25 years the commission has been working to fight crime and organize citizens into action. I would like to take this opportunity to thank the Citizens Crime Commission for their dedicated efforts to improve life in our city.●

The 67TH ANNIVERSARY OF THE HEINOUS MASSACRE

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 11, 1982

● Mr. MOAKLEY. Mr. Speaker, I rise today to join with my distinguished colleagues in commemorating the 67th Anniversary of the Heinous Massacre of 1.5 million innocent Armenians in the first act of genocide in the 20th century.

This atrocity was responsible for the murders of many citizens who were persecuted because of their heritage as Armenians. I personally feel a deep sense of grief for these victims who were forced to suffer sadistic and brutal acts of evil and violence because of another nation's groundless prejudices. This was a classic example of man's inhumanity to his fellow man.

At another point in this century, we were again forced to deal with this type of barbarism which took place in Nazi Germany during the Second World War. Six million jews were slaughtered by German soldiers who believed they were ridding the Earth of a subordinate race of people. As other nations slowly gained knowledge of these acts of genocide, waves of shock and anger swept the globe, with a prevailing sentiment that nothing like this should ever be allowed to happen again.

It has now been many decades since the Armenian Genocide took place, but the scars and the memories still linger on. It is my fervent hope, which I trust is shared by those around the world, that as we mark the anniversary of this dark period in history, we should make a firm commitment to ourselves that such acts of savagery never be tolerated again. If this is done, then perhaps the deaths of 1.5 million Armenians will not have been in vain.●

HOUSE OF REPRESENTATIVES—*Wednesday, May 12, 1982*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O Lord, that wherever we are or whatever our task, Your spirit is there to support us and give us strength. We take comfort that we need not find You, for You have already sought us and given us grace more than ever we could ask or imagine. As Your word reminds, though we be buffeted by struggles within or without, though we wish for light but are confused by darkness, it is even then that Your hand shall lead us and Your right hand shall hold us. For the unspeakable gifts of Your love, O Lord, we offer this our word of thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1131. An act to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2475. An act to modify a withdrawal of certain lands in Mono County, Calif. to facilitate an exchange for certain other lands in Mono County, Calif. and for other purposes;

H.R. 5118. An act to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes; and

H.R. 5139. An act to authorize appropriations for certain insular areas of the United States, and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes;

S. 792. An act to promote the development of Native American culture and art;

S. 835. An act for the relief of Jerry L. Crow;

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes;

S. 1501. An act entitled the "Educational Mining Act of 1982";

S. 1519. An act to designate certain national wildlife refuge lands;

S. 1628. An act to amend the Emergency Fund Act (Act of June 26, 1948, 62 Stat. 1052); and

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week."

The message also announced that the President pro tempore, pursuant to Public Law 94-201, appointed William L. Kenney, Jr., of South Carolina, from private life, to the Board of Trustees of the American Folklife Center, effective March 19, 1982, for a 6-year term.

SOCIAL SECURITY MUST BE PROTECTED

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, exactly 1 year ago today the Reagan administration advanced the first of two broad proposals to cut social security. The several sets of reductions embodied in those two proposals would have slashed social security by some $82 billion over the next 5 years.

Both Houses of Congress overwhelmingly rejected those basic cuts and the House also went on later to overturn some cuts that had been inadvertently made in the confusion of the Gramm-Latta reconciliation bill. But some cuts remained. Because of that bill, forced upon us by Presidential insistence, future retirees will not be entitled to the meager $122 monthly minimum benefit—and dependents will no longer be eligible for college benefits.

Today, we have the President again pushing a proposal in the Senate which would call for a $40 billion cut in social security during the next 3 years, under the guise of budgetary balancing. While that proposal is ambivalent as to who would pay, I think it must clearly presume that these cuts—$40 billion of them—will be made in benefits due otherwise to social security beneficiaries.

This is a day then for us to reaffirm in no uncertain terms that we intend two things. First, perpetually to protect the solvency and soundness of the social security trust fund and, second, to protect the benefits that are due and payable to the beneficiaries under that social security trust fund.

I believe this Congress in its wisdom can and will achieve both objectives.

SOCIAL SECURITY WILL NOT BE CUT

(Mr. PEPPER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, this administration induced this House last year to enact legislation which will cost the recipients of social security in the next 5 years $25 billion. When this administration says it can be counted upon to protect and not to cut social security, what can it say of its record of already having cut $25 billion from the recipients of social security for the next 5 years?

Already the Budget Committee of the U.S. Senate has submitted a solemn document to that body respecting the financing of the Government of the United States in which that Budget Committee provided—and it is known to the public that the President has specifically endorsed that budget—that $40 billion shall be cut from social security for the next 3 years—$6 billion in 1983, $17 billion in 1984, $17 billion in 1985.

Now the President says, "I am going to protect social security." Well, I am a little bit afraid it is like the goat protecting the cabbage patch with the record of this administration in cutting social security, with all respect to our Chief Executive.

The only way, therefore, for the people of the United States to know that social security is not going to be cut, that we are going to find a sound solution of its problem precipitated by this Republican recession, that we now have, and we are going to do it without cutting social security.

So the distinguished majority leader and the distinguished assistant whip of the Democratic Party and I introduced legislation (H. Res. 457) this week saying that this House will not include cuts of social security in its budget resolution.

I hope all Members who are supporting and protecting social security will join us in support of that resolution.

SOCIAL SECURITY

(Mr. SYNAR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SYNAR. Mr. Speaker, this administration cannot keep its hands off of social security. Every time it faces the realities of the fiscal crisis it has created, it screams about trust fund bankruptcy and tries to railroad excessive and questionable cuts in social security.

We all agree that social security has financial troubles. But we disagree over the magnitude. Last year we agreed to establish a bipartisan national commission, headed by respected Republican economist Alan Greenspan, to study the issue in depth for 1 year and to make recommendations for action.

Now, less than 3 short months after the commission's first meeting, the administration has endorsed ,$40 billion in specified social security cuts.

I thought we had agreed that the commission would approach the problem with an open mind, try to reach a fair and equitable consensus, and present us with viable options that addressed the real social security problems.

Instead, this administration would prescribe a $40 billion cut, before the commission had barely begun. This is as bad as the enormous and ill-conceived cuts in social security proposed by this administration last May and abandoned in September.

Worse, I am amazed this administration would expect Congress to accept such a massive cut—but wait until after the elections to know the details. It is a "pig-in-a-poke" if I have ever seen one.

Mr. Speaker, I care about social security's integrity. It is wrong to use it as a fiscal football. It is wrong to cut retirement benefits to pay for gigantic tax giveways to the rich. It is wrong to violate a contract with trusting senior citizens to pay for wasteful cost overruns in defense contracts.

We have some difficult decisions to make in the near future regarding social security. But let us do so honestly and with the interest of our senior citizens in mind. Let us not exploit social security for the sake of an economic program that is not working.

MEETING WITH PRESIDENT

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, I read in the papers this morning that the Republican leadership yesterday met with the President and told him that they could not support cuts in social security this year. The quote was that Republican Members need some running room in an election year.

Mr. Speaker, I hope that the senior citizens and all those in this country know that nothing was said as to whether it was right or wrong to cut social security, only that it would be a political headache this year. I say to those who are concerned about social security benefits, it is not this year you have to worry about, it is 1983, when the opportunity for the Republican Party, if they have it, they will not have to worry about political headaches and then they can move on to the program that has been outlined by the President to cut these social security benefits.

Mr. Speaker, is it any wonder really that the public once in a while questions the integrity of this Congress?

A RESOLUTION TO WIN THE CURRENT STEEL WAR

(Mr. GAYDOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GAYDOS. Mr. Speaker, today 94 Members of the House of Representatives have joined to introduce a concurrent resolution that recognizes the importance of steel, the Nation's basic industry, and gives formal notice the Congress will not have it stolen job-by-job, plant-by-plant, company-by-company.

This resolution says that the trade laws must be enforced or that we must write trade laws that can be enforced.

And it reflects a growing national concensus around the conclusion put forward recently by a leading business journal.

"For the first time in history," this magazine asserted, "Trade balance is a major cause of a recession."

The 95,000 steelworkers made jobless by apparently dumped and subsidized imports in the last year understand that they are not losing a worker-to-worker competition.

These American workers are being buried by foreign governments that say, better unemployment in the United States than here as they subsidize and cartelize and protect their markets.

This resolution says Congress will not let that happen.

Mr. Speaker, I will expand in special orders later today on this resolution and the growing national realization that we are being badly used by our trading partners.

Meanwhile, additional cosponsors for the resolution will be welcome.

REREFERRAL OF H.R. 6324 TO COMMITTEE ON SCIENCE AND TECHNOLOGY AND COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. SCHEUER. Mr. Speaker, I ask unanimous consent that H.R. 6324, which was initally referred to the Committee on Science and Technology, be jointly rereferred to the Committee on Science and Technology and the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SMALL BUSINESS COMMEMORATIVE ENVELOPE

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, last year our colleague, ANDY IRELAND, from the Eighth Congressional District of Florida, introduced House Concurrent Resolution 60, a resolution requesting that the Postmaster General consider issuing a postage stamp in honor of America's small businesses. He received 80 cosponsors to the resolution, 37 of which serve on the Small Business Committee. The Postal Service issues a very limited number of commemorative stamps each year and these stamps are decided upon at least 2 years in advance, sometimes more. There were other options available which Congressman IRELAND decided to explore. After much hard work he was successful in his efforts. In a press conference that was held this morning, Postmaster General William F. Bolger announced that the Postal Service will issue a commemorative envelope honoring small business.

It is significant that the announcement was made at this time because this week is Small Business Week. This is a time we have set aside to recognize our Nation's small business men and women. Small business is the cutting edge of competition; small business is the Nation's job creator; small business is the vanguard of innovation and invention; and small business is the source of the free enterprise leadership. It is the responsibility of all of us in public service to recognize these attributes and today, due to Congressman IRELAND's hard work, I feel we have done just that.

Next year during Small Business Week the envelope design will be unveiled. Then, in 1984 the envelope will actually be released. I think this is a great accomplishment and think Congressman IRELAND should be commended for the hard work and dedication he has shown toward helping our Nation's small businesses.

HOUSE CONCURRENT RESOLUTION 322 SHOULD BE REJECTED

(Mr. KASTENMEIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KASTENMEIER. Mr. Speaker, shortly, we will be called on to vote on House Concurrent Resolution 322. Several years ago, a similar resolution was brought up under unanimous consent. It was offered, as I recall, by Mr. Wolff of New York. I objected to the immediate consideration of the resolution and it was withdrawn in that form. It also provided that the United States should withdraw from participation in the United Nations and its constituent parts arising out of General Assembly treatment of Israel. This resolution before us today is strikingly similar. It suggests that the United States, among other things, threaten to withdraw from the General Assembly or constitutent parts of the United Nations and refuse to pay its financial obligations to the United Nations. I do not favor expulsion of Israel or any other state from the United Nations. I believe it is appropriate for the United States to speak and act on behalf of Israel on such a question. But I also think it is totally inappropriate for this country to cut off its nose to spite its face by threatened withdrawal of participation in the United Nations. There are some Americans, indeed some in this Chamber, who have for years wanted the United States out of the United Nations. I could understand their support for this initiative. However, I think we have a larger responsibility to the world community and a very specific obligation to people of the United States to remain a full participant in the United Nations rather than proposing to terminate its activities in that body, a proposal I regard as irresponsible. Mr. Speaker, I would urge the resolution be rejected.

□ 1215

WHAT IS UNEMPLOYMENT?

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONIOR of Michigan. Mr. Speaker, this week another White House spokesman suggested that unemployment may be the inevitable consequence of declining inflation. Well, in my hometown of Mount Clemens, Mich., "inevitability" has cost 25 percent of the workforce their jobs.

The White House tells us that if we would just look at the adjusted figures, the problem would seem a little less severe. Well, the adjusted workers of Washington Township in my district, these people are not convinced, because the unemployment rate there is 26 percent.

During the Great Depression year of 1935, unemployment in Michigan was 19 percent. Today unemployment in the 12th Congressional District of Michigan is 19 percent. The people in my district do not care who caused the problem. They want to know who will solve the problem.

But their real fear, their real fear is from statements suggesting that it is inevitable that we are going to have high unemployment with declining inflation, their real fear is that the White House may still not be persuaded that there is a serious problem at all.

THE HOUSING BILL WILL PRODUCE JOBS

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, yesterday the House voted 349 to 55 for a major new housing initiative. I think that vote indicates concern for the fact that we suffer a 9.4-percent unemployment rate in this country. In my State of Washington, the unemployment rate is 13 percent.

Clearly, jobs are needed and clearly, the housing bill is one way to produce those jobs.

Today we have a chance to provide the funding for that important legislation.

Mr. Speaker, we all recognize the need to reduce deficits. If we can reduce unemployment by 1 percent, we can reduce the deficit by $25 billion and eliminate $5 billion of expenditures.

If we could reduce the unemployment rate from 9.4 percent down to 6 percent, we would reduce the deficit by over $100 billion. Clearly, the one important way to deal with large deficits is to put the American people back to work.

CONGRATULATIONS TO CONGRESSMAN MICHEL

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, the newspapers report today that House Minority Leader BOB MICHEL has joined the ranks of those of us who will not tolerate arbitrary cuts in social security.

I congratulate Mr. MICHEL for taking a stand on this important issue, despite the President's acceptance of the Senate Budget Committee's proposal to cut $40 billion from the social security system.

The rejection of the cuts by the gentleman from Illinois (Mr. MICHEL) underscores the widespread and bipartisan support for the elderly of America, many of whom are barely above the poverty line. They cannot sustain a monthly cut of at least $28 under the proposed cutbacks.

The well-being of older Americans is not a subject of bipartisan fighting. It is an issue that calls for serious consideration and study. As the gentleman from Texas (Mr. PICKLE) said a minute ago, a commission has been appointed and we shall await the findings of that commission before taking action; but what justification can be offered for arbitrary and unspecified slashing at the social security system?

Congress must take action to reduce the enormous deficit we face for fiscal year 1983; but we can do it without taking it out of the hides of the senior citizens of America.

"HOCUS POCUS" BUDGET PLAN OF SENATE BUDGET COMMITTEE

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, I wish to express my absolute opposition to the "hocus pocus" budget plan of the Senate Budget Committee which will find $40 billion in savings from social security without saying how.

I ask the architects of this plan—do they not realize the impact on an elderly social security recipient when they read a headline that says—1982 cost-of-living increase in jeopardy—or billions in social security cuts sought—or social security—will it go bankrupt in 1983?

Why do we subject our seniors to this type of torture? Why are we tampering with social security while the President's commission is looking for long-range solutions?

Cutting benefits is the last resort in social security reform.

Today, I am introducing legislation which would impose a 5-year moratorium on the ability of employees and employers to withdraw from the social security system. My bill would also modify existing law by permitting any entity which did withdraw from social security to go back on. The Social Security Administration estimates they have applications pending that will drop some 340,000 workers from social security. These are individuals who are contributing to the system as workers. This drain on the system must be stopped.

PRESIDENT DOES NOTHING ABOUT FOREIGN STEEL DUMPING

(Mr. ERTEL asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. ERTEL. Mr. Speaker, today, the American steel industry works at 49.1 percent of capacity. Today, the unemployment rate among the Nation's steelworkers is an unacceptably high 33 percent; 95,248 steelworkers are laid off, another 26,486 are working short workweeks. In just Pennsylvania, there has been a loss of 22,100 metal industries jobs the last year.

President Reagan's response to this crisis has been to do nothing. Despite strong evidence of dumping by foreign steel producers—no fewer than 40 antidumping cases filed with the International Trade Commission since January have been found to have a reasonable indication of injury to domestic producers—the Reagan administration prefers to hide behind "free trade" principles, rather than taking the action necessary to put America's unemployed steelworkers back to work.

President Reagan's May 4 decision to impose sugar import quotas, however, demonstrates once again that political considerations and not lofty principles or the welfare of the American people are what drives administration policymaking. The President willingly abandons his "free trade" principle to bail out a handful of sugar producers to the tune of perhaps $3 billion, but fails to take the necessary action to put the Nation's steel industry back on its feet.

If quotas are an appropriate remedy for the Nation's domestic sugar industry, they are a necessary remedy for the Nation's domestic steel industry. Imports have captured more than 20 percent of the domestic steel market since January. All major steel firms reported losses in their steelmaking operations in the first quarter of this year.

Mr. Speaker, after 16 months, I think it is about time the Reagan administration begins to make its policy decisions on the basis of fact and what is good for the American people. I think it is about time the Reagan administration begins to look out for the livelihood of the Nation's steel industry and its workers. The President can no longer, if indeed he ever properly could, hide behind the principle of free trade. Let us put America's steel industry back to work, now.

NO LIMIT TO CALLOUSNESS OF ADMINISTRATION TOWARD ELDERLY AND DISABLED

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, there appears to be no limit to the callousness that this administration and its allies in the Senate display toward our Nation's elderly and disabled. Once again, they are taking aim at the 36 million who are dependent on social security's protections. Once again, we have witnessed a sickening replay of the President's efforts to shake their confidence in the social security system and to manipulate the American public.

After sanctioning a $40 billion cut in the program last week, the President has made numerous statements about his commitment to protecting social security benefits. Maybe the President is confused about his own budget but the American people are not. They see through this manipulation. They know that the new compromise sacrifices their meager income security for the sake of missiles and tax giveaways for the wealthy.

Mr. Speaker, this cruel disregard for the needs of the elderly and disabled must be soundly rejected. Americans have worked for social security, they have paid for it, and they are entitled to its benefits. There can be no compromise on this vital program.

COMMENDATIONS TO MINORITY LEADER MICHEL

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, I wish to commend the minority leader, BOB MICHEL, for his honest and courageous statement yesterday on the Senate budget.

It is becoming increasingly clear that the real stumbling block in the budget debate concerns the social security trust fund and the recipients of that program.

There is a solution and that solution is that we ought to take the social security trust funds out of the unified budget. Those trust funds should not have been there in the first place. They distort the budget picture. They make it increasingly difficult for us to achieve a compromise.

We ought to consider the trust fund on its own merits and not make it a part of the budget debate.

I think most people can accept reductions or increased contributions if that is the only means to salvage the trust fund; but to make it part of the budget debate and involve necessary trade-offs and concessions that have to be made, I think will be unacceptable to senior citizens.

There is bipartisan cooperation and I think room for consensus on this issue. The chairman of the Aging Committee, the gentleman from Florida (Mr. PEPPER) and myself have both introduced resolutions to take the trust fund out.

The gentleman from Ohio (Mr. GRADISON) has introduced a resolution with 80 cosponsors.

I think there exists here a real opportunity to break this deadlock if we can agree upon efforts to take the trust fund out of the budget and consider its financial problems on their own merit.

JEAN STAPLETON PORTRAYS ELEANOR ROOSEVELT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, there is a rare treat tonight on television that I would like everybody to watch and that is "The Life of Eleanor Roosevelt" as portrayed by Jean Stapleton. I hear she has done an excellent job.

You know, she was always one of the foremothers that I always thought was a wonderful example of what America stood for and what it was all about and what it meant.

I do not think I ever realized how powerful she was until about 2 years ago. I was going to a meeting with my small daughter, who was then 8. As we came to that meeting, the Ku Klux Klan was picketing. The police were there from Denver and they said to me, "We can't protect you going in the front door. You must go in the back door."

I said, "I cannot do that, but if you will please stay here with my daughter, I will go through the front door and then when they go away, I will come back and get her."

My daughter said, much to the horror of the police chief, "Mother, Mrs. Roosevelt would roll over in her grave if she knew that you asked me not to walk through that picket line," and she got out of the car and away she went, with the police chief screaming, "Mrs. Schroeder, you have ruined your daughter, too."

Nevertheless, I do not think that is ruining it. I think that is what America is all about.

I was terribly surprised that Mrs. Roosevelt had had such a strong influence on my daughter as she had on me.

I hope everybody watches this great American woman tonight on TV.

□ 1230

IN HONOR OF ROBERTO CLEMENTE

(Mr. GARCIA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GARCIA. Mr. Speaker, I am pleased to announce today that the U.S. Postal Service will issue a commemorative stamp in honor of Roberto Clemente in 1984. The stamp is a fitting way to remember humanitarian

and baseball great Roberto Clemente. Several weeks ago I met with Postmaster General Bolger concerning this matter. He was most sympathetic and supportive of the idea.

Roberto was a good example for America's youth. He worked hard, he played hard, and he succeeded. He was, in the words of sportswriter Myron Cope, "a product of the morality of the old Spanish families."

He had dignity and pride. Roberto, who was Hispanic and Black, played at a time when both Hispanics and Blacks were new to the game. He spoke little English, and was constantly confronted with prejudice because he was a minority. But he did not let this limit him in any way. In fact, Roberto's heritage was a source of strength for him.

Roberto fought hard to succeed, and his achievements put him in baseball's hall of fame. He won the National League's Most Valuable Player Award for the world's series. He was a star throughout his career.

But it was his work off the field that made Roberto Clemente a real hero. He spent his off-seasons working with the youth of Puerto Rico. His dream of building a sports complex for the island's youth was, unfortunately, not realized until after his death.

Roberto died as he lived, serving the people. In 1973, his plane crashed bringing relief to the victims of Nicaragua's earthquake. He is a fitting hero. He is also a fitting symbol for what is best about America's Puerto Rican and Hispanic communities.

Roberto Clemente is the first Puerto Rican athlete and humanitarian to be honored in this way. As an American of Puerto Rican heritage, I am pleased that I was able to achieve this for such a worthy individual. Too often Puerto Ricans and Hispanics have been forgotten when this country has honored its heroes. I hope that through my efforts Puerto Ricans and all Hispanics will begin to be justly honored and remembered.

AGRICULTURAL RESEARCH NEEDED

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, on May 6, the Wall Street Journal ran an article written by Jeff Birnbaum criticizing some agricultural research appropriations and calling them "sacred cows." In the article, he mentions the funding for the only guar research done in the United States.

I want to make sure there is no misunderstanding about guar and the research that is conducted. I hope it was not Mr. Birnbaum's intention to paint agricultural research as misspent tax money. There is no better investment in the future of our country than the agricultural research expenditures.

The domestic use of guar has increased tenfold over the past decade. It is a legume that serves as a positive rotation crop and as a soil builder protects our most basic of resources, the land.

A major use of guar today is in the fracturing of old oil wells to increase the flow of petroleum and decrease oil imports. Guar is also used in explosives for mining, textile printing pastes, hydraulic transportation of powdered coal, and the spraying of grass seeds from tank trucks on the sides of hills. Guar is used as a high protein meal for livestock. It is used in ice cream and other foods. In short, it is a very versatile product with new ways to use it being found every day.

Also important is the fact that guar is a good cash crop that has a great deal of potential. We desperately need new cash crops in this depressed farm economy. Guar is being farmed at a profit. Guar research will mean a profit for farmers who seldom hear the word.

With research, on growth, disease, insects, and many other aspects of the crop, we have already seen the investment in research dollars come back to the farmer and the taxpayer in the form of a better standard of living.

It is estimated that agricultural research yields 4 dollars for every dollar spent. That is on general basic agricultural research. I would think our return on this little known crop is far greater.

RIGHT OF CHILDREN WITH BIRTH DEFECTS

(Mr. STATON of West Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STATON of West Virginia. Mr. Speaker, on Thursday, April 15, 1982 a tiny, week-old baby boy died of starvation in Bloomington, Ind. The death would have been tragic enough if it had occurred because of some unavoidable circumstance. However, the tragedy is compounded by the appalling fact that this death occurred by deliberate design.

The baby was born with Down's syndrome, a genetic defect involving varying degrees of mental retardation and sometimes physical effects. One in approximately 700 to 900 infants born have this condition. This baby was condemned to die because he was unfortunate enough to be one in 700. His esophagus was deformed preventing food from passing into his stomach. Although corrective surgery could have remedied this situation, the baby's parents refused to grant permission for the operation or for intravenous feeding. Despite the pleas of persons wishing to adopt the little boy, he starved to death, the act being sanctioned by the very judicial system charged with protection of the dearest of our rights, the right to life.

This was a human being born into the world. And yet with a rationale that has terrifying similarities to the Nazi Reich's brand of eugenics, this tiniest, most defenseless of our kind was deliberately permitted to languish and die. It is too late for this little boy so coldly labeled "Infant Doe." But perhaps it is not too late to shake the sensibilities and compassion of those who might otherwise view such infanticide as wholly acceptable and permit its reoccurrence in the future. It is with this hope that I have introduced a concurrent resolution, expressing the sense of the Congress concerning the right of children with birth defects to life sustaining medical treament and nutrition. This resolution reads as follows:

H. CON. RES.—

Whereas thousands of children are born each year with some birth defect or condition of mental retardation;

Whereas these children are born with the same right to life, liberty, and the pursuit of happiness afforded to all Americans, and

Whereas an individual's right to life is the most fundamental of human rights: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That an infant's basic right to live should not be jeopardized, and that each child has the inalienable right to full and complete medical treatment and food nutrients necessary to sustain its life regardless of handicapping condition.

LET'S FASHION A RESPONSIBLE BUDGET COMPROMISE

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, the once dormant bipartisan budget compromise has been given some new life in recent days.

Last week our colleagues Mr. LEACH and Mr. PANETTA authored a bipartisan compromise approach. Earlier this week the chairman of the House Budget Committee introduced yet another alternative budget plan and yesterday our minority leader outlined the direction in which our leadership hopes to move.

The American people are demanding that we adopt a budget compromise that will reduce the deficit so that interest rates will go down.

The American people are demanding that we set aside partisan bickering and pass a budget in the best economic interest of this country.

While these new plans will not please everyone I congratulate these Members for their constructive contributions to the budget debate. I ap-

plaud their efforts to fashion a responsible budget compromise.

MEMORIAL TO POLICE KILLED IN LINE OF DUTY

(Mr. BEARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEARD. Mr. Speaker, May 15 is Police Memorial Day. In conjunction with that day, I am joining in the introduction of a bill to establish a memorial here in Washington to all the police officers in this Nation who have been killed in the line of duty.

During the decade of the 1970's 1,100 police officers were killed. In Memphis, in my home State of Tennessee, the year 1981 witnessed two killings of police officers, two shot and wounded, and over 300 physically assaulted. In one of those instances a convicted murderer escaped from prison, killed a police officer in Memphis, and several days later he killed a priest in Jackson, Tenn.

This year Police Officer Larry Childress became the third Memphis police officer killed within a 6-month period. Nashville, Tenn., has witnessed five killings of policemen over the last 6 years.

Mr. Speaker, I intend to introduce a bill to make it a Federal crime to kill a law enforcement officer while he is acting in the line of duty and require the death penalty for such a killing. Police officers' lives are on the line every day for our safety and protection. It is way past time to let the murderers know that if they kill a police officer, punishment will be swift and fatal.

THE TRUTH ABOUT SOCIAL SECURITY

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, let us deal in the truth about social security. In contrast to what we have heard here today, let us look at the recent record of the Democratic Party on this issue.

According to information developed by the Senate Finance Committee, the actions taken by a Democratic administration and Democratic Congress in 1977 are cutting benefits now, will cut them more in the future, and at the same time will raise taxes substantially. For the average beneficiary retiring this year at age 65, the 1977 measure will result in a cut of $130 per month in benefits, or more than $5,000 over the 3-year period. For the maximum beneficiary, the 3-year cuts will total more than $6,000. Republicans did not create those cuts, nor did Republicans vote for those cuts. They are Democratic Party cuts.

Put that together with the Democratic Party proposals in their budget last year to delay the cost-of-living increases for all 36 million social security recipients, and you find out why they are so sensitive about this issue. The Democrats are the villains. Their record is clear. It is the Democrats who are robbing the social security system blind.

DON'T BALANCE THE BUDGET ON THE BACKS OF THE ELDERLY

(Ms. OAKAR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. OAKAR. Mr. Speaker, I decided to change my 1-minute speech after hearing my colleague speak.

As the Chair of the Task Force on Social Security for the Committee on Aging, I think the record is very, very clear. In the last budget, which was proposed by President Reagan, social security benefits were cut to the tune of $25 billion. And now the President has approved a plan to cut social security benefits by $40 billion.

One of the reasons that the President would like to balance the budget on the backs of the elderly is because social security is the second largest pot of money under the budget. We have to get the trust fund out of the auspices of the budget, as it was when President Roosevelt signed it into law. And I have a bill, H.R. 4157, which would do that. But I think we have to tell the truth about who actually cut social security benefits. This is an unprecedented assault on what is the individual's right to his or her benefit. The people paid for this insurance plan; they deserve their benefit.

FREEZE FEDERAL SPENDING

(Mr. SMITH of Oregon asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Oregon. Mr. Speaker, for months I have been beating the same drum trying to find supporters for a plan to freeze Federal spending until we balance the budget.

Last week, the freeze supporters gained their greatest ally—President Reagan.

The President has officially announced his full and complete support for the budget freeze proposal. It passed the Senate Budget Committee last week.

I have said it a thousand times and I will say it again:

A budget freeze is the fairest budget compromise there is;

A budget freeze leaves the tax rate cuts in place; and

A budget freeze deserves the immediate attention of every Member in this House.

I am convening a special order later today to talk about the fairness of a budget freeze, and I invite my colleagues on both sides of the aisle to join in.

A budget freeze is politically do-able.

A budget freeze is fair.

And best of all, a budget freeze is best for all Americans to get our country back on the right track.

THE TAX, SPEND, AND ELECT PHILOSOPHY

(Mr. HILER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILER. Mr. Speaker, occasionally it is necessary to reflect on not only where we are going, but where we have been. If we look at the 4 years of Democrat-controlled leadership of the House of Representatives, the Senate, and the Presidency under President Carter from 1976 to 1980, we see that the prime rate jumped from 6.8 percent in 1976 to 21½ percent on January 1, 1981. We saw inflation go from 4.8 percent in 1976 to back-to-back years of double-digit inflation of 1979 and 1980. We saw productivity move at a negative rate in 1978, 1979, and 1980.

Taxes doubled from 1976 to 1980. The social security system had the largest single tax increase in the history of the Republic.

We cannot tax our way into prosperity, and we cannot spend our way into prosperity. The tax, spend, and elect philosophy of the Democrat Party is what gave us 21½ percent interest rates, double-digit inflation, negative productivity, a doubling of taxes. It was time for a change, a long overdue change.

AMERICANS ARE STARTING TO WAKE UP

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. You know, Mr. Speaker, Americans are starting to wake up. The man on the street now realizes why the money is not available in lending institutions for that auto loan or home loan. It is because Government is getting most of the available credit and most of the available money.

So the attention of the Nation is on the budget process, Mr. Speaker, and the farmer and the auto mechanic and the small businessman are hoping that this Congress can cut the deficit and leave them, the people, a little money to pursue their aspirations and dreams. The trillion dollar national debt that Democrat benevolence has saddled our people with cannot be expanded further, Mr. Speaker. Let us

cut the deficit and make this recovery strong and enduring.

BALANCE SPENDING AND TAXES

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, sometime within the next 3 or 4 days the House Rules Committee will meet to decide what we Members will be permitted to vote on on the floor of the House with respect to taxing and spending levels for 1983. It is my hope that the Rules Committee, controlled by the Democrats, will permit a rule to be granted whereby a balanced budget resolution will be considered on the floor of the House.

This Member from California has such a proposal available for consideration by the Members. It will call for balancing spending and taxes at about $690 billion for fiscal year 1983. The way the balanced budget was developed was that a careful estimate of projected income for 1983 from the existing tax structure was calculated, that is, retaining the tax cuts we voted last year, and said amount is projected at about $690 billion. The spending was therefore adjusted to reflect the income available to be expended.

I do not know any other way to develop a balanced budget. I would hope that we will all have a chance to vote on a balanced budget, because I know many Members of the House are just looking for the opportunity of going home and explaining to their constituents that they voted for a balanced budget.

□ 1245

HOW LONG MUST WE WAIT?

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, how long must we wait for the Judiciary Committee to take action on the export trading companies bill still languishing—now for over a year—in its Subcommittee on Monopolies and Commercial Law?

Last December, when our trade deficit was $900 million, the subcommittee, on which I serve, was advised that markup of an export trading companies bill would be scheduled soon after the Christmas recess. Indeed, the chairman did have the staff prepare a draft dealing with those portions of the bill under the committee's jurisdiction, and scheduled a markup for February 9. In the meantime, the January trade deficit was $4.1 billion.

On February 9, the Democratic majority of the subcommittee, with one exception, failed to attend the markup, and the meeting was canceled by the chairman. Some Democratic members of the subcommittee, he said, needed more time to study the proposal. February's trade deficit was $400 million.

How much time, Mr. Speaker, do they need? Since February 9, the chairman has so far refused to schedule a markup of the export trading companies bill, despite the fact that a clear majority on the subcommittee favors such action. The March trade deficit was $1.7 billion, and April's figures are not yet available.

It is very difficult indeed to understand this intransigence. Are the issues so complex? Both the Banking and Foreign Affairs Committees, which share jurisdictional responsibilities, are well on their way toward discharging those responsibilities. Does the legislation lack support? Over 120 Members, almost evenly divided between both parties, have cosponsored export trading companies measures. Is there not a pressing need for the legislation? Since the other body approved their version of this bill last April, the cumulative trade deficit has been $28.2 billion.

Members looking for bipartisan initiatives to help the economy and create jobs need look no further than this legislation to find a positive beginning. It is past the 11th hour. Our constituents have the right to demand that we take action to increase American exports, and stop exporting American jobs.

I implore my colleagues to join with me in calling on the chairman of the Judiciary Committee to expeditiously mark up the export trading companies bill.

SOCIAL SECURITY MUST NOT BE USED TO BALANCE THE BUDGET

(Mr. GRADISON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRADISON. Mr. Speaker, we must not use social security to balance the budget. The social security system has serious financial difficulties which mandate action, but the budget is not the place for that action. Mixing social security with the budget runs the risk of jeopardizing both a budget compromise and responsible reform of the social security.

Social security is financially independent of the rest of the budget, and should be treated that way. Last October, I introduced legislation which would remove social security from the budget. Such a move would insure that changes in social security are made only to insure the system's financial health, and not to balance the budget. The breakdown of budget negotiations, and the furor over the Senate Budget Committee's recent recommendations, make the need for this legislation all the more evident.

If we act quickly, perhaps by including this bill in the reconciliation package, we can depoliticize social security and set the stage for broader reform of the system at the end of the year. If we delay, we may well repeat the events of last year, when politics forced us to ignore the very serious problems that the system faces.

I urge you to consider seriously this legislation. Separation is not a partisan issue. It has the support of both liberal Democrats and conservative Republicans. It deserves the support, I feel, of every Member of this body who wants to pass a budget and who wants a strong social security system.

HOUSE CONCURRENT RESOLUTION 322, REGARDING MEMBERSHIP IN THE U.N. GENERAL ASSEMBLY

(Mr. MINISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINISH. Mr. Speaker, I would like to rise at this time to express my vigorous support for House Concurrent Resolution 322, a bill being considered by this Chamber today.

I commend my distinguished colleague, the gentleman from Florida (Mr. FASCELL), for introducing House Concurrent Resolution 322. This bill very clearly states what must be the U.S. position in reference to the United Nations. The House of Representatives must unequivocally maintain, as the language of the resolution states, that if Israel is illegally expelled, suspended, denied its credentials, or in any other manner denied its rights to participate in the General Assembly, the United States should suspend our participation in the General Assembly and withhold our assessed contribution.

I wholeheartedly endorse this language, as I hope the majority of my colleagues will, too.

It seems to me that this Nation, and this body, have a historic commitment to the State of Israel, our ally in the Middle East. Our commitment to Israel's security and development should not be questioned.

Moreover, such an illegal expulsion seems to me contrary to the spirit and intent of the United Nations Charter.

Mr. Speaker, House Concurrent Resolution 322 addresses a serious problem in the United Nations and I urge the expeditious passage of this legislation.

89-059 O-85-35 (Pt. 7)

PERMISSION FOR SUBCOMMITTEE ON MERCHANT MARINE OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON TOMORROW, MAY 13, 1982

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Merchant Marine of the Committee on Merchant Marine and Fisheries be permitted to sit on Thursday, May 13 during the 5-minute rule for the purpose of a hearing on H.R. 1489—a bill to permit the transportation of passengers between Puerto Rico and other U.S. ports on foreign-flag vessels when U.S.-flag service for such transportation is not available.

The ranking minority member of the subcommittee, the gentleman from California (Mr. McCLOSKEY), has been apprised of the hearing time and is in accord with this request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Speaker, reserving the right to object, did I understand the gentleman correctly, that the gentleman from California (Mr. McCLOSKEY) the ranking minority member, is in accord with the request?

Mr. BIAGGI. Yes; he is.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMUNICATION FROM MS. DEBORAH S. McVICKER

The SPEAKER laid before the House the following communication from Ms. Deborah McVicker:

HOUSE OF REPRESENTATIVES,
Washington D.C., May 6, 1982.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In compliance with Rule L of the Rules of the House of Representatives, I am informing you that I have been served with a subpoena from the United States District Court for the Eastern District of New York. A copy of the subpoena is enclosed.

The subpoena concerns my activities during the period of my employment in a Congressman's office.

Yours sincerely,

DEBORAH S. McVICKER.

RE UNITED NATIONS AND ISRAEL

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 322.

The Clerk read the title of the concurrent resolution.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FASCELL) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 322) on which the yeas and nays were ordered on Monday, May 10, 1982.

The vote was taken by electronic device, and there were—yeas 401, nays 3, not voting 28, as follows:

[Roll No. 69]

YEAS—401

Addabbo	Daub	Hamilton
Akaka	Davis	Hammerschmidt
Albosta	de la Garza	Hance
Alexander	Deckard	Hansen (ID)
Anderson	Dellums	Hansen (UT)
Andrews	DeNardis	Harkin
Annunzio	Derwinski	Hartnett
Anthony	Dickinson	Hatcher
Applegate	Dicks	Heckler
Archer	Dingell	Hefner
Aspin	Dixon	Hendon
Atkinson	Donnelly	Hertel
AuCoin	Dorgan	Hightower
Badham	Dornan	Hiler
Bafalis	Dougherty	Hillis
Bailey (MO)	Dowdy	Holland
Bailey (PA)	Downey	Hollenbeck
Barnes	Duncan	Holt
Beard	Dunn	Hopkins
Bedell	Dwyer	Horton
Beilenson	Dyson	Howard
Benjamin	Early	Hoyer
Bennett	Eckart	Hubbard
Bereuter	Edgar	Huckaby
Bethune	Edwards (AL)	Hughes
Bevill	Edwards (CA)	Hunter
Biaggi	Edwards (OK)	Hutto
Bingham	Emerson	Hyde
Blanchard	Emery	Ireland
Bliley	English	Jacobs
Boggs	Erdahl	Jeffries
Boland	Erlenborn	Jenkins
Bolling	Ertel	Johnston
Boner	Evans (DE)	Jones (NC)
Bonior	Evans (GA)	Jones (OK)
Bonker	Evans (IN)	Jones (TN)
Bouquard	Fary	Kazen
Bowen	Fascell	Kemp
Breaux	Fazio	Kennelly
Brinkley	Fenwick	Kildee
Brodhead	Ferraro	Kindness
Brooks	Fiedler	Kogovsek
Broomfield	Fields	Kramer
Brown (CO)	Findley	LaFalce
Broyhill	Fish	Lagomarsino
Burgener	Fithian	Lantos
Burton, Phillip	Florio	Latta
Butler	Foley	Leach
Byron	Ford (MI)	Leath
Campbell	Ford (TN)	LeBoutillier
Carman	Forsythe	Lee
Carney	Fountain	Lehman
Chappell	Fowler	Leland
Chappie	Frenzel	Lent
Cheney	Frost	Levitas
Chisholm	Fuqua	Lewis
Clausen	Garcia	Livingston
Clay	Gaydos	Loeffler
Clinger	Gejdenson	Long (LA)
Coats	Gephardt	Long (MD)
Coelho	Gibbons	Lott
Coleman	Gilman	Lowery (CA)
Collins (TX)	Gingrich	Lowry (WA)
Conable	Glickman	Lujan
Conte	Gonzalez	Luken
Corcoran	Goodling	Lundine
Coughlin	Gore	Lungren
Courter	Gradison	Madigan
Coyne, James	Gramm	Markey
Coyne, William	Gray	Marks
Craig	Green	Marlenee
Crane, Daniel	Gregg	Marriott
Crane, Philip	Guarini	Martin (IL)
Crockett	Gunderson	Martin (NC)
D'Amours	Hagedorn	Martin (NY)
Daniel, Dan	Hall (OH)	Matsui
Daniel, R. W.	Hall, Ralph	Mavroules
Dannemeyer	Hall, Sam	Mazzoli
McClory	Porter	Snyder
McCloskey	Price	Solarz
McCollum	Pritchard	Solomon
McCurdy	Pursell	Spence
McDade	Quillen	St Germain
McDonald	Rahall	Stangeland
McEwen	Railsback	Stark
McGrath	Rangel	Staton
McHugh	Ratchford	Stokes
McKinney	Regula	Stratton
Mica	Reuss	Studds
Michel	Rhodes	Stump
Mikulski	Rinaldo	Swift
Miller (CA)	Ritter	Synar
Miller (OH)	Roberts (KS)	Tauke
Mineta	Roberts (SD)	Tauzin
Minish	Robinson	Taylor
Mitchell (MD)	Rodino	Thomas
Mitchell (NY)	Roe	Traxler
Moakley	Roemer	Trible
Moffett	Rogers	Udall
Molinari	Rose	Vento
Mollohan	Rosenthal	Volkmer
Montgomery	Rostenkowski	Walgren
Moore	Roth	Walker
Moorhead	Roukema	Wampler
Morrison	Rousselot	Washington
Mottl	Roybal	Waxman
Murphy	Rudd	Weaver
Murtha	Russo	Weber (MN)
Myers	Sabo	Weber (OH)
Napier	Sawyer	Weiss
Natcher	Scheuer	White
Neal	Schneider	Whitehurst
Nelligan	Schroeder	Whitley
Nelson	Schulze	Whittaker
Nichols	Schumer	Whitten
Nowak	Seiberling	Williams (MT)
O'Brien	Sensenbrenner	Williams (OH)
Oakar	Shamansky	Wilson
Oberstar	Shannon	Winn
Obey	Sharp	Wirth
Ottinger	Shaw	Wolf
Oxley	Shelby	Wolpe
Panetta	Shumway	Wortley
Parris	Shuster	Wright
Pashayan	Siljander	Wyden
Patman	Simon	Wylie
Patterson	Skeen	Yates
Paul	Skelton	Yatron
Pease	Smith (AL)	Young (AK)
Pepper	Smith (IA)	Young (FL)
Perkins	Smith (NE)	Young (MO)
Petri	Smith (NJ)	Zablocki
Peyser	Smith (OR)	Zeferetti
Pickle	Snowe	

NAYS—3

Conyers	Kastenmeier	Savage

NOT VOTING—28

Barnard	Evans (IA)	Mattox
Benedict	Flippo	Richmond
Brown (CA)	Foglietta	Santini
Brown (OH)	Frank	Smith (PA)
Burton, John	Ginn	Stanton
Collins (IL)	Goldwater	Stenholm
Daschle	Grisham	Vander Jagt
Derrick	Hawkins	Watkins
Dreier	Heftel	
Dymally	Jeffords	

□ 1300

Mr. BONKER changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BENEDICT. Mr. Speaker, this afternoon at the time of the vote on House Concurrent Resolution 322, I was necessarily absent. Had I been

here, I would have voted in the affirmative.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 461 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 461

Resolved, That during the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, pursuant to the provisions of House Resolution 415 adopted by the House on May 6, 1982, the proviso in the first sentence of House Resolution 415 shall not apply. All points of order for failure to comply with the provisions of clauses 2 and 6 of rule XXI are hereby waived against the following provisions in said bill as well as against the provisions specified in the second sentence of House Resolution 415; beginning on page 8, lines 9 through 23; beginning on page 10, lines 1 through 9; beginning on page 11, lines 7 through 12; and beginning on page 11, lines 13 through 16. It shall be in order to consider, section 311(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, the following amendments: (1) an amendment to said bill printed in the Congressional Record of May 11, 1982, by Representative Boland, and if offered by, Representatives Boland, AuCoin, or Patterson; and (2) an amendment to said bill printed in the Congressional Record of May 11, 1982, by, and if offered by, Representative Lowry of Washington, and all points of order against said amendments for failure to comply with the provisions of clause 2 of rule XXI are hereby waived.

The SPEAKER pro tempore (Mr. GORE). The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Arizona (Mr. RHODES), and pending that, I yield myself 13 minutes.

Mr. Speaker, I ask unanimous consent to read a statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I am going to read quite a long statement. I caused it to be prepared by my staff. I have reviewed it very carefully. The rule is very detailed and it is complicated, and the only reason I am reading this statement is that I want to be sure that Members have some awareness of the complications we face in pursuing the legislative process this year.

Mr. Speaker, I am aware that there is a significant number of Members, without regard to party, who are not the least bit interested in process, but we are going to operate this year under a very difficult set of circumstances, and this rule is a good illustration of how difficult those circumstances are and probably will be.

Mr. Speaker, House Resolution 461 is an unusual rule. It is complex. It is necessarily complex because it is structured to unravel a very difficult parliamentary situation so that the House may proceed to consider H.R. 5922, an urgent supplemental appropriations bill for fiscal year 1982, in something of an orderly fashion. As my colleagues are aware, House Resolution 415, a rule making in order H.R. 5922, was adopted on Thursday last. That rule was brought up under a special provision of the House rules that allows any member of the Committee on Rules to call up a rule as a matter of privilege after it has been on the calendar for 7 legislative days. That is a perfectly valid rule of the House. Those employing it, however, failed to take into account the changed circumstances with which the House was confronted.

The urgent supplemental bill was reported from the Committee on Appropriations on March 23. The rule was reported on March 30. The House did not take up the bill prior to the district work period because we were told that the other body would not consider the measure until after the recess. During the work period and subsequently both Houses of Congress waited while their representatives attempted to reach a budget compromise with the President. That effort failed.

But in the interim, the clock continued to tick. The need for urgent supplemental appropriations for some programs became critical, others moved from a priority phase to urgent. The administration, too, recognized this shift as attested to by a statement of administration policy issued on April 30 which indicated support for five items in the bill which the administration had not previously supported totaling some $32.5 million, with a request for a higher level of funding for the Bureau of Alcohol, Tobacco, and Firearms than the bill contained and an additional request for some $20.2 million for the CAB for payments to air carriers which the bill did not address at all. On the very day that the rule was called up, and as a matter of fact on my way to the floor to respond to that action, I discovered that the chairman of the Committee on Appropriations was urging by letter that the Rules Committee review House Resolution 415 and grant additional waivers that had not been granted in that rule.

Obviously, circumstances had changed. But again, quite obviously, not everyone was aware of that fact. On Thursday we were confronted with an attempt at to present the House with a fait accompli that would have allowed the House to get only halfway to where it needed to go. It seemed the wiser course to pass House Resolution 415, thus thwarting those who would distort the process further and giving time to assess the situation while, perhaps, cooler heads prevailed. It was apparent, however, that some modification of House Resolution 415 would be necessary.

House Resolution 461 is that necessary modification of the earlier rule. Briefly, let me explain the provisions of the rule. The rule modifies certain provisions of House Resolution 415. For instance, the waiver of section 311 of the Budget Act against initial consideration of H.R. 5922 would stand but the first proviso would not apply. That provision allowed points of order pursuant to section 311 to be made against specified paragraphs of H.R. 5922 and if such points of order were sustained the paragraph would be stricken from the bill. This modification of the rule has the effect of retaining the waiver against the consideration of H.R. 5922 but eliminating the possibility of any point of order on a specific paragraph. In other words, if House Resolution 461 is adopted, no point of order pursuant to section 311 of the Budget Act can be made against the consideration of H.R. 5922 or any portion thereof.

As Members will recall, section 311 of the Budget Act prohibits consideration of any bill, amendment, or conference report providing new budget or spending authority for a fiscal year which exceeds the ceiling set in the most recently agreed to concurrent resolution of the budget.

House Resolution 461 further provides additional waivers of clauses 2 and 6 rule XXI for paragraphs specified by page and line number. These waivers are provided in addition to those already included in House Resolution 415. They are necessary because many of the items now to be protected by the section 311 waiver also need waivers under clauses 2 and 6 of rule XXI, and without the waivers would only be partially protected. Clause 2 prohibits the inclusion of unauthorized appropriations and legislation in an apropriations bill. Clause 6 prohibits the inclusion of reappropriations.

There are only two items in the bill which need waivers and for which no waivers have been granted. They are the International Communications Agency and restrictions on U.N. funding for the PLO and Cuba. Both of these items contain legislation or a reappropriation and thus would be subject to a point of order under clause 2 or 6 of rule XXI. The waivers were not granted because the Committee on Rules received a letter from the chairman of the Committee on Foreign Affairs asking that the waivers not be granted. The Rules Committee simply honored that legislative prerogative.

Additionally, House Resolution 461 makes in order two amendments which are required to be printed in the RECORD of May 11, 1982. The first of

these to be offered by Representative BOLAND or in his absence Representatives AUCOIN or PATTERSON provides some $1 billion for mortgage interest assistance to aid purchasers of single-family homes. The second amendment to be offered by Representative LOWRY provides some $23 million to reimburse States for refugee assistance. Both amendments are granted waivers of section 311 of the Budget Act and of clause 2 of rule XXI.

Briefly, I would like to outline the parliamentary situation for consideration of H.R. 5922 if House Resolution 461 is adopted. The chairman of the Committee on Appropriations would call up the bill for consideration in the Committee of the Whole House and establish the time for general debate. Once general debate is completed, the bill would be considered under the 5-minute rule. Any germane amendment which did not otherwise violate a rule of the House would be in order. Without trying to predict the Chair's ruling in any specific situation, I would offer the following general guidelines on the amendment process. Due to the restrictions of section 311 of the Budget Act, amendments to add additional moneys or to increase outlays would not be in order. It would be in order to reduce those amounts in the bill or to strike them altogether.

Generally, language perfecting legislative language in the bill could be offered but new legislative language might be subject to a point of order. Amendments to reappropriate or to transfer previously appropriated funds would violate clause 6, rule XXI and thus would not be in order. The same would hold true of the amendments made in order by the rule.

Mr. Speaker, this is a complicated rule, as I stated earlier its complexity arises out of necessity. It allows the House to consider the urgent supplemental and the critical program funding involved in as rational and orderly a manner as we on the Rules Committee could devise, I urge my colleagues to support the rule and adopt House Resolution 461 so that we may proceed to the consideration of H.R. 5922.

□ 1315

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Georgia.

Mr. LEVITAS. I have two questions. I thank the gentleman for yielding. Obviously the complexity of this rule is one that required that in-depth explanation which the gentleman was able to provide.

My questions relate to two points. Can the chairman of the Rules Committee inform Members as to what legislation in an appropriation is being waived by dealing with clause 2 and what unauthorized appropriations are being covered by the waiver of rule 6? That was the first question.

The second question is, Does the rule permit offering of zero-appropriation amendments?

Mr. BOLLING. It certainly permits offering cuts, and I assume strikes.

I do not know that the gentleman really wants me to answer his first question. I have a chart here of about four pages that I had developed for me so that I could answer those questions. It would take a very long time to read it.

Mr. LEVITAS. Is that chart available?

Mr. BOLLING. That chart is available on the desk. I will insert it in the RECORD following my remarks.

Mr. LEVITAS. I am just interested. I would like to examine it if I may, and I thank the gentleman.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922

H.R. 5922	Subcommittee or amendment in full committee	Administration, Old, Mar. 24, 1982	Position,[1] New, Apr. 30, 1982	Budget recommendation	Waivers granted by House Resolution 415 as reported[2]	Waivers granted by House Resolution 461 as reported[3]
Department of Labor:						
Employment and Training Administration.	Amendment	Support	Support	Not 311 waiver issue; budget-supported transfer.	Clause 6, rule XXI, reappropriation-transfer	Same.
Employment Standards Administration	do	do	do	do	do	Do.
Bureau of Labor Statistics	do	do	do	do	do	Do.
Department of HHS:						
Work incentive (WIN)	do	No recommendation	No recommendation	No recommendation	Sec. 311, Budget Act	Do.
Inspector General	do	Support	Support	Not 311 waiver issue; budget supported transfer.	Clause 6, rule XXI reappropriation-transfer	Do.
Department of Education:						
Student loans	Subcommittee	Support—$1,300,000	Support—$978,000	Not 311 waiver issue	No waiver necessary	Do.
Pell grants	Amendment	Support—$4,600,000	Support—$6,600,000	Waiver not recommended	Sec. 311, Budget Act	Do.
Howard University	do	No recommendation	Support—$800,000	Waiver unanimously opposed	No waiver granted (sec. 311)	Sec. 311, Budget Act.
Action	do	do	Oppose	Waiver not recommended	do	Do.
HUD:						
Assisted housing	Subcommittee	do	No recommendation	Not 311 waiver issue	Clause 2, rule XXI (legislation) Clause 6, rule XXI (reappropriation)	Same. Do.
Government National Mortgage Association (tandem mortgage financing).	do	do	Support	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation and unauthorized).	Do.
EPA construction grants	do	Support	do	Budget previously voted to support	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Administration provisions (NASA, VA and HUD).	do	No recommendation	No recommendation	Not 311 waiver issue	No waiver granted (clause 2, rule XXI legislation).	Clause 2, rule XXI; (legislation).
Transportation:						
Coast Guard operating expenses	Amendment	do	do	Waiver not recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Same.
Federal Highway Administration	Subcommittee	do	Oppose	Waiver unanimously supported	Sec. 311, Budget Act	Do.
ICC-directed rail service	do	do	Support	Waiver recommended	Sec. 311, Budget Act clause 2, rule XXI (legislation).	Do.
Treasury:						
Bureau of Government Financial Operations (social security checks).	do	Support	do	do	Sec. 311, Budget Act	Do.
Bureau of Alcohol, Tobacco and Firearms.	do	Support—$15,740,000	Support—$23,800,000	Wavier not recommended	No waiver granted (sec. 311, clause 2, rule XXI, legislation).	Sec. 311, Budget Act clause 2, rule XXI, (legislation).
U.S. Customs Service	do	Support—$3,433,000	Support—$6,900,000	do	Sec. 311, Budget Act clause 2, rule XXI (unauthorized).	Same.
Merit Systems Protection Board	do	Support—$4,000,000	Support—$6,300,000	Waiver recommended	Sec. 311, Budget Act	Do.
U.S. Tax Court	Amendment	No recommendation	No recommendation	do	do	Do.
Department of Commerce:						
General administration	do	do	Support	Waiver unanimously opposed	No waiver granted (sec. 311, Budget Act).	Sec. 311, Budget Act.
Economic Development Administration	do	do	Oppose	do	No waiver granted (sec. 311, Budget Act; clause 2, rule XXI, unauthorized; clause 6, rule XXI, transfer).	Sec. 311, Budget Act; clause 2, rule XXI, unauthorized; clause 6, rule XXI, transfer.
NOAA	do	do	do	Waiver not recommended	No waiver granted (sec. 311, Budget Act; clause 2, rule XXI, legislation).	Sec. 311, Budget Act; clause 2, rule XXI, legislation.
International Communication Agency	do	do	No recommendation	Not 311 waiver issue	No wavier granted clause 6, rule XXI; reappropriation.	No wavier granted (clause 6, rule XXI, reappropriation).
Restriction on UN funding	do	do	do	do	No waiver granted (clause 2, rule XXI, legislation).	Same.

COMPARATIVE ANALYSIS: URGENT SUPPLEMENTAL, H.R. 5922—Continued

H.R. 5922	Subcommittee or amendment in full committee	Administration, Old, Mar. 24, 1982	Position,[1] New, Apr. 30, 1982	Budget recommendation	Waivers granted by House Resolution 415 as reported[2]	Waivers granted by House Resolution 461 as reported[3]
OSHA:						
Mine safety inspections	do	do	do	do	Clause 2, rule XXI (legislation)	Do.
No provision	do	do	Supports—$20,200,000 for CAB, payments to air carriers.	Not considered by budget	Needs Sec. 311, Budget Act	Not considered.
Lowry amendment—refugee assistance	do	No recommendation	No recommendation	do	do	Sec. 311, Budget Act clause 2, rule XXI, unauthorized and legislation.
Boland amendment—housing assistance	do	do	do	do	do	Do.

[1] The administration position was obtained from the Stockman letter to Chairman Bolling received Mar. 24, 1982, and the statement of administration policy dated Apr. 30, 1982.
[2] Waivers were granted for both clause 2 and 6 of rule XXI whenever either of the clauses is listed in the table. The table indicates the specific violation. In some instances, language violating clause 6 also violated clause 2.
[3] Section 311 of the Budget Act was waived against initial consideration of the entire bill.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the detailed explanation given by my good friend from Missouri, chairman of the Rules Committee, Mr. BOLLING, certainly does not make it necessary for anyone to talk very much about the rule itself.

The burden of the gentleman from Missouri's text certainly was that this is a very complex rule. It is.

He also said that there will be more rules like this coming along the line. There will be. The legislative situation which confronts the House in the next few weeks and months I think can best be described generally as very complex.

One of the more interesting parts of this resolution, of course, is that it does amend a resolution which has previously been adopted by the House. While that is not unprecedented, it certainly is unusual.

The House did adopt House Resolution 415 on May 6, and under that resolution it would have been in order for the House to resolve itself into the Committee of the Whole House on the State of the Union whenever the Speaker recognized an appropriate Member for that purpose.

This came as a result of a Member on the Republican side exercising his prerogative as a member of the Rules Committee and calling House Resolution 415 up, and that resolution was subsequently adopted.

The Rules Committee then proceeded to bring out House Resolution 461 which has the effect, as the chairman stated, of amending House Resolution 415, and to bring up the appropriation bill, which will be the subject of our debate this afternoon, under a condition which appears to be an open rule.

But I do not think that anyone in the House should be deceived that that is really the situation, because while the rule makes in order two amendments it also does not make in order some valid alternative amendments which are equally deserving of our consideration. Those alternative amendments, if offered, would, under the proposed rule, be subject to a point of order under section 311 of the Budget Act.

So it is very difficult for me to understand or for me to believe that it would really be possible for desirable amendments to be offered to this appropriation bill, which would not be subject to a point of order unless they are those which are authorized under House Resolution 461.

□ 1330

So I have no objection to the rule itself. I would point out the fact, however, that the reason that the action occurred on May 6 was because the Rules Committee did not give a rule which made in order some amendments which would have been offered by the gentleman from Illinois (Mr. CORCORAN) seconded by the gentleman from Delaware (Mr. EVANS). It is my intention later to yield time to these two gentlemen to discuss the amendment which they otherwise would have submitted to the House.

Suffice it to say that the bill which we will be bringing out is an important appropriation bill, and it is one which I think the House should act on expeditiously and adopt as soon as possible.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. CORCORAN).

Mr. CORCORAN. Mr. Speaker, first of all, I thank the gentleman from Arizona for yielding. Let me point out that, while we can talk about the complexity of the rule, while we can talk about several of the other components of the urgent supplemental appropriations bill, and in fact, while the subject of some dispute has been a housing stimulus amendment, in my judgment there are really only two issues—and I think the time has come to put those two issues out on the table.

The first issue is that, in my view, in these days of budget crisis, before we embark on any new program we ought to simultaneously cut back on existing programs where there is excess, where there is a need for elimination, or where there is a need for reduction. I believe, it is a mistake for this House, in these days of very difficult budget negotiations, to start, as we will start, I am sure, later on this afternoon a new housing program with a new appropriation, a new authorization, and a new expenditure of taxpayers' money.

To my mind, one of the problems with that approach is that it is "business as usual"; and that approach has put us in the economic mess we are in. It is exactly the kind of thing that Assistant Treasury Secretary Roger W. Mehle, Jr. pointed out last year in testimony before the House Banking, Finance and Urban Affairs Committee, which puts further and further upward pressure on interest rates. If the housing industry is in trouble, it is because of high interest rates, not the inattention of the Congress of the United States.

At this point, Mr. Speaker, I would like to quote Mr. Mehle, Jr.'s, aforesaid testimony of May 7, 1981:

> Most loan guarantee programs are financed directly in the securities markets and most such financings are not controlled by the Treasury. While the myth seems to persist that guaranteed loans are substantially different from direct loans and involve less Government intervention in the traditional borrower-lender relationships, this is not so. Every dollar of Government guaranteed debt financed in the public marketplace is like Treasury borrowing to finance direct loans and has a similar negative impact on private sector rates. * * * [G]reater control and restraint must be applied to all of these off-budget guarantee programs.

Mr. Speaker, Assistant Secretary Mehle noted that federally guaranteed loans outstanding increased $73 billion in fiscal year 1981 compared to a rise of $48 billion in fiscal year 1980, more than a 50-percent acceleration in the growth of federally guaranteed loans. The chart below illustrates this phenomenal growth:

COMPONENTS OF NET FEDERAL CREDIT

[In billions of dollars][1]

	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980[2]	1981[2]	1982
Loan guarantees	17.0	20.0	17.0	11.0	10.0	11.0	13.0	13.0	23.0	35.0	55.0	57.0
Direct loans—off budget agencies				.5	5.5	6.0	8.0	10.0	12.0	11.0	20.0	19.0
Direct loans—on budget agencies	2.0	3.0	2.0	3.0	6.0	4.5	3.0	7.0	5.0	7.0	3.0	6.0

[1] Net Federal credit is new disbursements for direct loans minus repayments and other offsets plus, for loan guarantees, new loans guaranteed minus guarantees for which the loan has been fully repaid.
[2] Estimated.

According to Mr. Mehle, guaranteed loans in the energy area are a significant factor in this acceleration.

One need only look to the current condition of our housing industry to see the heavy price our economy is paying for massive Federal borrowing. It is not mere coincidence that in the years 1965 to 1969 when the Federal Government used only one-sixth of the available loan capital the prime rate averaged only 6 percent, while now that the Federal Government soaks up nearly half of the loan capital in the country, the prime rate is 16.5 percent.

The explosion of Federal borrowing, including Federal loan guarantees, requires real restraint on our part if we hope to get at the cause of sky-high interest rates rather than merely treat the symptoms of those rates. The synthetic fuels program and the potential $88 billion in Federal credit it represents is a perfect place to start.

The second issue, Mr. Speaker, is simply this: Some of us believe that the Synthetic Fuels Corporation is a white elephant. Others believe that it is a sacred cow. And a major stumbling block in this whole debate for the last 6 weeks has been whether or not the majority leader of the House of Representatives could protect the Synthetic Fuels Corporation. Now, he may be in love with it. He may believe that the battle cry of the 1982 elections is "Save the Synfuels Corporation," but in my judgment, based on the reality of the energy marketplace, based on the realities of what we in the Congress over many, many years have unfortunately done to undermine our currency and the financial integrity of the U.S. economy, we need to do otherwise. And we should start a new precedent by rejecting this ill-advised financing plan for the proposed housing program.

Mr. RHODES. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. WALKER).

Mr. WALKER. I thank the gentleman from Arizona very much for yielding, and I take the time, if I could, to ask the chairman of the Rules Committee a couple of questions about amendments that would be in order.

Do I understand correctly that, under the rule that we are adopting, it would be in order to offer an amendment to decrease an appropriation?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to offer an amendment to strike an appropriation; is that right?

Mr. BOLLING. That is correct.

Mr. WALKER. It would be in order to decrease or strike a transfer of funds; is that correct?

Mr. BOLLING. That is also correct.

Mr. WALKER. Would an amendment be in order if it restricts the use of funds and does not provide any additional legislation?

Mr. BOLLING. I really cannot answer that question. I do not know how the Chair would rule on some of those.

Mr. WALKER. Well, the way I have stated it is probably confusing. I apologize to the gentleman. I am looking for assurance that something that is a legitimate limitation such as are often offered here on the floor, and where the Chair would say that that is legitimately a limitation amendment, that such an amendment would still be in order under this particular rule; is that right?

Mr. BOLLING. That would obviously be subject to the ruling of the chairman.

Mr. WALKER. I thank the gentleman. And, finally, would it be in order under this rule, to increase a rescission?

Mr. BOLLING. I do not believe so, because I think that would be legislation. But there might be a way in which it could be developed, and I simply do not know.

Mr. WALKER. Let me ask the gentleman, there is nothing within the rule itself, though, that would prevent that?

Mr. BOLLING. Not that I know of.

Mr. WALKER. I thank the gentleman very much.

Mr. RHODES. Mr. Speaker, I yield 3 minutes to the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. I thank the gentleman from Arizona for yielding.

Mr. Speaker, one of the greatest addresses I ever heard in my life was an address made by a Democrat, delivered in this Chamber from the podium right behind me. His name was Hubert H. Humphrey. Senator Humphrey spoke to this body November 3, 1977, just a few weeks before he passed on to much greener pastures. In that address he admonished the majority and he admonished the minority, and he gave some very good advice to both sides. One of the things he said, in speaking on behalf of this wonderful constitutional system of ours was, and I paraphrase; We rule by the majority, but the majority cannot rule effectively and the system cannot work effectively unless the rights of the minority are preserved and protected.

That is what our rules are all about. As my colleagues are well aware, the gentleman from Illinois (Mr. CORCORAN) and I have been attempting to use those rules effectively and responsibily. We were trying to do something from a minority position that we hoped would provide some assistance to housing, but would provide that assistance without aggravating the already seriously bloated Federal deficit.

We felt that we needed to give the Members of this House a real choice, a choice between support of the Synfuels Corporation and Multinational Energy Corporations and support for housing. We have been attempting for the last 6 to 7 weeks to give the Members that opportunity. We finally had that opportunity last week, Thursday, May 6, and we called for a vote on the previous question. We lost that vote. We had 158 votes in favor of considering our housing initiative, and the rest of the body voted the other way.

So I feel we may have had our day in court, if you will, and I intend to support this rule because this supplemental appropriation is so urgent. That is why I have been urging its consideration here on the floor of the House for almost 7 weeks, because Coast Guard appropriations that give us the opportunity to interdict drug smuggling in southern Florida, student loan programs, and the like, must not be allowed to run out of funds. It is also critically important to provide assistance to housing. We are going to have that opportunity today, and I intend to support the amendment of the gentleman from Massachusetts, (Mr. BOLAND) which is offered on behalf of the gentleman from California (Mr. PATTERSON) and the gentleman from Oregon (Mr. AUCOIN), even though I feel that the Evans-Corcoran approach is infinitely better. Evans-Corcoran will provide more housing starts, more jobs, and result in more revenue for the Treasury. However, I recognize reality, and this is indeed the only alternative we will have to assist housing and to get this economy of ours moving again. Therefore, I intend to support the amendment.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman from Delaware for yielding to me, and I wish to commend him. The gentleman has been a leader in the Banking Committee and the Housing Subcommittee. He has supported the Patterson-AuCoin initiative. He has his own initiative. He has been I think a truly admirable supporter of the housing needs and of stimulating the economy of the United States of America. I want to thank the gentleman very much for his support.

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ALEXANDER).

Mr. ALEXANDER. Mr. Speaker, I rise in support of the proposed rule before us today and urge my colleagues to vote for its passage and for passage of H.R. 5922. There are appropriations in H.R. 5922 that are urgently needed to help address major problems facing out Nation today.

We learned this week that we have the highest monthly unemployment rate for the Nation since such monthly rates started being kept.

We already knew that we had more than 10 million people out of work. We have known for some time that we are undergoing the harshest, deepest recession since the economic disaster of the Great Depression.

We know that the construction workers are among those hardest hit by this Reaganomics recession that began last July.

We know that thousands of our young people across the Nation are having their hopes of a college, vocational, or technical school education threatened by the student aid policies of the Reagan administration.

This bill before us will not cure all these problems, but it will be a step in the right direction.

There is one aspect of this rule we are considering that I particularly want to mention. I want to congratulate and thank the Rules Committee and the chairman of the Appropriations Committee for supporting a waiver of the Budget Control and Impoundment Act provisions with regard to the provision in H.R. 5922 which provides for a transfer of $4.5 million from the Economic Development Administration revolving loan fund to its salaries and expense account.

On the face of it, this does not immediately appear urgent. But, in fact, this could well prove to be one of the most important actions taken in H.R. 5922. The reason is simple. It will help insure that EDA continues to do the job it has been doing for the past 17 years with such effectiveness and efficiency, leveraging the generation or maintenance of private sector job opportunities.

The administration, which has not requested these funds, has advised the Committee on Appropriations that without them EDA will be substantially restricted in its ability to perform its job of processing economic development project applications and getting the necessary funding obligated in an orderly manner. EDA has already advised its personnel that they will be required to take payless furlough days throughout the rest of this fiscal year. The $4.5 million in transferred funding will, I have been assured, end the need for the payless furloughs and let the EDA get on with its job. This job, which the administration has been delaying through other administrative measures, is that of helping local communities carry out private sector job opportunity enhancement projects.

To illustrate the worth of EDA, let me advise you of some of the facts about its work nationally and in Arkansas. The $5 billion in seed money EDA invested nationally from 1965 through 1980 leveraged $9 billion in private sector investment, generated or saved 1.4 million private sector jobs and resulted in total biennial Federal tax payments that more than paid off the whole EDA investment every 2 years.

In Arkansas alone, EDA has invested approximately $130 million, generated or saved more than 67,000 private sector jobs with a payroll of more than $500 million per year. The Federal taxes paid by the holders of these jobs more than repaid EDA's total investment in Arkansas every 2 years.

Clearly EDA is a moneymaker for the Federal Government. Surely a program which has been so successful in stimulating private sector job creation and maintenance has never been more needed by the people of our Nation, since the Great Depression.

I urge passage of this rule and of H.R. 5922.

Mr. RHODES. Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

Mr. BOLLING. Mr. Speaker, I have one speaker remaining, and I yield 5 minutes to the distinguished majority leader, the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, this is the opportunity which the House has awaited to demonstrate that we can be responsive to emerging needs. Obviously, there are some very serious needs in this country. Almost 9½ percent of the working force is unemployed. That is an increase of 2 percentage points over the level of 1 year ago. 10,300,000 Americans are unable to find work.

If we use the rule of thumb that has been somewhat universally agreed to by liberal and conservative economists alike, and which has been embraced and often repeated by the President of the United States, each percentage point of unemployment results in the addition of approximately $25 billion to the deficit. Therefore, in the past year the additions to unemployment through the rapid decline in the economy have added some $50 billion to the annual deficit figure. Obviously, there is something that needs to be done.

If we are serious about fighting deficits, then quite naturally we must be serious about doing something to reverse this destructive trend in the American economy.

□ 1345

So here is a useful productive opportunity, and I urge all Members to support this rule and to support this bill to demonstrate that the American Congress can come to grips with the problems that are real.

This bill contains $1,300,000,000, to guarantee additional students loans at a time when student graduates have hit a plateau. By 1980 the annual number of graduates had risen to about 150 percent more each year above the 1960 level. In the past 2 years that level has not increased. Unless we act, the number actually enrolled in our colleges next year may even decline.

I think we have the clear responsibility to do those things necessary to revive the great American dream that every American young person shall be given an opportunity and a very real chance to get as much education as he or she wishes and has the capacity to absorb.

Unless this is done, and if the recommendations originally sent to the Congress in February by President Reagan were to be followed, higher education would be made more difficult for money. Through reductions in Pell grant funds, reductions in student loan funds, reductions in eligibility for student loans and for work study programs—it would be made more difficult, if not impossible, for some 2 million American young people either to stay in college or to attend college.

Already we have made it more difficult for several hundred thousand young Americans by the ill-advised action we took last year in the Gramm-Latta reconciliation bill.

In that hastily considered bill, we made it impossible for several hundred thousand young Americans who were depending upon the social security benefits that would have inured to them to attend college, by reason of the death of a parent who was covered by that system.

We dare not compound that injury. And so this bill provides $1,300,000,000 in loans to help students go to school.

I believe it can be demonstrated that the very best single investment this Government ever made, with the possible exception of the Louisiana Pur-

chase, was the GI bill of rights and the educational benefits which allowed an entire generation to achieve better education. It has paid for itself to the Treasury of the United States in identifiable returns at least $20 for every $1 that it cost. And so this kind of thing is bound to pay to the economy, and the Treasury, to help us fight future deficits.

You know of the $1 billion in housing that was made available yesterday in the authorizing bill. This measure today contains funding for that initiative and also an additional $1,400,000,000 for low-rent public housing.

It contains an additional $2,400,000,000 for clean water construction grants to continue the march that this Nation bravely began to the end that we clean up the streams of this Nation and have a pure environment to pass on to future generations.

And so in every particular this bill is ennobling. In every way it is fully consonant and harmonious with the main thrust of the growth and the progress of the American Nation. I hope that it receives the overwhelming and indeed near unanimous vote that it deserves, as a token to the American people that Congress is aware of the distress that faces this economy, and that Congress is determined to do something about it.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WHITTEN. Mr. Speaker, pursuant to the provisions of House Resolutions 415 and 461, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The SPEAKER pro tempore (Mr. ECKART). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi (Mr. WHITTEN).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BADHAM. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 385, nays 12, answered "present" 1, not voting 34, as follows:

[Roll No. 70]

YEAS—385

Addabbo	DeNardis	Hatcher
Akaka	Derrick	Hefner
Albosta	Derwinski	Hendon
Alexander	Dickinson	Hertel
Anderson	Dicks	Hightower
Andrews	Dingell	Hiler
Annunzio	Dixon	Hillis
Anthony	Donnelly	Holland
Aspin	Dorgan	Hollenbeck
Atkinson	Dornan	Hopkins
AuCoin	Dowdy	Horton
Badham	Downey	Howard
Bafalis	Duncan	Hoyer
Bailey (MO)	Dunn	Hubbard
Bailey (PA)	Dwyer	Huckaby
Barnard	Dyson	Hughes
Barnes	Early	Hunter
Beard	Eckart	Hutto
Bedell	Edgar	Hyde
Beilenson	Edwards (AL)	Ireland
Benedict	Edwards (CA)	Jacobs
Benjamin	Edwards (OK)	Jeffords
Bennett	Emerson	Jenkins
Bereuter	Emery	Jones (NC)
Bethune	English	Jones (OK)
Bevill	Erdahl	Jones (TN)
Biaggi	Erlenborn	Kastenmeier
Bingham	Ertel	Kazen
Blanchard	Evans (DE)	Kemp
Bliley	Evans (GA)	Kennelly
Boggs	Evans (IA)	Kildee
Boland	Evans (IN)	Kindness
Bolling	Fary	Kogovsek
Boner	Fascell	Kramer
Bonior	Fazio	LaFalce
Bonker	Fenwick	Lagomarsino
Bouquard	Ferraro	Lantos
Bowen	Fiedler	Latta
Breaux	Fields	Leach
Brinkley	Findley	Leath
Brodhead	Fish	LeBoutillier
Brooks	Fithian	Lee
Broomfield	Flippo	Lehman
Brown (CA)	Florio	Leland
Burgener	Foley	Lent
Burton, Phillip	Ford (MI)	Levitas
Butler	Ford (TN)	Lewis
Byron	Forsythe	Livingston
Campbell	Fountain	Loeffler
Carman	Fowler	Long (LA)
Carney	Frost	Long (MD)
Chappell	Garcia	Lowery (CA)
Chappie	Gaydos	Lowry (WA)
Cheney	Gejdenson	Lujan
Clausen	Gephardt	Luken
Clay	Gilman	Lundine
Clinger	Gingrich	Lungren
Coats	Glickman	Madigan
Coelho	Gonzalez	Markey
Coleman	Goodling	Marlenee
Collins (IL)	Gore	Marriott
Conable	Gradison	Martin (IL)
Conte	Gramm	Martin (NC)
Conyers	Gray	Martin (NY)
Corcoran	Green	Matsui
Coughlin	Gregg	Mavroules
Courter	Guarini	Mazzoli
Coyne, James	Gunderson	McClory
Coyne, William	Hagedorn	McCollum
Craig	Hall (OH)	McDade
Crane, Daniel	Hall, Ralph	McEwen
Crane, Philip	Hall, Sam	McGrath
D'Amours	Hamilton	McHugh
Daniel, R. W.	Hammerschmidt	McKinney
Daschle	Hance	Mica
Daub	Hansen (ID)	Michel
Davis	Hansen (UT)	Mikulski
de la Garza	Harkin	Miller (CA)
Dellums	Hartnett	Miller (OH)
Mineta	Ritter	Stokes
Minish	Roberts (KS)	Stratton
Mitchell (MD)	Roberts (SD)	Studds
Mitchell (NY)	Robinson	Stump
Moakley	Rodino	Swift
Molinari	Roe	Synar
Mollohan	Roemer	Tauke
Montgomery	Rogers	Tauzin
Moore	Rosenthal	Taylor
Moorhead	Rostenkowski	Thomas
Morrison	Roth	Traxler
Mottl	Roukema	Trible
Murphy	Rousselot	Udall
Murtha	Roybal	Vander Jagt
Myers	Rudd	Vento
Napier	Russo	Volkmer
Natcher	Sabo	Walgren
Neal	Savage	Walker
Nelligan	Sawyer	Wampler
Nelson	Scheuer	Washington
Nichols	Schneider	Watkins
Nowak	Schroeder	Waxman
O'Brien	Schulze	Weaver
Oakar	Schumer	Weber (MN)
Oberstar	Seiberling	Weber (OH)
Obey	Sensenbrenner	Weiss
Oxley	Shamansky	White
Panetta	Shannon	Whitehurst
Parris	Sharp	Whitley
Pashayan	Shaw	Whittaker
Patman	Shelby	Whitten
Patterson	Shumway	Williams (OH)
Pease	Shuster	Wilson
Pepper	Siljander	Winn
Perkins	Simon	Wirth
Peyser	Skeen	Wolf
Pickle	Skelton	Wolpe
Porter	Smith (AL)	Wortley
Price	Smith (IA)	Wright
Pritchard	Smith (NE)	Wyden
Pursell	Smith (NJ)	Wylie
Quillen	Smith (OR)	Yates
Rahall	Snowe	Yatron
Railsback	Snyder	Young (AK)
Rangel	Solarz	Young (FL)
Ratchford	Spence	Young (MO)
Regula	St Germain	Zablocki
Reuss	Stangeland	Zeferetti
Rhodes	Stark	
Rinaldo	Staton	

NAYS—12

Brown (CO)	Frenzel	McDonald
Broyhill	Holt	Paul
Collins (TX)	Jeffries	Petri
Dannemeyer	Johnston	Solomon

ANSWERED "PRESENT"—1

Ottinger

NOT VOTING—34

Applegate	Frank	McCloskey
Archer	Fuqua	McCurdy
Brown (OH)	Gibbons	Moffett
Burton, John	Ginn	Richmond
Chisholm	Goldwater	Rose
Crockett	Grisham	Santini
Daniel, Dan	Hawkins	Smith (PA)
Deckard	Heckler	Stanton
Dougherty	Heftel	Stenholm
Dreier	Lott	Williams (MT)
Dymally	Marks	
Foglietta	Mattox	

□ 1400

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

The SPEAKER pro tempore. The Chair designates the gentleman from Massachusetts (Mr. STUDDS) as Chairman of the Committee of the Whole and requests the gentleman from Tennessee (Mr. GORE) to assume the chair temporarily.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill

H.R. 5922, with Mr. GORE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN pro tempore. Under the unanimous-consent agreement, the gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I shall ask later for unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks. Our Committee on Appropriations comes to you with an urgent supplemental. The urgency of this bill has become more and more acute.

We reported this bill out of the Appropriations Committee on March 23. I do not want to take all the time complaining about the fact that the Congress in the last several years has operated by a continuing resolution. It does not come from our choice. It comes from the fact that other committees have not met their deadlines and for one reason or another we have been delayed from March 23 until today to bring up this bill which is urgent.

Since we face a conference with the Senate, it is highly questionable if we will get the bill enacted into law in time to meet deadlines that are fixed by law and needs that are urgent.

In the bill that we bring before you today we have stayed below the allocations to the Appropriations Committee under the Budget Act.

First on the list are funds for the student loan program where the need is acute. Students are in the midst of the school year. Our Committee on Appropriations has felt responsible to carry out the existing law, pending such changes that may be made.

As to the soundness of this program, I point out that perhaps 20 times as many youth in this land are going to college today as went back in the times when many of us were there. This is one of the major items.

Concerning the EPA construction grants program, it is our understanding that currently 34 States are virtually without funds. Nationwide program activity has slowed to a trickle. Further delay may cause some projects to go through the bidding process again, and certain projects in Northern States—with a shorter construction period—may be jeopardized.

In addition to various supplemental requests for administrative items to fund numerous Federal agencies and avoid unnecessary and disruptive furloughs and reductions in force, especially in the Departments of Education, Health and Human Services, and Labor, the committee bill also included $81.6 million for the Bureau of Government Financial Operations in the Treasury Department. This provides the administrative funds for the Bureau that actually writes about 50 million checks a month. Over 50 percent of these checks are for routine entitlement payments to social security recipients and veterans. Treasury officials now estimate funds may run out the last few days of May. This involves checks issued to veterans and social security recipients, Federal employees, State governments or contractors doing business with the Government.

Mr. Chairman, it is imperative that funds be provided soon for these vitally needed programs. I am afraid that any additional delay will be damaging not only to the programs, but to the Congress itself. If the Congress is perceived as unable to act quickly to avoid these program disruptions, its standing with the public will be greatly diminished. The Congress must not allow the perception to grow that it is unable to execute its duties in a timely and responsible manner.

Also provided here are funds for Howard University, domestic programs under ACTION, Bureau of Alcohol, Tobacco and Firearms; Department of Commerce; Economic Development Administration and the NOAA operations research facility.

Mr. Chairman, I wish to call special attention to the section of the report which accompanies this bill under the waste treatment construction grant program of the Environmental Protection Agency. This addresses a widespread problem and especially affects areas such as I represent. The language is as follows:

Geographical and climatic conditions can affect certain biological treatment facilities. However, many rural communities, especially in warmer climates, appear to be ideally suited for these less expensive treatment techniques. The Committee directs the Agency to provide expeditious guidance to small communities concerning the revised secondary treatment definition which will be beneficial in planning for future facilities. In addition, the Committee is aware that several communities have been saddled with expensive wastewater treatment facilities when an oxidation pond or lagoon might have been equally effective and much cheaper. The Committee further directs the Agency to review these situations and allow communities to take advantage of the new secondary treatment definition where appropriate. Language has been included in the bill in this regard allowing the Administrator to make grants to small communities for biological treatment facilities to repair or replace systems where determined to be necessary.

Two other items that concern Members from throughout the country are provided for in this bill—funding for the Coast Guard and the weather stations. The committee is recommending an additional $17.5 million for the Coast Guard to continue the operations of all search and rescue stations previously proposed for closure and the vessel traffic systems in various cities. In addition, the bill provides an additional amount for the continued operations of 38 weather service stations proposed for closing by the administration for the balance of the year.

□ 1415

Mr. Chairman, we in the Congress, and we in this Nation, have been faced with certain differences of opinion by the executive department and by some of our committees in the Congress, including the Committee on the Budget.

Several years ago, I pointed out the fact that 58 percent of Federal spending by-passed our Appropriations Committee by entitlements and by binding contracts. Though our Appropriations Committee had held appropriations below the budget for 37 out of 38 years, this year we are running behind.

I was appointed senior cochairman of the study group which recommended the Congressional Budget Act to regain control of spending by providing for setting targets, holding hearings and then reconciling income and out-go. Unfortunately, the budget resolution set aside the provisions of the Budget Act and set firm figures and reconciliation on the first resolution rather than the last. It is this action which has caused the delay and upset the regular operations of the Congress.

As a result of the recommendations which our study committee made, the rules were changed, and the Congressional Budget Act was passed.

In the Rules Committee yesterday, I was asked if we should amend the Budget Act. I answered, not until we try it. If we are going to get back into orderly procedure, and tend to the business of the country, in an orderly manner, we are going to have to see that the provisions of the act are enforced. To do that, the budget resolution should be kept in line with what the Budget Act calls for.

Now, in addition to that, we have had reconciliation on the first resolution. The act calls for this to come at the end, on the second resolution. To attach reconciliation to the first means we tie the hands of the Congress—and make regular procedures impossible.

The result is that we have been here since March 23, trying to get urgent supplemental before you.

Not only is that true, but I would like to point out other things.

This, as we all know, is a Government of three equal and coordinate branches. We have got to pull togeth-

er, and we need to pull together—executive, judicial, and legislative.

But the branch closest to the people, the people's branch, the one they have to look to for protection, is the legislative branch.

Now, as a result, trying to pull together, your Committee on Appropriations last year, on recommendations by the President to rescind $15.1 billion in prior appropriations, we rescinded $14.3 billion. You will recall, my friends, that last year we were asked to go along with the March budget, which provided for about 10 percent further cut, which we did. Then we were asked last November, to make a further reduction, and we went along again. That is when we stayed up two nights in a row, and the Republican Senators on the Senate side, and our friends over here signed it, and then it was vetoed on Monday morning. It did not bother me, because that is the responsibility of the President. But we have tried to cooperate.

The President's package, when it came, returned a big part of the windfall profit tax, then it allowed those corporations making the most money, to purchase tax credits from other companies and avoid taxes. The President, of course, hoped that those people would invest that money in special exploration and expansion of their business, Instead they bought other companies, or purchased Government notes because of the high rate of interest.

At the time I bring this urgent supplemental bill to the Members, we have spent over $24 billion in unemployment compensation. It would have been so much better if this amount had been spent for productive work. Then taxes would have been paid and we would have increased production and not more unemployment. We cannot have people stop work, stop producing and stop exporting agricultural products, and have enough earnings to handle what we already owe.

So I think it is becoming evident now that despite the high hopes that many of us had, that this program is not working.

So I say to my colleagues that we are doing our best to hold down, but it is just as essential to carry on the necessary functions of the Government, to carry on the activity in private enterprise, to make it worthwhile for them to do that. You just cannot cut down on what is essential and hope to handle what you already owe.

So I am proud of our effort here to put people back to work in productive work.

Merely distributing money as we do with unemployment compensation is not going to help us recover. Actually the funds we have saved are not going toward paying our debts. They are going to increase military spending. From our investigation that is quite different from getting more defense. It is also going to increase foreign aid at a time when we have that need for aid right here at home.

Do Members know that if they go back and look at how much waste we may have had in the military and how much we have spent in foreign aid, it probably equals more than the whole outstanding obligations of the Government, whatever their merits, and I am not attacking their merits at this time. But it is whatever we can do. The defense of this country, is dependent upon a sound economy. If it is foreign aid, we had better keep our economy strong first then consider whether we can afford it.

I was told this morning that it would be difficult to keep people from buying cheaper steel in West Germany than here. Well, let us think about that.

If you buy steel from Germany, they have our money and we have the steel. But if you buy steel here at home, we have the steel and the money at the same time.

Everyone seems to quote economists. They can make a guess, and if they need another answer, they can change an assumption. Just a small change in an assumption will bring quite a change. Many economists are like, it is said, architects, they like to be different.

And then we get to interest. Interest is sometime described as rent we pay for the use of money. It follows that the present tight money policy leads to the high interest we have, and a partial remedy would let up a little on the tight money policy.

So I say to you that as we come to you today, we have done our part in holding down to essential programs that are necessary to protect and help restore our economy. Programs we should have acted on some time ago.

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. MOTTL. I certainly appreciate the gentleman from Mississippi yielding.

Mr. Chairman, I want to compliment the gentleman for bringing forth this important supplemental appropriation bill, and I urge my colleagues in the House of Representatives to vote affirmatively on behalf of H.R. 5922.

Mr. Chairman, I urge my colleagues today to vote for H.R. 5922, the urgent supplemental appropriation which contains $12.2 million for repairs of bridges and streets in Cleveland, Ohio.

These repairs will allow the city to apply for a UDAG grant to launch its ambitious Tower City project and also provide for the development of a unique "Medical Mart" in the old downtown post office building which is adjacent to the Tower City project.

The Medical Mart concept is borrowed from Chicago's Merchandise Mart and would be the only place in the Nation where medical suppliers could display their wares on a permanent basis in an arcade-like atomosphere. The Cleveland Clinic is the prime backer of the Medical Mart idea.

This bill provides for much-needed improvements in the vicinity of the post office and the Terminal Tower. These funds will launch the Tower City project toward reality. The Medical Mart will make Cleveland a world-class medical center.

The Medical Mart, now undergoing a marketing and financing feasibility study, would employ as many as 1,500 people. In addition, with a hotel planned for the Tower City complex, medical convention business would be attracted—creating even more jobs.

The post office would undergo a $20-million renovation to provide as many as four floors of display space for the Medical Mart. The mart would be open year-round and could showcase everything from medical equipment to hospital-related computer, food service, and laundry products and services.

The Medical Mart would compliment my efforts as chairman of the Hospital and Health Care Subcommittee of the Committee on Veterans' Affairs to strengthen Greater Cleveland's role as a national health center.

Mr. WHITTEN. Mr. Chairman, may I point out one other thing here. I am saying this. I think we have done a reasonably good job on the Appropriations Committee handling the continuing resolutions. And while it may seem that I am complaining because other committees put us in a straitjacket, or various other laws do, we have been front and center on everything.

Two years ago we sent all our appropriations bills to our friends on the other side. They were tied up on treaties, tied up on this, that and the other. We could not get action. So we put them all together in one package in the continuing resolution and sent them over there. I called and told the leadership over there, "Now you can sign it." We went through that again last year and found out they had other reasons for delay.

I am saying to my colleagues that we cannot have the orderly process of Government when the one committee that has held the line, has been below the budget 37 out of 38 years—the 1 year was a war year—and now it will be 37 out of 39 years because of increased military spending—is having its hands tied by committees that cannot meet orderly procedure where they do not meet their deadlines.

So I think, Mr. Chairman, that we are going to have to insist that the Congress change the rules, and if a committee that has some supervision

over operations does not meet a deadline, that it be inoperative for the rest of the Congress during the period they are derelict in meeting their deadlines. This is not said critically. If folks cannot agree, they cannot agree. In my judgment, we should not have a second resolution that is nothing but a repetition of the first one just because they could not agree on the second resolution, this is what has tied our hands.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my colleague from New York.

Mr. PEYSER. I want to thank the chairman for yielding.

Mr. Chairman, I want to thank the gentleman particularly for the work on this bill and urgency of it.

I just want to point out to the chairman that this morning I had had calls from two major areas in our country where the student aid question was very much in doubt today, where the banks have been holding back, and the States have been holding back on moving ahead because of what is on the floor this afternoon.

I just want to say that there are millions of students out there waiting for us to act today, and I am convinced that we are going to act in the right way, and we owe a great thanks to the gentleman from Mississippi on this issue.

Mr. WHITTEN. The gentleman can tell them that he and I were on their side all along.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I want to commend the chairman and his committee for his expeditious action. I think that the future of higher education in this country, as well as pure water, safe, sanitary water projects in this country, depend on the adoption of this legislation.

Mr. Chairman, I rise in support of H.R. 5922, the urgent supplemental appropriations for fiscal 1982. Our passage of this legislation sends to the Reagan administration a clear signal that we in Congress reject its most recent proposals to cut funding levels for needed social, environmental and administrative programs.

Especially, I would like to commend my colleagues on the Appropriations Committee for recommending the full funding level of $1.3 billion for the guaranteed student loan program. This action represents a decisive rejection of the administration's desire to eliminate graduate students from the program and increase sharply the cost of borrowing for undergraduates. These shortsighted budget requests would threaten seriously the continuation of many graduate programs and force many deserving undergraduates to attend only lower cost institutions or delay their educations.

Last year, the administration and its supporters in Congress engineered massive cuts in the student loan program as well as in other student aid programs. As a result of the President's budget, loans are now granted to students in families with incomes over $30,000 only if they demonstrate need. Moreover, the cost of borrowing for all students was substantially increased by the implementation of a 5-percent origination fee. In New York State alone, it is estimated that the number of student loans approved for the 1982-83 school year will be cut by 50,000 because of reconciliation changes. Students in my State and across the country cannot afford any additional cuts.

The uncertainty about funding for the GSL program has prevented colleges and banks from the orderly processing of loan applications for this summer and fall. Additional delays will further undermine the purposes of the program.

It is time that this Congress draws the line on the administration's assault on education programs. We owe it to our students, their families, and ultimately, the future of our country.

The merit of this legislation extends well beyond its benefits for education. Key funding for important waste water sewage treatment projects, omitted from the administration's original budget authorization, amounting to $2.4 billion, is also included.

In my district, the North River Sewage Treatment Plant, a project envisioned since the 1940's, has been left in limbo. More than 10 years under construction, the uncompleted, 30-acre plantsite serves as a symbol to all New Yorkers of the Reagan administration's abandonment of the national commitment to cleaning up our water, a commitment that had been in place since the early 1970's.

North River is not only needed now, it must be built. The project has been under Federal court consent decree since 1977. The decree set up a schedule for construction of the plant, which now, in light of the President's short-sighted budget priorities, cannot be met. The latest projection for completion of the important secondary phase of water treatment at the facility is April 1991. Meanwhile, raw sewage continues to flow into the Hudson River at an alarming rate.

To date, only $512 million has been spent on the project, which has an estimated cost of $1.29 billion. The longer it takes to complete, the more obsolete and irrelevant that estimate will become.

The wastewater treatment portion of this supplemental appropriation is urgent not only for New Yorkers, who will benefit from the treatment of 170 million gallons of water per day, but for the Nation as a whole, which needs to resurrect its commitment to clean water in the face of the administration's desire to desert it.

One aspect of H.R. 5922 that I find disappointing is the Appropriations Committee's recommendation to defer $3.8 billion of fiscal year 1982 authority for assisted housing. While I am pleased that committee rejected the administration's rescission proposal, it remains unclear what the deferral, and additional $100 million rescission will mean to the future of the program. Additionally, I find it a glaring deficiency in this bill that the committee has recommended no supplemental appropriation for public housing operating subsidies.

I am hopeful and confident that these deficiencies can be rectified later in the year. Meanwhile, it is important that the House passes this urgent supplemental appropriation now. Maintenance of a strong system of higher education, as well as the development of clean waterways, depend on it.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Connecticut.

Mr. RATCHFORD. Mr. Chairman, I, too, want to applaud the gentleman and the members of the committee for the action they have taken on the total issue, but above all, on student assistance. The fall semester begins in 3½ months. Thousands and thousands of students have waited in anticipation, with great anxiety, because of proposed changes in student assistance, changes that would shut it down to graduate students, those who need guaranteed student loans, changes that would restrict it to middle-income families, changes that would make interest rates and finance charges more expensive.

What the chairman has done, on a bipartisan basis, it to say to the American student, and especially to the middle-income family, "We care enough about you to see to it that in this supplemental appropriation, your future for this coming year is protected."

I thank the gentlemen.

Mr. WHITTEN. I thank the gentleman.

May I say one other thing we need to keep in mind, all of us. This thing about turning everything back to the States, that is a situation we had from 1776 to 1787. When I came up here, drove up from Mississippi and through Virginia they were considering a quarantine against anything from New England because of the gypsy moth. Today we are going to have the same thing between States about the fire ant. We are going to have it about cattle and various other things. We are going right back, headed toward that, and I hope we will stop before it

gets there. But I have believed in equalizing opportunities for various sections of this country. We would have had no interstate highways if we did not pull together as one country.

In our public works projects we have not made a new start in 2 years. Look at our country in connection with wealth. I think a lot of folks have money mixed up with wealth. We need to come out with a balanced budget. We need to have stability between the Government and business. But there is a great difference between money and wealth.

In closing I want my colleagues to know our committee has been working to hold the line on these things. We set up the Budget Committee for the purpose of improving the appropriating process, and stopping backdoor spending. Instead, it has tied us in knots.

We do not mind being front and center. But it is not the way to run a government.

The CHAIRMAN pro tempore. The gentleman has consumed 18 minutes.

The Chair recognizes the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Chairman, it has been 48 days since the Committee on Appropriations reported the urgent supplemental for fiscal year 1982.

For 48 days, the majority leadership has been unable or unwilling to bring this legislation before the House.

For 48 days, we have seen the funding for important programs reduced to the point of exhaustion.

It is important that the House and the American people know the consequences of this deplorable inaction.

Without this supplemental, on May 14, the Department of Health and Human Services will be forced to furlough all of its 930 inspectors—people who fight waste, fraud, and abuse—for 82 working days.

The additional $1.3 billion for the guaranteed student loan program is absolutely essential to meet the needs of more than 3.5 million students who count on the program each year.

The administration had proposed to eliminate graduate and professional students from the program, and they had proposed to double the origination fee from 5 to 10 percent. On top of those two changes they proposed to eliminate the interest subsidy in the program after only 2 years rather than the current law length of the loan which is 10 years. We rejected all of those proposals as destructive of the program. To incorporate them would make it virtually impossible for middle-income students to pursue higher education and a graduate education.

Millions of students and their families are waiting for us to act on these additional funds so that they can be assured the access to a higher education that they seek. We must all remember that the strength of this Nation is based on the wisdom and education of its people—this is a wise and necessary investment in our Nation's strength.

Without this supplemental, 2,700 personnel in the Employment and Training Administration received furlough notices this week.

Without this supplemental, over two-thirds of the States and over 600 projects are virtually without sewage treatment construction funds. EPA officials estimate that each month of delay increases project cost by two-thirds of 1 percent.

Without this supplemental, the Coast Guard may have to close or terminate 31 search and rescue stations around the country, 7 vessels, 9 search and rescue aircraft, 3 air stations, 4 vessel traffic systems—which will cripple the drug interdiction program and reduce search and rescue operations at the height of the boating season.

By delaying action on this supplemental, the majority leadership delays action on the provision which cuts off aid to Cuba through the United Nations.

By delaying action on the supplemental for the Tax Court, a backlog of 47,000 cases continues, and the taxpayers will pay 20-percent interest on tax bills being appealed which are part of that backlog.

Mr. Chairman, the wheels are falling off, one at a time; in order to spare disaster, let us get off dead center and go to work.

CHAPTER I

Allow me to expand on chapter I items, in this bill.

HHS INSPECTOR GENERAL

This Friday, May 14, the Department of Health and Human Services will announce furloughs of all 924 of its inspectors in the Office of the Inspector General. They will be furloughed for a total of 85 days—more than 70 percent of the remainder of the fiscal year. This means that there will be no inspectors on board to fight fraud, waste, and abuse. Is that any way to run a Government?

GUARANTEED STUDENT LOAN PROGRAM

There is a critical situation brewing in the guaranteed student loan program. The program is virtually out of money as we stand here today. More than 1.7 million students will be applying for loans during now and October 1 and there is no money to meet that demand.

The GSL program has no funds to pay its debts. The Department will be paying a 16-percent penalty on all its debts that are outstanding after 30 days. We are perilously close to reaching that point now. That 16-percent penalty is compounded on a daily basis, so you can see we will pay dearly if we do not provide this supplemental.

DEPARTMENT OF LABOR

The Department of Labor has a number of critical needs in its salaries and expenses accounts. The Bureau of Labor Statistics notified all of its employees on April 13 that it must begin furloughs of all employees on May 16. With those furloughs go the accuracy and reliability of vital statistics like the CPI and employment statistics.

Also in Labor, the Employment Standards Administration has notified its staff that all employees will be furloughed for 3 full weeks beginning in early June unless this supplemental transfer is made.

In the Employment and Training Administration all staff will be furloughed for a full 5 weeks beginning early June. Steps are already underway to lay off these individuals.

The numbers are staggering—the Department of Labor already RIF'd over 4,000 employees in December. Now we are talking about more than 6,000 additional furloughs in just the next few weeks.

This urgent supplemental also contains funds for continued operations of the Pell grant program that will grind to a halt unless the additional $4.65 million is provided very soon. Applications for grants for the fall are piled up waiting for processing. We must act, and act swiftly.

WORK INCENTIVES PROGRAM

The supplemental of $76.8 million for the work incentives program is critically needed. The supplemental will have the effect of providing the funding level voted by this House last October in the regular "Labor-HHS appropriations bill for fiscal year 1982."

Without this supplemental it is estimated that as many as 4,500 employees will be laid off out of a total of 12,000—that is more than a 35-percent cut in the program's work force.

This is an effective program that produces $2 of savings for every $1 that is invested in the program.

The urgency is clear. Illinois will lose 300 of its 420 employees; Indiana will be closing more than half of their county offices; Florida will lose 100 of its 141 employees, while Minnesota loses 69 of its 159 employees.

ACTION SUPPLEMENTAL OF $2 MILLION FOR PROGRAM ADMINISTRATION

The $2 million supplemental for ACTION is needed to avoid any additional reductions-in-force or substantial furloughs. The agency has already reduced its personnel by 18 percent through RIF's. Their only other alternative is to reduce program funding to the older Americans programs including the Foster Grandparents program and the retired senior volunteer program.

HUD AND EPA

Chapter II deals with a proposed rescission of $9.4 billion in funds appro-

priated to the Department of Housing and Urban Development for our federally assisted housing programs and also provides for the long awaited $2.4 billion supplemental for EPA's sewage treatment construction grants program.

The committee recommends a $100 million rescission and a deferral of approximately $3.8 billion instead of the proposed $9.4 billion rescission.

Our federally assisted housing programs have already been hit hard by our budget reduction efforts. Just 2 years ago the fiscal year 1980 HUD appropriations bill included $26.7 billion to support approximately 270,000 subsidized units. Our fiscal year 1982 HUD appropriations bill enacted just this past December included only $17.3 billion for these same programs or assistance for about 142,000 units.

The administration's $9.4 billion rescission proposal would have terminated beginning this fiscal year both the public housing construction program and the section 8 program for new construction and substantial rehabilitation. Additionally the administration's proposal encouraged the recapture of as many funds as possible from those projects which have already been granted section 8 reservations but which have not been able to go to construction because of the unusually high interest rates prevailing at this time.

While the committee agrees with the administration that the section 8 program has proven too costly to continue as our primary means of providing housing assistance to the needy of this Nation, the committee also recognizes that the housing needs of the people of this country do not disappear because the programs to provide this housing have proven costly. Consequently while the committee goes along with the administration's proposal to terminate the section 8 new and substantial rehab programs beginning this fiscal year except for the section 202 program, we do not recommend that the funds for the 20,000 units to be built under the public housing construction program also be rescinded. The committee also felt very strongly that we have an obligation to take the steps necessary to bring to construction those section 8 approved projects in the pipeline on which local officials, developers, and community residents have already invested so much time, energy, and money to develop. Therefore, the committee recommends that the administration use some of the money proposed for rescission to further implement mechanisms it already has in place, such as the FAF (financing adjustment factor) and the Ginnie Mae tandem programs, to make affordable financing available so that these already approved projects can be brought to construction.

I should note at this point that on April 23, more than a month after the committee had reported this bill to the Whole House, the administration, responding to our concerns and to public pressure to bring to construction those projects already in the pipeline, submitted a revised rescission proposal that would reduce the amount proposed for rescission by $3 billion in order to make available additional funds for the FAF and for cost amendments.

With respect to EPA, the committee is recommending $2.4-billion, the full amount authorized, for the sewage treatment construction grants program. The reform legislation sought by the administration was passed by the Congress late last year and signed into law on December 29. The administration transmitted the promised $2.4 billion fiscal year 1982 supplemental request for this program with its fiscal year 1983 budget proposals. EPA officials have testified that 34 States have virtually exhausted their sewer grant funds. Approximately 600 projects across the Nation are projected to be funded with this proposed supplemental, and EPA officials have estimated that each month of delay increases project costs by approximately two-thirds of 1 percent. This $2.4-billion supplemental for EPA is regarded as urgent by both the administration and the committee.

TRANSPORTATION

As regards chapter III, Department of Transportation and related agencies, there exists the urgent need for $48,000,000 for the Coast Guard; $12,150,000 for interstate transfer grants—highways; and $8,000,000 for the ICC directed rail service program.

I firmly believe that the Coast Guard—our forgotten branch of the military services—urgently requires this minimal amount of funding for its operating account. As we all know, the Congress continues to burden this already lean branch of the services with additional responsibilities. While doing so, not only have we failed to fund the applicable accounts at an appropriate rate, but, in fact, have reduced these critical levels of funding. Currently, the Coast Guard has a diverse mix of missions. Those missions include search and rescue missions, aids to navigation functions, and icebreaking duties.

In addition to these more historic missions, they are responsible for enforcing the laws and treaties of the sea, which includes drug interdiction.

The Coast Guard is, indeed, a military service. It has a military readiness mission to perform. In time of war, it is part of the Navy and operates directly under the Chief of Naval Operations, In sum, the Guard is a multimission agency which performs its duties with a lean budget.

Mr. Chairman, but for the fact that the authorization ceiling for the Coast Guard only permits this $48,000,000 supplemental appropriation, I would have recommended even more. In fact, the chairman of the Merchant Marine and Fisheries Committee recently testified that the Coast Guard easily could utilize an additional $192,000,000 for fiscal year 1982. The $48,000,000 in this bill for the Guard includes $30,500,000 for legislatively mandated increases in sea pay, fuel costs, and other required operations.

The bill also provides another $17,500,000 to continue the operation of the following facilities:

First, 31 search and rescue stations previously proposed for closure or reduction;

Second, the second district headquarters in St. Louis, Mo., and the 11th district headquarters in Long Beach, Calif.;

Third, vessel traffic systems in Berwick Bay, La.; New Orleans, La.; San Francisco, Calif.; and New York, N.Y.;

Fourth, seven vessels previously announced for decommissioning;

Fifth, air stations at Savannah, Ga.; Puerto Rico; and Los Angeles, Calif.;

Sixth, nine aircraft previously announced for retirement, substitution or reduction;

Seventh, numerous facilities in Puerto Rico; and

Eighth, the Coast Guard Academy at the current rate of operation.

On the matter of the "Interstate Transfer Grants—Highways," the committee believes that there exists an urgent need to fund a highway project in Cleveland, Ohio. The urgency exists because the State's match of approximately $2,000,000 will lapse without this Federal grant of $12,150,000.

On the issue of the "Directed Rail Service" administered by the Interstate Commerce Commission, this bill recommends $8,000,000 to pay liabilities of the Federal Government that continue to accrue. The liabilities are based upon the directed rail service performed by the Kansas City Terminal Railway Co., between September 1979 and March 1980 over the lines of the bankrupt Chicago, Rock Island & Pacific Railroad Co.

The committee considers this recommendation to be urgent in light of the fact that funds for the accounting operations will be exhausted by the first week in June. The ICC fears that if this operation is temporarily terminated it will permanently lose the skills of 100 of these highly specialized and experienced employees. The ICC has ordered these accounting functions to continue until March 31, 1983.

COMMERCE, JUSTICE, STATE, AND THE JUDICIARY

Chapter V of title I of the bill provides two additional appropriations and one transfer for Department of

Commerce activities and language for the International Communications Agency.

An additional appropriation of $3,171,000 is provided for general administration of the Department of Commerce, the same amount as the budget request. These funds would allow the Secretary of Commerce to retain critical Inspector General and management control positions which are needed to avoid waste, fraud, and abuse in the Department's $1.75 billion annual budget and in the oversight of past loans and grants.

The administration supports early approval of this supplemental. Without the supplemental, Commerce will be forced to furlough all 1,100 employees in the Office of the Secretary for the remainder of fiscal year 1982, beginning approximately June 27. Notice of the furloughs are scheduled to be issued by May 27 if funding is not assured. In addition, the following offices will be affected: Inspector General—severe disruption of ongoing criminal and investigation work potentially affecting prosecutorial work in progress; General Counsel—impairment of ability to analyze pending legislation, provide counsel to Department officials, and participate in active litigation; Budget Office—impairment of ability to formulate the fiscal year 1984 budget and to execute the fiscal year 1982 and fiscal year 1983 budgets.

A transfer of $4.5 million is provided for salaries and expenses of the Economic Development Administration to allow EDA to avoid significant furloughs of personnel responsible for the administration of programs in the field, including the management of its loan portfolio. Testimony before the committee indicated an alarming rate of potential defaults, 40 percent, in EDA lending activities, and the committee is convinced that this investment in the form of a transfer of existing resources is appropriate.

An additional appropriation of $2,000,000 is provided to continue three weather service activities of the National Oceanic and Atmospheric Administration. Of this amount, $927,000 will enable 38 small and part-time weather stations around the country to remain open through September 30, 1982. $209,000 will extend fruit frost forecast services through the same period, and $836,000 will provide a similar extension for 8 weather service forecast offices.

The bill also includes language allowing the International Communication Agency to secure leases of real property for up to 25 years in Africa, Asia, the Caribbean, and Europe. Such leases are authorized subject to specific language hereby included in an appropriations act. The property involved is used for Voice of America transmitting facilities. The administration supports the inclusion of this language.

GENERAL PROVISIONS

FOREIGN OPERATIONS

Section 202 of the bill is a general provision which prohibits the use of funds appropriated for U.S. voluntary contributions to the United Nations to be used for the U.S. proportionate share for any programs for the Palestine Liberation Organization or Cuba.

The language restricting the use of U.S. funds for the PLO is a political exercise only; no voluntary contribution programs of the U.N. funded any programs for the PLO in fiscal year 1981, and none is expected to do so in fiscal year 1982. Assessed contributions, which are appropriated in the Commerce, Justice, State Appropriation Act, not the act cited in this language, are used for the PLO; however, U.S.-assessed contributions are restricted from being used for the PLO by Public Law 96-60 and Public Law 96-68, and similar provisions which are expected to be adopted as part of the State Department authorization bill now in conference, S. 1193.

In regard to Cuba, the effect of the restriction in fiscal year 1982 is unknown; U.N. agencies are still in the process of planning their calendar year 1982 programs. In 1981, Cuba received program assistance from UNICEF, the world food program, nonsafeguard programs from the International Atomic Energy Agency, and the U.N. environment program. Because of a restriction in effect under the fiscal year 1981 continuing resolution, U.S. contributions were withheld for our proportionate share for programs in Cuba and for the Southwest Africa Peoples Organization in the amount of approximately $500,000.

While the dollar impact of this provision in fiscal 1982 is unclear, it will probably require a renegotiation of U.S. pledges to the various U.N. agencies. The administration has no objection to this language.

□ 1430

Mrs. ROUKEMA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. ROUKEMA. Mr. Chairman, today, as the House finally gets a chance to consider the supplemental appropriations bill, I would urge my colleagues to support those provisions of the bill which contain absolutely essential funds for the guaranteed student loan program for the remainder of the fiscal year.

Last week, in a speech before the House, I noted that I had received an upsurge of complaints from students who are unable to get applications for student loans. Because this supplemental bill has not been passed yet, many States, included New Jersey, are not sending out loan applications to local banks. I also note that the Federal Government will pay an $8 million per day interest penalty fee of 16 percent amounting to $8 million per day if we do not pass this legislation in final form before the program runs out of money.

I commend the chairman of the Subcommittee on Labor, Health and Human Services, and Education, Mr. NATCHER, the ranking minority member, Mr. CONTE, and the members of the committee, for recommending the full $1.3 billion necessary for the GSL program. The committee's actions are responsive to and consistent with the concerns which I and a bipartisan majority of my colleagues on the Education and Labor Committee expressed in our February 26 letter to Chairman NATCHER. The letter urged that the program be fully funded in accordance with the reforms and eligibility requirements enacted in the Omnibus Reconciliation Act. The letter further urged that no substantive changes within the program be enacted in the supplemental appropriations process.

Mr. Chairman, I ask unanimous consent that the text of that letter be included in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington, D.C., February 26, 1982.

Hon. WILLIAM H. NATCHER,
Chairman, Subcommittee on Labor, Health and Human Services, and Education, Committee on Approriations, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As Members of the Committee on Education and Labor, we are disturbed by the Admninistration's proposal to enact immediate, drastic changes in the Guaranteed Student Loan (GSL) Program through the appropriations process.

As part of its request for an additional $979 million in fiscal year 1982 funding for the GSL Program, the Administration has requested that the appropriation include language instituting certain changes in the program, effective April 1, 1982. These proposed changes include such significant measures as elimination of graduate student participation in the GSL Program, an increase in the loan origination fee from 5 percent to 10 percent, and a requirement that all students applying for loans demonstrate financial need regardless of their family income.

These proposals will require considerable discussion in our Committee and it is possible that they will be either rejected or replaced with alternative cost-saving measures. It is essential that all changes in this program which is so vital to the needs of higher education in America be enacted through the normal authorizing process.

We also object to the proposal to impose an April 1, 1982 effective date on substantial changes in the program. The very existence of the Administration's proposal creates a serious potential for distruption in the financial planning of students for the 1982-83 school year. Furthermore, as we learned last year, many banks will discontinue processing loans until there is certainty as to the effective date of any new provisions.

Therefore, we respectfully request that your Committee reject any proposal to pro-

vide changes in the operation of the GSL Program through the appropriations process. In addition, in order to allay uncertainties within the banking community and among students planning to attend higher education institutions next year, we request that the Committee provide a supplemental appropriation for the program as soon as possible in an amount sufficient to meet the needs of the program through the rest of the fiscal year at current operating levels. We appreciate your attention in this matter.

Sincerely,

Marge Roukema, E. Thomas Coleman, Dennis E. Eckhart, Ted Weiss, Ray Kogovsek, Joseph M. Gaydos, Austin J. Murphy, Arlen Erdahl, James M. Jeffords, Peter A. Peyser, William R. Ratchford, Augustus F. Hawkins, George Miller, Carl D. Perkins, Paul Simon, John N. Erlenborn, Mario Biaggi, Baltasar Corrada, William F. Goodling, Lawrence J. DeNardis, Larry E. Craig, Pat Williams, Dale E. Kildee, and Ike Andrews.

It is essential that we emphasize the fact that enactment of this measure, coupled with the aforementioned letter from the Education and Labor Committee, provides assurance to the banks and the students and their families that they can make their plans this year and make financial plans with reasonable assurance that no major changes will take effect at least until fiscal year 1983, if at all.

I should also add that the situation has been further clarified by the recent issuance of final regulations by the Department of Education, establishing requirements that the needs test be used for the remainder of this year.

I would like to take a moment, Mr. Chairman, to clarify the misunderstanding that surrounds the whole issue of guaranteed student loans.

Often overlooked on this issue is the fact that we already have made substantial reforms in the program for fiscal year 1982. As one who helped on the reforms that eventually became law, I would note that savings are estimated to be up to $3 billion over a 3-year period because of the changes that were enacted. Specifically, these changes include a cutoff point of $30,000 in gross income for automatic eligibility, after which a needs test is applied to the family. This reform was absolutely necessary in order to change the program from a burgeoning "open-ended" entitlements program into one that reserves assistance for those in need. These reforms protected the needs of low- and middle-income families that are experiencing the most severe cash-flow problems resulting from rising college costs. But the loans should no longer be used by families or students that invest them in high-yield funds.

Let me point out as well that the Department of Education has recently further tightened and reformed the regulations for guaranteed student loans with a strict requirement that family assets be considered in determining eligibility for high-income families.

As you know, Mr. Chairman, the administration had proposed a lower figure for the supplemental appropriation for guaranteed student loans; their figure was predicated upon the assumption of additional changes that were to occur on April 1, including the elimination of graduate students from the program. In rejecting that suggestion the Appropriations Committee has insured that the program can indeed continue at current levels through at least September 30, and we should again note that "current levels" refers to a program with substantial meaningful reforms already in place.

The committee's recommendation, if adopted, is most important to students who are currently making their financial plans for next September. To fund the program at a lower figure—and consequently force changes in eligibility—would create havoc for these students as well as the lending institutions that are participating in the program.

Additionally, in my opinion, the proposal to terminate eligibility for graduate students is ill-advised. The administration's proposal would remove 625,000 graduate students nationwide from the program, including 20,000 in New Jersey. This would occur at a time when graduate school tuition is soaring and our national economy requires skilled professionals in all fields. For example, the number of doctorates in chemistry has already declined 31 percent from 10 years ago and there has been a similar 25-percent decline in graduates in math and computer sciences.

In a similar vein, we know that costs for graduate students in the health profession and law schools are already prohibitive and that these loans provide much-needed cash-flow assistance. For example, 83 percent of the students at the College of Medicine and Dentistry in New Jersey finance part of their education through student loans. At Cornell University Medical College, the figure is 75 percent.

Are we ready to say to the American people that only the well-to-do deserve to go to graduate school? Are we prepared to further accelerate the decline of skilled professionals for business, health, law, science, and engineering that are so essential for rebuilding our economy? Clearly, the answer is "No."

In closing, Mr. Chairman, let me reiterate that the supplemental appropriations for guaranteed student loans is one of the most important parts of the bill we are considering today, and that we must provide the funds necessary to keep the program at present levels. In doing so, we will be consistent with the budgetary reform of 1982 and we shall also provide for an investment in the economy and in our young people. Thank you.

Mr. CONTE. I want to thank the gentlewoman from New Jersey for her contribution.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Arizona.

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding. I support this urgent supplemental appropriations, H.R. 5922, but Mr. Chairman, how can we support this necessary bill if the amendment to include funding for H.R. 6294, Single Housing Production Act of 1982 is adopted.

Mr. Chairman, I urge my colleagues to disapprove the expected amendment to fund the program under H.R. 6294 on this urgent supplemental appropriations bill for 1982. This amendment is a product of partisan gamesmanship and is not in the best interest of this Nation.

This amendment would allow an appropriation for the housing bill that was only passed yesterday. That bill has not been passed by the Senate nor signed by the President. It seems that the partisan leadership in this House, in its view of the world, has decided to put the cart before the horse. Furthermore, the bill that was passed yesterday and for which this amendment attempts to appropriate funds today shows to any clear-headed observer that this Congress is not determined to change its ways, 40 years of fiscal irresponsibility and stopgap measures designed to buy votes.

There is no doubt that the housing industry is on the verge of collapse, if not already there.

But what is the cause of that problem? It is the unrelenting growth in the consumption by the Federal Government of credit to finance a trillion dollar debt and a debt service that is now larger than the entire 1963 budget.

Right now, this Government, under laws passed by Congress, is consuming almost half of all the available credit in the market. That is credit that is needed to expand, replace machinery, and put back to work all the carpenters, factory workers, plumbers, and salesmen that are out of work.

The bill that was passed yesterday, H.R. 6294, would have us start a program of interest subsidies for homebuilding. Certainly the sentiment is correct, but the method is not only incorrect, but deadly in terms of its effect on our already crippled economy.

That program, which obligates a billion dollars for an interest buy-down program, must be funded with all the other programs in our $800 billion budget.

Where is the money going to come from? As I see it, there are only three

possibilities: We can raise taxes, print more money, or borrow it. The first alternative, raising taxes, does not seem likely. We have managed to pick the pockets of the taxpayer pretty clean over the past few years. The second alternative, printing money, would put us back into the crippling inflationary spiral which we have only recently learned to control. The last, borrowing, is probably what will happen. That is just the very type of action that has crippled the housing industry.

It is not inflation that is keeping interest rates up. It is the Federal Government's astounding consumption of credit which bids up the price of the remaining credit to all those businesses which need to expand, or even to get off the ground to provide the jobs for our unemployed.

In addition, this program, which would have us embark on more borrowing, would create a new bureaucracy. If there is anything that has been made clear by the American taxpayer over the last few years, it is that they do not want more bureaucracy.

Finally, what will be the benefits of the program? We are told that this program will create 75,000 new housing units. Compared to the demand level now of over 2 million that is a mere drop in the bucket.

If we are to actually help the housing industry, we must do so in a manner which will not add more fuel to the credit fire that is now burning down the housing industry.

I have introduced a bill, H.R. 4833, the national home ownership bonds bill, which does that very thing.

This bill would authorize lending institutions to issue national home ownership bond bills, which would have a face yield of 10 percent. The funds secured by the sale of these bonds would be earmarked for 12 percent mortgages. The investor in the bond would receive a tax incentive which would make the bond equivalent to a 14 percent taxable instrument. This is a tax incentive program for housing. It is not a governmental subsidy. It will not require any outlays from the Treasury, and, indeed, will produce far more in tax revenue than any possible tax forgoence needed to start it up. More importantly, the program outlined in H.R. 4833 will not create any long-standing obligations. It is, in a sense, a self-destructing piece of legislation that will only be triggered on need.

If we are to convince the people in the market and the taxpayer that this Congress is serious about bringing down interest rates: that this Congress is serious about preserving the economic opportunities that have made this Nation great, then it is important that we sever ourselves from the actions of the past. The appropriations for the program outlined in H.R. 6294 will only bring us more of the misery that we have managed to create in the past.

I urge my colleagues to join with me and vote against funding of this amendment and support the national home ownership bond program, H.R. 4833. We need a strong housing industry. But we need a strong industry that is active in a healthy economy, not one that is propped up by congressionally mandated subsidy programs.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Michigan.

Mr. DUNN. Mr. Chairman, I thank the distinguished ranking member for yielding to me, and also wish to add my compliments to the role that he has played in the campus-based programs, particularly the guaranteed student loan. The gentleman is aware of the role I played in putting the 21 freshman Congressmen together and calling our group "CARE."

At this time I would like to discuss a different problem, though. That problem is the supplemental educational opportunity grants. As the gentleman in the well is aware, this is financial aid to the very poorest of our college students.

A student receives an SEOG only if he or she still shows financial need after receiving most other forms of student aid.

At Michigan State University, 400 extremely needy students who are entitled to SEOG's will not get them this year. MSU has lost $156,000 from 1981 to 1982 in SEOG funds.

Of the three campus-based programs, college-work study, national direct student loans, and SEOG's, SEOG received by far the worst cut. This program was cut 25 percent. By comparison, college-work study and national direct loans were cut 4 percent. Pell grants were cut about 6 percent.

The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972 and that each college within the State will receive no less than the level of SEOG funds they received in 1979-80. It would take about $77 million to assure that level of funding for SEOG.

This would bring the loss in this program in line with the 4 percent losses of the other campus-based programs.

Can the chairman and the ranking minority member give me some assurance that such a restoration of funds would receive their favor should it be included in this measure when it returns from the Senate?

If such a restoration is not included in the Senate, I am hopeful that the next appropriations bill includes such a restoration.

Can the distinguished leadership of the Appropriations Committee respond?

Mr. CONTE. Let me yield to my good friend, Mr. NATCHER, for a reply.

Mr. NATCHER. Mr. Chairman, first I would like the members of the committee to know that it is a distinct honor and privilege for me to serve on this subcommittee and on the full committee with my friend, SILVIO CONTE of Massachusetts. Mr. CONTE is one of the able Members of the House.

In answer to the gentleman from Michigan (Mr. DUNN) as the gentleman in the well remembers, in the appropriation bill that passed the House on October 6 of last year, we had the amount of $370 million in the bill for this particular program. My friend, SILVIO CONTE will tell you, we believed on our subcommittee that that was a proper amount. We put it in the bill. We brought it to the House. The House passed it.

On the other side, that amount was reduced to $290 million. The gentleman's inquiry, as I understand, is if on the other side that amount is brought back to about the House figure, whether or not we would carefully consider it. With the persmission of the gentleman in the well, as far as I personally am concerned, I would say to the gentleman that if the figure is brought back to the House level, certainly we would approve it.

Mr. DUNN. I thank the gentleman.

Mr. CONTE. I agree with everything BILL NATCHER just said.

I believe the committee recognizes the SEOG program as an important and vital program for assisting some of our most needy students in achieving a higher education. It is a very important student aid program.

It was regretful that the Senate reduced funding for the program for fiscal 1982 to a level that meant, under the continuing resolution, the program took a substantial reduction.

The committee will be considering a general supplemental in the near future. We will certainly give the program every consideration at that time.

I might add that we also have concerns for the fact that the fiscal 1983 budget proposes to eliminate the program altogether. We will have to take a hard look at that one as well.

Mr. DUNN. I thank the committee chairman and the ranking minority member.

Let me add some background on this matter.

As Members will recall, last October, the Appropriations Committee, under the leadership of its chairman and ranking minority member brought a continuing resolution to the floor of the House, based on the committee's full fiscal year 1983 appropriation bill. Among other appropriations, that legislation provided full funding for the three student aid programs administered by campus financial aid administrators at the fiscal year 1980 levels:

$370 million for supplemental educational opportunity grants, $550 million for college work-study, and $286 million for national direct student loans. We approved that version overwhelmingly and sent it over to the Senate.

As usual, the other body used a different set of priority assumptions to develop its version of the continuing resolution, which was based on the amounts allowed in the Senate Appropriations, Committee bill for fiscal year 1983. Unfortunately, under that bill which never came to the floor of the Senate for correcting amendments, two of the three campus-based student aid programs suffered substantial reductions in the Senate version, with SEOG reduced to $290 million, NDSL reduced to $186 million, and CWS held level at $550 million.

The resolution of the differences came when conferees allowed funding to continue at the lower of the two levels. Instead of a 4- or 6-percent cut, as orginally expected, SEOG funding was cut by 25 percent. Since SEOG funding goes to exceptionally needy students, that will result in substantial reductions in student awards, to the very students who can least afford to make up these cuts from other sources.

During the first week of April, and 1 week after the urgent supplemental was reported by the Appropriations Committee, the Education Department announced tentative allocations to colleges and universities for this fall's awards to students under the campus-based programs, SEOG, CWS, and NDSL. These allocations were based on the fiscal year 1982 continuing resolution level, but caused the following results:

[Dollars in millions]

	Fiscal year—					
	1980 actual appropriations; AY 1980–81	1981 actual appropriation; AY 1981–82	1982 continuing resolution appropriation; AY 1982–83	Tentative allocation levels [1]; AY 1982–83	Expected final allocation levels	Percentage reduction fiscal year 1981 to fiscal year 1982
SEOG	$370	$370	$278	$274	$278	25
CWS	550	549	528	[2] 476	528	4
NDSL	286	186	179	174	179	4

[1] Differs from appropriated levels due to amounts held back for appeal.
[2] Assumed President's rescission request of $44 million, now expired.

The 25-percent reduction in SEOG funding not only is greater than most other program cuts, but also creates havoc with the statutory formulas for distributing the funds among States and institutions. The Higher Education Act provides that all States shall receive at least the level received in fiscal year 1972, and that each institution within the State be held harmless at its 1979–80 utilization rate, known as the institutional conditional guarantee.

When the fiscal year 1981 reduction in the NDSL program appeared to cause distribution problems last year, because of the $100 million loss in funding, Senator RUDMAN successfully proposed an amendment to assure that each State receive at least the same percentage of the national appropriation for NDSL funds as it had received the year before. That mechanism worked for the NDSL program last year without much disruption. That does not appear to be the case for SEOG this year.

This year, Senator RUDMAN intended to offer a similar amendment for the SEOG and CWS programs on the continuing resolution, but was prevented from so doing by the leadership decision to enact a simple extension of the CR. Senator RUDMAN will offer such an amendment when this legislation reaches the Senate, and it will cure the problems that arise with respect to the State allocation formula, but causes substantial shifts in SEOG funding among institutions with each State. Institutions which during the current academic year are providing SEOG awards to substantial numbers of needy students will be unable to provide awards this fall to many of those same students. The 25-percent reduction in SEOG funds, the statutory distribution formula, and the fact that the Education Department claims not to have 1980–81 data on which to base the Rudman amendment conspire to cause these disruptions in the student aid system which will, in turn, result in disruptions in the educational aspirations of large numbers of needy students.

Mr. Chairman, the only answer to this dilemma appears to be to restore some of the 25-percent cut in SEOG funds last year. According to current estimates, all institutions could receive their conditional guarantee level of funding if we restore some $77 million of the $92 million reduction in SEOG funding. That would put the loss to this very important program in line with the 4-percent losses in other programs, and avoid most of the disruptions that will occur absent such a restoration.

Mr. CORCORAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend from Illinois.

Mr. CORCORAN. Mr. Chairman, I thank my friend from Massachusetts for yielding.

I wonder, in view of the discussion, Mr. Chairman, concerning the various student loan programs, whether or not we should not use this time for me to inquire of the gentleman from Kentucky, the chairman of the subcommittee, about the guaranteed student loan program?

Mr. CONTE. I yield to the gentleman from Illinois and then to the gentleman from Kentucky.

Mr. CORCORAN. I thank the gentleman very much. My concern is simply this: While I tend to agree with what has been explained so far by various of our colleagues about the importance of the pending legislation in terms of providing the supplementary financing for the program, at the same time when we examine the experience that we have had with the guaranteed student loan program, it would look as though there is a tremendous cost exposure for the Federal Government. While I am inclined to support this emergency supplemental bill, I do wonder whether or not, in view of the fact that in this legislation we have an increase of $321 million over the President's request for the guaranteed student loan program, and that in addition to that in terms of the increase over the authorization and appropriations for fiscal year 1982 we have a substantial increase in the program; and at the same time, when we look at the experience we find that the default rate is in the range of 12 to 13 percent.

So, while I am inclined at the present time to support their bill, as the chairman of the full committee, the gentleman from Mississippi, pointed out, that is the law and we have to finance the law, and I do not quarrel with that, but I do wonder whether or not anything is being done to restructure this program so that we will not have this tremendous cost experience year after year?

Mr. NATCHER. If the gentleman would yield, I would like to say to the gentleman, as far as the $1,300 million is concerned, that is the figure that the Appropriations Committee had to put in the bill. As the gentleman knows, the changes to this program made by the Reconciliation Act passed last year require the amount of $1,300 million. The administration sent to the committee the figure of $978 million.

As the gentleman in the well, Mr. CONTE, will tell you, if we had accepted the $978 million, we would have to change the law. We do not have the right tc change the law. We had to comply with the Reconciliation Act, and in complying with that act the amount required is $1,300 million. That is the reason we have that amount in this bill.

Mr. CORCORAN. I thank the gentleman for his explanation. Let me ask just one further question, if I might, with the indulgence of the gentleman from Massachusetts and the chairman of the committee, who have worked so diligently on this problem. As I look at the problem, I see that we have had a

substantial increase, at least in terms of total dollars, as far as the cost to the Federal Government is concerned. And in particular, when we look at what has happened to the program since the middle-income assistance legislation of a few years back, we find that the exposure, which has been great, is going to be a good deal greater in the years to come because we have got much wider participation, and the amounts of money are a good deal higher in terms of per capita student loan programs.

Therefore, as I look into the future, I see an even further escalation in cost, and so I again would raise the question—I understand the responsibility, I think, of the Appropriations Committee, but at the same time, I am sure there is some kind of communication linkage between the gentleman's committee and the authorizing subcommittee.

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Mr. Chairman, may I ask the gentleman, is anything being done to restructure this program so that it does not balloon out of sight as it would if it stays on its current trendline?

Mr. CONTE. Mr. Chairman, that is in the subcommittee of the Committee on Education and Labor. The gentleman from Illinois (Mr. SIMON) is chairman of that subcommittee, and they have been holding hearings all this year on the higher education programs, the Pell grants, the SEOG's, and the guaranteed student loans. So I would suggest that if the gentleman has any ideas about changing the program, that would be the committee to go to.

We are the Appropriations Committee, and any time that we get into the legislative process—I have been on that committee 24 years—we get the legislative committee down here telling us to mind our own business. We are the appropriating committee and, therefore, we should not get involved within their jurisdiction.

That is what we did here. We just abided by the law. The administration told us they wanted us to knock out the graduate students, and we said, "No, you go to the Education and Labor Committee if you want that."

Mr. CORCORAN. Mr. Chairman, I can appreciate that, and I can understand the position in which the gentleman from Massachusetts (Mr. CONTE) finds himself.

I wonder if the gentleman from Kentucky (Mr. NATCHER) would care to respond in terms of whether or not there is any linkage right now between the subcommittee of the Appropriations Committee with responsibility and the subcommittee of the Education and Labor Committee with responsibility for authorizing legislation involving the guaranteed student loan program?

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the gentleman that, yes, we are in touch with the authorizing committee. As the gentlewoman from New Jersey (Mrs. ROUKEMA), who stands there on the gentleman's left, will tell you, we follow carefully the matters that go through the authorizing committee. We are in touch with the authorizing committee on a regular basis. I would say to the gentleman that we cooperate with the authorizing committees, especially on this particular matter that means so much to students at this time.

Mr. Chairman, the gentlewoman from New Jersey (Mrs. ROUKEMA) can address that question as well as I can.

Mr. CONTE. Mr. Chairman, I yield to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Chairman, I thank the gentleman for yielding.

I cannot speak to the subject of what the subcommittee is doing. However, as a member of the full committee, I can indicate to the gentleman and reiterate to the gentleman that over $3 billion was saved this year over last year due to the reforms that have already been instituted.

I want to reemphasize here that the moneys we are speaking about, as the subcommittee chairman, the gentleman from Kentucky (Mr. NATCHER) has indicated, are moneys that must be authorized under the law. That is the new needs test formula that the administration and the Department of Education have worked out on a formula basis, and this is an absolute must.

Speaking now to the future, I think there are some modest further cuts that can be made and other reforms in terms of loan origination fees and perhaps a rise in interest rates, but that is in the future and is not contained in this supplemental.

I can suggest for myself that I was totally opposed to changing those laws or regulations in midyear and coming so close upon the previous reforms as voted in last year.

Mr. CORCORAN. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for his indulgence. I simply want to say that I would hope we would not stop funding the program, but I certainly hope we would restructure it in view of the experience we have had.

Mr. Chairman, in these times of economic distress, it is vital for this deliberative body to examine Federal entitlement programs in order to cut waste from the system. I am concerned—and I sincerely hope that you are, too—with the Federal debt that has amassed over the decades. I am particularly concerned with the debt the Federal Government has incurred as a result of its participation in the guaranteed student loan program, otherwise known as GSL's, and I am not sure that the way to control this is simply by reducing funds for the program, as suggested in recent proposals.

The GSL program is only one of a number of Federal student financial assistance entitlement programs. Its growth, however, unparallels that of any other student assistance program. In fact, during the 1970's, GSL's surpassed medicaid and food stamps to become the fastest growing entitlement program in the Federal budget. In 1978, the Federal cost of this program was $331 million. Last year it was $2.4 billion. That is a 725 percent increase in 4 years.

Unfortunately, but predictably, this expansion in funds and financial opportunity was accompanied by a rise in the number of student borrower defaults. GSL default rate figures for fiscal year 1980 are staggering. According to the Congressional Research Service, matured GSL's amounted to $11.5 billion, while cumulative default claims were $1.4 billion, with no admustment for collections. The current default rate for GSL's stands at 12.3 percent, and this figure is sure to escalate as large numbers of student loans, approved before last year's new restrictive changes, continue to mature.

In addition to loan defaults, many more abuses run rampant within the GSL program. Some colleges and universities recklessly counsel their students to take out GSL loans despite lack of financial need. Some well-to-do families take out the low-interest GSL's for their children and invest the money in money market funds or other profitable investments, thus ignoring the true purpose of the loan program—dispensing loans to assist students meet educational expenses. Some student borrowers neglect to repay the loans or declare bankruptcy after graduation to avoid repayment.

All of these irresponsible practices and many more have greatly jeopardized the future of the GSL program. These practices, if ignored, may have a negative impact on new students through tighter budget restrictions, as in fact proposed by the President this year. Yet, the Congress, in light of these abuses, has produced no viable proposals to target the weaknesses of this program other than the income restriction provision approved last year. As it stands now, the House Education and Labor Committee has voted to simply authorize additional dollars and add to the myraid confusion which continues to shroud the GSL program. Can we neglect our responsibility as lawmakers to provide just and efficient government? We must address the issue of change in order to reform the GSL program. There is

definitely room for much-needed, logical improvements.

That is why, Mr. Chairman, I am addressing this body today. I have examined the guaranteed student loan program and have formulated strengthening provisions which, if enacted, will eliminate the current abuses found in the system. My changes will amend the current law to correct abuses and reassign responsibilities within the GSL program without reducing the funding levels.

To better understand my proposal, it is essential to understand its philosophy. The philosophical environment for development of student loan programs has always been that of a partnership among the Government, educational institutions, and the private business community. Evaluation of actual operations of the programs points out that in fact these programs have not been a partnership. It might be said that the Federal Government has provided an indirect subsidy for private educational institutions that significantly reduces the tuition differential in comparison with the cost of State-supported institutions subsidized through taxation.

I believe that under the current program, our educational institutions have reaped tremendous benefits while shying away from any responsible role in insuring the program's financial integrity. I believe now is the time to reexamine the partnership among the Government, education, and business community and realine the roles of each within the GSL program.

The first provision, recommended to me by an Illinois college president, requires that a cosigner endorse the GSL application. This cosigner could be any financially responsible individual over 21 years of age for independent student borrowers; however, a dependent student must have the individual who claims the student on his/her Federal income tax statement. Under this provision, the cosigner will be held to the same scrutiny as the borrower currently is.

A second provision directs the Secretary of Education to establish a reporting system to monitor default rates for each educational institution participating in the loan program. Individual State guarantee agencies will collect this information from the lender and disseminate it to the Federal Government.

According to this provision, the Secretary of Education will also be directed to determine a national default rate average. This national average will serve as a goal for educational institutions to fulfill if their default rate exceeds this national rate. If an institution's default rate exceeds this rate, the Department of Education will review the educational institution to ascertain whether or not the college meets the program participation requirements already in current law and new strengthened provisions. If the college fails to meet the requirements, the Education Department will issue a written warning that harsher penalties will be imposed if the requirements are not fulfilled.

This penalty will be enforced in the following fiscal year. This penalty will require that the educational institution reimburse the Federal Government for 25 percent of the dollar amount which accounts for the difference between the school's default rate and the national standard.

I believe it is time for the educational institutions of this country to finally accept their fair share of the loan program burden while reaping the benefits of the Federal Government's payment of the in-school interest subsidy for students. It is not uncommon that, in times of distress, all Americans have banded together to relieve their share of the burden they encountered. In these times of high budget deficits, I believe that we, the Congress, would not be wrong to ask the educational institutions to participate more responsibly in this loan program. The colleges and universities of this Nation must accept full responsibility of the consequences of their counseling. They should no longer prescribe student loan remedies to any student desiring additional funds. By requiring the institutions to accept loan default responsibility, the potential loan applicants will be more closely scrutinized as to their earnestness in pursuing an education and repaying the loan.

A third provision is to assess one interest payment of 9 percent for each new student loan, with such interest payment to be used by the lending institutions as a partial offset for the full Federal interest subsidy. This payment will eliminate the current GSL loan origination fee.

The interest assessment would be divided into quarterly payments. Thus, a first-year college student who borrows $2,500 under the GSL program will be required to pay $225 for the interest subsidy. This quarterly payment of $56.25, which would be feasible as long as the student earns $5 a week throughout the year, does not pose any serious difficulty to the financially strapped student.

To clarify this provision, the interest payment would be assessed only once for each new student loan. So if a student takes only one loan, he/she only pays this in-school payment for 1 year. The lenders will be able to retain the first quarter payment as a prepayment and each interest payment thereafter would be paid 3 months in advance. This prepayment would be an incentive for the lending institutions since the lenders would have additional costs in billing these students for the three remaining interest payments.

While these payments may be small, it will provide some relief to the growing expenses incurred within the GSL program. According to this provision, if applied to this year when student borrowing under the GSL program totaled $7.7 billion, the Federal Government would save about $693 million. I believe that that savings is quite significant in light of our current budget problems.

Perhaps more importantly though, this payment will provide early identification of potential defaulters. It will also provide a tangible indication of the seriousness of the student in the pursuit of his or her education. By equipping the lending institutions with this mechanism to gage potential defaults in the first year, we can safeguard the integrity of this program against chronic abusers who could accumulate 4 or more years of debt, then default.

This provision will also require the lender to notify the State guarantee agency or the Federal Government that the borrower has failed to make this payment. The lender will then receive reimbursement for the interest subsidy and the State guarantee agency or the Federal Government will have the name of the individual who failed in this payment. If this individual wishes to apply for a second loan, the lender would be notified of the outstanding interest payment owed to the Government.

A fourth provision is to require that repayment of the principal begin 3 months upon graduation or withdrawal from school. I believe that there must be a shorter deferral time than the present 6 months to enable more current monitoring of financial responsibility and to accelerate the recycling of loan dollars, making them available for future students and reducing the Federal Government resources required to support the program.

A fifth provision is to direct the Secretary of the Department of Education to make mandatory a current optional provision allowing the educational institutions to deduct educational expenses from the student loan before the student receives the check. It is all too often that loan recipients fail to pay educational expenses even after they receive their loan entitlement. In addition, it would also serve to deter those who deposit loan checks in money market funds accounts.

Finally, there is a provision to make it mandatory that lenders assess a penalty to the borrower for nonpayment of the principal. Current law permits an optional late charge of 5 cents for each $1 of each installement, whichever is less. I believe that this is an equitable assessment and that we

should make this penalty mandatory. We must begin to awaken student loan borrowers to the fact that if they negate their financial and civic responsibilities by defaulting on student loans, then they will be treated as other adults who cannot meet their credit obligations.

It is already a common practice within the commercial and lending communities to impose penalties upon individuals who fail to keep up their mortgages and credit card installments. Why should student loan obligations be treated any differently?

This is my proposal to reform the guaranteed student loan program. I will be introducing legislation soon that, if enacted, would provide these changes to the GSL program. I firmly believe that if these changes are enacted, many of the abuses within the GSL program will be curtailed if not altogether eliminated, and there will be no need to reduce the funding for this program.

Mr. Chairman, in closing, I would like to thank all of the Illinois college and university presidents who either directly or indirectly responded to a letter I wrote concerning my proposal. Their suggestions and criticisms assisted me greatly in refining my points to the reform program I have spoken about today.

Mr. CONTE. Mr. Chairman, I want to thank the gentleman from Illinois (Mr. CORCORAN) for his contribution, and I also thank the gentlewoman from New Jersey (Mrs. ROUKEMA).

I apologize to the Committee of the Whole House for sounding like "Gravel Gertie" here today, and I hope that I do not have to get into a heated battle because my larynx is in bad shape. I was an auctioneer last night at the Capitol Hill Club.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to my good friend, the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, last year when I voted against and strongly opposed the Reagan administration cutbacks in the student loan programs, I feared the impact of the cuts would be disastrous. From discussions in recent weeks with students, faculty, and administrators, I am convinced I was correct.

The effects of the cutbacks are beginning to be felt and hold important impacts for all of us. Please let me note some major points.

First, local schools project that the reduction in their student bodies will almost surely be 10 percent in each of the next few years because of these cutbacks, and could go as high as 20 percent. It is important to note where this cutback will come. It will come from middle-income families. These are the students being squeezed by these cutbacks.

When I came back from the Marine Corps in the early 1950's, I used the GI bill to get my education, and at that time, with unemployment at only 2 percent, I was able to work during the time when I was in school. Today, we are turning our backs on that kind of middle-income student. It is a trend that must stop or we will go back to the 1940's when the lawyer's son and the doctor's son went to school, while the miner's son went into the mines. We have changed that pattern over four decades, and we cannot afford to go backward on it.

Second, this is not simply a student issue. It affects all of us. For one thing, as a nation, the cutbacks in graduate student aid and the loss of undergraduate students begins a trend that could see the United States lose the technological and scientific edge we presently have, and that is so important to us in economic growth and offsetting the Soviet Union.

Also, there is a direct economic impact for our communities. The University of Pittsburgh at Johnstown is the third largest employer in Cambria County. Thus, a cutback in students means a cutback in the work force at UPJ and that adds to our area economic problems.

In fact, looking at the schools in our area—University of Pittsburgh at Johnstown, St. Francis, Mount Aloysius, St. Vincent, Seton Hill, Indiana University of Pennsylvania, and the Westmoreland County Community College—these schools employ 1,683 people. My projections show, that with a 10-percent cutback in students, up to 268 employees would be lost, and with a 20-percent cutback, as many as 500 employees would be lost. That would be in addition to more young people entering the job market instead of going to school, so my projections are that these student aid cutbacks could add as much as 3 to 4 percent to our area unemployment rate. That is at a time when unemployment rates for 16-21-year-olds are 20 percent in Cambria County, 24 percent in Somerset County, and 19 percent in Westmoreland County.

Today, I am repledging my efforts to a strong student aid progam. I have written to members of the Budget Committee urging several actions and pledging my active leadership on the Appropriations Committee to retain full funding. The funds considered today in the supplemental approporiations bill are also vital. Among the points I supported was the fact that we must at least hold the line on funding and programs this year, although I would personally like to see funding go back to where it was before the Reagan administration cuts, and I will work for that goal. I have stressed that there can be no compromise on this issue and on student loan programs because they are all vital to keeping students in school.

The impact on our communities, our students, and our future as a nation is wrapped up in this issue. We must take a long-range view, and we must insure a strong student loan program.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, I appreciate the gentleman's yielding me this time.

Chapter II in this particular bill deals with some very important issues. I am delighted to finally get to the floor with this part of the urgent supplemental. It has been over a month since the committee reported this bill, and there are still important and very sensitive issues that need to be dealt with before the spring supplemental appropriation bill arrives on this floor. Included in that category, Mr. Chairman, are the committee's recommendations on the Department of Housing and Urban Development's proposed rescission of assisted housing funds and the Environmental Protection Agency's fiscal year 1982 appropriation request of $2.4 billion for the construction grants program.

There is another important issue that needs to be addressed immediately. Yesterday, by an overwhelming vote of 349 to 55, the House passed H.R. 6294, the Single-Family Housing Production Act of 1982. At the proper time I intend to offer an amendment to provide $1 billion to assist the housing industry and purchasers of new homes.

ASSISTED HOUSING

Mr. Chairman, I know that some of our colleagues here today may be questioning why we have included this rescission action in the urgent supplemental appropriations bill. Let me say that this is not a simple issue. It is quite complex—but it is something that I believe is important to address now, not in a couple of months.

The administration has proposed eliminating all or nearly all of the following subsidized housing programs: New construction section 8; substantially rehabilitated section 8; existing section 8; and new public housing construction.

Before further discussing the proposed rescission—let me take a minute to review what has happened with the subsidized housing budget for fiscal year 1982.

President Carter requested budget authority of $29.6 billion in his 1982 budget for the subsidized housing programs. That budget would have supported 260,000 units including an additional 90,000 new units of section 8 housing. President Reagan's 1982 March budget amendments reduced the $29.6 billion request to $19.7 billion. That level would have supported

175,000 units including 54,750 new section 8 units. In addition, the administration proposed a rescission of $5 billion of 1981 subsidized housing funds.

Now in the spirit of cooperation—and recognizing that we wanted to work with the administration on its 1982 budget proposals—Congress agreed with both the 1982 $10 billion reduction and the 1981 $5 billion rescission. In fact, the 1982 HUD-Independent Agencies Appropriation Act provided only $17.4 billion of new budget authority—or almost $700 million less than authorized in the Omnibus Budget Reconciliation Act.

So I think in terms of subsidized housing this committee and this Congress have, up to now, been supportive of the President's proposals.

But let us be fair about this. The subsidized housing program funds have been cut more than 40 percent from the original 1982 request. I think it is wrong to go out now and cut them further. It is here that I think we should draw the line and say—"No, Mr. President—the subsidized housing programs have already absorbed a disproportionate share of the reductions proposed in domestic spending programs."

This is the place to draw the line—and that is what we have recommended in this urgent supplemental appropriations bill.

Mr. Chairman, I recognize that the administration has modified its position on assisted housing since the urgent supplemental appropriations bill was reported.

In late April the administration reduced its rescission proposal from $9.4 billion to $6 billion.

The financing adjustment factor (FAF) was increased to up to 14 percent.

The policy on amendments to existing contracts was modified.

The June 1 deadline for projects to apply for these adjustments was changed from June 1 to August 1.

Mr. Chairman, I congratulate the administration on these revisions. It brings the administration's proposal and the committee's recommendations closer together. I think our recommendations in March had an impact on the administration's decision to revise its proposals.

It is difficult to say exactly how many more units the committee's recommendations will provide as compared to the administration's revised proposal. I can state that the committee's recommendations will provide more assisted housing units.

For instance, the bill contains $1 billion for the Government National Mortgage Association's section 8 tandem program. The tandem financing is an integral part of the overall recommendation. Without the GNMA funds some 40,000 housing starts will not occur. Let me also state that except for projects having a minimum of 20 percent subsidized units, the committee expects that all projects should be assisted first under the financing adjustment factor approach before Ginnie Mae tandem financing is employed.

The entire pipeline of section 8 new construction projects is currently estimated to be about 160,000 units. The action we have taken will buy out the entire pipeline—and if we do not take this action, it simply cannot be done.

In addition to buying out the pipeline of section 8 projects, we have rejected the administration's proposal to cancel all new public housing projects for 1982 and to cancel nearly all additional section 8 existing and moderate rehabilitation units in 1982.

We have, however, agreed with the administration's proposal to reduce the number of new and substantial rehabilitation section 8 units in fiscal year 1982, excluding section 202 units, from 26,735 to 5,569. That action is consistent with the Banking Committee's early recommendation on the 1983 budget. We all know that the section 8 construction program is expensive. So, on that point we are agreeing with the administration.

While the committee recognizes the administration's revised proposal and the changes in circumstances, it was reluctant to change the recommendations for fear it would slow down the urgent supplemental appropriation bill. I believe the Senate will make some substantial changes when it considers this bill. Issues like the correct FAF interest level and the time period in which projects can apply for it are things that can be worked out in conference with the Senate.

Now the bottom line. If you have talked to developers and builders in your districts who are involved with this program, I think you will find that there is 100-percent support for what we are doing here. I urge that you vote for this recommendation and reject the administration's $6 billion rescission proposal.

In addition, the committee's recommendation would transfer $1,400,000,000 from the annual contributions for assisted housing account to the low-rent public housing—loans and other expenses account. However, the Department is not to enter into commitments to convert public housing notes until such time as the appropriation to liquidate the contracts is provided.

The committee has made provision in its recommendation for the conversion of 60,000 rent supplement units to the section 8 program. Recognizing that the funding of rent supplement amendments is vital to individual welfare and project security, it is anticipated HUD will place a high priority on meeting rent supplement shortfalls. The Department should fund any 1981 shortfalls, and avoid further shortfalls. Care should be taken to develop and carry out a priority system that will assure funding based on need, and equal recognition should be given to seriously jeopardized State noninsured projects as is being given to FHA insured projects.

EPA CONSTRUCTION GRANTS

As I am sure all of you know, the Environmental Protection Agency's construction grant program is perilously low on funds. This is the result of the 1981 rescission and the delay in providing 1982 funding. When the administration withdrew the previous 1982 appropriation request last March, it pledged to request funds after legislative reforms had been enacted.

The legislative reforms were proposed in April. Congressional action on the reforms was completed on December 16—the last day of the first session. On that day, in response to a question asked by the gentleman from Washington (Mr. DICKS), I promised to hold hearings and move quickly to provide funding for the program after the reconvening of the Congress. The committee has tried to honor that commitment.

The bill contains the budget request of $2,400,000,000 for the construction grants program for fiscal year 1982. These funds are drastically needed. Currently, 34 States have virtually exhausted their program balances. In these States, there remain only funds already obligated as set-asides. This means that these States have no funds for new starts. If funds are not available very soon, many grantees will miss the entire 1982 construction season, and, although inflation has eased, delays still result in increased costs.

Several thousand communities have made commitments to construct treatment facilities that are needed to meet the mandates in the Clean Water Act, including long-term, financial commitments in anticipation of future Federal funding. Many local voters have already approved massive capital expenditure programs for water cleanup; 250 major ongoing projects under phased construction funding, and over a thousand other projects awaiting construction are in need of the $2.4 billion appropriation.

Obligations under the program have slowed to a trickle. As indicated in the committee report, first quarter 1982 obligations totaled minus $13 million compared with $293 million in the first quarter of 1981. The funds are needed. The Congress should act quickly.

There was considerable pressure throughout last year on the committee to provide funds for the construction grants program before the passage of the authorization. The committee resisted that pressure—and I

believe wisely so. By waiting until the authorization was enacted, the committee had the opportunity to examine certain provisions of the legislative bill and recommend limitations where considered appropriate. This is exactly what we have done in this bill.

As I stated when the conference report on the authorization bill was discussed in the House on December 16, I do not believe the Congress should get into the business of establishing individual project priorities in this program. The Congress should write the basic framework for the program in the law. The agency writes the regulations which implement the law. The States have and should have the authority to set individual project priorities. If we digress from that practice—we will be making a grave mistake. Let us not make that mistake. Let us keep the emphasis in the construction grants program on cleaning up the Nation's waters. Let us allow the States to set the individual project priorities.

GUARANTEED STUDENT LOANS

Mr. Chairman, the urgent supplemental appropriations bill now under consideration by the House contains badly needed funds for a number of important programs. One of the programs which I believe to be most essential to the future of this Nation, and which is most urgently in need of additional funds, is the guaranteed student loan program.

As my colleagues know, the bill now before us will provide $1.3 billion in supplemental funding for student loan insurance. This amount exceeds President Reagan's supplemental request by $322 million.

On March 3, 1982, Mr. Yates introduced a bill for a supplemental appropriation of $1,287,000,000 for the student loan program. I am a sponsor of that bill. I hope that bill has had something to do with the administration recognizing the need for the $1.3 billion supplemenal appropriation although it has not officially requested the additional $322 million.

The President's request assumed the enactment of legislation which would severely restrict participation in the higher education loan programs. Without the savings generated by these changes, money for the guaranteed student loan program will soon be exhausted.

It appears unlikely to me, Mr. Chairman, that Congress will make further changes in the guaranteed student loan program in the current fiscal year. I certainly could not support additional changes, coming as they would on the heels of the modifications contained in last year's reconciliation bill. Many of the reductions made by that legislation in the Federal student assistance program were in my judgment unwise, and I would hope that at some point in the not too distant future the Congress will reconsider them.

The recognition of the fact that the guaranteed student loan program needs additional funds to operate for the remainder of the fiscal year makes it incumbent upon us to provide those funds. Millions of young Americans look to this program to make possible their obtaining a college education. They are the future of this country and our investment in their education is an investment in that future. Attempts to reduce or eliminate student assistance programs may generate budget savings, but those savings will produce the worst kind of false economy. To successfully compete with other nations in the high technology environment of the next century, the United States will require as high a level of education among its citizens as possible. We only shortchange this country later by attempting to shortchange student aid programs now. I am not prepared to take that course and would hope that a majority of my colleagues are similarly inclined.

Passage of H.R. 5922 will demonstrate the support of this House for the student assistance programs. I urge my colleagues to express that support and give our young people a sign that Congress shares their determination to obtain as much education as their abilities allow.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from New York (Mr. ZEFERETTI).

Mr. ZEFERETTI. Mr. Chairman, I rise in support of H.R. 5922. In particular, I want to express my strong support for the provisions of the bill appropriating urgently needed supplemental funds for the Coast Guard and the U.S. Customs Service. I am pleased that the rule on this bill incorporated the amendment I offered in the Rules Committee waiving certain points of order against these provisions so that the House can consider these important appropriations.

Both Customs and the Coast Guard play vital roles in our Nation's efforts to curb the massive flow of illicit narcotics into our country. As chairman of the Select Committee on Narcotics Abuse and Control, I am greatly concerned, and our committee is concerned, that our drug enforcement agencies have the resources and tools they need to wage an effective antidrug campaign. The bill before us includes approximately $3.4 million for expenses of the Customs Service's participation in the intensified drug enforcement program in south Florida being conducted by the Vice President's crime task force. The bill also provides an additional $48 million in fiscal year 1982 to cover a variety of operating expenses for the Coast Guard, another key agency in the Florida effort. This amount will help that hardpressed agency perform the many missions, including drug law enforcement, that Congress has assigned to it.

The critical problems of drug trafficking and drug-related crime in south Florida are well known, and I firmly support the increased commitment of Federal resources to alleviate the terrible situation that exists there. At the same time, I am concerned that the massive concentration of Federal enforcement resources in that area will strip other regions of needed defenses against drug traffickers. In testimony before the Select Committee on Narcotics last week, Coast Guard officials from the Third District, which includes New York, indicated that the south Florida operation will definitely place increased strain on their enforcement operations. It is my hope that the supplemental appropriations contained in H.R. 5922 will help avoid dangerously reducing our ability to meet the drug threat in the rest of the Nation.

Mr. Chairman, notwithstanding the addition of these amounts, more resources are needed. Neither the 1982 budget nor the administration's requests for fiscal year 1983 provide for any real growth in drug law enforcement funds. In fact, under the administration's 1983 budget proposals, both Customs and the Coast Guard face substantial reductions. If we are ever to succeed in combating the drug trade, we must provide our drug enforcement agencies with the resources needed to maintain a balanced enforcement posture in all threatened areas. I strongly urge my colleagues to approve H.R. 5922 today and, in the weeks ahead, to support budgets for our drug enforcement agencies that will permit the implementation of an effective nationwide strategy against drug traffickers.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Chairman, while we are talking about urgent spending priorities, I want to talk about one not included in this bill—RAMP funding.

For the information of the Members, I had an amendment prepared to provide an additional $40 million in this fiscal year for RAMP funding. Without the support of the administration and seeing the narrowness of the rule and after surveying the Members, I have decided I will not offer the amendment at this time, but I will try to get it in in the general provisions of the general supplemental which comes up on June 4, because I think there is widespread support for this and I think it is something that will provide jobs and be very important to my area and many other areas where the RAMP program is so significant.

Mr. Chairman, now, while many of the people in Washington may not consider the use of RAMP funds to be urgent, I want to report that in Pennsylvania's 12th Congressional District, the need is urgent.

These funds are created by a coal tax of 35 cents per ton on strip-mined coal and 15 cents per ton on deep-mined coal. Some 20 percent of the payments are eligible for use in the RAMP program. At the present time, though, those funds are not being spent. In Somerset County coal operators have contributed almost $3.7 million to the fund. Yet, we have $1.5 million worth of projects ready to go, and another $3.5 million are in the planning stage. We cannot go ahead, however, because of a lack of funds.

In Armstrong County, we have $983,379 worth of projects ready to go; Cambria County $269,000; Westmoreland County $874,000. Again, we lack the funds to get it done.

Now, just what are we talking about with these funds. We are talking about reclaiming valuable land that has long been abandoned by coal mine operators. They are eyesores. And very often they are distinct hazards. The Soil Conservation Service has received over 1,800 high priority applications for reclamation assistance. They have had since October 1, 1981, 51 priority 1 projects with the needed reclamation of 100 percent ready for contracting. However, contracting funds have not been available. We would need $18 million to handle these priorities. Furthermore, nationwide we have over 182 projects at a cost of $58 million that are more than 50 percent planned and can be funded if the money is made available through the appropriations process.

It is important to note that we are also talking here about putting people to work on these projects. At a time when unemployment is rising across the Nation, it is ridiculous that we do not spend this available money to create jobs as well as public improvements.

Now, many people may say, what is the difference? Why does it matter if we delay some of these projects? Well, let me answer this:

Ugly, and often dangerous abandoned land remains untouched;

Taxes paid by coal operators remain unused;

Unspent money gathers no interest for the Government; in fact, we have lost about $13.5 million in interest that could have been used;

Inflation reduces the buying power of the funds; 10 to 14 percent less reclamation can be purchased each year for the same amount of money; and

RAMP applicants become discouraged, lose interest, and we may lose the opportunity to reclaim the land.

I plan, Mr. Chairman, to continue my efforts to make sure the importance of this program is realized, and that the funding is made available. It should be a priority for our rural areas. It will help the economy, it will help the community. I plan to continue to explore every possible way to free more of these funds for use in Pennsylvania and the 12th Congressional District. I will be offering amendments during the markup for the general supplemental. This program is being overlooked by Congress. It is important. It is vital for our coal-mining area. I will continue to pursue its full use.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I want, first of all, to commend the distinguished chairman and the ranking minority member for their leadership in bringing this important legislation to the floor of the House. I also want to commend my colleagues for their vote in favor of the right to homeownership yesterday in this House.

The vote in favor of H.R. 6249 showed the concern of the Membership of this body for a vitally important sector of our economy, housing. The margin in favor of the legislation, nearly 7 to 1, will send a clear message to the country and to the president that the House of Representatives wants to bottom out the current recession and is willing to take a step which might be considered controversial in order to begin the process of economic recovery.

I particularly want to congratulate my colleagues, the gentleman from California (Mr. PATTERSON), and the gentleman from Oregon (Mr. AUCOIN), for their leadership on this housing bill. The gentleman from Oregon (Mr. AUCOIN) and I both know of the grave problems the Pacific Northwest faces because of the decline in the home-building and forest products industries, and to the gentleman from Oregon (Mr. AUCOIN) I want to say that I deeply appreciate on behalf of all of us from the Northwest his leadership in this bill.

Today we are considering the urgent supplemental. Today again we need your support for housing. This legislation can be the vehicle to fund the program we authorized overwhelmingly yesterday. But again we need your vote.

I also want to say a special thanks to the chairman of the Housing Subcommittee, the gentleman from Massachusetts (Mr. BOLAND), for his support not only of the housing legislation and in opposition to the rescissions requested by the administration but also for his support of the very important EPA construction grant program. This country is falling behind in the important area of construction grant work, and this supplemental will correct that problem.

Also the guaranteed student loan program is vitally important to the people of the State of Washington, and I want to commend the chairman of the HEW Subcommittee for his leadership in bringing that important issue to the floor.

The funding appropriated in the urgent supplemental would assist over 74,000 home buyers in purchasing a house. It would create 140,000 new jobs in housing-related industries, and would add $1.2 billion to Federal, State, and local revenues. It is estimated that it would also increase the gross national product by $11 billion. Keep in mind, too, that there is a recapture provision in the authorization bill, so that funding counted as outlays in the current year will be paid back to the Treasury by individual home buyers in the years to come. But none of this can occur if funding is not appropriated. And we cannot afford to wait. The program will not be any help if it is funded after the building season ends. Thank you, Mr. Speaker.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. GREEN), the ranking minority member of the HUD Subcommittee.

Mr. GREEN. Mr. Chairman, I thank the distinguished ranking minority member of the full committee for yielding this time to me.

The gentleman from Massachusetts (Mr. BOLAND) has accurately described the contents of chapter II of title I of this bill. I would like only to emphasize that that chapter contains two very important programs: It provides $2.4 billion for the waste water treatment program. Many of the States have been stalled in their efforts to move this program forward because of the delay in providing those funds. Similarly, there are in chapter II major efforts to straighten out the housing programs and reorient the dollars that will flow into them so that we can get the pipeline in federally assisted housing moving again.

I think it is unfortunate that the majority leadership of this House has delayed so long bringing to the floor this important measure with those important shots in the arm for our economy. I think it is also unfortunate that H.R. 6249 and the appropriation of the funds authorized by it that we are almost certainly going to see as an amendment to this bill bid fair to complicate the conference on and perhaps the President's approval of this measure, thus delaying this measure still further.

I do want to stress that there are major inputs already in this bill for the housing industry, and also for the heavy construction industry via the waste water treatment provisions. I urge that we pass the bill today and

try to move it forward as rapidly as we can.

Again, Mr. Chairman, I thank the gentleman from Massachusetts (Mr. CONTE) for yielding time to me.

Mr. CONTE. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Massachusetts (Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, I rise in strong support of H.R. 5922, and especially the guaranteed student loan portion thereof.

Mr. Chairman, I strongly support the $1.3 billion in H.R. 5922 for the guaranteed student loan program.

Due to higher than anticipated interest rates, the program's funding is almost exhausted for this fiscal year and will run out entirely within a few days.

Without additional financing, the program—so vital to my congressional district and to all our districts—will come to a halt, wrenching the lives of students in pursuit of higher education.

The figure proposed by the administration—$978.2 million—would prevent the program from grinding down, Mr. Chairman, but unfortunately would permit it to move forward at less than full speed. That is because graduate students would no longer be eligible for the program.

Getting a college education used to be the American dream, but is now the American way. Beginning with the GI bill, when returning World War II servicemen and servicewomen saw education as a road to success, this country has been a college-going society. A college education is a basic credential in our highly industrialized, largely technological Nation.

With rising tuition costs, Federal assistance makes the difference—for many low- and middle-income students—between obtaining a degree and not getting one. For less affluent students at private colleges—particularly the small institutions that depend upon tuition and fees for practically all their income—Federal assistance means equal educational opportunity.

As a Representative from a State in which 33 percent of the work force is involved in the high-technology industry, and as ranking minority member of the Science and Technology Committee's Science, Research, and Technology Subcommittee, I can—in this time of dreadfully high unemployment—point to a shortage of professionals and paraprofessionals in the high-tech field. More than 20,000 engineers alone are needed.

The key to meeting this shortage is science education—in many cases, graduate science education. Eliminating graduate students from the GSL program is, in effect, throwing away the key. And this is just one example of the essentiality of preserving the program.

The Commission on Higher Education and the Economy of New England, in a report of a 2-year study released in March, documents New England's economic reliance on industries that put a premium on knowledge—knowledge gained through higher education. The report of the study is entitled, "A Threat to Excellence." With 260 colleges and 800,000 students, New England is, the report states, "unquestionably the most knowledge-intensive region in the world."

The economy, in New England and throughout the Nation, relies upon education. Education leads to knowledge, which is used in industry, which stimulates research and development, which contributes to economic growth. Education is the key, the base, the foundation.

Due to my strong belief in the value of education, I oppose administration attempts to increase eligibility restrictions on GSL's, to change the income formula for Pell grants, and to limit college work-study. I stated my objections to Office of Management and Budget Director David Stockman in a February 25 letter, with a copy to the President. I ask unanimous consent, Mr. Chairman, to have that letter inserted in the RECORD at the end of my remarks.

There are those who say that student aid programs—particularly GSL's—should be further restricted, due to abuses and defaults. For example, some parents with higher incomes were investing loan proceeds in money market funds, in order to gain interest, and some students—after leaving college—were defaulting on their student loans.

In my view, legislative and regulatory reforms made last year have largely corrected such abuses and defaults, so that new restrictions would only add a paperwork burden and dissuade lending institutions from participating in the program.

Because the administration would like to phase in some of its proposed restrictions beginning this month, I think that the GSL supplemental—and the $4.65 million supplemental for administration of Pell grant applications—offers an opportunity for Congress to send the administration a message: That it should go back to the drawing board on its educational proposals. I have offered my assistance in helping with the drafting.

The administration's GSL proposals comprise "a threat to excellence" not only in their elimination of graduate student eligibility but also in their reduction of undergraduate aid. They threaten middle-income families' ability to provide higher education for their children. The administration's Pell grant proposals, on the other hand, hit hardest at lower income families, those whose children need grants in order to initiate college study.

In my own State of Massachusetts, for instance, University of Massachusetts officials estimate that two out of three students receive some sort of Federal loan, grant, or employment. If the administration proposals are accepted now and for fiscal 1983, several thousand students would have to drop out of the university next fall, the officials predict.

For another example, Northeastern University has 14,000 students now receiving some kind of aid. If the proposals were accepted, 5,000 of these would be cut off, according to university administrators. Moreover, because Northeastern has a college work-study program, it would experience curriculum difficulty, as well as a change in student mix.

Boston College—my own law school alma mater—would lose nearly one-third of its student aid funding. Tufts University would suffer even more, according to its officials: A loss of 42 percent.

In Massachusetts and throughout the Nation, students and parents, administrators and professors, are looking to us, on this day, to indicate that we support full funding for student assistance and oppose eroding of that funding. I, for one, want to be counted as for the funding levels in H.R. 5922 for student assistance. Getting a college education is not the American dream; it is the American way.

Mr. CONTE. Mr. Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I rise in strong support of the urgent supplemental.

Mr. CONTE. Mr. Chairman, I reserve the balance of my time.

Mr. WHITTEN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio (Ms. OAKAR).

Ms. OAKAR. Mr. Chairman, I rise in strong support of H.R. 5922. There are many important facets included in this bill including housing, student loans, Coast Guard needs, and work incentive programs of particular importance to northeast Ohio and the people of my district is the recommendation for a $12.15 million allocation for the city of Cleveland in the interstate highway transfer grant portion of the urgent supplemental appropriation for fiscal year 1982. The Department of Transportation appropriations bill had originally allocated $20 million for the city of Cleveland. During the complex budget process of last year, this money was diverted to other needs and the allocation for Cleveland was inadvertently left out of the bill.

The emergency supplemental grant of $12.15 million for Cleveland is ur-

gently needed. Cleveland is one of the older urban centers of our Nation. A great many vital facilities are in urgent need of repair. This is true of the downtown area of Cleveland. A landmark in the city is the Terminal Tower. The foundation of this magnificent building and of the streets directly behind the structure is supported by aging bridge supports that are in dire need of repair. If these repairs are not made soon, the area will be entirely closed off to traffic. One Bridge Street already is. If the repairs are made on schedule, on the other hand, a great many privately funded projects will become feasible. Already, plans and financing have been found for the Tower City project that has begun with the conversion of the old train station complex to a shopping mall. This is potentially to be linked to a hotel-office building complex which includes a unique medical market to be operated in conjunction with Cleveland Clinic.

All of these projects will provide construction jobs and eventually permanent employment for a great many people. They are all contingent, however, on the repair to the half-century old bridge supports in Cleveland's downtown. The city is prepared to assist in the repairs also. Successful passage of the supplemental appropriation for the Department of Transportation will allow those repairs to be made as a first step for further construction and employment in Greater Cleveland.

I want to thank my collegue from Indiana and the chairman for the tremendous cooperation they have given our office. The city of Cleveland and I are deeply grateful.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from the District of Columbia (Mr. FAUNTROY).

Mr. FAUNTROY. Mr. Chairman, the House adoption of H.R. 6294, the Single-Family Housing Production Act of 1982 is a partial victory for the American homebuyer and the unemployed construction worker, and it is a partial victory for the Congressional Black Caucus' economic recovery budget and its proposals for helping to put this country back to work. Many Members have labored long and hard to bring this legislation to the floor and to passage, and my colleagues on the Housing Subcommittee of the Banking, Finance and Urban Affairs Committee deserve credit for preparing a bill that addresses one of the economic problems we are now facing.

We in the Congressional Black Caucus are, however, somewhat disappointed that other aspects of the crisis in the housing industry and in our communities were not addressed by this action. We can only hope that the Congress will move with equal speed to pass the other part of our legislative proposals related to federally assisted housing. This action is desperately needed by poor Americans who deserve decent and safe shelter, and it will have comparable job creation and stimulative effects.

In supporting this appropriation request, I must, however, caution Members that this bill is no substitute for a full-fledged housing program such as that proposed by the Congressional Black Caucus in its budget, and which is now essentially contained in the Housing and Urban-Rural Recovery Act which was passed yesterday by the Committee on Banking, Finance and Urban Affairs.

I would like to point out that it was we in the Congressional Black Caucus who first incorporated a proposal similar to that passed yesterday by the House. Our economic recovery budget proposal, announced on April 26, 1982, included this specific housing assistance proposal as a part of a housing plan that assured support for all segments of our population, but particularly for our low- and moderate-income families. In addition, our budget included other job-creating programs for highways, mass transit, and urban infrastructure rebuilding. Our budget further meets the needs of millions of unemployed Americans by extending and expanding unemployment benefits, restoring food stamps, medicaid, and welfare funding levels, and preserving the real safety net of social, educational, job training, and medical assistance for those who suffer from poverty and unemployment. Yet, our budget does this without enlarging the deficit, and, indeed, shrinks the Federal deficit in fiscal year 1983 and beyond by restructuring and reforming the tax system.

I commend my colleagues for having the good judgment to pass by such an overwhelming margin the emergency housing assistance provided by this bill. I trust that they will show comparable good judgment and sensitivity when Congressman GUS HAWKINS' bill, H.R. 5320, to create new jobs and training for the 10.3 million unemployed Americans comes to the floor. Finally, it should be clear to my colleagues that the members of the Congressional Black Caucus have developed many more viable proposals that will result in a budget for fiscal year 1983 and beyond that is humane, fair, and responsible. I can only hope that these proposals will similarly garner equal action and equal support in the days ahead. I include herewith a summary of the CBC budget:

THE CONGRESSIONAL BLACK CAUCUS BUDGET AND ECONOMIC RECOVERY PROGRAM

Last year, President Reagan offered his economic program to the Nation. Amid a chorus of skepticism and legitimate concern about the premises and potential effects of his program, President Reagan challenged his critics to come up with a better plan for "balancing the budget, reducing and eliminating inflation, stimulating the creation of jobs and reducing the tax burden." The Congressional Black Caucus was glad to answer that challenge with its Constructive Alternative fiscal year 1982 Budget. If it had been enacted, it would not be necessary to discuss how to extricate the Nation from a morass of unemployment and economic stagnation.

This year, the President again challenged his critics to "put up or shut up." And so again—as last year—the Caucus is today presenting its detailed Alternative Budget for fiscal year 1983. We feel compelled to offer this Alternative in the face of real suffering by real citizens. This suffering has been minimized or ignored by the Administration.

Our budget provides realistic and fair proposals that will benefit and cost all citizens equally.

The CBC Budget reduces the deficit substantially. In fact, our fiscal year 1983 budget of $93 billion is less than half the $183 billion in fiscal year 1983 deficit now projected for the Reagan proposal. The leading cause of the current recession, almost all analysts would agree, was high interest rates, both nominally and in relation to inflation. High real interest rates remain as the major obstacle to recovery, and the persistence of high interest rates poses the greatest risk of a slide into depression. Overly tight monetary policy in 1981 contributed to those high interest rates. But even more important has been the large and growing deficits that resulted from adoption last year of this Administration's unbalanced and speculative budget and tax proposals. If we are to avoid a general worsening of economic conditions and lay the foundation for a sustained recovery, it is essential that the deficits now projected under both current policy and the Administration's budget be reduced. The CBC budget meets this challenge, for if it is adopted, the deficit would steadily fall in fiscal year 1983, fiscal year 1984 and fiscal year 1985. Indeed, if interest rates are lower than the Congressional Budget Office now projects, the CBC budget would show a balanced budget in fiscal year 1985.

The CBC Budget stimulates jobs and balanced growth. However beneficial a smaller deficit may be in producing lower interest rates, the CBC recognizes that lower interest rates will not by themselves be enough to stimulate a complete recovery and a restoration of full employment. Traditional fiscal stimulus, especially in the near term, is essential. The CBC Budget provides this stimulus. The Budget increases funding levels for a host of social programs, which will translate into more jobs for those who work in these programs and more income for those who benefit from them. The CBC budget also provides new funding for housing, highways, mass transit and other infrastructure programs, which will lead to more employment throughout the economy and even brighter economic prospects for the future. A centerpiece of the Budget proposal is the creation of a major $6 to $8 billion Federal jobs, vocational education and training package. This initiative is responsive both to the Nation's unemployment rate generally, and to the catastrophic unemployment in the Black community specifically.

The CBC budget increases the eligibility period for unemployment benefits to 52 weeks and restores pre-Reagan eligibility for AFDC and food stamps, which will help maintain the purchasing power of those

who have been laid off. Finally, the CBC budget replaces the Reagan/Kemp/Roth tax cuts for July 1982 with a tax cut of equal magnitude, but distributed to the lower and middle class people whose spending will provide the basis for a sustained recovery. All these necessary actions mean that the deficit under the CBC budget will be about $93 billion in fiscal year 1983—large enough to provide sufficient stimulus to the economy, but smaller than the fiscal year 1982 deficit and smaller by half than the projected Reagan deficit for fiscal year 1983. As the economy moves out of the current recession, fiscal stimulus will become less and less necessary, and the deficit will consequently decline.

The CBC Budget is an anti-inflationary budget. Because it would produce steadily falling deficits, the dangers of renewed inflation from excessively stimulative fiscal policy would be reduced. For the same reason, the pressure on the Federal Reserve to adopt an inflationary monetary policy would also be eased. Of course, inflation is not simply due to these factors. The CBC budget attacks the falling productivity that also contributes to inflation by increasing Federal investments in education, training, research, transportation and communication that help improve productivity. The CBC Budget also improves the business climate for increased business investment in productivity-enhancing plant and equipment by fostering lower interest rates, stimulating consumer demand for what is produced, and retaining some of the tax incentives to new investment. In addition, the Budget attacks the sources of inflation from higher energy and food prices by continuing Federal programs to encourage energy conservation and agricultural production.

The CBC Budget is fair and humane. We return funds to social programs that were lost by enactment of Reagan fiscal year 1982 budget reductions. These programs must remain Federal priorities if we value human potential and care to meet human needs. Because of savings generated by alternative tax and defense policies, several education, health, housing and urban programs can be restored to fiscal year 1981 funding levels, adjusted for inflation. For example, the Budget restores $3.3 billion to Title I; $1.6 billion to Pell Grants for disadvantaged college students; more guaranteed student loan funds; 16,000 more Section 8 housing units; includes a $4 billion urban infrastructure proposal, which will create 50-80,000 jobs and a military/defense industry reconversion proposal; $1.02 billion in Social Services funds, including child welfare programs; and $4.2 billion in mass transit funds. It retains EDA; the Legal Services Corporation, and low-income energy and other conservation programs.

The CBC Budget Results in Comprehensive tax reform. Middle income taxpayers have been misled about the nature of the tax cut proposed by the President.

They do not know, but we are here to tell them, that the tax program conceived by the President and passed by the Congress last year gives 80% of the tax relief to major corporations and $20,000 in tax relief to persons making $200,000 but creates an actual increase in taxes for those making $15,000 a year. For those who earned $200,000 or more annually, a repeal of any of the future 10% tax cuts which were scheduled to go into effect this year and next would mean a loss of only 5% of all their likely tax breaks under the legislation. For everyone else, however, repeal of the third year would represent a loss of 30% to 40% of the tax breaks they have been led to expect under this program.

We, in the Congressional Black Caucus believe that the middle class must also be protected. In the interest of tax equity, the Caucus proposed that any further tax relief given must be more carefully focused on the middle class. After all, they not only pay the lion's share of the federal budget but they also genuinely need tax relief.

In an effort to rectify the imbalances wrought by the first year tax benefits for the wealthy and to provide genuine tax equity for the middle class. The CBC would begin by proposing to substitute an increase in the standard deduction for singles, from $2,300 to $2,700 in July of 1982. A similar increase would be provided for couples, from $3,400 to $4,200 in July 1982.

This change would primarily benefit persons with incomes below $20,000 who do not itemize; it would be a real tax cut for them. We would also propose a 10% tax rate cut in July of 1982 and a similar 10% tax rate cut in July, 1983, which again would primarily benefit persons with incomes between $20,000 and $50,000.

This reduction will be progressive in nature, and will result in a tax reduction for people with incomes below $50,000 that is equal to or greater than what would have been received from the 15% cut under the Reagan plan. In addition, the CBC Budget would increase the Earned Income Tax Credit (EITC) from 10% of the first $5,000 with a phase out between $6,000-$10,000, to 15% of the first $5,000 with a phase out between $8,000-$13,000. Both the changes in the standard deduction and the EITC would remain constant in FY '83 and FY '84.

The CBC package would stimulate the economy by significantly reducing the need for government borrowing, thus curtailing continued upward pressure on interest rates. This will be achieved by closing many of the most flagrant tax loopholes. Some of these were enacted as recently as last year; others have been on the books for years.

The CBC would repeal the following tax shelters enacted last year: reductions in the Windfall Profits Tax; All Savers certificates; the exclusion for utility dividend reinvestment; broadening of the gift tax exclusion; as well as the virtual elimination of taxation of Americans working overseas.

The CBC would also repeal or limit many special interest tax shelters for businesses which have been inserted into the tax code. We also propose to achieve neutrality in terms of incentives for business on their investments in machinery and between large and small corporations by significantly cutting back on last year's depreciation "reforms." Thus, the CBC would repeal "Safe-Harbor" leasing, except for mass transit. In recognition of the growing list of truly distressed industries, the CBC would be willing to entertain new legislation to benefit just those industries. Immediate retention of this favored status for mass transit provides one of the few tax loopholes that has a general benefit for the public. We also would adjust the depreciation basis for new machinery by the amount of the investment tax credit taken and would repeal the acceleration of the depreciation schedules to 200% which begin in 1985. However, we retain the basic 10-5-3 depreciation plan for its limited stimulative value.

Finally, we create a variable investment tax credit which substitutes for the 10% investment tax credit. Our proposal is designed to eliminate current distortion which favors investments in major heavy machinery over light machinery and job creation. It also will result in an effective corporate tax rate of 25%.

The CBC Budget ensures adequate Social Security and other support for the Nation's poor—both elderly and non-elderly. This budget maintains the cost of living adjustments for elderly on fixed income, and restores unemployment compensation benefits and program triggers to the 52 weeks which were available before last year's budget changes. In our view, this restoration of benefits is necessary at a time when we are experiencing levels of unemployment which have not been endured since the Depression. Our Budget also provides increased funding for programs to assist the poor including $3.2 billion more than Reagan for AFDC; $5 billion more for Food Stamps; $7.7 billion more for Medicaid; $2.9 billion more for Medicare; $1.2 billion more for 6 health programs; and $400 million more for Supplemental Social Insurance.

The CBC Budget establishes a saner and safer Nation Defense. As an initial matter, we recognize the need for a strong conventional military. We therefore provide in our alternative for the continued funding of practical conventional weapons, and actually increase pay for military personnel and funds for operations and maintenance. However, in an effort to slow the unacceptable rate of growth in the defense budget, and to ensure that the deficit is reduced, the Congressional Black Caucus generally recommends that the defense spending be held at fiscal year 1982 levels. The defense budget function presented in our package today is preliminary. The final CBC defense budget will be forthcoming once the Ad-Hoc hearings on the Full Implications of the Military Budget, chaired by Congressman Ronald V. Dellums, are completed and analyzed (early to mid-May). Generally we are aiming for a fiscal year 1983 budget of $199.6 billion in outlays and $200.4 billion in budget authority as compared to the President's $222.5 billion in outlays and $263.2 billion in budget authority.

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
Congressional Budget Office baseline outlays	805.0	884.4	963.1
Restored and new funding for entitlement programs:			
a. Income security	+12.8	+12.2	+9.9

CONGRESSIONAL BLACK CAUCUS ALTERNATIVE BUDGET SUMMARY—Continued

[In billions of dollars]

	Fiscal year—		
	1983	1984	1985
b. Health	+2.9	+3.3	+3.7
Restored and new funding for social programs:			
a. Commerce and housing credit	+1.2	+1.1	+0.9
b. Transportation	+1.9	+3.3	+3.3
c. Community and regional development	+1.9	+4.0	+4.0
d. Job training and employment	+1.9	+2.8	+3.3
e. Education	+3.9	+4.2	+4.4
f. Social services	+0.6	+0.6	+0.7
g. Other functions	+0.3	+0.3	+0.3
Reductions in national defense spending	−14.8	−35.3	−60.6
Reductions in other programs or increased program receipts:			
a. International affairs	−0.4	−0.4	−0.4
b. Natural resources and environment	−2.6	−2.7	−2.8
c. Veterans' benefits	−1.0	−1.1	−1.2
d. Energy	−0.5	−0.9	−0.9
Changes in allowances and offsetting receipts	−3.0	−6.0	−7.0
Reductions in interest payments because of deficits below CBO baseline	−3.8	−10.2	−14.6
Total outlays with CBC alternative budget	806.2	859.5	906.0
Congressional Budget Office baseline revenues	647	696	758
Changes in the personal income tax cuts to provide equitable tax relief to the middle class and poor (replace 2d- and 3d-year tax cuts and indexing with 10 percent rate reductions in 1982 and 1983 providing more tax relief to the poor and middle class, plus higher standard deduction and earned income tax credit)	+3	+8	+22
Restore effectiveness of corporate profits tax:			
a. Change accelerated cost recovery system	+9	+12	+15
b. Eliminate tax benefits for mergers and unproductive activities	+3	+4	+5
c. Repeal unnecessary and wasteful tax incentives	+14	+16	+18
Reform the personal income tax code to limit tax shelters for the rich:			
a. Limit personal income tax loopholes created by Economic Recovery Tax Act	+2	+3	+3
b. Limit pre-ERTA tax shelters for the rich	+20	+22	+25
Other tax reforms and changes:			
a. Repeal 1981 windfall-profits tax changes	+1	+1	+2
b. Other taxes and general users fees	+8	+8	+8
Improved tax collection	+6	+7	+7
Total revenues with CBC alternative budget	713	777	863
Resulting deficit with CBC alternative budget	−93	−82.5	−43
CBO baseline deficit	−158	−188	−205
Reagan administration budget deficit as reestimated by the Congressional Budget office	−121	−129	−140

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline	CBC Outlays	Change from CBO baseline
National defense	199.3	−14.7	202.7	−35.3	202.7	−60.6
International affairs	11.6	−0.4	12.7	−0.4	13.3	−0.4
Science and technology	7.6	(1)	7.7	(1)	7.6	(1)
Natural resources and environment	9.2	−2.6	8.7	−2.7	8.2	−2.8
Agriculture	10.3	(1)	8.0	(1)	7.5	(1)
Commerce and housing credit	5.0	+1.2	4.6	+1.1	4.3	+0.9
Energy	4.8	−0.5	4.0	−0.9	4.0	−0.9
Transportation	22.1	+1.9	24.3	+3.3	25.5	+3.3
Community and regional development	9.8	+1.9	11.9	+4.0	12.4	+4.0
Job training and employment	7.9	+1.9	9.2	+2.7	10.1	+3.2
Education	19.4	+3.9	20.5	+4.2	21.3	+4.4
Social services	7.0	+0.6	7.3	+0.6	7.8	+0.7
Health	85.5	+2.9	96.9	+3.3	110.9	+3.7
Income security	286.1	+12.8	304.1	+12.2	326.6	+9.9
Veterans benefits	23.0	−1.0	24.3	−1.1	25.9	−1.2
Administration of Justice	4.8	(1)	4.8	(1)	4.9	(1)
General government	5.2	+0.3	5.1	+0.4	5.0	+0.3
General purpose fiscal assistance	6.6	(1)	7.0	(1)	7.5	(1)
Interest	121.7	−3.8	139.9	−10.2	147.1	−14.6
Allowances	0	−2.0	2.4	−2.0	3.8	−3.0
Offsetting receipts	−40.4	−1.0	−46.7	−4.0	−50.4	−4.0
Total	806.2	+1.2	859.5	−24.9	906.0	−57.0

[1] Less than (+ or −) $50 million.

Note.—Since CBO baseline outlays are higher than administration proposals in all cases except national defense, international affairs (fiscal year 1983) and general government, the CBC changes from the administration proposals would be higher in terms of increases, and less in terms of cuts, than indicated here. The major exception is defense, for which the CBC cuts from administration proposals are larger than indicated by the comparison with the CBO baseline.

Detail may not add to total because of rounding.

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
National defense	199.26	−23.59	202.70	−52.08	202.70	−91.34
International affairs	11.58	−.38	12.70	.06	13.30	.30
General science and technology	7.60	−.02	7.70	−.08	7.60	.20
Energy	4.79	.49	4.00	.33	4.00	.64
Natural resources and environment	9.24	−1.28	8.70	−.60	8.20	−.26
Agriculture	10.31	.07	8.00	.18	7.50	.33
Commerce and housing credit	4.98	3.18	4.60	3.09	4.30	4.02
Transportation	22.07	2.79	24.30	5.49	25.50	6.15
Community and regional development	9.80	2.10	11.90	4.50	12.40	4.87
Primary, secondary, and vocational education	9.55	3.97	10.00	5.41	10.40	6.49

CBC ALTERNATIVE BUDGET OUTLAYS BY FUNCTION COMPARED WITH REAGAN BUDGET [1]—Continued

[In billions of dollars]

Budget function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget	CBC outlays	Change from Reagan budget
Higher education	8.55	1.49	9.30	3.39	9.70	4.70
Education research and aids	1.36	.08	1.20	.19	1.20	.22
Employment and job training	7.31	4.26	8.60	5.21	9.50	6.56
Labor services and other	.57	−.03	.60	−.01	.60	−.01
Social services	6.98	1.96	7.30	2.42	7.80	2.92
General retirement and disability	178.74	2.17	195.35	2.35	212.44	2.57
Federal employee retirement	21.94	.55	24.33	1.42	26.89	2.22
Unemployment compensation	28.87	5.56	24.90	3.28	23.00	1.11
Housing assistance	10.05	1.17	11.80	2.44	12.30	2.35
Food and nutrition assistance	21.47	6.54	23.30	8.68	25.70	10.19
Income assistance	25.01	4.84	24.50	5.38	26.30	5.97
Health care service	85.52	7.50	96.90	11.04	110.90	16.11
Veterans benefits	23.02	−.77	24.30	−.52	25.90	−.57
Administration of Justice	4.80	.14	4.80	.17	4.90	.34
General government	5.16	.01	5.10	.05	5.00	.03
General purpose fiscal assistance	6.55	.07	7.00	.32	7.50	.69
Interest on national debt	121.66	.00	139.90	−.01	147.10	.03
Allowances	.04	1.17	2.40	1.93	3.80	3.45
Offsetting receipts	−40.56	.70	−46.70	1.52	−50.40	2.55
Total	806.21	24.73	859.48	15.56	906.03	−7.19

[1] Outlays as reestimated by the Congressional Budget Office.

□ 1500

Mr. CONTE. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. YATES), a member of the committee.

Mr. YATES. Mr. Chairman, I am pleased to support this supplemental appropriation bill that comes to the floor today. It contains two essential appropriations for which I filed bills several months ago.

The first was a bill that I filed for a supplemental appropriation in the amount of $1,287 million for the guaranteed student loan program. I filed that bill on March 3, 1982. That bill was a rejection of the recommendation by the Reagan administration to cut the guaranteed student loan program to some $978 million, to increase the origination program from 5 to 10 percent, and to impose an onerous means test. It would have killed the program for doctoral students.

Subsequently, my bill was approved by the Appropriations Subcommittee for the Department of Health and Human Services and in its full amount, and I urge the House to approve that appropriation in this bill today.

The second provision which I sponsored and I introduced was the appropriation to keep alive the work incentive program, the WIN program, in the amount of $76,842,000. The WIN program, Mr. Chairman, is cost-effective. It is dedicated to helping those on welfare find employment which will take them off the welfare rolls. It is money saved to the Federal Government.

The WIN program significantly does very constructive work. I urge its passage and passage of the urgent supplemental bill.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Chairman, I rise to support H.R. 5922 and to speak to those provisions appropriating an additional $48 million for operating expenses for the U.S. Coast Guard.

The Coast Guard is in budgetary distress. Earlier this year, the Department of Transportation announced severe cutbacks in Coast Guard operations throughout the Nation. Those cuts included decommissioning of ships, the closing of search and rescue stations, the elimination of about 3,500 uniformed positions, and many other reductions totaling about $46 million in fiscal 1982. Make no mistake, those cuts would jeopardize life and property at sea and make it infinitely harder to enforce our Nation's laws against drug smuggling, improper exploitation of our fisheries by foreign nations, and illegal immigration. When the cuts were announced, a groundswell of opposition from Members of Congress surfaced. I introduced a bill to provide $136 million in supplemental appropriations and soon had over 125 cosponsors for that bill. Subsequently, the Secretary of Transportation, Drew Lewis, announced that he was rescinding some $15 million of the cuts. But let us remember that still over two-thirds of the cuts are scheduled to take place.

In fiscal 1981, the Coast Guard was already strained to meet its responsibilities but the appropriations thus far in fiscal 1982 fall far short of maintaining the Coast Guard at fiscal 1981 operating levels. If we want to hold harmless the Coast Guard in fiscal 1982, I calculate a supplemental of $192 million is required. The Coast Guard Commandant confirmed that calculation in testimony before the Coast Guard and Navigation Subcommittee.

Our supplemental today is a step in the right direction but it provides only $48 million. It provides $30.5 million previously requested by the administration for legislatively mandated increases in sea pay and military allowance, field costs and other required operations. According to my calculations, we really need $50 million for these purposes, if we are to hold the Coast Guard harmless at fiscal 1981 levels. The supplemental also includes some $17.5 million to avoid approximately one-third of the cuts earlier announced by the administration. Of course, two-thirds of the cuts will still take place.

In addition, this supplemental does not address pay increases promised by this Congress when it passed the Nunn-Warner bill last year. I estimate that to fully provide for these promised military and civilian pay increases, an extra $92 million will be required in this fiscal year. It is possible that in just a few weeks, the administration will request another supplemental for the Coast Guard of about $78 million to fund the military pay increases, thus we may be back in a short time discussing yet another supplemental for the Coast Guard. Mr. Chairman, I support this supplemental. It is a step in the right direction but let no one fool themselves, even with this $48 million, the Coast Guard will be hurting and hurting badly. When are we going to realize that the Coast Guard performs a vital military mission, it is a key law enforcement agency, and it is the single greatest protection of life and property at sea in the entire world. When are we going to realize its prime need and provide the money that is necessary?

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I am happy to yield.

Mr. CONTE. The gentleman has written to me and we have talked about this many times. I did offer this amendment in full committee and we were lucky to get it passed. But I

would suggest that the authorizing committee get busy and raise the authorization ceiling in light of the fact that with the passage of this bill we will have appropriated the full amount authorized by current law.

Mr. JONES of North Carolina. I assure the gentleman that is in the process of being done.

Mr. CONTE. I thank the gentleman.

● Mr. CORRADA. Mr. Chairman, I rise in support of H.R. 5922, the legislation before the House to make urgent supplemental appropriations for the fiscal year ending September 30, 1982.

The bill reported by the Committee on Appropriations is vital to continue the funding and operation of some critical Federal programs and policies. I wish to commend the committee for bringing this urgent funding bill at this time.

Because of the budgetary and appropriations process, the full range of needs required for fiscal year 1982 will not be known for sometime, as the committee report on H.R. 5922 states.

There are several programs which the legislation continues, and I would like to address my remarks, in particular, to those affecting welfare clients seeking productive employment, guaranteed student loans for college students, housing, the environment and Coast Guard operations.

In the area of employment and education, I particularly note the need of national funding for the work incentives, or WIN program. The amount contained in the committee supplemental will help keep individuals on the AFDC, or aid to families with dependent children, in the pipeline for eventual productive employment, enabling them to achieve employment in a gainful and productive work.

As the safety need we hear so much about continues to shred in the current recession and deepening unemployment, I believe it important that we continue to offer individuals who, through no fault of their own are on welfare, a means to work experience, training child care and the other supportive services offered by the WIN program. WIN should be continued and expanded; the urgent supplemental appropriations takes care of that first mentioned task and we will deal with the latter chore later.

As a member of the House Education and Labor Committee, I am pleased that the committee bill recognizes the value of another education program, that of the guaranteed student loan program for which the committee recommends $13 billion in supplemental appropriations.

By exceeding the President's supplemental amount requested in the February budget submission, the House has a chance to continue this program at a level that will help many middle-income students continue their studies. The existing program, in my opinion, is a sound one and until we accept any administration attempts to alter it, we will, by the supplemental, provide the funds to carry on the loan program. It is important to note that these are loans repaid by students. The increase in GSLP funds, due to inflation and inaccurate estimates of how much the program would need to continue at a fiscally sound level, will help the loan program be sustained.

Regarding the Coast Guard, the inclusion of funds in the amount of $48 million represents a modest sum of money in comparison to that needed by the Coast Guard. I note that this bill provides only for immediate needs of the Coast Guard by continuing vital operations.

I do hope that the Congress will, in coming months, realize that the Coast Guard will continue to confront economic difficulties.

In Puerto Rico, the administration threatened to severely curtail Coast Guard operations but reconsidered its decision after strong opposition in Congress. I hope that the Coast Guard, buffeted as it is by inflation and the need to increase the pay of personnel, will be treated a little more kindly in future budgetary proposals.

In the area of housing, H.R. 5922 mades various provisions to insure adequate funding for new section 8 subsidized housing projects currently in the national pipeline. While other administration proposals have cut existing housing programs, particularly those available to low and moderate income families, the need to keep some hope of a decent living environment for many families is provided by the bill.

By failing to approve the full amount of the President's proposed rescission of $9 billion in fiscal year 1982 funds for federally assisted housing, the committee has adopted a reasonable hold the line approach in keeping with the mandate expressed in the adoption of the fiscal year 1982 budget. The bill would assure construction of approximately 50,000 units of new section 8 housing; this action is warranted as housing prices climb and the dream of an adequate apartment or house is a vanishing one for many.

Finally, Mr. Chairman, I note that the $2.4 billion in the appropriations bill for the Environmental Protection Agency wastewater treatment construction grants program allows the changes adopted by the Clean Water Act amendments, now Public Law 97-117 to go into effect.

The EPA programs are sound ones and vitally needed in Puerto Rico to help our island not only provide decent sanitary facilities for our citizens, but help develop the infrastructural capacity so critical to the attraction of new industry through our tax incentive and industrial promotion program.

I urge the adoption of H.R. 5922. It is a sound, time sensitive and responsible approach arriving before us a time of some economic uncertainty for the country.

Now, more than ever, a fiscally responsible and constructive approach to solving some of the problems confronting our Nation is badly needed. This bill is a step in that direction.●

● Mr. McGRATH. Mr. Chairman, I rise in support of H.R. 5922. It is especially important that this measure be passed because it contains the supplemental appropriation for the guaranteed student loan program.

Of all of the cuts proposed in student financial aid, I think those proposed for the GSL program would have the most devastating impact. The guaranteed student loan program has in the past served as the basic form of financial aid for the middle class, and it is absolutely essential that we continue to make this source of assistance available.

In my own district in Nassau County, N.Y., the GSL is a critical financial aid source for many families attending institutions on Long Island. The percentage of undergraduates utilizing this source of assistance is 34 percent. However, utilization rates range from 17 percent at a public institution to 73 percent at a private institution. This source of assistance is particularly important in many financial aid packages at private institutions, and in many cases it represents the only possible way that a student can make up the difference between a high cost institution and a publicly supported institution.

It is also extemely important that graduate students remain eligible for the GSL program. If these students are denied access to those program, the impact on law, medical, and other graduate schools would be devastating. In my district, 41 percent of the graduate students receive assistance from the GSL program. These students are already excluded from the Federal grant programs and with the threat to national direct student loan capital contribution, their options are severely limited. To disenfranchise this significant segment of our student population from this student loan program will cause many students to reconsider graduate study.

I want to remind my colleagues that less student aid simply means fewer graduates in the future, at a time when our Nation will need more skilled persons in order to remain competitive in a technological and complex marketplace. Federal assistance to education is an investment in the future of our Nation. In order to get a reasonable rate of return, we must be willing to make an adequate invest-

ment. I therefore urge my colleagues to support this supplemental appropriation.●

● Mr. FARY. Mr. Chairman, today is a special day for all citizens, communities and States who have struggled to keep alive the goal of a clean environment for our children and grandchildren. The bill we are considering today, the urgent supplemental appropriations bill for fiscal year 1982 has been a long time in coming. In fact, the authorizing legislation dealing with the Environmental Protection Agency's sewer grants, the Federal Water Pollution Control Act Amendments of 1981 which passed the House and the Senate last December, was arrived at after heroic efforts by members of both the House and Senate Public Works Committee. Mr. Speaker, I rise in support of this bill which will continue the Federal commitment to the clean water program and I urge Members to listen to their constituents and to pass this funding bill today.

In 1972, Congress responded to the need to strengthen the Federal and State efforts to control the discharge of pollutants into our waters and established a comprehensive, national approach to water pollution control. The Federal Water Pollution Control Act amendments of that year (Public Law 92-500) were a complete rewrite of existing water pollution control laws and stand as one of the great landmarks of environmental legislation. As Members know, this year the administration sought a severely diminished role in the national clean water scheme. The House Public Works Committee held extensive hearings on the administration's legislative proposals and examined them thoroughly. The committee believed that it would have an extremely disruptive effect on the construction of municipal treatment works which are already receiving Federal grant assistance. Mr. Chairman, if there was one overriding theme which the committee held and pursued in the drafting of its legislation, it was that it was essential to preserve existing grant eligibility provisions for those projects which are already underway. This basic premise of the House was retained by its conferees.

In Chicago, our water quality problems are the same as many large urban areas. Probably, the most significant problem we face is the pollution caused by combined sewer overflows, also known as CSO, are a source of pollution which is expensive to control and difficult to quantify. Combined sewers are those sewers which carry both sanitary sewage and stormwater through the same sewer to the treatment plant. During storm events, the sewer system may become overloaded resulting in overflow of untreated sewage into the streams or back up into basements or streets. CSO's have been recognized as a national problem, however the Midwestern States including Illinois represent a major problem. These States have over 50 percent of their population served by combined sewers.

The city of Chicago in conjunction with the Metropolitan Sanitary District of Greater Chicago, has devised an ambitious and unique plan for treating the city's water quality problems. This plan, the tunnel and reservoir project in Chicago, was developed after 20 years of study. The two-phase plan calls for building 131 miles of tunnels 150 to 300 feet below metropolitan Chicago for pollution and flood control. The tunnels lie under the Chicago waterway so that a man-made river drilled out of solid rock lies beneath the streams at the surface.

The first phase, started in 1975, involves 110 miles of tunnels to protect 180 miles of waterways from sewer overflows. So far, 47 miles of tunnels have been bored out by giant mining machines at a cost of $1.2 billion. Sixty-three miles are left to be drilled, at a cost of $1.3 billion.

The pollution control tunnels are designed to catch the sewer overflows until a storm passes and the pollution can be pumped to the surface and treated. It is estimated that phase one could cut sewage pollution by 85 percent.

Mr. Chairman, passage of this legislation will insure the continued funding eligibility for this worthy project. I am sure that Chicago is not the only city with needed projects already underway. The people of the city of Chicago and across the country certainly deserve a fighting chance for a quality environment. The timely acceptance of this legislation will go a long way toward that goal and I urge my colleagues to support it.●

● Mr. FRENZEL. Mr. Chairman, I oppose this amendment to add $1 billion to the urgent supplemental appropriations bill. It adds to the Federal deficit at a time when everyone agrees the deficit needs to be reduced, and it will not help the housing industry.

This amendment amounts to another Federal bailout at a cost of $1 billion to the taxpayers. Maybe that would not be so bad, if we could expect real relief for a suffering industry. Even with this price tag, it is estimated that only about 50,000 housing units would be subsidized because the subsidy per unit would be considerable.

The administration estimates that 45,000—or 90 percent—of these units would be units built last year which are unsold, or units started this year and completed without subsidy. If those estimates are right, this $1 billion will do almost nothing to stimulate new construction. By adding to the Federal deficit, this bill simply aggravates our Federal budget problem.

The Rules Committee made this amendment in order and waived a Budget Act point of order without even consulting with the Budget Committee. It end runs the orderly budget process.

It is the wrong approach and it surely comes at the wrong time. I urge my colleagues to vote against this billion-dollar increase in the Federal debt.●

● Mr. GEJDENSON. Mr. Chairman, I rise in support of this legislation, H.R. 5922, which will enable some of the most needed Government services to continue through the end of the fiscal year.

This Nation faces hard decisions concerning both the spending and revenue aspects of the Federal budget. It is imperative, however, that we reject the notion that Congress has no choice but to cripple the programs that promote education and employment. It is for this reason that I urge my colleagues' overwhelming support for the supplemental appropriations bill.

Last year in the Omnibus Reconciliation Act, budget authority for student financial assistance programs was reduced by 12 percent for the 1982-83 school year. The House approved a level of funding for the GSL program that was insufficient to cover the program costs for this entire fiscal year. In addition, in February of this year, the administration submitted a request for the remainder of fiscal year 1982 that required major cuts in the program and that proposed a funding level far below what is needed for current services to continue.

As we all know, countless American families have had their plans—and their hopes—unfairly disrupted by the administration's efforts to use this supplemental bill as the vehicle for changing both the GSL and the Pell grant programs. The House Appropriations Committee refused to comply. The funds that have been earmarked in this bill will enable these programs to continue operating and to meet their 1982-83 obligations. What is even more important, however, is that the committee has not allowed any substantive changes to be forced through on an emergency fiscal measure. The $1.3 billion recommended in this legislation will give Congress the opportunity to consider changes in the programs during the course of this year, under the close scrutiny of the authorizing process.

This fiscal year ushered in a number of cuts in the basic nutrition, housing, medical, welfare, and jobs programs for the poor. The social safety net is shrinking, and serious hardships have been imposed on those who are truly in need of assistance. This situation is

exacerbated by what is undeniably the worst result of the Reagan economic plan: Over 10 million Americans are out of work, the highest number since the Great Depression. The people on the lower end of the economic scale are hit twice—they are facing severe reductions in their already meager standard of living, and their lack of work skills and experience leaves them out of a shrinking job market.

The work incentives (WIN) program is targeted to those people who want to rise out of poverty but who lack the job-training that is needed to attain self-sufficiency. The WIN program has proven its effectiveness in helping those at the margin of society to participate as full and responsible members. The $76.8 million appropriation contained in this legislation will bring the WIN program up to the administration's original 1982 funding request, a level that is necessary if the program's success is to continue.

In addition, this bill includes a transfer of $8.7 million into the Employment and Training Administration. This amount involves transferred budget authority; it utilizes leftover CETA funds and will not require an additional outlay. These funds will prevent the debilitating furloughs that program currently faces and, thus, will allow for the continued administration of employment and training services.

Everyone in our society has the right to lead a successful, rewarding life. Employment for those who are able to work, and opportunities for those who seek self-betterment, make this possible. The bill that is before us today shows that we have not abandoned our commitment to providing the needed job and educational opportunities.

I would like to commend the Appropriations Committee on its recommendation for Coast Guard operating expenses. In addition to the amount requested by the administration, the committee has allotted an additional $17.5 million that would enable the Coast Guard to continue its operations at several key facilities, including several vessel traffic systems that have been shown to increase navigational safety. Part of this additional appropriation is designated for the Coast Guard Academy in New London, Conn., thereby allowing the academy to continue at its present operating level.

H.R. 5922 reflects careful, diligent work on the part of the Appropriations Committee, and I urge the strong support of my colleagues.●

● Mr. WIRTH. Mr. Chairman, I rise in support of the amendment appropriating funds for the emergency housing assistance program passed yesterday by the House. I do so reluctantly, but with a sense of the necessity and urgency of this program.

I hesitated before casting my vote in favor of authorizing the emergency housing assistance program yesterday. As a member of the House Budget Committee, I am working to curb the unprecedented growth of the Federal deficit, which has crowded out private sector borrowing and driven up interest rates. Clearly, any long-term policy addressing the problems of the housing industry and of the economy as a whole must concentrate on reducing the deficit.

Now, however, continued high interest rates are dashing our hopes for economic recovery. There is no sign that they will abate until fundamental adjustments are made in the administration's program of huge, untargeted tax cuts, massive increases in defense spending, and resulting high deficits. Meanwhile, unemployment in our country stands at a dismal 9.4 percent, with joblessness in the construction industry at a shocking 19.4 percent.

In the absence of a short-term drop in interest rates, I believe it is our responsibility to enact this emergency program. There is ample evidence to show that a healthy housing industry provides a stimulus to the rest of the economy. I am satisfied that the legislation before us has been drafted to accomplish this goal. Although not without the reservations I have stated, I support its passage.●

● Mrs. SCHNEIDER. Mr. Chairman, I rise today in support of H.R. 5922, the urgent supplemental appropriations bill for fiscal year 1982. H.R. 5922 is truly an urgent appropriations bill. It provides additional funds for the fundamental services that our citizens so urgently need.

Work on the budget has come nearly to a standstill, and it is imperative that we move forward. The bill includes $2.4 billion for the environmental Protection Agency construction grants program, $1.3 billion for the guaranteed student loan program, and $48 million for Coast Guard operating expenses. All of these programs are essential and all are deserving of funding.

I find it of utmost importance to address the current dilemma facing millions of students across the country. The time has come for Congress to recognize the need for an adequate appropriation of funds to sustain those in need of financial assistance. Listen to what my constituents say:

> Please I beg on bended knees, don't cut aid to education. Think about our youth. Things have become so expensive, it is impossible to make ends meet. Without the aid for college, it is impossible for our children to further their education.

Low-income students have been severely hindered by reductions in the Pell grant. As you know, the Pell grants are slated for a 40-percent reduction, the largest dollar reduction of any student aid program. Middle-income families are feeling the squeeze when they find the GSL, college work study, and other viable loan programs no longer available. Clearly cutting back on the student aid programs and university research budgets will only curtail our Nation's direction. We must look to the future by solidly investing in our human power and enhancing our national strength with a firm Federal commitment to education.

The EPA construction grants program has contributed immensely to the restoration of our surface waters and helps pay for the construction of wastewater treatment facilities, stemming the flow of raw sewage into our rivers and bays. However, our needs for the future are enormous. In Rhode Island alone, it will cost $980 million to complete and restore essential sewage systems.

It is essential that Congress appropriate this money as quickly as possible and that the agencies pass the funds along to the States; each day of delay leads to increased construction costs and further degradation of our valuable water resources.

Our Coast Guard is overworked and underfunded. The supplemental appropriation will increase the Coast Guard's operating budget by $48 million. This includes $30.5 million for fuel costs and sea-pay increases. Recently, high fuel costs have placed the Coast Guard in an embarrassing situation: Its sea cutters are stranded in port because the Coast Guard does not have money for fuel. The Coast Guard will also receive an additional $17.5 million to continue law enforcement, search and rescue, and drug interdiction activities.

In regard to the MSHA exclusion, I lend my full support to the Murtha effort. MSHA must insure full worker protection by maintaining adequate standards in surface, stone, sand, and gravel mines.

And finally, instead of allowing the remaining unallocated $14.6 billion to be used entirely to subsidize large synfuels projects, I believe that $1 billion of this money be diverted for use by State and local housing agencies to provide lower mortgage interest rates for low- and moderate-income home buyers. It is essential that we aid the ailing housing industry.●

● Mr. REUSS. Mr. Chairman, I urge prompt passage of this supplemental appropriation because it provides funds vital to the basic governmental statistical programs.

The supplemental will restore funding of about $5.2 million to the Bureau of Labor Statistics (BLS), canceling a 4-percent cut contained in the continuing resolution. BLS has already absorbed a 12-percent cut in its fiscal 1982 budget, which caused the agency to curtail or eliminate 19 of its pro-

grams. A further cut now would force agencywide furloughs and disrupt the gathering and analysis of essential economic data, including the Consumer Price Index (CPI) and monthly unemployment figures. Provision of timely, accurate information to the public would be seriously impaired.

We clearly cannot allow—or afford—such threats to the integrity of our economic data. Indeed, it is unfortunate in these times of economic turmoil to have to forgo improvements in the statistical system. For example, the current "bare-bones" budget has not allowed BLS to update the CPI to reflect changes in consumer buying patterns over the last 10 years. With billions of dollars in cost-of-living adjustments riding on this index, we should not settle for an inferior measure. We could also benefit from greater precison in the data on State and local area unemployment, which are used in allocation of $17 billion of Government funds. But, in the budget crunch at BLS, plans to upgrade the State and local area survey have been shelved.

It was not easy for BLS to implement the 12-percent cut in funding: The 19 programs on the agency's hit list included important data on strike activity, occupational projections, industry wage levels, and labor turnover, among other series. While regretting the need for such steps, I am hopeful we can still contain the damage with the $5.2 million from the supplemental, and urge its passage without delay.●

● Mr. YOUNG of Alaska. Mr. Chairman, I rise in support of the urgent supplemental appropriation for the Coast Guard for fiscal year 1982.

When the cutbacks caused by the current funding level were announced, I and other Members were alarmed at their breadth and depth. We began to wonder what would really be left of the Coast Guard and whether needed services would be provided to the American public.

I know that in my own State of Alaska, the Department of Transportation had announced the reduction of the Coast Guard air station at Kodiak. There they intended to eliminate several fixed-wing aircraft and helicopters so essential to the search and rescue and fisheries enforcement functions in our waters. In the authorization bill last year we included a provision for an additional helicopter in Cordova, Alaska.

This is an example that Congress has recognized the need to increase needed Coast Guard services and not decrease them. The administration, however, has not or refuses to recognize these urgent needs. This reflects the view from just one congressional district, the State of Alaska. What we must realize, however, is that the cutbacks proposed were not just local losses—they were regional and national in scope.

Fortunately, the administration came to its senses and restored most of the cutbacks. But that leaves us facing the need for more operating funds this year. The administration recognizes this and we should act to overcome this problem. The Coast Guard and Navigation Subcommittee received testimony from the Commandant of the Coast Guard that an additional $192 million would be needed to continue 1981 levels of Coast Guard functions. This supplemental takes a step in that direction.

Our oversight hearings of last year revealed that the Coast Guard was in need of additional resources, not less. Their personnel need training, their cutters need repair and replacement, and additional facilities for essential services, such as search and rescue and law enforcement, are badly needed. But what we have seen is that the Coast Guard has been asked to do more and more with less and less, such as through the recent Haitian interdiction effort. I do not know how the Coast Guard will continue to be able to provide services in the face of the existing funding level.

Mr. Chairman, I and most of us here know that the services of the Coast Guard are extremely valuable and essential to not only the maritime community but to the entire Nation. I have long been a supporter of fiscal and budgetary restraint and I suppose that an argument can be made that every budget has some fat. But safety of life and property, and the security of our Nation are simply not things you round off to the nearest number or arbitrarily reduce by a certain percent.

The well-being of our country requires that we not stand idly by and let this happen. We are taking minimum steps through this urgent supplemental appropriation bill today. I believe that our full efforts should be behind seeking additional funding for the services provided by the Coast Guard so that search and rescue, law enforcement, military preparedness, drug interdiction, as well as other needed responsibilities are preserved. I urge all of you to support these needed funds for the Coast Guard.●

● Mr. STARK. Mr. Chairman, I would like to commend the committee for their action in transferring almost $14 million to the Office of Inspector General of HHS, so as to prevent a massive furlough within this office, which is the lead agency within the Department for combatting fraud and abuse and for protecting the fiscal integrity of Federal expenditures.

I would like to mention to the chairman my recent surprise over the fact that HHS does not have an 800 toll-free number where people can call to report abuses of such programs as medicaid, medicare, welfare, and social security.

As you know, many agencies do have such a toll-free number and the GAO notes that these numbers are used and have resulted in substantial convictions, cost savings, and so forth.

Yet the staffers at HHS have told my staff that they do not have the funds or personnel to set up and man an 800 number.

People in my congressional district have been writing to me about acquaintances and neighbors who they believe are welfare and medicare cheats. Giving these people an opportunity to vent their frustrations in a constructive manner by calling up an HHS toll-free number would not only be beneficial to the Government, but would also help restore confidence in our system.

It seems that for all the President's talk about waste, fraud, and abuse in Government programs, the administration has overlooked a simple, inexpensive, and effective method of tracking down welfare cheaters. The cost of an 800 number and hiring another person in the HHS hotline office is negligible in comparison to the prospective Government savings from taking people off the welfare roles.

I now understand from the committee that, HHS is presently completing a study on the possibility of installing an 800 number. I hope that the committee will be able to pursue this so that at long last an 800 number will be established. This is a matter of great concern to me, which I have been inquiring about for months.

I would like to include at this point in the RECORD a recent news article which describes how—while the administration likes to claim it is waging a great war against fraud and abuse—it is actually ignoring major areas where savings can be made:

[From the Washington Post, April 29, 1982]

WARRIORS ON MEDICARE WASTE LAMENT LOSS OF TROOPS

(By Howie Kurtz)

The Reagan administration, while trying to trim the cost of the Medicare bureaucracy, is letting millions of dollars in overpayments and questionable benefits slip undetected through a shrinking staff, a top federal official has complained in an internal memorandum.

Tera S. Younger, director of Medicare's Bureau of Program Operations, said administrative cutbacks have caused substantial drops in the number of Medicare claims investigated and denied as well as in the number of medical providers subjected to audits. As a result, she wrote, the federal health care program for the elderly is paying "drastic increases of as much as 37 percent" in benefits to patients and providers.

The Health and Human Services Department official said figures for the last six months of 1981 show budget cuts beginning to have a severe impact on her department's ability to monitor how the program's $47 billion is spent.

"Benefit payments are increasing, claims investigations and denials are decreasing," Younger said in the six-page memo. "Overpayments are up and service to the beneficiaries and providers is down. . . . Fraud and abuse is likely to increase under reduced monitoring . . ."

An HHS spokesman responded that "we're trying to squeeze the budget" by cutting back on other areas to pay for more audits.

Sen. MAX BAUCUS of Montana, ranking Democrat on the Senate Finance health subcommittee, said, "Medicare officials should spend more, not less, on auditing. While the administration may be able to claim short-term budget savings, in the long run they will lead to more fraud, waste, and over-utilization of medial services."

Administrative cutbacks at HHS actually are passed along to the nation's insurance companies, which the government hires to process Medicare claims, decide whether to pay them and mail the checks to patients and providers. Blue Cross and Blue Shield, which handle nearly three-quarters of all Medicare payments, say they have laid off or not replaced about 20 percent of their nationwide auditing staff of 470.

Blue Cross officials say they are now auditing only 37 percent of the Medicare providers, down from 58 percent two years ago. As a result, they say, charges to Medicare from 7,500 hospitals, nursing homes and home health agencies will not be audited this year.

In some cases, Blue Cross reviews of whether Medicare treatment is appropriate have been cut in half. Every $1 spent for these reviews saves as much as $5 by rejecting such claims as those for unnecessary surgery or excessive long hospitalization, Blue Cross officials say.

"We have skilled nursing facilities where we don't even look at the claims any more, we just pay them," said Mary Neil Lehnhard, Blue Cross' Washington representatives. "The hospitals know we're not auditing. They're putting in any cost that's questionable, and we're not catching things we used to routinely throw out."

Most of the increased errors, HHS officials say, are in payments for medical services not rendered and in checks mailed to the wrong recipients—the kind of mistakes that could be reduced through better administration.

"The message we are giving the [insurance companies] is that quality and service are less important than pushing the paper through the system." Younger said in the memo.

Administrative costs amount to only 1½ percent of Medicare's budget. During the Carter administration, Blue Cross officials say, their budget increased by 6 to 7 percent a year. But, they said, they received less than a 1 percent increase this year, to $711 million, and are lagging behind both inflation and a 10 percent rise in the number of claims. For fiscal 1983, HHS is proposing a cutback to $704 million, even though claims are expected to keep rising.

Blue Cross says it is forced to save money by delaying the processing of Medicare claims, cutting back on telephone complaint services and increasing the response time for patient inquiries from 10 to 45 days.●

● Mr. FRENZEL. Mr. Chairman, H.R. 5922, the urgent supplemental appropriations bill, is not the only bill that shatters our budget process. It may not even be the worst one. Nevertheless, it does wreck havoc with our budget system. The rule waived the restrictions of the Budget Act, despite conflicting recommendations of the Budget Committee. In the case of the housing appropriation, the Budget Committee was not even consulted.

The Appropriations Committee is playing its old game. It has taken some of the legitimate requests of the administration, added a few of its own favorite spending schemes, and fashioned a package it thinks Members will have to support.

This rule and this bill both literally thumb their noses at the last budget resolution and the continuing resolution passed by this body. A number of items funded in H.R. 5922 are directly contrary to decisions made in those resolutions. The emergency presumably is that someone's favorite program was about to expire on schedule.

The bill should be defeated. If not, it should be vetoed. It is bad legislation, bad policy, and bad process.●

● Mr. STOKES. Mr. Chairman, I rise in support of H.R. 5922, making urgent supplemental appropriations for fiscal year 1982. This measure contains funding for a limited number of very important items which require additional funding and our immediate attention at this time. In several instances, additional funds are needed to correct severe budget reductions which were indiscriminately imposed under the third continuing resolution for fiscal year 1982, under which seven Federal agencies are currently operating.

I would like to call to the attention of my colleagues my strong support of several especially critical items in this bill. H.R. 5922 includes crucial funding of $12.15 million for the city of Cleveland, Ohio, under the interstate transfer grants-highways program, administered by the Department of Transportation. The city of Cleveland has been working diligently since last year to secure this missing link of Federal funding for the exciting Tower City project in downtown Cleveland. This project will create in Cleveland many badly needed jobs.

I want to thank the distinguished chairman of the Transportation Appropriations Subcommittee, Mr. BENJAMIN, for his tireless work on behalf of Cleveland. Funds initially allocated for Cleveland under the interstate transfer grants-highways program in the House version of the fiscal year 1982 Department of Transportation appropriations bill were subsequently deleted in further congressional action on the bill. Due to the efforts of Mr. BENJAMIN, however, $12.15 million is provided in H.R. 5922 for the purpose of allowing work to begin in repairing several bridges surrounding the Terminal Tower in Cleveland. While these funds will provide for only a portion of Cleveland's entitlement under the interstate transfer grants program, the immediate approval of the $12.15 million for the Tower City Bridge repair work is key to the development of new hotel, retail and commercial space in the Terminal Tower area. This development hinges on the reconstruction of the surrounding streets and bridges. The city of Cleveland has already secured $2.5 million under the UDAG program to provide the local matching funds for the Tower City project. With the remaining $12.15 million in interstate grant funding, revitalization efforts critical to Cleveland and its residents will soon be underway through the Tower City project.

Another critical item in H.R. 5922 is $1.3 billion for the guaranteed student loan program. Mr. chairman, if this supplemental appropriation is not approved, the guaranteed student loan program will soon run out of funds.

Most of these additional funds are needed to pay unanticipated interest costs for guaranteed student loans. Had the President's economic recovery program worked as promised by this administration, interest rates would have been much lower than they are now and a large part of the additional funds needed to keep the guaranteed student loan program operational would not have been needed.

I might add, moreover, that these funds are needed so that graduate and professional students may continue to obtain these loans. The supplemental budget request submitted by the administration omitted funding for these students. Under the administration's plan, some 600,000 medical, law, and other graduate students would be left out in the cold with little means to finance their education. This bill insures that these students will be able to continue their graduate studies in areas important to the national interest.

Another critical item in this bill is an additional $77 million for the work incentive program (WIN). The WIN program has been described by the Department of Health and Human Services as an extremely cost effective program that "is returning more in the way of tax savings and other benefits to society than it is costing." Mr. Chairman, these additional funds are urgently needed to prevent the layoff of several thousand people in State and local unemployment service offices which administer the WIN program at the State and local level. The amount provided in H.R. 5992 would return funding for the WIN program to the level requested in the President's fiscal year 1982 budget. At a time when 9 million Americans are out of work, commonsense tells us that a

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cost-effective program, such as WIN, which keeps people off the unemployment and welfare rolls should be maintained.

Additionally, under H.R. 5922, $5.808 million in supplemental funding is provided for Howard University pursuant to the administration's budget request. These funds are urgently needed by Howard University to provide cost-of-living increases to faculty and staff during this academic year which ends in May. Howard faculty and staff have not received any such increase in 2 years. Mr. Chairman, in the interests of equity and in order to maintain a high quality faculty, this additional appropriation of $5.808 million should be approved for this historic university which for over 100 years has provided higher learning opportunities for blacks and disadvantaged students.

Finally, Mr. Chairman, I would like to commend the distinguished chairman of the HUD-Independent Agencies Appropriations Subcommittee, Mr. BOLAND, for his recommendations concerning the rescission of $9.4 billion in fiscal year 1982 funding for subsidized housing proposed by the Reagan administration. These recommendations, contained in H.R. 5922, are reasonable and responsive to the housing needs of low-income Americans. HUD wished to recapture and to rescind funds which the Congress had previously provided for the construction and rehabilitation of section 8 and public housing units. Under the administration's budget plan to rescind $9.4 billion in assisted housing funds, thousands of much needed housing units for poor and elderly people in this country would have been prematurely canceled. The bill before us today rejects all but $100,000 of the proposed rescission and provides sufficient financing for housing projects currently in the preconstruction pipeline. We cannot ignore the fact that millions of Americans continue to live in substandard housing or continue to pay too much for housing. The recommendations in this bill will allow for many new housing projects to come to fruition as the Congress intended and will in a small way maintain a national commitment to providing safe and decent housing for all Americans.

Mr. Chairman, there are several other supplemental funding items in this bill which I consider to be extremely important and deserving of support by this body. But, in the interest of time, I would simply urge the swift approval of H.R. 5922 so that no delays or disruptions occur regarding the very important items provided for in this measure.●

● Mr. BEDELL. Mr. Chairman, action to remove surface sand, gravel, and stone industries from the Mine Safety and Health Administration is long overdue. However, the Rousselot amendment to the continuing resolution which will prohibit MSHA from using funds for safety inspections and enforcement of MSHA standards while not transfering the statutory responsibility of health and safety to OSHA is, I feel, the wrong approach to this important problem.

The Rousselot amendment would in effect leave surface sand, gravel, and stone workers without any health and safety protection. Without statutory change, MSHA remains responsible for their protection and OSHA would be unable to provide that responsibility.

Of specific concern to me is the restrictive language of the Occupational Safety and Health Act of 1970 which states:

SEC. 4. (b)(1) Nothing in this act shall apply to working conditions of employees with respect to which other Federal agencies . . . exercise statutory authority to prescribe or enforce standards or regulations affecting occupational safety or health.

This language along with statements by Secretary of Labor Raymond Donovan regarding the lack of enforcement and possible litigation of OSHA standards under the Rousselot amendment, have alerted me to the fact that the only responsible legislative solution cannot be resolved in an appropriation bill but, must be resolved in a statutory change such as that found in H.R. 1603.

I strongly urge my colleagues to join me today in asking for immediate action on H.R. 1603. I became a cosponsor of this legislation after meeting with a number of owners of sand and gravel businesses that told me of the problems that their industry was experiencing after having been placed under the jurisdiction of MSHA. These owners want a safe and healthy environment for their workers.

I strongly support the removal of the surface sand, gravel, and stone industries from MSHA and placing the responsibility of the health and safety of these workers under OSHA. However, the Rousselot amendment would not accomplish this goal by only prohibiting the use of funds to enforce health and safety regulations without transfering the statutory responsibility to OSHA.

To prohibit the workers of surface sand, gravel, and stone industries from falling between the gaps of protection let us immediately take up H.R. 1603, a responsible and permanent solution to this problem.●

● Ms. FERRARO. Mr. Chairman, the legislation we have before us today is just what it claims to be—an urgent, supplemental appropriations bill. No truth-in-labeling problems here. The programs receiving funding under the bill are important programs which, in many cases, will have to close down without these funds.

I want to commend the Committee on Appropriations for its resolute efforts in bringing this bill to the floor, and I join the committee's leadership in urging the House membership to support it.

What I would like to do, Mr. Chairman, is consider for a moment why this bill, making urgent, supplemental appropriations, is before us today. How did it come to be necessary for us to pass this bill to save these programs?

The answer can be found in the desperate attempt of the Reagan administration to find budget savings during last year's extended debate on budget and appropriations bills, and particularly the continuing resolution.

Time after time, the administration made program cuts they knew were unrealistic and irresponsible so they could claim reduced deficits and to allow the President to go on television and tell the American people he was holding the line on Federal spending.

And what has the result been? We can see part of it in this urgent supplemental.

An urgent $82 million for the Bureau of Government Financial Operations is included. The money is urgently needed because cuts in the agency's budget made last year threatened to close it down by mid-May. That would mean no social security checks, no Veterans checks, no SSI checks, and no tax refund checks.

As chairwoman of the subcommittee with jurisdiction over Federal personnel levels, I wrote to Treasury Secretary Regan on January 20 when information came to my attention that the Bureau might in fact be forced to close down for lack of funding. The response I got confirmed that the agency would be forced to close, and astoundingly, portrayed the President as making every effort to save it. There was no mention of how the crisis had come about.

Another urgently needed supplemental is for student loan insurance. All informed sources are in agreement that without the additional funds, the program could be out of money in the very near future, perhaps this month. Is this a surprise? Hardly. The committee report on this bill states that at the time the administration's request was approved for fiscal year 1982, "the committee was fully aware that the amount was insufficient to cover program costs under current law for the entire year."

Again, this is a case of what OMB Director Stockman has called "political numbers." This administration has established a clear and continuing policy of making up budget numbers when the real numbers do not fit their political needs.

We are also voting on $76 million in this bill for the work incentives (WIN)

program. The WIN program, which offers AFDC recipients job training, work experience, employment, child care, and other support services, was cut by $76 million last year as the administration sought new cuts on top of those made in its original submission. Now, after States have been forced to lay off training employees and close down program offices, we are providing the funds needed to keep this program, which is so important, especially to single, working mothers trying to become self-supporting, from being shut down.

There are other programs funded in the supplemental that are in trouble due to unrealistic budget cuts last year. Three Department of Labor offices—the Employment and Training Administration, the Employment Standards Administration, and the Bureau of Labor Statistics—would be forced to furlough employees without the funds provided in this bill.

In the case of the Bureau of Labor Statistics, the funding is needed for critical statistical surveys, including compiling the Consumer Price Index and the unemployment rate. Of course, the President made clear in his radio address this past Saturday his dissatisfaction with the numbers being compiled by Government statistical offices. Maybe the President thinks the answer to the continuing rise in unemployment caused by his economic program is to shut down the office charged with determining the unemployment rate.

Each of these instances describes a "crisis" created by this administration's insistence on playing political games with estimates of program costs. The anxiety suffered by senior citizens dependent on the prompt arrival of their social security checks, or the welfare mother trying to learn a job skill so she can support her children, or the Federal worker wondering whether she will soon be joining the growing ranks of the unemployed, could have been avoided.

I sincerely hope the administration will, in the future, refrain from creating situations that threaten programs with termination to achieve its public relations needs. The budget problems we face are serious enough without our making up new ones.●

● Mr. ROYBAL. Mr. Chairman, I would like to briefly discuss a matter of importance to the handicapped community in this country.

During deliberations on the continuing resolution last year, Congress raised the funding level for university affiliated facilities under the Developmental Disabilities Act to $7.5 million for fiscal year 1982. These facilities are particularly important to the developmentally disabled because they provide training for health professionals on new treatment methods in the field of mental retardation, provide screening and prevention services to State and local agencies and—most importantly—serve over 67,000 severely handicapped children every year. In fact, a large portion of these children are so severely handicapped that these centers are often the only facilities able to provide adequate care.

Despite our positive action to protect this vital service network for developmentally disabled children, Federal officials are moving in the opposite direction by attempting to defund several of these facilities in fiscal year 1982. If permitted, this move may eventually lead to the elimination of all Federal support for the program in the near future.

I am strongly opposed to this policy shift; it would impose severe hardship on handicapped young people currently being served by the program. Many of them would be sent to State mental institutions which are ill equipped to provide sufficient care and, ironically enough, State governments would be forced to spend large sums of money on services already being provided with far fewer Federal dollars.

It is important that Federal officials in the Office of Human Development Services meet their responsibility and carry out the clear intent of Congress in this matter by maintaining and not dismantling this critical service network.●

● Mr. MICHEL. Mr. Chairman, this urgent supplemental is necessary to the continued operation of several important programs and agencies, and thus we have little choice but to give it approval. However, I would be remiss if I did not express concern over both, some of the contents of the bill and the way it has been handled.

As a former member of the Appropriations Committee, I can understand that committee's concern over the action of both the Budget Committee and the Rules Committee in passing on the bill line item by line item, approving some and disapproving others. It is clear that waivers were granted not on the basis of what is urgent and what is not, but simply on the basis of whether an item was popular with individual members. There was no consistent pattern whatsoever. I do not like the business of providing waivers, period, but if we have to do so, this inconsistent piecemeal approach is certainly not the way to go about it.

Having said that, I also have to be critical of the Appropriations Committee for reporting out a bill that exceeds the budget by $1.3 billion. Everybody around here seems to be critical of high deficits, but when the time comes to do something about it, we see a continuation of the same old high-spending ways of the past.

The housing program is the biggest culprit in this bill. Not only did the committee turn down 99 percent of the proposed rescission, but it voted to spend another billion dollars beyond the original 1982 appropriation.

The section 8 housing program has been a boondoggle from day one.

Fair market rates for section 8 housing have exceeded the rents for comparable units in the private market by 26 percent. A project is being proposed for a small rural community just outside my district where they want to charge rents as high as $642 a month for a two-bedroom apartment. Private sector rents are nowhere near that high, and it simply represents a ripoff of the taxpayers to have the Federal Government subsidize rents of such magnitude.

Average Federal subsidies for rent under this program will be nearly $4,000 per family in 1983, and will range as high as $17,000. Subsidies paid to developers have risen at twice the rate of increase in construction costs.

Total future commitments under this program currently amount to a whopping $250 billion. You wonder why we cannot project a balanced budget down the road. That is one of the primary reasons. We make these large scale commitments now, with the bills coming due later; in essence, locking ourselves in. We simply cannot go on this way.

The bill includes $321 million more than requested for the guaranteed student loan program. I can understand why this additional amount may be necessary, but the committee could also have written into the bill the reforms sought by the administration, thus saving us this additional cost.

The cost of the program has risen about 600 percent in 5 years. The net default rate is running at 10 percent, and we are spending in excess of $300 million a year simply to pay off bad loans. Net default expenditures over the life of the program now amount to over $1.4 billion.

The administration has proposed some tightening up of this program and I think these recommendations have for the most part been getting a bum rap. Requiring that the needs test be applied to all families rather than just those over $30,000 in income makes eminent sense. There is no reason why graduate students should be getting a free ride from the taxpayers. Most of them are preparing themselves for high-paying professions, and they certainly ought to be responsible for paying the interest on their loans. The administration is not proposing that they be denied loans; only that they pay the interest. There is no reason why a factory worker or a janitor should have to pay such interest.

Instead of blanket rejection, we ought to be moving ahead with these proposed reforms, making refinements where necessary. We simply must limit the rapid growth of entitlements, and

there is no reason why we should have to wait for reconciliation before beginning this effort.●

● Mr. COUGHLIN. Mr. Chairman, I rise in strong support for H.R. 5922 which, among other things, will provide an urgent supplemental appropriation of $1.3 billion for the guaranteed student loan program and allocate $2.4 billion for the wastewater treatment construction grants program.

Guaranteed students loans, the largest federally funded student aid program, provide millions of Americans with the opportunity to pursue a higher education in these days of soaring tuition costs. College and graduate students are heavily dependent upon the guaranteed student loan program to help them obtain a quality education and I personally prefer this type of higher education assistance rather than outright grants.

This $1.3 billion fiscal year 1982 supplemental is urgently needed. Recognizing my committee's concerns and support for enabling the guaranteed student loan program to operate smoothly, the committee raised the administration's supplemental request by $322 million. This increase in funding should enable the guaranteed student loan program to proceed through the balance of fiscal year 1982 without having to fear sudden, abrupt changes in eligibility requirements or financial needs.

I would also like to comment on the $2.4 billion supplemental provided in H.R. 5922 for the wastewater treatment construction grants program. As with the guaranteed student loan program, this money is vitally needed and it is imperative that the House pass the legislation today.

According to the Association of State and Interstate Water Pollution Control Administrators, 30 States are completely without construction grants money. Absent an immediate appropriation, at least 10 more States will be without funds by the end of this year.

If the wastewater treatment construction grants program is allowed to go through the balance of fiscal year 1982 without a Federal appropriation, our Nation's efforts to clean up and protect our waters will be seriously eroded. People and businesses possessing valuable expertise in the treatment of our water supplies will, without the appropriation, be lost for many years to come. We cannot afford to let this happen.

The Congress now has the opportunity to reaffirm its historical support for our Nation's waters and for the program it formulated to clean up these waters. I hope this Chamber renews this commitment and adopts the $2.4 billion supplemental for the construction grants program.

● Ms. FIEDLER. Mr. Chairman, I would like to express my strong support for the Coast Guard appropriations that have been contained in the urgent supplemental appropriations bill. The widespread support that this measure received underscores its importance. The members of the Rules Committee recognized this importance in granting a waiver for this funding, an action that I, along with a number of my colleagues, recommended they take. The members of the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries have also added the weight of their expertise behind this funding.

The situation is a simple but direct one. Without the funding contained in this bill, the Coast Guard will be forced to severely cut back on its operations. As a Californian, I am especially concerned that these cuts would have had a disproportionately heavy impact on my home State. But this is much more than a local issue. If we fail to fund the Coast Guard, the whole Nation will suffer.

The Coast Guard's financial crisis is the result of it being given more missions to accomplish without any corresponding increase in resources. The Coast Guard is much more than just another part of the Department of Transportation. It has an important national security role as one of our Armed Forces, becoming part of the Navy in time of war. Its law-enforcement duties have come to greater notice in recent years with the interdiction campaigns mounted against drugs and illegal aliens. The Coast Guard's most important role, however, remains what it always has been—the preservation of life and property at sea. I would like to state in the strongest possible terms that unless the funding contained in the urgent supplemental appropriations for the Coast Guard is passed, it will not be able to carry out these missions properly. This means that lives will be lost, property will be destroyed, smugglers will flourish, seas will go unpatrolled where otherwise they might not be—and this I think would be the falsest of false economies.

I would like to add my voice to those of my many colleagues who have stressed the importance of this measure. The Coast Guard is as important to the Nation as it is to my own southern California. It would be the height of irresponsibility to not pass this funding. The Coast Guard has rescued many Americans. It is now time for us to rescue the Coast Guard.●

● Mr. DE LUGO. Mr. Speaker, this body has before its consideration a measure of the highest priority to our Nation's well-being. H.R. 5922, the Urgent Supplemental Appropriations Act of 1982, will provide the funds necessary to continue such programs as the guaranteed student loans program, the operations of the Coast Guard, and the activities of the U.S. Customs Service. These governmantal functions and other provided for under this bill must not be allowed to lapse due to our inaction.

The guaranteed student loan program, which is the primary source of financial assistance for most college students, wil soon run out of money without a supplemental appropriation of $1.3 billion for the remainder of this fiscal year. This shortfall is the result of the continued high interest rates that all our citizens are suffering from.

The Coast Guard, whose search and rescue efforts are so central to the protection of life and property at sea, is provided with an additional $48 million for its operations. Earlier this year, the chairman of the House Merchant Marine and Fisheries Committee, WALTER JONES, and I introduced H.R. 5348, a bill to provide $136 million in supplemental appropriations for the Coast Guard. While the bill before us today only represents a small portion of the amount we believe to be necessry, it is a step in the right direction.

Finally, the Customs Service which is locked in a life and death strugle with organized crime over the importation of drugs, will receive $3.4 million for their efforts. This too, is far less than the sum requested by the administration to aid customs agents in this program, but the Appropriations Committee has expressed its willingness to consider makeing more moneys available.

I urge my colleagues to adopt this bill with all deliberate speed.●

Mr. WHITTEN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. CONTE. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. Pursuant to House Resolution 461, it shall be in order to consider the following amendments: First, an amendment printed in the CONGRESSIONAL RECORD of May 11, 1982, by Representative BOLAND, if offered by Representatives BOLAND, AUCOIN, or PATTERSON; and second, an amendment printed in the CONGRESSIONAL RECORD of May 11, 1982, by and if offered by Representative LOWRY of Washington.

The Clerk will read.

The Clerk read as follows:

DEPARTMENTAL MANAGEMENT

OFFICE OF THE INSPECTOR GENERAL

(TRANSFER OF FUNDS)

From amounts appropriated for fiscal year 1982 for payments to States for Medicaid Fraud Control Units, there is transferred to the Office of Inspector General,

Department of Health and Human Services, for necessary expenses, $13,941,000.

AMENDMENT OFFERED BY MR. LOWRY OF WASHINGTON

Mr. LOWRY of Washington. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LOWRY of Washington: Page 3, immediately after line 15, insert the following:

SOCIAL SECURITY ADMINISTRATION

REFUGEE AND ENTRANT ASSISTANCE

For an additional amount for "Refugee and Entrant assistance", $23,340,000, to be available only to reimburse States which by reason of court order, State statute or regulation, or other administrative restraint could not implement the change in regulations published on March 12, 1982, for refugee assistance and domestic assistance for Cuban and Haitian entrants.

The CHAIRMAN pro tempore. Is the Chair correct in assuming this is the amendment made in order by the rule?

Mr. LOWRY of Washington. That is correct, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman is recognized for 5 minutes in support of his amendment.

Mr. LOWRY of Washington. Mr. Chairman, the amendment is really straightforward, if the Members had a chance to listen to it.

On March 12 the Office of Refugee Resettlement published regulations that said as of the 1st of April refugee assistance and Cuban-Haitian entrance assistance would be cut from 36 months normal time that is in the Refugee Act and had been the normal time for cash and medical assistance to 18 months.

There were approximately 19 States which, because of their own State laws or regulations of notification requirements, could not stop that aid as of the 1st of April. The $23 million in this amendment is for reimbursement to those States who due to court order following their own State laws or their own State regulations went ahead with the refugee or entrance assistance.

I believe we have talked about this for quite some period of time. It is a vital amendment to carry forward on the Government policy of this country.

Mr. NATCHER. Mr. Chairman, will the distinguished gentleman yield to me?

Mr. LOWRY of Washington. I am pleased to yield to the chairman of the subcommittee.

Mr. NATCHER. As I understand the gentleman's amendment, which provides a total of $23,340,000 for refugee cash and medical assistance, approximately $5 million of that money would go to the State of California and approximately $10.1 million would go to the State of Florida. The balance of the money would go to the 19 other States involved; is that correct?

Mr. LOWRY of Washington. The distinguished chairman is correct.

Mr. NATCHER. Let me ask the gentleman further, is it the gentleman's intention that these additional funds be made available only to those States which made a good-faith effort to implement the new regulations on time, but were unable to comply by April 1 because of court order, State law, or State regulation?

Mr. LOWRY of Washington. That is the intended effect of this amendment, Mr. Chairman.

Mr. NATCHER. I further would like to inquire of the gentleman, if his amendment is accepted, will States continue to be required to implement the new regulations as rapidly as the courts and States laws permit?

Mr. LOWRY of Washington. The chairman is correct. This amendment does not alter that status.

Mr. NATCHER. I would further like to inquire of the gentleman, under his amendment is it his intention that the amount of funds available for grants to States which are not authorized by the March 12 regulation be limited to the $23,340,000 in the gentleman's amendment?

Mr. LOWRY of Washington. That is the intention of this amendment, Mr. Chairman.

Mr. NATCHER. If the gentleman on my right, the ranking minority member of the full Committee on Appropriations, and the ranking minority member on the subcommittee, Mr. CONTE, has no objection to this amendment, we have no objection on this side.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am honored to yield.

Mr. CONTE. I thank the gentleman from Kentucky.

As I understand it, the gentleman's amendment would provide the following:

The amendment would add $23 million to refugee cash and medical assistance for fiscal 1982.

This amount is within the authorization level.

The funds would go to compensate 21 States for cash and medical benefits paid to refugees after April 1, 1982, when there was a change in the HHS regulations reducing the compensation period for certain benefits from 36 months to 18 months.

Courts in 21 States required the States to provide these certain benefits even though the HHS regulations phased them out.

These funds will cover essentially a 2-month period until the 21 States can change their systems to reflect the new regulations and cover their State court concerns.

The two States affected the most are California ($5 million) and Florida ($10 million).

Even given these circumstances it should be noted that refugees, while losing some "special benefits," will still be eligible for all benefits in cash, medical services, and welfare assistance that any citizen of the United States would be eligible.

We accept the amendment.

Mr. LOWRY of Washington. I thank the ranking minority member.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, I want to warmly thank both gentlemen for offering this amendment, and especially to thank the chairman of the subcommittee, the gentleman from Kentucky (Mr. NATCHER), for his sensitive understanding and concern about these problems, and the ranking minority member (Mr. CONTE), also for his involvement and his awareness of the difficulties we have had in some of our States in regards to this refugee problem.

Again, I want to thank the gentleman from Washington for offering this amendment.

Mr. Chairman, I rise in strong support of this amendment. It is essential that we help the 19 States which were constrained by their own laws or administrative procedures or by court orders from implementing changes in refugee and entrant assistance programs on April 1, as mandated in the Federal regulations.

These constraints have meant that the States have had to continue to provide assistance for an additional 1 to 3 months. Unless we agree to this amendment and provide these funds, those 19 States will have to bear the full cost.

I need hardly remind the House the refugees and entrants are a Federal responsibility. Federal law provides for up to 3 years of federally funded assistance to refugees and entrants, to ease their transition into our society and permit them to develop the skills not only to survive, but to contribute and be productive. Despite this commitment, the administration decided to end benefits after 18 months, but only in those States such as Florida which do not have general assistance programs; the Federal Government will continue to provide funds for assistance to those refugees and entrants eligible for and receiving general assistance in those States which have such programs.

Florida already has absorbed over $150 million in documented, but unreimbursed costs of the Mariel boatlift, but Florida, and the other affected States, are trying to comply with the Federal revisions and to provide some support for refugees and entrants now left with no resources at all. One thing

they do not need is to present their taxpayers with the bill for benefits they must continue to provide, even though Federal reimbursement is no longer available.

In Florida, the State Administrative Procedures Act requires that revisions of programs such as the refugee and entrant benefits be published in the State's equivalent of the Federal Register for 41 days before they can be implemented. Even though the revisions were published at the earliest opportunity after the Federal regulations were finalized, the 41-day notice period did not expire until after benefit payments for April and May had been made. This will cost Florida taxpayers $10 million unless we pass this amendment. And my colleagues should remember that 18 other States are in similar situations.

Mr. Chairman, this is a terribly important and urgent amendment. I urge my colleagues to join me in supporting it.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Florida, who has been immensely helpful on this issue.

Mr. PEPPER. Mr. Chairman, I rise in support of this amendment which provides $23,340,000 to reimburse States which were unable to implement regulations published on March 12, 1982, by the Department of Health and Human Services.

I want to thank my distinguished colleague from Washington for offering this amendment and for all of his excellent work to bring this matter to the floor. I am also pleased that Chairman NATCHER of the Labor, Health, Education, and Welfare Appropriation's Subcommittee supports this amendment.

I want to thank in the warmest way the distinguished gentleman from Kentucky (Mr. NATCHER) and the distinguished gentleman from Massachusetts (Mr. CONTE) and especially the distinguished gentleman from Washington for offering this amendment.

On March 12, the Department of Health and Human Services published regulations which reduced the amount of time a refugee or entrant is eligible for cash and medical assistance from 36 to 18 months. This change was effective on April 1, 1982. Nineteen States were unable to implement the change due to court orders, State administrative requirements or other administrative problems. Published on March 12—effective on April 1. That is a total of 19 days to implement a far-reaching change in regulations.

In the State of Florida, a State administrative procedure provision required the State to give refugees and entrants 45 days notice of the cutoff of assistance. The State, in order to be in compliance with its own law, was forced to continue payments for these people until June 1, 1982 at a cost of approximately $5 million per month. Florida requests reimbursement from the Department of Health and Human Services and was told that there was no money available for that purpose.

Mr. Chairman, that is $5 million per month that the taxpayers of Florida were required to absorb.

The situation is similar in other States. Because of court orders or administrative constraints, 19 States—through no fault of their own—were unable to implement these changes. The Department of Health and Human Services, in effect, has told these States that they must shoulder the burden and pay the costs.

We should not penalize States for adhering to State administrative guidelines and requirements. We should not penalize States because court orders prevent them from implementing the changed regulations. We should recognize the extenuating circumstances surrounding these States' inability to implement the regulations and we should reimburse these States the costs of an acknowledged Federal responsibility.

Again, I want to express my sincere appreciation to my good colleague from Washington, Mr. LOWRY, for offering this amendment and for his perseverance in this matter. We all recognize his deep concern for refugees and entrants and I look forward to working with him again.

Mr. LOWRY of Washington. The gentleman from Florida, Mr. PEPPER, was extremely helpful in the Rules Committee and has been a great aid in bringing this matter to this point.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I am pleased to yield to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I want to commend the gentleman in the well. He has done yeoman service and, of course, I understand the response today from the gentleman from Kentucky, Mr. NATCHER, has been positive, for which I am very grateful.

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Indeed, in past colloquies on this issue on the floor, he and other members of the Appropriation Committee have given us assurances that when the need arose, they would be ready to in fact appropriate and to actively support fulfillment of the needs to the extent the authorization with regard to refugee assistance provided.

The CHAIRMAN. The time of the gentleman from Washington (Mr. LOWRY) has expired.

(On request of Mr. VENTO and by unanimous consent, Mr. LOWRY was allowed to proceed for 5 additional minutes.)

Mr. VENTO. If the gentleman will yield further, I think that the specter of what we saw occurring across this Nation, in terms of the desperation by the States, especially in the present economic circumstance, gives rise to a great deal of concern on the part of a variety of States, some of whom have different and varying welfare and assistance programs. The quick action, fortunately, by my good friend and colleague, the gentleman from Washington, and the response, the positive response by the Appropriations Committee, of course, will make it possible to avoid that. We only hope that the administration and the Senate will be as positive in terms of their response to these much needed dollars. There are 25,000 refugees in Minnesota. Obviously, I know Florida's problems are severe, but we do not want to compound those in Minnesota by virtue of the Florida problem. So we hope that we can meet this need in a rational way. I think the gentleman offers us that solution today, for which we are all very appreciative. Mr. Chairman, in the past, the Federal Government has recognized the national scope and the Federal commitment to our refugee aid programs.

The historical responsibility for assisting in the resettlement of these refugees has not been solely a State or local issue. The Federal Government has been forthcoming with the needed financial aid to allow for the resettlement of our former allies of Southeast Asia who have been forced out of their homelands. This policy has been fair. The Federal aid has met many of the real needs of the refugees without penalizing local communities by making them assume the full costs. Unfortunately, under the redirection in Federal spending by the current administration, the Federal commitment to our refugees has come under question. Rather than responding to the needs of those victims of repressive governments who have sought shelter in our country, the administration has attempted to wash its hands of all responsibility for their plight. This change in policy is unfair. It is unfair to the refugees. It is unfair to State and local governments. And it is most unfair to the local property taxpayers who, after opening their hearts and homes to these refugees, are now expected to assume the full burden of the costs.

Currently there are over 25,000 refugees living in Minnesota. Of that total, nearly 12,000 refugees live in Ramsey County. Mr. Chairman, the people of Minnesota did not determine the criteria which allowed the refugees to enter our country but we did recognize that we had a responsibility to our friends and were willing to do our fair share. We felt that refugee resettlement was a national issue and that we

all had a responsibility to insure that our new citizens would be able to meet the physical and mental demands of acclimating themselves to a new society. The Federal-State-local partnership has been working. The new citizens of Ramsey County and Minnesota have been hard working citizens. But they still face serious difficulties stemming both from physical and adjustment problems. Yet at this critical time, the administration has sought to shift the full burden of refugee resettlement to the local community and local taxpayer. The reduction in the eligibility period for refugees from 36 to 18 months does not recognize the transitional problems which refugees face. What this policy change does do, however, is to virtually half the Federal commitment and to shift this cost to local taxpayers.

Mr. Chairman, the Federal Government cannot lose sight of the national scope of our refugee program. We, as a nation, must resolve this problem together.

It is unfair to dump this issue onto the States as the President proposes. The consequences of such a policy are already being felt. The State of Florida, rightly or wrongly, is advising many of its refugees to move to States such as Minnesota, New York, and Wyoming, because their programs are better. This reverse bidding war, in which a State seeks to encourage refugees to move to better welfare States, is counterproductive. It does not best serve the refugee nor the local community. The only way to address the refugee issue is through a return to the Federal commitment to aiding our refugees. The Lowry amendment properly responds to this problem in a national context. The increase in funding is a response to urgent needs and basic fairness. It does not dump a national issue onto local taxpayers and does provide essential transition services for our refugees. I urge my colleagues to support this measure.

Mr. LOWRY of Washington. I thank the gentleman from Minnesota for his continuing work.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. PATTERSON. I thank the gentleman for yielding, and I want to commend him for his foresight. We have discussed this amendment on several occasions, and the gentleman had, I think, the right amendment in the right place at the right time. His persistence in pressing for this basic human need, when not many refugees really vote—at least, that I know of—I think, frankly, that the gentleman ought to be commended for pursuing an urgency, and all of us are proud of the gentleman for having offered the amendment.

Mr. LOWRY of Washington. I thank the gentleman from California for his concern.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentlewoman from Ohio.

Ms. OAKAR. Mr. Chairman, I also want to echo what the gentleman from California has said. I know of the gentleman's hard work on this issue. It is an issue that really does not affect the gentleman particularly in his district, but some of us have had occasion to see some of the refugee camps, like the Haitian camp that the gentleman from New York (Mr. GARCIA) and I saw in Puerto Rico. While this does not directly affect those circumstances, it does affect the area of our country's dealing with what is a very complex problem, and it shows that we are not going to discriminate in terms of who we care about either because of their race or color. So I think what it does, really, is show that we still have a heart when it comes to this area. After all, we are indeed a nation of refugees in terms of our own background. I want to commend the gentleman.

Mr. LOWRY of Washington. I thank the gentlewoman for her comments.

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from California.

Mr. ROYBAL. Mr. Chairman, I wish to commend the gentleman in the well for bringing this amendment to the floor. It is definitely true that both the State of Florida and the State of California are in need of this money. But we must also not forget the fact that there are 17 other States that are involved. This is going to help the entire program, and it is primarily for that reason that I commend the gentleman for making this opportunity available to us to include in this legislation this most vital amendment that he has presented this afternoon.

Mr. LOWRY of Washington. I thank the gentleman for his continuing work.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. LOWRY of Washington. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Speaker, I want to commend my colleague, the gentleman from Washington, for his leadership on this issue. I know for a fact that he left here yesterday after the housing bill and had to fly to the State and flew back on the "Red Eye Special" to be here to offer his amendment. That shows a certain level of commitment that he and I both understand. Our State desperately needs this assistance.

My colleague has proposed this amendment. It is a good amendment. I have had a chance not only to visit those refugee camps, but to meet with many of the refugees who will be affected in our State, and I must say that I am deeply concerned by the Reagan policy of reducing from 36 months to 18 months the assistance for those people. It is going to mean that certain States will be providing 18 months of assistance and other States will be providing 36 months of assistance, and this is going to cause chaos in our country.

The gentleman from Washington has done a good job. I urge our colleagues to support him.

I want to thank the chairman of the HEW Subcommittee, the gentleman from Kentucky (Mr. NATCHER), and the gentleman from Massachusetts (Mr. CONTE), for their cooperation on this subject. But the gentleman from Washington (Mr. LOWRY) has really provided the leadership, and he deserves to be commended.

Mr. LOWRY of Washington. I thank the gentleman for his continuing concern.

Mr. Chairman, I would again like to thank the chairman of the subcommittee and the ranking minority member of the subcommittee who has again stepped forward with compassion on a very important issue for the people of this country.

I ask approval of the amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Washington (Mr. LOWRY).

The amendment was agreed to.

The CHAIRMAN pro tempore. The Clerk will read.

The Clerk read as follows:

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION SPECIAL ASSISTANCE FUNCTIONS FUND

For additional gross obligations in fiscal year 1982 for the principal amounts of direct loans made pursuant to section 305 of the National Housing Act, as amended (12 U.S.C. 1720), $1,000,000,000, notwithstanding section 333(a)(1) of the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35).

AMENDMENT OFFERED BY MR. BOLAND

Mr. BOLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BOLAND: On page 7, after line 18, insert the following:

HOUSING PRODUCTION ASSISTANCE PAYMENTS

For mortgage interest assistance payments, $1,000,000,000, to remain available until expended. Such amount shall be made available under the terms and conditions of the following paragraphs:

(a)(1) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereafter referred to under this heading as the "Secretary") shall make commitments to enter into and enter into contracts to make periodic assistance payments on behalf of homeowners (including owners of manufactured homes and individual units in a cooperative or condominium project) to mortgagees or other lenders holding mortgages, loans, or advances of

credit which meet the requirements contained under this heading.

(2) The aggregate amount of payments made pursuant to contracts entered into under this heading shall not exceed $172,000,000 per annum.

(3) The authority to make commitments to enter into contracts under this heading shall terminate on September 30, 1982.

(4) The Secretary may establish, consistent with the provisions of this heading, such criteria, terms, and conditions relating to homeowners and mortgages, loans or advances of credit assisted under this heading.

(5) In making available assistance under this heading, the Secretary shall give a priority to mortgagors and other borrowers who, as determined by the Secretary, have not owned dwelling units within the preceding three years.

(b) Payments under this heading may be made only on behalf of a homeowner who satisfies eligibility requirements relating to creditworthiness as may be prescribed by the Secretary and who—

(1)(A) is a mortgagor under a mortgage which meets the requirements of subsection (i), or (B) is the original owner of a new manufactured home consisting of two or more modules and a lot on which the manufactured home is situated, where insurance under section 2 or 203 of the National Housing Act covering the mortgage, loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such manufactured home and lot has been granted to the lender making such mortgage, loan, advance of credit, or purchase of an obligation; and

(2) has a family income, at the time of initial occupancy, which does not exceed 130 per centum of the area median income (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

(c)(1) Assistance payments to a mortgagee or other lender by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage, loan, or advance of credit.

(2) The Secretary may, where a mortgage insured under the National Housing Act has been assigned to the Secretary, continue making such assistance payments.

(d) The amount of the assistance payments made with respect to a mortgage, loan, or advance of credit shall not at any time exceed the lesser of—

(1) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligaged to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at the rate of 9½ per centum per annum (or 10 per centum in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income); and

(2) the difference between the amount of the monthly payment for principal, interest, and the mortgage or loan insurance premium which the mortgagor or borrower is obligated to pay under the mortgage, loan, or advance of credit, and the monthly payment for principal and interest which the mortgagor or borrower would be obligated to pay if the mortgage, loan, or advance of credit were to bear interest at a rate six percentage points (or four percentage points in the case of any mortgagor whose income at the time of initial occupancy exceeds 115 per centum of the area median income) less than the rate specified in the mortgage, loan, or advance of credit;

except that the Secretary shall, in any case, require the mortgagor or borrower to pay at least 25 per centum of the mortgagor's or borrower's income with respect to the principal, interest, and mortgage insurance premium.

(e)(1) Except as provided in paragraph (2), the duration of a contract entered into under this heading shall be—

(A) in the case of any homeowner whose income at the time of initial occupancy does not exceed 115 per centum of the area median income, seven years; and

(B) in the case of any other homeowner, five years.

(2) In the case of any homeowner who, as determined by the Secretary, is unable to assume full payments required by the mortgage, loan, or advance of credit after the applicable number of years specified in paragraph (1), the Secretary shall, by utilizing the fund described in paragraph (3), enter into a contract to provide continued assistance on behalf of the homeowner under this heading.

(3)(A) There is hereby created a fund to be used in accordance with this paragraph. There shall be deposited into such fund (i) all amounts recaptured pursuant to subsection (k), and (ii) any authority to make payments under this heading which was committed for use in a contract but was unused because the mortgage, loan, or advance of credit was refinanced or payments under the contract were terminated or suspended for other reasons before the original termination date of the contract.

(B) Such fund shall be utilized, to the extent approved in appropriation Acts, for the purpose of making payments pursuant to contracts described in paragraph (2).

(C) Amounts in the fund not needed for current operations shall be invested in direct obligations of the United States or obligations guaranteed by the United States.

(f) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (d), as the Secretary deems appropriate to reimburse the mortgagee or other lender for its reasonable and necessary expenses in handling the mortgage, loan, or advance of credit.

(g) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sale price of, or other consideration paid in connection with, the purchase by the homeowner of the property with respect to which assistance payments are to be made is not greater than the appraised value as determined by the Secretary.

(h) Not more than 20 per centum of the total number of units with respect to which assistance is approved under this heading may be made on behalf of owners of manufactured homes.

(i)(1) To be eligible for assistance under this heading, a mortgagor, other than an owner of a manufactured home, must have a mortgage which—

(A) is a first mortgage insured under the National Housing Act, guaranteed under chapter 37 of title 38 of the United States Code, guaranteed under title V of the Housing Act of 1949, insured or guaranteed by qualified private insurers as determined by the Secretary, or the outstanding principal balance of which does not exceed 80 per centum of the value of the property securing the mortgages;

(B) has been made to, and is held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

(C) is secured by a one-family dwelling the construction of which began no earlier than one year prior to the date of enactment of this Act and which has never been sold other than to the mortgagor;

(D) involves a principal residence which meets energy conservation standards equivalent to or greater than those prescribed by the Secretary for newly constructed one- to four-family houses insured under title II of the National Housing Act;

(E) involves a principal amount which does not exceed the applicable amount which may be insured in the area under section 203(b) of the National Housing Act;

(F) except as provided in paragraph (k), permits the mortgagor to prepay the principal amount at any time without penalty;

(G) has a fixed rate of interest;

(H) has maturity and amortization provisions satisfactory to the Secretary; and

(I) is executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition.

(2) For purposes of this paragraph, the term "mortgage" means, in the case of an individual unit in a condominium or cooperative project, a first lien or first mortgage described in section 203(n)(2)(A) or 234(b) of the National Housing Act.

(3) For purposes of subparagraph (1)(D), the Secretary may accept a certification from the mortgagor that the energy conservation requirements of subparagraph have been met.

(j) The Secretary shall develop and utilize a system to allocate assistance under this heading in a manner which assures a reasonable distribution of such assistance among the various regions of the country and which takes into consideration such factors as population, relative decline in building permits, and the need for increased housing production.

(k) Upon the disposition by the homeowner of any property assisted under this heading, or where the homeowner rents the property for a period longer than one year, the Secretary shall provide for the recapture of an amount equal to the lesser of—

(1) the amount of assistance actually received under this heading, other than any amount provided under subparagraph (f); or

(2) an amount at least equal to 50 per centum of the net appreciation of the property, as determined by the Secretary.

For the purpose of this subparagraph, the term "net appreciation of the property" means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and the reasonable costs of improvements made to the property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary provides for such recapture. Amounts recaptured under this paragraph shall be deposited in the fund described in paragraph (e)(3).

(l) The Secretary shall make allocations and begin to issue commitments pursuant to the terms and conditions contained under this heading not later than 30 days after the enactment of this Act.

(m) Procedures shall be adopted by the Secretary for annual recertification of the homeowner's income for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (d).

Mr. BOLAND (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN pro tempore. The Chair will inquire of the gentleman if this is the amendment made in order by the rule.

Mr. BOLAND. It is, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. BOLAND. Mr. Chairman, yesterday the House passed by an overwhelming majority vote of 349 to 55 an authorization to provide $1 billion for a new housing program. Today this amendment that is being offered provides the appropriations to support yesterday's House action.

In offering this amendment I want to first pay special tribute to the chairman of the Banking, Finance and Urban Affairs Committee, FERNAND ST GERMAIN of Rhode Island, to HENRY GONZALEZ on that committee, and to CHALMERS WYLIE, and STEWART MCKINNEY who have distinguished positions on the minority on that particular committee. May I also add my congratulations and praise to LES AUCOIN, JERRY PATTERSON, TOM CORCORAN and TOM EVANS for the manner in which they have led the fight to provide for this money which is so important to revitalize the housing industry. Without their efforts it is clear we could not have brought this program to fruition.

Mr. Chairman, much was said yesterday about the need for this program. I do not want to repeat it, but I think it is important that we recognize how vital the housing industry is to this country. It is a very basic industry. It employs hundreds of thousands of people directly and literally millions of people indirectly in associated appliance, lumber, plastics, concrete, and a myriad of other industries.

Mr. Chairman, this industry, this basic American industry, is in as bad shape as we have seen in decades. This is not a bailout bill. It is not a lousy bill, as some here have described it. This bill is a modest effort that will create 140,000 new jobs in housing and related industries and will increase Federal, State, and local tax revenues by $1.2 billion.

This program is an example, a prime example, of the Congress responding to what I think everyone here would agree is an emergency. We are going to provide, through this $1 billion, mortgage assistance for purchases of new single family homes, manufactured homes, condominiums, or cooperative units. Up to 74,000 homebuyers will be assisted.

I know that anyone here can stand up and point to some shortcomings in this bill. It is not a perfect bill. But in my 29 years here, rarely have I seen a perfect bill.

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What I think we have done here is to come up with a relatively modest stimulus that could help get an industry—which is vital to the economy of this country—rolling again. We could have thought of other ways of doing it—we could have used different variations of different proposals that have been proposed both in this body and in the other body. But the point is that when you look at all these individual attempts to get something done now for the housing industry, there is not that much difference in them. Basically, they are all interest-subsidy programs to stimulate housing construction.

H.R. 6294, in my view, is as good as any of the other proposals I have seen. I think that fact was very clearly displayed in the vote yesterday on the authorization for this bill.

Mr. Chairman, it is very rare that we have an opportunity to provide the appropriation for a program in as timely a fashion as we can in this case. We are acting here today on the urgent supplemental appropriation bill. The nature of this amendment and the nature of this program are clearly urgent. If you do not believe that, go back this weekend to your districts and look at the unsold houses, talk to the homebuilders in your towns, and I am sure you will come back with the very clear impression that we have to do something to stimulate the housing industry in this country.

If we pass this amendment this program can be underway within 6 to 8 weeks. Let us get on with what we know needs to be done. I urge adoption of the amendment.

Mr. AUCOIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment before us and I want to say at the outset of my remarks how much I appreciate the cooperation and the assistance of the gentleman who offered this amendment, the gentleman from Massachusetts (Mr. BOLAND).

I also join in the praise of the chairman of the House Banking Committee, the gentleman from Rhode Island (Mr. ST GERMAIN); the gentleman from Texas (Mr. GONZALEZ), the Housing Subcommittee chairman; the chairman of the full Appropriations Committee, the gentleman from Mississippi (Mr. WHITTEN), on whose shoulders have rested a great many problems in bringing this bill to the floor.

I want to also say that the understanding and the sensitivity of the chairman of the Rules Committee the gentleman from Missouri (Mr. BOLLING) is noticed and appreciated by all who care about housing because of the opportunity he has afforded us to bring this matter to the floor. Finally, I want to say to my colleagues how much I appreciate the diligence, the hard work and the competence of the gentleman from California (Mr. PATTERSON), my colleague of 6 years on the Housing Subcommittee, with whom I worked on this proposal.

Most of the issues were debated yesterday when the membership voted by an overwhelming margin to provide assistance to the housing industry.

We are witnessing the virtual collapse of the housing industry and related industries. We are watching the virtual extermination of jobs in that industry through no fault of men and women who have worked their lifetimes in building businesses that create homes and through no fault of workers who now find themselves in the unemployment lines.

American families have never asserted many basic economic claims. I can think of basically three. One of those claims is for a decent education for their children.

Second, they claim as their right a secure retirement. Third, they assert a right and a claim to homeownership. They want a chance to own their own home.

And around each of these claims have developed jobs, opportunities for profits.

That justified aspiration to homeownership has created an industry which has stimulated this country out of every recession since World War II.

That is why we are here today. To try to provide assistance to keep at least a faint heartbeat alive within the housing industry. So that when general economic recovery occurs there will be an infrastructure within that industry to respond to the legitimate homeownership aspirations of the American people.

The crisis we face in homeownership in housing is threefold. First, it is jobs. The unemployment rate in the construction industry is nearly 20 percent. In the Great Depression unemployment reached approximately 24 percent. I do not have to draw a picture for any of my colleagues to explain we are dealing with a depression here.

Shelter is another crisis in America. 9 out of 10 potential home buyers in America cannot afford homeowner-

ship with interest rates at levels they have been at over the last several years.

Third, there is a crisis that seldom is discussed when we discuss homeownership. I refer to a personal economic crisis for average people.

Housing's collapse is a widespread financial crisis because housing is, and has been since World War II, the leverage that has created unparalleled wealth for middle American families and lower middle American families.

The wealth that middle American familes have built in the last four decades has not been achieved with passbook savings accounts. It has not been achieved in the stock market.

The CHAIRMAN pro tempore. The time of the gentleman from Oregon (Mr. AuCoin) has expired.

(By unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. AuCOIN. And Mr. Chairman, the financial assets of average families have not been increased from investments in steel mills and such. Rather, it has been homeownership. Homeownership has made capitalists out of the American middle class. And if we dare let homeownership die, we will be playing with fire.

Someone has said that this proposal is "business as usual." I want to say that it is not business as usual. The crisis in homeownership and in the housing industry is unusual—the greatest crisis since the time of the Great Depression. This is damage control. Damage control designed to keep some semblance of this industry alive.

This bill pays for itself by the revenue generated by the jobs that this bill creates and, more than that, the subsidy involved is recaptured when the home that is constructed by virtue of this program is sold.

No matter how you look at it, this program is a winner. A winner for the Treasury, a winner for the country, a winner for the economy, and a winner for those people today who are without jobs, who are without hope because they are seeing their businesses that they have built over a lifetime being destroyed.

I urge my colleagues to support the Boland amendment.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from California, who has made such an enormous contribution.

Mr. PATTERSON. I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman from Oregon (Mr. AuCoin) has again expired.

(At the request of Mr. Patterson and by unanimous consent, Mr. AuCoin was allowed to proceed for 5 additional minutes.)

Mr. PATTERSON. Mr. Chairman, it has been truly a pleasure to work with the gentleman from Oregon, a member of the Appropriations Committee, in regard to putting together a housing stimulus bill that means jobs, that means business will be working, that means that the American economy can get moving again.

It has also been a pleasure to work with the leadership on making this a reality.

It was just 57 days ago that this bill was introduced by myself and the gentleman in the well. Yesterday, the authorizing legislation was enacted by a 7 to 1 vote, and today we will appropriate by adoption of this amendment to the urgent supplemental appropriation the funds for a $1 billion housing stimulus bill.

I rise obviously in support of the Boland-AuCoin-Patterson amendment.

□ 1530

This amendment will allow the Federal Government to make one of the most sound investments possible—an investment in its own people, in its families who want to own a piece of the American dream, in its industrial structure of homebuilders and home suppliers, in its housing construction labor force, and it is an investment to revitalize our Nation's sagging economy.

Mr. Chairman, today for the first time in nearly 2 years we have before us an amendment which addresses a number of problems that have been eating away at our Nation for quite some time now: First, the unaffordability of homeownership; second, the depression in the housing industry, including high rates of bankruptcies of the businesses; third, unacceptably high rates of unemployment in the construction industry labor force; and fourth, the dismal state of our Nation's economy.

First, the question of unaffordability. The demographics of the postwar baby boom indicate that demand for housing should be very strong, but unfortunately that demand cannot and will not be met until interest rates come down. Until interest rates come down to a more affordable level, most of our citizens will continue to find the dream of homeownership beyond their financial reach. We cannot let this fundamental American dream continue to deteriorate into the nightmare it has become, for this dream of homeownership is too vital of a thread in the fabric of our American way of life to let the current trends continue. The Congress must take action now.

In making homes affordable, we also attack the second and third problems I have mentioned: The depression in the housing industry. As we have all been made plainly aware, the housing industry is in its worst recession since World War II. Now in its 40th month of recession, the construction industry has been plagued by a more than 50-percent increase in business failures. The unemployment rate within the building trades is nearly 20 percent. This downward trend has a ripple effect throughout our economy, affecting not only builders, construction workers, realtors, but also affecting the suppliers of the more than 3,000 goods and services that go into the creation of every new home. This industrial framework is essential to the health of our Nation's economy; it is a framework too vital to let the current trend of deterioration continue.

This brings us to the fourth problem that the amendment addresses: The economy. The housing industry is uniquely able to affect the course of our overall economy. By reviving, or at least preventing further deterioration of the housing industry we can put the economy back on its feet and onto the path toward recovery. It is estimated that the program provided for in this amendment will return to the Federal Treasury an estimated $950 million in tax revenues because of the multiplicity of economic activity generated by the stimulus program—not a bad return on our investment.

I want to make clear also, that in addition to this tax revenue return on our investment, the full amount of the assistance—up to a limit of 50 percent of net appreciation—is repaid to the Treasury when each home under this program is sold or in the event that the home is rented for a period in excess of 12 months. This recapture provision further adds to the sound quality of this investment.

Mr. Chairman, I urge my colleagues to vote yes on the Boland-AuCoin-Patterson amendment to allow us to make this investment now, as is necessary, in order to provide this much needed emergency program in time for this summer's building season.

As I said yesterday, this program has the endorsement of industry: The National Association of Homebuilders, the National Association of Brick Distributors, the Hardwood Plywood Manufacturers Association, the National Forest Products Association, the National Concrete Masonry Association, the National Home Furnishing Association, and many, many more.

In addition, it has the support of labor. Specifically, the Building and Construction Trades Department of the AFL-CIO supports the program and the necessary appropriation.

In eight recessions since World War II, the first industry that started recovery in each and every instance has been the housing industry, followed by the auto industry, followed by agriculture and other areas.

The housing industry cannot recover unless interest rates come down. If we cannot bring interest rates down, the subsidy will meet that need and by

doing so will get the economy moving again.

I thank the gentleman from Oregon very much for yielding to me and for giving me the opportunity to address this very, very vital and important amendment that we have worked together on for the past several months. The amendment represents a sound investment in our Nation's people, it is industries, and our national economy. I urge a "yes" vote on the Boland-AuCoin-Patterson amendment.

Mr. AUCOIN. Well, I appreciate the gentleman's contribution.

I want to tell my colleagues that this amendment, the Boland amendment, means 75,000 new housing starts in this construction season, starts that would not be constructed otherwise. It means 140,000 new jobs and it means about 1 billion board feet of lumber, jobs across the board.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment.

I want to commend my colleagues, the gentleman from Oregon (Mr. AUCOIN), the gentleman from California, (Mr. PATTERSON), and the gentleman from Massachusetts (Mr. BOLAND), and the leadership on the Appropriations Committee and the gentleman from Rhode Island (Mr. ST GERMAIN) for all the leadership that has been provided on this important housing bill.

Yesterday's vote, I think, speaks for itself. By a margin of nearly 7 to 1, the House of Representatives voted for a housing stimulus bill as a way to hopefully bottom out this recession and start the economic recovery that we all hope for.

For some of my colleagues, I know there was concern about whether this was a spending bill. Well, what better way to spend the taxpayers' money but on creating jobs and economic opportunities for our people.

I just want to remind my colleagues of the old rule. Every time unemployment is reduced by 1 percent, the Federal Treasury picks up $25 billion in revenues and we save $5 billion in expenditures. If we could just get the unemployment rate from 9.4 percent down to 6 percent, which is still too high, we would reduce the Federal deficit by over $100 billion. So part of the attack on our big deficits is putting the American people back to work.

I might also say that this housing bill comes in the context of a revised budget. Both the House Budget Committee and the Budget Committee in the other body recognize that deficits must be reduced, that we cannot accept a $182 billion deficit as proposed in the President's budget, that we must have a much lower deficit in order for interest rates to come down, and to avoid the so-called crowding out effect; part of that result is going to come from reducing tax breaks and making spending cuts. It is going to come from employment and economic opportunity.

I was particularly pleased that Chairman WHITTEN today in his remarks pointed out the importance of an ongoing strong economy. This is the best way to keep the Federal budget under control.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. DICKS. Yes, I yield.

Mr. WALKER. Would the gentleman agree with me then that the closer that we can begin to move this whole process toward a balanced budget, the more likely we are to have an impact on interest rates and, therefore, getting the economy straightened out will really be in the long-term interest of the housing industry. Would the gentleman agree with that?

Mr. DICKS. Well, I would absolutely agree with that, but I want to point out to the gentleman that a do-nothing economic policy, that does not realize or deal with the problem of unemployment, that does not put people back to work so they can start paying taxes, that does not save the homebuilder so he can start paying taxes, that kind of an economic policy will make the deficit worse. The Congress is trying to deal with the budgetary problems, by reducing the deficit, but in the context of that reduced deficit, I think we can afford to invest something in homebuilding as a countercyclical device to stimulate the economy.

This is good old-fashioned economics that has worked in the past. We have been down this road before. We have used these kinds of approaches before. This is not a new economic religion that was created mysterially out in southern California.

Mr. WALKER. Well, if the gentleman will yield further, I just want to make clear, though, the gentleman does agree that one of the best things we can do for the housing industry in order to get interest rates down is to begin to reduce these huge deficits and get as close to a balanced budget as possible.

Mr. DICKS. Yes; I think there is a bipartisan consensus in Congress that there are two things we need to do for housing. One is to bring down interest rates and the other is to pass this stimulus bill.

I think it is a dual track approach that will produce the kind of result we need.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the distinguished gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding.

As a cosponsor of the original legislation, I commend the gentleman from Massachusetts for accepting this amendment and bringing it forth today in such an expeditious manner.

New York has experienced not 9-percent unemployment, but as much as 34- and 35-percent unemployment in minority areas and the building trades is one of the most important trades in the State of New York and this stimulus, I believe, will make many of those who are now tax users, taxpayers and a great aid to those who are seeking their own homes as we also help the construction industry.

Mr. DICKS. Well, the gentleman from New York, of course, is absolutely correct. The building trades I am sure will be delighted with this legislation.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in warm support of this amendment. I hope it is going to be the forerunner of many amendments of a similar positive character.

I think the time has come for the Congress to begin to do something to meet the challenges of the declining economy that we confront in this country today.

The administration, I regret to say, has offered us only two things, tax cuts and social program cuts.

□ 1540

The Budget Office of this Congress has advised us and the public that the effect of the tax cuts was that 85 percent went to people making over $20,000 a year in income. But two-thirds of the cuts fell upon people making less than $20,000 a year.

Now, with all respect, we have waited now a year and a half almost for that program to bring this country out of the slough of recession, threatened even with a depression, and to get back on the high road to economic recovery, and the situation is steadily getting worse.

The last figures on unemployment were that we had over 10,300,000 people unemployed in this country. What is that costing this country—not to speak of the spiritual cost?

The distinguished chairman of the Appropriations Committee, the gentleman from Mississippi, Mr. WHITTEN, this morning told this House that in the last year we have spent $24 billion on unemployment compensation. Is there a building anywhere to show for it? Is there a waterway anywhere to show for it? Is there a highway? Is there any public improvement? Is there any public contribution reflected in that expenditure of $24 billion? I do not know of any.

And here by this amendment we are going to get some housing for a billion dollars. We are going to help some young couples have a home. That is

meaningful, not only materially but spiritually, to this country.

I hope we are going to start providing more affirmative relief of that character to meet the challenge of this problem.

I thought it was an illusion that we were following in the first place to depend upon tax cuts as they were given to give such buoyancy to this economy that prosperity would spring like Minerva from the brow of Jove for the Nation.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I think the gentleman makes a very strong point about unemployment in this country, and I certainly want to congratulate him for speaking out as strongly as he did against unemployment.

Is the gentleman aware, however, that the effective income of poverty-level families has risen by $2,600 since 1980? Does the gentleman regard that as something which he would not be in favor of?

Mr. PEPPER. The main thing I am concerned about is the degree to which unemployment has risen and the degree to which housing is stagnating and the degree to which bankruptcy has increased and the degree to which mortgage foreclosures have increased. Those are the things that really matter.

If the gentleman will excuse me, I have such little time left.

Mr. Chairman, may I just conclude that, again, I want to commend an affirmative approach to the economic problems that we have, without waiting supinely to be helped by something that has already proven to be a groundless hope.

Mr. WALKER. Mr. Chairman, will the gentleman yield further?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I just wanted to say I began by agreeing with the gentleman that the unemployment situation in this country is absolutely horrendous; it is abominable. There is no doubt that we have to do what we can to begin bringing down unemployment.

But the point I was making was, the gentleman seemed to indicate that he thought there had been a number of failures, and I just wanted to find out whether or not the gentleman was aware that the effective income of proverty-level families has risen by $2,600 and that the effective income of the average working family has risen by $3,300 since 1980, which is something I would think that the gentleman would want to acknowledge as being a positive direction in the economy as well.

Mr. PEPPER. I do not know what the authority is that the gentleman suggests, but I cannot understand, with increasing unemployment, how you can say there has been any real income increase on the part of the people of this country, when everything has grown worse, not better.●

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(On request of Mr. WALKER and by unanimous consent, Mr. PEPPER was allowed to proceed for 2 additional minutes.)

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Pennsylvania.

Mr. WALKER. And of course, Mr. Chairman, we understand, and I think the gentleman would acknowledge, that three out of four of those people who are in the unemployment lines today were there as a result of the policies of his administration and his Congress; that indeed there has been some increase in the unemployment, but three out of four of the people were there when this administration took over.

Mr. PEPPER. This administration has twisted the facts and the figures, sometimes to distort the facts. But the fact is that since last summer—and by the way, it was your program that started the recession last summer—at least they were contemporaneous in occurrence.

Mr. WALKER. If the gentleman would yield——

Mr. PEPPER. No. Just a moment. What I am saying is that 2.2 percent of unemployment has occurred since last summer, and the gentleman's administration has been in power all that time.

Mr. WALKER. If the gentleman would yield further, I am a little confused by his logic there. The program that began last summer did not go into effect until October. Now, I do not understand. The gentleman admitted the recession began last summer. How is it that if it did not take place until October that it can be blamed for that period beginning in the summer?

Mr. PEPPER. I will tell you why. The business community of this country had sense enough to see that if $750 billion was going to be given away in the next 5 years in tax reduction to the well-to-do and defense expenditures were to be increased to a trillion and a third dollars, in 5 years there had to be big deficits and, therefore, they lost confidence in our situation.

Mr. WALKER. If the gentleman would yield further, I think the gentleman has not understood the point that this gentleman was making, and that is, there has been a rapid decline in inflation as a result of this administration's policies.

Mr. PEPPER. Yes, and what did this administration's Secretary of the Treasury within a week say was the cause of that decline in inflation? He said it was the recession, not your program.

Mr. EVANS of Delaware. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment of the gentleman from Massachusetts (Mr. BOLAND).

I am also very pleased that the urgent supplemental appropriations bill for 1982 has reached the floor of the House. I am especially pleased that the urgent supplemental appropriations bill includes an opportunity to assist an industry, a segment of our country that needs assistance very badly.

The housing industry has led us out of recession seven times since the Second World War, and it can do it again, but it needs some assistance.

My colleagues, this is the only opportunity that I can see that any of us will have to assist the housing industry, and that means assisting homebuilders and home buyers who want to achieve the American dream, and realtors and tens of thousands of craftsmen who want to go back to work. It is an opportunity to bring about economic recovery.

I think we should vote for this initiative today. I really believe that it is time to stop blaming one another for the problems that we have. They are American problems. And I think that we need to address this problem, not just because Republicans or Democrats need it, but because the American people deserve it.

□ 1550

Mr. AUCOIN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Oregon.

Mr. AUCOIN. Mr. Chairman, I appreciate the gentleman yielding.

I think all the Members of the House on the floor ought to recognize the contribution the gentleman in the well has made to getting us to the point where we are today. I want to say, as a Member who served with the gentleman for 6 years on the Housing Subcommittee, that I applaud the statesmanship he has shown in the last 24 hours.

Each of us, when we back proposals, get intensely involved in them, and we care very much about them. It is awfully easy as we get embroiled in these things, human beings that we are, to begin to forget, as I think each of us has seen, forget what the objective is as we pursue our own method of achieving that objective.

This gentleman in the well is not guilty of that. He wants to do something for housing. He had an alternative bill. He supports this alternative, and I think that is statesmanship. I think he has made a contribution, and

I want to take this time to tell him so, and to tell his colleagues so.

Mr. EVANS of Delaware. I appreciate very much the gentleman's comments. I also appreciate his leadership, his support, and his friendship very much.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding. I also want to congratulate the gentleman for his leadership in beginning to get this House moving in the housing area.

I would also want to say, with the gentleman's indulgence, that I am always sorry when we get engaged in a debate, when the debate gets a little bit hot, some people pick up and leave during the course of the debate, because the point I wanted to make to the gentleman from Florida was very clear. It was the policies of the Carter administration and the Democratic Congress that brought on 75 percent of the unemployment problem we have today, and that problem was rising when this administration took over. The problem of spending and deficits was rising substantially when this administration took over, and it has caused huge deficits, and those same deficits have led the business community to have a lack of confidence in what this Congress does.

Anytime we add to that spending, the business community is going to react in a way that assures interest rates are going to continue to be a problem. The gentleman certainly recognizes this, he has spoken out many times, and I thank him for yielding.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. Certainly, I yield.

Mr. DICKS. Mr. Chairman, I certainly want to join my colleague from Oregon in commending the gentleman in the well, the gentleman from Delaware, for his activity in this important area. This is a housing stimulus bill. The gentleman had a proposal, and it was a stimulus bill in another way. I think it stimulated a lot of interest in the entire House on the subject of housing.

Mr. EVANS of Delaware. We focused a bit of attention on the problem.

Mr. DICKS. Yes, the gentleman did, and I think a major reason why we are here today is because of the work of the gentleman in the well, and I am glad it has produced a result that will help our country, I commend him for his work and for his leadership.

Mr. EVANS of Delaware. I thank my friend from Washington for those very kind words.

Mr. NELLIGAN. Mr. Chairman, will the gentleman yield?

Mr. EVANS of Delaware. I yield to the gentleman from Pennsylvania.

Mr. NELLIGAN. Mr. Chairman, I, too, would like to compliment the gentleman in the well for his efforts to revitalize the housing industry, and would like to associate myself with the remarks of the gentleman in the well in support of this amendment.

Mr. Chairman, I rise to salute those Members who joined with me on May 11 to help pass the Single-Family Housing Production Act of 1982. As we all know, the housing industry has fallen on hard times, with unemployment in some of the trades as high as 20 percent. While the legislation is not a panacea for all the problems confronting the housing industry, it will provide some temporary relief for homebuilders across our great country, including those in northeastern Pennsylvania, whom I am privileged to represent.

As you know, provisions of the bill, H.R. 6294, would authorize $1 billion in new Federal aid for a mortgage subsidy program which would enable qualified middle-income home buyers to obtain mortgages up to 6 percent lower than prevailing rates. Once enacted, this program could lead to construction of up to 75,000 new single-family housing units in 1982. Construction of these units could generate up to 140,000 new jobs in the troubled housing construction industry, and generate up to $1.2 billion in additional Federal, State, and local tax revenues.

The bill contains safeguards against abuse of the mortgage subsidy program by speculators. It would require participants to reimburse the Federal Treasury for the cost of subsidies in the event they sell or rent their homes.

Mr. Chairman, the housing industry is uniquely able to affect our national economy because of its multiplier effect on scores of other industries. That is why the mortgage subsidy program contained in H.R. 6294 is an important part of the economic recovery program which we are working to implement. The legislation is also important in another sense. It will help restore housing as a national priority, and it will revitalize the dream of homeownership for thousands of families who have been priced out of the market by high interest rates.

H.R. 6294 is, in its essential concept, similar to legislation introduced in the Senate by Senator LUGAR. That bill, S. 2226, has already been reported by the Senate Banking Committee. It is my sincere hope that differences between the House and Senate legislation can be worked out expeditiously, so that a final version can be enacted in time to aid construction during the peak summer season. I pledge my efforts to support such a course of action, and I urge my colleagues in the House to join with me.

Mr. EVANS of Delaware. Mr. Chairman, I thank my friend, the gentleman from Pennsylvania.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I hate to jump in on what appears to be a legislative love feast here about why this program absolutely has to go forward, but I think I must. I seem to hear that we are somehow going to deal with our budget problems by getting rid of the bad programs, that is, those programs we consciously created on the floor with bad intentions.

I suggest we have never created a program that has added to the deficit because of bad intentions, but in fact because of good intentions. Every time we have created a program, and authorized and appropriated its dollars, we have done it because we thought we were doing something good for our constituents and for America. Unfortunately, when we take the total together, we realize that we have promised more than we can pay.

A minute ago the gentleman from Florida said we had $24 billion that we are spending because of unemployment costs. That it does not help one student go to school or does not help pay to treat one medical problem for one of our constituents, is absolutely true. But, how about the effects of $118 billion, which is approximately what we are paying this year on interest on the national debt? The answer is, of course, obvious. Yet, what are we about to do here? We are about to embark on a program that is going to cost a billion dollars. I have yet to find, in fact, I have looked in vain for the companion bill that shows us the tax that is going to pay for this. I would like to see the Members get up and show us the specific tax they are going to levy on their constituents to pay for the program so that we can subsidize them to make purchases on housing back home.

I believe the gentleman from Delaware and the gentleman from Illinois were doing us a service when they said, if we are going to take a billion dollars to help stimulate the housing industry, let us take it out of a program that is not doing very well.

I, along with others in this body, have been accused of voting for the oil interests. Here I would love to vote against the oil interests. The Synthetic Fuels Corporation is subsidizing some corporations that have some of the greatest profits of any corporation we have in America. Yet we are afraid to deal with that here. Somehow, we say we better protect these special interests so that they may get subsidized loans and subsidized projects of synthetic fuels that may or may not be

purchased by the consumer. In fact the reason we find we need to subsidize these interests is that the consumers have made a judgment that they do not want to purchase those products at present market levels. Evidently, we would rather do that and protect those so-called special interests than protect the interests of our constituents, the taxpayers back home.

I think sometime we had better deal with this basic problem here. We promised and promised; we have overpromised and overpromised. That is why we are in the difficulty we have today. How, by adding to the deficit we are going to improve market conditions for the housing industry, I do not know. I would like to get someone to tell me how.

We heard criticism a moment ago of the administration's program that, "all they have given us is cuts—cuts in spending, cuts in taxes."

Will someone cite me an economist who suggests what we need is a tax increase in the midst of a recession to improve our national economic position? I challenge you, someone come up here and show me an economist who suggests that what we have to do is increase taxes in a recession in order to help us as a country. I challenge you to show me someone who says that adding to the deficit is going to help us in our short- and long-term economic problems and especially our long-term problems with the housing industry.

Who are we fooling? We are fooling ourselves when we go home and say that we have given a shot to the housing industry when in fact all we have done is add to the deficit and add to the taxes to our people back home. How many of us are going home today and saying, "Yes, I consciously voted for an increase in taxes or I consciously voted for an increase in the deficit because that is the way to help you, particularly as we find ourselves in a recession?"

Someone asked a minute ago, what are we going to do about jobs? The best thing we could do about jobs is accelerate the tax cut that we voted into partial effect some time ago. Most economists suggest that if we had not waited to impose the tax cut we voted last year, the recession would not be as deep or as long as it is now. Yet here we are going in exactly the opposite direction.

This amendment is a symptom of the disease we have had in this Congress for far too long. With all good intentions, and I grant that, to the author of the amendment, and those who have spoken on behalf of it, we have presented another program that is going to cost either more in taxation or more in the deficit. How that is going to help long-term interest rates, I do not know.

Unfortunately, it is a shell game. We do not deal with the fundamental economic difficulties here. We say, "yes, there are fundamental problems, but we are going to merely shift the problems from one area of the economy to the other." With this amendment, we are going to help those people who want to buy new homes. But we are not going to help the other taxpayers, including those who own or wish to own homes that are not new.

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to my colleague from California.

Mr. PATTERSON. Mr. Chairman, I thank the gentleman for yielding, and I know that his speech has been delivered on the floor before, but I think that had he been listening——

Mr. LUNGREN. There is some wisdom in consistency, I suggest.

The CHAIRMAN pro tempore. The time of the gentleman from California has expired.

(At the request of Mr. PATTERSON and by unanimous consent, Mr. LUNGREN was allowed to proceed for 1 additional minute.)

Mr. PATTERSON. I would point out to the gentleman that this is a program that returns to the U.S. Treasury more than it costs the Treasury. That is verifiable. I would point out to the gentleman that it will stimulate the housing industry, and it is better to stimulate than to watch them go bankrupt, as 50 percent of the homebuilders are, and with 20 percent unemployment in the building trades.

Mr. LUNGREN. I would suggest to the gentleman that we have heard comments on the floor time and time again, program after program, that the return to the Government is going to be far greater. If that were true, that is not how you build up a trillion-dollar deficit.

Mr. PATTERSON. I suppose there are certain arguments that just go on and on, but I think the gentleman should be aware of the fact that the recovery of the housing industry will be the stimulus that is needed by this country, whether you are a Republican, whether you are a Democrat, and whatever your belief, conservative or liberal. I would suggest to the gentleman that this is not a liberal spending program, that this is an investment in the American dream, and it is different than those types of payments that are directly out of the Treasury, that return nothing back to the Treasury. I thank the gentleman for yielding to me.

□ 1600

The CHAIRMAN. The time of the gentleman from California (Mr. LUNGREN) has expired.

(By unanimous consent, Mr. LUNGREN was allowed to proceed for 1 additional minute.)

Mr. LUNGREN. Mr. Chairman, with the gentleman's expressed sentiments, I wonder why the gentleman was reluctant to support the Corcoran-Evans program. Are we making a commitment to the destiny of America and the dreams of American citizens to subsidize major oil companies so that they may be investing in synthetic fuel investigation programs that they are not willing to invest their own dollars in?

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I am happy to yield to the gentleman from California.

Mr. PATTERSON. Mr. Chairman, I think that any major oil company would look at my voting record and have quite a difficult time finding any support by me of the major oil companies.

Mr. LUNGREN. That is not the question.

Mr. PATTERSON. As a matter of fact, I filed a suit against the so-called Seven Sisters at a time when they were price fixing.

Mr. LUNGREN. I appreciate that. I just wish that the gentleman were consistent in his approach to the present issue.

Mr. PATTERSON. The approach to which the gentleman refers is really not germane to the amendment on the floor. But to the extent that the gentleman wants to get $1 billion out of the synthetic fuels trust fund, the fact is that is budget authority, not budget outlay. You cannot build homes with authority; you have to have outlay.

Mr. WILLIAMS of Montana. Mr. Chairman, this amendment is needed. It is needed to help get the housing industry off its knees; it is needed to put our construction and timber workers back on the job; it is needed to assist first-time home buyers; and it is needed as a relief, however artificial, to these high interest rates.

Mr. Chairman, not every Member of this House agrees about the severity of the recession. A Republican Member has just informed us that the depth of the recession is overstated. Most of us do not agree.

Not every Member of the House agrees about how the Nation got into the current economic quicksand. Many of us believe that the administration's supply-side experiment has allowed America's workers to trickle down into the quicksand of joblessness.

Regardless of how we got here, we need to get out. My fellow Montanans—employer and employee—have suffered enough. One of the major counties in the western district, Lincoln County, has an unemployment rate of more than 35 percent. Many other timber related counties which depend on a vital housing industry need help—and they need it right now.

I encourage my colleagues to pass this amendment.

● Mr. ROYBAL. Mr. Chairman, I rise in support of the Boland, Patterson, and AuCoin amendment to H.R. 5922, to provide $1 billion for the Single Family Housing Production Act of 1982 which I cosponsored and was passed yesterday by this House. This legislation could not be more needed than now. Today many young and old persons are being devastated by the near catastrophic housing crisis being experienced by this country. Young families cannot afford to own a home because of the high interest rates even when both parents are working. Senior citizens, generally elderly widows, are forced to live in progressively deteriorating homes because they cannot sell their homes and cannot afford to maintain them.

During the past decade housing has emerged as one of our most critical public policy concerns. Since 1974, the cost of new housing has jumped by a rate of over 85 percent, and the increase in average family income has gone up by 48 percent over the same period.

Furthermore, the housing industry has been hit with rising fluctuations in interest rates. The uncertainty of such fluctuations has made planning virtually impossible, and the construction of new housing extremely risky. Consequently, few new units have been built by the private housing industry.

The $1 billion we are appropriating today will provide up to 74,000 first time homebuyers with the needed assistance to acquire a home in which to raise their families. This assistance also keeps this Congress from reneging on the goal set in 1949 to provide a decent home and suitable living environment for every American family.

It also addresses a very serious situation that has been developing where only the wealthy are able to own homes and are the only ones able to achieve this "American dream."

The funds we are providing in this amendment not only assist the housing industry which is on the verge of collapse and the thousands of men and women who are unemployed, but also many young families wishing to purchase a home and plan for their future.

I want to commend the authors of this amendment, the able chairman of the Housing Committee, Mr. BOLAND, and my colleagues Mr. PATTERSON and Mr. AUCOIN for their sensitivity to the housing needs of Americans and for having the courage to act on alleviating these needs.

I urge all my colleagues to join me in voting for this amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BOLAND).

The question was taken; and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 343, noes 67, not voting 22, as follows:

[Roll No. 71]

AYES—343

Addabbo	Dixon	Jeffords
Akaka	Dorgan	Jenkins
Albosta	Dougherty	Jones (NC)
Alexander	Dowdy	Jones (OK)
Anderson	Downey	Jones (TN)
Andrews	Duncan	Kastenmeier
Annunzio	Dunn	Kazen
Anthony	Dwyer	Kennelly
Applegate	Dyson	Kildee
Archer	Eckart	Kindness
Aspin	Edgar	Kogovsek
Atkinson	Edwards (AL)	LaFalce
AuCoin	Edwards (CA)	Lagomarsino
Bafalis	Edwards (OK)	Lantos
Bailey (MO)	Emerson	Leach
Bailey (PA)	Emery	LeBoutillier
Barnard	English	Lee
Barnes	Erdahl	Lehman
Beard	Ertel	Leland
Bedell	Evans (DE)	Lent
Benedict	Evans (GA)	Levitas
Benjamin	Evans (IA)	Lewis
Bennett	Evans (IN)	Loeffler
Bereuter	Fary	Long (LA)
Bevill	Fazio	Lott
Biaggi	Ferraro	Lowery (CA)
Bingham	Fiedler	Lowry (WA)
Blanchard	Fields	Lujan
Bliley	Findley	Luken
Boggs	Fish	Lundine
Boland	Fithian	Madigan
Bolling	Flippo	Markey
Boner	Florio	Marks
Bonior	Foley	Marlenee
Bonker	Ford (MI)	Marriott
Bouquard	Forsythe	Martin (NC)
Bowen	Fountain	Martin (NY)
Breaux	Fowler	Matsui
Brinkley	Frank	Mavroules
Brodhead	Frost	Mazzoli
Brooks	Fuqua	McClory
Broomfield	Garcia	McCollum
Brown (CA)	Gaydos	McCurdy
Burgener	Gejdenson	McDade
Burton, Phillip	Gilman	McEwen
Byron	Gingrich	McGrath
Carman	Glickman	McHugh
Carney	Gonzalez	McKinney
Chappell	Gore	Mica
Chisholm	Gray	Miller (CA)
Clausen	Guarini	Mineta
Clay	Gunderson	Minish
Coats	Hall (OH)	Mitchell (MD)
Coelho	Hall, Ralph	Mitchell (NY)
Coleman	Hall, Sam	Moakley
Collins (IL)	Hamilton	Moffett
Conte	Hammerschmidt	Molinari
Conyers	Harkin	Mollohan
Coughlin	Hatcher	Montgomery
Courter	Heckler	Moore
Coyne, James	Hefner	Morrison
Coyne, William	Hendon	Mottl
Craig	Hertel	Murphy
Crockett	Hightower	Murtha
D'Amours	Hiler	Myers
Daniel, Dan	Hillis	Napier
Daniel, R. W.	Holland	Natcher
Daschle	Hollenbeck	Nelligan
Daub	Hopkins	Nelson
Davis	Horton	Nowak
de la Garza	Howard	O'Brien
Deckard	Hoyer	Oakar
Dellums	Hubbard	Oberstar
DeNardis	Huckaby	Obey
Derrick	Hughes	Ottinger
Derwinski	Hutto	Oxley
Dickinson	Hyde	Panetta
Dicks	Ireland	Parris
Dingell	Jacobs	Pashayan
Patman	Scheuer	Trible
Patterson	Schroeder	Udall
Pease	Schulze	Vander Jagt
Pepper	Schumer	Vento
Perkins	Seiberling	Volkmer
Peyser	Sensenbrenner	Walgren
Pickle	Shamansky	Wampler
Porter	Shannon	Washington
Price	Sharp	Watkins
Pritchard	Shelby	Waxman
Pursell	Shuster	Weaver
Quillen	Siljander	Weber (OH)
Rahall	Simon	Weiss
Railsback	Skelton	White
Rangel	Smith (AL)	Whitehurst
Ratchford	Smith (IA)	Whitley
Regula	Smith (NE)	Whitten
Reuss	Smith (NJ)	Williams (MT)
Richmond	Smith (OR)	Williams (OH)
Rinaldo	Snowe	Wilson
Ritter	Solarz	Winn
Roberts (SD)	Solomon	Wirth
Robinson	Spence	Wolf
Rodino	St Germain	Wolpe
Roe	Stangeland	Wortley
Rogers	Stark	Wright
Rose	Staton	Wyden
Rosenthal	Stokes	Wylie
Rostenkowski	Stratton	Yates
Roth	Studds	Yatron
Roybal	Swift	Young (FL)
Russo	Synar	Young (MO)
Sabo	Tauke	Zablocki
Santini	Tauzin	Zeferetti
Savage	Thomas	
Sawyer	Traxler	

NOES—67

Badham	Goodling	Moorhead
Beilenson	Gradison	Nichols
Bethune	Gramm	Paul
Brown (CO)	Green	Petri
Broyhill	Gregg	Rhodes
Butler	Hagedorn	Roberts (KS)
Chappie	Hance	Roemer
Cheney	Hansen (ID)	Roukema
Clinger	Hartnett	Rousselot
Collins (TX)	Holt	Rudd
Conable	Hunter	Shaw
Corcoran	Jeffries	Shumway
Crane, Daniel	Johnston	Skeen
Crane, Philip	Kemp	Snyder
Dannemeyer	Kramer	Stenholm
Donnelly	Latta	Stump
Dornan	Leath	Taylor
Early	Long (MD)	Walker
Erlenborn	Lungren	Weber (MN)
Fascell	Martin (IL)	Whittaker
Frenzel	McDonald	Young (AK)
Gephardt	Michel	
Gibbons	Miller (OH)	

NOT VOTING—22

Brown (OH)	Ginn	McCloskey
Burton, John	Goldwater	Mikulski
Campbell	Grisham	Neal
Dreier	Hansen (UT)	Schneider
Dymally	Hawkins	Smith (PA)
Fenwick	Heftel	Stanton
Foglietta	Livingston	
Ford (TN)	Mattox	

□ 1620

Mr. ERTEL and Mr. OXLEY changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. WALKER

Mr. WALKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALKER: On page 7, after line 18, insert the following:

No funds appropriated under title I, chapter II of this act shall be expended in violation of section 7 of Public Law 95-435.

Mr. WHITTEN. Mr. Chairman, I reserve a point of order on the amendment.

Mr. WALKER. Mr. Chairman, the amendment I am offering is a strict limitation of funds. It applies directly to the chapter of the bill where we are right now. It relates directly to the following point. Let me quote the language from Public Law 95-435 that is mentioned in my amendment. Public Law 95-435, in section 7, states the following:

Beginning with the fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

In other words, Mr. Chairman, in Public Law 95-435 we said very clearly in 1978 that this Government should operate under a balanced budget.

What we are saying in this amendment is that we should not be expending money which does not meet the mandates of the law. We are required by law to operate under a balanced budget. This amendment says that we must live up to what we determined to be in the best national interest back in 1978.

We have been ignoring our obligations to the law. The law is clear. We have been negligent. Negligence was somewhat supportable during a period of time when what we were doing in this House was moving toward reducing Government growth. We seemed to be going in the right direction. We were trying, as best we could, to begin to bring Government spending under control.

But this bill, particularly in the section to which my amendment refers, has provisions which show clearly that this House is abandoning those efforts and is going back to trying to solve our problems with more and more spending.

However, let us remember that spending is the problem. When we talk about the housing industry, as we have for the last half hour or so on this floor, they are the victims of spending. They are the victims of seeing huge deficits rise as we have spent too much money. And as those deficits have gone up. so have interest rates. As the Federal Government has competed for the money, interest rates have soared. Therefore, the very best policy is the one that we said should be the national policy when we first enacted this law back in 1978, and that is a law which says clearly that we must balance our budget.

We hear it said all the time on this floor that deficits are bad, that deficits cannot be defended. OK. Now is the time to see whether or not we are really going to stand up for what we have been saying. If deficits are bad, if deficits are unacceptable. if deficits have done great harm to this country, then what we should be doing is saying that it is time to adhere to the law and balance our budget. And here the choice is going to be very clear for every Member of this House. We can either vote to support the law, vote to support balanced budgets, vote to support the balanced budget concept, or abandon that and say clearly to the American people that we do not think a balanced budget is in the best national interest, that we do not think that the housing industry would benefit from a balanced budget, that we do not think that the deficits do create problems for interest rates. You are going to be asked in this vote to say one way or the other: Are you for a balanced budget, or are you against a balanced budget? Because what you will be saying, if you vote against this amendment, you will be saying clearly that we are abandoning all efforts to achieve a balanced budget that is mandated under law today.

I would hope, Mr. Chairman, that this amendment would be approved. Nothing would do more to help the housing industry. Nothing would be more welcome by the American people. Nothing would bring down interest rates faster, and nothing would send a clearer signal that we mean what we say, that the law of the land says that we must have a balanced budget and we mean to uphold that law.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. WHITTEN) wish to be heard on his point of order?

Mr. WHITTEN. Mr. Chairman, I withdraw the point of order, and I rise in opposition to the amendment.

Mr. Chairman, I have always advocated working toward a balanced budget. We need a balanced budget, but we must recognize that this country is going to have ups and downs. We should end up with a general balanced budget and not prohibit ourselves from meeting problems which will arise.

Many people urge a constitutional amendment. Many forget that a constitutional amendment would probably be debated in the various States for 4 or 5 years.

Too, we must have government income to meet essential needs and interest on the existing debts. To do that, we must have productive work instead of paying another $24 billion in unemployment compensation. The point is we must balance the budget at a high level—we cannot afford to balance at a low level and meet present obligations.

I recall some years ago someone said Ethiopia was a country which had a balanced budget. It did not owe a dollar—nor have one either.

I point out to my colleagues that the gentlemen's amendment would undo what you just did and prevent you from spending a dollar to set the housing industry on the road to recovery. It has the effect of striking out the housing provision. It has the effect of striking out the EPA provision for waste water treatment. You would just undo what you did and we would be helpless to begin to get domestic industries back to work. To strike these two provisions as the amendment would do—would leave the budget more unbalanced within a few months.

□ 1630

That just shows us what we can do where it sounds good. I ask my colleagues to vote against this amendment. I repeat again we need to strive toward a balanced budget to restore stability in business so that trade can recover, but we better had level it off where we can handle the debt we already owe.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding. I wonder if the gentleman is saying that the vote that he cast on this provision of law was the wrong vote back in 1978?

The gentleman voted in favor of instructing conferees to produce this balanced budget law back in 1978. The gentleman seems to be saying now that was not——

Mr. WHITTEN. Back in 1978 it was far different from today and it could be that vote was justified at the time. The budget situation now is much worse because the windfall profit tax forgiveness and tax credit purchases did not work out as the administration hoped. But even if we did it then it certainly is out of line now and I would vote to repeal it if I had the chance now in order to save the programs funded in this chapter. Whatever mistakes were made back then, if any, I am ready to correct them today under present conditions.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. VOLKMER. I thank the gentleman for yielding.

I would like to inquire. As I understand the amendment, it only applies to a small part, one title of the bill, is that not correct?

Mr. WHITTEN. Yes, it applies only to title I, chapter 2.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise simply to point out that the effect of the amendment that is on the floor would be to prevent moving forward with the waste water treatment program, because the $2.4 billion for that program is in the chapter that is covered by this amendment.

Over 30 States are already facing a situation where they have run out of funds to keep this program moving

forward. It is a very important environmental program. Obviously at a time of high unemployment the construction activity would be a very desirable shot in the arm for the economy, and, while I commend my colleague from Pennsylvania for his concern for a balanced budget, I must say that to single out this particular chapter from all of the spending that this Congress does and to grind this waste water treatment program to a halt would, in my mind, be a terrible mistake. I therefore urge that the amendment be defeated.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Is the gentleman saying that the waste water treatment is under the HUD provisions that are in this bill?

Mr. GREEN. Yes, sir, waste water treatment is part of the HUD and independent agencies provisions in the bill.

Mr. WALKER. I would have to agree with the gentleman that would indeed be covered by this, although I would point out to people that some of the abuses that have taken place under the section 8 program of HUD would also be covered by this language and, therefore, some Members may want to evaluate that.

I would ask the gentleman further if this amendment were to cover the whole bill would the gentleman be more in favor of it at that point?

Mr. GREEN. No; and I suspect the gentleman would garner a few more opponents of the amendment if the gentleman were to do that.

If I may conclude. I would simply like to point out that the $2.4 billion appropriation was requested by the Reagan administration and that, therefore, the effect of the gentleman's amendment would be to defeat a spending program that the administration wants.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I thank the gentleman for yielding.

I want to echo what the gentleman from New York has indicated. This amendment, of course, would affect the EPA waste water treatment construction grants program, the $2.4 billion. But it would not affect the section 8 housing program. That money has been provided for in another act. It would affect the billion dollars that is provided for the Government National Mortgage Association. It would also affect the amendment for $1 billion for housing production assistance that was adopted just a moment ago by a 5 to 1 vote.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words.

And I do so, first, to make certain inquiries of the gentleman from Pennsylvania.

The first is, if the gentleman supports the amendment with respect to this provision of this bill, why should it apply not only to this section of this bill but to every other appropriations bill that we consider?

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. I think that maybe we may want to do that from now on in. We may want to look at this amendment as being a potential to put on a number of appropriations bills just to assure that there are some teeth in the law that we passed back in 1978, and all we would be doing is saying sure, the spending can go forward but it should go forward under the concept of a balanced budget. I would say to the gentleman that that is something that we may well want to consider.

I think that the reasons for putting it in this bill at this point is simply because many of the homebuilders I talk to, most of the people in the real estate and housing industry I talk to, tell me flatly that the best thing for them would be to have a balanced Federal budget.

Mr. LEVITAS. Let me reclaim my time so I can pursue this a little further.

If we were to offer it on the other appropriations bills, and maybe that is a splendid way we can cut short all of the other discussions in the Budget Committee or on the constitutional amendment for a balanced budget, which I support—but President Reagan has submitted a budget to the Congress that has about a $130 billion deficit in it, which would mean that the gentleman could not support the President's budget because it is $130 billion out of balance for next year and over $100 billion red ink this year, according to his own proposal.

I wonder how the gentleman would deal with the President's budget.

Mr. WALKER. I must say that this gentleman is appalled by those high deficits in the President's budget. I have said so often on this floor. So what I am saying is that maybe what we ought to be considering is instead of considering various people's budget deficits in the $100 billion range, we ought to be considering a balanced budget, which is what I have brought to the floor today. Here is a chance, we either vote for a balanced budget or we vote against a balanced budget starting right now.

Mr. LEVITAS. I would like to conclude, Mr. Chairman, by making two observations.

I think that this may be one of the most expeditious ways of shortening the session of this Congress if it were adopted, assuming it had some effect.

What troubles me is that I am not sure it will, Mr. Chairman, have any effect, and that is I wonder if the gentleman could address that.

Any legislation which is passed subsequent to the bill that was enacted in 1978, by being a subsequent enactment, repeals to that extent the legislation that was passed in 1978. So if Congress were to give lip service to the 1978 legislation and then passed this bill on final passage, it could have the effect of giving or taking with one hand and giving back with the other and the only way really to accomplish the purpose would be to defeat every spending measure that goes over a balanced budget.

Mr. WALKER. I think the gentleman is absolutely right. You see all we said in 1978—and we said this with the concurrence of a large number of people on the gentleman's side of the aisle. All we said was beginning in fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts. We made that flat statement and we have not put any teeth into it since 1981.

This is the first opportunity this House has had to put some teeth in what we said back then and what I am saying is we will find out now whether or not this House is willing to stand up for what we said was in the best national interest when we enacted this law in 1978.

Mr. LEVITAS. My last question is this. Does the gentleman know whether President Reagan, Secretary Regan, and OMB Director David Stockman support this, in light of the fact that they have submitted a $130 billion deficit?

Mr. WALKER. If the gentleman will continue to yield, I have no idea whether or not they support it. I assume that they would have many problems with this.

Mr. LEVITAS. I would think so.

Mr. WALKER. But this gentleman thinks that it is high time they be sent a message that this House wants a balanced budget.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding.

I ask the gentleman to yield for the purpose of clarification.

Do I understand that the gentleman wants to cut $138 billion from expenditures this year? Is that what the gentleman is proposing? Because that is what it would take to balance the budget.

Mr. WALKER. If the gentleman will yield, this amendment makes no pre-

tense of that whatever. That is the gentleman from Georgia.

□ 1640

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment.

Mr. Chairman, section 7 was added to an amendment to the Bretton Woods Agreement Act to authorize the United States to participate in supplementing the financing facility of the International Monetary Fund. Section 7 of the amendment to the Bretton Woods Agreement Act says that beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

Section 7 applies to total outlays and the total receipts, and does not and could not apply in any way to the outlays of one or several agencies of the Federal Government.

The amendment of the gentleman from Pennsylvania is imaginative. It is amusing, but it is totally inoperative. What it does point out is the goofy things that this Congress can do. I imagine after today there are going to be people bringing suits against the Federal Government for violating the law. The gentleman has done a good service to the country. I wish the gentleman would withdraw the amendment, because section 7 does not apply to several agencies. It applies to the total Government.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. Surely.

Mr. WALKER. Well, we can handle this if we were willing to stand up and repeal this law. I wonder if the leadership of this House is willing to come forward and try to repeal the law which requires a balanced budget. If they are, why do they not bring that kind of a bill out on the floor, because I doubt that they would be willing to do so. We could handle the gentleman's problems with it by taking that kind of step; but as long as it is the law of the land, I think it is high time that we begin adhering to the law of the land and that is what I am trying to do.

Mr. CONTE. This amendment applies only to this chapter. We could not know when we have one chapter whether we have violated the outlays for the fiscal year for the Federal Government.

The way to do it, and I hate to give the gentleman all these ideas, is to bring suit against the Federal Government that the Government has violated section 7 of Public Law 95-435. And the gentleman is going to be a hero. He will be elected for life.

I hope the amendment is defeated.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

First of all, I, too, along with my colleague, the gentleman from Massachusetts, am very intrigued with this amendment, because all our colleague is trying to do is abide by the law that we passed in this House and an awful lot of Members in this House voted for section 7 of this bill.

Now, the gentleman brings up the point that it was attached to some other foreign aid giveaway and I remember it very well. Some of us had a hard time with that, because it was attached to that bill; but I can think of no more appropriate place than now. This is a supplemental bill, which means extra spending above and beyond what we talked about before in our appropriations bill.

I know that the gentleman from Massachusetts and the gentleman from Mississippi have tried awfully hard to get this Congress to live within its means. They have just tried over and over again.

I think this is a wonderful opportunity in this one chapter. We are just taking a little bitty bit of the Federal Government to try to slow it down in overspending.

Now, do I understand my colleague to tell me that the gentleman is only trying to get us to obey the law as it relates to this one chapter? The gentleman is not trying to gut the housing program?

Mr. WALKER. Mr. Chairman, if the gentleman will yield, I will say to the gentleman that what we are trying to do is make certain that this one chapter of this bill complies with the balanced budget and insofar as it affects the spending of the programs identified in that chapter, yes, indeed, it would probably keep them from spending that money because my guess is at the present time that this Government is not in compliance with a balanced budget; so, therefore, we are going to have problems spending any money under that chapter if this amendment is passed; but I would say to my colleague as well, what we have to remember is that within this chapter we have added a big new spending program here today.

Mr. ROUSSELOT. Oh, I remember that.

Mr. WALKER. We have added a billion-dollar spending program here today and it would also prevent us from spending money for that big new spending program as well, in violation of a balanced budget.

Mr. ROUSSELOT. So it does slow down that extra billion dollars that was just stuffed in here a minute ago?

Mr. WALKER. I do not think there is any doubt about that, I would say to the gentleman.

Mr. PASHAYAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my other colleague, the gentleman from California.

Mr. PASHAYAN. Mr. Chairman, I should just like to say, and it is perhaps at this moment not exactly safe to say, but as the author of section 3 of the Bretton Woods Act Amendments of 1980 (Public Law 96-389), which reaffirms section 7, I thank the gentleman very much for his kind words. I appreciate the efforts of the gentleman from Pennsylvania.

Actually, it is the law that this Government balance the budget. I should not be surprised if some organization might bring a lawsuit, which would be interesting.

Mr. CONTE. Mr. Chairman, would the gentleman yield to me?

Mr. ROUSSELOT. The gentleman from Massachusetts wants me to yield to him?

Mr. CONTE. Well, I say to my good friend, yes.

Mr. ROUSSELOT. I would be delighted to yield to my colleague, the gentleman from Massachusetts.

Mr. CONTE. Beautiful, beautiful.

Mr. ROUSSELOT. I know the gentleman has worked hard to keep these extra deficits down and here is a chance to help out.

Mr. CONTE. The gentleman from California was here yesterday, was he not?

Mr. ROUSSELOT. Yes, I was.

Mr. CONTE. The gentleman voted to stuff that billion dollars in here?

Mr. ROUSSELOT. No. I voted today not to stuff it.

Mr. CONTE. But yesterday.

Mr. ROUSSELOT. I made a mistake.

Mr. CONTE. How did the gentleman vote yesterday?

Mr. ROUSSELOT. I want to remind my colleague, the gentleman taught me a long time ago that the place the real money is spent is in an appropriation bill and that is where we really catch it is here, right now. I learned that from the gentleman from Massachusetts.

Mr. CONTE. That is right.

Mr. ROUSSELOT. Now I yield to my colleague, the gentleman from Massachusetts (Mr. WALKER).

Mr. WALKER. Well, I thank the gentleman for yielding, because I think the point needs to be made here that there are a lot of people who may have voted yesterday for the bill and even voted today for the bill, who may want to vote for this amendment, because it is a question of choices. Which choice do you choose in terms of helping the housing industry? Do you choose a billion-dollar bailout bill or do you choose to balance the budget, and by balancing the budget bringing down interest and bringing down deficits?

I think that most of the real estate people and most of the housing people will tell us flatly they prefer the latter course. That is what this particular amendment does. I think it is clearly

the choice. Given that kind of choice, I think a lot of people will decide that a balanced budget is better than a big new spending program.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will in just a minute.

My colleague, the gentleman from Pennsylvania, has stated it very correctly. The builders of this country, the real estate people and others have said and have come in here to say to us, "Please balance the budget," because every time we add to the deficit substantially, we take away in the marketplace money that could go for housing and for other things, and so all my colleague is trying to do is take one little part of this extra supplemental bill and try to get us to comply with the law.

Now I will yield to my colleague, the gentleman from Maryland, because I know the gentleman is a strong supporter of a balanced budget, at least the gentleman always tells me that.

Mr. MITCHELL of Maryland. I thank my colleague for yielding. The gentleman knows he has my undying loyalty and support.

I really was curious about the health and well-being of the maker of the amendment. He was just hit in the head with a microphone.

Mr. ROUSSELOT. He is OK.

Mr. MITCHELL of Maryland. Was he injured in any way?

Mr. ROUSSELOT. No. I hit him very softly.

Mr. MITCHELL of Maryland. Will the gentleman continue to yield to me?

Mr. ROUSSELOT. Surely.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Now I yield to my distinguished colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. I certainly would not want to pursue this. I hope the amendment is voted down. I do not believe that we ought to bring these amendments on the floor without consulting with the President, Mr. Meese, David Stockman, and others, who are the architects of the economic policy of this Nation and if for no other reason than out of respect for the administration, I would urge defeat of the amendment.

Mr. ROUSSELOT. Well, the President, I will tell my colleague, supports a balanced budget as soon as we can get there. We are just trying to help him out.

Mr. MITCHELL of Maryland. Well, will you send a signal to him?

Mr. ROUSSELOT. He favors a constitutional amendment for a balanced budget. Does the gentleman want to join us in that?

Mr. MITCHELL of Maryland. I want to clear up David Stockman, too, and the whole group.

Mr. PHILIP M. CRANE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague, the gentleman from Illinois.

Mr. PHILIP M. CRANE. I thank my colleague for yielding.

I just would like to clarify a point. There was some misunderstanding, it seems to me, to refer to the administration as being the architect of spending. All money bills originate in this body. That means all taxing, all spending, all public policy, and all arrangements of priorities must originate in this body, not in the Senate and certainly not in the White House. We are the ones to make the decisions. The President's function is to execute them faithfully. If he fails to live up to that mandate, he is subject to impeachment by this body, too.

So I think there is a little bit of confusion in the discussion of spending. We are the ones that have sole responsibility for spending in this country.

Mr. ROUSSELOT. And we learned that from our colleague, the gentleman from Massachusetts, who has always said that.

Now I yield to my colleague, the gentleman from Georgia.

Mr. GINGRICH. Mr. Chairman, I voted for the $1 billion program. I think if we are going to have a budget deficit, that housing is an area that we ought to spend money on.

At the same time I am going to vote for this amendment, because I have no doubt that every builder and every realtor in this country, if given a choice between this Congress balancing the budget and bringing down interest rates or this Congress spending wildly, would choose to bring down the interest rates and to balance the budget. I would cheerfully be willing to see any of my colleagues to the left who would like to go to the realtors and ask them about that.

□ 1650

Mr. PATTERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not use my 5 minutes.

Mr. Chairman, if this amendment is adopted, it wipes out everything in housing in the supplemental appropriations bill, including the amendment just adopted by my colleagues by an overwhelming vote. It wipes out that vote. It wipes out yesterday's vote. It eliminates other necessary things for housing. As a matter of fact, it comes about $160 billion short of balancing the budget, and, as a matter of fact, it lays all the problems, all the responsibility to balance the budget, on one industry, the industry hardest hit by the recession and the one that is going to get us out of this mess, and that is the housing industry.

I urge strongly a no vote on this very bad amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. WALKER).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WALKER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 132, noes 276, not voting 24, as follows:

[Roll No. 72]

AYES—132

Archer	Gramm	Natcher
Atkinson	Gregg	Oxley
Badham	Gunderson	Parris
Bafalis	Hammerschmidt	Pashayan
Bailey (MO)	Hance	Paul
Barnard	Hansen (ID)	Petri
Benedict	Hartnett	Pickle
Benjamin	Hendon	Pursell
Bliley	Hiler	Rhodes
Broomfield	Hillis	Ritter
Brown (CO)	Holt	Roberts (KS)
Broyhill	Hopkins	Roberts (SD)
Burgener	Hunter	Robinson
Butler	Ireland	Rousselot
Carman	Jacobs	Rudd
Chappie	Jeffries	Russo
Cheney	Jenkins	Schulze
Clinger	Johnston	Sensenbrenner
Coats	Kramer	Shaw
Coleman	Lagomarsino	Shumway
Collins (TX)	Latta	Shuster
Corcoran	LeBoutillier	Siljander
Coyne, James	Lee	Skeen
Craig	Lent	Smith (NE)
Crane, Daniel	Levitas	Smith (OR)
Crane, Philip	Lewis	Snyder
Daniel, Dan	Loeffler	Solomon
Daniel, R. W.	Lott	Spence
Dannemeyer	Lowery (CA)	Staton
Daub	Lujan	Stenholm
Derwinski	Lungren	Stump
Dornan	Madigan	Taylor
Dunn	Martin (IL)	Thomas
Edwards (OK)	Martin (NC)	Vander Jagt
Emerson	Martin (NY)	Walker
English	McClory	Wampler
Erlenborn	McCollum	Weber (MN)
Fiedler	McCurdy	Whitehurst
Fields	McDonald	Whittaker
Fowler	McEwen	Winn
Frenzel	Michel	Wolf
Gingrich	Miller (OH)	Wortley
Goodling	Moorhead	Wylie
Gradison	Myers	Young (FL)

NOES—276

Addabbo	Boland	Courter
Akaka	Bolling	Coyne, William
Albosta	Boner	Crockett
Alexander	Bonior	D'Amours
Anderson	Bonker	Daschle
Andrews	Bouquard	Davis
Annunzio	Bowen	de la Garza
Anthony	Brinkley	Deckard
Applegate	Brodhead	Dellums
Aspin	Brooks	DeNardis
AuCoin	Brown (CA)	Derrick
Bailey (PA)	Burton, Phillip	Dickinson
Barnes	Byron	Dicks
Beard	Carney	Dingell
Bedell	Chappell	Dixon
Beilenson	Chisholm	Donnelly
Bennett	Clausen	Dorgan
Bereuter	Clay	Dougherty
Bethune	Coelho	Dowdy
Bevill	Collins (IL)	Downey
Biaggi	Conable	Duncan
Bingham	Conte	Dwyer
Blanchard	Conyers	Dyson
Boggs	Coughlin	Early

Eckart	Kildee	Rinaldo
Edgar	Kindness	Rodino
Edwards (AL)	Kogovsek	Roe
Edwards (CA)	Lantos	Roemer
Emery	Leach	Rogers
Erdahl	Leath	Rose
Ertel	Lehman	Rosenthal
Evans (DE)	Leland	Rostenkowski
Evans (GA)	Long (LA)	Roth
Evans (IA)	Long (MD)	Roukema
Evans (IN)	Lowry (WA)	Roybal
Fary	Luken	Sabo
Fascell	Lundine	Santini
Fazio	Markey	Savage
Ferraro	Marks	Sawyer
Findley	Marlenee	Scheuer
Fish	Marriott	Schroeder
Fithian	Matsui	Schumer
Flippo	Mavroules	Seiberling
Florio	Mazzoli	Shamansky
Foley	McDade	Shannon
Ford (MI)	McGrath	Sharp
Ford (TN)	McHugh	Shelby
Forsythe	McKinney	Simon
Fountain	Mica	Skelton
Frank	Miller (CA)	Smith (AL)
Frost	Mineta	Smith (IA)
Fuqua	Minish	Smith (NJ)
Garcia	Mitchell (MD)	Snowe
Gaydos	Mitchell (NY)	Solarz
Gejdenson	Moakley	St Germain
Gephardt	Moffett	Stangeland
Gibbons	Molinari	Stark
Gilman	Mollohan	Stokes
Glickman	Montgomery	Stratton
Gonzalez	Moore	Studds
Gore	Morrison	Swift
Green	Mottl	Synar
Guarini	Murphy	Tauke
Hagedorn	Murtha	Tauzin
Hall (OH)	Napier	Traxler
Hall, Ralph	Nelligan	Trible
Hall, Sam	Nelson	Udall
Hamilton	Nichols	Vento
Harkin	Nowak	Volkmer
Hatcher	O'Brien	Walgren
Heckler	Oakar	Washington
Hefner	Oberstar	Watkins
Hertel	Obey	Waxman
Hightower	Ottinger	Weaver
Holland	Panetta	Weber (OH)
Hollenbeck	Patman	Weiss
Horton	Patterson	White
Howard	Pease	Whitley
Hoyer	Pepper	Whitten
Hubbard	Perkins	Williams (MT)
Huckaby	Peyser	Williams (OH)
Hughes	Porter	Wilson
Hutto	Price	Wirth
Hyde	Pritchard	Wolpe
Jeffords	Quillen	Wright
Jones (NC)	Rahall	Wyden
Jones (OK)	Railsback	Yates
Jones (TN)	Rangel	Yatron
Kastenmeier	Ratchford	Young (AK)
Kazen	Regula	Young (MO)
Kemp	Reuss	Zablocki
Kennelly	Richmond	Zeferetti

NOT VOTING—24

Breaux	Ginn	Livingston
Brown (OH)	Goldwater	Mattox
Burton, John	Gray	McCloskey
Campbell	Grisham	Mikulski
Dreier	Hansen (UT)	Neal
Dymally	Hawkins	Schneider
Fenwick	Heftel	Smith (PA)
Foglietta	LaFalce	Stanton

□ 1700

Messrs. PORTER, ERDAHL, BETHUNE, NAPIER, BONER of Tennessee, and D'AMOURS changed their votes from "aye" to "no."

Messrs. COLEMAN, DUNN, CLINGER, HILLIS, FRENZEL, and BUTLER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1710

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

INDEPENDENT AGENCY

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For necessary expenses to carry out title II of the Federal Water Pollution Control Act, as amended, other than sections 201(m), 206, 208, and 209, $2,400,000,000, including grants for biological treatment facilities to repair or replace small community systems where determined to be necessary, to remain available until expended: *Provided*, That nothing herein shall prohibit any project specified in section 201(m) from receiving a grant under section 201(g), in compliance with all relevant procedures under title II of the Federal Water Pollution Control Act, as amended, and paid from funds allotted to the State by section 205 and appropriated by this Act.

AMENDMENT OFFERED BY MR. WINN

Mr. WINN. Mr Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WINN: Page 8, line 2, after "expended:" insert the following: *"Provided*, That of such amount, $3,965,426 in additional funds (the amount which was withheld from the State of Kansas by reason of an accounting error by the Federal Government) shall be made available to the State of Kansas and after the word *"Provided"* insert *"further"*."

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

I just want to take 30 seconds. I understand earlier on the floor someone said on the student loan program we now have a 13-percent default rate. The guaranteed student loan program has a 5-percent default rate. Some of the student programs of the campus-based programs have a higher default rate, but not the national guaranteed student loan program.

I thank my colleague for yielding.

Mr. WINN. I would just like to explain briefly this amendment. A mistake was made. Last year in the rescission on EPA construction grant funds, OMB left out approximately $4 million, approved for the State of Kansas. When we discovered their mistake and pointed it out to the OMB, they wrote a letter to all of the Kansas delegation, explaining their error. They told us by mail, "Yes, they had made a mistake," they had left out the funds that Kansas was entitled to. But since reconciliation has already set a ceiling they could not do anything about it until the authorization bill came around.

When the authorization bill came around it was pointed out that this mistake was made just a few minutes before they voted out the bill. The committee, I think you will find, is very friendly to this correction amendment, they want to try to correct the mistake the first chance they get, and this is the first chance they get.

Mr. BOLAND. Will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. BOLAND. The gentleman from Kansas states the matter precisely. We accept it on this side.

Mr. WINN. I thank the gentleman.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from Massachusetts.

Mr. CONTE. The minority, myself, and the ranking Republican, the gentleman from New York (Mr. GREEN) accept this amendment.

Mr. WINN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. WINN).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II

GENERAL PROVISIONS

AMENDMENT OFFERED BY MR. ADDABBO

Mr. ADDABBO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADDABBO: Page 12, after line 2 insert the following new section and renumber succeeding sections accordingly:

SEC. 201. Any institution of higher education specifically cited in the conference report on the Education Amendments of 1980 (Report No. 96-1337) as a unique institution which the conference committee for that legislation intended to be recognized as a developing institution eligible to apply for funds under title III of the Higher Education Act of 1965, shall be treated as an eligible institution for such purpose for fiscal year 1982, notwithstanding section 322(a)(2)(A) of such Act.

Mr. ADDABBO. Mr. Chairman, I offer this amendment on behalf of myself and Mr. GREEN of New York.

Let me first make clear that my amendment adds no funding to this or any other bill. It seeks only to secure that the eligibility to apply for funds under title III of the Higher Education Act shall be in conformance with the expressed intent of the Congress as expressed in the conference report No. 96-1337.

The conferees specifically addressed unique institutions such as the College for Human Services and others which serve the poorest of our student community. Through some misinterpretation of the intent expressed by the conferees, the College for Human Services which was found eligible to apply under title III for the past 2 years, has now been told it is not eligible this year. I repeat we are addressing only eligibility to apply.

My amendment would connect an inequity and carry out the intent of Congress.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from New York.

Mr. GREEN. I thank my colleague for yielding.

I want to express my appreciation to him and express what a privilege it has been for me to work with him in resolving this problem, and express my appreciation to the chairman of the Appropriations Subcommittee and the ranking minority member of the committee for their consideration of this problem.

Mr. Chairman, I was disappointed to learn that the College for Human Services in New York was ruled ineligible to apply for funds under title III of the Higher Education Act this year because of a quirk in the law. At the time that the education amendments were passed, the college was cited as a unique institution which the conference committee felt should be funded with title III moneys for developing institutions. All of its students have incomes at or below the poverty level; in 1979, over 70 percent were CETA workers and were not charged tuition. Many are former welfare recipients and were heads of their households. This college grants students a bachelor's degree through a combined experiential and academic program, preparing them for careers in community service employment.

Despite the citation by the conference committee on the Education Amendments of 1980 of the program's uniqueness and value, the college has been prohibited from applying for funds this year. The criteria for determining eligibility for application this year are based on the number of Pell grants, tuition assistance for low-income students, received by the institution during 1979. However, during that year the college was not collecting tuition or fees, and thus received no Pell money for distribution. It is precisely because this institution attempted to serve a low-income population and charged no fees that it is being penalized. This amendment corrects that situation. I urge my colleagues to support this amendment.

Mr. ADDABBO. I thank the gentleman.

Mr. NATCHER. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Kentucky.

Mr. NATCHER. Mr. Chairman, I would like to say to the members of the committee that the amendment offered by the gentleman from New York (Mr. ADDABBO) and supported by my friend from New York (Mr. GREEN) has been discussed with me and I know of no objection to it.

Mr. Chairman, further, I would like to say that I know of the deep interest of both of these gentlemen in all matters concerning education, and especially higher education. On our subcommittee we appreciate their support.

Mr. ADDABBO. I thank the gentleman from Kentucky.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman from Massachusetts.

Mr. CONTE. We have studied the amendment on this side very thoroughly and we have no objection.

I want to commend the gentleman from New York, my good friend, Mr. ADDABBO, and Mr. GREEN, for offering this amendment.

Mr. ADDABBO. I thank the gentleman from Massachusetts and yield back the balance of my time.

Mr. PEYSER. Mr. Chairman, I move to strike the last word.

□ 1720

Mr. Chairman, I take the floor at this time only to answer the question that was asked earlier when a Member of the House raised a question on the guaranteed student loans and stated on the floor here that it was obvious that these loans had a terrible default rate and that the program itself was not a good program. I think it would be a shame, Mr. Chairman, if we left that issue that way in the record. I think it is important to note that the default rate on guaranteed student loans in the last year was 8.3 percent.

Mr. Chairman, it was only 5 years ago that the default rate was 18 percent, and the Congress and the committee involved, the Post-Secondary Committee, took an action that started this reduction; and this reduction in default will come down every year now, as it should. None of us really think that it is right to have any default.

For the record, most of us know the Director of OMB at one point was 2 years in default on his student loan. He has since paid it up, and I think that is excellent. But I think we want to make the point that this program is not a give-away program, it is not a program aimed at helping the wealthy. It is a program that is helping every middle income and low income student in this country who is deserving of a higher education.

I just want the record to be clear. The action of the Congress is to correct what few defaults are remaining. This program has every reason to go ahead with all of our support. The young people of our country are counting on us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ADDABBO).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 203. No funds appropriated or otherwise made available for fiscal year 1982 shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 on any State or political subdivision thereof. Notwithstanding section 101(a)(3) of Public Law 97-92 or any similar or comparable provision of any other law, during fiscal year 1982 the Mine Safety and Health Administration shall have the same enforcement authorities vested in such administration on September 30, 1981.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 12, strike lines 12 through 21.

Mr. ROUSSELOT. Mr. Chairman, all this amendment does is to see that we comply with present law. We passed in October an amendment to clarify a dual jurisdiction problem that existed between MSHA and OSHA. Now, I am sure it is difficult for some of you to believe that I feel very strongly that OSHA, which has been in existence for much longer than MSHA, has done and is doing a better job in providing safety in the workplaces for the overwhelming proportion of responsibilities which it has had.

Mr. Chairman, the amendment I am offering here on the floor of the House today is a simple strike motion. This amendment will delete the language presently contained in the urgent supplemental appropriations bill, H.R. 5922, on page 12, lines 12-21. It is imperative that this action be taken to maintain the continuity of present public law—the transfer of jurisdiction of the regulations of surface stone, sand, gravel and construction activity from the Mine Safety and Health Administration (MSHA) to the Occupational Safety and Health Administration (OSHA).

Members on the floor today are familiar with the long history of this issue. But, I would like to take a moment, Mr. Chairman, to briefly cite the legislative history of this matter—which I believe strengthens the need for passage of the strike motion I have offered today.

Regulatory relief is needed. It has been needed by a variety of small businesses regulated by the Mine Safety and Health Administration ever since the passage of the 1977 Mine Safety and Health Administration Act. This relief was provided on December 15, 1981, when the President signed into law the continuing resolution for fiscal year 1982. House Resolution 409 has extended this regulatory relief until September 30, 1982—it, too, contains the language that will assist these in-

dustries by placing health and safety enforcement under the jurisdiction of OSHA, not MSHA.

Unfortunately, the urgent supplemental appropriations measure being considered this afternoon contains language which would void the language presently contained in public law and would place the surface sand, gravel, stone, clay and surface construction industries once again under the police tactics of the Mine Safety and Health Administration.

The amendment in the continuing resolution voted on last October during consideration of the Labor-HEW appropriations bill accomplished the objectives of a bill currently cosponsored by 162 Members of this body, H.R. 1603. H.R. 1603 and other similar bills have languished in the Health and Safety Subcommittee of the Education and Labor Committee in the 96th Congress, and now in the 97th Congress, despite the great support this legislation has had from many, many Members of Congress. Congressmen MARLENEE and BARNARD, the principal sponsors of H.R. 1603, joined me in urging your support for my amendment which was necessitated because of the inaction by the committee having jurisdiction over H.R. 1603. Mr. Chairman, the committee has held 23 days of hearings on this measure—but not one day of action. I repeat, 23 days of cosmetic hearings on a measure that has the support of well over 160 Members of this body.

Two years ago the Appropriations Committee included language to deny MSHA funds to enforce complicated and, in many instances, irrelevant training requirements against these same industries. I am pleased to note that prohibition has been continued in the present law. While our action on the training requirements has helped these industries, there is still a desperate need for further congressional action to make permanent the regulatory jurisdiction. My amendment, contained in the current continuing resolution public law, makes it clear that we intend for OSHA to exercise jurisdiction over not only training of employees working in these industries, but have total responsibility for assuring a safe and healthful workplace.

The industries I sought to have transferred from MSHA to OSHA were made subject to the Mine Safety and Health Act by the amendments that the Congress enacted in 1977. Few of us recognized at that time that we were imposing sophisticated regulations designed for large and highly technical operations on small businesses which are located in virtually every community in our country. The sand, gravel, and crushed stone industries, the two largest industries affected by the amendment, have an average number of employees per operation of 7 and 11, respectively.

The 1977 act has created continuous confrontations between these small businesses and the Federal Government. This adversary relationship is to no one's benefit. The transfer contained in the current public law restores a cooperative relationship between the Federal safety and health experts and the industries for the benefit of the workers. The industries transferred are not hazardous industries, as our opposition would like us to believe. Their current safety records demonstrate a record of improving safety, and the current public law does not provide any less safety and health protection to their employees—it does provide less regulation and unnecessary harassment by the Federal Government.

Some of my colleagues have suggested that the relief sought by these industries can be administratively accomplished by reform of the Mine Safety and Health Administration. The 1977 Mine Safety Amendments Act leaves the Secretary of Labor with very little flexibility in providing such relief.

It is regrettable that this serious regulatory problem must be addressed by means of an appropriations rider. I agree with my honored colleagues, that the place for the consideration of this issue is through the proper legislative channels. Too bad it hasn't occurred to date. Hopefully continuation of the Rousselot amendment on the continuing appropriations bill will now force the full House to consider H.R. 1603 in the near future to make permanent the changes my amendment has made for fiscal year 1982.

What is the actual effect of the current law? The Rousselot amendment to the continuing resolution simply provides that the regulation of persons engaged in the surface mining of stone, clay, colloidal phosphate, sand or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine, for safety purposes, is transferred from MSHA to OSHA. One question often asked about this amendment is, "Does the MSHA amendment create a void in Federal enforcement of safety and health standards over the surface mining of sand, gravel, stone, clay, colloidal phosphate as well as surface construction?"

No; OSHA, under the Occupational Safety and Health Act, has jurisdiction over these mines. OSHA, by its terms, applies to all employers engaged in a business affecting commerce, 29 U.S.C., section 652(5). Thus, OSHA legally covers mines which are also covered under the Mine Safety and Health Act of 1977. Further, the Congressional Research Service, at the request of Senator BUMPERS, in September 1980, stated that "because of this unusual regulatory scheme (Sec. 4(b)(1) of the OSHA Act) * * * it would permit the extension of OSHA jurisdiction to those mines * * *."

Additionally, the drafters of OSHA realized that there was the potential problem of dual regulation. Thus, they included in the act a deferral provision, 29 U.S.C. Sec. 653(b)(1). It provides that where another Federal agency exercises its own statutory authority to prescribe or enforce occupational safety or health standards, then OSHA will not apply. The legislative history of OSHA shows that the key factor triggering deferral is the exercise of another agency's statutory authority over them.

In three separate court cases, three courts of appeals in our country, which incidently are the courts next in authority to the U.S. Supreme Court, held that OSHA has jurisdiction when any other agency (for example Federal Railroad Administration, MSHA, and so forth) is deprived of their jurisdiction.

The effect of this nonexercise under section 4(b)(1) of OSHA (29 U.S.C. 653 (b)(1)) thus triggers, by operation of existing law, the responsibility of OSHA to assume enforcement activity over the described surface mines.

The appropriations limitation has the effect of not providing funding for fiscal year 1982 for the exercise of MSHA's statutory authority over the surface mines described in the pending amendment. Thus, there will be no exercise of statutory authority by MSHA. You see, Mr. Chairman, my amendment is not just a denial of funds—it does provide for the transfer of authority from MSHA to OSHA for surface stone, sand, gravel, and construction activities at mine sites.

Furthermore, in a letter to me from the Secretary of Labor, Ray Donovan, March 24, 1982, the Secretary stated, "* * * upon enactment of the continuing resolution OSHA instructed its field offices to assume enforcement authority at mining operations affected by the rider." Further, he states, "OSHA is * * * responding to reports of imminent danger, fatalities, catastrophes and employee complaints * * *" From day one after the enactment of the continuing resolution on December 15, OSHA had the responsibility and assumed legal jurisdiction. It is true, Mr. Chairman, that the Department of Labor has been reluctant to assume the jurisdiction until they saw this amendment enacted after March 31, but, Mr. Chairman, that is not to state that they do not have the responsibility. They do and they will.

The Rousselot amendment reflects the will of both the House and the Senate and that it is the intent of the Congress to continue this provision which is now public law under the continuing resolution signed into law by the President last night.

The majority of members of this body voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1981 appropriations bill, but the provision was dropped during the conference debate. The majority of members of this body again voted to adopt the Rousselot amendment as part of the Labor-HEW fiscal year 1982 appropriations bill. This time it was approved by a recorded vote. The vote taken on October 6, 1981, was 254 yeas to 165 nays—an 89-vote margin.

Inasmuch as the Senate Labor-HEW appropriations bill was never brought to the floor of the Senate for consideration, these agencies were made part of the continuing appropriations resolution. During the congressional debate on the continuing resolution, the Senate took a roll call vote on an amendment offered by Mr. SPECTER of Pennsylvania on November 19 which was to eliminate the Rousselot language. This was defeated by a vote of 35-63. Then, on December 11, an amendment by Mr. BYRD of West Virginia which would have deleted the Rousselot language was resoundingly defeated by a vote of 38-54.

The Rousselot amendment was approved by the Senate on two separate and distinct votes. It became part of the public law signed by the President on December 15 (Public Law 97-72). And, again, it was signed into public law on March 31, 1981, when House Joint Resolution 409 was enacted.

Mr. Chairman, the 97th Congress has a great support for this amendment, despite the accusations of my colleague. I am pleased to have this opportunity today to have a vote on the Murtha amendment attached in the final moments of the Appropriations markup of the urgent supplemental appropriations bill and approved by a simple voice vote.

It is fair, Mr. Chairman, to the majority of the Members of this body that we have the opportunity to indicate our support on the previous Rousselot amendment. It would not be fair to drop it due to a simple committee voice vote.

It is fair, Mr. Chairman, that a measure which is now public law—and which has made an effective transfer (as indicated by Ford B. Ford, Assistant Secretary for Mine Safety and Health, before the Appropriations Subcommittee during the fiscal year 1983 budget request hearings) not be changed as a result of a 5-minute voice vote.

MSHA has not turned over a new leaf, as some of my colleagues would have us believe here today. I applaud that discussions are being held to debate the reform of MSHA law. But until action is taken on these discussions, we need the Rousselot amendment to maintain the regulatory relief needed by these small businesses.

The issue has kicked around long enough, Mr. Chairman. The intent of the Congress in the continuing appropriations measure repairs the damage done by the 1977 Mine Safety and Health Administration Act and places the affected industries under proper Federal jurisdiction—OSHA. The Senate has voted in support of this measure; the House has voted in support of this measure; the President has signed this measure into law.

I urge that the Members of this body support my amendment today. I urge that they strike the language contained in the urgent supplemental appropriations bill which denies the effective transfer of jurisdictional responsibility from MSHA to OSHA.

Let MSHA be directly and principally concerned with deep underground mines—not these surface operations, which can be and should be addressed by OSHA. Assigning jurisdiction over these industries to MSHA ill serves the objective of employee safety and health, imposes unnecessary burdens upon the separate industries and dilutes government enforcement resources.

It has never been the intent on our part, those of us who support the Marlenee bill, and others, to say that MSHA shall not have jurisdiction in deep coal mines, et cetera, because we think it should. The problem has been that up until the time that we amended the law or clarified the law in late 1981, there was a dual jurisdiction problem, wherein some cases, sand, gravel, et cetera, were also supposedly under the jurisdiction of MSHA. That was never intended in the MSHA law.

So I would like to state very clearly that I believe this House acted correctly in October 1981, when it voted 254 to 165 to clarify that problem of dual jurisdiction. So I hope that the House will now move to strike this language from this appropriation bill, because my good colleague, the gentleman from Pennsylvania (Mr. MURTHA), who represents clearly many coal mines—and, I understand, also he is being pushed very hard by certain other groups—was concerned that safety in the workplace was not being provided adequately by OSHA.

Well, let me comment on that point, because I believe that is the main crux of the argument that is being made to go back to the old law. From January of this year to April 30, 4 months, nine fatalities have occurred. Some of these are still under investigation. Three of these were from independent contractors. But in several cases of these nine that occurred, they occurred off the job that had nothing to do with safety in the workplace supposedly being invoked by MSHA. One of the accidents involved a murder. so I do not think it is very fair to charge that OSHA was not doing its job as it relates to that incident. Three of the nine accidents, collapsing of rock bin, clothing drawn into the shaft, and falling off scaffolding, would not have been protected any better by MSHA. These accidents, tragic though they are, are not unique to the mining industry and should not be used as evidence of OSHA's lack of expertise.

There are a great number of unions that do in fact look out for their workers, the building trades, and others, some of the engineers who operate the gravel and sand operations in the West and the South, who would prefer to remain under OSHA jurisdiction and feel that that job is being appropriately done.

Again, by voting for this motion to strike this language, we are in no way taking away power of MSHA to do its job in underground coal mines. All we are doing here is clarifying the law to make sure that we do not have duplication in these two Federal agencies.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield at that point?

Mr. ROUSSELOT. Of course I yield to my colleague, the gentleman from California.

Mr. MILLER of California. Mr. Chairman, the gentleman keeps talking about clarifying the confusion or the duplication between these two jurisdictions. I just wonder if the gentleman might tell me how that arose.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Clearly the Mine Safety and Health Act gave to MSHA jurisdiction over these mines. That was the intent of the act when the act was passed in Congress. I do not understand what the confusion was.

Mr. ROUSSELOT. The confusion is that in some cases MSHA has jurisdiction of rock, sand, gravel, other areas, that many of us believe the law never intended for them to have and that OSHA should and must have the basic jurisdiction of providing safety in the workplace, which I believe they have done.

Mr. MILLER of California. But as I understand it, if the gentleman will yield further, MSHA took jurisdiction over rock, sand and gravel where those particular elements happened to be mined.

Mr. ROUSSELOT. I will say to my colleague they assumed jurisdiction——

Mr. MILLER of California. They were given jurisdiction by the Congress of the United States.

Mr. ROUSSELOT. They assumed jurisdiction, many of us feel, contrary to the purpose and intent of what many

Members thought would be part of the MSHA law.

Mr. MILLER of California. Where has that been stated?

Mr. ROUSSELOT. MSHA, as the gentleman will remember——

Mr. MILLER of California. What is the evidence of that, other than perhaps some people who do not like being inspected by MSHA saying that they do not believe they were ever intended to be covered. Where is the evidence of that legislative intent in terms of a record or legislative history that the Congress intended that would be the case?

□ 1730

Mr. ROUSSELOT. I will be glad to attempt to get that information for the gentleman.

Mr. MILLER of California. I think that is where we ought to start this discussion.

Mr. ROUSSELOT. The 1977 amendments, which repealed the 1966 metal/nonmetal mining law which covered stone, sand, and gravel operations, was an extension of the 1969 Coal Mine Safety and Health Act to stone, sand, and gravel operations thrusting those operations under a statute originally enacted to protect miners exposed to hazards unique to mining; such as methane gas explosions, roof falls, coal dust, and so forth. Stone, sand, and gravel employees are exposed to hazards such as pinch point hazards and conveyor belts without appropriate guarding devices—not hazards unique to the mining industry and certainly not the types of hazards MSHA was enacted to protect miners against.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Montana.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(At the request of Mr. MARLENEE and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Montana (Mr. MARLENEE) who is an author of legislation that is lodged in our colleague from Pennsylvania's subcommittee which we have been unable to move along. It has been lodged there for several years. If we just move that legislation we would not be here today.

Mr. MARLENEE. I thank the gentleman for yielding.

Quite simply the issue is, as I understand it, that MSHA, the Mining Safety and Health Act protects underground miners.

Mr. ROUSSELOT. That is correct; that is my understanding of the intent of the law.

Was the gentleman from California (Mr. MILLER) listening on that? The gentleman is answering the question of the gentleman from California.

Mr. MARLENEE. Does OSHA also protect workers in the workplace?

Mr. ROUSSELOT. It certainly does. In all workplaces not covered by MSHA.

Mr. MARLENEE. Not covered by MSHA? So OSHA would also cover these people who are working on the surface, sand, and gravel industry?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. In other words, if we have got a burr pit along the road or a sand and gravel pit that some county has out here. OSHA protects these workers in these places; is that not correct?

Mr. ROUSSELOT. That is correct.

Mr. MARLENEE. That is simply what the gentleman's amendment would do?

Mr. ROUSSELOT. My amendment merely strikes the Murtha language which was put in this bill, admittedly at the last minute, and repealed what we did last October.

Mr. MARLENEE. They are trying to do it by a back door——

Mr. ROUSSELOT. They are trying to go back to an old wornout position that just did not work.

Mr. MARLENEE. I thank my colleague

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa.

Mr. TAUKE. I want to commend the gentleman from California for raising this issue.

I think we have gone through this discussion several times before on the floor of the House.

Mr. ROUSSELOT. Yes; we have.

Mr. TAUKE. And I think it is important that we review again just what the situation is.

As the gentleman pointed out, we took a position that he is advocating today last year, last October, in response to problems that have been felt all across the country.

In my own congressional district we have no underground mines but we do have a lot of sand and gravel pits. The workers as well as those who are involved in the management of those operations tell me that many of the regulations with which they are required to comply really do not seem to make much sense when it comes to the kind of sand and gravel operation that they have.

In fact, as a result they have excessive costs, safety is not as good as it should be, and that they have had a much more satisfactory arrangement since last October when the language was changed along the lines that the gentleman is pursuing again today.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(At the request of Mr. TAUKE and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. TAUKE. If the gentleman will continue to yield, so it occurs to me that for those areas of the country and those operations in the country that really were never intended to fall under the MSHA Act, that it is important that we again restate and clarify that position.

I commend my colleague for taking what is a most reasonable stance on this issue.

Mr. ROUSSELOT. I appreciate my colleague and his comments.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

I would like to point out that many of us who represent farmers throughout America are concerned with the high interest rates that are driving the small farmers out of business, and for those of my colleagues who may not recall, the farmers are the ones who have the gravel pits on their land and sell to the local municipalities to provide gravel for roads, and this is the way that the farmers are surviving today with the high interest rates because they do not have to go into these strict inspection procedures, and if you believe in the small farmer and protecting the farming industry in America, my colleagues will support the Rousselot amendment like they did last year.

Mr. ROUSSELOT. I appreciate my colleague's comments, and I did not realize we were helping the farmers that much.

Mr. GAYDOS. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, what has occurred and what I thought would occur has occurred, and that is that now we are legislating on an appropriation bill again, and I warned my colleagues 2 years ago, 3 years ago, and as late as last year, that this was what was going to happen.

If we allow these changes in substantive law to occur, through this limiting language—and everybody admits this—we are going to get ourselves into a gigantic problem, and here we are.

Let me make an attempt at this time to correct certain misconceptions.

It is not true—and I repeat—it is not true that the 1977 amendments did something that has been attributed to that act.

At that time, in 1977, this House in handling that bill agreed that we were going to make the miner, who worked in the metal and nonmetal mines in this country as safe as a miner who worked in the coal mine, whether they

worked below the ground or above the ground.

There were two acts. Remember, this House had passed, after a series of coal mine disasters, back in 1969, the Coal Mine Safety Act. What we did then in the 1977 amendment was to take the Coal Mine Safety Act and the Metal and Nonmetal Act, and merge them into one act, and we said all miners—I repeat—all miners are going to receive the protection of what was given only and solely to the coal miners.

Everybody remembers at that time the Quie amendment. It said if you had coal mine standards, they were vertical, they applied to coal mines.

If you had standards that applied to metal and nonmetal stone, sand, gravel, colonial clay, phosphate, they would have separate standards.

So the old argument that they are all mixed up, we got it all confused, there is not scintilla of believability or fact that backs that up.

Let me get down to some of the misconceptions and hopefully clarify to my colleagues so that they can once and for all cast an intelligent vote on this matter.

First, it has been alleged that when you talk about stone, clay, phosphates, sand, and gravel, that they are not dangerous operations. I did not say it, other people said it. But all mining is dangerous. That is why we have a distinction. We have a Mine Safety Act that pertains to all kinds of mines as distinguished from OSHA that takes care of 60 million people in 5 million workplaces.

Under MSHA we have roughly 30,000 mines. Do you know what we are talking about in this amendment here? How many miners are involved and how many mine sites? We are talking about 162,000 miners who have been taken out of MSHA by legislative language on the appropriation bill.

What is OSHA's jurisdiction? Sixty million people, 5 million workplaces in OSHA. Who is going to get a fair shake?

Let me just show my colleagues what happened as a matter of fact when we had this very mischievous language put into the appropriations bill last year. Here is exactly what happened.

My colleagues can be the judge and my colleagues may draw their own conclusions.

As of April 30 of this year, OSHA made 26 inspections in surface stone, sand, gravel, colonial phosphate and clay mines. There are 162,000 miners employed in those various mining industries.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(By unanimous consent, Mr. GAYDOS was allowed to proceed for 5 additional minutes.)

Mr. GAYDOS. I think I have to make the point. They made 26 inspections of surface, stone, sand, gravel, clay, and colonial phosphate mines; 14 of those 26 were made pursuant to employee complaints. Nine to investigate fatalities, two to investigate injuries, and one because of an imminent danger condition. What would have happened if we had not adopted that legislation on the appropriations bill last year?

On an annual basis, those 26 inspections turn out to be 78 inspections that OSHA would make over surface stone, sand, gravel, clay, and phosphate mining operation.

What would happen if we left it in MSHA? Here is what would happen. You would have 25,870 inspections. You would have two mandatory annual inspections. There is a reason why you have mandatory inspections under MSHA.

All mining is dangerous. The statistics prove it.

There are so many misstatements floating around, so much disinformation, not misinformation, but disinformation floating around. Here is some of it.

I want to address myself to it, because I think I have to; so here is what happened. We have MSHA inspectors. They were given the jurisdiction originally under language to inspect these mines. What happened? As soon as the so-called transfer of jurisdictions, if you want to call it that, because that is questionable, as soon as that happened, exactly 259 of them were furloughed.

In conjunction with that, MSHA started closing 32 operations.

Look at the distinction: 5 million workplaces under OSHA; 50 or 60 million workers and looking at MSHA with workplaces of around 30,000 mines roughly, which inspectors, how many?

MSHA has 1,200 inspectors and for all practical purposes OSHA has 1,200 inspectors. Who gets inspected? Where is safety?

I hear my colleagues on the floor say, forget about this stuff, OSHA is good, but I remember how OSHA was hated.

The reason why these mine operators put so much pressure on our colleagues to transfer this jurisdiction from MSHA over to OSHA is because they do not want to have two annual inspections. They say, "We only have 10 people or 7 or 8. Why should we be subject to inspections? We have a small operation."

But the statistics show again unequivocally that your fatalities occur in the small Mom and Pop operations.

Let me close by saying this, and I will then yield to my friend, the gentleman from Montana. I will close by saying, that Secretary of Labor Raymond J. Donovan; Assistant Secretary of Labor for MSHA Ford B. Ford, and Assistant Secretary of Labor for OSHA, Thorn G. Auchter, all officially opposed to transferring from MSHA to OSHA jurisdiction over surface stone, sand and gravel, phosphates, and clay mines. They think it should be where it was placed originally, in MSHA. That is the administration speaking.

At this time I will yield to my colleague, because I did ask for 5 additional minutes.

Mr. MARLENEE. Well, if the chairman would yield, and I appreciate the gentleman for yielding, I think the gentleman has done a good job of bouncing MSHA and OSHA and OSHA and MSHA back and forth until some of us may have some questions; but when the gentleman talked about the regulation and the development of regulation, I would like to ask where those regulations are? Where are the separate regulations that MSHA was to develop for sand and gravel?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. MARLENEE. Mr. Chairman, if the gentleman will yield further, this is what has happened. This is why we object, because they are applying the same rules, the same rules to underground mining, those rules that govern underground mining, to surface sand and gravel. That is what they are doing. That is what this is all about.

The gentleman said here on the floor that they would develop separate rules and regulations. Where are they?

Mr. GAYDOS. With all due deference and respect to my colleague, I do not think the gentleman understands what I meant when I did make that statement. I said this: "The then-existing standards and regulations that pertain to the coal mine industry remained exclusively and pointedly only applicable to the coal mine industry, and the regulations and standards that pertained to metal and nonmetal mines, under the metal and nonmetal act of 1966, would only pertain, to metal and nonmetal mines." I want to emphasize, it is absolutely not true that the standards that relate and pertain to the coal mine industry are enforced on the metal and nonmetal industry. It just does not happen.

Mr. MARLENEE. Well, I think the chairman had better talk to some of the people that develop these regulations and that have been harassing our surface sand and gravel people.

Mr. GAYDOS. As a matter of law, the act specifically states clearly that that cannot happen.

Mr. MURTHA. Mr. Chairman, will the gentleman yield?

Mr. GAYDOS. Yes, I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Let me just rise to commend the gentleman from Pennsylvania in his statement about this very difficult situation. I think everybody admits the amendment created great difficulties.

Mr. Chairman, I rise in opposition to the amendment (motion).

First, please let me say that I have respect for Mr. ROUSSELOT, and I know he believes profoundly and strongly in the amendment he has authored. I want to report to the House that in recent days I have worked with the Labor Department, contractors, and others to try to seek some agreeable resolution of this issue. For the time being that effort has failed, but I hope to pursue it further.

Second, I want the issue we are talking about today to be very clear—quite simply we are talking about worker safety. And quite simply, the issue is whether mining activities of stone, clay, phosphates, and gravel can be better protected by the Mine Health and Safety Administration or the Occupational Safety and Health Administration.

It is my very strong belief that it can be best done by MSHA. That is the way this supplemental stands right now. I think it should stay that way.

The switch to OSHA, which Congress approved last year, has created great difficulties. By the Department of Labor's own estimates, 280 highly trained and skilled inspectors will be separated from work, along with 50-75 support personnel; 76 MSHA offices will be closed, curtailed, or shut down. Secretary Donovan has said this will result in "a general disruption of all its operations."

And I submit that the end result has been much less protection for our workers. In fact, it has not even worked well for industry. The National Limestone Institute supports my position, and China Clay has sought reinstatement under MSHA.

After several months of experience, I submit that workers are not being protected. There are not continuous inspections, which were promised. Skilled workers have been lost. So I submit we need a change. My language as contained in the bill will restore MSHA's authority and will give this Congress an opportunity to restore our firm commitment to worker safety.

The CHAIRMAN. The time of the gentleman from Pennsylvania has once again expired.

(At the request of Mr. MURTHA, and by unanimous consent, Mr. GAYDOS was allowed to proceed for 2 additional minutes.)

Mr. MURTHA. Mr. Chairman, if the gentleman will yield further, it created some real difficulties.

Now, we have been trying to work this thing out with industry and with labor and we hope that if we can leave the amendment that I inserted in the Appropriations Committee in the bill, that it will be enough pressure on both sides to work something out by the time it gets to conference.

We thought we had something worked out in the last week or so. We have not been able to do it; but this has really created some real serious difficulties. There is no question, it is a safety problem.

I think the statement the gentleman from Pennsylvania has made is certainly commendable and I hope we can continue to leave this thing in the amendment we put in and put enough pressure on industry and labor to come up with an adequate compromise that we will be able to live with.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. GAYDOS) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania (Mr. GAYDOS) may be permitted to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. SEIBERLING. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take the floor for just a couple minutes to clarify the issue so that I can understand it.

I direct my first question to the gentleman from California. If I understand what the gentleman is trying to do here today, he is trying to return the language in this bill to that language which he inserted in the bill last year on October 6?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. In the 1982 appropriations bill; is that correct?

Mr. ROUSSELOT. That is correct.

Mr. EDWARDS of Alabama. I thank the gentleman.

Now, may I ask the gentleman from Pennsylvania if the sole intent of his amendment is to in effect strike out the Rousselot language of October 6 in the 1982 fiscal year bill?

□ 1750

Mr. MURTHA. That is correct.

Mr. EDWARDS of Alabama. So the language which you use, which simply says that you take the law back to the way it was on September 30, 1981, is simply to go back a day beyond, or a day ahead of the fiscal 1982 bill. Is that the purpose of your language?

Mr. MURTHA. Exactly.

Mr. EDWARDS of Alabama. I thank both the gentlemen.

Mr. BENJAMIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I oppose the amendment offered by Mr. ROUSSELOT and rise to support section 204 of the general provisions of H.R. 5922 to reinstate the enforcement authority of the Federal Mine Safety and Health Administration over nongovernmental sand, gravel, stone, clay, and colloidal phosphate mining activities. In effect, section 204 will nullify the original Rousselot amendment incorporated into continuing resolution, House Joint Resolution 370 which became effective, December 15, 1981, and continued by House Joint Resolution 409, which states:

> None of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Federal Mine Safety and Health Act of 1977 with respect to any person engaged in the surface mining of stone, clay, colloidal phosphate, sand, or gravel, or with respect to any person engaged in construction activities on the surface area of any coal or other mine.

The Rousselot amendment has produced utter chaos in the Mine Safety and Health Administration, OSHA and the affected industries.

The proponents of that amendment argued that it would effect a complete transfer of authority to OSHA. This is clearly not the case. By the language of the Rousselot amendment, per se, it is only a prohibition on the use of funds by MSHA.

The Rousselot amendment did not create, or even mention, any transfer of legal authority from MSHA to OSHA. Since it does not amend or repeal the Federal Mine Safety and Health Act of 1977 or any MSHA standards or regulations, the legal obligations of mine operators continues notwithstanding the fact that MSHA is precluded from enforcing the requirements. Consequently, the MSHA requirements may be enforced in court by private parties.

On the other hand, OSHA, despite its resource constraints and limited expertise in surface mining, could have some general jurisdiction. However, this jurisdiction is questioned by its prohibition on assuming statutory authority where other Federal agencies have exercised authority. The Rousselot amendment did not remove the MSHA authority or open the way for OSHA jurisdiction.

Needless to say, the present situation is confusing, uncertain and exposes mine operators to two potentially conflicting sets of legal requirements.

If you assume that OSHA does supersede MSHA as our colleague from California claims and has the resources and expertise to assure the safety of surface mine workers, you must also realize that the OSHA exemption or workplaces employing 10 employees or less from regularly scheduled safety inspections would exclude 86 percent of the sand and gravel mines and 66 percent of the surface stone mines from OSHA inspections. In other words, these mines would be almost totally exempt from Federal safety and health inspections although the MSHA law requires two annually because fatalities in this industry accounted for one-half of those in mining until the implementation of the 1977 act, after which the fatalities dropped from 86 percent in 1966 to 30 percent in 1981 or 50 to 28 percent in the mining industry.

The Rousselot amendment has effectively canceled the following MSHA operations:

First, discrimination complaint inspection/investigations;

Second, compliance assistance visits which save costs for beginning mine operations;

Third, program in accident reduction which reduced fatalities by 46 percent in participating mines compared to a 5.5-percent increase in nonparticipating mines and reduced lost-time injuries by 22 percent in participating mines compared to a 14.5-percent increase in nonparticipating mines;

Fourth, approval of operator-submitted safety and health procedures for mines;

Fifth, technical assistance at mine operators' request;

Sixth, responses to safety and health complaints, including requests for inspection from miner's representatives and mines;

Seventh, administration and enforcement of reporting and record-keeping; and

Eighth, assessment of civil penalties.

The legal confusion, liability exposure, and administrative morass have led the major mining associations including the National Limestone Institute, the National Coal Association, and the Bituminous Coal Operators Association to oppose the Rousselot amendment. It has also lead another industry, china clay, whose substance was exempted under Rousselot, to seek reinstatement under MSHA.

This state of uncertainty and confusion cannot be allowed to continue. Legislating major substantive changes by 6-month riders to appropriations bills is not a rational solution to a set of complex problems, especially where such riders have compounded the problem. A permanent legislative solution is needed. Section 204 of this bill provides the basis for such a solution.

The confusion that we are attempting to unravel is a horrendous example of the hazards involved in attempting to amend complex substantive legislation with a simple word change or restatement of coverage within the limitations of the appropriations process.

Because of the appropriation rider previously enacted, incomplete by its nature, we have turmoil in two governmental agencies, MSHA and OSHA; we have confusion and uncertainty in vital industries, and we have workers abandoned without the most basic health and safety protections.

Section 204 will end this confusion and uncertainty and restore the Federal Mine Safety and Health Act to its prior statutory authority. It is only a restoration provision with none of the problems inherent in other legislative riders. More importantly, however, it will give the legislative committee of jurisdiction the opportunity to consider a permanent solution.

The Department of Labor has announced that it will be forced to terminate 280 highly trained employees who were specifically budgeted for these affected areas. In addition, 50 to 75 support employees will have to be furloughed or separated with all attendant severance costs. To further complicate this situation, the Department has also announced that it will be forced to close or severely curtail about 80 MSHA offices across the country. Once this structure and specialized skill are lost, it will be gone forever even with substantive restoration at sometime in the future.

We must act when to fail to do so would be wasteful and intolerable.

I therefore, urge my colleagues to join me in opposition to the amendment offered by Mr. ROUSSELOT.

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rousselot amendment.

Mr. Chairman, the gentleman from Pennsylvania, the chairman of the subcommittee, has stated that by mischievous amendment we are tampering with substantive law. The chairman of the subcommittee well knows that there are many, many Members in this body who would like to see that substantive law changed. However, we have been unable to get a markup of any bill that would change the substantive law, and that is the reason that we are standing here today arguing over whether we will have funds or whether we will not have funds.

Mr. GAYDOS. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I will yield when I am finished.

I can refer to a bill I had in the last Congress that had well over 200 cosponsors that would change that substantive law, that would place surface sand and gravel under the jurisdiction of OSHA.

We also had a rollcall vote on October 6 last in this House where we had 254 Members of this body, by rollcall, express a similar sentiment. Still we have no change in substantive law.

OSHA can and OSHA will develop a group of regulations that deal with the safety and standards of surface, sand, gravel, and stone workers. No one is quibbling with that. No one is quibbling about mine safety. We all agree that an underground mine needs to have separate regulations, needs to have separate standards applied to it, as is applied to surface sand and gravel.

We are not quibbling about mines. We are talking about abuses and coercion and harassment by MSHA, by the Mine Safety and Health Administration. We are not talking about safety. We are talking about increased costs of construction at a time when this Nation can ill afford to have those increased costs of construction. We are not talking about safety. We are talking about nitpicking regulations that do not apply to an industry, an industry that should not be under mine safety and health.

Mr. GAYDOS. If my colleague will yield, I want to assure my colleague and every Member of this House, every Member, that I have held hearings on every bill.

Since the gentleman brings up the number of bills pertaining to this subject matter, I have the record here in front of me.

We have four bills in right now excluding any stone or sand. We have another bill excluding sand. We do have the bill with 160 cosponsors as of this date which would exclude sand and gravel, surface stone, clay and what have you. Last year we had 215.

I admit they are substantial numbers. I have had the hearings. But I have on record placed my position and the committee's position in this respect.

We said we were not going to support exclusions. We would be amendable to anything reasonable, work something out. But the position is still there. We cannot in good conscience support exclusions.

Mr. HAMMERSCHMIDT. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding and congratulate him for his efforts. I join him in supporting the Rousselot amendment.

Mr. Chairman, as we know, the urgent supplemental appropriations bill. H.R. 5922, includes language offered by Congressman MURTHA, reinstating the enforcement authority of the Mine Safety and Health Adminis-

tration (MSHA) over most sand, gravel, stone, clay, and colloidal phosphate mines. This provision would totally reverse the intent of Congress as approved by the House of Representatives only last year to provide much-needed regulatory relief to a variety of industries.

Last session, Congress was alerted to certain inequities under Public Law 95-164, the Federal Mine Safety and Health Amendments of 1977. Although I was one of the 88 Members who, for many reasons, opposed this act when it came before the House in the 95th Congress; I must admit that I did not foresee the utter chaos this act would engender for the aggregates industry.

For several Congresses, I have sponsored measures to deny funds to MSHA to enforce its inflexible rules and regulations against the sand, gravel, crushed stone, clay, and colloidal phosphate industries and to effect their transfer to the regulatory jurisdiction of OSHA. Striking the Murtha amendment from this bill will prevent a senseless cost from being imposed on the aggregates industry which will ultimately be borne by the consumer. In the past, the regulations promulgated by MSHA have placed an undue hardship on small stone, sand, and gravel operations. In essence, MSHA simply pigeonholed them as miners.

We all know that the sand, gravel, and stone industries are not miners. They have historically been classified with the construction industry and to group them with coal and silver mining workers is ludicrous. MSHA regulations may be justified for limited, risky, underground mining, however, my argument is based upon the fact that a gravel pit is not a mine, and therefore, employees of a gravel operator should not be overregulated as miners. Under the Rousselot amendment, these enumerated industries are not excluded from safety regulation. Sand, gravel, and stone surface operations are transferred under OSHA, who we all know can be a rather "conscientious" agency to deal with—or the "lesser evil" in this instance.

In reviewing the history of the MSHA regulation, it is obvious that MSHA knows very well that their regulations are a great strain and will being about financial ruin for many small operators of sand, stone, and gravel stone pits since it is common knowledge that over half of them have less than 10 employees.

Since 1977, as the representative of the Third Congressional District in Arkansas, I have received numerous complaints regarding the jurisdiction of MSHA over these industries. My constituents have continued to express confusion, anger and fear as to what MSHA will do to their businesses and how much its regulations will ultimately cost. Now, I ask you to allow me to read a brief sampling of some of the comments received on this subject to date which detail the severity of MSHA's oversight of the aggregates industries.

Our small sand and gravel business has been operated by our family for 40 years. Never have we considered ourselves miners or mine operators.

We are violently opposed to being placed under MSHA rules as coal miners. The sand, gravel and stone plants are not parallel businesses. You will please note that we maintain an accident rate of 1.1 as compared with the Bureau of Mines average for quarries of 4.41. This record indicates clearly our concern for safety. Is it any wonder that literally millions of our citizens are up in arms about excessive costs brought on by government agencies.

The intent of the Rousselot amendment to strike the Murtha language from H.R. 5922, is not to intervene in the regulatory process or to threaten the safety of bona fide miners. However, I have long felt that this category of so-called miners under the jurisdiction of MSHA has suffered needlessly and without any proven benefit to employee safety. I urge my colleagues to once again support the Rousselot amendment since I feel extended regulation by MSHA will force many operators to close their doors and increase costs for the remaining operators and consumers.

During the 95th Congress this legislative flaw under MSHA was able to slip through without the proper scrutiny that it rightfully deserved. At a time when Members of Congress have pledged to curb unnecessary and wasteful regulation, I feel the passage of the Rousselot amendment today would be an important step in the right direction for the second time.

□ 1800

Mr. MILLER of California. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, I think we had better understand what is going on here. This is not a question of confusion in the law; of a few people that own sand and gravel pits, or limestone mines, or stone mines or phosphate mines somehow getting trapped incidentally within the coverage of the MSHA Act. It was by design. It was by the design of this Congress, because the 1977 Mine Safety Act transferred the definition of "mine" from the old 1966 Mine Safety Act to MSHA, and Congress specifically intended to include these operations. They were covered by the 1966 act. We knew what we were doing.

And, despite what the gentleman has said, MSHA has separate regulations for surface activities and for underground activities; for coal and noncoal mines. It was very clear, what the intent is.

What we really have here is some people who are regulated and do not like the manner in which they are regulated. It is not that there is confusion in the Congress, but rather, that these people have decided that it is in their financial interests to operate in a different manner. Do not be fooled that they embrace OSHA. What they are holding out for is to embrace OSHA at this particular point because OSHA has some exclusions in it, mainly 10 or less employees, so a lot of these people figure they will never be inspected.

There are mandatory inspections under MSHA, not under OSHA. A lot of these people figure they will escape because OSHA does not have the resources to inspect all of the workplaces already within its jurisdiction. Those of you who would be concerned about the farmers over there have seen the grain elevators blow up, and should know what the problem is.

There are other differences. OSHA may not provide for the fine on the first violation; MSHA requires one. So, what we really have here is a calculation by these individuals that this is a way they can avoid health and safety requirements and enforcement. That is what is going on here.

Do not be misled for a moment that these gentlemen over here embrace OSHA inspections for their constituents who are currently required to be mandatorily inspected by MSHA. We are not returning them to OSHA because OSHA never had jurisdiction over these mines. There was jurisdiction under the 1966 Mine Safety Act. There was jurisdiction now under MSHA.

What the Rousselot amendment does, in fact, is take the people in the surface mining operations and provide them no jurisdiction of health and safety because, under the OSHA law, OSHA will not gain jurisdiction over these mines.

The gentlemen said they would be included in the law. We can argue this point, too. Under 4(b)(1) of OSHA Act, the agency is prevented from entering an area where another agency has exercised jurisdiction. And the court cases that counsel is about to whisper in the gentleman's ear are distinguishable on the facts because in those cases the Department of Transportation did not exercise full jurisdiction. But here we have a case where MSHA has fully exercised its jurisdiction, and you would temporarily prohibit MSHA from doing so. OSHA is precluded from going in in that situation.

The legislative history is clear. The gentleman from Illinois (Mr. ERLENBORN) and Mr. DANIEL discussed exactly that point, and it is clear that the intention was that OSHA would not be allowed to enter into areas where another Federal agency has asserted jurisdiction.

So, we can talk about that as an abstract matter; this is harassment, this is somebody's view of harassment, these are nitpicking regulations. In fact, these regulations were set up with this specific industry in mind, because it is dangerous, because it has always been dangerous, and it continues to be dangerous. So you can think in abstracts, but in real terms, you deny these workers coverage because that is what the Rousselot amendment does.

You are led to believe that when you voted on this matter last year that there would be a simple transfer of jurisdiction, right? That is what they told you. That has not happened because in fact the jurisdiction of OSHA is being challenged by some of the mineowners who in fact did not even want to be regulated by OSHA, either, and now have the best of all worlds. They are precluded by the Rousselot amendment from being regulated by MSHA, and precluded by the law from being regulated by OSHA.

So, you ought to go back and tell your workers—make sure you talk to the workers as well as the owners—that they will now be completely without health and safety regulation. And if you think it is all abstract, I would be delighted to share with you the names of workers who have been killed in accidents in these mines since we have done this, and there are no OSHA regulations with respect to the type of accidents that these workers suffered, but there were appropriate regulations under MSHA.

I opposed that restriction on the MSHA appropriation last year, and I think the Committee on Appropriations has shown real leadership and courage in striking that unsound restriction in this supplemental appropriation bill.

First of all, these stone mines and sand and gravel mines, and clay mines and phosphate mines are just that—mines.

They have been regulated under the Federal Mine Safety and Health Act since 1977.

Prior to that, they were regulated under the Federal Metal and Nonmetallic Mine Safety Act of 1966.

They have never been considered, under Federal law, as anything but mines.

They were never regulated under OSHA.

And, in fact, until the enactment of the 1977 law, with its tough standards and aggressive enforcement, they never wanted to be regulated as anything but mines.

There is no reason in history or tradition why these operations should be regulated under any law but a mine safety law.

And, it is not as if these operations are unworthy of regulation. Not only are they mines, but they are extremely hazardous mines.

In 1980, more miners were killed in sand and gravel and stone mines than in all the other nonmetal mines and metal mines and coal mines combined.

The question, Mr. Chairman, then becomes, can we afford to let these mines go unregulated?

We were told, when the MSHA rider was previously considered by the House, that we would not have to confront that question, because the effect of the rider would be that OSHA would enforce safety and health standards at these mines.

That advice, however, flies in the face of the express language of section 4(b)(1) of the Occupational Safety and Health Act.

That section says that nothing in the OSHA Act shall apply to working conditions of employees with respect to which other Federal agencies exercise statutory authority to prescribe or enforce safety and health standards.

Well, the Mine Safety and Health Act clearly gives MSHA the authority to prescribe and enforce safety and health standards in stone and sand and gravel and clay and phosphate mines; and from 1977 to the time of the rider, MSHA exercised that authority.

The rider does not take away that authority.

The rider merely precludes the use of MSHA's appropriation in enforcing the law at those mines.

It does not eliminate MSHA's authority to prescribe standards.

And because of this, section 4(b)(1) of the Occupational Safety and Heath Act precludes OSHA's authority to take up the slack.

In point of fact, Mr. Chairman, since the rider was adopted, OSHA simply has not taken up the slack. As I understand it, except for a very few miner complaints, and a few investigations of fatal accidents in these mines, OSHA has engaged in no enforcement activities.

The current situation is not as we were told it would be, but as we fear it would be.

MSHA cannot inspect these mines for safety and health hazards.

OSHA has not inspected these mines for safety and health hazards.

I wish I could say that the hazards themselves have gone away, but they have not. Only the Government inspectors have gone away.

The hazards persist, and the deaths of miners, tragically, persist.

The only difference is that no Government agency is looking after the safety and health of the miners.

What happened last year was a shell game.

The stone and the sand and gravel industry came to us and said "We want out from under MSHA, and if you do this little thing for us, we will come under OSHA."

In point of fact, the pea was under neither shell—and we were taken—and the miners in this hazardous industry are now paying the price.

Mr. Chairman, the House and the Senate made a mistake in adopting this rider last year, and the committee has presented us with a way of undoing that mistake.

We should seize the opportunity, and restore MSHA's ability to regulate and enforce the law at these very dangerous mines.

The gentleman from California (Mr. ROUSSELOT) asks us to make the same mistake again.

We cannot do so.

The lives and the safety of 77,000 surface miners depends on our not doing so.

I urge my colleagues to support the provision of the committee bill, and to reject the amendment.

Mr. NELLIGAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Rousselot amendment.

Mr. MARLENEE. Mr. Chairman, will the gentleman yield for 1 minute on a point brought up by the previous speaker?

Mr. NELLIGAN. Surely.

Mr. MARLENEE. I thank the gentleman.

The Congressional Research Service did a study on whether or not OSHA and the Department of Labor could assume jurisdiction. They stated several court cases which have interpreted section 4(b)(1) of the OSHA Act, which establishes the relationship between OSHA and other Federal and State safety laws, as definitely allowing OSHA to assume jurisdiction. This seems to be totally contradictory to what the previous speaker stated.

Mr. NELLIGAN. Mr. Chairman, last year 254 Members of the House voted for an amendment to the continuing resolution which effectively excluded safety inspections by Federal officials at stone, sand, clay, gravel, and colloidal phosphate mines and related milling operations. I was one of those Members.

I believe that some of us who supported the amendment last year may have been misled. I was led to believe that, by restricting the use of Federal Mine Safety and Health Administration funds for inspections, we were simply transferring responsibility to an equally capable Federal agency. I was told that affected operations were already safer than retail stores. I was given to understand that displaced MSHA inspectors would be put to work providing better inspections in coal mines. For these reasons, I came to the conclusion that OSHA, rather than MSHA, was the appropriate Federal agency for inspecting sand, stone,

and gravel operations. And, I was under the impression that the transfer could be easily accomplished by the amendment.

In the months that have passed since the vote on the amendment, a great deal of additional evidence has come to my attention. That evidence has served to convince me that the amendment's provision is not in the best interest of affected workers, industries, or the American people. I would like to take this opportunity to review some of this evidence for the benefit of past supporters of the amendment who may also have been misinformed.

First, I do not believe that stone, sand, gravel, clay, and colloidal phosphate mines are as safe as supporters of the amendment have claimed. I have no quarrel with their statistics. But we all know that statistics can be misleading. What their statistics fail to show is that the number of deaths caused by accidents in affected mines totaled 134 between 1978 and 1980—compared to 42 deaths in all other metal and nonmetal surface mines, and 53 deaths in surface coal mines. Clearly, these are dangerous industries, which present unique threats to the safety of workers. Clearly, despite statistics and semantics, these industries are much more nearly akin to mining than to construction operations. I believe it follows that the efforts of the most highly competent Federal mining inspectors are required to minimize risk to workers in affected operations. This expertise is exemplified in MSHA's highly trained personnel.

Second, I do not believe that adequate inspection is possible under OSHA. Under MSHA, each of the more than 10,000 sand and gravel pits and stone quarries nationwide was inspected frequently. According to a report in the March 8 edition of the Pittsburgh Press, OSHA officials admit that their agency conducted a total of only 13 inspections at the same 10,000 facilities during the first 3 months of their jurisdiction. During a similar period of time under MSHA, there would have been over 1,300 inspections. A large part of this difference results from the fact that the amendment has eliminated all safety inspections at operations with 10 or fewer employees—operations which constitute about 85 percent of those previously inspected by MSHA.

Third, I believe the amendment has created unintended legal and administrative problems. Supporters claim that these are mere wrinkles that can be worked out in the future, and that no adverse effects on worker safety will result in the meantime. I am highly skeptical of these claims. I point out to you that the amendment has not ultimately solved the legal issue of who has final responsibility for inspections at affected sites; that it has provided no additional funds for OSHA to help meet its increased inspection responsibilities; and that it will require the furloughing of 220 highly trained and technically competent MSHA mine inspectors as of the end of next month. These are not, to my way of thinking, mere wrinkles. Rather, they are problems which threaten the viability of the entire mine inspection effort.

Fourth, I no longer buy the argument that the amendment will serve to lessen the burden of Federal regulations in a cost-effective manner. Press reports have indicated that some affected operations have already experienced a marked increase in insurance premiums because of reductions in inspections. Because of cost factors like these, as well as concerns about worker safety and blurred lines of authority for inspections, even some of the affected industry associations do not support the amendment. The National Limestone Institute, while recognizing the need for modifications in the current law, opposes what it aptly terms "the simplistic, undefined transfer proposal" contained in the amendment.

Finally, despite what you may have heard or read, the Department of Labor does not support the amendment. Last year, Secretary Raymond Donovan informed appropriate subcommittee chairmen in both the House and Senate of his Department's reservations. Supporters are now claiming that Mr. Donovan has been won over to their side. This is simply not the case. All that Mr. Donovan has done is to recognize that, if the amendment remains in effect, changes will have to be made to provide for some form of inspection at affected facilities within the framework of OSHA. He has not endorsed the policy. This is clear from testimony presented during the week of April 19 by Assistant Labor Secretary Ford B. Ford at Senate hearings. In that testimony, Mr. Ford reiterated Labor's request that MSHA's authority for inspections at stone, sand, gravel, clay, and colloidal phosphate mines be restored.

Mr. Chairman, I believe the case against the so-called Rousselot amendment is a clear and persuasive one. The affected operations are not safe; current inspections under OSHA are inadequate and they are likely to remain so; MSHA's expertise is necessary to restore worker safety in these operations. The amendment has failed to gain the support of a single labor union, sizable segments of the affected industries, or the Reagan administration.

For all of these reasons, I can no longer support the amendment. Members who share my view have a unique opportunity to undo the damage caused by passage of the amendment last year. H.R. 5922, the urgent supplemental appropriations bill, has been amended to restore MSHA's responsibility for inspecting stone, sand, gravel, clay, and colloidal phosphate mines. I intend to support this provision, and to resist any efforts on the floor to amend it. I urge my colleagues, who may have unwittingly supported the amendment last year, to join me in this course of action—which is vital to the safety of thousands of American Miners.

□ 1810

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. NELLIGAN) has expired.

(By unanimous consent Mr. NELLIGAN was allowed to proceed for 3 additional minutes.)

Mr. NELLIGAN. Mr. Chairman, I believe the case is sure. I believe the case against the Rousselot amendment is clear. I do not believe we are talking about regulations. I do not think we are talking about dual responsibility. I think we are talking about the lives of miners in this country, and I urge my colleagues to oppose the Rousselot amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I am glad to yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend yielding.

I wanted to congratulate him on his statement. I think it is balanced and one with which I strongly agree.

I think it would be costly and complex and time consuming to make this change at this time and I think the gentleman's statement is right on target.

Mr. Chairman, when the Rousselot amendment was offered last October, I voted for it. So did 253 of my colleagues. Since that time, I have done more homework on the issue. I have concluded that I cannot support this amendment to the urgent supplemental appropriation.

I have always believed that the free enterprise system cannot survive if it is entangled in excessive regulation; but it also cannot survive if it fails to meet its responsibility to protect the safety and health of workers. And that is the fundamental issue here: How can we best protect the workers in surface stone, sand, and gravel mining?

The argument for this amendment is that, with MSHA barred from using its funds to inspect and regulate certain surface mines, OSHA will automatically have the authority to step in and fill the breach. I know that my colleague from California (Mr. ROUSSELOT) can cite an impressive number of cases to try to show that this is so. But I must point out that there are many doubts about this argument. It

has been suggested that, under the Rousselot language, OSHA does not have the authority to take over from MSHA. I do not pretend to have a definitive contribution to make in this debate but, given the disagreements between honest men and women of good will, I am certain of one thing: The lawyers will have their hands full.

The losers will be the workers, whose safety may be jeopardized so long as the matter is disputed. As Labor Secretary Donovan has written:

Resolution of this litigation may take some time. * * * While this or any other issue is being litigated, the contesting operator need not comply with an OSHA abatement order.

Some of my colleagues have pointed out, "If the legal problems are so complex, how come all that litigation hasn't surfaced yet?" The answer is that OSHA has not yet gone full speed ahead into mine inspection. OSHA is only now attempting to take MSHA's place and we are feeling the calm before the storm. When OSHA starts to inspect in earnest, industry and labor alike will be consulting their lawyers more often.

I recognize that a completely different scenario is possible—there may be little or no litigation. This could come about if OSHA is unable to take MSHA's place. This would leave mines uninspected and workers unprotected. When MSHA was inspecting surface mines, there were over 1,800 inspections between January 1 and April 1, 1981. In the same time period this year, OSHA has performed only 17 inspections.

All of OSHA's were in response to complaints or fatalities. There were no routine general inspections.

I know that Secretary Donovan has assured my colleagues that he will do his best to equip OSHA for the task of surface mine inspection. My fear is that, realistically, he may not be able to achieve that goal. The proposed Rousselot amendment transfers many of MSHA's responsibilities to OSHA, but none of its funding. Last December, Secretary Donovan pointed out that this would be costly, complex and time consuming—inspectors would have to be trained, new rules and regulations would have to be promulgated and inspections would have to be scheduled and made—all within OSHA's present resources. Last December, these obstacles were so worrisome that Secretary Donovan said he did not think OSHA should take over MSHA's surface mining responsibilities.

The possible outcomes then, are not very appealing—we face legal problems over OSHA's authority to regulate surface mines and administrative problems involving OSHA's ability to enforce that authority if indeed it exists. I am afraid that despite good intentions all around, the safety of workers may be at risk if this amendment is adopted. And where human lives are at stake, I do not think we can afford to take chances. I urge my colleagues not to adopt this language.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. NELLIGAN. I will be glad to yield.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I do not want to take credit for something I did not do in my amendment. The Byron amendment established that groups of employees of less than 10 would be excluded from OSHA. So the gentleman has given me credit for that. I had nothing to do with it and the gentleman knows that. So does my colleague from Pennsylvania, so you cannot lay that on me.

Mr. NELLIGAN. Effectively what I am saying is if we have only 13 inspections where there should be 13,000, they are the ones that are going to slip through the safety net.

Mr. NATCHER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 1 minute and 30 seconds each.

The Chair recognizes the gentleman from Colorado (Mr. KRAMER).

(By unanimous consent Mr. ROUSSELOT yielded his time to Mr. KRAMER.)

PARLIAMENTARY INQUIRY

Mr. KRAMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. KRAMER. Mr. Chairman, do I understand the Chair is saying that each one of those colleagues named has 1½ minutes apiece?

The CHAIRMAN. The gentleman is correct.

Mr. KRAMER. Mr. Chairman, let me just briefly say that what is being overlooked here is the real issue and that is, as the gentleman from California I think aptly pointed out, people are trapped by design into a bill that is intended to apply to the unique conditions that are present in coal mines. What we have now done is apply a coal mine law across the board to every type of mining regardless of the minerals mined, regardless of the particular conditions within that mine and regardless of how that mine is operated by size and scope.

What is really needed here is a reaffirmation of the Mine Safety Health Act, a bill that we will introduce within the next several weeks to provide an atmosphere that is no longer one of confrontation but one of cooperation, that provides flexibility and targeting so that what we can really get at is the unsafe mines rather than treating every single mine alike, regardless of safety record.

It is a bill that will impose not the will of the Government, but will seek compliance assistance whereby mines will have an opportunity to find out what they are really doing wrong and then correct it without the fear of being cited for every violation regardless of how picyune and regardless of how unimportant.

What is really at stake here is, in fact, the basic question: Why would a group of individuals ask to be regulated by OSHA?

What is needed here is legislation that will target unsafe mines. Right now, for example, we are concerned about the disasters in coal mines. But did my colleagues know that the penalty for smoking in a coal mine, which has been the reason for so many deaths, is $250?

I ask when we spend an hour and a half debating a sand and gravel operation, which is much more peculiar to construction work, are we really targeting in on the real issue in mine safety? And I suggest no, we are not doing that.

What is needed is an educational program for miners that is tailored to the unique mining conditions. Not every mine is like a coal mine. A sand and gravel operation that is above surface has nothing in common with a coal mine.

Most mining accidents occur from one of two conditions, roof cave-in or explosion created by methane gas. Neither condition is present in a sand and gravel operation on the surface, so what is needed is a recognition that each type of mine is unique and ought to be handled differently, that MSHA ought not to be sent out to every single mining operation, treating all alike, and that each ought to be treated according to its safety record, that each ought to be treated according to its inherent potential for danger.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY of Pennsylvania. Mr. Chairman, as someone who has served on the original authorizing committee, and someone who had questioned numerous witnesses on the issue of jurisdiction, I would only say that I would hope the body would not vote in support of the Rousselot amendment. It will cause a great deal of hardship, it will cause a great deal of pain.

OSHA does not have the ability to, does not even have the authority to extend its jurisdiction. The nitpicking problem, incidentally, with MSHA is something that the administration can solve via regulation and administrative emphasis.

I yield the balance of my time to the gentleman from Pennsylvania (Mr. GAYDOS).

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. BAILEY) has expired.

The Chair recognizes the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. I want to thank my colleague for yielding.

Let me say I think it is important, I mean decidedly important that you remember and take into account and listen to Secretary Donovan. He has had a chance to analyze the situation. He and Assistant Secretary Auchter and Assistant Secretary Ford are looking at this matter, they are examining closely those involved. The inspectors, do they have the expertise? How about these standards? Are these standards time tested; are they in place under MSHA?

Why when lives are at stake, and I cannot help but emphasize this, when lives are at stake, why would you not give and respond, and give due credence to all of these facts that indicate: First, the expertise is there in NSHA; second, there is an experienced record in MSHA; and third, you have qualified inspectors in MSHA, who know mine safety and health.

So why put the lives of those miners under OSHA jurisdiction? First, OSHA cannot make the proper inspections; second, they do not have inspectors that are qualified; and third, they have no mining standards.

I ask my colleagues to please defeat this amendment.

□ 1820

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Mr. Chairman, the issue in this debate is not regulation or overregulation or paperwork. The issue is safety. The issue is lives—lives of people working at surface mines.

Balance in your minds and your hearts on the one hand a handful of papers and regulations and, on the other hand, an unsafe workplace and the prospect of sudden death.

From 1978 until 1980, 134 workers in stone, sand, and gravel pits were killed. They did not die. They did not expire. They were killed in accidents.

Last year there were 17 inspections under OSHA. The year before, there were 1,800 inspections by MSHA.

I grew up in mining country. I remember the day my father came home, ashen, from the underground mine, when a cave-in stopped right here at his neck. I made it my goal when I came to this Congress to work for mine safety. We have got a good law. Let us keep it. Let us not water it down. Let us not put people's lives in jeopardy. Let us reject the Rousselot amendment.

Mr. Chairman, Congress made a terrible mistake in approving a provision of the continuing resolution which excludes all surface sand and gravel mines from the provisions of the Mine Safety and Health Act.

The inclusion of sand and gravel mines under the provisions of the Mine Safety and Health Act was the result of extensive consideration by the House and Senate authorizing committees. It was not done inadvertently, inappropriately, or incorrectly.

The protection offered to sand and gravel miners should not be stripped away by an ill-considered rider to a continuing appropriations resolution.

H.R. 5922, legislation making urgent supplemental appropriations, would undo the mischief done by the continuing resolution which excluded workers in sand and gravel pits from the protection of the Mine Safety and Health Administration.

To reject the sensible provision included in the supplemental appropriations bill by the Appropriations Committee would be unconscionable. It would mean excluding from the safety provisions of MSHA the very workers who are at greatest risk. In the years 1978 to 1980, 134 workers in stone, sand, and gravel pits were killed. Fatal accident rates in surface mines are higher for sand, gravel, and stone mines than they are for metal, nonmetal, and coal surface mines.

Supporters of the exclusion provision in the continuing resolution claim that the 1977 law should not be applied to surface mining. They are wrong.

The primary purpose of the 1977 act was to provide noncoal miners with the same protection that had been denied them under the 1966 Metal and Nonmetallic Mine Safety Act. There is tougher enforcement under MSHA than OSHA. In the last year, there were only 17 OSHA inspections of sand and gravel pits, compared to 1,800 inspections by MSHA of the same operations in the previous year. The 1977 act accomplished a major reform by transferring enforcement from the Department of the Interior, whose primary focus is development of the Nation's natural resources, to the Department of Labor, whose focus is protection of the American worker and the workplace.

The Mine Safety and Health Act clearly provides for different standards for each type of mining operation. Standards governing coal mines are not applied to noncoal mines. Surface stone, sand and gravel, and openpit mines are governed by their own set of safety and health standards, which were largely developed under the 1966 act with the participation and the approval of the industry itself.

In view of the carefully drawn provisions relating to sand and gravel and the separate consideration given such operations in the 1977 act, there is no justification whatever for removing them from MSHA protection.

Supporters of the exclusion may argue that sand and gravel mines should be regulated by the same enforcement agency as construction work. There is no merit in that argument, for construction work and sand and gravel operations are two totally different kinds of work; no reasonable person could be persuaded that they should be covered by the same set of safety laws and rules. Furthermore, apart from the merits, we should have grave reservations about using an appropriations rider to accomplish the substantive change of removing enforcement responsibilities from MSHA.

There is also a very significant question of whether the rider actually accomplishes a transfer from MSHA to OSHA or whether it simply excludes sand and gravel mines from MSHA, without providing for coverage under OSHA.

I think it should also be pointed out here that, historically, sand and gravel operations have been considered part of the mining industry, not the construction industry. Until Congress passed the 1977 act, greatly strengthening the protection given surface stone, sand and gravel mine workers, the mine operators were satisfied to be governed by the Metal and Nonmetallic Mine Safety Act of 1966. The 1966 Mine Act was far weaker than the 1970 act which created OSHA. In the period 1970 to 1977, mine operators did not argue that they were not misers; they were not clamoring for coverage under OSHA then, why should they want to change now—unless they are trying to escape the somewhat stiffer provisions of the MSHA law. And if they are, then all the more reason to give workers in more operations the better protection they deserve.

The Appropriations Committee has given us a vehicle for undoing a tremendous wrong which has been done to the men and women who work in the Nation's sand, gravel, and colloidal phosphate mines. If we reject the amendment included by the Appropriations Committee, we return these miners to a legal limbo in which the continuing appropriations bill has left them. Those who argue for exclusion of these miners from MSHA cannot in good conscience argue that they have transferred authority for surface stone, sand, and gravel mines to OSHA. The exclusion in the continuing resolution is simply an exclusion, a prohibition of the use of funds. It does not provide OSHA with legislative authority to assume the responsibilities which it gave MSHA in 1977.

The issue is not a partisan one. I was very pleased to see the excellent dear colleague initiated by the gentleman

from Pennsylvania (Mr. NELLIGAN) and signed by our colleagues from the other side of the aisle, the gentlemen from New York (Mr. KEMP) and Pennsylvania (Mr. RITTER).

Secretary of Labor Donovan in letters to Chairman NATCHER and Senators SPECTER and SCHMITT has made quite clear the Department of Labor's concern over the implications of the exclusion provision: The uncertainty over OSHA's authority to assume MSHA functions with respect to surface mines, the loss of trained MSHA personnel, and the strain on OSHA's already restricted personnel resources.

As an original sponsor of the 1977 act, I know the care with which Congress passed the act. I find it absolutely appalling that with a rider to the continuing resolution, Congress deprived the Nation's sand and gravel miners of the protection Congress intended for them.

If the House rejects the efforts of the Appropriations Committee to restore MSHA'a authority, then it should bear the responsibility for the deaths of those miners who will lose their lives in the next year because of a senseless, ill-considered, mindless attempt to strike out at worker safety laws.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Chairman, I find this issue somewhat confusing, and I suppose most Members do. There seems to be a difference of opinion as to what the facts are. But I think, as in most debates, issues, that come before this Congress, there are certain interests that are being represented. On the one hand are those who own the small sand and gravel pits, often farmers, as has been stated by one of the Members in the debate, who feel that the MSHA coverage is onerous, its manadatory inspections, mandatory fines, are onerous, and that had been reflected by a majority of the Members of this Congress signing on as cosponsors of a bill to change the jurisdiction for these sand and gravel mines.

On the other hand, you have some labor unions that represent not the employees in the sand and gravel mines that we are arguing about, but other employees, but for reasons of their own, want to keep the jurisdiction in MSHA.

Now, we have had 23 days of hearings in the subcommittee headed up by the chairman, the gentleman from Pennsylvania (Mr. GAYDOS). We have had no action. We have had no bill reported. It seems to me quite clear that if we just put this back to the position it was before, that is exactly what is going to happen. Even though a majority of the Members of this House want action taken to respond to the complaints of their constituents, nothing is going to happen. You know we are probably not going to have a discharge petition signed.

Now, at the moment there seems to be some unhappiness in the way the situation is under the Rousselot amendment. My suggestion is, support the Rousselot amendment and then maybe we will get a bill out of that subcommittee.

(By unanimous consent, Mr. MOFFETT yielded his time to Mr. RAHALL.)

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia (Mr. RAHALL).

Mr. RAHALL. I thank my colleague, the gentleman from Connecticut, for yielding me his time.

Mr. Chairman, today we are being given the chance to atone for a gross violation of the right of this Nation's sand, gravel, clay, and phosphate surface mine labor force to a safe and health workplace which was committed with the acceptance of an amendment to the continuing appropriations for fiscal year 1982 prohibiting the Mine Safety and Health Administration from inspecting these mines.

Today, we are being given a second chance to undue a great wrong, to consider once again with the benefit of retrospect the insidious consequences of poor, indeed, nonexistent, mine inspection and enforcement.

Today, because of the efforts of our colleagues on the Appropriations Committee, we have before us an urgent supplemental appropriation for fiscal year 1982 which seeks to reverse the MSHA exemption by giving this agency the same jurisidicton it had over mine safety on September 30, 1981.

I commend my colleagues on the committee for their tireless efforts on behalf of the miners of this Nation. I applaud their keen foresight in trying to reverse the damage done by the continuing resolution before this damage became irreversible.

Mr. Chairman, sand and gravel mines are no less dangerous than coal mines. However, since enactment of the continuing resolution, some 77,000 surface miners and 45,500 stone milling workers have been without any effective health and safety protection. Meanwhile, MSHA has been plagued with, and its activities undermined by, low morale and RIF procedures. In an agency of fewer than 3,000 employees, we have created a formula for disaster by causing job insecurity within the ranks of MSHA inspectors.

Surely, many of my colleagues never anticipated these ramifications when voting for the MSHA exemption amendment. Surely, they did not vote to exempt mine workers from safety and health protection.

Let us now recommit ourselves to a sound workplace. I urge my colleagues to oppose any weakening amendments to H.R. 5922 and to support the committee's efforts to restore health and safety inspections.

● Mrs. SCHNEIDER. Mr. Chairman, I rise in opposition to the Rousselot amendment. I believe that it is essential that we look realistically at the number of workers that would be excluded from any effective safety and health protection.

Surface stone, sand and gravel mines are not safe. They are the most dangerous of all types of surfacing mining. In the last 3 years, 134 surface stone, sand and gravel miners will be killed as compared to 42 deaths in metal/nonmetal surface mines and 53 deaths in surface coal mines. Overall, if this exclusion amendment is enacted 77,000 surface miners and attendent mill workers will be excluded from effective safety and health protection.

A Library of Congress study reports "to send surface miners from MSHA to OSHA would probably be condemning increasing numbers of miners to injury or death." In addition, the Department of Labor has openly opposed the exclusion. The Department basis its opposition on confusion over the jurisdictional authority between OSHA and MSHA and the fact that OSHA lacks experienced inspectors.

Finally, the safety of workers must remain our top priority. Therefore I urge my colleagues to oppose this amendment.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 220, answered "present" 1, not voting 25, as follows:

[Roll No. 73]

AYES—186

Alexander	Coleman	Fountain
Andrews	Collins (TX)	Frenzel
Anthony	Conable	Fuqua
Archer	Corcoran	Gibbons
Badham	Craig	Gingrich
Bailey (MO)	Crane, Daniel	Goodling
Barnard	Crane, Philip	Gradison
Beard	Daniel, Dan	Gramm
Bennett	Daniel, R. W.	Gregg
Bereuter	Dannemeyer	Gunderson
Bethune	Daub	Hagedorn
Bliley	de la Garza	Hall, Ralph
Boggs	Deckard	Hall, Sam
Bouquard	Dickinson	Hammerschmidt
Breaux	Dornan	Hansen (ID)
Brinkley	Dunn	Harkin
Broomfield	Edwards (AL)	Hartnett
Brown (CO)	Edwards (OK)	Hefner
Broyhill	Emery	Hendon
Burgener	English	Hightower
Butler	Erdahl	Hiler
Carman	Erlenborn	Hillis
Carney	Evans (IA)	Holt
Chappell	Fiedler	Horton
Chappie	Fields	Hubbard
Cheney	Fish	Huckaby
Clausen	Flippo	Hunter
Clinger	Forsythe	Hutto

Ireland	Montgomery	Shumway
Jeffords	Moore	Skeen
Jeffries	Moorhead	Skelton
Johnston	Morrison	Smith (AL)
Jones (TN)	Myers	Smith (IA)
Kazen	Napier	Smith (NE)
Kindness	Nelson	Smith (OR)
Kramer	Nichols	Snowe
Lagomarsino	Oxley	Snyder
Leach	Panetta	Solomon
Leath	Parris	Spence
LeBoutillier	Pashayan	Stangeland
Lee	Patman	Stenholm
Lewis	Paul	Stratton
Loeffler	Pickle	Stump
Long (LA)	Porter	Tauke
Lott	Pritchard	Tauzin
Lowery (CA)	Pursell	Taylor
Lujan	Quillen	Thomas
Lungren	Railsback	Udall
Marlenee	Rhodes	Vander Jagt
Marriott	Roberts (KS)	Watkins
Martin (IL)	Roberts (SD)	Weber (MN)
Martin (NC)	Robinson	White
Martin (NY)	Roemer	Whitehurst
McClory	Roth	Whitley
McCollum	Rousselot	Whittaker
McCurdy	Rudd	Winn
McDonald	Santini	Wolf
Mica	Sawyer	Wortley
Michel	Schulze	Wylie
Miller (OH)	Sensenbrenner	Young (AK)
Mitchell (NY)	Shaw	Young (FL)
Molinari	Shelby	Young (MO)

NOES—220

Addabbo	Eckart	Long (MD)
Akaka	Edgar	Lowry (WA)
Albosta	Edwards (CA)	Luken
Anderson	Emerson	Lundine
Annunzio	Ertel	Madigan
Applegate	Evans (DE)	Markey
Aspin	Evans (GA)	Marks
Atkinson	Evans (IN)	Matsui
AuCoin	Fary	Mavroules
Bailey (PA)	Fascell	Mazzoli
Barnes	Fazio	McDade
Bedell	Ferraro	McEwen
Beilenson	Findley	McGrath
Benedict	Fithian	McHugh
Benjamin	Florio	McKinney
Bevill	Foley	Miller (CA)
Biaggi	Ford (MI)	Mineta
Bingham	Ford (TN)	Minish
Blanchard	Fowler	Mitchell (MD)
Boland	Frank	Moakley
Bolling	Frost	Moffett
Boner	Garcia	Mollohan
Bonior	Gaydos	Mottl
Bonker	Gejdenson	Murphy
Bowen	Gephardt	Murtha
Brodhead	Gilman	Natcher
Brooks	Glickman	Nelligan
Burton, Phillip	Gonzalez	Nowak
Byron	Gore	O'Brien
Chisholm	Green	Oakar
Clay	Guarini	Oberstar
Coats	Hall (OH)	Obey
Coelho	Hamilton	Ottinger
Collins (IL)	Hance	Patterson
Conte	Hatcher	Pease
Conyers	Heckler	Pepper
Coughlin	Hertel	Perkins
Coyne, James	Holland	Petri
Coyne, William	Hollenbeck	Peyser
Crockett	Hopkins	Price
D'Amours	Howard	Rahall
Daschle	Hoyer	Rangel
Davis	Hughes	Ratchford
Dellums	Hyde	Regula
DeNardis	Jacobs	Reuss
Derrick	Jenkins	Richmond
Derwinski	Jones (NC)	Rinaldo
Dicks	Jones (OK)	Ritter
Dingell	Kastenmeier	Rodino
Dixon	Kemp	Roe
Donnelly	Kennelly	Rogers
Dorgan	Kildee	Rose
Dougherty	Kogovsek	Rosenthal
Dowdy	Lantos	Rostenkowski
Downey	Latta	Roukema
Duncan	Lehman	Roybal
Dwyer	Leland	Russo
Dyson	Lent	Sabo
Early	Levitas	Savage
Scheuer	Stokes	Weiss
Schroeder	Studds	Whitten
Schumer	Swift	Williams (MT)
Seiberling	Synar	Williams (OH)
Shamansky	Traxler	Wilson
Shannon	Trible	Wirth
Sharp	Vento	Wolpe
Shuster	Volkmer	Wright
Siljander	Walgren	Wyden
Simon	Walker	Yates
Smith (NJ)	Wampler	Yatron
Solarz	Washington	Zablocki
St Germain	Waxman	Zeferetti
Stark	Weaver	
Staton	Weber (OH)	

ANSWERED "PRESENT"—1

Bafalis

NOT VOTING—25

Brown (CA)	Ginn	Mattox
Brown (OH)	Goldwater	McCloskey
Burton, John	Gray	Mikulski
Campbell	Grisham	Neal
Courter	Hansen (UT)	Schneider
Dreier	Hawkins	Smith (PA)
Dymally	Heftel	Stanton
Fenwick	LaFalce	
Foglietta	Livingston	

□ 1840

Messrs. RICHMOND, BEVILL, LENT, and FINDLEY changed their votes from "aye" to "no."

Messrs. HUTTO, DORNAN, and SKELTON changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the urgent supplemental, which will provide vitally needed funds for several programs of interest to the Public Works and Transportation Committee, and to my State of Minnesota.

Mr. Chairman, if ever an appropriation deserved the adjective "urgent," it is the $2.4 billion for EPA's construction grants program. Minnesota is virtually out of money, has been for months, while pollution continues which should be cleaned up, and will be cleaned up once this bill becomes law. The great majority of States are in the same situation.

My primary concern, however, is with various interpretations of my amendment of last year to the Federal Water Pollution Control Act, section 205(j), which sets aside funds for water quality management planning.

Mr. Chairman, I want to state very clearly, once again, that these funds are intended to be used at the local level, by designated or undesignated public comprehensive planning organizations.

As chairman of the Public Works Subcommittee on Economic Development, I have worked long and hard this year on H.R. 6100, the National Develpment Investment Act, which our full committee reported out yesterday. An extremely important aspect of that bill was the planning process, and the establishment of balances between State and local planning responsibilities. Although we acknowledged the increased capacity of States and provided funds to them for overall State planning, that bill retains the planning for local areas at the local level.

My intent in writing section 205(j) was the same. I believe, and our authorizing committee believes, that planning for a local area must be done at the local level; and that, where areawide agencies exist, they are the most appropriate bodies to conduct this planning.

It is possible that not all such agencies are performing as well as they should; in that case, they should be upgraded; and where undesignated agencies exist with the capability to take on water quality management planning, they should be permitted to do so.

But the legislative intent of section 205(j), Federal Water Pollution Control Act, is clear: Local water quality management planning is to be done at the local level.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment, and I ask unanimous consent to dispense with the reading of the amendment and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection

The amendment is as follows:

Amendment offered by Mr. CONTE: On page 12, after line 21, insert:

SEC. 205. Section 7 of Public Law 95-435 is hereby repealed.

Mr. CONTE. Mr. Chairman, I have discussed this with the majority, and I hope we can get the amendment agreed to.

The CHAIRMAN. Is there further discussion of the amendment? If not, the question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was agreed to.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. STUDDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5922) making urgent supplemental appropriations for the fiscal year ending September 30, 1982, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the

amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time and was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5922, just passed, and that I may include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi,

There was no objection.

SOUTHERN ARIZONA WATER RIGHTS SETTLEMENT ACT OF 1981

Mr. UDALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 5118) to provide water to the Papago Tribe of Arizona and its members, to settle Papago Indian water rights claims in portions of the Papago reservations, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with amendments.

The Clerk read the title of the bill.

The Clerk read the House amendments to the Senate amendment, as follows:

(1) In section 2, paragraph (7), section 3, paragraph (d), and section 4, paragraph (a), change " 'December 12, 1980' " to " 'December 11, 1980'."

(2) In section 4, change paragraph "(e)" to "(e)(1)"; change subparagraphs designated in the amendment as "(1)" and "(2)" to "(A)" and "(B)" respectively; and insert the following paragraph (2):

"(2) There is hereby authorized to be appropriated by this Act, in addition to other sums authorized to be appropriated by this Act, a sum equal to that portion of the total costs of phase B of the Tucson Aqueduct of the Central Arizona Project which the Secretary determines to be properly allocable to construction of facilities for the delivery of water to Indian Lands as described in subparagraphs (a) and (B) of paragraph (1). Sums allocable to the construction of such facilities shall be reimbursable as provided by the Act of July 1, 1932 (P.L. 72-240; 25 U.S.C. 386(a)), as long as such water is used for irrigation of Indian Lands.".

(3) In section 11, change "Notwithstanding" to "Except as otherwise provided in section 7 of this Act, notwithstanding".

Mr. UDALL (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Arizona?

Mr. BEREUTER. Mr. Speaker, reserving the right to object, I would like to ask the distinguished gentleman from Arizona, the chairman of the Committee on Interior and Insular Affairs, if he would explain the changes in the Senate amendment to H.R. 5118, what those changes are, and what the gentleman's amendments would do.

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. BEREUTER. I yield to the distinguished gentleman.

Mr. UDALL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the Senate amendment to H.R. 5118 makes the following changes:

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The first amendment eliminates the option of delivering reclaimed water to the Papago Tribe by means of a single-purpose, direct pipeline from the treatment site to the reservations, thus reducing the estimated cost of the settlement bill considerably;

The period of time allowed the city of Tucson, the Papago Tribe and the Secretary to arrive at an agreement regarding reclaimed water delivery is changed from December 31, 1982 to a date 1 year from date of enactment, to allow more time for the negotiations;

The statute of limitations for actions relating to water rights is extended for a period of 2 years to permit the other Papago reservation districts to explore resolution of those claims without resort to litigation;

A new section provides that in the event a Federal entity is established to undertake arid land renewable resource projects, the Papago Tribe is given a priority to participate in such venture;

The measure of damages in the event the water to which the tribe is entitled under the settlement agreement is not delivered is clarified; and

A study to examine possible solar energy alternatives is included.

These changes do not, in my opinion, make any serious substantive changes in the House-passed bill and, in fact, many of them clear the bill up a little.

I am proposing three additional amendments, two of which are technical and clarifying:

First, a mistaken date reference is corrected;

Second, it is made clear that the extension of the statute of limitations in section 11 is not intended to permit rejuvenation of the suits which will be dismissed by the Papago Tribes as part of the settlement agreement.

Third, the third amendment puts back in the provision of the House-passed bill that says that those costs of construction of phase B of the Tucson Aqueduct allocable to delivery of water to Indian lands are authorized under this legislation.

Mr. BEREUTER. Mr. Speaker, further reserving the right to object, I would say to the gentleman that I understand that the last amendment as typically referred to here has been know as the Rhodes amendment offered by the gentleman from Arizona (Mr. RHODES). These amendments have been reviewed by the minority. We have no objection and support them.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Arizona?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

YOUR PENSION OR YOUR VOTE

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, the President and the Speaker say there will be no cuts in social security. Members of the Senate say there will be no cuts in social security. Members of the House Budget Committee say there will be no cuts in social security. It is an easy political bell to pull. It rings well.

Let me caution my colleagues that every bell we hear is not the Liberty Bell.

We are all getting very busy saying what we will not do regarding social security, and absolutely no one is saying what we will do to meet the real problems this program faces.

All we are doing is heating this up politically like a post oak stove. When it comes to social security, I do not think the people care so much what the Republican or Democratic position is. I think they care about social security. They know we have problems. I think they would rather see those problems fixed than see us continue to run and duck for another year. People

are losing confidence in social security by this delay.

A final thought—we will need about $10 billion a year for the next 4 years just to keep enough money in the retirement fund to enable us to go home on an occasional recess knowing the funds can hold out until we get back. We had better start thinking very hard about where we are going to get that kind of money for this program. And we better start thinking very hard about the long-range changes that we need to restore overall confidence in social security and do it now.

All the promises of today will mean nothing if we do not act soon.

I am attacking an editorial from the New York Times which I think is timely:

[From the New York Times, May 12, 1982]

YOUR PENSION OR YOUR VOTE

Sensing Republican vulnerability, the Democrats are out for blood. Republicans would "raid and loot the Social Security system," says Senator Riegle. President Reagan is "mortgaging the economic future of the elderly," says Senator Byrd. The party that created Social Security will not hear of a Republican plan to find savings of $40 billion in the next three years. House Democrats have already prepared a budget counterproposal that leaves the sacred cow untouched.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats notwithstanding, there are ways to reduce the systems' cost without trampling on the poor or stealing benefits from middle-income retirees.

Congress' beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on thin political ice. But the longer Congress delays, the larger the eventual cuts will have to be. If savings were found now, no beneficiary need suffer very much. Consider this package of reforms, which together would make the system solvent:

Tax the benefits. Suppose Social Security were, for tax purposes, treated like private pensions. Payroll contributions would be returned as tax-free benefits. But the rest of the pension would be taxed as ordinary income.

A couple scraping by on an $800 monthly check would pay little if any additional tax. But those with much larger incomes—the majority of Social Security recipients—would pay a fair share in taxes. If their payments were put in the Social Security trust fund, its short-term problems would be solved.

Eliminate double-dippers. Federal employees do not pay Social Security taxes. But they often become eligible for benefits by moonlighting in private jobs or working for a few years after retirement. And because the benefit formulas are so generous to low-income workers, they reap a windfall. The remedy: change the benefit formulas to distinguish Government retirees from the working poor. Or simpler yet: collect Social Security taxes from all Government employees.

Raise the retirement age. Age 65 was a reasonable retirement age in the 1930's; but 65-year-olds today expect to live to 82. By gradually raising the pension age to, say, 68, the system could reduce its liabilities by trillions of dollars and hold the payroll tax rate at current levels.

Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

ADMINISTRATON DEMONSTRATES DISREGARD FOR PRINCIPLE OF TRUTH

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MILLER of California. Mr. Speaker, a few weeks ago we were all treated to the administration's curious interpretation of the concept of fairness. Although most Americans believe that the administration's policies are grossly unfair to the elderly, the poor and the unemployed, the President's advisers declared that they wanted him to appear to be fair.

Now, the Republicans are redefining "truth."

According to the candidates' guidebook of the National Republican Congressional Committee, "truth is what the people believe—it has nothing to do with fact."

What a cynical view of the American people. What contempt for the intelligence of the voter.

The administration may say they care about the elderly, but the President and the Senate Republicans have endorsed a $40 billion reduction in social security benefits.

That is the fact, and that is the truth.

When the Reagan administration came to office, one of its spokesmen recommended that Americans "watch what we do, not what we say".

By its actions, the administration demonstrates not only a disregard not only for human needs but for the principle of truth by candidates and elected officials. If that is truly a "blueprint for the majority," as the Republican congressional committee has decided, the American people have good reason to fear the kind of political system that party envisions.

The article follows:

FASCINATING GOP GUIDE TO WINNING IN POLITICS

(By Steven A. Capps)

SACRAMENTO.—A national Republican Party handbook advising congressional candidates that "greed is the only consistent human characteristic" has been quietly expurgated by embarrassed GOP officials. The Examiner has learned.

Other nuggets of advice in the hastily deleted section of the National Republican Congressional Committee's guidebook told GOP candidates:

"Truth is what the people believe—it has nothing to do with fact."

"There are three kinds of people who are susceptible to flattery: men, women and children."

These "basic laws" of campaign contributions were included in copies of the handbook distributed to candidates and campaign managers at a special workshop held last year in San Francisco, but were excised from editions passed out in later workshops in St. Louis, Atlanta and Kansas City.

"Somebody—I can't remember who—went through the ceiling when they saw it. It never went anyplace beyond San Francisco," said Rich Galen, NRCC press secretary.

The handbook from the NRCC, which is directing overall strategy for GOP congressional candidates, offers fascinating detail—the kind politicians would rather not see in print—on the party's plan for this year's campaign to win a majority in the House of Representatives.

The unexpurgated sections of the book tell Republican candidates they must develop at least "a modicum of social consciousness" to overcome a perception that President Reagan's budget cuts reflect a party policy uncaring of the poor.

They also advise the would-be representatives to attack their opponents, saying, "Negative campaigning has a bad name, but so do a lot of things that work."

The now deleted section of the 400-page handbook listed "three basic laws" of campaign communications:

"Truth is what the people believe, it has very little to do with fact. So base your communications strategy in the firm footing of attitudes within your district. You can but you cannot, at least in the context of a campaign, change what they stand for."

Nobody gets something for nothing, in the final sense. The payback may not always be physical or monetary, it can be spiritual, ethical or biological. But somehow, if you are going to get someone to vote for you, you have to offer him something in return.

"And, given that most people do not care nearly as much about politics as those of us who work in it full time, the more specific that something can be, the more related to his own personal needs, goals and aspirations, the more likely it is to serve as a motivation for him to do what you want—vote for you."

"There are three kinds of people who are susceptible to flattery: men, women and children. We Republicans are very good at the technical aspects of campaigning, probably better overall than our opponents. But we are often miserable at the people aspects. Volunteers must be thanked, not just after the campaign, but during it, too."

The "three basic laws" section was written by Ed Blakely, director of audiovisual services for the NRCC in Washington. Over the years he has helped organize dozens of campaigns for Republican members of Congress,

specializing in "media strategies" and campaign commercials.

That section "came out" of the handbook after the four day "Blueprint for the Majority Workship," attended by 12 congressional candidates and scores of campaign workers in San Francisco last year, Galen said.

(Candidates attending that conference included Dennis McQuaid of Novato, Tom Spinoza of San Francisco, Ed Zschau of Los Altos and Gary Prince of Concord.)

Galen said it was the tone, not the content, of the now-deleted section that caused the stir.

"The truth of the matter is that it's crudely put but probably correct," he said, "I think that with a little reworking, those are the three basic laws of campaign communications. They're probably not bad guideposts, if more elegantly put."

The book provides other insights into the inner workings of this year's Republican campaign effort.

The NRCC believes Republicans can learn from their successes in the 1980 elections and so provided a detailed analysis of those elections, written after a nationwide survey was taken asking voters how and why they voted for Republicans or Democrats.

Another part told candidates how to tap political action committees representing special interests for large campaign contributions.

"Once you've done your research, target and rank the PACs you'll be approaching," it advised.

"Be professional and businesslike. Be on time for appointments, be presentable, be responsive. Be well-versed on the issues, your opponent and your district."

"Assume the PAC will be reluctant to give to you and convince it otherwise," it said.

"Obtain some early money from a few large or otherwise 'key' PACs as well as a substantial aggregate amount from individual donors within the district. This will help impress other PACs you solicit later—tell them which PACs have already committed support to your campaign."

The section also advises candidates on things they should not do when dealing with PACs.

"Don't ever suggest to a PAC that it is 'buying' your vote should you get elected.

"Don't lie, exaggerate or obfuscate. PAC people talk with one another and have a very effective communications network. Pull a fast one with one PAC and the word will get around to others in no time at all."

Included in Blakely's section on campaign communications is the discussion of how to level a successful attack against an opponent.

"In most campaigns, especially challenger campaigns, it is going to be necessary to attack the opponent in order to win. Negative campaigning has a bad name, but so do a lot of things that work.

"The key to a successful attack, however, is this: Once it is made, you cannot back down. To do so is an admission of having made an unfair attack, and that is a very bad position in which to be put."

Of course, the section continued, the attacker may also find himself being attacked. "The best response is no response," it said. "If his attack is hurting, however, you may have to respond in some way."

The section even offered a few samples of such responses.

"In general there are four types of defenses; in descending order of likelihood of success, they are:

" 'I didn't do it.'

" 'I did it but it's not like you think.'

" 'I did it, but I promise not to do it again.'

" 'The person who says I did it is a scoundrel.' "

The book said Republicans may be vulnerable to charges that they are uncaring, especially in light of Reagan budget-cutting.

"While our party is viewed as being fiscally responsible and innovative, we are still perceived in a bad light as not caring for people.

"The party, particularly its incumbent officeholders and those challengers seeking election in 1982, must, at the very least, develop a modicum of social consciousness.

"Candidates should be thinking of how they can develop a compassionate, caring image," it said, "particularly in the face of extreme budget cuts that have yet to become painfully evident."

WE SHOULD OPPOSE ARBITRARY AND UNSPECIFIED REDUCTIONS IN SOCIAL SECURITY

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, I am pleased to join with the distinguished chairman of the House Select Committee on Aging (Mr. PEPPER) and the distinguished House majority leader (Mr. WRIGHT) in sponsoring House Resolution 457, which expresses the sense of the House of Representatives in opposition to arbitrary and unspecified reductions in social security benefits as part of the fiscal year 1983 budget resolution.

The protections provided under the social security program constitute a irrevocable commitment between the Federal Government and the American people. The proposal of the Senate Budget Committee to make $40 billion in unspecified reductions in social security benefits over the next 3 years is not only arbitrary and excessive, it constitutes a breech in the most basic compact between the American people and their Government. It would impose significant hardships on millions of elderly Americans and add additional strain to the already weak fabric of American family life.

I opposed the reductions in social security benefits proposed last year by President Reagan, and continue to believe that Congress made a major mistake in agreeing to eliminate minimum social security benefits for future retirees. The action merely exposes the poorest element among our senior citizens to additional hardship.

Although I have opposed reductions in social security benefits, I do believe that major reforms have to be made in the current program if we are to meet the serious short- and long-term financing problems confronting the social security system. While the program will remain solvent throughout this decade, it does face immediate financing shortfalls which do require changes in current policy. Similarly, the serious financing problems projected after 2100 will have to be addressed by a major restructuring of current program benefits and financing.

I strongly believe that both the short- and long-term problems of social security can be addressed without the arbitrary and excessive actions proposed by President Reagan and the Senate Budget Committee. One measure I have advocated is the removal of funding for Medicare benefits from the social security program, not only to provide additional revenue to meet current programs shortfalls, but to more closely tie the social security program to employment and retirement.

Whatever measures are taken, however, they should be clearly specified and openly debated by Congress and the general public. Moreover, any long-range restructuring of current program funding and benefits should be based on recommendations of the National Commission on Social Security Reform, which is charged with submitting detailed recommendations to Congress by the end of this year.

Unspecified changes in social security made as part of a broad budget resolution, or any long-term changes made without the benefit of the National Commission's study would not only be irresponsible, but would constitute an affront to senior citizens who depend on the program and who have trusted Congress to preserve this most basic guarantee for a decent retirement.

We must recognize that the major cause for these current financial difficulties are not the nature of social security, but the weakness of our economy. Persistent inflation and rising unemployment have significantly increased program costs and have robbed the program of much needed revenue. These are the problems Congress must address immediately. To attack social security is merely to attack a symptom rather than the cause of the problem, as well as attack the basic security of millions of elderly Americans.

I urge my colleagues to support this resolution and to oppose measures that seek to make arbitrary or unspecified reductions in the social security program.

CONGRESSIONAL MEDDLING IN HOUSING SLUMP

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, yesterday I voted against the emergency housing legislation approved by the

House. As I explained at the time, my opposition in no way reflects a lack of concern with the condition of the housing industry, but rather the belief that the expenditure of $1 billion this year for mortgage interest rate subsidies can only contribute further to our fundamental economic problems.

It is excessive Federal spending, unacceptable Federal deficits, and high interest rates that are responsible for the housing recession. Only if we reduce spending will the deficit and interest rates decline. The action of the House moves us in exactly the wrong direction.

In this regard, I would like to bring to my colleagues' attention an editorial that recently appeared in my hometown newspaper, the Stockton Record. I commend the Record for its perception and commonsense:

[From the Stockton Record, Wed., Apr. 21, 1982]

CONGRESSIONAL MEDDLING IN HOUSING SLUMP CAN'T HELP BUT HURT

San Joaquin County's housing slump drags on, typical of the rest of the country, which is affected by the worst depression in housing since World War II. Housing starts for 1981 nationally were the lowest since 1946. Unemployment in construction trades was 17.9 percent in March. Bankruptcies jumped 35 percent for construction firms and 70 percent for subcontractors in the first five months of 1981 compared to a year before.

Congress is predictably restive about this, but is translating its concern into a stampede of stupidity. A myriad of bills address the symptoms but not the cause, and promise further federal interference in a marketplace that needs just the opposite. The real culprit is the interest rate level, to which the answer must be deeper budget cuts in 1983 defense spending and social programs to reduce the deficit.

Sen. Richard Lugar, R-Indiana, has sponsored a $5 billion mortgage subsidy plan designed to create 700,000 new jobs. It would make families with incomes of up to $30,000 eligible for reduced rate mortgages. A Democratic alternative would expand the bill to include families who earn 140 percent of area median income, so areas of high living costs could be served. An omnibus housing bill in the House would provide $22.9 billion in 1983 for a mixture of housing subsidies.

The factions in the housing lobby—lenders, builders and realtors—all agree the industry needs help. But the parties can't agree on a formula. Tax credits for new home buyers, aid to thrift institutions and new mortgage bond bills are all being contemplated, without enough support from all sides to get them through.

There's no question that housing can help lead the country out of the current recession, as it has in the past. But piecemeal attacks from special interests will only burden the budget and add to the deficit. The combined forces in the housing industry should throw their collective weight behind defense and entitlement program cuts, and wait for the interest rate levels to respond. With mortgage money available below 12 percent, the construction trades and idle real estate salespeople would soon be back at work.

THOMAS ZANETOS NAMED OHIO'S SMALL BUSINESSMAN OF THE YEAR

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I take this time to mention that Mr. Thomas Zanetos, the cofounder and president of Anthony-Thomas Candies, Inc., has been named "Ohio's Small Businessman of the Year."

Thomas Zanetos is richly deserving of the recognition being given him by the Small Business Administration. The success of the Zanetos family is a story of hard work, determination, and business savvy that could easily have been scripted by Horatio Alger.

The story really begins in 1907, when Tom's father, Anthony, immigrated to the United States from Greece. Almost immediately, he took his first job in a candy shop. Six years later, he pooled his assets and, with an investment of $75, started his own business, the Union Station Candy Kitchen.

Tom Zanetos joined forces with his father in 1947, after completing his Army service and 2 years of studies at Ohio State University. Together, Tom and his father founded the Crystal Fountain Restaurant in Columbus. In the slow periods between the breakfast, lunch, and dinner rush hours, Tom and his father would make candy, often experimenting with new flavors and combinations.

Their concoctions were popular at the restaurant, and eventually they decided to offer to supply candy to other businessmen in the Columbus area. After tasting the homemade candy, the businessmen jumped at the opportunity and placed orders for their own establishments.

As the candy business grew and became more time consuming, father and son decided to close the restaurant and devote their considerable energy to the Anthony-Thomas Candy Co. They started with four employees in a one-room confectionery. Thirteen years later they opened their first retail outlet.

Today the Anthony-Thomas Co. is a very important part of the Columbus business community. The company prepares, packages, and sells more than $3.5 million of candy each year, including their famous butter creams and melt-a-way mints, which Anthony and Tom developed themselves. Anthony-Thomas candy features all-natural ingredients, includes no preservatives, and is a tasty delight, I can assure you.

The company now has 13 retail stores in the Columbus area and a payroll of 115 employees, including three of Tom's four sons, who evidently intend to follow in the footsteps of their father and grandfather. A major new plant expansion is planned, and the company expects to hire another 45 employees by 1985.

In addition to business success, the Anthony-Thomas Co. also has a well-deserved reputation as a fine community citizen. Through a program which allows students to sell candy in order to finance school projects, the company has helped countless youngsters undertake activities which otherwise might not be economically feasible.

How proud Anthony Zanetos would be if he could be here today, to witness his son's remarkable achievements.

Mr. Speaker, the success of Tom Zanetos, the Zanetos family, and Anthony-Thomas Candies, Inc., is the product of years of innovation, initiative, service, family pride and civic responsibility—all attributes which have made small businesses an increasingly important part of our economy. I am proud to represent the Anthony-Thomas Co., which exhibits the growth, caring and involvement that make small businesses a welcome addition to any community.

I congratulate Mr. Zanetos and his family on receiving this outstanding award.

PRODUCTIVITY PAY

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the May 3 issue of Newsweek has an excellent article entitled "Productivity Pay" by MIT economist Lester Thurow. Arguing that we ought to move away from a flat-wage compensation system, Dr. Thurow points out that "Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth." After analyzing several possibilities, he settles on the value which workers add to the firm's products as a measure which would give workers a direct incentive to help raise productivity.

Mr. Speaker, these are precisely the points I have been making for the past several weeks when discussing H.R. 5682, my Productivity Incentive Act. This bill encourages employers, with the consent of their workers, to adopt a flexible compensation system in which a portion of the worker's pay is based on profits or some mutually agreed on measure of productivity growth. A similar pay system is used in Japan, and as Dr. Thurow notes:

> The higher productivity growth rates of the Japanese may . . . be due to their bonus system that encourages labor to take a direct interest in raising productivity.

Mr. Speaker, we have to improve our productivity growth rate if we are to remain a strong competitor in world markets. The Productivity Incentive

Act will not achieve that by itself, but it is certainly one of the actions we must take to cure our economic ills.

The full text of Dr. Thurow's article follows these remarks:

[From the Newsweek, May 3, 1982]

PRODUCTIVITY PAY

(By Lester C. Thurow)

In their current wage negotiations the players of the National Football League are asking for something that at first glance seems strange, if not revolutionary. Instead of demanding a specific dollar wage increase, the players are asking for up to 55 percent of the gross revenue of the National Football League. Individual salaries would then be negotiated within that total. Conventional workers are supposed to ask for wages, perhaps profit sharing, but certainly not a percentage of the gross. In fact, the demands of the NFL players could serve as a model for all of American labor if they were suitably modified.

Current wage-setting procedures make it difficult to stop inflation and don't encourage productivity growth.

With fixed wages it is difficult to cope with external inflationary shocks such as an OPEC oil-price hike. If Americans have to pay foreigners more for oil, there is less of the GNP left to be divided among Americans and the American standard of living must fall. There are two ways to deliver the bad news. Inflation can rise so that prices are rising faster than wages—thereby lowering real wages. Or wages can fall explicitly. In either case real wages fall, but in the second case inflation is avoided. Many observers think that Japan's better inflation performance is due to the flexibility of its bonus system where wages can fall in response to external shocks.

With fixed wages individual workers also have little incentive to cooperate with management or to take the initiative in suggesting new ideas for raising productivity. At the level of the individual worker, higher productivity has no immediate payoff—wages are fixed for the length of the contract. The immediate effect of higher productivity is, in fact, negative. Less labor is needed, and the probability of layoffs rises.

Bonus: In the long run higher productivity permits higher wages, but this long-run effect is often discounted by the individual worker. He may have left the company before the higher wages are paid or the extra productivity may be used to pay someone else. The higher productivity growth rates of the Japanese may also be due to their bonus system that encourages labor to take a direct interest in raising productivity.

The problem is to design a sensible system of flexible wages. Profit sharing is one answer, but it suffers from some drawbacks. Profits depend upon so many items that are outside of the control of labor—interest rates, foreign competition, national economic policies—that labor sees little connection between its efforts to raise productivity and the bonuses received. As a result the American experience with profit sharing has not generally been favorable.

Profits are also a slippery concept where management has a lot of freedom to maneuver with its bookkeeping. The new accelerated depreciation charges just enacted by the Reagan Administration could, for example, be used to reduce reported profits. A clever bookkeeper can make profits appear in this subsidiary and disappear in that subsidiary. To a worker, profits are too much under the control of management.

Value Added: The solution is to find some measure of firm performance that more directly relates to productivity and is less subject to bookkeeping conventions. The answer is to set wages based on a firm's "value added." Value added differs from gross revenue in that the costs of materials are subtracted from the gross revenue to yield the value added. Since it is easy to calculate material costs management cannot fiddle the numbers. Since value added directly depends upon productivity—the more output per hour of work, the higher the value added of each worker—labor has a direct incentive to help raise productivity.

Inflationary problems are also avoided if wages are tied to value added rather than gross revenue. Wages do not automatically go up as they would with gross revenue when the costs of materials, such as oil, go up. Tying wages to gross revenue would lead every material price increase to be doubly inflationary since it would raise wages as well as material costs.

In 1981 the employee compensation—a measure that includes fringe benefits such as pensions and health insurance as well as cash wages—accounted for 61 percent of the nation's value added. If labor had negotiated an agreement where it got 61 percent of the nation's value added, then 61 percent of any increase in productivity would have gone to labor and 39 percent to capital.

If this had been done, productivity might now be rising rather than falling.

THE PRESIDENT'S ECONOMIC RECOVERY PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Oregon. Mr. Speaker, I rise today to talk about the President's economic recovery program and to try to explain through some charts some things that I think are extremely important not only to small businessmen that our colleague, the gentleman from Maryland (Mr. MITCHELL) would talk about, but to every American who pays taxes and who lives in this country.

We do not need to raise new taxes, and I would show my colleagues with some charts here the fact that the revenues, even with the tax rate cuts that we put into place with last year's tax cuts, are going to continue to rise over the next 3 fiscal years. In fact, the tax rate cuts that a lot of people are talking about trying to do away with are going to provide us this year with an estimated $624 billion; in 1983, $645 billion, rising in 1984 to $702 billion on up to $780 billion.

□ 1900

I stress the fact that these are rate cuts, and the fact that we do not need to do away with these tax rate cuts. There has been some kind of misconception that there was a tax cut, and that we were out of control because we had given too much of a tax cut to the American taxpaying public. We have only cut the rates, and we will bring back the rates over the next few years or few months until July 1983, to the level of somewhere around 1975-77.

On the other hand, as we look at the projected growth in Federal spending over the next few fiscal years, and I need to stress that this is the Federal spending that is projected without any kind of compromise, just what has been laid into place, we are going to spend somewhere around $743 billion under current figures and that is going to rise by 1985 with nothing done to try and straighten it out.

Over the next 3 fiscal years, the Federal spending is going to grow by 25 percent, from the present level of $743 billion to over a trillion dollars. It is going to equal our national debt at this time. I think that this kind of growth in Federal spending is absolutely unconscionable.

How could we do this when we were sent here to provide some kind of new leadership, some kind of new direction in this country, with the growth in the programs only, which was part of the lack of control over the spending side that this Congress has allowed to come about because of entitlement programs and transfer programs over the last few fiscal years?

Now, let us put the next two charts (charts not reproducible in RECORD) together here and show, if we were to freeze the outlays at the present level of approximately $740 billion, in somewhere around 2 to 5 years—and I think these estimates are actually a little lengthy—we would have the balanced budget we have talked so much about. We see the dotted blue line which shows the projected revenue growth. That is, our tax rate cuts are going to continue to provide a countinued growth in Federal tax revenues to the Federal Government, on not only the personal taxes that have been talked so much about, but in every area of tax, we are going to receive a windfall, if you will, in the form of increased revenues.

At the same time, without some kind of control over Federal spending, we are going to continue to see the projected outlays go to the trillion dollar level by 1985, something that is absolutely unconscionable in my mind, and from what I came from Oregon to try to straighten out. Because of this, the deficit spending being what it is, the Federal Government is going to sop up more and more of the credit pool that all of us compete for in this free market for the dollars and the borrowing dollars that are going to be needed to build new homes, buy new automobiles, make businesses more productive. In fact, it is going to stall the economic recovery that I voted for last year, and I think this Congress voted for, and I think the American people so wisely chose to try and have a different direction, and so deservedly need to have.

My proposal is simply that we freeze Federal spending in the present 1982 level. Virtually, we are operating at that level since we are operating mostly on a continuing resolution. It is a poor policy, but I think it may be the best way to get this mess straightened out. The balanced budget in 1985 would be achieved under our numbers and under CBO's numbers and under OMB numbers; that is, we would get to the level where the tax revenues of this country would balance out to the amount of spending that the Federal Government has authorized over these years.

The second point, and I think it is extremely important, is that we would retain the promised tax rate cuts. There is no reason to take back these tax rate cuts. We have not starved this monster called the Federal Government for a lack of revenues, and I cannot think of anything more politically doable, whether one is a conservative, as I like to consider myself, or whether one is a liberal who would like to give all the dollars away, take the tax revenues and pass them out to everyone in this country—this is politically doable, it is something we could all vote for, something we voted for last year. We have already approved this level of spending. I cannot think of anything that is more fair. This would treat every section of the budget equally. That is, if you get a dollar this year, you get a dollar next year.

It would restore the solvency to the social security system, and over the next 3 years we would have a growth in the trust funds, the so-called trust funds, of some $80 billion. I think that is important. We would start to put the social security system back onto the right track. I think this would send a stong signal to the money markets and the money managers, the Henry Kaufman's of Wall Street, that we intend to honor our commitment to the American public to provide a balanced budget and to get this Federal spending, which is clearly the side that is out of control, bring it under control, under some kind of wraps.

There would be no nickel-dime horse trading, no ability for the Appropriations or Budget Committees really to work their ways, but I think that is an appropriate situation here too, because we would not have the old political game where the lobby interests of this country and special interests have changed the budgetary process and the budgetary priorities.

Let me talk about a couple of other areas. Defense: This would provide for an increased level of defense spending. Over the past 2 years, we have provided some $400 billion in budget authority. We still have in the defense pipeline some $124 billion of unspent budget authority. I consider myself to be a hawk. I spent 10 years in the military, in the National Guard, and had a year's combat tour in Vietnam. I would like to see a very strong national defense. I came here to do that, and I continue to support that, but I also think we need a very, very strong economy to pay for the kind of defense we would all like to have.

I think it is important to put our priorities straight, and I think first, we have to have a strong economy to support a strong national defense that I know the President supports, and I know all Americans really support.

I think we need to concentrate our dollars on research and development, so that we will be technologically better off. We are going to have to make some priority decisions on weaponry, and that is going to be tough. I know we cannot stretch out every program. We are going to have to cancel some and we are going to have to live with the same kind of defense budget we agreed to this last year if we are going to truly straighten out this mess.

The last area, and one I think is probably the toughest from the standpoint of the politically doable area, is the cost of living adjustments. Over the past 6 months we have seen inflation brought under control. It is down to 3.2 percent, not as low as I would like to have it. I am sure we have got many things we could do that are better, but by trying to put a lid on the cost of living adjustments; that is, if we have an inflation rate of 3.2 percent, there is no reason to provide a cost of living adjustment to people who are not having to deal in the kind of economy we have from 50 years of out of control Federal spending.

□ 1910

This 3.2 percent means we do not need to provide the Americans that are living on a cost-of-living adjustment and some kind of entitlement or transfer program with any cost-of-living adjustment. They can get by as the rest of us are having to get by who are cutting down on the number of hours we are working, the number of people in the job force.

I would just say that by freezing the cost-of-living adjustments in July of 1982 we would save some $19.3 billion. In 1984 we would save $35.7 billion. And in 1985 some $54 billion. These are all of the cost-of-living adjustments. But these are people who have paid into a system that has provided cost-of-living adjustments for the most part since 1975. Before that, most programs had no COLA, had no cost-of-living adjustment.

I think it is time we put some kind of control over that spending.

I would commend to my colleagues one other situation that I think is extremely important. That is that we take these cost-of-living adjustments and freeze them. I think that for the social security program that is provided to almost every family. I cannot think of a family who does not receive some kind of cost-of-living adjustment. My father-in-law has social security. My mother has social security. I have three orphans who live in my household who receive death benefits, social security, because they are orphans.

I think we ought to take the social security system out of the unified budget so we can again try and set up the trust funds that are going to be so key to this operation, an operation of a long-term answer to social security.

I would disagree with President Reagan who sent a letter to us the other day, and I would read that letter and then be happy to yield to my colleagues. This was written on May 8. It says:

> In the past few days several facts about social security have been distorted by political rhetoric. As you talk with senior citizens, social security beneficiaries, I hope you will give them my personal assurance that they will receive their full 7.4 percent cost-of-living increase in July. I promise you and them: Those benefits will not be cut.
>
> Please also assure your constituents that I am determined to protect the current benefits of all Social Security recipients.

I would like to underline that last part of the President's sentence. "I am determined to protect the current benefits of all social security recipients."

Then the President goes on:

> Members of both parties have acknowledged honestly and forthrightly that the Congress will have to take action to protect the solvency of the Social Security Trust Fund. We all agree that unless responsible action is taken, the system will run short of money. We must not let that happen.
>
> That is why Democratic and Republican leaders agreed to establish the Bipartisan Commission on Social Security. I am hopeful that, based on the recommendations to be provided later this year by the Commission, the Congress will address adequately and fairly the financial needs of the Social Security System.
>
> Our senior citizens deserve responsible action. It is important that we work together to allay their unwarranted fears:
>
> We will preserve their current benefits. And we will be able to protect the Social Security Trust Fund's solvency. I assure you of my commitment to work with you to those ends.
>
> Sincerely,
>
> RONALD REAGAN.

I would just disagree with the President that the quickest way to get to the balanced budget, the quickest way to straighten out this mess is just to freeze all across the board this budget.

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I would be happy to yield to my colleague and appreciate the opportunity.

Mr. FIELDS. I would like to thank the gentleman for yielding.

I would like to commend my distinguished colleague from Oregon for taking the initiative on this special

order for the fiscal year 1983 budget. Congressman SMITH's exemplary leadership in this complex budget process has been an inspiration to all Members of this body and it is clear we must put aside partisan rhetoric and get on with the business at hand.

The projected fiscal year 1983 deficit is the largest in U.S. history and one that we and the American people will not tolerate. Congressman SMITH's meritorious proposals to freeze Federal spending at fiscal year 1982 levels deserves the serious consideration and attention of each Member of this House.

This is not a radical proposal. Clearly we cannot begin to reduce the projected deficits until Members of this body stop trying to spend exorbitant amounts of Federal dollars at the expense of the taxpayers of this country.

Mr. Speaker, I have been a consistent supporter of the President's economic recovery program. I firmly believe we need to take a much closer look as waste, fraud, and abuse in all Federal agencies, including the Department of Defense.

Further, I believe we need to make fundamental reforms in entitlement programs in an effort to insure that the truly needy are protected and that those abusing and misusing the system are taken off the Federal payrolls.

At a time of serious fiscal restraint we must scrutinize foreign aid expenditures to insure the taxpayers of this country their dollars are going to nations friendly to the United States and not to countries undeserving of aid. Let us not be deceived. There is still plenty of room left in the Federal budget for reductions in discretionary spending. It is the responsibility and the obligation of each Member here assembled to follow the mandate of the American people and to cut Federal spending and to bring down the deficit.

Congressman SMITH's proposal to freeze spending at the fiscal 1982 level provides the House with the unique opportunity to follow the mandate of the American people and give the President's economic recovery program a chance to succeed.

I want to reiterate what I said just a moment ago. This is not a radical proposal. The people in this country cannot understand why we do not demand at this point in our country's history a balanced budget. To even consider a proposal such as freezing spending is one that is long overdue, and it is something that I certainly applaud the efforts of my colleague from Oregon. I certainly hope that through his efforts this proposal will come before all of us in the House.

Mr. SMITH of Oregon. I thank my colleague.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I am happy to yield.

Mr. DAUB. I want to join in indicating on behalf of myself personally, and I am sure many of our colleagues, the gentleman from Oregon has clearly and sincerely offered thoughtful dialog and clearly much research for this body to be able to come to grips with this very serious problem we have of the deficits that have faced us for a long time and pose an even more serious threat to the opportunity to provide stable currency in our country.

So I want to commend the gentleman.

I would like to ask this question. Is any of the proposal the gentleman is offering, and the way in which he so articulately stated it, a part of what, for example, was proposed by a Member of the other body, Senator HOLLINGS, with respect to the concept of freezing the lines of revenue and expenditures within the 1983 budget?

Mr. SMITH of Oregon. I would say to my colleague I do not know the specifics of the other body's plan. As the gentleman knows, the chairman of the Budget Committee in the other body has proposed that certain areas of the budget be frozen, and I think that while it is a slightly different version, the President did agree to support that level, not touching the defense completely as a freeze, and also cost-of-living adjustment for the senior citizens.

I just think if we are going to truly get this budget balanced and try and get this economy back on the right track, then we have to go ahead and share equally and fairly across the board.

It is similar, but I think that if we have a 3.2-percent rate of inflation that it is important that we all, having conquered inflation, or come awfully close to it, the next step is to bring that massive amount of spending under control. And in this body where we had the opportunity this afternoon to vote on a balanced budget and failed in that effort, it just shows the resolve that we have here not to really bite the bullet.

□ 1920

I have a constituent who gave me a bullet a year ago to bite, and I have been biting on it pretty hard, and I have got a hole in my tooth because of it. But I think, seriously, if we want to get to the solution, and the quicker we want to get to the solution, some type of freeze, the concept of freezing, that is, if you get a dollar this year, you will get a dollar next year, but no extra dollars, is going to have to be done throughout the budgetary process. It is what you do with your own household. It is what you do with your business. And it just makes good commonsense.

Mr. DAUB. Well, I thank the gentleman for that commentary.

I wanted to add a thought, since the gentleman reminded all of us in this special order of the debate earlier in the House today, where, in fact we did attempt to deal with the issue of balancing the Federal budget, and we were reminded about a law that was written into the 1978 deliberations and passed by this body that you may not realize by voice vote was repealed, was repealed. Did the gentleman happen to see that procedure occur or did the gentleman know that that very rule we were talking about was repealed by a voice vote, that one of the cornerstones of the legislative process in this body is now no longer there for reference, that the House is no longer on record in favor of a balanced budget?

Mr. SMITH of Oregon. It is amazing the ways of the House and how they are able to be warped, at times, to suit the control of the body.

I just think that the American people, who sent the gentleman and the rest of our colleagues here to try and straighten this out, deserve better and should be given better, and that is less tax rates, a lesser amount of spending; and I think this is the quickest way to get there.

Mr. DAUB. Well, I certainly want to thank the gentleman for a very meaningful contribution. I think that the approach on the spending side deserves merit and very careful consideration in the debate in the next month.

Mr. SMITH of Oregon. I thank my colleague for his comments.

Mr. WEBER of Ohio. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from Ohio.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman also for the effort he has made, an extremely interesting presentation of the effects of the massive increases in Federal spending and what would happen if we froze spending and cut the tax cuts that we have, that we voted this last time.

I was particularly interested in the commentary that the gentleman made about taking the Social Security budget out of the unified budget. For a long time, being a freshman, as the gentleman is a freshman in this Congress, I wonder myself why we ever put the two systems, the social security system, which was intended to be funded and is funded simply from its own social security taxes, why we ever in the first place put the social security system into the other budget items of the country.

Does the gentleman know the origin of that move, by chance? Because I frankly do not know. The logic of that escapes me. I think it is something that would be a move forward if we took out the social security system and

split it up so that we no longer have the baggage of the social security problems, which are very, very real, at the same time we are trying to discuss what we do with the general revenues of our Nation.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me to answer the question of the gentleman from Ohio?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. STRATTON. The reason they put the social security fund into the general budget was that at that time there was a lot of surplus in the fund and it would make the deficit look smaller.

Mr. SMITH of Oregon. If the gentleman will accept a little colloquy, it is interesting that almost every town meeting I ever hold, people always come up to me and say, "You know, they took that social security fund and used it to fight World War II with." I do not know what they used it for, but it is gone, and I think that is one of the things that needs to be explained to the American people. Those who have been around this body a while do recognize that, whether it is in the unified budget or outside the unified budget, it still has funding problems and it is something that needs to be looked at very seriously.

Mr. STRATTON. It was not used for anything. If there were funds in it at the time we were accumulating a lot and not putting out much, they were invested in the most secure securities that you could have, namely, U.S. Government bonds. The reason that the social security system is in trouble now is that people are living longer, we have an inflation, and there are fewer people being born into the labor force to pay the taxes that are needed to keep it going. It is an in-and-out affair, pay-as-you-go. It is not really an insurance program.

Mr. SMITH of Oregon. I thank the gentleman. I concur. I think that it has been called by some a Ponzi scheme, that is, you put in less than you get out in the end. It is something that needs to be discussed by a bipartisan commission. I personally think the cost-of-living adjustment could be accepted by the American people who are drawing social security benefits, because almost every family does have that.

It does need to be explained that there are not enough dollars that have been put in there. I do not care what we do, it seems to be coming a political football. I remember during the last campaign I was pummeled with it quite heavily because my opponent said that I was going to do away with it. And that is not true at all. I always pointed out that he and his colleagues who had served with him had done away with the trust funds in a period of time. But that is political rhetoric. What is important is to understand that it is an in-and-out system, and it is working just barely because we have not funded it properly in the past.

Mr. WEBER of Ohio. If the gentleman will yield further, I want to thank the gentleman from New York for his explanation as to the origins of mixing the social security system into the regular unified budget. It seems to me as though it was done in order to have some window dressing, to make the Federal budget look a little better back in those days, whenever it was, 1969, or whatever , and I wonder if the gentleman from New York would agree with me that, for the good of the country, it would be better now to quit playing games with the figures, to split off the social security budget, so that we can address and focus our attention on the real problems of both the social security system and what we are going to do with the general tax revenues of the Nation, and address both problems as separate from each other.

Mr. STRATTON. If the gentleman will yield further, I am not enough of an expert to be able to answer the gentleman's question. Obviously, the money that goes into the social security fund in taxes and the money that comes out in payments has a major impact on the economy of the country. So I do not think you can really operate a total budget without recognizing the impact of social security transfer payments.

But the reason why it was incorporated was—and I have forgotten which administration it was—it made the deficit look a little bit smaller because we were putting in all of those social security revenues that had never been put into the total budget before.

Mr. WEBER of Ohio. I thank the gentleman.

Mr. SMITH of Oregon. I thank the gentleman from New York for his comments.

Mr. ROUSSELOT. Mr. Speaker, will my colleague yield?

Mr. SMITH of Oregon. Yes; I yield to the gentleman from California.

Mr. ROUSSELOT. First of all, I wish to join my other colleagues in complimenting the gentleman from Oregon in bringing these facts and figures to the House, to make it clear how these entitlement programs have in fact gotten out of hand, and that the fairest way to deal with this issue, as the gentleman has suggested, is to handle all entitlements in the same way, with the idea of maybe freezing everything. That does not mean cutting them way back, as the gentleman has stated. It merely means holding down the increases for a short time, and that that in and of itself would produce a great result on the spending side of our budget. It would treat every single element of our society that benefits by those entitlements the same way, and it would be the most positive and constructive way of dealing with this problem of trying to bring Federal spending under control.

I had an opportunity last weekend, while in my district, to discuss this issue with some of our Federal retirees, some of those who have retired from the military, some of those presently serving in the military and some on various kinds of social security benefits. Though no one is happy with the thought of freezing or putting a freeze on spending increases, especially in the many entitlement programs, the overwhelming majority of those people to whom I spoke and discussed this issue said that they thought that that fairest way to handle this problem was to have it equal across the board. I think they made it clear that, though they probably would not be happy with it, that was the best way to deal with the problem, if everybody was required to sacrifice an increase under automatic escalation clauses that presently exist in law.

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And so I again wish to join with my other colleagues in saying to the gentleman from Oregon, thank you for bringing these facts and figures to the attention of the House, to making it clear how we could achieve a balanced budget, far more quickly if we were willing to establish some type of a fair freeze across the board on all entitlement programs and all basic programs in our Federal budget in the various categorical areas of our Federal budget.

Mr. SMITH of Oregon. The gentleman has been the author of a number of balanced budget attempts in the past and this leads right into the balanced budget. It is the quickest way there, as the gentleman points out, and it is fair and I think that the fairness of it—Americans are very fair people and I think they are willing to be told the truth and I think that is one of the things that all of us who share the burden of leadership in this Congress and in this administration need to be willing to do.

The thing that bothers me about where we are in the recovery program now with the inflation at 3.2 percent is the fact that there are a number of colleagues and a number of people in the political business who are trying to say we overdid on the tax cut, we are going to have to give some back to the Government. Nothing could be further from the truth. That really bothers me.

Mr. ROUSSELOT. The gentleman is correct on that very point on tax reductions that were put in place last year. If Congress had done nothing, revenues would have gone up in the Federal Government about $110 bil-

lion. What we put in place merely cut those increases in tax revenues in half.

So revenues only went up $50 billion instead of $110 billion.

So the argument that somehow these tax reductions gutted the Federal program just is not true. It merely slowed down increases in the tax burden that we placed on so many of our fine citizens.

Mr. SMITH of Oregon. It is pretty hard to understand how the recession we are in that began, say, last summer and the deficit that is going to be in next year's budget, if we do not come to some kind of compromise like this freeze, is the cause of next year's deficit.

The fact that we gave too much in tax cuts is not responsible for that and I think that the spending line clearly shows that.

Mr. ROUSSELOT. Well, I thank my colleague again for taking this time to discuss this very important issue and for bringing so many positive idea here so that we can kind of chew over them.

Mr. SMITH of Oregon. I thank my colleague.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I had not intended to speak in terms of the discussion that was entered into in the colloquy of the gentleman from Oregon and the gentleman from California. I want to reinforce the fact that in going into my district and talking to a number of people in the district who receive social security and also I believe I have the fourth largest district in terms of military retirees, and the number of people who are in both those retirement systems and the social security system, the almost universal reaction was a feeling that if they could work out an equitable provision, a fair provision, they would be more willing to forgo what they consider windfall increases in social security because of the inflation rate and that the time that we were locked into a cost-of-living increase for the social security system we are looking at a 5- to 7-percent inflation rate.

The actuarial tables indicated that we would have sufficient funds at that kind of an inflation rate.

In the last administration we got into double-digit inflation and when you examine what happens with a 5-percent inflation rate increase, no one anticipated that rate, and one of the problems is we were paying in at a rate that had been anticipated paying out at a rate that was not anticipated. That is one of the reasons we have achieved the shortfall, the unanticipated shortfalls we are in.

In discussion with those people who are receiving those benefits, they are more than willing—in fact, one gentleman indicated to me if we would devise a program across the board that would establish increases at 40-percent above the poverty level, he would accept that, if that money would be applied to the deficit problem.

So what we have gotten ourselves into is an economy that was overheated with an inflation rate that no one anticipated but somehow we think that we are obligated to make those payments when in fact the people receiving the payments are more than willing to adjust what they consider to be an appropriate amount coming in if that amount that they were not going to receive was to be applied to the deficit.

I think the cleanest way, the cleanest way, would be to simply freeze those outlays.

Mr. SMITH of Oregon. Not only that, we did not have a cost-of-living adjustment on the social security system until 1975 and since that period of time we have had an extreme growth because of the inflation rate. I think one year it was 13.1, 11.3, a number of years in double digit, which have just absolutely devastated the funds.

So it is important that this be fair. We do not want to cut anybody's benefits and nobody is talking about that, yet when the media picks up on this and talks about what is going to be done, the elderly people in this country hear nothing but social security cuts. That is not true. That is not what a freeze would do.

What a freeze would do would mean you would get the same dollars until we got this budget straightened around. I think that is extremely important.

Mr. THOMAS. I totally agree with the gentleman because when the gentleman talks about potential earnings and adjustment in potential earnings as being a cut, there are the vast majority of folks out there who feel that what they are getting is not necessarily what they thought they were going to get because of the inflation rate and that a freeze, keeping them where they are, or a slight increase, is more than acceptable because they have received a bonus because of the inflation rate.

I think the politicians in this country who are very sensitive to social security, and should be because of those folks who laid the foundation for what we have today, ought to get reasonable compensation, think that they have to maintain a system even if it will devour us, and the point is that the folks receiving those benefits do not think the same way.

They understand the problem. They are more than willing to adjust. We are talking about actual dollar reductions in the benefits that they receive and they understand that. Holding the line is an appropriate approach.

I thank the gentleman for his efforts to indicate that this is a reasonable and appropriate approach.

Mr. SMITH of Oregon. I thank my colleague.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Oregon. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, I just want to thank the gentleman and I will try to be brief because I know it is late, but I happened to be sitting at my desk watching these proceedings and I heard the colloquy on social security and it was ironic that at the same time I happened to be reading some of my mail, and I picked up a letter from a gentleman who is in his eighties, and that gentleman said to me, "Jerry, who stole the money out of the social security system?"

And you know that hit me. And so I have been writing for the last 15 or 20 minutes trying to answer that gentleman on who stole the money from the social security system.

Let me tell my colleagues what actually did happen. It was stolen. It was legal thievery, but the Congress stole the money.

I am 51 years old. I paid into that social security system all my life, since I was 16 years old, and there are millions of Americans just like me. That is a trust fund. Where is the money that I paid in? That is what the American people are asking.

Well, let me tell my colleagues what happened to that money. Let us digress for a minute. When the social security retirement system was first put in place back in the early thirties, it was a supplemental retirement system and that is all it was.

Now Congress in its infinite wisdom over the years has seen fit to add all kinds of programs to it, whether it is medicare, whether it is social security disability, whether it is children's benefits or students' benefits, and I do not argue on whether or not those are good programs.

But the truth of the matter is they have absolutely nothing to do with social security retirement. And Congress in placing them into the social security system did so because they did not have to fund them in that particular fiscal year.

So instead of putting them in the general fund, if medicare is a good program, and it is, and coming up with the money in that particular year to pay whatever the costs are, they did not do that. They put it in the social security system and consequently all of those funds, my money and yours, and all of the American citizens, have had their money drained out of that system over the last 15 or 20 years so that the system is broke today. And the Congress ought to be ashamed of itself for what it did. And if we want

to solve the problem, if we want to solve that problem, we simply can do this: We can take all of those benefits that exist in the social security system today, except the retirement, and we can take it out of there and put it in the general fund, and if those programs are good, medicare, social security disability, children's benefits, students' benefits, if they are good, keep them and pay for them every day, every year, in the regular general fund budget, spread over a wide-based tax, and let us just leave in the retirement system the retirement checks that the American people want to get.

There is not an American worker today, you, me or anyone else who is not willing to pay through a payroll tax whatever the cost to see that every single senior citizen gets their check at the first of each month.

If we do it that way will stop this political badgering back and forth, everybody blaming the other person. The American people are scared to death today and here we sit in this Congress playing games, trying to blame somebody.

Let us blame ourselves and let us get the system straightened out.

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Mr. SMITH of Oregon. I thank my colleague. I could not agree more.

We can solve these problems, but only until we work together to try to solve them, until the Congress accepts the burden of leadership that the American people have given to them.

I just think that it is important that we understand that we did not give too much in tax cuts, that we are clearly not out of control on the taxing side, and that if we could freeze the spending levels at this year's levels, we would have a balanced budget by 1985. I think it is a goal that we all can share and one that we need to get on with.

GENERAL LEAVE

Mr. SMITH of Oregon. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection.

SMALL BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. MITCHELL) is recognized for 60 minutes.

GENERAL LEAVE

Mr. MITCHELL of Maryland. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MITCHELL of Maryland. Mr. Speaker, May 9-15, 1982, has been designated as National Small Business Week. As chairman of the House Small Business Committee, I have taken this time to pay tribute to the nearly 14 million small business owners of this Nation. I am pleased that the ranking minority member of the committee, JOSEPH MCDADE, has joined me in this tribute. I am also pleased that a large number of my colleagues have graciously agreed to honor the excellent contributions of the small business community to this Nation's economy.

The small business sector remains the most dynamic, competitive, and productive sector of today's economy in spite of serious threats and obstacles to its well-being. Their contribution to society is far greater than their numbers or size would indicate.

An astonishing 87.7 percent of all new jobs in the private sector, according to a recent study, were created by small firms during the period studied.

Small firms are 2½ times as innovative per employee as large firms and produce from 4 to 24 times more innovations per R. & D. dollar. They have produced one-half of the most significant new industrial products and processes since World War II. Notwithstanding these facts, the Federal Government's research and development procurement system does not recognize the contributions of small businesses to this Nation's economy. As stated in this morning's Washington Post, Japan is quickly closing the gap on American innovation. "The Japanese are graduating more engineers; they are doing more nationally coordinated and funded engineering, and they are also upgrading their well-known ability to implement the designs of others with a quality accent." Yes, Japan and other foreign countries are taking American small business inventions and returning them to this Nation's marketplace. Indeed, the time is now for this Nation to stop this loss of resources. A Federal research and development procurement system that recognizes the small business community's massive contributions in the field of innovation is one way to halt this senseless drain on our economy.

The inventive genius resident within small business provides "the seedbed for growth." The increased competition, which results from proliferation of small enterprise, exerts a downward pressure on inflation.

Small business contribution to the economy in new jobs, new products for export, and tax revenues are substantially greater than in larger corporations. The reasons are simple. Small firms are more adventurous and willing to expend great energy and time in the struggle for recognition and potential rewards.

Small companies are closely associated with the regions in which they are located and contribute to the pulse and morale of the local community. Areas dominated by small firms tend to be healthier, more stable, and enjoy a higher quality of living.

And yet the climate for new entrants into the marketplace is far from healthy. Small businesses are facing their most difficult challenges since the Great Depression.

The Gross National Product, adjusted for inflation, stands at about the same level today as in the last quarter of 1979. No growth in the economy means tough times for thousands of small businesses.

Today, small businesses are paying interest rates 12 to 14 percentage points above the rate of inflation—three to four times higher than the historical average of 3 to 5 points above inflation.

The current number of business failures is running at the highest level since 1932 according to Dun & Bradstreet. The high rate of failures is a direct result of high-interest rates and the resulting stagnant economy.

Financial market participants tell us that the prospect of $150 to $250 billion deficits for the next 6 to 7 years is keeping interest rates high.

Small businesses are deserving of all the praise they have received, but they now need action. The best thing this Congress can do for small businesses is to provide them with the support they need to do the things they do best: job creation and innovation.

Mr. Speaker, in conclusion, as we take this week to say thank you to the nearly 14 million small businesses in the Nation, I am extremely proud to pay a special tribute to a minority entrepreneur and a constituent of mine. This week, Will Jackson of Jackson Oil Co. will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

Mr. ALEXANDER. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield briefly to the gentleman.

Mr. ALEXANDER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, last year people were confident about the future of the economy. Today they are confused.

Last year President Reagan said during his budget message to Congress on March 10 of 1981:

Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the nation, where even a slight improvement can produce dramatic results. . . .

Again, on March 23, the President's Secretary of the Treasury, Mr. Donald Regan said:

The President's program will begin to bear fruit even before it is enacted. . . .

Today, Mr. Speaker, we have record deficits that are the result of the President's economic policies. Last week we saw the Senate Budget Committee vote unanimously to disapprove the President's economic policy by a vote of 20 to 0. There was no consensus, because both Republicans and Democrats rejected that policy. This week we are seeing action in the House to bring about a change, a midcourse correction in the President's economic policy which will give some hope to small business that the interest rates which are plaguing them will go down. There is hope within this Congress that the Congress can produce a bipartisan alternative which will reduce the record deficits that are produced by this economic policy.

One more thing, and I appreciate the gentleman yielding. In 1980 when the President was a candidate, he traveled around the country and promised that he would balance the Federal budget by 1984. The President presented his economic policy and his tax policy in 1981. Everything was enacted and instead of the balanced budget in 1984 that the President projected, we have a projected deficit of some $216 billion based upon the President's economic policy. This is causing interest rates to persist at a record high level. There is no relief in sight and the small business people of this country are paying the price.

The President's high interest rate policies and economic recession are grinding America's small businesses to bankruptcy. And, the Reagan tax cut that was supposed to revitalize the Nation's economy did little more than shift the business tax burden from Wall Street on to the banks of Main Street, U.S.A., small businesses and industrial operators.

It is an established fact of our national economy that small businesses generate the majority of the jobs, particularly new jobs, for our people. Although corporate giants of the Nation get the limelight of public news media attention focused on them constantly, the small businesses of the Nation are the backbone and heart of our private business sector.

Small businesses compose 98.2 percent of all the business of the Nation. Although they account for less than 40 percent of the gross national product, small businesses generate virtually all of the new private sector employment. And, they originate at least 50 percent of all major innovations.

All business is wounded by the impact of high interest rates and the damage multiplies with sustained high interest rates.

But, small businesses, which of necessity, must operate on narrow profit margins in highly competitive fields are far less able to survive the punishment of high interest rates because their capital resources are not great.

By the same token, the unique characteristics of small business make it highly unlikely that they will be able to benefit substantially from tax reduction measures which are conceived and primarily tailored to respond to the tax reduction desires of the business and industrial giants of the Nation. The Reagan business tax cuts were drafted especially with the interest of major business and industrial organizations of the Nation in mind. They simply did not give sufficient thought and concern to the special problems of small business.

Small businesses rely primarily on labor, on people, rather than on capital to provide their goods and services. The Reagan business tax depreciation allowances for capital investments mean that you must invest capital and have income before you can benefit from these reductions in your tax liability. Since small businesses make far greater use of people than of things in their operations, this added to the fact that in the early years many do not show a profit, makes the Reagan tax cut of very limited use to their operations while giving mammoth benefits to major corporations and industries.

Small businesses, which are labor intensive, are particularly hard hit by social security taxes because of their liability for each of their employees, each of the people, they provide jobs. So, the Reagan tax cut again operates to the disadvantage of small business by using up tax revenues which might otherwise be used to finance tax cuts helpful to small business.

The Reagan big corporate tax cut that is contributing to the skyrocketing Reagan budget deficits, is putting a hammerlock on the lifeline of small businesses—borrowed money. The budget deficits are considered to be a major, if not the major cause of the exceptionally long and sustained high interest rates on short-term and midterm borrowed capital.

Small businesses, by their nature, must have capital of these two kinds to operate. The high interest rates encouraged by President Reagan, combined with the fact that small businesses are generally considered high risk borrowers, are putting small businesses, the ones which have survived the economic recession thus far in another high risk category—high risk for bankruptcy before the economic recession the Nation is suffering ends and recovery and expansion resumes.

In reporting a survey of small business credit conditions, in 1981, the National Federation of Independent Businesses, said:

The problems created by high interest rates have become more intense for small firms who must borrow regularly. Firms operating on small profit margins which must borrow regularly are forced to reduce other operating costs (E.G., by reducing employment) or they must go out of business. In addition, the combination of a lethargic economy, constantly rising costs . . . and inflation-induced tax increases, has diminished many firm's cash flows to the point where they are engaging in "survival borrowing" that is, borrowing to finance daily operations rather than productivity enhancing capital expenditures. The high rates charged on loans to these firms further reduce earnings.

So, in essence, what I am saying here, what many of us are saying today, is that the President's economic policy has helped Wall Street at the expense of Main Street. It has helped big business at the jeopardy and the prejudice and the discrimination of small business.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

Mr. Speaker, as we take this week to say thank you to nearly 14 million small businesses in this Nation, I am extremely proud to pay a special tribute to a minority entrepreneur who is a constituent of mine. This week Will Jackson of the Jackson Oil Co., which is located in Baltimore, will be honored by the U.S. Small Business Administration for his selection as the Small Businessman of the Year from Maryland. I commend Mr. Jackson for achieving this milestone and I wish him many more successful business years.

Mr. Speaker, I yield now to the gentleman from Ohio (Mr. WEBER), the ranking member.

Mr. WEBER of Ohio. Mr. Speaker, I want to commend the gentleman in the well for holding this special order in celebration of National Small Business Week.

Mr. Speaker, today I am pleased to join in saluting the small businesses of America, as we celebrate National Small Business Week.

According to studies, made by Dr. David L. Birch of MIT, in recent times 66 percent of all new jobs in the Nation are created by firms with fewer than 20 employees; 77 percent of all new jobs are created by firms with 50 or fewer employees.

The National Science Foundation reports that small businesses are 4 to 24 times more innovative than medium- or large-sized companies per dollar spent on research and development. Per employee, small businesses are two to three times as innovative as the larger companies.

Having a smaller market share and therefore lacking in market power,

small businesses generally show slower price increases than larger companies. Small business thus moderates inflation, providing more goods and services at lower costs.

One way in which each Member of Congress can assist small businesses in their communities, is by helping to bridge the information gap that exists between Government and small business. The individual entrepreneur, the person whose business is small, who operates on a small scale and a narrow margin—this person cannot afford the trips to the big cities to attend seminars and workshops to learn the intricacies of working with the various rules and regulations that impact on his or her business. Even if this person could afford the financial cost, he or she could not afford to take the time away from managing the business.

Therefore it is with great enthusiasm that I encourage my colleagues to do what I have seen other Members do and that is to hold a "small business roundtable" at some convenient location in their home districts. I have one such roundtable scheduled in my hometown of Toledo, Ohio, on Thursday, May 27. On that day I have secured the cooperation of many representatives of governmental agencies who will travel to Toledo to participate in panel discussions on topics of interest to small business. The purpose is to inform the small business community about how to work with Federal agencies and Federal law. It will be an opportunity for local people to interface with Government at the grassroots.

I am assisted in this conference by the Toledo Area Small Business Association and the National Federation of Independent Businesses. We pooled our ideas in deciding upon the topics that the conference would address. As a result we have chosen to discuss the everyday problems of a business involving international trade and economic development; urban enterprise zones; housing; taxation and financing of businesses; bankruptcy laws and equal economic opportunity; labor relations, including Davis-Bacon and Hobbs Act issues; transportation and shipping; interest rates and monetary policy; and Government contracts and regulation.

From this roundtable we expect to get new ideas for improving the services and operations of Government at the same time that businesses are assisted to function in today's environment of Government regulation. If small business is the economic engine of our country, roundtables such as I have described can be the oil that keeps the economic engine running smoothly.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentleman from Michigan (Mr. WOLPE).

Mr. WOLPE. Mr. Speaker, American small business has long been the keystone of our economy. Individual members of the business community, committed to our system of free enterprise, have combined energy and initiative in the development and maintenance of our Nation's economic base.

Today over one-half of all American jobs are provided by small businesses. It is the small business community that over the years has been the leader in technological innovation and the spark behind our productive expansion.

Indeed, it is the small business person whose hallmark has been creativity, imagination, and hard work, and that offers us one of our best hopes for new economic prosperity and a revitalization of the American workplace.

Mr. Speaker, I am particularly pleased to participate in today's special order because one of my constituents has been recognized as Michigan's Small Businessman of the Year. Mr. John Vander Ploeg, president of Ship-Pac, Inc., of Kalamazoo, Mich., has demonstrated for our State and the Nation how a good idea—properly nurtured and managed—can result in new business activity, in new jobs for the community, and in the provision of an important service for our economy.

Simply put, Mr. Vander Ploeg recognized in the midsixties that in order to send shipments from one location to another, businesses frequently had to utilize as many as 15 different suppliers to properly prepare and deliver a package. By offering businesses a one-stop option where all the worries of making a shipment would be handled, his business grew from sales of $100,000 the first year to nearly $6 million in 1981.

Mr. Vander Ploeg's commitment to efficiency, sound business practices, and hard work is not left at Ship-Pac when the 5 o'clock hour arrives. He has utilized the same principles in his community service—both in his volunteer activities and as the vice-mayor of the city of Kalamazoo.

Mr. Speaker, the citizens of Michigan's Third Congressional District join me in this recognition of John Vander Ploeg's achievements, and look to him for continuing leadership both at work and in the community.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

I yield to the gentleman from Ohio (Mr. WILLIAMS).

Mr. WILLIAMS of Ohio. Mr. Speaker, I appreciate the gentleman's yielding and compliment him on taking this special order.

Mr. Speaker, it is a pleasure for me to participate today in this special order. As we all know, this week has been designated Small Business Week, and I think it is fitting that yesterday the House Small Business Committee passed H.R. 6086 as amended.

I would like to particularly take note of sections 10 and 11 of the bill. These sections are that part of the bill known as the distressed area loan program. This program was included in the bill and passed by the committee primarily through the efforts and hard work of our ranking Republican member, the Honorable JOSEPH MCDADE. The gentleman from Pennsylvania was able to take this great idea and develop bipartisan support to assist small businesses, particularly those in labor surplus areas.

The distressed areas loan program will not only bring a good deal of financial assistance to hard-hit small businesses, but will also help create jobs in those areas of this country which need it most—places like Youngstown, Ohio. So I want to take this opportunity to publicly commend my colleague from Pennsylvania for his hard work and dedication and also thank him for the privilege of working with him to help insure the program's passage.

Mr. Speaker, I would also like to thank the gentleman from Maryland, our chairman, for providing the Members of the House with this opportunity today and to commend him for the leadership he has shown in this Congress when it comes to dealing with the problems of small business.

● Mr. MCDADE. Mr. Speaker, I am pleased to join the President and my distinguished colleague from Maryland in a salute to small business. In truth, every workday is small business day, but small business men and women certainly merit official recognition.

These people drive the American economy. According to the 1980 White House Conference on Small Business definition of small business as any firm employing 500 workers or less, there are now 15 million small businesses. They make up fully 99 percent of the total number of businesses in the United States, produce almost half of the GNP, and employ over half of the American work force. Furthermore, these businesses create the overwhelming majority of new jobs in our economy. An MIT study found that between 1969 and 1976 these small businesses created more than 86 percent of new jobs in the United States. More significant, smaller firms with less than 20 employees generate 66 percent of new American jobs. Can anyone doubt that it is in small businesses scattered across this land where American capitalism renews itself—daily?

Small Business' job-creating wonders would be reason enough to recognize small business' importance in this special week. But small business makes a contribution to American life in so

many other ways. We talk often in this Chamber about the need for innovation and the loss of the inventive genius in American life. Small businesses have not lost that genius and will meet that need. Indeed, a National Science Foundation study found that small businesses prioneer more innovation per research development dollar than medium or large firms. Locally, small business people provide the leadership that animates a vibrant community—a fact we should all keep in mind when considering programs to revive distressed areas. Nationally small businesses keep competition in our economy, and we all know that competition keeps down costs. No wonder the President calls small business the cornerstone of our free enterprise system.

These entrepreneurs ask for nothing more than the opportunity to build profitable businesses. But small businesses have special needs. They exist in a world of giants—big business, big government, and big labor. Consequently, our institutions and regulations must be sensitive to the problems of the small business. I am glad to say that in recent years the Congress has helped along this line. The Regulatory Flexibility Act has institutionalized the evaluation of a regulation's impact on small business. The Equal Access to Justice Act guarantees that small businessmen can fight the Federal Government in court without bearing the high cost of litigation, if the Government is in error. Patent reform has served to get innovations off the shelf of the Patent Office and on to the production line.

Last year, the President's Economic Recovery Tax Act contained many features that benefit small businessmen. Tax rate reductions and the indexing of tax brackets will definitely pay off for the many small businesses that are partnerships, proprietorships, and subchapter S corporations. Small businesses will also profit from the new accelerated cost recovery system, direct expensing, and an increase in the minimum investment tax credit for used property. Some features of the new tax law specifically apply to small businesses. Corporate tax rates have been cut for corporations earning less than $50,000. ERTA has also simplified inventory accounting methods and increases the number of permissible subchapter S shareholders.

And the Congress did not end its work last year. Soon, President Reagan will sign legislation designed to correct a problem of crucial importance to small businessmen who do business with the Federal Government. The Prompt Payments Act will impose financial penalties on Government agencies that fail to pay their bills on time. The upcoming Small Business Innovation Development Act attempts to get a fair share of the Federal research and development dollar to a sector of the economy with a proven record of innovative excellence—small businesses.

Sure, the small businessman has his troubles today. Just ask any one of them what it is like to borrow money to expand—or even to survive—at the present interest rates. All of us must grapple with this reality. But the interest rate problem should not divert our attention altogether from the headway we have made in the last few years. I believe that these reforms will help make for a sustained growth and prosperity that are on the other side of our present economic difficulties. Small business men and women will be there. I salute them in this National Small Business Week.●

□ 1950

Mr. BEDELL. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Iowa.

Might I indicate before the gentleman speaks that our colleague, BERKLEY BEDELL, in 1964 was the first national award winner of the Small Business Administration's program to honor small business. I think that ought to be a part of the official record.

I now yield to the gentleman.

Mr. BEDELL. I thank the committee chairman.

Mr. Speaker, I first of all would like to comment on what a privilege it is to serve under the gentleman from Maryland (Mr. MITCHELL), the chairman of our Committee on Small Business, with the leadership that he furnishes us.

Mr. Speaker, with very great pleasure, I note that a constituent of mine has been selected as the Iowa Small Business Person of the Year by the U.S. Small Business Administration. This is fitting recognition of the splendid accomplishments of Joe Joyce, owner of Joyce's Foodland in Emmetsburg, Iowa.

Last night, Mr. Speaker, I had the privilege of welcoming Mr. Joyce and the other SBA award winners to Washington. They are here in town as part of the Small Business Week activities. Those people should be an inspiration to us all, and it is in this context that I am so pleased to tell you about my constituent.

Mr. Joyce purchased a small supermarket in 1970, using $25,000 he had saved from a dairy route and a hog raising operation. With no prior experience in retail food marketing, he opened up a 4,500-square-foot store and hired nine employees. Since then, he has expanded his business to a 22,000-square-foot facility and he employs 55 people.

Along the way, Joe Joyce has become a local leader in providing employment opportunities for handicapped citizens. His investments have helped restore economic life to a formerly distressed part of town. And he has expanded into several new lines of business, opening additional stores.

Mr. Joyce took a chance, risking his family's life savings when he went into this business. He is an innovator, bringing new ideas and new marketing techniques to northwest Iowa. He has provided opportunities for workers and the community to better their lot as his business has grown.

And Joe Joyce has not been a stranger to community affairs. Even while his business was growing, he was involved in community activities. He has served on the Emmetsburg Planning and Zoning Commission, is the past president of the local chamber of commerce, is involved in the Knights of Columbus and the Lions Club, and serves on the board of Willing Workers, a local center for the handicapped.

Mr. Speaker, Joe Joyce and the other SBA award winners who are in town this week help to demonstrate why I believe small business is the key to the success of our economy. The Fortune 500 companies may dominate the economic news, but it is the entrepreneurs among us—men and women like Joe Joyce—who lead our communities, who take the necessary risks, and who provide the new ideas and the new jobs our economy needs. These are the people who make America great and I am very proud of them.

I am pleased to be here as we celebrate this Small Business Week, serving on the Small Business Committee. It is very clear to me that small business is that sector of our economy which holds the opportunity for this great land of ours. It is small business which provides 80 percent of all new jobs that are created in our economy. Fifty percent of our new inventions and technology come from small business. And this is contrasted to less than 3½ percent of the Federal research and development funding that they get.

The National Science Foundation says that small business provides 25 times the amount of innovation per research dollar to that provided by similar investments in large businesses.

Shortly after he took office last year, Assistant Attorney General for Antitrust, William Baxter, was interviewed by Dun's Review. I would like to quote his remarks. They are as follows:

> There is nothing written in the sky that says that the world would not be a perfectly satisfactory place if there were only 100 companies.

Mr. Speaker, I do not want to live in a world where there are only 200 companies. I do not want to live in that world partly because I want my children to have the opportunities to start their own business and take advantage of their own capabilities in this socie-

ty. But I certainly do not want to live in that type of a world, because I think we need the innovation and the job creation that comes from our small businesses.

So I am here at this time to thank the chairman for calling this special order, and I am pleased to be a part of this effort to recognize the tremendous part that small business plays in this great land of ours.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for his remarks.

Mr. DAUB. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Nebraska.

Mr. DAUB. I appreciate the gentleman yielding, and I want to accomplish three things in my brief remarks:

First, to thank the chairman of our Committee on Small Business and, of course, our ranking member who joined you in arranging for this special order to point out the importance of small businesses to the economy and the well-being of America.

The second thing that I want to do is to note that the responsibility to provide all Americans the opportunity to join the economic mainstream cannot rest solely with the Government. Without the commitment of individuals in the private sector, our efforts cannot meet with success.

One individual who has shown this commitment is Jack MacAllister, president of the Northwestern Bell Telephone Co. in Omaha, Nebr., and his outstanding work will be recognized tomorrow when he receives the National Small Business Minority Advocate of the Year Award from the President. This prestigious honor is well deserved.

Jack's contributions to the minority small business community include the formation of a minority small business corporation capitalized at $500,000 in Omaha, fundraising efforts for the Wesley House, assistance to the Omaha Economic Development Corp. in obtaining corporate support and involvement, and efforts to organize and promote an urban business development center in Omaha.

Jack has also worked closely with the Minority Purchasing Council of the Omaha Chamber of Commerce and has successfully initiated efforts to obtain new accounts in the Community Bank, the only minority-owned bank in Omaha.

Woodrow Wilson once said that every great man of business has got some touch of the idealist in him. Jack MacAllister has put that idealism into action, and the entire community has benefited.

I take this opportunity to commend Jack MacAllister and to thank him for setting a standard of achievement and responsibility that we can all take pride in and that we should all emulate.

Now, if I might, the third mission I have in participating in this Small Business Week special order that has been brought so well to our attention by the distinguished chairman of the committee is to note that small business should be recognized all year round.

Mr. Speaker, as this is National Small Business Week our attention is rightfully diverted to the contributions that the small business community makes to our society.

It would be unfortunate if we allowed ourselves to treat small business as we do so many other institutions. To give it a day or a week so that attention may be drawn to its importance is fine for many different things but it reflects a sorry and dangerous thinking in our land if we think that that is enough for small business.

We should recognize that it is the small business community that is the engine of this country's economic machine. It is small business that employs our citizens, creates wealth, provides revenue for the Government coffers and provides the goods and services that have allowed our Nation to prosper.

But, as I have said before on this floor, we tend to too little appreciate the impact of small business because its interests are so diverse and not easily translated into a "program" or a bill that can be said to be helpful to small business and thus fulfill our obligation.

In my district we enjoy the presence of a number of large employers that represent some of the largest and well-known companies in America. But, as I travel the second district of Nebraska, I find that most of the people I meet are employed by small businesses. That the new jobs come from small business. That new development for the most part is a result of small business men and women taking risks and seeking opportunities. It often occurs to me, that if, we in this Congress possessed the imagination and the daring that I see evidenced every time I return to Omaha, Nebr., most, if not all, of the problems that we face today could he handled readily.

During these difficult economic times the agenda for small business is little different than at other times. Only the emphasis is different.

What is this agenda that determines so much of our economic future. That will determine whether or not we will have the increase in jobs necessary to provide opportunity for all Americans. Very simply it is to leave small business alone. Let the men and women of this country fulfill their imaginative schemes to become a part of the business community. Do not bog them down in expensive redtape that not only adds a cost to their enterprise but absorbs a large amount of the talent and energy of the entrepreneur.

I am sure that we do not intend this particular special order to point out some of the disagreements that may exist over what direction our economic agenda should take, and I, for one, did not come to participate in this special order to criticize, because that is too easy. I came to offer that hope that small business of America can lead us out to economic recovery if, in fact, we tend to the special needs of small business.

Mr. Speaker, last year I wrote to 11,000 businesses in my district and asked them to let me know personally of regulations that were in their mind unnecessary, counterproductive, or unduly burdensome. Once I received these responses I forwarded them to the Vice President's Regulatory Reform Task Force so that they might be incorporated into their effort. I, as did the Vice President, felt that this kind of grassroots information would provide a valuable addition to their study.

What struck me most often amid this myraid of complaints was a sense of frustration. A sense that the efforts that they expended on behalf of Government exceeded at times those that were available to their enterprise. Instead of devoting themselves to their business they were diverted into a continuing servitude to the Federal Government that created not a single job, provided not a sole good or service, and acted as a drain on the Treasury while thwarting efforts that would have contributed to it.

The agenda of small business of which I spoke is a simple one. There are, of course, bills that they would like to see passed but most often these affect in some way the behavior of the Federal Government toward them. But the basic agenda today is simply that the Federal Government undertake a fiscal policy that will reduce interest rates. Just let them do business. Allow them to save, invest, create, manage, and innovate without the weight of today's interest rates upon their shoulders.

Those of you who believe that unemployment is the largest domestic problem we face today, and I am among you, must also recognize that we will not see real improvement until such time as America's small business community can afford to hire. And to believe that we can accomplish this by means other than by reducing spending and the attendant share of Federal borrowing is a charade.

It sometimes appears that unless Congress says something is important it does not exist. And unless a problem can be solved by a Government spending program enacted by Congress it is unsolvable. But with or without National Small Business Week small busi-

ness is what America is about. And surely we can draft no legislation that could hope to solve small businesses problems. What we need to do in this body is to stop thinking in terms of special interests and see that this American economy is a complicated machine whose components are beyond the tinkering of Congress. That the actions of this body that have created the current high interest rates have acted like a monkey wrench thrown into the machinery and it is up to us to remove it before it does further damage.

Let us use this time this week to take a really hard look at what makes this country go. And then let us take another look at what has caused it to slow down. I do not believe we will have to look very long to see that what makes this country go is its people, joined together in enterprise that helps both themselves and others. And what has made this country slow down is apparent enough: The interference of Government in the activities of our people. Excessive spending that has made the cost of money debilitating for most businesses, regulations that sap its energy and imagination all have made the lot of the small business person difficult, formidable and in some cases impossible.

Mr. Speaker, National Small Business Week can be an occasion that will mark a turning point in the attitude of this Congress. If we are willing to make the hard decisions and to face up to where we are and how we got here it will mark a week of real success for small business, and for our country.

□ 2000

Mr. Speaker, Small Business Week can be the occasion that would mark a turning point in the attitudes of this Congress, if we are willing to make the hard decisions and face up to our responsibilities to not ignore that entity within the economic engine that provides and can provide the stable 60 percent of our work force with their opportunity to share in this great country's economic prosperity.

I ask that my colleagues join with us in supporting decisions that affect small business. That is how we got here. This is the week to celebrate their real success and for their future and for our country, let us do what we can to help small business.

I thank the gentleman very much for bringing this special order to the floor this evening.

Mr. MITCHELL of Maryland. Mr. Speaker, I yield to the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Speaker, I thank the gentleman for yielding, and I would like to associate myself with his remarks and also to congratulate the gentleman in the well for his tremendous effort on the part of small business, as well as the gentleman from Pennsylvania (Mr. MCDADE), the ranking minority member on the Small Business Subcommittee. I clearly have enjoyed my service on the Small Business Committee the last two terms in Congress.

Mr. Speaker, I think it appropriate at the outset of this Small Business Week to stop a moment and reflect on the vital importance of the small business sector of our American economy.

The small business sector unquestionably represents the vast majority of the total number of business establishments nationwide. When new jobs are created, you are more likely than not going to find that growth springing from small business. The small business community originates a full 50 percent of all major innovations in this country. I might add that that figure could be significantly increased if H.R. 4326, the Small Business Innovation and Development Act is agreed to by this House. Furthermore, approximately 40 percent of the entire U.S. gross national product is gleaned from small business. Additionally, the small business sector provides opportunity for women, minorities, and disadvantaged to fulfill their desires to become totally self-reliant.

Our job, which we must not lose sight of, is to facilitate this much needed growth through coherent, steady business policy. However, one ingredient for growth in the small business sector that no government can provide is an individual's initiative. While we as legislators may help provide favorable tax laws and a beneficial business climate in which to work, unless an individual possesses the initiative to pursue his or her dream, there is virtually nothing that we as lawmakers can do. During this small business week, I would like to point to the Maine small businessman of the year as an example of someone who saw opportunity and invested himself fully to attain his goals. Mal Sibulkin, from Avon, Maine, took a concept that his mother and father devised and built a thriving business, manufacturing motivational teaching aids for the handicapped. Lauri, Inc., as the company is known, started with a few hundred dollars, an idea, and has burgeoned into a multimillion dollar corporation which now exports to 25 countries. The point is, that there are potentially millions of Mal Sibulkins in America who have the desire to contribute and the will to succeed. It is our duty to be the catalyst, to lend the helping hand that the small business men and women of this Nation need. By building a solid small business foundation for America, we insure a prosperous future. Thank you, Mr. Speaker.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank both of my colleagues for their remarks. I yield to the distinguished gentleman from Pennsylvania (Mr. BAILEY).

Mr. BAILEY of Pennsylvania. Mr. Speaker, I thank the gentleman from Maryland (Mr. MITCHELL). I will be very brief. I serve on the Ways and Means Committee, and I want the gentleman to know that part of the work that we had tried to do to supplement and add to the efforts that the gentleman has so nobly advanced were to write tax legislation which in fact would assist in the reinvestment incentives and those types of things that the gentleman has worked so hard on.

I suppose I really cannot add much to what has been said here today except to compliment the gentleman. I know the work that he has extended. I know particularly the concerns that he has had for minority small business. One of the problems with our country has been providing equal opportunities and opportunities to move into middle-class businesses and small businesses essentially of that type, which is something that I know the gentleman has worked very hard on. I would like to bring that to the attention of the country.

I think the gentleman should be complimented for his efforts in that regard particularly; black citizens and minority citizens of all genre in our country really owe the gentleman a debt of gratitude.

Mr. MITCHELL of Maryland. I thank the gentleman for his kind remarks.

I think it important at this point in the RECORD to indicate that there are the names of some 50 Members of Congress who do not serve on the Small Business Committee, who have submitted for the RECORD tributes just tonight, tributes to the small business community of America. Last night, a large number of the members of the committee and those Members of Congress not on the committee, also submitted tributes to Small Business Week.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Speaker, I want to thank my colleague and others for their remarks. I would like the record to show that I am in full accord with the position the gentleman has taken so adequately and eloquently in this matter, and join in his remarks.

Mr. MITCHELL of Maryland. I thank the gentleman.

Mr. Speaker, I yield back the balance of my time.

● Mr. CONTE. Mr. Speaker, Small Business Week is an important occasion to bring together the small business community to focus on the important contribution it makes to our economy and on the ways that contribution can be improved. But it is important to remember that promoting small business is a year-round task,

and that in these times we must all renew our efforts to make the hurdles facing small business a little easier to surmount.

Last Sunday, the New York Times ran an article on Exxon, the largest industrial company in the world. That article started out with a telling sentence based on founding father John D. Rockefeller's own observation that the day of combination is here to stay and that individualism has gone, never to return. "Mr. Rockefeller was right," said the article. "Although we pay homage to Jeffersonian democracy, Americans have built an economy that relies on goliaths to get the job done."

Mr. Speaker, it appears that America is becoming more and more reliant on goliaths, and is permitting the independent small business to languish, according to the recent report of the President on the State of Small Business, dated March 1982, the share of the gross national product contributed by small business had declined from 42 percent in 1967 to an estimated 38 percent in 1977 and is still falling. The report also stated that the number of very small establishments is shrinking while the number of large establishments is growing. Recent reports indicate that bankruptcies are now hitting small businesses particularly hard, at record rates, if anything, the demise of very small establishments is currently on the rise.

Mr. Speaker, these figures are of great concern. Small business has been throughout our history, and continues to be, the one sector of our economy that consistently produces growth, jobs, productivity gains, and fuels the well-being of the rest of our society. A look at the state of our present economy will verify that fact. The one sector of our economy that in singlehandedly keeping the rest of this Nation's head above water right now is the high technology industry. That industry is composed of dynamic young firms which start out with a handful of employees and a good idea and then grow like wildfire. On the other hand, it is many of the old, concentrated industries, like automobiles or steel that are barely hanging on.

One reason small business has played this dynamic role in our history is because of the opportunity it offers to individuals to better their lot. How many people have realized their dreams by entering the golden door of opportunity of starting a small business? How many immigrants have come to this country, how many individuals from deprived backgrounds, how many people who never would have had a second chance have made good by taking advantage of the opportunity offered by this great Nation to go into business for themselves and get ahead?

Mr. Speaker, when we say that business is becoming increasingly concentrated, when we say that the trend is to merge and invest in making companies bigger rather than better, are we not sounding a warning about our country's future? Are we not saying we are abandoning the collective dream that has made this Nation the greatest in the world precisely because it is the most devoted lover of individual freedom and opportunity in the world?

Mr. Speaker, we must not use this Small Business Week to rest on our laurels. We in Congress and across the Nation must renew our intent to reverse the decline in importance of small business.

I am happy that the first opportunity to act on that intent is right around the corner. The Small Business Innovation Research Act may very possibly come to the floor of the House next week. And I can think of no more-appropriate way than passing that bill to reaffirm our commitment to small business. For years, the Small Business Committee has tried to break the headlock of big business and other large institutions on Federal procurement. There have been speeches, there have been laws, there have been Executive orders. And to what avail? Small business, the engine of our economic growth, the creator of 86 percent of our new jobs, the source of 24 times more innovation per research dollar than medium or large business, the employer of 47 percent of our labor force, receives only 4 percent of the Federal R. & D. budget.

The Small Business Innovation Research Act attempts to raise that measly 4 percent not by 25 percent, not by 10 percent, but by a mere 1 or 2 percent. But that 1 or 2 percent will do more for the growth of this country, and for the state or the economy, than just about any other piece of legislation this Congress will look at this year. Mr. Speaker, this bill is not a set-aside, this bill is an economic recovery act. It attempts to move Federal money, taxpayers' money, to where it will be the most productive and to where it is most needed, in keeping our edge in high technology. If we lose our edge in high technology, as we now are in danger of doing, we can kiss our economy goodby. This bill is a small step to help keep our most innovative and productive and growing sector, a sector carried forward by small business, the most innovative in the world. It is small step, Mr. Speaker, a 1-percent step, but it is a giant step for our Nation.

In sum, there are two ways to celebrate Small Business Week. There are these speeches, and there is an act, a vote next week on the innovation bill. Mr. Speaker, if we are serious about honoring the role of small business in our economy, we will pass that bill overwhelmingly. It is a job-creation bill, and it is an economic recovery bill. A vote against it is a vote against the best interest of our country and a vote against the dream that has made this country great.●

● Mr. YOUNG of Florida. Mr. Speaker, as we reflect on our great Nation's path to success, history indicates that small businessmen have led us to the industrial heights we have achieved and it is those same small businessmen who continue to serve as the foundation of our economy. Therefore, it is only fitting that we pay tribute this week to the thousands of small businessmen throughout our Nation whose initiative boosts our economy and serves as an inspiration to us all.

A constituent of mine, Joseph O'Brien, of St. Petersburg, Fla., has been singled out this week as the small businessman of the year from my State. Like many Americans, Mr. O'Brien pursued his dream of success in business, and in less than 11 years has achieved that success by building a rapidly expanding business for which the potential of growth is unlimited.

Mr. O'Brien purchased in 1970 the Bostwick Co., a very small business which marketed screens, window shades, and awnings. It was not until 1973, when he began exploring the possibility of marketing solar control films, a product designed to reduce the absorption and transmission of solar heat through glass, that Mr. O'Brien fully realized the potential for expansion that existed.

As a result of his new product line, the company, now called ITD Industries, has increased its earnings sixteenfold and employs more than 80 people. In addition to providing jobs and revenue for Pinellas County, Mr. O'Brien is also assisting our Nation by presenting new and economical ways to conserve energy by preventing the gain and loss of heat through windows.

Mr. Speaker, initiative, drive, and desire established our country as a leader in the world's industrial marketplace and it is the small businessmen of our Nation, as represented by my constituent, Mr. O'Brien, who strengthen the base of our economy by continuing to expand their operations, leading the way for future generations of businessmen to market their products so that our industrial base continues to expand as it has for more than two centuries.●

● Mr. LAFALCE. Mr. Speaker, I want to take a few moments today to pay tribute to our Nation's 15 million small businesses and the millions of small businessmen who make such an important contribution to our Nation's well-being.

It is fitting that we do this during Small Business Week, the one week of the year set aside for us to remember that ours is a Nation of small businesses and that small businesses are essen-

tial for our economic and social health.

Small business clearly is a key segment of the U.S. economy. Small firms have been the major generator of innovation over the past two decades. The National Science Foundation tells us that small firms produce 24 times as many major innovations per R. & D. dollar than large firms, and four times as many as small firms.

They employ 52 percent of the Nation's work force, account for 53 percent of business receipts, and contribute at least 50 percent of the private sector gross national product.

They have been responsible for almost all of the new net employment in the United States in the 1970's. Prof. David Birch of the Massachusetts Institute of Technology reports that almost 90 percent of all jobs in the private sector between 1969 and 1976 were created by firms with 500 or fewer employees. Two-thirds of these jobs came from firms with 20 or fewer employees.

Large businesses, in contrast, had been losing jobs even before the onset of the 1981 recession, according to Professor Birch. "Whatever they are doing * * *, large firms are no longer the major providers of new jobs for Americans," he wrote in the Public Interest last fall.

Small business, however, cannot rest on its laurels. The current economic recession hits all business—large and small. Unfortunately, the small business sector is being hit especially hard. Small business' problems are discussed in great detail in a report President Reagan released 2 months ago entitled "The State of Small Business." The President is to be commended for issuing a report that provides a wealth of information on the condition of small business. I have read it carefully and want to take a moment to review what it and other studies say about small business today.

They find that:

Business failures compiled by Dun & Bradstreet are running at near depression levels. The President's report says total business failures have risen at least 30 percent during the past year. Many of these are small businesses, since small firms account for 99.7 percent of American businesses.

Small business income has dropped 12 percent in the past 2 years.

Small businesses are paying 10 to 12 percentage points above the inflation rate on their bank loans, the highest interest rates since before World War II.

Small businesses are being crowded out of bank lending by large corporations. This is a primary finding of the President's report. The report warns that this hits small business especially hard because it relies almost exclusively on bank borrowing for capital.

The President's report makes clear that small business is being hit harder by the current recession than large business.

I have been working to help small business since I entered Congress 8 years ago. As chairman of the House Small Business Oversight Subcommittee, I have held countless hearings on small business' problems and ways of solving these problems. I have examined product liability, women in business, size standards, usury ceilings, contracting out, neighborhood business revitalization, productivity, and tax policy.

This Congress, I have continued my efforts on product liability. I have also turned my attention to other pressing issues such as the insurance problems of small business, the devastating impact of high interest rates on small business, preserving the Small Business Administration programs that provide a safety net for small business and assuring that our Government taps the innovation and job creation abilities of our Nation's 13,000 small science and high technology firms.

The House will be taking up shortly a landmark small business bill I have been working on for the past year to establish small business innovation research programs in all of the major Federal R. & D. agencies. This program will allow small firms to bring forth the innovations that are essential if our Nation is to remain competitive at home and abroad, increase its productivity, maintain its technological preeminence, and create the new jobs essential for full employment prosperity.

Many of us will have used today's special order to tell our small businessmen how important they are. The Small Business Innovation Development Act will give us the opportunity to vote our rhetoric. I am confident the bill will pass.

The innovation bill is important for small business and for our Nation. But there is much more that we need to do to assure that small business is able to help us recover from the worst recession we have experienced in 40 years.

Small business made our economy a powerful engine for the past century. We will have to rely on it even more to power us into the next century.●

● Mr. MITCHELL of New York. Mr. Speaker, the small businesses of the United States play a big role in our Nation's economy. They account for more than half of our Nation's employment opportunities. They are a major source of scientific and technological innovation. They provide the competition necessary to deter exorbitant prices and monopolistic practices.

What is the individual entrepreneur's reward for these important contributions? Extreme risk. Unfortunately, more than half of all firms with 20 or fewer employees go out of business within the first 4 years. In times of recession, high-interest rates and economic stagnation make the operation of a small enterprise especially courageous.

If the state of the economy does not bankrupt the small firm with inflation or the scarcity of capital, then public policy too often lends a hand by imposing high taxes or creating excessive paperwork.

With the help of small business, our economy has been able to grow and remain productive. With the support of small business, the Federal Government has begun to combat inflation by reducing spending, spur the economy with tax incentives and adopt a more sensible approach to regulatory and paperwork requirements. These are changes that can and should benefit all Americans.

This week, as we celebrate U.S. Small Business Week, I hope everyone will recognize the importance of small business to our economy. Individual entrepreneurs are the foundation of our economic revitalization. They deserve our support.●

● Mr. SHUMWAY. Mr. Speaker, I am delighted to have this opportunity to recognize the many contributions made by America's small businesses, and to draw attention to the fact that the President has designated the week of May 9 as National Small Business Week.

I personally consider the small business community to be the very backbone of America. All too often, the accomplishments and achievements of the small business community are overlooked as attention focuses on the big business conglomerates. It is especially fitting that we recognize the fact that some of the major inventions of this century have arisen from the innovative small business community: Photocopiers, FM radio, air-conditioning, power steering, the everyday zipper, these are but a few of the numerous developments with which small business is credited. Small business accounts for about half of all private-sector employment, and more than 40 percent of the GNP.

Perhaps most importantly, small business is indicative of the American spirit, wherein independent creativity and personal ambition are free to produce and grow at their own rate and ability. If the small businessman is a critical link in the chain of ingenuity and innovation, he is also the link most vulnerable to fracture from excessive Government regulations and burdensome tax policies. He is keenly aware of the needs of his community, and he responds to them. He is especially comprehensive of the laws of supply and demand, for they dictate his very existence.

I rely very heavily upon the small business community, which is especial-

ly important in my own congressional district. The advice of small business representatives has offered invaluable guidance as I review and consider pending legislation and administrative action. It has enabled me to work to the best of my ability to protect free enterprise and the private sector's best interests. Thus, I am delighted to honor the small business community during National Small Business Week.●

● Mr. MAZZOLI. Mr. Speaker, I join my colleagues in the House today in honoring our Nation's small businesses. In particular, I would like to pay tribute to Mr. George Nolan King, Kentucky's Small Business Person of the Year, who hails from my home town of Louisville.

George is the owner of Mr. Klean's Janitor and Maintenance Service, Inc., a janitorial service which began with the financial backing of former employers. George became a contractor in the SBA's 8(a) contracting program in 1972 and became successful enough to graduate from the program in 1981. The firm now employs 500 people, is Kentucky's largest black-owned business and is listed among the top 10 black-owned companies in the Nation.

George's achievements make all Louisvillians—and all Americans—proud. It is the hard work and dedication of small business persons like George—who are indeed the backbone of our economy—that have helped make our Nation great.●

● Mr. FORSYTHE. Mr. Speaker, I am pleased to have the opportunity to participate in this special order designating the week of May 9 as Small Business Week.

I know how concerned small businessmen are about maintaining high levels of employment and stimulating productivity and economic growth. I know because I was a small businessman for over 35 years.

It is essential for the economic welfare of the Nation that the voice of small business be heard and be heeded. I have made a special effort to open my office to small business and to maintain a continuing dialog with its leaders.

I do not have to quote statistics to prove the importance of small business in the country. Our Nation has grown strong as the land of opportunity in which each individual can aspire to financial security through hard work and enterprise. The pursuit of economic self-realization has created the most productive economy in the history of the world.

Mr. Speaker, I have been on both sides and I understand the crucial role which small businessmen play in our society. That is why it is so important for Members of Congress to identify and address the concerns which inhibit their formation and growth.●

● Mr. AuCOIN. Mr. Speaker, this is National Small Business Week, a time during which we commemorate the ingenuity and spirit of America's small business operators, who bring life, foresight—and jobs—to Main Street in our towns and cities.

For years, small business kept the economy humming. But as we all know too well, small business today is caught between high interest rates and what—as the events I will relate to you clearly show—can only be called sheer stupidity on the part of the Federal Government. It's frankly no wonder, as the National Federation of Independent Businesses recently put it, that small businesses are "falling like flies."

Earlier this year, in towns throughout Oregon's First Congressional District, I met with small business operators to find out what was wrong and how we here in the Congress can help. One particular account stuck in my mind because it demonstrated, in so many ways, the incredible problems faced by many small business that attempt to do business with the Federal Government. Little did I know then that the small businessman who testified before me that day, Mr. Robert LeRoy Benham, of Newberg, Oreg., would be voted Oregon's Small Businessman of the Year.

About 15 years ago, Climax Manufacturing was started as a one-man operation, grew into a family operation and, following the motto "We'll do it ourselves," now has annual sales of about $2.5 million. The company manufactures metal cutting machine tools which are used in heavy industry for maintenance of equipment.

The president of the firm is LeRoy Benham, a distinguished member of Oregon's business community chairman of the Newberg Chamber of Commerce, member of the Small Business Advisory Committee to the Oregon Economic Development Commission, and member of the district export council, his firm is a member of the National Machine Tool Builders of America.

Mr. Speaker, 11 months ago, Climax employed 47 people. Now, it employs 35 people. This, despite the conviction LeRoy Benham shared with me in February:

One of our basic motivations is employment. We want to provide jobs. We are scrambling to try to do that. It is extremely difficult, in times like this, to preserve the capital that makes all of this work. Because if capital is dissipated, through failure to recognize the economic facts of life, it cannot recover, and we do not then have the capital to manage the upswing that we are hoping for.

What has happened to the jobs at Climax Manufacturing, Mr. Speaker? Well, one thing that happened is that Mr. Benham made the mistake of trying to help the U.S. Navy save a few dollars.

Mr. Benham's company developed a portable turning machine, capable of turning and truing large shafts, such as the propeller shafts on board ships. The Navy was interested in Mr. Benham's invention, because it represented a potential savings of hundreds of thousands of dollars over conventional maintenance procedures, which involve dismantling part of the ship to remove the propeller shaft for re-turning. Mr. Benham's machine had the advantage of being designed specifically to fit the Navy's need and was easily justified on the basis of cost savings; it paid for itself on the first use.

From here on, Mr. Speaker, I would like you to hear the story, just as Mr. Benham related it to me in his testimony last February:

We received a request for proposal from Norfolk about Aug. 31, 1981, and submitted the proposal on Sept. 2, 1981. A price was quoted in the proposal and we included a request for progress payments because of the heavy cost burden of such a project on a small business. The request for advance payments amounted to 60 percent of the total contract price.

The paper work for the award was not received until Oct. 30, 1981 and it contained significantly different progress payment provisions: It specified that 60 percent of the incurred costs would be paid instead of 60 percent of the contract price, as requested.

Several times between Oct. 1 and Oct. 31, 1981 communications with Norfolk promised prompt dispatch of the contract paper work. We were misled at least twice; told that it had been sent when in fact it had not been.

When we received the contract we immediately tried to renegotiate progress payment terms for terms that would be satisfactory to us and to the Navy.

The Contracting Officer at Norfolk said, "We can't administer progress payments from this distance, the administration of the contract will have to be transferred to Seattle."

We were asked to continue to work on the project during this time.

On Oct. 9, 1981, we telexed to the Navy that we would have to stop work until we received a final contract and the first progress payment.

On Nov. 3, 1981, we telexed to confirm that the administration of the contract would be transferred from Norfolk to the Defense Contract Administration Service Management Area (DCASMA) in Seattle. We assumed that this change would not take longer than three weeks and that our delivery date would not be affected by more than three weeks.

The contract transfer was completed on Nov. 17, 1981, and included an amendment changing the 60% cost incurred payment provision to an 85% cost incurred payment provisions.

Our attempts to renegotiate this provision were answered by DCASMA. They said that the DCASMA had no authority to negotiate the contract only to administer it.

Neither Norfolk nor Seattle would accept responsibility for renegotiation of the contract. No help was given from either location in securing assistance in resolving the questions on the contract. The Navy would not honor the original Telex even though it

was the only authority we had to continue the project.

We acquiesced to the terms for progress payments given by the Navy in the hopes that it would expedite the contract and receipt of payments.

The DCASMA determined that we would have to have an audit to determine that our bookkeeping was adequate to determine reasonable cost.

The audit was completed without conclusion because we were in the process of setting up a new accounting system to replace the standard accounting system; our old system was better than the systems used by most small businesses in this country.

On Dec. 23, 1981, we submitted form DD1195, "request for progress payment" as per instructions of the Contracting Officer.

DCASMA decided an audit of our subcontractor was necessary to determine reasonable cost. His shop rate was disallowed and reduced from $27.00 per hour to $18.06 per hour. After this reduction the Navy agreed to pay 85 percent of those charges plus material costs incurred by Climax.

Finally we received payment on Feb. 4, 1982. A check was cut on Feb. 2, 1982 and received by us Feb. 4, 1982. The amount of the check was incorrect—we should have received $18,076.00, but the check was for $31,152.00—$31,152 was the figure originally requested, not the figure approved by the contracting officer. The contracting officer said that we would be billed for the over payment; we have still not received a bill.

We are within one week of completing the contract and have received one progress payment which was for an incorrect amount. We should have received a total of $42,500, but because of the mismanagement we will not have time to bill and receive subsequent progress payments. The final payment will be due before progress payments are likely to be received.

We have incurred additional costs as a result of poor administration by the DCASMA and the Navy; the cost of money borrowed in lieu of the government's progress payments further increases the cost incurred by us.

I suspect that rectification of the over payment that we received will ultimately delay our final payment—it, too, will be late—for 60 days

On Nov. 17, 1981, we received a solicitation from the Naval Supply Center, Puget Sound, for a portable turning machine. We submitted a bid through our distributor, Western Machine Works of Tacoma, WA.

The machine was justified for purchase on the basis of cost savings and fast payback.

The award of a contract has been held-up due to a question of excessive profit. Apparently, a 15 percent profit margin is the maximum allowed profit on any government contract. The ignorance of the Federal Government about what it takes to run a business and what profit appalls me; it makes bidding to the government extremely unattractive. We are taxed on profits which is enough without being told we can't make a reasonable profit in the first place.

Who will create new products and develop new systems if there is not some compensation?●

● Mr. NOWAK. Mr. Speaker, in view of the fact that the President has designated this week as National Small Business Week, it seems particularly appropriate to discuss the importance of a strong small business community in the vitality and growth of the Nation's economy.

As we all know, this country is being choked by a protracted recession and severe economic stagnation, with high and volatile interest rates resulting in declining sales, mounting inventories, declining productivity, and a staggering rate of unemployment of 9.4 percent, unmatched since the Great Depression. Even a cursory glimpse at this bleak economic reality moves any thoughtful citizen to contemplate the underlying causes and, more importantly, to develop a strategy to effectuate a movement toward economic revitalization. It is important to be aware, however, that the complexities attendant to our national economy renders a single, absolute formula for creating an economic recovery scheme virtually impossible. This is evidenced by the conceptual disagreement between businessmen, politicians, economists, and others as to what course the country should follow in its pursuit of economic revitalization. For example, the monetarists and supply siders have long been proponents of an entirely different philosophical approach to correcting the problems plaguing our national economy. Indeed, the current recession has created disagreement among supply siders as to how this particular economic philosophy should be implemented, as evidenced by the recent controversy among the leaders of the U.S. Chamber of Commerce.

Although we must be cognizant of the serious difficulties and complexities involved in diagnosing the country's economic ills, we have a responsibility to continue our search for a viable solution to this pressing problem. Therefore, I feel that National Small Business Week, more than being a tribute to the American entrepreneur, provides an excellent opportunity to emphasize the importance of small business in our economy and to propose that the small business community should be the foundation upon which this country can build a road to future economic growth and prosperity.

With this in mind, let me briefly discuss why I believe that small business can play a constructive role in stimulating the national economy. Small business has long been recognized as the major source of employment opportunities. For example, a well known Massachusetts Institute of Technology study indicates that two-thirds of all net new jobs created between 1969 and 1976, were created by firms of fewer than 20 employees and approximately 80 percent were created by firms with 100 or fewer employees.

In addition, according to a 1978 House Small Business Committee Report, small firms have been responsible for four times as many innovations per research and development dollar as medium sized firms and about 24 times as many as the largest firms, the net result being a net increase in employment opportunities.

It is not difficult, therefore, to realize that small business is considered by many to be the linchpin of the job generation process.

In order to fully understand the need to have small business assume this crucial role in the future vitality of our country, it is essential to recognize that the economy is undergoing significant structural changes. First, there has been a general decline in the prosperity of the Nation's older urban centers. Second, as the Nation's businesses move toward increased automation, there will be a radical restructuring in types of jobs available and the employment skills required to fill these jobs. Finally, in general terms, the economy as a whole is shifting from a heavy industrial base to a service sector oriented base dominated primarily by small firms.

In view of these economic structural changes, it is interesting to note that the current jobless-rate statistics demonstrate a strange dichotomy in our country's economic base when measured against the acute shortage of skilled workers, due in large degree to the rise in automation and technology. With respect to automation, some experts contend that 45 percent of the work force, or as many as 45 million jobs, will be affected by factory and office automation.

With regard to specific skilled labor shortages, industry studies have indicated that the tooling and machining industries presently face a shortage of 60,000 skilled workers and expect a need for an additional 250,000 workers by 1985. In addition, the American Electronics Association projects a need for over 250,000 skilled workers in the technical and paraprofessional fields by 1985.

Employers, especially small businessmen, often do not have the time or the capital to fill this human capital void. Realizing that these critical shortages have contributed to our country's declining productivity, may undermine our competitive position in world trade and threaten national defense capabilities, we can rectify the situation by channeling our efforts toward the small business sector of the economy which, as stated, has traditionally been the greatest job creator.

Another area of our Nation's economic base which deserves immediate attention is the economic deterioration of our older urban centers. There has been much debate over the issue and there are now several legislative proposals which deal with plans to provide economic incentives to distressed areas. I fully support the underlying concept of these measures, but it is my contention that the focus

of these initiatives should be on job creation and the revitalization of small business. In order to foster this goal, any urban revitalization plan must take a broad, well balanced perspective. For example, although I have long been a proponent of utilizing the Federal Tax Code to stimulate small business investment and expansion, I do not feel that tax incentives alone will cure our urban ills. Tax breaks will not benefit small start up and early stage businesses who are experiencing little or no profitability. Therefore, a comprehensive revitalization plan must include provisions for some type of funding to assist small businesses in meeting their capital formation needs.

In addition, to attract small businesses to these distressed areas, there must be adequate funding to establish and maintain a viable infrastructure base, that is proper sewer and transportation systems. No firm, especially a high risk small business, will be encouraged to locate or remain in an area which does not provide a healthy commercial environment.

In closing, let us view "National Small Business Week" as a reminder that small business, our Nation's greatest job creator and innovator, has long been and should remain the backbone of a healthy and prosperous national economy.

● Mr. ATKINSON. Mr. Speaker, today I am proud to announce that William H. Harris has been selected as the Small Business Person of the Year for the State of Pennsylvania.

Mr. Harris was chosen by members of the U.S. Small Business Administration's Advisory Councils, which are made up of small business representatives, for special recognition because of their outstanding achievements in the small business sector. From these 50 State winners, the National Small Business Person of the Year is chosen.

In 1957, William Harris, was a diesel electrician with the Penn-Central Railroad. At that time he began a part-time cleaning operation. Sales that first year were $500. The part-time work grew steadily until in 1962 there were four employees. Sales fluctuated between $20,000 and $30,000 in the early 1960's. Marketing efforts concentrated on commercial building maintenance services, carpet cleaning, and distribution of janitorial supplies and paper products. Sales last year topped $1 million. The Harris Cleaning Service now employs 70 full-time and 90 part-time workers. It has trained unskilled or semiskilled employees to become supervisors, and the quality of its employee benefits is reflected in a low turnover rate.

Mr. Speaker, I am proud to have William H. Harris as a constituent in my congressional district, for it is persons like him who have made this country the great Nation it is today. As we all know, small business is the strength of our American system, and I am sure my colleagues join with me in expressing gratitude for the contribution William Harris and other small business persons have made in our society.●

● Mrs. SMITH of Nebraska. Mr. Speaker, it is my privilege to join my colleagues this afternoon to recognize National Small Business Week and salute America's 15 million small businesses. I want to express my special appreciation to the over 100,000 small businesses in Nebraska, 65,000 of which are farm and ranch operations, but still small businesses in every sense of the word and deserving of our tribute today. Also, my congratulations to the two Nebraskans being honored this week by the U.S. Small Business Administration for their accomplishments in small business: Mr. Edward D. Garner of Lincoln and Mr. Jack MacAllister of Omaha.

These two small businessmen and the millions like them across the Nation are the foundation of our economy, leaders in our communities, and at the heart of American free enterprise. Too often it is easy to take small business for granted and forget just how big small business is: Small firms represent 99.8 percent American businesses, employ 47 percent of the nongovernment work force, produce 38 percent of the Nation's GNP, and are the leaders in employment creation and innovation.

Our tribute today must, however, be realistic. The Nation's small business community was hit hard by soaring inflation under the previous administration, and even though inflation has moderated, persistent high interest rates and the recession are now taking their toll. Business failures have climbed 30 percent in the past year, reaching near depression levels, and small business income has declined in the past 2 years. During these difficult economic times, the spirit of small business people has been tested, but their enthusiasm and tenacity has kept the small business sector vital in the marketplace and provided us all with an optimistic outlook for the future.

All of our statistics, our words of appreciation and praise, and the well-earned "pat on the back" are good. But, let us send small business something more than rhetoric in the coming months. We, in both Houses of Congress and the administration, need to get down to work on a realistic budget and renew our efforts for meaningful reforms in Federal regulations and taxes that we began with last year's budget reconciliation and the Economic Recovery Tax Act. If we give small business the opportunity to grow and prosper without cumbersome, needless Federal regulations, without a stifling tax burden, and without having to compete with Uncle Sam at every turn for credit, these hard-working business men and women will answer with jobs, with increased productivity, and with a signal that we are ready to compete again as No. 1 in the world's economy.

America needs small business, and small business needs Congress to put forth a sound small business policy that is conducive to small business formation and growth. Through legislation affecting regulations and taxes and instilling discipline in our fiscal policies, we can remove some of the traditional barriers to small business success. Let us make our tribute today truly worthwhile and pledge our support to the small business community.●

● Mr. ANDERSON. Mr. Speaker, I am pleased to join my colleagues in honoring small businesses across the country during this Small Business Week.

We in Congress pass a lot of proclamation days and weeks; however small business is a subject which deserves the recognition. A large, diverse, and successful small business community is one of the fundamentals of our society, for, as the President has rightly said, it "is the cornerstone of our free enterprise system and since the birth of this country has represented opportunity, independence, and the fulfillment of dreams for generations of Americans."

When small business is threatened, our free enterprise system and, hence, our entire society is threatened, for the obvious alternatives to a free enterprise economy are socialism, an industrial aristocracy, or some combination thereof. It is not a clear-cut issue, of course, for in addition to our small businesses we have today the corporate giants and, goodness knows, an ample amount of governmental control of the economy.

I am concerned that this balance is jeopardized today as never in the past. Although 99 percent of all businesses are counted as small businesses by the Small Business Administration, the 10,000 largest companies provide more than one-half of the Nation's output and about one-half of the jobs. Because small businesses often operate financially from one day to the next, they are more sensitive to the vagaries of the economy than are large corporations that can "batten down the economic hatches" and ride out a prolonged recession.

With this in mind, I think that the most constructive thing we can do during Small Business Week is get started on a budget to reduce our enormous deficits and bring down interest rates. If we do not, we are likely to witness a sharp reduction in small business' influence on the economy and on our own individual lives. Let us get to work on this task.●

● Mr. O'BRIEN. Mr. Speaker, in my years in Congress I have on several occasions turned to the Small Business Administration on behalf of the residents of my district. I would like to relate two examples of the quick and competent action SBA consistently shows.

Earlier this year, the town of Wilmington, Ill., was inundated by flood waters. The residents did not know where to turn for help. The SBA went to Wilmington and set up a temporary office in order to be close to the flood victims. Every report from my constituents indicated that SBA's people had bent over backwards to provide assistance both courteously and quickly.

On another occasion the SBA Chicago office, headed by Richard Durkin, led the way through a lot of bureaucratic redtape to make a special loan to the Will County Sheltered Workshop in Joliet, enabling a very fine institution to expand its mission of training vocationally handicapped adults.

In both instances, Mr. Speaker, the SBA acted swiftly and with maximum concern for people who needed their assistance. I can think of no better compliment for an agency of the Federal Government.●

● Mr. ROBERTS of South Dakota. Mr. Speaker, I am very pleased to be able to participate in this special order in honor of Small Business Week. The President's proclamation made very clear his commitment to and respect for the accomplishments and contributions of small business. I wholeheartedly share his views and appreciate the opportunity to pay tribute to the most valuable component of our free enterprise system—the small business.

We are indeed indebted to small business for its leadership, innovation, productivity, and stamina to withstand burdensome Federal regulations, inflation, and years of increased taxation. Small business comprises 97 percent of the total businesses in this country and employs over half of the current labor force in the United States. It is small business which has taken the lead in providing new jobs to help ease our unemployment situation: 90 percent of all new jobs in this country are offered by small business. We owe a great deal to the small business sector.

We are all really here, of course, to honor the men and women who keep our small businesses going. One person, in particular, from my State of South Dakota, deserves special recognition during this week.

Kay Riordan of Keystone, S. Dak., has been named South Dakota Small Business Person of the Year. Kay has operated the National Park Service concession at Mount Rushmore since 1951, opening the first restaurant and gift shop there in a one room log building. Today the Mount Rushmore concession is considered one of the finest in the country by the National Park Service.

Miss Riordan exemplifies the spirit of small business and all it represents to Americans who value the opportunity and independence this country has to offer. Her hard work and capabilities make her especially deserving of the award she has received.

Small business is the heart of our economy and the backbone of our free enterprise system. Miss Riordan and all of the many small business people in South Dakota and the Nation really deserve our thanks for all they have done to contribute to the future of America.●

● Mr. WEISS. Mr. Speaker, I would like to commend the gentleman from Maryland (Mr. MITCHELL), chairman of the Committee on Small Business, and the gentleman from Pennsylvania (Mr. MCDADE), ranking minority member of the committee. Their efforts on behalf of our Nation's small businesses have been instrumental in maintaining the key role these businesses play in our economy today.

Any single faction of the economy that supplies more than half of the Nation's gross national product warrants special consideration—especially now, with the economy in dire straits, with interest rates soaring and unemployment at history-making levels, small business must become an area of particular worry.

Thriving small businesses are vital to a healthy economy. Indeed, 14 million small, independent firms serve as the backbone of American business, providing new jobs, technological innovations, and opportunities for ordinary citizens—including minorities—to achieve business success.

Urban centers, such as the portion of New York City that I represent, depend heavily on small companies for new job opportunities. Yet, unfortunately, current administration policy consistently favors large corporate industry at the expense of small business. Simply put, small businesses are not receiving the special attention they both need and deserve.

Last year, Americans were told that the enactment of Reaganomics would provide the fiscal impetus needed to put small businesses back on their feet. Since then, borrowing costs, the fiercest enemy of the small businessperson, have spiraled out of control. Worse, small businesses were provided with only $6 billion in tax relief over the next 5 years, while large, highly centralized corporations received the lion's share of new tax incentives.

Furthermore, our Government continually favors big business in procuring research and development dollars, a counterproductive trend that contradicts the simple fact that small business is society's leading source of technological innovation. In fact, a National Science Foundation study completed last year revealed that small companies produce "24 times more innovations per research and development dollar than large companies." Also, it found that "small business creates half of the most significant new industrial products and processes."

Still, small businesses annually have received less than 5 percent of the Federal Government's total expenditure for research and development.

Unless Federal agencies are forced to reverse this trend away from small business involvement in research and development, and unless we can provide greater tax initiatives for small businesses rather than huge corporations, small companies will continue to suffer. As they do, our employment and productivity problems will continue to grow.●

● Mr. LUKEN. Mr. Speaker, small business is the foundation of this Nation's economy and the vehicle which provides many of its people the opportunity to attain independence and success. Seven days is a very short time, but Small Business Week gives us an occasion each year to consider the extensive contributions made by entrepreneurs as well as the best course we in Congress should follow to assist in the progress of small, independent businesses.

It is clear that the United States most serious concern at this time is unemployment. Each day more and more industrious workers have experienced a layoff, cutback, or RIF until we have reached a staggering 9.4-percent national unemployment rate, the highest number since World War II.

Through this, however, small business has established an impressive record of job creation. Despite inflationary and economic ills that have plagued big and small companies alike in recent years, small business has been responsible for well over 80 percent of the Nation's new jobs in the private sector, with enterprises with 20 or fewer employees responsible for a majority of those.

These statistics have led experts to speculate that in order to return the jobless to work and absorb those entering the work force, over 10 million jobs will have to be created in small enterprises this decade.

It is clear that small business has been, is, and will continue to be, the key to lowering the unemployment rate.

For that reason, I am supporting the creation of a jobs tax credit for small companies. Such a credit would lower the real cost of a new employee and therefore provide the incentive to hire more workers and give small business the chance to further decrease the unemployment rate.

The contributions made to this Nation by small firms do not stop with creating thousands of jobs. The zipper.

Air-conditioning. Automatic transmission. Xerographing. The helicopter. The jet engine. Power steering. The ballpoint pen. Cellophane. Each of these was originated by a small business or an independent inventor.

Citizens of Ohio alone have been responsible for a variety of products and services, including the light bulb and the airplane. Not long ago, Ted Hattemer of Cincinnati developed a process that made it possible to use self-adhesives as labels for commercial products. And more recently, Les Englis and Joe Peter of Vortech in Cincinnati discovered a way to cool the asbestos suits worn by firefighters, thereby permitting them to fight a fire at closer range for a longer period without endangering their lives.

In fact, studies have shown that more than 50 percent of this century's advances came from small business. And looking at the above examples, we can see that many of these inventions were the seed for large, profitable industries that today are world leaders in their fields.

Congress should not permit the intelligence and creativity of an inventor and his company to go to waste. Notwithstanding these impressive achievements, small concerns receive only 3.5 percent of the Federal Government's research and development budget. It is only equitable that Congress seek to increase this amount by requiring each Government agency to establish a small business innovation research program that would allocate a greater amount of Federal research and development funds to small business.

Underlying all small business issues is one faced by every new and growing company—locating the seed money and capital to make the best product, invent the most efficient process, or provide the best service.

Because it takes so much more money to make ends meet today than it has any time in the near past, small business owners cannot hang onto enough of their earnings to reinvest in their business. This decrease in available funds has touched off a race among the concerns that must draw from this shrinking pool of capital, which frequently results in small companies finishing dead last.

Financial institutions are forced to charge prohibitively high interest rates. They prefer to issue only large loans instead of the smaller ones needed by independent businesses and save the processing costs. Individual investors, pressured by inflation, are searching for an immediate return or tax benefits on their investment rather than the higher profits they could get risking their money in new ventures.

If we expect small business to play a role in solving the problems we face today, we must give small companies the opportunity to grow with the same advantages given to large corporations.

This is one of the greatest challenges faced by Congress today. We must examine and act upon proposals such as the small business participating debenture, which would provide both the small concern and the individual investor with favorable tax treatment while maintaining the entrepreneur's control over his business.

Further, we must seek to maintain the use of industrial revenue bonds issued by State and municipal governments, thereby increasing the amount of low-cost funds urgently needed by small companies.

Throughout this Nation's history, small business has provided the fresh ideas and the economic stability we have needed to insure continuous progress. Today we are faced with problems that appear insurmountable, and we must again seek solutions from people and entities that have relieved these pressures in the past—individual entrepreneurs and small companies. Small Business Week is a good time to realize they are still the future of this Nation.●

● Mr. WYDEN. Mr. Speaker, this week is National Small Business Week, a time to honor our Nation's small businesses and the crucial contribution they make to our economic vitality. Unfortunately, small business—devastated by the recession and caught in a ruinous financial squeeze because of unprecedented high interest rates—has nothing to celebrate this week.

Small business bankruptcies are running at the highest rate since 1932. In my home State of Oregon, where the recession arrived early and hit hard, the situation is even worse. Faced with an economy that is heavily dependent on the severely depressed housing and timber industries, Oregon small businesses are dropping like flies.

A large share of the blame for this human tragedy can be laid at the feet of an administration that stubbornly refuses to veer from an economic program that clearly is not working—a program that favors big corporate interests and ignores the plight of the small businesses that provide us with the vast majority of new ideas, new production, and new jobs.

Small businesses have traditionally been dependent on short-term bank borrowing to provide cash flow and are uniquely sensitive to interest rate fluctuations.

Small business is now being devastated by what amounts to a de facto allocation of credit in this country.

The Government goes to the head of the loan window and gobbles up over half of the total available private capital to finance the trillion dollar debt.

Big corporations grab most of what is left—and squander a large part of this money chasing each other around in a nonproductive frenzy of mergermania. Small business owners are left to scramble after the small amount of investment capital that remains, at a price that thousands of these firms just cannot afford.

Our economy cannot recover from the worst recession in 40 years if small business continues to be shut out of capital markets, if it continues to be victimized by a Tax Code that foolishly rewards inefficiency and consumption and penalizes savings and investment in new production. When small business is shut out of effective competition it is denied a fair chance to do what it does best: Create jobs by moving ideas off the drawing board and on to the production line.

I cannot think of a better time than Small Business Week for the Congress to not only acknowledge the crucial role small business plays in our economy, but also to commit ourselves anew to an economic game plan that is fair, makes sense, and will put America back to work again.●

● Mr. RUSSO. Mr. Speaker, this week has been designated as "Small Business Week." It is a time we have set aside to recognize our small business men and women for their many contributions and services they provide our country.

I served on the Small Business Committee when I first came to Congress in 1975 until 1979. My interest in small business development and community actions are as strong today as they were while serving on the committee.

Small business plays a key role in our economy today. The contributions of small business to innovation and employment are of particular importance. Most small firms are labor intensive and over half of our labor is currently employed by small businesses. They remain among the leaders in job creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1975 this sector of our economy accounted for virtually all new private sector employment. The firms of the Fortune 1000 contributed less than 2 percent of the new jobs in that period.

Many events are being held this week to honor our small business men and women. Small business is the backbone of our economy and it is only fitting that we have set aside this time to recognize them.●

● Mr. STARK. Mr. Speaker, as you know, the President has designated the week of May 10 as National Small Business Week. In accordance with this I would like to reflect upon the many contributions the small businesses of our country make to our economy and society as a whole. The Ninth Congressional District of California is fortunate to have a large number of successful and personable businesses that have had a profound

impact upon the growth of Alameda County.

I would like to single out just a few of my area's small businesses as examples of some of the businesses that are responsible for our district's growth and productivity.

First, Lady Esther's Soul Food House in Oakland was founded over 10 years ago by Lady Esther Clay. The restaurant has grown from an original seating capacity of just four, to its present capacity to seat over fifty people. This is due in a large part to the hard work of the owner, whose concern for people and devotion to her business have made her very popular. The restaurant is located at 5327 East 14th Street and is noted for the large servings of stuffed prawns and homemade cornbread. Another specialty is the Louisiana Gumbo that is served on Fridays. A breakfast at Lady Esther's will fuel anyone for a day of hard work.

Danny Polvorosa's Barber Shop was founded in 1965 as one of the first hair styling shops in Alameda County. Located at 1120 East 14th Street, the shop accepted appointments only at first, yet due to popular demand, the barber shop now features walk-in service. This business has also been successful because of the hard work of the owner, Danny Polvorosa, who treats each customer as someone special.

Jack Koujakian Marketing Consultant maintains an Alameda office at 1822 Moreland Drive as well as a San Francisco office on Market Street. Mr. Koujakian is a member of the task force on taxation and regulation of California small business employers project and was a cosponsor of the first State conference on small businesses. Mr. Koujakian holds seminars and workshops covering such interesting topics as the start of a new business, use of computers, marketing, financing of loans, and taxes. This business is especially helpful in the sense that it also encourages growth within other small businesses.

I would like to wish all these businesses continued good luck in the future and congratulate them on the outstanding work done so far.

I would also like to take this occasion to remind Members of the first in a series of hearings on May 24 by my Ways and Means Select Revenue Measures Subcommittee. These hearings are on the tax laws relating to mergers and acquisitions. I believe that current laws encourage certain mergers for tax reasons, rather than economic reasons, and that these mergers and acquisitions help place severe credit and competitive pressures on America's dynamic small business sector. It is my hope that we can make the Nation's tax laws more "neutral" with respect to mergers and acquisitions, thus providing some help to the small business sector.●

● Mr. GEJDENSON. Mr. Speaker, I am pleased to participate in this special order and to have the opportunity to discuss the importance of small business—the largest employer in my district—to the economy of the Nation and the Northeast.

Over the years, many major studies have documented the fact that small business has contributed new jobs and scientific and technological innovations to the economy well beyond the contributions of big business. Firms listed in the Fortune 1000 contributed less than 2 percent of the total growth in new jobs between 1969 and 1976, while small businesses accounted for virtually all new private sector employment in that period.

A study by David Birch of the Massachusetts Institute of Technology notes that smaller firms generate about 70 percent of all new jobs in the United States and 75 percent of those in the Northeast-Midwest region. Incredibly, Professor Birch's study also showed that in New England 100 percent of the new jobs came from expansion of the small- and medium-sized business sector. Considering that unemployment recently set a post-World War II record, these statistics take on even greater importance.

While figures vary, recent analyses show that small companies (under 1,000 employees) are somewhere between 1.8 and 2.8 times as innovative as large companies per employee.

Although much of the news in the current severe recession has focused on the losses suffered by the auto manufacturers and other industrial giants, the broadest impact has been felt by medium and small businesses. There is no question that today's economic conditions impose the same burdens on small as on large businesses. But the large businesses can more easily carry the weight of those burdens. Small businesses have more limited means for dealing with the impact of increasing costs and prices.

The high interest rates that have been a feature of our economy for the last several years have served to make even more difficult the access of small business to venture and long-term debt capital. When they can get them, small businesses are paying 10 to 12 percentage points above inflation on their bank loans. This continuous need for capital, coupled with decreasing availability of such capital to small businesses, is a major contributing factor to the decline in small business that we are experiencing today. This year, we face the prospect of more than 25,000 business failures, the greatest number since 1932.

Even in times of exceptionally high interest rates, large businesses—while they may be inhibited in making their investment decisions—still have a relatively easy time gaining access to the capital they consider essential to their operations. For investors, making loans or investments in large businesses can be justified for reasons of efficiency and the greater reserves that major enterprises often have. In this situation, smaller businesses usually get the short end of the stick, since they require greater care and monitoring on the part of investors. And yet a number of recent studies have shown that the rate of return on capital for smaller manufacturing businesses is greater than that of most other size classes.

Given these facts, it is unconscionable that the present Administration—with its professed desire to expand the national economy through business growth—has not only ignored but actually worked against the needs of small businesses. The administration consistently has sought to cut Federal programs that provide assistance to small businesses in the form of loans and loan guarantees. The Omnibus Reconciliation Act for the 1982 budget reduced all Small Business Administration (SBA) lending and guarantees by 25 percent. For the next year, the Reagan administration has requested an additional 10-percent cut in the guaranteed loan program and has proposed elimination of all direct loans. The SBA guaranteed loan has been one of the few ways small business could obtain capital in an ever-tightening market.

Mr. Speaker, we must begin to take more seriously the needs and contributions of small business and do something about them. We cannot have full economic recovery in the country without accompanying recovery in the small business sector. It is time to assess our commitment to small business and to address ourselves to the impact of tax, fiscal policy, and regulatory legislation on the small business community. Unless we do, I feel we will never see the kind of economic recovery which we all desire.●

● Mr. ANNUNZIO. Mr. Speaker, I am pleased to join my colleagues in the Congress during National Small Business Week in saluting the small businessmen in my own 11th District of Illinois and all over this country on their numerous and invaluable contributions to our Nation's growth, wealth, and prosperity.

The importance of small businesses cannot be underestimated for small businessmen employ almost half of our country's non-Government labor force. Of the 14.7 million businesses in the United States, about 12.5 million are small businesses, responsible for about 38 percent of the gross national product. They are truly essential to the future well-being of our economy, since small businesses are 24 times more innovative per research and de-

velopment dollar than large firms and 4 times more innovative than the medium-sized firms. Moreover, two-thirds of all new jobs are created by firms with less than 20 employees.

In my own 11th District, many neighborhood shops and small businesses, each with their own distinctive ethnic and community flavor, have consistently served Chicagoans with initiative and ingenuity over the years. The Chicago Association of Commerce and Industry Small Business Council reports that our city is served by over 135,000 small and independent business establishments.

Throughout our history, the small businessman has played an important and indispensable role in the economic growth of the United States. Craftsmen, artisans, merchants, farmers, and fishermen immigrated to our country, bringing with them their own unique skills, and in striving to achieve the American dream of owning one's own business, they made a lasting impact on the economic development of the Nation. Ten of our Presidents were small businessmen, engaged in occupations such as ferry operator, saloonkeeper, farmer, and haberdasher.

Mr. Speaker, small businessmen are the leaders, the innovators, and the backbone of the business community. Their record of influence on our country is enormous and commendable, and their future success is crucial to maintaining our economic vitality. Small businesses are harder hit than large businesses by the current recession primarily because they rely almost exclusively on bank loans for capital. Therefore, it is essential that Congress, the President, and the Federal Reserve Board agree on steady, predictable tax, and economic policies to the end that small businesses may retain their vitality in the years to come.●

● Mr. BROOMFIELD. Mr. Speaker, as we observe Small Business Week, we should all reaffirm our commitment to a vital force in America's economy—the small business men and women of our country.

Our Nation was built on a solid foundation of many and diverse small businesses. These small businesses are looked upon as the realization of the "American dream" and as proof that America is a land of opportunity. They are a mirror of all that we want free enterprise to be.

The individual spirit that small business represents has made it a major contributor to the achievements and accomplishments of this Nation. Unemployment is a major problem in Michigan, as in other parts of the country. Small business continues among the leaders in employment creation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some 80 percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by businesses with fewer than 20 employees.

Given our Nation's economic difficulties today, especially its unemployment situation, we cannot afford to ignore the resources and potential contributions of small enterprises. It is time for us to replace our commendation of small business with substantial and constructive action. If small business is to continue its heritage of significant contributions, it is essential that we support measures to preserve and strengthen its role today. We must unshackle it by enacting tax revisions, further regulatory reform, budget changes, and provide greater opportunity for innovative research and further encouragement for exporting.

Small Business Week is a time for celebration, but also a time for resolve. This year small business can rightly celebrate the gains it has made in getting recognition in Washington in recent years. As we salute the small business community this year, let us all resolve to provide this vibrant and dynamic sector of our economy a healthy climate so it can continue to be the lifeblood of our economic system.●

● Mrs. SCHNEIDER. Mr. Speaker, Congress has declared May 9 through 15 as U.S. Small Business Week. This is an appropriate time to acknowledge the many contributions that small businesses have made to the United States and our economy.

Given our economic condition, we cannot afford to ignore the influence and importance of the small business community. Their innovative spirit, their attempts to meet new challenges are essential to our economic progress. I know in my own State of Rhode Island small businesses are the backbone of our economy. We are almost entirely dependent on small businesses for new job opportunities.

According to a 1979 study, 66 percent of all new jobs in the Nation are created by firms with less than 20 employees, 77 percent are created by firms with 50 or fewer workers. Further, the 700 fastest growing small companies increased their payrolls by 519 percent between 1976 and 1981, compared to the 7-percent increase within the 500 largest companies during the same period. Looking at these statistics one can easily see how important the health of small business is to our unemployment picture and new job creation.

Small businesses act as a training ground for many workers for larger companies.

They test untried products, markets and locations not attractive to larger firms. They often conserve resources by utilizing facilities, products or processes deemed inefficient by larger businesses. In short, small business is our Nation's economic and technological pathfinder. Its vitality is our Nation's health.

The bottom line is simple: America needs small business formation and growth. We must all work together to reduce the deficit and bring down interest rates so that small business men and women can continue to make their vital contribution.●

● Mr. ATKINSON. Mr. Speaker, as a small businessman for over 25 years, I am proud to join with my colleagues in recognizing the tremendous contributions of small businesses during this week of May 9 designated by the President as National Small Business Week.

It is no secret that small business is the backbone of our American economic system. While there are approximately 10,000 corporations in the United States with more than 500 employees, there are more than 14 million farm and nonfarm small businesses with less than 500 employees. More impressive, however, is that small businesses comprise 97 percent of all firms; 43 percent of the GNP; 65 percent of total dollar value generated by wholesaling; 73 percent of retail sales; 57 percent of annual service sales dollars; 75 percent of construction dollar volume; and 58 percent of employment of the private nonagricultural work force. In addition, figures comprised by the Bureau of Census Survey show that 12.8 percent of small business in America are owned by minorities and women.

Small businesses are the primary provider of on-the-job training in basic job skills to the first-time employee. This means that many of the sectors of our labor force that are particularly hard-pressed, like youths, minorities, and women are likely to find their best opportunities with small business. Further, small businesses tend to do all they can to retain employees. Frequently, there are close personal relationships between management and labor in a small business concern. When small businesses are faced with a serious economic crisis they will look at trimming back employment as a last step necessity, not the first step beginning point.

As a nation, we owe a tremendous debt of gratitude to the millions of small businesses which play such a vital role in our economy. No other group has done so much to make us prosper—or is so uniquely American. The contribution of small business to the U.S. economy in terms of new jobs and innovation is astounding. In recent times, small business has created over 85 percent of our new jobs and contributed to more than half of our major innovations. Simply put,

Mr. Speaker, small business and its importance to our economy and the entire fabric of our national life cannot be overstated.

Mr. Speaker, during National Small Business Week let us rededicate ourselves to solving the problems that face small businesses today. We must realize the unique and special circumstances small businesses are confronted with. Let us pledge to reduce the regulatory burden, to bring down investment-stifling interest rates and to end the recession that is crippling our economy.●

● Mr. PAUL. Mr. Speaker, according to recent studies, 9 out of 10 of the new jobs created in the years ahead will be created by small businesses. But thanks to the maze of Federal regulations, the punitive tax burden, and the inflationary environment poisoned by exorbitant interest rates, it is clear that we will enjoy only a fraction of the employment opportunities and other benefits that would otherwise be provided by innovative small businesses.

In order to remove from the shoulders of our smallest businesses some of the most stifling Federal burdens, I have just introduced the Small Business Free Enterprise Act, the text of which is printed below. This bill creates no new agencies or programs, and involves no expenditures. But it would do something far more important and effective: For businesses with 20 or fewer employees, my bill would:

First, provide a 100-percent reduction in social security taxes for all qualified employees, including self-employed persons,

Second, reduce the capital gains tax to 5 percent for businesses who receive no Government subsidies or other assistance,

Third, reduce the corporate income tax to a flat 5 percent,

Fourth, allow straight line, 1-year depreciation, no maximum,

Fifth, allow cash accounting,

Sixth, eliminate minimum wage requirements, and

Seventh, eliminate the jurisdiction of OSHA.

There is every reason to believe that these reforms would give rise to a burgeoning of small, family, and community-oriented enterprises.

The qualifying criterion is simple: 20 or fewer employees. Why so simple a criterion? No one could possibly argue that a person working for so small a firm is without alternatives. In fact, subsequent to the passage of my bill, we could expect a multitude of these tiny businesses in every community. In such a competitive atmosphere, every worker would have the option of quitting and working elsewhere if he is unsatisfied with his pay or working conditions. In this environment, workers become capable, once again, of looking out for their own welfare without a mass of stifling and meddlesome Federal regulations, which destroy the alternatives open to workers, constrain the sorts of contracts they can enter into, and thus, prevent them from pursuing their own best interests. The irony in our present, depressed economy is that in our zealousness to provide for workers' welfare and happiness, we have destroyed their alternatives and their opportunities for advancement.

I would like to call the attention of my colleagues to the following excerpt from a Time magazine article of December 21, 1981. The article discusses the Italian economy—to which our own economy bears increasing resemblance—which is largely sustained by the strength of its small business sector:

Government-subsidized industries—steel, cement, autos, shipbuilding, airlines—are losing money at a rate of $5 million a day, partly from inefficiency, partly from political pressures . . .

The drain on the economy from such losses would be considerably worse were it not for the nation of profit. Small business everywhere is surprisingly strong. In the Tuscan city of Prato (pop. 160,000), for instance, the profits of family owned textile businesses amounted to $1.5 billion last year . . . Prato has 15,000 factories, of which 13,000 employ ten or fewer people. The yellow-stucco houses present strange sights: family wash hangs out of the upstairs window, while lower floors are filled with spindles, looms, and dye vats . . .

The most amazing sector of the nation of profit, however, is Italy's underground economy, which never shows up on the official statistics. It is a result of the scala mobile, the official wage scale that moves up or down with cost of living indices. Most moves have been up, of course, particularly after the three powerful national labor unions won drastically higher revisions in the wage scale in 1975. Employers responded by taking advantage of a section of the labor law that exempts companies with fewer than 20 workers not only from automatic wage increases but also from compliance with regulations on benefits, safety rules, and social security. Suddenly, larger companies were chopped into smaller ones. In many cases, workers defied their unions and helped with the chopping. They did so, explains Vito Scalio, a Christian Democratic member of Parliament and one time union leader, because workers believe that unions are out of date. Says Scalio: "They still insist on representing a proletariat that insists on growing out of the proletariat class and become entrepreneurs."

One result of such industrial miniaturization was a 30 percent reduction in labor costs. Another has been a patchwork of local boomlets. In desperately poor Naples, back-alley businesses have grown so fast that Mayor Maurizio Valenzi can brag: "Naples exports 5 million pairs of gloves a year, yet we do not have a single glove factory." In the village of Paganico Sabino (pop. 450), a farming hamlet 50 miles northwest of Rome, the women sit together in the sun, gossiping and knitting while their men work in the fields. The knitting needles fly purely for profit; the women are working for Armani, Missoni, Fiourcci and other top designers. Once a fortnight, a designer's representative collects completed knitwear and drops off a new supply of wool—and crisp lira notes. No talk about working conditions, tax deductions, or social security.

Such activities show up nowhere in official economic surveys, but they are substantial. At least a million people are employed in unreported businesses. A million others hold two jobs, one of them also unreported. An additional 300,000 Italians are self-employed. About 15 percent of the labor force, as a result, does not officially exist—and neither do its revenues. In the view of some economists. Italy's gross national product, estimated at $393 billion in 1980, has been understated by as much as 30 percent.

This strange new version of il piccolo e bello (small is beautiful), has forced social scientists to do some rethinking. Explains University of Rome Sociologist Franco Ferrarotti: "In the 1960s we predicted that the Italian family was disappearing. We were absolutely wrong . . ."

I believe that this brief excerpt illustrates the sort of benefits that my bill would provide: A burgeoning of small, innovative enterprises, and all on a human scale. I would much prefer to extend these benefits over the whole of the economy, to businesses of any size. But since this seems impossible at present, I would ask my colleagues to at least permit our smallest businesses to be bastions of free enterprise. The only alternative is continued economic decline and stagnation.

The specific provisions of my Small Business Free Enterprise Act are lifted directly from the Free Enterprise Zone Act that I introduced in the last Congress. Most of the benefits that would have been provided within the zones of the old bill would now be made available to qualified small businesses. This new bill certainly could be seen as a complement to the enterprise zone legislation which has been proposed by the administration. However, I should point out that the constitutional requirement of uniform taxation raises certain questions about an enterprise zone bill which would not arise on a small business bill. This is why I have changed the orientation of my bill. I have no doubt that my new bill would still provide a significant stimulus to the economies of our poorest cities, without confining the benefits to these areas.

The text of the Small Business Free Enterprise Act follows:

H.R. 6053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE

(a) SHORT TITLE.—This Act may be cited as the "Small Business Free Enterprise Act".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

TITLE I—INCENTIVES

Subtitle A—Social Security Tax Reduction

sec. 101. reduction in social security payroll taxes.

(a) GENERAL RULE.—Subchapter C of chapter 21 (relating to social security payroll taxes) is amended by redesignating section 3126 as section 3127 and by inserting after section 3125 the following new section:

"SEC. 3126. ELIMINATION OF EMPLOYEE AND EMPLOYER TAXES FOR EMPLOYEES OF QUALIFIED SMALL BUSINESSES.

(a) IN GENERAL.—If an employee is an eligible employee for any payroll period, each rate of tax specified in section 3101 or 3111 shall, for wages paid for such payroll period, be reduced by 100 percent.

"(b) ELIGIBLE EMPLOYEE.—For purposes of subsection (a), an employee is an eligible employee for any payroll period if his employer is a qualified small business (within the meaning of section 1201(d)(2)) for such period."

(b) CLERICAL AMENDMENT.—The table of sections for subchapter C of chapter 21 is amended by striking out the item relating to section 3126 and inserting in lieu thereof the following:

"Sec. 3126. Reduction in employee and employer taxes for employees of qualified small businesses.
"Sec. 3127. Short title."

Subtitle B—Reduction in Capital Gain Tax Rates

SEC. 111. CORPORATIONS.

(a) GENERAL RULE.—Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) a tax computed on the taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted,

"(2) a tax of 5 percent of the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property, plus

"(3) a tax of 28 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year,

"(B) the amount of the net capital gain taken into account under paragraph (2)."

(b) DEFINITION OF QUALIFIED PROPERTY.—Section 1201 is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) DEFINITION OF QUALIFIED PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified property' means—

"(A) any tangible property which was used predominantly by an entity in the active conduct of a trade or business, and

"(B) any interest in a corporation, partnership, or other entity,

if, for the most recent taxable year of such entity ending before the date of the sale or exchange, such entity was a qualified small business.

"(2) QUALIFIED SMALL BUSINESS.—A person shall be treated as a qualified small business for any taxable year if—

"(A) such person is actively engaged in the conduct of a trade or business during such taxable year,

"(B) such person has at no time during such year more than 20 employees, and

"(C) such person receives no subsidies, grants, loans, or loan guarantees from federal, state or local governments for such taxable year."

SEC. 112. TAXPAYERS OTHER THAN CORPORATIONS.

Subsection (a) of section 1202 (relating to deduction for capital gains) is amended to read as follows:

"(a) DEDUCTION ALLOWED.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income—

"(1) an amount equal to the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property (within the meaning of section 1201(d)), plus

"(2) 60 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of the net capital gain taken into account under paragraph (1)."

SEC. 113. MINIMUM TAX

Paragraph (9) of section 57(a) (relating to tax preference for capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) SALES OF CERTAIN PROPERTY NOT TAKEN INTO ACCOUNT.—For purposes of this paragraph, sales or exchanges of qualified property (as defined in section 1201(d)) shall not be taken into account."

Subtitle C—Corporate Rate Reduction

SEC. 121. RATE REDUCTION.

Section 11 (relating to tax imposed on corporations) is amended by redesignating subsections (c) and (d) as subsections (d) and (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c) REDUCTION IN RATE OF TAX FOR CORPORATIONS WHICH ARE QUALIFIED SMALL BUSINESSES.—If any corporation is a qualified small business (as defined in section 1201(d)(2)) for any taxable year, the amount of the tax imposed by subsection (a) on the taxable income of such corporation shall (in lieu of the amount determined under subsection (b)) be 5 percent."

Subtitle D—Other Incentives

SEC. 131. ACCELERATED DEPRECIATION.

(a) ONE YEAR, STRAIGHT LINE METHOD.—Section 167 (relating to depreciation) is amended by redesignating subsection (r) as subsection (s) and by inserting after subsection (q) the following new subsection:

"(r) RAPID DEPRECIATION FOR QUALIFIED SMALL BUSINESSES.—

"(1) IN GENERAL.—In the case of any taxpayer who is a qualified small business (within the meaning of section 1201(d)(2)) for any taxable year, the taxpayer may elect to compute the depreciation deduction under this section with respect to any property placed in service during such taxable year by using the straight line method with a useful life of 1 year.

"(2) COORDINATION WITH SECTION 168.—Property to which an election under this subsection is in effect shall not be treated for purposes of this title as recovery property (within the meaning of section 168)."

(b) FULL INVESTMENT CREDIT ALLOWED.—Subsection (c) of section 46 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(10) SPECIAL RULE FOR PROPERTY OF QUALIFIED SMALL BUSINESS.—Notwithstanding any other provision of law, the useful life, for purposes of this subpart, of any property with respect to which an election is in effect under section 167(r) shall be determined without regard to that election."

SEC. 132. OPTIONAL CASH METHOD OF ACCOUNTING FOR QUALIFIED BUSINESSES.

(a) GENERAL RULE.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(f) OPTIONAL CASH METHOD.—

"(1) IN GENERAL.—Any taxpayer who is a qualified small business (as defined in section 1201(d)(2)) for any taxable year may elect to compute taxable income—

(A) under the cash receipts and disbursements method of accounting, and

"(B) without any requirement to use inventories under section 471.

"(2) ELECTION.—An election under paragraph (1) may be made by any taxpayer without the consent of the Secretary for the taxpayer's first taxable year for which the taxpayer is a qualified small business."

SEC. 133. MITIGATION OF MINIMUM WAGE LAWS.

The Federal laws mandating a minimum wage shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

SEC. 134. MITIGATION OF OCCUPATIONAL SAFETY AND HEALTH ADMINISTATION JURISDICTION.

The Occupational Safety and Health Act (and the rules and regulations issued pursuant to its authority) shall not apply to any business and its employees for the period such business is a qualified small business (within the meaning of section 1201(d) of the Internal Revenue Code of 1954).

TITLE II—EFFECTIVE DATES.

SEC. 201. EFFECTIVE DATES.

The amendments made by this Act—

(1) insofar as they relate to subtitle A of the Internal Revenue Code of 1954, shall apply to taxable years beginning after December 31, 1982; and

(2) insofar as they relate to chapter 21 of such Code, shall apply to wages paid after December 31, 1982.●

● Mrs. MARTIN of Illinois. Mr. Speaker, small businesses have often been recognized as the backbone of the American marketplace; their importance to our economy is widely acknowledged. That really is no surprise in light of a few significant facts: 97 percent of all businesses are small businesses; that is over 15 million small enterprises; small business accounts for over 80 percent of all new jobs in the private sector; small business accounts for over 50 percent of all new technical innovations; small business contributes about 43 percent of the gross national product, and about 48 percent of the business portion of the GNP.

Those are certainly astounding statistics, but probably not as wondrous to small business entrepreneurs who well know their vital role in our economy.

I think it is appropriate that this week has been designated as National Small Business Week. Even more so, I am proud that the small business community of the 16th Congressional District of Illinois mirrors the economic contribution of small businesses na-

tionwide. That is why I am especially pleased that Mr. Dean A. Olson has been singled out as Illinois' Small Business Person of the Year. Furthermore, his company, Rockford Acromatic Products Co., has been selected as the Small Business Administration's Regional Prime Contractor of the Year. Both are now eligible as national recipients of these well-deserved honors. It should not go unnoticed, however, that another Rockford businessman, Mr. David R. Morgan, president of Illinois Machine Products Co., was a runner-up for the honor of Illinois Small Business Person of the Year. These two men certainly exemplify the qualities of small business people not only of northern Illinois, but nationwide.

Needless to say, the past years of prolonged high interest rates and inflation have taken their toll on small businesses. That is all the more reason for recognizing the importance of small business to our economic well-being.

Today, I join my colleagues in saluting and honoring all small businesses throughout the country which symbolize the true essence of America and the free enterprise system.●

● Mr. SILJANDER. Mr. Speaker, thank you for the opportunity to pay homage to the backbone of our economy: America's small business.

During this week, a week declared by President Reagan to be "Small Business Week," we have had the opportunity to reflect on what part of our economy is operating most efficiently despite the recession we are in. The answer clearly is small business. The No. 1 problem in my State and district is high unemployment, and it has not passed my notice that two out of three new jobs are created by small business. In fact, 80 percent of all new jobs for minority and disadvantaged workers are created by small business.

Not all small business operators may consider themselves to be innovators, but over half of all patentable ideas in the 20th century have come from small business. Last year, nearly half of our Nation's gross national product was produced by small business.

It is clear that small business plays a crucial role in job creation, innovation, and productivity. It is in its hands that our Nation's economic recovery lies. I can illustrate that by pointing out that if every small business in America were able to hire one worker, unemployment would be eliminated.

Small business is an integral part of our heritage. It is through small business that the American dream became a reality. Businesses that started out with one or two men and an idea, have made millionaires out of poor immigrants, that has created 95 percent of the private sector jobs in this country, that has been the rocket fuel behind upward mobility in our great Nation.

John Vander Ploeg represents the kind of entrepreneur that has made our country strong. John Vander Ploeg, of Kalamazoo, was named Michigan Small Businessman of the Year for 1982. John founded Ship-Pac, Inc., in 1964 as a means of coordinating 15 different suppliers in the shipping and packaging industry. He started with two employees and earnings of $100,000. By 1981, sales had reached $6 million and Ship-Pac employed 35 people. Mr. Vander Ploeg, like many small businessmen, is not only successful on his job, but is active as a volunteer in various organizations and was recently elected vice-mayor of Kalamazoo.

I believe John Vander Ploeg represents the typical character of the small businessman. Economically, times are very hard: There is no denying that we are in a recession. Small business has been hit as hard by this recession as all other sectors of our economy. I believe, however, that small business will lead us out of this recession. Throughout the country, the creativity, hardwork, and true courage that characterizes our Nation's small businessmen and businesswomen will be the prime ingredient to our Nation's ultimate economic recovery.

It is an honor for me to be serving as a member of the House Committee on Small Business. In my short tenure, we have been able to accomplish some positive measures, but I hope we can do more, for it is sincerely my pleasure to do whatever I can to assist the men and women who, in my opinion, have made this country truly great.●

● Mr. STATON of West Virginia. Mr. Speaker, today more than ever in recent history small businesses in this country are faced not only with the difficult task of turning over a profit but of maintaining their very existence.

High interest rates have caused real hardships for many small businesses. Many of these businesses have seen their financial position deteriorate because of their need for increased borrowing.

This situation has now turned into a national crisis. The combination of increased borrowing for maintaining inventories has raised the burden of debt for many small businesses to the point where they are vulnerable to bankruptcy if cash flows drop significantly.

There is no better solution to the problems of these more than 9 million businesses than to simply have interest rates fall to previous levels. Interest rates at 10 percent or even 12 percent would give our national economy the stimulus to take off.

Small businesses are less able to adjust their selling prices quickly in response to rising or lowering of costs. Inventories purchased with high interest rates do not permit smaller businesses to compete actively in the marketplace.

The Economic Recovery Tax Act of 1981 is designed to provide some help through several tax provisions aimed at improving cash flow for small businesses. ERTA provides incentives for both savings and investment. Improvements in the savings and investment situation will help provide a more stable base for small business growth.

With the administration working to redirect spending and decelerate monetary growth and to provide a tax cut we can hope to soon see the economy begin to improve.

The initiation of these policy changes and a new and concentrated effort has created a period of economic readjustment for many sectors of the economy and particularly the small business in this country.

This country must work strenuously to decrease its dependence on spending borrowed money. We must revise our way of handling our finances so that we can create a sound economy through responsible money management.●

● Mr. MARRIOTT. Mr. Speaker, the private sector's greatest source of innovation and job creation is beginning to look more and more like an endangered species.

In 1953, small business accounted for 43 percent of the gross national product (GNP) and 52 percent of the gross business product (GBP). In 1970, that had slipped to 41 percent of the GNP, 50 percent of the GBP. By 1976, it had dropped to 39 percent of the GNP, and 48 percent of the GBP. In fact, every category of small business—mining, construction, manufacturing, wholesale trade, retail trade, finance-insurance-real estate, services, transportation-communication-utilities—has declined in its share of the GNP between 1955 and 1976.

One reason, I submit, for this state of affairs is the combination of long-term inflation with growingly excessive Government-generated paperwork and regulation, which have increased the cost of doing business to a degree that it is difficult for the smaller firm to absorb the additional financial burden. And, today's high interest rates may be the straw that breaks the back of small business.

Bankruptcies and business failures have risen almost 30 percent in the last 2 years. But, a closer look at those statistics is even more revealing.

IRS data indicate that the largest number of recorded partnership dissolutions—cases where businesses simply quit or the owners retired—were in fields dominated by small firms, with the heaviest toll in the construction industry.

Increases in business failures—instances where a business ceases, but

causes no loss to creditors—during the 1980-81 period were greatest in small business industries. Failures in the construction industry were up 49 percent; they were up 47 percent in the service industry; up 41 percent in retail trade; and up 32 percent in wholesale trade.

And, outright business bankruptcies were estimated to be about 45,600 from September 1980 to September 1981. The previous year, the figure was about 36,000.

Sadly, the smaller the firm, the less its chances for survival. A business with 21 to 50 employees has a 54-percent likelihood of surviving 4 years; but, a firm of 20 employees or less has only a 30-percent chance of surviving that long. Yet, it is the survivors among these small firms that create the most jobs.

Today, my colleagues and I are reminding this body and the American people of the importance of small business to our economy. Some of the more important indicators are: Small business employs 47 percent of the Nation's nongovernment work force; small business creates 86 percent of all new private sector jobs; in fact, 75 percent of those new small business jobs are provided by firms less than 5 years old; and, small business accounts for 80 percent of new jobs for black Americans.

Minority enterprises are predominantly small businesses, as are those owned by women. It is fair to say that small business offers the best opportunity to all Americans—regardless of race, color, or sex—for a meaningful share in the American dream of successful self-sufficiency.

Small business' returns to the economy are measurable in other ways as well. For example, small firms provide twice as many innovations per employee as larger firms.

So, if we can help younger firms hang on, we will broaden the tax base, tap the most innovative segment of our economy, and harness the Nation's best job creating machinery.

So, how do we help these younger firms? It is simple enough to say we ought to do it, harder to carry out.

Unfortunately, most tax relief consists of tax credits and tax deductions that are meaningless to the new small business, which is not paying taxes, perhaps not even turning a profit during the first part of its existence.

Small business needs two things desperately: sufficient startup capital to get it into business, and economic stability and low interest rates so they can generate the capital to stay in business and, perhaps, even expand.

Small businesses do not usually generate the internal capital necessary to sustain them even after they are operating during extended inflationary periods. The central reality of economic life for small businesses is that they rely on debt capital, borrowed money, almost exclusively. In fact, about 98 percent of the new capital needs of small business are met by borrowing.

The usual reaction to this problem, even during a long period of high interest rates, is to say, "Leave them to the mercy of the marketplace," or to throw money—in the form of grants and loans—at the problem.

The first difficulty with these reactions is that the marketplace exists only in a badly distorted form. It has been distorted by a 40-year economic drunk, a paternalistic Federal Government giving away money it did not have—money, by the way, which was not even the Government's to begin with. it has been distorted by tax laws that actually encourage investors to put their money in "safe," unproductive tax shelters that create few—or even no—new jobs and often produce few—or even no—new goods. It has been distorted by a Federal Government that has lacked the resolve to correct its fiscal excesses because it grew fat on the additional taxes confiscated from people pushed into higher tax brackets by inflation. In fact, during the last two recessions, the prime rate dropped in response to economic plans announced by the administrations then in office, plans later abandoned, leaving the financial markets burned. This time, they are not buying until they are sure the Government is serious.

What about grants and loans? First of all, direct SBA loans have a loss rate of 38 percent. That is an unconscionable waste of taxpayers' money. And, guaranteed loans are only available at rates usually more than 2 points over prime. That is like giving the small business the choice of being shot dead or slowly bleeding to death.

Recently, I and several of my colleagues on the House Small Business Committee have suggested another approach to this problem. Do not tinker directly with fiscal and monetary policy, and do not abandon the tax cuts—especially since the 90 percent of small businesses who file individual tax returns have already figured those cuts into their economic plans. Instead, give small business the tools to work around the high interest rates, and use a Federal-private sector partnership as the engine to make it go.

Yesterday, for example, the committee unanimously reported out a measure that includes an important modification of the SBA's direct loan program. First, it targets money to areas with chronically high unemployment. Second, it goes first to small businesses that will create a number of new jobs. Third, instead of simply making money available for good intentions, it requires a marketing study and business plan, assuring a good chance of success for the borrower. Finally, it requires participation by State or local investors or institutions; in fact, the non-Federal money must be committed before the Federal share is disbursed.

In the same bill, we increased the funding level for small business investment companies. This program, which also requires private capital before Federal funds can be borrowed, has been estimated to return to the Federal Treasury $110 for every $1 in Federal money spent on administering it, including losses. When properly run, the SBIC program offers tremendous bang for the buck.

The 503 development company program is another that makes Federal guarantees available only after private capital is committed. Both private investors and local communities, and some States, are using this program most effectively to provide startup money to job-creating small businesses.

Finally, I have been joined by 30 of my colleagues, in both parties, in an effort to create a small business participating loan program (H.R. 5078). Tailored specifically to attract investment capital to productive small firms, and away from dead-end tax shelters, it involves no Federal money whatsoever. Instead, it provides a package of tax incentives, beginning with a modest investment tax credit, and combines that with favorable tax treatment on the participating earnings of the lender.

For example, if you own a small business, you can approach a lender for a loan of, say, $100,000. Our bill would allow the lender to charge as little as 6 percent simple interest, plus a percentage of the profits that would negotiate with the lender, for a number of years on which you both agree.

The lender would receive a $20,000 tax credit—$30,000 if you are a minority or disadvantaged firm. The interest would be taxed as ordinary income; but, the share of the profits would receive preferential long-term capital gains tax treatment. Your interest payments would be deductible as the cost of doing business. And, since it is a loan, not a security, there would be no Government redtape. You and the lender would simply work out the best mutually agreeable terms.

And, here is a key element: Although you give up no ownership in the business, the lender's share of your profits means his or her success is dependent on your success. So, the lender has a vested interest in giving you the benefit of any business expertise he or she possesses.

That element of vested interest is present in all these programs, in fact. The private sector participation will guarantee that someone is working at all times to make the investment a good investment—that is, one in which

the small business succeeds. And, in protecting himself, the private investor protects the taxpayers' interest as well.

This last measure is designed primarily for the assistance of unincorporated small firms, the majority of small businesses. We are also studying a measure that would offer similar benefits to small businesses that wish to sell part of their equity to an investor. Together with the assistance already provided by SBIC's, development companies, and expected from our distressed area direct loan program, these approaches based on a partnership between the private sector and the Federal Government promise a fighting chance of insuring that our small businesses will not become the innocent casualties of a battle to rescue this Nation from the reckless and shortsighted fiscal, monetary, and buraucratic excesses of the past 40 years. Let us not let this opportunity slip away.●

● Mr. MOLINARI. Mr. Speaker, I welcome this opportunity to join with my colleagues in paying tribute to the small businesses of our Nation, recognizing the crucial role they play in our national economy. As a member of the Small Business Committee I am very aware of the contribution the 11 million businesses make to our economy, both in terms of gross national product and private sector employment. I am particularly pleased to serve on the Subcommittee on Energy, Environmental, and Safety Issues Affecting Small Business.

We have all heard the numbers which indicate the presence of small business in our economy. It is important that we keep this presence in mind as we debate and set our domestic economic policy, regulatory policy, and our international trade policy. We must be continually aware of the effects of these policies on the vitality and growth potential of U.S. small businesses. It is evident that small businesses are very sensitive to overall economic conditions. Measures aimed at small business recovery should be an important part of our national economic recovery policies, paying due attention to the needs of small business and recognizing that this sector can be among the most productive in our economy.

I hope that our tribute here today indicates to those involved in small businesses across the country our sensitivity to their concerns. I also hope that the future actions of this Congress will reflect a continuing sensitivity.

Thank you Mr. Speaker.●

● Mr. DREIER. Mr. Speaker, this being National Small Business Week I would like to take a moment to recognize this most vital sector of our economy. Small business is truly the backbone of America's economy. Numbering over 10 million and accounting for more than 96 percent of all business in this country, small businesses may prove to be our best hope for competing effectively with German precision and Japanese technology.

The 97th Congress has done a great deal to help small businesses across the Nation. We have passed the Prompt Payments Act, enacted tax reduction measures to encourage retooling and modernization, and we are about to pass the Innovation Development Act. Yet a great deal more remains to be done. Mr. Speaker, far and away, the best thing we could do for small businesses across America would be to significantly lower interest rates, and the only way we will be able to achieve this goal is if we quit playing politics with the budget and get down to the business of reducing Federal spending. In the end, all the small business legislation we can pass will not amount to anything if we do not lower these outrageous interest rates.●

● Mr. DANIEL B. CRANE. Mr. Speaker, Government regulations cost the American taxpayer an estimated $100 billion per year. The Federal Register has ballooned from 20,000 pages to 74,000 pages in just the last 10 years. The Code of Federal Regulations occupies 165 volumes, each packed with hundreds of pages of fine-print regulations. In fact, 1,000 pages of regulations a day were being churned out during the last days of the previous administration.

Small businesses, the backbone of our economy, are being suffocated under the weight of these regulations. Clearly, this nightmare must cease. But for this to happen, Washington lawmakers must wake up.

Under President Reagan, roughly half as many major regulations were written in 1981 as during 1980. Because of the Reagan administration's all-out war against overregulation, the 1982 savings are dramatic: about $4.8 billion in capital investment costs and $2 billion in annually recurring costs. In addition, regulatory reviews nearing completion will save $12.6 billion in capital investment costs and $7 billion in annually recurring costs.

I am currently surveying all small business owners in my congressional district, asking for their advice in battling overregulation. Specifically, I have asked them to tell me where they have found requirements that are counter-productive or simply a waste of money, what regulations cost their business the most time and money, and what they think should be done. When I receive the replies, I plan to meet with Vice President BUSH, who chairs the Task Force on Regulatory Relief. At that time, we will determine the best methods of lifting the regulatory burden that is grinding down our economy.

Mr. Speaker, this is not a job that one Congressman or even one President can do alone. We must put away our partisan differences and realize that overregulation hurts everyone, customer and business person, Democrat, Republican, and Independent alike.

I urge you to work with this administration in lifting this burden from the backs of American small businesses.●

● Mr. STANTON of Ohio. Mr. Speaker, this week marks a special time in our Nation's calendar. It is National Small Business Week, a time when we remember and honor the important contribution of this segment of our economy to our Nation's strength and prestige.

Just as it is the source of our national strength and our international prestige, it is also the root of our current economic downturn. At a time when our country is plagued by high interest rates, unemployment, and inflation as well as a slowdown in economic growth, we must look to small business both for the causes and the cures.

For when we talk of the economy, we're talking about small business. Ninety-nine percent of the businesses in this country employ 500 or less, and represent over half the labor force in this country. Between 1969 and 1976, more than 86 percent of new jobs were provided by small business, about 66 percent of them in firms with fewer than 20 employees and 75 percent of them in firms less than 5 years old. Small businesses account for half of our private sector gross national product.

So the fact that these small businesses cannot find investment capital—or must pay exorbitant interest rates when they do (usually way above what large corporations can get the same capital for); the fact that their overhead and payroll must keep pace with spiraling inflation; the fact that small businesses cannot afford to diversify their assets to cushion themselves in times of economic stress . . . all these factors work against small businesses being able to stay afloat, let alone expand. The rate of bankruptcies among small business is increasing daily. Based on current 1982 figures, small businesses are failing at a rate of 25,000 per year.

Mr. Speaker, each of these bankruptcies represents an added burden on the unemployment rolls and a decrease in Federal tax revenues. It is obvious that if we are to solve the economic problems of this country, we must solve the problems of small business. We must find ways to: First, lower interest rates; second, increase employment; and third, increase productivity. That is a big order, and perhaps easier said than done. And yet we have an opportunity to do just this in

Congress this year if we so resolve. It means that Congress must address the specific issues that affect small business and create a climate conducive to the survival of this important sector of our economy. And we must do it now—during the next few weeks.

Mr. Speaker, there are already in Congress—well along in the legislative process—several bills on which we can take action almost immediately:

First, the small business participating debenture or loan program offers small business capital without giving up equity or having to tap existing sources of debt financing which, if available, are often unaffordable. For the investor, an SBPD offers a stated rate of return plus a negotiated share of the profits for a limited period of time.

Second, a program of matching loans, targeted to labor surplus areas, and administered by the Small Business Administration, is being authorized by the Small Business Committee this week, and could easily be implemented by this summer if we act on the legislation.

Third, and even more imminent—as far as having been duly heard and considered in multiple committees in the House—and which needs only a rule to be brought to the floor for action, is the Small Business Innovation Development Act (H.R. 4326) which will make a real contribution to reversing the decline in our Nation's productivity.

Mr. Speaker, the SBIR legislation, which has already passed the Senate by a vote of 90 to 0 and has passed the Small Business Committee 40 to 0, is an opportunity to get more bang for our Federal R. & D. bucks by earmarking a small percentage of each Federal agency's R. & D. budget for small business.

It is an accepted fact that there is a proven relationship between the drop in our Nation's productivity and the decrease in innovation in our national economy compared to other countries. Recently, the New York Times devoted an entire article in its magazine section on this problem.

We all know that the cost per innovation in a small firm is far less than in a large firm; that small firms produce up to 24 times more innovations per research and development dollar expended than large firms; and that small business receives a miniscule amount of those funds—as little as 3.5 percent overall. A recent study showed that 80 percent of industry's research and development was being carried out by only 200 firms.

President Reagan has endorsed the legislation, saying:

> In the long run, all sectors of the economy are likely to benefit from the increased competition and research incentives this legislation would provide.

Mr. Speaker, it would be naive to assume that this legislation is surely a winner during this session of Congress because of its merits and its ringing endorsement by the President, and because it is such an obvious way to improve our economy. On the contrary, since the bill passed the Small Business Committee, six other committees have demanded a review of the legislation, and four of them have raised objections or reported it with crippling amendments that would render it ineffective by exempting specific agencies from complying with the terms of the mandate. Those of us who support the legislation fear that the habitual bureaucratic resistance to change has created a tremendous groundswell of opposition and organized resistance to the legislation.

Some of the arguments that are used to oppose the legislation are either patently false, or unrealistic, or result from a misunderstanding of the facts.

For instance, the program has been compared to the SBA 8(a) minority set-aside program. First of all, the 8(a) program is not a set-aside, it is a put-aside for exclusive and noncompetitive awards to minority businesses. The SBIR program would earmark—with no additional bureaucratic redtape associated with other set-aside programs—a percentage (in the Senate version, 1 percent, in the House, 3 percent of research and development funds to be awarded on a competitive basis to small business. During the pilot program run successfully by NSF, only 400 awards have been made from 3,800 proposals received. What could be more competitive than that? And speaking of the importance of open competition being used as an argument against the bill, over 70 percent of present R. & D. contracts are awarded noncompetitively. In the vast hunk of the R. & D. funds which are administered by NIH, only nonprofit businesses are eligible to compete. Thus, someone who has come up with a cure for cancer must either market it abroad or establish a nonprofit subsidiary in order to compete for NIH support, which one small business did.

This legislation does not require an agency to establish a new program for which it wil require new funds. There should be no administration costs to be expended for this effort. It merely requires that an agency determine within its research and development needs categories of projects to be competitively opened up to bidding by small businesses. The details of which projects are included in the small percentage earmarked for small business is left entirely to the discretion of the agency. There is no reappropriation of funds from one program area to another without authorization or appropriation as claimed by critics.

Another argument against the bill claims that the Government should not be in the business of commercialization of products. However, R. & D. efforts must be measured by their eventual usefulness in meeting national needs. There has been a significant block to effective application of Federal R. & D. results due to policies and procedures which preclude effective technology transfer, a goal and policy of our Government established under the Patent Reform Act of 1980. This bill would help to accomplish that policy, seeing that it applies to small businesses as well as it has to large businesses currently benefiting from it.

In short, Mr. Speaker, there is not a single argument raised in opposition to this legislation which cannot be refuted either by the facts or by showing it to be an obvious misinterpretation of the intent of the legislation. It is time Congress took a stand on behalf of small business in this country and stopped catering to the favored status of the large corporations and universities. They have enjoyed a position of noncompetitive status and subsidy for years which has resulted in our Nation's being thrust into stagnant growth and reduced productivity. We cannot continue to lag behind the rest of the world. We must make the most productive use of our limited Federal dollars. It is imperative that this bill be enacted this year.●

● Mr. COUGHLIN. Mr. Speaker, President Ronald Reagan has proclaimed May 9-16, 1982, as "Small Business Week" in honor of the millions of Americans who are part of the small business community throughout our Nation.

The Small Business Administration is sponsoring a small business conference this week to focus on small business concerns and to pay tribute to the 1982 State Small Business Persons of the Year and the 1982 Small Business Advocates of the Year. Tomorrow they will be honored at ceremonies at the White House. My congratulations go to all of the honorees.

Small business, as is so often correctly pointed out, is the backbone of our free enterprise system; 95 percent of all businesses are, in fact, firms with fewer than 100 employees, accounting for almost 55 percent of all jobs. Recent studies have shown that small businesses are the growth and innovation centers of our economy: two out of every three new jobs created are in small firms which also produce two to three times as many innovations per employee as larger businesses. In the last 10 years, small businesses have created 69 percent of all new jobs.

This record of performance, growth, and innovation is one of which the hard-working small businessmen and women of our Nation can be justifi-

ably proud. It is an unfortunate reality that the 1980's have been a time of enormous challenge for small business, testing the ingenuity, stamina, and perseverance of most small entrepreneurs.

The Small Business Administration's 1982 Annual Report notes that the small business share of GNP is declining and that bankruptcies and business failures have risen almost 30 percent in 2 years. While many of the tax law changes enacted last year are designed to benefit small businesses and assist in their expansion, current high interest rates are preventing most small firms from taking advantage of them. Cash flow problems are their biggest and most immediate concerns. All sectors of the economy will profit from lower interest rates but small business will certainly be among the chief beneficiaries. Lower interest rates, combined with tax breaks and the progress that is being made on paperwork and regulatory relief will create a more favorable climate for small business competition than has existed for many years. No economic recovery program which does not have as one of its goals the creation of a healthy climate for small business is going to succeed.

In establishing a Small Business Committee with legislative authority, this body recognized the importance and uniqueness of the small business community's problems and concerns. We must continue our legislative efforts to make sure that small businesses are given a fair shake in the marketplace, that they receive an appropriate share of Federal contracts, that they are provided with permanent relief from excessive Government regulation, and that tax policy encourages small businesses to fulfill their vital role in our economic system.●

● Mr. SMITH of New Jersey. Mr. Speaker, as a former small businessman and member of a family that has operated its own small business for more than 20 years, it is a pleasure for me to participate in the celebration of Small Business Week, 1982.

Unquestionably, small business is the backbone of our Nation's economy. Small firms employ about half of our private sector workforce, and account for nearly 40 percent of our gross national product.

Between 1969 and 1976, 16 million new jobs were created. One million of these jobs were created by the 1,000 largest corporations. Three million of the new jobs were in State and local governments. The remaining 12 million were created by small business. Clearly, our best hope for creating new jobs in the future lies in the small business sector.

Mr. Speaker, in order for small businesses to prosper and expand, they must have a climate that is conducive to economic growth. Excessive Government regulations and burdensome rates of taxation inhibit small business growth and prosperity. Fortunately, Congress and the President have taken concrete action to correct these problems.

The personal income tax reductions, corporate rate reductions, cash accounting provisions, estate tax reductions, individual retirement accounts and Keogh plan reforms, that were included in last year's tax bill, should prove to be beneficial to small business owners. In addition, the numerous regulatory reforms that have recently been implemented by the Federal Government should help to alleviate some of the burden that has been imposed on small business over the years.

Legislative initiatives have also been proposed to provide further regulatory relief to small business. I am pleased to be a cosponsor of the Administrative Rulemaking Reform Act, which is better known as the legislative veto. This proposed bill provides Congress with a mechanism to tell Federal regulators when they have gone too far.

The Limitation on Government Recordkeeping and Actions Act, which I am also cosponsoring, seeks to free many businesses from the obligation of maintaining records indefinitely. This legislation would limit to 4 years, in most cases, the time a Federal department or agency could require an individual or business to keep records.

The Committee on Small Business, of which I am pleased to be a member, will continue to monitor the effectiveness of two key pieces of legislation that were enacted during the 96th Congress.

The Regulatory Flexibility Act requires agencies to assess the impact of Federal regulations on small business. This legislation, if properly implemented, should provide a good deal of relief to the small business community.

On October 1, 1981, the Equal Access to Justice Act went into effect. This legislation requires reimbursement of court costs and attorneys' fees for small business owners who successfully defend themselves against the Government in civil suits.

Most small business people will never need to invoke the provisions of the Equal Access to Justice Act, but for those who believe that they have been wrongly cited for violating a Government regulation, the law puts them on a somewhat more even footing with their adversary. Moreover, the law serves notice to all Government regulators that their performance will be monitored and their fairness tested.

Mr. Speaker, because they are such a vital and efficient segment of our economy, small businesses deserve to receive their fair share of Government contracts and grant moneys. The Small Business Innovation Research Act provides that a small portion of the Federal research and development budget be set aside for grants and contracts to small high technology firms.

This legislation will help to unleash the inventive genius of our Nation's small business community. Many studies have shown smaller firms to be the most efficient users of Federal R. & D. funds, as well as one of the best sources of major innovations. Most small businesses are formed by individuals who are not afraid to take risks and this spirit has carried over into their R. & D. programs.

Small business should also benefit from the reaffirmation of the Federal Government's commitment to use, whenever possible, and economically feasible, the goods and services of private enterprise.

When Government competes without the simple economic restraints imposed on the private sector, real competition ceases to exist and the American taxpayer must carry the burden. Struggling to make ends meet, the last thing a small business owner needs is competition from the Government financed by tax moneys.

Another means of providing small businesses with a larger share of the economic pie is by encouraging their participation in export trade. The Export Trading Company Act, which I am cosponsoring, encourages the creation of export trading companies to help provide access to international markets for firms which, for a variety of reasons, have experienced difficulty tapping these markets on their own.

Exports create jobs here at home and improve our balance of trade. With the services of export trading companies, many potential American exporters—especially small- and medium-sized ones—will be able to tap growing overseas markets.

Mr. Speaker, in the next few weeks and months we will be trying to fashion an equitable budget for the 1983 fiscal year. I believe that this Congress has taken some important steps to improve conditions for the small business community. Nonetheless, some important challenges lie ahead of us. While interest rates have come down somewhat from their high point of a year and a half ago, they are still too high. I sincerely hope that we will work together in a bipartisan spirit to get these rates down to a reasonable level.

Small businesses have contributed a great deal to our national economy throughout our history. They deserve the best efforts of their elected representatives. Let us pledge to do no less.●

LEADERS BEGIN TO SEE THERE IS A TRADE WAR

The SPEAKER pro tempore. Under a previous order of the House, the gen-

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tleman from Pennsylvania (Mr. GAYDOS) is recognized for 60 minutes.

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the remarks of my colleagues and member of the executive committee of the Steel Caucus, TOM BEVILL, of Alabama, be inserted into the RECORD immediately following my remarks; and that the remarks of Congressman ADAM BENJAMIN, of Indiana, the chairman of the executive committee of the Steel Caucus, be submitted immediately following my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GAYDOS. Mr. Speaker, for the past year European and other steelmakers have, by subsidy and dumping, carried away much of America's steel industry—stolen it job by job and plant by plant.

Soon it may be company by company because several are on the verge of bankruptcy and all are pressed.

Yet the flood of trade war imports is unabated.

They sent us apparently dumped and subsidized steel and we have sent them 121,000 jobs from industrial America in the middle of a recession.

This is what our trading partners mean when they pout and speak of free trade—they send subsidized goods, we send jobs.

In answer, 94 Members of the House of Representatives today introduced a concurrent resolution that says Congress will not allow this to go on.

This resolution says that the trade laws must be enforced or Congress will write laws that can and will be enforced.

It declares that the time is past in which a knowing wink will be given partners who violate their international trade agreements.

It asserts that this Nation's trade policy no longer should be run like the most generous domestic entitlement program that could be devised by the most giving Congress ever elected.

And finally—perhaps most importantly—it reflects a growing national consensus put forward recently by a leading business magazine.

I quote from the magazine: "For the first time in history, trade balance is a major cause of a recession."

Too much time has been used for study and too long spent discussing failed and failing theories while the basic industries go—job by job and plant by plant and company by company.

While the theoreticians spun their theories, 100 million tons of apparently dumped and subsidized steel caused and is causing long lines at the unemployment offices in industrial America.

There is discontent and anger and anguish in industrial America, Mr. Speaker.

Today as we meet there are 95,000 steelworkers made jobless by imports and 26,000 on short workweeks.

These men and women—and hundreds of thousands more in other basic industries—understand that they are not losing in a worker-to-worker competition based on efficiency.

They know that they are being ground down and thrown away in a competition with foreign governments that do things we do not do. They subsidize and cartelize and, often, protect their own markets.

These hard-working Americans are being buried by foreign governments that say, better unemployment in the United States than here.

And this happens in the name of free trade with nations whose language apparently has no comparable term that can be translated with the same meaning.

The industrial foundation of the United States—particularly steel—is on the verge of suffering irreparable damage because of imports—what the business magazine called a blitz of imports aimed at the United States.

There is no reversing this kind of damage once the deterioration takes hold.

Forget modernizing to compete—there will be little to modernize.

The American steel industry operates today at little more than 50 percent of capacity, and there is no way to make a profit that far down the scale; no way to survive, let alone gather the capital to retool.

Those who are subsidized and capitalized by their governments do not have to worry about profit, and that is one of their weapons of penetration.

Is the penetration effective?

The Nation's No. 4 steelmaker recently announced drastic cutbacks in planned capital investment and is planning to close for all time, or sell, one of its big plants.

The No. 11 steelmaker—once a leader in developing the technology adopted by their so-called more efficient competitors—is in bankruptcy.

Workers are making wage concessions in the name of competition. And plant closings are announced almost daily in steel and the other basic industries.

It is a very effective weapon.

Nevertheless, the trade laws should offer an effective counter to this kind of buccaneering. But they do not.

Cases invoking the trade laws against dumping and subsidy are pending, but the trading pace of those accused becomes more rapid, not slower.

In January and February, imported steel accounted for 26.6 and 23.3 percent of apparent domestic supply.

This comes on the heels of a 20-percent year for the buccaneers.

The reason for this may be covered in recent remarks by Hans Colliander, chairman of the OECD Steel Committee.

"My impression," said the chairman speaking of specialty steel, "is that many Europeans are unsure of the outcome—of the pending cases—and have decided to sell as much as possible now."

Looking at the 34-percent increase above 1981 for 1982, I think we can conclude the same is true generally.

Congress has a duty to look to the consequences of the failure of our trade laws and to provide leadership in what is a real crisis.

Make no mistake, Mr. Speaker, there is a blitz of generally targeted imports and this is a trade war.

In the trade war, the division now among the American people is of the battle scarred from the battle scared.

The battle scared refuse to recognize there is a war, and they persist in saying, hold out; our luck will change as we match them in efficiency and productivity.

But the more scars you collect, the less scared you are. You recognize that subsidy plays a bigger role than efficiency, that Government-encouraged cartelization means more than productivity.

There is a consensus forming on this too.

And it comes from persons other than those directly under attack.

Complaints from steelworkers and steelmakers can be expected.

But I urge the House to consider recent observations made by an international banker, John F. McGillicuddy, chairman of Manufacturers Hanover Trust, in a recent edition of Financier magazine:

> The plain fact is that . . . while we may preach the virtues of private enterprise . . . international markets are sometimes dominated by enterprise that is government controlled.
>
> We have to decide as a nation whether we want to be heavily dependent on imports for steel, machinery and other goods necessary for a balanced economy.
>
> We have to decide as a nation whether we can afford to discard the sinews of industrial strength in our rush to embrace a new post-industrial era.

To me, the terms "we" and "as a Nation" mean Congress, Mr. Speaker, and the resolution is meant to frame the commitment necessary to survive.

Present policy, unexamined and unquestioned for four decades, is losing sinew as fast as the scavengers can cut it off the living, bleeding body.

Of like mind with Mr. McGillicuddy is James F. Bere, chairman of Borg-Warner and of the advisory council on United States-Japan economic relations, who also commented in "Financier":

> We cannot forever give away our richness with too little in return.
>
> I think it is time for us to begin in the U.S. a great debate on what our economic future should be—of what our own genuine self-interest is.

Mr. Speaker, the phrase genuine self/interest should be highlighted, underlined, and written in italics because we have not done that, and because it is so important. The resolution calls on us to look to our self-interest.

On the frontlines of the war is Richard P. Simmons, chief executive officer of Allegheny-Ludlum, who testified recently before a subcommittee of the House, on the gulf between the theory of trade and the way our partners practice it:

If free trade as such was actually practiced throughout the world, the specialty steel industry of the United States would be substantially larger . . . imports would be much lower . . . exports would be much higher.

I estimate that my firm . . . would be approximately 50 percent larger if true free trade—trade based on efficiency, productivity and technology—was permitted to operate.

We are unwilling combatants in a trade war initiated by other nations to serve their own political, social and economic purposes.

You see, Mr. Speaker, the specialty steel industry in America is modern, and by any expert's opinion it is the best in the world.

Even our Office of Technology Assessment, which does not hesitate to criticize when it is due, says that the U.S. specialty steel industry is among the most technologically advanced in the world.

Virtually every significant process and alloy used in the world was developed in America.

But several among the best are on the verge of failure because they stand alone against the "attack by policy" of foreign governments. Their markets are being cut by as much as half by apparent dumping and subsidy.

Just Monday, U.S. specialty producers requested an antidumping investigation of five French manufacturers.

The French are selling here at prices as much as 38 percent below what they charge at home. This is the third or fourth time U.S. specialty producers have had to attempt invoking U.S. trade laws in 6 months.

Said Mr. Simmons:

The failure of administration after administration to enforce the trade laws . . . has led me to believe the trade laws are not adequate for the task.

Is Mr. Simmons a malcontent?

Then the House should consider recent remarks by David Roderick, chairman of the United States Steel Corp.

We no longer compete with foreign companies, but with foreign governments. And our own Government has abandoned its primary responsibility for trade law enforcement.

Trade law enforcement is a duty . . . not an elective responsibility.

Would some of the battle-scarred call Mr. Roderick a whiner, a special pleader?

They should take a look at McLouth Steel. McLouth is the technical leader that is in bankruptcy. Since 1967, McLouth has spent $375 million on capital improvements and has led in innovations such as the oxygen process and the use of continuous casters.

But steel imports, automobile imports and interest rates have put McLouth's future, and the future of its workers, in the hands of a bankruptcy court.

McLouth Chairman Milton Deaner distilled his experience for a House subcommittee:

We must have a coherent trade policy designed to protect the U.S. market from unfair trade imports.

They are scolded for inefficiency and told to modernize. But they cannot because they must have profit for that, and imports that are dumped or subsidized keep them on the ropes.

Even when they do modernize, they cannot compete with foreign governments.

A Florida firm, Houdaille Industries Inc., can tell us how that goes.

A machine tool company, Houdaille watched as Japan's market share of numerically controlled machining centers in the United States went from 3.7 percent in 1976 to 50.1 percent in 1981.

Battle scarred rather than battle-scared, Houdaille went to Japan to find out why. And from documents of the Government of Japan, they found:

Twenty-five years of Government guidance and paternalism for the metal-cutting machine tools industry;

Resource pooling and price fixing that would cause lawyers at the U.S. Department of Justice and Federal Trade Commission to rend apart their attaché cases in anger; and,

Subsidies—including a share of the money bet on bicycle and motorcycle racing—and tax breaks unmatched anywhere for cleverness and generosity.

Experts say the pattern is typical.

You see, they have taken our books of theory and rules—"The Wealth of Nations" and the Principle of Comparative Advantage—and written new scripture, added chapters from Clausewitz on war.

The business magazine I mentioned earlier was Forbes, and for those who are interested, the discussion of trade is in the April 26 issue.

The Forbes columnist attributed the "blitz" of imports to the strength of the dollar and interest rates.

But with subsidy so strong in Europe, and the flood of steel coming from Europe, and with the hand of government so heavy in Japan, and so much coming from Japan, I think there is more at work than interest rates.

Even that redoubt of supply-side theory, the Heritage Foundation, has viewed the disintegration and decided the steel situation is serious.

In a paper titled "The Steel Import Crisis" the foundation concluded:

During such periods of difficulty, the United States must insist that the principle of free trade is balanced by fair trade. This means that U.S. import laws must be rigorously enforced.

Rigorously means unyieldingly, Mr. Speaker, with vigor and enthusiasm.

The time for study and negotiation and waiting for the change of luck is fast passing, Mr. Speaker.

United Steelworkers president Lloyd McBride knows a lot about waiting, as he recently told one of our subcommittees:

We studied for 5 years . . . while 100,000 steel jobs disappeared and 10 million tons of steel capacity was dismantled or set aside . . . while about 100 million tons of foreign steel entered the U.S. market . . . while efficient steel plants and operations in the United States shut down as a result of imports from less efficient steel plants overseas.

Without a fair trade policy . . . we cannot hope to encourage investment in new technology in this industry.

Without investment, the industry becomes further vulnerable, suffers the hacking away of more sinew, and dies.

Meanwhile, the United States depends more and more on imported steel for everything from the zipper tabs on trousers and skirts to electric transmission towers and main battle tanks.

Mr. Speaker, this Nation's basic industry truly is in crisis, the point where it must get better or die.

The time is past for study and hope that our trading partners will see the light or even waiting for a change in luck.

Our Japanese trading partners have a saying about waiting.

They say, "To wait for luck is the same thing as waiting for death."

Mr. Speaker, the introduced resolution will end the period of waiting and put the United States on the road to considering what is our genuine self-interest.

□ 2020

Mr. BAILEY of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. GAYDOS. It is my pleasure to recognize my colleague from an adjacent congressional district in Pennsylvania who has been a member of the Steel Caucus since its inception, and who has recently been appointed to the executive committee, my good friend, Congressman DON BAILEY.

Mr. BAILEY of Pennsylvania. I thank the gentleman for yielding.

Mr. Speaker, I will not take too much time. There is not a great deal I can add to what the gentleman in the well has already said. I know it is getting late.

I serve on the Trade Subcommittee of the Ways and Means Committee.

During the process of writing our tax bill, I had occasion to learn a great deal about tax policy in this country and the impact on our trade policy and, of course, the overt trade policy that we write. Fair trade is a misnomer when applied to America's law. We really do not have fair trade laws. Our countervailing duty and antidumping statutes, quite frankly, lack the teeth necessary, the discovery, the powers that should be given to an attorney in effect to acquire the needed information in order to prosecute antidumping statutes.

Many people do not understand that our capital-intensive industries share a multitude of difficulties in this country. They are all impacted adversely by excessive foreign trade. The steel industry, of course, has suffered for many, many years with a tax law that unfortunately taxes capital. If you wanted to write off a steel mill, a depreciation of a new facility in a nation like Canada, for example, you could do so in 28 months. In Japan, even less. You would also have at your disposal various government policies, planning policies, et cetera, that would enable you to operate at a lower rate of return on capital than other industries. It is State capitalism that we are fighting. It is not really free enterprise in another country.

What Congressman GAYDOS said is 100-percent correct. The rules that we play by are different. When they play in our backyard, the Japanese, in many cases the Europeans, they play in an atmosphere of an open and free market. However, when you look at oversupply problems and government policies in Europe, you will find that when oversupply is a difficulty and we are laying people off and we are cutting back, the cash flow of these countries is affected, that the Europeans in effect export via dumping mechanisms to our country their unemployment. Obviously, it is unfair. It violates international agreements to which we are all signatory. It is clearly wrong.

I hope that in the years ahead we do begin the dialog that Congressman GAYDOS spoke of—issues like antitrust that mean something here but do not apply to the Mitsubishis of the world. Subsidy, what does it mean? In America it means a different thing than it does in Europe, where loans to steel companies, for example, come with the freedom that they not be repaid or do not have to be paid back or, if paid back at all, at low interest rates.

□ 2030

The rolling function of government. Just exactly what does it mean when we are talking about trade and tax policy?

And, lastly, if we are developing a world concept, a free world market concept of free enterprise, then we are going to have to begin to provide some ground rules that make it fair for everyone.

I particularly want to compliment the gentleman from Pennsylvania (Mr. GAYDOS) because the point the gentleman made about efficiency, particularly with our specialty steel industry, is well taken. The difficulty is you cannot compete without a finance package when you have got foreign governments picking up a sizable percentage of financial cost on deals that make it impossible for our Nation and our companies, our industry, our labor, to compete.

This nonsense about American labor being more inefficient, less productivity prone, American management being inferior, is not so. It is not true. We are being victimized. We are particularly being victimized in the capital intensive sector of our economy and I think we all owe the gentleman from Pennsylvania a debt of gratitude for the work he has done in the Steel Caucus, for the leadership the gentleman has provided, and I know because I have sat here and listened to the gentleman make speech after speech to try to drum some commonsense into this institution and into our country to do something about the penetration foreign imports are causing, the job loss they are causing in this country, and it is not free enterprise, it is not fair trade, it is an issue of victimization. We are talking about targeted industries and those industries will never be able to recover because capital will never flow back into them in the face of the risk that they have to suffer when they have foreign countries targeting those industries for extinction here.

I hope that we will do something about it and I plan to try to do something in the Trade Subcommittee to assist the gentleman in his efforts.

I want to also add that the gentleman from Indiana, Mr. ADAM BENJAMIN, who is the executive director of the Steel Caucus, and the gentleman's able assistant, is unable to be with us tonight to participate in this special order because of his work with the Budget Committee, specifically function 400 that deals with the transportation sector that involves a great deal of the utilization of our vital resources.

Let me close with one small admonition to we as a Congress and all of us as policymakers.

I served a term in the Armed Services Committee and during that tenure had an opportunity to work on the American industrial base and it became apparent the difficulties that we have.

Given the fact that we do not have a world free of military threats, it is just wrong for this country and administrations to continue to use our economic strength in this country to let it flow away, in order to gain some military or diplomatic advantage with another country, and that is exactly what is happening. Our industry and our unions are getting jawboned to death so that we pick up some small diplomatic advantage in some far corner of the globe, and a point in fact is that America can no longer stand to do that and we have got to change that policy.

I hope that we will because we are not going to be able to move on to a victorious future with a service economy that simply deals with the selling of goods and services that are not production based, particularly based upon the strength of our capital intensive industries.

Mr. GAYDOS. I wish as a matter of record to decidedly emphasize the fact that our colleague has made such meaningful and proper remarks on this very vital subject matter and that in the past he has again as a matter of record repeatedly helped the Steel Caucus in serving in his capacity on the Subcommittee on Trade, on the Ways and Means Committee, and if it was not for his cooperation many a time we would not have the invite under the circumstances which enabled the Steel Caucus to make a point at the particular time.

Before I recognize my colleague, the vice chairman of the Steel Caucus and who has given yeoman service to the caucus, I would like to make a point because I think it fits right in, that I think we just may be forced to have these special orders at least once a week, and to be as persistent as the gentleman that sits in the chair today, in a subject matter close to him, and which he over 9 months or a year period practically every second day took special orders out and repeatedly emphasized the matter of the problem which he discussed and which he, I believe, ultimately has caused a solution to be in the making.

An so I refer to our good friend and colleague because I think he illustrates what may have to be our course as a Steel Caucus to take that time and effort even after hours to make sure that we pursue this most sensitive subject matter to its ultimate conclusion, and the ultimate conclusion is an enforcible trade act.

I think that is what we are aiming for as a caucus and are concerned as a body and as the purpose of the organization.

I thank my colleague.

At this time, it is my pleasure on behalf of the Steel Caucus to recognize its hard working vice chairman, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I thank the chairman of the Steel Caucus for yielding and I commend the gentleman for taking the time for this special order.

So many times the people in the United States think that unless they are directly affected that what happens in any single industry is of no impact on their particular lives. But there are two points I would make in terms of actions here in this Congress today to illustrate the fact that imports are creating financial problems that will have to be borne by all taxpayers in this Nation.

First of all, we are involved today in a Budget Committee markup and we have heard the statement made many times that 1-percent unemployment in the United States results in a cost of approximately $27 billion to the Federal Government. That is the resulting loss of revenues plus the attendant costs for social programs to support the unemployed.

In the Budget Committee markup, the most difficult problem is dealing with the size of the deficit for 1983. It is in large part caused by the high rate of unemployment in our economy at the present time.

As a matter of fact, if we had a level of unemployment in the 5-percent range, we would not have a very sizable deficit for fiscal 1983.

Using that rule of thumb, 1-percent unemployment causing a $27 billion loss to the taxpayers of this Nation, the loss of 200,000 jobs in the steel industry which has taken place over the past several months, and probably years, has a budget impact of approximately $5 billion, and that is an annual figure.

So that unemployment in the steel industry is not just a problem for the unemployed, or a problem for the industry alone, but it is a problem for all the people of this Nation.

Second, in the Ways and Means Committee today one of the subcommittees reported out a bill to add 13 weeks of unemployment benefits. Again, this is going to be, if passed, a sizable cost to the taxpayers.

I use those two events that are happening in Congress today to illustrate the fact that the steel problem goes beyond those directly affected.

The objective of the sense of the Congress resolution that we have introduced today, is to say, in effect, that we want fair trade as well as free trade and that we want enforcement of the antidumping laws in the United States.

We have 92 original sponsors on this resolution. I would point out to the other Members that this problem is not confined to steel. If we fail to pursue enforcement of the antidumping laws on the books in the United States, in the case of steel, we are in effect inviting the same kind of market penetration in other industries.

The people making judgments in other countries as to whether or not they can dump their unemployment in the United States in the form of subsidized products will in part make a judgment based on how rigorously we enforce the cases presently affecting the steel industry.

Therefore, I think that it is important to all Members that they support a resolution requiring or requesting the administration to diligently pursue the remedy as presently in the law to prevent dumping. If we can do it thoroughly in steel, it will preclude the same thing happening in many other industries that could affect all sections of the country ultimately.

I think it is time in the Nation's history that we take stock of the fact that we have a priceless asset in the United States, and that is the American market.

There is no other nation in the world that affords such an attractive marketplace for imports as does the United States. We have a large population. We have a very prosperous economy. We have the world's largest gross national product. Obviously, access to the U.S. market is absolutely essential to any industrialized nation that hopes to prosper in the field of exports.

I mention this because I think that it is important that in dealing with other nations in our trade negotiations we make it clear that we are not going to fritter away this asset. We make it clear that if others want to have access to our markets, it has to be done on a fair basis, and that I think it is important that we recognize the value of this asset and use it in a way that is beneficial to the people in the United States in terms of negotiations.

I think we are a little bit plagued with our long history of saying, particularly following World War II and through the various Marshall plans and others of that type, that we were going to provide free access to our market in an effort to rebuild the economies of other nations.

It seems to me that we have come to a different stage in our history when it is no longer our responsibility to give an unfair advantage to those who would export into the U.S. market at the cost of our own domestic production. We need to take a very tough bargain stance in terms of protecting this asset; namely, the U.S. market.

□ 2040

The steel industry, in response to the actions of this Congress in 1981, designed to stimulate investment, designed to stimulate research, designed to rebuild the industrial infrastructure of America has, in fact, committed over $6 billion to new construction.

In my own 16th district, ground was broken recently for a $500 million steel mill addition to the Timken Co. This type of activity is happening in a number of places and it represents a commitment on the part of the industry to remain competitive in the future to maintain a strong domestic steel industry.

Therefore, I think our responsibility goes beyond the Economic Recovery Act that was passed in 1981 to also include actions that would allow those who are investing in the future of America in the steel industry to have confidence that they will be able to compete on a fair basis with other nations for world markets, not only domestic in the United States, but markets outside the United States.

We owe it to them to use the tools of Government to insure that there is fair trade as well as free trade.

Obviously, many companies are too small in terms of their resources to adequately pursue antidumping actions. Therefore, this is a very proper responsibility of Government and what we are calling for in this resolution is to have a rigorous enforcement of the law in existence at the present time.

I think there is a concomitant matter involved here and that is that in terms of national security we need to have production facilities. On the west coast, as a good example, once the Kaiser Steel Plant is closed down, and as I understand that will happen in the near future, the total consumption of steel is 10 million tons, while the total production capacity that will be left after Kaiser closes is 1 million tons.

Now, that in effect is saying that the west coast will largely depend on imports for 90 percent of its needed steel products. In my judgment this is a dangerous situation, because in the event of world conflict of any type, we could suddenly be faced with inadequate capacity to meet our own security needs.

A second and corollary problem with that is the fact that if there is a strong surge in the free world economy in this decade, and many economists do predict that, suddenly we will have needs that far outstrip our own capacity and we will be at the mercy of those who export into the U.S. market in terms of price.

Obviously, OPEC has demonstrated to us what can happen if you have inadequate capacity to meet your market needs and have to depend on outsiders. We are drifting into that kind of an environment in the absence of positive action to prevent dumping into our marketplace and to provide protection for our industries that will insure that we have fair as well as free trade.

I think there is another element that I would point out and that is that we have a need for 13 million new jobs in our economy over the next 5 years. To create new jobs takes capital. The U.S. Chamber of Commerce has estimated that it requires on the average

$50,000 of invested capital for each new job created. In the steel industry, this means that we need an environment where our industries can earn a reasonable profit. Only by earning profits will they have available the necessary capital to make the investment to produce the new jobs. Of course, along with the direct job production that would result from enhanced capacity would be the peripheral development of other industries to supply something as basic as our steel industry.

For all these reasons, I think it is extremely important that we look ahead in the United States and give thoughtful consideration to the need to develop a fair trade attitude on the part of the other nations that export into our marketplace.

The best way to do that is to have enforcement of the antidumping statutes by an active involvement on the part of the administration.

In our resolution, I think we recognize that we do not want to get into a Smoot-Hawley type of protectionism that in the 1930's certainly had some bearing on the development of not only restrictions within our market, but in the world market place and I think perhaps in some part triggered the world depression that had a spill out in the United States.

We say in the second part that in the absence of the vigorous enforcement of antidumping statutes, we may be left with no alternative in the Congress but to attempt to deal with it in some other way; but it is our hope and I think it is clearly spelled out in the resolution that the administration will respond to the cases which have been filed with a vigorous enforcement of the existing law and thereby avoid the development of protectionism throughout the world in response to what might happen in the United States.

I hope that those who sell in the U.S. markets will, of their own volition, recognize the threat to their access to this market and will, on their own initiative, stop the practices that have given rise to this special order tonight and to the resolution that has been filed today on behalf of 92 sponsors.

Once again I say to our chairman that I appreciate the fact that the gentleman has taken this special order and that he has provided thoughtful leadership to the Steel Caucus. I hope that our colleagues recognize that this is a vital action that goes beyond the steel industry and has a profound impact on the budget problems of the United States. It has a profound impact on the entire industrial economy of this Nation, because steel is basic and a strong steel industry supports many other kinds of economic activity. If we can say to the other nations that we do not intend to have our market abused by dumping, it may well prevent this from happening in many other sections of the economy.

● Mr. BEVILL. Mr. Speaker, each week the grim statistics for America's steel industry reveal further erosion in the strength of this important contributor to the U.S. economy.

Unemployment keeps rising and now stands at approximately 96,000 steelworkers out of work and another 26,000 working short weeks. That's more than one-third of the employment force in the steel industry, which is one of the major industries in our country.

The Alabama steel story is no better—in fact, in many instances it is even worse than the national steel picture. I was deeply concerned recently to learn that United States Steel has announced plans for the indefinite closing of their Fairfield Works near Birmingham. This will idle even more workers in a State which has had the sad distinction, in recent months, of having the second worst unemployment rates in our country.

Each of the 14 counties in the Fourth Congressional District of Alabama, which I am honored to represent in this body, is now experiencing double-digit unemployment. Of course, the declining strength of the steel industry is not the prime cause of all of increasing unemployment in all of these counties; however, it does have wide-ranging effects in many other allied industries.

As a founding member of the Steel Caucus, and a member of its executive board, I have spoken with steel executives from the leading industries about the causes of their economic problems.

Of course, they cite recent years of inflation, oppressive and excessive Government overregulation and many contributing factors to their problems, however, one of their most vocal complaints is unfair foreign competition.

This country has had foreign steel companies dumping their products here, bringing severe injury to our domestic steel producers and draining dollars from our economy. In a truly free-enterprise marketplace, foreign competition would be welcomed and, indeed, would be beneficial to the consumers and to our own companies. However, these foreign companies are operating at a unique advantage over our domestic firms—many of them are heavily subsidized by their governments.

As my good friend and colleague from Alabama, Howell Heflin, pointed out very ably in the other body several days ago, European governments have subsidized their steel industries by more than $30 billion over the past 6 years and will pay out $30 billion more over the next 4. This enables foreign steel producers to sell—or dump—their steel at up to 60-percent below the international market price.

We all know how costly this has been to our economy. It has cost the American steel industry 118,000 jobs since 1971 and we have lost billions of dollars needed in capital investment to modernize our steelmaking facilities.

In the past 2 years, accelerated dumping has destroyed more than 77,000 American jobs and has eroded more than $7 billion in anticipated critical capital investment.

And almost as depressing as these gloomy statistics is the fact that laws are on our books which prohibit this dumping of steel, however our own Government has failed to enforce these laws, thereby contributing significantly to the ills which now are destroying our domestic steel industry.

I have joined with many of my colleagues in the House in cosponsoring the steel trade resolution, expressing support for the 110 petitions which our country's steel industry has filed for redress under the U.S. trade laws and agreements involving about 90 percent of the apparently dumped or subsidized steel. Let me point out that management and the labor segments of the steel industry jointly support this resolution and I would urge all of my colleagues in the House to support this resolution in favor of American steel.●

● Mr. BENJAMIN. Mr. Speaker, I concur with my colleagues of the House Steel Caucus on passage of the resolution introduced today.

I encourage expeditious action from the Ways and Means Committee in their consideration of the resolution. Though the resolution deals with steel, vulnerability to subsidy and dumping and unfair trade is a national problem, not one confined to any particular city or region.

This bipartisan resolution expresses the sense of Congress that the President expedite the processing of the 110 unprecedented steel trade cases filed this January and to recommend, if necessary, changes in the Trade Act which would strengthen the trade process.

These pending cases are to be judged by the proper agencies. The agencies should be urged to work with Congress to develop fair quota legislation to save the U.S. steel industry.

The unemployment statistics of the steel industry are the highest since the Depression. Unemployment in the steel industry reached 116,000 workers on April 24. Of these, 91,000 were on indefinite layoff status and 25,000 were working less than a full week. And numbers alone do not represent the sense of loss and despair that these steelworkers live with on a daily basis.

The steel industry produced only 1,454,000 net tons of steel last week representing 49.1 percent capacity utilization. The industry produced at 87.6

percent capacity last year at this time. The figures continue to drop and serve to paint an ominous picture to steelworkers both laid off and currently working.

Northwest Indiana has 14.4 percent unemployment with more than 19 percent unemployed in Gary alone. Job training programs, the creation of new business, and Sun Belt migration are not viable proposals for those out of work. Steel production facilities have to be treated fairly in the trade arena. They have to produce at a higher capacity and put workers back to work.

It is time to send a message to the administration, the people of the United States, and our trading partners that we are concerned about unfairly traded goods and insist that existing U.S. laws and international agreements be upheld. Our unemployed workers deserve nothing less.

Knowing that the President takes notice when a sad story makes its appearance on the front page of a newspaper or on the evening news, let our message be heard. Maybe then the President will choose to lead the country out of this dumping ground and make the United States a country other countries can compete with in a just and equitable way.

I urge adoption of the House Steel Caucus concurrent resolution and exhort continued work toward a fair trade policy.●

● Mr. O'BRIEN. Mr. Speaker, I would like to be associated with the remarks made by the chairman of the Steel Caucus.

Through no fault of its own, the state of the American steel industry continues to worsen. The problem is a result of the continued apparent violation of U.S. trade laws and international agreements by our trading partners. These laws and agreements provide penalties for importing of dumped or subsidized steel. Accordingly, the U.S. steel industry has sought relief under these laws by filing trade cases.

While the domestic steel industry has followed the appropriate procedures in pressing its grievances, its position has continued to worsen. As its operating level decreases so does its employment. All indications point to the fact that this is due to imported steel capturing our market unfairly.

Time is of the utmost importance. The concurrent resolution introduced today recognizes this. The resolution expresses the sense of Congress that the President expedite the processing of these precedent-setting cases and that the Congress should consider, if necessary, changes in the law that would strengthen the process.

This resolution is a means for Congress to show its support for the expeditious handling of the steel trade cases and its commitment to fair trade.●

Mr. GAYDOS. Mr. Speaker, I thank my colleague and all my colleagues for their participation.

I do want the record to show that this was an impromptu special order. No notices went out. The executive committee was not notified. I discussed it with the gentleman from Indiana (Mr. BENJAMIN) and we thought that because we introduced the resolution that I would put these special orders into the record and anybody that we could immediately ask would participate; but I do again, as a matter of record, promise that in the future our special orders will follow the usual pattern. Where we have 10 or 15 participating, normal notice will be sent out, because I do not want to be criticized that they were not notified this time.

I thank my colleagues.

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and to include therein extraneous material, on the subject of the special order today by the gentleman from Pennsylvania (Mr. GAYDOS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE LATE HONORABLE LEO W. O'BRIEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. STRATTON) is recognized for 30 minutes.

Mr. STRATTON. Mr. Speaker, as the dean of the New York delegation and in response to a request by the members of that delegation, I take this special order this evening to pay tribute to a truly great Member of Congress who passed away just about 10 days ago in Albany, N.Y., the late Honorable Leo W. O'Brien, who served in this body from 1952 to 1966 when he retired. When he passed away, he had reached the comfortable age of 81.

□ 2050

Because Congressman O'Brien left the House in 1966, and we are all aware that things have turned over a great deal in recent years, there are probably not too many Members of the House today who would remember Leo O'Brien.

But Leo O'Brien left his mark in this House and, indeed, on this country. He was the one, as chairman of the Subcommittee on Territories of the House Interior Committee, who developed the legislative strategy that made Alaska and Hawaii the 49th and the 50th States of the Union, and not very many Members of Congress over its long history can lay claim to that kind of an accomplishment.

I happen to represent at the present time part of the district that Congressman O'Brien represented, and my distinguished colleague, the gentleman from New York, Mr. SOLOMON, also represents part of the district that Mr. O'Brien had, and he has patiently been waiting here tonight, and I would be very happy to yield to him so that he is not detained here any longer than necessary.

Mr. SOLOMON. I certainly thank the gentleman from New York for yielding and for taking this special order, as the gentleman has so eloquently said, for a truly great American who served in this House.

Not only was he an outstanding Member, as we all know, but going further, I think that he was one of the kindest, most decent human beings that I have ever known. I did not have the pleasure of serving with him as you did, but I was one of his constituents for many years, and I know myself and my family admired and respected him.

Leo O'Brien was an Irishman, and I think a true Irishman, and he always had that mischievous Irish twinkle in his eye. I never heard him say a bad word about anybody. He always had that knack, if you were down in the dumps, Leo O'Brien could pull you out of it. That is the kind of reputation he had.

I know I speak for the many people I represent now that the former Congressman did represent, and for many of his family that lives in my district, in extending the sympathy of all of the people in upstate New York to a truly, truly great man. We will all miss him.

Mr. STRATTON. I thank the gentleman for his contribution.

Leo O'Brien was essentially a newspaperman. He was born in Buffalo and later came to Albany as a reporter for several newspapers in Albany, and then he became a kind of stringer, because of his knowledge in Albany, for papers around the State, a highly popular and highly respected newspaperman.

He was close to Governor Dewey, but he was also close to Dan O'Connell, who was the Democratic leader of the city of Albany and the county of Albany. As a newspaperman, Leo O'Brien had seen a lot of politics. He had a relaxed attitude toward political issues. Although he was a loyal Democrat, he was never really a partisan, as my colleague from New York has already indicated. I never heard him blast the other party. But he took, I think, a view that spread over both parties something that was based on the good of the country.

In 1951, I happened to have a small news commentary program on the tel-

evision station in Schenectady, N.Y., WRGB, the first television station in the Nation, incidentally, operated by the General Electric Co. I thought it was going along very well until in early May I got a telegram saying, "Greetings. You are ordered, Lieutenant Commander STRATTON, to report to the Navy here in Washington for duty during the Korean conflict," and that, of course, interrupted my program. But the people at the station wondered if I could suggest anybody who might do a good job in carrying it on, and I said, "Well, the only name I can recall is Leo O'Brien, who is certainly very knowledgeable on the news of the world, and maybe you could get him." And they got him. As a matter of fact, he did do an outstanding job. In fact, he did such an outstanding job that in the middle of 1952 he was elected to Congress from the Albany-Troy area, Albany, Schenectady, and Troy area, and as a newspaperman he was not sure whether we wanted to go down. He said maybe he would just stay here a few years.

But as always happens, once you get here you do decide to stay, and he stayed on for 15 years.

He had a very great sense of humor. He was one of the most respected men in this House. And the fact is that at his burial service in Albany a week ago, the pastor of the church recalled some of the humorous incidents that centered around Mr. O'Brien and also the respect in which he was held by the people of his district.

I know that all of us who serve in this body are aware of the fact that when we talk down here in the well, not everybody pays attention. And those who talk here most frequently are the ones who are probably paid the least attention. Now, Leo O'Brien very rarely took the well of the House, but when he did, people listened, because they knew that he was giving it to them from the commonsense, practical approach without any element of simple partisanship.

The big accomplishment of Congressman O'Brien, of course, was in bringing Alaska and Hawaii into the Union. And while those of us today would regard this as very normal, the fact of the matter is that there was a lot of opposition to Alaska. It was just sort of a big icebox, and there was not much that we could expect to get up there.

The argument was made that the Federal contribution was going to be far greater than we could afford.

Hawaii also had some problems, particularly at that time because of some of the influences that were in the maritime industry.

But Leo O'Brien took on this job because nobody else apparently was prepared to take it. And he was told that the way to handle it was to put the two States together, the two territories together, so they could go in in one single bill. But he decided that that would not be satisfactory because the opposition could point to the defects and that would make it twice as difficult.

So he decided to divide them up. And Alaska, as I have indicated, was supposedly the toughest one to sell, simply because of the small population and the somewhat barren area that is involved up there.

But Leo decided that instead of waiting to take the tough one last, he was going to take the tough one first. And he succeeded in 1958 in getting Alaska through.

I do not recall all of the machinations, because I was not in the House in 1958. But he counted the votes. I recall that somebody pointed out that Speaker Rayburn had suggested that he defer the vote. But Mr. O'Brien had counted the noses properly and Alaska became a member of the Union.

Then in 1959, having gotten Alaska in, he went on to bring in Hawaii. And of course that has been a great addition to our Nation, as indeed has Alaska.

The distinguished senior Senator from Hawaii, the first Representative of Hawaii when Hawaii was admitted to the Union in 1959, the distinguished Senator from Hawaii, Mr. INOUYE, was in Albany last week as one of the honorary pallbearers for Leo O'Brien. This was something that his family was proud of, and that he was proud of, and it is something that the Nation as a whole can be proud of.

As a matter of fact, when the people of Alaska wanted to name a mountain in Alaska after Leo, he said, "No, don't name it after me; name it after my grandson." So there is an O'Brien Mountain in Alaska, and I would suggest that any of the Members who have not been to Alaska might want to go up and take a look at that distinguished mountain.

□ 2100

Mr. Speaker, we have all lost a great friend, a great leader, one who added luster to the House. We want to say that we are going to miss him, and we extend to his family, his wife, Mabel, and his son Bob, and the eight marvelous grandchildren, our sympathy.

Mr. OTTINGER. Mr. Speaker, I was saddened to learn this week that our former colleague and my good friend, Leo O'Brien, passed away last Tuesday, May 4. He was an extraordinary person who to an unusual degree was able to combine ability, good humor, toughness, and congeniality. I would like to say a few words about him for the benefit of those who did not have the privilege of knowing him.

When I was first elected to Congress, in 1964, the principal theme of my campaign had been to save the Hudson River, which had become strangled with pollution that robbed the river of its life and caused the river communities to turn their backs on a vital resource. The Rockefeller family, led by then-Gov. Nelson Rockefeller, deeply resented having this upstart freshman Congressman accusing the State of neglect and proposing Federal jurisdiction over what they obviously considered their private preserve. The river was threatened, however, not only from uncontrolled industrial and community pollution, but also by a State-approved pumped storage facility that the giant New York utility, Consolidated Edison, wanted to build at Storm King Mountain and by the Hudson River Expressway, an eight-lane superhighway that the State wanted to construct right in the river. I proposed legislation that would have required Federal approval of such projects and Federal participation in cleaning up the pollution and community planning to take advantage of a cleaned-up river.

Leo O'Brien was the chairman of the National Parks and Recreation Subcommittee of the House Interior and Insular Affairs Committee and this was just the kind of fight and the kind of opposition he liked to take on. The David-and-Goliath aspects of my challenging the powers that be—taking on at the same time not only the State of New York and the Nation's richest and most influential family, but also the Nation's largest utility and all the influence in Congress and the business community the utility commanded—amused him enormously.

It was roundhouse free-for-all, and Leo loved it.

Leo virtually adopted me. He showed me the ropes of how to arrange hearings and get the legislation in proper form. He showed me how to get around the opposition of powerful Congressmen who tried to kill the legislation. With his guidance we constructed a bill that would go only to his subcommittee, so that it could not be buried by the opposition. He arranged dramatic hearings in Washington and persuaded his colleagues to come to my congressional district in Westchester, N.Y., for a series of hearings along the Hudson River that produced front page stories on the river's sorry plight and on the longing of the people to restore it.

It was great theater and good policy, and Leo loved it.

Under his tutorship, I learned how things really got done in the House. He turned my legislation into a national cause célèbre. He called in chits owed him from a wide range of powers-that-be on the Interior Committee and enlisted the support of our powerful New York colleague, Gene Keogh, of the Way and Means Committee. Between them, they managed

to tie the whole package together successfully in just one Congress and due to their efforts—and with an able assist from my good friend the distinguished gentleman from Michigan, JOHN D. DINGELL, who held critical related hearings in the Merchant Marine and Fisheries Committee, we got a bill enacted. Because of this I was able to return to my district with the then almost unheard of achievement of having passed a major bill in own name as a freshman in the House.

It was a stunning tour de force of old-time Democratic politics at its best, and Leo loved it.

Leo's warmth, his interest, his wit, his knowledge , his ability, his wonderful relationship with his colleagues—and his genuine concern for the ecology of the river, all came to play in this exciting fight. And his love of the fray, of a good, tough tussle against uphill odds, was apparent as he led us to success.

Leo was responsible for many other important legislative triumphs. He holds—and richly deserves—the title of "Father of Alaskan and Hawaiian statehood," handling the very delicate negotiations required with consummate skill. He also was instrumental in the creation of the Fire Island National Seashore.

Leo cared passionately about justice and, as a former reporter for 30 years, about freedom of the press. He helped me later with the Newsmen's Privilege Act. He cared enormously about the environment and the rich natural heritage of America. But he was able to temper his fervor in these causes with a good sense of perspective and an understanding of the other fellow's needs and problems. It was this rare combination of qualities brightened by his rich Irish humor that made him able to achieve his serious and important goals so effectively.

Leo retired to be with his family in 1966, although he could easily have been reelected. He thought he ought to quit while he was ahead. But he nevertheless found time to coordinate my efforts for the U.S. Senate in 1970 in the Albany area and to use his high standing with the powerful political leaders in central New York to win me the backing of the powerful Albany Democratic organization in my successful primary quest. Again, the challenge against the odds intrigued him and his wonderful human qualities prevailed in my behalf.

I am just one of many whom Leo O'Brien befriended and who will remember him fondly as a friend and respectfully for his remarkable accomplishments in Congress.

We who loved him—and our name is truly legion—will miss Leo and remember him warmly and well. We send our sincerest condolences to his fine family.

● Mr. ADDABBO. Mr. Speaker, I am at once deeply saddened and greatly honored to join my colleagues today in paying tribute to our good friend and former colleague, Leo O'Brien.

Leo was a wise and funny man, and a good friend of mine. I served with him in the House of Representatives from 1960 until 1966; Leo was my hero, my mentor, and my adviser. All of us who knew him remember his easygoing manner and his sense of humor. As a reporter, Leo was full of wisdoms and anecdotes; as a storyteller, he kept us laughing and amazed at his insights. He was a crack newspaperman and political writer for almost 30 years, where he gained vast knowledge of many issues. When he was elected to Congress in 1952 in a special election, Leo put his background to work in every area. He was a member of the Science and Technology Committee, and chairman of the House Subcommittee on Territories of the Interior Committee. In this latter position, Leo was responsible for the drafting and floor management of bills admitting Alaska and Hawaii to statehood in 1959.

We will all miss Leo—as a reporter, as a colleague, and most of all, as a friend. My deepest sympathies go to his wife, Mabel Jean, and to all of his family for their great loss.●

● Mr. BOLAND. Mr. Speaker, I was saddened to learn of the death on May 4 of our former colleague, Leo W. O'Brien. I appreciate the opportunity afforded by the gentleman from New York (Mr. STRATTON) to pay tribute to a man with whom I had the pleasure of serving in this House for 14 years.

Leo O'Brien, or "Obie" as we knew him, came to Congress after a distinguished career as a newspaperman. His training in journalism gave him an appreciation of the necessity of seeing both sides of an issue, a trait which won him both respect and friends in the House. Leo served as chairman of the Interior Subcommittee on Territorial and Insular Affairs and in that capacity became a tireless champion for the residents of the offshore territories administered by the United States. His conviction was that everything possible should be done to extend the full benefits of American citizenship to the residents of the insular areas. No one did more than Leo O'Brien to break down the barriers which prevented people of the territories from fully exercising their rights and privileges as Americans.

While he was held in special regard by residents of the territories for his efforts on their behalf, I do not believe that there was a place in this country outside of New York in which Leo O'Brien was held in higher esteem than in Alaska and Hawaii. He will be forever remembered by the citizens of those States as the most effective and determined congressional advocate of bringing them into the Union. The statehood bills which he authored and shepherded through Congress are a testament to his vision and his perseverance.

Mr. Speaker, Leo O'Brien was a man of wit and warmth. His personality and his integrity won him many friends in the House, and I was proud to have been one of them. May he rest in peace and may his wife, Mabel Jean, his son, and the grandchildren whom he loved so much, take some comfort in the knowledge that their sorrow is shared by all who knew him.●

● Mr. CLAUSEN. Mr. Speaker, I rise at this time to pay tribute to a man who served 15 dedicated years in this Chamber; a man who committed his life to truth, progress, and the Nation he loved so much. On May 4, Leo W. O'Brien passed away at a hospital in Albany, N.Y., at the age of 81 years.

Leo was elected to the Congress in 1952. He took pride in his usual good-natured manner in that he was the only Member elected on April Fool's Day. We can all respect his victory margin of 40,000 votes on that April 1.

Leo brought to Congress 30 years of exemplary dedication to his chosen profession of journalism. Leo wrote for 15 newspapers and numerous radio and television stations.

As chairman of the Subcommittee on Territorial and Insular Affairs, he was respected and admired from both sides of the aisle.

Leo's most notable accomplishment while serving in this body was the persistent guidance and nurturing of the legislation which brought our two most recent States, Alaska and Hawaii, into the Union.

The efficiency with which the vast number of hearings and compromises were carried out can be awarded to his precise organizational strategy and ability to focus the contending actors on the basic issue at hand.

The controversies involved in attempting to bring the 49th and 50th States into the United States were just few of those which Leo O'Brien approached in his forthright, laudable manner. He will be remembered by all those who served with him and all those who have followed as the professional, competent, and creative legislator he was. His accomplishments are among those which will reign as paramount in the history of this body; accomplisments which stand highest in our admiration. Leo W. O'Brien will be remembered in Congress, in the States of Alaska and Hawaii, and by all Americans as an accomplished statesman and a man of humor and commonsense.

The memory and influence of Leo W. O'Brien will be a permanent reminder to all Members of Congress of what can be done with like dedication and cooperation.●

● Mr. MARTIN of New York. Mr. Speaker, I am grateful to my colleague, the dean of New York State's delegation, for this opportunity to honor the late Leo W. O'Brien of Albany, N.Y.

I feel a kinship with Leo O'Brien that goes beyond his surname, which was my mother's maiden name. As an upstate New York Congressman assigned to the Interior Committee, I follow in his footsteps. I can only hope that my contributions to that body will begin to approach his, which included such an instrumental role in the granting of statehood to Alaska and Hawaii.

Leo O'Brien was no stranger to my congressional district and, in particular, Watertown, N.Y., where he had many friends. Among them were several former colleagues in the newspaper business he served so ably, before coming to Congress, as a bureau manager for the International News Service and as a contributor to the Syracuse Herald, the New York Times, the New York Sun, and the Albany Times-Union. His work also appeared in the Watertown Daily Times, where it enlightened many people throughout New York's northern tier. On May 7, 1982, that newspaper published an editorial tribute to Leo W. O'Brien, newspaperman, politician, and citizen. I am delighted to insert the editorial into the RECORD for the consideration of my colleagues in this institution which he served so well.

LEO W. O'BRIEN

Leo W. O'Brien, a superb newspaperman and a state maker as a congressman, has died at the age of 81. After covering Albany as a newspaperman for almost 30 years, he became a congressman and represented the capital district in Washington for seven terms. No other congressman could claim that in 14 years he created two states, but that is what Leo O'Brien accomplished, Alaska and Hawaii.

He has told the story many times about how he arrived in the capital as a new member of the House and was named to the Interior Committee, an incongruous assignment for a Democrat from Albany, N.Y. Finding the committee work something less than inspiring, he decided he would learn everything he could about the process of making new states and concentrate his efforts in behalf of Alaska and Hawaii. It is probably true that their time had come, but none of the Washington powers on The Hill really wanted to do anything on the subject except talk and promise. He decided that his objective would be to perform. Alaska became the 49th state in 1959, and then came Hawaii.

He stayed on in the House to do one more thing that was novel. Although he had risen to the second rank on the Interior Committee, he announced categorically that he would retire at the end of his seventh term, and he did exactly that, at the age of 66.

Since then he has carried out various assignments in New York State. He was named by Governor Rockefeller to the commission that studied the Adirondacks leading to the creation of the APA.

In spite of his governmental career, he was always a newspaperman at heart. He would come to Albany to vote in November. On election night he would go down to the United Press office, take off his jacket, loosen his necktie, and help his friend, the late Kirt King, put together the statewide election results. He would pound out new leads for the election roundup stories, study the way the vote was running, and then elect whoever seemed to emerge from his process of analysis. After working most of the night, he would tell Kirt King that these were the most satisfying experiences in his congressional career.

For many years he was the bureau manager for International News Service, which was owned by Hearst. That normally would have been enough of a job for most newspapermen, but he also wrote for the Syracuse Herald, the New York Times and the New York Sun, as well as the Hearst paper, the Albany Times-Union. Forty years ago one of the reasons the Watertown Times began to buy the International News Service was so that Leo O'Brien's stories would appear here. After INS merged with United Press to become UPI, he did some broadcasting in Albany and thereby expanded his popularity.

Dan O'Connell, the Albany County boss, decided that Leo ought to be a congressman, and in a special election that is exactly what happened. That quotation in his obituary which appeared in this newspaper was true, that when he won the first time, he was the first congressman ever elected on April Fool's day. And he had a majority of 40,000 votes.

The best story he ever told has been repeated occasionally on this page. He had a theory that great political leaders succeeded or failed, depending on the bumps in the road. In the early days of O'Brien's news career, he experienced the rise and fall of William S. Hackett, the mayor of Albany. Al Smith was preparing to run for the presidency in 1928. Smith decided he wanted Hackett to run for governor. Not long after, Mayor Hackett was on vacation in Havana. He was riding in an automobile which struck a bump in the road. The mayor was thrown from the jump seat in the car against the door handle and out on the street on his head, and died as a result. Franklin D. Roosevelt became the gubernatorial candidate, won that election, and went on to Washington in 1933 to win for the first time in history, four presidential terms.

Newspapers, politicians and voters lose in the death of Leo O'Brien a tremendous citizen. He may have been from an older school, but what a school that was.●

● Mr. LENT. Mr. Speaker, I rise to join in tribute to a former colleague, the Honorable Leo W. O'Brien, whose death last week saddened us all. I thank the gentleman from New York (Mr. STRATTON) for his thoughtfulness in making possible this honor to an outstanding Member of the House of Representatives. Born just after the beginning of the 20th century, Leo W. O'Brien's long career as a newsman and a radio and television commentator in the Albany area covered three decades of tremendous growth and tremendous changes in our State of New York and of our Nation.

His 30 years as a reporter and commentator built an invaluable reservoir of knowledge and experience which served him admirably when he was elected to the Congress in 1952. Coupled with his warm, outgoing, witty personality, Leo O'Brien's great knowledge and experience moved him to the forefront as an influential Member of Congress.

Mr. Speaker, Leo O'Brien's seven terms in the House of Representatives were short by the usual standards of congressional service. But those years in the House demonstrated conclusively that length of service and high seniority are not the only requirements for compiling a remarkable legislative record.

To cite just one major example, Mr. O'Brien was a major force in spurring favorable congressional action to bring statehood to Alaska and Hawaii. This accomplishment alone would merit Leo O'Brien a secure place in the history of our Nation. But, our former colleague from New York added much more to his legislative accomplishments. Those of us from Long Island, for example, will always be grateful to Leo O'Brien for his successful efforts in sponsoring the legislation which created the Fire Island National Seashore. Future generations will continue to enjoy the unspoiled beauty of this marvelous ocean barrier island, thanks to the foresighted efforts of Leo O'Brien. We on Long Island owe a great deal to him.

In fact, Mr. Speaker, the people of the State of New York, and indeed of the entire Nation, owe a real debt of gratitude to Leo O'Brien. We mourn his loss. But we are comforted by the fact that his outstanding record of public service will remain an example and inspiration to all.

My wife Barbara joins me in extending our deepest sympathy to Mr. O'Brien's wife Mabel Jean, his son Robert, and other members of his family.●

GENERAL LEAVE

Mr. STRATTON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks on the life and accomplishments of Leo W. O'Brien.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

URGING PRESIDENT TO SEEK AGREEMENT AT VERSAILLES ECONOMIC SUMMIT CONFERENCE FOR RESTRAINT IN EXPORTING NUCLEAR FUEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 20 minutes.

● Mr. BINGHAM. Mr. Speaker, I am today introducing a resolution urging President Reagan to seek agreement at the upcoming Versailles summit conference for restraint on the part of our allies in exporting nuclear fuel and technology. Specifically this resolution, which is being introduced today in the other body by Senator JOHN GLENN of Ohio, aims to bar nuclear exports to nonnuclear weapons states that have not agreed to full-scope safeguards—that is to inspection of all their nuclear facilities by the International Atomic Energy Agency (IAEA).

While no one step will ever be sufficient to control nuclear proliferation, acceptance by supplier nations of the need for full scope safeguards is critical, and it provides an ideal opportunity for the administration to begin to achieve the goals that it has set for itself in this important area of policy.

It is well known, Mr. Speaker, that a number of countries are engaged in ambitious commercial nuclear power programs that cloak serious efforts to create nuclear arsenals. Pakistan, Argentina, and South Africa are three countries that come to mind immediately. Each of these nations has refused to accept full inspection of their nuclear power programs by the IAEA. Each continues to receive nuclear fuel and equipment from suppliers who accept only limited safeguards as a condition for export out of fear that more strict requirements imposed unilaterally will result in someone else leaping in to take their place in nuclear trade.

Even more frightening—if that is possible—is that many of the countries that have not accepted full-scope safeguards are themselves interested in becoming nuclear suppliers. South Africa and Argentina have made their intentions known in this regard, and the head of the Argentine nuclear program has even suggested that his nation will export plutonium, the material used for nuclear bombs.

By agreeing to halt exports to countries that will not provide the most basic assurances of their intentions to eschew nuclear weapons, supplier nations would be taking an obvious step toward insuring global survival. And, indeed, the possibilities for achieving such agreement on full-scope safeguards seem bright.

Canada, Australia, and the United States already insist on full-scope safeguards as a condition of nuclear export. The Soviet Union and Germany have indicated that they would agree to similar measures provided they are accepted by all suppliers. The new Government in France has sent signals that it would be prepared to take a harder line on exports. The recent debates in the United States and Europe on the dangers of the nuclear arms race can only strengthen the resolve to curtail dangerous nuclear trade.

As I pointed out, Mr. Speaker, asking for supplier acceptance of full-scope safeguards squares with the administration's expressed nuclear nonproliferation policies. Last July 16, the President stated that the United States would establish itself as a reliable nuclear supplier in order to gain the cooperation of other nations in controlling nuclear proliferation. He explained that one of the objectives of that cooperation is—

To seek agreement on requiring IAEA safeguards on nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment.

Congress has spoken with a clear voice in affirming the need to develop strong cooperation among suppliers. Last July 17, the day after the President's nuclear nonproliferation policy statement, both the House and the Senate passed without a single dissenting vote resolutions outlining the dangers of nuclear weapons spread and the steps that the Chief Executive should take to check proliferation.

In the intervening year the President has had an opportunity to put his policy to work. He has agreed to send enrichment technology to Australia and to help Mexico undertake a major nuclear power program that might include the Mexicans as partners in U.S. reprocessing ventures. Likewise the administration has signaled its intention of giving our allies greater latitude in reprocessing U.S.-supplied fuel to derive plutonium. Now, with the upcoming summit, the President has a magnificent opportunity to extract pledges of cooperation from the beneficiaries of this nuclear policy.

None of us, of course, would suggest that it is enough to establish worldwide agreement of full-scope safeguards. As last year's resolutions pointed out, the safeguards regime must be improved and members of the IAEA must agree on sanctions that will be applied against countries found through IAEA inspections to be using their commercial nuclear power facilities for military purposes. In addition, suppliers must add to the list of restricted export items that have nuclear applications.

Nevertheless, acceptance of full-scope safeguards provides a good beginning, a beginning that reestablishes the United States not only as a reliable nuclear supplier but as a leader in efforts to curb nuclear weapons spread.

In this regard, Mr. Speaker, I would like to remind this body of the admonition of my distinguished colleague, Mr. ZABLOCKI, delivered during the debate on the House resolution adopted last year. "Through the imaginative use of diplomacy," said the chairman of the House Foreign Affairs Committee, the United States can "make it evident to all countries that proliferation is in the interest of no one."

The text of the resolution follows:

H. CON. RES. 340

Concurrent resolution urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, adopted Senate Resolution 179, calling on the President to implement a series of important initiatives to strengthen the international non-proliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, adopted House Resolution 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations:

Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (a) the Senate and the House of Representatives, respectively, hereby reaffirm Senate Resolution 179 and House Resolution 177, and

(b) the President, as an initial step toward implementing these resolutions, should urgently seek, at the Versailles economic summit conference and through other appropriate channels, to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.●

NATIONAL THEATER WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 15 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, I rise to express my support for House Joint Resolution 431, establishing a National Theater Week of June 7-13, 1982. The resolution has passed the Senate and will, I hope, be voted on by this body in the near future.

Long overdue, this resolution will honor a part of our country's heritage, the legitimate stage. Never before have we, guardians of the Declaration of Independence and the Constitution, paid tribute to the individuals and organizations who have devoted over 300 years toward one common goal—the American theater. It is also a way to trace historical years and recognize amateur and professional artists found in children's, high school, college, community, regional, and Broadway theaters. It is they who have labored long and hard to give the American public the finest theater entertainment in the world. It is our theater. Let us be proud of it.

Allow me to summarize a few of the many important facets of our theater's 300-year history. Over a century before the colonies declared their independence, the seed of theater was planted. In Virginia, for example, there are records dated, 1665, of a play being performed entitled "Ye Barre and Ye Cubb." Students of that great university, Harvard, gave a performance in 1690, of Benjamin Coleman's "Gustavus Vasa," the first play written by an American. The theater at Williamsburg of 1718, built by William Levingston, a merchant and dancing master, was the first on the North American Continent and was used for amateur productions by the students of William and Mary College. In New York, the first of many legitimate stages was the Nassau Street Theater. George Farqhar's comedy, "The Recruiting Officer," was a popular professional play of the era, along with "The Orphan," which headlined the opening of South Carolina's Dock Street Theater. The American premiere in 1773 of "She Stoops to Conquer" opened at the John Street Theater. Shortly thereafter, the Charleston Theater opened with "A Word to the Wise" and "High Life Below Stairs."

More importantly at this time, the Declaration of Independence broke the bond with the mother country and forced us to look at our own resources, to nourish our own intellectual and artistic life, to push for home grown products that bore the American mark. One of these products was Royall Tyler's drama "The Contrast." This play dealt with a study of social pretention and sides with an unlettered but shrewd Yankee against his more polished contemporaries. Let me ask my colleagues at this time: Where are these plays and theaters now? What can replace them today? Only a few printed records show they existed, and these early years I have mentioned may be disputed. Perhaps the difficulties, in part, are due to a congressional act adopted in 1778 in Philadelphia prohibiting theater altogether. Who is not familiar with the painting depicting Thomas Wignell, a theater manager, carrying a pair of candlesticks as he led President Washington to his box seat?

The era of the theater also had more than its share of difficulties. One in particular was lighting; something we now take for granted. Picture with me, if you will, a romantic love scene. The villain has been ousted from the city, the hero and heroine are about to passionately embrace in the middle of the scene. Then, just as her lips near his, a stage hand enters and snuffs the footlight candles. That is not the worst that could happen either. Many a theater found flames shooting the curtain during the second act. It was to great relief when gas jets, contained within ground glass, were introduced at the Bowery Theater in the 19th century. Besides the gas lighting, one of theater's most inventive workman, Steele MacKaye, added a simple form of air-conditioning. The 19th century proved to be an industrious step in the direction of lighting, with the introduction of the incandescent lamp. Lighting became a useful assistant in such plays as: "The Fatal Marriage" and "Bunker Hill."

But even with this new added demension, critics of the time were howling with contempt, complaining that American playwrights were imitators. But, does that make these plays any less American? What Americans really protested against them? In this age we are thankful to have these works because they at least give us some measure of the American mind and temper. As Samuel Johnson said long ago, "The stage but echoes back the public voice." And one of the resounding echoes that voice heard was a classic piece of poetic Americana that, if not put to music by an actor named Charles Durang, may have been forgotten. Every night, before the performance at the Holliday Street Theater, Durang sang the composition. That classic piece is now known by every American as the "Star Spangled Banner."

At this point in time, people of the legitimate stage were becoming world renown. Names such as: Edwin Forrest, Mary Ann Duff, Thomas Kean, Charlotte Cushman and, of course, the indomitable Edwin Booth. Booth was asked why he always looked insulted when taking his curtain calls at the end of the play. He replied, "I have given my life to these great roles. I do not consider myself an entertainer. I am an interpreter. I reveal the soul of masterpieces." I might add, the great dramatist and thespian began his serious apprenticeship in San Francisco.

The year 1831 marked the debut of the showboat in America. Surely, it was on its way to becoming a popular attraction on the waterways. Showboats along with railroads, and later automobiles, were main forms of transportation, and therefore became a motivating force in the theatre. Where they went stock, ballet, and opera companies were sure to follow. It was not unusual for these companies to assist each other in their performances. Thus was the birth of a highly crafted theatre art, musical comedy.

June 8, 1882, saw the beginning of the Actors Fund of America, an organization whose helping hand to veterans of the stage is still remembered. Also at this time, men, such as Thomas Edison, were at work with stage lighting, taking it from mere illumination to the art it is today, an art showing the smallest details, including costumes, makeup, and set design.

Now that America had more reputable craftsmen, people like Ziegfeld, Beck, Langner, and the Shuberts, were building theatres with the intent of making a permanent place for stage in America. Vaudeville was making a successful engagement on many of the stages; and people like Fanny Brice, Bill "Bojangles" Robinson, the Foys, and Nat Goodwin were receiving top billing. But at the pinnacle of that billing was a man who some consider "the Father of the American Muscial". This legislative body knows him as the first theatrical performer to receive a Congressional Medal of Honor—George M. Cohan. Such well known tunes as "Yankee Doodle Boy", "You're a Grand Old Flag", and "Give My Regards to Broadway" are stil being received warm-heartedly in this country.

President Wilson was following his fellow countrymen in regularly saluting the theatre; but the theatre was having an inner turmoil to the regret of many, and found itself in the midst of an actor's strike. Actors wanted a bargaining agent and attempted to secure one. By 1919, Equity finally gave actors the protection they wanted. About this point, recognition was bestowed upon an unknown playwright, Eugene O'Neill. To date, this man's writing remains a major contribution to the theatre world. And who could forget the other "new wave" playwrights such as: Moss Hart, Robert E. Sherwood, George S. Kaufman and Lillian Hellman among many.

Broadway was now in full swing and the musical "Showboat" broke onto the scene with worldwide acclaim. Such tunes as "Ole Man River" and

"My Man Bill" established Jerome Kern as a classic partaker of the stage. Many individuals were on the boards at this time but now, competition from Hollywood was having a heavy effect. It was due to motion pictures that stage suffered the losses of onetime thespians like Spencer Tracy, Bette Davis, James Cagney, Kathryn Hepburn, Cary Grant, Barbara Stanwyck, Humphrey Bogart, and Claudette Colbert.

Though many were heading to the west coast for "talkies," the best was yet to come for the theater. Playwrights now gave us the necessary vehicles to propel the American stage to previous unattainable heights. "Our Town," "You Can't Take It With You," "Hotel Universe," and "Abe Lincoln In Illinois" were just a few of those vehicles. Musicals were having a great turnout with composers and lyricists like Rodgers and Hammerstein who combined their talents and came up with the unforgettable "Oklahoma," that had a run of 2,248 performances. The great Agnes De Mille is also given some quite deserved credit for her choreography of the play. Besides Rodgers and Hammerstein, there were other teams of songwriting turning out hits such as George and Ira Gershwin, Irving Berlin, Lerner and Lowe, and Rodgers and Hart.

The theater, past and present, was now gaining a great deal of attention by its leaders in Washington. Members of Congress, the President and First Lady were entertaining theatrical dignitaries on Capitol Hill and at the White House. But many other officials were taking a hard-lined look at the theater and complaining about its faults. Yet the constituency of this country took a milder view and started to enjoy the entertainment that regional and community theater gave them. Children's theater was becoming common as well as inexpensive and enjoyable for the whole family with "Jack and the Beanstalk" and "Snow White." Comedies like "Come Blow Your Horn" by Neil Simon and dramas like "Who's Afraid of Virginia Woolf?" were making their debuts. And directors like: Elia Kazan, Joshua Logan, and Harold Clurman were helpful in making many plays successes. More recently we have had such plays as: "Dracula," "Grease," "Amadeus," and "The Dresser." And it is by no means that I am insinuating any of the plays mentioned are better than others. I could literally stand here for hours naming amateur and professional artists that daily do justice to the great written works.

As we know, theater has had to struggle to survive the competition of motion pictures, television, radio, and video. But, many are firm optimists and believe more is to happen in the 20th century in America than in any other comparable span of years in the history of drama. New theories and techniques, plays, theaters, schools of acting, and principles of directing—all are to be tried and every aspect scrutinized and tested.

The point of my speaking with you today is to reveal the multiplicity of forces that shaped the theater in this country's heritage. Each of these forces has had a direct bearing on the United States in some shape or form. With many of us it has already had a direct bearing on our lives and our families. How many of us were thespians? How many of our children are involved with the legitimate theater?

As the greatest nation on the face of the Earth, we must recover a significant belief that has been lost. The stages of theater are changing the stages of our lives. Theater represents at its best a victory of civilization. One of this Nation's greatest victories was the Arts and Humanities Act which was made into law in 1965. One statement in section V is quite noble. It reads:

> While no government can call a great artist or scholar into existence, it is necessary and appropriate for the federal government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry, but also material conditions, facilitating the release of this creative talent.

Under this pioneering law, the Committee for National Theater Week believes that House Joint Resolution 431 fulfills this need and does so at no expense to the American public or Federal Government.

I myself am inclined to agree with them, as do a number of individuals, organizations, and unions. We have just heard a few of the marvelous things the theater arts of this country have achieved. Why should we be the ones to withhold the knowledge of these marvelous people and deeds from our constituency. We made that mistake once before in 1778. Let us not repeat it. This is our National Theater Week. Let us feel privileged to celebrate it.

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PRIVATE MARKETERS' SEESAWING DOESN'T FOOL THE AMERICAN PUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, one of the biggest issues in the controversy surrounding the striking of commemorative coins for the 1984 summer Olympics to be held in Los Angeles concerns the role of potential private marketers. One of the bills under consideration, H.R. 6058, calls for the minting of 17 coins to be sold to the public through the private marketers. I have frequently stated my opposition to this proposal, for private marketing of official U.S. coinage spells trouble. One need only look to the history of commemorative coinage in the United States for documentation of my belief.

Unfortunately, the private concerns who hope to market our Olympic coins have done nothing to dispel my reservations. In fact, their recent behavior only confirms my worst suspicions. Fortunately, these maneuverings have not fooled many Americans; a letter I received from Mr. George Lill of Niles, Ill., is proof of that.

As you know, the Los Angeles Olympic Organizing Committee made a coin marketing agreement with a consortium consisting of Occidental Petroleum, Lazard-Freres, the international banking firm and the Franklin Mint. These companies forwarded a $5-million downpayment and promised a $30-million guarantee to the Los Angeles Committee in return for exclusive worldwide marketing rights. The contract originally called for the minting of 29 different coins although the number was later reduced to 17. Nevertheless, a complete set of coins, even under the reduced program, could cost $5,000. Mr. Lill describes this proposal in the following way:

> My hearty congratulations on your seemingly one-sided stand against the attempted profiteering by the Occidental-Lizard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.

Although the purpose of striking these coins is to raise money for our Olympic athletes, the General Accounting Office has estimated that for every $25 raised under the private marketing approach, only $5.40 will go toward the Olympics. It is my estimation that by the time the money ultimately reaches the athletes level, there will be less than $1 out of every $25 raised available for training purposes. Obviously, the rest of the money is going to fill the pockets of the private marketers. It is no wonder that they insist that the private mar-

keting approach is the most lucrative. The question is for whom.

Mr. Lill also points out another serious problem with private marketing:

> The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone the general public with the present economic situation as it is.

As I have mentioned before, it was the scandals associated with the private marketing of coins that led to the termination of commemorative coinage in the United States over 25 years ago. The privately marketed Canadian Olympic coin program raised only $24 million out of $388 million worth of sales for the Canadian Olympic Committee. The fact that the marketers have been willing to share any information concerning the Russian Olympic coin sales with my subcommittee certainly implies the worst. Last September 23 I shared with you a great deal of information concerning the scandal surrounding the Greek Pan-American Games coin program.

I should hasten to add that Occidental Petroleum was involved in the Russian venture and Lazard-Freres in the Greek one. Both Mr. Lill and I agree that it seems hardly appropriate for these companies to be involved in our Olympic coin program.

In addition, the Securities and Exchange Commission recently accused the Franklin Mint of fraud involving hundreds of thousands of dollars. It seems to me that there are very large ghosts in each of these closets.

If all of this information is not enough to convince this Congress that these private marketers should not be allowed near our Olympic coins, their recent behavior regarding the contract with the Los Angeles Olympic Organizing Committee should be. As Mr. Lill puts it:

> I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.

On March 17, 1982, several Olympic athletes held a press conference in Washington, D.C. At this time, they announced that the private marketers had threatened to withdraw from their agreement if a favorable piece of legislation was not on its way to become law by March 31, 1982. This day came and went with no word from the marketers. Then, on April 9, Peter Ueberroth, the president of the Los Angeles Committee, announced that the marketers had indeed broken the agreement. The Los Angeles committee would have to return $4 million, with interest. They would also lose the $30 million guarantee.

We immediately heard cries of outrage from all those who supported the private marketing arrangement. But they were not angry at the marketers; rather, they blamed the subcommittee for dragging its feet on the legislation. Many claimed that the marketers now lacked the necessary time to lay the foundation for the elaborate program. It seemed that their permanent withdrawal was definite. The Los Angeles Committee stated that it was making arrangements to return the money to the marketers. According to the Los Angeles Committee, the Congress had kicked a gift horse in the mouth.

Then, on April 19, 1982, Lazard-Freres and Occidental sent telegrams to Representative ST GERMAIN indicating that they would both be willing to bid for the contract to market the Olympic coins. One might attribute the Franklin Mint's sudden absence to the Securities and Exchange Commission's recent accusations. Be that as it may, it appears that Lazard-Freres and Occidental are still hanging in.

Frankly, I cannot understand why the Los Angeles Olympic Organizing Committee is so thrilled with the private marketers' recent telegram. Rather than indicating their feelings of genuine altruism toward the Olympics, this seesawing reveals blatant opportunism. It seems to me that if these companies rally cared about the Olympics they would not have withdrawn from their original contract. The fact that they did surely implies that all they want was to get out of paying both the $4 million downpayment and the $30 million guarantee.

If you look at the situation objectively, you can see that these companies are in an excellent bargaining position. Should the Congress pass H.R. 6058, Lazard-Freres and Occidental have a clear advantage over any other bidder for they have already made plans and ingratiated themselves to the Olympic committees; they have what is commonly called a big head start. Since they are the only likely bidders, the Congress and the Olympic committees will probably be forced to take whatever these companies choose to offer. In my opinion, this is anything but a gift horse; I would call it more of a Trojan horse.

Mr. Lill, like many other Americans, has written to me expressing his objections to the private marketing of Olympic commemorative coins. Obviously, most Americans are not fooled by the maneuverings of these private companies. Mr. Lill writes that he will not support the Olympic coin program proposed by H.R. 6058. I do not blame him. It seems to me that if we want a successful coin program that the American public will support, we had better eliminate the excessive costs and scandal associated with the private marketing approach. We will be very sorry if we do not.

I have reprinted the entire text of Mr. Lill's letter below:

NILES, ILL.,
April 28, 1982.

Re Proposed Olympic coinage.

Representative F. ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE ANNUNZIO: My hearty congratulations on your seemingly one sided stand against the attempted profiteering by the Occidential-Lazard-Freres-Franklin Mint Cartel in their attempt to corrupt the simple idea of selling one or two commemorative coins with the resulting profit going to the Olympic athletes.

This Cartel in its greedy attempt to make an undisclosed profit at the expense of the U.S. government (the resulting tax payers) and most of all, at the expense of the athletes would mark a low point in the history or our country as well as mark the stupidity and duplicity of those governmental representatives who would aid the Cartel's raid upon the public.

The past experiences of the Canadian and Moscow Olympic coin sales with far too many coins at too great a cost, let alone the suspected corruption in the Greek Olympic coin program, should not be lightly put aside. A multiple coin program (17 to 25 coins) wouldn't be supported or tolerated by most Numismatists, let alone by the general public with the present economic situation as it is.

I strongly endorse your concept of no more than a few coins being issued and sold by the Government with the resulting profit going to the athletes instead of the International sales group which is/isn't (take your pick from day to day) bidding upon the distribution of the proposed coinage.

Very Truly Yours,

GEORGE LILL III.●

LEGISLATION REVISING PROCEDURE FOR SETTLEMENTS OF ANTITRUST CASES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

● Mr. RODINO. Mr. Speaker, I am pleased to introduce today a bill that would revise the procedure for settlements of antitrust cases contained in the Antitrust Procedures and Penalties Act of 1974, commonly known as the Tunney Act. The purpose of the Tunney Act was to bring public scrutiny on the Department of Justice when it negotiates settlements in antitrust cases. Past experience has demonstrated that the Department may not be immune from the massive political influence that some large antitrust litigants possess.

To be successful, settlement negotiations frequently must take place out of public view, which presents an opportunity for mischief. The complexity of antitrust law and theory further insulates settlement processes from effective public scrutiny. As a consequence of these and other factors, it is

important that the Department employ special procedures in negotiating antitrust settlements, both to minimize the possibility that improper considerations will be present in the Department's decision and to promote the appearance of complete propriety so vital to maintaining public confidence in our Government.

The Tunney Act imposes several procedural protections upon the process of settling Government civil antitrust litigation. For example, the Government must publish materials designed to give public notice of the terms of the proposed consent judgment in the Federal Register and in newspapers. In addition, the act contemplates that the Department publish a competitive impact statement, akin to an environmental impact statement, that will contain information about the proposed settlement. Defendants must file with the court a description of their contacts with Government agencies other than the Department of Justice. The public in turn may file comments on the proposal and participate in the proceedings under court order. The court then is instructed to assess whether the proposal is in the public interest.

As one of the House sponsors of the original Tunney Act, I am more committed than ever to the goals of this legislation. Its objective—to foster propriety, actual and perceived—is just as important today as it was in 1974. The basic mechanisms of the act—disclosure and public participation—continue to be the best available tools to meet these goals.

Experience under the Tunney Act has, however, uncovered three areas of legislative concern. First, the Department of Justice has recently settled two of the most important antitrust cases in its history—the IBM and A.T. & T. cases—and has taken the position that the Tunney Act procedures do not apply. According to the Department, the act has never intended to apply to dismissals as occurred in the IBM case. And while the Department has voluntarily agreed to abide by most of the rules of the Tunney Act in the A.T. & T. case, it again argues that it is not bound by the provisions of the act, because the settlement was effected by modifying an existing consent decree.

The issue of whether Tunney Act procedures apply to dismissals and decree modifications is currently in litigation. My introduction of this bill should not be read in any way as an expression of a view on the current law, nor is it intended as a comment on the current proceedings. There is, however, a need to clarify application of the Tunney Act procedures to all consensual resolutions of cases, including dismissals and modifications of existing decrees.

The possibility for political abuse is at least as great in the case of dismissals and decree modifications as in other consensual terminations of cases.

Indeed, a consensual dismissal in some instances can amount to a more serious abdication of the public interest than does a settlement in which the Government has obtained at least some degree of relief. Resolution of any uncertainty in the law is also timely—the Department has embarked on a program to review existing decrees and anticipates that many will be modified or dropped.

Experience under the Tunney Act has pointed up a second concern. Although the basic disclosure and participation techniques continue to be valid, certain of the procedural requirements would appear burdensome and ineffectual. For example, the act requires the Department to prepare a competitive impact statement, which must be filed with the court and published in the Federal Register, in every case to which the act applies. In theory, this statement should provide an informed basis for comment on the decree; in practice, it has proven to be of limited value in achieving its goals because the Department has relied upon standardized statements. Other Tunney Act requirements have also proven costly and of limited value. Among these are requirements for publication in the Federal Register of the proposed decree, the competitive impact statement, public comments and the Department's responses; and publication in general circulation newspapers in the District of Columbia of summaries of the decree, the competitive impact statement, and a list of determinative documents. One source estimates that publication alone costs the Department in excess of $400,000 a year.

Finally, under the existing Tunney Act, the court must determine whether the proposed consent is "in the public interest." This standard provides only limited guidance for the responsible judge seeking to comply with the act; at the same time it does not place a clear limit upon a judge who would reach beyond the court's duties under the act.

The bill I am introducing today makes clear that, whatever the state of existing law, its requirements will apply to all consensual resolutions of the Department's civil antitrust cases in the future. In addition, the bill would revise the Tunney Act procedures in light of experience to eliminate or reduce those requirements, such as preparation of a competitive impact statement and publication, that are costly or unnecessary. The bill contemplates a simple, vastly reduced procedure will be employed in every case. In exceptional cases, where the court makes certain specific findings, it may employ more extended procedures.

Under the bill, the Government will file a notice of its intentions to resolve a case consensually. At the time it files its notice with the court, it will also publish a brief notice in the Federal Register and file a short explanation of the settlement. During the next 60 days, the public may comment. After the public comment and any response deemed necessary by the Department, in most cases the court will grant the proposal without further proceedings. Only if certain specified tests are met will the court employ further proceedings. At the conclusion of the proceedings, the court will again consider the proposal. If it finds the proposal does not meet articulated criteria, it may order the Department to reevaluate its actions.

I believe that the procedures of the bill are superior to the current procedures in at least three respects. First, there can be no room for technical arguments over coverage—it unequivocally covers all consensual resolutions. Second, many wasteful mechanisms are eliminated. Finally, by employing definite standards, the bill affords more guidance to the courts.

I urge my colleagues to join me in supporting this constructive clarification and restructuring of Tunney Act procedures designed to protect the public interest in antitrust litigation.●

DRILL LAST, NOT FIRST, IN SCENIC OFFSHORE AREAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing legislation in response to the ongoing threat to central and northern California's unique coastline. I feel it is time for the administration to halt its rush to develop the environmentally sensitive areas off this coast, and time to halt the seemingly endless assault on our coast's most beautiful areas. In its rush to development, the Interior Department seems to be ignoring the fact that the risks of drilling offshore of this area far outweigh the possible benefits of such drilling. Not only would such drilling have potentially devastating effects on the unique marine and coastal environments in this region, but it would also cripple the local economies should oil seepages or spills occur.

As you know, Congress acted last year to withdraw funding for appropriations for the development of certain offshore lease sale areas in fiscal year 1982. The areas withdrawn by Congress were those tracts lying in the northern four basins of the lease sale designated as lease sale 53. The ex-

tremely low resource estimates, showing that the oil and gas contained in these areas would provide oil and gas for our Nation for only a few days, spurred the Congress to proscribe spending in these areas. Along with many other Members of Congress, I am hopeful that this type of action will be undertaken again, barring development in the new areas targeted by the Interior Department for possible leasing.

It makes no sense, however, to have to continue to fight leasing offshore central and northern California, year after year, lease sale after lease sale. Local governments in central and northern California are tired of expending crucial resources, funds and staff time in opposing such sales year after year. No sooner did Congress act to bar spending in the northern basins of lease sale 53 than Secretary Watt started the process of opening up 10 times the offshore acreage surrounding these basins. In recent action, as you may know, the Interior Department issued a press release stating its intention of leaving the lease sale 53 areas out of the lease sale 73 assessment.

Far from bringing the intended rejoicing from local citizens and representatives, however, this action has outraged Californians, because the Interior Department has at the same time initiated study of 9 million offshore tracts for possible leasing, including areas off of Big Sur, Eureka, and essentially the entire central and northern California coast from 3 miles to as much as 75 miles offshore. While the deleted areas from lease sale 53 contain only three-fourths of a million acres, the new sale could contain as much as 9 million acres of offshore lands within 3 miles of the coastline from Point Concepcion to the Oregon border.

This all-out assault on the central and northern California coastline has already raised new protests from affected communities, as those who rely on fishing and tourism for revenues realize the impact such a massive drilling operation could have on these crucial industries. In California as a whole, tourism accounts for billions annually in revenues, and fishing accounts for an additional $1 billion. In the event of an oil spill, those who make their livings through tourism or fishing could be devastated financially. Even were the impossible to occur, and no spills take place, the impact on the coastal environment of drilling rigs 3 miles offshore areas like Big Sur would be heavily felt in decreased tourism and increased interference with fishing.

In addition, the environmental risks associated with proceeding with drilling offshore central and northern California are immense. According to recent Fish and Wildlife Service and Bureau of Land Management biological risk assessments and relative risk assessments, the central and northern California region is among the most sensitive in our Nation.

Central and northern California are classified as highly sensitive to effects on endangered species, coastal and pelagic birds, and marine mammals. Only central and northern California, of the areas compared, were ranked as highly sensitive to effects on commercial fisheries resources.

Of particular concern is that fact that sea otters, along with other endangered species, would be severely impacted by any drilling or offshore development anywhere near their range.

In fact, the fish and wildlife study cites a 100-percent mortality rate for all sea otters which come into contact with any oil for 25 years. Because the southern sea otter only lives within the range from Santa Cruz in the north to about Morro Bay in the south, an area targeted by the Interior Department assessment for lease sale 73, prospects for this unique animal are dim. The current southern otter population is approximately 1,800.

Finally, the fact is that the areas which the Interior Department wishes to study for leasing contain very little oil and gas in comparison with other offshore areas, not to mention onshore areas of our Nation. Particularly because the Department did move to delete the four basins which industry found most attractive last year, the areas which are left for potential leasing are low in resources.

My legislation seeks to strike a balance between the very real concerns about the economic and environmental impacts which massive offshore leasing would have on this area, and our Nation's continuing search for domestic energy sources. To this end, this bill would impose a moratorium on leasing and exploratory drilling in Outer Continental Shelf waters north of a line which essentially extends seaward from the southern San Luis Obispo County line. This legislation would not prevent drilling and exploration south of this line, where the most abundant oil and gas reserves lie. This area, the southern portion of the so-called Santa Maria basin, and the area lying seaward of this basin, do contain large amounts of oil and gas, and in fact received record bids during lease sale 53 action.

In addition, while prohibiting exploration involving drilling within the area of the moratorium, other types of exploration for oil and gas, such as seismic and magnetic exploration, would be allowed. Thus, the continuing cataloguing of these waters and their resources would be allowed.

California is willing to do its part toward meeting our Nation's energy needs. In fact, the State of California supported an earlier lease sale, lease sale 48, and that portion of lease sale 53 where over 90 percent of the hydrocarbon resources in that sale were expected to be found, in the lower portion of the Santa Maria basin. A second southern California lease sale, lease sale 68, has also been supported almost in its entirety by the State.

However, in those areas where the risks of drilling, both environmental and economic, outweigh the benefits of drilling, Californians feel strongly that leasing should not be allowed, at least until technological developments lower the risk of oil spills, such as that which polluted the Santa Barbara area for years.

Our local governments and citizens should not have to face the fear of devastating environmental and economic consequences year after year. For this reason, I am introducing this legislation, designed to lift this priceless area out of the leasing process for the next 16 years, to provide the local governments and citizens of the area the opportunity to proceed with pressing local concerns, rather than concentrating year after year on opposing short-sighted action offshore. I hope my fellow Members will give full consideration to supporting this measure, which would provide this unique and scenic area with a needed respite from the threat of drilling.

Secretary Watt has initiated a massive assault on one of our Nation's most priceless natural resources—the scenery and marine resources of Big Sur and northern California. Let us put a halt to this economically and environmentally devastating action, and allow drilling only in those areas of California where the benefits outweigh the risks involved. The areas offshore Big Sur and northern Calfifornia should be among the last areas searched and developed for hydrocarbons, and not be among the first.

Industry itself has indicated that the massive offshore leasing program envisioned by Secretary Watt is "too much too fast" for it to handle. Let us then take action to withdraw the most fragile of the areas under consideration for leasing, and preserve this unique area for future generations.●

POLITICAL AND POLICY SWINGS FROM A 45-YEAR PERSPECTIVE

(Mr. FOUNTAIN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FOUNTAIN. Mr. Speaker, I would like to submit for the record the thought-provoking remarks of a renowned North Carolinian, Vermont Royster of Chapel Hill, N.C., on American political trends since the days of President Franklin Roosevelt and the beginning of the New Deal.

In a recent speech before the North Carolina Citizens Association, Mr. Royster, noted journalist and editor emeritus of the Wall Street Journal, author, fellow Tar Heel and friend, has preceptively outlined some past, present and possible future trends in the swing of the political pendulum. Mr. Royster's remarks should be of great interest to members of both political parties, and to the American people.

A biographical sketch of Mr. Royster, excerpted from the March 1982 edition of North Carolina magazine, follows Mr. Royster's remarks.

Mr. Royster's speech and biographical sketch follow:

ADDRESS BY VERMONT ROYSTER

It hardly seems necessary for me to say how pleased I am to be here this noon.

First of all, Raleigh is my home town. I was born in my grandfather's house on the corner of Hillsborough and Dawson streets, where now stands the Holiday Inn. Here I grew up, made the friends of my childhood and graduated from the Hugh Morson High School—where now, incidentally, stands the central Post Office.

I remember Fayetteville Street when its business occupants were grocery stores and meat markets as well as Brantley's Drug Store, which then served as the businessman's gathering place.

So though much is changed, the nostalgia remains.

I am also pleased by the invitation to speak to this group under the auspices of the North Carolina Citizens Association. When I look over the list of your past speakers I am indeed honored to be included among their number.

I must confess, however, that my pleasure is mixed with some uneasiness. I am not at all sure that I can say anything new or enlightening to this distinguished audience. The only thing I have to offer is a point of view on the current affairs of our state and nation which comes from observing them over a long period of years.

If there are any advantages of age—and I find few of them!—they lie only in the fact that if you live long enough you learn that pendulums swing in politics and public concerns just as they do in the mechanical realm.

What I plan to do is share with you some thoughts about American politics present and past. That will be a familiar subject to you. But perhaps I can offer a somewhat different perspective on our political history these past fifty years, or at least be provocative enough to stir up discussion.

Let me begin with the election two years ago of Ronald Reagan as President.

By election day it was no surprise that Mr. Reagan defeated Jimmy Carter. All the polls had predicted it. What was a surprise to journalists and politicians was, first of all, that by the spring of 1980 Mr. Reagan had become the clear forerunner for the Republican nomination and that by midsummer he had caught the imagination of the country with political ideas that can only be called revolutionary.

After all, Mr. Reagan was an ex-actor who, though a former governor of California, had for years been unsuccessful in national politics and was by then nearing 70. Moreover, nearly every political idea he preached seemed completely out of touch with the trend of American politics since the days of Franklin Roosevelt. Mr. Reagan seemed an echo of Barry Goldwater, and every politician or journalist remembered what happened to him.

The second big surprise was the sweep of the Reagan victory. It wasn't confined to any geographic area but reached across the country; except for his native Georgia, Jimmy Carter lost even the Southern states he'd won in 1976.

As if that wasn't startling enough, the Republicans riding Ronald Reagan's coattails won control of the Senate for the first time in a quarter of a century. They were only 26 seats short of capturing the House.

All this was not only a surprise but a downright shock to Democrats, to liberals of any party, to almost every political observer familiar with the legend of the power of liberal politics and of the Democratic coalition which rested upon it. A political revolution had obviously taken place but hardly anybody understood why.

What I am going to suggest—with the benefit of hindsight—is that we shouldn't have been surprised. If we journalists and others had just looked more carefully at the political record of the past half-century we should have seen the revolution (or counter-revolution, if you prefer) coming long before. Circumstances conspired to bring it in 1980, but it was coming anyway, if not under Ronald Reagan then under another.

To see why, I ask your indulgence for a journey through the past before we return to the present and venture a peek at the future.

The widely held view of journalists (myself included) and of other political observers has long been that for five decades the nation has been firmly in the grip of a Democratic party formed from, and held together by, the so-called Roosevelt coalition. This, so ran the catechism, insured that the nation's politics would remain essentially liberal in outlook and experimental in policy.

This explains why the collapse of the old coalition in 1980 seemed to come suddenly and almost inexplicably.

Historians, I think, will see things differently. At any rate, I'll suggest now that the power of that liberal Democratic coalition formed by FDR hit its peak in 1936 and has been eroding ever since.

Furthermore, that the liberal coalition lost its grip on the country as far back as the late 1940s. What followed for the next 35 years was a rare period of political indecisiveness in which the nation was unwilling to give to any political party or any political philosophy a clear mandate to govern.

The more conventional view, of course, has been understandable. Since 1932 only two Republicans before Reagan won the White House: Eisenhower and Nixon. The Eisenhower years appeared as a sort of aberration and to his personal popularity, much like the Cleveland and Wilson terms sandwiched into the long Republican era that began with the Civil War and lasted until 1932.

The two Nixon victories were thought due to a schismatic break in the ranks of the dominant Democratic party. The cause in 1968 was attributed to Lyndon Johnson's failures with the Vietnam war. In 1972 Nixon's landslide was attributed more to George McGovern's unpopularity than to Nixon's popularity. That view of Nixon as another aberration seemed confirmed by Watergate and its aftermath. The aftermath included a return of the Democrats to the White House in the person of Jimmy Carter.

Nonetheless, when the period from 1932 to 1976 is reexamined as a whole a different picture emerges.

We usually think of 1932 as being the great political watershed. But that election wasn't a personal victory for FDR or even for the Democrats. It was simply a resounding defeat for Hoover and the Republicans brought on the depression.

It was 1936 that gave birth to the legend. Partly by design, partly by accident, the Democratic Administration put together what's become known as the Roosevelt coalition:—a combination of Southern Democrats, northern urban bosses, the labor unions, farmers, minority groups such as the Blacks all mixed with a broad appeal to that otherwise undefined middle class. A philosophical underpinning was provided by the intellectuals of the media and the campus.

It was on the face of it an unlikely combination—the interests of farmers and labor unions often conflicted, as did those of blacks with traditional Southern Democrats. But its effect was devastating. Roosevelt carried all but two states in 1936. He won 62.5% of the two-party vote, all but 8 electoral votes.

Roosevelt, of course, won twice more, solidifying the legend in our minds. But in 1940 against Willkie, a political Johnny- comelately, his margin of the two party vote dropped to 55% and the Republicans carried ten states with 82 electoral votes.

In 1944 Roosevelt had the advantage of being the incumbent President in the midst of a war. Governor Dewey was thus handicapped in much of his campaigning. Yet Roosevelt slipped further. His percentage of the two-party vote dropped to less than 54%. The Republicans carried 12 states with 99 electoral votes.

If this slippage was not more remarked upon at the time it was because his third and fourth term elections were unprecedented and because the political writers were still under the spell of 1936.

That brings us to 1948. Every political journalist I know of (myself included) expected Harry Truman to lose. We were all mesmerized by the polls and by reading each other. So when he astonished us by winning, all the evidence of an erosion in the old coalition was discredited.

What failed to get the attention it deserved was the fact that the Roosevelt coalition was shattered. For the first time since 1932 the New Deal Democrats were a minority.

It's true that Truman had a comfortable margin in the electoral college—303 votes to 189 for Dewey. He also got 52% of the two-party vote. But by this time the two-party vote was by no means the whole of the matter. The Democrats had splintered at both ends of the spectrum.

The States Rights Party, or Dixiecrats, polled nearly 1.2 million votes. The Progressive Party of left-wing Democrats led by Henry Wallace won almost exactly the same. The result was that Harry Truman became our first minority President since Woodrow Wilson.

The 1948 election thus marked both the beginning of the end to the unchallenged ascendancy of the Democratic coalition, and also the beginning of a long period of American political indecisiveness.

If those of us who follow national politics didn't realize it, it was because the electorate kept confusing us in subsequent elections. The conclusions we might have drawn from the Eisenhower period were undone by

the election of 1960. It put the Democrats again in the White House with Kennedy, a liberal in the familiar pattern.

Nonetheless, Kennedy won only by the narrowest of margins. In fact, there was at the time some suspicion he won only because of some peculiarities of the votes counted in Illinois and Texas. Moreover, because of the Third Party candidacy of Harry Byrd of Virginia, John Kennedy—like Harry Truman before him—was a minority President in the popular vote.

But that impression was wiped out by the landslide victory of Lyndon Johnson in 1964. Only in retrospect could we see that his sweep was compounded of sentimental appeal of the martyred Kennedy plus the ineptness of the Goldwater campaign, especially with regard to the Vietnam war.

In any event, four years later the Republicans were back again—with, of all people, Richard Nixon, risen from the political ashes. This too, though, was a squeaker. Once again we had a minority President, and though Nixon captured the White House the Democrats retained control of Congress. We all thought, and with some reason, that Nixon won only because Johnson had been unable to resolve the Vietnam war.

In 1972, as we all recall, it was Nixon's turn for a landslide—a bigger sweep of the electoral college than either Lyndon Johnson's or Franklin Roosevelt's. He carried every state except Massachusetts.

Remember, though, that much of this was attributed to the Democrats' choice of George McGovern, a man who appeared as much an extremist of the left as Goldwater had of the right, and who also ran an inept campaign. And once again the Democrats kept control of Congress even in the face of that Nixon landslide.

Let me pause, then, for a brief recapitulation.

With the single exception of Lyndon Johnson, no Democrat from 1944 through 1968 won the Presidency by a true majority of the votes. The Presidency see-sawed between the two major parties, three Democrats (Truman, Kennedy and Johnson) and two Republicans (Eisenhower and Nixon).

Three of those Presidents (Truman, Eisenhower and Nixon) had at least one house of the congress controlled by the opposition party. Three of them (Truman, Kennedy and Nixon the first time) were minority Presidents, two of them Democratic, one a Republican.

I submit that the only conclusion you could draw—at least in retrospect—from this crazy pattern was that the electorate was in one of the rare periods of our history when it was unwilling to commit itself irrevocably to either major party or to any political philosophy. Every election seemed to turn on some accident of the campaign.

I now have a confession to make. After the 1972 votes were counted I wrote that perhaps at long last the Republicans had a chance to regain the dominant role. For one thing—though we have forgotten it in the wake of Watergate—at that time Richard Nixon was a much-admired man by the voters. Charisma he had none. Experience in government he did have, and he had shown in his China move the ability to grasp the realities of the world.

I also thought that Nixon, unlike Eisenhower, would make a real effort to rebuild the Republican party as a party, something he had already begun during his days in the wilderness.

This prediction came a cropper on the rocks of Watergate. After the brief interregnum of Jerry Ford, it was the Democrats again with Jimmy Carter. And then came Ronald Reagan.

So much is history.

What conclusions can we draw from all of this? What may it suggest about the current and future course of American politics? And what will this Reagan revolution—or counter-revolution, if you prefer—mean in terms of economic and social policy for the country?

Here I must abandon the factual record and offer you only some personal and intuitive thoughts.

In the first place, as I've mentioned, I've always thought there were inherent contradictions in the liberal Democratic coalition and the policies on which it was based, that is, conflicts of interest between its various parts. Farmers want high prices and so are happy with price supports and similar farm programs. The urban dweller and industrial worker want cheap food but high industrial prices to support high wages. The middle class, those in professions and in business, want low taxes and a stable dollar. During the Depression these conflicts were suppressed because everyone was suffering. The government could offer something for everyone without too much penalizing any particular interest.

Moreover, inflation was unheard of. Taxes weren't high enough, at least in the beginning, to be onerous for any group, even the prosperous and the well-to-do. But in time—inevitably, I think—the policy of trying to give more and more to every special group began to exact a cost on every group in our society. Inflation hurts everyone, the poor most of all. So do high interest rates, the cost of borrowing money to buy automobiles or houses or whatever. So do high taxes, obviously so on the middle class but indirectly so on the nation's business because they shrink savings and shrunken savings reduce the money available for investment—whether for building houses or for new plants and equipment in industry.

In all of this lie the seeds of the Reagan counter-revolution. That they had long been sown is shown by the fact that Reagan ran and won in 1980 sounding very much like a new-style Democrat Jimmy Carter, in 1976. "Get the government off our backs." Remember? There is irony indeed!

Now comes the $64 question. Or maybe the $64 billion question. Or even the $100 billion question.

Have we truly had a durable counter-revolution ushering in a new era of economic and political policy? Or will President Reagan prove to be one more aberration, after which we return again to the Democratic political and economic liberalism that so long dominated public policy? We have, after all, been misled before by single elections.

That's a question I can't answer for you. I can only note a few interesting things, and then offer a thought on what the answer may turn.

I note first that Mr. Reagan is the first President of my adult memory to come to office with a clear idea of what he wanted to do with it. Roosevelt didn't; he changed course several times before the New Deal was born. None of the others did. However ably they performed, they improvised.

I note also that President Reagan is unique in that once in office he immediately set out to do exactly what he promised to do if elected. He immediately proposed big budget cuts and big tax cuts. I note further that in both these endeavors he had the support of the public. Had that not been the case he would not have got them approved by a stunned and reluctant Congress.

So it seems to me that the public is presently in the mood for what, for lack of a better phrase, we'll have to call a "conservative" approach to government spending and tax policy, which means a reduction in both the size and the scope of the Federal government.

But that does not fully answer our question whether Mr. Reagan leads a durable counter-revolution or will prove merely another aberration.

For one reason, parts of his policy are contradictory. He proposes cutting some parts of the budget, increasing others. This, combined with his tax cuts, increases—not decreases—the size of the government's deficits.

This isn't exactly what you would expect from a conservative Republican Administration. And—irony of ironies—it has brought indignant warnings from the most liberal of liberal Democratic spenders. Just listen to Tip O'Neill:

So now, as you all know, President Reagan is in political trouble. In addition to those horrendous sounding budget deficits the country is in a recession. Whether or not the Reagan policies caused the recession makes no difference in politics. The President in office always gets blamed for the country's ills, whatever they are. That's the American way.

But the Democrats, or at least the liberal ones, are caught in a political bind themselves. There are only two ways to reduce that deficit of which they loudly complain. Raise taxes or cut spending further. A tax increase brings political trouble; you can at least be sure the Democratic house won't try it this year with Congressional elections coming up. As for further cuts in spending, where are they to come from? Some, perhaps, from the defense budget, but there's not enough there to knock a hole in a $100 billion deficit.

That leaves the domestic budget. What cuts can the Democrats propose there? In welfare, in aid-to-education, in tobacco and other farm price supports? Or in housing subsidies? Or in the area of "entitlements," such as Social Security?

Are the Democrats going to try to out-Reagan Reagan in cutting such domestic expenses? The thought boggles the mind.

Or are they, perhaps, going to demand that the Federal Reserve once more unleash the money-manufacturing machine, run the printing presses? To do that threatens to start another inflationary spiral, which is one of the things that got the Democrats in trouble in the first place?

Frankly, if I were a Republican I would find it politically difficult to defend the Reagan budgets or to escape the consequences of what's now called the Reagan recession.

On the other hand, if I were a Democrat I'd be chilled at the thought of advocating higher taxes or further domestic budget cuts as a way of reducing those deficits. I'd be equally uneasy proposing the old Democratic prescription for curing recessions—that is, bigger government spending and never mind the deficits. That's what got the country, and the party, in trouble.

In short, both parties have their political problems because the country has new problems and neither party has, as yet, inspired the country with the confidence it has the right politics for the new times.

I wish I could tell you how all this will come out. But in some 45 years of writing about American politics I've learned only one enduring lesson. Political prognostication is a precarious business. As a Tar Heel born and bred, I'd never have predicted a decade ago that North Carolina could have a Republican governor or that it would—in this year of 1982—have two Republican Senators. That kind of thing ought to shake up Democrats as well as journalists.

It's quite possible that come November the Democratic party will make some Congressional gains; the party with the White House usually loses in these off-year elections.

It's also possible that the Democrats can regain the White House in 1984. Mr. Reagan is getting along in years and there's no other Republican in sight with his political charisma. But 1984 is a guessing game. Much can happen between now and then. Much depends on whether the recession is still with us, on whether the promises of supply-side economics have been fulfilled and the country is moving forward again.

On those questions a journalist's crystal ball is cloudy.

All I can observe is that the political mood of the country has been swinging now for several decades, that the swing didn't begin just two years ago and that pendulum swings once begun are hard to halt.

What seems to have happened—or so it seems to me—is that the old politics has played out. I do not mean that the country has turned its back on the idea, born in the Depression of the 1930s, that we the people collectively should accept a responsibility for the unfortunate among us—the old, the sick, those mired in poverty or those thrown out of work by circumstances over which they have no control. The strain of compassion runs too deep in the American people for that.

Nor do I mean we are ready to reject the idea that our government must play an active role in influencing our economic activity. That its fiscal and monetary policies must be adapted to the circumstances of the moment. We won't—and I don't think we should—go back to the *laissez faire* attitude, the hands-off policy, of the distant past.

What has come is a realization that government, too, must be restrained and that its resources too are limited. It cannot tax and tax, spend and spend in order to elect and elect, without unhappy consequences for us all. Time has taught people there ain't no such thing as a free lunch.

So I will venture the thought that the next President, be he Democratic or Republican, will have a hard time trying to return the country to those happily remembered days of the New Deal, the Fair Deal and the New Society, when we thought the government could pay for just about everything.

The future, then, belongs to the party, and to the political leader, who finds the best response to new problems. President Reagan is seeking it but we will have to wait a time before we can see whether he has found it.

And speaking of free lunches, I'm paying for this one by standing here like the fellow at the State Fair who sticks his head through a hole for everybody to throw baseballs at him!

Anyway, I thank you for listening.

BIOGRAPHICAL SKETCH

Vermont Connecticut Royster was born April 30, 1914 in Raleigh. His unusual Christian names resulted from a fading family tradition begun when two Royster brothers—one of them his great-grandfather—moved from Virginia to North Carolina in the 1800s. They decided to name all their sons for states so that the cousins could be more easily distinguished.

Thus, members of that generation of Roysters had Christian names like Arkansas, Delaware, Georgia, Alabama, Iowa Michigan, Virginia, Carolina, Wisconsin, Illinois and Vermont Connecticut (the grandfather for whom young Vermont was named). A distant relative even went through life as Nathaniel Confederate States Royster.

Young Vermont's parents—Wilbur High Royster, a Raleigh attorney, and the former Olivette Broadway (both deceased)—had two other children: Thomas Broadway Royster, a U.S. Marine Corps major killed at Tarawa in World War II, and Saravette Royster Trotter, now of Rocky Mount.

Vermont Royster was reared in Raleigh, where he got his first taste of newspapering as a high school correspondent for the News and Observer. (He later admitted that he was hooked on journalism from the time he saw his first few words in print.)

He was graduated from Hugh Morson High School in 1929, then attended the Webb School in Bell Buckle, Tenn., a prep school specializing in classical languages, for two years before entering UNC-Chapel Hill in the fall of 1931.

At UNC Vermont Royster was an actor and playwright for the Carolina Playmakers, which produced two of his original one-act plays, and worked four years on The Daily Tar Heel. He was also a campus correspondent for the Durham Morning Herald.

Mr. Royster earned a Phi Beta Kappa key, and received his AB in classical languages in 1935 in the midst of the Depression. Not surprisingly, his journalistic experience, rather than his fluency in Latin and Greek, proved his most negotiable job skill. ("When you get out of college and you have a nodding acquaintance with Euripides, it doesn't really qualify you for much else," he remarked about his career choice.)

After briefly covering night courts and police for the old New York City News Bureau, Mr. Royster joined The Wall Street Journal as a reporter in 1936. He subsequently served The Journal as a Washington correspondent (1936-40, 1945-46).

(As an officer in the U.S. Naval Reserve, Mr. Royster was called to active duty a year before Pearl Harbor. Among other assignments during the war, he commanded the USS *Jack Miller*, a destroyer escort, in the final battles in the Pacific around Japan. He completed his service as a lieutenant commander.)

Mr. Royster later served as The Journal's chief Washington correspondent (1946-48), associate editor and senior associate editor in New York (1948-58) and editor-in-chief (1958-71) and senior vice president of Dow Jones & Company, Inc., The Journal's publisher. He resigned the latter two positions in 1971 and returned to Chapel Hill. But he continued to write a regular "personal" column, "Thinking Things Over," that he started in 1964, and remained on the Dow Jones board of directors. (He is also a director of Wachovia Corporation.)

Mr. Royster now teaches part-time as Kenan Professor at UNC School of Journalism; writes for a variety of publications, from The American Scholar to The Readers' Digest and TV Guide; and appears as a radio and television commentator. He has authored three books—Journey Through the Soviet Union, A Pride of Prejudices and The American Press and the Revolutionary Tradition—and has written many chapters in books edited by others.

Vermont Royster has won every major press award. The citation for his 1953 Pulitzer Prize for editorial writing credits him with "an ability to discern the underlying moral issue, illuminated by a deep faith and confidence in the people of our country; with warmth, simplicity and understanding of the basic outlook of the American people."

Mr. Royster received the Sigma Chi Delta medal and the William Allen White Award, both for distinguished service to journalism, in 1958 and 1971, respectively. He received the Gerald Loeb Award in 1975 (for his contribution to economic journalism) and the Elijah Lovejoy Award from Colby College in 1976. In 1978 The National Press Club of Washington gave him its Fourth Estate Award "for a lifetime of service to journalism." And in April 1981 Mr. Royster became one of the first five inductees into the new N.C. Journalism Hall of Fame at UNC-Chapel Hill.

Vermont Royster served as president of the National Conference of Editorial Writers (1957) and of the American Society of Newspaper Editors (1965-66), and as a member and officer of various other distinguished groups. He holds honorary doctoral degrees from UNC-Chapel Hill, Temple University, Elon College and Colby College.

Mr. Royster married the former Frances Claypoole of New Bern in 1937. They have two daughters—Frances and Eleanor (Mrs. Leon Eidles of Dallas, Texas)—and two grandchildren.

Much of Vermont Royster's writing epitomizes English poet and critic Matthew Arnold's observation that "Journalism is literature in a hurry." The following passage typifies Mr. Royster's provocative prose: "Nothing is so corrupting to a man as to believe it is his duty to save mankind from men. He comes to evil because he must first usurp the rights of men and finally the prerogatives of God."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. MIKULSKI (at the request of Mr. WRIGHT), after 1:15 p.m. today, on account of illness in the family.

Mrs. SCHNEIDER (at the request of Mr. MICHEL), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WILLIAMS of Ohio) to revise and extend their remarks and include extraneous material:)

Mr. DAUB, for 5 minutes, today.

Mr. COLLINS of Texas, for 45 minutes, today.

Mr. PAUL, for 15 minutes, today.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous material:)

Mr. GAYDOS, for 60 minutes, today.
Mr. STRATTON, for 30 minutes, today.
Mr. GONZALEZ, for 15 minutes, today.
Mr. BINGHAM, for 20 minutes, today.
Mr. PHILLIP BURTON, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COELHO, for 5 minutes, today.
Mr. FRANK, for 10 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.
Mr. RODINO, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. FORD of Michigan, for 10 minutes, on May 13.
Mr. MCCURDY, for 10 minutes, on May 13.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. FOUNTAIN, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $1,428.

Mr. WILLIAMS of Montana, prior to the vote on the Boland amendment to H.R. 5922 in the Committee of the Whole today.

(The following Members (at the request of Mr. WILLIAMS of Ohio) and to include extraneous matter:)

Mrs. MARTIN of Illinois.
Mr. WAMPLER.
Mr. LOWERY of California in three instances.
Mr. MCCLOSKEY.
Mr. LEWIS.
Mr. DORNAN of California.
Mr. CONTE in two instances.
Mr. FINDLEY.
Mr. ROTH.
Mr. PARRIS in two instances.
Mr. MARRIOTT.
Mr. CORCORAN.
Mr. BAILEY of Missouri.
Mr. RAILSBACK.
Mr. MILLER of Ohio in two instances.
Mr. SPENCE.
Mr. GOLDWATER.
Mrs. SCHNEIDER.
Mr. MADIGAN.
Mr. FIELDS.
Mr. PORTER.
Mr. DAUB.
Mr. COLLINS of Texas in three instances.
Mr. LAGOMARSINO in two instances.
Mrs. FENWICK.
Mr. BROOMFIELD.
Mr. SNYDER.
Mr. DOUGHERTY.
Mr. PHILIP M. CRANE.
Mr. GILMAN in two instances.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. STARK in three instances.
Mr. JACOBS.
Mr. ROSE.
Mr. SOLARZ in two instances.
Mr. OTTINGER in three instances.
Mr. CONYERS.
Mr. GORE.
Mr. VENTO.
Mr. PEPPER.
Mr. HUBBARD.
Mr. FORD of Michigan.
Mr. ADDABBO.
Mr. MILLER of California in two instances.
Mr. VOLKMER.
Mr. GIBBONS.
Mr. MINISH.
Mrs. KENNELLY.
Mr. DYSON.
Mr. UDALL.
Mr. WEISS in two instances.
Mr. GEJDENSON.
Mr. FAUNTROY.
Mr. RATCHFORD.
Mr. BOLLING.
Mr. BARNES.
Ms. FERRARO.
Mr. BAILEY of Pennsylvania.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 159. An act to authorize the exchange of certain land held by the Navajo Tribe and the Bureau of Land Management, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 792. An act to promote the development of Native American culture and art; to the Committee on Interior and Insular Affairs and the Committee on Education and Labor.

S. 835. An act for the relief of Jerry L. Crow; to the Committee on Interior and Insular Affairs.

S. 933. An act to authorize rehabilitation of the Belle Fourche irrigation project, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 1501. An act entitled the "Educational Mining Act of 1982"; to the Committee on Interior and Insular Affairs.

S. 1519. An act to designate certain national wildlife refuge lands; to the Committee on Interior and Insular Affairs.

S. 1628. An act to amend the Emergency Fund Act (act of June 26, 1948, 62 Stat. 1052); to the Committee on Interior and Insular Affairs.

S.J. Res. 161. Joint resolution to designate the week commencing with the fourth Monday in June 1982 as "National NCO/Petty Officer Week"; to the Committee on Post Office and Civil Service.

ENROLLED BILL SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles.

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes;

S. 691. An act to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes.

ADJOURNMENT

Mr. STRATTON. Mr. Speaker, I move that the house do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 3 minutes p.m.), the House adjourned until tomorrow, Thursday, May 13, 1982, at 11 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1982 in connection with foreign travel pursuant to Public Law 92-384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James M. Jeffords	1/6	1/8	Netherlands [3]	654.15	267.00						267.00
Floyd J. Fithian	1/4	1/6	Belgium	7,507	196.00						196.00
	1/6	1/7	Netherlands [4]	436.10	178.00						178.00
Via military aircraft 1-way							1,478.58				1,478.58

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
William M. Thomas	1/4	1/6	Belgium	5,507	196.00						196.00
	1/6	1/10	Netherlands	1,090.25	445.00						445.00
	1/11	1/12	Switzerland	347.30	190.00						190.00
Via military aircraft							2,957.15				2,957.15
Committee total					1,472.00		4,435.73				5,907.73

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Continued on to Rome in conjunction with his military reserve duty—no expense to the Agriculture Committee. From Rome to Bonn to Paris at request of Education and Labor Committee Chairman—no expense to Agriculture Committee.
[4] To London via commerical aircraft at their own expense.

E de la GARZA, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Joseph Addabbo	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Bernard Dwyer	1/6	1/20	Italy		1,015.00		262.78				1,277.78
Transportation (DOD)							2,954.76				2,954.76
Hon. Jack Edwards	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		4,300.00				4,600.00
Hon. Mickey Edwards	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. Clarence Long	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador				[3] 858.00				858.00
Hon. Joseph M. McCade	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Matthew McHugh	3/2	3/4	Belgium		180.00						180.00
	3/4	3/7	Poland		291.00						291.00
	3/7	3/8	Austria		83.00						83.00
	3/8	3/9	Italy		78.00						78.00
Transportation (DOD)							4,348.00				4,348.00
Hon. John T. Myers	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. J. Kenneth Robinson	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Hon. Eldon Rudd	1/4	1/5	Venezuela		115.00						115.00
	1/5	1/8	Brazil		285.00						285.00
	1/8	1/10	Argentina		280.00						280.00
	1/10	1/12	Chile		268.00						268.00
	1/12	1/14	Peru		150.00						150.00
	1/14	1/16	Mexico		156.00						156.00
Transportation (DOD)							3,473.37				3,473.37
Hon. Martin Olav Sabo	1/2	1/16	Antarctica		1,050.00		4,631.00				5,681.00
Hon. Charles Wilson	12/30	1/6	United Arab Emirates		994.00						994.00
	1/6	1/6	Oman		138.00						138.00
	1/6	1/10	United Arab Emirates		568.00		3,690.00				4,258.00
George Allen	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Jimmy R. Fairchild	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua		0						0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3] 882.00				957.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Robert B. Foster	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		491.00						491.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,505.32				5,580.32
Sandra A. Gilbert	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Merwyn C. Greer	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
Peter J. Murphy, Jr.	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Mark W. Murray	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Osthaus	1/5	1/7	England		216.00						216.00
	1/7	1/10	Germany		267.00		95.49				362.49
	1/10	1/11	Austria		86.00		188.89				274.89
	1/11	1/13	Switzerland		190.00						190.00
	1/13	1/15	Spain		150.00		2,921.00				3,071.00
Terry R. Peel	1/8	1/10	Bahrain		304.00						304.00
	1/10	1/12	Oman		276.00						276.00
	1/12	1/13	French Terr. of Afars and Issas		110.00						110.00
	1/13	1/15	Egypt		150.00						150.00
	1/15	1/16	Greece		75.00						75.00
	1/16	1/20	Morocco		375.00		3,444.55				3,819.55
Transportation (DOD)							2,859.67				2,859.67
John G. Plashal	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Edwin F. Powers	1/7	1/9	Austria		250.00						250.00
	1/10	1/11	Egypt		150.00						150.00
	1/12	1/14	Sudan		354.00						354.00
	1/15	1/17	Kenya		225.00						225.00
	1/18	1/20	England		324.00		2,798.00				3,122.00
Edwin F. Powers	2/11	2/12	Mexico		75.00						75.00
	2/12	2/13	Guatemala		75.00						75.00
	2/13	2/15	Honduras		150.00						150.00
	2/15	2/15	Nicaragua								0
	2/15	2/16	Panama		75.00						75.00
	2/16	2/18	Costa Rica		150.00						150.00
	2/18	2/19	El Salvador		75.00		[3] 882.00				957.00
Samuel Ralph Preston	1/15	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,300.00				4,600.00
Austin G. Smith	1/5	1/6	Italy		125.00						125.00
	1/6	1/9	Egypt		225.00						225.00
	1/9	1/11	Israel		180.00						180.00
	1/11	1/14	Pakistan		249.00						249.00
	1/14	1/17	Thailand		239.25						239.25
	1/17	1/20	Philippines		225.00						225.00
	1/20	1/23	United States		300.00		[3] 4,066.21				4,366.21
Hunter L. Spillan	1/8	1/11	United States		225.00						225.00
	1/11	1/14	Guam		300.00						300.00
	1/15	1/20	Australia		490.00						490.00
	1/20	1/23	New Zealand		192.00						192.00
	1/23	1/24	United States		75.00		5,915.00				5,990.00
James Van Wagenen	2/12	2/13	El Salvador		75.00		42.56				117.56
	2/13	2/14	Nicaragua		75.00						75.00
Transportation (DOD)							3,058.13				3,058.13
J. David Willson	1/9	1/13	Japan		395.00						395.00
	1/14	1/16	Korea		225.00						225.00
	1/17	1/21	United States		250.00		3,723.07				3,973.07
Committee total					33,517.75		116,167.02				149,684.77
Appropriations, Surveys, and Investigations staff:											
Richard H. Ash	1/9	1/14	France		651.00		2,192.00		36.70		2,879.70
	1/15	1/22	Kenya		620.25				26.04		646.20
Robert W. Catlin, Jr.	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Reginald R. Clay	3/23	3/28	Japan		450.00		2,149.59		23.06		2,622.65
Jack A. DeSipio	1/30	2/3	England		488.25		1,270.00		27.39		1,785.64
	2/3	2/5	France		192.00				18.36		210.36
	2/5	2/7	Germany		195.00				6.48		201.48
Francis J. King	1/30	2/3	England		488.25		1,270.00		78.80		1,837.05
	2/3	2/5	France		192.00				31.89		223.89
	2/5	2/7	Germany		195.00				24.61		219.61
Frank T. Lyons	1/9	1/14	France		651.00		2,192.00		49.00		2,892.00
	1/15	1/22	Kenya		620.25				28.44		648.69
Joseph W. Montefiore	1/9	1/14	France		651.00		2,192.00		22.80		2,865.80

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 30, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/15	1/22	Kenya		620.25				18.56		638.81
Joseph A. Vignali	1/9	1/14	France		651.00		2,192.00		18.76		2,861.72
	1/15	1/22	Kenya		620.25				18.85		639.13
Staff total					7,735.50		15,607.18		452.80		23,795.48

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation furnished by DOD. Costs shown are comparable 1st-class commercial rate.

JAMIE L. WHITTEN, Chairman, Apr. 29, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. David Evans	12/28	1/5	Israel		675.00						675.00
Hon. Jerry M. Patterson	1/4	1/6	England		324.00		[3] 128.33				452.33
	1/6	1/11	France		448.00		[3] 256.59		125.17		829.76
	1/11	1/15	Ireland		424.00		[4] 6,042.10				6,466.10
Jonathan Sanford	1/5	1/17	India		1,004.00		[5] 2,552.00				3 556.00
Hon. Frank Annunzio	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
									[3] 262.78		262.78
Hon. Bruce Vento	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
									[3] 262.78		262.78
Hon. John J. LaFalce	1/6	1/14	Italy		816.00		[4] 2,892.04				3,708.04
									[6] 593.89		
									[3] 262.78		856.67
Curtis Prins	1/6	1/19	Italy		1,741.00		[4] 4,710.93				6,451.93
									[3] 262.78		262.78
Jan Shinpoch	3/18	3/23	Colombia		516.00		[5] 943.67				1,459.67
									([7])		
Hon. Jerry M. Patterson	/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Hon. Henry S. Reuss	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Paul Nelson	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Michael Flaherty	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
James Orr	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Mark Constantine	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Jan Shinpoch	3/25	3/29	Colombia		430.00		[4] 1,072.02		([7])		1,502.02
Committee total					12,440.00		36,096.67		125.17		48,661.84

[1] Per diem constitutes lodging and meals. [2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended. [3] Ground transportation. [4] Military air fare. [5] Commercial air fare.
[6] Commercial-return trip. [7] Ground transportation costs not available from State Department.

FERNAND J. ST GERMAIN, Chairman, Apr. 26, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative David Obey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Thomas J. Downey	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Mike Lowry	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Representative Ed Bethune	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
William J. Cleary	3/2	3/4	Belgium	8,098	186.00						186.00
	3/4	3/7	Poland	23,879.70	291.00						291.00
	3/7	3/8	Austria	10,366.20	83.00						83.00
	3/8	3/9	Italy	99,528	78.00						78.00
Transportation (Department of the Army)							4,348.00				4,348.00
Note:											
Group expenses (Belgium), local transportation							243.69				243.69
Group expenses (Belgium), miscellaneous expenses.									904.73		904.73
Group expenses (Poland), local transportation							216.09				216.09
Group expenses (Poland), miscellaneous expenses.									2,202.63		2,202.63

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Committee totals					3,190.00		22,199.78		3,107.36		28,497.14

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
Note: Expenses not available for Austria and Italy. A supplement will be filed.

JAMES R. JONES, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 and MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Congressman George Miller	1/3	1/5	Colombia		249.87						
	1/5	1/6	Nicaragua			$79.98					
	1/6	1/9	Dominican Rep.		225.00						
	1/9	1/12	Haiti		257.50						
	1/12	1/14	Jamaica		194.00						
Military transportation							6,770.40				7,776.75
Congressman James Jeffords	1/17	1/20	Germany	611.43	267.00						
	1/20	1/22	France		192.00						
Navy Department transportation							1,823.00				2,282.00
Committee total					1,385.37	79.98	8,593.40				10,058.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
Note: The Navy Department paid for round trip air fare from the United States to Europe. One-half of the air fare is reported through the Agriculture Committee and ½ of the airfare is reported through the Education and Labor Committee ($3,646 total round trip air fare).

CARL D. PERKINS, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. AND MAR. 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Benson, Kathleen	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Davis, Sharon	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Kitzmiller, William M.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Potter, Frank M., Jr.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Woo, Michael T.	2/19	2/22	Germany		344.00		2,772.00				3,116.00
Brubaker, Gerald	1/3	1/5	England		216.00		1,583.53				1,799.53
	1/5	1/9	Germany		347.00						347.00
	1/9	1/17	France		755.00						755.00
	1/17	1/20	Austria		258.00						258.00
Mathews, Nancy	1/2	1/5	England		324.00		1,634.64				1,958.64
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
Stewart, Michael	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Warner, Christopher	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
Barrett, Michael	1/2	1/5	England		324.00		1,730.24				2,054.24
	1/6	1/9	Germany		347.00						347.00
	1/10	1/17	France		755.00						755.00
	1/18	1/21	Austria		344.00						344.00
McLain, Patrick	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/9	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Smethurst, Benjamin	1/2	1/5	England		324.00		1,208.50				1,532.50
	1/5	1/8	Germany		347.00						347.00
	1/9	1/15	France		559.00						559.00
Committee total					12,148.00		23,642.41				35,790.41

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JOHN D. DINGELL, Chairman, April 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michael J. O'Neil, staff			Europe		624.00		2,081.90				2,705.90
			Asia		755.00						755.00
			Africa		150.00						150.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Patrick G. Long, staff			Europe		624.00		2,095.00				2,719.00
			Asia		755.00						755.00
			Africa		150.00						150.00
Hon. Wyche Fowler, Jr.			New Zealand		160.00						160.00
Herbert Romerstein, staff			Europe		468.00		958.00				1,426.00
Committee total					3,686.00		5,134.90				8,820.90

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

EDWARD P. BOLAND, Chairman, Apr. 30,

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Foley, Elizabeth A	1/14	1/17	Mexico		375.00		415.00				790.00
Hubbard, Carroll, MC	3/7	3/14	Panama		525.00		[3] 1,399.00				1,924.00
Lent, Norman F., MC	1/4	1/6	Belgium	7,507	196.00		[4] 48.19		[5] 17.03		
	1/6	1/10	Netherlands	1,090.25	445.00				[5] 37.15		
	1/11	1/12	Switzerland	347.30	190.00		61.69		[5] 9.46		
					[6] 2,957.15				3,961.67		
McClung, Robin	3/21	3/28	Panama		525.00		([7])				525.00
Woodward, William	1/7	1/12	Haiti	2,400	480.00		532.00				1,012.00
Committee totals					2,736.00		5,413.03		63.64		8,212.67

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Department of Defense paid air transportation via commerical airlines.
[4] Local transportation.
[5] Miscellaneous control room costs.
[6] Transportation via military aircraft.
[7] Transporttion via military aircraft. DOD did not furnish cost.

WALTER B. JONES, Chairman, Apr. 28, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Stangeland, Arlan	1/4	1/6	Belgium	7,507.00	196.00	196.00	48.19	333.79	17.03	8,036.79	261.22
	1/6	1/10	Netherlands	1,090.25	445.00			89.92	37.15	1,180.17	482.15
	1/11	1/12	Switzerland	347.30	190.00	149.11	65.96	18.28	9.46	514.69	265.42
Military air transportation							2,957.15				2,957.15
Levitas, Elliott H	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commerical air transportation							2,596.00				2,596.00
O'Hara, John P	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78			127.71	28.71	6,134.90	214.49
Commercial air transportation							2,596.00				2,596.00
Shuster, E. G	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Butler, Kenneth	1/3	1/5	Finland	4,368.00	288.00	377.40	25.00			4,745.40	313.00
	1/5	1/11	U.S.S.R		568.78		128.00		40.00		736.78
	1/11	1/13	Hungary	6,007.19	185.78		25.30	127.71	28.71	6,134.90	239.79
	1/13	1/16	Austria	4,115.10	258.00	4,412.50	266.56			8,527.60	524.56
Commercial air transportation							2,517.00				2,517.00
Howard, James J.	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Roe, Robert A.	1/4	1/6	United Kingdom	169.63	324.00	6718	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transport							6,042.10				6,042.10
Rahall, Nick Joe, II	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,503.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Snyder, Gene	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Hammerschmidt, John Paul	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982—Continued

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Military air transportation							6,042.10				6,042.10
D'Amico, Salvatore	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Tyler, Errol	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Fryer, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Rinehart, Caryll F	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Italiano, Joseph	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Schenendorf, Jack	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6,042.10
Doyle, John	1/4	1/6	United Kingdom	169.63	324.00	67.18	128.23			236.81	452.23
	1/6	1/11	France	2,508.00	448.00	1,430.72	256.59	660.94	125.17	4,599.66	829.76
	1/11	1/15	Ireland	271.00	424.00					271.00	424.00
Military air transportation							6,042.10				6.042.10
Sunia, Fofo, I. F	1/13	1/15	New Guinea		189.00						189.00
Committee total					20,058.24		91,616.06		1,840.52		113,514.82

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES J. HOWARD, Chairman. Apr. 30, 1982.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1982

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Ventre		1/1	United States				1,146.00				1,146.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Friewald		1/1	United States				1,065.00				1,065.00
	1/2	1/5	England	169.64	324.00					169.64	324.00
	1/5	1/9	Germany	773.81	370.00					773.81	370.00
	1/9	1/15	France	3,186.30	559.00					3,186.30	559.00
	1/15		United States								
Committee totals					2,506.00		2,211.00				4,717.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DON FUQUA, Chairman, Apr. 29, 1982.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3889. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture.

3890. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal section 3502 and 8502 of title 10, United States Code, relating to a physical examination for each member of the National Guard called into and mustered out of Federal service; to the Committee on Armed Services.

3891. A letter from the Deputy Assistant Secretary of Defense (Comptroller-Administration), transmitting notice of the Navy's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in the contract with British Petroleum of Greece, Ltd., for the delivery of aviation gasoline to the U.S. Naval Support Activity, Souda Bay, Crete, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

3892. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 5 of title 37, United States Code, to extend the expiration date of the special pay provisions for reenlistment and enlistment bonuses; to the Committee on Armed Services.

3893. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell a naval vessel to the Government of Pakistan, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

3894. A letter from the Director, Federal Emergency Management Agency, transmitting a report that the Agency acquired no real or personal property during the quarter ended March 31, 1982, pursuant to section 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

3895. A letter from the Secretary of Housing and Urban Development, transmitting a report on manufactured homes data, pursuant to section 308(e) of the Housing and

Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

3896. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the Board's second annual report on the Electronic Fund Transfer Act, pursuant to section 918 of the Consumer Credit Protection Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

3897. A letter from the Assistant Secretary, Special Education and Rehabilitative Services, transmitting the annual report of the National Council on the Handicapped, pursuant to section 401(6) of the Rehabilitation Act of 1973, as amended; to the Committee on Education and Labor.

3898. A letter from the Assistant Secretary of State for Congressional Relations, transmitting Presidential determination authorizing additional economic support fund assistance for Liberia from funds earmarked for Nicaragua, pursuant to section 614(a)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3899. A letter from the Director, Agency for International Development (Legislative Affairs), transmitting justification of an increase in the funding level of the Agency's proposed fiscal year 1982 program in Liberia, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

3900. A letter from the Acting Secretary of the Treasury, transmitting a report on the operation and status of the State and local fiscal assistance trust fund and the antirecession fiscal assistance trust fund for the fiscal year 1981, pursuant to public law; to the Committee on Government Operations.

3901. A letter from the Administrator, Veterans' Affairs, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3902. A letter from the Assistant Secretary for Health, Department of Health and Human Services, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

3903. A letter from the Chairman, National Labor Relations Board, transmitting a report of the Board's activities under the Government in the Sunshine Act during calendar year 1981, pursuant to 5 U.S.C. 552(b); to the Committee on Government Operations.

3904. A letter from the Acting Secretary of the Interior, transmitting notice of leasing systems to be used in oil and gas lease sale No. 68, southern California, to be held on June 11, 1982, pursuant to section 8(a)(8) of the Outer Continental Shelf Lands Act, as amended; to the Committee on Interior and Insular Affairs.

3905. A letter from the Assistant Attorney General for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on the Judiciary.

3906. A letter from the Treasurer General, National Society of the Daughters of the American Revolution, transmitting the society's annual audit for the fiscal year ended February 28, 1982, pursuant to Public Law 88-504; to the Committee on the Judiciary.

3907. A letter from the Secretary of Transportation, transmitting a report covering calendar year 1981 on the use of authority to designate and rent inadequate quarters, lease family housing, and hire quarters at or near Coast Guard installations, pursuant to 14 U.S.C. 475(f); to the Committee on Merchant Marine and Fisheries.

3908. A letter from the Secretary of Transportation, transmitting the second annual report on collision avoidance systems, pursuant to section 401 of Public Law 96-193; to the Committee on Public Works and Transportation.

3909. A letter from the Secretary of Transportation, transmitting the eighth annual highway safety stewardship report, pursuant to section 203(e) of the Highway Safety Act of 1973 and sections 151(g) and 152(g) of title 23, United States Code; to the Committee on Public Works and Transportation.

3910. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the Chief of Engineers report on the need for Federal improvements for small-boat navigation at Little Girls Point, Mich., in response to a resolution by the Committee on Public Works and Transportation, adopted December 9, 1975; to the Committee on Public Works and Transportation.

3911. A letter from the New England Division Engineer, Army Corps of Engineers, transmitting notice of the closing of several recreational areas in New England; to the Committee on Public Works and Transportation.

3912. A letter from the Assistant Secretary of State (Congressional Relations) and the Assistant Secretary of the Treasury (Legislative Affairs), transmitting the fourth annual report on progress in enhancing human rights through U.S. participation in international financial institutions, pursuant to section 701(c) of Public Law 95-118; jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

3913. A letter from the Comptroller General of the United States, transmitting a report on the review of financial statements of the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, and the Federal Home Loan Banks for the year ended December 31, 1981, pursuant to section 106 of the Government Corporation Control Act (H. Doc. No. 97-179); jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs and ordered to be printed.

3914. A letter from the Secretary of Energy, transmitting the first annual revised comprehensive program management plan for wind energy systems, pursuant to public law; to the Committee on Science and Technology.

3915. A letter from the Secretary of Labor, transmitting a quarterly report of the Department covering the first quarter of fiscal year 1982, regarding the amount of funds expended for trade adjustment assistance (TAA) training and the anticipated demand for such funds during any remaining quarters, pursuant to section 236(a)(2), title XXV, of Public Law 97-35; to the Committee on Ways and Means.

3916. A letter from the Secretary of Energy, transmitting notice of a delay in submission of the comprehensive plan for municipal waste energy development, required by section 231(b) of Public Law 96-294; jointly, to the Committees on Energy and Commerce and Science and Technology.

3917. A letter from the Secretary of Energy, transmitting a report on small hydropower programs, pursuant to section 408(e) of Public Law 96-294; jointly, to the Committees on Energy and Commerce, Agriculture, Interior and Insular Affairs, Public Works and Transportation, and Science and Technology.

3918. A letter from the Assistant Attorney General, Office of Legislative Affairs, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1983, and for other purposes; jointly, to the Committees on the Judiciary, Education and Labor, Energy and Commerce, the Permanent Select Committee on Intelligence, Post Office and Civil Service, and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROSTENKOWSKI: Committee on Ways and Means. H.R. 4800. A bill to reinstate certain taxes imposed on aviation, and for other purposes; with an amendment (Rept. No. 97-510). Referred to the Committee of the Whole House on the State of the Union.

Mr. SAM B. HALL, JR.: Committee on the Judiciary. H.R. 4476. A bill to amend the Administrative Conference Act, by authorizing appropriations therefor; with an amendment (Rept. No. 97-511). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A BILL INITIALLY REFERRED UNDER TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 5540 to the Committee on Banking, Finance and Urban Affairs and to the Committee on Education and Labor until May 15, 1982, extended for an additional period ending not later than 5 p.m., May 17, 1982.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WAXMAN:

H.R. 6355. A bill to make technical corrections in health and other laws amended by the Omnibus Budget Reconciliation Act of 1981 and for other purposes; to the Committee on Energy and Commerce.

By Mr. BIAGGI:

H.R. 6356. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to temporarily prohibit termination of coverage in the case of State and local employees and in the case of employees of nonprofit organizations, to provide the Secretary of Health and Human Services with information necessary to evaluate problems caused by such terminations, and for other purposes; to the Committee on Ways and Means.

By Mr. DAN DANIEL (for himself, Mr. BUTLER, Mr. ROBERT W. DANIEL,

JR., Mr. ROBINSON, Mr. TRIBLE, and Mr. WAMPLER):

H.R. 6357. A bill to amend the Immigration and Nationality Act to repeal the authority to establish an adverse effect wage rate, for nonimmigrant aliens brought into the United States for temporary agricultural labor, higher than the highest of the Federal or State minimum wage rate or the prevailing wage rate; to the Committee on the Judiciary.

By Mr. HOLLAND:

H.R. 6358. A bill to prevent retroactive recharacterization for tax purposes of certain binding lease contracts that include a terminal rental adjustment clause; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.R. 6359. A bill to amend title 28 of the United States Code to provide for an exclusive remedy against the United States in suits based upon acts or omissions of U.S. employees, to provide a remedy against the United States with respect to constitutional torts, to establish procedures whereby a person injured by a constitutional tort may obtain a remedy, and for other purposes; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 6360. A bill to increase the column 1 rate of duty on melamine; to the Committee on Ways and Means.

By Mr. RODINO:

H.R. 6361. A bill to amend the Clayton Act to improve the procedures for consensually resolving civil antitrust actions brought by the United States; to the Committee on the Judiciary.

By Mr. WAMPLER:

H.R. 6362. A bill to recover costs incurred by the Department in the administration of the promotion program for wool, including costs incurred for the conduct of the wool referendum; to the Committee on Agriculture.

By Mr. DORNAN of California:

H.R. 6363. A bill to require the jackets in which phonograph records containing backward masking are packaged bear a label warning consumers of such backward masking; to the Committee on Energy and Commerce.

By Mr. HYDE:

H.R. 6364. A bill to amend title 18 of the United States Code to prohibit the robbery of a controlled substance from persons registered under the Controlled Substances Act, and for other purposes; to the Committee on the Judiciary.

By Mr. PANETTA (for himself, Mr. CLAUSEN, Mr. JOHN L. BURTON, Mr. LANTOS, Mr. EDWARDS of California, Mr. FAZIO, Mr. DELLUMS, Mr. MINETA, Mr. MILLER of California, Mr. MATSUI, Mr. STARK, Mr. BEILENSON, and Mr. PHILLIP BURTON):

H.R. 6365. A bill to disallow the Secretary of the Interior from issuing oil and gas leases, granting certain licenses and permits, and approving certain plans, with respect to a geographical area located in the Pacific Ocean off the coastline of the State of California, until January 1, 2000; to the Committee on Interior and Insular Affairs.

By Mr. COLLINS of Texas:

H.J. Res. 483. Joint resolution proposing an amendment to the Constitution altering congressional budget procedures and procedures affecting the compensation of Members of Congress; to the Committee on the Judiciary.

By Mr. PORTER:

H.J. Res. 484. Joint resolution to provide for the designation of the month of November 1982, as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. BINGHAM:

H. Con. Res. 340. Concurrent resolution reaffirming Senate Resolution 179 and House Resolution 177 and urging the President to seek agreement at the Versailles economic summit conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards; to the Committee on Foreign Affairs.

By Mr. FOUNTAIN (for himself, Mr. JONES of North Carolina, Mr. ANDREWS, Mr. ROSE, Mr. MARTIN of North Carolina, Mr. HEFNER, Mr. NEAL, Mr. WHITLEY, Mr. HENDON, and Mr. JOHNSTON):

H. Con. Res. 341. Concurrent resolution expressing the sense of the Congress that housing and homeownership are matters of the highest national priority; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GAYDOS (for himself, Mr. REGULA, Mr. BENJAMIN, Mr. O'BRIEN, Ms. MIKULSKI, Mr. APPLEGATE, Mr. BROWN of California, Mr. BEVILL, Mr. CLAUSEN, Mr. MOLLOHAN, Mr. MURTHA, Mr. NOWAK, Mr. OBERSTAR, Mr. RITTER, Mr. WILLIAMS of Ohio, Mr. MICHEL, Mr. LONG of Maryland, Mr. MURPHY, Mr. NATCHER, Mr. FITHIAN, Mr. SMITH of New Jersey, Mr. WORTLEY, Mr. EDGAR, Mr. RAHALL, Mr. MCDADE, Mr. FORD of Michigan, Mr. ECKART, Mr. FORSYTHE, Mr. PERKINS, Mr. HYDE, Mr. CORRADA, Mr. FAUNTROY, Mr. COUGHLIN, Mr. BAILEY of Missouri, Mr. WALGREN, Mr. ATKINSON, Mr. KINDNESS, Mr. CLINGER, Mr. BENEDICT, Mr. PORTER, Mr. DERWINSKI, Mr. LANTOS, Mr. ANNUNZIO, Mr. ROE, Mr. NICHOLS, Mr. BAILEY of Pennsylvania, Mr. DINGELL, Mr. WILSON, Mr. YATRON, Mr. STATON of West Virginia, Mr. SAM B. HALL, Jr., Mr. GRAY, Mr. LOWRY of Washington, Mr. MARKS, Mr. FIELDS, Mr. NAPIER, Mr. MCEWEN, Mr. HILLIS, Mr. JAMES K. COYNE, Mr. MOTTL, Mr. WILLIAM J. COYNE, Mr. RAILSBACK, Mr. IRELAND, Mr. RUSSO, Mr. KOGOVSEK, Mr. FARY, Mr. LAFALCE, Mr. QUILLEN, Mr. HANSEN of Utah, Mr. FOGLIETTA, Mr. DOUGHERTY, Mr. SCHULZE, Mr. SHUSTER, Mr. NELLIGAN, Mr. WALKER, Mr. ERTEL, Mr. GOODLING, Mr. SMITH of Pennsylvania, Mr. LUNDINE, Mr. STRATTON, Mr. SMITH of Alabama, Ms. OAKAR, Mr. VENTO, Mr. STANTON of Ohio, Mr. PEASE, Mr. WEAVER, Mr. ZEFERETTI, Mr. SHELBY, Mr. UDALL, Mr. ERLENBORN, Mr. REUSS, Mr. HILER, Mr. BROOKS, and Mr. EVANS of Indiana):

H. Con. Res. 342. Concurrent resolution expressing the sense of the Congress with respect to ongoing investigations of foreign trade practices involving steel mill products; to the Committee on Ways and Means.

By Mr. STATON of West Virginia:

H. Con. Res. 343. Concurrent resolution expressing the sense of the Congress concerning the right of children born with birth defects to life-sustaining medical treatment; to the Committee on Energy and Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

373. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to the establishment of a National Academy of Peace; to the Committee on Foreign Affairs.

374. Also, memorial of the Senate of the State of Hawaii, relative to the equal rights amendment; to the Committee on the Judiciary.

375. Also, memorial of the Legislature of the Territory of Guam, relative to the Filipinos who honorably served in the military forces of the United States during wartime; to the Committee on the Judiciary.

376. Also, memorial of the Legislature of the State of Hawaii, relative to the Central, Western and South Pacific Fisheries Development Act; to the Committee on Merchant Marine and Fisheries.

377. Also, memorial of the House of Representatives of the State of Michigan, relative to funding for the National Oceanic and Atmospheric Administration's Great Lakes Environmental Research Laboratory in Ann Arbor, Mich.; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHUMWAY:

H.R. 6366. A bill for the relief of Analou Lasaca and Jude Anthony Lasaca; to the Committee on the Judiciary.

H.R. 6367. A bill for the relief of Susan Waldo; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1822: Mr. LEHMAN.

H.R. 3117: Mr. WASHINGTON, Mr. DASCHLE, Mr. HOWARD, Mr. CONTE, and Mr. WOLPE.

H.R. 3722: Mr. PHILIP M. CRANE, Mr. HARTNETT, Mr. HANSEN of Utah, Mr. CORCORAN, Mr. ROBINSON, Mr. BROOMFIELD, Mr. RINALDO, Mr. CAMPBELL, Mr. YOUNG of Alaska, Mr. HAMMERSCHMIDT, Mr. STRATTON, Mr. ANTHONY, Mr. BAFALIS, Mr. BURGENER, Mr. YOUNG of Florida, Mr. ROE, Mr. VANDER JAGT, Mr. PATMAN, Mr. DUNN, Mr. LOTT, Mr. CARNEY, Mr. MYERS, Mr. LUNGREN, Mr. HYDE, Mr. DUNCAN, Mr. ROGERS, Mr. ROUSSELOT, Mr. HUCKABY, Mr. PETRI, Mr. GUARINI, and Mr. MCCURDY.

H.R. 4223: Mr. BEREUTER.

H.R. 4399: Mr. SMITH of Oregon and Mr. VOLKMER.

H.R. 4789: Mr. BEREUTER.

H.R. 4835: Mr. LANTOS, Mr. DECKARD, Mr. HILER, and Mr. WILLIAMS of Ohio.

H.R. 4842: Mr. SMITH of Oregon.

H.R. 4944: Mr. HANSEN of Idaho.

H.R. 5088: Mr. PEPPER, Mr. BEILENSON, Mr. TRAXLER, Mr. LELAND, Mr. FORD of Tennessee, Mr. FOGLIETTA, Mr. PORTER, Mr. FLORIO, Mr. MCHUGH, Mr. RANGEL, Mr. WAXMAN, and Mr. WASHINGTON.

H.R. 5147: Mr. BAILEY of Pennsylvania and Mr. FOGLIETTA.

H.R. 5238: Mr. MCEWEN, Mr. WINN, Mr. HARTNETT, Mr. DOWNEY, Mr. CLINGER, Mr. LEACH of Iowa, Mr. MCHUGH, Mr. HOYER,

Mr. WILLIAMS of Montana, Mr. HAGEDORN, Mr. MCGRATH, Mrs. HOLT, Mr. PARRIS, Mr. GRAMM, Mr. RICHMOND, Mr. ROBINSON, Mr. HOLLENBECK, Mr. PANETTA, Mr. TAUKE, Mr. MATTOX, Mr. RODINO, Mr. VANDER JAGT, Mr. SKEEN, Mr. CHAPPELL, Mr. DE LUGO, Mrs. SNOWE, Mr. GARCIA, Mr. SWIFT, Mr. BARNARD, and Mrs. SCHNEIDER.

H.R. 5317: Mr. SOLARZ.

H.R. 5428: Mr. DYSON and Mr. RUSSO.

H.R. 5438: Mr. MCCOLLUM.

H.R. 5448: Mr. BEREUTER.

H.R. 5517: Mr. TAUKE.

H.R. 5760: Mr. ROBERTS of Kansas and Mr. RINALDO.

H.R. 5894: Mr. MCKINNEY.

H.R. 5931: Mr. BEDELL, Mr. ECKART, Mr. BARNARD, and Mr. DWYER.

H.R. 5945: Mr. DAVIS.

H.R. 6009: Mr. DUNN and Mr. MILLER of Ohio.

H.R. 6045: Mr. SHELBY, Mr. JENKINS, Mr. BEARD, Mr. PARRIS, Mr. GEPHARDT, Mr. GRADISON, Mr. CHENEY, Mr. AKAKA, Mr. LUKEN, Mr. FINDLEY, Mr. WHITEHURST, Mr. DICKINSON, Mr. EMERY, Mrs. KENNELLY, Mr. NICHOLS, Mr. BADHAM, Mr. LONG of Louisiana, Mr. BUTLER, Mr. VANDER JAGT, Mr. WINN, Mr. MORRISON, Mrs. FENWICK, Mr. BONER of Tennessee, Mr. ERDAHL, Mr. ENGLISH, Mr. REUSS, Mr. HAGEDORN, Mr. ROBERTS of South Dakota, Mr. ROBERTS of Kansas, Mr. DERRICK, Mr. OXLEY, Mr. COELHO, Mr. MADIGAN, Mr. HILER, Mr. REGULA, Mr. FORSYTHE, Mr. ROSE, Mr. LEATH of Texas, and Mr. JACOBS.

H.R. 6049: Mr. KINDNESS and Mr. LIVINGSTON.

H.R. 6050: Mr. KINDNESS and Mr. LIVINGSTON.

H.R. 6051: Mr. LIVINGSTON.

H.R. 6077: Mr. YATES, Mr. OTTINGER, Mr. PEPPER, Mr. KOGOVSEK, and Mr. KILDEE.

H.R. 6082: Mr. SUNIA.

H.R. 6100: Mr. HUGHES, Mr. PANETTA, Mr. DICKS, and Mr. MILLER of Ohio.

H.R. 6105: Mr. HANSEN of Idaho.

H.R. 6158: Mr. ADDABBO, Mr. BAILEY of Pennsylvania, Mr. BARNARD, Mr. BONIOR of Michigan, Mr. DERWINSKI, Mr. FORSYTHE, Mr. HUGHES, Mr. MINISH, Mr. MOFFETT, Mr. PETRI, Mr. RODINO, Mr. ROSE, and Mr. SUNIA.

H.R. 6201: Mr. MITCHELL of Maryland, Mr. MURTHA, and Mr. ROSE.

H.R. 6340: Mr. FORD of Tennessee and Mr. SMITH of Pennsylvania.

H.J. Res. 172: Mr. MOTTL and Ms. OAKAR.

H.J. Res. 323: Mr. WASHINGTON, Mr. ROE, Mr. DOUGHERTY, and Mr. JEFFORDS.

H.J. Res. 363: Mr. DWYER.

H.J. Res. 385: Mr. DE LUGO.

H.J. Res. 386: Mr. CARMAN, Mr. DANIEL B. CRANE, Mr. DUNN, Mr. DYSON, Mr. EARLY, Mr. FAZIO, Mr. FORD of Michigan, Mr. GEPHARDT, Mr. GOLDWATER, Mr. GUARINI, Mr. LANTOS, Mr. LIVINGSTON, Mr. LOWRY of Washington, Mr. MCHUGH, Mr. MOFFETT, Mr. MURPHY, Mr. PATTERSON, Mr. PEPPER, Mr. PEYSER, Mr. ROTH, Mr. ROUSSELOT, Mr. SABO, Mr. SILJANDER, Mrs. SNOWE, Mr. THOMAS, Mr. WINN, Mr. WOLF, AND Mr. FINDLEY.

H.J. Res. 401: Mr. KINDNESS, Mr. ST GERMAIN, Mrs. HOLT, Mr. LONG of Maryland, and Mr. HOYER.

H.J. Res. 412: Mr. HILER, Mr. GILMAN, Ms. FIEDLER, Mr. HENDON, Mr. ANTHONY, Mr. HAMMERSCHMIDT, Mr. HANSEN of Utah, Mr. HOPKINS, Mr. DUNN, Mr. WAXMAN, Mr. HARTNETT, Mr. HOLLENBECK, Mr. KRAMER, Mr. STATON of West Virginia, Mr. GORE, Mr. SAWYER, Mr. JOHNSTON, Mr. KEMP, Mr. SILJANDER, Mr. SNYDER, Mr. STANGELAND, Mr. TAUZIN, Mr. THOMAS, Mr. WEBER of Minnesota, Mr. YOUNG of Alaska, Mr. PHILIP M. CRANE, Mr. WASHINGTON, Mr. SPENCE, Mr. DECKARD, Mr. ROGERS, Mr. EVANS of Iowa, Mr. SMITH of Alabama, Mr. DOUGHERTY, Mr. GRADISON, Mr. WALKER, Mr. EDWARDS of Oklahoma, Mr. COURTER, Mr. DANNEMEYER, Mr. EMERY, Mr. FINDLEY, Mr. GRAMM, Mr. LOTT, Mr. ROBERT W. DANIEL, JR., Mrs. HOLT, Mr. CARMAN, Mr. FASCELL, Mr. SMITH of New Jersey, Mr. ROUSSELOT, Mr. WAMPLER, Mr. RITTER, Mr. SHUMWAY, Mrs. SCHNEIDER, Mr. WEBER of Ohio, Mr. WHITEHURST, Mr. WILLIAMS of Ohio, Mr. EDWARDS of Alabama, Mr. TRIBLE, Mr. ROTH, Mr. CONABLE, Mr. SHUSTER, Mrs. SNOWE, Mr. BAFALIS, Mr. SKEEN, Mr. TAYLOR, Mr. BRODHEAD, Mr. MCCOLLUM, Mr. ROBINSON, Mr. GREEN, Mr. DERRICK, Mr. PARRIS, and Mr. GUARINI.

H.J. Res. 424: Mr. RATCHFORD.

H. Con. Res. 52: Mr. LELAND.

H. Con. Res. 222: Mr. JONES of North Carolina.

H. Con. Res. 236: Mr. MCDADE and Mr. DOWNEY.

H. Con. Res. 275: Mr. FRENZEL; Mr. LOWERY of California, Mr. MARRIOTT, Mr. MCEWEN, Mr. YOUNG of Alaska, Mr. DE LUGO, Mr. OTTINGER, and Mr. SMITH of Pennsylvania.

H. Con. Res. 293: Mr. HARKIN, Mr. SWIFT, Mr. ROSENTHAL, Mr. LOWRY of Washington, and Mr. JEFFORDS.

H. Con. Res. 310: Mr. WEBER of Ohio, Mr. D'AMOURS, Mr. SMITH of Alabama, Mr. WOLPE, Mr. ZEFERETTI, Mr. OTTINGER, Mr. WHITEHURST, Mr. PEPPER, Mr. GUARINI, Mr. MATSUI, Mr. RUSSO, Mrs. SNOWE, Mr. MAVROULES, Mr. ANNUNZIO, Mr. BRODHEAD, Mr. YATES, Mr. FORSYTHE, Mr. WALGREN, Mr. MCHUGH, Mr. FORD of Michigan, Mr. AUCOIN, Mr. BENJAMIN, Mr. PEYSER, and Mr. BLANCHARD.

H. Con. Res. 319: Mr. DASCHLE, Mr. HEFTEL, Ms. OAKAR, Mr. LUJAN, Mr. CHAPPIE, and Mr. ERTEL.

H. Res. 447: Mr. MURPHY, Mr. SHARP, Mr. ROE, Mr. RAHALL, Mr. BAILEY of Pennsylvania, Mr. DERWINSKI, Mr. WALGREN, Mr. FITHIAN, Mr. WASHINGTON, Mr. FRANK, Mr. FROST, Mr. GORE, Mr. APPLEGATE, Mr. MITCHELL of Maryland, Mr. NELLIGAN, Mr. HERTEL, Mr. MCHUGH, and Mr. WEISS.

H. Res. 452: Mr. MURTHA.

H. Res. 456: Mr. AUCOIN.

H. Res. 457: Mr. JOHN L. BURTON, Ms. FERRARO, and Mr. LUNDINE.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

429. By the SPEAKER: Petition of residents of Montana, relative to action by the Congress to promote food for the hungry, peaceful settlement to tensions in the world, and priority for workers; to the Committee on Foreign Affairs.

430. Also, petition of the Faculty Senate of the University of Wisconsin, Whitewater, Wis., relative to nuclear weapons; to the Committee on Foreign Affairs.

431. Also, petition of the caucuses of the registered Democrats and Republicans of Precinct 20501, Jefferson County, Colo., relative to a reduced Federal deficit on an eventual balanced Federal budget; to the Committee on Government Operations.

432. Also, petition of the city council, New York, N.Y., relative to Federal Crime Insurance; to the Committee on the Judiciary.

433. Also, petition of the Business Council of the Democratic National Committee, Washington, D.C., relative to the safe harbor leasing provisions of the Economic Recovery Tax Act; to the Committee on Ways and Means.

434. Also, petition of the Reynoldsburg City School District employees, Reynoldsburg, Ohio, relative to social security coverage for State and local public employees; to the Committee on Ways and Means.

435. Also, petition of the city council, Erie, Pa., relative to a nuclear weapons ban; jointly, to the Committees on Armed Services and Foreign Affairs.

436. Also, petition of the city council, Rochester, N.Y., relative to the nuclear arms race; jointly, to the Committees on Armed Services and Foreign Affairs.

437. Also, petition of the city council, Toledo, Ohio, relative to a nuclear freeze by the United States, the Soviet Union, and all other nations; jointly, to the Committees on Armed Services and Foreign Affairs.

438. Also, petition of the Lewinsville Retirement Residents' Association, relative to the proposed cuts in benefits for senior citizens by the Federal Government; jointly, to the Committees on Ways and Means, Energy and Commerce, and Banking, Finance and Urban Affairs.

SENATE—*Wednesday, May 12, 1982*

(Legislative day of Tuesday, May 11, 1982)

The Senate met at 8:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

The Chaplain, the Reverend Richard C. Halverson, LL.D., D.D., offered the following prayer:

Let us pray.

Almighty God of Abraham, Isaac, and Jacob we forget our spiritual heritage to our own peril. Grant us to heed Moses' warning to Israel as they were about to enter the land: "Take care lest you forget the Lord your God * * *. When you have eaten your fill, and have built fine houses to live in, and your herds and flocks have multiplied, and your silver and gold increased, and everything you own has prospered * * * and you say 'My own power and the might of my own hand have won this wealth for me'. * * * If you do forget the Lord your God * * * . I warn you that you shall certainly perish." (Deuteronomy 8: 11-19).

Help us Lord to contemplate the words of President Lincoln in his call for a "Day of National Humiliation, Fasting and Prayer:" "Intoxicated with unbroken success, we have become too self-sufficient to feel the necessity of redeeming and preserving grace, too proud to pray to the God who made us. We have grown in numbers, wealth and power as no other nation has grown but we have forgotten God. It behooves us then, to humble ourselves to confess our national sins, to pray for clemency and forgiveness."

Long suffering God, forgive our pride, our spiritual indifference. Bring us to repentance and renew our land. For Thy glory. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LEADERSHIP TIME RESERVED

Mr. STEVENS. Mr. President, I ask unanimous consent that the time for the leadership on this side be reserved until after the special orders, and that the remarks of the two leaders appear in the RECORD at the normal place.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. PROXMIRE. Mr. President, I understand I may take 1 minute of the minority leader's time, which I will do, and reserve the remainder of his time for him.

EFFECT OF NUCLEAR WAR ON SELECTED INDUSTRIES

Mr. PROXMIRE. Mr. President, an obvious and even perhaps likely strategy for a nuclear attack on the United States would be to take out our economic power on a broad and deep basis. Since such an attack would have as much chance of success as an attack confined entirely to our deterrent in being and since the attack on the deterrent would only eliminate our nuclear capacity temporarily, a total economic attack on all American industries useful in any war effort might seem more logical. In the CATO policy analysis study of such a scenario, Katz and Osdoby reported on the consequences on selected industries. Here is what they found:

Since industrial societies are so well integrated, the strategy of virtually obliterating selected critical industries (2- to 3-percent survival) appears to be a way of assuring devastating, long-term disruption. As already discussed in the section on limited nuclear war, "bottlenecks" are created that eliminate key industries on which a large number of other industries directly and indirectly depend. For example, attacking petroleum refining directly affects the petrochemical industry; indirectly it would affect the heating of workers' homes, fuel and electricity for factories, fuel for farm machinery and for transportation of goods. The power of this type of economic bottlenecking is well-established. For example, the SRI study of postattack recovery made calculations that assumed that energy, specifically the petroleum refining industry, was the sole target of a nuclear attack. It found that while potentially 85 percent of the gross national product (GNP) would survive, only one-quarter of the surviving GNP—that is, only one-fifth of the preattack economy—would be able to operate in the first 2 postattack years. Thus, an effective attack would lead to an economy in which even surviving capacity would be drastically underutilized.

Only one critical sector was the target in that situation. The implications of a more systematic effort affecting several industries should be clear. Additional evidence supporting the effectiveness of this bottlenecking strategy is found in a study prepared for the U.S. Arms Control and Disarmament Agency. In this study, which was not designed to create the largest amount of economic damage and disruption, modest 10-percent reductions in the capacity of a single basic industrial sector caused an overall 30- to 40-percent reduction in over 100 defense-related sectors. As it turns out, defense-related sectors included industries with broader influence on the entire economy, such as manufacturing trucks, airplanes, and machine tools. The study concluded:

> Since the economic and institutional activities necessary to sustain a war-making capacity are highly interactive, relatively low levels of MVA (manufacturing) destruction can lead to significant reduction in the ability to support a war effort.

A nuclear war would fragment the U.S. economic system; its integration as an effective system would be seriously in question. Economic attacks would not only damage the industrial base (factories and so forth), they would also thin the ranks of the technical and managerial personnel. Moreover, they would disrupt and destroy supporting financial structures, throwing into question the value and utility of money, as well as the value and ownership of goods and property; records of financial transactions would be destroyed and the lending and borrowing system (banks and the Federal Reserve) would collapse with the disappearance of assets and the nonpayment of debts.

Also associated with extensive industrial damage is injury to the basic physical support systems. In particular, the urban infrastructure in attacked areas—transportation, utilities, housing, fuel and food distribution systems, sanitation systems, and medical care services—would emerge either badly damaged or of very limited use in supporting industrial workers. To rebuild these systems or to duplicate them elsewhere would be a lengthy but necessary process, diverting resources from the economic expansion necessary to achieve rapid full recovery.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The casualties (dead and injured) resulting from this type of attack would be incomprehensible, even if some reduction due to strategies of civil defense (evacuation) were possible. While the monumental loss of skilled workers, managers, and economic leadership has already been noted, the key to the reality of the postnuclear attack period is the staggering burden of 20 to 30 million injured, many of whom would never again be fully productive. Who would care for them? Who would provide the support? What would be the cost to society in delayed recovery and social stability? These are almost unanswerable questions, but one thing is clear: The physical resources left after a "limited" nuclear attack will not exist after an "economic attack."

Tomorrow I shall discuss the effects of such a nuclear attack on the availability of food in our society.

CENTURIES OF GENOCIDE, TIME TO STOP

Mr PROXMIRE. Mr. President, I would like to register my distress over the recent killing of the honorary Turkish consul, Orhan Gunduz, in Somerville, Mass. An Armenian group called the Justice Commandos for the Armenian Genocide has claimed responsibility for the assassination.

The Boston Globe has published a number of informative reports on the incident and the community's response. In one article called "The Reaction: Outrage and Sympathy," Turkish and Armenian spokesmen in Boston and Washington expressed anger over the killing, but said they understood the terrorists' motives.

The thrust of their comments was summed up by the Rev. Vartan Hartunian, minister of the First Armenian Church in Belmont, who said that "We regret the acts of these terrorists, but we also regret the Turkish denial of our peoples' genocide." He said that the Turkish Government took out ads in the Washington Post, the Los Angeles Times, the New York Times, and other newspapers saying that no genocide had taken place in 1915.

In another article, members of Boston's Armenian and Turkish community expressed their feelings—and most interviewed requested anonymity for reasons of personal safety.

An Armenian printer from Watertown said:

> The Turks can't deny the genocide. It is in history. It is in the history books. My grandmother told me about it . . . they took my grandfather and his father, and killed my grandfather and threw him in bloody sheets and robes in front of his own father.

Mr. President, this extremely unfortunate incident is part of a centuries-old conflict between Turks and Armenians. The long history of Turkish oppression came to a vicious climax in the 1915 massacre.

Mr. President, pending before the Senate is an issue which also has a long history—the Genocide Convention. It has been over 32 years since the United Nations adopted the Genocide Convention and President Truman submitted the treaty to the Senate for ratification. Since 1948, the Senate Foreign Relations Committee has considered the treaty four times and reported it to the floor. No action has been taken.

The treaty defines genocide as certain acts "committed with intent to destroy, in whole or in part, a national, ethnical, racial, or religious group." The treaty specifies certain acts, defines them as criminal, and thus serves as a deterrent.

Mr. President, the need for this international human rights and criminal treaty is clear. It is essential that we join the long list of major nations in this world and ratify the Genocide Convention.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I ask unanimous consent that the special order for Senator WEICKER be the last order for today.

The PRESIDING OFFICER (Mr. WARNER). Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I should know by now that at 8:45 in the morning it is hard to arrange a schedule in sequence because of traffic and other commitments. I understand that. I am not critical of any Senator. But in order to conserve time, I ask unanimous consent that those Senators who have special orders this morning may appear and execute those special orders in any sequence, regardless of the order entered on yesterday evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ORDER FOR THE RECOGNITION OF SENATOR KASTEN

Mr. BAKER. Now, Mr. President, I am advised that the Senator from Wisconsin (Mr. KASTEN) does not require his special order this morning, and I ask unanimous consent that it be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, Mr. WEICKER, who has the first special order for this morning, has been transferred in time.

The PRESIDING OFFICER. That is correct.

Mr. BAKER. The order that the Senate has just granted will supersede that, but Senators should be on notice that Senator WEICKER cannot be here until later and I expect him to seek recognition as the last speaker.

Once again, Senators BUMPERS, NICKLES, BENTSEN, and WEICKER have the remaining special orders. Now they may be recognized in whatever order they present themselves to seek recognition.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR NICKLES

The PRESIDING OFFICER. Under the previous order, the Senator from Oklahoma (Mr. NICKLES) is recognized for not to exceed 15 minutes.

THE CONGRESSIONAL BUDGETS

Mr. NICKLES. Mr. President, I rise today with two purposes in mind. One is to make a couple of comments concerning the two budget proposals that are now floating around, one that passed the Senate committee and one that has been proposed and which is now being considered in the House Budget Committee.

The second purpose is to discuss the need for a constitutional amendment to balance the budget and to limit taxes. I feel these two issues go hand in hand during consideration of the Federal budget.

First, we have heard a lot of rhetoric, a lot of debate, a lot of accusations, a lot of partisan political exchanges between the Members in the Senate and in the House regarding the Senate Budget Committee proposal. Now there is an alternate proposal that is coming from the House of Representatives. Some people say this is better; some people say it is not.

Personally, I wanted to examine both in detail and have done so. I tried, as well as I could and my staff could, to compare the proposals side by side to see actually how they came about and how they stand up to each other.

I ask unanimous consent that a one-page summation of those proposals be printed in the RECORD at this point.

There being no objection, the summation was ordered to be printed in the RECORD, as follows:

COMPARISON OF THE SENATE BUDGET COMMITTEE PROPOSAL AND THE PRELIMINARY HOUSE ALTERNATIVE BUDGET PROPOSAL FOR FISCAL YEARS 1983–85

[Dollar amounts in billions]

	Senate proposal	House alternative	Difference	Percent
Summary:				
Tax increases	$95.00	$151.00	$56.00	59.0
Spending savings	314.90	270.10	44.80	14.0
User fee increases	6.00	2.90	3.10	52.0
Differences in savings:				
Defense	22.00	46.15	24.15	110.0
Entitlements, other than social security	48.60	14.30	34.30	71.0
Management savings	33.10	43.40	10.30	31.0
Nondefense discretionary	38.30	29.55	8.75	23.0
Federal pay and retirement	27.30	31.35	4.05	15.0
Net interest	105.60	105.35	.25	.2
Social security solvency actions	40.00	0	40.00	NA
Total savings	314.90	270.10	44.80	14.0

Mr. NICKLES. Mr. President, I would like to highlight some of the differences between these proposals. On the revenue side, the Senate proposal seeks to increase taxes by $95 billion. I have some reservations about that large of a tax increase, but it does not scare me nearly as much as the so-called House alternative which calls for a tax increase of $151 billion, or a 59-percent larger tax increase than that proposed by the Senate committee.

I hope my colleagues will be aware of that because I think that is a very, very significant difference.

On the spending side, we find that there is also a significant difference. The total amount of expenditures in the House alternative is $44.8 billion more than that in the Senate proposal. But also if we look at the makeup of these expenditures, you will see that there is quite a difference in priorities between the House alternative and that of the Senate. One, the alternative proposal cuts defense spending by twice that of the Senate version. Where the Senate proposal calls for cutting defense spending over a 3-year period of $22 billion, the House alternative calls for cutting defense spending by $46.5 billion.

Then if you look through the nondefense areas, you will see that the Senate proposal calls for cuts which are much greater than in the House proposal. Actually, in the total for nondefense, the Senate proposal would call for additional spending reductions of $68 billion more than that of the House alternative. Part of that would be entitlements, looking at the cut in the Senate proposal of $48.6 billion as compared to the House alternative of $14.3 billion.

Of course, we also have the social security measure that we have debated and which was discussed at length on the Senate floor yesterday. It is being discussed by the media and by all politicians now, whether or not some changes need to be made in the social security system of $40 billion.

Mr. President, the trustees of the social security system basically said that the OASI and DI trust funds will be unable to pay benefits by late 1983, under optimistic assumptions, if changes are not made.

The Senate proposal does not say whether or not we shall make those changes through tax increases or make them through future reductions in the growth in those social security programs. But to totally ignore it as the House membership has, I think, is very, very irresponsible. I think we need to save the social security system. I think that is really what the Senate proposal is doing. It does not outline how it will be saved, but it says we will save it so those funds will be there.

I think that is extremely important, Mr. President. Those who are dependent upon and rely on the social security system, if they want anything, want to know those funds are there, they are safe, they are secure. They do not want to have politicians say, "Well, we will ignore the problem and we hope benefits will not be reduced, or we hope we can come up with general revenue, or we hope we can pass a tax increase at the midnight hour to be able to keep the fund solvent."

I think it is critical and vital that we keep the social security system sound and solvent. Certainly, I think the Finance Subcommittee on Social Security at least shows some courage and initiative in that direction of recognizing the problem. Certainly, if we procrastinate on the problem, the greater the liabilities and the damage will be, and the harder it will be to make the changes necessary to be made at that time.

In my opinion, Mr. President—and here again, this is coming from a person who has not been in the Senate but for a year and a half—I hate to see the partisan political demagoguery coming across on such an important social issue for all people, Republicans and Democrats alike, in the social security system. I think it is vital that we get the social security system on a solid, solvent basis so that, a year from now, we have people receiving their checks on time and in amounts sufficient to meet their needs.

To those who advocate doing nothing, Mr. President, I think one needs to ask them the question: One, are they proposing that when the social security system is no longer solvent, they are planning on borrowing from general revenue? Two, if they plan for a social security tax increase at that time. Or, three, are they proposing that we shall have a reduction in benefits or postponement of checks. Those are the alternatives we are looking at if we do not take a sound, solid, reasonable look at the system today, now, as soon as possible, to make what changes can be made. I believe these changes can be made now, especially when it means the difference between a reduction in the growth of benefits and some individuals not receiving their anticipated social security checks on time or at all.

THE BUDGET

Mr. NICKLES. Mr. President, I wish to address this morning, again, my call for the need and my belief in the need for a constitutional amendment to balance the budget and to limit the growth of the Federal Government's taxes and spending. I think it does us some good sometimes to look at what our forefathers have thought on the issue. I have done a little homework. I have gone back historically to see what their perspective was on a balanced budget, what their perspective was on the proper role of the Federal Government.

HISTORICAL PERSPECTIVE

At the end of this Republic's first 60 years of existence, the Treasury was sitting on a $70 million surplus. What is significant about those years is that they mark the longest period of our history in which the goal of a balanced Federal budget was not just a goal, but a normal way of doing business.

What has happened to the firm resolve that once characterized the leaders of our country, the belief that debt is wrong, and should only be depended upon when there is no alternative? There is something fundamentally wrong when Government relies on debt to conduct routine business.

"The public debt is the greatest of dangers to be feared by a republican government." Those words were written by Thomas Jefferson—a man who lacked no commonsense. These words may have no meaning to many of today's so-called progressive thinkers, but to the vast majority of Americans they represent commonsense.

Mr. President, I believe that the fathers of our Constitution were no less concerned about deficit spending than many of us today. Just because specific language providing for a balanced budget was not included in the Constitution does not mean our forefathers expected deficit spending to be the norm in setting fiscal policy.

Perhaps more than any other person, Alexander Hamilton influenced the course of this country's economic policies. He wrote:

> As the vicissitudes of nations begat a perpetual tendency to the accumulation of debt, there ought to be a perpetual, anxious, and unceasing effort to redcuce that which at any time exists, as fast as shall be practicable, consistent with good integrity and good faith.

In attempting to convince 13 independent States of the need for unity under the Constitution, Hamilton wrote in the Federalist Papers No. 30

that "in the usual progress of things, the necessities of a nation, in every state of its existence, will be found at least equal to its resources."

Hamilton continues in Federalist No. 31 that the power of taxation should always be limited by the "exigencies of the nations and the resources of the community." The only exigencies or needs described by Hamilton are the "duties of superintending the national defense and of securing the public peace against violence."

Mr. President, why have we ignored these words which are the very ideas embodied in the Constitution? We have spent our resources far beyond the wildest imagination of our forefathers. They gave us clear warning.

President John Adams stated, "The consequences arising from the continual accumulation of public debts in other countries ought to admonish us to be careful to prevent their growth in our own."

President James Madison stated that one of the primary goals of his administration would be, "to liberate the public resources by an honorable discharge of public debts."

President John Quincy Adams wrote:

> Stewards of the public money should never suffer without urgent necessity to be transcended by the maxim of keeping the expenditures of the year within the limits of its receipts.

The seventh President of the United States, Andrew Jackson, viewed public debt as most disdainful:

> Once the budget is balanced and the debts paid off, our population will be relieved from a considerable portion of its present burdens and will find not only new motives to patriotic affection, but additional means for the display of individual enterprise.

Mr. President, there is no doubt that our forefathers believed debt, especially long-term debt, is a burden to the Nation and to future generations of Americans. The record of the country's first 60 years is self-evident when it comes to a balanced budget.

I urge my colleagues to join in the move toward regaining the backbone demonstrated by the Framers of the Constitution, and adopt a constitutional amendment to balance the budget and limit Federal taxes and spending.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR BUMPERS

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

DPT: VACCINE ROULETTE

Mr. BUMPERS. Mr. President, TV documentaries can be very instructive and helpful to the American people or they can be misleading, deceptive, and terribly damaging. What the viewing public has a right to expect from the networks is a right to balance. This is what they did not get on NBC's documentary entitled "DPT: Vaccine Roulette."

Mr. President, DPT, of course, stands for diphtheria, pertussis, and tetanus. It is a vaccine which we have been giving to children in this country for many, many years. This television documentary dealt only with pertussis, the medical name for whooping cough. Some of the statements contained in the hour-long documentary were absolutely false. But more importantly, they left the viewer with the inescapable conclusion that it is infinitely riskier to have your children immunized against pertussis than not to have them immunized when, in truth, the very opposite is the case.

I happen to be old enough to remember when whooping cough was considered by most parents to be the most threatening disease their child could have.

It is a terrible disease even when it is uncomplicated. My children, for example, do not know what whooping cough is. They have never seen a case of it. But children with this disease cough unmercifully, choking in the process and gasping for air. They vomit and become acutely undernourished and dehydrated. They may even destroy parts of their lungs and brains from hemorrhage, lack of oxygen, or both.

It is often complicated by disability and death, and all of this has been virtually eliminated by virtue of the DPT shots, the pertussis vaccine. People have forgotten that 40 years ago, before we had this vaccine, we had between 100,000 and 200,000 cases every year in this country; 7,000 children died every year in this country from whooping cough. Then the pertussis vaccine came along and, through continuous and determined efforts by a lot of people, in 1981 we only had 1,181 cases and between 5 and 10 deaths.

England has already experienced the adverse publicity we are now seeing. In 1974 Britain experienced this kind of unbalanced reporting, and the immunization levels dropped from 79 percent in 1973 to 31 percent in 1978. During that same period of time whooping cough increased from 2,441 cases in 1973 to 65,957 in 1978.

In England, during that period of time, there were 28 deaths, 5,000 hospital admissions, 200 cases of pneumonia, 83 cases of convulsions.

During that show it was alleged that, "Serious reactions from the whooping cough vaccine are common. It could be as low as 1 in 700 children."

Not only is that blatantly false, but, of all the studies ever conducted here and abroad, not one has come close to verifying or documenting such a finding.

Mr. President, if you consider a lump or redness or a sore spot as serious, then maybe it is correct. But if you are talking about a brain-damaged child—several were shown during the program—then you are talking about studies that show 1 in 168,000 in Scotland brain damaged, 1 in 172,092 doses in Sweden, 1 in 310,000 doses in the UK, none in 180,000 doses in Glasgow, none in 80,000 doses in London.

The National Institutes of Health brings into question the allegation that pertussis commonly causes seizures in young children; 2,700 children were studied at NIH who had seizures before the age of 7, and only 39 of them or 1.4 percent, had convulsions within 2 weeks of immunization. And of the 39 who had seizures only 10 of those had them following a DPT shot, with the remainder coming after they received other shots.

In summary, Mr. President, on May 7, 1982, Dr. Vincent A. Fulginiti, chairman of the Committee on Infectious Diseases of the American Academy of Pediatrics, testified before the Subcommittee on Investigations and General Oversight of the Senate Labor and Human Resources Committee, chaired by Senator HAWKINS, on the pertussis vaccine. Here is what he said:

> Everything we do for patients must be judged in the same light—a balance between the risks of what we do against the risk if we do nothing. All medication with whatever product carries some risk. As an individual physician, if I advise a patient to take antihistamine, penicillin, or pertussis vaccine, I am stating that the risk from following that advice is far less than the risk of the disease for which the treatment is advised. For pertussis I am absolutely convinced that the risks from disease are far more numerous and devastating than the risk from the vaccine.

Mr. President, I ask unanimous consent that Dr. Fulginiti's statement, which refutes almost point by point most of the serious allegations made in the NBC documentary, be inserted in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY ON IMMUNIZATION PROGRAMS

(By Vincent A. Fulginiti, M.D., F.A.A.P.)

Children in the United States enjoy substantial freedom from the ravages of once common communicable infectious diseases that limited life expectancy and left tens of thousands disabled in their wake. Smallpox has been eradicated worldwide, measles promises to be eradicated in this decade, and pertussis, rubella, mumps, diphtheria and tetanus have been reduced to the lowest levels in recorded history. Although improved living conditions, better nutrition and improved medical care partially contributed to the decline, the major reason for the sharp, deep reduction and, in one case, eradication of these diseases is development of effective vaccines. Many segments of our society have contributed:

1. Investigators in government, in private industry, in universities and in private practice have provided us with increased knowledge of the causes and mechanisms of these

illnesses and with effective vaccines to prevent them.

2. Industry has responded with technological and marketing skills to make large quantities of vaccine available in usable form.

3. Governmental agencies have helped by insuring standards for vaccine production, by insisting upon purity and safety and providing advice and guidance to those using vaccines. In addition, the total governmental apparatus—federal, state and local—has provided funds, personnel and programs to administer vaccines to groups of children who utilize the public health system of care. And, finally, the Food and Drug Administration and Centers for Disease Control have worked with the private sector to develop national policies, to publicize need for vaccines, to develop methods for informing patients as to the risks of diseases and the benefits and risks of vaccines, and to establish models for use in individual health personnel/patient contacts, such as the Important Information documents developed by the CDC and now in wide use in both the public and private medical sectors.

4. Private Sector.—By diligent use of vaccines as part of comprehensive well-child care, individual physicians have ensured that we have a well protected population. The American Academy of Pediatrics is proud of its contribution to these efforts in informing physicians about vaccines as they were developed, in providing guidelines for their use, and in establishing policies designed to inform patients of benefits and risks. The Academy has always placed the welfare of children as its highest priority and the vaccine effort reflects this commitment.

Currently there are a number of threats to this effective system for control of these diseases. Among them are: (1) reduction in federal funding for the purchase of vaccine for use by state health departments and others, (2) legal suits against physicians, health departments, recommending authorities, and manufacturers for injury from vaccines, (3) sensationalism of reports of damage secondary to vaccine presented by the media in such a way as to discredit governmental agencies and physicians, to imply conspiracy, mal-intent or self-interest as a motivation among vaccine supporters, and to simplify complex decisions and judgments in vaccine policy.

Federal support for the Childhood Immunization Program is not only at one with HHS Secretary Richard Schweiker's avowed emphasis on prevention, it remains manifestly in the public interest. If the President's proposed funding level of $28.8 million holds sway during fiscal 1983 for the Childhood Immunization Program, vaccine delivery to children would be reduced to intolerably low levels. The 7 percent cut in the program imposed this year already has caused a 32 percent drop in vaccine purchases; meanwhile, the cost of vaccine has increased by 44 percent during the past two years. As a result, 33 percent fewer children are being served. An appropriation for fiscal 1983 of $32 million is essential if programs are to be maintained at their current levels. To allocate less flies in the face of compelling documentation that indicates an inverse relationship between federal support for vaccine programs and the incidence of diseases.

Our society simply cannot afford, morally or economically, to turn its back on the 3.5 million children born here each year. Based on past experience, these cuts proposed by the Administration would prove terribly costly and cruel—costly in direct dollar terms to all of our citizens for many years to come, and cruel to the unfortunate victims and their families for a lifetime. No one can quantify the pain associated with these illnesses. Deafness, blindness, cerebral palsy, retardation and severe emotional disturbance can destroy children and their families. When the capacity to prevent these conditions is at hand, failure to protect our citizens is doubly cruel.

The toll caused by injuries secondary to vaccine use can only be compensated in this country by successful pursuit of redress under the tort laws, often resulting in anguishing trials for both plaintiff and defendant. Decisions in the legal arena are often made emotionally and do not necessarily follow the facts in a particular case. The American Academy of Pediatrics has long favored a Vaccine Compensation System and is actively promoting this concept with various branches of the federal government with the view that a national system should be established to compensate fairly all persons injured as a result of the remote, intrinsic risks associated with all vaccines through no fault of the physician or the manufacturer.

Physicians have been cognizant of the need for patients and their parents to be aware of the hazards of these diseases in children, of the desirability of protection against them and of the balance between benefits and risks of the vaccines used in prevention. Each vaccine used has some risks associated with it. In developing vaccine recommendations and policy, the American Academy of Pediatrics, as well as the CDC, has advised physicians and other health personnel to inform patients and parents of the benefits and risks of vaccines.

The final threat is that which occurs because of sensationalized media accounts of vaccine side-effects. In England this type of imbalanced account of pertussis vaccine "dangers" results in loss of public confidence and an ensuing series of epidemics of whooping cough involving 102,500 children and 28 deaths. The United States is in potential danger from a similar sensationalized assault. Because of the terribly important implications for children's health, we at the American Academy of Pediatrics believe it imperative that such sensationalism not go unchallenged. For this reason I would like to detail the implications and impact of a recent major network program on disease control efforts.

The program's title, "DPT: Vaccine Roulette," the editing of interviews and statements made by the reporter and others exemplified 1) the program's imbalance as to the risks of pertussis (whooping cough) and benefits and risks of pertussis vaccine; 2) superficiality in the presentation of complex issues; and 3) biased and inaccurate statements. The importance of this negative report is in the large amount of attention given it by the media, concerned and unnecessarily frightened lay persons and physicians and health agencies.

Specific examples from the program include:

An opening stating that ". . . DPT shot can also damage to a devastating degree." The fact is that serious, permanent residual of the brain damage type is rare following DPT—once in 310,000 doses (100,000 children). The use of the phrase, "a devastating degree" is inaccurate since pertussis can cause brain damage in as many as one child in 8,000.

The listing of "learning disabilities," unspecified, as caused by DPT vaccine. I know of no evidence linking learning disability as an isolated condition to DPT. Of course, if a child develops encephalopathy, one part of the possible residual from that might be a learning disability. This is also an example of simplistic treatment of a complex area.

The statement that "This is for sure, the Whooping Cough, or Pertussis, vaccine is the most unstable, least reliable vaccine we give our children." This is inaccurate; pertussis vaccine reliably protects about 80 percent of recipients of a full series from the disease, and even if the disease occurs in a vaccinated child it tends to be mild. I don't know what is meant by "unstable," because pertussis vaccine is stable; yet another inaccuracy.

The statement that "The statistics of this country are wrong, and the danger is far greater than any doctors here have been willing to admit." This is a biased, untrue statement. Which "statistics" are wrong? Which doctors have been unwilling to admit? Reports of the Academy's Committee on Infectious Diseases and from the CDC have detailed the expected side effects and adverse reactions, as have a multitude of textbooks and scientific articles. There has been no reluctance displayed to widely disseminated information concerning reactions as they were discovered. The effect of this excerpted comment is to imply wrongdoing—there is absolutely no evidence for this and much to the contrary.

It was stated that the currently used vaccine would not be produced today if it were just being introduced. However, there is *no* effective, proved alternative even with today's methodology. Pertussis vaccine may not be ideal, but it is effective and on balance far safer than having the disease.

It was stated that ". . . in the 1930's whooping cough struck over 195,000 people and 4,800 died from the disease annually." In fact, as many as 265,000 people were *reported* to have the disease and 7,000 were reported to die annually. In a free society we depend on voluntary reporting which underestimates the actual occurrence; thus it is almost certain that many more people got pertussis and more than reported died annually.

While it was stated that pertussis began to decline prior to use of vaccine, in Massachusetts, where accurate figures were kept, pertussis hovered around the 100-300 cases/100,000 by 1970 *only after* vaccine was introduced.

It was stated that because of antibiotics, death from pertussis is a relatively rare event, yet of 1,000-3,000 cases reported annually 5-20 die. Our best estimates today are that the death rate in children hospitalized for pertussis is slightly less than one percent and higher in infants under six months of age—hardly a relatively rare event.

It was implied that in the post-discontinuation of pertussis immunization in England the epidemics that occurred were less than "U.S. officials" quoted: 66,000 cases and 12 deaths in 1978 and 21,200 cases and six deaths in 1980 were the figure cited as correct in the broadcast. In fact, the purportedly official United Kingdom sources that were quoted give the following figures:

a. Immunization rates fell from 79 percent in 1973 to 31 percent in 1978.

b. 102,500 cases of pertussis from 1977-1980.

c. 28 deaths.

d. Illness often protracted lasting 10–12 weeks.

e. 5,000 hospital admissions.

f. 200 cases of pneumonia.

g. 83 cases of convulsions.

It would appear that the U.S. "officials" are correct in their reporting. Further, the English "official sources" also pointed out that in children over five years of age (having been born during widespread use of pertussis vaccine) the attack rate of pertussis was 20–25 percent of the rate in children under five and districts with lowest vaccine use had the highest rates of disease. They concluded that this is proof of vaccine efficacy and that the epidemic occurred because of the decrease in vaccine usage.

It was stated that serious reactions from pertussis vaccine "could be as low as one in every 700 children." The term serious is not defined but rather equated with brain damage and death. The truth is:

a. Transient, non-permanent side effects such as a lump, redness or a sore injection site are common, as is fewer—from 20-50 percent in most studies. These do not result in death, permanent disability or brain damage.

b. Drs. Cody, Baraff and Cherry, in the UCLA study referred to in the program, examined children's reactions after 15,752 doses of DPT and other children after 784 doses of DT. They found:

9 convulsions in 15,752 doses, a rate of 1:1750 or 0.057 percent. None of these children was abnormal on examination.

9 episodes of collapse—the same rate—all recovered without observable sequelae.

3.1 percent of persistent crying (more than one hour) but only 1:1000 children (0.1 percent) whose cry was high pitched and unusual.

c. Other estimates and measurements of convulsions include: 1:13,000 London study, 1975–1977; 1:7,000 based on reports to CDC; 1:3,200–1:50,000 Dr. Geoffrey Edsall; 1:2,500 British study, 1948–1951; 1:3,945 British study, 1956; 1:2,666 British study, 1953–1957; 1:6,453 Dr. Justus Strom, Sweden.

Conclusion.—"Serious" reactions, defined as convulsions or collapse syndrome, occur in 1:1,750–1:13,000 injections.

"Serious" reactions, if defined as permanent brain damage, are even rarer. Consider the following:

Dr. Gordon Stewart, in Scotland: 1:168,000.

Dr. Justus Strom, in Sweden: 1:172,092.

United Kingdom Dept. Health and Social Security: 1:310,000.

Glasgow 1961–1975: 0 in 180,000.

London 1977: 0 in 80,000.

"Serious" reactions if defined as death are yet rarer, but precise figures are not even estimated owing to the rarity.

It was stated that studies on complications published from 1933 "have been forgotten." By whom? All texts, advisory bodies, manufacturers, etc., have consistently pointed out that pertussis vaccine can rarely produce brain damage and indicate other side effects.

Studies were cited by Dr. Justus Strom in Sweden that 1:40,000 children developed "destructive brain damage" after DPT. His more extensive study shows only 1:172,092 suffered brain damage, a deliberately misleading statement.

Dr. Gordon Stewart claimed his study was ingored by authorities in England. In fact, full details of his study are provided in their document. They disagreed with him, which is not the same as ignoring him.

It was stated that 1 in 13 children in the UCLA study "had persistent or high-pitched crying after the shot." The study actually recorded the following persistent crying for one hour or more occurred in 3.1 percent of the DPT group and was characterized by the authors as a "less serious" reaction, as was the high-pitched, unusual cry in 1:1,000.

The edited interview throughout the show displayed an emphasis on "proving" the program's negative points rather than obtaining full or informational answers. Examples include unbalanced emphasis on complications, simple partial answers to questions in complex areas and answers taken out of context. Brain-damaged children attributed to pertussis vaccine were shown throughout, but there were no interviews with parents of children who were damaged or died from pertussis itself. This is a blatant example of imbalance; the viewer is only exposed to children from whom he or she must feel compassion without recognizing equal grief in children and parents damaged by the disease.

It was implied that sudden infant death is caused by pertussis vaccine by citing only part of the manufacturer's package insert, highlighting it in an accompanying graphic. The program ignored the rest of the package insert statement which qualifies the validity of the association. SIDS occurs in infants under six months of age whether or not they get DPT; several studies have demonstrated this.

The allegation that the Bureau of Biologics does not wish to know adverse reactions is untrue. From my personal experience I can assure you that they are vitally concerned with adverse reactions and labor long and hard to ensure the inclusion in package inserts of adverse reactions.

It was stated that many doctors are not aware of the risks and reactions from the shots. No evidence for this generalization was given except to follow with a few interviews with parents implying that "doctors" and "interns" are unaware of DPT reactions. To generalize to "many" doctors is fraudulent at worst and deceptive at best. I personally know more than 30 pediatricians in our city and all are aware of the side reactions to pertussis vaccine, as are most of the groups of physicians to whom I've lectured throughout the U.S. in the last 20 years.

There are other examples of bias, inaccuracy and imbalance, but to cite them would be repetitive, as they involve the same or similar areas. My purpose in citing those listed above is to emphasize the impact this program had on its viewers.

The failure to balance the benefits of pertussis vaccine against both the risks of the disease and of the vaccine itself is the major failing. In overstating the case against the vaccine by (1) amount of time devoted to the negatives, (2) editing, (3) editorial comment, and (4) inaccurate presentation of some statistics, the effect has been to undermine public confidence. In the aftermath of the program, many thousands of concerned parents contacted their physicians across the country to reject pertussis vaccine, to question its use, or to report suspected "side-effects" totally disconnected with the vaccine. Wire service reports and local TV station pick-ups and reporting of the Washington show and/or the Today segment amplified this response. Some parents began to question all immunizations and the integrity of their physicians and official governmental and non-governmental bodies.

The major point in all of this is that pertussis is a terrible disease, even if uncomplicated. Children with this illness cough unmercifully, choking in the process and gasping for air. They often vomit and become acutely undernourished and dehydrated. They may destroy parts of their lungs and brain from hemorrhage, lack of oxygen, or both. Further, pertussis is often complicated by disability and death, which have largely been eliminated in the United States by widespread use of a highly effective vaccine. The vaccine is not perfect, does have a number of transient, non-permanent side-effects, but only rarely produces serious adverse effects, and even more rarely does it cause permanent damage or death. The various governmental agencies and advisory professional groups, such as the American Academy of Pediatrics and the Centers for Disease Control, have been knowledgeable about all of the benefits and risks from both the disease and the vaccine and have responsibly transmitted this information to physicians in diverse and effective ways. There has been no conspiracy to conceal facts, nor has there been any attempt to minimize or hide adverse reactions, on anyone's part.

Efforts continue in governmental, manufacturers' and investigators' laboratories to better understand the bacterium that causes pertussis, the body's response to it, and ways to make an equally or even more effective vaccine which has few or no side effects. This is not an easy task and is not readily solvable because the components of the organism which produce host immune responses also have some toxic properties. Attempts to separate these effects have proven to be difficult and, as of the moment, there is no proved new vaccine.

Pediatricians and other physicians and health workers caring for children have as their primary concern the well-being and welfare of their patients. In using pertussis vaccine they are exercising the best available scientific judgment, which clearly establishes that the vaccine prevents a major debilitating disease but is balanced by some risk. Everything we do for patients must be judged in the same light—a balance between the risks of what we do against the risk if we do nothing. All medication with whatever product carries some risk. As an individual physician, if I advise a patient to take antihistamine, penicillin, or pertussis vaccine, I am stating that the risk from following that advice is far less than the risk of the disease for which the treatment is advised. For pertussis I am absolutely convinced that the risks from disease are far more numerous and devastating than the risk from the vaccine. I consented that it be given to all four of my children, I advise my patients to receive it, I teach my students and residents about it and recommend its use to them, and as a member of the Committee on Infectious Diseases of the American Academy of Pediatrics continue to advise all physicians to use pertussis vaccine.

The NBC show tended to undermine this balanced judgment and relied upon an imbalanced view, bias and inaccuracies to carry out its destructive message. In my view, this program is not an example of responsible journalism.

CONCLUSION

Immunization has been an effective medical and public health tool and has reduced or eliminated infectious diseases which once were the scourge of childhood. This effect has resulted from a cooperative effort between government, industry and the private sector. Our efforts today are threatened by decreased governmental expenditures for

vaccine, by an unwieldy legal system and by unfair medical sensationalizing of only one part of the total vaccine benefit/risk equation. We should, and must, counter each of these threats to continue to ensure a healthy childhood.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR WEICKER

The PRESIDING OFFICER. Under the previous order, the Senator from Connecticut (Mr. WEICKER) will be recognized for not to exceed 15 minutes.

DESIGNATION OF U.S. POST OFFICE IN HARTFORD, CONN., AS THE WILLIAM R. COTTER FEDERAL BUILDING

Mr. WEICKER. Mr. President, on September 8, 1981, Members of Congress were saddened to hear that Bill Cotter, who represented the First Congressional District in Connecticut, had passed away.

The tragedy of this loss was felt not just by those who revered Bill Cotter as a "good Democrat" or a "good friend," but more importantly by those who knew him as a good leader and a good person. From 1971 until his untimely death last year, Bill Cotter's efforts on behalf of his Hartford area constituents led them to elect him to six terms in Congress. If he had not passed away, he would undoubtedly have been elected to a seventh and successive term.

Tragically, Mr. President, the residents of the First Congressional District, and others of us who knew Bill Cotter, were suddenly deprived of his presence, and his skills as an advocate for the people of the Hartford, Conn., area.

Now, however, we have an opportunity to commemorate the career of this fine man. The opportunity to which I refer is a bill, H.R. 4569, that would designate the U.S. post office building, Hartford, Conn., as the William R. Cotter Federal Building.

Unfortunately, to date no action has been taken on this legislation, which was referred to the Senate Governmental Affairs Subcommittee on Civil Service and Post Office on November 17, 1981. The reason which has been given is that the chairman of the subcommittee, Senator STEVENS of Alaska, is concerned that the practice of naming Federal buildings in honor of elected officials is a congressional prerogative that has been subject to a great deal of abuse. This is particularly true of those who would memorialize only the careers of persons of their own particular party or political beliefs.

While I respect the concerns of my colleague in this area, efforts to commemorate the life of Bill Cotter should in no way be construed as an abuse of this practice. I do not urge Senator STEVENS to hasten the passage of this legislation out of any partisan political interests. Rather, as I stated earlier, Bill Cotter deserves to be memorialized not for any of his particular philosophical beliefs, but for the manner in which he practiced these beliefs.

During a period when blind ambition often replaced principled leadership, Bill Cotter was a man of integrity and honesty. In a Congress renowned for political infighting, Bill Cotter was able to work with Members from both sides of the aisle.

At a time when most Americans held politicians in low regard, Bill Cotter refused to fit the mold.

Mr. President, this is a time when we must take steps to recover the faith that the American people once had in their elected Federal officials. When a Member of Congress of the stature of Bill Cotter has stood before us, we cannot afford to miss an opportunity to commemorate him, not only for those who knew him, but for those who may yet be affected by his example.

Accordingly, I urge my colleague, Senator STEVENS of Alaska, to aid in the speedy passage of this legislation, and I call on him to expedite his subcommittee's consideration of the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BENTSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR BENTSEN

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

SMALL BUSINESS WEEK

Mr. BENTSEN. Mr. President, we are acknowledging Small Business Week across this country of ours. In past years I could have said we would be celebrating Small Business Week. But that hardly seems appropriate in light of the depression now affecting that critical section of our economy.

THE NATIONWIDE DEEP RECESSION

Small- business men and women, including farmers, are bearing the brunt both of our nationwide recession and staggering level of interest rates—a recession that is in its 11th month, and likely to turn out to be one of the longest and the deepest, if not the longest and deepest, since the Great Depression.

It has seen industrial production plunge to the lowest level since June of 1977. Capacity utilization fall 11 percentage points to 71 percent just since last year. Corporate profits and investments are down as well. Unemployment has soared to 9.4 percent of the work force. That represents some 10.3 million youths, men, and women looking for work without success.

Another 1.3 million men and women in despair have given up seeking work—have decided they could not find it. Yet, they are not counted among the unemployed. When counted as they should be, altogether some 11.6 million Americans are out of work right now as I speak, the largest number frustrated in their search for jobs since 1938.

Most economists tell us it is going to get worse. Indeed, it is quite likely that later this year we will top the record of 12.8 million unemployed in the depths of the Great Depression in 1933. That is mute testimony to the economic crisis that is stalking our plants, our offices, and our homes.

So it is a tough time for small business entrepreneurs, pressed by sluggish sales on the one hand, and excessive interest rate costs on inventory and working capital on the other side.

What you have seen last year and this year is a continued reduction of inventories on the part of small business as they scramble to stay in business. They were paying off loans at the bank, meeting the interest and principal payments, by selling off part of their stock. But at some point they have to stop doing that or they do not have anything for their customers to buy.

When that point is reached, they go into bankruptcy.

NEW ECONOMIC DIRECTIONS

We are facing a situation this year where the economic policies of the administration are just not working as anyone would like. I think the administration has had a lot of good ideas, providing incentives for savings and cutting back on taxes to spark investments. Those are things I have been espousing for a long time. Those are things I vigorously worked for as chairman of the Joint Economic Committee.

Another administration step I strongly supported was the proposal to increase our Nation's defense. The Russians have spent some $350 billion more than we spent over the last decade. At the time of the Cuban missile crisis, there is no question but what we were stronger militarily. That

was why when we had that eyeball-to-eyeball confrontation between Khrushchev and Kennedy, that Khrushchev blinked, because he knew we had superiority. He said, "Never again are you going to humiliate us like that." And, the Soviets set about creating what they expected to be the world's most awesome military machine, and they have been accomplishing that.

Now, you can argue whether we are ahead or they are ahead in this weapons system or that one. But the one thing you cannot argue about is that unless we increase defense spending, they will be far ahead of us, and then the free world will be in great danger. So we do have to increase defense spending, and the administration was right in trying to do that.

The third facet of our new economic direction has the idea that the Federal Reserve for the first time in the history of this country will adopt a new way to conduct monetary policy. They did that in October of 1979, saying, "We are going to ignore interest rates and just look at the money supply in conducting monetary policy and what we will have is a modest, stable increase in the money supply." They set out to accomplish that.

There is no question in my mind but what this Nation's economic system could have absorbed any one of these approaches, and it would have been a major contribution toward our goals and objectives that are necessary for this country. We might even have been able to do two of them and get away with it.

But when you try to do all three at the same time, then you are trying to do too much, too fast, and even the great economic engine we see here in the United States, cannot handle it.

So the result: The biggest deficits this country has ever faced.

What do you do when you reach the kind of situation we now face? Do you just seek partisan answers? Do you just look for a Democratic solution or a Republican solution so that you can call it a party victory? Or do you try to work together to bring about bipartisan American solution to the concerns of our people? I think the latter is what you have to do. In addition, if you have decided that something was wrong as the administration did in 1980, and they set a new course, do you follow that economic dogma and course to the bitter end regardless, just saying, "Just give me more time to prove it will work"?

I do not think that should be done when all the projections show during the next 3 years that, without a change in course, you will have some $500 billion in deficits facing this Nation. I just do not believe this country can handle that and attain a robust recovery. I do not think it is a time for economic dogma. I do not believe it is a time for economic theologians. I believe it is a time for a midcourse correction.

I say these three new directions put together are just more than the Nation's economy can handle. So let us change some of these things.

Let us see if we can meld together these components so they can come as close as possible to meeting the objectives this country is seeking.

THE SMALL BUSINESS DEPRESSION

I know of no concern or no particular segment that is suffering more than small business. I am chairman of the Senate Democratic Task Force on Small Business. That task force is going to conduct a hearing Thursday morning, May 13, in room 1224 of the Dirksen Building, to hear from small, business men and women, themselves. All too often I think Senators are barraged with testimony from special interest pleaders or trade associations. Well, it is time we heard from the people who have to deal with the depression in small business firsthand. It is my hope that such testimony will help build momentum for quick and effective action on the part of both the House and the Senate for a budget compromise, because reducing the really staggering size of our prospective Federal deficit is the key—along with a return to a predictable, stable, and moderate monetary policy—to lower interest rates.

You cannot have a monetary policy situation where last year in the second and third quarters you had an actual contraction in the money supply, yet in the fourth quarter it soared 12.6 percent.

That is not a stable, moderate increase in the money supply. That is a highly erratic, destabilizing approach to the money supply in this country.

When Mr. Paul Volcker appeared before the Committee on Finance I asked Mr. Volcker, "Is that the way you intended it, to pursue your new approach to monetary policy?" He ducked the question. I said, "Well, Mr. Volcker, if you do not have the tools to do the job, tell us what tools you need and I will do my best, along with many of the other Senators, to try to see that we provide you with those tools to keep the growth in money at a stable and predictably moderate level". I did not get an answer to that one either—yet, a much more stable monetary policy is the kind of thing that has to be done if you are going to see interest rates come down where people can afford to buy on time again, where you will see small business people able to afford the inventories that are necessary for them to grow and to build.

I noted a moment ago that there are not many small business men and women out celebrating Small Business Week this year. That is because they are in trouble—they are in deep trouble and the end is not in sight. The vast majority of small business men and women have never faced a more difficult and agonizing situation than they face today.

I returned from Texas last week after hearing story after story about the impact of the recession and what sky-high interest rates were doing to small business. Their sales and profits are being slashed just as interest costs on inventories and working capital soar far above levels justified by inflation; we have the biggest spread between the inflation rate and the charge for money today that we have ever seen.

I want to remind my colleagues that my State of Texas has weathered the recession better, so far, than many other States. But we have learned that no State or industry has escaped the recession stalking our land—and especially the small business sector. Their limited resources makes the small business sector the most vulnerable to any recession. They do not have the big backlog of capital to carry them through these kinds of periods. The depression is led by farmers, homebuilders, realtors, lumber and furniture firms, auto dealers, producers, and their suppliers. Small business is certainly paying a price in terms of business failures during this current recession.

BUSINESS FAILURES

The overwhelming number of firms being liquidated now are small businesses. And business failures are soaring, up 45 percent in 1981 and running so far this year at more than double the 1980 level. You are going to see this become worse, because small business lags behind in an economic recovery. In fact, according to the Small Business Administration, a recovery in prospects for small businesses may still be 6 to 12 months away. In the Panhandle of Texas, the only business booming these days is the auctioneering and inventory liquidation business. Even so, too often when they hold an auction, no one shows up.

Small business men and women are the heart of this Nation's mechanism for creating new jobs. Various studies have revealed that anywhere from 60 to more than 80 percent of all new jobs are created by firms with 100 or fewer employees. Well, they are not creating many jobs today. Indeed, since last spring, over 2 million existing jobs have just disappeared. A recent survey by the National Federation of Independent Business found that only one small business in nine is looking for new workers—and 90 percent of them are scarce computer programers and other skilled specialists.

That survey also found that the average interest rates charged small business is 17.9-percent. Now, how many investments do you think you

can find that will pay a 17.9 percent return, and then add to it "with safety" and "after tax"? I will tell you that the banker who loans money at 17.9 percent sure expects it back; he sure expects to have made a safe loan to you.

So what happens? You just do not make the investment and the new jobs are not created. That is the result.

With inflation running this spring at close to zero, the real interest rate—the nominal rate adjusted for inflation—is at a record high. The growth in business failures has occurred in lockstep with the rise in real interest rates.

Getting those interest rates down is the No. 1 priority for our economy to spark a recovery. That means both a sharply reduced deficit and a stable and predictable monetary policy.

If those steps are not taken soon, there may not be much of a small business sector left to welcome any eventual recovery. In my meetings at home, the distress stories I heard were not from novice farmers and small business entrepreneurs over their heads due to inexperience. I was hearing from mature, capable, experienced people who weathered earlier recessions with little difficulty. These are people with very long track records of success. Yet, they are reaching the end of their ropes and, in some cases, risk losing not only their businesses or farms, but also their car and home.

DEMOCRATIC HEARING ON SMALL BUSINESS

The Democratic Senate Task Force on Small Business hearings I mentioned a moment ago will feature two panels. They will hear first from a panel of small business men and women, followed by a panel of financial analysts. On the first panel are two small business persons of the year for their States selected by the Small Business Administration. Mrs. Suzanne Trusler is the Montana small business person of the year for 1982, and Mr. Ken Auvil was the West Virginia small business person of the year for 1980. Appearing with them is Mr. Francis Callahan, a hog farmer and bank director from Milford, Ill., Mr. Edward Lehman, a farm implement dealer from Vernon, Tex., and Mr. Ron Piercy, a small businessman from St. Louis.

Dr. David Jones, a financial expert and economist with the brokerage firm of Aubrey Lanston & Co. in New York will testify following the first panel.

Mr. President, I want to emphasize the concern which the Democratic Party traditionally has had for small business. It is a concern deeply seated in my party's belief that the foundation of our free economy is the millions and millions of small entrepreneurs who are constantly seeking new, better, and less expensive ways to provide our society with goods and services. They comprise the most innovative and hard-working business sector in America, and the Democratic Party is alarmed with the great distress we see everywhere in small business.

We Democrats are willing to work in a positive bipartisan effort to reduce our projected deficits. But we will be as partisan as necessary to protect small business and to restore that sector to good health.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. MATTINGLY). Under a previous order, there will now be a period for routine morning business.

SENATOR CHRIS DODD'S DEMOCRATIC REPLY TO PRESIDENT REAGAN

Mr. ROBERT C. BYRD. Mr. President, last Saturday President Reagan delivered his sixth radio address to the Nation. He spoke about the budget compromise he had reached with Senate Republicans and the $40 billion in social security cuts contained in that compromise. At my request, Senator DODD responded on behalf of Democrats. His remarks were a particularly articulate and compelling presentation of our party's position on these issues and I ask unanimous consent that they be inserted in the RECORD.

There being no objection the remarks were ordered to be printed in the RECORD, as follows:

DEMOCRATIC RESPONSE TO PRESIDENT REAGAN'S RADIO MESSAGE

This is Senator Chris Dodd of Connecticut.

A short while ago, President Reagan spoke to us about the economy of our nation and the budget battle in Congress. As I listened to the President describe the present economic crisis and his proposals for recovery, I couldn't help but remember the President's now famous line during the 1980 Presidential debates: "There he goes again."

In short, what our President argues, is that all of our economic troubles should be laid at the doorstep of the Democratic Party, the news media, business, labor, consumer groups, in fact everyone except his administration and the Republican members of the Senate Budget Committee.

Now you and I know that that argument is absolutely ridiculous and you know something, I suspect the President does too. What America needs more than anything else at this hour of historic crisis is Presidential leadership, not campaign rhetoric. Mr. President, you're absolutely right, we are running out of time.

The economic news this morning is absolutely dismal. The number of people out of work has hit a postwar record. For the first time in 41 years, more than 10 million Americans are in the unemployment lines. This number is equal to almost the total population of the States of Wyoming, Delaware, New Hampshire, Arkansas, Alaska, North Dakota, Idaho, and my home State of Connecticut.

Interest rates, as you know, are hovering at 18 percent, making economic recovery virtually impossible. Manufacturing is off considerably, businesses are failing at record levels, housing is at a standstill and predictions are that the recession will go on longer and be deeper. And what does our President have to say about all of this? What hope does he offer our country when we need his leadership most? Our President, unfortunately, says it's all the fault of Democrats and now the news media. I believe the country expects more from our head of state than frankly, a campaign stump speech.

Now that the President's own budget, submitted in January, has been unanimously rejected by Democrats and Republicans alike in Congress, the President has decided on a new economic course. Not only has our President refused to have the very affluent in our land pay a fairer share of taxes to reduce the staggering budget deficits, he has now decided to penalize Social Security recipients in a last ditch effort to bail out his economic program.

Since the President has brought up Social Security and once again guaranteed those who receive Social Security checks that they would be protected, and that no one would be hurt by his economic program, let me tell you as clearly as I can what the economic program endorsed by our President this week will actually do.

As you know, President Reagan has endorsed a proposal passed by the Senate Budget Committee. This proposal specifically calls for a $40 billion cut in Social Security over the next three years. That works out to more than a $1,000 cut for every Social Security beneficiary in America. Let me repeat that. That works out to a $1,000 cut for every Social Security beneficiary in America.

This is not a partisan charge. It's not a trick calculation. It's simple arithmetic. There are 36 million Americans who depend on Social Security. A $40 billion cut means that each of these recipients will lose more than $1,000.

Remember now, this is the same President who a short time ago told us everyone would be protected under Social Security. The same President who last May proposed to abolish the Social Security minimum benefit. I might add that under Democratic leadership and with strong Republican support, Congress rejected this attack in 1981 as I'm sure we'll reject this new attack in 1982.

The record also reveals that the Reagan Administration has proposed a 40 percent cut in Social Security benefits for those who retire at age 62. The Administration has also been flirting with reducing the cost of living allowances below the rate needed to keep pace with inflation. The budget cuts have already left disabled Americans and students who have lost their parents with far lower payments. All of this I might add, before the Presidential Committee on Social Security, called for by President Reagan, has made any recommendations to the Congress.

Whatever our President's rhetoric may be, the record of this Administration on Social Security is abundantly clear:

Campaign promises have been broken. And those who believed in them have been forgotten. Those who depend on them may be sacrificed to pay for the Administration's unwise and unfair tax cut.

I don't happen to believe that our President has acted out of coldness of heart or

meanness of spirit. I believe the President simply has refused to face the facts.

As you're no doubt aware, his tax cut will not help any of you—as you've found out by now—unless you're one of the few who has an income of more than $100,000 a year. The tax cut does nothing for the 10 million of you standing in the unemployment lines. It doesn't do anything for the 400 business men and women who go bankrupt each week. And it certainly does nothing for young couples who can't afford to buy homes at the fantastic mortgage rate of 18 percent.

I happen to believe that while the President means well, his plan is both unwise and unfair. Yet we are told again and again to hope that it will work. But frankly, hoping will not make it happen. Hoping is certainly not going to prevail against next year's $180 billion federal deficit. Hoping is not going to put 10 million people back to work. And hoping is not going to bring interest rates down, or bring this recession to an end.

For too long, we've heard the old refrain: "Prosperity is just around the corner, recovery only a day away." And all of the fault, all of the failure, can be blamed on the Democrats and now, the news media. But that is a political strategy, not an economic solution.

As Democrats, we've offered sensible alternatives I believe. These alternatives include repeal of the third year of the Reagan tax giveaway, to try and cut wasteful defense and domestic spending—and in so doing we can move toward a balanced budget. But there is one thing we shall never do. We're not going to sacrifice the elderly and Social Security beneficiaries to make up the President's budget deficit.

We know that Social Security needs to be strengthened, but we will not weaken it in order to pay for lavish tax loopholes for the affluent in this country.

It was not so long ago that our President asked this question: "Are you better off today than you were four years ago?"

If he has his way, I'm afraid, every senior citizen living on Social Security will be worse off for many years to come.

As your representatives in the House and in the Senate, we can speak out for you. But as Americans, frankly, you can and you must stand up for yourselves. The President needs a message from the American people:

Cut tax loopholes, not Social Security.

Finance home mortgages, not corporate mergers.

Provide jobs, not welfare.

Put America back to work and make government work again for everyone, not just the privileged few.

That is the hope of the Democratic Party. It's a hope we see in human terms. A hope we seek for all Americans—whether you work in a factory in Connecticut, on a farm in Iowa, or a lumber mill in Oregon.

Thank you.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CHAFEE). The time for morning business has expired.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 2248, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurements, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strength for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENT NO. 1397, AS MODIFIED

(The name of Mr. MITCHELL was added as a cosponsor of amendment No. 1397, as modified.)

(The following remarks occurred earlier:)

Mr. SPECTER. Mr. President, in the 2 minutes intervening between now and 10 o'clock when my amendment on the summit issue will be pending, I would like to make two brief arguments. One is that it would be most useful for the Senate to express itself in the pending amendment to urge a summit meeting at a schedule to be arrived at by the President. There was extensive analysis on this subject in the New York Times today, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

REAGAN'S FOREIGN POLICY HAS LOST MANY OF ITS HARD EDGES, AIDES SAY

(By Leslie H. Gelb)

WASHINGTON, May 11—The foreign policy of the Reagan Administration has shifted in the last year and a half, in the view of Government officials, moving away from its roots in the conservative wing of the Republican Party toward the traditional center.

Administration officials, those who have won battles and those who have lost them, say foreign policy has become less strident and more forthcoming toward the Soviet Union and more attentive toward traditional European concerns. They say the Administration is now careful to present itself as a peacemaker, in favor of arms control yet still determined to build up American military might.

In this new phase, Secretary of State Alexander M. Haig Jr. has finally emerged as the "vicar" of American foreign policy, filling the role of general manager and formulator that he said had always been promised him by President Reagan.

With few exceptions, officials maintain that Mr. Haig, for now, has won the battle to influence the President's decisions. They credit Mr. Haig's experience, compared with his colleagues, and his relentless persuasion.

A series of interviews with officials throughout the Government elicited these other points about how American foreign policy is now shaped and executed:

The standing in the White House of Secretary of Defense Caspar W. Weinberger, Mr. Haig's main rival, has fallen. Officials there and in the Pentagon assert that he has not begun to master his job and that he spends too much time traveling.

William P. Clark, the national security adviser, has generally restricted himself to the role of coordinator, but he has revitalized the National Security Council system and played a central role in building White House support for many State Department policies since he took over the post from Richard V. Allen, another rival of Mr. Haig.

The State Department, particularly at the level of Assistant Secretary of State, has more room to maneuver and is doing more to shape policy than at any time in the last 20 years.

Some policy decisions have not been made because Mr. Haig was reluctant to bring the issues to the White House for fear Mr. Reagan would decide against him or that winning would be too dear politically.

OTHER INFLUENCES ON PRESIDENT

There are elements even more important than Mr. Haig's role in producing the new phase in foreign policy, key Administration officials said: The conflicting realities of world politics have buffeted and educated Mr. Reagan, he has listened to the seemingly powerful movement against nuclear weapons at home and he grew tired of the bureaucratic battles that scarred his first year in office.

"His instincts are still confrontational and to see the world in black and white terms," one high official said. "You can see that when he speaks off the cuff. But his prepared statements are now restrained and presidential."

Career officials in the Administration are wondering how far Mr. Reagan will carry his new foreign policy line. White House officials answer: Not very far. In interviews, they maintained that the moderate trend of policy has cost them only the support of some neoconservatives, most of whom are former Democrats, but not the backing of Republican conservatives.

Their assessment seems to be that as long as Mr. Reagan does not move further toward the left, his conservative supporters have nowhere else to turn. And that judgment tends to be borne out by the fact that conservative Republican Senators such as Jesse Helms of North Carolina have not split with the President despite his going against them on key issues. The President did not, for example, declare Poland in default of its debts and did not sell advanced arms to Taiwan.

A White House political figure said that for the Republican right wing, Mr. Reagan was their man and they would stick with him, but that for the neoconservatives, he was merely their candidate. As an example of the unreliability of neoconservative support, this official and others cited the example of an article in The New York Times Magazine by Norman Podhoretz, editor of Commentary magazine, that said Mr. Reagan was not being tough enough in dealing with Moscow.

A CLEAR EXAMPLE

The clearest and most recent demonstration of Mr. Haig's pre-eminence and the Administration's new policy tone was Mr. Reagan's arms control speech at Eureka College last Sunday. Free of the colorful polemics that characterized his first year, the speech could have been given by any of the Presidents that Mr. Reagan has criticized for being too willing, in his view, to talk with Moscow without the necessary military strength. The speech also contained a specific proposal to Moscow to reduce nuclear weapons.

Behind the proposal was a months-long struggle between the State Department and the Pentagon. Mr. Reagan adopted Mr. Haig's idea for limiting the number of nuclear weapons and thereby indirectly limiting destructive power, roughly the approach

used in the second strategic arms treaty so sharply attacked by Mr. Reagan. Mr. Weinberger's idea of making reductions directly in terms of destructive power was relegated to a second phase of negotiations.

In the last six months, almost every major decision by Mr. Reagan has gone in Mr. Haig's direction.

For example, without Moscow's meeting a host of conditions, Mr. Reagan is now ready to meet with Leonid I. Brezhnev, the Soviet leader, as early as next month.

Instead of declaring Poland in default, the President was persuaded by Mr. Haig to settle for a Western credit squeeze on Poland.

Instead of confronting West European allies over their desire to finance a gas pipeline from the Soviet Union and buy the gas, Mr. Reagan adopted the State Department suggestion of pressing the Atlantic allies to reduce their credits to Moscow.

DÉTENTE AND ISRAEL

Under prodding from Mr. Haig, the President dropped his insistence that Moscow moderate its behavior before arms control talks begin. In general, the President has been far more sensitive to West European desires for arms control and détente and refrains now from calling Soviet leaders liars and cheats as he once did.

Responding to Mr. Haig's entreaties that a tough line with Israel would undermine the American-Israel relationship and hopes for future compromises, the White House has stopped condemning a variety of Israeli actions. Facing right-wing pressure from Congress to sell weapons to Taiwan, even at the risk of alienating Peking, Mr. Reagan has allowed Mr. Haig to seat him on the fence.

In almost all of these cases, Mr. Haig was opposed by Mr. Weinberger and conservative supporters of Mr. Reagan in the White House and Congress.

In only one clear-cut instance did Mr. Weinberger prevail and that was on Central America. Here it was Mr. Haig who was doing the saber-rattling and Mr. Weinberger who was urging moderation. In the last few months, Mr. Haig has softened his comments considerably and has gone beyond anyone in the Administration to suggest that he offered Cuba certain incentives for cooperation with the United States that were causing Cuban leaders to agonize over their relations with Moscow.

MANY NEGOTIATIONS BY NOVEMBER

The one major continuing strand in Administration policy is the commitment to larger military budgets. But even here, Mr. Reagan has abandoned his belief that the United States had to re-establish its military strength before risking negotiations with the Soviet Union. Now the judgment seems to be that it would be risky diplomatically and politically not to negotiate.

In sum, the Administration has put itself into a position where it can be negotiating on many issues before the November elections. In each of these present, prospective and possible negotiations, Administration officials acknowledge, Mr. Reagan has taken or will take a tough bargaining position. Where he may go from there they do not pretend to know and they are not sure that Mr. Reagan knows.

In the meantime, his apparatus to deal with these issues has changed profoundly as has the power balance in the Administration.

All of Mr. Haig's key rivals have either fallen or are in some state of retreat. Richard V. Allen, the former national security adviser, is back in private life. Mr. Weinberger's influence continues to diminish in the face of repeated reports from the Pentagon and Congress that he seems to be uninformed or misinformed about many matters under his jurisdiction. The most recent example was his insistence that Soviet missiles were more accurate than American missiles, a statement he later amended to "some Soviet missiles." Edwin Meese 3d, the White House counselor, is now removed from the daily paper flow on foreign affairs and no longer oversees the activities of the national security adviser.

HAIG'S RELATIONS WITH CLARK

Mr. Haig still has problems with James A. Baker 3d, the chief of staff, and his deputy, Michael K. Deaver, but their involvement in foreign policy tends to be episodic. They have, however, in concert with other political aides in the White House and con- servatives in Congress, blocked several appoints Mr. Haig wants to make to his senior staff. As several White House aides explain the situation, it is a matter of giving the conservatives some hold on personnel because they are losing their grip on policy.

This has left Mr. Clark, whose knowledge of foreign affairs is still widely regarded as limited, as the only one in a position to challenge Mr. Haig regularly on policy. But he has not done so. According to officials, one of Mr. Clark's first steps was to help Mr. Haig consolidate his leadership. "But the price for that," one senior Administration official explained, "was Al's agreement that the President has to be out front—and he has been out front. Al realizes and concedes that the President is far more interested in foreign policy than he realizes."

All the same, Mr. Clark is said to make plain to the State Department, nearly daily, that he is not its adjunct. For example, for the first time in the Reagan Administration, Mr. Clark directed his staff to rewrite a State Department telegram, in this instance a message to Peking that Mr. Clark was said to feel went beyond the President's wishes.

THE KEY COGS IN THE SYSTEM

Mr. Clark, who calls the President "my client," carries on most of his business in conversation but also submits short memorandums, particularly in the daily 9:30 A.M. meeting with the President. The only other people there regularly are Mr. Meese and Mr. Clark. Officials at the assistant secretary level are often brought in to brief the President on a specific subject, are asked a few questions and leave. At these sessions, Mr. Reagan is usually told what the State Department is doing and he generally blesses its course.

As matters stand, the Assistant Secretaries of State are the key cogs in the system. For example, it is generally accepted that Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, sets the course for Latin America, and that Chester A. Crocker, the Assistant Secretary for Africa, does about the same for his region. In other Administrations over the last 20 years, Assistant Secretaries have been bound to a system of consultation and even approval from other departments.

For example, Robert D. Hormats, Assistant Secretary of State for Economic Affairs, has been named by President Reagan to be his personal representative to the economic conference at Versailles. In the Carter Administration, this position and the task of coordinating the Government for the meeting was in the White House.

AREAS OF CONFLICT

Bureaucratic war is generally confined to areas where State Department and Pentagon responsibilities clearly overlap, such as arms sales and arms control.

Officials said Mr. Clark was trying to lay the groundwork for a stronger role for the National Security Council staff in managing the system and trying to do something about well-recognized problems such as lack of coherence in policy and order in the policy-making process.

In all of 1981 before Mr. Clark took over, only 14 National Security Decision Directives or Presidential Decision memorandums were issued. In only four months in 1982, there have been 18. For a bureaucracy that needs formal decisions to function, it is an important improvement.

As matters now stand, Mr. Reagan's foreign policy is too conciliatory for the conservatives and too strident for the liberals. However, his actions have been careful, and there have been no calamities or overwhelming errors around which political opposition could solidify. As for Mr. Haig, he is still regarded with suspicion by left and right and has not been able to develop a solid political base. Yet as long as he is able to keep the Administration out of international troubles, Mr. Reagan seems willing to back him.

Mr. SPECTER. Mr. President, the underlying message is that the debate over nuclear arms is a raging one with many different points of view and the sense-of-Congress resolution will give substance to the initiatives taken by the President and will promote momentum.

The second argument is that the amendment will be a clear and convincing statement by the Senate of the United States that it stands foursquare behind the statements of policy and intent expressed by the President in Sunday's speech in Eureka. And it goes even beyond in using the word "summit," which is not to be found in the President's speech or in Secretary Haig's statement of yesterday, with the attendant inference that the summit must be prepared with extra pressure for success. Unlike SALT II where the Senate of the United States would not support the executive's initiatives, this body will place itself squarely on record as being in support of such a summit meeting. Regardless of any other considerations, that statement by the Senate in and of itself has paramount value and should be made by an affirmative vote on the amendment which I have proposed or, in the alternative, by defeating a motion to table.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. PERCY. Mr. President, I move to table the amendment of the Senator from Pennsylvania (Mr. SPECTER).

Mr. SPECTER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from Pennsylvania. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Wyoming (Mr. SIMPSON) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Nebraska (Mr. EXON), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Rhode Island (Mr. PELL), and the Senator from Maryland (Mr. SARBANES) are necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii (Mr. MATSUNAGA) would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

The PRESIDING OFFICER (Mr. CHAFEE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 60, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—32

Baker	Garn	Long
Brady	Glenn	Lugar
Byrd, Harry F., Jr.	Goldwater	McClure
	Hatch	Nunn
Chafee	Hayakawa	Percy
Cochran	Heflin	Roth
Cohen	Helms	Stennis
Denton	Humphrey	Symms
Dodd	Jepsen	Thurmond
Dole	Kassebaum	Tower
East	Kasten	Warner

NAYS—60

Abdnor	Durenberger	Mitchell
Andrews	Eagleton	Moynihan
Armstrong	Ford	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Packwood
Biden	Hart	Proxmire
Boren	Hatfield	Pryor
Boschwitz	Heinz	Quayle
Bradley	Hollings	Randolph
Bumpers	Huddleston	Riegle
Burdick	Inouye	Rudman
Byrd, Robert C.	Jackson	Sasser
Cannon	Johnston	Schmitt
Chiles	Kennedy	Specter
Cranston	Laxalt	Stafford
D'Amato	Leahy	Stevens
Danforth	Levin	Tsongas
DeConcini	Mattingly	Wallop
Dixon	Melcher	Weicker
Domenici	Metzenbaum	Zorinsky

NOT VOTING—8

Exon	Matsunaga	Sarbanes
Hawkins	Pell	Simpson
Mathias	Pressler	

So the motion to lay on the table Mr. SPECTER's amendment (No. 1397), as modified, was rejected.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Will the Senator withhold, please?

May we have order in the Chamber?

The Senator from Texas.

Mr. TOWER. Mr. President, I move to recommit S. 2248 to the Committee on Armed Services with instructions to report S. 2248 forthwith, as follows—and I submit the motion to the desk.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. SPECTER. Mr. President——

The PRESIDING OFFICER. Debate is not in order at this time.

Mr. SPECTER. A parliamentary inquiry.

The PRESIDING OFFICER. The clerk will report.

Mr. ROBERT C. BYRD. Mr. President, I ask that the clerk read the instruction.

The PRESIDING OFFICER. The clerk will read.

Mr. BAKER. Mr. President, may I have recognition for a minute?

The PRESIDING OFFICER. The Senator from Tennessee, the majority leader.

Mr. BAKER. Mr. President, the instructions are quite lengthy.

Mr. BUMPERS. Mr. President, may we have order, so that we can hear the majority leader?

The PRESIDING OFFICER. The point is well made. Will the Senators in the rear of the Chamber please conduct their conversations in the cloakroom?

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. TOWER. Mr. President, let me withhold my motion, and I will explain what it is before I move it.

The PRESIDING OFFICER. Debate is not in order at this moment.

The majority leader.

Mr. BAKER. Mr. President, I think the better part of discretion is to provide a brief time for the description of these instructions, the motion that has been made by the distinguished chairman of the committee. I ask unanimous consent that there be a period of not to exceed 30 minutes for discussion, to be equally divided between the chairman of the committee and the minority leader or his designee.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no intention of asking that the instruction be read. The distinguished Senator from Maine wanted to ask a question. He was shut out because of no debate being permitted.

I just thought we would have the instruction read, so that we would know what is in the motion to recommit.

It is perfectly agreeable to me. I have no objection to the request of the majority leader.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, I will explain this in full. Once the motion is made, the instructions are subject to amendment. I recommend against reading the instructions, but I will be happy to respond to questions.

Perhaps the best thing for me to do is to withhold my motion to recommit with instructions and let me explain, first. Then I will offer my motion, after the explanation.

Mr. BAKER. That is satisfactory to me, Mr. President.

The PRESIDING OFFICER. Even withholding the motion does not allow debate, without unanimous consent.

Mr. BAKER. Mr. President, I renew my request that there be 30 minutes of debate on the motion, to be equally divided between the chairman of the committee and the minority leader or his designee.

The PRESIDING OFFICER. Is there objection?

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I reserve the right to object, and I have a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPECTER. Is this motion to recommit subject to amendment, and if so, when?

The PRESIDING OFFICER. It is subject to amendment, and if the unanimous-consent request is agreed to, it will be at the conclusion of that time.

Mr. BAKER. Mr. President, with all deference and respect to the Chair, perhaps I misunderstood. I did not think that the motion itself was amendable but that the instructions were amendable.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Who yields time?

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, the net effect of the recommendation now pending before the Senate is a reduction of $2.4 billion in budget authority and approximately $1 billion in outlays for fiscal year 1983 below that which was recommended by the Committee on Armed Services only last week.

Mr. President, may we have order?

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate, so that Senators will know what is being recommitted?

The PRESIDING OFFICER. The Senator's point is well taken. We will not proceed until there is order in the Chamber.

Will those Senators conducting conversations please do so in the cloakroom? We cannot proceed until we have order, so that the Senator from Texas can be heard.

The Senator will proceed.

Mr. TOWER. Mr. President, let me make a long story short, before I read my statement. Let me summarize it first and then read it.

The thrust of the motion to recommit with instructions to report forthwith is to permit the committee to comply with the budget resolution passed by the Budget Committee and ordred to be reported. It calls for a $5 billion reduction in outlays from the President's original request.

What we did was to meet on Monday and agree on a commitment amendment or a committee position that would achieve these reductions: and we are using this device to incorporate that committee amendment into the bill, which would permit us to make this reduction. It is as simple as all that.

Once it has been reported back, anything that has been incorporated into this as a result of that instruction is subject to amendment. In other words, the whole bill is treated as original text for the purpose of amendment. So everybody's amendments are still eligible. The amendments that were adopted prior to today have already been incorporated into the instruction. That would include the amendment by the Senator from Maine (Mr. MITCHELL), which I opposed, but we did incorporate that and other amendments that were agreed to prior to today—actually, prior to Monday—in the instruction.

The amendment offered by the Senator from Pennsylvania (Mr. SPECTER) is not incorporated but would be eligible to be reoffered. There already has been a vote on a tabling motion with respect to that amendment, and I think if he offered it again, the outcome would be predictable.

So I do not think this prejudices anybody. It is an orderly way to do business.

Mr. President, the net effect of the recommendation, as I said, is a reduction of $2.4 billion in budget authority and approximately $1 billion in outlays for fiscal year 1983 below that which was recommended by the Committee on Armed Services only last week. Thus, the total obligational authority contained in this bill is approximately $177.9 billion, a reduction of approximately $5.5 billion from the President's February 8 budget request.

Mr. President, I recognize that this action by the Committee is a very unusual legislative step and I assure you that I have agreed to this action with great reluctance. I did not want to take anything out of the President's original recommendation. My reluctance stems from the fact that the national security of this country is being jeopardized by the budgetary pressures of the moment. Our priorities are clearly out of order. I would love to say that these reductions can be justified because the military threat has decreased. Unfortunately, the contrary is true—the Soviet threat has only increased. One need only take a moment to look at the world situation today to understand this. In weaponry, the Soviets are "quantitatively" superior to us and in many areas, they are—for the first time—"qualitatively" superior as well. Nonetheless, while we debate about the level of defense spending, the Soviets "build."

Until last Friday, I was prepared to move forward on the Senate floor with the DOD authorization bill, and I am confident that such bill would have had the overwhelming support of the Senate. Nevertheless, circumstances have changed since last Friday because the Senate Budget Committee has proposed an overall budget package which has been agreed to by the President. This package recommends a reduction in the national defense function for fiscal year 1983 from $224.2 billion, the Budget Committee's outlay base, to $215.3 billion. Included in this reduction is $3.9 billion in military and civilian pay.

Monday, the Committee on Armed Services heard testimony from the Secretary of Defense, the Deputy Secretary of Defense, and the Chairman of the Joint Chiefs of Staff on their proposals for reducing the level of defense spending consistent with the President's most recent agreement. The committee concurred with most of the recommendations offered by the Dpartment of Defense. However, after careful consideration, the committee elected to forgo most of the reductions-in-force structure proposed by DOD and offered other reductions in lieu thereof. Thus, the only significant force structure reduction reflected in this bill is the early decommissioning of 13 Navy destroyers.

Mr. President, I ask unanimous consent to have printed in the RECORD this detailed summary of the latest reductions recommended by the committee.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF COMMITTEE ACTION ON FISCAL YEAR 1983 DEFENSE AUTHORIZATION BILL

	Authorization amount	Impact on 050 function
Fiscal year authorization request, S. 2248	183.452	
Previous committee action	−3.166	−3.166
Manpower impact		−.106
S. 2248 as reported	180.286	−3.372
Committee action, May 10, 1982	−2.379	−2.379
Manpower impact		−.415
S. 2248, as amended	177.907	−6.166

SUMMARY OF COMMITTEE ACTION ON FISCAL YEAR 1983 DEFENSE AUTHORIZATION BILL—Continued

	Authorization amount	Impact on 050 function
Charge from request (S. 2248 only, no manpower impact)	−5.545	

REDUCTIONS FROM S. 2248 RESULTING FROM COMMITTEE AMENDMENT: SUMMARY BY SERVICE

[Amounts in millions of dollars; budget authority only]

	Title I procurement	Title II R.D.T. & E.	Title III O. & M.	Service totals
Army	−512.3	−293.6	−97.0	−902.9
Navy/Marine Corps	−818.0	−171.2	−156.6	−1,145.8
Air Force	−89.5	−42.7	−157.0	−298.2
Defense Agencies/ Defensewide	−7.6	−24.1	−.4	−32.1
Total	−1,436.4	−531.6	−411.0	−2,379.0

	Title I procurement	Title II R.D.T.& E.	Title III O. & M.
ARMY			
Field artillery ammo support vehicle (FAASV)	−111.0		
Communications and electronics	−200.0		
M–1 production cap	−200.3		
Rattler (IMAAWS)		−12.9	
Command and Control		−3.0	
BMD systems technology		−200.0	
Mainsite		−10.0	
Missile technology		−5.0	
Aeronautical technology		−2.0	
Programwide activities		−5.1	
Blackhawk mods		−1.0	
Antitactical missile		−7.6	
Communication technology		−1.0	
RPV support technology		−1.6	
TRADOC studies		−1.8	
Advanced rocket control system		−15.6	
Mobile protected gun (far term)		−27.0	
Real property maintenance			−30.0
Continuing education system			−15.0
Deactivate Combat Development Exp. Command			−2.0
Recruiting/advertising			−25.0
Foreign currency adjustment			−3.0
Lower fuel prices			−21.0
Support personnel end strength reduction			−1.0
Subtotal	−511.3	−293.6	−97.0
NFIP adjustment	−1.0		
Total	−512.3	−293.6	−97.0
NAVY/MARINE CORPS			
Restructure SH–60B LAMPS III	−450.0		
Slip HARM	−81.0		
Trident mods	−285.0		−.6
Tilt fan		−36.3	
Surface ASW		−4.4	
Combat systems architecture		−2.8	
S–3A WSIP		−15.3	
Combat infor. systems conv		−8.6	
Man-machine technology		−0.4	
Ships, boats, subs technology		−9.2	
Defense research sciences		−1.1	
SSBN subsystem technology		−4.9	
Penguin		−1.6	
Electro-optic sensor		−5.4	
S. & A. support, Navy		−1.9	
Advanced air-launched ASM		−4.0	
Avionics development		−4.9	
Helicopter development		−10.1	
Enhanced modular signal processor		−1.4	
Air warfare training device		−2.0	
Air-to-air missile system		−1.0	
Defer SH–60 Variant		−9.9	
Consolidate HXM with JVX		−4.5	
Trident I (MK–500)		−26.5	
Consolidate cruise missile programs		−15.0	
Real property maintenance (MC)			−10.0
Decommission 13 ships			−95.0
Delete TAKX			−10.0
Recruiting/advertising			−15.0
Lower fuel prices			−21.0
Support personnel end strength reduction (Navy)			−3.5
Support personnel end strength reduction (Marine Corps)			−1.5
Subtotal	−816.0	−171.2	−156.6

	Title I procurement	Title II R.D.T.& E.	Title III O. & M.
NFIP adjustment	−2.0		
Total	−818.0	−171.2	−156.6
AIR FORCE			
Terminate A–10	−4.0		
Slip HARM	−69.0		
Consolidate cruise missile programs		−42.7	
Real property maintenance			−95.0
Lower fuel prices			−49.0
Recruiting/advertising			−5.0
Support personnel end strength reduction			−8.0
Subtotal	−73.0	−42.7	−157.0
NFIP adjustment	−25.5		
Total	−98.5	−42.7	−157.0
DEFENSE AGENCIES-DEFENSEWIDE ACTIVITIES			
OSD/JCS studies and analysis		−7.0	
Director, T. & E.		−6.0	
Defense Nuclear Agency		−11.1	
Subtotal		−24.1	
NFIP adjustment	−7.6		−.4
Total	−7.6	−24.1	−.4

TITLE IV: ACTIVE DUTY MANPOWER

[End strengths in thousands]

	Authorized levels, fiscal year 1982	Request, fiscal year 1983	Committee report, fiscal year 1983	Committee amendment, May 1982
Army	[1] 780.3	783.8	783.8	781.5
Navy	554.6	569.2	564.2	559.4
Marine Corps	192.1	194.6	194.6	191.9
Air Force	580.8	600.0	594.5	584.4
Total [2]	2,107.8	2,147.6	2,137.1	2,117.2

[1] Does not include the fiscal year 1982 supplemental request for 4,100 additional active duty personnel.
[2] Subtotals may not add to totals due to rounding.

Mr. TOWER. Mr. President, the committee has taken a major step toward meeting the $215.3 billion target by incorporating in this bill some of the $9 billion reductions agreed to by the President and recommended by the Senate Budget Committee. The committee has also identified other areas in which savings might be achieved to meet this target. These will be reflected in other legislation which the Armed Services Committee and other committees will consider in the weeks and months ahead.

Let me stress that these reductions will not be painless. I, along with the overwhelming majority of the committee members, agreed with the President and the Secretary of Defense that we must do everything possible to preserve the modernization, readiness, and sustainability initiatives contained in the President's original defense budget program for fiscal year 1983. I might add that the budget outlay problem in fiscal year 1983 would not have been meaningfully improved with spending reductions on modernization initiatives since these programs spend out very slowly. Therefore, in order to achieve the desired level of outlay reductions, without ravaging our critically important modernization efforts, the committee was forced to consider reductions in programs which have a relatively fast spendout.

Mr. President, let me assure you that any significant reductions in defense, beyond those currently recommended, will most assuredly require that we reduce our force structure. Even our current force structure is spread too thin, and thus further force structure reductions will require that we reassess our ability to meet existing commitments. We cannot have it both ways.

Again let me say I am reluctant to accommodate any cuts, but it appeared to be necessary under the circumstances.

I think that there were some proposals that would result in deeper cuts in defense and I think that would seriously harm our ability to modernize our forces and maintain our readiness sustainability.

Mr. President, I intend to move to table any amendments offered to the instructions and I advise Senators that that will not be the wise way for them to try to get their amendments on the bill.

Let the instructions go because everyone's rights will be preserved and they will have the opportunity to offer those amendments to the bill as it will be amended once the committee reports back pursuant to the motion that I have offered.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator from Texas.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me briefly?

Mr. STENNIS. I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, under the order entered by the majority leader, I have control of the time on this side of the aisle. I wish to yield that control to the distinguished Senator from Mississippi because I think he should have control.

Mr. STENNIS. I thank the Senator and thank him very much.

Mr. President, how much time is there for each side?

The PRESIDING OFFICER. There are 15 minutes to each side.

Mr. STENNIS. Mr. President, I yield myself 4 minutes.

This is an unusual procedure in this way: The motion of the Senator from Texas, as I understand it, merely relates to amendments that have been agreed on by the committee. It will be pro forma, more or less, to send this bill back now to the committee for a pro forma report back immediately, you might say, of the amendments that have already been agreed to by the committee, and all rights will be preserved fully for everyone to offer amendments. It is just a new way of doing things that saves time. It does not leave anyone out.

Mr. President, let me say this. The committee had these recommendations before us. There was more than average attendance. There was good attendance, and there was active participation by virtually all the Members, after having high level proof from civilian and military authorities about these proposed reductions.

And with them all on the table some were adopted and others were modified, and there were some rejections.

That was actively participated in by the Senator from Texas and other Members from his side. I participated as did other Members from the so-called my side of the table.

Finally it was settled to where it was virtually unanimous to put in the amendments that we have settled on.

So I hope now in the interest of the bill as a whole that we can have this pro forma procedure followed and get back here and get the bill back on the floor and proceed then with amendments which are certainly in order, and I am always in favor of everyone having his opportunity.

But I do hope we will stop putting extraneous matters on this bill. I certainly feel no good bill is going to come out of the Armed Services Committee on the social security system. No sound and stirring and convincing foreign policy is going to come out of the Armed Services Committee, as good as our chairman may be in that field and others. It is going to come out of our Foreign Relations Committee.

Let us get back on the track. Everyone, though, will certainly have all his rights, as far as I am concerned, and I can heartily support these reductions and I think maybe some more could have been supported, with no great numbers, but this is just an authorization bill, and I hope that we can proceed and pass it, and I expect to be here for the contributions I can make.

I yield.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. Mr. President, may I ask the Senator from Mississippi to yield time so that I may ask a question of the Senator from Texas?

Mr. STENNIS. We have 11 minutes in all. Does the Senator want 2 minutes?

Mr. DIXON. Two minutes.

Mr. President, will the distinguished Senator from Texas yield for a question?

Mr. TOWER. I would be delighted to respond to a question.

Mr. DIXON. I certainly support what the Senator from Mississippi has said about these reductions, and will be happy to support them. But is it not a fact, I ask the Senator from Texas, that if we vote for this motion to recommit with instructions the Senator has now on the motion, it will effectively strip this piece of legislation of the amendment adopted only a

moment ago by a 60-to-32 vote that was offered by the Senator from Pennsylvania (Mr. SPECTER) and myself? Is that not true?

Mr. TOWER. It is not true because the amendment of the Senator from Pennsylvania was not adopted. A motion to table that amendment was defeated. Therefore, that amendment is still alive until after we complete this. There is no question, as I said earlier, that that amendment would not be included in the instructions.

However, it is still eligible, and it has not been acted on, and it could be offered again, and I would expect the same result to occur. So the Senator's rights are fully protected. As I said in my opening remarks, yes, it would be stripped but, in fact, it has not been acted on yet.

Mr. DIXON. So it is still before us to be acted upon when this is reported.

Mr. TOWER. You will have to just go through the formal motion of calling it up again.

Mr. DIXON. Mr. President, would the Senator repeat that?

Mr. TOWER. You just have to go through the formal motion of calling it up again.

Mr. DIXON. I thank the Senator very much.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. How much time does the distinguished Senator from Pennsylvania wish?

Mr. SPECTER. Two minutes.

Will the Senator from Texas yield for a question, Mr. President?

Mr. TOWER. Yes.

Mr. SPECTER. Is it feasible to have the modifications to the bill, which you have proposed, put before the body in the form of amendments at this time?

Mr. TOWER. Wait a minute, I am not sure I understood the question.

Mr. SPECTER. The question is, can you achieve the same result by making amendments to the bill which is currently laid before the Senate—can you make the modifications or the reductions in expenditures?

Mr. TOWER. Yes, you could, but the amendment would be divisible because it covers a lot of ground, so this is a simple device that is very often resorted to in the Senate to put a committee amendment on that has been agreed to subsequent to the calling up of the bill, and it preserves everybody's rights because the bill is fully amendable. This amendment, in fact, once incorporated in the bill and once reported, is treated as original text for the purpose of amendment.

Mr. SPECTER. But is it possible to achieve the same result by the Senator's making an amendment to the bill which is now laid before the Senate?

Mr. TOWER. It is possible, but again the amendment is divisible and would defeat the whole purpose because then there would be an inclination to pick and choose between and among the various items that have been reduced in spending, and it is a pretty long list which I have submitted for the RECORD, which I would be glad to give the Senator a copy for his perusal and he can see the great difficulty involved in trying to establish the committee's position by that route. This is an expeditious way of doing business.

Mr. SPECTER. But it is not necessary to submit those singly, you can submit those in a group?

Mr. TOWER. One Senator can call for a division of the amendment and it could be divided into many, many parts. So that is not an orderly way to do business.

Mr. SPECTER. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Let me say that all amending rights to the bill are fully protected by this.

Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield me a few minutes?

Mr. STENNIS. Yes. May we have order now, Mr. President?

The PRESIDING OFFICER. Will the Senator please withhold. May we have order, please.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I have a question of the distinguished manager of the bill, Mr. TOWER. Do the instructions provide that the committee amendments, when the bill is reported back, will be considered as adopted en bloc or will the bill be brought back with committee amendments, the committee substitute, still pending?

Mr. TOWER. The bill will be brought back with the committee amendments adopted en bloc, that is to say, the amendments agreed to in committee on Monday, with the various cuts addressed to various aspects of the bill; it simply, of course, is the effect of rewriting the bill with that amendment.

We also incorporate in the instructions those amendments that were already adopted on the floor to protect those Senators and to prevent them from having to reoffer their amendments.

Mr. ROBERT C. BYRD. It does not provide that the committee substitute be agreed to when the bill is brought back?

Mr. TOWER. No.

Mr. ROBERT C. BYRD. Does it make any provisions with respect to social security?

Mr. TOWER. It makes no provision with respect to social security, so anything on social security would have to be reoffered.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. TOWER. Which I would be reluctant to see happen.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I yield 1 minute to the Senator from Maine, and if he needs more I will yield more.

Mr. MITCHELL. Mr. President, I simply want to thank the distinguished chairman and floor manager for his assurance that my amendment will be protected in the bill. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. I yield 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I rise in support of the content of the bill which would be reported back from the committee if this motion succeeds.

I want to commend the distinguished chairman in this revision. Actually this will get us very close, along with other matters the administration has submitted, to the revised targets for both budget authority and outlays for the Department of Defense as prescribed in the budget resolution which the committee reported.

I have a table indicating the general assumptions and how they compare with the existing DOD budget and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the budget summary was ordered to be printed in the RECORD, as follows:

BUDGET SUMMARY: NATIONAL DEFENSE FUNCTION (050)

[In billions of dollars]

	President's budget (April reestimate)		CBO reestimate of President's budget		Senate Budget Committee baseline	
	BA	O	BA	O	BA	O
Fiscal year 1983 request	263.3	221.3	263.5	223.1	264.6	224.2
S. 2248 as reported	−3.3	−1.6	−3.3	−1.6	−3.3	−1.6
DOD proposed cuts in fiscal year 1983	−6.5	−3.2	−6.5	−3.2	−6.5	−3.2
DOD cuts already in S. 2248	+1.8	+1.3	+1.8	+1.3	+1.8	+1.3
New DOD proposed cuts	−4.7	−1.9	−4.7	−1.9	−4.7	−1.9
DOD budget after committee action	255.3	217.8	255.5	219.6	256.6	220.7

BUDGET SUMMARY: NATIONAL DEFENSE FUNCTION (050)—Continued

[In billions of dollars]

	President's budget (April reestimate)		CBO reestimate of President's budget		Senate Budget Committee baseline	
	BA	O	BA	O	BA	O
Additional cuts requiring new legislation:						
Pay raise reductions	−3.3	−3.3	−3.3	−3.3	−3.9	−3.9
Stockpile sales [1]					−.4	−.4
DOD budget after committee action plus new legislation	252.0	214.5	252.2	216.3	252.3	216.4
Senate Budget Committee recommendation	251.7	215.3	251.7	215.3	251.7	215.3
Amount over (+) or under (−) Senate Budget Committee recommendation	+.3	−.8	+.5	+1.0	+.6	+1.1

[1] The President's budget and CBO reestimate both assume outlay savings in fiscal year 1983 from stockpile sales of silver ($0.4 billion). The Senate Budget Committee baseline did not assume these savings. This analysis assumes the savings will take place in all 3 columns.

Mr. DOMENICI. I want to commend the distinguished Senator from Texas for revising the DOD authorization bill. As chairman of the Armed Services Committee and as a member of the Budget Committee, Senator TOWER is caught right in the middle of the tensions and the pressures of two urgent national problems.

One problem is the pressing need to strengthen our defense capabilities to assure protection of our security interests throughout the world. The second, and equally urgent, problem is to reduce the Federal Government's budget deficits so that we are borrowing far less money and instead leave in the private economy resources needed for sustained economic recovery.

Senator TOWER is helping the Senate deal intelligently with these two problems. The motion he has just offered directly addresses both the DOD authorization bill and the implications of the budget resolution which will shortly come before the Senate.

In taking his bill back to the Armed Services Committee in order to consult with the DOD and to achieve further military spending reductions, Senator TOWER has acted to support the specific goals of the current budget process. He has done this, I am sure, in spite of his own well-known belief that the United States dare not shirk from the financial implications of a sound defense.

Both the budget resolution and the question of funding for our national defense programs will be debated and voted on through several additional stages before this year is over. I am confident the final outcomes on both fronts will be something both Senator TOWER and I can support.

I count it a privilege to work closely with the Senator from Texas. He is one of the Senate's real strengths. I commend him again for getting us on the road to passage of the pending bill.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield time?

Mr. STENNIS. I yield such time as the distinguished minority leader may need.

Mr. ROBERT C. BYRD. As I understand it, the instructions will provide for the committee to report back immediately, forthwith, with certain amendments.

Mr. TOWER. Yes.

Mr. ROBERT C. BYRD. But the instructions do not provide that those amendments be considered as having been adopted en bloc when that bill is reported back. I am hoping that is not part of it.

Mr. TOWER. It is my understanding that the effect is to adopt the committee amendments en bloc. It is one amendment, but it is a divisible amendment, and it just simply alters certain dollar amounts in the bill, and the bill then is brought back.

Mr. ROBERT C. BYRD. But are those amendments considered as adopted en bloc when that bill is reported back?

Mr. TOWER. I would say they would be.

Mr. ROBERT C. BYRD. I would say that would not be proper. May I ask the Chair?

The PRESIDING OFFICER. The amendment is a single amendment and it would not be considered as adopted by the Senate. It would be original text as far as the Senate is concerned because it is a complete substitute to the bill.

Mr. ROBERT C. BYRD. But the amendments could not be brought back under the instructions and considered as having been adopted en bloc when brought back?

The PRESIDING OFFICER. En bloc is not an issue since there is only one amendment. You could not, in the motion, provide that it is agreed to by the Senate, the amendment.

Mr. ROBERT C. BYRD. You could not what?

The PRESIDING OFFICER. You could not provide that the amendment is agreed to by the Senate in the motion.

Mr. ROBERT C. BYRD. That is what I was trying to say.

Mr. TOWER. I did not understand the question of the minority leader. No, it would not mean the Senate had adopted them en bloc. It would mean that they would still be subject to amendment; that is, the individual piece, as a package, could still be subject to amendment and affected by the amendment process.

Mr. ROBERT C. BYRD. That resolves my problem.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Does anyone else seek time? I am prepared to yield back my time.

Mr. STENNIS. Mr. President, we are prepared to yield back all time if no one else wishes to speak.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the motion.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER). The yeas and nays have been ordered and the clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Florida (Mrs. HAWKINS) is necessarily absent.

The PRESIDING OFFICER (Mr. GORTON). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—99

Abdnor	Ford	Mitchell
Andrews	Garn	Moynihan
Armstrong	Glenn	Murkowski
Baker	Goldwater	Nickles
Baucus	Gorton	Nunn
Bentsen	Grassley	Packwood
Biden	Hart	Pell
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Bradley	Hayakawa	Proxmire
Brady	Heflin	Pryor
Bumpers	Heinz	Quayle
Burdick	Helms	Randolph
Byrd, Harry F., Jr.	Hollings	Riegle
Byrd, Robert C.	Huddleston	Roth
Cannon	Humphrey	Rudman
Chafee	Inouye	Sarbanes
Chiles	Jackson	Sasser
Cochran	Jepsen	Schmitt
Cohen	Johnston	Simpson
Cranston	Kassebaum	Specter
D'Amato	Kasten	Stafford
Danforth	Kennedy	Stennis
DeConcini	Laxalt	Stevens
Denton	Leahy	Symms
Dixon	Levin	Thurmond
Dodd	Long	Tower
Dole	Lugar	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Eagleton	Mattingly	Weicker
East	McClure	Zorinsky
Exon	Melcher	
	Metzenbaum	

NOT VOTING—1

Hawkins

So the motion was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF TIME TO MAY 31 FOR COMMITTEES TO REPORT UNDER THE BUDGET ACT

The PRESIDING OFFICER. Is the majority leader seeking recognition?

Mr. TOWER. Mr. President, I yield to the majority leader.

Mr. BAKER. Mr. President, I have cleared this request with the distinguished minority leader and the chairman of the Committee on the Budget. I believe it has been cleared with the ranking member, the vice chairman of the Committee on the Budget.

I ask unanimous consent that the reporting requirement for committees under the Budget Act, which is May 15, which we previously changed to May 17, be extended now until May 31.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, pursuant to the vote just taken, on behalf of the Committee on Armed Services, I report back S. 2248, with an amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) reports S. 2248, with an amendment in the nature of a substitute, and an amendment to the title, as follows:

On page 14, strike out all after line 6 and insert the following in lieu thereof:

That this Act may be cited as the "Department of Defense Authorization Act, 1983".

TITLE I—PROCUREMENT

AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for procurement in amounts as follows:

ARMY

For the Army: for aircraft, $1,786,914,000; missiles, $2,846,600,000; weapons and tracked combat vehicles, $4,704,985,000; ammunition, $2,733,384,000; and other procurement, $4,363,991,000.

NAVY

For the Navy: for aircraft (including aircraft for the Marine Corps), $11,167,800,000; weapons (including missiles and torpedoes), $3,810,200,000; naval vessels, $18,368,700,000; and other procurement, $3,971,756,000.

MARINE CORPS

For the Marine Corps: for procurement (including ammunition, other weapons and combat vehicles, missiles, communications and electronics, support vehicles, and engineering and other equipment), $2,198,700,000.

AIR FORCE

For the Air Force: for aircraft, $17,783,800,000, of which $186,100,000 is for the United States contribution of its fiscal year 1983 share of the cost of the acquisition by the North Atlantic Treaty Organization (NATO) of the Airborne Early Warning and Control System (AWACS); missiles, $5,269,800,000; and other procurement, $5,721,600,000.

NATIONAL GUARD AND RESERVE COMPONENTS

For aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, other weapons, and other procurement, as follows:

For the Army National Guard, $50,000,000.

For the Air National Guard, $30,000,000.

For the Army Reserve, $30,000,000.

For the Naval Reserve, $30,000,000.

For the Marine Corps Reserve, $30,000,000.

For the Air Force Reserve, $30,000,000.

The authorization of appropriations for the National Guard and Reserve components contained in this paragraph is in addition to any other funds authorized to be appropriated by this or any other Act.

DEFENSE AGENCIES

For the Defense Agencies: for procurement, $859,584,000.

REQUIREMENTS RELATING TO MULTIYEAR CONTRACTS FOR CERTAIN EQUIPMENT

SEC. 102. Notwithstanding any other provision of law, no multiyear contract may be entered into for the procurement of—

(1) F-111 weapon navigation computers;
(2) C-2 aircraft;
(3) EA-6B aircraft;
(4) A-6E aircraft;
(5) MULE laser designators;
(6) CH-53E helicopters;
(7) MLRS rocket systems; or
(8) ALQ-136 radio jammers,

until (A) the Secretary of the military department concerned has submitted to the Committees on Armed Services of the Senate and the House of Representatives a written report setting forth the justification for entering into a multiyear contract for the procurement of the equipment concerned, and (B) thirty days have elapsed after the date on which such report is received by such committees.

CERTAIN AUTHORITY PROVIDED THE SECRETARY OF DEFENSE IN CONNNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. Section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended—

(1) by inserting "and each fiscal year thereafter" after "fiscal year 1982" in the matter before clause (1); and

(2) by striking out "for fiscal year 1982" in clause (3).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL A-10 AIRCRAFT

SEC. 104. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Air Force for fiscal year 1983, or any prior fiscal year, may be obligated after the date of the enactment of this Act for the procurement of any A-10 aircraft in any amount greater than the amount authorized for the procurement of such aircraft in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099).

PROHIBITION AGAINST PROCUREMENT OF ADDITIONAL AH-64 (APACHE) HELICOPTERS

SEC. 105. Notwithstanding any other provision of law, none of the funds appropriated to or for the use of the Army in the Department of Defense Appropriation Act, 1982 (Public Law 97-114; 95 Stat. 1565), may be obligated after the date of the enactment of this Act for the procurement of any AH-64 (Apache) helicopters unless the procurement thereof is specifically authorized by legislation enacted after the date of the enactment of this Act.

RESTRICTION ON PROCUREMENT OF TACAMO COMMAND, COMMUNICATIONS, AND CONTROL EQUIPMENT

SEC. 106. None of the funds appropriated pursuant to this Act may be obligated or expended for the procurement of any airborne very low frequency equipment for the TACAMO EC-130Q aircraft until thirty days have elapsed after the date on which the Secretary of Defense has submitted a written report to the Committees on Armed Services of the Senate and the House of Representatives discussing the feasibility of replacing such equipment with modern communication systems consistent with the planned acquisition of replacement aircraft.

CBU-90 ANTIARMOR CLUSTER MUNITION

SEC. 107. None of the funds appropriated pursuant to section 101 of this title may be used for the procurement of the CBU-90 antiarmor cluster munition until after the Secretary of the Air Force certifies in writing to the Committees on Armed Services of the Senate and the House of Representatives that procurement of such munition is essential to the Air Force inventory.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States for research, development, test, and evaluation in amounts as follows:

For the Army, $4,161,741,000.

For the Navy (including the Marine Corps), $6,131,698,000.

For the Air Force, $10,760,643,000.

For the Defense Agencies, $2,276,384,000, of which $54,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection.

REQUIREMENT FOR COMPETITION BETWEEN THE LANTIRN AND FLIR SYSTEMS

SEC. 202. Of the amount authorized to be appropriated in this title for the Air Force, not more than $88,700,000 is authorized for development of the LANTIRN System. However, no funds appropriated pursuant to this title for the Air Force may be obligated or expended for the development of such system until the Secretary of the Air Force submits to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives a written statement certifying that the LANTIRN program has been restructured to provide a competitive demonstration between the current LANTIRN System and a suitably modified version of the Navy's F/A-18 aircraft FLIR System. The Secretary of the Air Force may not enter into any contract for the production of the LANTIRN System

until after a competitive demonstration between the LANTIRN System and the suitably modified version of the Navy's F/A-18 aircraft FLIR System has been carried out.

SUBMARINE ADVANCED COMBAT SYSTEM

SEC. 203. Of the funds authorized to be appropriated for the Navy in this title, not more than $85,937,000 is authorized for the Submarine Advanced Combat System research and development program. However, no funds appropriated pursuant to this title may be obligated or expended for the Submarine Advanced Combat System program until the Secretary of the Navy has presented to the Committees on Armed Services of the Senate and the House of Representatives a detailed explanation in writing of how the Department of the Navy plans to proceed with the phased array radar portion (phase III) of the MK-92 Fire Control System upgrade.

TITLE III—OPERATION AND MAINTENANCE

AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1983 for the use of the Armed Forces of the United States (other than the Coast Guard) and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

(1) For the Army (including the Army Reserve, the Army National Guard, and rifle practice, Army), $18,675,775,000.

(2) For the Navy (including the Naval Reserve and the Marine Corps Reserve), $22,621,400,000.

(3) For the Marine Corps (including the Marine Corps Reserve), $1,513,515,000.

(4) For the Air Force (including the Air Force Reserve and the Air National Guard), $19,937,300,000.

(5) For the Defense Agencies and other activities of the Department of Defense, $5,896,010,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1983 such additional sums as may be necessary (1) for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in such subsection, and (2) for unbudgeted increases in fuel costs and for increases as the result of inflation in the cost of activities authorized by subsection (a).

STATIONING OF E-4 NATIONAL EMERGENCY AIRBORNE COMMAND POST AIRCRAFT

SEC. 302. (a) None of the funds appropriated pursuant to this title may be obligated or expended for the stationing of the E-4 National Emergency Airborne Command Post aircraft, or associated maintenance and logistical support for such aircraft, at Andrews Air Force Base, Camp Springs, Maryland, unless the President certifies to the Congress in writing that the continued deployment of the E-4 National Emergency Airborne Command Post aircraft at Andrews Air Force Base is essential to and supportive of the national security of the United States.

(b) Notwithstanding the prohibition contained in subsection (a), funds appropriated pursuant to an authorization provided in this title for deployment and support of the National Emergency Command Authority's E-4 aircraft shall be available for obligation and expenditure for such deployment and support if (1) an alternative deployment site more than five hundred miles inland from the Atlantic coast has been selected, (2) the chairmen of the Committees on Armed Services of the Senate and the House of Representatives have been notified in writing of the selected site, and (3) thirty days have elapsed following the date on which such notification is received by the chairmen of such committees.

NAVY SHIP OVERHAULS

SEC. 303. Of the funds authorized in section 301(a)(2), not more than $2,518,800,000 may be obligated or expended for ship overhauls for the Navy.

TITLE IV—ACTIVE FORCES

AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1983, as follows:

(1) The Army, 778,600.

(2) The Navy, 555,800.

(3) The Marine Corps, 193,300.

(4) The Air Force, 589,500.

AUTHORITY TO EXCEED END STRENGTH AUTHORIZATION

SEC. 402. (a) Section 138(c)(1)(A) of title 10, United States Code, is amended by adding the following new sentence after the first sentence: "The end strength authorized for any component of the armed forces for any fiscal year may be increased by a number equal to not more than 0.5 per centum of the total end strength authorized for such component for such fiscal year if the Secretary of Defense determines that such increase is needed to maintain a stable personnel force.".

(b) The amendment made by subsection (a) shall apply with respect to end strengths for active-duty personnel authorized for fiscal years beginning after September 30, 1981.

LIMITATION ON NUMBER OF NON-HIGH-SCHOOL GRADUATE RECRUITS

SEC. 403. Section 302(a) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 10 U.S.C. 520 note), is amended by striking out "October 1, 1981" and "September 30, 1982" and inserting in lieu thereof "October 1, 1982" and "September 30, 1983", respectively.

ACCRUED LEAVE SAVING PROVISION

SEC. 404. A member of the Armed Forces of the United States who was authorized under section 701(f) of title 10, United States Code, to accumulate ninety days' leave during fiscal year 1980 and lost any leave at the end of fiscal year 1981 shall be recredited with such lost leave and may retain leave in excess of sixty days until the end of fiscal year 1982, but in no case may such member accumulate leave in excess of ninety days.

TITLE V—RESERVE FORCES

AUTHORIZATION OF AVERAGE STRENGTHS FOR SELECTED RESERVE

SEC. 501. (a) For fiscal year 1983 the Selected Reserve of the Reserve components of the Armed Forces shall be programed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 407,400.

(2) The Army Reserve, 258,700.

(3) The Naval Reserve, 105,500.

(4) The Marine Corps Reserve, 38,300.

(5) The Air National Guard of the United States, 101,100.

(6) The Air Force Reserve, 66,000.

(7) The Coast Guard Reserve, 10,700.

(b) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

AUTHORIZATION OF END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

SEC. 502. (a) Within the average strengths prescribed in section 501, the Reserve components of the Armed Forces are authorized, as of September 30, 1983, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 14,419.

(2) The Army Reserve, 8,251.

(3) The Naval Reserve, 12,038.

(4) The Marine Corps Reserve, 678.

(5) The Air National Guard of the United States, 5,158.

(6) The Air Force Reserve, 479.

(b) Upon a determination by the Secretary of Defense that such action is in the national interest, the end strengths prescribed by subsection (a) may be increased by a total of not more than the number equal to 2 per centum of the total end strengths prescribed.

INCREASE IN NUMBER OF CERTAIN PERSONNEL AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 503. (a) Section 517 of title 10, United States Code, is amended by striking out the table in subsection (b) and inserting in lieu thereof the following:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	265	156	132	6
E-8	1,244	329	441	56".

(b) The columns with the headings "Army", "Air Force", and "Marine Corps" in the table contained in section 524(a) of such title are amended to read as follows:

"Army	Air Force	Marine Corps
1,351	281	95
671	267	40
234	170	21".

TITLE VI—CIVILIAN PERSONNEL

AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1983, as follows:

(1) The Department of the Army, 378,000.

(2) The Department of the Navy, including the Marine Corps, 320,600.

(3) The Department of the Air Force, 242,800.

(4) Activities and agencies of the Department of Defense (other than the military departments), 83,000.

(b) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program, and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(c) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1983 in the budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 per centum of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS

AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1983, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 78,311.

(2) The Navy, 66,930.

(3) The Marine Corps, 20,435.

(4) The Air Force, 48,769.

(5) The Army National Guard of the United States, 18,052.

(6) The Army Reserve, 14,579.

(7) The Naval Reserve, 1,000.

(8) The Marine Corps Reserve, 2,971.

(9) The Air National Guard of the United States, 2,328.

(10) The Air Force Reserve, 1,351.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components authorized in subsection (a) for fiscal year 1983 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—ATTACK-RELATED CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 801. There is hereby authorized to be appropriated for fiscal year 1983 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251-2297) the sum of $144,530,000.

AMOUNT AUTHORIZED FOR CONTRIBUTION FOR STATE PERSONNEL AND ADMINISTRATIVE EXPENSES

SEC. 802. The third sentence of section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) is amended by striking out "$47,000,000" in the second proviso and inserting in lieu thereof "$50,000,000".

TITLE IX—SUPPLEMENTAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 901. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), there is hereby authorized to be appropriated to the Navy and the Air Force for fiscal year 1982 for procurement in amounts as follows:

For the Navy: for naval vessels, $263,400,000.

For the Air Force: for aircraft, $219,100,000 and missiles, $5,300,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 902. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, there is hereby authorized to be appropriated to the Air Force for fiscal year 1982 for research, development, test, and evaluation, $16,400,000.

OPERATION AND MAINTENANCE

SEC. 903. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States and other activities and agencies of the Department of Defense for operation and maintenance in amounts as follows:

For the Army, Army Reserve and Army National Guard, $90,200,000.

For the Navy, Naval Reserve and Marine Corps, $164,600,000.

For the Air Force, Air Force Reserve and Air National Guard, $30,300,000.

For the Defense Agencies and Defense-wide activities, $41,200,000.

INCREASE IN END STRENGTH AUTHORIZATION FOR THE ARMY FOR FISCAL YEAR 1982

SEC. 904. Section 401 of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1104), is amended by striking out "Army, 780,300" and inserting in lieu thereof "Army, 784,400".

TITLE X—ADDITIONAL AUTHORIZATIONS FOR FISCAL YEAR 1982

PROCUREMENT

SEC. 1001. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1099), funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for procurement in amounts as follows:

NAVY

For the Navy: for naval vessels, $123,600,000.

AIR FORCE

For the Air Force: for aircraft (including aircraft for the Air National Guard), $137,800,000 and missiles, $12,000,000.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 1002. In addition to the funds authorized to be appropriated in the Department of Defense Authorization Act, 1982, funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Navy and Air Force for research, development, test, and evaluation in amounts as follows:

For the Navy: $53,969,000.

For the Air Force: $73,000,000.

TITLE XI—GENERAL PROVISIONS

SPECIAL DEFENSE ACQUISITION FUND

SEC. 1101. Section 138(g) of title 10, United States Code, is amended—

(1) by striking out "and" after "1982" and inserting in lieu thereof a comma; and

(2) by inserting ", and may not exceed $900,000,000 in fiscal year 1984" after "1983".

INCREASE DOLLAR AMOUNTS FOR REPORTS TO CONGRESS REGARDING TRANSFER OF DEFENSE ARTICLES

SEC. 1102. Section 813 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 133 note) is amended by striking out "$25,000,000" and inserting in lieu thereof "$50,000,000".

REPORTS ON UNIT COSTS OF MAJOR DEFENSE SYSTEMS

SEC. 1103. (a)(1) The program manager (as designated by the Secretary concerned) for each major defense system included in any selected acquisition report submitted to the Congress pursuant to section 811 of the Department of Defense Appropriations Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 139 note), shall submit to the Secretary concerned, as hereinafter provided in this section, a written report on the unit cost of the major defense system included in such selected acquisition report for which such manager has responsibility. The program manager shall submit such report to the Secretary concerned not more than seven days after the end of any quarter for which a selected acquisition report is required to be submitted to the Congress containing information on such defense system. The program manager shall include in each such unit cost report—

(A) the total program acquisition unit cost for such major defense system as of the last day of the quarter for which the report is being made; and

(B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted, the current procurement unit cost for such major defense system as of the last day of the quarter for which the report is being made.

(2) If at any time during any quarter for which a unit cost report is required under this section, the program manager of a major defense system referred to in paragraph (1) has reasonable cause to believe that (A) the total program acquisition unit cost, or (B) in the case of a major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which such report is to be sub-

mitted, the current procurement unit cost has exceeded the applicable percentage increase specified in subsection (b), such manager shall immediately submit to the Secretary concerned a unit cost report containing the information, as of the date of such report, required by paragraph (1).

(3) The program manager shall also include in each unit cost report submitted for any major defense system pursuant to paragraph (1) or (2) any change from the schedule milestones or system performances with respect to such system reflected in the selected acquisition report used as the base for applying the applicable percentage increase specified in subsection (b) and that is known, expected, or anticipated by such manager.

(b)(1)(A) The Secretary concerned shall determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether the total program acquisition unit cost (including any increase for expected inflation) for any major defense system for which no procurement funds are authorized for the fiscal year containing the quarter for which the report is submitted has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the total program acquisition unit cost (including any increase for expected inflation) for any such major defense system has increased by more than the amount referred to in subparagraph (A), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which the determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(2)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) the current procurement unit cost of any major defense system for which procurement funds are authorized for the fiscal year containing the quarter for which the unit cost report is submitted has increased by more than 15 per centum over the procurement unit cost derived from the selected acquisition report which first included information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) of such system has increased by more than 15 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost has increased by more than the percentage referred to in subparagraph (A)(i) or that the total program acquisition unit cost (including any increase for expected inflation) has increased by more than the percentage referred to in subparagraph (A)(ii), he shall notify the Congress in writing of such determination and of the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system, no additional funds may be obligated in connection with such system after the end of the thirty-day period beginning on the day on which the Secretary makes such determination.

(3) The prohibition contained in paragraphs (1) and (2) on the obligation of funds shall not apply in the case of any major defense system to which such prohibition would otherwise apply if the Secretary concerned submits to the Congress, before the end of the thirty-day period referred to in paragraph (1) or (2), a written report which includes—

(A) a statement of the dollar increase in total program acquisition unit cost or procurement unit cost, in both current and constant dollars, and the percentage increase for each;

(B) a statement of the reasons for such increase in total program acquisition unit cost or procurement unit cost;

(C) the identities of the military and civilian officers responsible for program management and cost control of the major defense system;

(D) except when the cost increase is due solely to termination or cancellation of the entire program for the major defense system—

(i) the action taken and proposed to be taken to control future cost growth of such system, and

(ii) any changes made in the performance or schedule milestones of such system and the extent to which such changes have contributed to the increase in total program acquisition unit cost or procurement unit cost;

(E) the identities of the principal contractors for the major defense system; and

(F) the history of the total program acquisition unit cost of such major defense system, including all changes in such unit cost, from the date of the selected acquisition report which first included information on such defense system.

(c)(1)(A) The Secretary concerned shall also determine within seven days after any unit cost report has been submitted to him pursuant to subsection (a) whether—

(i) in the case of any such system for which procurement funds are authorized for the fiscal year in which the unit cost report is submitted, the current procurement unit cost of such system has increased by more than 25 per centum over the procurement unit cost derived from the selected acquisition report which first included the information on such defense system or derived from the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later, or

(ii) the total program acquisition unit cost (including any increase for expected inflation) for a major defense system has increased by more than 25 per centum over the total program acquisition unit cost for such system as reflected in the selected acquisition report which first included the information on such defense system or as reflected in the selected acquisition report covering the first quarter of the fiscal year immediately preceding the fiscal year containing the quarter for which such unit cost report is submitted to the Secretary concerned, whichever selected acquisition report is later.

(B) If the Secretary concerned determines that the current procurement unit cost of a major defense system referred to in subparagraph (A)(i) has increased by more than the percentage referred to in such subparagraph or that the total program acquisition unit cost (including any increase for expected inflation) for a major defense system referred to in subparagraph (A)(ii) has increased by more than the percentage referred to in such subparagraph, he shall notify the Congress in writing of such determination and the increase with respect to such system within ten days after the unit cost report was submitted to him. The Secretary shall include in such notice the date on which such determination was made. Except as provided in paragraph (3), if the Secretary makes such a determination with respect to a major defense system and submits a report to the Congress with respect to such system pursuant to subsection (b)(3), no additional funds may be obligated in connection with such system after the end of the sixty-day period beginning on the day on which the Secretary makes such determination.

(2) The prohibition contained in paragraph (1) on the obligation of funds shall not apply in the case of a major defense system to which such prohibition would otherwise apply if—

(A) the cost increase was due solely to termination or cancellation of the entire program for the major defense system; or

(B) the Secretary of Defense submits to the Congress, before the end of the sixty-day period referred to in such paragraph, a written certification stating that—

(i) such system is essential to the national security;

(ii) there are no alternatives to such system which will provide equal or greater military capability at less cost;

(iii) the new estimates of the total program acquisition unit cost or procurement unit cost are reasonable; and

(iv) the management structure for such major defense system is adequate to manage and control total program acquisition unit cost or procurement unit cost.

(d) As used in this section:

(1) The term "total program acquisition unit cost" means, in the case of a major defense system, the amount equal to (A) the total cost for development and procurement of, and system-specific military construction for, such system, divided by (B) the number of fully configured end items to be produced for such system.

(2) The term "procurement unit cost" means, in the case of a major defense system, the amount equal to (A) the total of all procurement funds available for such system in any fiscal year, reduced by the amount of any funds appropriated for such fiscal year for advanced procurement for such system in any year subsequent to such fiscal year and increased by any amount appropriated in years prior to such fiscal year for advanced procurement for such system in such fiscal year, divided by (B) the number of fully configured end items to be procured with such funds during such fiscal year.

(3) The term "Secretary concerned" has the same meaning as provided in section 101(8) of title 10, United States Code.

REQUIREMENTS RELATING TO THE AWARDING OF SOLE-SOURCE CONTRACTS

SEC. 1104. (a) Chapter 137 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2316. Requirements pertaining to the awarding of sole-source contracts

"(a) In this section—

"(1) 'sole-source contract' means a negotiated contract for the purchase of property or services which is entered into or proposed to be entered into by a military department or defense agency after soliciting the purchase of such property or services from only one contractor; and

"(2) 'person' has the same meaning as provided in section 551(2) of title 5.

"(b)(1) The head of a military department or defense agency may not enter into negotiations for the award of a sole-source contract for more than $100,000 unless—

"(A) the head of such department or agency has first published in the Commerce Business Daily a notice that the department or agency intends to negotiate such contract;

"(B) a period of at least thirty days after the date of the first publication of the notice has expired, and all interested responsible persons have been permitted to respond or submit proposals in response to such notice within such period;

"(C) the head of such department or agency has considered all responses submitted within the thirty-day period referred to in clause (B); and

"(D) the head of such department or agency has approved the proposal to negotiate such contract.

"(2) The notice required under paragraph (1)(A) shall include—

"(A) all information pertaining to the contract that would be required to be published if the contract were to be awarded under formal advertising procedures; and

"(B) a statement that any person may respond to the notice within thirty days after the date of the publication of the notice.

"(c) The Secretary of Defense may waive the requirements of subsection (b) in the case of any contract if he determines such action is necessary because of national security reasons.

"(d) The provisions of subsection (b) shall not apply in the case of—

"(1) a classified procurement if the notice required under subsection (b)(1)(A) cannot reasonably be worded to avoid disclosure of classified information;

"(2) a procurement with respect to which disclosure of the Government's interest in the property or service to be purchased would compromise the national security;

"(3) the procurement of utility services (not including the purchase of equipment or supplies);

"(4) the procurement of perishable subsistence and services related thereto, if the head of the military department or defense agency determines that it is impracticable to comply with the thirty-day requirement referred to in subsection (b)(1)(B);

"(5) a procurement with respect to which only foreign sources are to be solicited;

"(6) a procurement from another agency, including a procurement from the Small Business Administration under section 8(a) of the Small Business Act (15 U.S.C. 637(a));

"(7) the procurement of any property or service the price of which is established by law;

"(8) a procurement that is of such urgency that the Government would be seriously injured by the delay involved in complying with the thirty-day requirement referred to in subsection (b)(1)(B);

"(9) the procurement of any property or service the cost of which is to be reimbursed by a foreign country, if the foreign country requires that the property or service be obtained from a particular source;

"(10) a procurement to be awarded as a follow-on contract or a contract for related supplies or services if such follow-on contract or contract for related supplies or services is awarded in connection with a program for the procurement of an end item of a major weapons system for which there was a contract competition evaluated on the basis of price and design factors or price and technical factors;

"(11) the procurement of personal or professional services in an amount less than $500,000, to the extent that a determination is made that only one source can provide the desired service;

"(12) the procurement of construction services if a contractor or group of contractors is already at work on the site at which such services are to be provided and it would not be practicable to allow another contractor or additional contractors to work on the same site;

"(13) procurements to be made by an order placed under an existing contract, but only if the existing contract was awarded after a notice published in the Commerce Business Daily in accordance with subsection (a);

"(14) facilities contracts when the performance required practicably can be obtained only from one source; and

"(15) procurements from nonprofit institutions.

"(e) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, not later than March 1 of each year, a report on all sole-source contracts of more than $100,000 entered into by each military department and defense agency during the preceding fiscal year. Such report shall include the number of sole-source contracts entered into during the preceding fiscal year by each such department and agency that were exempt from the requirement of subsection (b) and the total dollar amount of such contracts.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2316. Requirements pertaining to the awarding of sole-source contracts.".

(c) The amendments made by subsections (a) and (b) shall apply with respect to contracts entered into more than sixty days after the date of the enactment of this Act.

REPEAL OF PROHIBITION ON PURCHASE OF ADMINISTRATIVE USE VEHICLES FROM FOREIGN SOURCES

SEC. 1105. Section 783 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1591), is repealed.

PURCHASE OF CHEMICAL WARFARE PROTECTIVE CLOTHING AND ITEMS CONTAINING SPECIALTY METALS FROM FOREIGN SOURCES

SEC. 1106. Section 723 of the Department of Defense Appropriations Act, 1982 (Public Law 97-114; 95 Stat. 1582) is amended by inserting after the first colon the following new proviso: "*Provided*, That nothing in this section shall preclude the procurement of specialty metals or chemical warfare protective clothing produced outside the United States or its possessions if such procurement is necessary to comply with agreements with foreign governments requiring the United States to purchase supplies from foreign sources for the purposes of offsetting sales made by the United States Government or United States firms under approved programs serving defense requirements or if such procurement is necessary in furtherance of the standardization and interoperability of equipment requirements within the North Atlantic Treaty Organization (NATO) so long as such agreements with foreign governments comply, where applicable, with the requirements of section 36 of the Arms Export Control Act (22 U.S.C. 2776) and section 814 of the Department of Defense Appropriation Authorization Act, 1976 (Public Law 94-106; 10 U.S.C. 2351 note):".

PROHIBITION AGAINST CONSOLIDATING FUNCTIONS OF THE MILITARY TRANSPORTATION COMMANDS

SEC. 1107. (a) None of the funds appropriated pursuant to an authorization of appropriations in this or any other Act may be used for the purpose of consolidating any of the functions being performed on the date of the enactment of this Act by the Military Traffic Management Command of the Army, the Military Sealift Command of the Navy, or the Military Airlift Command of the Air Force with any function being performed on such date by either or both of the other commands referred to in this subsection.

(b) The Secretary of Defense shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives explaining—

(1) any changes proposed or contemplated by the Department of Defense in the management structure or contracting authority of the three commands referred to in subsection (a);

(2) the necessity or desirability of such changes and the effect such changes likely would have on the operational readiness of each of the commands referred to in subsection (a);

(3) the consequences such changes likely would have on the ability of the fleet support elements of the Military Sealift Command of the Navy to be fully integrated and fully supportive of the operating naval fleets;

(4) the effect such proposed or contemplated changes likely would have on the Navy's ability to develop comprehensive shipbuilding, ship repair, and ship maintenance programs;

(5) the effect such proposed or contemplated changes likely would have on the identification and fulfillment of the over-

land movement and ocean terminal needs of the Army;

(6) the anticipated cost savings, if any, which would result from such changes; and

(7) the relationship that any new transportation organization that may be established by the Department of Defense would have with the Joint Deployment Agency.

The Secretary shall submit such report to the committees not later than March 1, 1983, together with such comments, recommendations, and proposals for legislation as he considers appropriate.

REPORT ON ALLIED CONTRIBUTIONS TO THE COMMON DEFENSE

SEC. 1108. (a) In recognition of the increasing military threat faced by the Western World and in view of the growth, relative to the United States, in the economic strength of Japan, Canada, and a number of Western European countries which have occurred since the signing of the North Atlantic Treaty on April 4, 1949, and the Mutual Cooperation and Security Treaty between Japan and the United States on January 19, 1960, it is the sense of the Congress that—

(1) the burdens of mutual defense now assumed by some of the countries allied with the United States under those agreements are not commensurate with their economic resources; and

(2) the continued unwillingness of those countries to increase their contributions to the common defense to more appropriate levels will endanger the vitality, effectiveness, and cohesiveness of the alliances between those countries and the United States.

(b) It is further the sense of Congress that the President should seek from each signatory country (other than the United States) of the two treaties referred to in subsection (a) acceptance of international security responsibilities and an agreement to make contributions to the common defense which are commensurate with the economic resources of such country, including, when appropriate, an increase in host nation support.

(c)(1) The Secretary of Defense shall submit to the Congress not later than March 1, 1983, a classified report containing—

(A) a comparison of the fair and equitable shares of the mutual defense burdens of these alliances that should be borne by the United States, by other member nations of the North Atlantic Treaty Organization (NATO), and by Japan, based upon economic strength and other relevant factors, and the actual defense efforts of each nation together with an explanation of disparities that currently exist;

(B) a description of efforts by the United States and of other efforts to eliminate existing disparities;

(C) estimates of the real growth in defense spending in fiscal year 1983 projected for each NATO member nation compared with the annual real growth goal in the range of 3 percent set in May 1978;

(D) a description of the defense-related initiatives undertaken by each NATO member nation within the real growth in defense spending of such nation in fiscal year 1983;

(E) an explanation of those instances in which the commitments to real growth in defense spending and to the long-term defense program have not been realized and a description of efforts being made by the United States to ensure fulfillment of these important NATO commitments; and

(F) a description of the activities of each NATO member and Japan to enhance the security and stability of the Southwest Asia region and to assume additional missions for their own defense as the United States allocates additional resources to the mission of protecting Western interests in world areas not covered by the system of Western alliances.

(2) The Secretary of Defense shall also submit to the Congress not more than thirty days after the submission of the report required under paragraph (1) an unclassified report containing the matters set forth in clauses (A) through (F) of such paragraph.

CRITICAL SKILL NEEDS AND SUPPLIES

SEC. 1109. The Secretary of Defense, in conjunction with the Secretary of Labor, shall conduct a study to determine the level of skilled labor needed and available in the civilian work force to accomplish the programs planned by the Department of Defense for fiscal years 1983 through 1987 and needed and available during a mobilization period. The Secretary shall submit a report on the results of such study, not later than February 15, 1983, to the Committees on Armed Services of the Senate and the House of Representatives. Such report shall include—

(1) an analysis of the expected level of the demand for skilled labor in the civilian work force, by type of skill and by regions of the country, to accomplish defense programs during fiscal years 1983 through 1987 and the expected level of the supply of such labor in the civilian work force available to meet such demand during such fiscal years;

(2) an analysis of the expected level of demand for skilled labor in the civilian work force, by skill and by regions of the country, during a mobilization period and of the ability of the present civilian labor work force to meet such a demand; and

(3) recommendations for programs or legislation to effect any improvements in the level of skilled labor in the civilian work force needed to accomplish defense programs during fiscal years 1983 through 1987 or during a mobilization period.

TECHNOLOGY TRANSFER CONTROL POLICY

SEC. 1110. (a) The Secretary of Defense shall conduct a study of the effectiveness of the technology transfer control policy formulation and related activities of the Department of Defense and shall submit the results of such study to the Congress not later than December 31, 1982, together with such comments and recommendations for such improvements as he considers appropriate. The Secretary shall specifically indicate in such report whether he favors establishing a separate office within the Office of the Secretary of Defense to manage and coordinate technology transfer control policy formulation and related activities within the Department of Defense and shall indicate his reasons for favoring or not favoring, as the case may be, the establishment of such a separate office. The Secretary shall make available sufficient manpower and fiscal resources from the Office of the Secretary of Defense and the military departments to ensure that the requested study is carried out in a complete and timely manner.

(b) The Secretary of Defense shall also submit to the Congress a written report, not later than February 15 of each fiscal year, recommending the amount of funds to be appropriated to carry out the technology transfer control policy formulation and related activities of the Department of Defense during the next fiscal year. The Secretary shall also include in such report the proposed allocation of the funds requested for such purpose and the number of personnel proposed to be assigned to carry out such activities during such fiscal year.

REPORT ON STANDARDIZATION AND INTEROPERABILITY OF NATO WEAPONS AND EQUIPMENT

SEC. 1111. Section 302(c) of the Department of Defense Appropriation Authorization Act, 1975 (88 Stat. 402; 10 U.S.C. 2451 note), is amended by adding at the end thereof the following: "The Secretary shall also include in each such report—

"(1) a description of each existing and planned program of the Department of Defense that supports the development or procurement of a weapon system or other military equipment originally developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States and for which funds have been authorized to be appropriated for the fiscal year in which the report is submitted;

"(2) a summary listing of the amount of funds appropriated for all such existing and planned programs for the fiscal year in which the report is submitted; and

"(3) a summary listing of the amount of funds requested, or proposed to be requested, for all such programs for each of the two fiscal years following the fiscal year for which the report is submitted.

Such report shall also include a description of each weapon system or other military equipment originally developed or procured in the United States and that is being developed or procured by members of the North Atlantic Treaty Organization (NATO) other than the United States during the fiscal year for which the report is submitted.".

ADMINISTRATION BY THE SECRETARY OF DEFENSE OF SCHOOLS ON MILITARY INSTALLATIONS

SEC. 1112. Notwithstanding the provisions of paragraph (3) of section 505(c) of the Omnibus Reconciliation Act of 1981 (Public Law 97-35; 95 Stat. 443), the Secretary of Defense shall be responsible for the conduct of programs carried out with funds of the Department of Defense made available by such section, and the Secretary may not delegate such responsibility outside the Department of Defense.

TEMPORARY INCREASE IN NUMBER OF NAVY OFFICERS THAT MAY SERVE IN GRADES OF ADMIRAL AND VICE ADMIRAL

SEC. 1113. (a) Section 525(b)(2) of title 10, United States Code, is amended by striking out "15 percent" each place it appears and inserting in lieu thereof "17½ percent".

(b) Effective October 1, 1983, section 525(b)(2) of such title is amended by striking out "17½ percent" each place it appears and inserting in lieu thereof "15 percent".

MODIFICATION OF REPORTS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 1114. (a) Section 502 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2304 note) is amended—

(1) by striking out "Department of Defense personnel" each time it appears and inserting in lieu thereof "Department of Defense civilian personnel"; and

(2) by striking out subsection (d) and inserting in lieu thereof the following:

"(d) Except as provided in subsection (a)(1), subsections (a) through (c) shall not

apply to a commercial or industrial type function of the Department of Defense that is being performed by less than fifty Department of Defense civilian personnel.

"(e) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified, reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

"(f) The provisions of this section shall not apply during war or a period of national emergency declared by the President or the Congress.".

(b) The amendments made by subsection (a) shall become effective on October 1, 1982.

MILITARY RECRUITING INFORMATION

SEC. 1115. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "The Secretary"; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Each regulation issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading for section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information".

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available, upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to any person who, within ninety days before the date on which such information was requested (1) has made application for enlistment in the armed forces, or (2) has made, in connection with such person's application for enlistment, an application for participation in a program of the armed forces which requires a determination of the trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, citation, or conviction of any person referred to in subsection (a):

"(1) The offense involved.

"(2) The age of the person with respect to whom such information pertains.

"(3) The dates of the arrest, citation, and conviction, if any.

"(4) The place the offense was alleged to have been committed, the place of the arrest, and the court to which the case was assigned.

"(5) The disposition of the case.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of the Senate and the House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COOPERATIVE MILITARY AIRLIFT AGREEMENTS

SEC. 1116. (a) Chapter 131 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 2213. Cooperative military airlift agreements

"(a) Subject to the availability of appropriations, and after consultation with the Secretary of State, the Secretary of Defense may enter into a cooperative military airlift agreement with the government of any allied country for the transportation of the personnel and cargo of the military forces of such country on aircraft operated by or for the military forces of the United States in return for the reciprocal transportation of the personnel and cargo of the military forces of the United States on aircraft operated by or for the military forces of such allied country. Any such agreement shall include the following terms:

"(1) The rate of reimbursement for transportation provided shall be the same for each party which rate shall not be less than the rate charged to military forces of the United States as determined by the Secretary of Defense under section 2208(h) of this title.

"(2) Credits and liabilities accrued as a result of providing or receiving transportation shall be liquidated not less often than once every three months by direct payment to the country which has provided the greater amount of transportation.

"(3) During peacetime, the only military airlift capacity which may be used to provide transportation is that capacity which is not needed to meet the transportation requirements of the military forces of the country providing the transportation and which is not created solely to accommodate the requirements of the military forces of the country receiving the transportation.

"(4) Defense articles purchased by an allied country from the United States under the Arms Export Control Act (22 U.S.C. 2751 et seq.) or from a commercial source under the export controls of the Arms Export Control Act may not be transported (for the purpose of delivery incident to the purchase of the defense articles) to the purchasing allied country on aircraft operated by or for the military forces of the United States except at a rate of reimbursement which is equal to the full cost of transportation of the defense articles, as required by section 21(a)(3) of the Arms Export Control Act (22 U.S.C. 2761(a)(3)).

"(b) The Secretary of Defense may also enter into nonreciprocal military airlift agreements with North Atlantic Treaty Organization subsidiary bodies in the manner provided in subsection (a) and under such terms as the Secretary of Defense considers appropriate.

"(c) Any amount received by the United States as a result of an agreement entered into under this section shall be credited to applicable appropriations, accounts, and funds of the Department of Defense.

"(d) Notwithstanding chapter 138 of this title, military airlift agreements may be entered into only under the authority of this section.

"(e) In this section—

"(1) 'Allied country' means—

"(A) a country which is a member of the North Atlantic Treaty Organization (NATO);

"(B) Australia and New Zealand; and

"(C) any other country designated as an allied country by the Secretary of Defense with the concurrence of the Secretary of State.

"(2) 'North Atlantic Treaty Organization subsidiary bodies' has the meaning given such term by section 2331 of this title.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"2213. Cooperative military airlift agreements.".

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. 1117. None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal.

DEFENSE DEPENDENTS' EDUCATION SYSTEM

SEC. 1118. (a)(1)(A) Sections 202(e), 208, 302, 401(f), 419(a)(2), and 503(a)(2) of the Department of Education Organization Act (20 U.S.C. 3412(e), 3418, 3442, 3461(f), 3479(a)(2), and 3503(a)(2)) are repealed.

(B) The items relating to sections 208 and 302 in the table of contents of such Act are repealed.

(2) The second sentence of section 414(b) of such Act (20 U.S.C. 3474(b)) is amended by striking out "302,".

(b)(1) Section 1402 of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921) is amended by adding at the end thereof the following new subsection:

"(c)(1) In carrying out subsections (a) and (b), the Secretary of Defense may request the Secretary of Education to furnish to the Secretary of Defense information, advice, and technical support concerning educational programs and practices.

"(2) The Secretary of Education may furnish to the Secretary of Defense any information, advice, and technical support requested under paragraph (1).".

(2) The second sentence of section 1410(b) of such Act (20 U.S.C. 928(b)) is amended by striking out "The Secretary of Education, in consultation with the Secretary of Defense," and inserting in lieu thereof "The Secretary of Defense".

(3)(A) Subsection (a) of section 1411 of such Act (20 U.S.C. 929) is amended to read as follows:

"(a)(1) There is established in the Department of Defense an Advisory Council on Dependents' Education (hereinafter in this section referred to as the 'Council'). The Council shall be composed of—

"(A) the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics (hereinafter in this section referred to as the 'Assistant Secretary'), who shall be the chairman of the Council;

"(B) twelve individuals, appointed by the Assistant Secretary, who have demonstrated an interest in the field of primary or secondary education and who shall include representatives of professional employee organizations, school administrators, sponsors of students enrolled in the defense dependents' education system, and one student enrolled in such system; and

"(C) representatives from overseas military commands and from educational organizations as designated by the Assistant Secretary.

"(2) The Director shall be the Executive Secretary of the Council.".

(B) Subsection (b)(1) of such section is amended by striking out "Secretary of Education" and inserting in lieu thereof "Assistant Secretary".

(C) Subsection (c) of such section is amended—

(i) by striking out "four times" in the first sentence and inserting in lieu thereof "once";

(ii) by striking out clauses (2) and (4);

(iii) by redesignating clauses (3) and (5) as clauses (2) and (3), respectively; and

(iv) by striking out "Secretary of Education" in clause (3) (as redesignated by clause (iii) of this subparagraph) and inserting in lieu thereof "Assistant Secretary".

(4) Section 1412 of such Act (20 U.S.C. 930) is repealed.

(c) Section 5316 of title 5, United States Code, is amended by striking out "Administrator of Education for Overseas Dependents, Department of Education.".

Amend the title so as to read: "A bill to authorize appropriations for fiscal year 1983 for the Armed Forces for procurement for research, development, test, and evaluation, and for operation and maintenance, to prescribe personnel strengths for such fiscal year for the Armed Forces and for civilian employees of the Department of Defense, to authorize supplemental appropriatioins for fiscal year 1982, to provide additional authorizations for fiscal year 1982, and for other purposes.".

Mr. TOWER. Mr. President, for the benefit of my colleagues, I think that I should ask the question on the status of the bill and the parliamentary situation. It is my understanding that the bill now is treated as original text for the purpose of amendment, just as it was prior to the recommittal motion.

Mr. DOLE addressed the chair.

The PRESIDING OFFICER. The Senator is correct. The proposed bill is now amendable in two degrees.

Mr. TOWER. Mr. President, I wanted to ask that question to assure all Senators who had amendments that their right to offer those amendments or any amendment they seek to offer will be in order. It is my understanding that we shall turn shortly to consideration of the social security amendment. I just want to say a word, Mr. President.

Regardless of what my vote on that proposal might be, I am loath to see nongermane matters offered to this bill for consideration by the Senate. Sometimes, we in the Committee on Armed Services are accused of reaching out and grabbing jurisdiction that does not belong to us. Now it seems a great deal is being conferred on us. I think it is wonderful that not only are we now devising the Nation's weapons systems and overseeing the Army, Navy, and Marine Corps, we are now being given responsibility in the field of social security. I have no doubt that we are going to be given some in the area of foreign relations. I think that we shall try to exercise our judgment on matters that we do not ordinarily consider when we get to conference.

As a matter of fact, Mr. President, I have given serious thought if, indeed, these nongermane amendments prevail, to perhaps offering an agriculture bill here. I would like to get more actively involved in agricultural policy. It occurs to me that we could take that to conference and really have a very good time with that.

This is only by way of saying, Mr. President, that I do not really think this is a responsible way to legislate. I think we are bypassing the committee process, putting too much in conference committees that are not within the jurisdiction of those committees under normal circumstances.

Mr. LONG. Will the Senator yield?

Mr. TOWER. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I would like to have the attention of the majority leader, if I may, as well as the attention of the manager of the bill.

There are some of us who appreciate the problems of managing a bill with regard to extraneous amendments. But Senators are also sensitive about the possibility that, due to the rather severe limitations that exist on handling budget measures, the budget resolution itself as well as the reconciliation resolution, if we do not vote for an amendment on a situation such as today, we might be precluded from voting on that because of the germaneness of amendments or some other aspect of the matter.

Can we be assured that if we vote to table the amendment on the basis that it is not germane to this bill, we will have the opportunity, if we wish, to vote for the same amendment on the budget bill when that comes up or on the reconcilation bill when that comes before us?

Mr. TOWER. I yield to the majority leader for the purpose of responding.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, I cannot give the Senator that assurance. I expect that there will be more to deal with on the budget resolution.

Mr. President, I point out—and perhaps this does not impress anybody in this Chamber but me, but I rather expect it does—the only stock in trade I have or the minority leader has or any other Senator has is his word in the Senate. I stood up yesterday and I said I am going to introduce this amendment, and I am. I hope the amendment will be adopted. This is not the orderly and best way to deal with this. I made that argument yesterday. But I suspect there are Senators certainly on this side, maybe even on the other side of the aisle, that relied on the statement and representation that I made that this amendment would be offered. As much as I agree with the Senator from Texas about the jurisdictional aspect of this matter and the Senator from Mississippi, the only thing I put above my esteem for them is my dedication to the commitment that I made to the Senate.

Mr. President, under normal circumstances, I would not do this. I would not offer this amendment. I would offer to table this amendment. But that is not the situation. I made a commitment to the Senate that we

would do this. Mr. President, I simply have to do that. I am sorry that it discommodes the Senator from Texas, as indeed it does, and messes up this bill, as I am sure it does, or that I cannot give an assurance to the Senator from Louisiana that there will be another and later time. I suspect there will be. I do not think this issue will go away. I think it will come up, and perhaps often, in the debate on the budget resolution.

But the fundamental commitment I have, Mr. President, is to fulfill the obligation that I stated on the floor yesterday. I urge Senators to consider that I must now try to fulfill that. I hope they will support the amendment that will be offered by the Senator from Kansas and a second-degree amendment that I will offer to it; that we will get on with the sure knowledge that it will in no way prejudice this debate on the budget resolution when it comes up.

Mr. LONG. The reason I ask the question——

Mr. TOWER. Mr. President, I still have the floor. I want to make it very clear that what I had to say was no implied criticism of the distinguished majority leader because this situation was thrust upon him. It is not one that he asked for. We have to make the best of what I consider to be a bad situation. As I say, I withhold my judgment on whether I will vote for the amendment to be offered by the Senator from Kansas. If I do vote for it, I would not want that to be interpreted as endorsement of bringing extraneous matters into a military authorization bill where they do not belong.

Mr. BAKER. If the Senator will yield to me, I join him in urging Senators to understand that these are uniquely special circumstances. The fact that I offer an amendment, or the Senator from Kansas does, in no way implies that this is good practice, but it is necessary to accommodate the circumstances of this moment, those circumstances being there is an outstanding commitment that I must obey.

Mr. TOWER. Mr. President, I yield the floor.

Mr. STENNIS. Will the Senator yield to me?

Mr. TOWER. I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I highly commend the Senator from Texas for the very firm stand he has taken in defending this bill and fulfilling his special obligation as chairman of the Senate Armed Services Committee. I commend him for doing that in spite of the situation that our highly respected majority floor leader finds himself in on this amendment. I do not blame him for the amendment that he has already offered.

Mr. President, the time has come when committees are going to have to protect themselves, protect their jurisdiction, to carry out their responsibilities; otherwise, it will be mumbo jumbo. We are getting careless; we are ruining our committee system.

Senators can go on record as to what their favorites are, what they favor in reference to social security. I do not yield to anyone's concern about that subject matter and that it be put on a firm foundation, which includes the idea of it being a real trust fund separate from the rest of the budget; that everything be done to make it sound for the future. But I know that most of the work is going to come from the Senate Finance Committee. They have a staff that knows the subject. Then there will be a special report from a commission, if they wait long enough.

I am not making that secondary, but for this bill first things have to come first. I voted for the same purposes last night, against the amendment on social security.

Mr. LONG addressed the chair.

Mr. TOWER. Mr. President, I yield the floor.

Mr. LONG and Mr. DOLE addressed the chair.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I am happy to yield to the distinguished Senator from Louisiana if he wants me to.

Mr. LONG. I was not here when we voted last night and I did not have the occasion to hear the assurances that were given on that occasion. I did notice how the vote came out last night. I just want to say, as far as the Senator from Louisiana is concerned, that we have the Senators on the floor who, as far as this Senator is concerned, could give me adequate assurance that if they wanted to table the amendment I would be willing to vote to table it, providing that they assured us that the Senate would have the opportunity to work its will freely on this particular subject on an appropriate bill, either on the revenue bill or the bill out of the Budget Committee. With that understanding, I personally would be willing to act in the ordinary legislative fashion, which is better for all of us as a practical matter.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. BAKER. I think this is an unlikely request to be granted, but I admire the statement made by the Senator from Louisiana. The thought occurred to me, if there is a general agreement in this body that this should be on the budget resolution and not on this bill, if we could get unanimous consent that no amendment relating to this subject matter would be eligible on this, I would be glad to check on this side and see if we could dispose of it that way.

Mr. President, I am going to suggest the absence of a quorum, and I am going to put that on my hot line. The unanimous-consent request would be that no amendment dealing with social security would be eligible on the DOD authorization bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BAKER. Mr. President, I have made inquiry on this side of the aisle; and, frankly, I do not think it is wise to pursue the unanimous-consent request to provide against any amendments dealing with social security. While there are a variety of reasons for that, the most compelling reason is the one I spoke of earlier—that is, both in private conversation and in statements on the floor of the Senate, I committed myself to there being an amendment for which Senators could vote. I will stand by that commitment. Some Senators feel that that is a requirement they have represented to other people and must perform on as well.

Therefore, I will not make the unanimous-consent request at this time.

UP AMENDMENT NO. 916

Mr. DOLE. Mr. President, I send an amendment to the desk for myself, Senator DOMENICI, Senator ARMSTRONG, Senator CHAFEE, Senator HEINZ, Senator LUGAR, Senator PERCY, Senator JEPSEN, Senator DANFORTH, Senator HATCH, Senator STAFFORD, Senator ABDNOR, and Senator KASTEN.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself and others, proposes an unprinted amendment numbered 916.

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask that the amendment be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of the committee substitute add the following:

The Social Security System is vital to the well-being of the Nation's elderly and dis-

abled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared—

That, The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That, The Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That, Any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

UP AMENDMENT NO. 917

Mr. BAKER. Mr. President, I send to the desk an amendment to the Dole amendment and ask for its consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for himself and Mr. KASTEN, proposes an unprinted amendment numbered 917 to the Dole unprinted amendment numbered 916:

In lieu of the language proposed to be inserted, insert the following:

The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

According to the Congressional Budget Office, the Social Security Board of Trustees, and the Social Security Actuaries, the old-age and survivors insurance program will be unable to pay full benefits beyond June of 1983 and the entire system faces the possibility of insolvency by 1984; the financial problems of the system only become more grave in the decades ahead; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing recomendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared—

That, The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That, The Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthered so that benefits will be paid in a timely manner; and be it further declared

That, Any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That, Congress will await the recommendation of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED AMENDMENT TO REVISE PROVISIONS OF THE FIRST CONCURRENT BUDGET RESOLUTION RELATING TO SOCIAL SECURITY

Mr. HEINZ. Mr. President, I rise to announce that I am today proposing an amendment to the first concurrent budget resolution reported by the Budget Committee. This amendment to the budget resolution will clarify the point made repeatedly in this Chamber in the last few days that it is up to the National Commission on Social Security Reform to recommend and the Committee on Finance and the House Committee on Ways and Means to determine the appropriate level of savings or revenue increases needed in social security over the next 3 years. I anticipate that in the ensuing days, Mr. President, we will debate this issue very fully.

Let me just say that the amendment to the Senate budget resolution that I intend to propose to the budget resolution has three very simple principles at its heart.

Principle No. 1 on which we all seem to agree, is that any changes in social security, be they revenue increases or benefit savings, should be aimed at one goal and one goal only, and that is achieving solvency for the social security system.

As the Senate Budget Committee has stated, the only purpose of the numbers in its proposal is to insure the solvency of the old age and survivors insurance trust fund.

The second principle on which we all agree—indeed, it is part of the reconciliation instruction reported by the Budget Committee—is that any action taken by Congress, by the Ways and Means Committee in the House of Representatives and the Finance Committee in the Senate, should await the report by the National Commission on Social Security Reform which is by a sense of the Senate resolution as part of the reconciliation instruction encouraged to report not by the end of December but by November 11.

The third principle, on which there is I think wide agreement, although this is not necessarily shared by everyone, I suspect, is that the numbers in the budget resolution for the old age and survivors insurance trust fund of $6 billion, $17 billion, and $17 billion for the next 3 years, represent only estimates of what needs to be done.

Mr. President, my amendment to the Senate Budget Committee resolution, in effect, makes it very clear that it is going to be up to the Finance Committee and the Ways and Means Committee to deal with social security in a timely manner, immediately after the report of the Commission on November 11, and we will make it clear that what we are doing is in no way being constrained by the Budget Committee's estimate or anyone else's estimate of what needs to be done by striking the language where it appears in the budget resolution as to the specific amounts of $6 billion, $17 billion, and $17 billion in fiscal years 1983, 1984, and 1985.

We make it very clear in this amendment that it is the purpose of the reconciliation instruction only to insure the solvency of the social security old age and survivors insurance trust fund created pursuant to title II of the Social Security Act, as amended, and that the Committee on Finance and in the House of Representatives the Ways and Means Committee shall report the specific levels of new budget authority, budget outlays, and revenues and combination thereof for the social security old age and survivors insurance trust fund.

Mr. President, I suspect that this amendment will be controversial. It is not my intention to debate it now. But it seems to me, particularly in the light of the comments made yesterday attributed to Congressman MICHEL, the Republican leader in the House of Representatives, that the only way this body or the other body is going to do what has to be done to save the social security system is to do it inde-

pendently of the debate on the Federal budget. That is a debate, of course, we take up next week and if that debate is dragged down into the morass of name calling, that this and that is slashing, this and that is hurting, this and that is balancing the budget on the backs of the social security recipients, I think we will send a terrible signal to this country that Congress is unable to agree on anything having to do with the solvency of the system, and that would be a great tragedy. It would end up with a situation where we might very well find it ultimately impossible to take action on social security's financing problems this year.

What I propose instead is a procedure that forces us to take action but at the right place and the right time. The right place, of course, is in Congress. The right time is immediately after the commission reports November 11 as directed and in no event for us to drag it out beyond December 1.

That, Mr. President, is the substance of my amendment, and I ask unanimous consent to have it printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 3, strike out lines 2 through 8.

On page 3, line 9, strike out "(5)" and insert "(4)".

On page 3, line 16, strike out "(6)" and insert "(5)".

On page 4, line 4, strike out "(7)" and insert "(6)".

On page 32, beginning with line 19, strike out through line 15 on page 33 and insert the following:

(c)(1)(A) In order to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act as amended, the Senate Committee on Finance shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by that committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the Senate Committee on Finance reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984, and 1985 levels of new budget authority, budget outlays, and revenues, or a combination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(2)(A) In order to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund created pursuant to title II of the Social Security Act, as amended, the House Ways and Means Committee shall report changes in the laws within the jurisdiction of that committee so as to reduce outlays or increase revenues, or a combination thereof, in order to meet the appropriate levels of budget authority, budget outlays, and revenues specified in the resolution adopted by such committee pursuant to subparagraph (B) of this paragraph.

(B) Prior to the date on which the House Committee on Ways and Means reports the changes in law required under subparagraph (A) of this paragraph, that committee shall adopt a resolution specifying for fiscal years 1983, 1984, and 1985 levels of new budget authority, budget outlays, and revenues, or a combination thereof, for the Social Security Old Age and Survivors Insurance Trust Fund.

(3) The changes in law referred to in paragraphs (1)(A) and (2)(A) and the resolutions referred to in paragraphs (1)(B) and (2)(B) shall take into account the recommendations of the National Commission on Social Security Reform with respect to the amount of reductions in budget authority and outlays or increases in revenues, or combination thereof, needed to insure the solvency of the Social Security Old Age and Survivors Insurance Trust Fund. Such changes in law shall be reported, and such resolutions shall be adopted, by the Senate Committee on Finance and the House Committee on Ways and Means no later than December 1, 1982.

Mr. HEINZ. I thank my colleague for yielding and I suggest the absence of a quorum.

Mr. DOLE addressed the Chair.

Mr. ROBERT C. BYRD. Mr. President, I object to the quorum call being called off. The Senator suggested the absence of a quorum. The Senator from Pennsylvania suggested the absence of a quorum.

Mr. HEINZ. I do suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will resume calling the roll.

The bill clerk resumed the call of the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DURENBERGER). Without objection, it is so ordered.

RECESS UNTIL 1 P.M.

Mr. BAKER. Mr. President, I think it would serve the purposes of this bill and the pending amendments if the Senate would have a brief time to consider the substance of the proposals and procedures to follow.

Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 1 p.m.

There being no objection, the Senate, at 12:08 p.m. recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HUMPHREY).

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The majority leader is recognized.

Mr. BAKER. I thank the Chair. I have no need for recognition at this moment, Mr. President.

I believe that the Senator from Kansas is seeking recognition.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, the pending business is the amendment of the Senator from Tennessee; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, we have taken a great deal of time to debate an amendment which does not properly belong on this bill. We have spent the last several hours listening to the other side talk about all the problems that were created by acting responsibly.

I note that the New York Times, this morning indicated that we should stop these shenanigans and get on with business. The title of the editorial is "Your Pension or Your Vote."

The Senator from Kansas suggests that is going to be the public attitude, I think, if we continue this discussion. That is why on this side we are prepared to discuss the issue for a day, a week, or a month, so that the American people will know precisely who wants to try to save the system and make it solvent and who wants to play politics with the system.

The Senator from Kansas mentioned yesterday that we have heard a lot about the 1977 act. A lot of that talk indicated that the 1977 act was a great act of courage. It was further indicated that some of us voted against the 1977 act. I think it is well to state again that the 1977 act not only cut benefits, it raised taxes. It cut benefits for an average beneficiary retiring this year at age 65. The 1977 measure resulted in a cut of $130 per month in benefits, or more than $5,000 counting CPI increases over the 3-year period.

So far those statistics have been lost on the media. I point out in addition the average taxpayer had his taxes increased over the next 3-year period, 1983–85, because of those amendments, a total of $685. The maximum taxpayer who is paying the highest social security tax on the highest wage base would pay an additional $2,280 over the next 3 years.

For the system as a whole, the 1977 amendments mean for fiscal years 1983, 1984, and 1985, $83 billion in increased taxes, and $10.3 billion in benefits—$93.3 billion.

This Senator discusses the 1977 act just to put everything in perspective. In my view that was a responsible

measure. In my view what is suggested by the Budget Committee is also responsible. I think it is time we stopped trying to kid social security recipients that somehow the financing problem is just going to go away if we do nothing. If we following the plan proposed by the Senator from Michigan or the Senator from New York, you do nothing except stand up and point fingers at Republicans or others who want to act responsibly.

I hope we might at the earliest time, when everybody has made all the political speeches they wish to make, and made every possible and every conceivable statement, that we get down to the serious business of addressing the problem of social security.

There is a problem. It is a problem that everybody recognizes will be critical come next year. There is a chance that in July of 1983 the social security checks may have to be delayed or reduced unless Congress acts responsibly.

There are a lot of things we can do. I assume we can continue interfund borrowing for a while. That might get us through another year. Sooner or later either those in this Congress or those in the next Congress are going to have to make some hard choices. Last year we did not do anything. We authorized interfund borrowing. That was the easiest and most painless thing Congress could do, and we chose that course.

I suggest that now we are getting to the point when we really have to make some difficult choices. We can all cite statistics, we can all make charges, we can make countercharges, we can all offer amendments, we can all offer counteramendments, and I assume we will continue to do that. But hopefully we will, as responsible newspapers such as the New York Times have done, lay it on the line for the American people, "Your Pension or Your Vote."

Speaking of pensions, I just wanted to touch on the fact that the other afternoon the Senator from Michigan, who gets very upset about Members' pensions, went on at great length about how Members of Congress are ripping off the system.

So I did a little checking after listening to the distinguished Senator from Michigan (Mr. RIEGLE) attack his colleagues as having a big, fat system. That may have been good for a few headlines back in Michigan, because they like to take note when Members attack Members or Members' benefits. I did a little research about that system. The Senator from Michigan charged that the congressional pension plan was fraught with abuses and that before looking at social security the Members' retirement system should be "cleaned up". Those were his words.

He also suggested that we look into the facts of the system, and I did just that. I confess to the Senator from Michigan I had not looked into the facts, and obviously he had not either. But I have now. For the RECORD and for the information of other Members, who may have been disturbed by some of the statements made, I am happy to respond to the Senator's charges.

He said, first of all, that we had a separate congressional retirement system. Wrong. Members belong to the Civil Service Retirement System (CSRS). Four occupational groups have special provisions within CSRS because of the unusual circumstances of their jobs. These are law enforcement officials, firefighters, air traffic controllers, congressional employees, and Members of Congress.

The rationale for Congressmen is that their job security is much weaker than is that of civil servants. The Senator from Michigan charged that there is a "big, unfunded liability in the Members' plan." While CSRS is largely a pay-as-you-go system, there is not necessarily an abuse. Moreover, the latest figures show only 347 former Members of Congress are now on the retirement rolls. This is less than three one-hundredths of all recipients in the program. Thus a big unfunded liability is, to say the least, an exaggeration.

The reason why so few ex-Members are on the rolls is that while the system is relatively generous to Members with long tenure, it can be a poor investment for those who serve only a short time. The reason why CSRS has not indexed the earnings in computing benefits, is that the retirement annuity is based on the average of the 3 highest years of pay. If the Member is 45, inflation will erode his salary base for 17 years until he can begin drawing an annuity (at age 62).

The Member is better off withdrawing his contributions and reinvesting them elsewhere. He receives no interest on these contributions. Of course, anyone who serves less than 5 years is not even eligible for a pension. He gets a refund only of his own contributions, plus 3-percent interest. Obviously this is not a bonanza.

CSRS is more generous for Members who have a long career and are at or near the age of 62 when they leave Congress. Yet the provisions are not as generous as those for Federal law enforcement officials, firefighters, or air traffic controllers. Both of the latter have benefits at least as generous as Congressmen, and they can retire earlier without penalty. They contribute a smaller percentage of their salaries then do Members of Congress.

The Senator from Michigan charged that Congressmen pay very little into the system. While it is not clear what he means by "very little," the facts are that Members pay a higher percentage of salary than any other group of participants in the CSRS, 8 percent versus 7 percent for most others.

When you consider that their average salary is higher, average contributions are much greater for Congressmen. As of 1980, the average retired Congressman paid in $29,756, compared with $12,383 paid by civil servants, and $21,374 by air traffic controllers.

The average monthly annuity is higher for retired Congressmen: $2,612 in 1980 compared with $1,362 for civil servants. However, congressional contributions are more than twice as high. Also, a maximum of 80 percent of final salary can be received initially. This maximum is reached after 32 years in Congress or the military. I would also remind my colleagues that CSRS pensions are subject to Federal taxation, after a time, while social security benefits are tax free.

Unlike private employees, Congressmen cannot become vested with the employer's contributions. If a Member leaves Congress after 5 years, he receives only his own contributions returned without interest. Under ERISA such an arrangement in the private sector is illegal. Private employees are entitled to the employers' contributions after 10 years.

Mr. President, I have additional facts for the RECORD.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. DOLE. When I finish.

There is some sentiment, probably correct, that Federal pensions are in general too generous. The normal cost of retirement benefits is estimated to be 36 percent of payroll, compared with 22 percent for a typical private sector plan. Senator STEVENS has proposed a reform bill which would lower the costs to about 30 percent. Congressional retirement is not singled out, however. It is just a very small part of a Federal pension system which is perhaps more generous than it needs to be. Presumably Senator RIEGLE intends to support Senator STEVENS' bill.

Funding. Senator RIEGLE is correct when he states that there is substantial general revenue funding in the CSRS. Employee contributions covered just 25 percent of 1980 retirement fund expenses. But we would expect the Federal Government to contribute substantially to the funding of benefits, because it is the employer. Employers contribute in nearly all retirement systems. It is very misleading to compare general revenue financing of social security with employer contributions of the Federal Government to CSRS.

Senator RIEGLE also criticized the unfunded liability, and said we should "bite the bullet" and put the system on a pay-as-you-go basis. He apparently was confused and failed to under-

stand that full funding is exactly the opposite of pay as you go. A full pay-as-you-go system would be completely unfunded.

These are some of the facts concerning retirement plans which I promised the Senator from Michigan I would look into to clarify this "big abuse" he talked about on the Senate floor last Thursday. I do not believe it is a system riddled with abuses. The one criticism that can be made is that the Federal retirement system, to which Members belong, is too costly. We should address the whole system. There do not appear to be any problems specifically related to congressional retirement. Certainly, Congressmen's pensions are not nearly as lucrative as the Senator from Michigan implies.

I would be glad to answer the Senator's question.

Mr. RIEGLE. The Senator, mentioned me several times by name, so let me ask the question how much longer do you intend to speak? I may just want to seek the floor in my own right. If you are going to speak at length, I will pose the question now.

Mr. DOLE. I am not going to be speaking at any great length.

Mr. RIEGLE. Ten, fifteen minutes, half an hour?

Mr. DOLE. Ten or fifteen minutes will be more than adequate for me.

Mr. RIEGLE. Well. I would simply thank the Senator for yielding, and I will save the thrust of my comments for when he finishes. I will just say I think what you have said is a clear and deliberate distortion.

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senators address each other in the second person.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. RIEGLE. I would just say to my colleague, who is kind enough to yield, that I think he very cleverly and I think very deliberately distorted the thrust of my comment the other day, which was in response to a comment made by the Senator from Wyoming (Mr. SIMPSON) on his side of the aisle who came to the floor and said there was no pension program that pays off as quickly or as generously as the social security system.

I responded by saying that the congressional pension plan does, in fact, do so, and that has not been refuted here.

The issue that I raised, and which the Senator from Kansas has still not addressed, is the question of how long it takes to get back the amount of money that a person contributes into that plan, and that was the question I raised then, and I raise it again now, and the Senator, I think, has not answered that. I thank him for yielding.

Mr. DOLE. Mr. President, I appreciate the comments of the Senator from Michigan. A full reading of the RECORD will indicate that the Senator from Michigan was very distraught about this "awful retirement system" the Members of Congress have. He inferred that I should have had the facts, and I apologized then for not having the facts. I now have most of the facts, and I will be happy to check any additional inquiries be may have. I suggested at that time that this was something the Senator from Michigan should have taken care of by now after a number of terms in the House and a full term in the Senate—most of that as a member of the majority party.

But the point is that the Members' retirement question came up during a social security debate. I do not know why he raised it. It may have been in response to a statement made by Senator SIMPSON.

But the Senator from Kansas has a responsibility to respond when Members indicate that he should have had the information. The Senator from Kansas did not have the information. I now have part of the information. I hope to make other comments from time to time to be certain we have satisfied the Senator from Michigan, who is very concerned about any Member who might be getting any advantage in any area. I want to make certain that the Senator from Michigan and the Senator from Kansas understand that we will try to keep the record straight. It will be difficult, but we will do the best we can.

Mr. RIEGLE. Will the Senator yield further for one precise question?

Mr. DOLE. Yes.

Mr. RIEGLE. I thank him for yielding. He may or may not have the answer now.

My question would be this: On the average, as long as the Senator has raised the details, on the average, how long does it take someone who participates in a congressional retirement program to receive back, in benefit payments after retirement, the full amount of money that they themselves have contributed to that fund? That would be my question. Does it take 5 years, does it take 10 years, does it take 18 months, does it take 12 months? I would like just a precise answer to that.

Mr. DOLE. I will be glad to get that information. I do intend to speak whenever social security comes up. I think it is something we should address, although not on this bill. I will furnish that information for the RECORD and I will also continue to address other questions raised by the Senator from Michigan during the discussion last week.

But I would say very quickly, because I hope we can have a vote on the amendment and then move on, that the Senator from Kansas agrees fundamentally with the statements made by other Senators that, "Well, all this ought to be reserved for the Senate Finance Committee and not be a part of this legislation." The Senator from Kansas could not agree more.

But, as everyone knows, this debate was initiated by the Senator from West Virginia and the Senator from New York. In fairness to Members on this side who listened at great length to the criticism heaped upon our President and our party for trying to "rob the benefits of senior citizens," that perhaps there might be some in this country who want to hear what the facts are. And the facts are that we have a problem.

I do not care how many speeches this Senator makes or any other Senator makes or how loud we talk or whatever we may do, there is still going to be a problem. It would be nice if we could address it in a bipartisan way. The Senator from Kansas still has some hope that we can do that. But if we cannot even get an admission from the other side that the system is in trouble, then I think we are looking down the road to rather bleak prospects for senior citizens.

The do-nothing plan, as I have referred to the course those on the other side advocate is to do nothing except criticize the President, criticize the Budget Committee, and I assume criticize those of us who worked for 5 weeks trying to put together an agreement on the budget. We came very close—and we did address social security in those "Gang of 17" meetings. Theirs is a do-nothing plan. It is the get-reelected plan. It is the how-to-avoid-the-question plan. It is the fool-senior-citizens plan. It is, in effect, to take away their benefits come July 1, 1983, because we did not have the courage to act.

There are some in this body—and the Senator from Kansas believes a majority—who are willing to do what we should do to make the system solvent. That is what this debate is about—the solvency of the trust funds.

We understand that there is an advisory commission. The Senator from Kansas is a member. The Senator from Colorado is a member. The Senator from Pennsylvania is a member. The Senator from New York is a member. We understand that certain recommendations will be made. We understand foremost that there is a congressional responsibility. We cannot abdicate our responsibility to that commission, although they will make recommendations.

This Senator also understands that the Senate Finance Committee and the House Ways and Means Committee have primary jurisdiction over social security. We understand that solving the problem is not going to be easy. It is a very sensitive, emotional, controversial, political issue. This Senator believes that there are enough of

us on the Senate Finance Committee in both parties who are willing to look at some of the alternatives. And there are literally hundreds of alternatives. To stand on this floor day after day, as some have done, saying there is not any problem is just not a fact. I believe a full discussion of this will alert those who write and talk about social security. We may yet be able to help senior citizens, we may rescue those senior citizens and their benefits from those who stand on this floor day after day after day, saying: "There is no problem. The problem is President Reagan. The problem is some Republicans. The problem is the budget." There is a problem. I do not think anyone can stand here and say there is not a problem. There is a problem and it is a serious one.

We are down now to about 2 months' reserve and we are going to be down to about 2 weeks by 1984. We have 2 months' reserve right now. In 1970, we had a year of reserves. Now, this is serious.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I am pleased to see the Senator has offered his amendment. The Senator from Louisiana wants the Senator to know that this Senator will cooperate in seeing to it that there are adequate funds to pay these social security benefits.

Now, it may be that we can find some ways to economize where there are abuses in the program. The Senator is aware of the fact that there are situations where there is abuse, where benefits were never intended. We have a lot of people on the rolls as disabled, for example, who are not really disabled; people who are handicapped, but not disabled and should not be on those rolls. Perhaps some of those people should have an advantage or perhaps we should provide a tax incentive to help some of those people find jobs. But that is not going to solve the problem. We are not going to be able to save enough money to avoid a tax increase.

Let me say to the Senator, if I may, as one who has had that unpleasant chore on occasion, "Welcome to the club." Welcome to the opportunity to ask the Senate to vote for a tax increase for social security, because that is what you are going to have to do.

I say that because I know the Senator is a statesman, he is a man of conviction, and he is a man who does his duty. He is going to have to ask the Senate to vote for a tax increase to pay for social security, and I intend to vote for it.

You may be able to so some of it by saving some money but, because of this recession, if for no other reason—and I am not saying who is responsible for it, I am just saying it is here—because of the economic facts of life, there just is not enough money flowing in the fund, as the chairman of the committee has so well pointed out, to provide these benefits. There is no way we are going to be able, with any bill that is politically feasible, to reduce spending enough to avoid having to raise taxes. We are going to have to do it.

I just hope that, in his responsibility and in his discussing this matter with those in his party and those in the White House, the chairman of the committee, the distinguished Senator from Kansas, will make it clear that we are going to have to raise taxes to pay for this and let everybody know that we are going to have to pay.

I hope the Senator will continue to maintain the same statesmanlike position he has maintained in the past that we are not going to try to finance these trust funds with leaves off the trees; that we are not going to try to finance these trust funds with a free lunch; and that we are not going to try to finance this by printing press money, or just a number that someone writes into a computer. These trust funds, and social security in particular, ought to be paid for with money that the taxpayers provide to take care of those liabilities. To do it any other way, to say we are going to do it with general revenues, when there is no general revenue out there, to say we are going to take some tax that is presently being used to pay for other expenses in Government and dedicate that to social security, when it is already needed and not adequate to provide for the other uses of Government, is not the way to measure up to our responsibility.

We are going to have to face this and vote to pay the tax. I hope that when we vote to pay it that it will be properly labeled as it should be, a bill to see that all these people to whom these promises have been made will be paid what their Government promised them.

And I say to the Senator that I have my doubts that we ought to be waiting for that committee to report.

If we have to wait past the first of the year, we are going to have difficulty raising money fast enough to keep this fund from going broke. Then we will be urged to start borrowing out of the Treasury. There is nothing there to borrow. All there is is a potential to print a bunch of money which makes the existing money less valuable when you undertake to do that.

So I would hope that the Senator would recommend to this Senate, and if he does it I will be glad to join him, that we fund this program and that we finance it with solid money, not inflation but solid money, what the public pays, to see to it that the people who have been promised the benefits, and people who rely upon this program for their existence, will receive that to which they are rightfully and justly entitled.

Mr. DOLE. I thank my distinguished colleague from Louisiana. I certainly would say without any reservation that the Senator has acted responsibly with reference to social security. I believe there is a broad base of support in this Senate for action. We have gotten a little off base in the last few days. It is my view in the final analysis that we may be able to, and should be able to, approach it as outlined by the Senator from Louisiana.

There are a number of things to be done. We do not know what the Commission will recommend, whether it will be benefit reforms, or a combination of reforms and taxes. This Senator would hope we could avoid any dipping into the general funds for the very reason stated. We do not have any. That is why we will have the debt ceiling up again in 2 or 3 weeks. We are $1,378 billion now as a ceiling, but we will have to exceed that ceiling and increase it to keep the Government going in another 3 or 4 weeks. Hopefully we can address the concerns which have been expressed. That is why the Senator from Kansas believes that the Senate Budget Committee—and their numbers may not be totally accurate—acted responsibly. They said there is a solvency program.

I have a letter in my hand from Alice Rivlin of the Congressional Budget Office which documents what the committee said. It is not just a pipedream. I will make the letter a part of the RECORD. It explains that we have a problem. Everybody indicates that we have problems. I would hope we could take action on this amendment and get on with the business of the Senate.

Mr. President, I ask unanimous consent that the letter I received from Alice M. Rivlin, Director, Congressional Budget Office, dated May 11, 1982, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 11, 1982.

Hon. ROBERT J. DOLE,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: In response to your request, the attached table shows the estimated Old Age and Survivors Insurance (OASI) trust fund balances at the start of each fiscal year as a percentage of projected annual outlays under three alternative scenarios.

The first line in the table shows the OASI balance as a percent of outlays, assuming no interfund borrowing after December 31, 1982. The table also shows the assumed status of the OASI fund if the $6 billion, $17 billion and $17 billion in added trust fund reserves included in the Senate Budget Committee's recommended resolution targets for fiscal years 1983, 1984 and 1985

were directed entirely to the OASI trust fund. Under this path, the OASI fund's balance remains positive over the period. The final estimate shows projected trust fund balances assuming that balances in all three trust funds are maintained at the same percentage of expected outlays; in other words, under the assumption that the $6 billion, $17 billion and $17 billion transfers are directed to the OASI fund and full interfund borrowing is allowed over the period. The OASI fund's balance at the start of fiscal years 1984 and 1985 in this case would be 15 percent of outlays, rising to 18 percent by the start of 1986.

These estimates are consistent with the SBC markup baseline economic assumptions and assume that the 1982 cost-of-living adjustment (COLA) is 8.1 percent. The estimates are subject to considerable uncertainty, however, since trust fund balances are sensitive to levels of economic activity and to rates of inflation. For example, if the unemployment rate were 1 percent higher than currently assumed in each year from 1983 to 1985, the trust fund balance would be 5 percent lower than shown by the start of 1986. In addition, since the actual 1982 COLA will be 7.4 percent, the trust fund balances are expected to be somewhat higher than shown.

Should you so desire, we would be glad to provide further details.

Sincerely,

ALICE M. RIVLIN,
Director.

TABLE 1.—OLD AGE AND SURVIVORS INSURANCE TRUST FUND BALANCES AT THE START OF EACH FISCAL YEAR AS A PERCENT OF YEAR'S OUTLAYS [1]

	1983	1984	1985	1986
1. Current law	8	0	−10	−18
2. Added trust fund reserves [2]				
a. Interfund borrowing expires December 31, 1982 [3]	8	5	3	2
b. Interfund borrowing extended indefinitely [3 4]	19	15	16	18

[1] Based on markup baseline. Assumes 8.1 percent June COLA. These estimates are very sensitive to economic conditions, and could change significantly if the economy improves or worsens from assumed levels.
[2] Includes $6 billion, $17 billion and $17 billion in outlay reductions, revenue increases or a combination of both in 1983, 1984 and 1985 respectively as recommended in the Senate Budget Committee's resolution.
[3] The estimates assume added reserves. If all the added reserves result from outlay reductions, higher trust fund ratios than shown would result.
[4] Assumes all three trust funds are maintained at the same percentage of outlays at the start of each year.

Mr. DOLE. I share the view expressed by the Senator from Mississippi and others that we should not be doing this on the defense bill. Well, this Senator did not begin this action. It would be my hope we could limit the bill from here on to germane amendments.

I would say finally that the amendment introduced by the distinguished majority leader to the amendment of the Senator from Kansas, addresses the problem. Maybe after we have had this last political shot, we could settle down to working out the problem. That is the best thing we could do for American senior citizens.

I met with a few senior citizens in my office this morning. Frankly, they are a little alarmed. They do not know who to believe, the President or somebody they saw on television, or to believe no one. I think no one is ahead at this point, when it comes to social security.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I congratulate the Senator from Kansas for his statement and for his initiative in bringing this resolution before the Senate. I completely share the sentiments he has expressed. I listened intently to his observations. I commend his leadership, and I encourage every Senator to carefully attend his recommendations.

I was especially interested, Mr. President, in the reference by the Senator from Kansas to an editorial which appears today in the New York Times under the headline "Your Pension or Your Vote." I quote briefly from the editorial:

Sensing Republican vulnerability, the Democrats are out for blood.

Mr. President, the editorial goes on to quote one Senator as saying "Republicans would raid and loot the social security system." The editorial quotes another Senator as saying, "President Reagan is mortgaging the economic future of the elderly."

Then a bit later, to quote at some length, the editorial makes these observations to which I would also commend the attention of every Senator on both sides of the aisle.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats nothwithstanding, there are ways to reduce the system's costs without trampling on the poor or stealing benefits from middle-income retirees.

The editorial continues:

Congress's beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on this political ice.

Mr. President, I ask unanimous consent that the entire editorial be printed in the RECORD at this point because it is an editorial that we can all well ponder.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times]

YOUR PENSION OR YOUR VOTE

Sensing Republican vulnerability, the Democrats are out for blood. Republicans would "raid and loot the Social Security system," says Senator Riegle. President Reagan is "mortgaging the economic future of the elderly," says Senator Byrd. The party that created Social Security will not hear of a Republican plan to find savings of $40 billion in the next three years. House Democrats have already prepared a budget counterproposal that leaves the sacred cow untouched.

The Democrats are already winning this unworthy, partisan battle. Republicans are joining them, refusing to stand alone against 36 million aroused Social Security beneficiaries. But the country can't afford such victories.

Social Security needs reform. Those who deny its problems are chasing votes at the expense of their constituents. The Democrats notwithstanding, there are ways to reduce the system's costs without trampling on the poor or stealing benefits from middle-income retirees.

Congress's beneficence to pensioners has long run ahead of its willingness to foot the bill. Despite large increases in the payroll tax, Social Security's obligations exceed its income. Tinkering—perhaps a one-year freeze on cost-of-living increases—would get the system out of a tight corner. But that would be unfair to pensioners who count on every penny and would not solve the long-term problem. According to Social Security's actuary, the system owes $4 trillion more than it can expect to receive from those now contributing.

Opportunists prefer to slip the question rather than venture on thin political ice. But the longer Congress delays, the larger the eventual cuts will have to be. If savings were found now, no beneficiary need suffer very much. Consider this package of reforms, which together would make the system solvent:

TAX THE BENEFITS

Suppose Social Security were, for tax purposes, treated like private pensions. Payroll contributions would be returned as tax-free benefits. But the rest of the pension would be taxed as ordinary income.

A couple scraping by on an $800 monthly check would pay little if any additional tax. But those with much larger incomes—the majority of Social Security recipients—would pay a fair share in taxes. If their payments were put in the Social Security trust fund, its short-term problems would be solved.

ELIMINATE DOUBLE-DIPPERS

Federal employees do not pay Social Security taxes. But they often become eligible for benefits by moonlighting in private jobs or working for a few years after retirement. And because the benefit formulas are so generous to low-income workers, they reap a windfall. The remedy: change the benefit formulas to distinguish Government retirees from the working poor. Or simpler yet: collect Social Security taxes from all Government employees.

RAISE THE RETIREMENT AGE

Age 65 was a reasonable retirement age in the 1930's; but 65-year-olds today expect to live to 82. By gradually raising the pension age to, say, 68, the system could reduce its liabilities by trillions of dollars and hold the payroll tax rate at current levels.

Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

Mr. ARMSTRONG. Mr. President, I also recall that on May 12 of last year the New York Times editorialized on this subject and in a slightly different context made the following observation:

Adroit politicians don't ignore issues; they appoint commissions to study them.

In characterizing the hostility and antics of Congress in dealing with the controversial issues swirling around social security's funding crisis, the New York Times was then as it is today right on target.

The Times was also correct in its baleful observation:

In this case, though, adroit policies doesn't make for good public policy. The longer Washington puts off a remedy for social security woes, the harder it will be to find one.

Mr. President, these points, echoed in thoughtful journals of opinion all over the country, are well taken. If there was ever an issue which could benefit from dispassionate, careful, thoughtful, bipartisan treatment, it is the issue of social security financing. Unfortunately, it has received almost exactly the opposite.

On virtually every occasion when questions have been raised regarding social security reform or the solvency of the system, the response from almost every quarter has been charges of political terrorism and self-serving declarations by people stampeding to the microphones and in front of the cameras to say, "Don't worry, folks, we are not going to let social security go belly up."

I agree with those who have said that this is not the time and place to take up the issue of social security financing and reform. We are here to consider legislation dealing with the Armed Forces of our country. I truly regret the issue of social security has been dragged out onto the floor under the rubric of this particular legislation. But now that the issue is raised, it seems to me—and I am glad that the Senator from Kansas and others who have worked on this resolution agree—that it would be wrong for us to simply let the issue go. There was some discussion that, having tabled the amendment which was considered yesterday by the Senate, we could just go on with our business.

But while I thought it was important to table yesterday's amendment, which was inaccurate in its statement of facts, intemperate in its tone in characterization of the Senate Budget Committee, I think it is more important to say more than just what we are against. It is also necessary to say what it is that we favor. That is the purpose and intent of the pending resolution.

I am reluctant to extend further the discussion of this issue while the defense bill is on the floor. Since we will vote on this important social security resolution, and properly so under the circumstances in which we find ourselves, it is important that we do so from the basis of an accurate understanding of the social security trust fund financial condition.

Therefore, Mr. President, I will discuss briefly the factual situation with which we are confronted.

The social security system, as we all know, is vital to the well-being of the Nation's elderly, and no less than 36 million of our citizens look to social security as a financial lifeline. In addition, more than 115 million Americans pay social security taxes in the expectation that some day they will receive benefits. In 1977, Congress passed the biggest social security tax increase and benefit cut package in history.

At that time, many believed that this legislation would keep the social security system solvent until the year 2035. Unfortunately, it has not worked out that way. The social security system now faces serious short-term and long-term financing problems that jeopardize the payment of benefits. The trustees of the social security system have projected that the retirement trust fund will have insufficient funds to pay full and timely benefits after June of next year unless legislative action is taken.

According to the Congressional Budget Office, the social security board of trustees, and the social security actuaries, the entire system faces insolvency by 1984. Obviously, the financial problems of the System only grow worse in the years and decades beyond 1984.

Mr. President, this realistic outlook on the social security future is shared by and confirmed by many independent authorities. May I mention briefly some of those who have independently considered this issue and arrived at the same conclusion which the Senator from Kansas and I along with so many others have so reluctantly concluded?

Among those who confirmed, in general, these findings are the National Commission on Social Security, President Carter's Commission on Pension Policy, the 1979 Social Security Advisory Council, American Academy of Actuaries, the National Retired Teachers Association—American Association of Retired Persons, the Committee for Economic Development, American Institute of Certified Public Accountants, the National Association of Manufacturers, the U.S. Chamber of Commerce, and the American Council of Life Insurance; and many, many more.

For instance, the National Commission on Social Security Advisory Council reported in March 1981, "The committee considered this an insufficient degree of financing."

The President's Commission on Pension Policy said last year:

The most pressing problem facing social security is its ability to meet future commitments . . . In the next five years, scheduled tax revenues are not considered to be sufficient to cover expected payments.

In a floor statement on April 9, a distinguished Member of the other body made this observation, speaking to his colleagues in the House of Representatives:

The Social Security Retirement and Survivor's Trust Fund will become unable to pay benefits sometime in mid-1982.

Of course, Mr. President, the enactment last year of interfund borrowing postponed temporarily the insolvency in the funds. But, I note this statement particularly for two reasons: First, to highlight that the identification of this problem is not some recent phenomenon. It did not first come to our attention during the deliberations of the Budget Committee a week or 10 days ago. It has been known, commented upon, and been the subject of concern by thoughtful Members of both parties in both Houses for a very long time.

In a report to the Joint Economic Committee on September 22 of last year, Alice Rivlin, the Director of the CBO, said:

In short, although the CBO currently projects that the combined trust fund will maintain an aggregate balance sufficient to allow expected benefits to be paid over the next decade, the margin for error is very small.

In his final budget submission to the Congress, President Carter said:

Finally, no account of future budget needs would be complete without recognition of the need to resolve the problem of social security financing.

In a statement issued in January of last year, the Department of Health and Human Services said:

However, the margin of safety is so small that if economic conditions worsen, or if cost containment savings are not fully realized, there will be insufficient resources for benefit payments by the end of 1984. Therefore, more substantial social security financing reform needs to be addressed in the near future.

James R. Swenson, speaking on behalf of the American Academy of Actuaries, told the House Subcommittee on Social Security last year:

It is apparent that legislation needs to be enacted to resolve the predicted short-term financing problems of the OASI portion of the program.

Testifying before House Social Security Subcommittee on behalf of the NRTA and the American Association of Retired Persons, Mr. James Hacking made the following observations on January 27, 1981; 4 months ago:

Proposals to allow the OASI fund to borrow or receive funds from the DI and/or HI fund, in our opinion are deceptive because they do not match the magnitude of the short-term financing problem. In general, we support providing legislative authority for interfund borrowing because this would provide some flexibility. However, we do not view this as a sound solution because the possibility that the combined level of trust funds would fall to unacceptable levels or be completely exhausted would still exist. The amount of revenue generated for the OASI Fund from these devices will not ultimately be sufficient to protect the system from even minor economic downturns.

Mr. President, the American Enterprise Institute, in its publication, "Achieving Financial Solvency of Social Security," made the following observations:

* * * According to several recent reports, however, the combined OASDHI trust funds are expected to be inadequate after 1984, so that even if the OASI trust fund is allowed to borrow from the other two funds, the short-run financing problem would remain.

The gloomy long-run projects of social security are even more disturbing in light of their underlying assumptions.

The Committee for Economic Development said,

* * * it has become apparent that the system, which has functioned so smoothly for so long, is in serious financial trouble.

In October 1980, the House Democratic study group reported:

It is clear from both the report of the Board of Trustees of the Social Security program and the Administration's mid-session fiscal year 1981 budget review that the Social Security system is headed for cash-flow problems in the short-term. It is equally clear from the two reports that reallocation is only an interim measure and that even after reallocation additional steps either to raise aggregate revenues or to reduce future benefit obligations may be necessary for later in this decade.

* * * Sometime during the first half of the next century there will be too many beneficiaries (retirees) and not enough contributors (workers).

The American Institute of Certified Public Accountants says—and I urge the attention of my colleagues to the information which I am presenting, because it gives lie to the contention that, somehow, this is a new problem that came into existence after Ronald Reagan got into the White House and after a certain group took control of the Senate Budget Committee, and that somehow, these shortfalls materialized as if by magic and are being plugged in order to provide a way to balance the Federal budget.

So I hope there will be serious consideration to these contentions.

Mr. MOYNIHAN. Will the Senator from Colorado yield for a question?

Mr. ARMSTRONG. Mr. President, the Senator from Colorado is wise enough to know that if he engages the Senator from New York at this point, it will derail his train of thought. So, in respect, I must decline to yield at this point.

I do, however, invite the attention of the Senator from New York to additional remarks of such groups as the American Institute of Certified Public Accountants in their commentaries on issues relating to social security.

These taxes have already grown faster than the Consumer Price Index, increasing by more than 840 percent between 1962 and 1981 (as projected). Even with these increases, revenues for 1981 and later will almost certainly be inadequate to support the projected level of outlays. Consequently, unless Congress mandates new sources of revenues or future increases in social security taxes, projected revenues must be reduced.

The National Association of Manufacturers, in September 1981, said:

For nearly half a century, three generations of Americans have relied on the social security system to help provide retirement income. Now that system is in deep financial trouble.

Testifying before a Ways and Means subcommittee in March 1981, Lowell Jones and Mike Romig of the U.S. Chamber of Commerce said:

Unless effective action is taken by Congress this year, the OASI trust funds will be out of money early in 1982.

Kenneth P. Austin, testifying before the same subcommittee on behalf of American Life Insurance, said:

Social security now faces severe financial problems. The entire program, OASI, faces acute short-range financial problems. The system also faces long-run deficits on the basis of what now seems to be the most reasonable economic and demographic estimates.

And yet, Mr. President, despite these and many, many other proclamations on the seriousness of the social security system's financial difficulties, some Members of Congress declared war, to use their exact words, and I quote their words, "declared war on efforts to make the social security system solvent."

They not only refused to cooperate in developing a workable plan, they ridiculed and attacked those within and outside of the Congress who have attempted to do so.

Mr. President and my colleagues, the mounting evidence of professional and citizen opinion that social security is in financial trouble and the published reports of this evidence have caused great anxiety to social security recipients.

Polling data reflects growing public apprehension about the soundness of the social security system, including a substantial majority of younger workers who simply do not believe that social security will be able to pay full benefits at the time of their retirement.

I regret to say that while I personally believe that Congress will—possibly at the very last moment, although I hope Congress does not act at the last moment—find a way to assure the funding of the social security system, these concerns, these apprehensions which are so vividly expressed in polling data from around the country are in fact well founded.

The experts tell us that within the retirement and disability (OASDI) trust funds there exists a deficit of $1.6 trillion. That is the long-term magnitude of this problem in the OASDI fund. In addition, the experts estimate the total deficit in all three trust funds—retirement, diability, and hospitalization (OASDHI) exceeds $6 trillion. On another occasion it would be helpful to try to put into perspective the enormity of a sum this size.

In the meantime, Mr. President, let me turn from the acknowledged, from the admitted danger of the long-term shortfall in the fund to the growing threat of shortrun insolvency.

The social security retirement fund, OASI, has been running on an annual cash deficit since 1975. From 1975 through fiscal year 1980, this cumulative deficit totaled $15 billion. These annual deficits steadily drained the previously accumulated reserves resulting in a drop in the fund balance from $37 billion in 1975 to an estimated $7 billion by the end of fiscal year 1983.

This would amount to only 4 percent of projected annual benefit costs or less than 1 month's payments, as pointed out earlier by the Senator from Kansas.

This is a dangerously thin margin obviously. In fact, if you do not have 1 month's funds on hand, you cannot send out full benefit checks on time.

Last year Congress approved temporary interfund borrowing from the disability and hospital insurance funds to permit benefit payments to continue. This interim borrowing provision expires in June 1983. At that time the combined reserves of all three funds will be severely depleted.

A simple extension of borrowing authority will not assure the solvency of the funds. Total end-of-the-year combined reserves in the OASDHI funds are projected at $36 billion, enough to fund less than 9 weeks of benefit payments and medicare reimbursements.

This is not a satisfactory reserve. It is a margin which is much too thin for safety. Certainly it is not the kind of margin which Members of Congress as trustees of this fund ought to provide. And in a moral sense, if not a legal sense, Members of Congress are trustees of social security.

As the law now stands, by 1985, the combined social security trust fund reserves would decline to $16 billion. That is enough to provide only 29 days of payments during the year. This is far less than is necessary to assure the timely payment of full benefits each month.

Mr. President, the $40 billion in 3-year savings which are targeted in the

Senate budget package is designed to reserve this dangerous erosion of short-term reserve balances. It would assure an 18-percent reserve margin at the end of fiscal year 1983 and fiscal year 1984 and slightly higher than that in future years, based upon our best judgment of economic conditions, which are, of course, only estimates.

This 18-percent reserve margin represents a minimum prudent level. It compares to an average end-of-year balance for the combined funds of 36 percent which was maintained as recently as 1977 through 1980 and an average year-end balance of 100 percent in years a decade age.

The prospective trust fund balances are so razor thin that even marginally higher unemployment rates or marginally higher inflation rates than those which are assumed in the CBO forecast could absorb most of the $40 billion in savings which have been suggested by the Senate Budget Committee's resolution.

Under current law, OASDHI outgo will exceed $700 billion in the period fiscal years 1983 through 1985. A 3-percent change in projected benefit costs or payroll tax receipts would absorb half of the targeted amounts.

Mr. President, there has been so much said about the recommendation of the Senate Budget Committee that additional points must be made. The Senate Budget Committee recommendation which has provoked so much commentary—and much of it, if I may say so, is not entirely consistent with the actual contents of the resolution—prompts me to make these observations:

First, the Budget Committee recommendation contemplates no action until the Commission appointed by the President has reported later this fall.

Second, the Budget Committee recommendation provides that the full 7.4-percent social security cost-of-living adjustment will be paid on schedule in July.

Third, the Budget Committee recommendation—a 3-year solvency target—represents less than 8 percent of current law benefit costs. The savings contemplated could be achieved in a variety of ways.

There has been considerable discussion on whether the $6-billion savings, the $17 billion in the next year and the $17 billion in the year after that, are cuts. We ought to be frank about exactly what is proposed. The record of the Budget Committee is absolutely, unmistakably clear on this point.

The resolution is written so as to be neutral with respect to how such savings are achieved. They could be achieved through new taxes of some kind, as suggested by the Senator from Louisiana. I do not personally favor such a move, but the budget resolution is neutral on this point precisely to maintain for the Congress and for the Senate Finance Committee the option of formulating such a recommendation.

All solvency options, even the most drastic, if one assumes, as I do, that there are no tax increases, all of the solvency options are achievable without a reduction of any current benefit levels.

Finally, I note that the Senate Budget Committee intends that none of these options be considered until the completion of the Presidential Commission's full report is available and its recommendations have been reviewed by the Congress.

Mr. President, at this point I should like to insert in the RECORD a short table pointing out the amounts necessary in 1983, 1984, and 1985 to achieve the savings which in the judgment of the Budget Committee, after reviewing information submitted by the social security trustees, by the Social Security Administration, and by other authorities, are the amounts necessary to maintain the solvency of the fund. I submit that for the RECORD and ask unanimous consent that it appear at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY POLICY TARGET TO ACHIEVE SOLVENCY

[Senate Budget Committee economic assumptions; in billions of dollars]

	1983	1984	1985
Current law balance, end of year (OASDHI)	36	24	16
Balance required to maintain 18 percent end of year balance	42	47	[1] 56
Cumulative savings needed	6	23	40
Annual savings target	6	17	17

[1] The $56,000,000,000 end of year balance is 19.8 percent of following year's benefits. Unless policy action is taken to achieve this level in fiscal year 1985, however, the 18 percent level will not be reached in fiscal year 1984.

Mr. ARMSTRONG. Mr. President, the Budget Committee, which has been subjected to quite a lot of criticism—most of it, at least in this instance, unfair criticism—really has done nothing more than face the facts in its resolution. I should note in passing that there are a lot of good reasons to criticize the Budget Committee, and on some other occasion I would be glad to join those who criticize it. But the notion that somehow the Budget Committee is getting after social security recipients, trying to take something away from social security recipients, is just a classic example of criticizing the bearer of bad news. And I am not unmindful that in ancient days the practice was to behead the messenger who brought the king news which he did not wish to hear. I hope we are not going to be beheaded, but it is important that we face the facts, and that is literally all the Budget Committee has done.

First of all, the Budget Committee faced the unmistakable fact that the trust funds are in jeopardy. We are in trouble.

Second, the Budget Committee has faced the fact—and I trust this to be a fact; I am sure it is—that we are not going to let social security go broke. We are not going to do that. We are not going to have social security trust funds make late payments. We are not going to break faith with the 36 million people who have their lives organized on the assumption that they are going to get a check.

Third, the Budget Committee also has recognized and faced squarely a fact that some may be a lot less willing to face readily and that is that there are not very many options.

I compliment the Senator from Louisiana for his statement earlier. I do not agree with his proposed solution to the problem of financing social security, but he is meeting the issue head on. He has said what his approach is going to be. He has made a prediction that may be borne out—he has been known to be right—as to how we are going to solve this problem.

Option No. 1: If you start with the basic premise I have just outlined, that social security is indeed in trouble and we are not going to let it go broke, the first option to be considered is raising taxes. Since 1950, the tax for social security has increased 2,011 percent. During the same period of time, real wages have gone up, I comment in passing, 490 percent.

So it is my belief that with the tremendous increase in payroll taxes in recent years, with the mounting evidence of what this has done to small and large businesses, but particularly small businesses, with respect to their economic activity, and the realization that the average working man and woman in this country pay more in social security taxes today than in Federal income taxes, I regard it as an unwise policy and a most unlikely development that we are going to further increase the payroll tax beyond the scheduled increase. Even so, that is option No. 1.

Option No. 2 is that we might change eligibility standards, and that has been the recommendation of many of the people to whose reports I have alluded in my earlier remarks. Many people have suggested various forms of changes in eligibility standards.

Option No. 3 is that we might change the rate of increase in benefits. I do not know of any person in or out of Congress who really thinks we should or will cut the average level of benefits. There may be such a person. I do not know of anyone. what is being suggested, for the most part, is a reduction in the rate of increases in benefits in the future.

I want to make it absolutely clear that in suggesting that, in one way or another, through revenue measures or through a reduction in the rate of increase in expenditures, there be a

saving of $6 billion in 1983, $17 billion the following year, and $17 billion the year after that, the Budget Committee did not pull these figures out of the air. They arrived at those figures based upon the best professional information available to us.

I do not intend to put into the RECORD at this point the Congressional Budget Office submission, which was one—although not the only one—of the professional reports on which we based our information, because the Senator from Kansas has already done so. But I note that we did not make up those figures. They are not a pipe dream. They are the best judgment of the best professional advice available to us.

Second, it has been suggested that if you take the Budget Committee's recommendations, it is going to result in a reduction in payments to the average social security recipient of $1,100 over the next 3 years. I say again that what we are talking about is a potential reduction in the rate of increase in benefits.

In fact, if you take the Budget Committee numbers, our assumptions of the economic environment, we will be operating in a full implementation of the Budget Committee's figures as savings, with none of it on the revenue side, and the average social security recipient will receive not a cut but an increase of $1,308 over the next 3 years.

Mr. President, I note that the Senator from Rhode Island is on the floor, and I believe he is seeking to have me yield for a moment. I am about to conclude my remarks, but I will yield for a question, if he wishes.

Mr. CHAFEE. I would be delighted if the Senator would yield for a question.

Mr. ARMSTRONG. I am happy to do so.

Mr. CHAFEE. The point we wish to stress here is this: Am I not correct in saying that, first, nothing shall be done so far as the social security system is concerned until the report of the National Commission is received?

Mr. ARMSTRONG. The Senator is absolutely correct.

Mr. CHAFEE. Second, that any corrective action that shall be taken, if correction is needed, shall be no more than is absolutely necessary to preserve the financial integrity of the system.

Mr. ARMSTRONG. The point of the resolution, which the Senator from Rhode Island and I and the Senator from Kansas and the Senator from New Mexico have submitted, is to say that that is our intention; that the budget resolution spells the numbers; that they are the best estimate of the Budget Committee of what action is required for solvency; and it will be, if adopted by Congress, by a reconciliation instruction.

The final action will not be taken until the report is issued; and the final action, in the determination of the Senator from Colorado, will be only that amount, and exactly that amount, we believe to be necessary to put the fund on a solvent basis.

Mr. CHAFEE. And it is the commitment of the Senator from Colorado and the other Senators who cosponsored this resolution, of which the Senator from Rhode Island is one, to assure that the social security system shall be preserved and strengthened for the benefit of current retirees and beneficiaries and for future retirees and beneficiaries. Is that not the thrust?

Mr. ARMSTRONG. That is certainly a central issue and is the firm commitment, I am sure, of all the Senators named by the Senator from Rhode Island.

Mr. CHAFEE. I thank the Senator from Colorado for his utterly lucid comments in response to my questions.

Mr. ARMSTRONG. I appreciate the inquiry from the Senator from Rhode Island.

If I may respond in kind, before completing my remarks, let me say that the Senator from Rhode Island has been one of those who have been forthright about their interest in this matter. He is prepared to do whatever it takes to put this system on a solid basis so that the funds will be there when people retire.

Second, it is my absolute determination that we are not going to let the social security system go under.

I add that not only do I not intend to let the system go under, but also it is my firm resolve and desire to put an end to the harmful speculation which in recent years has caused so much anxiety. It can be seen in polling data and even more poignantly in personal encounters with people who simply say: "I don't think social security is going to be there when I retire."

I think we have to repair that confidence on which, in the long run, not only the social security system but also our entire governing system depends.

Mr. President, I very much regret—if I may say so again—that we are taking up this matter on this bill. I did not seek to raise it here; but when it came up, I felt obligated to lay out as many facts as I could, to make clear what the issues are and what a resolution of the issues might be.

I regret that some recipients may have been frightened by unfounded suggestions that their benefits were about to be cut.

Many people profess not to see a big difference between cutting benefits and cutting the rate of increase in benefits, and that is an absolutely crucial distinction. If you do not think so, go out and talk to anybody who is a recipient.

There is a tremendous difference if you are sitting at home and do not understand parilamentary procedure and do not know how Congress works and that we are playing to the grandstand, and somebody comes on television or is in the newspaper and says, "Look how they're getting ready to cut your benefits."

That was never the intention of the Budget Committee. It was never the intention of the President.

As I pointed out when I began my remarks, every time in the last year or 15 months that someone has came forward, whether from Congress or the administration, to propound a way to save the system, they have immediately been accused of trying to wreck the system.

That is why I want to go through very carefully and point out that this concern did not surface when Ronald Reagan got to the White House. Jimmy Carter expressed it. It did not occur in the Senate Budget Committee under Republican control. It was pointed out just as vividly by the Democratic group. It is not just Republican Members who have expressed this concern about insolvency of social security. The distinguished Representative from Texas, Mr. PICKLE, my counterpart in the House, the chairman of the House Social Security Subcommittee, has been just as forthright as any Member of this body on this question.

Finally, I want to confront what perhaps is the most touchy issue of all, and it is this: How are we going to solve this problem? What options are we going to adopt finally?

The budget resolution is neutral in this respect, deliberately so. We tried to preserve the turf, the territorial integrity of the President's Commission, and we clearly tried to preserve the prerogatives of the authority of the Finance Committee of which I am proud to be a member. We are neutral in the budget resolution on this issue.

Anyone can vote for the budget resolution next week for this provision without feeling that he is making an advanced decision on the means by which we repair the damage to the social security system.

I will state, however, that it is my own opinion, just the opinion of one Member, not an opinion that I am locked into, not something I could not even change my mind on, that first it is unlikely we are going to raise payroll taxes, and I think we should not do so. Second, that the likely solution to the problem is some combination of changes in long-term eligibility standards and the rate of increase in benefits. Third, coupled with this will be some relaxation of certain aspects which now limit the right of social security recipients to earn outside income.

I think there is going to be a good give and take. I think we will address both the short- and long-run problem. I hope we will do so in a thoughtful way.

If it turns out that the result is to reduce somewhat the rate of increase to beneficiaries along the lines that might be computed from the Senate Budget Committee's figures, that does not seem an unreasonable burden to me, particularly when one considers that there will be many Americans, including many Government employees, who will not get an increase every year, that there will be many people who are retired in the private sector who will not get any cost-of-living adjustment in the next 3 years or the 3 years after that, that there will be many taxpayers, the people who support the social security trust fund who have not had any increases in recent years and may not get some in the future. So to suggest that it is wrong in principle or on its face unreasonable to restrain in some degree the rate of increase for any benefit program seems to me to be wide of the mark. That is not an unreasonable notion. It is in fact the suggestion of thoughtful persons of both parties in and out of Congress over a very long period of time.

I urge my colleagues, before they get locked into any position that makes it difficult for them to consider seriously such an idea, to go out and talk to the social security recipients. I find when I talk to the social security recipients out in my State and for that matter others who might be affected by other portions of the budget resolution, the retired Federal employees, military personnel, recipients of benefits under other index program, I do not find that after they understand what the problem is they are reluctant to consider restraint in the growth of benefits to which they might otherwise be entitled. On the contrary, I find there is a very broad and deep vein of patriotism that says, in effect, that if everyone is going to bite the bullet, if everyone is going to be restrained, if everyone is going to have to take part in whatever is necessary to get this country back on its feet economically, then we are willing to do our part of the job.

One last fact, Mr. President. This is not because I say so. It is not because the New York Times says so. It is just a fact. The longer we put this off, the harder it is going to be.

I started by quoting from the New York Times of this morning. I wish to just read the last paragraph of that editorial and ask my colleagues to think seriously about it because the longer we put this off, the harder it is going to be.

> Some day, some way, such reforms will be essential to rescue a worthy system. What the demagogues will produce is a belated lunge for ill-planned cuts that punish the elderly poor. If you expect to grow old in America, don't be taken in by those who refuse to put your retirement nest in order.

Mr. President, the most responsible thing that members of both parties can do, is to move forward on this in a thoughtful, dispassionate, nonpartisan, and unemotional manner.

Before I yield the floor, I wish to acknowledge that while I have been highly critical and I may well be critical in the future of members of either party or either House who I believe trespass on respected adherence to the facts or are unfair in their characterization of recommendations submitted by the President or the Senate Budget Committee, I nonetheless do not think this is indeed fundamentally partisan, nor do I think it should be. I acknowledge with gratitude the leadership and statesmanship of many Members on both sides of the aisle and their counterparts in the other body.

I believe, as the Senator from Kansas has said, if we can go ahead now and adopt this resolution and put all this behind us now that we have all had one last inning. I hope it is the last inning, henceforth the next time this issue comes up it can be done in a better modulated tone and in a way that deemphasizes partisan considerations and really gives full emphasis to the need to get social security back on track.

Mr. GRASSLEY. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. ARMSTRONG. Mr. President, I am happy to yield to the Senator from Iowa and also to the Senator from Mississippi.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I thank the Senator from Colorado for yielding to me.

I compliment him on the clarity with which he has laid out exactly what the political as well as the economic situation is on this issue.

I wish to say that I am happy to be a cosponsor of this amendment.

Mr. President, I support the amendment being offered by the Senator from Kansas (Mr. DOLE) and the distinguished majority leader. I also add my voice to those who have already noted the unfortunate lapse of orderly procedure that has led us to add amendments dealing with social security to the defense authorization bill.

I would hope that we could all agree that social security is important enough that we should take whatever responsible actions are necessary to insure that benefits will continue to be paid on time. By now, all Senators should know that a certain minimum prudent reserve must be maintained in order to enable us to pay benefits on time. That was the assumption under which the Budget Committee was working when it called for a solvency reserve sufficient to insure timely payment of benefits. Are those who have criticized the solvency fund telling us that they think we should not maintain sufficient reserves to pay benefits on time? They criticize cuts in social security that have not so much as been discussed yet without offering a single Democratic alternative. Are they willing to present us with a detailed alternative that will allow us to maintain the solvency of the trust fund? I have not seen one, even though the distinguished chairman of the Finance Committee has asked for one repeatedly.

My point, Mr. President, is that we are waiting for the President's Commission to make its recommendations to Congress. I do not know exactly what those recommendations will be, but I assumed that they will at least allow us to maintain a sufficient fund to pay benefits on time. That is the only proposal being put forth at this time, that we should maintain a sufficient amount of money in reserve to be able to continue to pay benefits on time.

Mr. President, I regret the demagoguery that has made this resolution necessary. Nevertheless, under the circumstances I am pleased to be able to reaffirm my commitment that any actions taken with regard to social security will be aimed at meeting our obligations to this Nation's elderly population.

I yield back to the Senator from Colorado.

Mr. STENNIS addressed the Chair.

Mr. ARMSTRONG. Mr. President, I thank the Senator from Iowa and I am pleased to yield to my friend from Mississippi.

Mr. STENNIS. Mr. President, I shall be brief.

I think the Senator has made a worthwhile statement here. I know I benefited from it and I commend him. I know he is a worker and has a very difficult task on the Finance Committee.

He is chairman, as I recall, of the subcommittee that handles social security; is that correct?

Mr. ARMSTRONG. Yes, the Senator is correct.

Mr. STENNIS. That is fine.

Mr. ARMSTRONG. I appreciate his interests and thoughts on the matter.

Mr. STENNIS. Mr. President, we may not vote here on this amendment. I think it is really out of order, with all deference to everyone, but this problem is certainly common to all of us and unfortunately his characterization I think of people getting disturbed—I am talking about those who are paying in this money now, the young wage earners—people who are paying the money in are greatly dis-

turbed, and we have to restore their confidence and then, of course, reward those who are older.

I have a bill in now, and I am going to follow up on it even more.

I just happen to run across the fact that there is a difference of about $2 billion earned by the funds that have been invested at some recent time that could have been lent out at a higher rate of interest than they were. They were lent to the Treasury Department of the Government at a reduced rate.

I do not know just which one of the Senators is handling that, but I wish to call it to their attention. I believe it is something that should be corrected and we can pick up a little money in the process if I have my facts correct. I mention that just to bring everything together.

This will be a special issue here and a special order. I do not think Senators will keep down their amendment in their Budget Committee. It will naturally come in and then we can make some progress. I am looking forward to the report from the Commission also.

I wish to bring up that bill and maybe the Senator can give his thoughts on the matter.

Mr. ARMSTRONG. Mr. President, I am very grateful to the Senator for calling our attention to this bill, and I may say to the Senator that I truly wish that it were not necessary for the Senator from Kansas, myself, and others to propose this legislation on this bill because I truly think it is out of order. I think it is in the wrong place, but we find ourselves in a circumstance where we are constrained to do so and we beg his indulgence on that matter and thank him for his interest in the social security issue.

Mr. STENNIS. I thank the Senator.

Mr. ARMSTRONG. Mr. President, I yield to the senator from Kansas.

Mr. DOLE. Mr. President, I do wish to respond. I am aware of the legislation proposed by the Senator from Mississippi.

Mr. ROBERT C. BYRD. Mr. President, I am going to demand the regular order in yielding the floor. I have no objection to the Senator getting the floor. But I hope one Senator will not yield the floor to another.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. The minority leader is correct. I just wanted to respond to the Senator from Mississippi's question. We are familiar with the legislation. We believe it does raise some very important questions of how we invest the funds. The legislation introduced by the Senator from Mississippi, along with the Senator from Wisconsin (Mr. PROXMIRE) and others, I believe hearings are scheduled very shortly on that matter in our committee.

Mr. STENNIS. I thank the Senator very much.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

UP AMENDMENT NO. 918

Mr. BAUCUS. Mr. President, I have an amendment I would like to send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Montana (Mr. BAUCUS) proposes an unprinted amendment numbered 918.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. DOLE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The clerk will read the amendment.

The bill clerk read as follows:

At the end of the bill add the following:

For the purposes of section 101 the Secretary shall make expenditures to the extent funds are available and in such amounts as are provided in appropriation acts.

Mr. ROBERT C. BYRD. Mr. President, there has been a good bit of talk here about the New York Times editorial. I want to see every financing option explored for the social security system, and I want to work with others in arriving at a solution to the problem involved. But I do not believe Congress should consider any changes in social security as part of the budget debate. That is what this is all about. The Senate Budget Committee is reported to have made recommendations for $40 billion in social security cuts. Now, the word "cuts" was not——

Mr. DANFORTH. Mr. President, will the Senator yield for a question at that point?

Mr. ROBERT C. BYRD. I will in a moment. Will the Senator allow me to complete my remarks?

Mr. DANFORTH. Of course.

Mr. ROBERT C. BYRD. The word "cuts" was not specifically used. But we heard repeatedly the statement that the $40 billion did not involve any increase in revenue. We have heard all of this talk today about the need for getting on with resolving the problem. I want to help resolve that problem but the whole matter at issue here is whether or not the Budget Committee's language, which provides for $40 billion in cuts, is going to stand.

Those of us who offered the resolution the other day were concerned about that $40 billion in cuts, and we were also concerned that the Senate would be taking action on a budget resolution that provided for $40 billion in cuts in social security before the task force, which the President himself has created, has an opportunity to make its recommendations.

The distinguished Senator from New York (Mr. MOYNIHAN) is a member of that Commission, and we want to see what the Commission recommends, and then we can tackle the problem.

My friends on the other side of the aisle are not the only people who recognize that there is a problem. We on this side of the aisle recognize there is a problem. But to hear our friends on the other side of the aisle, they would have the press and the public believe that we do not recognize there is any problem, we on this side of the aisle, and that we are demagoging, and that only they are interested in the solvency of the social security fund.

We are concerned about that $40 billion in cuts in social security that is included in the budget resolution which will be before this Senate this coming Friday.

We simply want to make it doubly sure that those people who are depending upon a social security check are not going to see $40 billion in cuts come out of their pockets—the pockets of 36 million Americans, which amounts to an average of more than $1,000 per recipient over the next 3 years.

Mr. DANFORTH. Mr. President, is the Senator prepared to yield for a question?

Mr. ROBERT C. BYRD. Not yet. I will be glad to yield and I will yield to the Senator for a question before I yield to anyone else.

Many of us did not want to see the DOD bill brought up, for that matter, before the Budget Committee resolution was acted on by the Senate. But the DOD bill was brought up and it is before the Senate now.

We want to say for the Senate that $40 billion is not going to be taken out of the pockets of the old folks of this country to balance the budget. We are not questioning the fact that some action will have to be taken to resolve the problems facing social security, and we will join in that. Some of us may disagree as to this or that or something else, but we recognize there is a problem, but we want to debate that problem on its merits, rather than as a pawn in the budget process.

We want to take whatever action has to be taken to resolve the problems of the social security system, but we want to consider them on the merits of the Commission's recommendations.

I say that our friends on the other side are trying to becloud the issue. We are not saying that the social security problem does not have to be solved, but we are saying it cannot be resolved by taking $40 billion out of the pockets of social security recipients, and before we get the recommendations of the Commission established by the President.

The American Association of Retired Persons is opposed, as we Democrats

are, the $40 billion in cuts in social security. Are they demagogs? We Democrats in the Senate are called demagogs because we reject the $40 billion in cuts in social security in the upcoming budget resolution. We are said to be demagogs. What about the American Association of Retired Persons? They, too, have rejected the cuts. Are they demagogs? That is the largest retired group. Is it demagoguery to argue that we should first see a specific proposal, see specific recommendations, made by the President's task force? He stood before the American people last September and in a televised address asked Congress to reverse its action on the minimum social security payments. He asked Congress to restore the minimum social security payments to 3 million people which he himself had earlier asked be eliminated and, at the same time, he, too, spoke of demagoguery. In that same speech, he also said he was going to appoint a task force on social security to report back after the election in November of this year.

That task force has not yet reported its recommendations. When it makes its recommendations, then let us study those recommendations, let us then consider the problems that confront the social security system and the recommended solutions to those problems on the merits. Let us not come in here with a budget resolution on Friday that is going to have a provision that means $40 billion in social security cuts. Is it demagoguery to argue that we should see the specific proposals from the President's Commission before agreeing to $40 billion in cuts in social security? I do not believe that Congress should consider any changes in social security at all as part of the budget debate. That is all we are talking about. The budget resolution is going to be up here Friday, and there is a 50-hour time limit on that resolution.

And we do not think that any changes in social security, in order to resolve whatever problems may exist there, should be a part of the budget debate.

Where are we going to find the solutions? Just reach into thin air and pull out the solutions to the problem during the debate on the budget resolution?

Our friends on the other side of the aisle would have the people believe that only they—my friends on the other side of the aisle—only they are interested in the solvency of the social security system. Look. The Democrats created the social security program. Franklin D. Roosevelt and a Democratic Congress created the social security system. And we are not going to see that system go broke. We Democrats are committed to that. That is our baby and we are not going to see it die on the doorsteps of insolvency.

So, we Democrats are committed, too, to the solvency of the program. We are not Johnny-come-latelies as supporters of the social security program. We intend to see that its funds are solvent. The American people can rest assured that Congress is not going to let the social security system go broke.

But let us not take $40 billion out of the pockets of the people who are depending upon social security—which amounts to an average of more than $1,000 per person over the next 3 years—without debating the matter of solvency on the merits and with the benefit of the Commission's study and recommendations and viewpoints.

Now, the New York Times editorial is a good editorial. It has been quoted here on the floor by my friends on the other side of the aisle. The editorial is correct in some respects, but it is also incorrect. We are simply saying that Congress should not consider any changes in social security as part of the budget debate next week.

Now we are demagogs, our friends across the aisle say. What about our Republican friends in the House? Are they demagogs? Our friends on the other side of the aisle, who quoted the editorial from the New York Times, have they failed to read the front page? They left out that part of the New York Times. It is an article by Martin L. Tolchin, one of the most respected of news correspondents. And it is in the second column on the front page. "GOP"—what does that mean?—"GOP in House Opposes Budget by Senate Panel." Are the House Republican leaders demagogs? "Social security changes prove key objection."

WASHINGTON, May 11.—House Republican leaders today rejected the budget plan endorsed by President Reagan and the Senate Budget Committee, objecting to proposed changes in the Social Security system and to a major tax increase in a recession.

Specifically, they rejected the Senate Republican proposal to commit Congress to find $40 billion in savings in Social Security outlays before a bipartisan study commission makes its recommendations at year's end.

Now that is what we Democratic Senators have been saying. So we so-called demagogs have been joined by those House Republicans demagogs who happen to believe as we do that the Senate Republican Budget proposal to commit Congress to find $40 billion in savings in social security outlays should not become effective before the Presidents bipartisan study commission makes its recommendations at year's end. That is the whole thing. That is it, pure and simple. That is all we have been saying. We are for solvency. We so-called demagogs are for solvency in the social security system. We so-called Democratic demagogs created that social security system, and we demagogs are for solvency in that system. But we and our Republican friends over in the House, we are all demagogs, I suppose. We reject the idea of making a $40 billion cut in the budget resolution, even though the President has embraced the proposal.

Mr. DOLE. The Charlotte Observer says the same thing.

Mr. ROBERT C. BYRD. I understand the Charlotte Observer says the same thing. Mr. DOLE has handed me the editorial.

Mr. DOLE. That is in North Carolina.

Mr. ROBERT C. BYRD. I know of North Carolina. I was born there.

BUDGET BATTLE: POSTPONING THE HARD CHOICES

There's plenty of room for improvement in the Republican budget compromise President Reagan endorsed Thursday, but there's little time and little hope for much improvement. Perhaps the most glaring weakness is its failure to spell out details of its most controversal elements—$40 billion in Social Security savings over the next three fiscal years and $95 billion in new revenues over the same period.

Obviously congressional leaders don't want to deal specifically with those issues until after the November elections.

Well, parenthetically, the President does not want to do so either. When he said last September that he was going to appoint a task force, he did not say it would report back before the election this November. As a matter of fact, the Speaker of the House, where those Republican demagogs all came out in support of the position that we Democrats have been taking, the Speaker of the House sought to have the recommendations of the Presidential Commission reported back in the spring of this year—in the spring—and that proposal was turned down.

So obviously, congressional leaders do not want to deal specifically with those issues until after the November election and obviously the President did not want them to be dealt with, either, until after the November election, and he so stated last September.

But, going on with the editorial, "But the key Democrats"—and I have not read it before. This is my first reading of it.

Mr. DOLE. Very good.

Mr. ROBERT C. BYRD. I thank the Senator.

But the key Democrats in the battle continue to engage in demagogic

A new word. Not demagoguery, but demagogic—

sniping on the social security question instead of trying to make constructive contributions to the compromise effort.

Here we are—

Senate Minority Leader Robert Byrd, for example, says the Republican plan "mortgages the economic future of the elderly."

Well, apparently, the American Association of Retired Persons is in the

same boat. And House Republican leaders are in the same boat.

Mr. President, so much for the editorials. Apparently, they do not really understand what this is all about. And I can understand that, with all of the obfuscation and all of the charges and all of the demagoguery that has come from the other side of the aisle and downtown, as well.

We have had these charges of demagoguery thrown around so much that I think we ought to quit talking about demagoguery and get on with the question before the Senate. It is my belief that any reform in social security, any revenue increase and/or benefit cut, should be considered within the context of the social security program alone and without regard to Federal budget needs—without regard to Federal budget needs.

Let us make any such reform on the basis of the merits of the case, and not solely to balance the budget.

The New York Times editorial failed to recognize that this has been the purpose and true point of our argument. It is responsible to consider changes in social security, only within the challenge and purpose of that program to provide an adequate retirement and disability safety net for all Americans. What is irresponsible is to begin to address the social security issue with the assumption that we have to cut promised benefit protection now and before the President's commission has completed its study and reported anything.

The Times editorial appears not to recognize the success and purposes of the social security program. It terms the program a "sacred cow" and speaks of the Democrats pursuing an "unworthy" battle.

Mr. President, there is nothing "unworthy" about the battle the Senate Democrats have pursued on social security during this Congress or past Congresses, or going back to the time when Franklin D. Roosevelt and a Democratic Congress established the social security program. There is nothing "unworthy" about preventing the social security minimum benefits from being eliminated for 3 million retired Americans, many of them are elderly women living close to the poverty line. There is nothing "unworthy" about preventing $88 billion in precipitous, deep, and permanent cuts over 5 years, as was proposed by this administration last year.

Incidentally, today is the first anniversary of the proposal by this administration to cut $88 billion out of social security. This is the first anniversary.

Trust and confidence and predictability have insured the integrity of the social security system. There is simply nothing "unworthy" about preventing severe benefit cuts for Americans who have retired upon the promise of a specific level of promised benefits, and there is nothing "unworthy" about preventing a 40-percent cut in benefits for Americans electing to retire at age 62—in many instances for health reasons. There is nothing unworthy about that.

Mr. President, let me ask the $40 billion question. This is the $40 billion question. Does the Senate have to debate whether to reduce buget deficits on the back of social security recipients every year? Has this become an annual event? One year ago today it was debated. The administration asked Congress for $88 billion in social security benefit cuts over 5 years. There were similar cries of social security bankruptcy then. Who was doing the talking? David Stockman—the OMB Director who fed phony numbers into a computer in order to fool the Congress and the American people. It was David Stockman who said last year, "The most devastating bankruptcy in history" would occur on or about November 3, 1982.

Last May, Stockman said this: "The question before the Congress is whether the 36 million Americans who currently depend on the social security system can count on any check at all in less than 2 years hence."

Seven months later, many of us read the December issue of the Atlantic Monthly. And this time listen to what David Stockman said. He said, "The Social Security problem is not simply one of satisfying actuaries; it is one of the here and now of budget requirements."

So there he was, baring his soul and stating the truth. He was saying that the social security problem is not simply one of satisfying actuaries; "it is one of the here and now budget requirements."

Well, last May it was clear that the $88 billion in social security benefit cuts was part of a budget plan to reduce the emerging Kemp-Roth budget gap. Last May, at the initiative of Senate Democrats, by a vote of 96 to nothing, the Senate unanimously rejected the $88 billion plan only 8 days after it was proposed. Eight days after it was launched, it was shot down.

In rejecting the $88 billion in benefit cuts, the Senate declared that the Congress would not let social security go bankrupt, nor would it precipitously or unfairly reduce promised benefits. Last May, the Senate said that any reform in social security should be considered in the context of that program alone, and without regard to other Federal budget requirements.

So I thought we had resolved the matter last May. I did not expect social security to become an issue in the budget process this year. That is a matter for the Finance Committee. But the Kemp-Roth budget deficit projections have mushroomed over the past year, so 1 year later it is clear that social security has once again become a source for reducing the tremendous budget gap.

If we seriously want social security out of the budget debate, then the Senate should take the $40 billion in benefit cuts out of the budget resolution. That is what the Republicans are saying over in the House. That is what they said yesterday. That is what the Democrats said here yesterday, with the exception of two votes, and I respect those two Members. I do not quarrel with any individual's voting his own conscience in the matter. If he sees differently, that is all right.

We Democrats want social security cuts removed from the budget resolution.

If we want social security out of the budget debate, then the Senate should take the $40 billion in cuts out of the budget resolution. The question is that simple. The House Republican leadership has already rejected the $40 billion cut plan.

So, Mr. President, I am left asking the $40 billion question. Has a majority of the Senate Republican Budget Committee abandoned their commitment to cut $40 billion in social security benefits over the next 3 years? If so, let us take this out of the budget resolution. Anything else is just smoke and mirrors. I do not see anything in the proposal which has been offered by the able Senator from Kansas which is before the Senate, which takes the $40 billion in cuts in social security benefits out of the budget resolution. It still leaves that matter up in the air.

It is irresponsible to raise the spector that we may not be able to pay social security benefits next November, as David Stockman did, or in July 1983, as the amendment by my distinguished friend from Kansas (Mr. DOLE) suggests. It is outrageous to suggest that Congress would sit by and let this happen.

Congress is not going to sit by and let this happen. I put my faith in the distinguished Senator from Louisiana, the ranking member of the Finance Committee, and he has been here longer than anybody else in the Senate with the exception, perhaps, of Senator STENNIS. I am sure that Senator LONG and the other Democrats on that committee and on this side of the aisle are not going to sit by and see that system become insolvent. We are not going to see it go broke. It was created by our party in the beginning and we intend to stand by it.

Social security recipients have been scared enough. The working young Americans and middle age Americans paying into the system today and who have been promised benefits for the future have been scared enough. They have been scared enough by the repeated assaults on social security that have been made by this administration

beginning 1 year ago today with a request for $88 billion in social security cuts.

Remedies in social security solvency can and must be found. We will have to find them. It may be difficult. Maybe the bullet will be hard to bite, but we are going to do our best to find those solutions. We Democrats stand ready to work toward those solutions. But we will not support precipitous benefit cuts aimed at reducing the Federal deficit at this time. We want to first see the recommendations of the President's task force.

Mr. President, I promised to yield to the distinguished Senator from Missouri. I yield only for a question, and I ask the Chair to protect my rights in all respects.

The PRESIDING OFFICER. The Senator from Missouri is recognized for the purpose of a question.

Mr. DANFORTH. I thank the Chair and I thank the distinguished minority leader.

The minority leader has repeatedly referred to the language of the Budget Committee and stated that it requires a $40 billion social security cut. I wonder if the minority leader can point to the language that requires such a $40 billion cut in social security benefits?

Mr. ROBERT C. BYRD. Mr. President, I have already answered that question. I said in my statement that the verbiage did not use the specific word "cuts."

Mr. DANFORTH. I did not say where did it use the word cuts; I said where does it require $40 billion in social security cuts?

Mr. ROBERT C. BYRD. Its recommendations concerning social security include $6 billion in savings the first year, $17 billion the second year, and $17 billion the third year. That adds up to $40 billion.

Mr. DANFORTH. Where is it required that that——

Mr. ROBERT C. BYRD. It says on page 610 of the First Concurrent Resolution, which the distinguished Senator is holding in his hand, "which would either increase revenues, slow program growth, or provide a combination of the two, producing the following improvements in social security solvency."

We have been told repeatedly, Mr. President, that there would be no increase in revenues to make that $40 billion effective.

Mr. DANFORTH. Who has told the Senator that?

Mr. ROBERT C. BYRD. The chairman of the Social Security Subcommittee has reportedly so stated.

Mr. MOYNIHAN. Mr. President, I believe I can respond.

Mr. ROBERT C. BYRD. Mr. President, if I may yield to the Senator from New York, who is not only on the Commission, but also on the Committee on Finance and ranking member of the Subcommittee on Social Security, and also a member of the Committee on the Budget. If I may yield to him with my full rights being preserved and only for the purpose of responding to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator from New York may respond to the question of the Senator from Missouri.

Mr. MOYNIHAN. Mr. President, subject to the strict understanding that my memory may play me false in this matter, at the time that the Budget Committee discussed the $40 billion for social security solvency recommendations, the Senator from Colorado, who is chairman of the subcommittee, was asked would this mean increased social security taxes. And he said certainly not, in no circumstances.

I do not have a transcript in front of me, and I have a fallible memory but an indelible impression of that exchange.

Mr. DANFORTH. So the whole thing we are debating, therefore, is what may or may not have been said by the Senator from Colorado.

Mr. MOYNIHAN. I may say further yesterday afternoon the distinguished Senator from Michigan asked his friend from Rhode Island (Mr. CHAFEE), was he not aware that there are $40 billion in cuts in this measure. Mr. CHAFEE said, "The budget resolution, which we shall take up next week, will contain a recommendation for a specific amount of cuts."

Mr. DANFORTH. Mr. President, I ask the Senator from West Virginia, who is an attorney, is it not fair to deduce from the language of the document itself the meaning of the document?

Mr. ROBERT C. BYRD. Mr. President, I would say it is fair to deduce from the vote on yesterday which tabled the Moynihan-Byrd amendment, and from the proposal which has been offered by the distinguished Senator from Kansas, it is fair to deduce from both of those matters that we have absolutely no protection against a $40 billion cut in social security. That is what was tabled yesterday, an amendment that rejected the $40 billion cuts in social security. That was tabled. So anybody can deduce whatever one wants to deduce from that.

Second, the amendment that the distinguished Senator from Kansas has just introduced does not include that in its proposal. If he would put in his proposal the additional language that $40 billion in cuts is hereby rejected, then I would join him in supporting his amendment and voting for it.

Mr. DANFORTH. Does the Senator from West Virginia disagree with the amendment offered by the Senator from Kansas?

Mr. ROBERT C. BYRD. Well, Mr. President, I would not say I disagree with it so far as it goes, but it does not go far enough.

I am going to send to the desk an amendment right now which makes it go far enough, Mr. President.

UP AMENDMENT 919

Mr. ROBERT C. BYRD. Mr. President, I send to the desk an amendment which I ask the clerk to read.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 919 to the unprinted amendment No. 918.

In lieu of the matter proposed to be inserted, insert:

The Social Security System is vital to the well-being of the Nation's elderly and disabled citizens and currently provides benefits to more than 36 million Americans; and

In light of the serious short-term and long-term financing problems, the President on December 16, 1981, established the National Commission on Social Security Reform for the purpose of making recommendations to ensure the fiscal soundness of the Social Security System; and

The National Commission on Social Security is charged with issuing its recommendations this year; and

The Senate on December 15, 1981, passed legislation authorizing inter-fund transfers among the three Social Security Trust Funds to provide that Social Security faces no funding shortage before the Commission's report is issued and before the Congress can fully consider its recommendations; and

As a Presidentially appointed commission, it operates under an Executive Order and is independent of Congress.

Therefore be it declared that,

The full Social Security cost-of-living adjustment of 7.4 percent be paid in full on July 1, 1982, as scheduled; and be it further declared

That the Senate hereby renews its commitment to maintaining and assuring that the Social Security system shall be preserved and strengthened so that benefits will be paid in a timely manner; and be it further declared

That any corrective action to be taken shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system; and be it further declared

That Congress will await the recommendations of the National Commission on Social Security Reform prior to ultimately deciding any binding, statutory amounts, changes or corrective actions to be taken.

That the May 5, 1982, action of the Senate Budget Committee, supported by the President, calling for an arbitrary $40,000,000,000 cut in social security benefits over the next three fiscal years is hereby rejected.

Mr. ROBERT C. BYRD. Mr. President, my amendment repeats, I believe exactly—exactly—the declarations set forth in the amendment by Mr. DOLE. But it adds one further paragraph, that being that the action of the

Senate Budget Committee, supported by the President, calling for an arbitrary $40 billion cut in social security benefits over the next 3 fiscal years is hereby rejected.

That is all we are asking for, Mr. President. We like the declarations set forth in the proposal by Mr. DOLE, but we do not like them so well without further protection against $40 billion of cuts in social security benefits in the budget resolution coming up. This has been left out of the amendment by Mr. DOLE. My amendment adds that $40 billion question which was tabled on yesterday. Since then—they probably happened at almost the same time—the House Republicans have said the same thing. They have rejected the Senate Republican proposal to Congress to assign $40 billion in savings in social security outlays before a bipartisan study commission makes its recommendation.

In sum, Mr. President, I am simply adding to Mr. DOLE's amendment the proposition which we Democrats yesterday attempted, and which the House Republicans yesterday supported, rejecting the Senate Republican proposal to commit Congress to assign $40 billion in savings in social security outlays before a bipartisan study commission makes its recommendation.

Mr. RIEGLE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield for a question.

Mr. RIEGLE. Earlier, there was a question raised by the Senator from Missouri, who asked whether or not the budget resolution actually calls for $40 billion in cuts in social security. If the Senator from Missouri wants to be certain that there will not be $40 billion in cuts in social security, could he not then just cosponsor the amendment of the Senator from West Virginia? Then he would have that assurance.

Mr. ROBERT C. BYRD. If he would cosponsor the amendment, he would have the assurance of his own declaration and he would give assurance to our Republican friends in the House who have rejected the proposal embraced by Senate Budget Committee Republicans and the President.

Mr. RIEGLE. It just seems to me that anybody who wants to take the position that there will not be $40 billion in cuts or suggests that they do not want them, the way to really nail that down is to support the amendment that the Senator has just offered, either as a cosponsor or by voting for it, and that makes it crystal clear.

Mr. ROBERT C. BYRD. Absolutely. It is precisely the same position that the Republican leadership in the House took on yesterday.

Mr. RIEGLE. I thank the Senator.

Mr. DOLE and Mr. MOYNIHAN addressed the Chair.

Mr. ROBERT C. BYRD. I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. I will take a minute because I know the Senator from New York has waited for some time.

I do not want to get into this argument about who is a demagog, so I went to the dictionary. I do not think it is necessary to continue this too long, but I was surprised, looking in Webster's New International Dictionary of the English Language, Second Edition, Unabridged, which I find in the office of the Official Reporters of Debates. When I went to the definition of demagog, it says, "See Democrat." I read on after seeing that. It said, "See Democrat; agent."

Then it says, "One skilled in arousing the prejudices and passions of the populace by rhetoric, sensational charges, specious arguments, catchwords, cajolery, etc.; especially, a political speaker or leader who seeks thus to make capital of social discontent and incite the populace, usually in the name of some popular cause, in order to gain political influence or office."

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. DOLE. I am happy to yield for a question.

Mr. ROBERT C. BYRD. Yes. Was not the word "democrat" in lower case?

Mr. DOLE. No, it was in caps.

Mr. ROBERT C. BYRD. Was it upper case?

Mr. DOLE. I would be glad to give it to the Senator. It is right in the dictionary. I did not print this up. I was even more shocked than the Senator must be.

Mr. ROBERT C. BYRD. Perhaps the dictionary was mistaken.

Mr. DOLE. Well, it says "Democrat" and then the word "agent." I do not know that there is any connection between the two, but I must say that that settles my case. I am not going to argue that point any more.

Mr. ROBERT C. BYRD. May I ask the Senator a question. Are we to consider that those who may be demagoging the issue on the other side and downtown are Democrats also?

Mr. DOLE. This is a 1955 edition. I cannot get it up to yesterday, as indicated by the Senator from West Virginia, but I thought it was rather striking, when I hear all these statements made, that that would just show up like that. I mean I really was pleased, to say the least.

Mr. ROBERT C. BYRD. It is very surprising but it does not answer the $40 billion question.

Mr. DOLE. It indicates that the New York Times has been reading the same dictionary, and the Charlotte Observer. Before this is over most of the editors in the country and hopefully others who report what goes on here, will agree with the Times and the Observer. We were on the defense bill last week and suddenly on Thursday we shifted to social security. Then we had a long weekend, and now we are back on social security. I think this debate is interesting and I am even willing to say that I think there are Members on that side who may want to do the responsible thing, maybe a majority, and maybe a majority, I hope, on both sides.

Here comes the dictionary now. I must say in fairness I looked up under the word Democrat to see if it would say demagogue, because I had looked under demagogue and it said "see Democrat." But it did not say that. I did not read on after the word Democrat. But it seems to this Senator that we will just have to table this amendment. This constant attack on those of us who want to save the social security system and preserve its integrity is what upsets and confuses the American people. It is just totally false to claim that we want $40 billion in cuts.

I have yet to see the Democrat plan. I have not seen a Democrat budget. All this Senator has seen and heard over the past several months is Democrats standing up accusing the President of not doing this, not doing that. Not one single budget proposal has come from the Senate Democrats. Nor is there a social security plan. The Democrat plan is to take what is a responsible position—trying to save the system—and attack that as somehow trying to cut benefits. That is pretty much what the definition says, "A political leader who seeks thus to make capital of social discontent and incite the populace."

I hope that this does not incite the populace. If it were not reported, it probably would not make any difference. Somebody is liable to report what is said on the Senate floor, however. And if it was not reported for about 2 days, we would probably go ahead and pass the social security changes that are needed after the Commission reports. This Senator hopes that we get on with it. The Senate Finance Committee is going to have a great deal of work to do on the budget proposal. We have revenue increases, $95 billion. We are going to have medicare and medicaid and social security. We would like to be spending time in our offices preparing for those very important legislative areas rather than coming over to debate this issue at this time.

Certainly, as the minority leader has correctly said, we have to face up to it. I believe that the Budget Committee has taken the first step. I think the Senator from Pennsylvania, yesterday took another step: Take the trust funds off the budget. Then there will not be that temptation to say on the floor of the Senate or in a speech

somewhere that we are trying to balance the budget on the backs of social security recipients.

As far as the House Republicans are concerned, the Senator will say this: The Senate Republicans are in the majority. We do not have the luxury of being in the minority, if that is a luxury. Having been there for 26 years, I am not so certain that is a luxury. But I believe we are in a position of responsibility. We are required to provide leadership. We told the American people in 1980 that if a Republican Senate were ever elected, we would provide leadership and not duck at the first indication that an issue might be politically sensitive.

So I commend the distinguished Senator from New Mexico, who just came to the floor, and the Republicans on the Budget Committee. Most people will sooner or later understand that what we are trying to do is to set the stage for change. As suggested by the Senator from Louisiana, maybe there will be a tax increase. I do not think that is a good idea; we have just about taxed the American people to death. Some have suggested, Congressman CLAUDE PEPPER, for one to put in general funds. We do not have any general revenues, but that does not seem to make any difference; we are used to spending money we do not have. That is the history of one party.

The other approach is to make some basic reforms that will not reduce present benefits. Changes would be phased in.

Before somebody starts pointing at charts and all these other things to distract people from the real argument, that for the most part the Democrats on the House Ways and Means Committee, on the Social Security Subcommittee, have been suggesting nearly every change that is going to be referred to later as coming from the White House. There are responsible people in the Congress in both parties and responsible people on the floor right now in both parties. The Senator from Kansas is not pointing a finger anywhere. But we have the responsibility. We are the majority party.

I assume there may have been one or two times when Republicans may have been irresponsible on the Senate floor. I cannot recall any at the moment, but there may have been a time or two over the last decade, maybe over the last 10 minutes. But in any event, we now have the responsibility. We are the majority party, as evidenced by the person who just entered, the majority leader, Senator BAKER.

We believe that we are on the right track. We believe in protecting and preserving the social security system, or SSS, a solvent social security.

That is the battle cry of those of us who want to proceed in a responsible way. We are not about to cut benefits. We are going to make changes to keep the program solvent. If it requires tax increases, that is one way—not my way. It may be a mixture of things, including some reforms which could very well be the recommendations made by the Social Security Commission. I know that the Senator from New York has now looked under "Republican" and found something awful. [Laughter.] I failed to do that. I suggest that we settle, once and for all, the meaning of the word "demagogue."

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. I should like to quote from another dictionary, a political dictionary, by a good Republican, William Safire:

> Being denounced as a demagogue is a sure sign to a speaker that he is making powerful points with some part of the people.

[Laughter.]

Mr. DOLE. That is also an excellent definition. I think it is accurate.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial from the Charlotte Observer. The Senator from West Virginia left out some of the best parts earlier.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUDGET BATTLE—POSTPONING THE HARD CHOICES

There's plenty of room for improvement in the Republican budget compromise President Reagan endorsed Thursday, but there's little time and little hope for much improvement. Perhaps the most glaring weakness is its failure to spell out details of its most controversial elements—$40 billion in Social Security savings over the next three fiscal years and $95 billion in new revenues over the same period.

Obviously congressional leaders don't want to deal specifically with those issues until after the November elections.

But the key Democrats in the battle continue to engage in demagogic sniping on the Social Security question instead of trying to make construcive contributions to the compromise effort. Senate Minority Leader Robert Byrd, for example, says the Republican plan "mortgages the economic future of the elderly."

Sen. Byrd knows, of course, that even if the Reagan administration had submitted a balanced budget that both parties supported, Congress still would have to act soon to restrain the growth of Social Security benefits in order to prevent the bankruptcy of the system.

Sen. Byrd also knows that no one who deserves to be taken seriously is advocating reductions in Social Security benefits. What's at issue is how far and how fast the benefits will increase. In recent years they've increased faster than the cost of living, and considerably faster than the cost of living for retired people.

What would truly "mortgage the economic future of the elderly" would be failure to enact the cost-saving reforms necessary to preserve Social Security and prevent literal cutbacks in benefits in the near future.

Sen. Byrd and House Speaker Tip O'Neill are trying to force the Republicans into a corner on the Social Security issue, hoping to exploit the fears of older Americans for political gain. It is a transparent and contemptible strategy.

Not all the Democrats in Congress are guilty of that, of course, Sen. Ernest Hollings of South Carolina has been a forceful advocate of restraining Social Security increases. It's unfortunate that he and others who have taken a responsible approach to entitlement programs aren't the leaders and official spokesmen of congressional Democrats.

Even though it is flawed by its lack of detail, the Republican compromise could move Congress closer to an acceptable budget—if Democrats would respond constructively and responsibly. It would reduce the projected 1983 deficit to $106 billion. That's $26 billion less than the deficit projected—using current economic assumptions—for the budget the administration submitted in February.

But it falls short of the $100 billion mark that seems to have become a sort of symbolic benchmark in terms of reassuring investors and business leaders of the government's ability to control the budget. The Democrats should agree to accept the Republican compromise if the president will accept another $6 billion in defense cuts and other savings outside of social welfare programs, to bring the deficit projection down to $100 billion.

Mr. BAKER. Mr. President, all I want to say is that I am prepared to move to table the Baucus amendment, but I understand that perhaps two other Senators wish to speak on this matter. So that Senators will have an idea when that will occur and when that vote will occur, I inquire about how long we might expect Senators to speak.

Mr. ROBERT C. BYRD. Mr. LONG wants 2 minutes.

Mr. MOYNIHAN. I was to speak an hour, but having lost my enthusiasm, I will take 6 minutes.

Mr. RIEGLE. Six minutes, as well.

Mr. ROBERT C. BYRD. Twenty minutes on this side.

Mr. BAKER. It would be my plan to make a motion to table at 3:30.

Mr. DOLE. The Senator from Missouri wants about 2 minutes, and the Senator from New Mexico wants about 2 minutes. I would need 1 minute to clean up after all the other speakers.

[Laughter.]

Mr. BAKER. Mr. President, in 30 minutes, at 20 minutes of 4, I will make the motion.

Mr. RIEGLE. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. RIEGLE. Inasmuch as we have an agreement on time, could we make sure that everybody gets their time?

Mr. BAKER. Mr. President, I ask unanimous consent that on the pending amendment there be debate of 2 minutes for the Senator from Louisiana, 6 minutes for the Senator from New York, 6 minutes for the Senator from Michigan, 5 minutes for the Sen-

ator from Montana, 2 minutes for the Senator from New Mexico, 5 minutes for the Senator from Missouri, and 1 minute for the Senator from Kansas—and, just because I do not want to be left out, 1 minute for the Senator from Tennessee; that at the expiration of that time, I be recognized for the purpose of making a tabling motion against the Baucus amendment.

The PRESIDING OFFICER (Mr. QUAYLE). Is there objection?

Mr. ROBERT C. BYRD. Mr. President, there is no objection

The PRESIDING OFFICER. The Chair hears none, and it is so ordered.

Mr. DOMENICI. Mr. President, has the distinguished Senator from Kansas finished?

Mr. DOLE. Yes

Mr. DOMENICI. Mr. President, I commend the Senator from Kansas for the use of the words "responsible" and "responsibility."

I am sure that many Members have alluded to the Senator from New Mexico this afternoon, but I am sure they have followed the rules of the Senate and have not done so in a personal manner, and I am glad of that.

I take full credit for being responsible. I take full responsibility for producing a truthful budget. I take responsibility for putting in this budget the truth about social security. I take full responsibility for truth in budgeting.

So long as my committee has within its jurisdiction—and I think that will be for a while—social security, medicare, and all of the other programs in the budget, I will bring a budget to the floor of the Senate that tells the truth. The truth is that social security will most probably be insolvent next year. The further truth is that it most probably needs the amounts of $6 billion, $17 billion, and $17 billion, respectively, for the fiscal years 1983, 1984, and 1985.

By putting in a budget what is most probably true about social security, I am sure one of the Senators will say, "Do you put most probable things in the budget?" Yes, we do. You surely put them in when they involve more than 36 million Americans. If a system is most probably insolvent, you do not say, "Well, that is only really probable, Senator. Prove it."

The PRESIDING OFFICER. The Senator from New Mexico has used his 2 minutes.

Mr. DOMENICI. I ask unanimous consent that I may proceed for 2 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I say to my good friend the Senator from Louisiana that if we get unemployment down to 5 percent, I assure him that what I just said about the truth will disappear. If we have 10 percent real growth instead of 4 and 5 percent, it would disappear. If we do a lot better and bring unemployment down from current levels, we will not have a problem.

However, I ask if you want to risk 36 million checks on all of that happening? The most probable situation is insolvency. Your Budget Committee said that before this year is out and after the National Commission on Social Security Reform reports, that Congress must act to restore solvency in social security. Immediately someone will say, "How can you take action before the year is out? The Commission does not have to report until the end of the year?" We have asked our President, and he has assured us that he will ask the Commission to report earlier, in November instead of January. The solvency action will be after the report.

All your Budget Committee has done is to say that we want to give you the truth, we want to tell the American retired people the truth. We have said that most probably we need $6 billion, $17 billion, and $17 billion to restore the social security system to solvency. We said, "Quit playing around with social security checks. Do it." We have ordered the Finance Committee to take action. We have clearly said that these numbers are our best estimate.

We have taken credit for what is most probably going to happen. We have said that the whole purpose is to restore social security solvency, not to balance the budget.

If you pull social security off the unified Federal budget as some have suggested, you have done this budget a favor. For those who think it is like Lyndon Johnson's unification of the budget—that if we do not have social security on the budget, we do not have a balanced budget—hogwash.

The social security system is insolvent. I do not care what charts you produce. CBO has given us a letter which shows the solvency situation. The distinguished chairman of the committee that will have to act on social security knows the truth about the situation. Everybody knows it.

So let us just face the issue: A truthful budget that tells the Senate precisely the facts, and then says to the Senate, "Quit playing around with 36 million social security recipients. Make the system solvent."

I hope the solvency figure is not $6 billion; I hope it is not $17 billion. I hope that when the Senate is ready to propose and pass a solvency bill, the Senate can do it with $4 billion or $12 billion. But for now, $6 billion, $17 billion, and $17 billion are the right numbers.

Instead of running around here talking as though we are doing something wrong, let us be honest with ourselves. Those who do not want social security insolvency around and do not want social security on the budget just do not want a truthful budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I did want to speak to the question of the origins of the word "demagogue." As the Senator knows, it is the combination of Greek words meaning one popular with or leader of the people.

The Senator asked me if I found anything in the dictionary about Democrats, and I did—something I did know, as a matter of fact—which is that when Thomas Jefferson organized the party in about 1792, it was known as the Democratic-Republican Party. Under Jackson, we dropped "Republican," and it was lying about in 1856, when you picked it up. If it were not for the Democrats you would not have a name. But we have never really very much resented your use of it. [Laughter.]

Mr. President, a point about the difficulties we have today, which might seem exaggerated if someone came upon the scene within the last week. It is simply this:

A year ago today with no notice and no consultations the President sent to us a social security proposal that there be a 10 percent reduction for all recipients, this by changing the "bend points" and that for persons entering the system at age 62 beginning this year there be a reduction of 40 percent, to the point where the beneficiary would receive 49.5 percent of his full benefit rather than the actuarially determined 80 percent, as had been and still is the case. These were unmistakable, large reductions in benefits.

I introduced on May 20, 10 days later, a resolution saying that we will not do that. The Senator from Kansas substituted an essentially identical resolution. I cosponsored it. It passed by 96-to-0 vote.

But, Mr. President, on May 12 a year ago there began to be talk of an extraordinary instability in this system which we do not find. We have known there was a shortfall in revenues, that revenues would be below outlays during the balance of the 1980's.

We are able to show by the actuarial reports of the Social Security Administration that from 1990 to the year 2015 the system is in surplus. It reaches the point, for example, that in the year 2010 revenues are 177 percent of outlays. We know that in the period following roughly 2015, we use up the accumulated surplus and starting in the year 2025 we have difficulties. That is what we are dealing with in the President's Commission, a near-term shortfall, not a large amount of money but a real amount of money in this decade followed by a generation of surplus, then by difficulties.

We are able to show that the dependency ratio in our country does not rise but declines. It reached its highest point in 1965 and it never reaches that high point again in 90 years. We are able to show that as a percentage of the gross national product social security payments are going to decline for the next generation and only in the second third of the 21st century do they reach the level they are at today.

These are demographic facts. They have to do with this proposition that in each year of this decade about 600,000 more persons are over 65 in the population than in the previous year. Starting about 1995 that drops to 300,000. The system can be made stable. We were shocked by the assault on it a year ago. We learned of the origins of that. Having said this was budgetary in its purpose and been told that it certainly was not, we learned from Mr. Stockman's "Confessions" in December that it indeed had been.

These are the origins of our concern and it seems to me they are legitimate.

Finally, Mr. President, I am sorry he is not on the floor, but the distinguished chairman of the Budget Committee has pointed out to me that in the last several days I may have misread the possible budget compromise he presented on the morning of May 5.

He points out that there was also to be a freeze on all COLA payments other than SSI and food stamps and, therefore, there would be more social security reductions. I grant that. I would make the defense, perhaps not a successful one, that the freeze elements were clearly intended as budgetary. The solvency elements referred to the shortfall anticipated in the system.

I thank the Chair for its kind attention.

Mr. RIEGLE. Mr. President, I shall just quickly say something to my friend from Kansas who was aiming some barbed comments my way a little bit earlier. I think the reason he may be a little sensitive today is that there is a caricature of him in the Washington Post editorial cartoon today on the back door pay increases that Congress gave itself with the special $19,000 tax break. This has become an item of great controversy and, as I recall, it was the Senator from Kansas who helped author that special tax break here on the floor not all that long ago and which is now the cause of much outrage in the country. So when we talk about saving money and the question of what constitutes fair distribution of Federal money, I can understand why he might feel a little sensitive today with that cartoon.

But I think this $40 billion cut in social security is so bad that the real measure of it is that all the Republican leadership in the House of Representatives has come out against it. The Republican leader in the House, MICHEL, other Republican leaders in the House have come out against it because they think it is wrong and the Republicans on the House side are bailing out on this social security cut in wholesale numbers. I applaud them for it because it is an outrageous cut and they see it for what it is.

One thing that I think the country does not understand, and I have not seen it reported in a single press article and I say this as a member of the Budget Committee, when we put together the budget in the committee—I should say the Republicans in the committee did because it is a Republican document—all of the budget assumptions from all functions come from CBO estimates for all the different areas except the defense budget. For defense a special exemption was made and a $110 billion special increase was built into the budget numbers for the defense function. That was then hidden. It was buried in what is called the baseline deficit at the top of this worksheet which unfortunately is too small right now for people around the room to see.

After building in $110 billion in additional defense spending and then trying to hide that fact, they were left with the problem of having to make a whole other set of savings.

So they were scrambling around looking everywhere they could to find money that they could cut out of other programs. That was where the impulse and the impetus came to make this $40 billion cut in social security, and that is not the only cut that lands on senior citizens. There is also a $24 billion cut in medicare. So if we take social security cuts together with the medicare cuts, we are talking about a total of $64 billion in cuts over the next 3 years. But the point is the reason those programs are being raided, as well as students loans and any number of other human service programs, is to pay for that buried increase of $110 billion that is in here for the defense budget. That is just the hard fact in terms of where it came from in the flow of events in the Budget Committee.

I do not think it is right to make the senior citizens of this country the sacrificial lambs in terms of trying to bring down this budget deficit, especially when it is being driven by things like these bloated increases in the defense function and other sacred cows in the budget. To suggest that social security is a sacred cow in the budget I think is a misrepresentation. We in fact have all kinds of sacred cows in the budget, but social security is not one of them.

But the reason this budget document has to be addressed and why this $40 billion in social security cuts has to come out is that it is central to the fabric of the entire budget document, because of the way this $110-billion defense increase was hidden in the deficit baseline, and all these other cuts were then assumed. Unless we take and retrieve the social security cuts, and take them out, the whole budget is dishonest.

I challenge my friend, whom I respect very much, my friend from New Mexico, on the way he characterizes it. I say it is now dishonest. You cannot take the defense function and treat it one way and treat all the rest of the functions a different way, when that particular treatment yields $110 billion in added costs over 3 years, and then you try to bail it out by stealing the money from the old people of this country. This social security cut is a time bomb that is designed to go off in the faces of the senior citizens of this country right after the election.

Talk about a double standard, to come here, as was done 2 months ago, and make off with a $19,000-a-year special tax break for Members of Congress, that came off that side of the aisle, to come in here and make off with that kind of money in the face of the budget crisis we face, and then come in here less than 2 months later and say, "Now we have got to cut social security by $40 billion over the next 3 years, we have got to cut medicare $24 billion over the next 3 years," to me that is hypocritical, and that is a double standard, and I think it is wrong, and I think it makes this place look exactly the way we behave, and that is according to two standards.

We are taking it out of the hides of the senior citizens here, and we are passing the money out to our friends and to groups we favor and, in some cases, yes, even to ourselves. That is what the record shows. That is what this cartoon in the Washington Post is all about today, where it shows this money going out the back door. It is no wonder people lose faith in the Government. Yes, the senior citizens in this country are upset, and they have a right to be upset, because they have been misled time and time again by the President and by the leaders in the Republican Party on the question of social security. They say one day, "We are not going to cut it." The next day they come right back with a proposal to cut it. The minimum benefit under social security was just one of many.

The PRESIDING OFFICER. The time of the Senator from Michigan has expired.

Who yields time? Who wants time?

Mr. BAUCUS. Mr. President, I would like to take off on the general point the Senator from Michigan is raising.

The reason I am supporting the underlying Robert C. Byrd amendment is very simple. That is because I think American, particularly senior citizens and particularly social security beneficiaries, are confused.

They are not sure if Congress is trying to balance the budget on their backs. On the other hand, they are not sure of the degree to which the trust fund is really in trouble. They just do not know. I think they believe the trust fund is in some trouble. But when they see us in Congress, particulary the Budget Committee, pass a resolution calling for $40 billion of solvency measures, benefit cuts, or tax increases or whatever, it seems to me they are probably wondering, "Well, is Congress balancing the budget on the backs of senior citizens or is it not?" They do not know.

I suggest, therefore, that along the lines of the proposal of Senator HEINZ we treat social security separately; we address the payments that go into the trust fund, we look at the demographics to see what the population trends are, see what inflation is, what the unemployment rates are; we look at social security separately.

Social security is an insurance system, it is a trust fund, it is a transfer system. The reason it has some credibility in our country, some remaining credibility, is because it has been an insurance system, a trust fund, if you will.

I think it should continue that way. It seems to me, therefore, that Americans will continue to have some faith and, perhaps, even more faith in the trust fund if it is treated separately, that is, if the Subcommittee on Social Security under the chairmanship of the Senator from Colorado or the full Finance Committee under the chairmanship of the Senator from Kansas begin now to address the question of social security independent of our Federal budget problems. We are not addressing the question and, it seems to me, it is a fair inference for people to draw that, no, we are not really addressing the problems of the social security trust fund here.

We are, in fact, balancing the budget on the backs of the senior citizens.

We hear about this urgency. What are we in Congress doing about it? Sure, the President has suggested a commission that is to report later on, and there is some talk of, well, maybe a report is going to come back in December, maybe January, or maybe November. But this is May. We have many months before November, December, or January, and if we truly are trying to address the trust fund entirely separately as a trust fund, let us get on with it. The House Ways and Means Committee and the Senate Finance Committee should get to work on it and try to find a solution.

Mr. President, I do not see Congress acting quickly, and I do not see Congress acting at all to answer the basic question of addressing the solvency of the trust funds and what we should do about it. Instead we are asked to draw a number out of the air, $40 billion, in a budget resolution, not in a Finance Committee bill but in a budget resolution.

Looking at the budget and social security solvency proposals that have come from Members of this body, I know of none in favor of increased payroll taxes, very few in favor of general revenue support, and so the inference we draw from the Budget Committee's proposal is that the $40 billion savings shall be achieved through benefit cuts. I, therefore, suggest very strongly that if we are going to help restore American confidence in the trust fund we should treat social security separately, and not accept the proposal of the Budget Committee that we address it in a budget resolution.

Mr. President, in conclusion, I ask for the attention of the Senator from Kansas, if I might have the attention of the Senator from Kansas, to ask if he does not agree that it makes more sense to treat social security separately and not as a matter of the budget?

Mr. DOLE. I would say to the Senator from Montana that he makes a great deal of sense. My colleague from New Mexico may not share that view. It would seem to me particularly in this time of political crisis over social security that it would be a good idea if we could separate the trust funds. They could stand or fall on their own. That way, they would not get mixed up in the budget battle.

We have agreed in the Social Security Commission to raise that issue so there might be a recommendation when we make our report hopefully sometime in early November.

Mr. BAUCUS. I appreciate the response of the Senator from Kansas.

Mr. President, I hear his response as seeming to agree with the fundamental point I am making, which is that there is no place in the budget resolution for a provison to cut $40 billion from the social security system.

The Senator from New Mexico says he did not pull these numbers out of the air, cutting $6 billion for 1983, and $17 billion for each of the following 2 years.

Mr. President, those numbers may or may not be right. But again, I want to emphasize that if we are going to maintain American confidence in the social security system, I think we should have hearings by the Senate Finance Committee and hearings by the Ways and Means Committee over in the House, so we can find out what measures are really needed to keep the trust fund sound instead of cutting benefits for the purpose of balancing the budget.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. The time of the Senator from Montana has expired.

The Senator from Missouri.

Mr. DANFORTH. Mr. President, social security is the single most important domestic program in this country. It directly affects more people's lives than any other thing our Government does. We are not going to dismantle that system. We are not going to reduce benefits of recipients. Anyone who says we are is playing on the fears of the Nation's elderly for political advantage. Such behavior is irresponsible and reprehensible. It is the worst side of American politics.

The fact is this: The social security system is spending money faster than it is receiving money. If nothing is done to change that fact the system will not be able to meet its obligations sometime next year.

The question we face is whether we will let the system go broke or whether we will take whatever actions are necessary to guarantee that social security checks will go out without interruption next year and into the future.

The amendment in which I played a part helping to draft is a substitute for the measure advanced by Senators ROBERT C. BYRD and MOYNIHAN and is very simple. It would do three things:

First. It would assure that any corrective action taken on social security will be for the sole purpose of preserving the solvency of the social security system and will not be seized upon as a means to reduce the budget deficit;

Second. It would delay any such statutory action until the Congress has received the recommendations of the National Commission on Social Security Reform expected sometime before the end of this year; and

Third. It would not prejudge the question of whether corrective action should be in the nature of revenue increases or a change in the rate of growth of social security benefits.

The amendment also assures that all social security recipients will receive a full cost-of-living increase by July 1 of this year.

Let me say that I will never, ever be a party to the dismantling or destruction of social security. I will fight to preserve it for current recipients, for their children, and for their children's children. I was one of only nine Republicans who voted for the huge payroll tax increases enacted in 1977. That was the unpopular thing to do in 1977. But I will do the responsible thing necessary to preserve a solvent social security system regardless of its political consequences. It turns out that we did not do enough in 1977 to guarantee the solvency of the system.

The amendment offered by Senator DOLE, Senator BAKER, and others guarantees that we will take whatever further action is necessary to protect the system. I deplore those who characterize this action in any other terms and challenge them to tell us what they

would do to keep this system from going broke.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. DANFORTH. Of course.

Mr. DOMENICI. Mr. President, as usual, the Senator has hit the nail right on the head and I commend him for it.

I was going to ask the distinguished Senator from Montana whether taking social security off budget or leaving it on would change the facts that the Senator from Missouri just described; namely, that social security is spending more than it is taking in.

Does the Senator from Missouri think that might change it and that might make it better and maybe by taking it off budget all of a sudden it would be getting more money in?

Mr. DANFORTH. I do not think it would be getting any more money in. I do regret that the whole question of reducing the deficit has gotten somehow mixed up with the question of making social security right. I talked at great length to the chairman of the Budget Committee yesterday and it is my understanding of the position of the Senator that all the Budget Committee is proposing is that we do a sufficient job to keep the social security system solvent.

Mr. DOMENICI. Absolutely right.

Mr. DANFORTH. And we do not use social security as a way to balance the budget in general.

Mr. DOMENICI. The Senator is absolutely right. I thank him again for stating it. I stated on the floor that I thought we had to be truthful and sensitive and the Senator just has given us the truth again in terms of daily take and daily expenditures. I explained that the truth is that that always yields an annual number and that is a deficiency and that is what we put in the budget.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, my understanding is that the distinguished majority leader is coming back from an engagement downtown and that there will be a quorum call. I could suggest the absence of a quorum now and reserve my 1 minute while I check the cartoon in the Washington Post and reserve the minute for the majority leader. I have checked the cartoon and it looks more like the Senator from Michigan, may I add.

Mr. STENNIS. Mr. President, may I have 1 minute?

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Mississippi may have 2 minutes.

The PRESIDING OFFICER. Is there objection? Hearing no objection, the Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, 1 think there has been a lot of good points ably discussed on the social security program. But, Mr. President, for the sake of our committee system—and the Armed Services Committee is a major committee and this is a major bill; the largest one for this year—it is just nonsense to think that any amendment of this kind is ever going to become law as a part of this bill.

I will tell you one group that will take care of that—the Ways and Means Committee of the House. They are the ones that have jurisdiction here. I do not think there is any doubt that it would be impossible to get an authorization bill with this matter tied to it.

On the whole, I feel we can in no way escape the amendment being offered if there is not something here from the Finance Committee when the budget matter comes up, which will be soon. So I am going to stand by the proposition of trying to protect the integrity of the committee.

I do not put any personal fault to anyone that does not vote that way. But I am interested in and concerned about and have worked on the system for a better system for the social security provisions, the whole setup. It must be made into a pure trust fund, separate and not dependent on others, but, at the same time, carry its part of the load.

I voted for the increase in 1977 that the Senator from Louisiana and others worked on so hard to try to straighten this out. I wanted to be sure the record spoke on that, Mr. President. I thank the Senator for the time.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

Mr. BAKER. Mr. President, will the Senator withhold that for a moment?

Mr. DOLE. Yes; the Senator from Kansas still has 1 minute and the majority leader has 1 minute.

Mr. BAKER. What I would like to do, Mr. President, if Members are agreeable, is to go ahead and let Senators claim their time under the unanimous-consent order, at which time, as I recall, I will be recognized for the purpose of making a tabling motion, which I will make and ask for the yeas and nays, and then suggest the absence of a quorum so the vote would occur immediately after the quorum was rescinded.

Mr. DOLE. I think the Senator from Kansas is the only speaker. I have 1 minute.

The PRESIDING OFFICER. The Senator from Kansas has 1 minute, the Senator from Tennessee has 1 minute, and the Senator from Louisiana has 2 minutes remaining in the debate.

Mr. LONG. Mr. President, let me just say two things. First, Mr. President, I do think that Senators—and I would like to address this to all Senators who are involved—should not engage in language that really violates the rules of the Senate by suggesting that anyone is using language unworthy or doing something unworthy of a Senator by proposing his amendment, regardless of its merits.

And I would address this to my good friend, the Senator from Kansas. I do not think it is appropriate, and I urge Senators in the future not to describe the minority leader as anything other than the statesman that the minority leader is. That type of thing just sets the stage for more of the same from both sides.

Under the rules, when I came here you could not get away with it. You would just be put in your seat. All a Senator had to do was just to suggest that under rule XIX that you were out of order and you would have to sit down. We really should not be arguing about these things on an ad hominem basis. It ought to be on basis of the merits of the proposal.

On the merits, Mr. President, I personally think that the Budget Committee is really seeking to do a responsible thing. The Budget Committee knows that we are either going to have to raise taxes or we are going to have to cut benefits, and the Budget Committee recommendation says that.

Now, I believe that the initial Byrd recommendation took that into account, but this present one does not. The present Byrd proposal just talks about cutting benefits. Well, maybe speeches by Senators have indicated that they would solve the problem by cutting benefits, but that is not the budget recommendation, as I understand it. The budget recommendation is that you can do it either by raising taxes or you can do it by cutting back on expenditures or a combination of both. In either event, you ought to try to bring these expenditures within the limits of the basic revenue available to the expenditures of the social security fund.

Mr. President, I believe we are going to have to do something of that sort. While some may want to save the social security system by merely cutting the cost-of-living benefits or something else, this Senator believes that we are going to basically have to do the same thing we did in 1977. And what was that? We both raised taxes and cut benefits. We had to do both of them, otherwise the program would have been broke already.

It seems to this Senator that, basically, is what the Budget Committee is seeking to suggest. I do not think we are going to have too much choice but to do something like that sooner or later. The sooner we do it, the better it will be for the country.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas has 1 minute.

Mr. DOLE. Mr. President, I certainly agree with the distinguished Senator from Louisiana. Hopefully, now that we have had 3 days of this, we will move on to the defense bill. I know the Senator from Mississippi and the Senator from Texas are wondering what happened to the defense bill. Well, it has been covered up with social security.

Social security is a very important problem. The final responsibility is going to rest with the Senator from Louisiana, the Senator from Kansas, the Senator from New York, the Senator from Colorado, and others on the Senate Finance Committee.

We will make the determination. The Commission is not going to make it. The Budget Committee is not going to make it. The Senate Finance Committee is going to make it and then the full Senate. As I read the resolution, the Budget Committee suggests we have a solvency problem. I wish we had not had the amendment yesterday and I wish we had not had the amendment today. But we did. We have to dispose of them and move on.

I would say with reference to one comment, I hope the Senator from Louisiana was not referring to the Senator from Kansas. I have great respect for the minority leader. I was so confused, I went to the dictionary and looked up the word. But I think we have had enough of that, too.

It seems to this Senator that we have a very serious problem. We will solve it. We always have. I think we ought to start assuring the senior citizens we are going to solve their problem, not compound it, confuse it, or politicize it.

This Senator had six visitors this morning from Kansas, all social security recipients. They are frightened, and perhaps for good reason. They are not certain who to believe, whether to believe the President, to believe the Democrats, the television, the newspapers, or not to believe anyone. That might not be a bad idea for the next 30, 60, or 90 days, when perhaps we can solve this very serious problem.

I am convinced, after listening to all of the debate, including some that was less than accurate, that we will solve this problem in a bipartisan effort with Democrats and Republicans working together. That will be the only way that this Senator believes we can successfully address this serious problem.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. How much time remains?

The PRESIDING OFFICER. The Senator has 1 minute and then the time will have expired.

Mr. BAKER. I thank the Chair.

Mr. President, I have no need for my 1 minute but before I make the motion I contemplate making and announced previously, I will inquire—Mr. President, I yield back the remainder of my 1 minute and I move to table the Baucus amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to lay on the table Mr. BAUCUS' amendment (UP 918). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM) is necessarily absent.

The PRESIDING OFFICER (Mr. EAST.) Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—53

Abdnor	Garn	McClure
Andrews	Goldwater	Murkowski
Armstrong	Gorton	Nickles
Baker	Grassley	Packwood
Boschwitz	Hatfield	Percy
Brady	Hayakawa	Quayle
Byrd, Harry F., Jr.	Heinz	Rudman
	Helms	Schmitt
Chafee	Hollings	Simpson
Cochran	Humphrey	Specter
Cohen	Jepsen	Stafford
D'Amato	Kassebaum	Stennis
Danforth	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Long	Thurmond
Domenici	Lugar	Tower
Durenberger	Mathias	Wallop
East	Mattingly	Warner

NAYS—45

Baucus	Exon	Mitchell
Bentsen	Ford	Moynihan
Biden	Glenn	Nunn
Boren	Hart	Pell
Bradley	Hawkins	Pressler
Bumpers	Heflin	Proxmire
Burdick	Huddleston	Pryor
Byrd, Robert C.	Inouye	Randolph
Cannon	Jackson	Riegle
Chiles	Johnston	Roth
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Tsongas
Dodd	Matsunaga	Weicker
Eagleton	Melcher	Zorinsky

NOT VOTING—2

Hatch	Metzenbaum

So the motion to lay on the table the amendment of Mr. BAUCUS (UP No. 918) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the motion to lay on the table was agreed to.

Mr. SCHMITT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENTS NOS. 916 AND 917

Mr. THURMOND. Mr. President, I am pleased to join the distinguished majority leader (Mr. BAKER), the distinguished chairman of the Finance Committee (Mr. DOLE), the distinguished chairman of the Budget Committee (Mr. DOMENICI) and others in sponsoring this amendment which addresses the problems in the social security system.

It is a harsh, unpleasant fact that the social security system faces grave financial problems and that the retirement trust fund may not be able to pay benefits beyond June 1983. Obviously, there is no easy, painless solution to this problem. However, in an attempt to resolve both the short-term and long-term financial problems faced by the social security system, on December 16, 1981, the President established the National Commission on Social Security Reform. It is the task of this Commission to study the problems and make recommendations by the end of this year which will insure the fiscal soundness of the system.

The amendment before the Senate states that this body will await the recommendations of the National Commission on Social Security Reform prior to making any specific changes in the social security program. It also calls for the payment of the full 7.4 percent cost-of-living adjustment in July of this year on schedule; it reaffirms the Senate's solemn commitment to preserve and protect the social security system; and it declares that any corrective actions taken by the Senate shall not include any more than absolutely necessary to preserve the financial integrity of the social security system.

Mr. President, I am confident that any abrupt reductions in social security benefits can be avoided if Congress faces its responsibilities squarely on this issue. Hopefully, it will not be necessary to make any cuts in benefit levels of current recipients. However, it may well be that the rate at which these benefits are increased in the future—the annual cost-of-living adjustments—will have to be scaled back, along with other reasonable adjustments in the program affecting future beneficiaries. After receiving the recommendations of the Presidential Commission, Congress must act promptly so that beneficiaries will be able to plan for whatever adjustments might be necessary, and so that the long-range stability of a worthwhile social security program can be maintained.

Mr. PERCY. Mr. President, I will vote to table the Baucus-Byrd amendment and support in its place the Dole amendment regarding the social security system.

The amendment offered by Senators BYRD and BAUCUS rejects the action taken by the Senate Budget Committee last week which estimates the amount of insolvency expected in the

social security system over the next 3 fiscal years. By rejecting this portion of the budget resolution, this amendment ignores the fact that steps must be taken to remedy the financial problems of the social security system.

The chairman of the Budget Committee has made it very clear that the budget resolution only recognizes the estimated extent of the insolvency. It does not make any recommendations about what the Congress should do. The Budget Committee report in part states that this proposal "does not specify the extent to which the solvency gap would be filled by increased revenues and how much by reduced costs."

In other words, Mr. President, the Budget Committee as required by law, is simply stating what we all know—that the social security trust funds will be insolvent next year if Congress does not act.

The Dole amendment, of which I am a cosponsor, attempts to clarify the social security problem. First, it makes clear that the full social security cost-of-living adjustment of 7.4 percent will be paid as scheduled on July 1, 1982. Second, our amendment reaffirms our commitment any corrective action to be taken by Congress "shall not include any more than is absolutely necessary to preserve the financial integrity of the social security system."

Last, our amendment states our intention not to act on any changes in social security prior to the recommendations of the National Commission on Social Security Reform expected later this year.

Mr. President, I think it is extremely unfortunate that the issue of social security reform has become confused with our efforts to balance the Federal budget. The Senate Budget Committee is now required by law to include as part of the overall budget the revenues and expenditures of the social security system. To include it in the budget and not to reflect the best estimate we have of what will be required to make the system solvent—either by increased revenues or benefit reforms—is not responsible in my judgment.

However, it is because these issues have become clouded that I joined the distinguished chairman of the Special Committee on Aging, as my fellow Member, Senator HEINZ, and the distinguished chairman of the Finance Committee, Senator DOLE, in introducing legislation, S. 2514, to remove the social security trust funds from the unified Federal budget. I strongly believe that the question of social security financing should be considered separately, not in conjunction with the budget resolution, and that proposals for reform, no matter what their content, be considered on their own merits.

Mr. President, for that reason, I urge my colleagues to defeat the Baucus-Byrd amendment and join me in supporting this amendment.

(The names of Mr. NICKLES, Mr. BOSCHWITZ, and Mr. GORTON were added as cosponsors of UP Amendment No. 916.)

Mr. BAKER. Mr. President, if I may have the attention of Senators for a moment.

Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order. The majority leader has the floor.

Mr. BAKER. Mr. President, I am prepared to ask unanimous consent that the first and second degree amendments be considered en bloc. They are very similar. That would require one rollcall instead of two. I believe debate on this subject has been sustantially exhausted. I hope we can proceed immediately to a vote.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

Mr. BAKER. Mr. President, I ask unanimous consent that the first- and second-degree amendments, that is, the Dole et al. amendment, and the Baker et al. amendment, be considered en bloc by single vote.

I ask for the yeas and nays on the consolidated amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur on the amendments en bloc.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) is necessarily absent.

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 91, nays 7, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—91

Abdnor	Danforth	Huddleston
Andrews	DeConcini	Humphrey
Armstrong	Denton	Inouye
Baker	Dixon	Jackson
Baucus	Dodd	Jepsen
Bentsen	Dole	Johnston
Biden	Domenici	Kassebaum
Boren	Durenberger	Kasten
Boschwitz	Eagleton	Kennedy
Bradley	East	Laxalt
Brady	Exon	Leahy
Bumpers	Ford	Levin
Burdick	Garn	Lugar
Byrd, Harry F., Jr.	Glenn	Mathias
	Gorton	Matsunaga
Byrd, Robert C.	Grassley	Mattingly
Cannon	Hart	McClure
Chafee	Hatfield	Melcher
Chiles	Hawkins	Mitchell
Cochran	Hayakawa	Murkowski
Cohen	Heflin	Nickles
Cranston	Heinz	Packwood
D'Amato	Helms	Pell
Percy	Rudman	Symms
Pressler	Sarbanes	Thurmond
Proxmire	Sasser	Tsongas
Pryor	Schmitt	Wallop
Quayle	Simpson	Warner
Randolph	Specter	Weicker
Riegle	Stafford	Zorinsky
Roth	Stevens	

NAYS—7

Goldwater	Moynihan	Tower
Hollings	Nunn	
Long	Stennis	

NOT VOTING—2

Hatch	Metzenbaum

So the amendments (UP Nos. 916 and 917) were agreed to, en bloc.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. D'AMATO. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BOREN. Mr. President, I voted for the amendment offered by the distinguished chairman of the Finance Committee, Senator DOLE, and the majority leader, Senator BAKER, rollcall 101. I did so with some reservations, however. It is a mistake, I think, to "tie the Senate's hands" in a way that precludes action regarding social security this year. We may find it necessary to strengthen the social security system before the National Commission on Social Security Reform submits its final report. Nevertheless, I support the primary purpose of the amendment—the protection of social security—and vote for it on that basis.

Mr. BAKER. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The committee substitute to S. 2248.

Mr. TOWER. Mr. President, it is my understanding that the distinguished majority leader expects us to stay here late this evening to try to dispose of our amendments to this bill. I think several Senators indicated a willingness to cooperate and offer amendments.

I urge others to do so, so that we can make substantial progress on what we came here to do, and that is, namely, the defense authorization bill.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the distinguished majority leader.

Mr. BAKER. I thank the chairman of the Armed Services Committee.

Mr. President, I agree absolutely with the admonition of the distinguished chairman. I do urge Senators to come to the floor and offer their amendments. We will be in late tonight, well past the dinner hour. We will be in late tomorrow night as necessary to try to finish this bill tomorrow. If we do not finish it tomorrow night late we will be on it again on Friday.

Mr. President, it is my understanding that there may be an amendment

or two that will be offered at this time on which there will be little or no debate.

So Senators should be on notice that there will be one and perhaps two rollcall votes in the next little bit.

So I urge them to stay on the floor.

Mr. TOWER. Mr. President, I believe that the Senator from Pennsylvania (Mr. SPECTER) is ready to bring up his amendment.

Before I yield the floor, I simply wish to say that I voted against the amendment just adopted not because I disagree with it in substance, but because I disagree with the inclusion of such extraneous legislative matter on a DOD authorization bill.

In my view social security legislation has no place on this bill. I regret it was intruded into this bill.

But I wish the RECORD to show while I did not disagree with the substance of the amendment, I voted against it for that reason.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Arizona.

Mr. GOLDWATER. I merely wanted to make a statement that I voted against it for the same reason my chairman did, and I do not think this bill is any place to carry social security. I thank my friend.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, at this point I am prepared to yield the floor.

AMENDMENT NO. 1397, AS MODIFIED

(Purpose: To express the sense of the Congress recommending a summit meeting on reducing the risk of the occurrence of nuclear war)

Mr. SPECTER. Mr. President, earlier today, as the RECORD will show, prior to the motion to recommit, by a vote of 60 to 32, the motion of the Senator from Illinois (Mr. PERCY) to table the amendment which I had offered was defeated. At this time I think we are prepared to conclude this matter.

I have discussed the issue with the Senator from Texas, who has an amendment to offer to my amendment which is satisfactory from my point of view. At this time, I call up amendment No. 1397, as modified.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. SPECTER), for himself, Mr. DIXON, and Mr. MITCHELL, proposes an amendment numbered 1397, as modified.

The amendment, as modified, is as follows:

At the end of the bill add the following:

SEC. .(a) The Congress finds that—

(1) a general nuclear war could cause the death or mutilation of hundreds of millions of people;

(2) the damage that a general nuclear war would cause to the environment would be of unknown, unimaginable, and unprecedented kinds and degree;

(3) many survivors of a general nuclear war would, after suffering extraordinary agony, die of radiation poisoning, disease, overexposure to the elements, starvation, or similar causes;

(4) the probability of the occurrence of a general nuclear war would increase vastly and, perhaps, uncontrollably if any government initiates major hostilities or the use of nuclear weapons, regardless of the circumstances;

(5) the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike;

(6) the governments of many nations already have nuclear weapons, and the governments of many more nations may soon develop or otherwise be able to acquire nuclear weapons;

(7) even a local or regional armed conflict or terrorist incident could escalate into a conflict involving the superpowers and leading to general nuclear war; and

(8) launched missiles carrying nuclear weapons, including those launched in error or by accident, cannot be recalled from proceeding to and devastating preassigned targets.

(b) It is the sense of the Congress that the President should, at the earliest possible date, act to convene a summit meeting with leaders of the Government of the Union of Soviet Socialist Republics for the purpose of seeking to reduce the risk that nuclear war would occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

(c) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond to any invitation extended to him by the President of the United States of America to attend a summit meeting to reduce the risk that nuclear war could occur from any cause and to establish a means for better controlling the use of, and reducing the stocks of, nuclear weapons.

The PRESIDING OFFICER. Time on the amendment has expired.

Mr. TOWER. Mr. President, it is my understanding that the Senator from Pennsylvania is not bound by the previous time agreement because when the motion to recommit was adopted and the committee substitute reported it reopened the bill for the Senator from Pennsylvania because his amendment was left standing in the wings as a result of that action.

The PRESIDING OFFICER. The effect of the motion to recommit was to displace all amendments pending or agreed to. It was not to undo the unanimous-consent agreement.

UP AMENDMENT NO. 920

Mr. TOWER. Mr. President, I send to the desk an amendment and ask for its immediate consideration. It is my understanding that any amendment has a time, controlled time, of 30 minutes, 15 minutes to a side.

The PRESIDING OFFICER. The Senator is correct.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 920 to amendment numbered 1937, as modified:

On page 2, strike out all after line 23 and insert the following in lieu thereof:

"(b) It is the sense of the Congress that the President of the United States should be commended for his expressed desire to meet with the President of the Union of Soviet Socialist Republics in June, 1982.

"(c) It is the further sense of the Congress that this meeting should be an essential step in a patient and persistent effort to achieve significant, balanced and verifiable reductions in the strategic arsenals of the United States and the Union of Soviet Socialist Republics and, thereby, reduce the dangers of nuclear war. Such effort should feature, after appropriate preparation and with the goal of achieving concrete results, a summit meeting between the leaders of the two nations. Such meetings should be pursued so as to achieve a more constructive framework for Soviet-American relations.

"(d) It is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should, at the earliest possible date, respond favorably to the invitation extended to him by the President of the United States to meet in June, 1982, and any subsequent invitation to attend a summit meeting."

Mr. TOWER. Mr. President, I have never disagreed with the thrust of what the Senator from Pennsylvania was trying to accomplish. As I said earlier, we all desperately want to reduce the prospect of nuclear war. No one in his right mind wants a nuclear holocaust in this world. I think sometimes we disagree on how that can be accomplished.

My own concern would be how Senate action might be viewed considering the initiative the President took last Sunday.

The amendment I have offered I think puts the Specter amendment in some perspective and, considering what the President's action was last Sunday, therefore, overcomes the suggestion that might otherwise have been inherent in the Specter amendment that what the President did Sunday was irrelevant to what the Senator from Pennsylvania is trying to accomplish, and I know that was not his intent.

We have preserved here in this amendment the call for a summit, in effect and, therefore, I hope the Senator from Pennsylvania will find this amendment agreeable.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. I do find the amendment entirely agreeable, and I congratulate the Senator from Texas for offering it.

In the insertion of the commendation for the President of the United States, the Senator from Texas is formalizing a specific commendation and

compliment that I had stated in the debate on my earlier amendment, and I find it most appropriate to be memorialized permanently in the amendment.

As the RECORD will show, the amendment which I submitted was prepared prior to the President's speech on Sunday. Had it been prepared after, I certainly would have inserted that language myself to formalize what I had said in the floor statement.

With respect to the language about "such effort should feature, after appropriate preparation and with the goal of achieving concrete results," I find it entirely appropriate and, as I have said in the earlier floor debate, that language had been suggested to me last Wednesday night at a meeting attended by the distinguished Senator from Virginia (Mr. WARNER) and representatives of the State Department and the National Security Council as a substitute for the language which I had earlier put in, "at the earliest possible date." I had said in my floor statement that I regarded the language "after appropriate preparation and with the goal of achieving concrete results" to be the essential equivalent of what I had intended by "at the earliest practical date." So that is entirely acceptable.

The additional language with respect to "verifiable reductions in the strategic arsenals of the United States and the Union of Soviet Socialist Republics," is entirely acceptable as added by the Senator from Texas. I think it is a good addition.

The amendment offered by the Senator from Texas retains the essential feature of calling for the summit meeting, and makes plain the sense of the Senate that the Senate is behind this initiative of the President. So, unlike SALT II, where the Senate did not ratify and was most probably not in favor, it is plain to the Soviet Union and the world that the Senate stands behind such a summit meeting. I find this a most acceptable resolution of the issue.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I would like the RECORD to show that I offered this amendment on behalf of myself, Mr. PERCY, and Mr. JEPSEN, and I would like to ask the Senator from Pennsylvania if he would simply accept this amendment and incorporate it into his amendment.

Mr. BAKER. Mr. President, will the Senator yield to me before the Senator answers?

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, I wholeheartedly agree with that request. I might point out that since, under the circumstances of the moment, it would require unanimous consent to permit the Senator from Pennsylvania to accept this amendment, but if he is agreeable to accepting this amendment, I am agreeable to putting that unanimous-consent request.

Mr. SPECTER. Mr. President, I am agreeable to accepting it.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator may accept the amendment of the Senator from Texas, notwithstanding the previous action of the Senate in that respect.

The PRESIDING OFFICER. Without objection, the amendment is so further modified.

Mr. BAKER. Mr. President, have the yeas and nays been ordered on the Specter amendment, as further modified?

The PRESIDING OFFICER. They have not.

Mr. SPECTER. I ask for the yeas and nays.

Mr. TOWER. Mr. President, I think this is somewhat noncontroversial at this point, but I think there are a lot of Senators who wanted to register themselves on this issue. Therefore, I ask for the yeas and nays.

Mr. GOLDWATER addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania as further modified. The clerk will call the roll.

Mr. TOWER. No; not all the time is yielded back, I do not believe.

The PRESIDING OFFICER. The time is on the second degree amendment which had been accepted as modified.

Mr. BAKER. Mr. President, I ask unanimous consent that the Senator from Texas and the Senator from Pennsylvania may each have 2 minutes for further debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, make that 5 minutes to the side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MR. TOWER. Mr. President, I yield 1 minute to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I think it is a rather important subject to dispose of in 2 minutes. My question is, Is it proper for the Senate to say that "it is the further sense of the Congress that the President of the Union of Soviet Socialist Republics should at the earliest possible date" since when do we get into the business of telling foreign governments what to do? If we are going to tell the Soviet Socialist Republics what to do I can add some strong language, but I question the propriety of doing this.

MR. STENNIS. Mr. President, if I may ask a question——

MR. GOLDWATER. I have not had my question answered.

MR. TOWER. I will respond to the Senator from Arizona. In fact, that was my idea because I believe that while calling on our President to do certain things we should be calling on the Soviet Union to respond because it is my view that it is the Soviet Union that has created the tension that has built up the military machine that might ultimately lead us to nuclear war, and I do not see why we should not say, "Mr. Brezhnev, we are not just urging our own President, we are urging you to cooperate in the quest for peace and the avoidance of nuclear war."

MR. GOLDWATER. We do not say "urge," we say "should."

MR. TOWER. Well, he should.

MR. GOLDWATER. This is very serious.

MR. TOWER. I think it is serious.

MR. GOLDWATER. I agree with everything you say, but I do not agree that it is proper for this body to tell any government's leader what he should do.

Mr. TOWER. Mr. President, it is part of the amendment now, so that is the way the amendment stands.

Mr. GOLDWATER. OK.

Mr. STENNIS. Mr. President, does the President of the United States really want us to pass this resolution? If he does not, I do not see where we come in, especially on this bill.

Mr. TOWER. I would respond to the Senator from Mississippi by saying that I have not made an inquiry of the President of the United States, but I think I could give some assurance that the administration does not find this amendment objectionable in its present form.

Mr. STENNIS. Well, if that satisfies the Senator, all right.

Mr. TOWER. It may not satisfy the Senate.

Mr. STENNIS. But really there is no real push from the President on this, no expression of need.

Mr. TOWER. No, there is no push from the administration. As the Senator from Mississippi knows, I opposed the amendment originally, but, in that we have made it, in my view, more relevant, I find it acceptable. The administration does not find it objectionable.

Mr. President, I yield back the remainder of my time.

Mr. STENNIS. Mr. President, if I may have just 1 minute.

Mr. TOWER. Mr. President, I reclaim whatever time I have remaining and yield it to the Senator from Mississippi.

Mr. STENNIS. I will be very brief, Mr. President. I do not want to go to extremes, but I think it is a very solid and sound reason that on this bill we

should not be intervening with the Chief Executive in a kind of a casual way on this measure. Because if he wants something like this from the Senate, the Foreign Relations Committee should examine it, go into it, go into the background and the whys and the wherefores and then come in here with carefully drawn language and put the pressure behind it and pass it. That is my version of it. I leave off my support on this amendment on this bill.

Mr. TOWER. I yield back whatever time I have remaining.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. By way of very brief reply, while I have great respect for the comments made by the distinguished Senator from Mississippi (Mr. STENNIS), I would point out that the language here has been very carefully drawn, both in the initial stage and on the substitute amendment by the disinguished Senator from Texas which is now before this body. It has been carefully considered and I submit it is relevant on the Department of Defense authorization bill at this time, because when this body is being asked to authorize the expenditures of billions of dollars for nuclear weapons, it is an appropriate occasion to take up the subject of summit talks to limit the use or the amounts of such nuclear weapons. I have agreed that we should be strong and have voted in the past for the B-1, the MX, and last year's defense authorization bill; there is no inconsistency between talking at the summit level and maintaining that kind of strength.

With respect to the comment by the distinguished Senator from Arizona, I submit that it is an appropriate matter for this body to make a recommendation to the President in the context of our constitutional responsibilities in the field of foreign affairs and that, having done so, the addition by the Senator from Texas to make the same statement to Soviet President Brezhnev was an appropriate addition.

In our country, anybody can make any comment or any request at any time, under the principles of freedom of speech, so long as it is done in a noninflammatory, nonfighting words, kind of way. It is, in that context, appropriate for any American to speak out and I think most appropriate for the Senate of the United States to speak to both the United States President and the Soviet President in the context of the matter which we are now considering.

Mr. MITCHELL. Mr. President, I support the pending amendment because I believe that it contains language which should be included in this year's Defense authorization legislation.

This amendment, which I am cosponsoring, places the Congress on record as acknowledging that the results of a general nuclear war in the modern age would cause the death and mutilation of hundreds of millions of people; that the recent development of nuclear weapons that are capable of destroying the nuclear weapons of rival nations increases the likelihood of a preemptive nuclear strike; and that many survivors of a nuclear war, after suffering extraordinary agony, would die of radiation poisoning, overexposure to the elements, starvation, and other causes. The amendment concludes by expressing the sense of the Congress that President Reagan, at the earliest possible date, should convene an American-Soviet summit to aggressively pursue ways in which the threat of nuclear war can be reduced.

President Reagan last Sunday announced his intention to seek negotiations with the Soviet Union to discuss the issue of strategic arms control and strategic arms reductions. While difficult questions remain concerning the nature of the proposals which the United States should advance when these talks begin, the President must be credited with placing on the record his desire to commence negotiations in this most important subject area.

The American people, and I believe most Members of this Congress, now want the President's general statement of intent translated into specifics. This is where this amendment is helpful. It specifically calls for the convening of a summit meeting—that is, a face-to-face discussion between heads of state, at the earliest possible date.

This is not an issue which can be discussed only when it is convenient for both sides to do so; it is an issue which demands immediate, serious, and continuing attention. The American people recognize this; we should too. I submit that the amendment is timely because its passage will place the Senate on record that its Members expect immediate action, and action at the highest level.

This amendment complements the Kennedy-Hatfield Nuclear Weapons Freeze Resolution (S.J. Res. 163) of which I am a cosponsor. That resolution calls for the United States and U.S.S.R. to pursue a complete halt to the nuclear arms race and to decide when and how to achieve a mutual and verifiable freeze on the testing, production, and further deployments of nuclear warheads, missiles, and other delivery systems. In my judgment a formal meeting between Chairman Brezhnev and President Reagan would be an excellent way to begin the consultative process called for in Senate Joint Resolution 163.

The PRESIDING OFFICER. Who yields time?

Mr. SPECTER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania (Mr. SPECTER). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), is necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Ohio (Mr. METZENBAUM), is necessarily absent.

The PRESIDING OFFICER (Mr. RUDMAN). Are there any other Senators in the Chamber wishing to vote?

[Rollcall Vote No. 102 Leg.]

The result was announced—yeas 92, nays 6, as follows:

YEAS—92

Abdnor	Eagleton	McClure
Andrews	Exon	Melcher
Armstrong	Ford	Mitchell
Baker	Garn	Moynihan
Baucus	Glenn	Murkowski
Bentsen	Gorton	Nickles
Biden	Grassley	Nunn
Boren	Hart	Packwood
Boschwitz	Hatfield	Pell
Bradley	Hawkins	Percy
Brady	Hayakawa	Pressler
Bumpers	Heflin	Proxmire
Burdick	Heinz	Pryor
Byrd, Harry F., Jr.	Helms	Quayle
	Hollings	Randolph
Byrd, Robert C.	Huddleston	Riegle
Cannon	Humphrey	Roth
Chafee	Inouye	Rudman
Chiles	Jackson	Sarbanes
Cochran	Jepsen	Sasser
Cohen	Johnston	Schmitt
Cranston	Kassebaum	Simpson
D'Amato	Kennedy	Specter
Danforth	Laxalt	Stafford
DeConcini	Leahy	Stevens
Denton	Levin	Symms
Dixon	Long	Tsongas
Dodd	Lugar	Wallop
Dole	Mathias	Warner
Domenici	Matsunaga	Weicker
Durenberger	Mattingly	Zorinsky

NAYS—6

East	Kasten	Thurmond
Goldwater	Stennis	Tower

NOT VOTING—2

Hatch	Metzenbaum

So Mr. SPECTER's amendment (No. 1397), as further modified, was agreed to.

Mr. SCHMITT. I move to reconsider the vote by which the amendment was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I should like to ask the distinguished majority leader what he sees in store for the evening. I should like to ask him about the program for the evening and if he could ascertain how many amendments there are that are going to be called up on each side.

Mr. BAKER. Mr. President, I thank the minority leader. I think his question is most relevant in the circumstances of this moment.

Let me say first that, as I announced on the floor this morning and notified by hotline from our cloakroom, it is the intention of the leadership to ask us to stay well past the dinner hour tonight. I guess that means approximately 10 o'clock.

I regret doing that, Mr. President, since this is Wednesday and not our regular late evening, but there is no way we are going to finish this bill unless we get on this bill and we have not yet gotten to it.

I wonder if I may inquire of Senators on this side of the aisle how many amendments they have and if they are prepared to offer them at this time.

I see two hands, Mr. President, on this side. I surmise there may be others.

Mr. TOWER. There are at least two on the other side that I know of.

Mr. ROBERT C. BYRD. Mr. GLENN, Mr. BENTSEN, Mr. HART, Mr. LEVIN, Mr. NUNN.

Mr. TOWER. This is wonderful. We can do a lot of business tonight. I expect we can stay until 1 o'clock.

Mr. ROBERT C. BYRD. And Mr. JACKSON.

Mr. BAKER. Mr. President, I thank the minority leader for that.

I assume there are several amendments on each side. I hope that as we proceed to consider these, we can work out time agreements.

Mr. President, I shall make every effort to obtain unanimous consent to stack votes if votes are ordered between 6:30 and 8 p.m. I cannot guarantee that we can do that, because it requires unanimous consent and I cannot get that at this moment. But I shall make every effort to stack votes between 6:30 and 8 p.m.

Senators should be on notice that we shall work during that period; that they should be prepared to offer amendments during that period; and that we shall be in until approximately 10 o'clock this evening.

Mr. SARBANES. Will the majority leader yield?

Mr. BAKER. Yes; I yield to the Senator from Maryland.

Mr. SARBANES. If we are moving along tonight, might it be possible to do as much as possible and maybe not stay as late tomorrow night?

Mr. BAKER. Mr. President, I am happy to say that I am willing to stay as long as the Senate is willing to stay. If we are making good progress and it is the will of the membership, I am willing to stay later tonight.

Mr. ROBERT C. BYRD. Will the majority leader yield?

Mr. BAKER. Yes; I yield.

Mr. ROBERT C. BYRD. In the meantime, I will try to ascertain if Members on my side who have amendments would agree to time limitations on those amendments.

Mr. BAKER. I thank the minority leader. I will do the same on my side and perhaps he and I can compare notes on that.

I yield the floor, Mr. President.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Sentor from Texas is recognized.

Mr. TOWER. Mr. President, the Senator from Maine has an amendment which he would like to offer. I think we can dispose of it in a relatively short period of time, and therefore I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

UP AMENDMENT NO. 921

(Purpose: To clariy the intent of the Mitchell unprinted amendment No. 910, previously adopted)

Mr. MITCHELL. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Maine (Mr. Mitchell) proposes an unprinted amendment numbered 921.

Mr. MITCHELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1117 and insert in lieu thereof the following:

PROHIBITION REGARDING CONTRACTS FOR THE PERFORMANCE OF FIREFIGHTING AND SECURITY FUNCTIONS

SEC. 1117. None of the funds appropriated pursuant to an authorization contained in this Act or any other Act enacted after the date of enactment of this Act may be obligated or expended to enter into any contract for the performance of firefighting functions or security functions at any military installation or facility, except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

Mr. MITCHELL. Mr. President, on Thursday the Senate approved an amendment which I offered prohibiting contracting out services at military installations for firefighting and base security functions. Subsequently, a question arose as to whether or not the amendment prohibited the renewing of contracts in existence as of the date of the enactment of this act.

That was not my intention. I now offer a substitute amendment which is identical in form and substance to the previous language except that it adds the following language:

Except when such funds are for the express purpose of providing for the renewal of contracts in effect on the date of enactment of this Act.

I have discussed this with the distinguished chairman of the Armed Services Committee. I understand that he is willing to accept it, and I therefore ask approval of the amendment.

Mr. TOWER. Mr. President, this is a constructive amendment to what I thought was an undesirable amendment in the first place, because I believe the original amendment is going to cost us several millions of dollars by proscribing a management practice designed to save money, and that is the contracting out, because it forbids it, even though it would save money on defense. This is where we in the Congress sometimes mandate inefficiency and waste in the Defense Department.

The Senator from Maine, in offering his amendment, does improve this situation somewhat because we are in a situation where we have a base that is being closed or being put on inactive status and you cannot contract out for the security of it. This does not really make any sense; to put a military establishment out there simply for that purpose thwarts any savings that might occur.

I think that this is a constructive amendment. It does permit the renewal of contracts that have already been let, as I understand it.

Mr. MITCHELL. Indeed, it does.

Mr. TOWER. I am prepared to accept the amendment for the majority side.

Let me ask the Senator from Maine if he has cleared this with Senator STENNIS.

Mr. MITCHELL. Yes; I have.

Mr. TOWER. Senator STENNIS is agreed. In that case, I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (UP No. 921) was agreed to.

Mr. BENTSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MITCHELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1441

(Purpose: To amend section 12 of the Military Selective Service Act to make persons who fail to comply with the registration requirements of such act ineligible for certain educational benefit.)

Mr. MATTINGLY. Mr. President, I would like to send to the desk and have called up printed amendment No. 1441.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Georgia (Mr. MATTINGLY) for himself and Mr. HAYAKAWA, proposes printed amendment numbered 1441.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT No. 1441

At the end of the bill, add the following:

ELIGIBILITY FOR ASSISTANCE UNDER TITLE IV OF THE HIGHER EDUCATION ACT OF 1965

SEC. 1117. (a) Section 12 of the Military Selective Service Act (50 U.S.C. App. 462) is amended by adding at the end thereof the following new subsection:

"(f)(1) Notwithstanding any other provision of law, any person who is required under section 3 to present himself for and submit to registration under such section and fails to do so in accordance with any proclamation issued under such section, or in accordance with any rule or regulation issued under such section, shall be ineligible for any form of assistance or benefit provided under title IV of the Higher Education Act of 1965.

"(2) Each person who—

"(A) is applying for any form of assistance or benefit described in paragraph (1); and

"(B) is required to present himself for and submit to registration under section 3,

shall certify to the satisfaction of the Secretary of Education that has presented himself for and submitted to such registration.

"(3) The Secretary of Education shall verify with the Director each certification under paragraph (2).

"(4) In the case of any person whose certification under paragraph (2) is not verified by the Director, the Secretary of Education shall notify such person that he has failed to establish to the satisfaction of the Secretary of Education that he has complied with the registration requirement under section 3.

"(5) Any person who receives a notification pursuant to paragraph (4) shall have thirty days following notification to provide the Secretary of Education materials establishing that he has complied with the registration requirement under section 3. If the Secretary of Education finds that the materials provided establish compliance, he shall take no further action under this subsection. If the Secretary of Education finds that the materials provided do not establish compliance, the Secretary of Education shall determine that the person is ineligible for any form of assistance or benefit described in paragraph (1) and shall take such actions as may be necessary to deny the person such assistance and benefits. The Secretary of Education may, in his discretion, afford such person an opportunity for a hearing to establish his compliance or for any other purpose.".

(b) The amendment made by subsection (a) of this section shall take effect on October 1, 1982.

Mr. MATTINGLY. Mr. President, on behalf of Senator HAYAKAWA and myself, we offer this amendment. As I see it, this amendment falls within the category of rights responsibilities.

Under our form of government, we seek to safeguard our individual and collective rights, privileges and liberties by the proper exercise of our responsibilities toward society and those members of it who equally seek to insure our liberties.

There are two elements essential to the preservation of liberty in our country. One is a strong national defense, and the other is the education of our citizens. These two go hand in hand in a democracy and insure our democratic principles.

In 1980, President Carter initiated a national draft registration system. It required that all male citizens must formally register for military service when they become 18 years old. This requirement has been upheld by the highest court in our land and is supported by President Reagan. Registration is the law and the law should be obeyed.

The overwhelming majority of young people do abide by this law of draft registration. They are liberty loving and respect the law of the United States. If a young man feels he is a conscientious objector, he will have ample opportunity to make that declaration if a draft is ever instituted. I hope we will never have to have a draft. But as long as we have the law, all men reaching the age of 18 should and must register for it.

If a young man decides he will ignore this law, he should not be eligible for financial assistance from the Federal Government. An educated citizenry is as essential to the preservation of liberty and law as is a strong national defense. Now, there are those who through no fault of their own must come to the Federal Government for help in securing a postsecondary education. For these students, adequate Federal financial aid programs must be available.

We cannot afford to have an elite in this country who feel they are above the law. The defense of our country is a responsibility of all citizens.

My distinguished colleague from California, a man who knows a great deal about the value and role of postsecondary education, and I have joined together to offer this amendment. It would make those who fail to comply with draft registration ineligible for student assistance or benefits under title IV of the Higher Education Act of 1965.

Those who are ready and willing to accept dollars from the taxpayers of our Nation must at the very minimum be ready to obey the laws of this country. I feel it is the duty and responsibility of all to serve their country. For those who have legitimate religious problems with bearing arms, there is a long history of alternative service in the military. This cannot be used as an excuse to violate the law.

Mr. President, I know that there may be some who object to this and might say, "Well, only a small percentage of those eligible for registration have failed to do so and why pass an amendment that deals with so few in number."

Mr. President, I will not deal in numbers. Numbers or dollars saved are insignificant when compared to the principle involved. I say to my colleagues that if there were only one who sought to exercise his individual privilege without fulfilling his collective responsibility, I would offer the amendment. The taxpayers of our country should not be expected to give financial aid by tax dollars to those who are not willing to live up to their duty and responsibility to America.

Mr. President, I ask unanimous consent that the names of Senator NICKLES and Senator NUNN be added as cosponsors of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATTINGLY. Mr. President, I yield to the Senator from California.

Mr. HAYAKAWA. I thank the distinguished Senator from Georgia.

I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: the Senator from New Hampshire (Mr. RUDMAN), the Senator from Alabama (Mr. DENTON), the Senator from Wyoming (Mr. WALLOP), the Senator from Louisiana (Mr. LONG), the Senator from South Carolina (Mr. THURMOND), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from North Carolina (Mr. EAST), the Senators from Idaho (Mr. MCCLURE and Mr. SYMMS), the Senator from Arizona (Mr. DECONCINI), the Senator from Indiana (Mr. QUAYLE), and the Senator from Iowa (Mr. JEPSEN).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. Mr. President, I thank the distinguished Senator from Georgia (Mr. MATTINGLY) for cosponsoring this amendment with me. I know he is strongly committed to the belief that with rights and benefits come responsibilities. I agree with him that those who are ready and willing to accept dollars from the taxpayers of our Nation must, at the very minimum, be ready to obey the laws of the land.

On January 7, President Reagan announced his intention to continue registration under the Selective Service System, a policy I believe essential to the mobilization capacity of this Nation in the event of a national emergency. Furthermore, the President provided a grace period extending to February 28 in which one could register without penalty. However, thousands refused to comply with the law by this deadline, indicating their unwillingness to accept their national obligation. At the same time, there are members, of this nonregistrant group who continue to demand Federal benefits such as student financial aid.

Mr. President, I am offering today with my distinguished colleagues, an amendment which will deny Federal educational assistance to students who have not met their responsibilities and complied with the law by registering with the Selective Service System.

This amendment seeks not only to increase compliance with the registration requirement but also to insure the most fair and just usage of Federal education benefits. During these times of extreme budgetary constraints, times when even the most worthwhile programs are cut back drastically, this Government has every obligation to see that Federal dollars are spent in the most fair and prudent manner possible. If Federal dollars are spent fairly, well and good. But if they are spent on those who are not willing to meet their obligations to the Government, that does not seem to me at all just. If students want to further their education at the expense of their country, they cannot expect these benefits to be provided without accepting their fair share of the responsibilities to that Government.

Mr. President, it has been America's commitment to freedom and independence which has allowed such tremendous importance to be placed on higher education. The integrity of this philosophy is being seriously shaken when those who blatantly refuse to abide by the law of the land are eligible for Federal education assistance.

The rights and privileges of citizenship must be counterbalanced by the responsibilities of citizenship. In order to share in the freedoms that we all enjoy in this society, the responsibilities for protecting the Nation must be accepted. Registering for the Selective Service is to accept a share of that obligation. And it must be remembered that registration means only that; in the event of a national emergency a classification process would follow. There would be ample opportunity to request deferment, to be classified as a conscientious objector, or to choose a branch of service.

The Selective Service System was established for a very important purpose. The success of this system is crucial to the security of this country. Right now, America does not have a draft, and there are no plans to reinstate it. It is because we do not have a draft that the success of the Selective Service becomes so vital.

No one rejects the idea of war more that I. However, I am fully aware that not everyone in the world holds this view. I am deeply concerned that men failing to register with the Selective Service System are putting the welfare and security of this country in jeopardy. These nonregistrants reject the view that freedom and national independence have a price.

Mr. President, I am not saying that I am entirely happy with this system. In fact, I believe all Americans should have to register with the Selective Service or alternative services. However, the responsibilities of registering with the Selective Service System should be gladly accepted. If it is not, then America has every right to deny those who are unwilling to do so financial assistance to advance their education.

America has done so much for so many in the area of education. It is a real travesty when those who will not register can turn around and apply for grants, loans, and all types of education benefits. Never has this philosophy of willingness to serve your country been more eloquently stated than when President Kennedy in his inaugural address to the Nation stated "* * * and so, my fellow Americans, ask not what your country can do for you; ask what you can do for your country * * *" Today, Mr. President, I put this same question before this body. Shall we allow nonregistrants to ask this country to provide for their educational needs when they have no intention of fulfilling their national obligation? The answer is clearly, no.

Mr. President, this proposal is a timely one. We are currently considering legislation which seeks to authorize funds to provide for the best defense of this Nation. My legislation seeks to expend tax dollars only for those individuals willing to meet this obligation. This is not only a just cause but an important signal to every American that this Congress will not tolerate any willful, blatant rejection of the responsibilities which come with living in a free nation.

Mr. MATTINGLY. Mr. President, I ask unanimous consent that the names of Senator BENTSEN and Senator RANDOLPH be added as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, what is the situation with respect to time? I should like to speak.

Mr. TOWER. There is no controlled time, so the Senator can seek the floor in his own right.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to recall for the RECORD a crucial vote I cast on the evening of August 12, 1941, in the House of Representatives.

Debate at times was bitter, even angry. We were considering the extension of the Selective Service draft, which passed by a 203-to-202 vote.

I am not a carping critic, and I trust the judgment and the conscience of Members of Congress.

Those of us who were in support of the extension of the Selective Service draft were characterized as warmongers. Many speakers who were opposed to the draft, declared that there was not a country in the world that would think of attacking the United States of America, or actually attack the United States of America.

I remind my colleagues now in this Chamber that the Japanese did attack us at Pearl Harbor, on December 7, by sea and from the skies. Destruction to our ships and aircraft was massive, as thousands in our Armed Forces were killed and injured.

I know now that many of those who had voted against the draft realized later that in the successful prosecution of our part in World War II, the verdict constituted a wise decision.

Yes, our Republic was well served by that action. What happened and what followed is proof positive that the affirmative action of Congress was right and that the United States of America needed strengthening through the draft rather than to have our Armed Forces built only from volunteers.

On the night of June 10, 1981, the able Senator from Kansas (Mrs. KASSEBAUM) offered an amendment to the military registration appropriation transfer bill, to include women, as well as men, for registration. I was privileged to join as a cosponsor, which failed by a vote of 40 to 51. I feel the amendment should have won. We needed an assessment of womanpower of this country, as we were to have an assessment of manpower. It is very important to possess that information, and that knowledge.

The bill on final passage was enacted by a vote of 58 to 34. Again I emphasize, in my opinion, that both men and women should have been included.

Having said that, and having gone back many years, to the year of 1941, and the year of 1981, the basic situations are the same. The Senator from California (Mr. HAYAKAWA) has said that he abhors war and every Member of Congress, either in the House of Representatives or the Senate, could make the same statement. But we must realize that in the abhorrence of war we must be very careful that we do not slip into a condition of weakness in the Nation. I stress the moral fiber of our Nation. Senator HAYAKAWA in essence was pleading that we also have a built-in character structure.

We need now a Selective Service System with a draft in force in our country. There is a considerable number of those who volunteer, who are capable and understanding of their responsibilities. I do not downgrade volunteers. But I do say we have now, under a volunteer system, those persons in the Armed Forces of the United States, the necessary individuals who have the education, the training, the techniques, and the ability, to handle sophisticated weapons.

We need a stepped up program of expertise which would result if we had the draft rather than only the volunteer system.

Mr. President, I am grateful that Senators HAYAKAWA and MATTINGLY have given me the opportunity to cosponsor this vital amendment. It should pass by a large margin.

Mr. TOWER. Mr. President, I think this is a splendid amendment. I commend Senator MATTINGLY and Senator HAYAKAWA. As a matter of fact, Senator HAYAKAWA advanced this notion to me some time ago and I encouraged him on it but independently Senator MATTINGLY arrived at the same idea. The two of them happily got together, two very distinguished Senators, and presented us with an amendment that I think is certainly reasonable.

I do not know why anyone should be permitted to claim the benefits of that which are financed out of the pockets of the taxpayers of this country if they are not prepared simply to register for a draft, and if we should ever have to have a draft for mobilization purposes, it would be to defend our country, to secure the rights and benefits of those who benefit under this program.

It is an eminently fair amendment, and for my part I hope the Senate will agree to it.

I would be interested in hearing what my distinguished friend from Mississippi has to say.

Mr. STENNIS. Mr. President, really this suits my pattern of thinking, and it is very timely and it is certainly relevant.

I thought of the proposition here where some youngster might have overlooked signing up or might have misunderstood it or had not been correctly informed, but he is not going to be penalized for that because he still has complete control of the situation. All he will have to do is just to comply with the law, and that will automatically make him eligible so far as this prohibition or restriction is concerned. It is very timely and fair and I think a real boost to the entire military concept.

So I commend these Senators for the work they did on the amendment.

I am heartily in favor of the amendment.

Mr. JEPSEN. Mr. President, the Hayakawa amendment is an amendment that establishes the following administrative process to protect the individual's due process rights. We wish to point that out.

I also point out that the chief purpose of the amendment is to encourage greater compliance with the registration requirement. Registration is the law of the land. And this amendment is not meant to punish as many nonregistrants as possible. The amendment is based on the principle that it is fundamentally unfair to allow an individual to benefit from our country's generous assistance if he is unwilling to contribute to its defense.

I point out that the failure to register is not a victimless crime in that the registration pool is reduced on a one-to-one basis by those who do not register. The result is that the person who obeyed the law would increase his probability of being drafted in time of national emergency while the nonregistrant would be without obligation by virtue of having broken the law.

I would like, on a more positive note, to say that by the end of the most recent grace period of nonregistrants about 550,000 eligible young men had still not registered. I would suggest to you that those 93 percent of Americans, those young people who have registered, I congratulate and commend them.

I would urge the adoption of this amendment immediately.

● Mr. DURENBERGER. Mr. President, the questions posed by the Mattingly-Hayakawa amendment are both subtle and fundamental. They touch upon such concepts as equity, responsibility, duty, and the obligations of Government.

I voted to reinstate Selective Service registration. I believe that registration is a relatively painless but absolutely vital element of the total force posture. It is a price we must pay for our commitment to a volunteer military rather than peacetime conscription. Without a system of registration we cannot be assured of our ability to mobilize in the event of an emergency. This point was recognized by the Gates Commission which recommended abolishing the draft and relying on a volunteer force of career military personnel. It has been made repeatedly since then. Our Active and Reserve Forces are not sufficiently large to handle a long-term national emergency, no matter how unlikely such an emergency might be. It is, therefore, vital that we have the ability to mobilize quickly in the event that Congress should declare a national emergency. Registration gives us this ability.

Registration is a legal obligation. It has been a Federal statute since 1973, when the Selective Service Act was modified to abolish the peacetime draft. Registration was temporarily suspended by President Ford, but the law was never changed. And, as was pointed out during the debate over resumption of registration, the rights of all Americans are protected by this law. For instance, conscientious objectors do not prejudice their case or compromise their ethics by registering. Registration is not a declaration of willingness to serve in the military. It is instead simply an act which provides to the Government a pool of names—a data base—which can be screened for possible service in the event that Congress, not the President, declares an emergency. If Congress were to reinstate the draft, registrants would have every right to declare conscientious objection to service.

So it is clear that registration is both a needed component of our overall security policy and a legal obligation as well. It is, therefore, clear that those who fail to register have made a conscious decision to violate the law, just as much as a person who fails to pay his taxes has made a conscious decision to violate the law. In either event, the statute provides for severe penalties.

I have no sympathy with lawbreakers. As the most recent report by the Director of Selective Service makes clear, only a small number of people—less than 7 percent of the total eligible population—have failed to register. In many cases, this is due to a simple lack of understanding or awareness. In other cases, this represents a deliberate flouting of the law. It should not be tolerated.

This brings me to the amendment at hand. I cannot vote for it, despite my strong feelings about those who violate the law. Let me explain why.

First, there are already the means by which to punish those who do not register, and to deter others who might think of avoiding this legal obligation. The law provides for up to 5 years' imprisonment and a fine of up to $10,000. While such extreme sanctions would not likely be imposed, the fact is that they are available. To add to these a denial of title IV assistance is a case of overkill.

Second, this amendment would put the burden of proof on the applicant rather than on the Government. It is proposed that all who apply for title IV must show proof of registration. This reverses the traditional approach, which would require the Government to prove that a person had violated a law before taking or withholding action.

Finally, the effect of the amendment would be to draw artificial distinctions among a common class of lawbreakers when no distinctions should be drawn. We would deny Federal assistance to those lawbreakers who apply for title IV grants and loans. But we would impose no comparable punishment on the lawbreakers who do not apply for title IV assistance. In other words, we would be punishing middle-class lawbreakers more than we punish those who are wealthy enough to pay their own way through college, and more than those who do not attend college at all.

Let me restate that I have no tolerance for those who flout the law or ignore a fundamental duty of citizenship. And I find it ironic that we often provide more assistance to people who do not serve in the military than to those who do. That is why I wish to see a GI bill restored. But I must reluctantly conclude that the prepared amendment is inappropriate and disproportionate and I cannot support its passage.●

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agree-

ing to the amendment of the Senator from Georgia. (Putting the question.)

The amendment (No. 1441) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MATTINGLY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 922

(Purpose: To establish an Office of Inspector General in the Department of Defense)

Mr. PRYOR. Mr. President, I have an amendment which I send to the desk at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an unprinted amendment numbered 922.

Mr. PRYOR. Mr. President I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the substitute insert the following new section:

Sec. . (a)(1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Inspector General

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b)(1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. The Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department. Neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall carry out the duties and responsibilities specified in paragraphs (A) through (D) of this subsection.

"(A) The Inspector General of the Department of Defense shall examine and review the growth in costs of major defense programs, and shall report on the causes of such growth to the Secretary of Defense and, where appropriate to the Congress. In carrying out his responsibilities under this paragraph, the Inspector General of the Department of Defense shall—

"(i) have authority to require the military departments and the agencies of the Department of Defense to furnish the Inspector General with quarterly reports on all major defense programs, and such other reports as the Inspector General may request relating to growth in cost of any contract for which there have been annual expenditures of more than $5,000,000; and

"(ii) conduct investigations of major defense programs in which growth in cost has been excessive.

"(B) The Inspector General of the Department of Defense shall advise the Secretary of Defense with respect to excessive profits obtained by government contractors on contracts with the heads of agencies described in section 2302(1) of title 10, United States Code, for property described in section 2302(b) of such title and for services, except for contracts awarded under competition and contracts and related subcontracts in an amount less than $5,000,000. For purposes of the preceding sentence, the term 'subcontract' means any agreement or purchase order to perform all or part of the work or to furnish any materials, required for the performance of any contract to which such sentence applies. In carrying out his responsibilities under this paragraph, the Inspector General of the Department of Defense shall—

"(i) have the authority to require each contractor to submit an annual report to the Inspector General that discloses the contractor's total profit during the preceding year and the percentage of such profit made on contracts to which this paragraph applies; and that profits be reported in a manner consistent with section 15 of the Defense Acquisition Regulations;

"(ii) have the authority to review the books and records of any contractor if the profit percentage reported under subparagraph (i) exceeds for any year the base line profit percentage, which shall be computed on the basis of a ratio that will provide the contractor with a predetermined return on his investment and which shall be established by the Secretary of Defense;

"(iii) report all cases of excessive profits to the Secretary of Defense; and

"(iv) recommend the amount of excessive profits to be returned to the United States by the contractor, after the consideration of the degree of financial risk assumed by the contractor; the nature of the property or services provided under the contract; the degree to which the contractor was required to invest in new facilities and equipment to carry out the contract; and the extent to which the contractor has attained quantity and quality of production, efficiency of operation, and reduction of costs.

"(C) The Inspector General of the Department of Defense shall establish, control, and direct an Office of Acquisition Compliance to assist him in carrying out his responsibilities under paragraphs (A) and (B) of this subsection. The Office shall be subject only to the general supervision of the Secretary of Defense, and shall not report to or be supervised by any official of the Department of Defense who has been delegated responsibilities with respect to the acquisition of goods and services. The Office shall be staffed by auditors, investigators, and attorneys, who shall not be uniformed members of any military service on active status.

"(D) The Inspector General of the Department of Defense is authorized, personally or through his representatives in the Office of Acquisition Compliance, to examine any books, documents, papers, or records of any contractor subject to paragraph (b) of this subsection or of any subcontractor of the contractor, that directly or indirectly relate to the contract or subcontract. The Inspector General may conduct such examination at any time until final payment on such contract has been made.

"(E) Each contract subject to paragraph (B) of this subsection shall include a statement describing the provisions of subparagraphs (iii) and (iv) of such paragraph and to the regulations promulgated by the Secretary of Defense to implement such subparagraphs.

"(F) Nothing in paragraph B of this subsection limits the authority of the Inspector General of the Department of Defense to examine any contract entered into by the heads of agencies described in section 2302(1) of title 10, United States Code, which is not subject to paragraph (b).

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1)(A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e)(2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e)(1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which that Inspector General has responsibilities under this section.

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable;

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary shall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(a)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section, except that there are not transferred to the office under subparagraph (B) program operating responsibilities.

"(2) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment, shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. PRYOR. Mr. President, this bill proposes to authorize an unprecedented $180 billion to the Department of Defense; as a part of the proposed $260 billion defense budget for fiscal year 1983. These funds need to be watched. Indeed, we need every possible check and control over these funds. In short, we need an independent "Inspector General" at the Defense Department.

I am, therefore, proposing an amendment to establish an independent "Inspector General" at DOD.

In 1978, Congress created the Office of Inspector General for almost every Federal department except for the Department of Defense. Thanks to the leadership of the Senator from Missouri (Mr. EAGLETON), the Congress took one of the most cost-effective and sensible actions in our country's history. As a result we have saved billions of taxpayers' dollars.

In May of last year—almost exactly a year ago—the House of Representatives, through the efforts of the distinguished chairman of its Government Operations Committee, Congressman JACK BROOKS of Texas, passed legislation creating an Inspector General in the Department of Defense.

I believe it is critical for the Senate to act now. I had hoped that the Senate by today would have approved legislation like the House approved almost a year ago, but we have not. Last December I considered proposing such an amendment to the Defense appropriation bill, but refrained because I thought such legislation would be brought before the full Senate early this year. Had that happened, I would not, of course, be proposing this amendment.

Mr. President, why am I so impatient? It is because the taxpayers are impatient and the stakes are so high. We are spending today at the rate of almost a billion dollars a day, Monday to Friday of every week for Defense Department activities. Every weekday without an IG is a billion dollar opportunity lost.

The American people want a Department of Defense that is plainly subject to the same controls as those in other Government agencies. We have an Inspector General at the Agriculture Department with 880 staff members who keeps an eye on less than $20 billion. but we have no Inspector General at the Pentagon to watch over $260 billion.

Yes, we have auditors and inspectors within the Defense Department. In fact, we have 18 separate organizations, and 18,000 people in various services who work on small parts of the puzzle. This situation is fragmented, however, and as a result no one is fully responsible or accountable.

Nowhere in Government is a responsible and totally independent Inspector General needed more than at the Defense Department. We need someone, Mr. President, who is "mean as a junkyard dog," to use a phrase of the present administration. We need someone who is not a family pet or a house puppy. It should be a person who has enough independence and power to strike fear in the hearts of anyone tampering with tax dollars—whether the wrongdoer is military, civilian, contractor, or lobbyist.

And we need someone now, Mr. President. Already millions has been misspent. We will soon approve gargantuan spending increases. Yet all indications from the Defense Department are that any future Inspector General should be "different" from those at other agencies. The Pentagon feels that an exception should be made, and that any function along this line should be carried out by one of their own.

Let me illustrate this position by referring to the testimony of William H. Taft IV, general counsel to the Defense Department, at a Senate hearing last June 18:

Those provisions which establish the independence of the Inspector General in the Department of Defense are completely inconsistent with the hierarchical commander, subordinate relationship that is at the heart of any military organization and is embodied in the chain of command . . . These provisions do not encourage the individual to work with the Secretary as part of his team. In our view, the Secretary of Defense must have the ability to terminate any review process or investigation that the Inspector General may initiate which would jeopardize national security.

Mr. President, we must now invest in an Inspector General for the Defense Department the resources and authority to perform the job the taxpayer needs and deserves.

We need an IG who is not "part of the management team" at the department. We do not need more of the "buddy system"—we need hard-nosed investigations, led by a person not obligated to the Secretary of Defense for his or her job but whose only obligation is to the President, the Congress, and the American people. We need an Inspector General who is independent, Mr. President. An IRS auditor should not feel like a teammate of someone being audited and neither should an Inspector General be a buddy of the program manager of a program being audited.

We need to prevent improper assertions of national security classifications which are designed solely to keep an Inspector General from making embarrassing revelations of waste or misconduct. Unfounded claims of national security are occurring—witnesses have so testified and press reports have revealed specific incidents. The watchdog should not be kept on a tight statutory leash or forced to wear blinders. He or she should be able to look anywhere and everywhere for waste, fraud, and abuse, cost overruns or excessive profits of contractors

The General Accounting Office has stated the following:

We supported the Inspector General Act of 1978 and other legislation that has centralized internal audit and investigative activities in certain federal agencies under statutory inspectors general. We believe such legislation is beneficial because it would insure that:

High level agency attention is given to promoting economy and efficiency and combating fraud, waste, and abuse:

The work of audit and investigative units in those agencies and throughout the government is better coordinated; and

Both the Congress and agency heads receive information on problems involving economy and efficiency and fraud and abuse.

This amendment is modeled after H.R. 2098 in large part. In testimony before congressional committees in July 1978 and August 1980, GAO supported the concept of an Inspector General for Defense and reported that such an office was feasible and desirable. Further, GAO supported passage of H.R. 2098 in an August 19, 1981, letter to the chairman, Senate Committee on Governmental Affairs.

As to Defense Inspector General legislation, GAO has said:

Our reviews of the internal audit agencies, DCAA, and the inspector general organizations have given us a good understanding of Defense's oversight organizations and how internal controls can be improved. We believe the inspector general's degree of independence, congressional report responsibility, unrestrained scope of work, and combined auditing and investigating capabilities as contemplated under H.R. 2098 and S. 1932 would result in improved internal controls and better congressional oversight of Defense activities.

We need checks and balances like those created by the Inspector General Act. The Inspectors General provide independent reviews to the agency and the Congress and this allows decisions to be made on unbiased and complete information. They are watchdogs for the taxpayer. As we look back on their performance we can say that their creation in 1978 in many civilian agencies was truly one of the most cost-effective actions the Congress has ever taken. They have demonstrated that value of promoting efficiency and economy, and I believe it is time to unleash yet another independent Inspector General on the one department where we have the most to gain—the Department of Defense.

I do not believe that we should set apart the DOD-IG from the role which has proved so effective. We should not make an exception for the Defense Department. I am aware of the objections of the Department of Defense to an independent IG—that national security interests are involved and that we need to protect against unauthorized disclosures—but I am not convinced that this is the obstacle it has been portrayed to be by DOD officials.

Mr. President, there is not an agency in existence today that does not deal with sensitive, and often highly classified information, yet, I have seen no situations where an IG compromised an agency by intentional or inadvertent disclosure. For example, the IG at the Department of Energy has responsibility over the national laboratories which provide the technology and production facilities for this country's entire stock of nuclear warheads, and the presence of an independent—I stress independent—IG has not proven to be a threat to these programs.

Programmatic savings are possible within DOD, but history has shown that "management team" savings are limited by the vested interests present. An independent IG has no such vested interests but rather a duty to the taxpayers. It is imperative that we act quickly to provide just such a position—the taxpayers deserve to be represented in DOD. This IG must know that the Congress supports an independent IG at DOD and if we are going to expect the DOD-IG to be a real IG, then we must give this individual the necessary authority, resources, and independence to do the job. Otherwise, we give the Secretary of Defense a puppy instead of a watchdog—and the taxpayers will lose in the end, and an inefficient, costly procurement system will continue to lose the confidence of our people.

This amendment would establish a statutory Office of Inspector General in Defense modeled after the 15 statutory civil agency inspectors. The Inspector General, to be appointed by the President with the advice and consent of the Senate, would be under the general supervision of the Secretary or Deputy Secretary. However, neither the Secretary nor Deputy Secretary could prevent the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena during the course of any audit or investigation.

The proposed Inspector General would have wide latitude in performing audits and investigations throughout the Department. Responsibilities would include keeping the Secretary and the Congress informed of fraud, abuses, and deficiencies; recommending corrective action; and reporting on progress made in implementing the corrective action. "Whistle-blower" complaints would also be received and investigated. Semi-annual reports to the Congress would be required.

In carrying out these responsibilities, the Inspector General would be required to comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions. In addition, the Inspector General would be required to expeditiously report to the Attorney General whenever he or she had reasonable grounds to believe that Federal criminal law had been violated.

The Inspector General's office would include the Defense Audit Service, the Defense Contract Audit Agency, the Defense Logistics Agency Inspector General, and the portion of Defense Investigative Service responsible for the investigation of alleged criminal violations and program abuse.

Additionally, the amendment I propose would provide that the IG is to:

First, examine and review defense program cost growth and report the causes to the Defense Secretary and the Congress through a requirement of quarterly reports by each agency on all contracts exceeding $5 million in annual costs;

Second, advise the Secretary regarding excessive contractor profits; and

Third, establish and direct an Office of Acquisition Compliance.

This amendment would give clear specific authority to the Inspector General to review cost overruns, excessive profits and noncompliance with contracting laws and procedures. It would give teeth to the watchdog in a clear, unambiguous statutory obligation mandate by Congress.

Mr. President, we see today in the Department of Defense that in the procurement area alone 60 percent of all procurement of the Department of Defense is sole source without competitive bids. We see, according to the General Accounting Office, a 132 percent cost growth in many of the major procurement and weapons systems that the Department of Defense is involved with.

I strongly support, Mr. President, the idea and the concept of an independent Inspector General, an individual nominated by the President and confirmed or at least advised and consented to by the Senate of the United States.

UP AMENDMENT NO. 923

(Purpose: To amend the amendment relating to the establishment of an Office of Inspector General in the Department of Defense)

Mr. BENTSEN. Mr. President, I send an amendment to the desk in the nature of a substitute amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) for himself, Mr. DANFORTH, Mr. EAGLETON, Mr. INOUYE, Mr. EXON, Mr. PRYOR, Mr. BRADLEY, Mr. DECONCINI, Mr. BAUCUS, Mr. CRANSTON, Mr. PELL, Mr. RANDOLPH, Mr. MELCHER, Mr. PROXMIRE, Mr. CHILES, Mr. RIEGLE, Mr. BURDICK, Mr. DIXON, Mr. BUMPERS, Mr. LEVIN, Mr. FORD, Mr. BOREN, and Mr. ROBERT C. BYRD, proposes an unprinted amendment numbered 923 in the nature of a substitute for the Pryor amendment.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

AMENDMENT NO. 923

To the amendment (No. 922) intended to be proposed by Mr. Pryor.

In lieu of the language proposed to be inserted, insert the following:

SEC. . (a)(1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

" 140c. Inspector General.

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b) (1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense. Except as provided in paragraph (2), the Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department. Except as provided in paragraph (2), neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) Notwithstanding the second and third sentences of paragraph (1), the Inspector General shall be under the authority, direction, and control of the Secretary with respect to:

(A) intelligence activities;

(B) counterintelligence activities; or

(C) operations planning determined by the Secretary to be sensitive to the national security.

"(3) With respect to the activities listed in subparagraph (2) tahe Secretary of Defense may prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out or complete such audit or investigation or to issue such subpoena, if the Secretary determines that proceeding with such audit, investigation or subpoena could compromise, undermine, reveal or otherwise represent a threat to such activities.

"(c) Within 30 days after exercising the authority described in subparagraph (3) the Secretary shall transmit a statement of the reasons therefore, to the appropriate committees or subcommittees of the Congress and to the Committee on Government Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1) (A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e)(2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e)(1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs

and operations with respect to which that Inspector General has responsibilities under this section;

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable.

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary shall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(g)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine are properly related to the functions of the Office and would, if so transferred, further the purposes of this section,

except that there are not transferred to the Office under subparagraph (B) program operating responsibilities.

"(2) the personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less then the rate provided for the previous positions, for the duration of service in the new position.

"(i) For purposes of this section—

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means the Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. BENTSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KASTEN). Without objection, it is so ordered.

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. BENTSEN. Mr. President, first let me congratulate the senior Senator from Texas for presenting what I think is a well-reasoned and well-balanced defense bill. We have a situation where the Russians have spent some $350 billion over the last decade in expenditures beyond that which we spent. We have a situation where back at the Cuban missile crisis we were substantially ahead and in the eyeball-to-eyeball confrontation between Khrushchev and Jack Kennedy, finally, Khrushchev blinked. The reason he did was because we were so far ahead in our military might.

That was the time when Khrushchev said, "You will never again embarrass us like this," and set about the defenses and the military strength of the Soviets.

Now, you can argue over who is ahead, whether we are ahead in this weapons system or they are ahead in that weapons system. But the one thing you cannot argue about is if we do not increase defense expenditures in this country, they are going to be substantially ahead of us and then the free world will be lost, and we will lose everything our forefathers tried to bring us in this country.

So now we are in a situation for competing for finite resources in the country, trying to decide what can be done. I served for years on the board of a defense industry. I was chairman of the audit committee. I know the problems

that develop as you try to accelerate defense production and how you can develop choke points in that production.

I also know that today you have a lot less subcontractors than you had at the time of the Vietnam war. I also know that today we are trying to do some of the things that gave Lyndon Johnson problems in having guns and butter at the same time. And yet I know that we have no other choice but to increase defense expenditures. But the one thing we must do in increasing those defense expenditures is to see that the taxpayers' money is wisely spent.

I spent 16 years building a business. The one thing I understood is you could expect what you inspect. You could expect what you inspect. If they know that you are going to be auditing and you are going to be checking on them and you are going to try to see that that money is wisely spent, then they spend it, to the best of their ability, in a wise and judicious manner and in a manner to try to see that they live up to the expectations of those who might designate them with the responsibility and then come back with the audit.

We set about setting up independent inspectors general for other agencies and departments, but, at the time we did that, we held off on the Defense Department, we held off on Treasury, and we held off on Justice, because we said they were different. We wanted to be sure and we wanted more time to study it.

Now the General Accounting Office has come in and said, "We have studied it. We have looked at it. We think it ought to be an independent Inspector General."

Then Secretary Carlucci came over and said, "I am concerned. I am concerned about matters of intelligence. I am concerned about matters that might affect national security."

I am not sure I fully buy the argument—in fact, I really do not—the idea that auditors for some reason or other cannot clear national security status as well as any other American. I think they are just as much patriots as any other Americans. But out of an abundance of caution in trying to insure in that kind of a situation that we do not have a problem, I have changed the original amendment I had and said in those instances that affect national security, that are sensitive to the national security, and in those instances which are intelligence matters, the Secretary of Defense would have authority over those auditors. But in all the other instances of expenditures of the taxpayers' money, this is an independent Inspector General. If they made a bust, if they have blown it on how they have spent our money, then they will not be free from embarrassment by that audit.

There cannot be a situation where one of them comes up to the Secretary and says, "Please stop that one. Please stop that one because that is going to embarrass us with the decision we made."

They will not be able to do it. That audit will take place, regardless of whom it might embarrass, and the country will be better informed for it.

I occupy an office in the U.S. Senate in the Russell Building that was occupied by Harry Truman. Harry Truman performed a great service in World War II as a Senator by being chairman of the Preparedness Committee. There were not many fellows who were tougher than Harry Truman was in trying to see that the taxpayers' money was properly spent.

I think it is in that mood, with that kind of an objective, that I have offered this amendment.

The amendment of the Senator from Arkansas is a good one. I have tried to improve upon it in order to meet the objection and the concern of Secretary Carlucci. I believe we have done that.

Mr. President, as I said earlier, I commend my friend the distinguished chairman of the Armed Services Committee—the senior Senator from Texas—for bringing to the floor a well-balanced and carefully considered program to meet this country's defense requirements in the years ahead.

Senator STENNIS, the ranking minority member of the committee, has long been renowned for his commitment to our national defense and also deserves the thanks of the Senate for a job well done.

It seems to me, Mr. President, that the effort to make maximum effective use of finite resources is one of the great challenges facing America in the decade of the eighties.

For many years now we have permitted the Soviets to outspend us on defense by hundreds of billions of dollars. In the process we have seen our adversary eliminate many of the strategic and military advantages we held for so long. We have seen new vulnerabilities develop in our defense posture and we have witnessed, time and again, a Soviet determination to expand their sphere of influence and control.

We are attempting to shore up our defense effort and repair the damage of decades during a time of economic uncertainty. It is not a simple task. It cannot be accomplished overnight. There are obvious constraints on what we can spend and what we can produce efficiently in the short term.

Obviously, Mr. President, if we want a national defense that is truly second to none and is capable of defending our freedoms against the forces of repression. We must be prepared to sacrifice in the cause of defense. At the same time, we must appreciate that there are economic and political limits to what can be achieved.

The committee and the Congress have made a sound and responsible beginning. We are working in a practical, honest, and realistic way to balance the imperatives of national defense against the realities of recession and record budget deficits.

We began the process last year when Congress appropriated nearly $200 billion for strategic and conventional weapons, research and development, operations and maintenance, and manpower requirements. The Armed Services Committee's recommendation currently before the Senate addresses our strategic and manpower needs in a balanced, responsible, cost-effective manner.

It continues the process of steady, controlled, real growth in defense spending that should enable us to restore America's military might without destroying the fundamental strength of our free market economy.

However, as we accept the commitment to insure that America does not come out second best in the vital area of national defense, we must also redouble our efforts to eliminate wasteful, unnecessary spending in all Federal programs, starting with defense, which is the area where we can least afford waste or inefficiency.

I commend my colleagues on the committee for saying no to programs that are ineffective or excessively costly in relation to current needs and resources. However, notwithstanding the committee's efforts, I believe we must carefully scrutinize the recommendation before us to make certain that our defense needs are not being met at the expense of our overall economy.

I believe—and I know my colleagues on both sides of the aisle will agree—that the demand for economy and efficiency in Government is an indispensable element in our search for an appropriate response to the very difficult economic challenges that face America in the decade of the eighties.

At a time of emerging differences on how this country should invest its resources and manage its economy, America cannot tolerate waste, fraud, or mismanagement in an area vital to our national security.

It is for this reason, Mr. President, that I send to the desk an amendment to establish within the Department of Defense an independent, objective Inspector General, with authority to conduct audits and investigations to weed out waste and fraud in defense spending and programs.

My amendment is designed with only one purpose in mind: To save the American taxpayers money without sacrificing vital national security interests.

Reduction of waste, fraud, and abuse in Federal spending has been a high priority of every Congress and every administration in recent history.

Numerous studies and hearings have been conducted to determine the best means to accomplish this objective. Back in 1978, Congress passed the Inspector General Act to establish Offices of Inspector General in certain departments and agencies. These offices were given independent authority to conduct audits and investigations relating to programs and operations.

Under the act, the Inspectors General were also empowered to recommend policies for activities designed to promote economy, efficiency, and effectiveness in the administration of Federal programs. They were given a mandate to prevent and detect fraud and abuse.

Passage of the act was a strong expression of congressional commitment to eliminating inefficient, wasteful, and unnecessary Federal spending and programs. The 1978 act excluded the Departments of Defense, Education, Justice, State, Treasury, and AID because the activities of these agencies were sufficiently different from those covered by the act that it was felt additional study was needed before applying the provisions of the act to these agencies.

These studies have been completed and statutory Inspectors General have been established for the Education and State Departments. I see no logical reason for the continued exclusion of these remaining departments and agencies from the substantive provisons of the act.

In addition to the numerous studies commissioned by the House and Senate Governmental Affairs Committees on this issue, the General Accounting Office conducted an in-depth study of the audit and investigative units within the Department of Defense.

GAO published its findings in a report, dated February 5, 1982, entitled, "Who Is Watching the Defense Dollars," and recommended enactment of legislation to centralize audit and investigative activities in Federal agencies under statutory Inspectors General.

More specifically, GAO stated:

> We believe the Inspector General's degree of independence, congressional report responsibility, unrestrained scope of work, and combined auditing and investigating capabilities as contemplated under H.R. 2098 and S. 1932 would result in improved internal controls and better congressional oversight of defense activities."

Mr. President, the amendment I am offering is similar to legislation endorsed by GAO, with the only difference being the inclusion in the amendment to insure that the Secretary of Defense will maintain control over all activities related to intelligence matters and sensitive to national security.

Inclusion of this language provides a proper balance of the need for Congress and the American taxpayer to have a credible, independent means of monitoring the hundreds of billions of dollars we appropriate for our national defense, and the need for the Secretary to have control over activities vital to our national security.

I recall just 6 months ago when we were debating the defense appropriations bill for 1982, many Members of the Senate proposed amendments to get at what the Director of OMB, Mr. Stockman, had referred to as a "swamp of waste in inefficiency" in the Department of Defense. Most of these amendments were dismissed as arbitrary or not sufficiently specific to warrant across-the-board cuts in defense spending.

The general feeling was that there was waste in the Department of Defense, but we were unable to identify and eliminate it without jeopardizing legitimate programs essential to our national defense.

With an independent Inspector General in the Department of Defense, responsible to Congress as well as the Secretary, we will have additional information at our disposal when making spending decisions a national defense.

We will be better able to monitor how the hundreds of billions of dollars we appropriate for defense are being spent.

My amendment also provides for improved supervision, coordination, and cooperation of the more than 18,000 auditors, investigators, and support personnel employed by the Department of Defense, at a cost of $500 million a year.

While the majority of these auditors and investigators are employed by the military services, approximately 5,600 are employed in management level functions of the Department, without central coordination and supervision.

Recognizing that these individuals perform important duties it is nonetheless remarkable, almost incomprehensible, that they lack common supervision, coordination and direction. Even more remarkable, is the fact that the work of these auditors and investigators is subject to the veto of the Secretary, at his discretion.

The idea that the Secretary can negate the initiation or conduct of any audit or investigation, is totally opposite to what Congress intended in authorizing the Inspector Generals' program.

As a very minimum, I believe it is essential that we have an independent Inspector General within the Pentagon, with freedom to conduct audits and investigations without interference or obstruction from the agencies involved.

If it comes to the attention of the Inspector General that a mistake has been made in the selection, development, or operation of a weapon or program, the person responsible for that mistake should not be able to lobby the Secretary to call off the Inspector General to avoid the embarassment of the mistake being made public. This would do nothing to enhance our national security, nor increase the public's confidence in the ability or willingness of the Defense Department to police itself.

I had the privilege of serving on the board of directors of a company engaged in defense work before coming to the Senate in 1971.

During the Vietnam war, I chaired an independent audit board, responsible for looking into all of the programs and operations of the corporation. If I learned anything from that experience it is—you can expect what you inspect. If a department or agency knows it is subject to close scrutiny and inspection by a tough, independent auditor, it will be a lot more careful about how it runs its program and spends its money.

And that, Mr. President, is really the heart of my amendment. I want to insure that the Congress and American taxpayers have a credible, independent means of determining that the money we appropriate for our national defense is not wasted by reason of fraud, abuse, or mismanagement.

Unfortunately, the Pentagon opposes my amendment and is on record as opposing any legislation to create an independent Inspector General within the Pentagon. It is their opinion that in order to preserve the integrity of the chain of command the Inspector General for the Department must be under the authority, direction and control of the Secretary. In other words, the Secretary should have the right to call off any audit or investigation he finds unfavorable.

With all due respect to the present Secretary, Mr. President, I find this to be the height of arrogance. If we are to have anything other than a cosmetic Office of Inspector General, we must have independent authority to conduct audits and investigations without interference. Anything less will be a sham, and the public will recognize it as such.

The Pentagon has also objected to the creation of an independent Inspector General on the grounds that it might jeopardize or lead to the disclosure of information related to our national security.

This is a legitimate concern, Mr. President, and I have included language in my amendment giving the Secretary complete authority, direction and control over the activities of the Inspector General with respect to intelligence; counterintelligence; and operations and programs sensitive to our national security.

Further, with respect to the disclosure of information that might jeopardize national security, I have included language in my amendment specifically prohibiting the disclosure of any information which is prohibited from disclosure by any other provision of law, or required by Executive order to be kept secret in the interest of national defense or the conduct of foreign affairs.

I think this more than adequately guards against the disclosure of sensitive intelligence operations, or information related to national security.

Mr. President, I want to stress again the importance of a tough, independent Inspector General within the Department of Defense, as proposed by my amendment and legislation I introduced in December to establish Inspectors General for the Departments of Defense, Justice, Treasury and AID (S. 1932). I think that it is significant that companion legislation introduced in the House by Chairman BROOKS, was adopted by a vote of 344 to 65 on May 19, 1981.

This is clear evidence of the broad, bipartisan support for putting a tough, independent Inspector General in the Department of Defense.

Mr. President, I would also like to call to the attention of my colleagues a recent article by the noted columnist, Mr. James Kilpatrick, that appeared in several newspapers around the country on this very issue.

Commenting on the various proposals before the Congress concerning the establishment of an Inspector General for the Department of Defense, Mr. Kilpatrick stated:

> The situation cries out for the appointment of one take-charge Inspector General, responsible solely to the President and the taxpayers, with authority and professional staff to investigate anything, anywhere, in the whole defense establishment.

Mr. President, my amendment accomplishes exactly what Mr. Kilpatrick recommends.

Mr. President, we are trying to make maximum effective use of finite resources under recession conditions. I believe every Member of the Senate has an obligation to use every means available to combat waste, fraud, and abuse in Government spending. My amendment is a good place to start, and I respectfully urge its adoption.

I am pleased to yield to the Senator from Texas.

Mr. TOWER. Will the Senator yield for a question?

Mr. BENTSEN. I am happy to yield.

Mr. TOWER. I do agree with the thrust of what he is trying to do. We all want the Defense Department to operate more efficiently. We want them to save money. I would hasten to say I think probably the Defense Department is probably no more guilty than other agencies of Government in terms of waste and inefficiency. I remember what Mr. McIntyre, the Director of OMB under President Carter said. He said they rated all of the spending agencies of Government, and the Defense Department got a C. All the rest of them flunked.

Mr. BENTSEN. It was in such a big flux.

Mr. TOWER. It is a lot of money that the Defense Department spends, and I think the Senator from Texas is quite right in saying that the taxpayers want an accounting of it. They are entitled to that.

There are some things which concern me. Although if these questions were raised by OMB I think they would be suspect as being self-serving, but they may be legitimate after all.

For example, it may be professional military judgment that spending a little more money on something might make it more combat-effective or provide for better survivability of our troops. I wonder what kind of judgments are going to be tolerated by the auditor in these matters.

For example, we could save a lot of money on the M-1 tank if we did not put blowout panels on it, but we would also not assure the survivability of the crew if the tank is hit.

The question is, where is this auditor going to come up on vital questions of this kind? It may be that in some training exercise they will want to use live ammunition instead of dummy ammunition. Obviously, dummy ammunition is cheaper. There are a lot of cheaper ways that you can do things but they might not be conducive to combat-effectiveness or the survivability of our boys. I wonder if the Senator from Texas has any comment on that question.

Mr. BENTSEN. I would be happy to comment on that.

First, let me tell a little story about the M-1 tank. I was down at Hood the other day and I told them I wanted to drive the M-1 tank. I had heard so many problems about it, so much criticism about it. They said, "Fine." I said, "How do you get into it?" They said, "Just like you get on a horse." I said I could handle that.

The chairman of the Armed Services Committee has been in it, I am sure. They do not have a wheel in the thing but there is a control bar.

I got that thing started and started down a hill about 20 miles an hour. I went through a ravine with water splashing and up the other side at about 30 miles an hour.

The senior Senator from Texas might be surprised with what I was thinking about, but I was really thinking about if I just had that on the Houston Freeway I would be able to handle the situation.

Mr. TOWER. I would like to have it on Rock Creek Parkway.

Mr. BENTSEN. When you talk about a quality question, I think that is a legitimate concern, but that is the same kind of a problem you run into when you are auditing in the Department of Education. They say, "Yes, but we want to talk to you about the quality of the education, and do you as an auditor have the judgment to understand what we are trying to seek here?"

When you get into hard numbers for an auditor, there is no question but what there are considerations beyond just what the lowest bidder might bring in, and that becomes a judgmental matter. It becomes a question on which the auditor has to be counseled by the type of people the Senator is talking about. If an auditor is worth his salt, he is going to be doing that. Any evaluation he makes has to be done with the understanding that that is part of the backgound and the consideration in dealing with numbers.

I think the same thing can be said if you are in other departments, in other agencies. There will be things that will not be just hard numbers. There will be qualitative questions involved.

I really do not think that excepts the Defense Department. I know the Defense Department does not want someone from the outside auditing them. I know the Defense Department does not want someone coming up with something that might embarrass them and they not have any control over it. But I think in the days we are facing now, with a very substantial increase in defense expenditures, more than any time in the past, the taxpayers have a right to demand that we get our full dollar's worth on the expenditures, that the audits be done, and that they be independent audits.

Mr. GOLDWATER. Will the Senator yield?

Mr. BENTSEN. Yes.

Mr. GOLDWATER. Mr. President, I can well understand the concern of anyone in this body about escalating costs of military equipment. I can understand Members of this body wanting to take almost any steps to correct it. I think the first step to suggest would be the inspectors general. But we now have them almost running out of our ears.

What I am afraid of is if we make this type of appointment, No. 1, I do not know where we would go to find one man qualified to be an inspector general over all the different services and all the different departments and units of the services. I do not know the answer to how many staff he would have to have. Would he be required to limit the size of the staff?

I think he would wind up with a very, very large staff, necessarily, even to get the job done or to begin to get the job done.

Mr. President, we now have OMB and the General Accounting Office working in this field. As the Senator

knows, over every major weapons system, we have what we call program managers, or PM's, who go from the rank, usually, of captain up to major generals. If I have one suggestion in this field that I have made, but it has not received very good reception, it is that we rotate our officers in the services in the Pentagon too often. I think we would get a better job done if we let them get their field service in, let them get their sea service and their air service, pick out the managerial types, put them in the Pentagon, and leave them there, so they can become extremely expert in the field of management.

I should like to see managers, for example, who are able to detect the very instant of an increased cost and go immediately to the concerned committee of the Congress and report that so that we then give them the help they need to correct this.

There is a group of us who have been working in this field. We have a suggestion floating around now that pretty much follows the idea of inspector general. We are not sure yet whether it will go that way or whether we might be better off with the managerial concept. We are trying to get a proper investigation of the whole problem so that we can come up with better management.

I have to say to my friends that it is a problem of management. It is management on the manufacturing side, it is management on the military side. We do not generally do a good enough job because of the lack of experience.

Mr. President, I would hesitate to vote for the Office of Inspector General for the reasons I have outlined. I think I have been as close to this as any member of the Committee on Armed Services. For example, this year, more on the idea that I might set an example, I picked out a helicopter the cost of which had increased from an original $2.5 million to $16 million and from $9 million to $16 million in about 4 months. We had a thorough investigation of it and the subcommittee of which I am chairman decided not to have it in the Senate budget. And it is not there. The House, of course, will put the entire thing in, the effort has gone for naught.

What I had hoped was that this might serve as an example so that each chairman of each subcommittee could pick out a weapons system that he or others felt had gotten out of hand and make it plain to the manufacturer that we are not married to the idea that we have to buy it. Maybe this would set an example. It did not and we are going to wind up buying those helicopters at an exorbitant price, although they have come down a little bit.

Mr. President, I am in sympathy with what the distinguished Senators are trying to do. I think they have been wise in bringing it to the attention of the Senate. But I can assure both of them that the Senate Committee on Armed Services has been very, very interested in this for years. Under Senator STENNIS, we spent days trying to solve this very intricate problem. But I do believe it rests more in the individual project management of the services and the management by the manufacturer, with the understanding that the Senate and the House committees are not going to stand still for exorbitant overrun in prices.

Mr. President, because we are on this subject, right now, with inflation having been practically stopped, we still have manufacturers claiming increased prices because of inflation. Those are the kind of things I hoped we could stop.

I wish I could give my wholehearted support. I support the idea. I can just see a runaway office there, where we almost have people, as I say, running out our ears.

Mr. PRYOR. Mr. President, will the distinguished Senator from Arizona yield for a question?

Mr. GOLDWATER. I yield the floor.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I should like, if I might, to address myself to two or three points that the Senator from Arizona has been long associated with and involved deeply in with regard to our military programs in this country.

One of those concerns the Senator has so eloquently expressed is how many positions is this creating, is this going to be a runaway office, this, that, and the other. For the Senator's information, it is my understanding that in the Bentsen amendment as a substitute for the Pryor amendment—my amendment—we have come to the same conclusion in both of these approaches to the establishment of this office that, actually, there are four particular audit agencies that would be moved under the heading of the Office of Inspector General. That would be a total of 3,986 individuals who are presently on board. That would be the Defense Contract Audit Agency, the Defense Audit Service, the Defense Investigative Service, the Criminal Unit, the Defense Logistics Agency, the IG office. That would total some 3,986 individuals.

We would not be hiring new personnel. We would be transferring personnel, I say to my very distinguished friend from Arizona.

Mr. President, I should like to make a point and I think this point will help to clarify some of the concerns of some of those people who have voiced an objection to the creation of an independent Inspector General. There has been a question raised that the Secretary of Defense would lose all audit control or investigative control. To allay those fears, I say to my distinguished friend and also to my colleagues that this will still leave 14,300 auditors, investigators, and inspectors under the direct control of the Secretary of Defense. It would leave 3,986 individuals under the control of the Office of Inspector General. That total by the way, Mr. President, is that we have today in the Department of Defense 18,295 auditors, investigators, and inspectors who are on the payroll at this time.

All I can say, very honestly, Mr. president—I probably should not say this—is that it looks like we are inspecting the inspectors and auditing the auditors. I feel we must bring this under control.

It is true that we would be creating only one new job. That job is the Office of Independent Inspector General, whose name would be sent to the Senate by the President, nominated, with the advice and consent of the Senate necessary for that individual to assume that position.

Mr. TOWER. Mr. President, in my opinion, the Department of Defense is unique. It involves doing something that is not similar to what any other Department does—Department of Education, HUD, DOT, or any of these. What is involved here is combat-effectiveness and survivability of our troops. I submit that the professional judgment of the people in that Department in such matters in a relative sense is far more important than the professional judgment of functionaries in other Departments insofar as administration and expenditure of funds and control over operations.

My great fear, Mr. President, is that this Inspector General, independent of any control by the Secretary of Defense, could seriously interfere with the operation of the command and control structure of the Department of Defense. It would be a tragedy if, in an effort to provide some oversight to save a little money, we precipitated inefficiencies or ineffectiveness in the combat operations of the uniformed services of the United States.

Mr. President, I know that this is the kind of thing anybody would want to vote for. Inspector General sounds like motherhood. Everybody wants to save money. If you want to save money, you have to vote for an IG. But again, I submit that sometimes the judgment of an auditor about how to save money might be the kind of judgment that would, if implemented, jeopardize the life of an American soldier, sailor, airman, or marine. We had better reflect carefully on these things before we cast a vote that, on the face of it, appears to be good.

I know it would be difficult to explain a negative vote, but I think we must consider the uniqueness of the Department of Defense.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

UP AMENDMENT NO. 924

(Purpose: To amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Department of Defense and for other purposes)

Mr. ROTH. Mr. President, I send an amendment to the desk to the original text.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 924.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Bill (S. 2248) add the following:

That this Act may be cited as the "Inspector General Amendments of 1982".

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

SEC. 2. (a) The Inspector General Act of 1978, Public Law 95-452, is amended—

(1) by inserting "the Department of Defense," after "Commerce," in section 2(1);

(2) by redesignating subparagraphs (C) through (M) of section 9(a)(1) as subparagraphs (D) through (N), respectively;

(3) by inserting after subparagraph (B) of such section the following new subparagraph:

"(C) of the Department of Defense, the office of that department referred to as the 'Defense Audit Service', and that portion of the office of that department referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and program abuse;";

section 11(1); and

(5) by inserting "Defense," after "Commerce," in section 11(2).

(b) Section 8 of the Inspector General Act of 1978 is amended to read as follows:

"ADDITIONAL PROVISIONS WITH RESPECT TO THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

"SEC. 8. (a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

"(b)(1) The last two sentences of section 3(a) do not apply to the Inspector General of the Department of Defense.

"(2) The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

"(A) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department;

"(B) initiate, conduct and supervise, through the Defense Audit Service and the Defense Criminal Investigative Service such audits and investigations in the Department of Defense (including the military departments) that the Inspector General deems appropriate;

"(C) provide policy direction for audits and investigations that the Inspector General may initiate, conduct and supervise regarding waste, fraud, and abuse and program effectiveness.

"(D) investigate fraud and abuse uncovered as a result of other contract and internal audits, as the Inspector General deems appropriate;

"(E) develop policy, monitor and evaluate program performance, and provide guidance with respect to all Department * * *

* * * * *

"(F) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

"(G) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

"(H) request occasional assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

"(I) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

"(e) The Inspector General of the Department of Defense is authorized to establish such rules and instructions as may be necessary to carry out the provisions of this Act.

"(f) In carrying out section 6(a)(2), the Inspector General of the Department of Defense is authorized to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General or the Secretary of Defense, necessary or desirable.

"(g)(1) In carrying out section (7)(a), the Inspector General of the Department of Defense may receive and investigate complaints or information from an employee of the Department or a member of the Armed Forces.

"(2) The Inspector General of the Department of Defense shall not, after receipt of a complaint or information from an employee of the Department or a member of the Armed Forces, disclose the identity of or information that could be attributed to that employee or member without the consent of that employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Section 7(c) shall apply to employees of the Department of Defense and members of the Armed Forces who have authority to take, direct others to take, recommend, or approve any personnel action with respect to employees of the Department of Defense or members of the Armed Forces.

"(h)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include a listing of each contract audit conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3)(A) Any report prepared by the Inspector General of the Department of Defense under section 5 shall not include information which is—

"(i) specifically prohibited from disclosure by any other provision of law;

"(ii) specifically required by Executive order to be protected from disclosure in the interest of national defense, national security, or in the conduct of foreign affairs; or

"(iii) a part of an ongoing criminal investigation.

"(B) Notwithstanding subparagraph (A)(iii), any report prepared by the Inspector General of the Department of Defense under section 5 may include information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

"(i)(1) If the Secretary of Defense determines that it is appropriate for purposes of preserving the national security interests of the U.S. to prohibit the Inspector General of the Department of Defense from initiating, carrying out, or completing any audit or investigation, or from issuing any subpena, after the Inspector General has decided to initiate, carry out, or complete such audit or investigation, or issue such subpenas, the Inspector General shall submit a statement concerning the prohibition within 30 days to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. Any such statement shall include the views of the Inspector General concerning the prohibition.

"(2) The Secretary shall, within 30 days after making such determination in paragraph (1), transmit a statement of the reasons therefore to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) Notwithstanding paragraphs (1) and (2), if the portions of the statement required by such paragraphs would necessarily reveal intelligence or counterintelligence activities, sensitive operations plans, ongoing criminal investigations of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security, the Secretary is only required to transmit such portions of such statements to the Majority and Minority Leaders of the Senate and the House of Representatives and the Speaker.

"(j) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of

Defense to carry out the purposes of this Act.".

Mr. BENTSEN. Mr. President, parliamentary inquiry. Is this an amendment to the original text of the bill?

The PRESIDING OFFICER. The Senator is correct.

The Senator from Delaware.

Mr. ROTH. Mr. President, the Governmental Affairs Committee has been involved in lengthy and extensive hearings and discussions on providing a statutory IG for the Department of Defense. S. 2274, the bill which the committee was preparing to mark up had broad bipartisan support, the cosponsors included Senator CHILES, Senator COHEN, Senator DURENBERGER, Senator MATTINGLY, Senator NUNN, Senator SASSER, as well as Senator JACKSON.

The concept of an IG in the Department of Defense is not a new one. It is one that has been kicked around for roughly 5 years.

Special credit and public recognition should be given to the initiator of the idea. And the author of the original legislation regarding inspectors general which was the ranking member of the committee, Senator EAGLETON of Missouri.

In 1978, when most of the statutory IG's were created for the civil departments, no IG was created at the Department of Defense due to the special concern of the differing needs and mission of that Department.

As a result, a special task force was created by this Congress to study the need and form of an IG for the Department of Defense, and what his scope of authority should be.

The amendment that I am now offering is based in part on those recommendations. It is important to keep in mind that the Governmental Affairs Committee was in the process of reaching a consensus on the issue of a statutory inspector general at DOD should be created.

I am pleased to say that in addition to the committee member who strongly support the IG, we have also received support from the Armed Services Committee, from the administration, and from the Pentagon itself. I note that a number of the provisions included in our amendment are also incorporated in Senator Bentsen's amendment.

To be very candid, Mr. President, it seems to me it would be more appropriate to have permitted the Governmental Affairs Committee to proceed as it was so that it could have been processed through the regular markup procedure and then brought to the Senate floor as separate legislation.

We had reached an agreement, a bipartisan agreement, within the committee that the committee would act on this legislation this year and in time for action to be taken in the Senate as well as in the House.

There are a number of differences between my amendment and that of the Bentsen amendment. For example, the Roth amendment would not rely solely on the Secretary of Defense to report to the Congress whenever an investigation or inspection is prohibited by the Secretary. The Roth amendment specifically authorizes the Inspector General himself to report to Congress within 30 days of any determination by the Secretary of Defense to prohibit any IG investigation, inspection, audit, review or subpena.

The Roth amendment also specifically authorizes the IG to give the Congress his views of the Secretary's reasons for any veto action.

I think it is perfectly obvious that this language makes the proposed IG as authorized by the Roth amendment more independent from the control of the Secretary of Defense than the IG authorized under the Bentsen amendment.

I point out, also, that my amendment amends the 1978 Inspector General Act rather than the Department of Defense authorization bill. This, too, is an important difference, for it preserves and protects the basic oversight responsibility of the Governmental Affairs Committee.

I also point out that my amendment would transfer to the Office of Inspector General those auditors of the DCAA—that is the Defense Contract Audit Agency—that deal with postaward audits.

I think it is very important to understand that DCAA has both preaward audit and postaward audit, and that we are dividing that responsibility. I, for one, would be concerned if the IG, who is responsible for auditing the operations of the Department of Defense, became involved in preaward audit, because then he is auditing and reviewing his own work. This would be a conflict of interest.

This proposal was originally suggested by Senator EAGLETON as well as a number of other Democrats on the Governmental Affairs Committee.

I would look with considerable alarm and concern if we established the precedent today, that the IG become involved in the very operation he is supposed to be reviewing.

Mr. President, my amendment would require the Secretary of Defense to report his reasons for issuing a veto or preventing an investigation of any case or the issuance of a subpena. My amendment would allow the Secretary to prohibit an investigation only when the national security interests of the Nation are clearly at stake.

The Roth amendment, unlike the Bentsen amendment, would allow only those portions of any report from the Inspector General or the Secretary of Defense which would compromise our national security to be excluded from any such report. Even these portions of such reports would be required to be submitted to the majority and minority leaders of the House and the Senate, as well as to the Speaker.

The Roth amendment also provides for the transfer, as I have already mentioned, of the postaward audit function of a defense contract audit agency to the new Inspector General's office, thereby greatly expanding the resources of the office.

I again point out that the DCAA provides a great number of audit services to the Defense Department, and its role in contract administration is crucial. Any changes in its structure must be carefully made in order to insure that its management responsibilities are not destroyed in the effort to strengthen the Inspector General.

Mr. ROTH. Mr. President, I send to the desk a substitute in lieu of my earlier amendment.

The PRESIDING OFFICER. The Chair advises the Senator that the amendment is not in order. The Senator retains the right to modify his first degree amendment, but he does not have the right to amend it unless the Senate acts on that amendment.

Mr. ROTH. I ask for the yeas and nays on my original amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is not a sufficient second.

The yeas and nays were not ordered.

Mr. ROTH. Mr. President, the Roth amendment would provide for a civilian Inspector General in the Defense Department and would not permit any military personnel to assume the Inspector General position. It provides for a statutory permanent office in the Department of Defense. The IG would be appointed by the President, not the Secretary of Defense. This would add another measure of independence from the Secretary.

The Roth amendment provides the Inspector General with the authority to specifically set policy for all audits and investigations in the Department of Defense, including the military departments. This would allow the Inspector General complete control over all fraud, waste, and abuse and program effectiveness issues. This would allow the Comptroller at the Defense Department to maintain audit policy responsibilities over the budget and audits relating to the budget. The Bentsen amendment does not recognize these differences in audit policy.

The Roth amendment specifically sets out the Inspector General responsibilities with regard to contract and internal audits, internal review principles, policies, and procedures and specific congressional authority to monitor, review, and require assistance from the military departments, with a view toward avoiding duplication and assuring effective coordination and cooperation. The Bentsen amendment

does not specifically state these duties and responsibilities.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. ROTH. I yield.

Mr. TOWER. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Delaware.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BENTSEN. Mr. President——

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BENTSEN. He loses the floor if he asks for the yeas and nays.

Mr. ROTH. I had my hand up.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. BENTSEN. Mr. President, does that mean that the Chair recognized him?

The PRESIDING OFFICER. The Chair recognized the Senator from Delaware after the yeas and nays were ordered.

Mr. BENTSEN. After the Chair talked to me, spoke to me, and the Chair turned and decided to recognize him.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. PRYOR. Mr. President, I make a point of order.

Mr. ROTH and Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. TOWER. Mr. President, will the Senator yield, without losing his right to the floor?

Mr. ROTH. I yield, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, let me urge the Senator from Delaware to yield to the Senator from Texas, if the latter feels that he has been unfairly treated here. Let him have the floor, and then the Senator from Delaware can resume.

Mr. ROTH. I will be happy to yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. BENTSEN. I must say that I was seeking recognition to offer a substitute. I want that understood. I do not want to take advantage of anyone, any more than I think I was being taken advantage of. That is what I am offering, a substitute to the amendment of the Senator from Delaware if that is acceptable.

The PRESIDING OFFICER. The Senator from Delaware has yielded to the Senator from Texas. The Senator from Texas is recognized.

UP AMENDMENT NO. 925

(Purpose: To amend the amendment relating to the establishment of an Office of Inspector General in the Department of Defense)

Mr. BENTSEN. Mr. President, I offer a substitute to the amendment of the Senator from Delaware.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) for himself, Mr. DANFORTH, Mr. EAGLETON, Mr. INOUYE, Mr. EXON, Mr. PRYOR, Mr. BRADLEY, Mr. DECONCINI, Mr. BAUCUS, Mr. CRANSTON, Mr. PELL, Mr. RANDOLPH, Mr. MELCHER, Mr. PROXMIRE, Mr. CHILES, Mr. RIEGLE, Mr. BURDICK, Mr. DIXON, Mr. BUMPERS, Mr. LEVIN, and Mr. MITCHELL, proposes an unprinted amendment numbered 925 as a substitute for unprinted amendment numbered 924.

Mr. BENTSEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

To the amendment (No. 924) intended to be proposed by Mr. Roth.

In lieu of the language proposed to be inserted, insert the following:

SEC. . (a) (1) Chapter 4 of title 10, United States Code, is amended by adding at the end thereof the following new section:

"§ 140c. Inspector General

"(a) There is established in the Department of Defense an Office of Inspector General. The Office shall—

"(1) conduct and supervise audits and investigations relating to programs and operations of the Department;

"(2) provide leadership and coordination and recommend policies for activities designed (A) to promote economy, efficiency, and effectiveness in the administration of, and (B) to prevent and detect fraud and abuse in such programs and operations; and

"(3) provide a means for keeping the Secretary of Defense and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

"(b) (1) There shall be at the head of the Office an Inspector General who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations. No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense. Except as provided in paragraph (2), the Inspector General shall report to and be under the general supervision of the Secretary or, to the extent such authority is delegated, the Deputy Secretary next in order of precedence below the Secretary, but shall not report to, or be subject to supervision by, any other officer of the Department. Except as provided in paragraph (2), neither the Secretary nor the Deputy Secretary next in order of precedence below the Secretary shall prevent or prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena during the course of any audit or investigation.

"(2) Notwithstanding the second and third sentences of paragraph (1), the Inspector General shall be under the authority, direction, and control of the Secretary with respect to:

(A) intelligence activities;

(B) counterintelligence activities; or

(C) operations planning determined by the Secretary to be sensitive to the national security.

"(3) With respect to the activities listed in subparagraph (2) the Secretary of Defense may prohibit the Inspector General from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out or complete such audit or investigation or to issue such subpoena, if the Secretary determines that proceeding with such audit, investigation or subpoena could compromise, undermine, reveal or otherwise represent a threat to such activities.

"(c) Within 30 days after exercising the authority described in subparagraph (3) the Secretary shall transmit a statement of the reasons therefore, to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) The Inspector General may be removed from office by the President. The President shall communicate the reasons for any such removal to both Houses of Congress.

"(4) For the purposes of section 7324 of title 5, the Inspector General shall not be considered to be an employee who determines policies to be pursued by the United States in the nationwide administration of Federal laws.

"(5) The Inspector General shall, in accordance with applicable laws and regulations governing the civil service—

"(A) appoint an Assistant Inspector General for Auditing who shall have the responsibility for supervising the performance of auditing activities relating to programs and operations of the Department, and

"(B) appoint an Assistant Inspector General for Investigations who shall have the responsibility for supervising the performance of investigative activities relating to such programs and operations.

"(c)(1) It is the duty and responsibility of the Inspector General—

"(A) to provide policy direction for and to conduct, supervise, and coordinate audits and investigations relating to the programs and operations of the Department;

"(B) to review existing and proposed legislation and regulations relating to programs and operations of the Department and to make recommendations in the semiannual reports required by subsection (d)(1) concerning the impact of such legislation or regulations on the economy and efficiency in the administration of programs and operations administered or financed by the Department or the prevention and detection of fraud and abuse in such programs and operations;

"(C) to recommend policies for, and to conduct, supervise, or coordinate other activities carried out or financed by the Department for the purpose of promoting economy and efficiency in the administration of, or preventing and detecting fraud and abuse in, its programs and operations;

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"(D) to recommend policies for, and to conduct, supervise, or coordinate relationships between the Department and other Federal agencies, State and local governmental agencies, and non-governmental entities with respect to (i) all matters relating to the promotion of economy and efficiency in the administration of, or the prevention and detection of fraud and abuse in, programs and operations administered or financed by the Department, or (ii) the identification and prosecution of participants in such fraud or abuse; and

"(E) to keep the Secretary and the Congress fully and currently informed, by means of the reports required by subsection (d) and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations administered or financed by the Department, to recommend corrective action concerning such problems, abuses, and deficiencies, and to report on the progress made in implementing such corrective action.

"(2) In carrying out the responsibilities specified in paragraph (1)(A), the Inspector General shall—

"(A) comply with standards established by the Comptroller General of the United States for audits of Federal establishments, organizations, programs, activities, and functions;

"(B) establish guidelines for determining when it shall be appropriate to use non-Federal auditors; and

"(C) take appropriate steps to assure that any work performed by non-Federal auditors complies with the standards established by the Comptroller General as described in subparagraph (A).

"(3) In carrying out the duties and responsibilities established under this section, the Inspector General shall give particular regard to the activities of the Comptroller General of the United States with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(4) In carrying out the duties and responsibilities established under this section, the Inspector General shall report expeditiously to the Attorney General whenever the Inspector General has reasonable grounds to believe there has been a violation of Federal criminal law.

"(d)(1) The Inspector General shall, not later than April 30 and October 31 of each year, prepare semiannual reports summarizing the activities of the Office during the immediately preceding six-month periods ending March 31 and September 30. Such reports shall include, but need not be limited to—

"(A) a description of significant problems, abuses, and deficiencies relating to the administration of programs and operations of the Department disclosed by such activities during the reporting period;

"(B) a description of the recommendations for corrective action made by the Office during the reporting period with respect to significant problems, abuses, or deficiencies identified pursuant to subparagraph (A);

"(C) an identification of each significant recommendation described in previous semiannual reports on which corrective action has not been completed;

"(D) a summary of matters referred to prosecutive authorities and the prosecutions and convictions which have resulted;

"(E) a summary of each report made to the Secretary under subsection (e) (2)(B) during the reporting period; and

"(F) a listing of each audit report completed by the Office during the reporting period.

"(2) Semiannual reports of the Inspector General shall be furnished to the Secretary not later than April 30 and October 31 of each year and shall be transmitted by the Secretary to the appropriate committees or subcommittees of the Congress within thirty days after receipt of the report, together with a report by the Secretary containing any comments the Secretary deems appropriate.

"(3) Within sixty days of the transmission of the semiannual reports of the Inspector General to the Congress, the Secretary shall make copies of such report available to the public upon request and at a reasonable cost.

"(4) The Inspector General shall report immediately to the Secretary whenever the Inspector General becomes aware of particularly serious or flagrant problems, abuses, or deficiencies relating to the administration of programs and operations of the Department. The Secretary shall transmit any such report to the appropriate committees or subcommittees of Congress within seven calendar days, together with a report by the Secretary containing any comments such head deems appropriate.

"(e) (1) In addition to the authority otherwise provided by this section, the Inspector General, in carrying out the provisions of this section, is authorized—

"(A) to have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available to the Department which relate to programs and operations with respect to which that Inspector General has responsibilities under this section;

"(B) to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General, necessary or desirable;

"(C) to request such information or assistance as may be necessary for carrying out the duties and responsibilities provided by this section from any Federal, State, or local governmental agency or unit thereof;

"(D) to require by subpena the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary in the performance of the functions assigned by this section, which subpena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court: *Provided*, That procedures other than subpenas shall be used by the Inspector General to obtain documents and information from Federal agencies;

"(E) to have direct and prompt access to the Secretary when necessary for any purpose pertaining to the performance of functions and responsibilities under this section;

"(F) to select, appoint, and employ such officers and employees as may be necessary for carrying out the functions, powers, and duties of the Office subject to the provisions of title 5, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(G) to obtain services as authorized by section 3109 of title 5, at daily rates not to exceed the equivalent rate prescribed for grade GS-18 of the General Schedule by section 5332 of title 5; and

"(H) to the extent and in such amounts as may be provided in advance by appropriations Acts, to enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and to make such payments as may be necessary to carry out the provisions of this section.

"(2)(A) Upon request of the Inspector General for information or assistance under paragraph (1)(C), the head of any Federal agency involved shall, insofar as is practicable and not in contravention of any existing statutory restriction or regulation of the Federal agency from which the information is requested, furnish to such Inspector General, or to an authorized designee, such information or assistance.

"(B) Whenever information or assistance requested under paragraph (1)(A) or (1)(C) is, in the judgment of the Inspector General, unreasonably refused or not provided, the Inspector General shall report the circumstances to the Secretary without delay.

"(C) The Secretary shall provide the Office with appropriate and adequate office space at central and field office locations of the Department, together with such equipment, office supplies, and communications facilities and services as may be necessary for the operation of such offices, and shall provide necessary maintenance services for such offices and the equipment and facilities located therein.

"(f)(1) The Inspector General may receive and investigate complaints or information from an employee of the Department concerning the possible existence of an activity constituting a violation of law, rules, or regulations, or mismanagement, gross waste of funds, abuse of authority or a substantial and specific danger to the public health and safety.

"(2) The Inspector General shall not, after receipt of a complaint or information from an employee, disclose the identity of the employee without the consent of the employee, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Any employee who has authority to take, direct others to take, recommend, or approve any personnel action, shall not, with respect to such authority, take or threaten to take any action against any employee as a reprisal for making a complaint or disclosing information to the Inspector General, unless the complaint was made or the information disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

"(g)(1) Nothing in this section shall be construed to authorize the public disclosure by any individual of any information which is—

"(A) specifically prohibited from disclosure by any other provision of law; or

"(B) specifically required by Executive order to be kept secret in the interest of national defense of the conduct of foreign affairs.

"(2) Nothing in this subsection shall be construed to authorize or permit the withholding of information from the Congress, or from any committee or subcommittee thereof.

"(h)(1) There are transferred to the Office—

"(A) the offices of the Department referred to as the 'Defense Contract Audit Agency', the 'Defense Audit Service', and the 'Office of Inspector General, Defense Logistics Agency', and that portion of the office referred to as the 'Defense Investigative Service' which has responsibility for the

investigation of alleged criminal violations and program abuse; and

"(B) such other offices or agencies, or functions, powers, or duties thereof, as the Secretary may determine properly related to the functions of the Office and would, if so transferred, further the purposes of this section,

except that there are not transferred to the Office under subparagraph (B) program operating responsibilities.

"(2) The personnel, assets, liabilities, contracts, property, records and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, of any office or agency the functions, powers, and duties of which are transferred under paragraph (1) are transferred to the Office.

"(3) Personnel transferred pursuant to paragraph (2) shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions except that the classification and compensation of such personnel shall not be reduced for one year after such transfer.

"(4) In any case where all the functions, powers, and duties of any office or agency are transferred pursuant to this subsection, such office or agency shall lapse. Any person who, on the effective date of this section, held a position compensated in accordance with the General Schedule, and who, without a break in service, is appointed in the Office to a position having duties comparable to those performed immediately preceding such appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of service in the new position.

"(i) For purposes of this section—

"(1) the term 'Secretary' means the Secretary of Defense;

"(2) the term 'Department' means the Department of Defense;

"(3) the term 'Office' means the Office of Inspector General of the Department of Defense established by subsection (a); and

"(4) the term 'Inspector General' means the Inspector General of the Department of Defense appointed pursuant to subsection (b).".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"140c. Inspector General.".

(b) Section 5315 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"Inspector General, Department of Defense.".

Mr. BENTSEN. Mr. President, there is a basic major difference between the amendment of the Senator from Delaware and that of the Senator from Texas and the big difference is that the amendment of the Senator from Texas and that of the Senator from Arkansas and that of the Senator from Missouri, Senator EAGLETON, puts a lot more authority with the Inspector General than does that of the Senator from Delaware. The Senator from Delaware gives the Secretary of Defense a great deal more control over that Inspector General.

Mr. President, at this point I would like to have unanimous consent to have printed in the RECORD a column from the noted columnist James Kilpatrick, talking about a defense watchpuppy, in which he addresses this very issue.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

DEFENSE WATCHPUPPY?

(By James Kilpatrick)

Politics, so the saying goes, is the art of the attainable. You will seldom find a better example of that rule in operation than you will find in the matter of providing an inspector general for the Department of Defense. What is needed is an independent watchdog. What we are likely to get is a subordinate watchpuppy instead.

By way of background: Six years ago, prompted by reports of massive fraud in welfare expenditures, Congress came up with the concept of entirely independent inspectors general. The idea was to create a corps of professional auditors and investigators who would be free to do their job, in the hackneyed phrase, without fear or favor.

Today, 10 Cabinet departments and five other agencies have such inspectors general. They have saved the taxpayers millions of dollars. In 1978, efforts began to extend the concept to the Department of Defense—and with good reason. It is commonly acknowledged that the Department of Defense, with the most money to spend, is the most wasteful of all departments. The month rarely passes without a horror story of cost overruns, padded contracts or notorious mismanagement.

This is not to suggest that Defense lacks auditors of its own. On the contrary. The department employs 18,000 inspectors of high and low degree, scattered over 18 major subdivisions; without their services, the waste would be more monumental than it is. But despite the labors of 11 coordinating committees, an impression remains of a multilegged beast with neither head nor tail. Eleven coordinating committees probably are incapable of coordinating a light bulb with a socket.

The situation cries out for the appointment of one take-charge inspector general responsible solely to the president and to the taxpayers, with authority and professional staff to investigate anything, anywhere, in the whole defense establishment. Last year the House responded to the need: The House passed a bill to create precisely such an officer.

Now the House bill is bogged down in the Senate. The Department of Defense regularly sends witnesses to testify that the department "strongly supports" an inspector general, to which affirmation should be added a footnote reading, "in a pig's eye." The department will accept an IG only if he is "under the authority, direction and control" of the secretary of defense. The Pentagon brass think it "essential to any military organization" that channels of command be preserved. The idea of a wholly independent watchdog is an idea they regard very cooly.

What to do? Sen. Bill Roth of Delaware, chief sponsor of IG legislation, sees half a loaf as better than none. Bowing to the department's objections, he has come up with a compromise proposal that he regards as the only attainable legislation. There would be a presidentially appointed inspector general for defense with power to investigate anything he wanted to investigate. The secretary of defense, whoever he might be, could muzzle the watchdog by flatly prohibiting the IG to probe any deeper, but in that event the secretary would have to explain his veto to the appropriate committees of Congress.

Sen. Roth probably is right: This may not be the best bill, but it is the best bill that has a prayer of winning Senate approval.

Very well. If agreement can be reached on the Roth compromise, the taxpaying public will be well-served. An energetic inspector general, given sufficient staff and an adequate budget, should be able to expose some of the more infuriating examples of waste in the Pentagon. If it turns out in a couple of years that the watchdog is no more than a puppy, the act can always be reconsidered.

Mr. BENTSEN. Speaking directly to this issue, Mr. Kilpatrick says that perhaps Senator ROTH is right, that maybe we ought to settle for half a loaf, in terms of an Inspector General for the Defense Department.

I frankly do not think we have to do that. The only exceptions that I provide for in my amendment is to allow the Secretary of Defense control of situations where national security interests might be jeopardized or where intelligence matters might be involved. Those are the only exceptions I provide.

With respect to the Defense Contract Audit Agency, the Senator from Delaware has made the point that those persons working on preaward contract information, should be separate and different auditors from those working on postcontract audit. Of course, they should. And any Inspector General worth his salt would see that this would be divided. But what we have today is 5,600 auditors in management positions in the Defense Department who really do not have one single coordinated effort being made.

The Inspector General must have the ability and the authority to plow ahead when he sees something that is embarrassing, when he sees a waste of the taxpayer's money; and he should not have the Secretary of Defense blowing the whistle on him. That is the major difference.

I think we should go all the way in trying to accomplish this objective and I believe that Senator ROTH's amendment does not bring that about.

I am happy to yield to the Senator from Delaware.

Mr. ROTH. Mr. President, I point out that broadly speaking the difference between the two pieces of legislation is a question of semantics.

As I understand the Senator's amendment, he has limited the powers of veto to areas basically involving national security. The same is essentially true of my proposal. I do provide as recommended by the Boutte Commission that the Inspector General be subject to the authority, control, and direction of the Secretary. However, the Inspector General will report directly to Congress, and I would point

out that the areas in which the Secretary can veto are strictly limited.

Under the Roth amendment the areas where the Secretary could veto the initiative to audit or request a subpena on the part of the Inspector General would be where it would reveal intelligence or counterintelligence activities, sensitive operations planned, ongoing criminal investigation of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security.

So, the authority of the Secretary of Defense is very clearly limited and circumscribed to those areas involving the preservation of national security interests. It was my bill language which Senator BENTSEN has incorporated so in the event the Secretary does veto an action, that veto must be reported to the Governmental Affairs Committee in addition to the other appropriate committees.

This is a valid check to insure the effective independence of the Inspector General and one that has met with on the whole general approval.

Mr. President, many of us on the Governmental Affairs Committee have long been dedicated to the idea of creating an effective Inspector General in the Department of Defense. We regret that it is coming up this way because as I have already mentioned we thought it would have been more appropriate if the committee itself could have completed its work and reported the legislation for early action as separate legislation.

I am pleased that Senators on both sides of the aisle are supportive of the concept and are supportive of the approach we in the Governmental Affairs Committee have taken to insure the effectiveness of the Inspector General. I urge that the Senate adopt my amendment.

Mr. President, it is my intent to make a motion to table the pending amendment. But I do not want to cut off any discussion or debate that anyone may care to make.

Mr. PRYOR. Mr. President, will the Senator from Delaware yield for a question?

Mr. ROTH. I yield.

Mr. PRYOR. On page 2 of the Senator's amendment, section 8, paragraph (2) it states, and I will quote from my copy of the amendment:

> The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

Is this the intent of the Senator's proposal?

Mr. ROTH. I say to the distinguished Senator from Arkansas this language was recommended by the Boutte Commission which was set up in 1978 by Congress. I have already pointed out that this language is circumscribed or limited with respect to the independence of the Inspector General by subsequent portions where it is expressly provided that the only area in which the Secretary of Defense can veto an audit is where, and I quote again, "It would reveal intelligence or counterintelligence activities, sensitive operations planned, ongoing criminal investigations of the Department of Defense, or other information the disclosures of which may constitute a serious threat to the national security."

As I have already indicated, where there is such veto, then both the Secretary and the Inspector General are authorized to report directly to appropriate committees of the House and Senate the reasons for the veto, and very importantly it gives the Inspector General the authority to issue a statement giving his point of view on the Secretary's action.

While the Inspector General comes within the authority, direction, and control of the Secretary of Defense, the fact remains that his capability to initiate audits, his capability to take his point of view to Congress, would be fully implemented by my amendment.

This administration has gone a long way in supporting the creation of an Inspector General. This is something that has been under discussion for several years and, as I said earlier, I am pleased that there has been a broad consensus of support for the legislation under consideration in the Governmental Affairs Committee.

As I mentioned, the bill has bipartisan support on that committee. We have the OK from the Armed Services Committee and, most importantly, the administration itself agreed to the legislation we are now considering.

The point I want to make to the distinguished Senator from Arkansas is on this particular aspect the differencs between the Bentsen amendment and the Roth amendment are primarily a matter of semantics. I think if you will look at the Bentsen amendment, it provides likewise the power of veto in the same general areas.

Mr. PRYOR. If I am not mistaken, and if the Senator will correct me if I am wrong, I do not find that the Senator from Texas has offered in his amendment language that states, and I quote once again:

> The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

We are not simply trying to create a job of Inspector General. We are trying to create the office of an independent Inspector General and I do not know of any language in the 1978 Inspector General Act or subsequent acts creating Inspectors General in the departments of Government that have anything similar to the language offered by the distinguished Senator from Delaware.

Mr. ROTH. As the Senator from Arkansas well knows that is the whole purpose of the reporting mechanisms we have created in this legislation. Up to a year or so ago no action was taken on the Inspector General because there were strong differences of opinions as to how it should be done. It was with that view in mind that I adopted the basic language of authority, direction and control recommended by the Boutté Commission which was created, during the Carter administration, by Congress in 1978. I have been concerned about what I think the distinguished Senator from Arkansas has been concerned about.

I drafted the procedures that would create a check on the authority of the Secretary to veto or override the initiatives of the Inspector General.

We felt that the best way to make certain that the Inspector General was able to take the kind of action he or she thought was necessary, was to provide that both the Inspector General and the Secretary would have to report to the appropriate committees of Congress and the Governmental Affairs and Government Operation Committees.

I would assume that Congress has confidence in its own committees of oversight so that if the Secretary is preventing for any reason whatsoever audits to be made or subpenas to be issued these committees would take appropriate action to correct that situation.

At the same time, I think there is general agreement that there are sensitive areas in the Department of Defense whereby we would not want certain information to be released that is harmful to the national security of this Nation.

I would point out to the distinguished Senator from Arkansas that essentially both the Bentsen amendment and the Roth amendment use the same approach. The Bentsen amendment has incorporated a number of the provisions that are contained in the Roth bill that was considered by the Governmental Affairs Committee.

So in any event I think both bills, while slightly different in language, generally handle this question of sensitivity and control in the same manner.

Mr. EAGLETON. Mr. President, I shall be brief.

Without making a line-by-line comparison between the Roth approach and the Bentsen approach, I think it is a fairly accurate summary to say that in 90 percent of the matters dealt with, the Roth approach and the Bentsen approach are virtually identical.

As I see it, there are two significant areas of disagreement between the Roth and the Bentsen approaches.

Senator BENTSEN would transfer all of DCAA to the new Office of Inspector General. Senator ROTH would transfer roughtly half of DCCA. He would leave those auditors involved in contract advice or preaward work where they are, but would transfer those auditors engaged in past—award work to the IG on that issue whether to transfer all or part of DCAA, quite candidly, I agree with Senator ROTH.

The second major area of disagreement between the Bentsen and Roth approaches deals with the independence of the Inspector General. I think it is very clear, that under the Bentsen language the Inspector General, insofar as the statutory language can insure it, would be a more independent Inspector General than he would be under the Roth language. I think this is the essential difference on that issue.

On that issue, I side with Senator BENTSEN. Thus, I am in the dilemma of being almost of two minds—liking part of what Senator ROTH does, liking part of what Senator BENTSEN does.

Further, may I say, Mr. President, I have had a long connection with the Inspector General legislation. I was the principal author of the 1978 act that set up the Office of the Inspector General in 12 departments of Government. At that time, we considered including the Department of Defense in the original bill. Some Senators objected to that, so we decided instead to instigate the study of the audit, investigation and inspection units in which was conducted in 1979 and 1980. It is an outgrowth of the 1978 work and the study and the continuing need for an Inspector General at the Department of Defense that brings us to this point today.

Quite frankly, I would have preferred that this bill emerge, through the normal legislative process, out of the Governmental Affairs Committee, where the original Inspector General legislation was initiated and where the hearings and considerable work has been done. But here we are in this posture.

Because I like the Bentsen amendment on the key issue of independence, I am going to support it. I expect that in conference the DCAA issue can be resolved more to my liking, if Bentsen prevails.

If the Bentsen amendment should fail, then I will offer my own substitute, which is identical in each and every respect to Senator ROTH's, including the splitting of DCAA except that, it treats the independence issue differently. On that issue, my substitute would take the Bentsen language.

I yield the floor.

● Mr. DIXON. Mr. President, I thank my dear friend from Texas for giving me the opportunity to join him on this amendment.

I have supported the Defense Department's budget requests in the past but I have always been concerned with the large cost overruns associated with many of the Defense Department programs.

I am also concerned with the amount of sole-source contracting being done by the different branches of our Armed Forces. I have spoken out on this floor on what I perceive as the abuse in sole-source contracts. I cite the Army's M9 program and the Navy's low-altitude aerial reconnaissance camera as but two examples.

With over 10.3 million Americans out of work, I find it inconceivable that the Department of Defense must give out contracts on a sole-source basis when there are companies in our country who want to bid on these projects but are prohibited because a decision is made to give the contract to a specific company.

Mr. President, a permanent Inspector General for the Defense Department is an asset to the work performed by the General Accounting Office. The administration called for inspectors general to eliminate waste, fraud, and abuse in all Government agencies. Mr. President, the time has come for the Department of Defense to be treated as other Federal agencies are treated.

I hope my colleagues will support this amendment and indicate to the taxpayers of the country that we are serious in making sure their money is spent wisely and efficiently.●

● Mr. LEVIN. Mr. President, I am pleased to voice my strong support for this amendment offered by Senator BENTSEN and cosponsored by myself and others to create a strong and truly independent Inspector General within the Department of Defense. There could be no stronger need and no better time than now to extend to the Defense Department this proven and well-respected tool for improving fiscal accountability and ferreting out waste and fraud in the Defense Department.

In creating the existing Inspector General, the Congress considered the independence of the Inspector General to be the key to its effectiveness. In order to statutorily preserve and guarantee that independence, the Congress specifically removed the Inspector General from the direction, control, and authority of the agency head, so that the Inspector General would have sole authority and control over matters investigated and reported on.

The uniqueness and gravity of the Defense Department's mission in protecting the Nation's security and its intelligence activities is clear. So, too, is the understanding that in certain circumstances, a threat to intelligence activities or our security may require that a particular investigation be halted or a particular report be withheld. It is for that specific reason that this amendment clearly allows the Secretary of Defense to prohibit the Inspector General from initiating or conducting any investigation which is a threat to intelligence activities or the national security. At the same time, to insure that the Congress has continuing oversight over this veto provision, the Secretary is required to report to the appropriate committees whenever this veto is exercised.

The Defense Department has voiced its full support for the establishment of a statutory Inspector General at the Defense Department, provided the special nature of its mission were considered and special accommodations in the Inspector General concept were made. This amendment does that, and, importantly, it does it while maintaining the Inspector General's authority and independence to freely investigate and report on all other matters, that is, all matters except those where national security or intelligence matters would be threatened.

Despite the balance this amendment strikes between the competing uniqueness of the Inspector General concept—its independence and the Defense Department's mission to secure the national security—the Defense Department persists in opposing this amendment. The Department prefers instead a proposal which places the Inspector General under the specific direction and control of the Secretary for all purposes. This opposition persists despite Mr. Carlucci's statements in front of the Governmental Affairs Committee that the Department only needed to be able to veto reports that "jeopardize national security."

That need has been met in this amendment and there is then no remaining reason for retaining the Inspector General under the specific "direction, control, and authority" of the Secretary of Defense. The Inspector Generals created at the other Federal agencies function under the "general supervision" of the agency head. With this amendment's strong national security protections, so too should the Inspector General at the Defense Department.

I think we all recognize that the Defense Department does differ in some crucial respects from other agencies, and this amendment certainly well-recognizes that. In one respect, however, the Department is very similar to other agencies, and that is, in its responsibility to insure that tax dollars are spent wisely, with minimal waste and inefficiency. And it is that responsibility which a strong and independent Inspector General can help an agency—any agency—achieve.

With special veto authority over investigations and reports which jeopardize national security, the Department still insists on further control over the Inspector General, all under

the cloak of protecting national security. This amendment gives the Department what it has said it needs and wants, and what the Congress has said an independent Inspector General requires.

Proposals to expand the Secretary's control over the Inspector General would create little more than the facade of an Inspector General, while institutionalizing an Inspector General's office which has no independence, no authority, and certainly, little ability to investigate waste and inefficiency in the Department. And that, Mr. President, is something we all know is needed at the Department, certainly as much as it is needed at other agencies with even smaller budgets and fewer opportunities for waste and inefficiency.●

Mr. TOWER. Mr. President, it is my understanding that the Senator from Delaware intends to move to table the amendment of Senator BENTSEN to his amendment. I ask unanimous consent that when such tabling motion is made that the vote occur at 8 o'clock.

The PRESIDING OFFICER (Mr. JEPSEN). Is there objection? Without objection, it is so ordered.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, if no one wants to comment further, I move to table the Bentsen amendment in the second degree to the Roth amendment to the original text, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

RECESS UNTIL 8 P.M.

Mr. TOWER. Mr. President, I move the Senate stand in recess until the hour of 8 o'clock.

The motion was agreed to and, at 7:14 p.m., the Senate recessed until 8 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. JEPSEN).

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Texas which is an amendment to the amendment of the Senator from Delaware to the language proposed to be stricken by the committee substitute to which is pending an amendment of the Senator from Arkansas and the amendment of the Senator from Texas.

On this question, the yeas and nays have been ordered.

Mr. BAKER. I say I never heard a more eloquent reason to table something.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), the Senator from South Dakota (Mr. PRESSLER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted?

The result was announced—yeas 45, nays 46, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—45

Abdnor	Gorton	Murkowski
Andrews	Grassley	Nickles
Armstrong	Hatfield	Nunn
Baker	Hawkins	Packwood
Boschwitz	Hayakawa	Quayle
Brady	Heinz	Roth
Chafee	Helms	Rudman
Cochran	Humphrey	Simpson
Cohen	Jepsen	Specter
D'Amato	Kassebaum	Stevens
Denton	Kasten	Symms
Dole	Laxalt	Thurmond
East	Lugar	Tower
Garn	Mattingly	Wallop
Goldwater	McClure	Warner

NAYS—46

Baucus	Dodd	Melcher
Bentsen	Eagleton	Mitchell
Biden	Exon	Moynihan
Boren	Ford	Pell
Bradley	Glenn	Percy
Bumpers	Hart	Proxmire
Burdick	Heflin	Pryor
Byrd, Harry F., Jr.	Huddleston	Randolph
	Inouye	Riegle
Byrd, Robert C.	Jackson	Sarbanes
Cannon	Kennedy	Sasser
Chiles	Leahy	Stennis
Cranston	Levin	Tsongas
Danforth	Long	Weicker
DeConcini	Mathias	Zorinsky
Dixon	Matsunaga	

NOT VOTING—9

Domenici	Hollings	Pressler
Durenberger	Johnston	Schmitt
Hatch	Metzenbaum	Stafford

So the motion to lay on the table Mr. BENTSEN's amendment (UP No. 925) was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. I move to reconsider the vote by which the motion was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. BAKER. Mr. President, we are over by 6 minutes and 25 seconds. I do not want to delay things, but I would remind my colleagues that last night we were over 11 minutes twice. This is the first vote after a recess. Now, surely, if we are going to have some flexibility someplace, there ought to be some accommodations to the fact that we at least have some consideration for our colleagues under the circumstances.

Mr. President, some Senators were seeking the floor to make a motion to table. I am prepared now to yield the floor so that they can do that. I do not intend to make it a practice of dilatory procedures to try to hold up a rollcall. But I do remind Senators that, from time to time, the leadership on both sides have tried to accommodate Senators when it is the first vote after a recess or under extraordinary circumstances.

Mr. President, I yield the floor.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, the vote had been announced for 8 o'clock. Senators were on notice. The delay was primarily because of the closeness of the vote, obviously. I recall the time when Senator METZENBAUM was engaging in the same practice and there was great criticism from the other side of the aisle.

Mr. BAKER. Mr. President, if that is the way we are going to do it, I wish to state that now we will end the rollcalls at 15 minutes.

Mr. BENTSEN. Mr. President, I move to lay the motion on the table.

Mr. BAKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to reconsider. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Vermont (Mr. STAFFORD) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 42, nays 51, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—42

Baucus	Burdick	Cranston
Bentsen	Byrd, Harry F., Jr.	DeConcini
Biden		Dixon
Boren	Byrd, Robert C.	Dodd
Bradley	Cannon	Eagleton
Bumpers	Chiles	Exon

Ford	Levin	Randolph
Glenn	Long	Riegle
Hart	Matsunaga	Sarbanes
Heflin	Melcher	Sasser
Huddleston	Mitchell	Stennis
Inouye	Moynihan	Tsongas
Jackson	Pell	Zorinsky
Kennedy	Proxmire	
Leahy	Pryor	

NAYS—51

Abdnor	Gorton	Nickles
Andrews	Grassley	Nunn
Armstrong	Hatfield	Packwood
Baker	Hawkins	Percy
Boschwitz	Hayakawa	Quayle
Brady	Heinz	Roth
Chafee	Helms	Rudman
Cochran	Humphrey	Schmitt
Cohen	Jepsen	Simpson
D'Amato	Kassebaum	Specter
Danforth	Kasten	Stevens
Denton	Laxalt	Symms
Dole	Lugar	Thurmond
Domenici	Mathias	Tower
East	Mattingly	Wallop
Garn	McClure	Warner
Goldwater	Murkowski	Weicker

NOT VOTING—7

Durenberger	Johnston	Stafford
Hatch	Metzenbaum	
Hollings	Pressler	

So the motion to lay on the table the motion to reconsider was rejected.

The PRESIDING OFFICER. The vote now recurs on the motion to reconsider.

Mr. BAKER. Mr. President, I am perfectly willing to have a voice vote on this.

Mr. BENTSEN. Mr. President, it is obvious that the votes are with the majority leader. I congratulate him. We gave him a pretty good run for his money.

Mr. BAKER. You sure did. I hope you got it out of your system.

The PRESIDING OFFICER. The question is on agreeing to the motion to reconsider.

The motion to reconsider the vote was agreed to.

The PRESIDING OFFICER. The question recurs now on the motion to table. The yeas and nays have already been ordered.

Mr. BAKER. Mr. President, before we start, is there a desire for a rollcall vote at this time? Will the Senator from Texas ask unanimous consent to vitiate the roll call?

Mr. BENTSEN. Mr. President, I ask unanimous consent to vitiate the roll call.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question now is on agreeing to the motion to lay on the table.

The motion to lay on the table UP amendment No. 925 was agreed to.

Mr. BAKER. Mr. President, what is the question before the Senate?

The PRESIDING OFFICER. The question recurs now on the Roth amendment to the language proposed to be stricken by the committee substitute, on which is pending a Pryor amendment to which is pending a Bentsen amendment.

Mr. TOWER and Mr. EAGLETON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, have the yeas and nays been ordered on the Roth amendment?

The PRESIDING OFFICER. They have not.

Mr. EAGLETON. Mr. President, prior to the recess which occurred around 7:30 p.m., I announced my intention, if the Bentsen substitute failed, to offer yet another substitute, which would be identical to the Roth amendment except on the question of the independence of the IG. Having observed the two most recent rollcall votes and facing up to reality, I see no point in pursuing that amendment at this time, because I think the result would be virtually identical with the most recent rollcall vote.

Now the question before the Chamber is the Roth amendment, and I wish to say a word on it.

Mr. President, as I indicated earlier, I believe that under the Bentsen proposal, an inspector general would have had a much greater cloak of statutory authority in where independence is concerned than he does have under the Roth language. This is my only misgiving with the Roth proposal. Nevertheless, I still think that, even with the Roth language, as well-qualified, committed inspector general will have ample inherent authority to discharge his duties.

Mr. President, I am going to ask Senator ROTH, though, if he does not think we should have a rollcall vote on this matter, because I think it is one of the more important issues this body will decide in this session.

Mr. ROTH. Mr. President, I say to my distinguished colleague from Missouri that I give him credit and recognize the key role that he has played for the past several years in the creating of statutory inspectors general.

As I said earlier, the Roth amendment does provide for a strong Inspector General. We do provide a means of oversight of any veto action on the part of the Secretary. The Inspector General is free to initiate any audit review, investigation, or subpena. In the event that the Secretary vetoes any audit because of national security issues, then he and the Inspector General are required to report the reasons back to the Governmental Affairs Committee, to the Government Operations Committee of the House, to the Armed Services and other appropriate committees. We have made certain that there is very tough overview of the whole approach.

Mr. PERCY. Will the Senator yield for just a comment?

Mr. ROTH. Yes, Mr. President, I am happy to yield to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I want to say that Senator CHILES and I sat through every one of the confirmation hearings on the Inspector General. To the author of that legislation; I believe deeply in it. I stayed with Senator BENTSEN on this because I thought his was the toughest one. Even though our committee would have lost jurisdiction because of that amendment, I stayed with it because I felt the toughness was warranted.

In this case, with the assurance given by the chairman of the Committee on Governmental Affairs that we will accept those reports from the Secretary of Defense, we will have that oversight, we will penetrate it deeply and give it the same sort of scrutiny we have given all other inspectors general, I intend to vote with Senator ROTH in this particular instance. I have confidence that he will vigilantly—he has pledged to the Senate that he will vigilantly carry out that responsibility.

Mr. BENTSEN. Will the Senator from Delaware yield to the Senator from Texas?

Mr. ROTH. I am happy to yield.

Mr. BENTSEN. Mr. President, I think that what Senator ROTH is proposing is certainly a move in the right direction. I obviously felt that mine gave a stronger statutory authority and established better independence of the Inspector General and put a more severe limitation on where the Secretary of Defense could exercise veto power, but obviously that amendment did not pass. Since it did not, I will be pleased to vote for the amendment of the Senator from Delaware.

I certainly want to congratulate Senator EAGLETON on the work that he has done. He has been a pioneer. I certainly appreciate the cooperation and help of the distinguished Senator from Arkansas, who has worked long and hard on this issue.

I also suggest to the Senator from Delaware on the parliamentary question that perhaps we could take such steps as are necessary so his amendment finally gets attached to the committee bill itself rather than to the underlying legislation.

I will be pleased to cooperate in that regard.

Mr. ROTH. Mr. President, I appreciate very much the words of the distinguished Senator from Texas.

Does the Senator from Texas withdraw his substitute to the Pryor amendment?

Mr. BENTSEN. Yes, the Senator from Texas does withdraw his substitute in order that the Senator can attach his amendment.

The PRESIDING OFFICER. The Chair advises it would take unanimous consent to do that.

Mr. BENTSEN. Mr. President, I ask unanimous consent to accomplish that objective.

The PRESIDING OFFICER. Is there objection?

The Chair hears and sees none, and it is so ordered.

UP AMENDMENT NO. 926

(Purpose: To amend the Inspector General Act of 1978 to establish an Office of Inspector General in the Department of Defense and for other purposes)

Mr. ROTH. Mr. President, I then send an amendment as a substitute to the Pryor amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) proposes an unprinted amendment numbered 926.

Mr. ROTH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the language proposed to be stricken by the committee substitute, add the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Inspector General Amendments of 1982".

DEPARTMENT OF DEFENSE OFFICE OF INSPECTOR GENERAL

SEC. 2. (a) The Inspector General Act of 1978 (Public Law 95-452) is amended—

(1) by inserting "the Department of Defense," after "Commerce," in section 2(1);

(2) by redesignating subparagraphs (C) through (M) of section 9(a)(1) as subparagraphs (D) through (N), respectively;

(3) by inserting after subparagraph (B) of such section the following new subparagraph:

"(C) of the Department of Defense, the office of that department referred to as the 'Defense Audit Service', and that portion of the office of that department referred to as the 'Defense Investigative Service' which has responsibility for the investigation of alleged criminal violations and that portion of the Defense Contract Audit Agency responsible for post award audit work with this transfer consisting of no less than 1,400 positions and"

(4) by inserting "Defense," after "Commerce," in section 11(1); and

(5) by inserting "Defense," after "Commerce," in section 11(2).

(b) Section 8 of the Inspector General Act of 1978 is amended to read as follows:

"ADDITIONAL PROVISIONS WITH RESPECT TO THE INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE

"SEC. 8. (a) No member of the Armed Forces, active or reserve, shall be appointed Inspector General of the Department of Defense.

"(b)(1) The last two sentences of section 3(a) do not apply to the Inspector General of the Department of Defense.

"(2) The Inspector General of the Department of Defense shall be under the authority, direction, and control of the Secretary of Defense.

"(c) In addition to the other duties and responsibilities specified in this Act, the Inspector General of the Department of Defense shall—

"(A) be the principal adviser to the Secretary of Defense for matters relating to the prevention and detection of fraud, waste, and abuse in the programs and operations of the Department;

"(B) initiate, conduct and supervise, through the Defense Audit Service and the Defense Criminal Investigative Service such audits and investigations in the Department of Defense (including the military departments) that the Inspector General deems appropriate;

"(C) provide policy direction for audits and investigations that the Inspector General may initiate, conduct and supervise regarding waste, fraud, and abuse and program effectiveness;

"(D) investigate fraud and abuse uncovered as a result of other contract and internal audits, as the Inspector General deems appropriate;

"(E) develop policy, monitor and evaluate program performance, and provide guidance with respect to all department activities relating to criminal investigation programs;

"(F) monitor and evaluate the adherence of Department auditors to internal audit, contract audit, and internal review principles, policies, and procedures;

"(G) develop policy, evaluate program performance, and monitor actions taken by all components of the Department in response to contract audits, internal audits, internal review reports, and audits conducted by the Comptroller General of the United States;

"(H) request occasional assistance as needed from other audit, inspection, and investigative units of the Department of Defense (including military departments); and

"(I) give particular regard to the activities of the internal audit, inspection, and investigative units of the military departments with a view toward avoiding duplication and insuring effective coordination and cooperation.

"(d) Notwithstanding section 4(d), the Inspector General of the Department of Defense shall expeditiously report suspected or alleged violations of chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to the Secretary of the military department concerned or the Secretary of Defense.

"(e) The Inspector General of the Department of Defense is authorized to establish such rules and instructions as may be necessary to carry out the provisions of this Act.

"(f) In carrying out section 6(a)(2), the Inspector General of the Department of Defense is authorized to make such investigations and reports relating to the administration of the programs and operations of the Department as are, in the judgment of the Inspector General or the Secretary of Defense, necessary or desirable.

"(g)(1) In carrying out section (7)(a), the Inspector General of the Department of Defense may receive and investigate complaints or information from an employee of the Department or a member of the Armed Forces.

"(2) The Inspector General of the Department of Defense shall not, after receipt of a complaint or information from an employee of the Department or a member of the Armed Forces, disclose the identity of or information that could be attributed to that employee or member without the consent of that employee or member, unless the Inspector General determines such disclosure is unavoidable during the course of the investigation.

"(3) Section 7(c) shall apply to employees of the Department of Defense and members of the Armed Forces who have authority to take, direct others to take, recommend, or approve any personnel action with respect to employees of the Department of Defense or members of the Armed Forces.

"(h)(1) Each semiannual report prepared by the Inspector General of the Department of Defense under section 5(a) shall include a listing of each contract audit conducted by the Department during the reporting period. Each such report shall be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(2) Any report required to be transmitted by the Secretary of Defense to the appropriate committees or subcommittees of the Congress under section 5(d) shall also be transmitted, within the seven-day period specified in such section, to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3)(A) Any report prepared by the Inspector General of the Department of Defense under section 5 shall not include information which is—

"(i) specifically prohibited from disclosure by any other provision of law;

"(ii) specifically required by Executive order to be protected from disclosure in the interest of national defense, national security, or in the conduct of foreign affairs; or

"(iii) a part of an ongoing criminal investigation.

"(B) Notwithstanding subparagraph (A)(iii), any report prepared by the Inspector General of the Department of Defense under section 5 may include information with respect to a part of an ongoing criminal investigation if such information has been included in a public record.

"(i)(1) If the Secretary of Defense determines that it is appropriate for purposes of preserving the national security interests of the United States to prohibit the Inspector General of the Department of Defense from initiating, carrying out, or completing any audit or investigation, or from issuing any subpoena, after the Inspector General has decided to initiate, carry out, or complete such audit or investigation, or issue such subpoenas, the Inspector General shall submit a statement concerning the prohibition within 30 days to the appropriate committees or subcommittees of the Congress and tc the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives. Any such statement shall include the views of the Inspector General concerning the prohibition.

"(2) The Secretary shall, within 30 days after making such determination in paragraph (1), transmit a statement of the reasons therefore to the appropriate committees or subcommittees of the Congress and to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives.

"(3) Notwithstanding paragraphs (1) and (2), if the portions of the statement required by such paragraphs would necessari-

ly reveal intelligence or counterintelligence activities, sensitive operations plans, ongoing criminal investigations of the Department of Defense, or other information the disclosure of which may constitute a serious threat to the national security, the Secretary is only required to transmit such portions of such statements to the Majority and Minority Leaders of the Senate and the House of Representatives and the Speaker.

"(j) The provisions of section 1385 of title 18, United States Code, shall not apply to audits and investigations conducted by, under the direction of, or at the request of the Inspector General of the Department of Defense to carry out the purposes of this Act.".

Mr. ROTH. Mr. President, I see no reason for further debate on this matter. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, the Senator from Delaware is ready for the vote.

The PRESIDING OFFICER. Does any Senator desire recognition?

The Chair advises the Senator from Delaware that the vote would first occur on the Roth amendment (UP No. 924) to language proposed to be stricken by the committee substitute, to which is pending the Pryor amendment.

Mr. ROTH. I ask unanimous consent that I may withdraw that amendment.

The PRESIDING OFFICER. Is there objection?

The Chair hears none and sees none, and it is so ordered.

Mr. TOWER. Mr. President, may we have order, please.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROTH. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question now is on the Roth amendment offered as a substitute to the Pryor amendment.

The yeas and nays have been ordered.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Chair will recognize the Senator from Texas.

Mr. TOWER. Mr. President, before the vote occurs, I might suggest to the Senate that there are some other amendments that are scheduled to be offered this evening. There will be further rollcall votes after this one. As a matter of fact, I wish we could go even later tonight because there is a good prospect we will be in all night tomorrow night if we do not continue tonight, and there will be a lot of votes late tomorrow. It occurs to me it would be better to have them late tonight rather than tomorrow night.

I just thought I should put the Senate on notice that we have some more votes scheduled for consideration this evening.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Utah (Mr. HATCH), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 0, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—94

Abdnor	Exon	Mitchell
Andrews	Ford	Moynihan
Armstrong	Garn	Murkowski
Baker	Glenn	Nickles
Baucus	Goldwater	Nunn
Bentsen	Gorton	Packwood
Biden	Grassley	Pell
Boren	Hart	Percy
Boschwitz	Hatfield	Proxmire
Bradley	Hawkins	Pryor
Brady	Hayakawa	Quayle
Bumpers	Heflin	Randolph
Burdick	Heinz	Riegle
Byrd, Harry F., Jr.	Helms	Roth
	Huddleston	Rudman
Byrd, Robert C.	Humphrey	Sarbanes
Cannon	Inouye	Sasser
Chafee	Jackson	Schmitt
Chiles	Jepsen	Simpson
Cochran	Kassebaum	Specter
Cohen	Kasten	Stafford
Cranston	Kennedy	Stennis
D'Amato	Laxalt	Stevens
Danforth	Leahy	Symms
DeConcini	Levin	Thurmond
Denton	Long	Tower
Dixon	Lugar	Tsongas
Dodd	Mathias	Wallop
Dole	Matsunaga	Warner
Domenici	Mattingly	Weicker
Eagleton	McClure	Zorinsky
East	Melcher	

NOT VOTING—6

Durenberger	Hollings	Metzenbaum
Hatch	Johnston	Pressler

So Mr. ROTH's amendment (UP No. 926) was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

THE PRESIDING OFFICER. The question now recurs on the Pryor amendment as amended.

The amendment (UP No. 922), as amended, was agreed to.

Mr. ROTH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JEPSEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 927

(Purpose: To eliminate the authorization of appropriations for fiscal year 1983 for additional retention, operation, and maintenance expenses of Titan II missiles)

Mr. DOLE. Mr. President, I send an unprinted amendment to the desk on behalf of myself, my distinguished colleague from Kansas (Mrs. KASSEBAUM), and the Senator from Montana (Mr. MELCHER).

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Kansas (Mr. DOLE), for himself, Mrs. KASSEBAUM, and Mr. MELCHER, proposes an unprinted amendment numbered 927.

On page 15, line 13, strike out "$5,269,800,000" and insert in lieu thereof "$5,196,000,000".

On page 22, line 3, strike out "$19,937,300,000" and insert in lieu thereof "$19,931,100,000".

Mr. DOLE. Mr. President, I shall explain this amendment in about 5 or 6 minutes. There may be some opposition to the amendment.

I think the issue is fairly clear cut. Some of us have Titans in our States. The State of Kansas, the State of Arkansas, and the State of Arizona do.

It was our understanding they were to be phased out starting in fiscal year 1983, and we welcome that phaseout.

This amendment has the support of the Department of Defense and the Air Force, each of whom intended the phaseout to start in fiscal year 1983.

On February 26 of this year, the Subcommittee on Strategic and Theater Nuclear Forces held hearings and received testimony about Titan missile retirement.

Mr. EXON. Mr. President, could we have order, please, in the Senate so I might hear the Senator from Kansas.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOLE. I thank my colleague from Nebraska.

Witnesses from the Department of Defense and the Air Force testified that the planned retirement of Titan is consistent with the President's stress on modernization of our strategic forces. They also testified that the proposed phaseout of Titan is not expected to have any adverse impact on START negotiations and that it can be halted at any time if a world crisis should make that action appropriate.

The chairman of the subcommittee described five reasons for retiring Titan.

First, was a dollar savings which would assist in strategic weapon modernization.

Second, was a lesser accuracy of the Titan missile.

Third, was the Titan's lesser survivability.

Fourth, was safety, which I might indicate is a very strong reason in the States, at least the State of Kansas.

The fifth and final reason was the adoption of a new targeting doctrine in which Titan missiles no longer fitted.

Dr. Wade, principal deputy under the Secretary of Defense for Research and Engineering, and General Davis,

commander of the Strategic Air Command, both stated they agreed with these reasons for retiring Titan starting in fiscal year 1983.

The Senator from Kansas is in agreement with the administration's plan to phase out the Titan system in fiscal year 1983 or at least to start that phaseout.

This Senator has been concerned with the safety and reliability of the Titan system for a number of years.

Kansas, as I indicated earlier, is one of three States housing the Titans which have become a source of concern to local residents and airmen alike. A series of minor incidents culminated in a fatal accident at the site in Rock, Kans., in 1978.

The danger and unreliability of the Titan missiles gained national attention when a missile exploded in Damascus, Ark., on September 18, 1980.

Congressional hearings, an Air Force study, and many communications between Congressional Members and the Department of Defense have resulted in significant safety improvements in the past 4 years.

However, the reliability of, and strategic need for, the Titan system is still doubtful.

Titan missiles first became operational in 1962, two decades ago.

They were designed for an operational life of about 10 years. They have already doubled that design parameter. As a matter of fact, if we follow the planned phaseout schedule of the Department of Defense, the last Titan missile will not be removed from its silo until sometime in 1987.

The Armed Services Committee report linked the Titan removal delay to the delay in MX missile procurement funding.

My understanding of the administration position is that the retirement of the Titan system is not related directly to the MX.

Ordinarily, this Senator might agree with the somewhat indirect connection. In this case, however, we are talking about extending an old and difficult-to-maintain system which has a high fuel-leak propensity and which has already been involved in several very serious accidents.

We should not prolong the phase out of the Titan missile force on a year-by-year basis. It should be phased out deliberately and in accordance with the present schedule starting in fiscal year 1983.

Mr. EXON. Mr. President, I request order in the Senate.

The PRESIDING OFFICER (Mr. RUDMAN). The Senate is not in order. The Senate will be in order.

Mr. EXON. Mr. President, this Senator for one has to take exception with the amendment that has just been offered by my friend and colleague from Kansas, and I doubt very much that we can dispose of this matter in a very short period of time.

I think this is one of those key decisions that requires the Senate to become involved.

The Senator from Kansas has every right to offer his amendment, of course, but I suspect and suggest it is a self-serving amendment because really what he is saying to the Senate is he does not want his State of Kansas to take what he describes as an unnecessary risk.

All kinds of risks are going to have to be taken if we are going to begin to close the "window of vulnerability" that the Senator from Kansas and the President of the United States made much ado about in the last Presidential campaign.

Mr. President, it is interesting to note that those who have been on this floor talking most about defense are now those who whimper when we want to maintain some 52 of these Titans in their present silos, essentially located in three or four States.

I think it is interesting to note also, that 2 or 3 weeks ago in his last prime time newscast or press conference, as it is properly called, the Great Communicator came before the people of the United States and he said essentially that the United States of America was inferior to the Soviet Union in ICBM's at least as far as megatonnage was concerned.

I do not believe that statement was true, and I dismissed it at the time as nonsense, but at least the Commander in Chief of the United States said that was true and it has caused some repercussions.

If it is true, as the President of the United States, our Commander in Chief says, that we are inferior in ICBM's to the Soviet Union today, what sense does it make, Mr. President, to begin dismantling of up to one-third, approximately one-third, of our total megatonnage by accommodating the Senator from Kansas, who seems to be fearful of having those weapons of war in his State?

I am sure, as you and the other Members of the Senate know, Mr. President, each one of those Titans represents 9 megatons, and they remain, Mr. President, a serious concern to Soviet planning, and the very thought that the President of the United States or the Senator from Kansas would suggest that we unilaterally begin the disarmament of America at a time when the President of the United States, our leader, says we are inferior, does not make any sense to this Senator from Nebraska.

Safety and reliability, I am going to touch on that: We had expert testimony in the Armed Services Committee, on which I serve, on this very matter, and while I am sure that the Senator from Kansas is well intentioned in his presentation, I would simply cite to him—and he was there at some of those subcommittee meetings—that it was quite clear that neither the President of the United States, the Department of Defense, nor the Air Force made a very good presentation in suggesting that we start phasing out, on a monthly basis beginning this October, those Titans, 1 month at a time.

The talk about saving money is ridiculous on the face of it. It is going to cost $500 or $600 million, according to the Department of Defense and the Air Force, to maintain those Titans in their present launching sites for 5 or 6 more years. That might sound like a lot of money, but when you are talking about a $223 billion defense buildup, and when you compare it with the fact that the same Department of Defense, which wants to save $600 million in 5 years by taking out all of our 52 Titans, is the same Department of Defense that wants to save money by spending $500 million on bringing one old wornout World War II battleship out of mothballs. It is nonsense, and anyone who looks at it from the standpoint of what is best for America will recognize it, and I hope the U.S. Senator will do that if the Senator from Kansas insists on a vote on the proposition he has just offered.

I think, Mr. President, it is clear that I rise in opposition to the amendment which has been offered to delete the funding provided in this bill to retain in service the Titan II missiles.

In a way I am delighted that this amendment has been offered. It will give the entire Senate and the Nation an opportunity to better understand the kinds of issues which the Armed Services Committee has been dealing with since the President announced his strategic nuclear force modernization program last October.

The Titan missile part of this proposed program, has been one of the best kept secrets in Washington and elsewhere. The land-based portion of the administration's strategic modernization plan calls for:

First, cancellation of the MPS basing mode for the MX missile, the basing mode which is still the first choice of our military leaders.

Second, deployment of the MX missile on schedule but in existing and vulnerable silos which, with no degree of hardening, will begin to protect.

Third, deferral of the decision on the permanent MX basing mode until 1984.

Fourth, early retirement of our 52 Titan II missiles.

Under this proposal we would have begun taking Titan missiles out of their silos at an average rate of one per month over a period of 52 months beginning in October of this year.

The principal rationale cited for this, which I would term unilateral disarmament, was that this retirement would save $500 million over the next

5 years, an average of about $100 million or slightly in addition per year.

Mr. President, I am all in favor of saving money wherever possible. But this was one of the most shortsighted proposals I have seen since coming to the Senate 3 years ago. At the time we were supposed to save a total of $500 million the administration proposed spending over $4.3 billion to deploy MX missiles in existing Minuteman silos where vulnerability is growing by the week.

So I am quite prepared to discuss at length the best possible utilization of the defense dollar. These issues cannot be considered in isolation. It is true that the Titan missiles are older and do not possess the pinpoint accuracy to qualify them as hard-target kill nuclear weapons

However, each of our 52 Titan missiles has a 9-megaton warhead. Our Titan missile force consists of about one-third of our overall land-based ICBM megatonnage. If I were a Soviet defense planner I would sure be worried about these 468 megatons aimed at me.

It was not our intention to decommission the Titans until we had the MX missile deployed in a survivable basing mode, and I think that is a key point.

Mr. President, I was so concerned about this proposal that I wrote to Senator JOHN WARNER, chairman of our Strategic and Theater Nuclear Forces Subcommittee, and requested a hearing on this subject. That hearing took place on February 26 of this year. The senior Senator from Kansas attended part of that hearing. What more did he learn? Nothing. What additional justification other than costs was presented for taking out the Titans? None.

So what has been the action of the Armed Services Committee following its evaluation of its entire land-based missile question? We canceled the militarily unsound idea of MX deployment at Minuteman silos and saved over $4.3 billion. Now we are talking about real dollar savings, but we did not take that action on monetary grounds alone. We did it because it made good, sound military sense.

The committee also advanced the decision on a permanent survivable MX basing mode to December 1, 1982.

Finally, the committee also retained the Titan missile in service. Regarding the Titan, the committee stated in its report:

Their high megatonnage warheads have long constituted an important element of the United States strategic capability. While the TITAN II missiles do not possess hard-target kill capability, their unique large-yield characteristics do contribute to the U.S. nuclear deterrent and free up other, higher accuracy missiles for targets which require such accuracy. Consequently, the committee believes that retirement of the TITAN II missile force should be deferred until a plan for survivably basing the MX has been received and approved by Congress.

Mr. President, I would like to turn to the specific points which were made in the "Dear Colleague" letter which was circulated to all Members regarding this amendment being offered by the Senators from Kansas: Point 1:

The planned retirement of the Titan missiles is consistent with the President's stress on modernization of our strategic forces.

Mr. President, I have already addressed this issue, but I want to talk about it some more. The President's modernization program included a delay in the survivable basing mode for the MX and called for the now discredited interim deployment of MX missiles in vulnerable silos.

The Armed Services Committee has already revised these plans. We have already demonstrated our willingness to go along with the strategic force plans, but only when those plans are in our best interest and under no other circumstances.

Point 2:

The phase-out will not have an adverse impact on our START negotiations, because the Soviet Union has long been aware of our intentions to remove them.

Why in the world, Mr. President, on the very eve of the initiation of START negotiations, would we dismantle one-third, or nearly one-third, of our land-based ICBM megatonnage? It is a question that begs for an answer. What did we get in return from the Soviets? We got nothing. We got nothing, that is what we got in return. This is pure and simple unilateral disarmament. The Titan's represent a real capability. They are deployed right this minute. When it comes to START negotiations, are we going to disregard a Soviet system because they might be contemplating its retirement? Whatever happened to the window of vulnerability about which we heard so much during the last election? Whatever happened to the principle of negotiating from a position of strength that we heard from the President just this past week?

Point 3 from the Dear Colleague letter from my friend and colleague from Kansas:

If additional funds were made available they would be used for strategic force modernization, rather than for extension of Titan missile life.

Well, as the President is prone to say, well, we are funding the President's strategic force modernization program based on military policy considerations, not based on fiscal considerations. Every portion of this program which made military sense has been funded by the Congress. There is no need for further funding in this category. And the Titan's are truly a bargain if there ever was one as they exist right now and as the threat continues to exist from the Soviet Union.

Point 4 from the Dear Colleague letter from my colleague from Kansas:

The phase-out of Titan could be halted at any time if world conditions should dictate.

That is really an interesting and intriguing one.

Mr. President, this point makes the least sense of all. Once the Titan missiles are pulled out of their silos, this is what will happen. Their liquid fuel will be removed and stored at one location. The missiles themselves will be stored at another location. The warheads will be removed and taken to yet another location and possibly be recycled. The silos will be covered over and placed in a caretaker status in conformity with SALT rules. Now Mr. President, the last time I checked, the flight time of an ICBM from the Soviet Union to the United States was, give or take, approximately 30 minutes. The world condition I am worried about is a Soviet attack on our land-based ICBM's and bombers on the ground and missiles in the sea from the Soviet Union. Titan missiles, with their silos covered over and their parts in three different locations around the country, cannot be reassembled and made ready to launch in 30 minutes, I suggest. Would it take 30 days, 3 months, or a year?

If we are in the middle of a window of strategic vulnerability, why would we dismantle any nuclear weapon system, before we have to, in the absence of a bilateral arms reduction agreement? The President recently stated that the Soviets have a definite margin of superiority in nuclear weaponry. How could the President make that statement on the one hand and propose unilateral ICBM disarmament on the other? The logic escapes me and I hope the logic escapes the other Members of the U.S. Senate, especially those who have supported a strong defense on the part of the United States of America.

A final point raised in support of this amendment relates to the safety aspect of Titan missiles. Following the second of two accidents involving these missiles, with their inherently volatile liquid fuel, the Air Force made an exhaustive study of this issue. This study was completed early last year and the group which made this analysis was headed by Gen. Bernie L. Davis, then commander of the Air Force Training Command and now commander in chief of the Strategic Air Command.

Mr. President, I ask unanimous consent that the entire study be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, the conclusion of the study was that "with proper funding and reasonable priori-

ty, the Titan can remain a viable, safe and supportable part of the Nation's strategic deterrent posture." The study made several recommendations on how to provide an extra margin of safety now and in the future. Consequently, the Air Force embarked on a Titan safety improvement program and the funds provided in this bill before the Senate today will continue these safety improvements as we retain these missiles in service. So, while I understand the legitimate concerns of those who must live and work near Titan missile sites in Kansas, Arkansas, and Arizona, I am satisfied that the safety issue is now receiving the increased attention it deserves.

And, as the record clearly indicates, we have been assured by every high-level Air Force officer that with the new precautions now in place the Titans are as safe as they could be expected to be. I would just simply say that any weapon of destruction is not something that is ever totally safe under any circumstances. Therefore, we have to measure the risk involved.

I, frankly, believe that if the citizens of Kansas, Arkansas, and Arizona understood the need for keeping those Titans in place until we develop something that will take their place in our overall deterrent posture, there would be very few, if any, of the people of those States that would not be willing to continue to live with those 9 megaton monsters in their State.

Therefore, Mr. President, I hope that my colleagues will join me, along with the Armed Services Committee, in defeating this amendment. Certainly, in light of the current strategic balance and in the absence of a negotiated arms reduction agreement, we should not retire an entire nuclear weapon system prematurely or begin to do so, which the amendment of the Senator from Kansas would begin.

It seems to me, Mr. President, that we should remember very well that there was never a plan until last October when the present window of vulnerability President made the announcement to begin to retire the Titan until the MX was in place. It was a new innovation, one that I am sure still leaves the real military experts in the Department of Defense in somewhat of a quandary.

But we all know and we all understand the general muscling that goes on among those in high defense positions in the United States of America under this administration. It was acceptable, Mr. President——

Mr. TOWER. Will the Senator yield for a question?

Mr. EXON. Mr. President, I do not care to yield at this time.

Mr. President, I would simply say that when Jimmy Carter was President of the United States, it was acceptable for past and present military leaders to take pot shots at will. That is not tolerated under this administration.

I would say, for the information of the full Senate, that my friend and colleague, the distinguished chairman of the Armed Services Committee, just informed me that he was on my side but if I am going to demagog it, he might switch.

I do not believe that my friend from Texas would, under any circumstances, do anything that he felt would be injurious to the defense of the United States.

Mr. TOWER. Will the Senator yield for a question?

Mr. EXON. I will yield for a question in just a moment, as soon as I finish my statement.

I started to say I do not believe my friend from Texas would vote in any injurious way, regardless of how he feels about any statement I might make here today about the present management of our whole world defense posture. I think entirely too much of the patriotism and good judgment of the Senator from Texas.

Let me close Mr. President, by simply saying that this amendment which has been offered by the Senator from Kansas is one that I do not believe he has carefully thought out, and I believe in all sincerity that should the Senator from Kansas fully understand the impact of pulling out these Titans before we have a replacement he indeed would not vote for his own amendment.

Mr. President, I yield the floor.

EXHIBIT 1

PANEL ASSESSES TITAN 2 MISSILE'S SAFETY

(Analysis by a 62-member U.S. Air Force Review Group of the Sept. 19, 1980, Titan 2 missile explosion accident near Little Rock AFB, Ark. (AW&ST Jan. 12, p. 23) began when Air Force Secretary Hans Mark ordered a definitive assessment of the weapon system's safety and supportability now and in the future. An evaluation of the Titan 2 weapon condition and safety report was prepared by Ogden Air Logistics Center. An executive committee, directed by Gen. Bennie L. Davis, commander of the Air Training Command, with advice from Lt. Gen. Howard M. Leaf, Air Force Inspector General, was formed to provide senior level guidance. Members were Eugene H. Kopf, USAF principal deputy assistant secretary for research, development and logistics; Maj. Gen. William W. Hoover, director of military application, Dept. of Energy; Maj. Gen. John J. Murphy, commander, Ogden Air Logistics Center; Dr. Richard Wagner, associate director for nuclear testing, Lawrence Livermore National Laboratory, and Col. Walter S. Yager, commander , 6555th Aerospace Test Group. Because of the importance to the U.S. strategic defense triad of the Titan 2 system. Aviation Week & Space Technology is reprinting the review group report in full.—Ed.)

The Titan 2 weapon system is safe and supportable. Since its initial deployment in 1962, the missile and related support equipment have been adequately maintained and kept current to meet safety and operational requirements. The physical condition of the missile is good. Some support equipment has deteriorated, but has been kept adequate through review, repair and replacement as necessary over the years. The launch crews have the technical knowledge and training to ensure the safe, effective operation of the system. Maintenance procedures are basically sound, and maintenance personnel are capable of providing required support safely and efficiently. The result is that overall system safety has been maintained at acceptable levels.

While the system is assessed basically safe, it also is potentially hazardous, and there can be no guarantee that accidents will not happen. As a consequence, an extensive crisis management capability with effective public safety procedures is in place and being further strengthened to provide an added margin of safety. Interface with responsible public officials and the press also is being refined to assure responsiveness and candor in the event that another accident should occur. At the end of this report, major recommendations found in the appendices are summarized. They are intended to better assure system currency in the future, and to extend the margin of safety for accident prevention and response. Overall, with proper funding and reasonable priority, the Titan can remain a viable, safe and supportable part of the nation's strategic deterrent posture.

BACKGROUND

The Titan 2 weapon system was first deployed by the Air Force at Davis-Monthan AFB, Ariz., in December, 1962. Shortly after, two other wings, with 18 launch complexes each, were established at Little Rock AFB, Ark., and McConnell AFB, Kan.

The Titan 2 weapon system consists of an inertially guided, liquid fueled, two-stage intercontinental ballistic missile (ICBM) and associated ground equipment necessary to maintain the missile in its underground launch complex. The launch complex encompasses both aboveground (topside) and underground facilities. Aboveground facilities, for example, include communications antennas, vehicle parking areas, security fencing, lighting and surveillance systems, weather instruments, propellant and electrical connections and an access portal for entry into the underground portion of the launch complex.

The underground facilities include the missile silo, blast lock area, interconnecting cableways and launch control center. The missile silo is a nine-level area, 146 ft. deep and 55 ft. wide. The Titan 2 missile, in its environmentally controlled atmosphere, is suspended in the launch duct in the center of the missile silo. Various support equipment is situated on nine separate levels to provide electrical power, air conditioning and ventilation, environmental protection, and hazard sensing and associated corrective action. A walkway or cableway extends from the missile silo to the blast lock area. The blast lock area provides protected entry from the access portal to the hardened facility and between the launch control center and the missile silo. The launch control center (LCC) is a three-level, shock-isolated cage suspended from a reinforced, concrete domed roof structure. The majority of the equipment needed to monitor and control the status of the missile and its support equipment is located on Level 2 of the LCC.

The status of each missile and launch complex is monitored 24 hr. a day by a four-member crew of two officers and two enlisted personnel. The crew is trained in launch and emergency procedures and routinely

monitors equipment operation, maintains communication with headquarters and oversees maintenance activities.

Maintenance at the missile complex is performed by technicians from maintenance squadrons at the support base. The teams of technicians travel from 20 to 70 mi. from the support base daily to accomplish repair or replacement tasks at the remotely dispersed sites.

The Titan 2 weapons system represented the forward edge of technology when it was developed, and it is still an efficient design for its purpose. Although the number of Titan 2 missiles is relatively small, these weapons represent over one-third of the total nuclear yield currently available from the land-based ICBM force. The weapon system is operated by the Strategic Air Command (SAC) to cover targets assigned by the National Command Authority (NCA) in the single integrated operational plan (SIOP).

POTENTIAL HAZARDS

The reactive, toxic nature of the propellants and the high explosive and toxic components of the warhead pose potential hazards to those residing near Titan 2 missile sites and convoy routes. Years of experience have demonstrated that the elements of the Titan weapon system posing these hazards can be effectively used and safely handled. Yet, those years also have shown that accidents are possible, and that a sustained effort must be made to prevent mishaps and contain their results. To assess past actions and present proposals, an understanding of the nature of these hazards is required.

The warhead perhaps has caused the most public concern—quite naturally, given its awesome destructive power when employed according to design. In a plausible accident environment, however, it is the most forgiving and least hazardous of the potential hazard sources associated with the Titan. Under only the most extreme circumstances could the warhead react adversely to the external stimuli generated in an accident. Even in the extreme abnormal environment experienced in the accident at Damascus, Ark., the warhead remained safe and relatively intact. Given the specifics of that accident, the warhead reacted according to its design. Because of the far-reaching consequences of a premature nuclear yield, exacting attention was devoted during design and deployment of the Titan 2 system to preclude such an event, even under the most adverse accident environments. The worst plausible outcome of such an environment would be a conventional, high explosive detonation with limited scattering of warhead components. Resultant radiation and toxic hazards would be minimal.

Less forgiving and inherently more hazardous are the propellants. Mishaps involving propellants are more likely to produce a serious hazard, and the hazard will have a greater potential to affect more of the public adversely. The warhead is ruggedly constructed and, when deployed, is encased in the reentry vehicle (RV); propellants are more dependent on the containers in which they happen to be placed. On base, on the road, and topside at the missile site, propellants are in very heavy duty, compartmented trailers which are highly resistant to damage. Even with these precautions, propellants are more likely to be released in an accident than are the hazardous components of the warhead. During operations involving propellant flow to or from the missile, propellants are routed through piping and flexible hoses from topside trailers to reside for long periods inside the missile.

The thin-skin design of the missile is necessary to provide the light weight required to reach targets over 5,000 mi. away with the large payload. The result of that design, however, is a container which is sensitive to mishandling. While steps have been and are being taken to reduce the probabilities of mishandling, the possibility of inadvertent propellant release remains a concern which must be clearly understood and carefully avoided.

The fuel, an equal mixture of hydrazine and unsymmetrical dimethyl hydrazine (UDMH) called Aerozine 50, poses the less serious hazard of the two propellants. Should it be released in an accident, it can create irritations in small concentrations and more serious injury in massive doses. It is colorless, flammable and, in certain vapor concentrations, explosive. It is hypergolic (ignites upon contact) with the oxidizer.

The oxidizer, nitrogen tetroxide (N_2O_4), is the more dangerous propellant component. Though visible as a reddish-brown gas nitrogen dioxide (N_2O_4), it vaporizes rapidly and impacts health much further downwind than fuel. Upon contact, its effects occur rapidly and are not as easily reversed as those of fuel. Liquid N_2O_4) can cause severe chemical burns. NO_2 can cause severe irritation to the eyes, nose and throat. In sufficient concentration, NO_2 can cause serious lung damage.

The long-term environmental impacts of the oxidizer and fuel are similar. After a relatively short period of time, both propellant components decompose to nitrates.

The most significant differences between the hazards posed by the warhead and the propellants, and between those posed by the two propellant components, are the potential evacuation distances involved. In those accidents where a nonnuclear detonation of the warhead high explosives could occur, evacuation of non-essential personnel should be 1 mi. from the point of possible detonation. Should such a detonation take place, the subsequent evacuation distance would be 300 ft. beyond the visible fragments. The most severe of plausible oxidizer accident scenarios could require a downwind evacuation corridor up to 6 mi. in length. Similar severe fuel accident scenarios would generate much shorter evacuation distances.

A major hypergolic reaction between the propellant components of the type apparently experienced at Damascus, but producing a maximum of unconsumed oxidizer under weather conditions worse than at Damascus, is estimated to generate a need to evacuate up to a 6-mi. circle, albeit with more time to initiate the evacuation. That circle reduces to a corridor when upper wind directions are known. These estimates are subject to revision, and refined engineering analyses of the dynamics of hypergolic reactions are under way at this time.

A review of the hazards places the task of assessing the safety and supportability of the Titan 2 weapon system in the proper context. Quite clearly, such an assessement requires an evaluation of the overall system's capability to prevent accidents that would generate these hazards, and to minimize undesirable consequences to those nearby should such accidents occur. Necessarily, this involves a review of those functions that contribute to the ability to both prevent accidents and contain their consequences—design safety, system currency, operation and maintenance of the system, crisis management and, as a thread connecting all these functions, the overall management structure that places emphasis on safety, evaluates the system's ability to support it, and modifies the system accordingly.

DESIGN SAFETY

The design of the Titan 2 weapon system began with emphasis on safety. The design of modifications to that system also are influenced by a continual emphasis on safety. This applies to both the warhead and the missile that carries it.

Warhead

Warhead design places safety first when technical tradeoffs are required or funding priorities are in question. The air force and Dept. of Energy nuclear safety communities continue to ensure that this is the case. The Nuclear Weapon System Safety Group (NWSSG) periodically reviews weapons in the stockpile to reconsider safety, determine if hardware or procedural improvements possibly need to be made to meet more stringent or more quantifiable criteria implemented since the original design of a weapon, and set forth or revise weapon system safety rules for the weapon in question.

Even though nuclear safety may not directly contribute to operational effectiveness, the national-level emphasis given to nuclear safety concerns has insured that the Titan 2 warhead has been engineered since the outset to provide assurance against an inadvertent or premature nuclear yield.

Safety devices have added weight at some expense to missile performance in terms of range. These devices also have necessarily affected overall system reliability somewhat by increasing the complexity of the system; however, the effect is minimized by redundancy and quality assurance programs. A sequential series of independent events and actions, both before launch and during flight, must occur in precisely the right manner to produce a nuclear yield at the target. The safety devices and features provide a high degree of assurance that the warhead will not inadvertently or prematurely produce a nuclear yield. For example, in the early 1960s, before the system was fielded, a device was added to prevent electrical power from reaching the warhead in the event of a fire. Modifications and replacements also have been made in handling equipment to forestall or limit abnormal environments. For example, the new RV transporter, by carrying the RV lower, provides a more stable platform over the road. The new Pettibone crane, used in removing and replacing the RV on site, replaced a crane that was becoming unsupportable and potentially hazardous.

As standards have become more stringent, the system has moved to meet them, to continually improve system safety. The review group recommends further technical changes to the Titan warhead to bring it into line with design practices instituted after the warhead was built, further lowering the remote chance of an inadvertent or premature nuclear yield. Also recommended are a study to determine how the conventional ordnance system in the missile might be made even less susceptible to electrical faults and a reexamination of the crane and reentry vehicle sling used in mating and demating operations to identify potential failure points.

Missile

Safety was also a major consideration in the design of the missile. For example, missile quick disconnect fittings for the propel-

lants were designed to eliminate any large leaks that might otherwise arise during propellant transfer operations, adding weight at the expense of range. Various monitoring circuits were built into the missile to rapidly and reliably identify potential problems, with some impact on performance efficiency. Missile sequential enabling and firing commands were required, at some cost to reliability. As with the warhead, design and modification standards have become more stringent since the basic design of the Titan 2 was completed. The missile system has applied the new standards to improve the margin of weapon system safety.

Modifications to the missile and its direct support equipment are scrutinized under the USAF system safety program. This program, instituted in its present form since Titan 2 was initially designed, requires that modifications be analyzed as to both the safety of the specific component-level chances required and, in turn, the potential safety impact of the modification on the entire program.

The USAF system safety program generated the establishment of a Titan 2 weapon system safety group (WSSG) to review modifications involving safety concerns and review and make recommendations on safety issues involving the weapon system. The Titan WSSG includes representatives from the Air Force inspection and safety center, Strategic Air Command, operational missile units, the Strategic Missile Evaluation Sqn., medical and environmental health organizations, the Air Force Logistics Command (AFLC) Safety Staff, AFLC depot system and item managers, and various civilian contractors. A WSSG program typically includes activities throughout all phases of design, development, testing, checkout, modification, production, training and servicing the subject system. Thus, the WSSG plays a key role in the Titan 2 modification development-through-incorporation cycle.

In the early 1970s, a coded switch modification was incorporated to enhance nuclear surety by providing an additional barrier to inadvertent or unauthorized launch. This modification increased system complexity by adding one more hurdle to cross in series with those already existing. This was soon followed by propellant tank pressure transducers, which provide the missile crew with a digital readout of pressure inside each of the propellant tanks. They eliminated pressure switches which had presented a potential leak point and provided only a visual warning light for a high or low pressure indication. More recently, the system has moved to replace aluminum with stainless steel poppets in the quick disconnects used in uploading and downloading propellants—to provide greater assurance that the quick disconnect will work as designed. The incident at Rock, Kan., led to this design. All three of these modifications enhanced safety, yet added weight and complexity. All were judged to be worthwhile tradeoffs.

Realistically, what cannot be done to Titan design, however, is to thicken its skin to make it more impervious to the kind of dropping incident that generated the accident at Damascus, Ark. To accommodate that concern, the system has instead looked to the design of support equipment and maintenance procedures to desensitize the system. Briefly, procedural changes already in place include lanyarding parts and tools, raising the rubber flaps around the edge of the work platforms, and lowering work platforms below technicians working in the launch duct with the missile. A safety net to place below technicians working in the launch duct has been prototyped and the procurement process has begun.

Missile system support equipment has been modernized or replaced to enhance safety over the years. Except for real property installed equipment, these modifications are under the scrutiny of the WSSG. The most recent example stressing accident prevention is one that flows from the Damascus accident, involving the aforementioned rubber flaps around the inner edge of the work platforms. These were intended to prevent objects from falling through and eventually striking and puncturing the missile. Yet, this happened at Damascus. The possibility of upgrading these flaps and closing off present openings, along with the completed procedural changes more fully discussed in the maintenance section below, is aimed at preventing recurrence. The review group recommends that flap upgrade be quickly evaluated and implemented if the modification would add to safety. Another recent example of a prevention-oriented modification is the Chem-pump, used for propellant transfer operations, which came about as a result of lessons learned from an accident that occurred in the private sector but had application to Titan 2. This effective application of the safety program, including crossfeed and corrective action, resulted in replacement of certain internal parts of the pump which were found to be incompatible with oxidizer.

Possibly less obvious safety modifications are those that relate to limiting the consequences of an accident should one occur. This group provides particular support to such modifications, many of which have been under active consideration since the Rock, Kan., accident. But most have not yet been implemented—they take both time and dollars to deploy. The process might, however, be accelerated with sufficient priority and funding.

Those safety modifications deemed especially important are: runoff ditches and holding basins for hardstands topside to contain spills; systems to place vapor suppressants on oxidizer and fuel leaks in-silo, topside and on the road; water recirculation or renewal systems to wash down in-silo fuel leaks; exhaust shaft propellant vapor burners or scrubbers to reduce emitted oxidizer or fuel vapors; a remote (or automatic) tank venting capability, and manual overrides to water and fan controls for crew use under missile potential hazard team (MPHT) direction during in-silo hazard situations; various indicators remoted in digital form into the launch control center (LCC) to allow the crew to keep the missile potential hazard net (MPHN) advised during such a situation; and LCC modifications to allow the crew to safely remain in the control center to assist the MPHT until the situation is resolved. None of these is absolutely necessary to system safety, but all are desirable, especially for the more encroached complexes, i.e., those with high population densities in the immediate vicinity of the site. These complexes should get first priority for installation when appropriate modifications to the current system become available. Funding priority for rapidly completing development and accelerating deployment of these spills management initiatives needs to be established and sustained. Spills management, overall, has the potential to add considerably to the margin of safety of the Titan 2 system in the years to come.

In the vein of containing accidents, certain salutary modifications have been or already are being made. For example, the antenna system for the radio-type maintenance net (RTMN) has been replaced with one which substantially reduces "dead spots" in the silo and improves the quality of communication. Further improvement is still necessary. The RTMN is important not only to the day-to-day interface between and among operations and maintenance, but also as the primary means of communication during emergencies and the only means of voice communications during propellant operations requiring the use of the rocket fuel handlers clothing outfit (RFHCO).

Also related to accident containment, as well as day-to-day operations, are clothing and equipment to protect those who must work in a hazardous environment. The Biopak 45 is a new, modern, self-contained breathing apparatus to replace the less satisfactory Chemox units. Fielding has been delayed until certification, required after installments of communication devices, is complete. Still needed in this area, and presently under study, are a new fixed vapor detection system in the silo to meet current Air Force Occupational Safety and Health (AFOSH) and proposed National Institute of Occupational Safety and Health (NIOSH) standards, a new portable vapor detector to do the same, and more sustainable rocket fuel handlers clothing outfits (RFHCO) that offer improved protection against toxic environments. Perhaps an even more compelling reason for replacing these three, however, is the need to provide a more reliable means of meeting even the standards for which the equipment was originally designed. This concern is referred to as currency, rather than design, incorporating the need to repair, then eventually replace, equipment whose adequacy has been compromised by the aging process

CURRENCY

Design safety and system currency are closely related. While the Titan 2 and its support equipment are continually updated to meet current, often more stringent standards, existing equipment also is reviewed to ensure that aging has not caused it to fall below current standards. And work continues to provide assurances that it will be possible to support the Titan 2 system as it ages, repairing or replacing worn parts or subsystems with items of at least equivalent quality. This is the essence of currency.

Warhead

In pursuit of currency, the limited life component (LLC) program replaces warhead components before the age-out cycle is complete. The review group recommends that the exchange cycles of these components by aligned with other service-life limited components in the reentry vehicle, so that associated potentially hazardous operations might be accomplished less frequently. There is also a randon selection program to withdraw and evaluate weapons from the field to ensure that aging is not proceeding faster than expected. If a particular component is shown to be degraded, a program will be established to assure that it is repaired or replaced in a timely manner. Finally, there is a very active materiel deficiency reporting system which identifies to the depot all problems encountered with the warhead, reentry vehicle and support equipment for correction, possible fleet-wide alerting, and future preventive action.

This process applies to warhead and associated reentry vehicle (RV) handling equipment as well. While the replacement of the RV transporter and Coles crane with new

models was partly motivated by safety of design, the aging of these components also was a factor. Aging appears to be the primary factor in the failure rate now being experienced by components in the RV sling used in RV mating and demating operations. While these failures have not placed the warhead in danger of becoming involved in an accident that would pose a hazard to the public, the group recommends that the sling be analyzed further and that parts be replaced. The stringent standards employed in these reviews are the same as those used in the design process. As safety is first priority for design, so safety reviews are first priority for currency.

Missile

The currency program for the missile system is also extensive. The scheduled maintenance program for the Titan 2 missile requires SAC technicians to perform a corrosion damage and leakage inspection of the airframe on a regular basis. Portable vapor detectors (PVDs), capable of measuring parts of propellant per million parts of air, are used periodically to check for any propellant leakage. The Titan 2 support depot is experimenting with an acoustic method to anticipate possible cracks or leaks in the missile airframe. Anomalous conditions and the corrective actions are tracked and analyzed by SAC, depot engineers, and systems specialists. The reliability and aging surveillance program (RASP) provides a structural assessment of a random sample of Titan 2 airframes each year. The RASP program includes visual, X-ray, and dye penetration inspection of all external and internal welds and structural members, with particular emphasis on high stress areas. Deficiencies are repaired by a special depot team. Analysis of RASP findings over the past 10 years reflects no increase in the frequency of structural defects.

The service life analysis program (SLAP) encompasses the engineering evaluations, hot fire static tests, and analyses required to detect services life limiting conditions of the rocket engines and its components. All applicable aging and surveillance data are compiled, analyzed, and maintained in SLAP files. Service life degradation trends are identified and evaluated for effects which could impact readiness or safety. Corrective actions are determined and appropriate action is taken to maintain operational integrity and viability.

Most missile support equipment also is carefully examined. Fixed equipment is examined in-silo; mobile equipment is inspected on base. That which shows signs of wear in critical areas is repaired or replaced. That which has critical deficiencies, as a result of design, manufacturing, or normal wear and tear is subject to reporting under the material deficiency reporting (MDR) system, which alerts the rest of the operational wings, SAC, and the depot to the problem. While the review group recognizes some problems with this system and recommends that all MDRs and MDR status reports be sent through the depot system manager to improve responsiveness, MDRs still have a considerably beneficial effect. Depot will investigate the problem identified by the MDR and determine if it may be fleet-wide. In any event, the problem will be fixed; if it is fleet-wide, it will result either in a fleet-wide repair, possibly at the depot, or in a fleet-wide replacement with a thoroughly tested substitute.

A particluar problem with Titan is the fact that real property installed equipment (RPIE), e.g., plumbing, air conditioning, etc., does not receive this same treatment. While it is inspected, and MDRs are submitted, it is not included within a formalized reliability and aging surveillance program. So far, these systems have not been sufficiently degraded to seriously impact the weapon system, but the group recommends that a system be developed for RPIE similar to that for other elements of the Titan system.

Another problem with Titan, as with all older systems, is the difficulty of keeping special levels of seldom-used but much needed parts, when these parts are no longer available from the original manufacturer. This is an especially difficult problem for larger subassemblies for which repair is no longer feasible, and the original manufacturer is no longer in business. An updated, often improved product normally will be selected as the replacement in such cases, but with attendant delays in acquiring the new item. Titan shares with all other systems delays in the modification or replacement development and deployment process. This area should be reviewed for possible improvement.

While there are problems with the system, rigorous inspections and evaluations have produced corrective modifications which, along with regular maintenance, have kept missile hardware in good condition. An example of these modifications is a new guidance system which represents a significant improvement over its predecessor. Another such modification is the mobile propellant transfer system (PTS) update which was undertaken due to aging of PTS trailers and associated systems. A safety concern arose due to excessive minor failures which could have resulted in minor leaks and personnel exposures.

Another important modification, still under way, is the replacement of propellant system seals on the missile with a new type that is extremely resistant to the corrosive effects of the oxidizer. These elastomer seals have considerably reduced minor leaks and should extend the cycle for required propellant down and up loads necessary to fix such leaks. That, in turn, will reduce the exposure of the missile and reentry vehicle to the type of activity that provides the greatest possibility of an accident. Other modifications were similarly generated and motivated. These include the combined system test set, improved ordnance electrical wiring and improvements to the oxidizer burner propane trailer. Several other such modifications are either under way or in the planning and budgeting process.

The review group proposes additional emphasis on certain of these planned programs and modifications or additions to that list. Included are those mentioned earlier, beginning with the in-silo fixed vapor detection system. Of greater immediate concern than its failure to meet current AFOSH and proposed NIOSH standards in terms of detection ability is its excessive downtime, eliminating the best current system to detect propellant leaks in the launch duct. The fixed system is currently out of commission some 40 percent of the time. The magnitude of this deficiency is reduced somewhat by the fact that technical data procedures require the fixed vapor detection system to be operating before missile propellant transfers can be conducted.

Also, most accidents involving the missile would occur when maintenance is being performed in the launch duct. When the fixed system is inoperative, a portable vapor detector (PVD) is required to be present and operating properly during all activities in the launch duct. And there are work-around actions that can be taken. They include procedures to watch other, albeit less satisfactory, indicators more carefully, to visit and sample the launch duct more often with a PVD, to visit and sample the launch duct more often with a PVD, and to remote a portable vapor detector or similar item from the launch duct or exhaust shaft to the launch control center (LCC). They also include substitution of usable parts from other sites to ensure that the fixed system is fully operational on encroached sites. But there is a need for a long-term solution. The present fixed system will not be supportable beyond 1983; if a system that will detect levels as specified in proposed safety and health standards cannot be made available by then, an interim, reliable and supportable system needs to be procured and installed, with attendant technical data and training in its use.

The portable vapor detector (PVD) was mentioned as a possible part of the near-term work-around. The PVD has its own problems, brought on with age. False indications of vapors and supportability have become problems with this key item. It needs to be replaced soon with a more reliable system. A new PVD prototype is scheduled for deployment in August, 1981. This important program must not be allowed to slip. Also, an additional, more capable, system is needed for bioenvironmental engineers to do diagnostic work in post-accident environments.

Finally, the RFHCO protective clothing worn by those who must work directly with the propellants, and required for many accident recovery oprations, is beginning to wear out. A new and improved design is being studied which will enhance the protection afforded the wearer. But the need for more suits in good repair is immediate. New zippers have been purchased. Action has been taken to return repairable suits to the units and to purchase additional suits of the old type to prevent future shortages. The momentum of both the near-term and long-range solutions needs to be maintained. Funding will be a key to maintaining that momentum, as it will with all the other modifications endorsed or proposed in this report.

As a related matter, service engineering funds are used to provide for initial evalution of hardware anomalies, conduct enginering studies, and perform logistics assessment analyses for the Titan system. Most Titan modifications are developed through service engineering contracts. Yet, several important projects have been deferred and others are to be deferred in Fiscal 1981 because of service engineering funding shortfalls. The group recommends supplemental funding be provided for service engineering in Fiscal 1981 and that subsequent annual service engineering requirements identified by depot be adequately funded.

OPERATIONS

Warhead, missile, and support hardware which meets stringent specification and which is kept in good condition is not enough to guarantee safety. Those who work with the system daily are an essential part of the safety equation. The missile crews have the technical knowledge and training to ensure the safe, effective operation of the system. Their checklists are explicit, exacting, repeatedly exercised and continuously evaluated. Moreover, safety is paramount in every procedure and situa-

tion. As is stated in their governing directive: "Adherence to safe operating procedures and nuclear weapon system safety rules is mandatory and will be given prime consideration in the planning, scheduling, beiefing, and conduct of all missile combat crew activities."

The crews are carefully selected to meet explicit standards, including emotional stability, security clearance eligibility and physical criteria. The continuing ability to meet these standards is monitored and managed under the personnel reliability program. While the crew force has become younger, it is no less reliable. Its proficiency relies on a comprehensive training program.

Formal training is provided by both Air Training Command (ATC) and SAC. ATC trains in the functions of the missile and support equipment and the theory of operation. Then SAC trains how to operate the missile support and individual safety equipment, as well as the coordination required by a missile crew. Extensive training is given on performing the many operations and emergency checklists. Procedures are practiced again and again to assure the crew's ability to react to any situation. Unit upgrade checkout programs involve weeks of procedures training, simulator "rides," and intensive evaluations of new missile crew members until the standardization criteria are met and they are declared mission ready. Only then is one eligible for crew duty.

Crew evaluation is thorough and continuing. Standardization crews conduct initial crew evaluations and as a minimum, annual reviews. The 3901st Strategic Missile Evaluation Sqn., a headquarters SAC unit, randomly evaluates selected crews on weapon system knowledge, safety and emergency war order procedures. Additionally, the SAC inspector general conducts no-notice operations inspections of the crews in the missile procedures trainer (MPT) and in an operational control center. The results of these inspections/evaluations are reviewed and any significant crew deficiencies are trained out immediately, while adverse trend information is fed back into a continuing training program for its enrichment.

This group notes the need for an improved missile procedures trainer (MPT) for each Titan 2 wing. The current MPT is capable of providing training and evaluation of only 30 percent of the possible malfunctions a crew could encounter and procedures they are expected to be able to perform. Although the remaining 70 percent is being accommodated by less desirable training methods, a state-of-the-art MPT is needed to provide more realistic hands-on training. Expansion into multiple hazard training, also called for in this report, can be handled on current trainers, although it could be more effectively accomplished on an improved model.

The crew procedures are the result of years of development and refinement. Each is thoroughly evaluated and, when employed as a checklist, requires demand-response performance. Thus, safety and procedural control is inbedded in every action. The review group recommends that certain emergency procedures be elaborated in the form of refined evacuation data bases and decision matrices and consolidated spill mitigation/recovery data bases and matrices. These would assist the crew and every level in the missile potential hazard team (MPHT) with whom the crew interfaces in coordinating actions in the event of an accident. But such data bases and decision matrices are not absolutely essential to proper and expeditious accident response. Their importance will be assessed in context in the crisis management section below.

Those procedures currently available to the crew are augmented by an elaborate safety system that includes hazard sensing and warning equipment, safety equipment, protective clothing and equipment, and explicit safety requirements. Improvements that this group recommends in hazard sensing and warning and crew protection have been discussed earlier under design and currency. Perhaps the most important of these from an operational point of view is providing a means to ensure that the crew will be able to safely remain in the capsule in the event of a major propellant spill, to allow continued interface with maintenance team members and the MPHT. While the crews are presently quite capable of obtaining indicators of problems and protecting themselves in a wide range of scenarios, the proposals cited would provide an additional margin of safety.

Overall, the missile crews are knowledgeable, well-trained, and are capable of operating the system safely and effectively. Improvements can be made at the margin in procedures and hardware to assist the crews in preventing and containing accidents, but fundamental safety is apparent.

PANEL URGES MISSILE BASING CHANGES

(Analysis by a 62-member U.S. Review Group of the Sept. 19, 1980, Titan 2 missile explosion accident near Little Rock AFB, Ark. (AW&ST Jan. 12, p. 23) began when Air Force Secretary Hans Mark ordered a definitive assessment of the weapon system's safety and supportability now and in the future. An evaluation of the Titan 2 weapon condition and safety report was prepared by Ogden Air Logistics Center. An executive committee, directed by Gen. Bennie L. Davis, commander of the Air Training Command, with advice of Lt. Gen. Howard M. Leaf, Air Force Inspector General, was formed to provide senior level guidance. Members were Eugene H. Kopf, USAF principal deputy assistant secretary for research, development and logistics; Maj. Gen. William W. Hoover, director of military application, Dept. of Energy; Maj. Gen. John J. Murphy, commander, Ogden Air Logistics Center; Dr. Richard Wagner, associate director for nuclear testing, Lawrence Livermore National Laboratory, and Col. Walter S. Yager, commander, 6555th Aerospace Test Group. Because of the importance to the U.S. strategic defense triad of the Titan 2 system, Aviation Week, & Space Technology is reprinting the review group report in full. Part 1 of the report appeared Feb. 2, p. 54. Following is the conclusion—Ed.)

The maintenance team within the Titan 2 system is fully capable of ensuring a viable weapon system. The personnel who maintain the system are trained professionals who have the technical knowledge and mechanical skills to properly service and maintain the system. The hardware, maintenance procedures and policies are considered adequate to provide required system support safely and effectively. In addition, the technical orders are comprehensive and sufficiently complete to support and maintain the weapon system.

The technicians who maintain the Titan 2 system are selected on specific aptitude levels, emotional stability, color vision, security clearance eligibility, and a special physical profile factor. The entrance requirements have remained the same for years. At the same time, the age and experience of technicians today do not favorably compare to those of several years ago. While this is a problem endemic to all Air Force career fields, it could affect future Titan 2 supportability. Currently, training fills in somewhat where experience is lacking, upgrade to higher skill levels continues on track, and evaluation programs indicate that acceptable work is being done. Strong leadership must be exerted, however, to insure that maintenance personnel continue to approach their work with an attitude that is disciplined and professional.

Of considerable concern is the shortage of technicians in certain selected career fields, notably propellant transfer specialists (PTS) and nuclear weapons specialists. This leads to a related concern—a shortage of middle-level supervisors. Retention is the key to the problem, and a level two selective reenlistment bonus (SRB) for all Titan maintenance specialties and special pay for hazardous duty (SPHD) for PTS technicians may be the answer. The review group highly recommends these actions. In the munitions area, the key instead may be a special experience identifer (SEI), to let the personnel system know that a munitions technician or supervisor has Titan background, so that he or she might be brought back after a tour elsewhere in the broad munitions field. The group recommends that such an SEI be established.

In the maintenance environment, training plays a particulary important role. Technical training is conducted by Air Training Command (ATC) using curricula which are updated based on annual ATC course reviews, equipment modifications meetings and, to a lesser extent, SAC/ATC Titan 2 training conferences and training feedback programs. Unit training follows at each Titan 2 wing with specific job qualification training, upgrade and recurring training, and management and special technician training.

The review group recognizes a need to improve training at both the ATC and unit levels, centering on the need for unit trainers for the PTS technicians and refurbishment of Sheppard Technical Training Center trainers a PTS trainer at ATC is nearing completion and a statement of operational need (SON) is being initiated to develop unit level PTS trainers: their expeditious completion and use is supported by this report. PTS is a particularly difficult area to train realistically; good trainers can considerably improve the quality of initial and recurring training.

The group also recognizes the beneficial impact of the recent institution of the centralized training branch (CTB) in Titan units. This organizational modification creates an atmosphere that emphasizes the learning experience over getting the job done and getting home. Those who have experienced it on both sides, trainer and trainee, are virtually unanimous in their assessment of the beneficial effects of this approach.

Even with task-certified technicians, some tasks receive special safety emphasis. Quality Control (QC) inspectors monitor and evaluate a large portion of these actions. For example, 75% of the liquid propellant flow operations are inspected, and in the case of the more critical fill and drain disconnects from a loaded missile tank, QC inspectors are on the the scene 100% of the time. This, of course, requires the QC inspectors to wear the Rocket Fuel Handlers Clothing Outfit (RFHCO) and join technicians on the scene in the launch duct. All

technicians are initially and then periodically evaluated by QC on each task they are certified to perform. Additionally, like the operations crews, they are subject to evaluation by the 3901st SMES and SAC IG. A senior wing staff member, the Wing Deputy Commander for Maintenance, reviews each unqualified grade with the technician, his supervisor, trainers, evaluators, and if the area was safety related, wing safety. Lessons learned are fed back into shop briefings, initial and recurring training, the evaluation program, and proposals to change procedures and equipment. At least quarterly, the wing commander or vice commander reviews evaluation trends and analyses to identify emerging problem areas and determine corrective actions.

Hardware, procedures and maintenance policies for the system appear to be largely in good condition, and are capable of providing the required system support. In addition, the hardware, procedures and policies are under continuing review for upgrade. Technicians at all levels report deficiencies they encounter. Some of the deficiencies and consequent recommendations referenced earlier in the design and currency sections surfaced in this way.

The technical order system is used to disseminate information, instructions, and safety procedures. Criteria and procedures to ensure that they are current, comprehensive and complete were implemented prior to the inception of Titan. Still, this group found that they are not republished as frequently as they might be, and could in some cases be fruitfully reorganized.

For all technical orders, changes pile up in the books, forcing the technician to refer to the changes frequently in the course of a task. In some technical orders, the basic organization also drives the technician to continually cross-reference. To the extent possible, this needs to be remedied. It generates a greater possibility of losing track of key steps, and thus increases, however slightly, the possibility of an accident.

The review group recognizes and emphasizes the continuing need for strong leadership and discipline to enforce strict compliance with technical orders. Overall, despite these problems, the review group assesses that maintenance technicians, procedures and equipment appear capable of maintaining the Titan 2 weapon safely. The overall record of maintainers in preventing accidents has been good but could be improved. Steps are being taken to improve it; relevant initiatives have been discussed above. The overall record of maintenance personnel in containing and recovering from accidents and assisting in public protection demonstrates their courage and inventiveness, and indicates that they are well-prepared to assist in resolving hazardous situations.

ACCIDENT PREVENTION

A review of the safety record of the Titan 2 weapon system reveals that, overall, it has been a safe weapon system. A comparison of the Titan 2 safety record with like portions of the private sector containing similar hazard potential depicts Titan 2's record as favorable. There has been only one missile accident in the field in the 18 years that Titan 2 has been deployed that has resulted in any injury to the public. A few others have involved casualties among those directly involved with the system, but procedures and hardware, in place or being planned, would have prevented many of these accidents, and averted most of the resultant casualties.

The safety designed into the Titan 2 weapon system, its modifications, and the continuing efforts to keep the system current and in good physical condition, are reflected by the low number of major mishaps caused by materiel failure. Over the life of the system, there have been seven major mishaps attributable to materiel failure, and of these, only one occurred at an operational unit. The remainder occurred during either preparation for or during flights at the Vandenberg AFB, Calif., test facility.

In working to make the system safer, for the public and for the crew member and technician, each accident is closely examined to determine its cause in order to prevent similar accidents from occurring in the future. Two independent review boards are formed in the wake of each major accident to look for causes and make recommendations, recommendations which get priority attention throughout the system. Such boards were formed after the 1978 spill at Rock, Kan.—resulting in new procedures to prevent and contain oxidizer spills in the silo. As stated earlier, many hardware initiatives were also begun there, many of which have been or are about to be deployed in the field. This review group recommends accelerated completion of the development and deployment of these spills management initiatives. The 1980 fuel leak and resultant explosion at Damascus have already led to the tethering of tools, planned deployment of catch nets, lowering of additional work platforms, raising of protective flaps, and possible additional procedural and hardware changes.

Of concern is the number of mishaps, mostly minor but including the major mishaps at Rock, Kan., and Damascus, Ark., which resulted from personnel error. Since 1976, mishaps caused by personnel error have shown a sharp rise. This adverse trend must be reversed. Strong leadership is required to promote discipline in the use of technical order procedures and to foster an acceptance of responsibility by each technician for the quality of his/her work.

It is recognized that prevention of accidents may not always be possible. Even in a demand-response environment, with good leadership and discipline, using check and double-check procedures, mishaps can and sometimes do occur. In those infrequent circumstances, an additional margin of safety is required, a capability to mitigate, contain, and resolve the situation, while minimizing undesirable consequences to the public and preventing casualties to those nearby.

CRISIS MANAGEMENT

The system to minimize these consequences can be described as crisis management. An assessment of Titan 2 crisis management capabilities requires identification of the full range of plausible accident scenarios, establishment of the tasks necessary to successfully deal with such scenarios, and a critical evaluation of the capability of the system to execute the required tasks. In this report, the group excluded from consideration those routine, minor mishaps which present no threat to the public, and those worst conceivable cases that are so improbable their likelihood is virtually zero. What remains is a set of plausible warhead and propellant accident scenarios that provide the basis for assessing adequacy and ensuring an appropriate margin of safety.

In the context of plausible and stressful accident scenarios, successful crisis management consists of an appropriate combination of assured indication and proper diagnosis of a problem, notification of relevant agencies, immediate damage limitation actions, public warning, evacuation and support, containment and resolution of the hazardous situation, and restoration of the affected area so that the evacuees can safely return and resume normal activities. A continual, frank, and constructive interface with state and local officials, the news media, and the public must occur throughout.

Not all of the tasks need be carried out in every accident, depending on the nature and seriousness of the hazard posed. And even in serious accidents, an ability to immediately limit damage well may compensate for shortcomings in immediate damage limitation, or, less desirably, an ability to warn and evacuate expeditiously and effectively may compensate for shortcomings in immediate damage limitation. In either event, clearly a key task is indication; without it, strength in either immediate damage limitation or warning and evacuation may be for naught in a major accident. To a greater or lesser degree, depending on the accident, the key tasks of indicator diagnosis, damage limitations, warning and evacuation need to play together to assure successful crisis management for a broad range of plausible hazard scenarios on-base, during movement to and between sites, on-site topside, and in the silo.

Numerous safeguards have been implemented to anticipate and deal with potential mishaps. Both the warhead and the propellants are monitored continually and handled only by fully certified technicians. Handling procedures are carefully designed and managed to anticipate possible problems, and to have proper response capabilities at the ready—just in case. On base, infrequent and limited exposures clearly minimize potential hazards. Nevertheless, procedures are conservative, and the technicians are carefully trained, certified, and supervised. On the road and at the missle complex, the hazards become greater, and the consequent precautions proliferate—reaching their peak during RV removals and replacements and PTS uploads or downloads when the number of on-site technicians and supervisors and on-base monitors is at a maximum.

Additionally, Titan 2 bases, Numbered Air Force (NAF), Headquarters SAC, and various technical supporting agencies continually prepare for the possibility that crisis management procedures may be required. Base disaster and public affairs programs provide response plans that are coordinated with higher headquarters and increasingly with state and local governments. These plans are being improved and refined. Key preparations at many levels are exercised regularly; integrated, realistic, multi-level, joint exercises are recommended. When problems are noted, corrective actions are taken to strengthen the overall system.

For the least likely, most stressful of plausible scenarios, certain near-term and projected initiatives, to be discussed below, will provide an additional margin of safety. Many of these were discussed earlier in the report under design, currency, operations, and maintenance. These will be summarized briefly. Where new areas are introduced, the treatment is expanded here.

Indication of emergencies would be enhanced by interim and follow-on improvements to the portable and fixed vapor detection systems, and remoting certain indicators to the capsule. Notification within the Air Force is deemed to be satisfactory, and no significant improvements are assessed as

being available at the margin. Diagnosis and direction would be reinforced by a new RTMN, consolidated spills management and revised evacuation data bases and matrices, and actions to better secure the control center and minimize the possibility of crew evacuation. Other items under diagnosis and direction include improvements to MPHT organization and equipment, a secure voice capability for the ready-to-field Inter-base Radio Net, clarification of on-base and on-scene commander and adviser roles, and joint, realistic exercises.

The group recommends that these exercises be made more realistic by injecting more stressful public affairs inputs, conducting certain exercises off-base, on the road or at actual missile sites, to include stressful propellant and warhead related scenarios, and integrating state and local officials into such exercises. The latter will first require completion of ongoing Titan base-state and base-local agreements and derivative planning with state and local officials. This should be done in conjunction with the establishment of agreed planning criteria arrived at with the help of the Federal Emergency Management Agency (FEMA).

While the base-level team to be exercised is reasonably well-structured and well-prepared today, there needs to be clarification of the role of the wing commander in the field. In the command post, the wing commander can be bogged down with imputs and demands from every quarter. Clear procedures, agreed to at every level, need to be established to allow commanders to use their senior staff to interface with the on-scene commander, with the public and press, and with higher headquarters, except for key communications with each of these agencies. This will allow them to step back, overview the total situation, consider the options, and reach well-conceived decisions.

In the field, particularly at the two bases where the Titan wing is a tenant organization, the relationship between the initial response force on-scene commander and the Titan wing commander's on-scene representative needs to be clarified. The situation is complicated further in serious accidents that generate the dispatch of a SAC follow-on response force, led by a general officer. Then the relationship becomes triangular. Draft Defense Nuclear Agency (DNA) doctrine would indicate that the general officer should stand above and possibly relieve both the initial on-scene commander and the wing maintenance representative, expanding the team and orchestrating all activity on and off the site. Exercises and actual events would indicate that this doctrine needs to be clarified and possibly modified based on experiences to date. Further exercises may be a vehicle for testing, and eventually disseminating and inculcating doctrine once that clarification takes place.

Such exercises need to integrate more realistically higher headquarters, involving the members of the Missile Potential Hazard Team (MPHT). The MPHT is a group of operations, maintenance and crisis management technical experts from every portion of the Titan 2 system—key representatives from various parts of the wings, Numbered Air Force and SAC Headquarters, Ogden Air Logistics Center, and appropriate civilian contractors. These experts are interconnected in real-time, primarily by the SAC Telephone Network (STN). They are brought together in conference to assure that the best technical advice is available to determine the most prudent approach to containing, then resolving a situation where an accident is imminent or has occurred.

While the review group recommends a number of initiatives to improve the responsiveness and effectiveness of the MPHT, the basic concept is sound. Properly implemented, in a potentially hazardous situation it can provide those on the scene with the ability to take standard actions covered in technical data and urgent actions immediately required to contain a situation prior to MPHT formation. Non-time urgent, nonstandard actions with potentially serious consequences can be deferred for deliberations by technical experts from across the array of organizations with expertise in Titan. The unit decides if and when to form its own MPHT, and then whether to request connection to outside expertise. It can informally go to depot, while formally escalating to its Numbered Air Force, SAC headquarters, the depot, laboratories and contractors in turn, as the consensus of those already on the net indicates the additional input is needed. The wing remains the focal point for proposing and executing actions, but decisions necessarily are by consensus. While the unit has available to it considerable day-to-day technical expertise to include quality control, technical engineering, and a contractor representative, the full array of expertise available to it through the MPHT cannot be duplicated at every wing.

To improve MPHT implementation, in addition to realistic exercises, a consolidated data base and associated decision matrix is needed for immediate mitigation, containment, and resolution of propellant spills on base, on the road, topside, and in the silo. It should be updated as new hardware and procedures become available in the field. This would go hand-in-hand with a refined data base and associated decision matrix indicating whether evacuation would be required, who should leave and where they should go.

While such evacuation data bases and decision matrices currently exist, ongoing efforts, including this review, would indicate revision is required. Such revised data bases and decision matrices would have all MPHT members using the same guidance at the outset, and facilitate well-conceived, well-concerted action on a more timely basis than present procedures might permit.

Also needed for the MPHT are improvements in the area of its membership. For example, the 3901st Strategic Missile Evaluation Sqn.—an organization with an impressive array of system knowledge, talent and experience—has been omitted in past accidents. 3901st representation is highly recommended. Occasionally, other expertise should be solicited as well—organizations such as Air Force Rocket Propulsion Laboratory, Sandia National Laboratories, Los Alamos National Scientific Laboratory, Environmental Protection Agency, Dept. of Transportation, etc.

SAC or the depot should maintain an inventory of such agencies with their relevant expertise and a list of contact points to be available on a 24-hr. basis if possible. To assure that the key contractor is available on this basis in the future, the review group recommends consideration of a contract with the Martin-Marietta Corp. Reorganization of the MPHT requires consideration. There are so many members of operational necessity that net management capabilities and procedures are easily and frequently overwhelmed. The group suggests that a multi-tiered system might provide the required access and information transfer in a more manageable and reliable net. For example, specifically recommended is a net for technical experts, to develop alternatives, linked with a net for managers, to deliberate on the alternatives and decide on an approach to resolving the problem. Such a system would also assist in net discipline, a continuing problem in past accidents. In any system, net discipline needs to be improved through continuous operator training, given their turnover, and user training over and above the recommended recurring exercises.

Net effectiveness also can be enhanced by improved hardware. Either a new, MPHT-dedicated system should be procured, or leased lines should be added to the SAC telephone network (STN) presently used by the MPHT. These should improve communication quality and reduce the probability of preemption of MPHT members on the net. As specified in present directives, no non-push-to-talk telephones or two-way speaker phones should be used by MPHT members. Proper instruments should be funded where MPHT members may not now have access to them, and Inspector General attention should be directed to enforcing compliance in this area.

Immediate damage limitation and eventual problem containment and resolution would be bolstered by fan and water spray overrides, and a variety of spills management hardware and associated procedures. Improved portable detection gear and protective clothing also are supported. Public warning and evacuation would benefit from reinforcement of the propellant convoy, discussed below, and the establishment of joint planning criteria based on the aforementioned evacuation data base and decision matrix.

In the context of such criteria, joint Air Force/state and local warning and evacuation planning needs to be done in the near-term, on a site-by-site basis. That planning would be the basis for joint selection and deployment of an effective immediate warning system, probably a high-decibel siren, integrated with systems to warn those beyond the reach of the sirens and to inform all potential evacuees of the preferred routes and the final destination.

Joint site-by-site planning also needs to be completed concerning possible Air Force support in providing transportation to those who need it to evacuate, relocation centers for those who do evacuate, and help for those who may need to have actions taken regarding the area that has been evacuated. These plans need to be incorporated into community education programs to familiarize the public with missile safety, hazards, and evacuation procedures.

All of these joint actions—especially those affecting immediate warning and assured evacuation—are important particularly for the most heavily encroached sites, notably 571-7, 570-9, and 571-5 at Davis-Monthan, and 532-9 at McConnell. Expedited action should be accomplished at 571-7 on a prototype exhaust shaft oxidizer burner or scrubber, and on an effective immediate warning and evacuation scheme. If this is not practicable, this site should be considered for conversion to training status, retaining the possibility of its return to alert at higher Defense Conditions (DEFCONS).

Further encroachment should be strongly discouraged to prevent real estate development from creating situations at other sites similar to the one that exists around 571-7, where 1,000 households are estimated to

exist within 1 mi. and many times this number are estimated to exist within 5 mi. This particularly applies to the first mile, within which large numbers of high-density dwellings would make time/distance evacuation requirements difficult to meet in a major uncontained propellant spill. However, unlikely such an occurrence may be, we need to be able to deal with it should it occur. The case for discouragement could be centered around a missile compatible use zone (MICUZ) concept, now under study at the Air Force Engineering and Services Center (AFESC). The concept needs to be refined and worked closely with local officials and planning and zoning boards for implementation.

There is a need to reinforce propellant convoys, to conduct them in a manner similar to RV conveys in order to better anticipate and be able to react in case of an on-road accident. The review group recommends that local authorities be prenotified; a route identified and followed which avoids populated areas to the extent possible; a helicopter equipped with a loud-hailer type loudspeaker fly overhead; an evacuation notification team (ENT) go along; and convoy location be carefully tracked along the way. The tracking would be done by a propellant transfer evacuation and safety team (PTEST), formed in the wing command post in the manner described in SACR 355-5 for on-site PTS operations. If a mobile immediate warning system (probably a truck-mounted high-decibel siren) were developed and procured, it might accompany the convoy.

Finally, there is a need to improve communication with the public in any future accidents. This thread emerges from past exercises and actual crises such as Damascus. Four lessons are clear. First, there is a need to ensure that expeditious, authoritative statements concerning any accident flow from responsible local Air Force spokespersons to state and local officials, the news media and the public (especially those potentially or actually affected by evacuation).

Second, these public statements rapidly should confirm the presence or absence of nuclear weapons in the accident, and frankly discuss safety features and potential hazards that flow from the accident. This clearly is within the limits of current policy—policy that this group believes should be strengthened. That strengthening already is under way.

Third, procedures should be refined to provide timely notification and an ongoing flow of information to interested members of Congress and their staffs and other federal agencies such as DOE and FEMA. And fourth, interagency agreements should be established to coordinate government-wide public affairs responsibilities, procedures and activities in nuclear accident situations.

In most cases, the successful accomplishment of these communication responsibilities during an emergency will require rapid reinforcement of local public affairs resources from higher headquarters. Procedures will be improved further by forming a rapid-reaction Community Action Team, to provide a more timely and comprehensive interface with adversely affected communities. To provide an in-place capability during the critical early hours of an emergency and to strengthen civil relationships in an ongoing way, the group recommends that local public affairs resources be augmented by the creation of an officer and an enlisted public affairs position in each of the two tenant Titan wing staffs. These positions should be manned on a priority basis. Despite the proposed improvements, the group judges that the Titan 2 crisis management system is able today to successfully manage a full range of plausible accidents in the unlikely event one should occur. The improvements proposed would add to the robustness of that system, and extend the margin of safety that already exists. The combined efforts of Air Force, other federal agencies, and state and local officials can successfully minimize undesirable consequences to the public and prevent casualties among those whose only involvement with the system may have been their proximity to a mishap site.

MANAGEMENT

At the outset of this overview, the important role of strong management which stresses and assesses safety and makes modifications to enhance it was noted. That thread ran throughout each of the functions discussed. We saw it in design, in the way the system scrutinizes hardware and modifications to ensure that they meet high standards. We saw it in currency, in the way the system ensures that hardware aging problems are uncovered and corrected before they become serious, and the supportability of the system is sustained. We saw it in operation and maintenance, in the way that the system ensures that well-screened, well-trained people work on the warhead and missile hardware, with proper procedures and equipment available to them. We saw it in the way that lessons were learned from accidents, to improve the ability of design, currency, operations, and maintenance to prevent and contain serious mishaps. And we saw how the crisis management system continues to be refined, to ensure that all relevant resources, Air Force, other federal agencies, state, and local, are kept ready to respond to protect the public should an accident occur. The review group suggests that nearly all the deficiencies and problem areas identified elsewhere in the report can be resolved in a timely manner if they receive continued management emphasis and funding priority.

OVERALL ASSESSMENT

The Titan 2 weapon system represents a capable and important instrument of U.S. national policy. Commensurately, it imposes a compelling responsibility for safety. Consequently, safety has been a pervasive and paramount consideration in every stage of the Titan 2 life cycle.

The basic design was and is safe. System currency is being maintained adequately. Operations and maintenance procedures are adequate to ensure safety and supportability. In these areas, the group concurs with the Assessment Report on Titan 2 weapon condition and safety provided to the Congress in early 1980. That report is valid, and we agree with the great majority of its findings, although its assessment is incomplete. We have attempted to review a wider array of factors here. Collectively, these factors represent a considerable capability to prevent accidents. In addition, a comprehensive crisis management capability provides an extra margin of safety—just in case. Thus, the Titan as a weapon system is assessed as safe and supportable.

RECOMMENDATIONS

As with any technologically complex system, military or civilian, improvements can be suggested.

The most significant recommendations of this study are summarized below. The attached appendices provide more detailed discussion and additional recommendations. These initiatives are intended to maintain the supportability of the system and to provide an extra margin of safety now and in the future. They are intended to reduce further the probability that mishaps, especially serious accidents, will occur; and that should they occur, to further increase the probability that they will be responded to in a manner that provides for public safety. (Those recommendations marked with an asterisk should be adopted at the most encroached sites first.)

1. Recognizing the important role of personnel in complementing hardware and procedural improvements, reemphasize the key role of leadership and acceptance of responsibility, together with technical order discipline, at every level in operating and maintaining the system.

2. Improve maintenance personnel retention.

a. Establish Level 2 SRB for all Titan 2 maintenance technicians. Waive the bonus level determination rules.

b. Secure special Pay for Hazardous Duty for Titan 2 Propellant Transfer Specialist technicians.

3. Improve the ability of the missile crew to detect, mitigate and control potential mishaps.

*a. Remote various sensor readouts (i.e., launch duct temperature, vapor detector annunciator panel, etc.) into the LCC.

b. Ensure that the crew can safely remain in the LCC in the event of major propellant mishaps.

c. Provide the capability to manually override automatic controls (i.e., purge fan, launch duct sprays, etc.) together with the ability to regenerate vapor and fire suppression water with a recirculation or a more rapid renewal system.

*d. Develop a remote (or automatic) tank venting capability for crew use at MPHT direction.

4. Mitigate the effects of the often inoperative current fixed vapor detector system.

a. Expedite procurement of a state-of-the-art fixed vapor detector system until the final design (meets all standards) can be deployed.

b. In the interim, remote a portable vapor detector or similar item from the silo or exhaust shaft to the launch control center (LCC).

c. Cannibalize as necessary to keep fixed vapor detector systems operational at the most encroached sites.

5. Improve spills management procedures.

a. Develop a consolidated spills management data base/decision matrix.

*b. Expedite the development of hardware and procedures to scrub/burn/supress/neutralize/remove major in-silo propellant spills and resultant vapors. Procure an interim prototype burner for the most encroached site, 571-7, in the near term.

*c. Also develop procedures and equipment to contain/suppress/neutralize/remove on-road and topside propellant spills and resultant vapors.

d. Conduct realistic exercises with rigorous accident scenarios to strengthen base- and higher headquarters-level MPHT and Disaster Control Group capabilities to deal with various accident scenarios.

6. Improve ability to react to an accident to protect and inform the public.

a. Review, refine, and republish data base, decision matrix, and SAC Regulation 355-5 on procedures for warning and evacuation for warhead and propellant hazards on base, on the road, topside and in the silo.

b. Develop and test in combined exercises, joint Air Force, state, and local warning and evacuation criteria and plans tailored to both propellant convoys and individual missile complexes.,

c. Select and deploy an immediate warning system (probably a siren) for missile complexes and propellant convoys. Place such a system at the most encroached site, 571-7, in the near term. Integrate this system with joint propellant convoy and missile complex warning and evacuation schemes. These schemes should include the means to provide evacuees with routing and relocation destination information.

d. Reinforce propellant convoys to be able to better react to an on-road accident, including helicopters with loud-hailer type loudspeaker overhead, and evacuation notification team (ENT), immediate warning system (siren on truck), and spill suppression and neutralization equipment.

e. Permit local Air Force officials to communicate with the public responsively and candidly in accidents. Provide them rapid clearance to confirm or deny the presence of nuclear weapons and to discuss hazards and safeguard.

f. Refine and implement the missile compatible use zone (MICUZ) concept to discourage further encroachment of Titan 2 missile complexes. In the meantime, act to discourage encroachments by high density developments within 1 mi. of missile sites.

7. Ensure that priority attention and funding continue to be devoted to expedite important ongoing improvement programs such as RTMN upgrade, RFHCO, portable vapor detector, interbase radio system, operations crew missile procedures trainer, unit level PTS trainers, and installation of quick disconnect filter screens.

8. Ensure future supportability.

a. Adequately fund service engineering requirements.

b. Establish special supply levels for low usage, yet essential Titan 2 system hardware.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. Mr. President, I think of very good reasons for opposing the amendment of the Senator from Kansas. However, I reject some of the arguments offered by the Senator from Nebraska.

When he says the military is muzzled by this administration, I think that is fallacious on the face of it. I think the tendency on the part of a lot of the administration, Democrat and Republican, is to subordinate the judgments of professional military men to civilians. But the fact is I think this administration has given more opportunities for the expression of professional military judgment than any administration I have known of in previous years. The pride and the morale that is extant in the armed services today is greater than it has been in the two decades that I have been in the Senate. That is attributable to this President. That is pride and morale on the part of professional military men.

I am sorry that what could have been a reasonable argument for the retention of the Titan missile for the time being turned into a partisan tirade.

I might say that the phrase "window of vulnerability" was not created by this administration. It was created by Secretary Harold Brown, Secretary of Defense in the previous administration, who testified before the Senate Armed Services Committee that by the year 1982 we would face a "window of vulnerability."

Let us try to get this thing in perspective. The question is whether or not the Titan missile contributes substantially to our need for a deterrent.

They are old. They are a soft target weapon. They do not contribute a great deal to the U.S. nongenerated SIOP forces, but they do have some value and they should not be retired, at least while we are undergoing negotiations. Pursuant to the President's proposal on Sunday, the United States apparently in those negotiations will table some negotiations that involve the reduction of throw weight, and in that event it would occur to me that the Titans would be a useful bargaining chip, although from other standpoints it is questionable whether or not the Soviet defense planners regard them terribly seriously.

I think this administration is doing a great deal to rehabilitate the strategic capability of the United States. I have disagreed with the administration on a strategic issue or two, and disagreed publicly, but the fact is the overall strategic program of this administration is calculated to get us where we need to be if we are to deter nuclear war against the United States or nuclear blackmail against the United States. I think this administration is to be commended.

I do oppose the amendment of the Senator from Kansas, but certainly not for many of the reasons stated by the Senator from Nebraska.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I appreciate the statements made by both Senators, even though they may be in opposition to the amendment. I expected a rather political statement by the Senator from Nebraska, but that does not address the problem. I assume, according to the argument of the Senator from Nebraska, that we ought to have the horse cavalry, because if we had that, it would do away with a lot of this armament thing.

A lot of us have said we cannot cut defense spending over the years, but I think this year may be a bit different. Particularly, with an outmoded system that the Defense Department and the Air Force say ought to be phased out on schedule.

Along comes an amendment for $80 million. Maybe $80 million is not much to the Armed Services Committee but it is to the Nutrition Committee.

Mr. TOWER. Will the Senator yield?

Mr. DOLE. I yield.

Mr. TOWER. I have already taken on the Senator from Nebraska. I would not like to take on the Senator from Kansas on the question of the Armed Services Committee being concerned with questions of public policy.

Mr. DOLE. I understand they have a very tight budget.

Mr. TOWER. We just reduced it by $2.5 billion.

Mr. DOLE. It is very tight, with that big reduction.

But here is an attempt to put $80 million into the pot. That is pennies to the Armed Services Committee. I might say $80 million in defense is not much. Again, I do not quarrel with the committee. They do an outstanding job. They spend more money than most all other departments combined. Some of it is spent wisely. Most is spent wisely.

But then our own administration says we do not need this any more, that we ought to start a phaseout. When somebody comes along in the committee, and we know how committees operate, and says, "Let us put in $80 million, delaying the phaseout for a while," I just suggest as one who supported this as long and as diligently as the Senator from Nebraska, I think we ought to look at this from a fiscal standpoint.

I would say as far as Kansans are concerned, they are not wincing because Titans have been there. They have been there for 20 years. We are willing to take the risk. In fact, if they have a better missile, maybe the Senator can use his Titan silos somewhere. We are not shrinking from our commitment in the State of Kansas, in the State of Arkansas, or the State of Arizona.

I went to that hearing, and I heard all these reasons. In fact, General Davis was asked, "If we can get $500 million, would you put it in the Titan?"

He said no, he would use it for modernization. The phaseout can be stopped at any time.

I have to admit I was a little puzzled when I left that hearing. We are puzzled pretty easily in the Finance Committee, but when I left that hearing I was puzzled. It is not expected to adversely affect it. In fact, they have been considering phasing out Titans since 1974, but they were sort of used as a bargaining chip, a small bargaining chip, in the SALT negotiations.

It seems to this Senator that we have all the talk around the country of nuclear freeze and everything else and we just want to make one moderate step, to start phasing out one a month starting in October of an outmoded system.

If we do not want to take that one little step, that little $80 million step, I doubt that we are going to accomplish

much more in the weeks and months ahead.

I commend the committee for their diligence. I commend the Senator from Nebraska. He is on that committee. He is an expert; this Senator is not. I commend the distinguished chairman and others who have worked long and hard.

Mr. President, I do not think anybody worked very hard and long on this amendment. Someone said, "Let us put in $80 million. OK, they put in $80 million." In the Nutrition Subcommittee, $80 million is a lot of money; not in the Defense Committee.

As the Senator suggests, maybe, if things get bad, as the Senator from Nebraska predicts, we can stop the phaseout. I guess there are only 17 left in Arkansas; one phased out on its own. But there are still 18 in my State, there are still 18 in Arizona. We are willing to take the risk if necessary.

Why take the additional risk just because somebody said, "Oh, we ought to delay the phaseout," when it is supported by the Department of Defense, it is supported by the Air Force, and I hope it is going to be supported by a majority in this body?

Mr. EXON. Mr. President, I thank my friends from Texas and Kansas for their remarks. If my remarks about the management of our overall defense posture, especially our deterrent posture, was offensive to them, I apologize. But it is my honest opinion, and I think once in a while it should be said, it seems strange to me that when someone has the audacity to get up on the floor of the U.S. Senate and question anything that is done with regard to defense at 1600 Pennsylvania Avenue, in some people's minds, it is next to treason.

Mr. President, I am not going to take the time to read these, but I ask unanimous consent to have printed in the RECORD immediately following the remarks that I shall make a letter from Mr. Harold Brown, whose name was mentioned here, in regard to his opposition to beginning the phaseout of Titan II's at this time; also, a letter sent to me by Gen. Russell E. Dougherty, former SAC Commander in Omaha, Nebr., who happens to know something about this issue. He testified at great length in front of our subcommittee on this very subject, warning that this was not the time to take it out.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. It is true, Mr. President, and I am sure that my friend from Kansas does not wish to mislead the U.S. Senate, that these missiles have been considered for phaseout for some time. But I emphasize once again that I know of no plan to phase out these missiles until we have something new to take their place. I submit to the Senate that we have nothing like that now. We are not going to have in the near future, as fast as many of us would like, because of the present administration's delay of the MPS basing mode for the MX.

Mr. President, I am not sure that any more extensive debate is necessary on this. I do not know whether there is any other Member on the floor who has been involved in those hearings who wishes to say anything, but I hope that if this comes to a rollcall vote, the Members of the Senate will vote it down. I think if they vote it down, they will be voting for the best interests of the military posture of the United States of America with the threat that presently confronts us.

EXHIBIT 1

SCHOOL OF ADVANCED INTERNATIONAL STUDIES,
THE JOHNS HOPKINS FOREIGN POLICY INSTITUTE,
Washington, D.C., February 1, 1982.

Hon. J. JAMES EXON,
U.S. Senator from Nebraska,
Washington, D.C.

DEAR SENATOR EXON: The questions about the Titan II retirements contained in your letter of January 15 are pertinent ones. It had been the plan of the Carter Administration to phase out the Titans when the MX missile phased in. That would have begun the Titan dismantlements in 1986; the Reagan administration's proposals of last October would complete the Titan II phaseout at that time, after beginning them this year.

As is the case for your Janury 15 letter, I will not address the issue of a survivable mode for basing the MX missile; my views on this have been made known publicly and at length. With respect to the Titan II missiles themselves, their contribution to our strategic capabilities are not large. But neither are their costs. Thus the decision is a matter for judgment. The Titans add only a modest number of aim points, small compared to the existing total of aim points and small compared to the number of Soviet ICBM reentry vehicles. However, they are a significant portion of our ICBM deliverable megatonnage, and thus can be expected to make some contribution to deterrence. Reducing our ICBM capabilities, however marginally, seems to me to advance neither strategic arms negotiations nor to redress concerns about the "window of vulnerability," no matter how overblown some of those concerns were to begin with.

It is true that there had been safety concerns about the Titan II missiles and their liquid propellants. Perhaps the best argument for early retirement of the Titans is that, should there be further accidents, it might make public acceptance of present deployment of ICBMs difficult to maintain. But the last Titans, under the administration proposal, will not be phased out earlier than they would have been under the previous plan; thus the safety and public relations problems remain.

On balance, I conclude that, especially in the light of the delay in deployment of the MX in a more survivable basing mode, it would have been wiser to retain the Titan IIs through the middle 1980's, as the Carter administration had proposed.

Sincerely yours,

HAROLD BROWN.

AIR FORCE ASSOCIATION,
Washington, D.C., February 12, 1982.

Hon. J. JAMES EXON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR EXON: Thank you for your recent letter asking for my views on the phase out of the Titan II ICBM system. I have been out of town most of the week, but want to recap the points I passed orally to Greg several days ago:

While serving as CINCSAC, I reevaluated the stragetic value of the aging Titan IIs on a regular basis. The last such detailed look was just before I retired in 1977. The result remained constant—the Titans should not be phased out until a better and more modern ICBM replacement system came "on line." This same situation would seem to obtain today. The fact that Titan II represents our only large warheads in current arms limitation counting; that Titan II costs are mainly "sunk" costs; that it is a significant system in-being, relatively inexpensive (but not cheap) to maintain; that the improvements made in the aftermath of the accident in 1980 have enhanced the safety of Titan II operations; and that MX will not come "on line" for several years nor will it compete for the Titan II basing structures, would seem to validate that desirability of their retention.

It is my understanding that the Air Force recommended the deactivation of Titan II based on the need to modernize our strategic land-based missile system and the fiscal trade-off pressures imposed by economic constraints on future budgeting. Also, I surmise that the initial decision to deactivate the Titan II missile was driven by the Administration's public announcement that the MX could be deployed effectively in those Titan silos. With the Defense Department now accepting the results of Air Force's study and electing Minuteman silos for the initial MX deployment, it would seem that the only argument for retiring the system without a quid pro quo in arms reductions on the other side is one of fiscal constraints.

I agree with the basic concern you expressed that we might be on the threshold of phasing out the Titan IIs unilaterally, prior to an operational deployment of MX. If it were necessary or feasible to use our Titan silos for MX basing, that would affect my thinking, but it isn't; that judgment has now been validated by the recently announced decision on MX basing in the Minuteman fields. My thought in this instance would be different if it were decided to employ any portion of our attrition stockpile of Minuteman IIIs to the Titan II silos, but I know of no decision to do this—additional Minuteman IIIs (even Minuteman IIs) would be better than the Titan IIs, and the Titan IIs are better than nothing.

The contributions of Titan II to the SIOP are undeniable, albeit liquid fueled, lacking modern accuracies, and requiring larger crews for support. The gap in operational ICBM megatonnage vis-a-vis the Soviets, brought on by an unreplaced deactivation of Titan, will exacerbate an already perilous strategic imbalance and seem to weaken our START negotiating position. The strategic requirement for Titan II during the mid-1980s will, in my opinion, continue until the adverse SIOP impacts are redressed by the B-1, ALCMs and MX operational deployments. (And, I know you are aware of how strongly I feel about the need for these strategic modernizations.) It is not inconceiv-

able that some additional Minuteman IIIs could be used in Titan II launchers; but retaining launcher silos without operational missiles on such launchers is pretty "thin soup" for START negotiations.

I appreciate the fact that viewpoints vary on the value Titan II has as a "bargaining chip" in the START negotiations with the Soviets, and that one cannot be too adamant in such subjective issues. In fact, some respected arms control experts play down the strategic importance of Titan II, arguing that its operational utility has declined over the years to the point of negligible impact. Nevertheless, today's operational Titan IIs, on launchers, represent fifty or so large operational ICBMs in our current inventory and I think that your point is well-taken—it makes good sense to keep Titan II in place during the START negotiations until MX becomes operational or until Minuteman IIIs are deployed in the Titan II launches. If we have in hand a comparable negotiating concession from the Soviets justifying deactivation of Titan IIs, such concession is not known to me.

We have already experienced several instances of unilateral draw-down and slowdown of our strategic force modernization. Thus, it seems to me that unilateral deactivation of the Titan II operational missiles is bound to have an adverse effect on our negotiating leverage in START.

Senator, I appreciate the fact that you would seek my views in this matter and was glad to provide them orally to Greg, and in this letter. I would hope that fiscal constraints will not deny us the essential strategic modernization recommended by the President nor force us to forego any of the strategic advantages that we now have, until and unless we can negotiate a relatively improved situation vis-a-vis the Soviets. I think you have put your finger on one such possibility, and I commend your vigilance.

Respectfully,

RUSSELL E. DOUGHERTY,
General, USAF (Ret.).

Mr. LEVIN. Mr. President, I am in opposition to the amendment from my colleagues from Kansas to prematurely begin the retirement of the Air Force's Titan II intercontinental ballistic missiles (ICBM) in fiscal 1983.

Considering the uncertainties surrounding the MX ICBM modernization program, the Armed Services Committee on which I serve decided it would be prudent to reject the administration's proposal to begin dismantling the Titan II's in fiscal year 1983.

I share that opinion, especially considering the expert Air Force testimony we have received before our committee and its Strategic Forces Subcommittee that these Titan II ICBM's still represent a useful and impressive component of our strategic nuclear forces and still contribute to the deterrent of nuclear attack by the Soviet Union.

There are several major reasons why our Titan II missiles should not be dismantled—reasons which directly contradict the claims made by the authors of this amendment in their "Dear Colleague" letter urging its adoption. The authors state, "the planned retirement of the Titan missiles is consistent with the President's stress on modernization of our strategic forces."

Mr. President, I suggest that the exact opposite is true. Rather than be consistent with the President's strategic modernization program, retirement of the Titan's actually is in direct contradiction to the goals and objectives of this plan to upgrade our deterrent Triad.

The major purpose of this program to spend approximately $180 billion—in constant fiscal year 1981 dollars—during the next 5 years to modernize our nuclear forces is to close the alleged "window of vulnerability" now opened wide before us, according to administration spokesmen, including the President himself.

Premature retirement of the Titan II missiles would instead throw open that supposed window even wider, according to both the Chief of Staff of the Air Force, Gen. Lew Allen, and the Commander in Chief of the Strategic Air Command, Gen. Bennie Davis.

If we are worried about the increased vulnerability of the United States to Soviet nuclear attack or diplomatic blackmail during the middle part of this decade, it makes no sense whatsoever to throw away useful strategic nuclear capabilities before replacement weapons systems can be deployed in sufficient numbers.

Yet this is what the amendment by our colleagues from Kansas would have us do.

Supporters of this amendment no doubt will argue that the Titan's represent only a limited military capability which we can afford to discard. Testimony before our committee strongly contradicts these assertions.

Last November, General Davis, who, as SAC commander, has the responsibility for targeting and deploying our strategic forces under an overall war plan known as the single integrated operations plan, or SIOP, stated:

Phasing out the . . . TITAN will result in fewer weapons committed to the SIOP, reduced target coverage and less megatonnage.

He also said:

As an operational commander, I would have preferred to keep the B-52D and TITAN on board until the B-1 and MX enered the inventory.

This year, at a special hearing on the proposed Titan retirement, General Davis went even further by declaring:

In conclusion then, sir, I would say that although the TITAN is an old weapon system, it does make a positive contribution to the SIOP today.

Under current conditions, I find the TITAN II quite useful in SIOP planning.

The employment of Titan II against softer, large area targets is quite effective.

The TITAN II was, and remains, a highly effective weapon for use against a collection of targets that can all be damaged by a single, high yield weapon.

General Davis' testimony was echoed eloquently by his predecessor as SAC commander, Gen. Richard Ellis, who is held in universally high respect by members of the Armed Services Committee because of the candor with which he expressed his opinion on military matters.

Shortly after he retired as the Nation's top nuclear commander, General Ellis testified about the proposal to retire the Titans by stating:

Well, the TITAN has certain advantages, antiquated as it may be. It is a very large weapon and against certain types of targets it is particularly effective.

He concluded:

Additionally, I would hope that we would not give away systems like the TITAN. It is the only heavy missile we have.

Earlier this year before our committee, Secretary of Defense Weinberger admitted, that retirement of the Titan's could reduce our abilities to bargain from a position of strength in future arms control talks. He said:

From an arms control perspective, we recognize that there may be disadvantages for unilaterally retiring any system when negotiations are in progress or are contemplated.

Last year, on the floor of the Senate we heard many statements that we should not cut any major weapon system from the President's strategic program because it would undermine his bargaining position in arms control talks with the Soviets.

If that logic is valid, Mr. President, a vote by the Senate to retire our Titan missiles beginning in fiscal year 1983 would undercut the President's negotiating position less than 1 week after he announced his major initiative to resume strategic arms control negotiations.

Mr. President, the final arguments supporters of this amendment put forth are that the Titan's should be dismantled because they are unsafe and expensive; that retiring them will reduce the risks they pose to their surrounding communities and save $500 million which could be spent for other strategic programs. To achieve such a saving while paying such a high price in present military capability can only be termed a false economy.

The issue of the safety of Titan II missiles is perhaps the most compelling of the arguments that the authors of this amendment make for their position. Remembering the tragic accidents at Titan missile installations in Kansas and Arkansas, I think my colleagues should be commended for offering this amendment, because it demonstrates a strong concern for the well-being of their constituents.

I myself have been involved personally with one of the victims of the Titan missile accident in Rock, Kans., which the authors of this amendment mention in their "Dear Colleague" letter. One of the Air Force Security

Police sergeants decorated for bravery because he risked his own life to help evacuate civilians living near the damaged silo is a constituent of mine from Three Oaks, Mich.

Sgt. Michael W. Yardley of Three Oaks, Mich., inhaled some of the highly toxic fumes from the Titan missile fuel and was retired on a disability pension from the Air Force. Because of this involvement, I share the concerns of my colleagues from Kansas about the safety of the Titan missiles.

Yet testimony before our committee by the Air Force has established that a major safety improvement program was initiated after the latest accident, in 1980 in Damascus, Ark., and that the Titan retirement is not being proposed for safety reasons by the administration. The Air Force considers the Titans to be safe to operate if this improvement program is carried out, and I think the expense of that program would be a small investment to maintain this component of our strategic forces.

In summary, Mr. President, retirement of the Titan missiles in fiscal year 1983 would be a strategic military and economic mistake for the United States, and I urge the defeat of this amendment.

Mr. President, as I said, I must oppose the amendment of my friend from Kansas. Titan II missiles represent a significant portion of the capability of the land-based leg of our triad, something on the order of 30 percent of our ICBM megatonnage.

Megatonnage is one measurement of strategic nuclear power. It is one measurement by which we are inferior to the Soviets. There are other measurements in which we are superior to the Soviets. Megatonnage is one where we are not. As a matter of fact, it is that very measure of capability that the President has pointed to as a measure of our inferiority. I see no reason to prematurely give up that much capability without anything in return from the Soviets.

It is certainly something worth putting on the bargaining table and not unilaterally giving up.

Mr. President, there are only two reasons I know of to give up that capability. One is the $500 million which we will allegedly save over a period of 5 years. I point out that we are in the midst of a $180 billion modernization program, a $180 billion nuclear modernization program. To give up that much megatonnage to save less than three-tenths of 1 percent of the cost of the entire strategic modernization program, in my opinion, makes no economic sense whatsoever.

The other reason which is offered to give up this megatonnage is the safety reason. I know that our friends from Kansas and Arkansas are very much concerned. Frankly, I would be, too, if the Titans were in my State, because of the accidents that we have had. We went into this quite carefully at the hearings. I think we satisfied ourselves as a committee that there is no justification to retire the Titans prematurely for that reason.

As a matter of fact, even though the administration supports this early retirement, they do not do so based on the safety factor. The Army and the Air Force are satisfied that the Titans are safe and that the modernization program which has been undertaken, the safety program, has indeed made them safer.

So, as much as it is understandable how our friend from Kansas can be concerned about the safety issue, at least to the extent of our ability on the committee, we have explored it and I think we were unanimously satisfied that the safety issue has been met.

Mr. President, prematurely retiring this much megatonnage makes no military sense, makes no economic sense, and makes no commonsense.

Mr. DOLE. Mr. President, does the Senator from Nebraska support the MX or is this just a way to stall that decision?

Mr. EXON. What MX is the Senator talking about, Mr. President?

Mr. DOLE. Any of them. Pick out one.

Mr. EXON. I take the position of most of my colleagues on the Committee on Armed Services that the MX missile should not be built until, if, and when this administration makes up its mind and quits dillydallying about the basing mode for that MX.

While I am on my feet, Mr. President, I might say that I know that the Senator from Kansas, as he said earlier, is very much concerned about the nutrition programs. I know he means that sincerely. He says if we can save $80 million here, we can put it in nutrition programs. I say to the Senator from Kansas that there will be other opportunities to make other reductions in the defense program and we can put all the money he wishes into nutrition.

Mr. DOLE. Mr. President, I say to the Senator from Nebraska that I am not certain where to put the money. I am just suggesting that $80 million is a consideration. The Senator from Kansas recognizes that this has the support of most members of the Committee on Armed Services. I understand that. The Senator from Kansas also believes that the administration——

Mr. EXON. Mr. President, may I interrupt again? I am having great difficulty hearing the Senator from Kansas. If we could have order on the floor, I would appreciate it very much. I am trying to listen.

The PRESIDING OFFICER. The Senator cannot hear the debate. Anyone in the Chamber wishing to talk will please leave the Chamber. The Senate will be in order.

Mr. DOLE. Mr. President, I think we have debated the matter fully enough. The Senator from Kansas is concerned about it. If it is the will of the Senate that we continue these outmoded missiles, 20 years old—they should have been retired 10 years ago—then I do not want to hear too many speeches on the Senate floor later about missiles in the country or in the world. If, in fact, we are going to take this one little step toward phasing out this outmoded missile system, then I think we can let the American people know that we understand the problem.

Mr. STENNIS. Mr. President, I shall be quite brief. I think I can review the history of the development of these missiles.

This is the Titan missile, which is the largest one that we have ever had. Here is more megatonnage and it is one that—I have heard the expression many times—it is said that maybe we should have stayed with the large ones longer. But we went with the smaller missile with, frankly, better accuracy. For 4 years at least, as I recall, we have approved in the committee and the Congress has approved the MX missile, but we never did finally agree on the basing mode. That was the thing that held it up. There might have been one or two in opposition in our committee, very respected opposition. But the committee was almost unanimous on it and it was almost that way here on the floor and in the House.

Moneys were appropriated for the missile and then the preliminary part of the planning on the basing mode and the missile itself, the new MX missile, is still in the R. & D. stage, but progress is being made. There is money in this bill, I am sure, for continuation of that part of the plan. Still, certainly to my disappointment and many others, I think we have not perfected a basing mode. Congress put certain limitations on the basing mode, and when tested out they did not get it over. Finally the matter was abandoned, but it is still being considered for a new basing mode.

Until we make progress in that direction—let me pause here. There is nothing the matter with the old Titan missile, as I understand it. I believe we can hit Russia with it.

Mr. DOLE. Or some other target.

Mr. STENNIS. There is nothing the matter with it. It is not as accurate. It is not as good in its aim as others, but it is still a powerful weapon, with deterrent force. I think that is one of the main values of the new MX missile.

I would like to see our friend from Kansas be satisfied, but I believe this is one exception we have to make.

Mr. DOLE. Sort of the Kansas-Tennessee Tombigbee.

Mr. STENNIS. I know. We get around. Anyway, this is going backwards, I am afraid, too fast under all the conditions.

I do not consider them outmoded and useless or beyond proper use. This is not a small amount of money to me. This is a lot of money. However, with the cost of weaponry, this is not big money by comparison.

I hope that the Senate sees fit to keep these missiles in at least until we make some appreciable strides forward on the new one.

The PRESIDING OFFICER. Is there further debate?

Mr. DOLE. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I do not wish to cut off debate if someone wants to continue, but I move to table the amendment offered by the Senator from Kansas. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Kansas (Mr. DOLE). The yeas and nays having been ordered, the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Rhode Island (Mr. CHAFEE), the Senator from Utah (Mr. HATCH), and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Ohio (Mr. METZENBAUM), the Senator from Alabama (Mr. HEFLIN), and the Senator from Louisiana (Mr. JOHNSTON), are necessarily absent.

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 32, nays 61, as follows:

[Rollcall Vote No. 106 Leg.]

YEAS—32

Baucus	Dodd	McClure
Bentsen	Eagleton	Mitchell
Biden	Exon	Nunn
Boren	Ford	Quayle
Boschwitz	Glenn	Sarbanes
Byrd, Harry F., Jr.	Hayakawa	Sasser
	Humphrey	Stennis
Byrd, Robert C.	Inouye	Thurmond
Cannon	Leahy	Tower
Chiles	Levin	Warner
Cranston	Long	Zorinsky

NAYS—61

Abdnor	Gorton	Nickles
Andrews	Grassley	Packwood
Armstrong	Hart	Pell
Baker	Hatfield	Percy
Bradley	Hawkins	Proxmire
Brady	Heinz	Pryor
Bumpers	Helms	Randolph
Burdick	Huddleston	Riegle
Cochran	Jackson	Roth
Cohen	Jepsen	Rudman
D'Amato	Kassebaum	Schmitt
Danforth	Kasten	Simpson
DeConcini	Kennedy	Specter
Denton	Laxalt	Stafford
Dixon	Lugar	Stevens
Dole	Mathias	Symms
Domenici	Matsunaga	Tsongas
Durenberger	Mattingly	Wallop
East	Melcher	Weicker
Garn	Moynihan	
Goldwater	Murkowski	

NOT VOTING—7

Chafee	Hollings	Pressler
Hatch	Johnston	
Heflin	Metzenbaum	

So the motion to lay on the table Mr. DOLE's amendment (UP No. 927) was rejected.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. Mr. President, could I inquire of Senators if there is any need for a rollcall vote now on the amendment itself. I am prepared to——

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. GOLDWATER. I think there is a need for a rollcall vote. I think the Senator from Nebraska performed something my father warned me against. He did not know when to close the sales book.

The whole committee that I know of is in favor of the position of the Senator from Nebraska. I think if we had a chance to vote on it up-or-down the vote might be different. I think we should have a vote on it.

Mr. EXON. Mr. President, I learn very hard, but I learn. I understand that it is not proper in some instances to vote for a tabling motion when it is not offered by the right side.

Therefore, I request the yeas and nays on the amendment offered by the Senator from Kansas.

Mr. BAKER. Mr. President, am I not correct that the yeas and nays have already been ordered?

The PRESIDING OFFICER. The Senator from Tennessee is correct. The yeas and nays have been ordered.

Mr. BAKER. I must say in all candor based on the statements by the Senators from Nebraska and Arizona I think it would be futile to ask unanimous consent to vitiate the yeas and nays. I had planned to do that.

Before we proceed, however, I wish to make an inquiry of the Senate. I have two pages of amendments yet to be considered that we know of and before we go on let me read these amendments or rather read the listing of them and see if there are others that are going to be offered that we know about or perhaps some of them on here will not be offered but we need to plan on how late we are going to stay tonight and what time we are going to come in tomorrow.

I am perfectly willing to stay tonight as long as we can make good progress, but it is also my intention to ask the Senate to resume consideration of this bill in the morning at a very early hour, perhaps as early as 9:15 a.m.

Let me go over the list and see if there are Senators who wish to delete their names from this list, or perhaps add other amendments. These proposed amendments are as follows:

An amendment by Senator GORTON, one by Senator HART, one by Senator WARNER, the CF-747 amendment by Senator JACKSON, two amendments on carriers by Senator HART, binary weapons by Cochran and Pryor, a sense of the Congress resolution by Senator COCHRAN, a Glenn amendment on MX, a Wallop amendment on space-base lasers, a Levin amendment on administrative use of vehicles, a Heinz amendment on specialty metals, the Siberian pipeline by Garn, Nunn-Warner on accidental nuclear war study, Levin on unit-cost support, Nunn on JCS reorganization, Stafford on section 6 schools, Pryor on combat earth movers, Roth-Glenn-Nunn on NATO military cooperation, Hart on arms control, Levin on the B-1 bomber, Garn on a sense of the Senate on Reserves, Levin on Rapid Deployment Force, Moynihan-Dixon on Maybank, and Dixon on cameras on RF4.

Those are a lot of amendments and I devoutly wish for no more.

Could I inquire is there anyone who has anything he must add to that list of amendments?

Mr. PROXMIRE. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. PROXMIRE. I have three amendments that I think have been cleared by the staff on both sides. It will just take a few minutes.

Mr. BAKER. Is the Senator willing to do those tonight?

Mr. PROXMIRE. I am delighted to do them tonight.

Mr. BAKER. I thank the Senator.

Mr. LEVIN. Mr. President, will the Senator yield?

Mr. BAKER. I yield.

Mr. LEVIN. I have one cleared, I understand, and I would be happy to do it tonight. I have another one I am trying to work out that might be cleared.

Mr. BAKER. I thank the Senator from Michigan.

Are there other Senators who have amendments that they wish to add or delete?

All right.

I see no further response.

Mr. President, we have a big problem on our hands and that big prob-

lem is we really need to try to finish this bill by tomorrow night, obviously late tomorrow night.

But I think it is worth our time now to stay a little while longer and do the amendments by the Senator from Wisconsin, the one amendment, perhaps two amendments of the Senator from Michigan, and I estimate it will be past 11 p.m. when we finish.

ORDER FOR RECESS UNTIL 9 A.M. ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight it stand in recess until the hour of 9 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEADERSHIP TIME REDUCED TO 5 MINUTES EACH ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that the time allocated under the standing order be reduced to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining between then and 9:15 be devoted to morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE CONSIDERATION OF DEPARTMENT OF DEFENSE AUTHORIZATION BILL ON TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that at 9:15 the Senate resume consideration of the DOD authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. I thank the Chair.

Before we go out tonight, Mr. President, I very much want to find an amendment we can lay down and make pending for tomorrow because I do not want to start in the morning and then waste time trying to gather momentum. So I ask the managers of the bill on both sides to try to find some amendment, some worthwhile amendment, and preferably one that will require a rollcall vote by 10 or 10:30 in the morning.

Mr. DOMENICI. Worthwhile, did you say? [Laugher.]

Mr. BAKER. Mr. President, I withdraw the word "worthwhile."

Mr. TOWER. I think I can assure the majority leader that we can get to a vote by 10 o'clock.

Mr. BAKER. Mr. President, I apologize to Senators for taking this additional time for housekeeping details, but we are prepared now to go forward with the vote on the amendment.

Mr. DOLE. Mr. President, while there are so many Members here, I will take just a minute because I do not really believe that, if the amendment is understood, the vote will be very close. All the Senator from Kansas is trying to do is to do what the Defense Department and the Air Force say we ought to do, to start to phase out the Titans. They are 20-year-old weapons. They started talking about a phaseout in 1974, and they were used as a bargaining chip at that time, and it has not been done. Now, it just seems to this Senator we have had a lot of talk about a freeze and all this talk about what we are going to do to cut the defense budget. All we are trying to do is to do what the Defense Department for once says we can do and save $80 million, and the Air Force supports it.

Those who do not have the Titan II's in their State—and I do not quarrel with either Senator from Arizona—but we are no less patriotic, as inferred by the Senator from Nebraska, than others. In Kansas we are as patriotic as the people in Nebraska. We do not play football as well, but we are just as patriotic. [Laughter.] "I will say to the Senator from Arkansas that one of these was phased out on its own, it blew up.

They leak a lot.

Mr. PRYOR. That is correct.

Mr. DOLE. The people of Wichita like Wichita and they would like to keep it that way. These missiles may hit Moscow, but they will hit Wichita first. [Laughter.] So I will say to my colleagues who are sitting off in some other place, do not worry about these Titan II missiles. They are old, leaking, and creaking. So the Senator from Nebraska has got a plan, delay the phaseout for a year. Why? Because they do not serve any useful purpose. They are not part of the START talks. We have a President who says "Get rid of them," and I appreciate the Senator from Nebraska supporting our President, but do not oversupport him.

Here is $80 million he does not want for defense. I have heard more statements on this floor about how much we are spending for defense, and here we have a chance to save just a penny or two, in the Armed Services Committee lingo; $80 million you would never miss it on the way to the conference. (Laughter.)

So it just seems to this Senator that we can do what is right before we go to bed.

Mr. PERCY. Mr. President, will the Senator yield for a question?

Mr. DOLE. I yield.

Mr. PERCY. I think the only thing that bothers me about this amendment is that 4 days after the President has made a proposal to the Soviets that we sit down and really talk strategic arms reduction, and we will be willing to talk megatonnage reduction, that we here in the Senate take an action which would unilaterally start to cut it down. How does the Senator answer that?

Mr. DOLE. That is very easy. The Senator from Kansas has attended this little subcommittee hearing on February 26, in the time of this administration, the Reagan administration. He came in in January 1980, as I recall. I was there when General Davis and others were there, and he was asked, "If we had $500 million, would you use it for more Titans?" He said, "No; we would use it for modernization."

The President is aware we are phasing out the Titan when he made the statement last week or at the commencement address at Eureka College. I am supporting the administration. The Defense Department says we do not need the $80 million, and the Air Force says we do not need the $80 million. Senator EXON says we do need it, and he is an expert and the Senator from Kansas is not.

It is not that we have Titans in Kansas. We are willing to take another good missile if you have another good missile, but they are outmoded, and this is a chance to strike a blow for freedom—that is what we have all been talking about here—and get unshackled from heavy defense spending and do something else with the $80 million. That is much less than we have to worry about in the other programs.

Mr. BAKER. Mr. President, I have no desire to try to shorten this debate, but maybe this will be an incentive for some. When and if we get through this rollcall vote we will continue with the Proxmire amendment and the Levin amendment or amendments. But after the next vote there will be no more rollcall votes today.

SEVERAL SENATORS. Vote!

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I will be very brief. [Laughter.]

I only respond to the Senator from Kansas by saying I will bring up an MX amendment which does change some things in the balance.

I voted with Senator EXON this evening because I think there are some very serious doubts about the MX, whether we are on the right track with it, whether we are just recreating once again vulnerability and just trying to make a new mode that will really correct an existing vulnerability that was perceived as the reason for going to MX to begin with.

If we do change the MX tomorrow, I would rather see the Titan remain in place. The Titans remain to this day the missile we have that is capable of throwing the greatest throw weight, the greatest megatonnage, and I do not want to see that done away with the potential for changing the MX that I will bring up tomorrow morning. So I am voting to retain this. I think we still need it. I think the $80 million is well spent to retain it. We do have maintenance problems with it,

but it is the most effective throw weight vehicle we have in our arsenal today, and it is too early to throw it away, particularly if we change the MX, which I hope we do tomorrow.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas.

Mr. EXON. Mr. President, I know my colleagues are anxious to get on with things, and I was not going to say any more. I made a lengthy speech on this that few, if any, heard or listened to.

I do think this is a very serious matter. My talented and clever friend from Kansas has a way of mellowing the Senate with his humor, but this is not a humorous matter. The President of the United States himself, within the last month, went on national television and said, "We are inferior to the Soviet Union in ICBM's."

I have never been able to understand why the President of the United States would be pulling out beginning October of this year at the rate of one a month the Titans if he really believes we are behind the Soviet Union in megatonnage. I think that is the critical thing we must understand.

The hearings that we held on the subject in great detail showed that if we were going to unilaterally start disarmament by taking out the Titans, which we had 52 this year, which would happen if we go along with the amendment offered by the Senator from Kansas, we would be starting to dismantle up to approximately 33 percent of the total megatonnage that we have right now without any action on the part of the Soviet Union at all.

Clearly when we held a hearing on this within the Armed Services Committee it was clear, and I think unanimously reported from the Armed Services Committee, that it would be wrong to start dismantling this system now. The Titans were never supposed to be dismantled until an MX or something like it was in place to give us the megatonnage that we need.

You can make fun of this missile if you want to, you can talk about the danger to Wichita, Kans., but I can assure every Member of this body that that 9 megatonnage Titan II missile is no laughing matter to a Soviet planner.

As I said earlier, it is not as accurate as our other missiles, but if the Soviet Union should launch an all-out nuclear attack against the United States, we could launch those Titan II's—God help us if that ever happens, but we could—and it would not be critically important as to how close to the exact location that Titan landed in the Soviet Union.

I do not know that it is going to do any good to argue this further in great detail. I know the Presiding Officer, who is the chairman of the subcommittee, held extensive hearings on this at my suggestion. But if no one else cares to defend the actions of the Armed Services Committee I will do so, and I say that I think if we adopt the amendment offered by the Senator from Kansas we do not know what we would do with regard to further exposure under the present circumstances from the Soviet Union.

Mr. President, I yield the floor.

Several Senators. Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. RANDOLPH. I presume I am not out of order, but I wonder if Members would remain at their desks and this would go very speedily?

The PRESIDING OFFICER. Does the Senator from West Virginia put that in the form of a unanimous-consent request?

Mr. RANDOLPH. No, I would not.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS) and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

The PRESIDING OFFICER (Mr. GOLDWATER). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 40, nays 54, as follows:

[Rollcall Vote No. 107 Leg.]

YEAS—40

Abdnor	Hawkins	Pryor
Andrews	Heinz	Randolph
Bumpers	Jackson	Riegle
Burdick	Kassebaum	Roth
Chafee	Kennedy	Rudman
Cochran	Long	Schmitt
D'Amato	Matsunaga	Simpson
DeConcini	Mattingly	Specter
Dole	Melcher	Stevens
Domenici	Moynihan	Tsongas
Durenberger	Murkowski	Wallop
Grassley	Packwood	Weicker
Hart	Pell	
Hatfield	Proxmire	

NAYS—54

Armstrong	Byrd, Robert C.	Exon
Baker	Cannon	Ford
Baucus	Chiles	Garn
Bentsen	Cohen	Glenn
Biden	Cranston	Goldwater
Boren	Danforth	Gorton
Boschwitz	Denton	Hayakawa
Bradley	Dixon	Heflin
Brady	Dodd	Helms
Byrd, Harry F., Jr.	Eagleton	Huddleston
	East	Humphrey
Inouye	McClure	Stafford
Jepsen	Mitchell	Stennis
Johnston	Nickles	Thurmond
Kasten	Nunn	Tower
Laxalt	Percy	Warner
Leahy	Quayle	Zorinsky
Levin	Sarbanes	
Lugar	Sasser	

NOT VOTING—6

Hatch	Mathias	Pressler
Hollings	Metzenbaum	Symms

So Mr. DOLE's amendment (UP No. 927) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I will inquire if the manager is now prepared to go ahead with more amendments this evening. I have already announced there will be no more rollcalls tonight, but I hope we can dispose of three, four, or more amendments before we quit for the day.

Mr. TOWER. If the Senator will yield, we have three amendments by Senator PROXMIRE and one amendment by Senator LEVIN in sequence by a gentleman's agreement, not a formal agreement.

UP AMENDMENT NO. 928

(Purpose: To modify the requirements relating to the initial period of active duty for training of all persons enlisting in a reserve component of the Armed Forces)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself and Mr. THURMOND, proposes an unprinted amendment numbered 928.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

ACTIVE DUTY FOR TRAINING OF PERSONS ENLISTING IN A RESERVE COMPONENT OF THE ARMED FORCES

SEC. —. (a) Section 511(d) of title 10, United States Code, is amended by striking out the second sentence and inserting in lieu thereof "Each person enlisted under this subsection shall perform active duty for training for twelve weeks or for such other period as the Secretary concerned determines to be necessary to complete the basic military training prescribed by such Secretary. The period of active duty for training shall commence within 270 days after the date of the enlistment, if practicable.".

(b) The amendment made by this section shall be effective with respect to persons enlisting on or after the date ninety days after the date of enactment of this section.

Mr. PROXMIRE. Mr. President, the military Reserve and the National Guard are as vital to the defense of our country as are the regular active duty forces. It is these men and women on which this country relies to instantly step out of their civilian careers and into the roles of trained military personnel literally overnight.

As critical to our Nation as these people are, our mechanisms for recruiting them and conducting their basic training contain several limitations which needlessly restrict these programs' ability to attract talented young people.

Each of the regular services, the Reserves, and National Guard forces have programs to permit recruits to enlist but not begin active duty training until a later date. For those enlisting in the regular forces, this delay can be up to 270 days (9 months). Those enlisting in the Reserves or National Guard can wait up until only 180 days (6 months).

This double standard unfairly discriminates against the Reserve or National Guard forces because potential recruit—typically a high school senior or college student—cannot consider enlisting until December or January. However, the regular service recruiters have the 3 preceding months to convince a potential recruit to enlist in their programs. Needless to say, this 3-month advantage permits regular recruiters to function throughout the school year and enables them to attract students—the perfect candidates for which the Reserve or National Guard programs are best suited.

The active duty period is similarly limited in its effectiveness. The current law requires that the initial active duty period for National Guard or reserve personnel be a minimum of 12 weeks, including basic training. Several of our more enlightened services have established self-paced segments in their basic training programs. The brightest of the recruits can finish these so that they have completed their entire training requirements before the statutory 12-week minimum has passed. This forces the Reserve or Guard to totally demoralize these ambitious, intelligent new members of the military community by giving them menial or "make-work" tasks to pass the remaining time. Clearly, it would be to the advantage of both the individuals and the services for those individuals to be returned to their civilian capacities. Thus, cost to the Government would be reduced, morale would not be destroyed, and the individuals would realize that they were being rewarded for their diligence rather than being punished with unsuitable duty.

This pending amendment to S. 2248 would extend the permissable period between enlistment and the beginning of initial basic training from 180 to 270 days for Reserve and National Guard personnel. This amendment would also alter the 12-week initial basic training requirement by permitting the training to be the equivalent of 12 weeks. The equivalent standard would be set by the Secretary of the service concerned.

I trust that my colleagues will share in my belief that our Reserve and National Guard programs are worthy of the upgrading which would result from these amendments.

Mr. President, I have had a chance to discuss this with the manager of the bill. I understand there is no objection.

Mr. THURMOND. Mr. President, the amendment appears to be a reasonable and sound one. We are willing to accept it.

The PRESIDING OFFICER. The amendment is accepted by the committee.

The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment (UP No. 928) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Wisconsin was agreed to.

Mr. PROXMIRE. I move to lay that motion of the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 929

(Purpose: To provide a period of open enrollment in the Survivor Benefit Plan to persons who, but for age, were entitled to retired pay before December 1, 1980)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 929.

At the end of the bill add the following new section:

OPEN ENROLLMENT PERIOD FOR SURVIVOR BENEFIT PLAN

SEC. . (a)(1) A person who, before December 1, 1980, performed the number of years of service required by clauses (2) and (3) of section 1331(a) of title 10, United States Code, for entitlement to retired pay under chapter 67 of such title and who is not at least 60 years of age on the date of enactment of this Act may elect to participate in the Survivor Benefit Plan and may designate an effective date under section 1448(e) of such title during the open enrollment period specified in subsection (b).

(2) A person who—

(A) became entitled to retired pay under chapter 67 of such title before the date of enactment of this Act;

(B) is a participant in the Plan; and

(C)(i) elected not to participate in the Plan at the maximum level; or

(ii) in the case of an eligible person who is married, elected to provide an annuity under the Plan for a dependent child and not for the person's spouse, may, during the open enrollment period specified in subsection (b), elect to participate in the Plan at a higher level or to provide an annuity under the Plan for such spouse at a level not less than the level provided for the dependent child.

(3) Any election under this subsection shall be made in the same manner as an election under section 1448 of such title and shall be effective when received by the Secretary concerned. Notwithstanding the last sentence of section 1452(a) of such title, the reduction in retired pay prescribed by the first sentence of such section shall, in the case of a person making an election under paragraph (1), begin on the first day of the first month beginning after such election is effective.

(b) The open enrollment period is a period of twelve months beginning on the first day of the month that begins 30 days after the effective date of this Act.

(c) If any person making an election under subsection (a) dies before the end of the two-year period beginning on the date of the election, the election is void and the amount of any reduction in the retired pay of such person that is attributable to the election shall be paid in a lump sum to the person's beneficiary under the Plan (as designated under such election).

(d) Sections 1449, 1453, and 1454 of title 10, United States Code, are applicable to individuals making elections and to elections under this section.

(e) For the purpose of this section—

(1) the term "Survivor Benefit Plan" or "Plan" means the program established under subchapter II of chapter 73 of title 10, United States Code; and

(2) the term "Secretary concerned" has the meaning given such term in section 101 (5) of title 37, United States Code.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the distinguished Senator from South Carolina (Mr. THURMOND) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESERVE AND NATIONAL GUARD SURVIVOR BENEFIT PLAN OPEN SEASON

Mr. PROXMIRE. Mr. President, the 95th Congress enacted legislation which extended to the National Guard and Reserve Forces the survivor benefit plan which had previously been available only to active duty regular personnel. This plan permitted Guard or Reserve members who had served enough years to earn retirement pay at age 60 and those who had begun receiving such retirement pay to elect to receive a reduced annuity in return for that person's surviving spouse or surviving dependent child being able to receive an annuity after the death of the retired member. The survivor's annuity payment, however, would be subject to dollar-for-dollar reductions for each dollar that the surviving person received from social security as the result of that same member's death.

The 96th Congress enacted legislation which would limit the extent of this social security offset so that it could not decrease the survivor's annuity payments by more than 40 percent

of that annuity. No provision was made at that time for those individuals who had already elected not to participate in the survivor benefit plan, or had elected to participate at less than the maximum extent to reconsider their election because of the significant effect of the change in the social security offset provision.

Mr. President, Congress recognized the need to create an "open season" for affected persons to reconsider their nonelection or reduced election of this plan. However, the provision included in the Omnibus Reconciliation Act of 1981 for that purpose created this open season only for regular service retirees and not to those who would become eligible for their retirement pay only upon attaining age 60—those retiring from Reserve or National Guard duty.

Mr. President, I am proposing this amendment to S. 2248 which will create a 12-month open season for those who were not afforded this opportunity to reconsider in our previous legislation.

Mr. THURMOND. Mr. President, we feel that this amendment is fair and reasonable. We are willing to accept it.

The PRESIDING OFFICER. The Chairman accepts the amendment.

The question is on agreeing to the amendment.

The amendment (UP No. 929) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 930

(Purpose: To extend certain educational loan repayment benefits to commissioned officers who are serving in pay grade O-1 or O-2 in the Selected Reserve of any of the Armed Forces)

Mr. PROXMIRE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 930.

Mr. PROXMIRE. I ask unanimous consent that further reading be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

AUTHORIZATION TO REPAY LOANS OF CERTAIN COMMISSIONED OFFICERS IN THE SELECTED RESERVE

SEC. . Section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note), is amended—

(1) by inserting "or commissioned officer serving in pay grade O-1 or O-2 who previously served as an enlisted member in" after "as an enlisted member of" in subsection (a)(2)(A); and

(2) by inserting "or are appointed" in subsection (g) "enlist or reenlist" the first place it appears.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the distinguished Senator from South Carolina (Mr. THURMOND) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

STUDENT LOAN REPAYMENT PROGRAM—EXTENSION TO OFFICERS

Mr. PROXMIRE. Mr. President, I am deeply concerned about the ability of our Reserve Forces to attract and retain high quality young men and women. We need more people who are better qualified to efficiently handle the increasingly complex responsibilities of the American military. Our national security for this and future generations is dependent on just such valuable assets.

The 96th Congress took a major step toward achieving that goal by including a provision in the 1981 defense authorization which authorized the Secretary of Defense to pay up to certain levels of student loans for each year of service which an enlisted man or woman served after entering the program. Reserve and National Guard personnel could benefit as well as regular active duty personnel, but at reduced levels of support.

The principal weakness of the program as it affects members of the Reserve and National Guard components is that it does not extend to the area where the recruiting need is the greatest—junior officers. Under the present law, an enlisted member of the service is no longer eligible for the student loan repayments if he or she accepts a commission. This has proven to be a strong deterrent to the type of individual which the services should be trying hardest to attract and retain—those with ambition, education, and an orientation toward a career in the military. The classic example that must be corrected is of a bright enlisted person who takes advantage of the program to get a college degree, but who will not sign up for OCS because that will mean a loss of the repayments on his or her loan when commissioning occurs. In the other typical situation that must be overcome, a recent college graduate would be more inclined to enter the service if he or she could enroll in OCS and seek a commission if loan repayments would be available. Too often, that example of highly desirable individual would choose not to join the Reserves or Guard at all rather than enlist or seek a commission that cannot include the loan repayment benefits.

To resolve this problem, I am proposing this amendment to S. 2248 which would extend the benefits of this successful program to Reserve and Guard officers in the pay grades of O-1 and O-2 who have been promoted from the enlisted ranks.

I am confident that my colleagues will join me in supporting this provision, which is essential to reestablishing a strong corps of highly qualified young Reserve and Guard officers.

Mr. THURMOND. Mr. President, we feel that this amendment is fair and reasonable. We are willing to accept it.

The PRESIDING OFFICER. The chairman accepts the amendment.

The question is on agreeing to the amendment.

The amendment (UP 930) was agreed to.

Mr. THURMOND. I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there other amendments?

The Senator from Michigan.

UP AMENDMENT NO. 931

Mr. LEVIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN) for himself and Mr. QUAYLE, proposes an unprinted amendment numbered 931.

On page 53, line 19, after "exist" insert: "and their impact on mutual defense efforts".

On page 54, line 17, strike the period and insert the following: ; and

(G) a description of what additional actions the Executive Branch plans to take should the efforts by the United States referred to in clauses (B) and (E) above fail, and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being so considered.

On page 54, line 22, strike "F" and insert "G".

Mr. LEVIN. Mr. President, on behalf of myself and my colleague from Indiana (Mr. QUAYLE) I have sent this amendment to the desk. I ask that the Senate adopt it tonight.

Some of our NATO allies and our ally, Japan, are failing to contribute sufficient resources to our common defense.

Our amendment requires the Secretary of Defense to inform the Congress what actions the executive branch will take should efforts to obtain increased defense contributions by our allies fail and, in those instances where such additional actions do not include consideration of the repositioning of American troops, a detailed explanation as to why such repositioning is not being considered.

Our amendment makes it clear that Congress expects more vigorous action in this area, and that Congress expects the executive branch to consider all

options available to the United States in obtaining results from our allies.

Both the executive branch and our allies should recognize that patience of the American people is not unlimited about the inequitable defense burdens being borne by them, and the citizens of some of the other NATO nations.

The American taxpayers are faced with a stagnant economy, reduced expenditures for domestic programs and increasing defense budget burdens, as evidenced by the bill now before us. It is a wonder that they have any patience left at all with some of our NATO allies and Japan. Our amendment would send this message, also.

Mr. President, the funds authorized in this bill represent further great expansion of the resources expended annually by the United States to meet its mutual security commitments to its allies in NATO, Europe, and Japan.

The administration is asking American taxpayers to bear an increasingly heavy burden to defend themselves and our allies.

For example, the percentage of our country's gross national product which we devote to defense spending has increased steadily during the past 3 years from about 5.2 percent to a projected 6.3 percent under the budget contained in this bill. The average percent of gross domestic product—a similar measure—our NATO allies devote to defense was only 3.5 percent in 1980, the latest available figure. When Japan's defense spending is included in this total, the percentage appears even worse—only 2.9 percent.

Part of this increased burden is militarily justified. However, the increased tensions in Europe due to imposition of martial law in Poland, the everpresent potential for continuing instability in the region of the Persian Gulf, and the expanding Soviet military and political threat in the Far East, underscore the importance of improved military preparedness by all NATO nations and Japan—not just the United States.

Unfortunately, most non-U.S. member nations of NATO, collectively and individually, and Japan, have failed to fully appreciate these growing threats to our mutual security, and have failed to respond adequately with the more sustained defense efforts now warranted.

These failures are demonstrated inescapably by the failure of many NATO nations to meet the twice-reaffirmed, 3 percent annual real growth commitment in defense spending, and by the failure of Japan to increase its defense spending in 1982 and 1981 to levels necessary to meet its already-agreed-to mutual, self-defense commitments.

It is ironic that Japan is an economic superpower—fully capable of increasing its defense spending to improve its sorely deficient self-defense capabilities and to meet its commitments.

This irony is mirrored in the case of our NATO ally, the Federal Republic of Germany, one of Europe's strongest nations economically. Despite that strength, the West German defense budget is expected to show either no real growth, or a real decline, in 1982, according to our own Government's projections.

In addition, we spent almost the entire 12 months of 1981 attempting to get the West Germans simply to sit down at the bargaining table to discuss whether they would contribute to the cost of repositioning American troops in their country closer to the front lines where they could better defend against Warsaw Pact aggression.

This repositioning proposal is known as the Master Restationing Plan, and it will directly benefit the West Germans. Yet, they were not even willing to name negotiators for almost 1 year. That hardly is a demonstration of a cooperative attitude from a NATO ally.

The failures by many of our NATO allies and Japan to meet their mutual defense commitments have been exhaustively documented by our Government in several forms. Much of this evidence is contained in the Report on Allied Commitments to Defense Spending produced by our Department of Defense in response to language I authored in the fiscal 1981 and 1982 Defense Authorization Act. The fiscal year 1983 bill now before us contains a similar requirement, also at my initiative.

Known as the Burdensharing Report, this document has contained the following conclusions and information during the past 2 years:

Politically, the failure of our allies collectively to achieve at least the 3% judged necessary to keep the East/West balance from tipping further against NATO could be seen by Moscow as a weakening of our collective resolve;

Militarily, failure of many of the allies to achieve the 3% goal will affect equipment modernization plans, delay implementation of the Long Term Defense Program and result in widespread shortfalls in meeting NATO force goals;

Critical deficiencies and shortfalls exist in most areas, with progress judged to be less than satisfactory in at least 60% of the measures identified in the conventional (NATO) Long Term Defense Program areas."

Weighted average real growth in annual defense spending, compared with 3% commitment, is projected to be lowest it has been since commitment established: between "1.0% to 2.1%" in 1982.

Japan's performance in contributing to the common defense is even more dismal, Mr. President, as both the Burdensharing Reports and testimony before congressional hearings demonstrates.

Last year, the Burdensharing Report stated:

. . . U.S. encouragement for the Japanese to do significantly more in their own defense is neither unwarranted nor excessive. In fact, with almost total dependence on imported oil, Japan simply must do more to meet its defensive needs at home to help compensate for the intensive and extensive U.S. effort in Southwest Asia—in Japan's behalf as well as our own.

This year and last, the report concluded:

Japan . . . ranks last or next to last on all of the ratio measures surveyed, and thus, quite clearly appears to be contributing far less than its share or what is is capable of contributing. This validates our major emphasis over the last several years on getting the Japanese to increase their defense spending.

High-ranking Defense Department officials have testified both to our committee and to the House Foreign Affairs Asia Subcommittee about Japan's inadequate contributions to the common defense. Their conclusions were as follows:

. . . they are still fundamentally unable to provide effective, meaningful self-defense against the threat facing Japan in the '80s. . . . substantially more significant efforts will be required. . . .

We are interested in actual Japanese capabilities to defend their territory, their surrounding seas and skies and their sea lanes to 1,000 miles, missions they say are authorized for them to perform. We believe the Japanese can calculate what it will cost them to achieve these capabilities and that those costs will ex-one percent of Japan's gross national product;

If Japan should decide it is in its interest, it could with its economic vitality do significantly more for its own self-defense than any other U.S. ally in the world. Such actions would have meaningful results for Japan's own security and for the stability of the entire Free World.

The executive branch also has asked Congress to reinforce its efforts to urge the Japanese and our NATO allies to increase their defense efforts. Assistant Secretary of Defense West stated to the House Foreign Affairs Subcommittee:

. . . we hope the Congress and this Committee will participate and play a significant role in convincing Japanese leaders of the wisdom of substantive U.S.-Japan defense cooperation. . . .

Deputy Defense Secretary Frank Carlucci responded to one of my questions at a hearing by saying:

Support of the Congress for increased allied defense efforts to promote more effective defense capability would be welcome.

Passage of our amendment would respond positively to the executive branch's request for congressional reinforcement, and to the urgings of the American people that our NATO allies and Japan must bear a more equitable share of the mutual security burdens.

● Mr. QUAYLE. Mr. President, I am pleased to cosponsor Senator LEVIN's amendment concerning the contribu-

tions of our allies to the common defense. I do so for the following reasons.

On numerous occasions during the past few months, the Senate Armed Services Committee has received expert testimony about the defense expenditures of our allies. In general, the formal testimony has been quite complimentary in nature, leaving the impression that, with minor exceptions, most countries have been carrying their share of the load.

Quite a different picture, however, has been conveyed in response to our questions, and most of us were left with the disquieting feeling that there is a general consensus that they are not doing enough. Certainly, on a statistical basis one is hard pressed to prove that our allies are contributing their fair share to the defense burden.

Several recent meetings in my office with representatives of our allies have served to heighten, rather than alleviate, my concern.

Another consistent factor in hearings and other meetings has been the reluctance of Government people to criticize our friends across the seas. The attitude seems to be that the best way to get our allies to increase their defense expenditures is to keep our concerns off the front pages, and let quiet diplomacy do its job. I do not share that view.

I think it is time to bring the problem out of the closet.

Over and over, we have heard comment in recent months about the unprecedented Soviet arms buildup. We have all been exposed to the classified data and have become alarmed about the scope of, and implications of, the Soviet military buildup.

President Reagan has responded to that threat by defining a defense program which requires a significant commitment to an enhancement of the U.S. military posture. Most of us believe that even with our strained economy it is mandatory for us to expand our defense efforts.

Mr. President, something is fundamentally wrong when we and our allies can look at the same threat data and the United States believes it requires a large expansion of our defense efforts, while our allies move along with essentially a business as usual approach.

I believe that we should both be expanding our defense programs, in coordinated fashion, because if we do not, we will be unevenly prepared to respond to future threats.

This amendment tries to get to the heart of the matter by requesting a report which answers several important questions.

In the simplest sense the questions are:

First, what do we expect our allies to do?

Second, are they doing it?

Third, if not, why not?

Fourth, what are we doing to get them to face up to the issue of contributing their fair share?

Fifth, what is the impact of their failure to respond?

Necessarily, Mr. President, the report will be classified, but we have a responsibility to our constituents in these times when we are calling upon them to make unprecedented sacrifices, to provide assurance that our allies are also doing their fair share of providing for our mutual defense.

Based on where we are right now, I cannot provide them with that assurance, and I believe this amendment will help resolve the issue.●

Mr. LEVIN. Mr. President, I understand that this amendment is now acceptable to the manager of the bill. I thank the manager, our chairman (Mr. TOWER), for his work with Senator QUAYLE and myself on this amendment.

Mr. TOWER. Mr. President, it is the intention of the committee to accept the amendment. I should say I am prepared to accept it as chairman of the committee. It is my understanding that it has been cleared also with Senator STENNIS.

There is, of course, increasing debate, Mr. President, in this country about the advisability of maintaining U.S. forces in Western Europe. I think a lot of that discussion is somewhat obscured by emotion, and what is lacking in the debate is an objective analysis of the facts.

I think the practical effect of this amendment will be to provide the administration an opportunity to explain why it is not in the national interest of the United States to remove U.S. troops from Western Europe. I might note, Mr. President, that we are not in Western Europe simply for altruistic reasons. We are there because we believe it is in our national interest to be there and because it is axiomatic that when you are confronted by a great adversary, it is prudent to maintain your defense perimeter as far from your own shores as possible and as close to his as possible.

Aside from that strategic consideration, the value of Western Europe and its resources to the free world is well understood and does not even need comment. Our cultural and historic ties with Western Europe make it incumbent upon us to manifest an interest in the continued freedom and security of Western Europe.

So we are there, Mr. President, not just to defend the Europeans, but to defend our own interests. That, of course, is the criterion against which we must judge all of our troop deployments, wherever they might be in the world. That is the question of whether or not it is, indeed, in our national interest. In this instance, it is.

Mr. President, we certainly should insist that our European friends do everything they can to defend themselves, and that they contribute an adequate portion of their gross national product to their own defense. I might add further that they should be prepared to accept the deployment of weapons that will not only defend their security, but assure the security combat effectiveness of our own troops that are stationed in that part of the world.

I am prepared to accept the amendment of the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP 931) was agreed to.

Mr. LEVIN. Mr. President, I thank the chairman of the committee, Senator TOWER, for his cooperation on this with Senator QUAYLE and myself. His work and the work of the staff has been most helpful. I think we have reached a conclusion here which we all can live with. It is after the result which we all seek, which is a greater contribution, a fair contribution by all our allies to the mutual defense. I think this amendment now achieves that.

The PRESIDING OFFICER. Are there other amendments to this bill?

Mr. TOWER. Mr. President, I do not believe there are any other amendments pending to be considered this evening. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, there are two or three minor matters that must be dealt with.

First of all, may I inquire of the distinguished manager of the bill if he is prepared to agree on his side that when we resume consideration of this bill tomorrow, the Roth-Glenn-Nunn amendment dealing with NATO military cooperation will be the pending amendment?

Mr. TOWER. Mr. President, I am prepared to agree that that should be the pending amendment and those gentlemen are already to go on that, so I do agree that that should be the first one that we take up in the morning.

Mr. BAKER. May I put that in the form of a unanimous-consent request?

Mr. President, I ask unanimous consent that when the Senate resumes consideration of the pending bill, the Roth-Glenn-Nunn amendment dealing with NATO military cooperation be the pending amendment.

THE PRESIDING OFFICER. Without objection, it is so ordered.

● Mr. SCHMITT. Mr. President, for over a decade we have allowed our national defense to deteriorate. We have underfunded our defense budget resulting in a failure to procure new, modern weapons, to continue research and development on new weapons systems, and to provide the type of military which our Nation needs to survive. The threat to the free world is greater today than ever before. Our way of life, Western political and economic systems, and Western ideas and traditions are under attack.

During this previous decade, the United States did not deploy new strategic systems, it failed to modernize our military forces, and it allowed the strategic and tactical balance to shift away from the United States and its allies toward the Soviet Union and its allies. During this same period, the Soviet Union has continued to build up its military strength, both strategic and conventional. The Soviet Union has outspent and outproduced the United States.

The result of this imbalance is that the United States and NATO are outnumbered in virtually all weapons systems in Europe. The United States bases its security on strategic weapons built in the 1960's while the Soviet Union has a new bomber, a new submarine, and several generations of new intercontinental ballistic missiles (ICBM's). The Soviet Union today can threaten U.S. and Western interests in the Middle East, Africa, Southwest Asia, and even in the Western Hemisphere.

Mr. President, the Soviet military buildup is not defensive in nature. In fact, the Soviets have continued to use their military strength in aggressive activity. The most blatant example of this aggression is their invasion of Afghanistan in December 1979. Other examples include their support for terrorists throughout Western Europe, their support for revolution and war throughout Africa and Southwest Asia, and their support for revolution in our own hemisphere. There can be no doubt of what Soviet intentions are.

The Soviet Union established a military-industrial complex which subjugates the whole political and economic process within the Soviet Union. The U.S.S.R., in essence, maintains a wartime economy. That economy is supported, in part, by the West. It has been the West which has provided the Soviet Union with the grain, the technology, and the consumer goods which has allowed it to continue to produce military equipment at a frightening level. The unilateral restraint that the West in general and the United States in particular has exercised over the last decade had done little, if anything, to slow the pace of Soviet military production. And that military buildup is continuing.

Mr. President, the defense budget we have before us is not one which I support enthusiastically. It is always sad to spend such a large part of the national budget for the production of military weapons. This budget, however, is necessary. It has been forced upon us by the threat posed by the Soviet Union and its allies. We have no choice but to spend what is necessary to defend the United States, our allies, and our interests throughout the world. To do less would be to fail in our responsibility to our citizens as well as all freedom-loving people throughout the world.

Mr. President, the American people support the President's program to rebuild our national defense. Last year we began that process. The bill before us continues to redress the strategic and tactical military imbalance that has resulted from the massive Soviet buildup. It will take years but it must be done.

I offer my congratulations to the administration and to the Senate Armed Services Committee for presenting the Senate with a good defense bill. It continues the programs which we began last year. There are some issues of special concern which the bill addresses. First and foremost is the status of our Reserve and National Guard Forces. In any environment, and especially with an All-Volunteer military, the Reserves and Guard Forces form the backbone of our national defense. Yet, we have failed to modernize the equipment which we provide to these men and women who voluntarily serve their nation and have the experience and drive necessary for a viable defense. This bill seeks to begin addressing that problem. I am glad to see that the committee added funding for the National Guard and the Reserves.

The bill also contains funding for the deployment of the 50 Minuteman III missiles as replacements for Minuteman II's, a program which I have worked on for a number of years. Related to that program is the funding for the Minuteman extended survivable power (MESP) program which is critical if the President is to have any flexibility in any conflict.

The potential of space-based lasers will be explored more completely with the funding for the Air Force contained in this bill. It is vital that we begin moving lasers out of the laboratory and begin developing the systems work needed to build a space-based laser. This weapon is unique in that it offers the potential of making nuclear weapons obsolete. Whether that is, in fact, feasible will only be determined through the program proposed by the administration and one which I have encouraged and supported for many years.

The renewed interest in ballistic missile defense (BMD) is a welcome sign. The development of this technology, which is solely defensive in nature, offers the potential of providing defense against ballistic missiles not only for our ICBM force, but, in the long run, for our civilian population.

I would be remiss if I did not express disappointment with the bill in some areas. First, it was, I believe, a mistake to delete the funding for the procurement of the first nine MX missiles. Since the last deployment of a new ICBM by the United States, the Soviets have deployed numerous generations of ICBM's and are developing a number of new ones. Yet we continue to discuss and debate the need for the missile and its basing mode. Last October, the President announced his strategic policy to the Nation. The deployment of the MX missile is a key element in that policy. The actions of the Armed Services Committee serve to disrupt the upgrade of our strategic forces and continues to leave open that window of vulnerability for an even longer period.

The failure of the administration and the Congress to fully grasp the significance and potential of space is extremely disturbing, especially in light of the aggressive space policy of the Soviet Union. Space offers the potential of solving numerous military as well as civilian problems. The technology developed in the space program has already permanently altered our economy as well as our way of life. Our military, as well as our civilian population, is increasingly dependent on space for communications. Yet, there is no clear policy or understanding of the total role of space.

The most blatant example of the lack of a space policy is the debate about the fifth Shuttle. After three successful flights of the Columbia, the Department of Defense has failed to articulate their position on the size and makeup of our Shuttle fleet. It appears that the Congress may have to take the lead in the formulation of a space policy.

The deletion of $107.8 million from civil defense greatly disturbs this Senator. Civil defense is a major part of the President's strategic policy. The Soviet Union as well as many of our NATO allies firmly believe in the need and benefit of a good civil defense program. Yet, the Armed Services Committee cut the President's proposal by 40 percent. Protecting our civilian population is the most critical aspect of defense. Civil defense offers that possibility. I hope that the committee will reconsider its position with regard to this issue.

Lastly, I am concerned that the initiatives, begun last year by Secretary Carlucci, to cut waste and inefficiency in the defense budget may have been

put on the backburner. If we are going to provide the type of defense which this Nation needs, efficiency in research and development as well as production is vital. The elimination of fraud, waste, and abuse is necessary to restore confidence in the integrity of the budget. I urge the administration to continue and expand the initiatives begun last year. In my role on the Senate Appropriations Defense Subcommittee, I intend to pursue these issues.

In conclusion, Mr. President, after reviewing the Soviet threat briefing which was presented to the Senate, I am more convinced than ever of the need for increased spending for national defense. Throwing just money at the problem will not solve it. However, a carefully formulated program with the resources to implement it will reduce the threat to the United States. At the same time, efforts to control and reduce nuclear and nonnuclear weapons through negotiations must continue. This budget and the policies of the Reagan administration effectively accomplish these goals.●

AMENDMENT OF NATIONAL HOUSING ACT

Mr. BAKER. Mr. President, Calendar Order No. 509 is cleared on this side of the aisle for action by unanimous consent, if it is agreeable to the minority.

Mr. ROBERT C. BYRD. Mr. President, there is no objection to proceeding with that bill.

Mr. BAKER. I thank the Senator.

I ask that the Chair lay before the Senate H.R. 6038.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6038) to amend section 235 of the National Housing Act.

Mr. GARN. Mr. President, passage of this bill is cleared with all my colleagues on the Banking Committee and I urge the Senate to accept this 6-month extension of the 235 home buyer assistance program.

Because the program expired on March 31, the committee members make the following directions to the Department of Housing and Urban Development about reinstituting the program:

We intend that when the section 235 program expires on September 30, 1982, full use will have been made of all available contract authority. The Department of Housing and Urban Development is reminded that authority allocated to one State may be redistributed to another when the HUD Secretary determines that the original allocation cannot be put to use in the current fiscal year.

We expect that in making any redistribution from the remaining reservations of contract authority throughout the Nation, the Secretary of HUD will take into consideration, among other factors, an area's previous record of converting reservations into firm commitments and the expected ability of an area to use any additional authority in an expeditious manner.

It is also the intent of Congress that the period between March 31, 1982, and the enactment of this act shall not be counted in determining the date on which reservations previously made shall lapse.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 6038) was ordered to a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The motion to lay on the table was agreed to.

FILING DATE FOR SENATE COMMITTEE REPORTS EXTENDED TO MAY 28, 1982

Mr. BAKER. Mr. President, I ask unanimcus consent to vitiate earlier orders of the Senate relating to the reporting date of Senate committees in accordance with the provisions of section 402 of the Budget Reform Act of 1974.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I ask unanimous consent that the reporting date for Senate committees specified in section 402 of the Budget Reform Act of 1974 be extended from May 15, 1982, until 5 p.m. on Friday, May 28, 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is the opinion of the leadership, with which I believe the minority leader agrees, that the additional time granted by this request is needed by committees so that they may comply with the Budget Act requirements. The Senate, as you know, is somewhat late in completing action on the First Concurrent Budget Resolution, and that has prompted a number of committees to request additional time to comply with the resolution.

S. 907—REENGROSSMENT FOR PURPOSE OF AMENDMENT

Mr. BAKER. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to request the return from the House of Representatives of the engrossed copy of S. 907.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Further, I ask unanimous consent, Mr. President, that S. 907 be reengrossed if and when it is returned from the House to reflect the following change, which I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 21, in proposed subsection (a) of section 351 of title 18, United States Code, after the phrase "head of a department listed in section 101 of title 5 or the second ranking official in such department," insert: "the Director or Deputy Director of Central Intelligence,".

EXECUTIVE SESSION

Mr. BAKER. Mr. President, on today's Executive Calendar there are items cleared for action by unanimous consent on this side. I invite the attention of the minority leader, if he will, to those appearing on pages 3, 4, and 5 of today's calendar, including those names on the Secretary's desk, and ask if the minority is in a position to consider all or any part of those nominations at this time.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with Calendar orders numbered 753 under Department of Defense and 754 under Air Force on page 3, and all nominations on page 4, all nominations on page 5, and all nominations on page 6.

Mr. BAKER. And 7?

Mr. ROBERT C. BYRD. And 7.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate now go into executive session for the purpose of considering the nominations just identified.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

Mr. BAKER. Mr. President, I ask unanimous consent that the nominations just identified be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF DEFENSE

Gen. John W. Vessey, Jr., [redacted], Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

IN THE AIR FORCE

Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 601, in grade as follows:

To be general

Lt. Gen. Jerome F. O'Malley, [redacted].

IN THE ARMY

Gen. John A. Wickham, Jr., [redacted], Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

IN THE NAVY

Vice Adm. Robert F. Schoultz, U.S. Navy, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, sections 5086(a) and 601, for reappointment while so serving.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for appointment while so serving as follows:

To be admiral

Vice Adm. Sylvester R. Foley, Jr.

MARINE CORPS

Lt. Gen. William J. White, U.S. Marine Corps, age 57, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

DEPARTMENT OF JUSTICE

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the terms of 4 years.

Marvin E. Breazeale, of Mississippi, to be U.S. Marshal for the southern district of Mississippi for the term of 4 years.

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years. (Reappointment).

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, COAST GUARD, MARINE CORPS, NAVY

Air Force nominations beginning John O. Ahnert, Jr., to be lieutenant colonel, and ending Manuel A. Thomas, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 14, 1982.

Air Force nominations beginning Walter S. Sorenson, to be determined, and ending Carl W. Reddel, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Woodrow M. Ivandick, to be determined, and ending Kenneth H. Flemming, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Patrick J. Behnke, to be determined, and ending David O. Swint, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Randal G. Abraham, to be determined, and ending Steven G. Zenishek, to be determined, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Army nominations beginning Stephen I. Alpern, to be colonel, and ending Jarel Zoltick, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 14, 1982.

Army nominations beginning Julius L. Bedynek, to be colonel, and ending Catherine L. Wilhelmsen, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Army nominations beginning Hector J. Acosta, to be second lieutenant, and ending Scott Lloyd Zonis, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Coast Guard nominations beginning Samuel E. Burton, to be lieutenant commander, and ending James B. Ellis, II, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Marine Corps nominations beginning Clifford M. Accree, to be major, and ending David J. Young, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Navy nominations beginning Randall Otto Abshier, to be commander, and ending Lawrence N. Wiltzius, Jr., to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Navy nominations beginning Frederick Key Abell, Jr., to be ensign, and ending Dorothy Jane Zink, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Navy nominations beginning Kurt F. Baker, to be ensign, and ending Frank J. Weingartner, Jr., to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 26, 1982.

Navy nominations beginning Edwin McCullough Anderson, to be commander, and ending David Chester Vonrump, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 26, 1982.

Navy nominations beginning Brent S. Frampton, to be ensign, and ending Ronnie D. Thomas, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominations were confirmed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

SURGE PLANNING

Mr. JEPSEN. Mr. President, one of the major themes in the current debate over the defense authorization bill is getting the most capability for our defense dollar. We often lack the creative solutions necessary for reaching this goal.

There is one area in which we have made encouraging progress, however. The Army, through its Army Materiel Readiness Command Headquarters at Rock Island, Ill., has begun implementing new contracting procedures to significantly enhance our ability to surge defense production. These new procedures have been described in an article by George T. Nickolas, an Iowan who is chief of the Policy, Plans, and Control Division at the Rock Island Arsenal. The article appears in the first quarter 1982, Defense Management Journal.

Widespread implementation of these procedures could significantly reduce th ability of the Department of Defense and the industrial base to respond in a crisis. Mr. President, I ask unanimous consent that the article entitled, "Ready Response to a Surge: New Contracting Techniques" by George T. Nickolas be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

READY RESPONSE TO A SURGE: NEW CONTRACTING TECHNIQUES

(By George T. Nickolas)

Adequate industrial production in the event of a mobilization requires planning. Since World War II, the Department of Defense has relied mainly on provisions of the Defense Production Act of 1950 for the procedures and authority needed to accommodate that planning. Contractors who agree to become mobilization producers sign agreements with DoD to produce definite quantities of certain critical items on a schedule established by military planners. But what happens in a situation such as the conflict in Vietnam, for which there is no formal mobilization or implementation of war powers? In these situations, the defense industrial base must still accelerate in order to produce the ammunition and weapons needed, but, until recently, we lacked a structured method for accomplishing a nonwartime surge.

Now, however, the U.S. Army Armament and Materiel Readiness Command has developed techniques and a contract provision that enhance the government's ability to respond effectively to such a combat situation. These measures enable the government to gather the production and procurement planning data needed to formulate logistics plans and acquisition strategy. More importantly, the contract provision makes available a formal vehicle for increasing quantities and accelerating contractors' delivery rates at all levels of production. Given the current state of the nation's defense industrial base, adequate planning provisions for non-wartime buildup are essential.

SOME BACKGROUND

In late 1980, the House Armed Services Committee held extensive hearings concerning the condition of the defense industrial base; its report was not

encouraging.[1] Typical of the testimony given was that of Mr. Harry Gray, chairman of the board and chief executive officer of United Technologies, who stated: "The supplier network that forms the base of our country's defense industry is shrinking at an alarming rate."[2] Paralleling Mr. Gray's comments, various other industry managers noted that many small forging and casting companies were closing, largely because of environmental, health, and safety laws and regulations imposed by the federal government.

These closures have dramatically affected production and procurement lead times. Between 1976 and 1980, for example, the production lead time for aluminum forgings increased from 20 to 120 weeks. Similarly, according to Harry Gray, "In 1978, normal lead times for one of our military jet engines was 19 months. Today the Air Force has to order that engine 41 months before delivery."[3]

MANPOWER PROBLEMS

Contributing to lags in production and procurement is a critical shortage of skilled personnel. A survey by the National Tooling and Machining Association projects a shortfall of 250,000 journeymen machinists by 1985. Another association survey indicates a current shortage of 20 percent among forging industry personnel and looks for this to increase to 42 percent by 1990.[4] Under full mobilization during World War II, thousands of people from all walks of life, many of them unskilled, were able to be trained in a matter of weeks to build weapons and aircraft engines. Today, production of highly sophisticated military equipment requires complicated equipment, highly trained operators, and tight tolerances. Retraining an operator on an automobile assembly line to produce high technology aerospace parts, for instance, takes a full year.[5]

SURGE PLANNING VERSUS MOBILIZATION PLANNING

Conditions such as these complicate both surge and mobilization planning but especially the former, which, unlike the latter, must proceed without various laws which apply only in the event of war or national emergency. Planning for a mobilization is an ongoing process, the purpose of which is to bring the armed forces to a state of readiness for war or other national emergency by assembling and organizing the natural resources needed. Implementation requires a declaration of war or other national emergency, at which time many wartime powers become available to enhance the production of war materiel and to relegate consumer goods to secondary consideration.

Surge planners also seek to prepare for acceleration of the U.S. industrial base, but to support combat operations such as might take place during an undeclared war, in assisting a friendly foreign government, or in the event of an imminent national emergency. Though rapid response is critical in providing surge support, war powers are not available to facilitate implementation. Instead, surge planned contractors must use the facilities and equipment on hand at the time and do so while fulfilling current commercial contractual obligations and surge requirements from other services.

DoD must rely on a combination of contractual actions in order to escalate logistics operations sufficiently to meet combat requirements during a surge. To accommodate rapid acceleration of production, Headquarters, U.S. Army Armament Materiel Readiness Command, Rock Island, Illinois, implemented a surge contracting techniques program in October 1980. These techniques, based on what a proposed surge contractor says he can produce using existing equipment and facilities, are really a package of contractual provisions, requirements, option clauses, and prepositioned instruments which will permit ARRCOM to step up, in some cases unilaterally, a contractor's monthly production rates of required items.

CURRENT PLANNING INADEQUACIES

ARRCOM's package uses some elements of the program currently in place to accomplish defense industrial preparedness planning, supplementing and adapting its procedures where necessary. The cornerstone for DoD industrial preparedness planning has been the identification of defense contractors as mobilization base planned producers for items on an industrial preparedness planning list. When the nation mobilizes for war, these contractors, who have executed DD Form 1519, "DoD Industrial Preparedness Program Production Planning Schedule," will be the initial producers of war supplies. In preparing Form 1519, the contractor agrees to a production schedule that his company will produce to on mobilization day plus a certain number of months. This production schedule provides for accelerated deliveries, taking into account known constraints such as shortages of skilled and semiskilled workers, training and learning periods, equipment voids, material shortages, and construction of new or expansion of existing buildings.

A major drawback to these plans—and one that ARRCOM's surge planning techniques seek to overcome—is that there is often inadequate coordination between planned producers and their sub-tier structure, notwithstanding detailed procedures in the industrial preparedness planning manual, DoD 1005.3M. Thus, the ability to increase production to the agreed-upon schedules may never materialize. Planned producers may be basing their estimates of accelerated production rates on the presumed availability of subcontractors and material suppliers already committed to another prime planned producer. In the event of mobilization, a contractor himself may have the capacity to meet the schedules specified in his DD 1519, but the subcontractors he relies on at the second, third, or even lower levels may not. Therefore, the surge production plan developed by ARRCOM modified this aspect of industrial preparedness planning procedures.

THE SURGE PLANNING PROCESS

Integral to that plan is the surge items list, based on the industrial preparedness planning list of end items and components essential to combat consumption and mobilization planning. The surge list includes, in addition to items on the industrial preparedness planning list, others not on that list because of restrictions in its size or because the items have only recently transitioned from a development manager to a readiness manager and thus are not yet on the industrial preparedness list. For each entry on the surge items list, ARRCOM requires a surge production plan, which enables planners to determine industry's capabilities for producing items needed. Previously, planners could only estimate those capabilities; the production plans, required as part of every contract, give them more firm data.

A surge production statement of work, placed in each contract in the form of a data item description clause, requires that the contractor prepare and furnish to the procuring contracting officer, within a stated period of time after date of award, the surge production plan. In it, the contractor must explain how he plans to accelerate his production and that of his subcontractors using existing facilities and equipment. As the following description suggests, the plan is a fairly comprehensive document.

Each plan is to cover the period from production buildup through peak production, the monthly peak production, and, if any, possible cost-effective alternatives. Surge planned producers must also identify current and potential constraints on their ability to sustain high volume production under surge conditions. Examples of such constraints, which require some action or priority consideration by ARRCOM planners, include single source vendors already at maximum capacity in meeting peacetime requirements, material shortages, long production lead time items, and critical skill shortages. In addition, contractors must list other government agencies and commercial and foreign customers for which they are manufacturing a surge item or similar items.

Also required as part of the plan is data on manpower and technical skills constraints and on recruitment and training efforts necessary to expand employment from peacetime to surge production levels. In preparing his plan, the contractor is to assume that the only available priority assistance for material would be that pursuant to provisions of the Defense Priority System. In addition, he must require a surge plan in all his contracts with subcontractors and vendors for pacing or critical items which could affect his ability to accelerate promptly to surge levels of production. Thus the surge production plan mandates planning down to the lowest level of subcontractors; all levels are to include in their contracts the same provisions contained in the contract awarded by the Army to the prime contractor. This requirement provides reasonable assurance that the prime will be able to attain his surge production capability; without this commitment from the lowest level contractor, the entire plan would be meaningless.

Contractor revisions to a surge production plan are obligatory whenever variations are necessary or conditions change which will affect the contractor's ability to accelerate production according to schedule. Also called for under the plan is data on the contractor's ability to accelerate to a maximum single shift production level, to a premium time effort, and to multishift operations. This information will be part of a data item description on DD Form 1423, "Contract Data Requirement List," submitted along with the proposal for the end item itself. The ARRCOM contract will allow the contracting officer to implement the contractor's plan to one of the several levels indicated; the contractor, in turn, can immediately commence work to that level.

SURGE OPTION CLAUSES

Two option clauses developed by ARRCOM complement the surge production plan. The first allows the contracting officer to require that the contractor pro-

[1] U.S. Congress, House Committee on Armed Services and House Committee on Armed Services Panel on the Defense Industrial Base, H.A.S.C. 96-69, Capability of the U.S. Industrial Base, 96th Congress, 2nd session, 1980.
[2] Ibid., p. 45.
[3] Ibid., p. 44.
[4] Ibid., p. 486
[5] Ibid., p. 49.

vide a specified quantity of items on demand. The contracting officer will select the delivery rate for these items from among those identified by the contractor in his surge production plan.

The purpose of the second option clause is to support surge production requirements when a contract does not provide for that support by means of a surge production plan. Such procurements generally involve components that are not considered long lead time items but which are part of an identified surge item. Within 70 days following award of contract, the clause requires that the contractor submits a delivery schedule which covers the option clause quantity up to the contractor's maximum capability at various rates of production. The contractor has to supply much of the same delivery and build-up data required in the surge production plan but does not have to specify the methodology to be used in attaining those delivery rates, the list of long lead time items, or other impediments to achieving higher rates of delivery.

These option clauses are new in that they enable the government to increase monthly delivery rates and add quantities to a contract. Current contract option clauses only allow addition quantities at the end of contract deliveries and at the same rate as the original deliveries, unless a higher rate is agreed to in subsequent negotiations. The new clauses already incorporate options for higher rates, to be exercise at the contracting officer's discretion.

PRE-POSITIONED CONTRACTUAL INSTRUMENTS

ARRCOM's package of surge contracting techniques also includes a procedure for starting production from a cold base, that is, when a surge item planned producer does not have an active contract. Under this procedure, the government negotiates a basic ordering agreement with a surge planned producer for certain items and can place an order against that agreement if a surge situation develops. A current technical data package, updated annually, is part of the agreement. The basic ordering agreement is thus a pre-positioned contractual instrument, the purpose of which is lessening the administrative lead time required to award a contract and commence production of needed materiel.

When a solicitation results in several competitive bids on a surge item but requirements are sufficient to support only one contract, the government can negotiate such an instrument with the unsuccessful offerors, who become surge planned producers of that item. A new technical data package to support the basic ordering agreement is not necessary, because the contractors already have the one from which they prepared their bid. ARRCOM also plans to use these agreements for routine procurement of similar items, thereby providing the contractor with a tangible benefit from his agreement to become a surge planned producer. By providing a vehicle for moving into production with minimum lead time, basic ordering agreements also enhance mobilization capabilities. Previously, the government awarded a contract to one supplier and encouraged others to become mobilization base contractors by executing DD 1519s. But when an emergency arose, it still had to work out a formal contract, and negotiations delayed production of the required items. Pre-positioned agreements drastically cut down on administrative lead time during critical periods.

An improved readiness posture is the major but not the only benefit of ARRCOM's package of surge contracting techniques. As contractors begin to submit surge plans and data, a host of options will become available to readiness planners. By developing computer programs based on different world situations, planners can play surge plans against those situations to determine the outcome and assess the shortfalls of the industrial base. Such exercises can help us determine whether we should seek additional sources for items, construct new facilities or equip contractor-owned-and-operated facilities, and stockpile critical and long lead time items and materials. Because surge plans are predicated on what is actually available in the way of personnel, machines, tools, and material, they are especially useful in these exercises.

While surge option clauses, unilateral surging provisions, and basic ordering agreements will all shorten contractor response time to evolving emergencies, none of these provisions require deviation from defense acquisition regulations or changes to current statutes. Also, the surge data item discription in government contracts is a way of directly paying a contractor for performing defense planning; and because the contractor identifies the cost of preparing the plan, the government knows the actual cost of the planning effort. Previously, though a contractor who signed a DD 1519 also prepared a mobilization plan, he did so without direct reimbursement, and therefore the cost became part of his overhead.

ARRCOM began developing these surge contracting techniques in April 1980 and implemented them on October 1, 1980. They overcome some of the problems noted in the House Armed Services report and enhance the Army's ability to meet surge requirements. The innovation and leadership shown by the Army in developing and testing surge contracting techniques provides a basis for improving DoD's ability to respond in periods of crisis. By adopting similar techniques, other DoD components can also be better prepared to surge.

(George T. Nickolas is chief of the Policy, Plans, and Control Division of the Procurement and Production Policy and Plans Office at Headquarters, U.S. Army Armament Materiel Readiness Command, Rock Island, Illinois. His twenty years of experience in Army procurement has included work in both the development and production phases of major systems acquisition, most recently as principal contracting officer on the Division Air Defense System during the early stages of R&D procurement. A graduate of Augustana College, Mr. Nickolas also attended the University of Iowa Law School and holds a master's degree in procurement and contract management from the Florida Institute of Technology.)

TROOP WITHDRAWALS FROM NATO

Mr. PERCY. Mr. President, earlier this year the Foreign Relations Committee asked the Defense Department to prepare an estimate of the cost of withdrawing U.S. troops from NATO and to provide statistics comparing United States and European troop strengths over the past two decades. The committee has now received this information.

The troop withdrawal cost study estimates that to restation in the United States all U.S. Army and Air Force units now deployed in Europe could cost the United States $17 billion extra in defense outlays over the next 5 years. This would not include the additional cost of providing greater mobility for these forces in order to return them to Europe in time of war.

After considering all options, the Defense Department study concludes "in all cases, the cost of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in the continental United States would result in increased outlays through the next 5 years." The conclusion we must all draw from this is that U.S. troop withdrawals from Europe cannnot be seen as a cost-saving measure.

Other statistics provided by the Defense Department indicate the following:

Current U.S. troop strength in Europe is 329,000, slightly higher than the average for the decade of the 1970's, but well below the average for the decade of the 1960's. Thus the recent small increases in U.S. force strength in Europe simply compensate for some of the troop reductions of the Vietnam era.

The active duty forces of European NATO countries are estimated at more than 3.2 million men and women. This is a significant increase from the relatively low force levels recorded in 1975, and demonstrates that European contries are increasing their overall force structure.

In addition to the buildup in European active duty forces, European reserve forces have increased by nearly 2 million since 1970. These forces would be available to defend Western Europe against any Warsaw Pact attack. By comparison, U.S. reserve strength has declined by almost 1.5 million during the same period.

The Europeans have made progress in the area of burden sharing, and the NATO 3 percent real defense growth goal is being met. A slight decline in the rate of European increase is expected for 1982, but despite the recession, European defense spending will continue to increase in real terms.

I conclude from these statistics that the case for U.S. troop withdrawals from Europe is very weak, that withdrawals would cost U.S. taxpayes dearly, and that the Europeans are making significant efforts to strengthen their defensive capabilities. Therefore, I want to reinforce my pledge to oppose vigorously amendments which require the withdrawal of U.S. forces from Europe.

I ask unanimous consent that the information received by the committee, to which I referred earlier, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TABLE A.—COST OF U.S. DEFENSE COMMITMENT TO NATO

In recent years, the Department of Defense has provided a summary of the costs of the U.S. contribution to NATO. This summary has been prepared by "allocating" U.S. forces to various regions of the world where they might be needed and then determining the cost of maintaining those forces. The Department is currently reviewing and updating the methodology to solve some of the shortcomings involved in such an approach. The two most salient shortcomings are:

U.S. forces are multi-purpose. While large U.S. forces are available to meet any aggression by the Soviet Union and its allies they are also available to meet a threat to U.S. security in other regions of the globe.

Much of the U.S. force structure not directly allocable to Europe supports our NATO strategy and deterrent posture indirectly. Our strategic nuclear forces and RDJTF are examples.

With respect to withdrawals, we have developed an interim estimate of the effect on Defense outlays of withdrawing troops from Europe and restationing them in the U.S. In all cases, the costs of returning the forces and headquarters and of refurbishing or constructing the appropriate base facilities in CONUS result in increased outlays through the next five years.

RESTATIONING COSTS: ILLUSTRATIVE U.S. TROOP WITHDRAWALS FROM EUROPE

[Outlays in billions of dollars]

	Fiscal years—	
	1983	1983–87
Option 1: 1 Division, 2 TFW	0.1	0.8
Option 2: 1 Corps, 5 TFW	.4	8.5
Option 3: All Europe-deployed USA and USAF forces	.8	17.0

If it is our intent to maintain the capability to defend against aggression by the Warsaw Pact, additional mobility forces must be purchased to transport the troops back to Europe when necessary. These costs are shown in the table below.

RESTATIONING COSTS WITH PROVISION OF MOBILITY FORCES

[TOA in billions of dollars]

	Fiscal years—	
	1983	1983–87
Option 1: 1 Division, 1 TFW:		
Restationing costs	0.1	0.8
Additional mobility	2.1	4.3
Total	2.2	5.1
Option 2: 1 Corps, 5 TFW:		
Restationing costs	.4	8.5
Additional mobility	2.2	11.2
Total	2.6	19.7
Option 3: All USA and USAF Forces:		
Restationing costs	.8	17.0
Additional mobility		
Total	.8	17.0

In Options 1 and 2, enough mobility assets are procured (airlift and fast sealift) to return these forces to Europe by M+30. In Option 3—complete USA and USAF withdrawal—no such capability is procured due to its enormous cost, and therefore, no capability for rapid return exists.

Costs in these three options are based on generic costs of restationing Army and Air Force units in both new and refurbished bases in the U.S. We are about to conduct a study of the specific basing actions that would probably be taken if any of these three levels of withdrawal were to be undertaken. We will then price out these actions to obtain a more precise estimate of the costs of withdrawal.

If the costs of restationing U.S. forces in Europe seem high, it must be remembered that we are talking of moving and relocating about one-third of our active Air Force and Army tactical forces from the bases where they have been permanently stationed for thirty-seven years. This involves a massive movement of men and material (e.g., 800,000 tons of Army ammunition), not to speak of rethinking our entire NATO strategy.

TABLE B.—TRENDS IN U.S. AND ALLIED TROOP STRENGTH IN EUROPE

Question: Why is it that U.S. has increased its troops in Europe by 58,000 since 1975 while the allies have decreased their forces by 56,000?

Answer: U.S. forces ashore in Europe as of 31 December have increased from 278,000 in 1975 to 310,000 in 1981, a total of 32,000. At the same time, European Active Military strength increased from 3,039,000 to 3,212,000, an increase of 173,000.

U.S. MILITARY MANPOWER IN EUCOM AREA, END CALENDAR YEAR

[In thousands]

	1975	1981	Increase/ decrease
Army	193.8	217.0	
Navy:			
Ashore	14.7	12.3	
Afloat	22.9	16.7	
Marine Corps:			
Ashore	1.3	1.2	
Afloat	1.9	1.9	
Air Force	68.4	79.5	
Total ashore	278.1	310.0	+31.9
Total afloat	24.8	18.6	−6.2
Total	303.0	328.6	+25.6

NATO AVERAGE MILITARY STRENGTH

[In thousands]

	1975	1981	Increase/ decrease
Norway	38.4	39.9	
Denmark	34.0	32.3	
Northern flank total	72.4	72.2	
Germany	490.8	495.0	
Netherlands	107.0	107.2	
Belgium	103.1	108.6	
Luxembourg	1.1	1.2	
UK	347.7	330.9	
France	585.2	575.2	
Central region total	1,634.9	1,618.1	
Turkey	584.1	741.2	
Greece	185.1	186.2	
Italy	458.9	504.9	
Portugal	103.7	89.6	
Southern flank total	1,331.8	1,521.9	
NATO Europe	3.039.1	3,212.1	+173.0
United States	2,098.0	2,120.0	+22.0
Canada	78.2	82.8	+4.6
Total	2,176.2	2,202.8	+26.6

TABLE C.—NATO MILITARY STRENGTH

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
Northern flank:					
Norway	36	38	39	40	37
Denmark	48	49	50	49	47
Subtotal	84	87	89	89	84
Central region:					
Germany	368	402	430	428	461
Netherlands	138	133	125	120	125
Belgium	121	118	117	117	115
Luxembourg	2	2	2	2	2
United Kingdom	482	463	458	452	450
France	1,009	782	669	595	590
Subtotal	2,120	1,900	1,801	1,714	1,743
Southern flank:					
Turkey	520	529	526	511	552
Greece	180	176	176	178	179
Italy	478	446	428	451	458
Portugal	142	164	172	181	182
Subtotal	1,320	1,315	1,302	1,321	1,371
NATO Europe	3,524	3,302	3,192	3,124	3,198
United States	2,275	2,701	2,691	2,666	2,853
Canada	126	123	118	111	106
Subtotal	2,851	2,824	2,809	2,777	2,959
NATO total	6,590	6,337	6,002	5,900	6,156

	1967	1968	1969	1970	1971
Northern flank:					
Norway	37	37	37	37	36
Denmark	49	47	44	42	45
Subtotal	86	84	81	79	81
Central region:					
Germany	453	454	457	455	472
Netherlands	121	119	117	112	113
Belgium	118	114	108	108	107
Luxembourg	1	1	1	1	1
United Kingdom	440	420	401	384	384
France	579	572	568	571	569
Subtotal	1,712	1,680	1,652	1,631	1,646
Southern flank:					
Turkey	550	564	607	625	615
Greece	180	180	179	179	179
Italy	455	478	486	522	526
Portugal	190	200	219	229	244
Subtotal	1,375	1,422	1,491	1,555	1,564
NATO Europe	3,173	3,186	3,224	3,264	3,291
United States	3,298	3,436	3,467	[1] 3,294	2,714
Canada	105	99	96	91	87
Subtotal	3,403	3,535	3,563	3,385	2801
NATO total	6,576	6,721	6,786	6,649	6,091

	1972	1973	1974	1975	1976
Northern flank:					
Norway	38.0	39.0	39.9	38.4	39.0
Denmark	42.0	38.7	34.5	34.0	30.9
Subtotal	80.0	77.7	74.4	72.4	69.9
Central region:					
Germany	457.0	465.4	475.0	490.8	493.2
Netherlands	114.7	110.5	110.3	107.0	105.7
Belgium	107.0	106.6	105.2	103.1	107.4
Luxembourg	1.1	1.1	1.1	1.1	1.1
United Kingdom	380.6	376.6	358.5	347.7	336.6
France	574.0	580.6	584.8	585.2	585.3
Subtotal	1,634.4	1,640.8	1,634.9	1,634.9	1,629.3
Southern flank:					
Turkey	560.7	563.4	573.9	584.1	674.4
Greece	185.7	184.3	185.9	185.1	186.3
Italy	540.7	547.9	533.8	[2] 458.9	454.8
Portugal	260.4	276.4	282.4	[3] 103.7	83.4
Subtotal	1,547.5	1,572.0	1,576.0	1,331.8	1,398.9
NATO Europe	3,262.0	3,290.6	3,285.3	3,039.1	3,098.1
United States	2,324.3	2,205.6	2,146.0	2,098.0	2,075.0
Canada	82.0	82.5	82.0	78.2	78.0
Subtotal	2,406.3	2,288.1	2,228.0	2,176.2	2,153.0
NATO total	5,668.3	5,578.7	5,513.3	5,215.3	5,251.1

TABLE C.—NATO MILITARY STRENGTH—Continued

[Average annual strength in thousands]

	1962	1963	1964	1965	1966
	1977	1978	1979	1980	1981
Northern flank:					
Norway	38.7	39.6	40.0	39.7	39.9
Denmark	31.8	32.8	33.0	32.7	32.3
Subtotal	70.5	72.4	73.0	72.4	72.2
Central region:					
Germany	495.0	491.3	492.1	490.4	495.0
Netherlands	102.5	106.1	106.9	107.0	197.2
Belgium	106.9	108.7	107.3	107.7	108.6
Luxembourg	1.2	1.2	1.2	1.2	1.2
United Kingdom	325.6	320.0	324.3	329.7	330.9
France	584.0	581.4	577.8	574.6	575.2
Subtotal	1,615.2	1,608.7	1,609.6	1,610.6	1,618.1
Southern flank:					
Turkey	771.2	720.5	697.8	717.2	741.2
Greece	186.5	186.4	186.5	186.2	186.2
Italy	475.3	488.9	490.4	500.3	504.9
Portugal	79.5	81.6	81.2	88.1	89.6
Subtotal	1,512.5	1,477.4	1,455.9	1,491.8	1,521.9
NATO Europe	3,198.2	3,158.5	3,138.6	3,174.7	3,212.1
United States	2,060.0	2,033.0	2,050.0	2,075.0	2,120.0
Canada	78.4	79.0	79.3	81.8	82.3
Subtotal	2,138.4	2,112.0	2,129.3	2,156.8	2,202.3
NATO total	5,336.6	5,270.5	5,267.9	5,331.5	5,414.4

[1] U.S. withdrawal from SEA.
[2] NATO approved restructuring of Italian Armed Forces.
[3] Demobilization of Portuguese Armed Forces following withdrawal from Angola.

TABLE D.—*U.S. military personnel in EUCOM geographical area* [1]

[Nearest thousand—approximate]

End:	
1950	145
1951	346
1952	405
1953	427
1954	404
1955	405
1956	398
1957	393
1958	380
1959	380
1960	379
1961	417
1962	416
1963	380
1964	374
1965	363
1966	366
1967	337
1968	316
1969	300
1970	291
1971	303
1972	307
1973	300
1974	300
1975	303
1976	308
1977	318
1978	325
1979	330
1980	323
1981	329

[1] Includes Army, Air Force, Navy (ashore and afloat) and Marine Corps (ashore and afloat). Includes small numbers on military personnel in Non-NATO countries in the EUCOM Geographical area such as Spain, Austria and Switzerland.

TABLE E.—TRENDS IN RESERVE MANPOWER STRENGTHS

The following are the reserve military manpower strengths for the European NATO countries excluding France and Greece. These figures do not necessarily include all reserve personnel but only personnel with military training who are liable under current national legislation to be called-up for active military service and are included as such in current national mobilization plans.

	Total Europe [1]	United States
End year:		
1961	2,355,000	1,413,000
1962	2,425,000	1,320,000
1963	2,691,000	1,345,000
1964	2,794,000	1,337,000
1965	3,010,000	2,143,000
1966	3,100,000	2,173,000
1967	3,245,000	2,163,000
1968	3,596,000	2,245,000
1969	3,622,000	ND
1970	4,114,000	3,051,000
1971	4,855,000	2,627,000
1972	5,046,000	2,551,000
1973	5,198,000	2,369,000
1974	6,260,000	ND
1975	6,585,000	ND
1976	6,569,000	1,540,000
1977	6,339,000	1,252,000
1978	6,174,000	1,194,000
1979	6,260,000	1,184,000
1980	5,976,000	1,482,000
1981	6,020,000	1,596,000

[1] Excluding Greece and France.
ND: No data.
Note.—This is a rough first cut at these numbers. We are continuing to attempt to refine them.

TABLE F.—REAL CHANGE IN DEFENSE EXPENDITURES [1]

[Constant 1980 prices and exchange rates, U.S. fiscal year bases]

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Belgium	4.0	6.7	8.3	6.8	2.5	6.7	2.2	2.0	0.2	−2.7
Canada	1.7	−2.4	3.6	2.6	3.8	−0.2	−0.9	5.1	3.0	3.0
Denmark	−3.8	3.5	2.0	−1.7	2.4	4.4	0.2	0.7	0.1	0.6
France	3.7	1.6	2.9	4.1	4.9	5.0	2.5	3.9	3.5	3.5
Germany	5.1	4.5	−1.4	0.2	−0.5	3.1	1.8	1.9	3.4	0.7
Greece	−3.3	0.4	61.7	−4.2	19.8	4.9	−2.9	−8.8	5.6	−3.0
Italy	−1.3	−0.2	−2.9	−0.7	4.5	1.4	2.6	4.9	−1.2	1.2
Luxembourg	4.3	8.7	6.2	7.1	−2.4	7.9	3.5	16.3	7.1	4.1
Netherlands	−0.7	−0.2	3.5	−0.7	11.0	−4.8	3.9	−1.5	3.4	2.2
Norway	1.9	1.0	5.2	0.4	1.5	7.7	1.9	1.8	2.5	3.3
Portugal	−4.7	27.4	−29.9	−18.4	−7.1	2.4	2.9	10.0	2.8	0.0
Turkey	2.0	1.1	71.1	11.6	2.5	0.0	2.6	2.0	3.1	2.4
United Kingdom	1.8	−3.9	3.9	−2.1	−2.3	−0.6	3.0	2.7	2.1	3.4
United States	−8.7	−2.0	−0.8	−3.7	0.9	1.5	3.4	4.9	5.4	6.6
Non-United States NATO	2.4	0.8	3.0	0.6	1.9	2.1	2.2	2.6	2.6	2.1
Total NATO	−4.3	−0.8	0.8	−1.8	1.4	1.8	2.9	3.8	4.1	4.6

[1] Based on NATO definition of defense spending.

APPOINTMENT ON BEHALF OF THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, in accordance with Senate Resolution 392, 97th Congress, 2d session, appoints the following former Senators to be members of the study group on Senate Practices and Procedures: the former Senator from Kansas, Mr. Pearson, and the former Senator from Connecticut, Mr. Ribicoff.

THE TRIAL OF JOHN HINCKLEY

Mr. HEFLIN. Mr. President, many times during my service here in the Senate I have addressed this body on the problem of crime in the United States, a problem that, I believe, is one of the two most serious domestic problems now facing America. Today, I shall speak of one particular crime, and the implications it has for our entire country.

On March 30, 1981, our Nation was shocked and saddened by the attempted assassination of President Reagan and three other persons. Luckily, none of these was killed.

Now, nearly 14 months later, the trial of John W. Hinckley, Jr., the accused assassin, is in process.

In the time since President Reagan was shot, an attempt was made to assassinate Pope John Paul II. The militant who made the attempt has been tried and sentenced, and now is serving time.

Last fall, President Anwar Sadat of Egypt was tragically killed, by a group of Moslem fanatics. This group has been tried, found guilty, and executed.

Meanwhile, nearly 14 months after the attempted assassination of our President, a shooting in full view of dozens of witnesses, a shooting captured on film by news cameras, 13

months later, the accused assassin is standing trial.

This inordinate, inexcusable delay highlights the contrast between the justice rendered by the Italian and Egyptian court systems and that rendered by the U.S. system of criminal justice. Admittedly, our judicial system does contain greater safeguards for persons accused of crimes, greater presumptions of innocence until guilt is proven. These safeguards protect certain rights with which we are endowed.

In no way do I intend for it to seem that I am advocating a disavowal of these basic rights or an abandoning the safeguards of our system. Still, this contrast does highlight a weakness in our system which has invited the contempt of many who tire of seeing those who are perceived to be guilty to serious crimes getting soft treatment, or even being set free altogether, a weakness that can only serve to exacerbate the epidemic of violent crime that is sweeping across our country.

Where does our judicial system develop this weakness? What are its causes? Does it spring from such characteristics of our system as temporary and interlocutory appeals on certain evidentiary rulings, or maybe from some other characteristic? Or is the cause rooted even deeper, broader, more firmly?

Despite my experience as a State supreme court chief justice, I must freely admit that I do not readily know answers to all these questions. I do, however, know that something needs to be done to control this alarming increase in crime without prejudicing the rights of those accused of committing the crimes.

As the crime in our streets becomes even more vicious, irrational, and frightening, Americans are paralyzed because of fear. The are hiding themselves in their homes, protected by two or three different locks on each door and burglar bars on the windows. People in cities and suburbs, and even rural areas, are living in constant fear of their safety.

The latest statistics on crime released by the FBI show that, during 1980, the crime rate continued to increase. All offenses in the crime index rose in 1980—murder by 7.4 percent, forcible rape by 8 percent, robbery by 18 percent. The news is not all bad however—even though the number of crimes continued to rise, the rate of increase was substantially slower than previous years.

This smaller increase in crime illustrates the hard work being done by law enforcement agencies across the country. They certainly deserve a pat on the back for their efforts, but I am sure they would rather have some substantive help in the form of anticrime legislation.

Last year, the members of the Conservative Democratic Caucus decided that substantive steps needed to be taken in our battle against crime. Ideas were presented to the full Democratic Caucus, which agreed that crime should certainly be a top legislative priority. Our distinguished colleague from Delaware, Senator BIDEN, then took the lead in bringing together all the diverse elements to form a broad-based, cohesive, comprehensive package to fight against crime. It was planned that this legislation would be introduced as amendments to the Department of Justice authorization bill, but cloture was invoked, preventing the offering of these amendments.

These ideas were also put together in legislation, Senate bill 1455, which I have had the privilege of cosponsoring with several of my colleagues on this side of the aisle. The components of this bill come together in a complete anticrime package, designed to fight violent crime and crime organizations, and to improve the administration of the criminal justice system. Many months later, this legislation is still pending at the subcommittee level.

This bill is by no means the lone piece of substantive crime legislation pending here in Congress. On April 9, 1981, I introduced Senate bills 953 and 954, legislation designed to wage a national war on violent crime. This legislation contains a series of measures designed to establish an overall, coordinated program to modernize and improve our system of criminal justice, making it more effective in the battle against crime. Some provisions of this legislation include establishing a career criminal provisions, assessing an additional 5-year sentence for the use of a handgun in commission of a felony, and making available to the States financial and technical assistance to further unify our effort against crime. This legislation is also pending at the subcommittee level.

Just recently, I have cosponsored another piece of anticrime legislation, Senate bill 2411, the Justice Assistance Act of 1982, introduced by the distinguished Senator from Pennsylvania, ARLEN SPECTER. This bill would redesign and reauthorize Federal criminal justice assistance to aid State and local law enforcement efforts. This is also presently pending at the subcommittee level.

By no means is this all of the currently pending crime legislation. There is also S. 186, to provide financial assistance to States to improve their criminal justice systems; S. 494, to strenghten the mandatory penalties for firearm use in felonies; S. 814, concerning the administration of criminal justice with respect to organized crime; S. 1025 and S. 1339, concerning robberies from pharmacists; S. 1046, to help States assist the victims of crimes; S. 1676, the Motor Vehicle Theft Law Enforcement Act; S. 1688, the Career Criminal Life Sentence Act of 1981; this litany of pending legislation could go on almost endlessly.

Last year, there was a lot of publicity about the recommendations of the Attorney General's Task Force on Violent Crime, and there was a great deal of talk about the need for a strong stand against crime. This year, we can look back and see little action mixed with that talk, and we can find little, if any, substantive, anticrime legislation passed to enact the task force's recommendations, or establish a hard line against crime.

Just as it has happened too many times in the past, Americans have been subjected to a great deal of talk concerning the need to control crime in the United States, but there has been very little real action by the Federal Government toward solving this problem. While I admit that it is probably impossible to rid our streets completely of criminal violence, I do firmly believe that, here in Washington, steps can be taken which can considerably decrease this violent activity, and allow all Americans to again enjoy peaceful lives.

As their Senators, their representatives in the Federal Government, it is our responsibility to do something to protect these citizens from this widespread epidemic of fear. It is our responsibility to take steps which will put criminals behind bars, and let other Americans out from behind the ones they have used to fashion their own protective prison.

There is a desperate need for action against crime. I do not know of an illustration that can point out this urgent necessity for action any better than the fact that nearly 14 months after the wounding of the President of the United States, his press secretary, a Secret Service agent, and a Washington policeman, the accused, John Hinckley, Jr., is now standing trial for a shooting which he has admitted.

Crime is a problem with which we can no longer afford to attach partisan concerns. For far too long the members of one party have been too worried about what will happen if the other party gets credit for the solution. The important thing for us to be concerned with is not who gets the credit for doing something about crime, but that something is done about crime.

We can no longer afford to stand and point fingers. It is time for a successful, bipartisan approach to our fight against crime. I hope each member here sees the need to step forward in our fight against crime. I hope that we can fulfill our responsibility to protect the people of America, and take bipartisan steps to enact some responsible, substantive anticrime legislation.

To help with this approach, I am calling for the establishment of a Senate crime caucus, to bring together across partisan lines, all of us who are concerned with the problem of crime. Hopefully, this caucus on crime could serve as an impetus for us to actually accomplish something in our fight against crime by enacting some substantive legislation.

Only by doing this can we take the bars off the windows of the homes of America, and take the fear out of the hearts of the American people.

Thank you Mr. President.

SENATOR McCLURE'S ACTION ON THE BUDGET

Mr. SYMMS. Mr. President, a perspective not rooted in the gentle banks of the Potomac—that has been the hallmark of the career of my senior colleague, JIM MCCLURE. For JIM MCCLURE's roots are of pioneer stock and firmly planted in the rugged banks of Idaho's great Snake River.

It is not surprising then to me that Senator MCCLURE, as chairman of the majority's conference, played a key role in forcing progress on the budget process by helping forge an agreement between the White House and the Senate Budget Committee.

A front page article in the May 7 edition of the Los Angeles Times by Jack Nelson vividly reported JIM MCCLURE's firm recommendation to the President that economic progress must be taken now. Hardly 48 hours after the President's meeting with Senator MCCLURE and the other Republican Senate leaders, an agreement was reached.

The Senate and the country can thank JIM MCCLURE for his leadership.

I note with great interest that Senator MCCLURE's action was virtually unreported in the Idaho media. I ask unanimous consent that the entire Los Angeles Times article, entitled "Concern on Economy Forces Budget Action," be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, May 7, 1982]

CONCERN ON ECONOMY FORCES BUDGET ACTION

(By Jack Nelson)

WASHINGTON.—Republican congressional leaders clustered in the stately quiet of the Cabinet Room and President Reagan listened with pursed lips and clenched jaw as Sen. James A. McClure of Idaho delivered a grim, gloves-off message from beyond the Potomac.

The country is hurting. The economy is fragile. Well-managed companies and well-managed farms are right on the edge of bankruptcy. They can't wait for a more refined solution while we haggle over the terms," he told the President.

"Something has to be done, and done now. We've got to get our act together. There's no doubt the economy is going over the cliff if we don't produce a budget document soon."

Hardly 48 hours after that Monday afternoon meeting, the White House announced that it had reached agreement with Senate Republicans on a new budget approach—a small but indispensable first step toward ending the paralysis that has gripped U.S. economic policy-making for months.

The episode illustrates a profound new fact of political life here: From congressional loyalists to the White House inner circle, there is pervasive fear that the country has entered a period of extreme economic peril, a period so grave that even Reagan's steadfast faith in his own policies must bend.

And intensifying the uneasiness of many of the President's staunchest supporters has been concern that he himself may not fully recognize what they see as the new reality and what must be done to avoid disaster, both for the Republican Party and for the nation.

"We've all been wringing our hands," Senate Finance Committee Chairman Robert J. Dole (R-Kan.) said this week, "and there's no doubt about the anxiety on Capitol Hill and out in the country. And the anxiety is real out in the country, because jobs and farms are at stake."

Echoing a point made by McClure, Dole added, "In Washington, sometimes, he don't know whether it's political or genuine anxiety."

McClure said, "Those who stay in Washington as the President and most of his staff do—and I don't mean to be critical—don't feel the emotion."

Nor are the Reagan's supporters under any illusions that his move this week to compromise with Senate Republicans is the end of the struggle or the end of the need to be flexible.

Reagan's decision to embrace the plan put forward by Senate Budget Committee chairman Pete V. Domenici (R-N.M.) and the committee's prompt approval of the plan to do little to relieve the anxiety of Republicans for two reasons. First, the plan involves so many sensitive taxing and spending issues that it still faces an uphill battle to win approval, especially in the Democratic-controlled House.

Second, even if Congress finally adopts the Dominici approach, there is no assurance it will bring down interest rates and thus let recovery bloom.

"Some people are saying, "Hell, what makes you think it will have an impact even if you get the deficit down," Dole said. "And I don't know of anybody who really believes that, just because the Senate Budget Committee passed it, it will be binding on other committees.

Dole, who has repeatedly warned that the economy is being hurt by failure of the President to reach accord with Congress on a budget that would lower his projected deficits, said Republicans have to get a budget plan through the Senate and shift the burden to the House "or we can't point our fingers at the Democrats."

Key Republicans in Washington are deeply concerned that, regardless of the outcome of the budget fight, the nation may face a continuing recessison that could cause an even steeper rise in bankruptcies, which already are occurring at a rate not seen in almost 50 years.

"There's no doubt about the bankruptcies," McClure said. "The evidence is all around us."

"I'm pretty nervous," said a leading Washington lobbyist who served as a Reagan campaign adviser and as an official in the Nixon and Ford administrations. "If these levels of interest rates stay for several months we'll have a real shakeout and some thrift industries and industrial companies will go under.

"I personally believe this is the shakiest economic situation we've had since the 1930s, although I think we know enough and have enough safeguards to avoid another depression," he said.

88 OUT OF 10,000 FIRMS

During the first 14 weeks of 1982, the pace of bankruptcy filings equaled 83 out of every 10,000 companies, according to Dun & Bradstreet. If that rate continues through the rest of the year, it would be the highest yearly rate since 1933, when it reached 100 out of every 10,000.

The question of business failures, and the resulting damage to the economy as a whole, is so sensitive for some Republican senators that they refuse to discuss it on the record. One, who refused to be identified, said, "We're close to having a dangerously large number of thrift institutions and manufacturers go bankrupt. And there's growing concern that the economy will go over the cliff and the President and the party will topple along with it."

The economic situation is so severe, some Republican senators say, that their constituents have relatively little interest in placing political blame for their plight.

Sen. John C. Danforth, who is running for reelection and has just returned from visiting all 114 counties in Missouri, said, "The interest rate problem is very serious and touching not just the big guys, but the little guys. And most people aren't really that concerned about allocation of blame between the White House and Congress or between Democrats and Republicans.

"Their view is that the government is not living up to its responsibility."

Although Sen. John Heinz (R-Pa.) expressed concern that a continuing recession and high interest rates could cost the Republicans control of the Senate in the November elections, he said, "Many of us feel a budget solution is essential and urgent because of economic and political consequences that could reach well beyond the 1982 elections."

There may be "a few weeks of grace" remaining for Reagan and Congress to reach an accord on a budget that will reduce deficits and perhaps bring down interest rates, Heinz said, but if the delay is any longer than that, "It could permanently cripple the President's economic program."

AIDES RELIEVED

At the White House, where some of Reagan's closest aides have shared other Republicans' anxiety over the economy and the budget impasse, there was relief that Domenici and Republicans on the Budget Committee had come up with a plan the President was willing to accept.

But there also was awareness that the plan—which would reduce deficits by $188 billion and raise taxes by $95 billion over three years—could face significant opposition in the Senate and an even tougher battle in the Democratic-controlled House.

Reagan, in a brief press conference in the White House Rose Garden Thursday, deflected a question about whether he would blame the Democrats for the recession if they oppose the budget proposal. If the Democrats come up with a better proposal, he said, "we'll be very willing to listen."

He called his acceptance of the Domenici proposal "an important step" toward a fair compromise. From the beginning, he said, his goal was "that I believe the American people, in this time of economic distress, should have had the assurance of seeing the Democratic and Republican leadership in the Congress and in this Administration stand before them together and say that we have agreed on a plan to help cure this recession and reduce these deficits. . . ."

A senior Reagan aide who refused to be identified left no doubt the President is prepared to blame the Democrats for the continuing recession if they oppose the budget plan.

"It's a budget that shows a consistent downward trend in deficits and should spur the economy if we can get it passed," he said. "I think we can get it through the Senate and if the Democrats play politics with it in the House, we'll just have to make sure the country knows who's to blame."

MESSAGES FROM THE HOUSE

At 9:58 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4441. An act to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes;

H.R. 5539. An act to amend and supplement the Federal reclamation laws, and for other purposes; and

H.R. 6132. An act to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan.

ENROLLED BILLS SIGNED

At 12:59 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 691. An act to amend titles 18 and 17 of the United States Code to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes; and

H.R. 2863. An act to authorize the Secretary of Agriculture to sell the portion of the Tahoe National Forest known as Blyth Arena.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

At 1:14 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House has passed the following bill and joint resolutions, without amendment:

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes;

S.J. Res. 145. Joint resolution authorizing and requesting the President to proclaim "National Orchestra Week"; and

S.J. Res. 170. Joint resolution to designate the week of November 7, 1982, through November 14, 1982, as "National Hospice Week".

The message also announced that the House has agreed to the following concurrent resolutions, without amendment:

S. Con. Res. 62. Concurrent resolution to congratulate Hadassah, the Women's Zionist Organization of America, on the celebration of its seventieth anniversary; and

S. Con. Res. 82. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1982 as Older Americans Month.

The message also announced that the House has passed the following bill and joint resolution, each with an amendment, in which it requests the concurrence of the Senate:

S. 1808. An act to authorize an Under Secretary of Commerce for Economic Affairs; and

S.J. Res. 59. Joint resolution designating the square dance as the national folk dance of the United States.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5145. An act to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes; and

H.R. 6294. An act to provide supplemental authorization in order to stimulate the sales and production of housing.

ENROLLED BILLS SIGNED

At 7:01 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 146. An act to authorize the Secretary of the Interior to assist in the preservation of historic Camden in the State of South Carolina, and for other purposes; and

S. 1131. An act to require the Federal Government to pay interest on overdue payments, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILLS REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 4441. An act to amend title 17 of the United States Code with respect to the fees of the Copyright Office, and for other purposes; to the Committee on the Judiciary.

H.R. 5145. An act to amend title 5, United States Code, to provide training opportunities for employees under the Office of the Architect of the Capitol and the Botanic Garden, and for other purposes; to the Committee on Governmental Affairs.

H.R. 6132. An act to amend section 5590 of the Revised Statutes to provide for adjusting the rate of interest paid on funds of the Smithsonian Institution deposited with the Treasury of the United States as a permanent loan; to the Committee on Rules and Administration.

H.R. 6294. An act to provide supplemental authorization in order to stimulate the sales and production of housing; to the Committee on Banking, Housing, and Urban Affairs.

HOUSE BILLS PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5539. An act to amend and supplement the Federal reclamation laws, and for other purposes.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that today, May 12, 1982, he presented to the President of the United States the following enrolled bill:

S. 691. An act to amend titles 18 and 17 of the United States Code, to strengthen the laws against record, tape, and film piracy and counterfeiting, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3427. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive municipal waste energy development plan; to the Committee on Energy and Natural Resources.

EC-3428. A communication from the Administrator of the Energy Information Administration, transmitting, pursuant to law, a report entitled "Demonstrated Reserve Base of Coal in the United States on January 1, 1980"; to the Committee on Energy and Natural Resources.

EC-3429. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, a report entitled "The Clean Air Act, the Electric Utilities, and the Coal Market"; to the Committee on Environment and Public Works.

EC-3430. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, a report on the activities of the regional development banks in the development of renewable energy resources in developing countries, dated April 1982; to the Committee on Foreign Relations.

EC-3431. A communication from the Attorney-Advisor of the Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to April 4, 1982; to the Committee on Foreign Relations.

EC-3432. A communication from the Mayor of the District of Columbia, transmitting, pursuant to law, his response to the report of the General Accounting Office entitled "The District of Columbia Should Assess Its Needs Before It Makes Major Acquisitions of Space"; to the Committee on Governmental Affairs.

EC-3433. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on April 6, 1982; to the Committee on Governmental Affairs.

EC-3434. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, a report on the Department's disposal of certain coal leases and permits on the Northern Cheyenne

Indian Reservation in Montana; to the Select Committee on Indian Affairs.

EC-3435. A communication from the Secretary of Education, transmitting, for the information of the Senate, notice that the report on the unique educational needs of Guam, the Virgin Islands, and the Northern Mariana Islands will be sent to the Congress on or about June 30, 1982; to the Committee on Labor and Human Resources.

EC-3436. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the semiannual report of the Office of Inspector General, Community Services Administration, for the period October 1, 1981, through March 31, 1982; to the Committee on Governmental Affairs.

EC-3437. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to improve the milk price support program and provide additional authority for the disposition of dairy products; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3438. A communication from the Director of Selective Service, transmitting, pursuant to law, the semiannual report of the Director of Selective Service for the period October 1, 1981, through March 31, 1982; to the Committee on Armed Services.

EC-3439. A communication from the Secretary of the Air Force, transmitting, pursuant to law, a report on selected major weapons systems that will breach unit cost thresholds; to the Committee on Armed Services.

EC-3440. A communication from the Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, a report on a study with respect to converting the Guard Service function at Fort Knox, Ky., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-3441. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on a study with respect to converting the civilian education and training (apprentice instructors) function at the Navy shipyard, Portsmouth, N.H., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-3442. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the fourth annual report concerning the enforcement of the Debt Collection Practices Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-3443. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Federal Reserve Should Move Faster To Eliminate Subsidy Of Check Clearing Operations"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3444. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, the financial exhibits of the Colorado River storage project and participating projects for fiscal year 1981; to the Committee on Energy and Natural Resources.

EC-3445. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 68, southern California, scheduled for June 11, 1982; to the Committee on Energy and Natural Resources.

EC-3446. A communication from the Secretary of Energy, transmitting, pursuant to law, the first annual revised comprehensive program management plan for wind energy systems; to the Committee on Energy and Natural Resources.

EC-3447. A communication from the Director of the Office of Legislative Affairs, Agency for International Development, transmitting, pursuant to law, a justification of an increase in the funding level of the proposed fiscal year 1982 program in Liberia; to the Committee on Foreign Relations.

EC-3448. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify the authority for the appointment and compensation of experts and consultants as Federal employees, and for other purposes; to the Committee on Governmental Affairs.

EC-3449. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "More Effective Leasing Procedures and Practices Could Help GSA Reduce Delays In Meeting Federal Space Needs"; to the Committee on Governmental Affairs.

EC-3450. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the cost of attendance under the Pell grant program; to the Committee on Labor and Human Resources.

EC-3451. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's eighth special message for fiscal year 1982; pursuant to the order of January 30, 1975, referred, jointly, to the Committee on Appropriations and the Committee on the Budget.

EC-3452. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the 12th annual report of the Federal Trade Commission on the impact of competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the international energy program; to the Committee on Energy and Natural Resources.

EC-3453. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on small hydroelectric programs; to the Committee on Energy and Natural Resources.

EC-3454. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the first annual report on the financial condition and results of the operation of the hazardous substance response trust fund; to the Committee on Finance.

EC-3455. A communication from the Chairman of the U.S. International Trade Commission, transmitting a draft of proposed legislation to provide authorization of appropriations for the U.S. International Trade Commission for fiscal year 1984; to the Committee on Finance.

EC-3456. A communication from the Assistant Secretary of State for Congressional Relations and the Assistant Secretary of the Treasury for Legislative Affairs, transmitting, pursuant to law, the fourth annual report in response to title VII, human rights, of the International Financial Institutions Act; to the Committee on Foreign Relations.

EC-3457. A communication from the Assistant Attorney General (Legislative Affairs), transmitting, pursuant to law, the report of the Attorney General on the U.S. trustees program established in the Bankruptcy Reform Act of 1978 for the period October 1, 1980, to September 30, 1981; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TOWER, from the Committee on Armed Services, with an amendment in the nature of a substitute, and an amendment to the title:

S. 2248. A bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, without amendment:

S. 2177. A bill to amend title III of the Colorado River Basin Project Act, Public Law 90-537 (82 Stat. 885), as amended by Public Law 95-578 (92 Stat. 2471), and Public Law 96-375 (94 Stat. 1505) (Rept. No. 97-389).

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, with an amendment in the nature of a substitute:

S. 2260. A bill entitled: "Securities—Commodities Accord Amendments of 1982 (Rept. No. 97-390).

By Mr. PERCY, from the Committee on Foreign Relations, with amendments:

S. 2398. A bill to provide for increased participation by the United States in the African Development Fund (Rept. No. 97-391).

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, without amendment:

S. Con. Res. 60. A concurrent resolution disapproving the Federal Trade Commission trade regulation rule relating to the sale of used motor vehicles.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MITCHELL:

S. 2519. A bill for the relief of the Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

By Mr. HART:

S. 2520. A bill to authorize the Secretary of the Interior to lease additional lands to be used in conjunction with an existing oil shale lease; to the Committee on Energy and Natural Resources.

By Mr. JEPSEN:

S. 2521. A bill to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice), to improve the military justice system, and for other purposes; to the Committee on Armed Services.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. NICKLES, Mr. EAST, and Mr. THURMOND):

S. 2522. A bill to amend the Food Stamp Act of 1977 to establish certain employment

requirements for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN:

S. Con. Res. 95. A concurrent resolution to express the sense of Congress with respect to certain negotiations regarding chemical weapons; to the Committee on Foreign Relations.

By Mr. GLENN:

S. Con. Res. 96. A concurrent resolution reaffirming Senate resolution, S. Res. 179 and House resolution, H. Res. 177 and urging the President to seek agreement at the Versailles Summit Conference that nuclear supplier nations should export nuclear fuel and equipment only to nations that permit full-scope safeguards; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MITCHELL:

S. 2519. A bill for the relief of the Grace Baptist Church, Portland, Maine; to the Committee on the Judiciary.

GRACE BAPTIST CHURCH

● Mr. MITCHELL. Mr. President, the bill that I am introducing today is intended to rectify unfair treatment that the Grace Baptist Church of Portland, Maine, is receiving from the Internal Revenue Service. This church faces a serious financial burden, possibly totaling $30,000 in retroactive tax assessments and future liabilities, if the IRS is successful in its challenge to the social security status of the church's lay employees.

Religious organizations are exempt from social security taxes. Until 1976, religious organizations could file a waiver certificate to permit their employees to be covered by social security. In 1976, the law was changed retroactively so that if a religious organization paid social security taxes for any employee for three consecutive quarters, that organization was deemed to have filed a waiver, even if it had not actually done so. This was done as an administrative convenience for those organizations that desired coverage and withheld social security taxes but had never filed a waiver.

Lay employees at the Grace Baptist Church never desired to be covered by social security. Before the law was changed in 1976, the church never filed a waiver certificate. However, the IRS has ruled that the church waived its social security exemption in 1974 when it paid social security taxes for one employee who was employed for less than 1 year.

The church was confused over its liability for this exemployee's taxes. On the advice of the IRS, it paid the taxes until the matter could be resolved.

Unfortunately, the IRS then reversed its position and ruled that the church is liable for social security taxes on all its employees from 1976 through 1978. My bill would clear the Grace Baptist Church of this liability. The church has clearly been caught in an unintended effect of the 1976 law change.●

By Mr. HART:

S. 2520. A bill to authorize the Secretary of the Interior to lease additional lands to be used in conjunction with an existing oil shale lease; to the Committee on Energy and Natural Resources.

LEASE OF CERTAIN OIL SHALE LANDS

● Mr. HART. Mr. President, I am introducing today a bill to remove a statutory obstacle to the development of one of the four prototype oil shale leases issued in 1974. The bill would authorize the Secretary of the Interior to issue an "offsite" lease for surface operations necessary to support open pit mining of tract C-a, the only prototype lease suitable for this method of operation.

I am offering this bill in an effort to get prompt congressional action on this single, narrow issue. This is the only statutory change needed for the first generation of oil shale development. The change itself is noncontroversial. It is supported by the administration, all members of the Colorado congressional delegation, Gov. Richard D. Lamm of Colorado, industry, and environmentalists.

But approval of this change in the law has been impossible because of disagreements over other possible changes in the law. In both this Congress and the previous Congress, the Committee on Energy and Natural Resources has reported legislation making other, essentially unrelated, changes in the Mineral Leasing Act to greatly expand the authority of the Secretary of the Interior to issue future oil shale leases. I and several other Senators have opposed these open-ended proposals, and in the face of these strong disagreements the committee's bill has not been considered by the full Senate.

It is tragic to hold Rio Blanco hostage to these disagreements. Just yesterday the company announced the temporary closure of its office in Meeker, and a temporary cutback in its staff at the project site and its Denver headquarters, while it reassesses its situation in light of the continued failure of Congress to authorize its off-tract lease. But the consequences of the current congressional stalemate are even greater. The open-pit operation which would be made possible by the offsite lease has the potential to be the most efficient way to recover oil shale, and it is in the national interest to enable Rio Blanco to determine whether this method of operation will work.

I urge my colleagues to join me in agreeing to enact this limited bill, to let Rio Blanco move forward, without adding to it any controversial amendments. To reduce the chance of any controversy over this bill, the language I am proposing today is taken from the offsite leasing provisions of S. 1484, the broader oil shale leasing bill reported by the Energy Committee last December. Besides restricting the bill to one offsite lease to be used in conjunction with tract C-a, I have made only one other change in the committee's provisions. That change is in the provisions allowing a Governor to recommend to the Secretary whether to lease specific lands, and the change merely clarifies that the Secretary's issuance of an offsite lease is subject to judicial review, on procedural grounds only, if the Secretary has not sought the Governor's recommendation as required by the committee's provision. This change essentially restores to this provision, which is the product of an agreement among Secretary of the Interior James G. Watt, Colorado Gov. Richard D. Lamm, and Utah Gov. Scott M. Matheson, the explicit recognition of the right to a procedural lawsuit. This explicit reference to a procedural lawsuit was a key element of the agreement among the Secretary and the Governors, and was deleted by the Energy Committee on technical grounds which have been resolved in a slight redrafting of the provision.

Of course, enactment of this bill would not preclude action on a broader oil shale leasing bill. I hope it will be possible for all of us to reach agreement on a bill addressing other issues. But first let us solve this pressing problem.

I ask unanimous consent to include in the RECORD at this point the text of the bill.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2520

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Act entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium in the public domain," approved February 25, 1920, (41 Stat. 437, 30 U.S.C. 241), is amended by inserting at the end thereof the following new subsection:

"(d)(1) The Secretary may lease to the holder of the Federal oil shale lease in the State of Colorado known as C-a additional lands (not to exceed six thousand four hundred acres) necessary for the disposal of oil shale wastes and the materials removed from mined lands, and for the building of plants, reduction works, and other facilities connected with oil shale operations (which lease shall be referred to hereinafter as an

"offsite lease"). An offsite lease may serve only that Federal oil shale lease and may not be transferred except in conjunction with the transfer of that Federal oil shale lease.

"(2) An offsite lease shall include no rights to any mineral deposits.

"(3) The Secretary may issue offsite leases after consideration of the need for such lands, impacts on the environment and other resource values, and upon a determination that the public interest will be served thereby.

"(4) An offsite lease for lands the surface of which is under the jurisdiction of a Federal agency other than the Department of the Interior shall be issued only with the consent of that other Federal agency and shall be subject to such terms and conditions as it may prescribe.

"(5) An offsite lease shall be for such periods of time and shall include such lands, subject to the acreage limitation contained in this subsection, as the Secretary determines to be necessary to achieve the purposes for which the lease is issued, and shall contain such provisions as he determines are needed for protection of environmental and other resource values.

"(6) An offsite lease shall provide for the payment of an annual rental which shall reflect the fair market value of the rights granted and which shall be subject to such revisions as the Secretary, in his discretion, determines may be needed from time to time to continue to reflect the fair market value.

"(7) An offsite lease shall remain subject to leasing under the other provisions of this Act where such leasing would not be incompatible with the offsite lease.

"(8) In determining whether to offer or issue an offsite lease, the Secretary shall consult with the Governor and appropriate State, local, and tribal officials of the State where the lands to be leased are located, and of any additional State likely to be affected significantly by the social, economic, or environmental effects of development under such lease, in order to coordinate Federal and State planning processes, minimize duplication of permits, avoid delays, and anticipate and mitigate likely impacts of development.

"(9) The Secretary may issue an offsite lease after consideration of (A) the need for leasing, (B) impacts on the environmental and other resource values, (C) socioeconomic factors, and (D) information from consultations with the Governors of the affected states.

"(10) Before determining whether to offer or issue an offsite lease, the Secretary shall seek the recommendation of the Governor of the State in which the lands to be leased are located as to whether or not to lease such lands, what alternative actions are available, and what special conditions could be added to the proposed lease to mitigate impacts. The Secretary shall accept the recommendations of the Governor if he determines that they provide for a reasonable balance between the national interest and the State's interests. The Secretary shall communicate to the Governor, in writing, and publish in the Federal Register the reasons for his determination to accept or reject such Governor's recommendations. The Secretary's decision to accept or reject the Governor's recommendation shall not be subject to judicial review, and a decision of the Secretary to issue an offsite lease shall not be subject to judicial review under this paragraph except on the grounds that the Secretary's decision was made without observance of the consultative actions required by this paragraph.".●

By Mr. JEPSEN:

S. 2521. A bill to amend chapter 47 of title 10, United States Code (Uniform Code of Military Justice) to improve the military justice system, and for other purposes: to the Committee on Armed Services.

MILITARY JUSTICE ACT OF 1982

Mr. JEPSEN. Mr. President, today I am pleased to introduce the Military Justice Act of 1982. This bill would make a number of useful changes in trial and appellate procedures under the Uniform Code of Military Justice. Furthermore, the bill would for the first time since the adoption of the Uniform Code in 1951 establish a statutory scheme for the prosecution and punishment of drug offenses committed in the Armed Forces.

The bill is a composite of a number of legislative proposals which in past years have been transmitted to the Congress by the Department of Defense and proposals which have been made by various qualified individuals who are knowledgeable of and concerned about the administration of military justice.

Since 1951 the Uniform Code of Military Justice has proven to have been a fair and efficient framework for the administration of justice and maintenance of discipline in our Armed Forces. The Congress has from time to time made a number of minor changes in the code to improve its operation. Although the military justice system continues to operate in a fairly efficient and effective manner today, I believe the time has come for the Congress to review the overall operation of the system. The bill which I am introducing today provides an ideal vehicle for that review. It is my intention, as chairman of the Senate Armed Services Committee Subcommittee on Manpower and Personnel to schedule and conduct hearings on this bill to receive the views and comments of the Department of the Defense, the individual armed services, as well as other interested persons and organizations, such as the judges of the U.S. Court of Military Appeals.

I commend this bill to each of my colleagues and ask that you join me in my efforts to insure that our Armed Forces are not only properly manned and equipped but also have the appropriate and adequate tools to insure justice and discipline within their ranks.

Mr. President, I ask that by unanimous consent the bill and a summary of its major provisions be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2521

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Military Justice Act of 1982."

SEC. 2. Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of chapter 47 of title 10, United States Code (Uniform Code of Military Justice).

SEC. 3. (a) Section 801 (article 1) is amended by striking out clause (13) and inserting in lieu thereof the following:

"(13) 'Judge advocate' means—

"(A) an officer of The Judge Advocate General's Corps of the Army or the Navy;

"(B) an officer of the Air Force or the Marine Corps who is designated a judge advocate; or

"(C) an officer of the Coast Guard who is designated a law specialist.

"(14) 'Record' means a writing relating the proceeding and testimony, or audiotape, videotape, or similar material from which sound or sound and visual images may be reproduced depicting the proceedings.".

(b) Section 806(a) (article 6(a)) is amended—

(1) by striking out "and Air Force and law specialists of the" and inserting in lieu thereof "Air Force, and "; and

(2) by adding at the end thereof the following new sentence: "However, no person may be assigned any duty to be performed by a judge advocate under this chapter unless such person is at the time of the performance of such duty a member in good standing of the bar of a Federal court or the highest court of a State or territory.".

(c) Section 815(e) (article 15(e)) is amended by striking out "of the Army, Navy, Air Force, or Marine Corps, or a law specialist or lawyer of the Coast Guard or" and inserting in lieu thereof "or a lawyer of the".

(d) Section 816 (article 16) is amended—

(1) by inserting "orally on the record or" before "in writing" in clause (1)(B); and

(2) by striking out clause (3) and inserting in lieu thereof the following:

"(3) summary courts-martial, consisting of one commissioned officer.

However, except in those cases of a general court-martial in which the findings announced include a finding of guilty of an offense for which that court-martial may adjudge the death penalty and those cases in which a military judge has not been detailed to the court, a court-martial shall consist of only a military judge after findings are announced.".

(e) Section 819 (article 19) is amended—

(1) by striking out "six months" both places it appears and inserting in lieu thereof "one year";

(2) by striking out "a complete record of the proceedings and testimony has been made," in the third sentence; and

(3) by striking out the comma after "accused" in the third sentence.

(f) Section 826(a) (article 26(a)) is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and except in those cases of a general court-martial in which the findings announced include a finding of guilty of an offense for which that court-martial may adjudge the death penalty, shall determine and announce the sentence of the court-martial to which he has been detailed.".

(g) Section 827 (article 27) is amended—

(1) in subsection (b)(1), by striking out "of the Army, Navy, Air Force, or Marine Corps or a law specialist of the Coast Guard,"; and

(2) in subsection (c)(3), by striking out ", or a law specialist,".

(h) Section 832(a) (article 32(a) is amended by striking out "No charge" and inserting in lieu thereof "Unless the investigation otherwise required by this article is waived in writing by the accused, no charge".

(i) Section 833 (article 33) is amended by striking out "the investigation" and inserting in lieu thereof "any investigation conducted under section 832 of this title (article 32)"

(j) Section 834 (article 34) is amended—

(1) by strikng out subsection (a) and inserting in lieu thereof the following:

"(a) Before directing the trial of any charge by general court-martial, the convening authority shall refer it to his staff judge advocate. The convening authority may not refer a charge to a general court-martial for trial unless he has been advised orally or in writing by that staff judge advocate that the charge alleges an offense under this chapter and, unless the investigation has been waived by the accused, that the charge is warranted by the evidence indicated in the report of investigation. If that advice is given in writing, such written advice shall accompany the charge or specification if it is referred to trial."; and

(2) by adding at the end thereof the following new subsection:

"(c) The requirements of this section are binding on all persons administering this chapter but failure to follow them does not constitute jurisdictional error.".

(k) Section 838(c) (article 38(c)) is amended to read as follows:

"(c) In any court-martial proceeding resulting in a conviction, the defense counsel may forward for attachment to the record of proceedings a brief of such matters as he feels should be considered in behalf of the accused on review (including any objection to the contents of the record which he considers appropriate), may assist the accused in the submission of matters under section 860 of this title (article 60), and shall, subject to regulations of the President, perform other acts authorized by this chapter.".

(l) Section 84(b) (article 41(b)) is amended by striking out "one" and inserting in lieu thereof "three".

(m) Section 842 (article 42) is amended by striking out ", law specialist," both places it appears.

(n) Section 846 (article 46) is amended by adding at the end thereof the following new sentences: "Pursuant to section 659(h) of title 28, United States Code, United States marshals shall execute any such process which may be delivered to them for such purpose. Any process issued under this section also may be executed by any person designated for such purpose by the Secretary concerned.".

(o) Section 849 (article 49) is amended—

(1) in subsection (d), by striking out "read" and inserting in lieu thereof "admitted"; and

(2) in subsection (f), by striking out "read" and inserting in lieu thereof "admitted".

(p) Section 851 (article 51) is amended—

(1) in subsection (a), by inserting "(if members are required to determine the sentence)" after "on the sentence";

(2) in subsection (d), by striking out "a military judge only" and inserting in lieu thereof "only a military judge pursuant to an approved request by the accused under clause (1)(B) or (2)(C) of section 816 of this title (article 16)"; and

(3) by adding at the end thereof the following new subsection:

"(e) Subsections (a), (b), (c), and (d) do not apply to the proceedings of a court-martial composed of only a military judge after the announcement of findings pursuant to the last sentence of section 816 of the title (article 16). During such proceedings, the military judge shall determine all questions of law and fact arising during those proceedings and shall adjudge in appropriate sentence.".

(q)(1) Section 853 (article 53) is amended to read as follows:

"§ 853. Art. 53. Court to announce action and advise of rights to appeal and to submit matters to the convening authority

"A court-martial shall announce its findings and sentence to the parties as soon as determined and, if the accused has been found guilty of any offense, shall advise the accused of his right to appeal and of applicable requirements of section 861 of this title (article 61) and of his right to submit matters to the convening authority under section 860 of this title (article 60).".

(2) The item relating to section 853 (article 53) in the table of sections at the beginning of subchapter VII is amended to read as follows:

"853. 53. Court to announce action and advise of rights to appeal and to submit matters to the convening authority.".

(r) Section 854 (article 54) is amended—

(1) by striking out the last sentence of subsection (a);

(2) by striking out "shall contain the matter and" in subsection (b); and

(3) by striking out subsection (c) and inserting in lieu thereof the following new subsections:

"(c) A complete record of the proceedings and testimony shall be prepared when—

"(1) the sentence as approved by the convening authority includes death; or

"(2) the sentence as approved by the convening authority includes discharge, dismissal, or confinement at hard labor for more than one year, and a notice of appeal has been timely filed under section 861 of this title (article 61).

"(d) In all other cases, the record shall contain such matter as the President may prescribe.

"(e) A copy of the record of the proceedings of each general and special court-martial shall be given to the accused as soon as it is authenticated.".

(s)(1) Subchapter VIII is amended by inserting after section 857 (article 57) the following new section:

"§ 857a. 57a. Suspension of sentence by military judge

"(a) In every case in which a military judge determines and adjudges a sentence, the military judge may suspend the execution of all or any part of that sentence for a stated period of time not exceeding two years. Any sentence or part of a sentence so suspended, if such suspension is not sooner vacated under the authority of section 872 of this title (article 72) shall be remitted upon—

(1) the expiration of the stated period of time of such suspension;

(2) the death of the accused;

(3) the discharge of the accused from the service which terminates the accused's status as a person subject to this chapter; or

(4) the release of the accused from active duty in the armed forces.

whichever occurs earlier.

"(b) In any case in which a military judge suspends the execution of all or any part of a sentence, such sentence or the part of such sentence which is suspended may be executed only if such suspension is vacated pursuant to section 872 of this title (article 72). No convening authority or other reviewing authority under this chapter may change such a suspended sentence or the suspended part of such a sentence to a less or equally severe sentence unless such authority also orders that the execution of that sentence or part of that sentence as changed be suspended. However, a convening authority and other authority having the power under this chapter to approve or disapprove a sentence in whole or in part may approve or disapprove, in whole or part, any sentence or part of any sentence the execution of which has been suspended by a military judge, and if such sentence or part of such sentence as suspended is approved, any such authority may change the stated period of such suspension to any lesser period of time.

"(c) In determining the expiration of any period of suspension of the execution of any sentence or part of any sentence under this section, such period shall be deemed to begin on the date such sentence or part of such sentence, as suspended, is announced under section 853 of this title (article 53).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 857 (article 57) the following new item:

"857a. 57a. Suspension of sentence by military judge.".

(t)(1) Section 860 (article 60) is amended to read as follows:

"§ 860. Art. 60. Action by convening authority

"(a) The convening authority shall be notified of the findings and sentence of a court-martial after the announcement of the sentence. After consideration of any matters submitted under subsection (c) or the expiration of the time for filing of such matters, if none are filed, the convening authority or any officer exercising general court-martial jurisdiction shall act on the sentence. In so acting, he, in his sole discretion, may disapprove the sentence, approve the sentence in whole or in part, or change the sentence to any less or equally severe sentence.

"(b) In his sole discretion, the convening authority may set aside a finding of guilty and dismiss the charge and specification.

"(c) Within 10 days after the sentence is announced the accused may submit any matters for consideration by the convening authority in the exercise of his discretion to approve the findings and sentence. If the accused shows that additional time is necessary to submit such matters, the convening authority may extend the period for submission for not more than 30 additional days.

"(d) In the case of any general court-martial in which a finding of guilty has resulted or any special court-martial in which the sentence includes a bad conduct discharge, the convening authority shall refer the record of such court-martial to his staff judge advocate, who shall submit his written recommendation thereon. The convening authority shall consider such recommendation and any rebuttal to that recommendation submitted by the accused under subsection (e) before acting under this section. The written recommendation shall include such matters as may be prescribed by the

President. Any such written recommendation and any rebuttal to that recommendation submitted under subsection (e) shall be attached to the record.

"(e) The accused shall be afforded an opportunity to rebut the recommendation of the staff judge advocate, and any matters attached thereto, whether or not the accused submitted matter under subsection (c). The accused shall have 5 days from receipt of the recommendation in which to submit any matters in rebuttal. The convening authority may, for good cause, extend that period. Failure to rebut the recommendation or any matters attached to it shall constitute waiver of any objection thereto.".

(2) The item relating to section 860 (article 60) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"860. 60. Action by convening authority.".

(u)(1) Section 861 (article 61) is amended to read as follows:

"§ 861. Art. 61. Notice of appeal: withdrawal of appeal

"(a)(1) In every case subject to review under section 866 or 869(a) of this title (article 66 or 69(a)) except a case in which the sentence as approved by the convening authority includes death, the accused, if he wishes further review of such case under this chapter, shall file with the convening authority a notice of appeal. Such notice of appeal shall be signed by the accused and defense counsel and shall be filed within ten days after the accused receives notice in writing of the convening authority's action on the sentence, unless the convening authority, for good cause shown or otherwise in his discretion, extends that period for not more than 30 additional days. Failure to file a notice of appeal within such period bars review under section 866 or 869(a) of this title (article 66 or 69(a))."

"(2) A notice of appeal filed pursuant to paragraph (a) should identify the issues which the accused believes should be considered on review of the case. Such additional matters as the accused deems appropriate may be attached to the notice of appeal and any such matters will be forwarded as though part of the notice of appeal. The failure to identify an issue in the notice of appeal does not constitute a waiver of that issue by the accused on review.

"(b) If the convening authority, in his sole discretion, believes such action is warranted by any matter identified in or attached to a notice of appeal, he, at any time before the record is forwarded to the Judge Advocate General under section 865(a) of this title (article 65(a)), may revoke any previous action taken under section 860 of this title (article 60) which approved any finding of guilty or any sentence and order a rehearing under section 863 of this title (article 63) or a proceeding in revision under section 862(b) of this title (article 62(b)).

"(c) The accused may withdraw at any time a notice of appeal previously filed. Any such withdrawal shall be in writing and shall be signed by the accused. Such a withdrawal shall bar all further review under sections 866, 867, and 869(a) of this title (articles 66, 67, and 69(a)).".

"(2) The item relating to section 861 (article 61) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"861. 61. Notice of appeal: withdrawal of appeal.".

"(o)(1) Section 862(a) (article 62(a)) is amended—

(A) by inserting "(1)" after "(a)"; and

(B) by inserting at the end thereof the following new paragraph:

"(2)(A) In any trial by court-martial over which a military judge presides and in which the sentence may include a discharge or dismissal, the convening authority may direct that the United States appeal any order or ruling which terminates the proceedings with respect to any charge or specification or which excludes evidence which is substantial proof of a fact material to the proceedings, except that no such appeal may be directed from an order or ruling which is, or amounts to, a finding of not guilty. Such an appeal may be directed regardless of whether or not such order or ruling has first been returned to the court for reconsideration under paragraph (1). Notice of a direction to appeal an order or ruling under this paragraph shall be provided to the military judge in writing within seventy-two hours after such ruling or order is announced or after a decision on reconsideration of such ruling or order is announced if such ruling or order has been returned to the court for reconsideration under paragraph (1). Any appeal directed under this paragraph shall be diligently prosecuted.

"(B) Appeals under this paragraph shall be forwarded by an appropriate means directly to the cognizant Court of Military Review and shall ordinarily have priority over all other types of proceedings before that court. In determining an appeal under this section, the Court of Military Review shall take action only with respect to matters of law, notwithstanding section 866(c) of this title (article 66(c)). Such appeals may be considered by the Court of Military Review sitting en banc or by panel.

The decision of the Court of Military Review on the appeal under this paragraph shall not be subject to further review except in post-trial proceedings under sections 866, 867, or 869 or this title (articles 66, 67, or 69). However, nothing in this section limits the authority of any court to issue any writ pursuant to section 1651 of title 28, United States Code.

"(C) Any delay directly attributable to an appeal under this section shall not be charged to the United States or the accused in deciding any issue as to denial of a speedy trial.".

(2) The item relating to section 862 (article 62) in the table of sections at the beginning of subchapter IX is amended to read as follows:

"862. 62. Reconsideration, appeal by the United States, and revision.".

(w) Section 863 (article 63) is amended by—

(1) striking out subsection (a); and

(2) striking out "(b)".

(x)(1) Sections 864 and 865 (articles 64 and 65) are amended to read as follows:

"§ 864. Art. 64. Review by a judge advocate

"(a) All cases not subject to appeal, and all cases subject to appeal but not appealed, under section 866 or 869(a) of this title (article 66 or 69(a)) shall be reviewed by a judge advocate, as prescribed by regulations of the Secretary concerned. The judge advocate shall determine—

"(1) whether the court had jurisdiction of the accused and the offense;

"(2) whether the charge and specification stated an offense; and

"(3) whether the sentence was within the limits prescribed by law.

"(b) If the judge advocate determines that corrective action is required by law, he shall recommend such action to an officer exercising general court-martial jurisdiction over the accused and that officer may—

"(1) disapprove or approve the findings or the sentence, in whole or in part;

"(2) change the sentence to any less or equally severe sentence;

"(3) except where the evidence was insufficient at trial to support the findings, order a rehearing on findings or sentence; or

"(4) dismiss the charges.

"(c) If a rehearing is ordered, but the convening authority finds a rehearing impracticable, he may dismiss the charges.

"(d) If the officer exercising general court-martial jurisdiction does not take the action recommended by the judge advocate (except where the charges are dismissed or other action is taken which is more favorable to an accused than that recommended by the judge advocate), the record of trial and action thereon shall be sent to The Judge Advocate General for review under section 869(b) of this title (article 69(b)).

"(e) A review required by this section may not be performed by a judge advocate who has previously acted as investigating officer, military judge, court member, trial counsel or assistant trial counsel in the same case.

"865. Art 65. Disposition of records

"(a) After acting under section 860 of this title (article 60) and receiving any papers timely filed under section 861 of this title (article 61), the convening authority shall send the record of trial in a case subject to appeal and appealed under section 866 or 869(a) of this title (article 66 or 69(a)) to the appropriate Judge Advocate General.

"(b) Except as otherwise required by this chapter, all records of trial and related documents in cases other than those described by subsection (a) shall be transmitted and disposed of as the Secretary concerned may prescribe by regulation.".

(2) The items relating to sections 864 and 865 (articles 64 and 65) in the table of sections at the beginning of subchapter IX are amended to read as follows:

"864. 64. Review by a judge advocate.
"865. 65. Disposition of records.".

(y) Section 866 (article 66) is amended—

(1) by adding after the second sentence in subsection (a) the following: "Any decision of a panel may be reconsidered by the court sitting as a whole in accordance with such rules."; and

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) The Judge Advocate General shall refer to a Court of Military Review the record in every case of trial by court-martial—

"(1) in which the sentence, as approved under section 860 of this title (article 60) extends to death; or

"(2) in which—

"(A) the sentence, as approved under section 860 of this title (article 60) extends to dismissal of a commissioned officer, a cadet, or midshipman, to dishonorable or a bad conduct discharge, or to confinement for more than one year; and

"(B) the accused has timely filed a notice of appeal as provided by section 861 of this title (article 61) and such appeal has not been withdrawn.".

(2) Section 867 (article 67) is amended—

(1) by striking out "or for mental or physical disability," in subsection (a)(2);

(2) by inserting "and the presiding judge informs the President that a retired judge or senior judge is not available for temporary service" after "illness or other disability" in subsection (a)(3);

(3) by striking out subsection (a)(4);

(4) by striking out "affects a general or flag officer or" in subsection (b)(1); and

(5) by striking out "board of review" in subsection (c) and inserting in lieu thereof "Court of Military Review".

(aa)(1) Subchapter IX is amended by inserting after section 867 (article 67) the following new section:

"§ 867a. Art. 67a. Retirement and survivor annuities for judges of the Court of Military Appeals

"(a) The provisions of subsection (b) (relating to retirement), subsection (d) (relating to computation and payment of retired pay), subsection (e) (relating to election to received retired pay), subsection (g) (relating to coordination with civil service retirement), subsection (h) (relating to retirement for disability) and subsection (i) (relating to revocation of election to receive retired pay) of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) shall apply to judges of the United States Court of Military Appeals as established by section 867(a) of this title (article 67(a)) except that in construing those provisions for purposes of this section—

"(1) the term 'United States Court of Military Appeals' applies in place of the term 'Tax Court';

"(2) the term 'judge' shall be construed to mean the chief judge or a judge of the United States Court of Military Appeals, but does not include any person performing judicial duties pursuant to subsection (b) or section 867(a)(3) of this title (article 67(a)(3)); and

"(3) in any determination of the length of service of any person as a judge of the United States Court of Military Appeals there shall be included only periods of service (whether or not consecutive) during which such person served as a judge of the United States Court of Military Appeals under this chapter.

"(b) If a judge of the Court of Military Appeals is temporarily unable to perform judicial duties because of illness or other disability, or if there is a vacancy on the court, the presiding judge of the court may call upon any person who has elected to receive retired pay under the provisions of section 7447 of the Internal Revenue Code of 1954, as made applicable to judges of the Court of Military Appeals by subsection (a), to perform such judicial duties with the court as may be requested of such person for the period of such illness, disability, or vacancy, or for any lesser period or periods specified by the presiding judge, except that in the case of any such person—

"(A) the aggregate of such periods in any one calendar year may not exceed 90 days without the person's consent; and

"(B) the person shall be relieved of performing such judicial duties during any period in which illness or disability of such person precludes the performance of such duties.

"(2) Any act, or failure to act, by a person performing judicial duties pursuant to paragraph (1) shall have the same force and effect as if it were the act, or failure to act, of a judge of the Court of Military Appeals, but any such person shall not be counted as a judge of the court for purposes of the second sentence of section 867(a) of this title (article 67(a)).

"(3) Any person who is performing judicial duties pursuant to paragraph (1) shall be paid, in lieu of retired pay, the same compensation as a judge and shall be paid the same allowances for travel and other expenses as a judge.

"(c)(1) Any person who has elected to receive retired pay under the application of 7447(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(e)) to judges of the United States Court of Military Appeals in accordance with subsection (a) who thereafter—

"(A) accepts any civil office or employment under the Government of the United States (other than the performance of judicial duties pursuant to subsection (b)); or

"(B) provides legal services to a client in a matter arising under this chapter,

shall forfeit all rights to retired pay under the application of such section of the Internal Revenue Code of 1954 for all periods beginning on or after the first day on which such person accepts such office or employment or provides such legal services.

"(2) Any person who has elected to receive retired pay as described in paragraph (1) who thereafter during any calendar year fails to perform judicial duties required of such person under subsection (b) shall forfeit all rights to retired pay under the application of such section of the Internal Revenue Code of 1954 for the 1-year period which begins on the first day on which the person so fails to perform such duties.

"(d) The provisions of section 7448 of the Internal Revenue Code of 1954 (26 U.S.C. 7448) except clauses (1)–(4) of subsection (a) of that section, shall apply to judges of the United States Court of Military Appeals as established by section 867(a) of this title (article 67(a)), except that in construing those provisions for purposes of this section—

"(1) the term 'United States Court of Military Appeals' applies in place of the term 'Tax Court';

"(2) the term 'judge' shall be construed to mean the chief judge or a judge of the Untied States Court of Military Appeals, including any person receiving retired pay under the application made by subsection (a) of provisions of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) to judges of the United States Court of Military Appeals whether or not such person is performing judicial duties under subsection (b);

"(3) the term 'chief judge' shall be construed to mean the chief judge of the United States Court of Military Appeals;

"(4) the term 'judge's salary' shall be construed to mean the salary of a judge received under section 867(a) of this title (article 67(a)), retired pay received under the application made by subsection (a) of the provisions of section 7447 of the Internal Revenue Code of 1954 (26 U.S.C. 7447) to judges of the United States Court of Military Appeal, and compensation (in lieu of retired pay) received under subsection (b)(3); and

"(5) the term 'United States Court of Military Appeals judges survivors annuity fund' applies in place of the term 'Tax Court judges survivors annuity fund';

"(6) the term 'a judge of the United States Court of Military Appeals' applies in place of the term 'a member of the United States Board of Tax Appeals, as a judge of the Tax Court of the United States, and as a judge of the Tax Court' as used in section 7448(n) of the Internal Revenue Code of 1954 (26 U.S.C. 7448(n)); and

"(7) the term 'after enactment of the Act making this section applicable to judges of the United States Court of Military Appeals' applies in place of the term 'after enactment of this section' as used in section 7448(q) of the Internal Revenue Code of 1954 (26 U.S.C. 7448(q)).".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 867 (article 67) the following new item:

"867a. 67a. Retirement and survivor annuities for judges of the Court of Military Appeals.".

(bb) The text of section 869 (article 69) is amended to read as follows:

"(a) The record of trial of a general court-martial shall be examined in the Office of The Judge Advocate General if—

(1) any finding of guilty or sentence has been approved under section 860 of this title (article 60);

(2) the accused has timely filed a notice of appeal required by section 861 of this title (article 61); and

(3) such record is not required to be referred to a Court of Military Review under section 866(b) of this title (article 66(b)).

If, as the result of such examination, any finding of guilty or any part of the sentence is found to be unsupportable in law, the Judge Advocate General may modify or set aside any finding of guilty or sentence, in whole or in part. If the Judge Advocate so directs, any record examined under the subsection shall be reviewed by a Court of Military Review under section 866 of this title (article 66), but in that event there shall be no further review by the Court of Military Appeals except under section 867(b)(2) of this title (article 67(b)(2)).

"(b) The Judge Advocate General may modify or set aside, in whole or in part, any finding of guilty or sentence in any court-martial not reviewed by a Court of Military Review or examained in the Office of The Judge Advocate General under subsection (a), on the ground of newly discovered evidence, fraud on the court, lack or jurisdiction over the accused or the offense, or error prejudicial to the substantial rights of the accused. When such a case is considered upon application of the accused, the application must be filed in the Office of The Judge Advocate General by the accused on or before—

"(1) October 1, 1983; or

"(2) the last day of the two-year period beginning on the date the sentence is approved under section 860 of this title (article 60),

whichever is later, unless the accused establishes good cause for failure to file within that time. Action may be taken under this subsection notwithstanding section 876 of this title (article 76).

"(c) If the Judge Advocate General sets aside any findings or sentence, he may, except where the setting aside is based on lack of sufficient evidence in the record to support the findings, order a rehearing. If he sets aside the findings and sentence and does not order a rehearing, he shall order that the charges be dismissed. If the Judge Advocate General orders a rehearing but the convening authority finds a rehearing impractical, the convening authority may dismiss the charges.

"(d) If, as the result of examination of a record of trial under subsection (a) or (b), the Judge Advocate General believes that clemency action should be taken, he may recommend such action be taken by the Secretary concerned. In the event of such a recommendation, the Secretary concerned may modify or set aside, in whole or in part, any finding of guilty or sentence and may order that the charges be dismissed.".

"(cc) Section 871 (article 71) is amended—

(1) in subsection (a)—

(A) by striking out "or involving a general or flag officer"; and

(B) by striking out "except a death sentence" and inserting in lieu thereof "except that he may not suspend a death sentence";

(2) by striking out "(other than a general or flag officer)" in subsection (b);

(3) by striking out subsections (c) and (d) and inserting in lieu thereof the following:

"(c) That part of a sentence which imposes, unsuspended, a dishonorable or bad conduct discharge may not be executed—

"(1) until the end of the 40 day period beginning on the day sentence is announced; or

"(2) if a notice of appeal as required by section 861 of this title (article 61) has been timely filed and such appeal has not been withdrawn, until affirmed by a Court of Military Review, and, in cases reviewed by it, the Court of Military Appeals,

whichever is later.

"(d) Any other court-martial sentence or part thereof may be ordered executed by the convening authority when approved by him. The convening authority may suspend the execution of any sentence, except a death sentence."; and

(4) by adding at the end thereof the following new subsection:

"(e) A judge advocate shall advise the convening authority, orally or in writing, as to an appropriate sentence to be ordered executed before execution of any general court-martial sentence or any special court-martial sentence that includes a bad conduct discharge.".

(dd)(1) Subchapter X is amended by inserting after section 112 (article 112) the following new section:

"§ 912a. Art. 112a. Controlled substances

"(a) As used in this section—

"(1) 'administer', 'controlled substance', 'deliver or delivery', 'distribute', 'manufacture', 'narcotic drug', 'practitioner', and 'ultimate user' have the meanings set forth in section 102 of the Controlled Substances Act (21 U.S.C. 802), and 'phencyclidine' has the meaning set forth in section 310 of the Controlled Substances Act (21 U.S.C. 830);

"(2) 'dispense' means to deliver a controlled substance to an ultimate user or research subject by, or pursuant to the order of, a practitioner, and includes the prescribing or adminstering of a controlled substance and the packaging, labeling, or compounding necessary to prepare the substance for such delivery;

"(3) 'marihuana' means all parts of the plant botanically classified as genus Cannabis. The term 'Cannabis' includes all species of the genus Cannabis. 'Marihuana' means all parts of the Cannabis plant, whether growing or not;

"(4) 'opiate' means a mixture or substance containing a detectable amount of any narcotic drug that is a controlled substance listed in Schedule I or II, other than a narcotic drug consisting of (A) coca leaves; (B) a compound, manufacture, salt, derivative, or preparation of coca leaves; or (C) a substance chemically identical a mixture or substance described in subclause (A) or (B);

"(5) 'possess' means to exercise knowing dominion or control over a substance, whether or not such dominion or control is exercised exclusively by the accused or by the accused jointly with another person or persons;

"(6) 'Schedule I', 'Schedule II', 'Schedule III', 'Schedule IV', and 'Schedule V' refer to the schedules of controlled substances established by section 202 of the Controlled Substances Act (21 U.S.C. 812), as amended from time to time by the Attorney General pursuant to the authority of section 201 of the Controlled Substances Act (21 U.S.C. 811);

"(7) 'traffic' means (A) to sell, pledge, transfer, distribute, dispense, or otherwise to dispose of to another person, whether or not as consideration for anything of value; or (B) to buy, receive, possess, or obtain with the intent to do any act described in subclause (A); and

"(8) 'use' means the accused's knowing introduction into his body, or the introduction by some person other than the accused into the body of the accused when the accused intends for such introduction to occur, of a substance, whether such introduction be by injection, inhalation, ingestion, or by any other means.

"(b)(1) Any person subject to this chapter who manufactures or trafficks an opiate is guilty of trafficking in opiates and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for 25 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade if the opiate weighs 100 grams or more; or

"(B) dishonorable discharge, confinement at hard labor for 20 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade if the opiate weighs less than 100 grams.

"(c)(1) Any person subject to this chapter who manufactures or trafficks a controlled substance other than an opiate is guilty of trafficking in drugs and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for 25 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is listed in Schedule I or II or is phencyclidine (PCP) and is—

"(i) a kilogram or more of a narcotic drug other than an opiate;

"(ii) 500 grams or more of phencyclidine (PCP); or

"(iii) 5 grams or more of lysergic acid diethylamide (LSD);

"(B) dishonorable discharge, confinement at hard labor for 20 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is listed in Schedule I or II or is phencyclidine (PCP) and is—

"(i) less than a kilogram of a narcotic drug other than an opiate;

"(ii) less than 500 grams of phencyclidine (PCP); or

"(iii) more than 50 kilograms of marihuana, 10 kilograms of hashish, or one kilogram of hashish oil;

"(C) dishonorable discharge, confinement at hard labor for 15 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is not a narcotic drug, phencyclidine (PCP), or lysergic acid diethylamide (LSD) but is—

"(i) listed in Schedule I or II, except when it is less than one kilogram of marihuana, less than 200 grams of hashish, or less than 20 grams of hashish oil; or

"(ii) listed in Schedule III;

"(D) dishonorable discharge, confinement at hard labor for 10 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) listed in Schedule IV; or

"(ii) less than one kilogram but 30 grams or more of marihuana, less than 200 grams of hashish, or less than 20 grams of hashish oil; or

"(E) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) listed in Schedule V; or

"(ii) less than 30 grams of marihuana.

"(d)(1) Any person subject to this chapter who possesses a controlled substance is guilty of possessing drugs and shall be punished as a court-martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exeed—

"(A) dishonorable discharge, confinement at hard labor for 15 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is 30 grams or more of an opiate;

"(B) dishonorable discharge, confinement at hard labor for 12 years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than 30 grams of an opiate;

"(ii) 30 grams or more of a narcotic drug other than an opiate; or

"(iii) phencyclidine (PCP) or lysergic acid diethylamide (LSD);

"(C) dishonorable discharge, confinement at hard labor for eight years, forfeiture of all pay and allowance, and reduction to the lowest enlisted grade when the controlled substance is not an opiate, is not 30 grams or more of a narcotic drug other than an opiate, and is not phencyclidine (PCP) or lysergic acid diethylamide (LSD) but is—

"(i) listed in Schedule I or II, except when it is less than one kilogram of marihuana, 200 grams of hashish, or 20 grams of hashish oil; or

"(ii) listed in Schedule III;

"(D) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than one kilogram but 30 grams or more of marihuana, less than 200 grams of hashish, or less than 20 years of hashish oil; or

"(ii) listed in Schedule IV; or

"(E) dishonorable discharge, confinement at hard labor for two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade when the controlled substance is—

"(i) less than 30 grams of marihuana; or

"(ii) listed in Schedule V.

"(e)(1) Any person subject to this chapter who uses a controlled substance is guilty of using drugs and shall be punished as a court martial may direct, except that such punishment may not exceed the punishment set forth in paragraph (2).

"(2) The punishment imposed by a court-martial for an offense under paragraph (1) may not exceed—

"(A) dishonorable discharge, confinement at hard labor for five years, forfeiture of all pay and allowances, and reduction to the

lowest enlisted grade when the controlled substance is used—

"(i) aboard a military vessel or aircraft;

"(ii) while engaged in the performance of duties as a sentinel or look-out; or

"(iii) during time of war; or

"(B) dishonorable discharge, confinement at hard labor for two years, forfeiture of all pay and allowances, and reduction to the lowest enlisted grade in any case not described by clause (A).

"(f)(1) It shall be a defense to any charge under this section that the accused's conduct was authorized by the provisions of the Controlled Substances Act (21 U.S.C. 801 et seq.) or the Controlled Substances Import and Export Act (21 U.S.C. 951 et seq.) or was authorized or required by any other lawful authority when such defense is raised by the evidence and the court-martial is not convinced beyond reasonable doubt that the basis for that defense does not exist.

"(2) It shall be a defense to any charge under subsections (d) and (e) of this section that the controlled substance possessed or used was obtained or used by the accused from, or pursuant to a valid prescription or order issued by, a practitioner acting in the course of his professional practice when such defense is raised by the evidence and the court-martial is not convinced beyond reasonable doubt that the basis for that defense does not exist.

"(g) Nothing in this section limits the authority of the President under section 856 of this title (article 56) to further limit the maximum punishments which may be imposed by a court-martial for offenses under this section.".

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 912 (article 112) the following new item:

"912a. 112a. Controlled substances.".

(ee) Section 963(a) (article 136(a)) is amended—

(1) by striking out "of the Army, Navy, Air Force, and Marine Corps";

(2) by striking out clause (2); and

(3) by redesignating clauses (3)-(7) as clauses (2)-(6), respectively.

SEC. 4. Chapter 79 of title 10, United States Code, relating to correction of military records, is amended as follows:

(a) Section 1552 is amended by adding at the end thereof the following new subsection:

"(f) The authority of subsection (a) may be exercised with respect to a record of courts-martial under chapter 47 of this title and related administrative records only to—

"(1) correct a record to reflect the action taken by reviewing authorities under such chapter; or

"(2) change a discharge or dismissal of such court-martial, or to issue a new discharge, when such correction is determined appropriate as a matter of clemency."

(b) Section 1553(a) is amended by striking out "general".

SEC. 5. Section 7(b)(1) of the Military Justice Amendments of 1981 (Public Law 97-81, 95 Stat 1089) is amended to read as follows:

"(b)(1) The amendments made by section 2 shall apply to each member whose sentence by court-martial is approved on or after January 20, 1982—

(A) under section 864 or 865 (article 64 or 65) of title 10, United States Code, by the officer exercising general court-martial jurisdiction under the provisions of such section as it existed on the day before the effective date of the Military Justice Act of 1982; or

(B) under section 860 (article 60) of title 10, United States Code, by the officer empowered to act on the sentence on or after the effective date of the Military Justice Act of 1982.".

SEC. 6. (a) Except as otherwise expressly provided, the amendments made by sections 3, 4, and 5 of this Act shall be effective on the first day of the sixth month that begins after the date of enactment of this Act.

(2) The amendments made by section 3 of this Act shall not apply to any case in which, before the effective date of this Act, any charge has been referred to trial, and in any such case all proceedings under chapter 47 of title 10, United States Code, shall be conducted in accordance with the laws in effect on the day before the effective date of this Act.

(3) The amendments made by sections 4 and 5 of this Act shall not apply to any request for correction of a military record or request for review of a discharge of dismissal that is pending before a Board for Correction of Military Records or a Discharge Review Board on or before the effective date of this Act.

(b)(1) Notwithstanding the amendments made to section 867(a)(4) of title 10, United States Code, by section 3(2)(3) of this Act—

(A) Any individual who is a senior judge of the United States Court of Military Appeals on the date of enactment of this Act and who is no receiving retired pay under the application of section 7447(e) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(e) to judges of the Court of Military Appeals in accordance with section 867a(a) (article 67a(a)) of title 10, United States Code, as added by subsection 3(aa)(1) of this Act, may be assigned offices in a Federal building and may be provided with a staff assistant, whose compensation may not exceed the highest rate prescribed for grade GS-9 of the General Schedule under section 5332 of title 5, United States Code.

(B) If a judge of the United States Court of Military Appeals is temporarily unable to perform judicial duties because of illness or another disability, or if there is a vacancy on the court, the chief judge of the court may call upon a senior judge, with the consent of the senior judge, to perform judicial duties with the court for the duration of the disability or vacancy. Any act, or failure to act, by an individual performing judicial duties pursuant to this subparagraph shall have the same force and effect as if it were the act (or failure to act) of a judge of the United States Court of Military Appeals, but such individual shall not be counted as a judge of the Court of Military Appeals for the purposes of the second sentence of section 867(a) (article (a)) of title 10, United States Code. Any individual performing such judicial duties pursuant to this subparagraph shall, in lieu of retired pay, be paid the same compensation as a judge of such court and shall be paid the same allowances for travel and other expenses as a judge of such court.

(2) Section 867a (article 67a)) of title 10, United States Code, as added by section 3(aa)(1) of this Act, shall take effect on the date of enactment of this Act, except that, with respect to a judge who is a judge of the United States Court of Military Appeals on the date of enactment of this Act, the term "15 years or more" as used in section 7447(b) of the Internal Revenue Code of 1954 (26 U.S.C. 7447(b)), as made applicable to judges of the United States Court of Military Appeals by section 867a(a) (article 67a(a) of title 10, United States Code, as added by this Act, shall be read as "10 years or more".

SUMMARY OF MAJOR PROVISIONS OF S. 2521, THE MILITARY JUSTICE ACT OF 1982

The bill would make a number of substantive and technical changes in the military justice system. Among the most important of these changes are the following:

(1) Sentencing by a Military Judge: Presently under the Uniform Code of Military Justice (UCMJ), a military judge must be detailed to preside over all general courts-martial, and except in certain limited circumstances, all special courts-martial in which a bad conduct discharge may be included as part of the sentence. In any case in which a military judge is detailed to preside over the court-martial, except in a case in which the death penalty may be imposed, the accused may request that he be tried and sentenced by that military judge rather than by a court-martial composed of military members. The bill would change this procedure by providing that in every case in which a military judge presides over the court-martial, except in a case in which the death penalty could be imposed, the military judge would determine and adjudge the sentence. This is consistent with the criminal sentencing procedures now utilized in Federal district courts as well as most state courts. The accused would still retain his option of requesting the entire trial before a military judge.

(2) Power of Military Judge to Suspend Sentences: Presently, a court-martial, whether it be composed of members or of only a military judge, has no authority to order that the execution of any part of the sentence adjudged by that court-martial be suspended. The power to suspend the execution of a court-martial sentence presently may be exercised only by the convening authority and certain other reviewing officials. Under the bill, in any case in which a military judge determines the sentence, that military judge would be empowered to order that the execution of the sentence, or any part of the sentence, be suspended for a period of time not exceeding two years. This change is consistent with the new power granted to military judges to determine sentences in most cases. The existing power of the convening authority and certain other reviewing authorities to order the suspension of the execution of court-martial sentences would remain intact.

(3) Increased Sentencing Power of Special Court-Martial: Presently, the maximum sentence that may be imposed by a special court-martial is bad conduct discharge, confinement at hard labor for six months, forfeiture of two-thirds of pay per month for six months, and reduction to the lowest enlisted grade. Under the bill this maximum sentencing authority would be increased to include confinement at hard labor for a period not exceeding one year and forfeiture of two-thirds of pay per month for not longer than one year. This would increase the period for which confinement could be adjudged to that period traditionally recognized as the benchmark distinguishing misdemeanors from felonies.

(4) Pretrial procedures: Under present law and practice, no charge may be referred for trial by general court-martial unless that charge has first been investigated pursuant to the provisions of Article 32, UCMJ (10 U.S.C. 832), and the report of that investigation has been referred to the convening authority's staff judge advocate. Although not required by statute, the Manual for

Courts-Martial requires that the staff judge advocate make written recommendations to the convening authority. Furthermore, the convening authority must personally determine whether the charge alleges an offense under the UCMJ and whether the charge is warranted by the evidence in the report of investigation. Under the bill, several changes would be made. First, an accused would be permitted to waive his right to a pretrial investigation. Secondly, the bill would make it clear that the advice of the staff judge advocate could be either oral or in writing. Finally, the bill would relieve the convening authority of making the essentially legal determinations relative to the form and sufficiency of the allegation and the evidence by requiring only that the convening authority be advised by his staff judge advocate as to the sufficiency of the allegation and evidence in those cases where such determinations need be made at all. Even if the staff judge advocate found the allegation and evidence sufficient, the convening authority would be free not to refer the case to a general court-martial. However, if the staff judge advocate found that the allegation did not state an offense under the UCMJ or that the evidence in the report of investigation did not warrant the allegation, the convening authority could not refer the charge to a general court-martial.

(5) Review by the Convening Authority: Under present law, both the findings and sentence of a general court-martial are reviewed for legal sufficiency and sentence appropriateness by the convening authority after trial. In the case of a special court-martial in which the sentence includes bad conduct discharge, such reviews must be conducted by both the convening authority and by the officer exercising general court-martial jurisdiction. The required determinations related to the findings are primarily legal determinations related to sufficiency of the evidence, rulings on motions, and other matters of a technical nature. Under the bill, these portions of the post-trial procedures would be changed in several ways. First, only the convening authority, and not both the convening authority and the general court-martial convening authority, would be required to act upon a special court-martial case involving a sentence including a bad conduct discharge. Second, the convening authority would no longer be required to review the case for legal sufficiency. Rather, the convening authority would, in his sole discretion and in his role as commander, disapprove the sentence, approve the sentence in whole or part, or change the sentence to any less or equally severe sentence. Furthermore, the convening authority, in his sole discretion, could set aside any finding of guilty and dismiss the charge. Under present law, the convening authority may take each of these actions; however, he must first resolve certain legal issues. Under the bill, the convening authority could take his action without having to resolve those legal issues. Under present law, before the convening authority acts on a general court-martial sentence, and before the general court-martial convening authority acts on a special court-martial sentence including a bad conduct discharge, the case must first be referred to the staff judge advocate or legal officer for his written opinion. Under the bill, such cases would still be referred to the staff judge advocate, but for written recommendations only, and those recommendations would need only to address such matters as may be required by Presidential direction.

(7) Further Appellate Review: Under present law, every court-martial in which the approved sentence includes death, or punitive discharge or confinement at hard labor for one year or more or in which the accused is a flag or general officer must be reviewed by a Court of Military Review, even if the accused does not desire such an appeal. Furthermore, every general court-martial case in which a finding and sentence have been approved and for which review by a Court of Military Review is not required must be reviewed in the Office of The Judge Advocate General. Under the bill, only those cases involving the death penalty would continue to be so reviewed absent an appeal by the accused. That is, an accused may appeal to a Court of Military Review any case in which a punitive discharge or confinement at hard labor in excess of one year were imposed. (Note that under present law, a Court of Military Review must review all cases involving confinement at hard labor of one year or more. Under the bill, cases involving confinement only in excess of one year would qualify for appeal to a Court of Military Review). However, the burden would be upon the accused to file such an appeal. The same burden would be placed upon an accused in a general court-martial not appealable to a Court of Military Review if the accused wishes that case to be reviewed in the Office of the Judge Advocate General. The failure of an accused to file a timely notice of appeal would bar further review of the case by a Court of Military Review or in the Office of The Judge Advocate General. (However, the Judge Advocate General would retain the plenary authority to take action under Article 69 (b), UCMJ, in cases not appealed under this procedure). The bill also would require that all cases not subject to appeal, and all cases subject to appeal but not appealed, be reviewed by a judge advocate in accordance with regulations of the Secretary concerned. This would insure every court-martial case be reviewed at least once (and in most cases twice) by a judge advocate before the findings and sentence are final.

(8) Interlocutory Appeals by the Government: Under present law, if a military judge makes an order or ruling which terminates a proceeding with respect to a charge or which excludes substantial proof of a material fact, the Government's only viable recourse is to return the case to the military judge with a request that the order or ruling be reconsidered. That is, the Government has no clear authority to obtain an appellate review of that order or ruling. Under the bill, the Government, in addition to or rather than seeking reconsideration, could appeal such an order or ruling directly to a Court of Military Review. Such an appeal would be expedited to the fullest extent possible and could be heard by a Court of Military Review sitting en banc, by a panel of the Court, or by one judge of the Court appointed by the Chief Judge for that purpose. The decision by the Court of Military Review on such an appeal could not be further appealed to the Court of Military Appeals or any other court by either the Government or the accused during the pendency of the trial. However, the decision of the Court of Military Review could be subjected to immediate review by the Court of Military Appeals and other appropriate courts pursuant to the All Writs Act (28 U.S.C. 1651). Additionally, the decision of the Court of Military Review would be the proper subject for appeal by the accused during normal post-trial review and appeal. This authority could be used by the Government only in cases in which a military judge presides over the trial and in which a discharge or dismissal may be included in the sentence. The authority could not be utilized if the order or ruling in question is, or amounts to, a finding of not guilty.

(9) Controlled Substance Offenses and Punishments: Presently, the Uniform Code of Military Justice does not expressly proscribe offenses involving controlled substances. As a result, offenses involving controlled substances are charged either as a violation of a lawful general regulation of the armed force concerned in violation of Article 92, UCMJ, or as a disorder or neglect prejudicial to good order and discipline in the armed forces under Article 134, UCMJ. How these offenses are charged is dependent upon the individual policies of the armed service concerned. In some cases, the manner in which a controlled substance offense is charged is dependent upon the nature of the substance itself. As a result members of one armed force may be subject to prosecution under Article 92 of the UCMJ, while a member of another armed force is charged with a 7 violation of Article 134, UCMJ, for identical conduct. This can also result in military members being faced with different possible punishments for identical conduct. Because of the different ways controlled substance offenses are charged and punished, there has been extensive litigation challenging the charging and punishing scheme presently available under the UCMJ. Under the bill a new punitive article, Article 112a, would be added to the UCMJ which would expressly make punishable the trafficking (including sale, transfer, or receipt for the purpose of sale or transfer), manufacture, possession, or use of controlled substances. Controlled substances would include these substances listed for control in Schedules I through V of the Controlled Substances Act (21 U.S.C. 802), including substances added to those Schedules by rule of the Attorney General pursuant to the provisions of the Controlled Substances Act. The bill further would provide a scheme of maximum punishments which would insure appropriate distinctions in maximum punishments based upon the nature and quantity of the substance involved. Although the bill would by statute provide for maximum permissible sentences for various controlled substance offenses committed under various circumstances, the President would still retain his authority under Article 56, UCMJ, to provide for maximum punishments less severe than those which would be established by the bill.

(10) Retirement and Survivor Annuity Program for Judges of Court of Military Appeals: Presently, a judge of the United States Court of Military Appeals is eligible for only the retirement and survivor annuity benefits provided by the Civil Service retirement program. The other Article I "legislative courts" each have a retirement system with greater benefits available to the judges of those courts. Under the bill, judges of the Court of Military Appeals would be granted identical retirement and survivor annuity benefits as are presently provided judges of the United States Tax Court under sections 7447 and 7448 of the Internal Revenue Code of 1954 (26 U.S.C. 7447; 7448). Under the bill, judges of the Court of Military Appeals Court (A) would retire (1) upon attaining the age of 70; or (2) upon becoming permanently disabled, and (B) would retire (1) after attaining 65 years

of age and 15 years of service on the Court; or (2) when the judge is not reappointed at the expiration of a term of office after serving for 15 years or more on the Court and declaring in writing his willingness to accept reappointment. A retired judge's retired pay would be determined under the identical formula used to determine the rate of retired pay for judges of the Tax Court.

By Mr. HAYAKAWA (for himself, Mr. HELMS, Mr. NICKLES, Mr. EAST, and Mr. THURMOND):

S. 2522. A bill to amend the Food Stamp Act of 1977 to establish certain employment requirements for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

EMPLOYMENT REQUIREMENTS FOR THE FOOD STAMP PROGRAM

Mr. HAYAKAWA. Mr. President, as a member of the Nutrition Subcommittee, I have taken a special interest in the food stamp program. There are few Federal programs which receive as much criticism from the public as does this. One of the more common complaints, moreover, involves the issuance of benefits to the long-term voluntarily unemployed. Today I will address this concern by introducing legislation which would, if successful, eliminate most of the long-term voluntarily unemployed from the food stamp program.

The opposition to supporting the voluntarily unemployed is certainly understandable. People all over the country have seen examples which indicate the existence of a class of able-bodied persons who would rather collect public assistance than take jobs that are available to them. During my tenure as a Senator from California, I have also been made aware of numerous events which indicate the existence of such a class. I would like to take this opportunity to recount just a few of them.

A couple of years ago, olive growers in Glenn and Tehama Counties in California asked for my help. I was told that there was no one to pick their ripening olives because the Immigration and Naturalization Service had rounded up work crews of illegal Mexicans and deported them just at harvest time. The olive growers' organization there sent telegrams in September to President Carter, the Department of Agriculture, and the Department of Labor. In these telegrams, the growers asked if the Government would legally admit the Mexicans needed to harvest the crop. Without such help, they continued, the crop would be lost by November.

By the time a reply was received on December 15, harvest had already passed. However, the reply from the Department of Labor said that there never had been a labor shortage in these counties. And, in a very important sense, the Department was right. All that was needed were 1,000 workers, and official statistics indicated that there were plenty of able-bodied persons available for work. In these two counties there were thousands of persons receiving food stamps and 8.9 percent and 5.4 percent unemployment, respectively. In addition, thousands more unemployed persons could be found in neighboring counties.

The growers made efforts to recruit these unemployed persons. The availability of this work was heavily advertised. However, there were very few unemployed persons who showed up for work. And of the few that did, most found the work to be too demanding, and quit after half a day.

With few Americans willing to work on the farms, and the loss of most of the illegal Mexicans, the farmers were left extremely short of labor. As a result, the 80 affected olive growers lost about half of their crops.

A more recent story was relayed to the Senate Agriculture Committee just a few weeks ago at a food stamp hearing. Testifying at this hearing was Don Rosendahl, the president of the Fresno County Farm Bureau. As a grower, Mr. Rosendahl had a problem similar to that of the olive growers. Last summer he had 50 acres of boysenberries in production. When it came to harvest time, the illegal workers were so intimidated by the border patrol that they left Mr. Rosendahl's ranch. Thus he was left with a ripening crop and few people to do the harvest.

Fearing the loss of his crop, Mr. Rosendahl tried everything he could to recruit workers. He took out radio and newspaper ads. He put signs along the highways, and called the employment development department. But on the best day, he was only able to get 70 workers out of the 300 needed. And many of these 70 were illegal aliens.

On the surface, it would appear that Mr. Rosendahl should have been able to get the help he needed. At the time, there were 25,000 persons unemployed in this county. This figure represents 8.6 percent of the total work force, and does not include the elderly, disabled, sick, and the hard-core unemployed. The number represents simply those who are able bodied and supposedly willing to work. There were at the same time, 59,000 persons receiving food stamps, most of whom were able bodied. Furthermore, the work was not difficult, required no training and yielded the average worker $7.20 an hour. Yet for some reason, the unemployed were not interested, and Mr. Rosendahl lost over half of his crop.

But agriculture is not the only industry which has difficulty finding workers. In the past, the California Employment Development Department has issued quarterly reports predicting labor supply and demand. While these are only predictions, the reports usually prove to be very accurate. Their last report, covering the last quarter of 1981, predicted that in most metropolitan areas there would be a need for workers to fill slots which required little or no skills. Many of these areas also experienced high unemployment over the same period.

For example, Monterey had 10.6 percent unemployment in the last quarter of 1981 while there was expected to be a strong demand for waiters and waitresses, chambermaids, short-order cooks, and kitchen helpers. The strong demand, of course, indicates a shortage of persons willing to work in these low-skilled, low-status jobs.

Sacramento, our State capital, had 9.6 percent unemployment over the period. Yet there was demand for persons to work as grocery cashiers, telephone solicitors, cooks, kitchen helpers, and home service workers. San Diego had 7.7 percent unemployment while there was a shortage of persons willing to be waiters and waitresses, stock clerks, and kitchen helpers.

These are only some examples. There are other areas as well which had high unemployment at the same time that there were jobs that people were not willing to fill. In fact, almost every metropolitan area listed in the report was predicted to have a need for persons to fill some positions which required little or no skills.

I find it hard to believe that voluntarily unemployed persons exist only in California. A study recently done in Baltimore had some interesting results. This study, published in the Federal Reserve Bank of Richmond Economic Review, looked at the long-term unemployed; people unemployed for 6 months or more. The study found that "almost half (43.4 percent) of those surveyed acknowledged that they would not accept some of the jobs available to them." In fact 35 percent of the respondents thought that they could get a job but would not want it because it either "paid too little, was menial, was too demanding physically, or was simply not of the respondent's liking." And 48.9 percent of those surveyed thought they would be successful in finding a job if they actively looked, and an additional 15.3 percent thought that they would have at least a fair chance. In general, the study concludes, the responses "indicate that a number of unemployed workers could get some sort of job, yet chose instead to remain unemployed." My guess is that this study could be repeated in any number of American cities.

These examples show that there are jobs in our country which go unfilled. If many people find this unsettling, it is understandable. We assume that unemployed Americans would prefer working to living on welfare. But for many unemployed, the voluntarily unemployed, this apparently is not the case.

Every year, the Government spends literally billions of dollars through various programs to support the voluntarily unemployed. However, I believe that support of persons who are not willing to help themselves is a luxury we simply cannot afford, especially in these difficult economic times.

For too long, we have neglected the millions of working Americans who have been forced to support those who don't want to work or are not willing to take jobs which they feel are beneath them. For too long, we have forgotten the millions of working Americans whose parents, grandparents, or great-grandparents came to this country and toiled away their lives at the less desirable jobs in society in order to survive and to gain a foothold in society for their families. For too long, we have forgotten the taxpayers who now work in low-status jobs. How can we ask all these people to give their money to assist persons who are not willing to take available jobs? It should not be the role of government to support with tax dollars the voluntarily idle, especially those who are just waiting around to find the job which they believe "fits them." Through my legislation, we can clarify the Government's role, and in the process, save the taxpayer what CBO estimates to be as much as $1.5 billion annually.

To some, the idea of removing the voluntarily unemployed from the food stamp program may seem to lack compassion. However, I believe it is the other way around. The Government is lacking compassion by encouraging people to remain idle. Very often, people turn down low-paying jobs because it makes more sense financially to be on assistance.

The disincentives of the welfare system are well documented. In the Baltimore study cited above, 11.8 percent of those long-term unemployed surveyed indicated that they had declined a job because of low pay, and a much larger percentage indicated that they had a reservation wage higher than the minimum wage. According to studies done in Seattle and Denver in the 1970's (the Seattle and Denver income maintenance experiment), family members who were provided a guaranteed income over a 5-year period reduced their work efforts "by amounts ranging from 11.4 percent in the case of husbands to 25.3 percent in the case of wives to 55 percent in the case of some male nonheads of households."

Charles Hobbs, in his book the Welfare Industry, calculated that in a base year, the typical welfare family of four received cash and in-kind welfare benefits equivalent to an amount slightly higher than the median family income in that year. In the 1960's Leonard Hausman, of Brandeis University did a study which showed that an increase in welfare payments "from $82 to $162 caused a decline of over 36 percent in market work effort." And a more recent study done by Irwin Garfinkel of the University of Wisconsin concluded that the average employment rates of welfare mothers "decreased by about 4.5 percent as the annual guarantee in Government support increased by $1,000."

I recently had the food stamp division of the California State Department of Social Services perform an analysis for me evaluating the resources available to an average welfare household of four. The results of this analysis indicate that it makes more sense for the wage earner of the household to stay home than to work a minimum wage job full time.

If the wage earner is unemployed, then he or she is eligible to receive monthly $601 in AFDC—aid to families with dependent children—and $90 in food stamps. This gives the household a total net monthly income of $691.

However, if this parent worked a minimum wage job 40 hours a week, then his or her gross pay would be $589 per month. From the $589 we would have to subtract the expenses a working parent would incur. According to the department of social services, transportation costs would be at least $24 a month, and the withholding taxes which would be deducted from the parent's paycheck would amount to $54. Also, as most families in this income range would, according to the department, send their children to a day care center, there would be this additional expense. The department estimates that the cost of day care for three children, would be at the least, $195 a month.

After these expenses are taken into account, the parent is left with $316. Both then we must add in his or her allotment of government assistance. AFDC would come out to be $87 a month and food stamps would be $122 a month. This would leave the household of a working parent with a net income of $525 a month, which is $166 less than the net income for the household of the unemployed person. Even if the working parent did not incur any child care expenses, there would still only be a $29-a-month incentive for the parent to go to work.

When it makes more sense to sit home rather than work at a low-paying job, it is easy for a person to become dependent on public assistance. It is easy for the involuntarily unemployed to become voluntarily idle, and easy for the voluntarily idle to remain so.

Once a person is unfortunate enough to become dependent on assistance, the welfare system sentences him or her to a life of economic squalor. Welfare becomes a way of life, the only life some of these people will know. Work and the work ethic, the basis for success in our society become foreign to them. By being unemployed, these persons lose the chance to gain the basic human dignity which is derived from being an earning, productive member of society. They lose the opportunity to gain the foothold so necessary for working one's way up the economic ladder. Their children grow up without having the example of a working adult before them. These children may even grow up with a poor self-image as they watch their friends' parents working while their own parents are idle. In these ways, the system denies people the opportunity to lift themselves and their families up into the mainstream of American society.

Our elaborate welfare system, in a sense, also denies many new immigrants the opportunities of our own forebears. Farmers in my State often joke about how they tend to lose their illegal workers once they become citizens. Of course, the fact that many of these workers quit and go on public assistance is no joke to either the farmers or the workers. These immigrants, like our own forebears, came to this country looking for better lives for themselves and their families. They knew that with a lot of hard work, and a little luck, they too, could have the opportunity to live the American dream. Yet through a system which encourages persons to sit at home rather than take low-paying jobs, our Government leads these new Americans into the welfare trap. While our own forebears had the incentives to do the work necessary to start up the economic ladder, today we provide disincentives for new immigrants to do the same.

We cannot simply stand back and watch our welfare system swallow up millions of Americans into the welfare trap. My proposal represents decisive and positive action by eliminating one of the disincentives which lead the unemployed into this trap.

My proposal, however, is in no way intended to affect those persons who are involuntarily unemployed, those who live in areas where there simply are no jobs. To assure that such persons are not removed from the program, my legislation gives the Secretary of Agriculture authority to waive my provision in counties or jurisdictions which have more than 10 percent unemployment or which are determined not to have enough jobs to fill the needs of the unemployed. In addition, my proposal is targeted at only the long-term unemployed. One's benefits are not cut off until 31 days after unemployment benefits run out. As most people receive unemployment compensation for 26 weeks, a person would have over 7 months to find a

job before losing eligibility in the food stamp program. For those who do not qualify for unemployment assistance, benefits are lost only after 60 days of unemployment.

There are those who might say that my proposal could lock a skilled worker into a low-paying job. After 7 months of being laid off, a skilled worker would have to take any job available to remain eligible for food stamps. Once in this job, the logic follows, the person would not have the time to look for a job in which he could utilize his skills. However, my legislation squarely addresses this problem. In order to remain eligible for food stamps, a person has to work only part time—20 hours a week, leaving ample time for a thorough job search.

Some persons may contend that my legislation is bad politically in these times of high unemployment. While I am not known to base my actions on what is good or bad for my political career, I believe that the current unemployment situation makes my proposal even better politically. My proposal seeks to remove the long-term voluntarily unemployed from the program, not those people who have suddenly become unemployed and honestly want to work. If we remove the long-term voluntarily unemployed from the program, then there will be enough savings to assure that minimal cuts are made in benefits received by those truly needy—including those who simply cannot find work. In addition, we can help protect the new involuntarily unemployed from falling into the welfare trap where they could join the thousands and thousands of persons tied into lives with no future.

My proposal will also help make the food stamp program more acceptable to the public. It seems as if we discuss food stamps every year. This is partly because the program has such a poor image. My proposal will address one of the problems which help give this program such a bad image. By improving the image of the program through proposals such as mine, we can insure that the integrity of this program is preserved and that benefits continue to flow to those who cannot help themselves.

Mr. President, the legislation which I am introducing today provides this body with some excellent opportunities. By removing the long-term voluntarily unemployed from the food stamp program, we can move the program closer to its proper function of helping only the truly needy and assure the program's integrity. We can remove one of the incentives for the unemployed to remain out of work, and in this way, both close off one of the doors into the welfare trap, and increase the productivity of the Nation. We can achieve significant budgetary savings. And we can assure the public that we do not intend to use their money to subsidize able-bodied persons who are not willing to help themselves.

ADDITIONAL COSPONSORS

S. 479

At the request of Mr. ROBERT C. BYRD, the Senator from Montana (Mr. BAUCUS), the Senator from Nevada (Mr. CANNON), and the Senator from Arkansas (Mr. BUMPERS) were added as cosponsors of S. 479, a bill to designate the first Sunday in June of each year as "National Shut-In Day."

S. 603

At the request of Mr. ZORINSKY, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 603, a bill to amend title 17 of the United States Code to exempt nonprofit veterans' organizations and nonprofit fraternal organizations from the requirement that certain performance royalties be paid to copyright holders.

S. 1782

At the request of Mr. WEICKER, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 1782, a bill to amend section 305 of the Federal Property and Administrative Services Act of 1949 pertaining to contract progress payments made by agencies of the Federal Government, providing for the elimination of retainage in certain instances, and for other purposes.

S. 1929

At the request of Mr. BURDICK, his name was withdrawn as a cosponsor of S. 1929, a bill to amend the Public Health Service Act and the Federal Cigarette Labeling and Advertising Act to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice, and for other purposes.

S. 2000

At the request of Mr. DOLE, the Senator from Rhode Island (Mr. PELL) was added as a cosponsor of S. 2000, a bill to amend title 11, United States Code, to establish an improved basis for providing relief under chapter 7, and for other purposes.

S. 2001

At the request of Mr. HATCH, the Senator from Wisconsin (Mr. KASTEN) was added as a cosponsor of S. 2001, a bill to amend the Lanham Trademark Act to prohibit any State from requiring that registered trademark be altered for use within such State and to encourage private enterprise with special emphasis on the preservation of small business.

S. 2127

At the request of Mr. COHEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2127, a bill to revise the procedures for soliciting and evaluating bids for Government contracts and awarding such contracts, and for other purposes.

S. 2147

At the request of Mr. DECONCINI, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 2147, a bill to require amendment of the Internal Revenue Code of 1954 to provide a simple income tax with low marginal rates and to require the Secretary of the Treasury to propose legislation to establish such an income tax.

S. 2226

At the request of Mr. LUGAR, the Senator from Vermont (Mr. LEAHY), the Senator from West Virgina (Mr. RANDOLPH), the Senator from Minnesota (Mr. DURENBERGER), the Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Florida (Mr. CHILES) were added as cosponsor of S. 2226, a bill to amend the National Housing Act to provide for emergency interest reduction payments and for other purposes.

S. 2360

At the request of Mr. WARNER, the Senator from Idaho (Mr. MCCLURE), and the Senator from Texas (Mr. TOWER) were added as cosponsor of S. 2360, a bill to provide that States may enter agreements with the United States under which the State will retain a portion of the Federal unemployment tax for the purposes of administering the unemployment compensation program and the employment service program as currently provided under Federal Law, to allow States to retain unemployment compensation funds in State-managed funds, and for other purposes.

S. 2459

At the request of Mr. STAFFORD, his name was withdrawn as a cosponsor of S. 2459, a bill to strengthen certain national resources, facilities, and services for deaf-blind individuals and other handicapped individuals, and for other purposes.

S. 2466

At the request of Mr. HATCH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 2466, a bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported roses consistent with those maintained by the European Economic Community on imports of roses from the United States and other nations.

S. 2512

At the request of Mr. LEVIN, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 2512, a bill to extend the deadline for enrolling in college in order to qualify for student benefits under the Social Security Act, to provide that the amount of unnegotiated social security checks shall be returned to the social security trust funds, and for other purposes.

SENATE JOINT RESOLUTION 58

At the request of Mr. HATCH, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of Senate Joint Resolution 58, a joint resolution proposing an amendment to the Constitution altering Federal fiscal decisionmaking procedures.

SENATE JOINT RESOLUTION 190

At the request of Mr. BURDICK, the Senator from Nebraska (Mr. ZORINSKY), the Senator from Illinois (Mr. DIXON), the Senator from Mississippi (Mr. COCHRAN), the Senator from North Dakota (Mr. ANDREWS), the Senator from Florida (Mr. CHILES), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from Alabama (Mr. HEFLIN) were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to designate "National Family Week."

SENATE CONCURRENT RESOLUTION 89

At the request of Mr. GLENN, the Senator from West Virginia (Mr. ROBERT C. BYRD) was added as a cosponsor of Senate Concurrent Resolution 89, a concurrent resolution expressing the sense of Congress that the U.S. Fire Administration should continue to make arson research and training an important and integral part of its mission and continue to support the antiarson and fire safety efforts of States and localities in order to reduce lives and property damage lost by fire and arson.

SENATE RESOLUTION 354

At the request of Mr. EXON, the Senator from Arkansas (Mr. BUMPERS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of Senate Resolution 354, a resolution expressing the sense of the Senate with respect to an immediate resumption of negotiations with the Government of the Soviet Union for an extension of the existing long-term grain sales agreement, and for other purposes.

AMENDMENT NO. 1354

At the request of Mr. JACKSON, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of amendment No. 1354 intended to be proposed to S. 2332, a bill to extend the expiration date of section 252 of the Energy Policy and Conservation Act.

AMENDMENT NO. 1397

At the request of Mr. MITCHELL, his name was added as a cosponsor of amendment No. 1397 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

AMENDMENT NO. 1441

At the request of Mr. ROBERT C. BYRD, his name was added as a cosponsor of amendment No. 1441 proposed to S. 2248, a bill to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

At the request of Mr. HAYAKAWA, the Senator from Alabama (Mr. DENTON), the Senator from Wyoming (Mr. WALLOP), the Senator from Louisiana (Mr. LONG), the Senator from South Carolina (Mr. THURMOND), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from North Carolina (Mr. EAST), the Senator from Idaho (Mr. MCCLURE), the Senator from Idaho (Mr. SYMMS), the Senator from Arizona (Mr. DECONCINI), the Senator from Indiana (Mr. QUAYLE), the Senator from Iowa (Mr. JEPSEN), and the Senator from New Hampshire (Mr. RUDMAN) were added as cosponsors of amendment No. 1441 proposed to S. 2248, supra.

At the request of Mr. MATTINGLY, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of amendment No. 1441 proposed to S. 2248, supra.

SENATE CONCURRENT RESOLUTION 95—CONCURRENT RESOLUTION RELATIVE TO CHEMICAL WEAPONS

Mr. COCHRAN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 95

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President should—

(1) promote actively negotiations among the member countries of the ad hoc working group on chemical weapons of the Committee on Disarmament, established by the United Nations General Assembly and meeting in Geneva, Switzerland, for the purpose of drafting a treaty for the complete and effective prohibition of the development, production, and stockpiling of all chemical weapons and on their destruction; and

(2) communicate to the Government of the Union of Soviet Socialist Republics the willingness of the Government of the United States to proceed immediately with bilateral negotiations for the purpose of concluding such a treaty.

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

Mr. COCHRAN. Mr. President, I am today submitting a concurrent resolution that addresses the issue of a comprehensive treaty to ban chemical weapons.

This concurrent resolution recognizes the long-standing policy of the United States in support of a ban on chemical weapons. Since the Geneva Protocol of 1925, the United States has taken a leadership role in behalf of negotiating such a treaty. In view of the President's recent indication of his willingness to negotiate an arms control agreement with the Soviet Union, I feel it is appropriate at this time that the Congress encourage and commend his efforts. I also feel that we should take every opportunity to point up the need for a ban on chemical weapons and our support for the negotiating efforts of the administration to move forward toward a treaty on chemical weapons.

The concurrent resolution I am submitting today would express the sense of the Congress that the President should actively promote negotiations within the multilateral forum of the Committee on Disarmament at Geneva, and that he should express to the Soviet Union the willingness of our Government to enter into bilateral negotiations to conclude a treaty banning chemical weapons.

During consideration of the Defense authorization bill, I will offer this concurrent resolution in the form of an amendment. Whether or not the Congress authorizes the production of the new binary form of chemical weapons, I believe that the United States should continue to exercise leadership in behalf of a treaty to ban chemical weapons.

SENATE CONCURRENT RESOLUTION 96—CONCURRENT RESOLUTION RELATING TO NUCLEAR SUPPLIER EXPORT CONTROLS

Mr. GLENN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 96

Whereas the proliferation of nuclear weapons is a threat to the security of every nation in the world;

Whereas the International Atomic Energy Agency (IAEA) safeguards inspection system was created to verify that nuclear facilities in non-nuclear-weapon states are used strictly for peaceful purposes;

Whereas a number of non-nuclear-weapon states do not permit full-scope safeguards, that is, IAEA inspections of all their nuclear facilities;

Whereas only Canada, Australia, and the United States now require full-scope safeguards as a condition of exports of nuclear fuel and equipment;

Whereas certain other supplier nations have from time to time indicated that they would impose the same restrictions on their nuclear exports provided all other suppliers agree to take the same steps;

Whereas the United States has traditionally taken a leading role in developing agreement to control the spread of nuclear weapons;

Whereas on July 16, 1981, the President stated that the United States will continue "to seek agreement on requiring IAEA safeguards on all nuclear activities in a non-nuclear-weapon state as a condition for any significant new supply commitment";

Whereas on July 17, 1981, the Senate, without dissenting vote, passed Senate Resolution 179, calling on the President to implement a series of important initiatives to strengthen the international non-proliferation regime;

Whereas such initiatives are still needed, including consultations on an urgent basis with other nuclear supplier nations to limit nuclear transfers only to non-nuclear-weapon states which have accepted full-scope safeguards;

Whereas on July 17, 1981, the House of Representatives, without dissenting vote, passed House Resolution 177, calling on the President to take a number of significant steps to strengthen the political, institutional, and technical barriers against the spread of nuclear weapons; and

Whereas such steps are still needed, including the need to achieve restraint on the part of nuclear supplier nations: Now, therefore, be it

Resolved, by the Senate (the House of Representatives concurring) That—

(1) The Senate and the House of Representatives, respectively, reaffirm S. Res. 179 and H. Res. 177; and

(2) the President, as an initial step toward implementing such resolutions, should urgently seek at the Versailles Economic Summit Conference and through other appropriate channels to obtain agreement from all nuclear supplier nations that they will export nuclear fuel, equipment, and technology only to those non-nuclear-weapon states that have accepted full-scope safeguards of the International Atomic Energy Agency.

NUCLEAR SUPPLIER EXPORT CONTROLS

Mr. GLENN. Mr. President, the first anniversary of Israel's sudden attack on Iraq's Osirak reactor outside Baghdad will be upon us in barely a few weeks, on June 7. I have no need to reiterate to my colleagues the deep concern which that attack provoked throughout the world not only with respect to a possible conflict in the Middle East, but also with respect to the terrible threat posed by the spread of nuclear weapons to additional nations.

As my colleagues will recall, the Senate Foreign Relations Committee held extensive hearings on the Israeli raid. While many opinions were voiced as to whether the raid was justified in view of the threat posed by Iraq's nuclear program, I think it is fair to say that one point became clear to all of us studying this problem. This was the fact that the international nonproliferation regime urgently needed to be strenghtened in a number of important respects. It became clear that supplier restraint in transferring sensitive nuclear technology capable of producing weapons-usable materials required much stricter enforcement and that loopholes in the list of covered technologies needed to be closed.

It also became clear that the safeguards and inspections implemented by the International Atomic Energy Agency required considerable upgrading and that their coverage needed to be expanded. Finally, it was evident that U.S. nonproliferation policy on international restrictions over dangerous nuclear trade had to be clarified and that early discussions with other nuclear supplier nations on these matters were vitally important. During the course of these hearings I submitted a resolution calling on the President to take immediate action to achieve these and other essential improvements in the international nonproliferation regime. That resolution, Senate Resolution 179 was agreed to without a dissenting vote on July 17, 1981, the same day as the House, also without dissenting vote agreed to a similar resolution, House Resolution 177, calling on the President to strengthen international barriers against the spread of nuclear weapons.

Mr. President, the timing of these actions by the House and by the Senate overwhelmingly urging the President to take firm action on the nonproliferation front in conjunction with other supplier nations was especially important. As the legislative history of these resolutions makes clear, it was the intent of both Houses to encourage the President in the strongest possible manner to bring up the question of enhanced nonproliferation controls with the other Western nuclear supplier countries at the Ottawa economic summit conference which began 2 days later on July 19. Surely, given the dramatic events of the previous month, there could hardly have been a more opportune occasion for seeking agreement among the parties involved on these matters.

To my deep regret, however, President Reagan and his counterparts apparently spent little time, if any, on this matter so vitally important to world peace. The most positive proof of the low priority that nonproliferation matters received can be seen from the text of the concluding communique of the conference: Nonproliferation is barely mentioned, and then only in paragraph 32 (out of 38) in the context of a joint statement about nuclear energy. The wording of this paragraph is instructive because it shows that nonproliferation was not even considered a matter of importance in its own right, but merely a subject of concern because it might adversely affect public attitudes toward nuclear energy use within the nations participating at the summit conference. Here is what the communique said:

(32) In most of our countries progress in constructing new nuclear facilities is slow. We intend in each of our countries to encourage greater public acceptance of nuclear energy, and respond to public concerns about safety, health, nuclear waste management, and nonproliferation. We will further our efforts in the development of advanced technologies, particularly in spent fuel management.

To think that the Israeli raid, which dominated the headlines for weeks and triggered overwhelmingly supported expressions of congressional concern over the need to strengthen the international nonproliferation regime should result in so meager a statement from the Ottawa Conference is appalling.

Mr. President, additional evidence has come to light recently which further demonstrates the low priority that the Reagan administration gave to nonproliferation concerns at the Ottawa Summit. In recent testimony before the Senate Permanent Subcommittee on Investigations, it was revealed that at the summit meeting, the President discussed the export of sensitive technologies with our allies. The focus of these discussions was not, however, the improvement of international proliferation controls, but rather the tightening of the rules on the transfer of technology to the Soviet Union. While this subject is, to be sure, an important one, the fact that secret high level meetings were held with the key suppliers on this issue, but not on the issue of nonproliferation controls constitutes a serious failure in the conduct of American foreign policy.

On June 4-6, 1982—literally on the eve of the anniversary of the Israeli raid—President Reagan will attend another summit conference with our major allies at Versailles. Once again, he will have the opportunity to raise at the highest level the urgent need to strengthen the barriers against the spread of nuclear weapons. I believe the Congress should go on record once again urging the President to undertake the negotiations in this field that are so badly needed. This is the purpose of the resolution that I am submitting today, and which is being submitted in the House by Congressman BINGHAM.

The resolution has two principal elements. First, it explicitly reaffirms Senate Resolution 179, so as to leave absolutely no doubt as to the Senate's strong views in this area. Second, the resolution identifies one specific recommendation from last year's resolution—that the President seek agreement among other supplier countries that nuclear exports will be made only to those non-nuclear-weapon states that have accepted full-scope safeguards—as a first objective in negotiations on nonproliferation that the President is called upon to initiate at the Versailles Summit meeting.

My resolution seeks to underscore the urgency of the problem and to provide the President with a discrete, crystallized negotiating issue for his upcoming meeting. Because my resolution is, thus, a reiteration of action

previously taken by the Senate, I have every expectation that it will be promptly considered by the Senate Foreign Relations Committee and that a vote on the Senate floor will be possible well before the time of the Versailles Summit.

Besides reendorsing the importance of further limitations on transfers of sensitive nuclear equipment, materials, and technology, and improving the system of international safeguards, my resolution singles out gaining agreement with other supplier nations on establishing full-scope safeguards as an export criterion for several reasons. First, getting adherence to full-scope safeguards by nations around the world has been a longstanding objective of U.S. foreign policy and would directly address the proliferation risks in a number of key countries.

If all the suppliers could agree that these nations would receive nuclear technology only after they allowed international inspections on all of their nuclear facilities, the risk of these nations pursuing nuclear weapons programs through unsafeguarded, indigenously built facilities could be greatly reduced. Second, gaining supplier acceptance for this export criterion is by no means a farfetched objective. From time to time, there have been strong indications from a number of suppliers that they would accept this export criterion if it were universally adopted. Canada, the United States, and Australia have already made it a part of their nonproliferation control system, and at the 1980 Nonproliferation Treaty Review Conference additional supplier countries appeared favorably disposed toward this option.

Finally, as my resolution states explicitly in its preamble, gaining supplier country acceptance of full-scope safeguards as an export criterion is already a policy objective of the Reagan administration, as articulated last year in the President's policy statement on nuclear proliferation. Thus, my proposal is aimed at achieving widespread bipartisan congressional and Presidential support for this key objective.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONCURRENT RESOLUTION ON THE BUDGET

AMENDMENT NO. 1447

(Ordered to be printed and to lie on the table.)

Mr. HEINZ submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 92) setting for the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982.

(The remarks of Mr. HEINZ on this amendment and the text of the amendment appear earlier in today's RECORD.)

DEPARTMENT OF DEFENSE AUTHORIZATION, 1983

AMENDMENT NO. 1448

(Ordered to be printed and to lie on the table.)

Mr. JACKSON. (for himself, Mr. GORTON, Mrs. KASSEBAUM, Mr. EAGLETON, Mr. DANFORTH, Mr. SYMMS, Mr. MELCHER, Mr. WALLOP, Mr. PROXMIRE, Mr. DOLE, Mr. DODD, Mr. D'AMATO, Mr. MOYNIHAN, Mr. PELL, Mr. MATHIAS, and Mr. BURDICK) submitted an amendment intended to be proposed by them to the bill (S. 2248) to authorize appropriations for fiscal year 1983 for procurement, for research, development, test, and evaluation, and for operation, and maintenance for the Armed Forces, to prescribe personnel strengths for the Armed Forces and for civilian personnel of the Department of Defense, and for other purposes.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public that hearings will continue on S. 2305, the Federal Energy and Mineral Resources Act of 1981, on Monday, May 17, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building. Testimony will be received from administration witnesses.

For further information regarding this hearing you may wish to contact Mr. Gary Ellsworth of the committee staff at 224-7146.

SUBCOMMITTEE ON AGRICULTURAL PRODUCTION, MARKETING, AND STABILIZATION OF PRICES

Mr. COCHRAN. Mr. President, I wish to announce that oversight hearings on the Federal crop insurance program have been scheduled before the Senate Agriculture Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices. The hearings will be held on Thursday and Friday, May 20 and 21, beginning both days at 10 a.m. in room 324, Russell Building.

The subcommittee has invited witnesses to testify on the effectiveness of the marketing of the program, general producer attitude toward the program, and the adequacy and cost of the coverage.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 224-2035.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SECURITY AND TERRORISM

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Security and Terrorism, of the Judiciary Committee, be authorized to hold a hearing during the session of the Senate at 10 a.m. on Wednesday, May 12, to consider S. 1959 and S. 1963, regarding the transfer of responsibility for the receiving of notification from foreign agents from the Department of State to the Department of Justice.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 12, at 10 a.m., to hold a business meeting to consider pending calendar business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONGRESSIONAL OPERATIONS AND OVERSIGHT

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Congressional Operations and Oversight, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate at 9 a.m. on Thursday, May 13, to hold an oversight hearing on oversight of the Consumer Price Index.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to hold a full committee hearing on S. 2419, a bill to amend title 28 of the United State Code, regarding venue, during the session of the Senate at 1:30 p.m. on Thursday, May 13.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

LOCAL CONTENT LEGISLATION FOR THE AUTO INDUSTRY

● Mr. HART. Mr. President, many industries have been hurt by the current recession, but few have suffered as severely as our auto industry. The domestic auto industry is in a depression, affecting entire States and regions of our Nation.

The statistics are alarming. In January of this year, the industry utilized only 43.6 percent of its productive capacity—the lowest rate ever measured for any industry. Auto sales in 1981 were off by 32 percent from sales in 1978, the industry's last healthy year.

In fact, sales are at their lowest level in 20 years, and car production is lower than at any time since February of 1952. Naturally, these figures produce economic troubles for auto suppliers as well.

The most disturbing effect of the current recession is on auto industry jobs. Over 750,000 workers have lost their jobs, resulting in revenue losses and unemployment compensation increases which total $25 billion. Adverse economic conditions, along with the rising market share of imported autos, presage further reductions in employment in the future. By 1985, employment in the domestic auto industry is expected to decline by 600,000 jobs, with 400,000 of those losses coming from the auto supplies industry.

The recession is also undermining long-range efforts to preserve the United States as the world's leading auto producer. Drawing on working capital to meet enormous losses, companies have had to shelve ambitious investment plans. Japanese automakers now have 25 percent of our domestic market; the total import share is over 30 percent. If something is not done soon, we might be importing 25 percent of our parts by 1985, and 35 percent by 1990.

Because of the conditions I have described, "local content" legislation has been introduced in the House and Senate to promote the important goals of stimulating foreign automakers to build their plants near their markets, as well as keeping American companies from sending work—and jobs—to other countries.

Under these bills, rigorous domestic content requirements would be imposed over a 3-year period for vehicle manufacturers that sell over 100,000 vehicles in the United States. After 1984, vehicle manufacturers would have to meet prescribed minimum domestic content percentages for their U.S. fleet: Those selling 100,000–150,000 vehicles must include a 25-percent United States/Canadian content; 150,000–200,000, 50 percent; 200,000–500,000, 75 percent; and over 500,000 vehicles, 90 percent.

Given the current state of the auto industry, such legislation deserves serious study. A strong and healthy auto industry is critical to our industrial recovery. A strong auto industry is critical because of employment, development of technology, and links to other industries. The domestic automakers, for example, buy 21 percent of all the steel produced in this country, and 60 percent of all synthetic rubber. Even in the disastrous year of 1981, the industry employed nearly 2.2 million workers. In fact, no postwar recovery from a recession has generated sufficient momentum without major support from our auto industry.

The United Auto Workers have estimated that local content legislation will create 868,000 jobs in the auto and auto-suppliers industries by 1985. Many of these jobs would go to minority workers now laid off by the recession.

Supporters of the local content legislation argue that the free market approach is not working. Many of our foreign competitors have intervened at crucial stages to assist their ailing auto industries. A few nations have long had local content requirements for automobiles.

Local content advocates are also concerned that a growing economy may not be sufficient to revive the ailing auto industry. Also limited commitments to restrain imports cannot provide the basis for long-term stability.

Our goal as a nation must be to guarantee the survival of a modern automobile industry. A variety of steps can be and must be taken to achieve that goal. If all else fails, however, local content must be kept in abeyance as a last resort.

Local content rules must not result in increased trade barriers. Such legislation should not encourage our competitors to adopt similar rules to protect their ailing industries. It must not risk triggering retaliation against U.S. exports. This scenario must not replicate the 1930's "Begger-Thy-Neighbor" policies which accounted in part for the worldwide depression. Moreover, local content rules must not violate the international obligations we have sworn to uphold as part of GATT.

American automakers are undergoing major efforts to adjust their methods to changing world conditions. Local content rules must be fashioned so as not to be inconsistent with the more efficient production techniques inherent in the new world trade in parts.

Local content laws should also be designed so as not to raise the prices of cars, adding to inflationary pressures throughout the economy.

The short-term gains of local content legislation are considerable and, under the direct circumstances, may be necessary. But the industry and the autoworkers would be better served by long-term approaches that successfully integrate our industrial strengths with the needs of a changing world.

Local content legislation is not an easy issue. It demands further study and debate. As we do so we must focus on ways to find jobs for those hit by the current recession—and to solve the fundamental problems ailing the auto industry.

No one idea can serve as a panacea. Only a comprehensive approach can restore the health of our automakers. In the short run, the Federal Reserve Board should expand the money supply to lower interest rates, encourage investment, and allow people to buy cars. To aid the jobless, full funding for job services should be restored, as well as an expansion in unemployment insurance. But general macroeconomic policy is not sufficient. We also need policies, such as restructuring corporate taxes to allow for expansion, and offering a new capacity stock to finance new investment, that will rebuild our industrial base.

We need to fight protectionist practices of foreign nations so that our companies can effectively compete in foreign markets. We also should do a better job of promoting the sale of our auto supplies abroad, and as replacement parts for imported cars at home.

There may be different views on how to revitalize our auto industry. But there should be no disagreement that a strong and revitalized auto industry is in our national interest. Our task now is to develop a program that will allow us to compete successfully—and to find jobs for our workers—in the 1980's and beyond.●

NATIONAL SMALL BUSINESS WEEK

● Mr. CANNON. Mr. President, I want to take this opportunity to join with many of my colleagues in recognition of National Small Business Week, which has been proclaimed for the week of May 9 through 14. I feel it is most fitting that we salute small businesses because they are the backbone of our economy.

The vast majority of new jobs which are created come through the small business community. An encouraging percentage of these businesses are minority owned and women owned. Studies have also shown that many new inventions are generated at the small business level. Thus, it is important that a climate for the continued viability and strength of small businesses be a focus of Federal policies.

I wish it were possible to report that the small businesses of my State of Nevada are in good shape. Unfortunately, this economic bloc has been the hardest hit by the recent past history of unprecedented high interest rates. A small business is simply not in a position, generally, to weather the squeeze created by these high rates of interest. It is a sad development that bankruptcies are running at very high levels and that most of these bankruptcies are of small businesses. Our record levels of unemployment reflect the impact of these bankruptcies. It is imperative that the projected budget deficits be significantly reduced, sending a signal to financial markets that pressure on available capital will abate. Only in this way will these killing interest rates come down. No other signs of upturn in the economy will substitute for a reduction in interest

rates as a way of restoring confidence and vigor in the small business community. And no other signs of upturn will last long if the small business community continues to falter.

If we can provide the right climate for the small business community, unemployment will fall, productivity will increase, and the whole economy will benefit. The small business community can lead us out of the current stagnant situation.

I hope this recognition of the vital role of small business men and women will stimulate our best efforts to assist them in the upcoming budget debate. Hopefully, our recognition of small businesses will last through the months ahead and not just during National Small Business Week.

I would also like to take a moment to pay tribute to Nevada's Small Businessman of the Year, Mr. Donald M. Gadsby. Mr. Gadsby is president of Precision Rolled Products, Inc., of Reno, Nev. This metal bar specialty firm was started in 1975 in Pennsylvania and moved to the Reno area in 1979. Its high quality products have produced sales exceeding $20 million by 1981. It has provided employment and economic stimulus, as well as a product vital to many other industrial activities. It is a typical small business venture so important to our economy, and Mr. Gadsby has demonstrated remarkable entrepeneurial skills in guiding his company to its present strong position.●

POLAND: DECLARE THE DEFAULT

● Mr. GARN. Mr. President, the crisis in Poland continues—the Polish people continue to fight for their political and economic freedom. On Friday, May 7, the Wall Street Journal printed an excellent analysis of the public uprising in Poland and the policy options now facing the United States, written by my good friend and colleague from Wisconsin, BOB KASTEN. BOB KASTEN is to be commended for the leadership he has provided on this issue, an issue I have also taken a great deal of interest in as chairman of the Senate Banking Committee. His article is timely, well written, and makes an important contribution to the current foreign policy debate. I commend the article to the attention of all my colleagues, and I ask that it be printed in the RECORD at this point.

The article follows:

[From the Wall Street Journal, May 7, 1982]

POLAND: DECLARE THE DEFAULT

(By Robert W. Kasten, Jr.)

Nearly five months have passed since the Soviet-backed imposition of martial law in Poland. Four thousand Poles have been detained without an accounting. Lech Walesa remains in confinement, movement toward democracy has been crushed and Stalinistic repression continues. Yet even the brutality of martial law can't stop the Poles from fighting for a say in the way their country is run.

Tens of thousands of demonstrators are openly defying the martial law authorities by staging pro-Solidarity rallies in the streets of Warsaw, Gdansk and other cities. Protest marches erupted in violence on May 3 when demonstrators were beaten and teargassed by riot police. Radio Solidarity continues to broadcast, and Solidarity activists will continue to press their demands for political and economic reform.

The U.S. can no longer stand idly by while the Polish people battle for political and economic freedom. We have been unable to persuade our NATO allies to join us in imposing tough sanctions against the Soviets and the Polish military regime. Many members of Congress now believe we have waited long enough. It is time for the U.S. to stand up for Poland by declaring the military government in default and cutting off credit to the Soviet bloc.

TRY TO BREAK DOWN COMMUNISTS

The crisis in Poland provides an unprecedented opportunity to hasten the breakdown of the Soviet Communist system. The bankruptcy of Poland, and the economic troubles of Romania and other Soviet-satellite countries, couldn't have come at a worse time for the USSR.

Analysts expect the prevailing world price for oil to stabilize at about $30 per barrel and stay there during 1982. That translates into a serious $6-per-barrel drop in oil sales revenue for the Soviet Union. Such a decline in oil prices could unsettle the Soviet economy at any time under any circumstances, but this year its impact is bound to be more severe because of other Soviet bad news: poor grain harvests for the past three years, a low world price for gold and weaker demand for Soviet goods due to the economic slowdown in the West.

If we cut off credit to the Soviet bloc, we will force the Russian leaders to pay the full price for the Communist system they have imposed on their own people and those of Eastern Europe. What we are witnessing is not the bankruptcy of Poland: It is the failure of the Soviet-style economy. A continuing supply of Western credit is shoring up this unworkable system, preventing necessary and fundamental economic reforms. The West has won the economic battle—why continue to pour money down the Communist sinkhole to subsidize the Soviet empire?

Yet our NATO allies seem eager to continue subsidizing East-West trade. U.S. Under Secretary of State James Buckley was essentially ignored when he traveled to Europe in quest of a tougher allied stance toward credits for the Soviet bloc. West Germany has approved $517 million in new Soviet export credits since Janaury, despite its denunciation of the Soviets for their role in the Polish crackdown. Construction of the Siberian natural-gas pipeline, which is being built with Western credits and which will supply the Soviets with approximately $8 billion a year in hard currency when completed, is going ahead as scheduled. As far as our allies are concerned, it's back to business as usual.

At the very least, what has happened in Poland should force us to reconsider the value of our trade and economic relationships with the Soviet bloc. Extending the benefits of expanded trade was supposed to depend on the Soviets' "good behavior." The Soviet Union has certainly benefited, using its East European allies as a conduit for Western goods and technology, essentially forcing those countries to absorb the hard currency debts that the Soviets would otherwise be compelled to pick up.

The Soviet gross national product is only 60 percent as large as ours, but the Soviet investment in arms has been much larger—exceeding the U.S. investment by 80 percent to 90 percent during the last five years. It's no coincidence this buildup occurred during "detente," when the West supplied the Soviet bloc an estimated $80 billion in credits.

U.S. SHOULD DO WHAT IS RIGHT

When Poland's debt payments were stretched out in April of last year, the NATO allies included a so-called "tank" clause, calling for a declaration of default in the event of "exceptional circumstances" such as internal repression. These "exceptional circumstances" have now occurred, and Poland has fallen behind in payments to almost all its Western creditors,. The trade that was intended to bind East to West "with hoops of gold" is binding our own hands instead.

The Polish government argues it cannot make payments on its debts to the West until we grant additional credits. It's fair to say that the pro-Solidarity marches taking place in Poland are one of the few things preventing some of our allies from jumping in. Western banks have yet to reschedule Poland's 1982 debts. They are waiting to see what position Western governments will take.

The current demonstrations could prove a turning point in Poland's political and economic crisis, and in U.S. foreign policy as well. Time after time—Czechoslovakia in 1968, Afghanistan in 1979—we have let ourselves become so worried about allied reaction to tough sanctions that we failed to do what was right. Now a new administration has a chance to reverse this foreign policy trend, to restore America's credibility, to weaken the Soviet economic system, to help the Polish people, to lead instead of following. Now is the time to declare Poland in default.●

LEADING AMERICAN NUCLEAR PHYSICIST ON THE NUCLEAR ARMS RACE

● Mr. CRANSTON. Mr. President, perhaps the most distinguished nuclear physicist in the United States today is Nobel Prize winner Hans Bethe, who has been involved in the U.S. nuclear weapons program since the Manhattan Project.

In a recent interview with Los Angeles Times staff writer Robert Scheer, Dr. Bethe spoke with force, conviction, and authority on several issues central to the current national arms control debate.

Key points made by Bethe are as follows:

On superiority:

There is no deficiency in armaments in the United States: we don't need to catch up to the Russians, if anything, the Russians have to catch up to us . . . . our military people know this, but they always talk about the vulnerability of our nuclear ICBMs, and never talk about those of the Soviets. The Russians are much more ex-

posed to a possible first strike from us than we are to one from them.

On U.S. weakness:

We are repeating the mistake of 1960 when people talked about the missile gap. The missile gap did in fact, exist, but it was the other way around. We had lots of missiles and the Russians didn't. It took the Russians a decade before they caught up with us . . . . I believe we have repeated the missile gap story once more, and it is just as wrong as it was in 1960.

On the possibility of a Soviet first strike:

I don't think that either country is going to make a first strike because it is absolutely crazy to do so. But suppose there were a first strike from the Russians, and suppose they could destroy all our Minuteman missiles. It wouldn't make the slightest difference. Would we be defenseless? Not at all. We have the submarine force with an enormous striking power.

On arms control and the Reagan administration weapons buildup:

It is just paradoxical to build up your weapons and then have arms control. Any weapons buildup on our part is only an incentive to the Russians to do the same. So if we want reduction in armaments, let's reduce from our present position.

I applaud Dr. Bethe for his lucid, commonsense statements and I congratulate the Times and Mr. Scheer for the public service of publishing the reasoned interview with Dr. Bethe.

I commend this interview to my colleagues' attention and that its full text be printed in the RECORD.

The interview follows:

[From the Los Angeles Times, Apr. 11, 1982]

AMERICA'S DEAN OF ATOMIC PHYSICISTS SAYS U.S. NOT VULNERABLE

(By Robert Scheer)

Nobel Prize-winning theoretical physicist Hans A. Bethe has been continuously involved with the U.S. nuclear weapons program since his participation in the Manhattan Project, which developed the first atomic bomb. Bethe, a refugee from Nazi Germany, was the chief of the theoretical physics division of the Los Alamos Scientific Laboratory in New Mexico during the war years and later returned to the laboratory to work on the development of the hydrogen bomb.

From 1959 to 1969, Bethe served as a member of the strategic military panel of the President's Science Advisory Committee which, among other things, dealt with the development of the anti-ballistic missile. He continued as a consultant to the U.S. government on nuclear weapons matters through the Carter years.

A professor at Cornell University, Bethe was recently interviewed while he was a visiting professor at the California Institute of Technology, Pasadena. Caltech President Marvin L. Goldberger, himself a leading physicist and the chairman of the President's Science Advisory Committee on which Bethe served, has called Bethe "one of the great physicists of the 20th Century."

SCHEER. Do you agree with the Reagan Administration that we need more nuclear weapons to counter the Soviet threat?

BETHE. I would like to state that there is no deficiency in armaments in the United States: we don't need to catch up to the Russians—if anything, the Russians have to catch up to us. The Russians have their forces mostly in ICBMs (intercontinental ballistic missiles), a type of weapon that is becoming more and more vulnerable. I think our military people know this, but they always talk about the vulnerability of our nuclear ICBMs and never talk about those of the Soviets. The Russians are much more exposed to a possible first strike from us than we are to one from them.

Q. Do we have the means of deterring a Soviet first strike?

A. I don't think that either country is going to make a first strike because it is absolutely crazy to do so. But suppose there were a first strike from the Russians, and suppose they could destroy all our Minuteman missiles. It wouldn't make the slightest difference. Would we be defenseless? Nor at all. We have the submarine force with an enormous striking power.

Q. But the submarine-launched missiles are said to lack the necessary accuracy to retaliate effectively.

A. The submarine-launched missiles, the new generation, are going to be extremely accurate. President Reagan himself has said the Trident II missile will be accurate enough to hit any hard target. This is one point where I would endorse the Administration's program: we should have the most accurate missile for our submarines. Also, we have a good bomber force.

Q. Yet the President refers to the bomber force of B-52s as ancient and incapable of penetrating into the Soviet Union.

A. They themselves cannot penetrate Russia, either today or tomorrow, but they are getting equipped with cruise missiles. Cruise missiles are probably the most accurate weapon that has yet been invented. The Russians don't have them, and I consider them most important, just as a penetration aid for our bomber force. Our bombers don't need to penetrate the Soviet Union. It would be an unnecessary exposure. Once they have cruise missiles on board, they launch them from outside the Soviet Union and to get, say, within 200 miles of the Soviet Union, they don't need to penetrate a screen of Russian air defenses. The cruise missiles, as you know have devices to follow the terrain, and find their way by comparing with a map. And they are going on our bombers this year, perhaps even this month.

Q. What about the general argument that the Carter Administration's policies left this country vulnerable to a Soviet attack?

A. On the contrary, the most important progress in weapons in the last decade, I would say, was the cruise missile, which was developed under Carter. Now in case of an all-out Soviet attack, of course, some of our bombers would probably be destroyed on airfields. However, a long time ago we dispersed our bombers over many many smaller airfields so that, on warning, a lot of them will take off. And, of course, you take off those which are armed with cruise missiles before any others. I don't see that there is any cause for us to be alarmed by the possibility of a major Soviet attack.

Q. So what is this emphasis on U.S. weakness all about?

A. I believe we are repeating the mistake of 1960 when people talked about the missile gap. The missile gap did, in fact, exist, but it was the other way around. We had lots of missiles and the Russians didn't. It took the Russians a decade before they caught up with us . . . and even then their missiles were not as good as ours because they largely used liquid missile propellant, whereas we went to solid propellant in the 1960s. I believe we have repeated the missile gap story once more and it is just as wrong today as it was in 1960.

Q. But what about these statements that President Reagan and others make that the Soviet have just undertaken the "most unrelenting military buildup in the history of the world"?

A. That is true, they have kept building missiles, constantly, and in tremendous number, and in much larger numbers than makes any sense. Why? Chiefly, they wanted to catch up with us. Now they have more missiles than we, but in general the numbers are very comparable in the Soviet arsenal and in ours. Both are close to the ceiling permitted by SALT II (Strategic Arms Limitation Treaty). The only way to ensure that they don't surpass us more is to have an arms control agreement.

Actually, ours is a much better arsenal because our forces are better distributed. Less than half our missiles are ICBMs, a weapon, as I said before, which is getting vulnerable; we have 1,050, they have 1,400. In submarines, while the numbers are about the same, we have more serviceable ones. Then we have the bombers which, together with the cruise missiles, are a formidable force, while they have not paid any attention to their bombers at all. Most of their bombers are propeller driven, totally obsolete, and without penetration aids; you can write them off. Yes, the Russians have built, unrelentingly, more and more missiles. There is no question—but it is irrelevant.

One more point on that. The SALT agreements are very much to our advantage because they limit the number, on which the Russians are very good, and they don't limit the technology, on which we are very good. So we can put the most sophisticated technology into the given number of missiles, which is what we have done in the case of the cruise missile, for instance.

Q. One justification of the arms race is that the Soviets are aiming at gaining the capability to win a nuclear war.

A. I quite believe that we could win an arms race. But it is, of course, absolutely crazy to think of winning a nuclear war. You cannot win a nuclear war, neither they nor we, even if some fraction of the population might survive. The Russians are very cautious, so they will not risk starting a nuclear war. They have publicly stated that they want arms control, and probably we could get arms control more easily from them now than ever before. I don't think we were doing badly before. I think SALT I was excellent, and SALT II was good, though not excellent. In my opinion, we could get a lot of agreements from them, but our negotiators have to be willing to negotiate, which means to make concessions. There was the Russian proposal of a two-thirds cutback (in Europe); instead of rejecting it out of hand, I think what we should have done is to say, "This is a possible negotiating position, now let's talk. Just how do we specify that cutback? What do we do about missiles, what do we do about your SS-20, what do we do about planes carrying nuclear weapons? Could we agree, perhaps, that this be a first step, and that further steps are to follow which would make us free of missiles in Europe?" But instead of accepting it as a basis for negotiations, we said, "No, that's impossible." I think that way you don't get an agreement.

Q. What do you make of the decision to build the MX missile?

A. The MX is a first-strike weapon. It makes no sense in any other way. The MX

has extremely good accuracy. I want to give President Reagan credit for abolishing that completely crazy shell game which Carter and (former Secretary of Defense Harold) Brown had proposed. I think that was out of this world. Instead, Reagan proposes, "Let's develop the MX and, in the meantime, let the Pentagon think where to deploy it. They will probably find some way to do it." It would have been politically impossible to say immediately, "Let's not develop the MX at all." Maybe in three years the Pentagon will not have come up with any good method of deployment, and then they can say, "All right, we give it up."

One other point concerning arms control. I think it is just paradoxical to build up your weapons and then have arms control. Any weapons buildup on our part is only an incentive to the Russians to do the same. So if we want reduction in armaments, let's reduce from our present position. But negotiations are always a lengthy affair. Perhaps a challenge would be a quicker way to get results. Professor (Robert F.) Bacher of Caltech and George Kennan of Princeton have, therefore, proposed a series of small steps: We reduce the number of our weapons by, let us say, 5 percent, and challenge the Russians to do likewise. If they don't, we go no further. If they do, we continue and perhaps a new spirit grows.

Q. We talked before about how you cannot win or survive a nuclear war. What do you make of the view of, say, Edward Teller, who believes that you can? Do you meet with Teller?

A. I meet Teller from time to time. I agree with Teller on the matter of nuclear electric power generation, which is a totally different subject from nuclear weapons. One of the things I wish you would emphasize from time to time in your writings is that the two things have very little to do with each other. They have less to do with each other than dynamite for mining purposes and explosives in conventional bombs. So Teller and I agree on the need for energy, including nuclear energy, but we don't talk about military matters. I did, at one time—it must have been two years ago; I listened to him about some of the specific military equipment that he advocated, just in order to learn not to argue and when it comes to matters like surviving a nuclear war, we agree not to discuss it.

Q. How is it that there is a disagreement about the presumably objective scientific question of whether or not we can survive a nuclear war?

A. I think there are many different ways you can understand the word "survival." Surely, if the attack were limited to ICBM's, even though fallout spread across the country, without an attack on cities the country would survive, there is no question about that. There would be lots of casualties, but recovery would be entirely possible, and might even be fairly quick. But if you talk about an all-out nuclear war, with attacks on industry and attacks on cities and so on, then I would think that, while there will be survivors, the United States as a functioning society would not survive. Such an attack, it has been estimated by the Defense Department, could mean 100 million casualties, but that doesn't fully describe it. The important thing is the aftereffect.

For instance, there would almost certainly be a total breakdown of transportation. Everything in this country depends on transportation. Once many highways and railroad beds are made into rubble and the remaining highways are so radioactive that no truck driver will go on them, you cannot bring food to the cities. Nor can you bring fertilizer to the farms, nor energy to either place. I simply cannot understand how anybody can believe that we can recover from that in any short order.

One of the great mistakes that most people make when they talk against nuclear war is that they put the emphasis on radioactivity. That isn't the worst part. It may be the most widely spread effect, but it is not the worst part. The worst part is the death of people by third-degree burns, and that there is no possible medical help for them. We must expect that many of the explosions would be set off in the air, not on the ground. Heat radiation from the fireball, that is infrared rays and even visible light, is enormous. It increases faster than the area of destruction by blast, so most of the death would come from this source. Many people would be burned directly. Many people would get third-degree burns, and you cannot save a person like that if you don't bring medical help immediately. There will be no medical help because hospitals will be destroyed along with other buildings.

However, that is not the end of it. The thermal radiation sets newspapers on fire, even stacked newspaper. It sets wooden buildings on fire. So even if people are inside the normal kind of houses that we have in this country, which are mainly built of wood, they will burn up inside the house. If they go outside the house, they will burn up directly. The next thing, of course, is buildings collapsing by blast and burying people. If you talk about a large city with office buildings, people can go into shelters in the cellar but, in the meantime, the building above them will collapse or, at least, there will be yard-deep layers of shattered glass. How will they ever get out? Even if they get out, the heat radiation, will cause fires all over the place, and many secondary fires, because blast will destroy gas lines and the gas will begin to burn. It is not certain but there is a high possibility that these fires will cause a so-called firestorm, which means the fire consumes all oxygen, and the people down in the shelter will not get any oxygen. So I think that protection of the city population by shelters is totally futile if you have a direct attack on the city. Let me add here that I do not think that even an all-out nuclear war would destroy all life on earth.

Q. How do you feel, I mean you've been with this issue, with this bomb, for such a long time, and then one day you pick up the newspaper and some person says we can recover from general nuclear war in two to four years. What are your thoughts?

A. He is crazy.

Q. What about the clock on the cover of the Bulletin of Atomic Scientists showing how close we are to midnight? Are we now in a more dangerous moment? What has happened to our thinking?

A. The main increase of danger, in my opinion, is psychological. People are scared when the Reagan government says we are in mortal danger and need to increase our armaments. But I am scared when he claims that more arms, especially nuclear ones, can protect us. It creates a war psychology. Human beings who are very scared don't act rationally. My greatest fear is that it will make the American people less rational, and then anything can happen. Many of the wars in history have happened because of fear. If there comes an all-out nuclear war, I think it will come because of fear. I believe that in this respect Franklin Roosevelt is right again: we have nothing to fear but fear itself. In my opinion, we have nothing to fear from the Russians, nor the Russians from us, but fear itself, namely the fear that each country creates about the other.

Q. Did you think at the time of the atomic bomb's discovery that we would be here now?

A. No. I was very much afraid in 1946. My wife and I discussed this matter and concluded that probably within 10 years there would be a nuclear war. That has not happened and it is a ray of hope. It has not happened because the statesmen, both in this country and in the Soviet Union, have clearly recognized that nuclear war is unthinkable. It is impossible, it would make such destruction that we have to use every means to avoid it. This realization seems to have escaped the present government. I think the real danger lies in this loss of understanding. Until the end of the Carter Administration, whether the President was Republican or Democrat, it was a generally recognized principle: Nuclear war must be avoided by all means. We are now told that this is not so. So here is a psychological difference. I think it is traditional, and therefore perfectly legitimate, if you want to win an election, to play up the relative armaments of the United States and the Soviet Union; that is good election propaganda. But once you are the government, you must not make this primitive approach the basis of your military and foreign policy. That is very dangerous.

Q. We've all read about (Dr. J. Robert) Oppenheimer and his feelings of guilt. What can you add to that? You've been intimately connected with this for much of your life.

A. Having worked on the weapon does not give me a monopoly on deciding. All I can do is to try to tell people what I think about nuclear weapons, and I will continue to do so long as they let me. The decision has to be made by the government.

A single missile will destroy a city without having any soldier putting his life on the line. We have some 9,000 strategic weapons. Every one of them is bigger than the Hiroshima bomb. The Russians have a similar force. After hitting military targets, if you direct the remaining weapons against cities, you can destroy at least 5,000 cities of over 100,000—there are maybe 200 of those in each country. Why would you need more than 200 weapons?

Warfare has become totally different because the destructive power is greater than the totality of the things you can destroy. That has never happened before. The destruction can happen in an hour or two, instead of in five years. If it happens over five years, you can recover in part, again and again, you can adjust to it, you can bring help to the city which has been hit. If in two hours all our cities are destroyed, no help can be brought. That is not a difference in size, but a difference in kind. Against missiles there is no defense. This is a subject on which I worked quite carefully and industriously for many years before '68, looking at many ways how to tell decoys from missiles, and so on. Whatever you did, the offense could always fool the defense and could do it better. So anti-ballistic missiles for city defense are technically nonsense.

Let me come back to the question of survival once more. If there is an all-out attack on the Soviet Union and the United States,

there will afterwards be no United States nor a Soviet Union.●

PROGRESS ON THE B-1 BOMBER

● Mr. GLENN. Mr. President, a few short months ago in this chamber, we wisely—and overwhelmingly—voted to move ahead with the B-1 bomber as a much-needed replacement for our aging B-52 fleet that has served this Nation so well.

At that time, there were voices raised that the B-1 would be a program that would be marked by great cost overruns and delays in reaching deployment as an operational aircraft. It would be far better, these critics argued, to skip over the B-1 and bet everything on the advanced technology bomber, or "Stealth" aircraft. We prudently stuck with the program that called for the B-1 bomber and we also enacted legislation—very stringent legislation—that required close scrutiny of the B-1 program at the highest levels of government. We required a certification from the President himself as to the attainability of the program's cost and deployment objectives.

Lest there be any misunderstanding, I do not oppose the Stealth program. I am fully in favor of moving ahead as rapidly as possible with the Stealth R. & D., including application of results of that R. & D., not only to a separate and completely new Stealth aircraft, but to other vehicles and equipment as well. What I do oppose is the full commitment of this Nation's air security future to these new concepts at this time. There are still very serious questions that remain to be answered with regard to some of the Stealth concepts.

Those who oppose the B-1 do so almost solely on the basis of costs, and I agree that those costs are huge, and escalation of B-1 costs would almost certainly result in some reconsideration of the program. But, Mr. President, while the B-1 with its combat assured capability is costly, not having that capability when needed could be disastrous. We cannot take that chance.

To those who still insist on the "Stealth-only" option, who largely ignore the assured combat capability issue and concentrate only on costs, I want to pose the question as to whether they are willing to initiate legislation in this Chamber that will require the same careful documentation of costs of "Stealth" aircraft as are now operating in oversight of the B-1 program. Those who are so active in squeezing every nickle in the B-1 program are often strangely silent when it comes to applying the same standards to "Stealth." I realize that Stealth costs are less certain at this stage of development, but if that is to now become our only basis, then it would seem to be a reasonable and consistent proposal to apply that yardstick across the board.

Mr. President, I have been a strong and consistent supporter of the B-1. I still am. But I am also among those who have watched most closely the costs and progress of the program. I am thus pleased to introduce into the RECORD today a recent letter to me from Mr. Robert Anderson, the chairman of the board and chief executive officer of Rockwell International Corporation.

Mr. Anderson's own "bottom line" as to progress to date is encouraging: the new bomber is ". . . meeting or beating schedules and cost requirements and is in excellent position to continue this posture throughout the life of the program." I ask that Mr. Anderson's letter be printed in full in the RECORD.

The letter is as follows:

ROCKWELL INTERNATIONAL CORP.,
May 3, 1982.

Hon. JOHN H. GLENN,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR JOHN: Referring to your comments reported in the press concerning the importance of keeping B-1B costs within projected funding levels, I want to assure you that all of us at Rockwell International share that desire and are determined to fulfill our cost and schedule commitment to the Air Force.

Our confidence is reinforced by the experience gained in the very successful B-1A development program in which $6 billion has already been invested. As you know, we were able to retain a highly skilled and experienced team, more than 38,000 tools, as well as approximately two and one half shipsets of usable materials and parts. These valuable assets permitted us, as well as many of our subcontractors, to get started very quickly on production of the new airplane.

Progress since announcement of the B-1B contract has been outstanding. More than 1400 B-1B parts already have been fabricated, all on schedule, and more than 12,000 of the required 17,000 engineering drawings required to build the B-1B have been released. In addition, some 21,000 manufacturing orders to build parts and 37,000 orders for tooling have been issued. Without question, the solid B-1A experience and retained assets have contributed significantly to this record.

Buildup of the necessary manpower also is progressing very well, and we have added over 5000 people to our work force since contract go-ahead. It may be of interest to note that approximately half of those persons were recalled from layoff or transferred from other Rockwell divisions and most have prior B-1B work experience.

Throughout the B-1A research program, Rockwell has maintained contact with many of our subcontractors and this network of companies throughout the United States is rapidly being placed under contract on the B-1B. Already, more than 50 major purchase orders which will total about $750 million have been placed. Most of this work will be performed under fixed-price type contracts, which is another expression of the confidence the B-1B industry team shares in the many proven aspects of this program. We believe there are few programs with the strength and vitality of the B-1B, and we, as a team, are determined to keep this momentum going.

Rockwell management's solid commitment to the B-1B is reflected in the $400 million dollar capital investment we will be making with more than $200 million scheduled to be spent this year.

In summary, Rockwell is meeting or beating schedules and cost requirements and is in excellent position to continue this posture throughout the life of the program. We are completely confident of our ability, not only to meet or exceed our contractual requirements, but also to produce an advanced military airplane that will do all that is expected of it to insure our country's defense well into the next century.

Sincerely,

BOB.●

NATIONAL SMALL BUSINESS WEEK

● Mr. DOMENICI. Mr. President, the week of May 9 to May 15, 1982, has been proclaimed "Small Business Week." This gesture recognizes the achievements of this important sector, and pays tribute to the men and women who have dedicated their lives to the success of their businesses and the prosperity of the economy. They have done more than their share to provide jobs and to promote innovation. According to research at the Massachusetts Institute of Technology, between 1969 and 1976, more than 86 percent of new jobs were provided by small businesses employing fewer than 500 employees. Some 80 percent of new jobs were provided by firms having 100 employees or less. Almost 66 percent of the new jobs were provided by the 2 million small businesses with fewer than 20 employees. Amazingly, almost 95 percent of all commercial enterprises in the United States are classified as small businesses by the Small Business Administration. This is a significant contribution, and small business persons deserve our respect, our support and our thank you.

Most small businesses are sole proprietorships owned, managed and run by individuals who thrive on challenge and are willing to take a risk for the implementation of an idea. Small businesses are the building blocks of capitalism and make up the cornerstone of the American private enterprise system. Each time a new business starts, faith is expressed again in our economic system—a system driven by competition, the profit motive and the desire to excel. The perpetuation of the small business persons' spirit is essential to the success of our democratic way of life, as well as to the health and vitality of American business. That spirit is something that the small business person never losed, constantly uses, and calls upon when the going gets tough. It is what makes him succeed when others fail.

The small business person is a champion of change, a saleman of ideas, a

competition with himself to achieve his own goals. He is a tireless worker, is aggressive, and independent. He combines a "can-do" attitute with successful management techniques and sound marketing strategies. He is first and foremost an entrepreneur who, by virture of his commitment to our political and economic heritage, is the undecorated hero in American society, yesterday, today, and tomorrow.

Small business has also played an important role in providing economic opportunities for minorities and women. Minorities control about 4 percent of all businesses and are concentrated in retail trade, services, and construction.

Entrepreneuse is an infrequently used feminine form of entrepreneur. Women entering the work force have a self-employment rate that is exceeding men threefold. Small businesses owned by women is the fastest growing segment of the American small business community. They now own approximately 7 percent of the small businesses in America and deserve special mention in this tribute.

Small Business Week provides an excellent and appropriate occasion to honor the success of all small business owners and to highlight the accomplishments of the Outstanding Small Business Persons selected this year. Each one represents a success story that affirms the American dream. I want to honor the award winner from New Mexico.

Authur J. Connelly is president of Quadco, Inc. from Farmington, N. Mex. I want to tell his story as it appears in the Small Business Week program

With a 1948 Ford pickup and very little equipment, Jerry Connelly founded Quadco, Inc., in 1966 as an oil production equipment repair service. He soon expanded his line to include meter oil production equipment repair service then drilling instrumentation. In 1970, he introduced an electronic sensor designed to detect and prevent blowouts during drilling of oil and gas wells. Connelly made a name for his company by working closely with the manufacturer of his equipment to perfect the system. Offering a range of oil field tool sales, repair and rental services, the company opened offices in seven cities in Wyoming, New Mexico, Utah, North Dakota, Alaska, and Colorado during the 1970's. Noting a trend toward drilling deeper oil wells, Connelly purchased a casting jack which enables smaller drilling rigs to drill deeper, thus cutting costs of purchasing larger drilling rigs. From 1971 to 1981 the company's sales increased from $411,000 to $15 million. Endeavors like this are vital and necessary for the continued prosperity of America. We need people with the same philosophy and enthusiasm. We need to create an atmosphere where this energy is freed to dream, work and grow.

The President, and members of this Congress understand and appreciate the role small business plays in our nation. We are proud of you and the many, many others like you.●

DRUNK DRIVING BILL

● Mr. SARBANES. Mr. President, I want to indicate my strong support of S. 2158. The appalling statistics on drunk driving, a nationwide tragedy, makes this legislation necessary to establish a strong national deterrent, including mandatory punishment.

Mr. President, I represent a State which is often cited for its highway safety and drunk-driving programs, an effort which has resulted in increased arrests of drunk drivers and reduced traffic fatalities in Maryland. However, throughout the country, the carnage from drunk driving continues.

I have joined in cosponsoring this legislation to combat drunk driving through State-level alcohol-traffic safety programs. I also joined many of our colleagues in urging the President to take a firm leadership role in finding solutions to the problems of drunk driving. These are essential steps in curbing the tragic suffering caused by the drinking driver epidemic.

It is important to bear in mind the extent of the horrendous damage done by drivers who are intoxicated. The National Highway Traffic Safety Administration and the National Safety Council agree that drunk driving is the largest cause of violent death in this country, causing 26,000 deaths and 750,000 injuries annually. Property and personal injuries result in over $5 billion in damages and untold human suffering.

Although Maryland and some other States are doing an admirable job with the resources available to them to combat drunk driving, we still need to give law enforcement personnel the tools they need to attack this problem on a national scale: minimum sentencing, better recordkeeping, and uniform procedures for license suspension and revocation. S. 2158 would establish these minimum standards. The bill would also encourage the establishment of recordkeeping systems which would help police and judges and motor vehicle administrators identify habitual offenders who are arrested repeatedly in different jurisdictions.

Mr. President, I wish to commend the Senator from Rhode Island, the Senator from Missouri, and the Senator from Oregon for their outstanding leadership in guiding this bill through the Senate. It is time to establish a strong national deterrent to drunk driving. S. 2158 seriously addresses this problem, which is truly national in scope.●

THE SIXTH ANNIVERSARY OF THE FOUNDING OF THE MOSCOW GROUP FOR MONITORING THE HELSINKI ACCORDS IN THE U.S.S.R.

● Mr. DOLE. Mr. President, today, the 12th of May, 1982, marks the sixth anniversary of the founding of the Moscow Helsinki Monitoring Group. A courageous group of 11 human rights activists, led by Prof. Yuri Orlov, put their professional careers, their freedom, and in some cases, their lives on the line to establish an organization that would monitor the Soviet Government's compliance with the human rights provisions of the Helsinki accords. Subsequently, others joined the ranks of the Moscow Group, and shortly thereafter, Helsinki Groups were formed by human rights activists in other parts of the Soviet empire: In Lithuania, the Ukraine, Armenia, and Georgia.

Similar organizations were also formed to review specific problems for human rights in Soviet society: psychiatric abuse for political purposes, restrictions on religious freedom, limits on the rights of the handicapped, and others. In addition, the concept of citizens groups organized to monitor compliance with the Helsinki accords was extended to other nations, with the founding of Charter 77 in Czechoslovakia, KOR in Poland, and—here in our country—the U.S. Helsinki Watch.

The activity of the Moscow Helsinki Monitoring Group could not help but draw the enmity of the government in a country in which independent political activity is considered illegal. And indeed, it was not long before the Moscow Helsinki monitors experienced the familiar knock on the door, the apartment searches, confiscation of literature and personal papers, and in many cases trials on charges of anti-Soviet agitation, trumped-up criminal charges such as "petty hooliganism," or—in the case of Anatoly Shcharansky—ludicrous accusations of spying for the American CIA.

Six members of the original Moscow Helsinki Group were forced to emigrate from their homeland. Ten others have been sentenced either to prison in the Soviet labor camp system or to internal exile in the vast reaches of Soviet Siberia. The latest victim of government reprisals against the Moscow Helsinki monitors is Ivan Kovalev, arrested on August 26, 1981, and sentenced on April 2, 1982, to 5 years imprisonment in a strict regime labor camp and 5 years of internal exile to follow, this for alleged "anti-Soviet agitation and propaganda," a Soviet legal euphemism for criticizing the police of the Soviet empire.

THE "VICTIM OF DÉTENTE"

In connection with Soviet repression of the Moscow Helsinki Monitoring Group, I would like to call the attention of my esteemed colleagues to an article by Robert Kaiser that appeared on May 7, 1982, in the Washington Post, concerning the fate of Yuri Orlov, the founder of the Moscow Helsinki Monitoring Group.

The article follows:

A VICTIM OF DÉTENTE

(By Robert G. Kaiser)

This month one could celebrate—though few will—the 10th anniversary of Richard M. Nixon's first visit to Moscow. That visit inaugurated the era of détente, and if it had lived up to its initial promise, 10 years of détente would have been a lot to celebrate.

Instead we have a lot to mourn—for example, Yuri Orlov. Yuri Orlov is a human victim of the détente that never really materialized. He made the mistake of taking the promise of better East-West relations too seriously.

Today Orlov is an inmate of a Soviet prison camp. His wife and friends fear he has contracted a virulent, lethal tuberculosis that could end his life. This is his reward for contracting a different disease years ago, a virus that infects only minds, not bodies. For want of a proper medical term, we could call that virus freedom.

May 1972 was an exciting time in Moscow, particularly for Russians who ached to see their isolated country join the rest of the world for the last quarter of the 20th century. Yuri Orlov, a physicist, was one of those Russians. A small man of intense energy and great humor, he had just moved back to Moscow after a semi-voluntary internal exile in Armenia, where he had spent 15 years.

Orlov had a way of getting into trouble for speaking his mind. In 1956, after hearing about Nikita Khrushchev's famous "secret speech" denouncing Stalinism, Orlov had spoken out in a Communist Party meeting (he was a member) at the Institute of Theoretical and Experimental Physics where he worked. He had criticized past party practices as anti-democratic, and pleaded for change.

Orlov's remarks were received enthusiastically by his colleagues, but party bureaucrats attacked him viciously and saw to it that he lost his job and could not find another one in Moscow. He ended up moving to Armenia, where he eventually did so well that he was elected to the Armenian academy of sciences.

When he returned to Moscow in 1972, Orlov was palpably excited by the atmosphere he found. He was fascinated by the public struggle then going on between the Soviet state, on one side, and Alexander Solzhenitsyn and Andrei Sakharov on the other. And he was intrigued that he could meet and talk with foreigners—a novel experience.

Orlov was drawn increasingly into activist dissident behavior. After the Helsinki agreement on European security was signed in 1975, he became a member of the "Helsinki Watch" group in Moscow, an informal organization of dissidents who declared themselves monitors of Soviet compliance with the humanitarian provisions of the agreement. For more than a year this group was able to distribute its findings on alleged Soviet violations of Helsinki's "Basket 3" on human rights.

Then Jimmy Carter came into the White House trumpeting his concern for human rights. Carter quickly wrote a personal letter to Sakharov and sent it through the diplomatic pouch, an affront to the Soviet leaders which infuriated them. On Feb. 8, 1977, Carter told a press conference he saw no connection between his speaking out on human rights in the Soviet Union and the strategic arms limitation talks he wanted to conduct with the Soviets. Two days later, as if to demonstrate that they, too, saw no connection, the Soviet authorities arrested Yuri Orlov.

There followed a trial on charges of anti-Soviet agitation. It was a classic example of Soviet jurisprudence.

Orlov was sentenced to seven years in a "strict regime" labor camp, plus five years of internal exile in a remote corner of the country.

Of the four years since, Orlov has spent two in punishment cells and special prisons, often on a diet of 1,700 calories a day (about half what a man of 57, like Orlov, ought to have). He has been punished for continuing to protest, mostly against prison conditions. In camp and prison Orlov has had one medical problem after another. Doctors have told him he should not expect to live out his sentence, once even telling him, wrongly, that he had cancer. He has had kidney and prostate problems, bad teeth, low blood pressure, rheumatism, cystitis, chronic headaches from an old injury, and more. The news that he now has active tuberculosis reached Orlov's wife in Moscow from relatives of fellow prisoners who had recently visited the camp where he is currently being held.

Orlov has survived all this with his courage and spirit intact, as far as we know. His letters to his two sons and his wife (he is permitted very few, all of them censored) are full of enthusiasm for life, for Russian literature, for the struggle he continues to wage.

In one of those letters Orlov, a great nature-lover like so many Russians, described the barren surroundings. "Regretfully there are no trees here," he wrote. "But I still walk a lot on the ridges, and in one corner (of the compound) there is a spot with pure water, and in the water there is beautiful green moss. I looked at it for long spells during the first, always dreary days. The Japanese watch their tiny gardens in the same way, which brings comfort to the spirit."

That green moss may comfort Yuri Orlov's spirit, but it does little for those of us who knew him in a world where trees are plentiful, but men of Orlov's qualities are rare.

Mr. DOLE. Finally, although cynics might assert that the Moscow Helsinki Monitoring Group has been effectively silenced by the Soviet KGB, their voice has not been completely stilled. The three remaining members still at liberty—Elena Bonner, wife of academic Andrei Sakharov; Naum Meiman; and Sofya Kalistratova—have managed to continue compiling documents reporting on the status of human rights in the U.S.S.R. and the fate of those brave souls who stand up for their rights against the Soviet police state. These documents have reached the U.S. Commission on Security and Cooperation in Europe. As Cochairman of that Commission, I am pleased to report that the Commission plans to publish its second thematic survey of these documents in the near future. I am sure that my colleagues look forward to familiarizing themselves with the valiant efforts of the Moscow Helsinki Monitoring Group, and that they join with me in commemorating the sixth anniversary of the founding of this noble organization.●

SYNFUELS—PAY NOW OR LATER?—WE SHOULD AVOID THE MISTAKES OF THE PAST

● Mr. RANDOLPH. Mr. President, in September 1980 an article was published in the National Journal which stated that "rising energy prices and $17.5 billion from the Synthetic Fuels Corporation are making it practical to produce oil from shale, liquids and gases from coal." A document quoted in that article was a white paper report published by Exxon when they bought the majority interest in the Colony oil shale project in Colorado. The message in this report, "The Role of Synthetic Fuels in the United States' Energy Future", said that synthetic fuels not imported oil should fill the projected 15 million barrels-per-day gap by the year 2000 between U.S. demand for conventional oil and gas and expected domestic production. The Exxon article concluded that, "synthetic fuels development was critically important to national security and to the standard of living in the future."

Exxon has announced its decision to discontinue construction of that same Colony oil shale project, after an investment of more than $500 million, "because of current market conditions and sharply escalating cost. The project's fate was sealed, according to company officials when Exxon recently lowered its projections of oil prices and worldwide energy use for the rest of this decade."

Mr. President, many energy companies, oil, mining, utilities, and manufacturers are making internal decisions to reverse commitments they have recently made to develop synthetic fuels from coal. Why, because today we seldom pick up a newspaper or a magazine, or turn the television on without hearing about falling oil prices and an oil glut. Why, because the present administration feels that the promise to decontrol conventional gas supplies will give us years of domestic security. Why, because the present administration has radically decreased Department of Energy research funds for synthetic fuel demonstration projects saying that industry will now develop these "mature" processes on their own.

These factors have led to the abandoning of further substantial synthetic fuels efforts in the private and industrial sectors. I submit this as illogical. We are faced today with circumstances that have created a temporary oversupply. Oil price increases which occured in 1979 and 1980 reduced oil consumption through conservation. Until recently, oil production from Mideastern countries was higher than their revenue needs required. Third, worldwide recession is reducing oil demand, closing factories and mines

and putting millions of people out of work.

Mr. President, I believe oil prices will rise again and I believe a more thoughtful study of future market requirements and long term returns on investment might lead to a different conclusion—the current economic climate is conducive to development of synthetic fuels from coal. Recently, David Gushee and Paul Rothberg, of the Congressional Research Service at the Library of Congress, coauthored an article exporing the advantages of proceeding with synfuel development now with a strong Synthetic Fuel Corporation presence. They state:

Clearly, the future price uncertainty of world oil, coupled with the already worrisome uncertainties about interest rates, the technologies, present and possible future occupational and environmental requirements, local sociopolitical concerns, and energy demand prospects, make such a commitment solely by private investors almost out of the question. Perhaps only Exxon, among synfuels interests currently active, is big enough and rich enough to proceed on its own in the face of such risks.

Thus, if the Nation wants synfuels in the foreseeable future, the answer to our first question—is SFC (or some comparable mechanism) still necessary—is unequivocally yes. Is now, with oil prices falling, a good time to build? We say yes, there is no better time, provided that the Nation still wants the synfuels option and provided further that real interest rates retreat and approach their historic levels. This conclusion is based on the observable fact that plant construction cost indexes rise with rising world oil prices and fall with falling oil prices.

Mr. President, we must set specific, mandatory long range synthetic fuels objectives and then stick by them. Even in the current budgetary climate, we must show commitment and full support for alternatives fuels and the synthetic fuel provisions of the Energy Security Act of 1980.

We must not take a step backward again as we did in 1955, when a decision was made by the administration to eliminate all Government involvement in development of coal gasification, oil shale, and other alternative energy projects. Senator O'Mahoney of Wyoming, and I coauthored the Synthetic Liquid Fuels Act, signed into law by President Franklin Roosevelt in 1944. I regret that President Dwight Eisenhower ordered the program ended on the assumption that, if needed, private industry would anticipate and correctly respond to insure that the Nation had adequate fuel supplies. The events during the past decade show this was not to be the case. This week's Exxon announcement shows it will not be the case now. The money spent on synthetic fuels are investments in our future. They are, in fact, of equal importance and must interlock with the highly visible defense effort now being debated for national security purposes. If synfuel development had been permitted to reach its commercial potential in the forties and fifties, much of the international tension being experienced regularly in the Mideast and the current situation in the Falkland Islands would have been negated.

Mr. President, I ask that the article "Synfuels and the Synthetic Fuels Corporation" be printed in the RECORD as we continue to monitor the development and changing circumstances in the synthetic fuels area.

The article follows:

TRI-STATE SYNFUELS CO. TO END U.S. ACCORD ON STUDY OF FUEL PLANT

HENDERSON, KY.—Tri-State Synfuels Co. said it plans to end a $45 million agreement with the Energy Department under which it was studying a proposed $3.5 billion synthetic-fuels plant.

The joint venture between Texas Eastern Corp. and Texas Gas Transmission Corp. said, "The level of expenditures required of the partners to pursue the work program as contained in the (agreement) cannot be justified under present energy economic conditions." Both Texas Eastern and Texas Gas Transmission are primarily natural gas distributors.

Under the agreement, signed early last year, the Energy Department was to provide $22.4 million to help finance the cost and feasibility studies, while the joint venture was to have borne the remaining $22.6 million. A spokeswoman for the partnership declined to disclose how much has been invested to date.

Originally, the partners were to have decided by early next year whether to proceed with construction of the plant, which would have made liquid fuels, natural gas and chemicals from high-sulfur coal deposits in the Henderson, Ky., area. But in January, they proposed a year's delay in deciding whether to give the project the green light. They also proposed scaling back the proposed size of the plant and limiting its products to gasoline, liquefied petroleum gas and natural gas.

Yesterday, the joint venture said it was holding talks with the Energy Department on details of the project's termination. Meanwhile, the spokeswoman said, Texas Eastern "plans to maintain a low level of spending" to protect its option to reactivate the project in the future, if possible.

SYNFUELS AND THE SFC

(By David E. Gushee and Paul F. Rothberg)

Times are a lot different now than they were in 1980 when the Congress passed the Energy Security Act, creating the Synthetic Fuels Corporation (SFC) and authorizing it to spend up to $20 billion to accelerate the production of synfuels. Oil Prices were then rising; they are now falling. Oil supplies were then tight; there is currently a glut. Two years ago, many companies were jumping on the synfuels bandwagon; today, some companies previously interested in synfuels are backing off. During 1979 and 1980 Congress was creating the SFC; over the past several weeks, some 20 Members in the House have sponsored H.R. 5404, a bill to kill the Corporation. A similar initiative is being developed in the Senate.

Given these changes, is SFC still essential to the creation of a domestic synthetic fuels industry? If so, is now, when oil prices are falling, a good time to go ahead and build synfuels plants?

With respect to the need for SFC, one must look at what is known about synfuels economics. Despite the uncertainties associated with estimating costs for plants for which there is no U.S. commercial experience, one uniform reality exists—synfuels would cost today more than conventional oil costs today.

Any hope for attractive synfuels economics is based on assumptions about the future cost of synfuels compared to the future price of conventional oil. A plant built today, for example, will produce synfuels tomorrow at a price only modestly affected by future inflation, since most of the cost of synfuels produced will be dictated by the size and carrying cost of the initial capital investment. Future increases in operating costs will be relatively small compared to the construction and financing costs involved.

Therefore, for any given synfuels plant using currently available technology, increases in world oil price after the plant has begun to produce are necessary for profitability and faster rates of increases will improve the profitability of that plant.

Unfortunately, the same seems likely to be true for any synfuels plants to be built after any future increase in oil price, so long as current economic relationships remain essentially unchanged. Recent history has shown that rising oil prices foreshadow rises in plant construction costs. Thus, by the time a plant could be built, the new higher price of oil, which seemed to make synfuels economically attractive, would be reflected in higher plant investment costs leading to higher product costs than originally expected. For future plants too, therefore, profitability will probably depend on rises in world oil prices after the plants are built and in operation.

Any private investor wishing to build a synfuels plant, therefore, must be an optimist and assume that world oil prices will rise after the plant has been built—and will rise at a rate fast enough to overcome the discounted present value of future income. Such an assumption requires a supreme act of faith. It will take more than five years to build a plant, perhaps even ten by the time uncertainties about environmental and other requirements are resolved. Oil price gurus have a hard enough time forecasting next year's oil price. But the investor has to have enough faith in his own forecast—five to 10 years out for starters and an additional 10 to 20 years for full payback—to put somewhere between $4 and $5 billion on the line for a commercial 50,000 barrels per day plant.

Clearly, the future price uncertainty of world oil, coupled with the already worrisome uncertainties about interest rates, the technologies, present and possible future occupational and environmental requirements, local sociopolitical concerns, and energy demand prospects, make such a commitment solely by private investors almost out of the question. Perhaps only Exxon, among synfuels interests currently active, is big enough and rich enough to proceed on its own in the face of such risks.

Thus, if the Nation wants synfuels in the foreseeable future, the answer is our first question—is SFC (or some comparable mechanism) still necessary—is unequivocally yes.

Is now, with oil prices falling, a good time to build? We say yes, there is no better time, provided that the Nation still wants the synfuels option and provided further that real interest rates retreat and approach their

historic levels. This conclusion is based on the observable fact that plant construction cost indexes rise with rising world oil prices and fall with falling oil prices. This is not to say that world oil prices dictates construction costs, only that it, among other major factors, affects them. Today, the chemical plant construction index is falling, as it has for some six months now. Capital cost of a synfuels plant started now will benefit from this softening of construction costs. Further, it looks like oil prices and other factors of inflation will (barring unforeseen eruptions in the Middle East) be relatively soft for the next several years—the time horizon for plant construction. In other words, investment levels required for synfuels plants may never be cheaper than they are now.

On the other hand, should today's high interest rates continue throughout the period of soft oil prices, the costs of carrying this capital investment could be so high as to overcome the benefits of stable or falling construction costs. If interest rates come down to more historic levels, though, then the oil price path takes on critical importance.

What about future oil prices? As indicated earlier, experts hedge a lot. Nonetheless, most of them believe that oil prices will begin firming well before the end of the 1980's and will resume their climb at rates faster than general inflation through the 1990's and thereafter. Within this consensus, the biggest doubt is the exact times, not the general shape of the future price path. Thus, for any synfuels plant built now, with "bargain rate" construction costs, future oil price increases assuredly would eventually lead to profitability. The major uncertainty is how soon and whether the rise will come at the right time to provide investment attractiveness relative to other investment opportunities.

For the SFC, (assuming that it exercises good judgment) this probable future oil price path would assure that any drain on its assets over the long term would be limited. Should the oil price stay soft until about 1987, synfuels project capital needs will be held down; should the oil price rise soon enough and fast enough thereafter, the first generation of plants will become profitable will within private sector time limits, thus reducing SFC costs. On the other hand, should oil prices stay soft for an additional five years or so, SFC will probably have to cover some portion of the capital payback needs for those years. And should interest rates not fall, then SFC would probably have to carry the burden of that impact as well.

The equation is one, therefore, of making guesses about the timing of future oil price changes and interest rates and testing their impacts on SFC. Compared to the periods in the past, however, when oil prices were rising and later softening, the present equation seems to be about as favorable for synfuels investment as the Nation could hope for.

So we answer our two questions as follows:

Yes, the SFC is still essential if the Nation wants the synfuels option.

Yes, now seems to be about as good a time as we will ever have.●

ARGENTINA AND THE ARMS EXPORT CONTROL ACT

● Mr. PERCY. Mr. President, the administration recently transmitted a letter to the committee pursuant to section 3(c)(2) of the Arms Export Control Act, which states that a "substantial violation" by Argentina of United States-Argentinian arms sales agreements "may have occurred." There have been several requests for the text of the letter.

I, therefore, ask that this letter be printed in the RECORD.

The letter referred to follows:

DEPARTMENT OF STATE,
Washington, D.C., April 30, 1982.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate.

DEAR MR. CHAIRMAN: I am providing the following information pursuant to section 3(c)(2) of the Arms Export Control Act.

On April 2 Argentine military forces occupied the Falkland Islands (known to the Argentines as the Islas Malvinas), which have been the subject of a long-standing dispute between the United Kingdom and Argentina. Argentine forces taking part in these operations were reportedly equipped with a variety of defense articles that had been furnished to Argentina under the Foreign Military Sales program, including destroyers, submarines and landing craft, and C-130, A-4 and S-2 aircraft. The use of these items by Argentina is limited, under the agreements governing their sale, to purposes consistent with the United Nations Charter and the Inter-American Treaty of Reciprocal Assistance (the Rio Treaty).

In these circumstances, I must report on behalf of the President, pursuant to section 3(c)(2), that a substantial violation by Argentina of these agreements may have occurred.

As you know, U.S. security assistance to Argentina remains subject to the prohibitions contained in Section 725 of the International Security and Development Cooperation Act of 1981. In addition, the Department is suspending until further notice all deliveries to Argentina of defense articles and services for which commitments were made prior to October 1, 1978.

The Administration intends to continue its efforts to encourage and assist in a peaceful resolution of this dispute at the earliest possible moment.

Sincerely,

POWELL A. MOORE,
Assistant Secretary for Congressional Relations.●

TV AND THE FIRST AMENDMENT

● Mr. HOLLINGS. Mr. President, the Chairman of the Federal Communications Commission, Mark Fowler, has spent the first year of his term traveling about the country urging that we repeal the various political broadcasting laws.

The Chairman seems to believe that the broadcasting industry is competitive enough so that any candidate or anyone who wishes to present a controversial issue can get on the air. The Chairman also seems to believe that these political broadcasting laws inhibit debate and violate the first amendment.

I find the Chairman's position hard to swallow—as I am sure anyone would who has run for office or who has attempted to gain access to broadcast time. First of all, we all know too well that you cannot get elected without relying heavily on radio and television. There is just no argument about that because there is no other way to effectively reach the general public quickly and with timely information. If the political broadcasting laws did not exist, we would all have to depend upon the beneficence of the local broadcaster—a beneficence that would certainly be tested if the local broadcaster backed a certain candidate or a certain position on a controversial issue. All of this talk about competition in broadcasting is more theory than reality, particularly when it comes to television. The Chairman of the Commission, in fact, knows the benefits of these laws very well since he used to file political broadcasting complaints for then-candidate Ronald Reagan when he was running for President and felt that a local broadcaster had treated him unfairly.

As for the argument that these laws violate the first amendment, the Supreme Court has consistently found that these laws are well within the first amendment. Last year, in the Carter-Mondale case, the Supreme Court had an opportunity to reverse its position, but it firmly refused to do so. The Court's reasoning is well founded: The key first amendment right is the public's right to know, and in an environment where there are no genuine alternatives, the political broadcasting laws forward this very important right.

To further impress upon my colleagues the value of these laws, I recommend the recent editorial written by Marvin Stone for U.S. News & World Report and the recent piece by the conservative columnist, Patrick Buchanan. Both of these men are very familiar with the political processes in this country, and both agree that the political broadcasting laws are very important to forward these processes. I ask that both of these pieces be printed in the RECORD.

The material follows:

TV AND THE FIRST AMENDMENT

(By Marvin Stone)

It has been said before on this page: The airwaves belong to the people. That may come as a surprise to Mark Fowler, chairman of the Federal Communications Commission, who is interviewed on pages 43–44.

Fowler would like to repeal all formal supervision over radio and television programs. Out the window would go the legal requirement that when time is given or sold to a candidate for political office, equal opportunity be accorded to rival candidates. Erased also would be the "fairness doctrine" that, when controversial views are aired, provides holders of contrary opinions a chance to reply.

Along with these major regulations, Fowler astonishingly would abolish all remaining consideration of program quality and public service as touchstones for licensing. The only government function he approves is that of a traffic cop—keeping the

channels open. In other words, anything goes.

Wrangles over FCC controls have been going on for years. Names change, but the arguments stay the same: That there's room on the air to guarantee proper variety; that program supervision violates the First Amendment; that market forces will take care of providing viewers with what they want because they vote with the dial, tuning out what they don't like.

In the end, these contentions don't hold water. To begin with, the capacity of the medium remains limited. Ingenuity of engineers has made it possible to increase the number of TV stations to more than 1,000. But is that a lot for a country of more than 230 million souls? The fact is that the air is crowded, and not everybody who wants and can afford a station can have one. Chairman Fowler himself, who used to represent persons applying for radio and TV licenses, suffered a disappointment recently when a former client lost out to a rival for an FM permit. Cable service will add volume, it's true, but just how much of a forum?

In this restricted medium—unlike print, which can be distributed in unlimited quantities—what actions do support or undermine the First Amendment? The words are: "Congress shall make no law . . . abridging the freedom of speech, or of the press." The equal-time law and the "fairness doctrine," aimed at assuring citizens the right to exercise free speech, would seem more supportive of the First Amendment than against it. The government gives away free to owners of broadcast stations the privilege of occupying the air-waves. If it also gave the owners a veto over who could be seen on TV, that would seem to be the real violation of the First Amendment.

Complaints against obscenity and violence on TV seem to be heeded less and less as we are exposed to more and more sewage piped into our homes. If a child can walk into a room, touch a switch and see a man calmly shoot another and walk away, damage has been done. There have been surveys indicating that such viewing boosts crime. One psychiatrist offers a more graphic illustration in the case of a patient who knocked a man unconscious with a pool cue and wondered why the victim could not get up—they always do on TV.

It's hard to believe that the marketplace is going to correct all this. If a bad mousetrap fails to sell, the manufacturer quits making it. But when a viewer switches stations, the demand for something different has a long route to travel before it gets back to the decision maker. Even worse, if something is missing, how is dial choice going to supply it?

We believe firmly in cutting back onerous government regulations where possible, and President Reagan campaigned on that position. But he also campaigned against permissiveness and violence and obscenity. In our society, television is an all-pervasive force, able to do great good or great damage. It seems beyond reason that Mr. Reagan's appointee at the FCC is willing to tell TV-station owners that henceforth they may keep their licenses no matter how irresponsibly they behave.

REAGANISM ADULTERATED

(By Patrick J. Buchanan)

Mr. Reagan's men had best send a scouting party over to the FCC to check out the lieutenant they put in charge of that particular bureaucratic outpost. Because Mark Fowler, chairman—gunning for Libertarian of the Year—is about to give away the store.

Citing the late Justice William O. "Wild Bill" Douglas as his mentor, Fowler is preparing to unleash the national networks from all requirements of fairness and balance in news and commentary; to dismantle entirely the modest pollution control equipment that keeps the rawest sewage of the permissive society out of your living room.

The "fairness doctrine" that requires broadcasters to present both sides of controversial issues and the "equal time" provision for candidates should be scrapped as "censorship provisions" of federal law, says Fowler. For the FCC to threaten stations with loss of license for failing to comply is a "frightening specter . . . antithetical to our most precious freedom, speech itself.

"The simple fact is that no newspaper and no newsmagazine is subject to second guessing by a government agency when it comes to fairness. . . . It's one thing for stations to follow principles like fairness or equal time. I call that not only sensible but good business. It's another when the government enforces these rules. I call that 'censorship.'"

Unsurprisingly, Fowler has been received by broadcasters with the enthusiasm a junior high principal might be accorded if he announced to the assembled student body that henceforth there would be no more "censorship," i.e., no more chaperones, on the school hayride.

But what Fowler is preaching is not Reaganism; it is ideological claptrap.

If Bill Moyers of CBS informs his evening news that the good guys in Central America are the left-wingers the United States always opposes, it is not a censorship of Moyers to require CBS also to air the administration point of view. How "frightening" a "specter" can the fairness doctrine be, when not a single radio or television station within memory has lost its license for the most egregious abuse?

And because the U.S. Supreme Court has declared "anything goes" in the printed word, producing a proliferation of dirt and filth unimagined a generation ago, is that solid precedent and sound argument for redirecting that sewer into the car radios and homes of the people who elected Mr. Reagan to curb cultural pollution?

Let the "market mechanism" work, demands Fowler. Well, the market mechanism produced 42d Street. Is the First Amendment an unfulfilled promise if I can't get the same peep shows and porno shop productions with a flick of the switch on my television set?

"It seems beyond reason," writes Marvin Stone of U.S. News, "that Mr. Reagan's appointee at the FCC is willing to tell TV-station owners they may keep their licenses no matter how irresponsibly they behave." Yet that is exactly what Fowler is telling them.

Eliminate equal time and the fairness doctrine and the nation's networks have been given unrestricted license to savage candidates they oppose, to silence opinions they detest, to shut off the microphones to Middle America. Did not the conservative movement suffer enough from such abuse of power in the Vietnam era, to preclude our being the ones responsible for legitimizing it?

How would the Right-to-Life Movement, so abhorred by the trendies who occupy the peaks of broadcasting, ever get a fair hearing? Yet here we have Reagan's appointee at the FCC telling us that for Reagan's friends to insist on a fair hearing for Reagan's positions—on economics, abortion or El Salvador—is a violation of the constitutional rights of Roone Arledge.

Fowler, who invokes the Founding Fathers, might do well to read one. Jefferson's model was not some Middle Eastern bazaar, but the town meeting, which he writes was "called to discuss . . . and to decide matters of public policy . . . Now, in that method of political self-government, the point of ultimate interest is not the words of the speakers, but the minds of the hearers . . . What is essential is not that everyone shall speak, but that everything worth saying shall be said. To this end, for example, it may be arranged that each of the known conflicting points of view shall have, and shall be limited to, an assigned share of the time available. The vital point . . . is that no suggestion of policy shall be denied a hearing because it is on the one side of an issue than another."

When they labored for Ronald Reagan's revolution, how many conservatives thought they would be working to displace Thomas Jefferson—with "Wild Bill" Douglas?●

INTELLIGENCE EDUCATION

● Mr. WALLOP. Mr. President, I am pleased to bring to the attention of this body an academic development which may exercise significant influence in public affairs. The dean of the University of Wyoming's College of Arts and Sciences, Dr. Joan Wadlow, acting in her capacity as an officer of the International Studies Association, has just published a new guide for teaching intelligence as an academic subject. The guide's authors are professors associated with the Consortium for the Study of Intelligence, a body of academics who have undertaken a long and detailed study of this country's intelligence requirements in the 1980's.

When I came to the Senate and became a member of the Intelligence Committee, I noted, sadly, that little of this country's excellent academic talent was being devoted to this important function of government. As a consequence, the field was dominated by people whose lack of understanding of these important matters was matched by their lack of commitment to this country and its cause in the world. Therefore, the public discourse on intelligence consisted of sterile opposition between those who insisted that everything that American intelligence had done was right, period, and those who saw intelligence primarily as a threat to civil liberties. But good intelligence and civil liberties are not naturally opposed. I have spent much energy trying to make this point.

On the other hand, I have also pointed out that we cannot afford to conduct our intelligence business with our minds set on justifying anything the intelligence agencies have ever done. We simply have to decide what should be done to safeguard our freedoms in this increasingly unfree world, and then figure out the best way to do it. Fortunately, 3 years ago, the Con-

sortium for the Study of Intelligence brought together some of the finest academics from some of this country's best universities for the kind of serious study we need. Now the weight of academic opinion on intelligence is constructive.

I have applauded the consortium's work primarily because I have learned from it and, having learned, I have been better able to discharge my responsibilities. Now I see that professors associated with it have developed a curriculum by which university students can become knowledgeable on these important matters. The fact that this curriculum is being presented to the country's academic institutions by the dean of the University of Wyoming is cause for both satisfaction and pride. No, the State of Wyoming claims no special knowledge in the field of intelligence. But we folks from the high plains have a reputation for commonsense. As least I hope that is what has led both myself and Wyoming's Dean Wadlow to think well of this approach to intelligence.

I offer the proposed curriculum to be printed in the RECORD.

The curriculum is as follows:

INTELLIGENCE—THE EVALUATION OF A NEW TEACHING SUBJECT

(Roy Godson and Richard Shultz)

In light of the importance of intelligence to a nation's security and foreign policy, it might be assumed that intelligence has been the subject of a great deal of academic attention. In fact, until recently the opposite has been the case, and this has generally remained true even though the academic study of national security has grown tremendously over the last twenty years. According to two independently conducted surveys of more than five hundred colleges and universities in 1979-1980, fewer than twenty-five offered a course entirely devoted to intelligence.

The teaching of intelligence has evolved gradually during much of the post-World War II period. In the initial phase from the 1940s to the early 1970s, there were few, if any, courses devoted exclusively to intelligence. Intelligence was generally studied, if at all, within the context of more broadly gauged courses on foreign policy and national security. And it focused primarily on analysis and human collection methods (espionage). Consequently, the major elements of intelligence were not examined systematically.

There were some important exceptions. For example, for almost a quarter of a century Harry Howe Ransom of Vanderbilt University has been teaching and writing about intelligence. Since the mid-1960s Ransom has periodically offered a variety of courses ranging from specialized topics to an undergraduate seminar entitled "Secret Intelligence Agencies and Democratic Governments." In the latter case, the course objectives included: (1) a survey of the problems of secret agencies in a democratic government; (2) the nature, function, and processes of strategic intelligence; (3) the origins, evolution, and performance of the CIA in both intelligence and covert action roles; and (4) intelligence agency accountability.

Lyman B. Kirkpatrick of Brown University is a second important exception. A former senior intelligence officer who retired from the CIA in 1965, Kirkpatrick has offered courses on "The Role of Intelligence in World Politics" and "Intelligence and Policymaking." In ways somewhat similar to the approach taken by Ransom, Kirkpatrick included a comparative component in his courses, although the primary focus was on the United States. Additionally, the Ransom and Kirkpatrick courses tended to be oriented toward analysis, human source collection, and the overall organization of the U.S. intelligence community. Less emphasis was placed on counterintelligence, technical collection, and covert action in world history.

In sum, during the early period—with some exceptions—entire courses on intelligence were not offered in American universities and the subject matter where it did appear was limited. How can this state of affairs be explained?

We have not undertaken a systematic study of this question but we offer two possibilities. First, for various cultural and political reasons, the study of intelligence has been regarded as *ultra vires* by academicians. Secondly, until the latter half of the 1970s the publicly available materials on intelligence were judged to be insufficient to engage in serious teaching and scholarship.

During the 1970s this situation began to change. First, the amount of available material dealing with intelligence, particularly American intelligence, and its relationship to national security and U.S. foreign policy grew enormously. This includes the writings of former intelligence officials, congressional documents resulting from oversight activities, and documents released under the Freedom of Information Act. Also, the British government began to allow former intelligence officials to write about their wartime successes. Secondly, the executive and congressional investigations of intelligence in the United States, and the unprecedented debates that ensued, made intelligence a very controversial public policy issue.

About the same time—that is, in the mid-1970s—the number of courses increased. The overall number remained small, however, and their scope was still limited, with the emphasis almost exclusively on the American experience. Generally one can find courses that took a more historical view, beginning with World War II. Others focused on such issues as organizational dynamics and decisionmaking, or the analysis and estimates process. Still other courses reflected the preoccupations of the Sen. Frank Church committee, focusing almost exclusively on real or alleged intelligence abuses. Few courses attempted to examine systematically the four major elements of intelligence—clandestine collection, analysis, counterintelligence, and covert action. Even fewer took a comparative approach, examining foreign intelligence services now, or in other historical contexts. [While it is beyond the scope of this brief overview to identify each course offered in 1979, both the Consortium for the Study of Intelligence (CSI) and the National Intelligence Study Center (NISC)—as noted in the article on resources—collected many of these syllabi, and NISC has published the findings in 1980 in "Teaching Intelligence."]

By the late 1970s the evolution of teaching in this area took a new turn. First, as more individual courses were developed, a group of academics from several institutions came together to form the Consortium for the Study of Intelligence. The Consortium's membership includes political scientists (particularly specialists in international relations and U.S. foreign policy), historians, sociologists, and professors of international and constitutional law. CSI established the following goal:

1. To encourage teaching on both the graduate and undergraduate levels in the field of intelligence, as it relates to national security, foreign policy, law, and ethics.

2. To promote the development of a theory of intelligence—what is it, and what is its place in American national security policy? Comparative analysis with the practice and experience of other nations will be emphasized.

3. To encourage research into the intelligence process itself—analysis and estimates, clandestine collection, counterintelligence, and covert action; and to determine the feasibility of measuring efficiency or setting standards of efficiency so that the product can be improved.

4. To study the tensions between intelligence activities and the democratic and constitutional values of our society, and to seek the development of principles and methods for reconciling the two.

The Consortium does not have links with any government, and is funded solely by American foundations.

The Consortium has now convened five policy-oriented research colloquia which were designed to examine systematically, in an unclassified setting, the individual elements of foreign intelligence and their relationships to each other. To achieve these objectives, papers were commissioned from specialists. They were critiqued and discussed at the colloquia by scholars and intelligence specialists from the executive and legislative branches of the United States and other governments. The revised papers, critiques, and summary of the discussions at these meetings have been published in a five-volume series *Intelligence Requirements for the 1980's.* These volumes have been adopted by a number of teachers for classroom use—in the United States and abroad.

The second major aspect of CSI's work, and one which is increasing, is to expand and encourage teaching of the subject. To this end the Consortium organized an eight-day seminar on "Intelligence for Teaching Faculty" at Bowdoin College in Maine during the summer of 1981. From more than six hundred applicants, the CSI Curriculum Committee (consisting of Professors Adda Bozeman, Paul Seabury, Frank Trager, and Roy Godson) selected academicians of a variety of ranks and disciplines from twenty-five universities to participate in eight days of intensive discussions.

The seminar discussed the major elements of intelligence in comparative perspective and focused on teaching and research on the subject as it relates to national security, foreign policy, law, and ethics. In addition to members of the Consortium, speakers included former senior CIA officials and intelligence specialists from the National Security Council and congessional staffs. The essay "Foreign Intelligence: A Course Syllabus" in this special issue of IS Notes presents an extensive discussion of the seminar proceedings.

Faculty reaction to the work of the Consortium and the increasing number of courses suggests that interest in the subject of intelligence is burgeoning. Most teachers report great student interest, not an insignificant factor in this stage of academic life. Many faculty members also report that their initial reservations about negative reactions by university curriculum committees have proven to be unwarranted. Teaching

materials now are available and we would expect that intelligence studies will continue to grow in the 1980s.

On the basis of an evaluation of the seminar by the participants and the CSI Curriculum Committee, CSI is planning to hold a second seminar in the summer of 1982, for which it is now accepting applications. The seminar, to be held again at Bowdoin College, will begin on Friday, July 16, and conclude on Saturday, July 25, 1982. A format similar to the first seminar will be adopted. Additionally, CSI is planning to conduct shorter, two-day seminars on intelligence at several regional sites in 1982. The first will be held in Chicago on April 16–17, 1982, under the direction of Sam C. Sarkesian and Abby Chack, Executive Secretary of the Inter-University Seminar on Armed Forces and Society. (Applications for these seminars should be sent as soon as possible to Roy Godson at Georgetown University.)●

CUTS IN STUDENT SOCIAL SECURITY BENEFITS UNFAIR

● Mr. SASSER. Mr. President, I should like to address a matter of crucial importance to some 250,000 high school seniors who are planning to attend college this fall and are relying on social security student benefits to help finance their education.

Last year, the administration was successful in pushing through changes in social security affecting student benefits. These changes were included in the Omnibus Reconciliation Act of 1981. They included the elimination of social security benefits for new student beneficiaries not enrolled in college full time before May 1, 1982. And for current recipients, beginning in August, the amount of benefits will be reduced each year by 25 percent of the August 1981 amount.

There were many of us who felt, like myself, that these benefit reductions were unduly harsh. These benefits have been essential to the education of many Americans over the years.

These benefits are not a handout. They are directly related to the amount of earnings lost due to the death, disability or retirement of the parent. According to a report by the Congressional Research Service, these benefits are much more than a form of educational assistance, they also serve as basic income support to replace a part of the lost earnings of the parent upon which the student depended up until the time the parent either retired, became disabled or died.

Reduction of student benefits is an unfortunate occurrence. However, to further compound the situation the Social Security Administration failed to officially notify some current high school seniors of the eligibility changes, phaseout and subsequent elimination of the benefits under the Reconciliation Act. Furthermore, an undetermined number of students received erroneous information about their eligibility for future benefits.

This has made it most difficult for many students to adequately plan their post-secondary careers. Indeed, without these benefits it will be impossible for many students to continue their education past high school, when through no fault of their own they were led to believe that financial help would be forthcoming.

It is therefore imperative that Congress take the steps necessary to alleviate these difficulties. The legislation S. 2512 introduced by my good friend from Michigan, Mr. LEVIN, is an attempt to rectify the unfair treatment accorded these high school seniors (84 percent of which come from families with income below $20,000). In my home State of Tennessee, some 4,700 students are affected. We owe it to these students and students across the country not to pull the rug out from under their dreams for a higher education.

I also support the return of some $255 million in unnegotiated social security checks to the social security trust funds where they belong. At a time when the administration is proposing $40 billion in cuts in the social security system the return of this money to the social security trust funds will help alleviate some of the short-term finanical diffculties facing the system.

We must do all that we can to insure that the social security system remains strong and solvent. I have worked hard in this regard, and will continue to work to guarantee that hard working Americans can safely rely on a secure retirement and receive the rights and benefits that they and their children are entitled to. I lend my full support to this legislation and urge the Senate to pass S. 2512 at the earliest possible date.●

FURTHER THOUGHTS ON ARMY MODERNIZATION

● Mr. HART. Mr. President, on May 10 my distinguished colleague from Idaho, Senator SYMMS, printed in the RECORD an article on Army modernization from the Armed Forces Journal. The article ridicules one of the proposals made to the Congressional Military Reform Caucus by the military reform group—the defense thinkers who have developed many of the basic reform concepts. The idea it ridicules as "off-the-wall" and a "suicide battalion" is a proposal for testing the concept of light infantry battalions equipped with cross-country motorcycles.

Mr. President, the reform group has offered a number of sound arguments for testing this concept. They have pointed out how the balance between infantry and tanks could be changed dramatically if infantry could move faster and more quietly than tanks. Cross-country motorcycles could give infantry this capability.

But the reform thinkers are not the only ones proposing this concept for consideration. The National Guard's recent study, Vista 1999, proposes on page 30 "innovations such as the use of light, rough terrain motorcycles for rifle or light units."

I thought my colleagues, especially my distinguished colleague from Idaho, would like to know that this idea—so strongly ridiculed by the Armed Forces Journal—is supported by the National Guard. The Vista 1999 study, I would point out, was signed by 15 National Guard generals.●

NATIONAL SMALL BUSINESS WEEK

● Mr. D'AMATO. Mr. President, small businesses comprise the very foundation of our economy. Over 96 percent of all businesses in the United States are small. They produce 43 percent of the private sector gross national product. Small businesses provide virtually all new private sector employment, as well as more than half of all major innovations.

Given this impressive list of accomplishments, we must remain ever cognizant of the importance of small businesses in our society. We must also be aware of the special needs of small business. For these reasons, we have designated the week of May 9 as "National Small Business Week."

Now is the time to evaluate and emphasize the indispensible role of small businesses to the American society. They provide the goods and services that all Americans need and enjoy. Who are the small businessmen we praise today? They are the farmers who grow our food. They are the tailors who mend our clothes. They are the auto mechanics working in the corner garage keeping our cars running smoothly.

I cringe at the thought of a world void of small businesses. The opportunity for an individual to start a business of his or her very own has made this country great. Small businesses are subject to the intense competition of the free enterprise system. Unfortunately, they do not have the vast resources available to big business. Consequently, small businesses are unable to compete on an equal basis. The 100 largest firms in the United States spent well over $13 billion for advertising in 1980 alone.

Mr. President, this incredible marketing advantage virtually eliminates small business from the competitive forum. We must insure the small businessman a fighting chance. The industrial development bond program, the Small Business Administration guaranteed loan fund, and the various other assistance programs which I so ardently support are essential to the survival of small business. We must nurture small businesses to provide

them an equitable opportunity for success.

As a member of the Senate Small Business Committee, and as chairman of its Subcommittee on Urban and Rural Economic Development, the concerns of small business are a top priority of mine. I regard providing a favorable atmosphere for small business as critical for our economy. I shall not shirk my responsibility to the small business community.

The previous efforts of the administration and Congress resulted in a lowering of inflation by three-tenths of 1 percent in March. This equals an annual drop in prices of 3.6 percent. This is the first such decrease in 17 years and largest since November 1953. This decrease in prices is a very positive sign. According to the National Federation of Independent Business, less than one-third of all small businesses planned on raising prices in the first quarter of 1982. This is a clear indication that dangerous inflationary expectations have decreased dramatically.

Yet, there is still much to be done. We must insure the continued growth of small business. There can be no question our foremost priority is the availability and affordability of capital for the expansion and refurbishing of plant and equipment. In the National Federation of Independent Business' most recent quarterly economic report, 33 percent of all member businesses reported that high interest rates and the difficulty to secure financing is the single most important problem currently facing the business community. Recognizing the disastrous effect of high interest rates, I authored the successful amendment to the third continuing resolution preventing the enforcement of the heinous Revenue Ruling 81-216. In my long-term effort to bring down these destructive high interest rates, I have given my strongest support to the effort to get the Federal deficit under control.

In addition to my commitment to IDB's I cosponsored a number of successful elements of the Economic Recovery Tax Act to assist small business. The vital components of this revolutionary program include the new accelerated capital cost recovery system which allows accelerated depreciation for capital expenditures; extension and broadening of the targeted jobs tax credit; estate tax reduction allowing the transfer of a family business from one generation to the next without burdensome complications; expensing of $5,000 of equipment in 1982, increasing to $10,000 by 1986; and increasing the amount of accumulated earnings a business may retain without being subject to federal taxation of retained earnings. I believe these measures will help small business and therefore benefit the entire country.

We have taken a bold step in the right direction. Yet, by no means have we reached our ultimate goal. We must continue in our effort to nurture small businesses in their effort toward growth and expansion. Today's big businesses were yesterday's small businesses. Let us give today's small businesses an equal chance to succeed.

There are several pending bills which I have sponsored critical to the strengthening of the small business sector. The first, S. 881, guarantees small businesses will receive more Federal contracts for outside research. Specifically it requires an additional 1 percent to be set aside by all Federal agencies. I hope we can soon have S. 881 on the President's desk for signature. Another bill increases the deduction for investment purposes. This bill, S. 1420, gives small business an added incentive to borrow for expansion. Expansion means growth; growth for their business, their community and the entire country.

During National Small Business Week, we are dedicated to the preservation of one of the most valuable sectors of our society. The growth of our economy depends upon the economic performance of small business. We must provide a positive environment. Inflation must be brought down. Corporate taxes have been lowered and must be kept at reasonable rates. The preservation of small business is the preservation of a strong, viable, and efficient American economy.●

ENVIRONMENTAL PROTECTION AGENCY

● Mr. LEAHY. Mr. President, since last year, I have been very disturbed about the cuts the administration has made in the budget of the Environmental Protection Agency. I was glad to see that the Budget Committee did not accept the administration's assumptions.

However, the additional funding assumed by Senate Congressional Resolution 92 will not be nearly enough to accommodate a minimally acceptable EPA effort to control toxic hazards in the air and water and to faithfully enforce our environmental laws.

Therefore, when the budget resolution reaches the floor, I intend to offer an amendment to increase EPA's funding for operating programs.●

FOOD STAMP FRAUD AND ABUSE

● Mr. EAGLETON. Mr. President, as my colleagues well know, I am an ardent supporter of the food stamp program. It serves as a lifeline for millions of low-income Americans. The average food stamp household has a gross income of about $325 a month and has cash assets of $66. Over half of the food stamp households have no liquid assets at all and at least half do not own a car or other motor vehicle. Half of all recipients are children, elderly or disabled persons, or single-parent heads of households.

With all other Americans I share a deep concern over fraud and abuse in the food stamp program. Fraud and abuse, undoubtedly, cost the taxpayers millions of dollars annually and, in so doing, they jeopardize the continued existence of the program. To terminate food stamps because of fraud, though, would be ludicrous. As Dr. Jean Mayer, the world-renowned nutritionist and president of Tufts University, has said:

> The food stamp program has been almost singlehandedly responsible for the major social advance made by the Nation in the 1970's: the essential elimination of the malnutrition due to poverty that could be found in every ethnic group in America in the 1960's.

The story that is not often told, however, is that in recent years the Congress has probably approved more antifraud and abuse provisions for the food stamp program than any other Federal program. During recent hearings before the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies, I requested the Food and Nutrition Services to prepare a list of the antifraud and abuse provisions added to the food stamp authorization since 1979. The list includes 38 separate anti-fraud and abuse provisions. What was disturbing to me and should be disturbing to all Americans, Mr. President, is that as of March 26, 1982, about 80 percent of these provisions had not yet had final rules issued to implement them.

Mr. President, President Reagan continues to claim that his administration seeks not to reduce aid to the truly needy, the handicapped, the elderly, and our Nation's children, but to only eliminate fraud and abuse and to stem the growth in entitlement programs. Perhaps if more time were spent by the administration in implementing the authority the Congress has provided to rid the food stamp program of fraud and abuse, this administration would not have to put forth budget proposals which, according to the Congressional Budget Office, would result in 92 percent of all elderly and disabled households either being terminated from the program or having their benefits reduced, and which would result in the elimination of 42 percent of the benefits now provided to low-income working families.

Mr. President, I urge my colleagues to review carefully what the President has proposed for the food stamp program, its impact on the working poor, the elderly, and the handicapped, and review this administration's record in

implementing the antifraud and abuse provisions we have given them. Only then should you make up your mind as to whether you can support further massive cuts in the food stamp program, especially at this time when unemployment is reaching record high levels. Let us not turn the clock back to when malnutrition was a daily fact of life in our country.

Mr. President, I ask that the list of antifraud and abuse provisions be made a part of the RECORD at this point.

The list follows:

LIST OF ANTI-FRAUD AND ABUSE PROVISIONS

Provision: Income of Ineligible Aliens (Sec. 115).

Purpose: Requires counting of income of ineligible alien to household except for alien's pro rata share (formerly all alien income excluded).

Status: Proposed rule issued January 16, 1981; final rule in clearance.

Provision: Verification (Sec. 116).

Purpose: Permits States to verify an eligibility factor identified by an error-prone profile.

Status: Proposed rule issued August 1980; final rule issued January 13, 1981.

Provision: Photo Identification (Sec. 117).

Purpose: Mandates photo ID's to transact an ATP in certain urban areas.

Status: Proposed rule issued January 23, 1981; final rule issued October 9, 1981; to be implemented by November 1982.

Provision: Reporting Illegal Aliens (Sec. 118).

Purpose: Requires States to notify Immigration and Naturalization Service of known illegal aliens.

Status: Proposed rule issued January 16, 1981; final rule in clearance.

Provision: Computerization and 75 percent Funding (Sec. 119 and 129).

Purpose: Permits States to receive 75 percent funding for ADP development (but not operation) if system meets standards set by Secretary.

Status: Proposed rule issued August 11, 1981; final rules in clearance.

Provision: State Compliance with Law (Sec. 120).

Purpose: Secretary shall refer to OIG for investigation reported cases with a pattern of noncompliance.

Status: No rulemaking, considered self-implementing.

Provision: Financial Audit of High Participating States (Sec.123).

Purpose: Require OIG to conduct special audit of any State when the food stamp participation exceeds 60 percent of total population.

Status: No rulemaking, considered self-implementing.

Provision: Forfeiture of Property Used in Illegal Food Stamp Transactions (Sec. 124).

Purpose: Permits USDA to retain goods bought by investigators with coupons during investigations.

Status: No rulemaking, considered self-implementing.

Provision: State incentives for reducing errors (Sec. 125).

Purpose: Permits States to earn 55 Percent-65 percent administrative funding by reducing quality control error rate.

Status: Proposed rule issued October 3, 1980; final rule issued January 23, 1981.

Provision: State liability for errors (Sec. 26).

Purpose: Holds States liable for quality control dollar error rates which exceed standards set by Secretary.

Status: Proposed rule issued October 3, 1980; final rule issued January 23, 1981.

Provision: Wage matching and information disclosure (Sec. 127).

Purpose: Permits States to access Social Security Administration (SSA) wage files to match information provided by applicants (Act delayed access to unemployment compensation wage files until January 1983. 1981 Farm Act: requires wage match to SSA and unemployment compensation files by January 1983).

Status: Proposed rule issued July 10, 1981; final rule in clearance.

THE OMINIBUS BUDGET RECONCILIATION ACT OF 1981 (AUGUST 13, 1981)

Provision: Family Unit Requirement (Sec. 101).

Purpose: Prevents households from artificially dividing to obtain more food stamps.

Status: Interim rule issued September 4, 1981.

Provision: Boarders (Sec. 102).

Purpose: Prevents households from artifically dividing to obtain more food stamps.

Status: Interim rule issued September 4, 1981.

Provision: Retrospective Accounting (Sec. 107).

Purpose: Requires State agencies to calculate benefits using known rather than anticipated circumstances.

Status: Interim rule in clearance.

Provision: Periodic Reporting (Sec. 108).

Purpose: Requires households to report circumstances periodically or be terminated.

Status: Interim rule in clearance.

Provision: Eligibility of Strikers (Sec. 109).

Purpose: Prevents housholds from striking and thereby becoming eligible for food stamps or increasing their benefits.

Status: Interim rule issued September 4, 1981.

Provision: Prorating First Month's Benefits (Sec. 110).

Purpose: Compute benefits based on date of application.

Status: Interim rule issued September 4, 1981.

Provision: Disqualification Penalties for Fraud and Misrepresentation (Sec. 112).

Purpose: Increases the penalty for recipient fraud and misrepresentation.

Status: Proposed rule in clearance.

Provision: Improved Recovery of Overpayments (Sec. 113).

Purpose: Requires households to repay overissuances.

Status: Proposed rule in clearance.

Provision: States' Share of Collected Claims (Sec. 114).

Purpose: Permits State agencies to keep 25 percent of any over-issuances they recover, except those from State agency error.

Status: Proposed rule in clearance.

THE 1981 FOOD AND AGRICULTURE ACT (DECEMBER 22, 1981)

Provision: Energy Assistance Payments (Sec. 1306).

Purpose: Restricts the kinds of State energy assistance payments that can be excluded from the calculation of benefits.

Status: Proposed rule not yet issued.

Provision: Attribution of Income and Resources to Sponsored Aliens (Sec. 1308).

Purpose: Counts as an alien's income and resources the income and resources of the alien's sponsor.

Status: Proposed rule not yet issued.

Provision: Resources (Sec. 1309).

Purpose: Permits USDA to simplify the assessment of vehicles.

Status: Proposed rule not yet issued.

Provision: Work Requirements (Sec. 1311).

Purpose: Disqualifies a certified household for two months if the head of the household quits a job.

Status: Proposed rule not yet issued.

Provision: State Issuance Liability (Sec. 1312).

Purpose: Makes State agencies liable for coupon losses and ATP losses. Makes issuing agents liable in some cases.

Status: Proposed rule not yet issued.

Provision: Access of Comptroller General to Information (Sec. 1313).

Purpose: Gives the Comptroller General access to food stamp case files.

Status: Final rule not yet issued.

Provision: Notice of Verification (Sec. 1317).

Purpose: Requires States to place on the application form a warning that information may be verified and that incorrect information could lead to denial and prosecution.

Status: Final rule not yet issued.

Provision: Information (Sec. 1321).

Purpose: Requires State agencies to match food stamp cases with wage information from Social Security and unemployment compensation agencies.

Status: Proposed rule in clearance.

Provision: Minimum Mandatory Court Sentence for Criminal Offenses; Work Restitution Program (Sec. 1324).

Purpose: Permits imprisonment for the first criminal conviction and requires imprisonment for subsequent criminal convictions for illegal use of food stamps. Permits sentencing to work restitution to repay losses to the Federal or State government.

Status: Final rule not yet issued.

Provision: Social Security Account Numbers (Sec. 1327).

Purpose: Requires food stamp applicants to furnish social security account numbers as a condition of eligibility.

Status: Proposed rule issued April 2, 1982.

Provision: Workfare (Sec. 1333).

Purpose: Permits any political subdivision to require food stamp recipients to work as compensation for their food stamps.

Status: Proposed rule in clearance.

Provision: Disclosure Provision (Sec. 1319).

Purpose: Requires disclosure of casefile and other information to law enforcement and other officials.

Status: Final rule being drafted.

Provision: Elimination of 60-day Continuation of Benefits (Sec. 1316).

Purpose: Eliminates carryover of certification for 60 days when recipient moves.

Status: Final rule being drafted.

Provision: Posting Signs in Retail Stores (Sec. 1314).

Purpose: Requires stores to post signs explaining how to report violations.

Status: Proposed rule not yet issued.

Provision: Authority Granted to OIG to Carry Firearms (Sec. 1337).

Purpose: Allows OIG to carry firearms, make arrests without warrant and execute arrest warrants.

Status: Final rule issued.●

BRIDGE REPAIR FUNDING LEVELS ARE ENCOURAGING

● Mr. SASSER. Mr. President, I have had a longstanding interest in the continued strong Federal effort to help

repair our Nation's bridges. I want to express my appreciation to the Senate Committee on Environment and Public Works for increasing the authorization levels for the Federal bridge repair program at their markup of S. 2315, the Federal Aid Highway Act of 1982, this Monday.

In 1982, $900 million was authorized for the Federal bridge repair program. The committee has seen fit to authorize $1 million for 1983 and $1.3 billion for the following 3 years. I applaud this recognition of the importance of adequate funding to resolve what the Department of Transportation has recently estimated to be a $47 billion problem—the repair of our Nation's bridges.

The committee's action follows hearings held on February 10, 1982, in response to my concern that the Federal bridge repair program was being inadequately administered. I submitted testimony at that hearing, and I appreciate the effect that that hearing has had on the renewed interest in bridge repair on the part of the chairman of the Subcommittee on Transportation, Senator SYMMS of Idaho.

After the Perkins Street Bridge in Memphis, Tenn., collapsed in 1980, killing one motorist, I requested that the General Accounting Office study the effectiveness of the existing bridge program. That study concluded that more stringent criteria for selecting bridges to receive funding could be adopted so that limited funds could be used more effectively. Following the publication of this report by GAO. I introduced a bill, S. 1649, to reform the program according to GAO's recommendations. I am, again, gratified that the committee has seen fit to adopt a modification of provisions in my bill relating to the criteria for selecting bridges for funding.

The State of Tennessee has acted to provide additional funds for bridge repair, but State funds alone cannot handle the entire job. I am, therefore, pleased at the Senate Environment and Public Works Committee's renewed interest in bridge repair.●

SEPARATING SOCIAL SECURITY FROM THE UNIFIED BUDGET

● Mr. HEINZ. Mr. President, yesterday, I introduced a bill, S. 2514, along with Senators DOLE, PERCY and DURENBERGER, which would remove the Social Security OASI, DI, and HI Trust Funds from the unified Federal budget. Yesterday, I indicated that one of the distinct advantages of this bill would be that it would allow us to clarify to what extent the Social Security Trust Funds contribute to the Federal budget deficits.

I now have two independent reports of the precise impact my bill would have on the deficit in the unified Federal budget:

The Congressional Budget Office based its estimate on the so-called baseline assumptions used by the Senate Budget Committee in reporting the first budget resolution.

The Congressional Research Service provided estimates based on a different set of economic assumptions, the intermediate II-A and II-B assumptions used by the Social Security Trustees in their latest report on the financial operations of the social security system.

Although based on different economic assumptions, both reports agree on the fundamental impact of my bill—it would substantially reduce the deficit in the unified Federal budget.

According to the CBO, the Federal deficit under the unified budget would be reduced by a total of $30.3 billion for fiscal years 1983, 1984, and 1985, if my bill were enacted. According to the Congressional Research Service the unified budget deficit would be reduced by $15.9 billion in fiscal year 1983-85 under II-A assumptions and by $34.9 billion under the more realistic II-B assumptions.

If one assumes that the Congress will—because it must—fully address the issues of social security solvency at a later point this year, then these reductions in the budget deficit would, in fact, be realized and constitute a genuine improvement in the fiscal management of the affairs of our Nation.

Mr. President, let me repeat what I said yesterday: I fully recognize that separating social security from the unified budget will not solve either the social security financing problem or the problem of budget deficits. But the events of the past 2 days have only reinforced my original conclusion: that this change absolutely must be made if we are to proceed in an orderly fashion to address the separate—but urgent—problems of social security financing and the Federal budget deficit. I urge my colleagues to join me in cosponsoring this legislation.

Mr. President, I ask that the CBO and CRS reports be printed in full in the RECORD.

The material follows:

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 12, 1982.

Hon. JOHN HEINZ,
Chairman, Special Committee on Aging, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Your staff requested an analysis of the budgetary impacts of removing the Old Age Survivors Insurance (OASI), the Disability Insurance (DI), and the Health Insurance (HI) trust funds from the unified budget. A brief analysis is attached.

The analysis estimates that, relative to the baseline used by the Senate Budget Committee for its markup of the first budget resolution for 1983, the unified budget deficit would be reduced from $182 billion in fiscal year 1983 to $172 billion as a result of removing the three trust funds from the unified budget. There would be, however, a compensating increase in the off-budget deficit leaving the total federal deficit unchanged.

We would be pleased to answer any questions you might have about this analysis.

Sincerely,

ALICE M. RIVLIN,
Director.

MOVING THE SOCIAL SECURITY TRUST FUNDS OFF BUDGET

We have examined the accounting changes that would result if the Old Age Survivors Insurance (OASI), the Disability Insurance, and the Health Insurance trust funds were moved out of the unified federal budget.

The estimates have been developed relative to the baseline used by the Senate Budget Committee in its recent markup of the first budget resolution for 1983. As shown in Table 1, the markup baseline shows unified budget deficits rising from $182 billion to $232.5 billion in fiscal years 1983 to 1985. There is also an off-budget deficit of $21.4 billion in 1983 and $20.2 billion in 1985, bringing the total federal deficit to $203.4 billion and $252.7 billion in fiscal years 1983 and 1985, respectively.

TABLE 1.—BUDGETARY TOTALS CONSISTENT WITH MARKUP BASELINE

[By fiscal year, in billions of dollars]

	1983	1984	1985
Revenues	645.0	702.0	780.0
Outlays	827.0	918.0	1,012.5
Budget deficit	182.0	216.0	232.5
Off-budget deficit	21.4	20.7	20.2
Total deficit	203.4	236.7	252.7

The markup baseline estimates are based on the economic assumptions used by the Senate Budget Committee for the reported first budget resolution. The baseline estimates for the Social Security trust funds also assume extension of interfund borrowing beyond its current expiration date, December 31, 1982. In addition, the baseline projections assume that current law Social Security benefits would be paid, presumably out of general revenues, even when total trust fund reserves were exhausted.

Removing the three funds from the unified budget would lower both outlays and revenues. Since outlays from these trust funds are projected to exceed revenues throughout the period, the net impact would reduce the unified budget deficit in each year, as shown in Table 2.

TABLE 2.—IMPACT OF REMOVING THE SOCIAL SECURITY TRUST FUNDS FROM THE UNIFIED BUDGET

[By fiscal year, in billions of dollars]

	1983	1984	1985
Markup baseline revenues	645.0	702.0	780.0
Change to revenues	−195.2	−214.4	−243.9
Revenues after change	449.8	487.6	536.1
Markup baseline outlays	827.0	918.0	1,012.5
Change to outlays	−205.3	−228.1	−250.4
Outlays after change	621.7	689.9	762.1
Markup baseline deficit	182.0	216.0	232.5
Change to deficit	−10.1	−13.7	−6.5
Budget deficit after change	171.9	202.3	226.0

The reduction in the unified budget deficit, however, will be exactly offset by the increase in the off-budget deficit. The total Federal deficit would remain unchanged as a result of shifting the social security trust funds to an off-budget status, as shown in table 3.

TABLE 3.—TOTAL IMPACT ON THE FEDERAL DEFICIT OF MOVING THE SOCIAL SECURITY TRUST FUNDS OFF-BUDGET

[By fiscal year, in billions of dollars]

	1983	1984	1985
Change to unified budget deficit	−10.1	−13.7	−6.5
Change to off-budget deficit	+10.1	+13.7	+6.5
Net change to total deficit	0	0	0

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, D.C., May 12, 1982.

To Hon. John Heinz.

From Dave Koitz, Specialist in Social Legislation Education and Public Welfare Division.

Subject: Estimates of Reduction in the Federal Budget Deficit of Removing OASDHI From Unified Budget.

In response to your request, the following table was prepared showing the impact for fiscal years 1983, 1984, and 1985 of removing the Old-Age, Survivors, Disability and Hospital Insurance (OASDHI) programs from the Federal budget. The estimates shown in the table were computed using Trust Fund projections made under the Intermediate II-A and II-B assumptions in the 1982 OASDI and HI Trustees Reports. Alternative II-A assumes the adoption of policies which would result in economic growth resembling that of the more robust economic expansions that have occurred in the past. These assumptions are practically identical to those in President Reagan's 1983 budget submitted to Congress in February 1982. Alternative II-B assumes future economic growth that on average is similar to the performance of the economy over the last 30 years.

Supplementary data necessary for the analysis was supplied by the Office of the Actuary of the Health Care Financing Administration and the Office of Research and Statistics of the Social Security Administration.

The assumption was made these three programs would be excluded from the Federal budget as is the case for a number of other programs now categorized as "off budget" items. For purposes of analysis, the estimates which follow also assume that the operations of the three trust funds are combined. Such commingling of funds, however, is not permitted under current law, except that interfund borrowing is authorized until December 31, 1982. The interfund borrowing authority would assure the payment of OASI benefits only until July 1983 under both sets of intermediate assumptions. After that point, the timely payment of OASI benefits could not be assured.

Thus, an analysis that adhered strictly to current law would show lower OASI outlays for fiscal years 1983-85 because the income to the OASI Trust Fund would be insufficient to pay the benefits that are due and there would be no assets in the Trust Fund to cover the shortfall. This analysis assumes all current law OASI benefit obligations are met during fiscal years 1983-85 by shifting resources from the DI and HI Trust Funds to the OASI Trust Fund (although not necessarily on the required payment date of each month).

REDUCTION IN FEDERAL BUDGET DEFICIT ARISING FROM PROPOSAL TO REMOVE OASDHI TRUST FUNDS FROM THE UNIFIED BUDGET

[In billions of dollars]

	Amount of deficit reduction	
	Trustees' intermediate II-A projections	Trustees' intermediate II-B projections
Fiscal year:		
1983	5.5	10.1
1984	9.1	13.6
1985	1.3	11.2

Source: Congressional Research Service, based upon projections contained in the 1982 OASDI and HI Trustees' Reports. Estimates of certain intragovernmental transactions, not appearing in the Trustees' Report, were supplied by the Social Security Administration and the Health Care Financing Administration. (May 12, 1982).●

ENFORCING THE FOURTH AMENDMENT BY ALTERNATIVES TO THE EXCLUSIONARY RULE

● Mr. DENTON. Mr. President, the National Legal Center for the Public Interest recently published, as part of its series on the judiciary and judicial system, an excellent monograph that I wish to bring to the attention of my colleagues.

The monograph was written by one of our most eminent jurists, Judge Malcolm R. Wilkey of the U.S. Court of Appeals for the District of Columbia Circuit. It is entitled, "Enforcing the Fourth Amendment by Alternatives to the Exclusionary Rule." As the title suggests, the monograph is a treatment of the many disadvantages of the rule of alternatives that would better apply the search and seizure provisions of the fourth amendment.

Mr. President, the exclusionary rule has been surrounded by controversy since the Supreme Court stated it nearly 70 years ago in Weeks against United States. The controversy is only now reaching a peak.

The Attorney General's Task Force on Violent Crime recently recommended that the Attorney General support legislation to modify the rule so that evidence would not be excluded from Federal criminal proceedings if obtained by an officer acting in the reasonable, good faith belief that his conduct conformed to the fourth amendment.

Three bills have been introduced in the Senate to propose alternatives to the rule. For the first time since the rule's inception, a Senate committee held hearings, on March 25, on whether and in what manner the rule should be abolished or modified.

Among those testifying before the Criminal Law Subcommittee was Judge Wilkey, who brought extensive experience on suppression of evidence under the fourth amendment. Judge Wilkey believes that the rule should be abolished and replaced by provision for independent disciplinary action against the offending officer and a civil tort action against the Government. Judge Wilkey believes, to paraphrase an expression used by Justice Cardozo that often appears in discussions concerning the shortcomings of the exclusionary rule, that the criminal should not go free because the constable has blundered.

Judge Wilkey's conclusions are well stated in his monograph, which I commend to my colleagues. He referred to it throughout his testimony and submitted it to the subcommittee as his written statement.

I commend the National Legal Center for the Public Interest for undertaking to enlighten the Congress and the public on this very important issue. We all should read Judge Wilkey's monograph before we consider the exclusionary rule legislation now before us.●

SUPPORT OF GRADUATE EDUCATION

● Mr. TSONGAS. Mr. President, in February of this year, I introduced Senate Resolution 318, which opposes the elimination of graduate and professional students from the guaranteed student loan program. Since that time, literally thousands of students, parents, college administrators and concerned citizens from across the Nation have written to me.

These people are distressed about the President's proposals to reduce financial assistance to students seeking a higher education, particularly students in the graduate and professional schools. They are perturbed that an administration that seriously questions the readiness of our armed services and the future of our Nation's security cannot see the extent of damage these proposals will do to our economic, education and defense systems. These individuals clearly recognize that a Federal retreat from education and a failure to guarantee access to education to everyone, regardless of their incomes, will truly be our window of vulnerability.

Paul Gray, president of the Massachusetts Institute of Technology, makes this point very well in a recent article that I submit for the RECORD.

The article follows:

SUPPORT OF GRADUATE EDUCATION

Some 23 years ago, in the wake of Sputnik and a President Eisenhower's request, Congress enacted the National Defense Education Act. In doing so, it said that "the security of the nation requires the fullest development of the mental resources and technical skills of its young men and women. . . . We must increase our efforts to identify and educate more of the talent of our Nation. This requires programs that will give assurance that no student of ability will be denied an opportunity for higher education because of financial need."

Since that time, broad bipartisan support in both Congress and the White House has continued to reaffirm the importance of federal support for successive generations of students.

Now a president committed to enhancing our military preparedness and to strengthening the economy has embarked, in his 1983 budget proposals, on a course that would place these goals in jeopardy. In reversing the bipartisan developments of more than two decades, these budget proposals would eliminate federal support of certain grant programs; eliminate support of the loan program begun by the National Defense Education Act, now called the NDSL Program; and reduce both eligibility for and federal support of the Guaranteed Student Loan Program.

While these proposals are all hurtful, severely affecting both undergraduates and graduate students, perhaps the most serious is the elimination of graduate student eligibility for the Guaranteed Student Loan Program.

In the past, graduate students have been able to borrow up to $5000 per year under the program. This year, about half the country's graduate students are using guaranteed student loans to help defray their costs of education. The Administration has proposed that graduate students now use instead a variation of the federal PLUS program, designed for parents of undergraduate students. Yet all indications are that these loans simply will not be made available to graduate students who, with only their future careers to offer as collateral, will not be regarded as suitable risks by lenders. Even if such loans were to become available, the program's terms, requiring immediate repayment or accrual of 14 percent interest while the student is still in school, would make PLUS loans an intolerable burden.

If this proposal is accepted by Congress, the effect on graduate and professional education could be devastating. Many students planning on graduate study will be discouraged, and many now in the midst of their studies will be unable, financially, to complete their programs. Inevitably, social and economic diversity in enrollments will narrow, as educational opportunity will be tied more closely to economic status. In the long run, declines in the quality or quantity of graduate enrollments will impair the ability of the research universities to conduct basic research. The most likely result will be a reduction in our nation's capacity to innovate, to lead in science and technology, to compete successfully in international markets, and to secure our defenses.

The Guaranteed Student Loan Program should not be closed to graduate students. Rather, Congress should establish reasonable financial criteria for student eligibility, as some urged before the Middle Income Student Assistance Act of 1978 made all students eligible without regard to need. Other equitable ways of reducing the cost to the government should be considered as well. But the in-school interest subsidy and the federal guarantee to lenders, which are essential components of the program, should be retained.

Excellence in graduate education and in basic and applied research requires the continued engagement of the ablest and brightest young women and men. This objective—manifestly in the broadest national interest—requires continued ready access to loan funds, access provided by the Guaranteed Student Loan Program.●

HISTORIC PRESERVATION

● Mr. TSONGAS. Mr. President, I alert my colleagues to the fact that we are once again faced with a battle to save the Historic Preservation Fund and the National Trust from being eliminated.

For those of us who support historic preservation, the enormous benefits seem self-evident.

First. Preservation conserves energy. New construction eats up the equivalent of a gallon of gas for every eight bricks. The savings from rehabilitation of our old buildings can save prodigious amounts of energy.

Second. Preservation generates new jobs and private investment. The tax incentives for historic preservation, for example, have resulted in $1.3 billion of new private investments in 2,200 projects.

Third. Preservation helps revitalize our cities. The recent emphasis on urban preservation has provided housing and jobs, and has improved the quality of life for city dwellers.

Few programs offer as much: Conservation, economic growth, and urban revitalization. Yet Federal support for historic preservation has always been paltry. We should be able to find $25 million or more to devote to historic preservation in a Federal budget of $750 million. Yet every year we have an enormous battle with the executive branch and within the Congress to obtain that amount. Worse, the Reagan administration is committed to the elimination of Federal dollars for historic preservation altogether, a sum that would hardly pay for 10 percent of a B–1 bomber.

In Massachusetts and other States throughout the Nation, there has been a tremendous grassroots effort to save historic preservation. The work of this movement is directly responsible for saving the program last year, but the fight continues.

The facts are irrefutable. Historic preservation is a guarantor of our cultural heritage and an economic bargain besides. I wholeheartedly support preservation, and will continue to fight for continued funding in the Senate.●

FRANK E. PARRILL HONORED

● Mr. DE CONCINI. Mr. President, on May 19, 1982, one of my constituents, Mr. Frank E. Parrill, will be honored at the Department of Agriculture's Annual Honor Awards Ceremony. Mr. Parrill has dedicated 37 years of his life to the Soil Conservation Service, but will be receiving an award for the exceptional leadership he has demonstrated in the development and implementation of the natural resources conservation program on the Navajo Indian Reservation. I would like to add my congratulations to those of the Department and express my sincere gratitude to Mr. Parrill for a job well done.

Prior to July 1, 1977, the Soil Conservation Service (SCS) was not legally authorized to provide technical assistance on any Indian reservation. Such assistance was provided through the Bureau of Indian Affairs, Department of the Interior. But on that date, as a result of an agreement signed by the Department of Interior and the Department of Agriculture, SCS was permitted to begin providing technical assistance on Indian reservations. After the agreement was executed, the tribal officials of the Navajo Tribe in Arizona contacted SCS requesting that an intergovernmental personnel agreement (IPA) be established to assign one of USDA's employees to help provide assistance to the tribe, particularly in the area of range management. Under the agreement, the tribe and SCS agreed to share salary expenses. Fortunately for Arizona and the Navajo Tribe, Mr. Frank Parrill was selected to provide the assistance requested.

Mr. Parrill's achievements over the past 4 years have been nothing short of remarkable. During his initial year, Mr. Parrill initiated a soil and water conservation district campaign on the Navajo Reservation. By the end of this month, 12,145,202 acres of reservation land will be incorporated into five local conservation districts, each operating under a Navajo board of supervisors. These districts are organized under tribal law provided for under a memorandum of agreement signed by the tribe and SCS. In addition, Mr. Parrill has worked tirelessly to provide individual SCS assistance to Navajo land users, the first time such technical assistance has been available to Navajo ranchers. He has also provided instruction to the tribal grazing committee members who are responsible for overseeing local land use on the reservation.

From the beginning, Mr. Parrill has been extremely innovative in development an awareness of the need for resource programs. Primarily through his efforts, a range resource program for the Tribal Department of Resources has been prepared, resulting in the development and publication of the Navajo Nation Range Management Handbook. Mr. Parrill is the coauthor of this handbook.

All of Mr. Parrill's achievements have been accomplished despite language barriers, cultural, and religious differences, limited understanding of Navajo customs and politics and with a minimum of supervision and guidance from his SCS supervisor. It is a remarkable record and I am proud to count Mr. Parrill among my constituents. Mr. Parrill epitomizes the very best of Government employees.

Unfortunately, Mr. Parrill's IPA terminated on May 8, 1982. Fortunately, however, he will be remaining in Arizona in a liaison position so he can continue his work with the Navajo communities out of the capital of the Navajo Nation, Window Rock.●

JOHN HART INDUCTED INTO HOME BUILDERS' HALL OF FAME

● Mr. LUGAR. Mr. President, I rise today to commend a Hoosier who will on Saturday, May 15, be inducted into the National Association of Home Builders' Hall of Fame. John Hart deserves this recognition. Few people in Indiana or in the country for that matter, know more or have done more to warrant this prestigious award.

As chairman of the Senate Housing and Urban Affairs Subcommittee, I have been able to call John frequently for expert advice. His is the counsel of experience over 35 years in the building business, he has built over 11,000 residential units. John is knowledgeable about all aspects of construction—single-family and multifamily homes as well as industrial and commercial structures.

His leadership in the National Association of Home Builders, the Indiana Home Builders, and the Builders Association of Greater Indianapolis all attest to tireless effort on behalf of the homebuilding industry. John has answered calls from the Federal, State, and municipal governments to share his knowledge gained in the private sector. He has consequently served as chairman of the Federal National Mortgage Association, adviser to the Federal Home Loan Mortgage Corporation, chairman of the Indiana State Housing Finance Board, and for many years as an effective elected representative in the Indiana State Legislature.

I join John Hart's friends and family in recognizing his outstanding career, and I applaud the National Association of Home Builders for its wisdom in electing John to the Home Builders Hall of Fame.●

POLISH-AMERICAN CENTURY CLUB, HAMTRAMCK, MICH.

● Mr. LEVIN. Mr. President, on Sunday, May 16, the Polish-American Century Club of Hamtramck, Mich., will celebrate the official dedication of an original mural depicting the history of Poland. This mural, designed and painted by Dennis Orlowski—a well-know Michigan artist—highlights some of the more-significant cultural, scientific, and political landmarks of the Polish people. These events range from the 966 acceptance of Christianity by Poland, the Battle of Grunwald in 1410, the partition of Poland in 1939, and ends with representations of Pope John Paul II and Lech Walesa.

The mural demonstrates, throughout its 60-foot length, just how much the Polish people have given to the world and just what a debt the world owes to Poland. I hope that the mural will serve to remind us of that debt and that the drawing of Lech Walesa will suggest to us the best way we can discharge it—by doing all we can, individually and collectively, to keep the flame of freedom burning bright in Poland and here in this land as well.●

HUGH M. BROWN RETIRES AFTER 35 YEARS SERVICE WITH STEELWORKERS

● Mr. SASSER. Mr. President, I want to take this means of recognizing the work of a very loyal and dedicated member of organized labor, Mr. Hugh M. Brown, who is retiring after 35 years of service. He has served as legislative representative and coordinator for district 35 of the United Steelworkers for many years. He has championed the cause of working people and has been a forceful and effective advocate of their position on important issues.

Hugh Brown began his work with organized labor with the old American Federation of Labor. He later became the staff representative in district 35 for the steelworkers. He was later appointed as a subdistrict director with supervision of the Memphis and Nashville offices and their 40 local unions. He later became the legislative coordinator.

In addition to his work with the union, he has been very active in community affairs in Memphis and has been involved in any number of worthwhile projects and endeavors. He has served on the board of directors of many of these groups, including United Way, Goodwill Industries, and First Offenders, and is treasurer and a member of the board of St. Luke Methodist Church.

Hugh Brown has served the working people and his community faithfully and well and he deserves special recognition as he begins a richly deserved retirement. I want to join his many other friends in wishing him and his wife Frances and their family every success and good health and much happiness in the years ahead.●

REDUCING AND LIMITING STRATEGIC NUCLEAR ARMS

● Mr. MITCHELL. Mr. President, I have stated publicly that I welcome the President's announcement that he is seeking a face-to-face meeting with his Soviet counterpart, Party Chairman Brezhnev, on the subject of reducing and limiting strategic nuclear arms. While I wish the President had begun this effort sooner, I nevertheless believe that it is imperative that superpower strategic nuclear arms negotiations begin in earnest at the earliest possible date. I believe that the President's recent speech provides heartening evidence that he, too, now sees the merit of engaging in such arms control discussions.

The emphasis of the Nation's arms control debate now shifts. The question no longer is: "Will President Reagan include serious arms control negotiations in his defense program?" Instead, the question now is: "Is the President's negotiating approach realistic, and will his proposals lead to an enhancement of U.S. security and world peace?"

Earlier this week, Senator Edmund Muskie, my predecessor in this body and our country's former Secretary of State, expressed his views on this latter question. In his response to the "Eureka Address," Senator Muskie cautioned that the President's proposals, first, may be interpreted by the Soviet leadership as an invitation for the Soviet Union to unilaterally disarm; second, may effectively preclude the achievement of more modest arms control and reduction measures; and third, could have the eventual effect of insuring that the Soviets actually do succeed in gaining a true military edge over the United States.

Senator Muskie's arguments, as always, are well-conceived and expertly expressed. I commend his remarks to the attention of my colleagues, and request that they appear in the RECORD at this point.

The remarks follow:

DEMOCRATIC RESPONSE BY FORMER SECRETARY OF STATE, EDMUND S. MUSKIE

The President's speech is an ambitious attempt to address the relationship between the United States and the Soviet Union. We all long for a new understanding with our chief adversaries that can lessen tension in the world and lower the dangers and costs of the arms race. We must have the courage to get control of the nuclear genie and negotiate the arsenals downward.

In his call for real and substantial reductions in the strategic weapons on both sides the President—16 months into his term—is responding to a genuine and widespread popular desire as demonstrated in the nuclear freeeze idea to call a halt to the arms race, and to say "enough"!

However, in order to make progress we have to get to practical specifics—something we can get on with now.

The President is proposing dramatic reductions in the weapons on which the Soviets are most dependent—land-based missiles—while our country would have to make less of an adjustment in its overall, more balanced TRIAD of forces. There has to be some rough equality or parity in such a sensitive area for a proposal to be acceptable to both sides. I don't think the Soviets will unilaterally disarm.

What troubles me about the program announced today is that it may be a secret agenda for sidetracking disarmament while the United States gets on with rearmament—in a hopeless quest for superiority in these things.

If START, as described by the President, proves to be a non-starter, we may wind up without both a bold beginning on reductions and the more modest achievements of SALT. In any case, the real question is: how do we get from here to there? What do we do for the next few years while attempting to reach agreement on such major reductions?

Consider Mr. Meese's remarks of Friday. He stated that the Reagan Administration does not "feel bound by" the SALT II treaty—if it interferes with military plans the Pentagon may be contemplating. This, despite Secretary Haig's stated policy of living within the unratified treaty as long as the Soviets do the same. General Jones, the chairman of the Joint Chiefs, continues to assert the military values of the treaty to this country's security, and he and others have stated the Soviets are abiding by it. (But they admit that our side refuses to ask any questions about Soviet compliance in Geneva.)

I am afraid that what this may mean is that we are declaring a "free for all" for several years, in the arms race, in which there will be no treaty constraints on arms for the first time since President Nixon signed the SALT I accords in 1972. We are breaking an important bipartisan tradition. And, more importantly, the result may be to undermine the national security of the United States.

The Soviets will not stand still while we build yet more. We cannot expect them to abide by rules that we ignore, or just the rules that favor us—under SALT.

The hard facts are that the Soviets are able to move faster than we to more dangerous weapons breakouts from the SALT II treaty. For example, they can quickly double, or triple, or quadruple the number of warheads (bombs) on their land-based missiles—if SALT II is not observed. There is nothing comparable that we can do under the Reagan defense budget. Thus, this Administration may actually wind up guaranteeing that the Soviets achieve superiority—a position they do not now enjoy. We will be the ones who lose in a new round in the arms race, that is unnecessary.

What we seem to have—as strange as it may sound—is a Reagan policy of trusting the Russians to unilaterally restrain themselves while we pursue a $1.6 trillion defense buildup.

The contradictions in our policy will only tempt the Soviets, as with many voices the Administration suggests both abiding by a treaty and scrapping it when convenient.

What are we to make of the Secretary of Defense's argument to Congress that the defense budget must not be cut lest we be prevented from pursuing arms reductions—while at the same time some argue that Soviet behavior in the world is a major factor in determining whether or not we even talk to them about reducing arms? This is "double-whammy" linkage. Tell the Congress the people will not get arms talks unless Congress votes a big defense budget. Tell the Soviets that, if they conform to our rules, and unilaterally restrain themselves while we build, they can have a deal that cuts mainly into their forces. This suggests a unilateral arms race.

In short, the Administration has no plan for the time between now and when—years down the road—the U.S. is able to strike a seemingly impossible deal with the Soviets. There will be no free rides in the interim.

The only way to hold the Soviets in check while modernizing our weapons is to give formal approval, in some way, to the unratified SALT II treaty. This is the way to freeze the balance at rough parity—a base from which to seek mutual and verifiable reductions.

The arms balance, and the nuclear peace, cannot hold on the slender thread of an expired SALT I treaty and a SALT II treaty that has not been approved under our constitutional processes.

Breakout will occur on both sides and we will be worse off, with no arms control and an all-out arms race, under the current policy.

The SALT II treaty provides a known restraint—given the ceilings it imposes on the other side's forces—and observing it keeps alive the process of negotiating with Moscow about controlling and reducing arms. The more we distrust the Russians, the more we fear them, the more valuable this treaty becomes to us.

Mr. President: how do we get from where we are now to where we all want to go without keeping in place what we have? ●

ON COMMUNICATION WITH THE SOVIET UNION

● Mr. LEVIN. Mr. President, recently I came across a speech originally delivered in 1960. The speech, entitled "On Communication with the Soviet Union," was given by our colleague, Senator HAYAKAWA. At that time, S. I. HAYAKAWA was known as a semanticist and not as a politician. As a semanticist, his work in tracing the relationship between thought and action, between symbol and referent, illuminated a large part of the linguistic world in which we live. The speech that he gave then sought to use several ideas generated by general semantics and apply them to the problems of communication between the Soviet Union and the United States. He focused particularly on problems heightened by and associated with the growing nuclear forces which each country had some 22 years ago.

His analysis of the course of action we ought to consider—what he labeled his "crazy idea"—was to simply suggest that we ought to talk with the Russians and, even more important, that we ought to listen to what they have to say. We have made a great deal of progress in opening up lines of communication since Senator HAYAKAWA made this suggestion back in 1960. But there is more that we can and should do.

I recommend his speech to my colleagues, not only for the specific suggestions he makes, but also for the insight that his semantic analysis of our communication patterns provides. I particularly call the attention of my colleagues to his discussion of the way the language we use and the views we adopt operate as "self-fulfilling prophecies." As the then Professor HAYAKAWA said,

Everyone who says that war is inevitable helps to bring the war closer; everyone who says that war is not inevitable helps, in a tiny but real way, to prevent it from happening.

As a professor and as a Senator, SAM HAYAKAWA has, in many ways, done many things to prevent war from happening.

Mr. President, I ask that the text of Senator HAYAKAWA's speech be printed in the RECORD.

The speech follows:

ON COMMUNICATION WITH THE SOVIET UNION

(By S. I. HAYAKAWA[1])

In traditional societies, for example among Orthodox Jews, marriages are arranged by professional matchmakers. Among the problems of the matchmaker is the fact that the marriage schemes which he concocts to the satisfaction and delight of two sets of parents are sometimes frustrated by the fact that the two young people concerned are not interested in each other. With his professional standing, to say nothing of his fee, in jeopardy, what does the matchmaker do? A favorite trick under these circumstances is to rely on what the sociologist Robert K. Merton has called the "self-fulfilling prophecy." The matchmaker says to David, "Have you noticed how Ruth looks at you?" To Ruth he says, "David thinks you're wonderful. He can hardly keep his eyes off of you." Up to now David and Ruth have scarcely glanced at each other. But after this build-up, when they next meet, they look at each other with special interest—and things may begin to happen.

I tell you this story not to warn you against matchmakers, but to illustrate the profound difference between the statements in the physical sciences and statements about human relations—a difference that affects us all. The matchmaker's statements, "David is fascinated by you, Ruth," and "Ruth is fascinated by you, David," are not true at the time he makes them, but if they are believed by Ruth and David, they may become true. What characterizes the self-fulfilling prophecy is its capacity of becoming true if it is believed. The prophecies of the physical sciences do not affect the outcome. If Galileo says that two cannonballs of unequal size dropped simultaneously from the Leaning Tower of Pisa will hit the ground at the same time, his prophecy does not affect the outcome of the experiment. But statements about human relations are not like physical science statements. If someone says, "I have no friends; everybody hates me," and he believes his own statement, he will treat everyone—even those who are trying to be helpful or friendly—as an enemy; thereby he makes his statement come true; he soon finds himself without a friend in the world.

Now the reason I wish to speak on the subject of self-fulfilling prophecies is that today the whole world is threatened with extinction by them: first, there is the prophecy apparently widely current among Russians that eventually, one of these days, the western capitalist powers, in particular the USA, will attempt to destroy the Soviet Union by armed force. Second, there is the prophecy widely current in the western

[1] Address given at opening ceremonies of the International Conference on General Semantics, Honolulu, July 30, 1960. An earlier version of this address was given at the commencement exercises of Long Beach State College, Long Beach, California, June 10, 1960. A shorter version was published in the New York Times Magazine, July 31; the full text appeared in the Honolulu Advertiser in installments, August 11, 12, 13.

world, expecially the USA, that the Soviet Union is planning some day to attack us. On both sides there are those who say, "Its got to come. One of these days, there is going to be a showdown." And those who say this usually believe that they are stating an objective fact—like the prophecies of the physical sciences: "There will be snow next winter in Minnesota. We do not know exactly on what day the first snowfall will come, but it will come, and Minnesota will be blanketed in snow."

On both sides, too, influential people have believed these prophecies and acted upon them. Americans, believing the Russians are preparing to attack, have stockpiled atomic and hydrogen bombs, have ringed the USSR with bases, and are feverishly working on new weapon developments—all of which activity further convinces the Russians of what they already believe, namely, that we are preparing to attack, so that Russians too have stockpiled atomic and hydrogen bombs, made alliances with governments and anti-governmental revolutionary groups in all parts of the world, and are feverishly working on new weapon developments—all of which convinces the Americans of what we already believe, namely, that the Russians are preparing to attack. So it goes on and on in what is perhaps the hugest and most fantastic vicious circle the world has ever seen.

It takes more than a little imagination to conceive of how huge and fantastic our world insanity is, as of this very moment. Let me specify:

First of all, during the Second World War, we unconsciously glided from the concept of war as a struggle between armies and navies and fighting forces to the concept of "total war." Total war is, in our times, a fascist revival of an ancient concept—the kind of war waged by Genghis Khan or Tamerlane in which no distinction was made between slaughtering an opposing army and slaughtering the civilian population—you just went out and slaughtered. When Mussolini revived this technique in Ethiopia and Hitler in Warsaw and Rotterdam, we were, as Lewis Mumford has pointed out, horrified; but before the Second World War was over, the allied nations were doing it too—systematic destruction of entire cities, including civilian populations, by air attacks, by napalm, and by atomic bomb. Mumford believes that this acceptance of the concept of total war was the greatest moral abdication of the western powers of our century—an abdication which led inevitably to our obsessive reliance upon atomic and hydrogen bombs in preparation for wars to come.[2]

Secondly, having committed ourselves, on both sides of the Iron Curtain, to nuclear weapons—which means to a policy not of armies and navies and air forces fighting each other, but of mass extermination—we have increased our capacity for destruction to a degree that cannot be called, even in charity, anything but insane.

You must all know the old joke about the man who liked pancakes, and therefore could not see why he should be sent to a psychiatrist just because he kept a trunk full of pancakes in his room. The trunk full of pancakes is sober sanity compared to our accumulation of nuclear weapons.

According to Time magazine (May 2, 1960), Major General Johm B. Medaris, recently retired chief of the Army's Ballistic Missile Agency, quoted an estimate that the United States already has an atomic stockpile equalling "ten tons of TNT for every man, woman and child on earth."

The Federation of American Scientists has said that, "With the stockpile . . . that now exists it is possible to cover the entire earth with a radiation level which for ten years would remain sufficiently intense to prove fatal to all living beings on land."

Also, says the Federation, "One superbomb destroys everything within a radius of five to ten miles and has a lethal fallout over an area of about 7,000 square miles, or a square about 85 miles to a side." This means that a single bomb would make the entire Los Angeles Area from about Oxnard in the north to Santa Ana in the south unlivable. And no one is permitted to tell us, for what are called "security" reasons, how many hundreds or thousands of such bombs we already have. This is security?

With each day, then, we are heading more and more surely towards not simply a war that nobody wants, but towards the destruction of civilization. General Douglas MacArthur said in this connection in 1955 before the American Legion that present tensions are

". . . kept alive by two great illusions. The one, a complete belief on the part of the Soviet world that the capitalist powers are preparing to attack it. . . . And the other, a complete belief on the part of the capitalist countries that the Soviets are preparing to attack us. Both are wrong. Each side, so far as the masses are concerned, is equally desirous of peace. For either side, war with the other would mean nothing but disaster. Both equally dread it. But the constant acceleration of preparation may well, without specific intent, ultimately produce a spontaneous combustion."

And what would this spontaneous combustion, whether set off purposely or accidentally, mean? Whole regions, especially around the great cities of America and of Western and Eastern Europe, and no doubt in other parts of the world as well, will not only be destroyed, but rendered uninhabitable for decades to come with radioactive wastes. For generations to come, babies will be born among survivors all over the world with genetic damage due to fallout.

Yet, in spite of the obvious dangers in our present courses of action both in the USA and USSR, we seem helpless to alter them. We are like a small party in a boat in the river above Niagara Falls, approaching closer and closer to the edge. The USA and USSR, instead of rowing away from the brink, row madly towards it with their continued preoccupation with the armaments race. Other nations not involved in our quarrels but in the same human boat nervously grip the gunwales in the wan hope that perhaps they may survive the catastrophe. This attitude is known as neutralism.

Many writers have pointed out the dangers inherent in our present national course, especially our excessive reliance on the policy of nuclear deterrence. I have no doubt that officials and citizens in the Soviet Union are also aware of the dangers. Yet we are not able on either side to change our course.

Why this is so is clear, I believe, to participants in this International Conference on General Semantics. Students of anthropology among you know how deeply rooted cultural patterns are, and how difficult they are to change except in the face of vastly altered circumstances. Sociologists here know about institutional inertia, and how social institutions, once they are well established, continue to do what they have been set up to do, whether it needs doing any longer or not. Students of psychology are acquainted with compulsive behavior—the way in which neurotic individuals repeat over and over again those very actions which got them into trouble in the first place, because they are too ridden with anxieties to try any other courses of action. Students of economics are aware of the degree to which industries acquire vested interests in those particular forms of madness that are most profitable to them. And as students of general semantics we have all studied the causes, in neurosis, in cultural inertia, and in language habits, of evaluative inflexibility.

Let me elaborate somewhat on the problem of language habits—the semantic problems that go to the very root of our thinking about war and peace. The psychiatrist Jerome D. Frank argues that the very words we use in our discussions have either radically changed in their meanings or lost their meaning altogether because of the fantastic destructive power released by our new weapons technology; hence, "we commit ourselves to a false conclusion even before we have started to think." Let me quote from Dr. Frank's analysis:

"For example, we automatically refer to our nuclear arms policy as one of defense, yet there is no defense in the strict sense of the term. . . . In pre-atomic days it was a comforting thought that for each new offense weapon, a genuine defense was eventually developed. Even though the protection it afforded was never perfect, it was adequate. Today, when one fighter-bomber with nuclear weapons carries more destructive power than all the bombers in World War II, a defense that is even 90 percent effective would not prevent vast destruction. But in using the word 'defense' to justify continued arming, we automatically slip into thinking of it in its old connotation. For example, Robert Nathan recently spoke of our creating a 'massive defensive shield.' There is no shield against nuclear weapons. . . .

Another phrase which no longer means anything is 'balance of power,' and concepts implied by it, such as 'catching up' with the Russians, are equally meaningless. For phrases implying relative strength have no meaning when each side can destroy the other many times over. What does 'catch up' mean when, according to President Eisenhower, we can already bring 'near annihilation' to Russia? And how do we know when we have caught up? We are said to have about 35,000 atom bombs; Russia, 10,000. Are we balanced or not?

A third phase which is rapidly losing its meaning is 'national security.' These words imply that one nation can be secure at the expense of the security of other nations. No nation can control the fall-out it receives from atomic explosions anywhere in the world. . . . Every inch of the globe can soon come under observation or attack from earth satellites. . . . In today's world, either all nations are secure or none is. . . .

One sign that a person's thinking processes have gone seriously awry is inability to detect absurdities. For example, if a patient can see nothing wrong with the statement, 'Bill Jones' feet are so big he has to put his pants on over his head,' psychiatrists worry about the intactness of his intellectual processes. Our failure to take account of the

[2] Lewis Mumford, "The Morals of Extermination," *Atlantic Monthly*, October, 1959.

changed meanings of words leads us to make statements which are almost as absurd.... This is the kind of semantic tangle in which we find ourselves today.... One must fight the tendency to deny the extent and immediacy of the danger [of the present situation], and make sure the words one habitually uses in thinking about the problem are appropriate. Only in these ways can the real nature of the issues be kept in mind." [3]

Is there any escaping the destruction with which the world is threatened? Since this is a question involving human relations, any answer we give involves necessarily the self-fulfilling prophecy. If we say no, if we say that our present national policy is the only possible one, we shall help bring on the destruction we fear. If we say yes, if we say we must continue to look for ways and means out of our predicament, we enhance the possibility of our finding a solution. To a large degree the future fate of the world rests in the sum-total of our private decisions: everyone who says that war is inevitable helps to bring the war closer; everyone who says that war is not inevitable helps, in a tiny but real way, to prevent it from happening.

At this point, let me remind you of something that Alfred Korzybski used to say in his seminars. He would quote from A. E. Housman the famous lines:

I, a stranger and afraid
In a world I never made.

Then Korzybski would thunder, "Don't be afraid. With your evaluations you made that world. With other evaluations you can make a different one!" Korzybski, with his long experience in the study of mental illness, saw clearly the degree to which the self-fulfilling prophecy operates in all human affairs, and the extent to which we create the worlds we live in. At the international level, no less than at the private level, the world is the creation of our evaluations.

Those who say that a solution can and must be found to the international impasse in which we find ourselves, those who are determined that the entire problem must be confronted in new and unprecedented ways, will turn inevitably to the subject of improved communication with Russia—because in the past few decades we have learned much about the degree to which problems of communication are involved in all human problems. Cultural exchanges, whether of concert artists, ballet troupes, art exhibitions, agricultural experts, athletic teams, or tourists, should certainly be encouraged. But even as we encourage this form of exchange, we must be prepared for the possibility that as we get to know each other better, we may possibly have even greater reason than we do now to dislike each other. But even this outcome will not be altogether a disadvantage, since dislike based on knowledge of each other is very much more manageable than our present dislike and distrust, which are based to a great extent on fearful conjectures made from both sides of the Iron Curtain as to the nature and purposes of the people on the other side.

But another facet of communication fascinates me as I think of the problems of the USA and the USSR. Successful communication, as we all know, is psychotherapeutic in its effect, whether we think of psychotherapy narrowly as applied to the psychiatrist and his client, or broadly as applied to the clearing up of the lesser misunderstandings and delusions that becloud relationships between people in normal business and family contacts. In this broad sense of psychotherapy in which no pyschiatrist is involved and in which the problem is the unblocking of communications between parent and child, between employer and employee, between teacher and student, there is always the general question, who is to be the psychotherapist and who the patient? And to this question, there is a general answer, namely, that since listening is at the heart of psychotherapy, whoever has the emotional strength and the courage to begin listening to the other fellow instead of shouting at him can be the psychotherapist for the other. Hence, the emotionally secure mother can act as psychotherapist for the child; but the emotionally strong child can also act as psychotherapist for an upset mother. The general rule then is this: whether you are parent or child, employer or employee, teacher or student, if you yourself have the firmness and security of internal organization to listen patiently to the other fellow, even when you feel that you know he is wrong, you can start the psychotherapeutic process rolling.

Perhaps the same principle can be applied to our relations with Russia. If we really believe what we say about our way of life, if we are sure of its superiority to communism, if we sincerely believe that our nation is founded on sounder moral principles than any dictatorship, then, instead of putting up walls of security regulations around ourselves to guard against communications from Communist sources, we should be welcoming them. The simplest and most effective way of establishing communication, as every psychiatrist and mother knows, is to listen

Hence I would propose that, far from preventing the dissemination in our midst of Communist propaganda, we should invite hundreds, if not thousands, of Soviet teachers and professors and journalists and parliamentarians and jurists and plant managers to come here and explain their way of life, their national purposes, their hopes for the future, their accusations against us, before every college campus, every luncheon club, every union membership meeting, every chapter of the American Association of University Women, every church group and public forum in the country.

The patient, by talking out to his psychiatrist his bitter memories, present frustrations, and fears for the future, gradually overcomes his bitterness, his frustration, and his fear. If the Russians are bitter towards us, frustrated by us, or fear us, and if indeed we have no aggressive military designs that they need to fear, let them come and tell us what's eating them, so that they can get over it. let them come and compare their picture of us with us as we are. Let us try to understand their view of the world as they see it, and then let us debate with them, vigorously but rationally, so that they will understand our view of the world as we see it and report that view back to their compatriots on their return. Let us invite them, at our own expense and with no strings attached, to join the perpetual town-meeting in which we are all engaged in a free society, and to lay their ideas alongside of ours for comparison and discussion. For the price of one medium-size bomber, I am sure we could pay the traveling expenses of two or three thousand Soviet lecturers and their translators for three-month lecture tours. We have tried bombers of all sizes, but none of them have reduced international tensions. Is it not time we tried something different?

The funny thing about human beings, including you and me and the Russians, is that we tend to respect the intelligence of, and eventually to like, those who listen attentively to our ideas even if they continue to disagree with us. Suppose we listened to the Russians. Of course we would find ourselves disagreeing much of the time. But suppose we continued listening anyway, in order to get a clear conception of what it is that we are disagreeing with. Some of our ideas may be influenced; we will certainly get new information; also we may find ourselves re-evaluating some things which we thought we already understood.

But what would happen to the Russians doing the talking? Also, what will be the effects on Russian public opinion of two or three thousand Russian lecturers going back home to tell their local newspapers and friends and colleagues of the attentive consideration with which their views were received in America? And what will be the effect of public opinion in India, Africa, Japan, and elsewhere in the world of the invitation of Russian speakers to America as contrasted with the Russian jamming of Voice of America broadcasts to countries behind the Iron Curtain?

But aside from propaganda victories which we might gain from such a move as I have suggested, there is the more serious matter of the self-fulfilling prophecy. The Russians have long said, and they continue to say, that they want peace. Nevertheless, on the basis of their aggressive actions in North Korea and Hungary (to speak only of recent events), we call them, with some justification, liars and hypocrites. But what would happen if we took their protestations of peaceful intention seriously? Is there a chance that if we acted on the assumption that they really wanted peace, the self-fulfilling prophecy would begin to operate, and they would begin to seek peace?

I do not know the answer to this question. But I do know that Mahatma Gandhi, in his struggle for Indian independence, always insisted on treating the British as sincere and honorable. There must have been many times when he didn't particularly feel like treating them so, but he persisted in this course. Ultimately, as we all know, he elicited from the British sincere and honorable behavior—and independence. I also know that the dangers of world destruction confronting us today are tremendous and that the Russians fear the holocaust no less than we. Finally, I know that our present policy of threatening to blow the hell out of the Russians and their policy of threatening to blow the hell out of us are suicidal—for us and the Russians as well as for everyone else within reach of atomic fallout, which means the whole human race.

So, crazy as my idea may sound of inviting communist speakers here by the thousands to give us their pitch, it is clear that the only solutions for the problem of human survival that we can hope for are ideas that must of necessity sound crazy when first stated—like the idea of atomic energy itself.

Freedom, including freedom of thought and speech, is one of the most cherished ideas in American tradition, and as we contemplete the precious freedoms we enjoy, we often feel sorry for those people behind the Iron Curtain because they are not free to hear ideas which are in conflict with their own communist doctrines. But how much fredom have we permitted ourselves

[3] "The Great Antagonism," Atlantic Monthly, November, 1958.

when it comes to listening to communist ideas? Are we not almost as tightly enclosed within our own ideology as they in theirs?

So, in return to my plea that we listen seriously to the Russians, let us demonstrate to the Russians and to the world that when we talk about freedom, we mean the freedom to examine their ideas no less than freedom to discuss our own. For there is an operational difference between "freedom" (Soviet variety) and our own kind of freedom. Let us operate on that operational difference—and show that it is a difference that makes a big difference indeed. We have nothing to lose but our anxieties. We have much to gain—perhaps human survival itself.●

REFORMING THE SPECIAL PROSECUTOR PROCESS

● Mr. DANFORTH. Mr. President, much criticism and controversy have been generated by the special prosecutor provisions of the Ethics in Government Act of 1978, which require the appointment of a temporary, independent prosecutor to investigate alleged criminal activities by senior executives and campaign officials. My colleague from the State of Maine, Senator COHEN, has studied this question in depth. He is chairman of the Senate Subcommittee on Oversight of Government Management, which has held extensive hearings on the special prosecutor process and concluded that revisions of the law are warranted.

Senator COHEN, who brings to this issue his past experience as a member of the House Judiciary Committee, has written an article called, "Reforming the Special Prosecutor Process," which recently appeared in the American Bar Association Journal. In this article, Senator COHEN outlines the history and operation of the special prosecutor provisions. He reviews the criticism of these provisions and makes specific proposals to revise the law.

I call the attention of the Senate to Senator COHEN's article as a good starting point for discussion of this issue, and I ask that the text of his article be printed in the RECORD.

The article follows:

[From the American Bar Association Journal, March 1982]

REFORMING THE SPECIAL PROSECUTOR PROCESS

(By WILLIAM S. COHEN)

The special prosecutor provisions of the Ethics in Government Act of 1978 (28 U.S.C. §591-98), which require the appointment of a temporary independent prosecutor to investigate alleged criminal activities by senior executive and campaign officials, have received much scrutiny recently. Although the special prosecutor concept and the precise process adopted by Title VI of the act have generated much controversy since their inception, the criticism has escalated in response to the cases that have arisen in the three years since the act's passage.[1]

Approximately one year after the act was adopted, the first special prosecutor was appointed to conduct an investigation of the alleged cocaine use by Hamilton Jordan, President Carter's White House chief of staff. After a six-month investigation accompanied by extensive media attention, Jordan was exonerated by the special prosecutor. The second appointment of a special prosecutor, once again to investigate alleged cocaine use, followed within four months, and again there was prolonged media attention. The allegations led to the resignation of Timothy Kraft, the subject of the investigation, as the manager of President Carter's re-election campaign. Like the Jordan case, this one also ended in a decision by the special prosecutor not to seek a criminal indictment.

In addition to many stories in the press detailing the developments of each investigation, the events generated strong editorial comment in major newspapers. Some writers argued that the value of the special prosecutor law was "trivialized" when it was used to investigate charges of drug use and similar "private, off-duty peccadillos." Others viewed the statute as well-intentioned yet far too sweeping. Conversely, some writers argued that the two cases indicated that the act was working precisely as it was intended and that the special prosecutor appointment was essential to clear the name of the subject of the investigation.

There also has been substantial criticism leveled against the act by present and past Department of Justice officials, as well as by many who supported the special prosecutor provisions in the past. Some of the contentions made by these critics focus on specific aspects of the law. Some argue that the act's coverage is too broad, that it triggers a special prosecutor investigation too easily, and that the period for preliminary investigation is too short. Other critics attack the special prosecutor process on broader bases, charging that the required investigations are "a ridiculous waste of time," that the act creates unfair, more stringent application of criminal laws to elected officials, and that it institutionalizes distrust of the attorney general and Department of Justice.

The most direct attack on the law was launched in April of 1981, when Attorney General William French Smith expressed "severe reservations" concerning the constitutionality of the law, primarily on the grounds that it violates the doctrine of separation of powers by lodging the prosecution of federal offenses in an officer who is not appointed by or subject to the attorney general or the president.

As chairman of the Senate Subcommittee on Oversight of Government Management, I believed that Congress should evaluate the criticisms to determine whether amendments to the act were warranted. I was concerned that the doubts raised would impede the act's effectiveness Last fall, after hearings and extensive investigation, the subcommittee concluded that significant changes in the law are necessary.

The act requires the attorney general to conduct a preliminary investigation whenever he receives "specific information" that any designated executive or campaign official has violated a federal criminal law, other than a petty offense. On completion of the preliminary investigation, or in any case, at the end of 90 days, the attorney general must report to the Special Prosecutor Division of the United States Court of Appeals for the District of Columbia Circuit, established by the act. Unless he concludes that the matter is "so unsubstantiated that no further investigation or prosecution is warranted," the attorney general must apply for the appointment of a special prosecutor, in which case the court has no discretion to deny the appointment.

Once appointed, the special prosecutor has extensive powers. He has all the powers of the attorney general and the Department of Justice to investigate all matters within his jurisdiction, which is defined by the court. The special prosecutor is removable only by the attorney general for gross impropriety or physical or mental incapacity, and the special prosecutor may obtain judicial review of his removal.

The act also establishes procedures for judicial and congressional oversight of the special prosecutor and imposes strict limitations on disclosure of facts concerning the preliminary investigation and special prosecutor phases of the process. Under a sunset provision, the special prosecutor provisions will expire in October, 1983, unless extended by Congress.

The basic purpose of the special prosecutor provisions is to assure public confidence in the impartial investigation of alleged wrongdoings by government officials. Prompted by the events of Watergate, Congress recognized that actual or perceived conflicts of interest may exist when the attorney general is called on to investigate alleged criminal activities by high-level administration officials. When conflicts exist or when the public believes there are conflicts, public confidence in prosecutorial decisions is eroded, if not totally lost.

Unfortunately, the dangers of conflict of interest were not unique to Watergate. They are inherent in our system of government. The attorney general is a political appointee of the president, at times a close adviser to the president, and part of an administration that may aspire to re-election or have other political objectives. From a political perspective, it is understandable that an attorney general might seek to avoid any embarrassment the investigation of a senior official would bring to the administration. The result of this loyalty could be to underinvestigate or totally ignore allegations of wrongdoing.

Historical experience demonstrates that in the absence of a statutory mandate, attorneys general have been reluctant, even in the recent past, to appoint independent prosecutors to handle investigations of persons close to the administration. For example, no special prosecutor was appointed to investigate allegations of the attempted bribery of Carter administration officials by fugitive financier Robert Vesco or of perjury by former Treasury Secretary G. William Miller during his confirmation hearings.

In the "Carter Peanut Warehouse Case," in which there were allegations of improper financial dealings between the Carter family business and the 1976 Carter election campaign, Attorney General Griffin Bell did appoint an independent prosecutor, yet required him to clear all prosecutorial decisions with the head of the Criminal Division of the Department of Justice. Only after

[1] Since submission of this article for publication the special prosecutor law has received renewed attention. In December the Department of Justice concluded that the law was not triggered by allegations that then National Security Adviser Richard Allen accepted payments from Japanese journalists to arrange interviews with the first lady. In December Attorney General William French Smith also petitioned the court for a special prosecutor to investigate allegations that Secretary of Labor, Raymond J. Donovan, was involved in payments made to union officials, and a special prosecutor now is investigating this matter.

strong criticism by Congress and the media did Bell vest the prosecutor with total independence. Since a number of these activities were under investigation by the Department of Justice before the effective date of the Ethics in Government Act, the attorney general technically was not required to appoint a special prosecutor. Still, the failure to refer the allegations to special prosecutors may have damaged public confidence in the investigations.

These cases prove that the decision to appoint outside counsel must not lie with the attorney general alone. The special prosecutor provisions achieve this goal by prescribing defined circumstances in which the attorney general must conduct a preliminary investigation, appoint a special prosecutor, and report his activities to the court.

The special prosecutor process should not be interpreted as impugning the integrity of an attorney general or the Department of Justice. Throughout our system of justice, safeguards exist, either through the form of mandatory recusal or disclosure requirements, against actual or perceived conflict of interest. These requirements frequently are imposed on judges, attorneys, and elected officials and do not reflect adversely on these individuals. Rather, the public is assured that decisions are impartial and fair when these individuals withdraw to avoid conflicts of interest.

The special prosecutor provisions must be retained to guard against actual or perceived conflict of interest. An endorsement of the process, however, does not suggest that the present law is perfect. To the contrary, there are significant deficiencies that must be addressed in order to make the law equitable and to achieve its state purpose.

Although the goal of the special prosecutor process is to assure that investigations of high-ranking officials are conducted fairly and impartially, the present act creates inequities by requiring costly, exhaustive, and lengthy investigations of officials in cases that ordinarily would not be pursued by the Department of Justice. This inconsistency results from the very low standards that trigger the preliminary investigation and appointment of a special prosecutor.

Recall that the attorney general must conduct a preliminary investigation whenever he receives "specific information" that a covered person has engaged in criminal activity. That standard does not allow the attorney general to consider the credibility of the source of the allegation but rather requires a preliminary investigation for even those allegations from sources known by the Department of Justice to be unreliable. These kinds of allegations rarely would be pursued in the case of an ordinary citizen. This failure to incorporate credibility into the standard invites manipulation of the process by an accuser who wishes to subject an official to an investigation for a variety of motives, including reprisal or political advantage. The Jordan case, in which the allegation was made in a plea-bargaining attempt, illustrates how the mechanism can be used to gain leverage with the Department of Justice in charges against the accuser himself.

The standard governing the appointment of a special prosecutor, under which the attorney general must seek appointment unless he can state that the allegations are "so unsubstantiated that no further investigation or prosecution is warranted," further encourages an uneven application of the law. Even allegations with little or no factual support can set a special prosecutor investigation in motion, simply because the attorney general has been unable to exhaust every shred of evidence, follow up every lead, or interview every potential witness. In the Jordan case, Attorney General Civiletti was forced to seek a special prosecutor, despite the fact that he believed the allegations did not warrant prosecution because there were witnesses who refused to testify voluntarily.

In conducting a preliminary investigation, the attorney general is acting as all prosecuting attorneys do when allegations of criminal conduct first come to their attention. At this stage the prosecutor screens cases to determine which allegations meet threshold levels requiring additional, more intensive investigation. The present appointment standard is, however, far lower than the standard employed by other prosecutors in both the federal and state judicial systems and strips the attorney general of the discretion to dismiss frivolous allegations.

Similarly, the present standard ignores the legitimate use of prosecutorial discretion and the prosecutorial guidelines that the Department of Justice has developed to standardize its policies of law enforcement. It is a well-established principle that prosecutors enjoy wide latitude in determining when, whom, how, and even whether to prosecute for apparent violations of criminal law. By failing to incorporate these policies into the standard, the act often results in the appointment of a special prosecutor in cases that are not, or only rarely, pursued by the Department of Justice.

Both Jordan and Kraft were alleged to have possessed cocaine in violation of 21 U.S.C. § 844(a). At my subcommittee's hearing both present and past Department of Justice officials testified that a violation of this federal law is seldom prosecuted and that on identical sets of facts in ordinary circumstances no prosecution would be pursued. Civiletti testified that neither the Jordan nor the Kraft cases, "under the ordinary principles and standards of the Department of Justice under the past administration and this administration, or any administration, merited extensive investigation or prosecution."

Automatic referral to a special prosecutor in these types of cases serves no valid public purpose but rather imposes substantial burdens on public officials. It creates a dual standard of justice: one for the citizenry at large and another for our public officials.

To lessen the inequities of the present low standards of investigation and appointment, the act should be amended in the following ways:

First, a preliminary investigation should be required only when the attorney general receives "specific information sufficient to constitute reasonable grounds to investigate" that a covered person has committed a federal criminal violation. In determining whether "reasonable grounds" exist, the attorney general should consider (1) the degree of specificity of the information and (2) the credibility of the source of the allegation.

Second, the appointment standard should be raised to require appointment only when the attorney general has "reasonable grounds to believe that further investigation or prosecution is warranted." The attorney general should base this determination on factual evidence supporting the allegations and the clearly established prosecutorial guidelines of the Department of Justice. The attorney general should be permitted to justify his decision that no appointment is necessary on a showing to the court that the department or the United States attorney for the district in which the violation was alleged to have occurred would not, as a matter of established practice, prosecute this violation. The present law's requirement that the attorney general fully report his reasons for not seeking a special prosecutor provides the necessary check on any possible abuse of his discretion in this area.

Even when the allegations prove groundless, the special prosecutor process subjects officials to extreme expense and the stigma of a criminal investigation. In the Jordan case, despite the special prosecutor's conclusion that the allegations were of no evidentiary value, Jordan incurred legal fees exceeding six figures, which was more than twice his annual salary. Kraft also bore extensive costs, including legal fees for his case challenging the constitutionality of the act. The investigations also can generate extensive, adverse publicity that, as in the case of Kraft, could force the official to resign from office. In the light of these costs, it is crucial that the coverage of the act be restricted to only those officials who pose realistic dangers of conflict of interest.

The coverage of the present act is excessively broad. There are currently 124 federal executive positions covered, 93 of which are in the Executive Office of the President. Many of these positions are unknown to the public, as well as remote from the Department of Justice. For example, the act covers three positions in the Council on Environmental Quality and positions in the Council on Wage and Price Stability. It also covers the director of staff of the first lady. Investigations of individuals holding these and similar positions, who are close to neither presidential nor Department of Justice decision making, would create little danger of real or perceived conflict of interest if conducted by the Department of Justice.

The length of time that an official can remain covered by the special prosecutor law also is too extensive. The law provides that an executive official continues to be covered "during the incumbency of the president or during the period the last preceding president held office, if such preceding president was of the same political party as the incumbent president." An official could resign and have no further contact with the administration, yet continue to be covered for as long as 16 years after he or she leaves office—eight years if the president under which he or she serves is reelected and eight more years if the succeeding president is of the same political party. There is little realistic fear of conflict of interest or favoritism if an official has been out of office this long.

Equally disturbing is the fact that length of coverage turns on which political party is in power. This standard for the application of criminal law is unique in our system and amounts to, in the words of former Attorney General Edward Levi, the "politicalization of the administration of justice." There is no evidence to substantiate the premise of this standard, which is that one political party will be more lenient in prosecuting former officials who are its own members. Indeed, a new administration may be more reluctant to prosecute its predecessors of the opposite party, fearing that prosecution would be perceived as an act of vindictiveness.

Ironically, while the act's scope is overbroad in these respects, it is underinclusive by failing to include a class of persons who are indeed close to the president and present perhaps the greatest dangers of conflict of interest: the president's family. The "Billygate Affair," in which President Carter's brother was suspected of having an improper relationship with the Libyan government, illustrates the problems that may arise when the Department of Justice handles investigations of the president's relatives. Although a Senate subcommittee concluded that there was no evidence of actual favoritism extended by the Department of Justice in that case, there was much speculation in the press over whether the president's brother would be investigated impartially. That speculation jeopardizes public confidence in the impartiality of the ultimate decision in these cases.

The act should be amended to cover those situations that present the greatest threat of conflict of interest. First, the number of executive officials subject to the special prosecutor process should be limited to the president, vice president, Cabinet members, director and deputy director of the Central Intelligence Agency, commissioner of internal revenue, and those senior officials in the Executive Office of the President and the Department of Justice who are truly close to either presidential or Department of Justice decision making. In addition, the act should be extended to cover family members of the president during the president's incumbency. For this purpose, the president's "family" would be defined as the president's spouse, parents, children and their spouses, and brothers and sisters and their spouses.

Fairness also requires a standardized period of coverage for all officials. To remedy the excessive length of coverage, the act should be amended to cover all executive officials for the incumbency of the president under which they serve, plus one year. This proposal recognizes that the dangers of conflict are strongest during the entire administration in which an official serves and also covers a period of "residual influence" an official may have after leaving office. Most important, this reduced coverage is politically neutral and does not create great disincentives to public service by covering officials long after they leave office and long after the threat of conflict has waned.

There are additional areas of the law that require amendment in order to assure that the process is fair and invoked only in those situations where actual threats of conflicts exist. For example, the name "special prosecutor," which conjures up associations of Watergate, should be changed to "independent counsel" in order to minimize the adverse publicity borne by the subject of the investigation. To reduce the extensive financial burden that a special prosecutor investigation imposes on the public official, the court should be given the discretion to award attorney's fees to subjects to cover costs that would not have been incurred by private citizens. Finally, to safeguard against abuse of the broad powers of the special prosecutor, the attorney general should be empowered to remove the special prosecutor on a showing of "good cause" as long as this decision is made public, is reported to the congress, and is subject to judicial review.

As Justice Holmes once said, "The life of the law is experience." Over the past three years we have had the benefit of experience to review the wisdom and exercise of the special prosecutor law. Our experience shows that the special prosecutor process is necessary to assure public confidence in investigations of high-ranking officials but that the law achieves its goal imperfectly.

Far from diluting the law, these recommendations will assure that both public officials and private citizens are treated impartially — and equally — under the law.●

COMMENDATION OF MAJ. GEN. JOHN B. CONAWAY

● Mr. HUDDLESTON. Mr. President, since April 1981 Maj. Gen. John B. Conaway, a Kentuckian, has served as the Director of the Air National Guard of the United States. We in Kentucky have always been proud of John and his accomplishments. He has a most distinguished service record, and he has made major contributions to the development and implementation of the total force policy. We are particularly proud, however, that those outside of the State have also recognized John's achievements. Recently, the Legislature of the State of Mississippi enacted a resolution commending John for his outstanding service and leadership.

Mr. President, I ask that a copy of that resolution be inserted in the RECORD:

The resolution follows:

SENATE CONCURRENT RESOLUTION No. 619

Whereas, Major General John B. Conaway has enhanced the image of the Air National Guard of the United States by his appointment as its Deputy Director in 1977 and his subsequent appointment as its Director, with promotion to Major General on April 1, 1981; and

Whereas, General Conaway is a Kentucky native who attended undergraduate pilot training at Greenville Air Force Base, Mississippi, in 1957; and

Whereas, General Conaway's abilities, and his dedication to the principles that made our nation great, enabled him to advance at a fast pace, progressing through the following levels of command in the Kentucky Air National Guard between 1965 and 1977: Flying Instructor, Squadron Operations Officer, Group Deputy Commander for Operations, Group Commander, Wing Chief of Standardization, Wing Chief of Safety, Wing Director of Operations; and

Whereas, he served as Vice Commander of the 123rd Tactical Reconnaissance Wing which has units in Kentucky, Arkansas, Nevada and Idaho; and

Whereas, General Conaway's military decorations and awards include the Legion of Merit, the Air Force Meritorious Service Medal, the Air Force Commendation Medal, the Combat Readiness Medal, the National Defense Service Medal, the Armed Forces Expeditionary Medal, the Armed Forces Reserve Medal and the Kentucky Distinguished Service Medal; and

Whereas, General Conaway's commitment to the 'Total Force" policy of a strong national defense, and his continuing strong support of the Air National Guard and the National Guard Associations of the United States and Mississippi has brought recognition to himself and to the air reserve forces:

Now, therefore, be it resolved by the Mississippi State Senate, the House of Representatives concurring therein, That we do hereby acknowledge and express appreciation for the outstanding service and leadership of Major General John B. Conaway during his tenure as Director of the Air National Guard of the United States, National Guard Bureau, Washington, D.C.

Be it further resolved, That copies of this resolution be forwarded to the National Guard Association of Mississippi for appropriate presentation to General Conaway, and that copies be made available to members of Mississippi's Congressional Delegation and to members of the Capitol Press Corps.●

JEROME CAVANAGH

● Mr. LEVIN. Mr. President, the Detroit Institute of Arts is honoring Jerome P. Cavanagh, former mayor of Detroit, by naming a wing of the institute in his honor. I rise today to call this event to the attention of my colleagues in the Senate and to indicate just how appropriate this honor is.

Jerome Cavanagh was a strong supporter of the arts and of the city of Detroit. As a founder of New Detroit—the Nation's first major urban coalition—he was instrumental in the effort to bind up the wounds the city suffered during the riots of 1967 and in the attempt to solve the problems which caused them. In that process, Mayor Cavanagh never forgot that the critical task we all face is not just to improve the physical lot of people, but also to lift their spirits as well. He knew that a part of any public figures' job was to make sure that people had access to the best that any society has to offer. And he knew that art was one of the purest expressions of the aspirations that all human beings share.

Jerome Cavanagh's support of the arts in general and the Detroit Institute of Arts in particular, his efforts as mayor of Detroit and as a citizen, his concern for all people, his record in public life, and his accomplishments in his private activities all testify to his worth. And the honor that the Detroit Institute of Arts does in naming a wing after him will memorialize that worth for all times.●

PROGRAM

Mr. BAKER. Mr. President, when the Senate reconvenes tomorrow, it will do so at 9 a.m., pursuant to the order previously entered.

Under the order previously entered, the time for the recognition of the two leaders under the standing order is reduced to 5 minutes each.

The Senate will resume consideration of the pending bill and the pending amendment at 9:15 a.m., and the time, if any, between the recognition of the two leaders and 9:15 a.m. will be devoted to the transaction of routine morning business.

ORDER FOR ROUTINE MORNING BUSINESS TOMORROW

I ask unanimous consent that Senators may be permitted to speak for not more than 1 minute each during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. On tomorrow, when the Senate resumes consideration of this bill, the pending amendment will be the Roth-Glenn-Nunn amendment dealing with NATO military cooperation.

I expect a number of votes during the day. I expect tomorrow to be a very late day, later than this day has been, notwithstanding that it is now 17 minutes after 11 in the evening.

I hope to be able to finish this bill, and the leadership intends to stay as long as it is practical to do so in order to attempt to do that and to move to other important business.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 a.m. tomorrow.

The motion was agreed to, and at 11:17 p.m. the Senate recessed until tomorrow, Thursday, May 13, 1982, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 12, 1982:

DEPARTMENT OF DEFENSE

Gen. John W. Vessey, Jr., [redacted] Army of the United States (major general, U.S. Army) under the provisions of title 10, United States Code, section 142, to be Chairman, Joint Chiefs of Staff, a position of importance and responsibility designated by the President under subsection (a) of section 601.

IN THE AIR FORCE

Gen. Robert C. Mathis, U.S. Air Force (age 54), for appointment to the grade of general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

The following-named officer under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 601, in grade as follows:

To be general

Lt. Gen. Jerome F. O'Malley, [redacted] FR, U.S. Air Force.

IN THE ARMY

Gen. John A. Wickham, Jr., [redacted] Army of the United States (major general, U.S. Army), under the provisions of title 10, United States Code, section 601(b)(1), to be reassigned to a position of importance and responsibility designated by the President under title 10, United States Code, section 601(a), in the grade of general.

IN THE NAVY

Vice Adm. Robert F. Schoultz, U.S. Navy, having been designated for command and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, sections 5086(a) and 601, for reappointment while so serving.

The following-named officer having been designated for command and other duties of great importance and responsibility in the grade of admiral within the contemplation of title 10, United States Code, section 601, for appointment while so serving as follows:

To be admiral

Vice Adm. Sylvester R. Foley, Jr., U.S. Navy.

IN THE MARINE CORPS

Lt. Gen. William J. White, U.S. Marine Corps, age 57, for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 1370.

DEPARTMENT OF JUSTICE

William A. Kolibash, of West Virginia, to be U.S. attorney for the northern district of West Virginia for the term of 4 years.

Marvin E. Breazeale, of Mississippi, to be U.S. Marshal for the southern district of Mississippi for the term of 4 years.

Gilbert G. Pompa, of Texas, to be Director, Community Relations Service, for a term of 4 years.

IN THE AIR FORCE

Air Force nominations beginning John O. Ahnert, Jr., to be lieutenant colonel, and ending Manuel A. Thomas, Jr., to be lieutenant colonel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 14, 1982.

Air Force nominations beginning Walter S. Sorensen, to be determined, and ending Carl W. Reddel, to be permanant professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Woodrow M. Ivandick, to be determined, and ending Kenneth H. Flemming, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Patrick J. Behnke, to be determined, and ending David O. Swint, to be permanent professor, U.S. Air Force Academy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

Air Force nominations beginning Randal G. Abraham, to be determined, and ending Steven G. Zenishek, to be determined, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

IN THE ARMY

Army nominations beginning Stephen I. Alpern, to be colonel, and ending Jarel Zoltick, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 14, 1982.

Army nominations beginning Julius L. Bedynek, to be colonel, and ending Catherine L. Wilhelmsen, to be captain, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Army nominations beginning Hector J. Acosta, to be second lieutenant, and ending Scott Lloyd Zonis, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

IN THE COAST GUARD

Coast Guard nominations beginning Samuel E. Burton, to be lieutenant commander, and ending James B. Ellis, II, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

IN THE MARINE CORPS

Marine Corps nominations beginning Clifford M. Acree, to be major, and ending David J. Young, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

IN THE NAVY

Navy nominations beginning Randall Otto Abshier, to be commander, and ending Lawrence N. Wiltzius, Jr., to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Navy nominations beginning Frederick Key Abell, Jr., to be ensign, and ending Dorothy Jane Zink, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 19, 1982.

Navy nominations beginning Kurt F. Baker, to be ensign, and ending Frank J. Weingartner, Jr., to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 26, 1982.

Navy nominations beginning Edwin McCullough Anderson, to be commander, and ending David Chester Vonrump, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 26, 1982.

Navy nominations beginning Brent S. Frampton, to be ensign, and ending Ronnie D. Thomas, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of May 3, 1982.

EXTENSIONS OF REMARKS

FUTURE UNCERTAIN FOR COOPERATIVE RESEARCH UNITS

HON. HAROLD L. VOLKMER
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. VOLKMER. Mr. Speaker, along with its cuts in many education and research programs, the administration has once again proposed the elimination of Cooperative Wildlife and Fisheries Research Units. Two such units are located at the University of Missouri-Columbia, and are of particular concern to me. I rise today to urge the Appropriations and Budget Committees to provide the necessary funds to operate this useful, productive program.

The cooperative program began in 1935, and there are now 50 of these research units nationwide. These units utilize the combined physical and financial resources of the U.S. Fish and Wildlife Service, State conservation departments, and State land grant universities. In addition to training wildlife and fishery personnel, these programs support valuable research in resource management.

The Missouri units have been especially useful in meeting local and national needs. Graduates have held important positions in the Missouri Conservation Department, the University of Missouri and other major universities and colleges, private firms, the U.S. Fish and Wildlife Service, and other Federal agencies. Research results have been used in the vital development of management schemes for various species of fish and wildlife, including deer, bass, and mourning doves. Other worthwhile studies include the assessment of wildlife habitat quality and the effects of water development projects. Recent findings will be used by the National Park Service in devising a new management plan for Missouri's popular Ozark riverways.

An article in the April 1982, Missouri Conservationist describes these units and their uncertain fate. I am submitting this article to the RECORD for my colleagues' information, and urge you to support funding for this important, useful program.

FUTURE UNCERTAIN FOR COOPERATIVE RESEARCH UNITS

(By Jim Murphy, Student Intern, Columbia, Mo.)

Some people have all the luck. Mark Kaiser, for instance, spent a good part of the last two years paddling and walking the Current and Jacks Fork rivers. If you were among the thousands of Missourians who recently floated our Ozark National Scenic Riverways, you may have seen him anchored near a lazy river bend or prowling the shaded backwater pools across a gravel bar. Chances are he was scribbling in a notebook or peering through binoculars, his attention rooted to a blue- and rust-colored wading bird familiar to any Ozark canoeist—the green heron.

Kaiser has much more than a casual interest in these herons. A graduate student in the Missouri Cooperative Wildlife Research Unit, a part of the School of Forestry, Fisheries and Wildlife at the University of Missouri-Columbia, he is investigating the ecology of green herons on Ozark streams. His float trips involved long hours of quiet, careful observation and painstaking recording of everything he saw relating to his subjects. Kaiser's master's degree thesis will provide needed basic information to wildlife biologists about the feeding behavior and nesting habitats of these aquatic birds.

That's the pure research part of the project, describing how the green heron fits into an Ozark stream ecosystem. Like most projects undertaken by the Missouri wildlife unit, Mark's study also has a practical, problem-solving side. The question here is: How does man's recreational use of these streams affect feeding and nesting of the heron, a colorful and necessary member of these rivers' wildlife?

Kaiser's research found that green herons stop feeding and loafing along the river channel in direct proportion to the number of disturbances, primarily canoeists. Sometimes the birds will fly to nearby backwaters and return after the floaters pass. Constant disturbance, which is common on summer weekends as flotillas of canoes blanket many stretches of the Current and Jacks Fork, often results in a heron completely abandoning the river for the day. Visual avoidance of humans is characteristic of nesting sites as well. The birds often choose thick stands of honey locust and boxelder for this purpose.

The National Park Service, managing agency for the riverways, provided the major share of funds for this wildlife unit project. Besides helping train a professional wildlife biologist, the park service will use Mark's findings in formulating a new management plan for the riverways.

Fishing is another popular form of riverways recreation. Ron Marteney, a graduate student in the Missouri Cooperative Fishery Research Unit, spent last summer studying rock bass (goggle-eye), a favorite quarry of many anglers on Ozark streams. Marteney's project was aimed at gathering information to fill the many gaps in biologists' knowledge about rock bass in Missouri. He studied and recorded size and age structure, growth and food habits of rock bass populations on several stretches of the upper Jack's Fork and Current rivers.

Marteney accomplished some of his objectives by regularly electro-fishing (shocking) the selected stretches from March to November, usually at night to avoid interfering with canoeists or fishermen. Learning about and using modern research techniques and equipment, such as electro-fishing, radio monitoring and computer analysis, is an important part of many unit projects.

Marteney was accompanied on his night floats by two other fishery unit students. One investigated and compared the rivers' smallmouth bass populations. The other studied the characteristics of black and golden redhorse sucker populations and how these rough fish are affected by gigging, a fall and winter sport with many devotees in the Ozarks. Marteney also did some daytime floating and even snorkeling to find out what kind of habitats rock bass use.

These projects may sound like more fun than work. Many of the students would agree the field work is an enjoyable necessity of most wildlife and fisheries research. But for every hour a student spends outdoors, at least one hour, and often more, is spent indoors in order to compile, organize and analyze the data. The final product, thesis or dissertation, is far more than an academic exercise. The three riverways fisheries studies, like the green heron research, will provide National Park Service biologists and managers with detailed information they want and need but otherwise could not afford to gather. The benefits of cooperative unit projects are mutual for both graduate student and government agency.

The Missouri cooperative units' oldest and closest association has been with the Missouri Department of Conservation. The association began July 2, 1937, when the newly created Conservation Commission, in its first official action, authorized participation in a Cooperative Wildlife Research Unit to be located at the University of Missouri. A wildlife conservation building, one of the first in the nation, had been completed on the Columbia campus the previous year. (Separate fishery units were created starting in 1962; Missouri's was among the first, established that same year.)

For many years, the Department's fisheries and wildlife research biologists and their lab equipment occupied the lower floor of the building, which later was named Stephens Hall in memory of E. Sydney Stephens, the first Conservation Commission chairman. When the Department's research biologists moved into their new building in 1970, it was a short haul—just a few blocks down the street and still on university property. The tradition of a close working relationship that has evolved between the cooperative units and the Department probably exceeds Ding Darling's fondest hopes.

Darling, a nationally known editorial cartoonist and outspoken conservationist in the 1930s, took the lead in promoting the establishment of cooperative wildlife research units at land-grant colleges across the country. Professional wildlife management was in its infancy. Darling envisioned a program in which graduate students would get hands-on, practical experience in wildlife research, the basis for wise management, by tackling current questions and problems. Advice and assistance would come from both university professors and "real world" professionals, particularly in state conservation agencies.

Darling's energies and some of his money bore fruit when the Iowa Wildlife Unit began operation in 1935. Responsibility for

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

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coordinating a variety of projects, allocating the funds and supervising graduate students at each unit was given to unit leaders and assistant leaders, who are biologists in the U.S. Fish and Wildlife Service. This federal agency oversees the program nationwide.

Both Missouri units have three principal funding and cooperating agencies—the U.S. Fish and Wildlife Service (one-half of the operating budget), the University of Missouri's School of Forestry, Fisheries and Wildlife (one-third) and the Department of Conservation (one-sixth). The wildlife unit also receives funds annually from the Wildlife Management Institute, a non-profit national conservation organization. Cooperators directly fund the operating budget, which is about one-third of each unit's total annual budget. The other two-thirds are primarily grants earmarked to meet specific research needs of cooperators and other contributors. The Department provides many grants and contracts and shares expertise, equipment and facilities on an ongoing basis.

Missouri's cooperative units have a respected and successful history. Unfortunately, the future looks less promising. In early 1981, the Reagan administration announced elimination of all units nationwide for the fiscal 1982 budget. Friends in Congress quickly came to the rescue, and another year's funding was approved, but without the additional money needed just to stay even these days. Wildlife Unit Leader Tom Baskett doesn't expect to see his assistant leader, lost through promotion last year, replaced in the near future. University appropriations from the state also are missing with the budgetary axe.

The money pinch affects individual projects, too. Inflation may eat up a grant before a project is finished. This is when the cooperators' part of the budget becomes all-important. Baskett and Fishery Unit Leader Richard Anderson spread their funds among many projects and assure that each is completed, no small comfort to a graduate student these days. The cooperative units and their federal staff are an important part of the university's graduate program in fisheries and wildlife. Almost every project is helped by one of the units.

Though Baskett, Anderson and Fishery Unit Assistant Leader Charles Rabeni receive their salaries from the Fish and Wildlife Service, they are given university appointments as professors and each teaches one upper-class or graduate course a year. Most important, each man serves as advisor and closest collaborator to five or more master's and doctoral students at any given time. Baskett, Anderson and Rabeni share supervision of the units' 40-plus projects with six university faculty, three in wildlife and three in fisheries.

Though small compared to the faculties at some other units, the Missouri cooperative units have an enviable record in securing a steady stream of grants. Past performance is the reason. Research project topics are as diverse as Missouri's wildlife and fishes and their habitats. And Baskett, Anderson and Rabeni don't let their students have all the fun. They regularly take on research in their own areas of expertise and interest.

For instance, mourning doves, migratory game birds popular with Missouri hunters, have long interested Baskett. In his 27 years as wildlife unit leader, he has supervised a great number of projects investigating the mysteries of dove biology, ecology and management. The information gathered has been invaluable to the Fish and Wildlife Service, the agency responsible for all migratory wildlife, and many state conservation agencies. The more that is known about a species and all the factors affecting its existence, the better the success in wisely managing its populations.

Regulated hunting is an important tool in the managenment of white-tailed deer populations. The extent of unregulated hunting, poaching, and its effects on deer long has puzzled Missouri's deer biologists and conservation agents. Ron Glover's master's project is a detailed look at who poaches deer, when and where. The Department's conservation agents provided him with the facts surrounding 655 closed-season deer poaching violations over a two-year period and information about 452 individuals arrested in 250 of those cases.

Glover's analysis of this mountain of data found that more than half the deer poaching occurred on Fridays, Saturdays and Sundays and that 75 percent of the violations took place between September and February. For 90 percent of those convicted, the offense was their first known wildlife code violation. Nearly two-thirds of the poachers were individuals previously unknown to the local conservation agent.

On a more optimistic note, almost 60 percent of the 393 convictions resulted from public cooperation. Without citizens' help, agents are hard-pressed to protect the wildlife that belongs to all Missiourians. Glover's study should help conservation agents here and in other states develop more efficient and effective patrol strategies to both deter and apprehend deer poachers. The findings also will help Missiouri deer biologists make more precise estimates of the total illegal kill, now thought to rival the number taken legally.

Fishery Unit Leader Anderson's special interest is fisheries management of lakes and ponds, specifically predator-prey relationships between largemouth bass and bluegills. Pioneering studies in the 1960s and '70s by Anderson and his students showed the desirability of minimum and slot-length limits for bass to prevent their over-harvest while maintaining the quality fishing Missouri anglers want. What anglers want and how management can achieve ecologically sound, quality fishing are questions with some answers now, thanks to fishery unit studies. Department fisheries biologists use these management techniques, particularly minimum-length and slot-length limits, on many of the state's streams, community lakes and large impoundments.

The Department's Little Dixie Lake and its 22 research ponds have been used extensively the past 20 years for fishery unit projects. The lake and surrounding wildlife area are only 10 miles from Columbia. Doctoral student Steve Cutreuter used some of those ponds last summer. He is developing a model that will tell fisheries biologists what to expect from various management decisions.

Charles Rabeni brought a new dimension to the Missiouri fishery unit when he was appointed assistant leader in 1979. A specialist in stream ecology, Rabeni's expertise has prompted the unit to pursue grants for projects such as the three on the Current and Jacks Fork rivers. Rabeni's own research includes a study of the role of crayfish, important prey for smallmouth and rock bass, in Ozark streams. Another of his projects focuses on the ecology of Ozark springs. Increasing recreational and other uses of Missouri's many springs and spring-fed streams demand an understanding of the biological structure and function of these unique aquatic environments.

Misuse and abuse of Missouri's waters occurs with alarming frequency. Gary Whelan's master's project is looking into the effects of heavy metals contamination in the Big River in eastern Missouri. This is one of several related projects at the Fish and Wildlife Service's Columbia National Fisheries Laboratory, located a few miles from the college campus.

Whelan's share of this U.S. Army Corps of Engineers-funded research program involves finding out how lead and cadmium affect 24 species of benthic organisms—the tiny creatures, primarily insects, that live along the stream bottom. Lethal doses of lead and cadmium are known for many stream organisms, especially game fishes. What isn't known, and what Whelan is trying to find out, is how continual but non-lethal exposure to these heavy metals affects normal functioning among benthic communities and, in turn their predators farther up the aquatic food chain.

Whelan documented fairly high concentrations of both heavy metals and found biological concentration of cadmium occurs up the Big River food chain. However, he didn't find the metals accumulating in fishes he checked, with the exception of suckers. Suckers are a stream's vacuum cleaners and they feed almost exclusively on benthos. Department fisheries and water quality biologists also had noted suckers' tendency to accumulate high levels of lead and cadmium, prompting a warning to Big River giggers last year.

This project and the more than 40 others now underway through Missouri's Cooperative Fishery and Wildlife Research Units play vital roles in assisting and complementing the Department's research and management efforts. In addition, the units have provided the Department with many employes whose lab and field research abilities have been proven.

Past Missouri unit graduates include Department Assistant Director Allen Brohn, Wildlife Division Chief Dean Murphy, Fisheries Division Assistant Chief Stan Michaelson, Information Officer Jim Keefe and former Director Carl Noren, just to mention a few.

Conservation in Missouri has realized many benefits from the cooperative research units' work. Without support from either the university or the Fish and Wildlife Service, the cooperative units would cease to exist. The loss would be a major one—for the university, its graduate students, the Department and for all Missourians who enjoy fish and wildlife. The ultimate beneficiaries of cooperative unit projects are, after all, fish and wildlife.●

THE OCCASION OF THE 50TH ANNIVERSARY OF THE ORDINATION OF FATHER JOSEPH COONEY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, I want to call to the attention of my colleagues today the great honor of one of my constituents, Father Joseph Cooney, who later this month will be celebrating the anniversary of his ordination

to the priesthood. Father Cooney was ordained on May 21, 1932, and I thought it would be wise to call to the attention of my colleagues in the Congress this tremendous accomplishment.

Father Cooney is a native of Worcester, Mass., and was graduated from Holy Cross College there. He was ordained in Springfield, Mass., in 1932. He has served in several communities of my State, including Worcester, West Springfield, Pittsfield, Holyoke, Hinsdale, Easthampton, and Leeds. Retired now, his last service was 10 years ago as the pastor of the Immaculate Conception Church in Easthampton.

Time will not permit me to list all of his tremendous accomplishments, but some of his efforts included serving as the chaplain of the Hampden County House of Correction and as pastor of three parishes in western Massachusetts. He also worked part time at the U.S. Veterans' Administration Medical Center and the Hampshire County Hospital. Every Saturday, Father Cooney celebrates a Mass for the elderly in Florence, Mass., and offers a daily Mass at his home.

It gives me a great deal of pleasure and satisfaction to know that a man so dedicated to the concept of helping mankind lives in my district, and is celebrating 50 years of selfless, devoted help and love for his fellow man. For 50 years, Father Cooney has been helping all of his brothers of the world, following the teachings of a man who said, "Whatsoever you do to the least of my brothers you have done unto me." Father Cooney truly exemplifies being a Christian.

I know that many people would have been tempted to sit back and not do all of the things that Father Cooney has done. Instead, he has stayed with his faith and has followed the teachings of Saint Paul, who said, "I have finished my course, I have fought the good fight, I have kept the faith."

Father Cooney, you have kept the faith.

Thank you, Mr. Speaker.●

HEAD START PARENTS APPEAL FOR PROGRAM

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MILLER of California. Mr. Speaker, I continue to get letters from Head Start parents who both testify to the ways in which this program has dramatically improved their lives and those of their children, and express their concerns about Head Start's future. We know that Head Start works; that Head Start is cost effective. And yet, even today, it serves only 25 percent of the eligible children, and faces substantial erosion from inflation and cutbacks in supportive services—CETA, title XX, child care, food, and medicaid. We need to listen to the parents of Head Start children and keep this exemplary program working. Another letter from a Head Start parent follows:

Due to an earlier hearing problem, my child has developed a very bad speech handicap. Even living with her we could understand very little of what she said. We had to go mostly on her actions. We tried to get her help, but due to a shortage of speech therapists in this area, and the people that could help us refusing to admit she had a speech problem, she has gone too long without the trained help she has needed. But upon enrollment in Head Start, she was examined again, and listed as having a speech handicap. Head Start went one step farther to help my daugher. They found a speech therapist that comes into our home and works with her twice a week. The progress is great. She not only talks a lot plainer, but is a more outgoing child because she can make herself understood better. As a result of Head Start, our child and our whole family has been helped.●

FRANK J. PHILLIPS—LITERARY LAWYER

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, today's lawyers come in a variety of shapes and sizes, providing a diversity of services to virtually every segment of the community. One of my constituents, attorney Frank J. Phillips, practices a type of law which, while quite common in cities like New York and Chicago, was unheard of in San Diego until recently. He practices literary law, representing both writers and publishers.

A recent Frank Rhodes column in the San Diego Union profiles Mr. Phillips. I would like to take this opportunity to commend the article and Mr. Phillips' accomplishments to the attention of my colleagues.

Four years ago next month, young Frank J. Phillips opened here a type of law practice previously unthinkable in San Diego.

He would practice literary law, representing both writers and publishers.

San Diego never was a book-publishing center, so how has it all worked out and what has he learned?

"I have learned," he said, "that more want to be writers than those who can really write."

Phillips seems sympathetic toward these people, just as he is amused by those who attend writers' meetings and belong to writers' clubs when they have no intention of writing. He is convinced they are filling a social need in their lives.

Several hundred writers, aspiring and established, have, as he says, "entered my door" in the four years, some to become clients, and Phillips' observations here are based on their visits.

Those who did not become clients had mistakenly assumed Phillips could sell their work. "They needed an agent, not an attorney."

Many San Diegans delude themselves into believing that writing is a profitable way to get out of working for a living, Phillips said.

"They have read about the success of a first book and the money that went with it. So they just sit down and pound out a lot of words that mean nothing.

"Others who want to become movie actors think they can get there by first writing a movie. Getting into movies or television as a writer is very difficult. Personal contacts are necessary."

Phillips said: "People don't read as much as they used to and the market for fiction is tight." But unpublished writers don't seem concerned about it, he added.

People don't read as much as they once did for the same reason the fiction market is tight: television, Phillips agreed.

Those coming to Phillips are about evenly divided, men and women.

San Diego does have many good and successful writers, Phillips said.

For his clients among them, he performs chiefly in such subjects as copyright, contracts with publishers and renegotiation of contracts.

"Writers don't read their contracts, so they have no way of understanding them. After a contract is signed, a writer will go to the publisher and want something done and the publisher will say, 'I don't have to.'"

This is where Phillips enters a dispute. Fortunately, he said, these differences usually can be settled through negotiations.

"Some publishers do take advantage of writers and are open to attack," Phillips said. "Here something can be accomplished for the writers." On the other hand, Phillips represents publishers some of the time.

The publishers' biggest problem is getting writers to deliver finished manuscripts on schedule. Advances have been paid on most of today's books, he said.

"Publishers don't like to admit losses, but most books today lose money," Phillips said. "Very few writers receive royalties from book sales. They get the advance and that's all."

In many cases good literary works fail to make the grade for lack of promotion by the publishers, Phillips said. Book publishers take a strange view of advertising.

"They will advertise a book that succeeds, then expect the name of the publishing house to sell a half-dozen others."

Phillips said the 10 percent of beginning writers who make the grade do not accomplish it on talent and strength of story alone.

"They know a publisher or manage to get an agent (who sells their work) and agents today are hard to get. They are too busy taking care of established writers to take on beginners.

Phillips, a native San Diegan didn't like practicing labor law in Washington, D.C., and moved back here after receiving a master's degree in journalism from the University of Missouri.

"It was risky," he says of becoming a literary lawyer here. "But it has paid off and has been a good experience." He also has a commercial practice, and is "getting heavily into computers."●

LET US END THE BUDGET DEADLOCK

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PARRIS. Mr. Speaker, since the beginning of this year, this House and the other body have been paralyzed by the failure to reach a meaningful budget compromise.

Much of the debate regarding this impasse has been partisan with the Democrats blaming President Reagan for failure to compromise and the Republicans blaming Speaker O'NEILL for his failure to compromise.

I have heard from many of my constituents who simply wish the Congress and the President would sit down and do the work necessary to reach a reasonable compromise. I could not agree with them more. It is time to end this political speechmaking and get on with the business of governing.

There was recently printed an excellent article by James J. Kilpatrick which clearly summarizes my opinion and what I believe to be the consensus of the American citizenry. I heartily commend it to my colleagues' attention.

The article follows:

WASHINGTON.—It is time to talk common sense on this matter of a federal budget for fiscal '83 and thereafter. We have had entirely too much, on both sides, of playing to the galleries, of striking ideological attitudes, of looking to the elections in November. Knock it off, I would say to the president and to Speaker Tip O'Neill. Just knock it off.

We start with fundamentals: The prospective deficits are too large. It is almost immaterial that in times past, as a percentage of the gross national product and as a percentage of total spending, the nation has survived relatively larger deficits. The prospective federal borrowings are a major factor in keeping interest rates at the absurdly high levels that now maintain.

Call it Catch-22 or call it a vicious circle: So long as the deficits stay high, the interest rates stay high; so long as the interest rates stay high, unemployment stays high. Bankruptcies soar. The economy remains in recession. The key to recovery lies in reducing these fantastic rates of interest; and the key to these rates of interest lies in doing something positive about the deficits.

OK? The prospective deficits can be reduced in two ways only—by increasing revenues, or by reducing outlays, or of course by a combination of both.

Let me interject one more fundamental proposition: National security comes first. No other function of the national government is even close. After we have met the requirements for a strong defense, we can talk about the needs of health, education, welfare, housing, the farmers, the old folks, the college students, the arts and sciences and all the rest.

Those are the starting points, and so far as I can perceive, these propositions attract nearly universal support. Our problems are not problems in kind; they are problems of degree.

If this is the case, it ought to be possible for men of good will to find acceptable common ground. I happen to believe that the president's ideas on tax reduction are basically sound: By cutting the rates of taxation on both business and individuals, enough new economic activity should be generated that in time we produce more tax revenue than the former rates would have produced. But the structure of a tax reduction plan is not cast in concrete. As a tool for reducing the prospective deficits, the program of tax reduction can be adjusted.

The same common-sense rule applies to federal outlays. These ruinous deficits are largely a product of the entitlement programs that have gone out of control. Never mind the partisan politics: Both Republicans and Democrats are responsible for these loose cannons. We simply are spending too much on food stamps, school lunches, health care, crop subsidies, business subsidies, educational grants and other programs. Nothing but political cowardice stands in the way of making responsible reductions in Social Security benefits.

Mr. Reagan will have to yield on parts of his defense budget. The Democrats' chief spokesman, Richard Bolling of Missouri, may be quite right when he insists that the president's program amounts to too much, too fast. The concept of strong defense comes first, but within that concept reasonable minded men may disagree. The less imperative defense measures can prudently be postponed.

But by the same token, Mr. Bolling and Speaker O'Neill will have to yield on nondefense items. A decent society must meet the minimum social needs of those who are truly unable to fend for themselves. All of us understand that. But the '83 budget is still larded with fat. If we are in earnest about reducing the deficits, as a key to everything else, then the merely desirable social programs must be cut to the bone. Nothing in the whole fiscal problem strikes me as mysterious—and damned if I see why it should be so hard to resolve.●

SCHOOL BOARD TRIBUTE TO CONGRESSMAN ROBERT McCLORY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FINDLEY. Mr. Speaker, our colleague from the 13th District of Illinois, Congressman BOB MCCLORY, will retire at the end of this Congress. Congressman MCCLORY's service to his congressional district and to the Nation is receiving recognition in many quarters, including the educational institutions in his part of the Nation.

Recently, the North Chicago Public Schools—Elementary School District 64—adopted a resolution commending Congressman MCCLORY for his service. That resolution speaks eloquently of the affection and respect in which our colleague is held by his constituents. In addition, the members of the school board, in the presence of the school district's capable superintendent, Dr. Charles Thomas, presented Mr. MCCLORY with a plaque expressing their appreciation.

Mr. Speaker, the text of this resolution signed by Audrey Nixon, president of the Board of Education for Elementary School District 64; Marjorie P. Hart, secretary; Joseph A. Bakshis, member; Tony Glogovsky, member; William McKinley, Jr., member; Algene Norwood, member; Mark I. Wegener, member; Lieutenant Daniel Stewart, Navy representative; and FTCS Stewart Margolis, Navy representative, is attached to these remarks:

RESOLUTION FOR CONGRESSMAN ROBERT MCCLORY

Whereas the Honorable ROBERT MCCLORY has for the past twenty years served as a member of the United States House of Representatives,

Whereas throughout his tenure in Congress, he has served both his local constituents and the citizens of the United States with honor and distinction,

Whereas Congressman MCCLORY has given of his time, skill, energy and support to preserving Impact Aid, a program vital to our school district,

Whereas Congressman MCCLORY and his entire office staffs both locally and in Washington have always been cordial, receptive, responsive and sensitive to the particular needs of the North Chicago Schools: Now, therefore, be it

Resolved, on this 26th day of April 1982 that the North Chicago Elementary School District 64 Board of Education expresses its sincere appreciation to Congressman ROBERT MCCLORY for the outstanding service he has rendered to the North Chicago Schools, and be it further resolved that the Board wishes for Congressman MCCLORY, on the occasion of his retirement, many years of good health and happiness.●

TURKEY IS VITAL TO THE SECURITY OF THE WEST

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 5, 1982

● Mr. SOLARZ. Mr. Speaker, at a time when the Soviet Union has engaged in a massive military buildup which has given them a substantial edge in the conventional balance of power in Europe, it is essential that the United States recognize the vital strategic role that Turkey plays in helping to reduce that imbalance.

The security of the southeastern flank of NATO is largely dependent upon Turkey's capability to fully carry out its NATO responsibilities. Turkey's unique geographical location enables it to fulfill a number of crucial functions for the NATO allies.

First, Turkey fields the second largest ground force in NATO, trailing only the United States in this regard. It is estimated that these forces, together with Greece's, tie down 26

Warsaw Pact divisions that would otherwise be available for redeployment on the critical central front.

Second, by virtue of its control of the Bosphorus and the Dardanelles, Turkey is in a position to bottle up the Soviet Black Sea Fleet in wartime, thereby making it considerably easier for the U.S. 6th Fleet to maintain NATO's control over the Mediterranean.

Third, Turkey's radar system insures that the 6th Fleet will have invaluable early warning of any Soviet air attack, which makes the fleet much less vulnerable to any such attack.

Fourth, U.S. intelligence facilities in Turkey provide critical intelligence on Soviet strategic programs and troop deployments. These facilities have become more important than ever before, as a result of the loss of our intelligence facilities in Iran.

Finally, Turkey provides a physical barrier between the Soviet Union and the Middle East, blocking what would otherwise be unimpeded Soviet access to Syria and Iraq.

It seems to me that in light of all of these considerations, it is very much in the interest of our own country to provide Turkey with the assistance that it needs in order to be able to fully discharge its responsibilities to the NATO alliance. Turkey's armed forces are still recovering from the adverse effects on the ill-considered arms embargo that we imposed on it from 1975 to 1978. It will take a number of years, and many billions of dollars, for Turkey to complete its modernization program and be in a position to fulfill all of its NATO obligations.

In recognition of Turkey's extraordinary strategic importance, the Congress last year approved a 50-percent increase in military and economic aid to Turkey, from $450 to $700 million. This year, the administration has recommended an additional $115 million aid increase, bringing combined aid to Turkey up to $815 million. Even this level of aid, substantial as it is, pales against Turkey's actual needs. According to administration officials, for example, the $465 million in military assistance it has requested for Turkey represents only one-third to one-half the amount of aid that Turkey needs and could absorb.

I realize that at a time when the U.S. deficit is projected to soar to $182 billion, there is a strong feeling among some of my colleagues that we need to cut back on foreign aid, including aid to Turkey. Tempting as it may seem, I urge my colleagues to reject this logic. For in the final analysis, our aid to Turkey is a small price to pay for the benefits that we receive. Turkey is simply invaluable to the NATO alliance. If Turkey's assets were lost to NATO, we could not begin to afford to replace them. I urge my colleagues to recognize Turkey's unique role within NATO, and to continue to support the aid program for this irreplaceable ally.●

THE OCCASION OF THE 50TH ANNIVERSARY OF THE ORDINATION OF MSGR. JOHN MACPHERSON

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CONTE. Mr. Speaker, I rise today to commend and honor one of my constituents, Father John T. MacPherson, who was ordained to the priesthood on May 16, 1932. On this occasion of his 50th anniversary of his ordination, I thought it would be wise to call to the attention of my colleagues in the Congress this tremendous accomplishment.

Father MacPherson, who is now retired, is the pastor emertius of St. Mary of the Assumption Church in Northampton, Mass. He is a native of Worcester, Mass., and was graduated from Holy Cross College there. He then attended St. Mary's Seminary up in Baltimore and then came to Springfield.

Monsignor MacPherson has served all over my district of western Massachusetts. He has served in Sheffield, Dalton, Ware, Holyoke, Greenfield, and Northampton. For a time, he also served in Harrisburg, Pa., and Chicopee Mass. From 1942 to 1962, he was the rector of St. Michael's Cathedral in Springfield. He was then named the pastor of the Blessed Sacrament Church in Greenfield, where he remained until 1968. And, on November 14, 1963, he was named a domestic prelate for Pope Paul VI.

Mr. Speaker, the devotion of this man to God and his fellow man is truly amazing and worthy of recognition. I am proud that such an individual lives in my First Congressional District in Massachusetts and hope that God will watch over him for all the days that he has left to him.

Thank you, Mr. Speaker.●

PROTECT CIVIL RIGHTS FOR THE HANDICAPPED

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. VENTO. Mr. Speaker, April 28 marked the 5-year anniversary of the implementation of section 504 of the Rehabilitation Act of 1973. For our Nation's millions of disabled citizens these regulations guarantee equal opportunities in employment and education. They are, in effect, a "Civil rights act" for the handicapped.

Implementing these regulations was, and still is, a long and difficult task. It represents a major step forward for the handicapped members of our society. Section 504 was written only after extensive comments and testimony were considered and now, when so many people are beginning to reap the benefits of the regulations, the Reagan administration is proposing to remove or water down many of the most crucial provisions.

The Department of Justice, along with the Bush Task Force on Regulatory Relief and the Office of Management and Budget, have proposed major revisions to the HEW guidelines that currently are in effect. The bottom line of these proposals is that the implementation of section 504 will be completely dependent on costs. The social or personal worth of the individual is not taken into account; neither is the potential for achieving independence from Federal, State or local support programs. But perhaps the most disturbing aspect of the proposed guidelines is the lack of any consideration for equal opportunity.

I have received many letters from handicapped persons, parents, and friends of the handicapped and concerned citizens. They are saddened and disappointed to learn of the administration's proposals. But they are also determined to fight for the rights of disabled Americans. They are determined not to let all of their hard work over the past 10 years go for nothing. I share this determination.

It is hard to believe that the current administration can consider civil rights to be little more than a budget item.

Mr. Speaker, I urge my colleagues to strongly oppose those efforts to weaken section 504. The current regulations are useful, necessary, and well worth preserving. I strongly urge the administration to withdraw and reconsider this proposed weakening of section 504.

On March 4, 1982, the National Council on the Handicapped unanimously adopted a resolution concerning section 504. Soon thereafter the Minnesota State Council for the Handicapped endorsed this resolution. In this resolution, the handicapped of this Nation show their strong commitment to protecting their hard-won rights. I would like to bring the resolution to the attention of my colleagues, and urge their support for maintaining the current 504 regulations:

Section 504 of the Rehabilitation Act of 1973, and existing Section 504 regulations, are currently considered by the disabled population of this nation as the cornerstone of their civil rights. And as a highly effective tool for achieving equal opportunity, Section 504 and existing regulations have an equally important effect in helping the

nation as a whole to assimilate the disabled as productive and effective citizens.

It has come to the attention of the National Council on the Handicapped that the Administration is studying changes in Section 504 regulations—changes that are both substantive and major. The National Council on the Handicapped wishes to advise the President and the Congress that any material changes in Section 504 regulations that weaken or diminish substantive or procedural rights as set forth in the existing regulations is ill advised in the extreme.

Although the National Council on the Handicapped does not oppose technical changes to make the regulations more effective, any material change that weakens them or significantly reduces federal role in enforcement, will constitute a giant step backward into the dark past—a past all too often filled with deprivation, discrimination and despair.

In the judgment of the National Council on the Handicapped, weakening Section 504 regulations would be considered by this nation's disabled citizens, their families and friends, as intolerable.●

SYNFUELS—A NATIONAL DEFENSE ISSUE

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. BOUQUARD. Mr. Speaker, I am pleased to see that the Evans/Corcoran amendment will not be considered by this body this week. This amendment would push the clock back to 1973, the painful days of the Arab oil embargo when we were first taught the lessons of dependence on unstable sources of energy supply. The Evans/Corcoran amendment would ask us to again narrow this country's options and tell the world that we were not serious about developing our own energy resources. In this Congress, once again, a temporary oversupply in the oil market is being used as a rationale for mortgaging our energy future. A bizarre alliance of zealous free marketeers and those who are simply against any large energy project defeated synfuels legislation in 1976. The same extreme coalition is now trying to drive a stake through the heart of the infant Synfuels Corporation.

Just last week, the Exxon Corp. announced that they will arrest their oil shale development activity at the Colony project with TOSCO. Let me remind the Members that Exxon is the company most capable of carrying out large energy projects on its own, it is the company that provided the reason for the inclusion of a "credit elsewhere test" in the synfuels legislation, and yet it is saying it simply cannot do it on its own. The private sector is once again telling us, as they have for a decade, that they will not build these plants because they must make corporate investment decisions chiefly based on the near-term prospects for the price of oil. This is why we need a strong Federal Synfuels Corporation program, because the Federal Government should be making decisions based on the long-term interest of this entire Nation.

I ask this House whatever happened to the concept of a "national security reserve" from synfuels production? Has this institution lost its corporate memory as to why it passed a synfuels bill by a 15- to- 1 margin in the last Congress?

Some Members are saying that our energy circumstances are different now than they were after the 1973 embargo. I certainly agree with that argument. Let me summarize what is different. Federal funding for direct energy research and development is at its lowest level since 1976 and all the technology programs are headed downward. The request for coal research is at its lowest level in 9 years. The coal-conversion demonstration projects have been scrapped by Mr. Stockman and the whole R. & D. program which was just beginning to pay handsome dividends is on a going-out-of-business curve. Interestingly enough, funding for nuclear fission research and development is at only one-third of the 1977 level, and solid research programs in solar energy and conservation are on the verge of termination. How other nations must wonder when they see the United States suffering the self-inflicted wounds of the past two adminstrations. I would also remind the Members that we have armed conflict in the Atlantic for the first time since the Second World War. This conflict may have something to do with offshore oil, which is not a reassuring circumstance from a global energy perspective.

I hope that the Members of the House will consider this synfuels issue carefully, and not allow the Nation to be caught shortsighted again. Do not turn back the clock, keep our energy options open. The SFC funding is an important element of our defense budget.●

CONTRA COSTA SUPERVISORS SUPPORT NUCLEAR FREEZE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MILLER of California. Mr. Speaker, the movement to limit the production of nuclear weapons continues to grow as increasing numbers of men and women—in this country and around the world—recognize the futility of a military policy which relies on the obliteration of human society.

The voters of California will have the opportunity to vote for a freeze this fall, and I believe that an overwhelming percentage of the residents of my State will emphatically send a message to policymakers in Washington, Moscow, and other nuclear powers to stop this costly, perverse, and potentially catastrophic policy.

One of the very unique features of the freeze campaign is that it includes both conservatives and liberals, Democrats and Republicans, young and old. It is a movement which already includes a majority of Americans, and its numbers continue to swell.

The nuclear bomb which destroyed Hiroshima in 19 was a 12½-kiloton bomb. Jonathan Schell, in his profound book on the effects of nuclear war, "The Fate of the Earth," estimates that in an exchange of nuclear weapons with the Soviet Union, 10,000 megatons of atomic explosive force would be loosed on the United States. Sixty percent of our population could be exterminated with just 300 megatons.

This is not a policy based on protecting ourselves or defeating the Soviets, and the same holds true for that country's weapons planners. This is total insanity, a policy which if ever exercized means the obliteration of all human life.

The people of this country appear to have recognized the stupidity of such a policy, and they are speaking out. They will not countenance spending $900 million a day on weapons while vital human needs wither. They will not abide an administration which professes to support limiting the proliferation of nuclear weapons, but which advocates the expenditures of billions of dollars on futile civil defense programs and hundreds of millions of dollars on the production of additional nuclear warheads next year.

I am pleased that several cities in my congressional district have already passed resolutions supporting the nuclear freeze, and I congratulate Pittsburg and Martinez, Calif., for taking that initiative.

In addition, the county board of supervisors has recently passed resolution 81-456 calling on the President and the Congress of the United States to request the Soviet Union to join in the suspension of nuclear arms manufacturing. I am very gratified that the supervisors have taken this action, and I want to share the text of their resolution with all Members of the House.

The resolution follows:

RESOLUTION 81/456

Whereas we, as elected officials, are alarmed by an international political climate that increasingly presents nuclear war as a "rational" possibility; and

Whereas we are also alarmed at the nuclear arms race and the race to spend tremendous amounts of public funds on the arms race; and

Whereas present medical and scientific evidence shows that nuclear war, even a

"limited" one, would result in death, injury, and disease on a scale unprecedented in human history; and

Whereas medical disaster planning for a nuclear war is meaningless since most hospitals would be destroyed, most medical personnel dead or injured, most supplies unavailable, and those who survive initially would eventually die; and

Whereas the economic, ecological, and social fabric on which human life depends would be destroyed in the United States, the Soviet Union, and most of the rest of the world; and

Whereas worldwide fallout would contaminate much of the globe for generations, and the atmospheric effects would severely damage all living things; and

Whereas the present costs of preparation for nuclear war are so draining the national resources that local officials are unable to provide adequately for the general welfare, the very function we were elected to perform; and

Whereas we will not encourage the storage and transportation of nuclear weapons in Contra Costa County;

Now, therefore, be it resolved that we, the Board of Supervisors of the County of Contra Costa, California call on the President and Congress of the United States to ask the Soviet Union to join in a temporary suspension of nuclear weapons production, while seeking a permanent, international nuclear weapons ban. We make these pleas from a sense of crisis, and call upon our President and Congress to act with an equal sense of urgency.●

HERE'S TO THE DOERS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. JACOBS. Mr. Speaker, it is reassuring to know that once in a while unsung civic heroes are sung about a little bit.

Joseph Humbles is an especially hard-working, public-spirited citizen of Indianapolis and all of us who live there are the richer in many ways because of his tireless efforts on behalf of our community.

[From the Indianapolis Star]

Talkers, complainers, second-guessers we always have in rich supply. We never can get too many of the kind of persons represented by this year's Jefferson Awards winners—doers who may fail to make the world as good as they'd like, but do not fail for want of trying.

They are triumphs of the power of virtue, a quality some consider quaint. Not the beneficiaries, who have seen its fine works.

The Indianapolis Star is honored to honor these outstanding 10, but they are not alone. There are thousands of others who quietly and persistently labor much of their lives, doing good works and enriching the world around them. They add immensely to the happiness of others and their impact frequently extends far beyond this state's borders.

Awards were presented at a luncheon yesterday to Patricia Turner-Smith, Patricia L. Price, Joseph T. Maled, Joseph E. Humbles, and Lelia Chernish, all of Indianapolis; Rose Mary Peterink, Fort Wayne; George E. Lane, Bruceville; Sarah Hunt, Columbus; James B. Hill, Marion, and Charles R. Golay, Cambridge City.

Their biographies in The Star Sunday showed a rich mix of backgrounds, from a teacher in China in the 1920's to a homegrown industrialist and a forklift operator who gives lifts by van to the elderly on his own time. Most striking is the number who are not content with driving to success in one voluntary activity, but seek out different good work to be done.

So, too, did Thomas Jefferson through a life of dizzying achievement persist in finding new good to pursue. What a blessing!

The Star is grateful to the distinguished judges, headed by Gordon St. Angelo, who helped select these outstanding Hoosiers for all of us to thank and emulate.●

U.S. POLICY ON EAST BLOC A PATCHWORK

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SOLARZ. Mr. Speaker, in light of Congress' upcoming consideration of the continuation of the most-favored-nation trading status for Romania, I urge my colleagues to take note of the fact that serious problems exist in Romania, particularly in regard to the oppression suffered by Romania's minority populations and the long-standing, unresolved difficulties encountered by Romanian citizens who wish to emigrate, particularly to Israel.

Mr. Speaker, I am inserting in today's CONGRESSIONAL RECORD, the text of the following article which recently appeared in Newsday regarding U.S. policy toward Romania:

U.S. POLICY ON EAST BLOC A PATCHWORK

(By Roy Gutman)

WASHINGTON.—The Secretary of State was blunt. Romania, he told President Nicolae Ceausescu, could not receive additional U.S. credits until it got its finances in order. In the meantime, the United States would make no final decisions.

But, unbeknownst to Alexander M. Haig Jr., on the same mid-February day that he held 4½ hours of talks with Ceausescu in Bucharest, the National Security Council in Washington formally decided to deny the requested $65 million in commodity credits.

Romanian diplomats learned of the decision several days later in The Washington Post. Weeks later, embarrassed U.S. diplomats were still trying to explain it away to their Romanian counterparts.

State Department officials currently cite the incident as an illustration of the uncertainty, confusion and crossed signals at the top of the Reagan administration over how to deal with eastern Europe in light of the Polish crisis.

Two competing policy goals are at stake. One is to encourage Warsaw Pact countries to develop the greatest possible political and economic independence from the Soviet Union, a policy known as "differentiation." The second is to lend money on a business-like basis, that is with confidence that it will be repaid.

For more than a decade, these two objectives were compatible and mutually reinforcing, underpinned by the assumption that the Soviet Union, with its gold and oil resources, would provide a financial "umbrella" for its military allies, guaranteeing their bills in the west should they default.

This assumption was shattered by the Polish crisis. While Moscow did sell some of its gold reserves in order to help the Poles, it did not step in to prevent a Polish default. That was averted only because the Reagan administration and other western creditors chose not to foreclose. Now, U.S. officials say, no Warsaw Pact country, including the Soviet Union, is judged to be very creditworthy. This is why the administration has begun to urge western European governments not to bail out Moscow with low-cost credits. Less certain is how to devise a policy that differentiates between the Soviet union and its allies. Romania is a test case.

For more than a decade, Romania has ingratiated itself with the west and has infuriated the Kremlin by maintaining the most independent foreign policy in the Warsaw Pact.

On the other side of the ledger are its police state system, economic mismanagement, food shortages and domestic tensions. One western European foreign minister recently predicted that Romania would be the next Poland, that is, the next site of labor unrest within the Warsaw Pact. U.S. officials say there were scattered signs of politically related violence late last year, but no hint of widespread unrest.

In addition, there are Romania's financial problems. Its debt to the West was estimated at $11.8 billion at the end of last year, second only to Poland's $26 billion. Partly as a result of western bank withdrawals of deposits in Romania as the Polish situation worsened, Bucharest last year fell two to three months behind in repayments.

Although talks with private banks are under way, nothing will fall into place until Romania works out a new agreement with the International Monetary Fund, U.S. officials said. Romania got a $1.3 billion three-year line of credit last year, but it was suspended because Bucharest had failed to make the economic reforms required by the IMF.

In the case of the $65 million U.S. commodity credit, it originally had the support of the State, Commerce and Agriculture Departments and opposition of the Treasury and the Budget Office, officials said.

A senior aide said the State Department decided not to seek a decision on the funds while talks proceeded between Romania and its creditors, but the staff of the National Security Council pushed for a flat rejection. Some State Department officials said they viewed the NSC move as muscle-flexing by hard-liners who would prefer to "pull the plug" on trade and credit ties with Warsaw Pact states.

Such an attitude, which was also reflected in the debate over the Polish insolvency, can only encourage hard-liners in Moscow to try to tighten the screws on Romania, heightening east-west tensions and jeopardizing a decade of the differentiation policy, U.S. diplomats said.

The debate now turns on what to do next if, as expected, Romania is able to reach agreements with the IMF and its private creditors.

State Department officials said the $65-million commodity credit will then become a live issue again. A White House official dis-

agreed. "If you're going to do it at all, you're really better off giving it away because lending isn't going to help their financial situation, it will make it worse," he said.

He said the administration was considering offering Romania feed grains worth $60 million to $70 million under the Public Law 480 Food-for-Peace program, which can be repaid in soft currency.

That was news to at least one senior State Department official with responsibility for eastern European affairs. Another senior aide characterized it as "an idea some people have had" but whose time had not yet come.

"From a political standpoint, our policy is one of differentiation. But from a strictly commercial-and-financial standpoint, Romania is not creditworthy now," said the White House official. He added that financial decisions should be made on financial, not political, grounds.

But setting such priorities, a State Department official said, implied a political decision that would eventually rob the differentiation policy of any meaning.●

WASTEWATER PROJECT FUNDING NEEDED

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HUBBARD. Mr. Speaker, as debate begins today on the emergency supplemental appropriations bill, Mr. James E. (Buddy) Ward, the mayor of Princeton, Ky., has written me a letter urging speedy passage of the bill in order for cities like Princeton to receive the funding necessary to begin construction of wastewater treatment facilities. I believe Mayor Ward's letter is one which should be shared with my colleagues and I wish to do so at this time:

DEAR REPRESENTATIVE HUBBARD: We are writing this letter to express our concern over the continuing delay in appropriation of Federal funds associated with construction of wastewater treatment works. As you know, on December 29, 1981 President Reagan signed the Municipal Wastewater Treatment Construction Grant Amendments of 1981 into law authorizing up to $2.4 billion per year for construction of wastewater treatment works during fiscal year 1982 through 1985. Although the construction grant funding has been authorized, Congress has not approved the necessary appropriations bill to make the funds available to each state for use. It is our understanding that the proposed construction grant funding, which will be administered by EPA, is included as a portion of HR 5922 which is still being reviewed in the House Appropriations Committee and has yet to be introduced on the House floor.

Construction of a new wastewater treatment plant to serve the City of Princeton is vital to continued growth of our City. We have recently submitted project plans and specifications to the Kentucky Department for Natural Resources and Environmental Protection for review and approval and are hopeful of receiving Federal funds during Fiscal Year 1982 to construct the proposed wastewater treatment facilities. We, therefore, ask for your assistance and support in approving the appropriations bill, HR 5922, when it reaches the House floor.

Your continuing cooperation and assistance on behalf of the City of Princeton is greatly appreciated. Should you have any questions or need additional information, please don't hesitate to contact me.

Yours truly,

JAMES E. WARD,
Mayor.●

HOUSE CONCURRENT RESOLUTION 309 CONGRATULATING HADASSAH, THE WOMEN'S ZIONIST ORGANIZATION OF AMERICA, ON THE CELEBRATION OF ITS 70TH ANNIVERSARY

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 11, 1982

● Mr. FORD of Michigan. Mr. Speaker, House Concurrent Resolution 309 which congratulates Hadassah, the Women's Zionist Organization of America on the celebration of its 70th anniversary, enjoys broad bipartisan support. In addition, it is supported by the sponsors of House Resolution 374, a similar proposal drafted by the gentleman from Pennsylvania (Mr. MCDADE). Further, an identical resolution has passed the Senate with 40 cosponsors.

As the largest women's volunteer organization in America, with 370,000 members, Hadassah has seven decades of remarkable achievement behind it. Hadassah has contributed to the health, education, and safety of countless thousands of people through its comprehensive program of medical research, treatment and social welfare.

Since World War II, under the auspices of the Jewish Agency for Israel, Hadassah has helped to resettle in Israel and rehabilitate over 100,000 children from 72 lands. In addition to this rescue work, Hadassah established a comprehensive system of vocational education to train young men and women with useful skills.

Hadassah founded and maintains the Hadassah-Hebrew Medical Center in Jerusalem, Israel. This center has established a tradition of excellence in teaching, research, and treatment for all peoples of the region regardless of religion, race, or nationality on the basis of the oath of the Hebrew physician: "You shall help the sick, base or honorable, stranger or alien or citizen because he is sick."

Hadassah's contribution as a humanitarian service organization is especially significant at this time, when citizen groups are being urged to play a greater role in promoting the general well-being. Through the dedicated work of its members, Hadassah has striven to help promote democratic ideals and create a better society for all peoples.

It is timely and appropriate to honor Hadassah by adopting this resolution.●

THE CONFLICT IN CYPRUS

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROSE. Mr. Speaker, on April 22, my colleagues Mr. BROOMFIELD and Mr. YATRON, conducted a special order calling for a peaceful settlement to the conflict in Cyprus. Although I was not able to join them on that day, I would like to take this opportunity to associate myself with their remarks and share some thoughts of my own on the necessity of resolving the current conflict in Cyprus.

For some time now, Turkish military forces, equipped with U.S. armaments, have occupied the small island nation of Cyprus. As a result of this occupation over 200,000 Cypriots have been forced to leave their homes and villages, and they have essentially been forced to live as refugees within their own homeland. The economy in Cyprus has deteriorated quite steadily since this occupation, and without a peaceful settlement, it seems likely that this deterioration will continue. The effects on the personal dignity of the Cypriots of this occupation have no doubt been substantial and, for all practical purposes, are probably immeasurable.

The intercommunal negotiations conducted by the United Nations between the Greek Cypriot and Turkish Cypriot representatives have thus far yielded no results, other than diplomatic rhetoric. As we well know, rhetoric sounds good, but usually hides a failure to face the real issues, in this case a tragic and illegal occupation of the Cyprus nation.

Mr. Speaker, I think it is time that Congress send a message to the people of Cyprus assuring them of our continuing interest in this illegal occupation, and also to the United Nations, urging them to deal with the real issues here and forget the diplomatic rhetoric. A resolution to the conflict is important for not only the people of Cyprus, but the world as a whole. The solvency of the nation of Cyprus should be a concern of all nations, and the Cypriots right to live free in their own homeland should also be a concern.

I would like to join my colleagues in calling for the resolution of this conflict, and in calling upon the United Nations to work harder at achieving an equitable and peaceful settlement on the island of Cyprus.●

UCLA DEBATE TEAM WINS NATIONAL CHAMPIONSHIP

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DORNAN of California. Mr. Speaker, I would like to recognize the outstanding performance of the UCLA debate team at the recent national championships.

The UCLA debate team won the national championship in the competition sponsored by the Cross Examination Debate Association, the largest national collegiate debating society in America. UCLA's outstanding achievement was recognized at the final tournament of the year, the Great Western Invitational held at the University of Nevada at Reno, April 1-5, 1982.

On the road to the national championship, the UCLA debate team placed first 24 times this season. In addition, a new college record of 11 tournament wins in one season was set by Lisa Allred of Burbank and Keith Fink of Bel Air. Other team members making significant contributions to the national championship were Evan Caminker of Cypress, graduating senior Robert Hartmann of Huntington Beach, Gia Rae Paladino of Burbank and Michael Veregee of Portland, Maine.

Led by Thomas Heinkel Miller, director of forensics for UCLA's College of Letters and Science, Division of Honors, the win capped a near perfect year. In the past 2 years the team has finished second and third in the Nation.

Other team members helping to dominate the 250 other colleges and universities in the competition were Katie Buckland of Westlake Village, Kimberly Doo of Turlock, Zakia Feres of Cerritos, Timothy Fulkerson of San Francisco, Bill Grisolia of Kansas City, Kans., Robert Louk of San Marino, Laura Lovett of San Diego, Steve Oetting of Sherman Oaks, Daria Roithmayr of Moss Point, Miss., Hal Shwimmer of Beverly Hills, Ted Spanos of Bakersfield, and Arthur Wang of Redlands.

Assisting the team were coaches Ron Carr of Alhambra, Kevin Beachem of Los Angeles, Gina Liudzuis of Glendale, Rich Simon of Northridge, Brad Zerbe of Washington, D.C., and administrative assistant Hazel Richmond of Los Angeles. Deans E. Bradford Burns, Gerald Kissler, and Eugene Weber were invaluable in their unceasing support for forensics.●

MISSOURI'S SMALL BUSINESSMAN OF THE YEAR

HON. WENDELL BAILEY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BAILEY of Missouri. Mr. Speaker, President Ronald Reagan has declared the week of May 9-15, 1982 as Small Business Week. During this commemorative occasion, we recognize small businesses as the cornerstone of our free enterprise system. More importantly, we recognize the men and women behind those businesses—people whose entrepreneurial spirit have succeeded in making America the land of opportunity, independence and fulfilled dreams.

Missiourian James Held is a prime example of that spirit and success in our small businesses. His story is one I would like to share with you.

During the age of prohibition, mushrooms replaced the outlawed wine casks in the damp wine cellars of Stone Hill in Hermann, Mo. Hermann was widely known for its winemaking from 1847 to 1917—it was the third largest winery in the world. But not until 1965, when Jim Held took over Stone Hill, did the grape presses once again begin to churn. With only $1,500 in capital, 4 acres of grapes, and an ancient handpress, Jim Held reopened Stone Hill. He set his sights on once again making Hermann foremost in fine wines.

The Stone Hill Winery Co. now employs between 16 and 22 people and produces 54,000 gallons of 16 different wines annually. Each year, some 135,000 people visit the old restored winery, and some 30,000 come for the Oktoberfest in the fall.

Jim Held recently won honors as Missouri's Small Businessman of the Year. Judges in the statewide small business competition were particularly impressed with the entire Held family's commitment to the winery operation. Jim's wife, Betty, and their four children have toiled long and hard for 17 years in the winery. And their efforts are paying off. The wines have won six gold medals at the Missouri State Fair. The Stone Hill Winery Co., with its rich past, should enjoy an equally rich future—for the Jim Held family, for Hermann, Mo. and for small businesses all across our great Nation.●

GOVERNOR DE LA MADRID

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, as a member of the Commission of the Californias, I would like to join with the vice chairman and head of the California delegation to the Commission, Dr. Albert Anderson, in saluting Roberto de la Madrid, Governor of Baja California and a great and respected friend of the Commission.

I would also like to draw the attention of this house to the following articles by Frank Rhoades concerning Governor de la Madrid:

ARTICLES CONCERNING GOV. DE LA MADRID OF BAJA CALIFORNIA

(By Frank Rhoades)

MEXICALI.—"Nobody addresses me as governor," said the governor of Baja California.

"Everybody calls me by my first name," said Roberto de la Madrid.

Roberto likes that.

He has introduced into the governor's office a casual atmosphere previously unknown there.

No stiff business suit for this head of state. He had hustled into his big executive office in the state building, wearing a short-sleeved sport shirt with a multi-colored neckerchief knotted at the throat.

Ruben Radilla and I had been waiting there as his luncheon guests. Ten years had passed since Ruben introduced me to Roberto, at the time a Tijuana oil distributor, one who had never dreamed of becoming governor.

There was a brief delay before the three of us really got together in the executive office. A women's bowling team was being excorted in to pose with Roberto for news photographers.

The women presented to Roberto a blue and yellow outfit that looked like a warm-up suit. Despite the temperature of 70 degrees, he wore the jacket all during the 15-minute conversation with the bowlers.

Such posing is an almost daily occurrence because Roberto has become known as "the sports governor."

During four years and five months of his six-year term, he has built for the public throughout the state 368 facilities for all kinds of athletics.

The bowlers left and Roberto said: "It's nice of you guys to come over." He hadn't changed in the least as governor. His fair skin, blue eyes and pearl-toothed smile gave off the same old glow.

Personality and his eloquence in both Spanish and English just may be the greatest asset to his political life.

He never turns off the personality and the warmth that makes even a stranger feel that de la Madrid, at the moment, would rather see him than anyone else alive.

Too, his fine English vocabulary is a thing to be prized at a time when his state is crying for tourists from north of the border.

As governor, Roberto makes 70 key appointments. To fill the jobs, he has chosen young men, average age, 26. They are good looking, wearing business suits for the most part, and virtually all speak English.

"They've got the go," Roberto said. He made a fist and jabbed the air.

Walking around the executive office, Roberto plainly looked like a man of great vitality and much younger than his 60 years.

"I take a two-hour workout early each morning," he said. "Otherwise, I couldn't take the pressure. I see 300 to 400 people a day.

"Anybody who has a problem wants to see the governor. You can't turn any of them down. I tell many, 'I can't do anything for you directly, but I will intercede for you.'

"Then I phone the appropriate department head and ask questions about the problem. I do all business by phone. I haven't dictated 4½ letters in the 4½ years I have been governor. Letters only increase paper work.

"Much of the time, nothing can be done about a caller's problem, like a woman I saw a few minutes ago. In a divorce, her husband got their children and she wanted them back."

Only part of the 300 to 400 people the governor sees daily come as lone individuals. The others come in groups representing organizations. Roberto addresses them from the podium of a chamber that contains 78 theater-style seats.

Others are members of civic clubs that request him as a speaker.

"And besides all these people, there are the ones who wait for me outside the church or stop me while I'm jogging," the governor said.

I looked around the executive office once more. Furnishings included a conference table that seats 14, divan, chairs, the governor's desk, and a carpet so deep it was like walking in snow.

Altogether, the office in its elegance was fit for any chief executive.

Roberto gave the signal that we were leaving for lunch by slipping into the coat of his white leisure suit. Then he put on a brown suede hat with fashionably turned-down brim. He looked jaunty.

MEXICALI.—The governor of Baja California Norte got up from the luncheon table and stepped to a small buffet to cut us a plate of assorted cheeses.

Roberto de la Madrid was not downgrading the dignity of his office, because only three of us were in a private dining room at the Bum Bum Restaurant, all old acquaintances.

But somehow it did point up once again the casual touch that has become characteristic of his administration. Earlier in the day he had said: "Nobody addresses me as governor. Everybody calls me by my first name."

We didn't need the cheese. We had found the table laden with great portions of oysters on the halfshell, fresh shrimp and crab legs. Moreover, the entree was still to come.

Roberto placed the cheese on the table and I said something about the food being so good and he said: "I usually eat lunch in my office. It's catered from here."

I was puzzled by the name of the restaurant, which is pronounced Boom Boom. And I had been surprised that we could enter the little private dining room through a sliding glass door on the sidewalk.

I never got a satisfactory explanation of the name, but it seemed safe to assume it is a salute to good food. Presidents of Mexico and visiting ambassadors always eat there.

Talking about the drain on a Baja governor's time, Roberto said: "We do less socializing than we did before.

"I belong to no clubs. I must attend some ceremony most every evening, but I don't stay. I limit speeches to 12 or 15 minutes and I don't show up until time to talk. When that is finished, I leave. I never eat."

One Bum Bum waiter poured three glasses of white wine and another served the main course: baked sea bass and totuava, green beans and three-inch ears of corn.

(The wine went virtually untouched. Roberto took a single sip, and the third man at the table, Roberto's old pal, Ruben Padilla, is almost a teetotaler. And I always say who wants white wine when you can have golden tequila and orange juice.)

The governor became suddenly very serious. He said: "Ensenada is destined to become the most solid city in the state. Because it has everything: tourists, industry, fishing, mining, commerce, the port and agriculture."

Roberto has an office in Tijuana and another in Ensenada. He said: "I go to Tijuana (his hometown) once a week, because it has the most problems of the major cities. I go to Ensenada every two weeks."

De la Madrid and Padilla went through the sliding glass door to Roberto's Ford LTD. I stayed behind for a moment to talk to the restaurant owner, Aziz Nahoul, who came here long ago from Beirut.

I complimented him on the food and he said: "This was nothing special for the governor. It was just our commercial fare."

We backed away from the curb in the LTD, a motorcycle policeman on hand to clear the way through traffic. I didn't know it, but we were headed for the governor's mansion.

Padilla made some crack about the governor having no driver and Roberto said: "We do our own driving, my wife and I both."

It was plain from the way he said it that the de la Madrids had rejected chauffeurs.

"We are going to the house," Roberto enlightened us.

"The house" is the governor's mansion, and it is, indeed, a showplace. Not overly furnished but elegant. On one sitting room wall was a recent portrait of the state's first lady, still looking for all the world like Elizabeth Taylor.

Padilla wanted to see the conditioning room where Roberto takes a two-hour workout each morning to be equal to "the pressure" of his gubernatorial duties. He had said he comes in contact with 300 to 400 people daily.

Padilla looked at all the exercising equipment and I tried to draw Roberto into a discussion of his participation in athletic pastimes.

He is the horseman who, years ago, organized Tijuana's first charros. He is a veteran on the tennis court and recently has taken up golf.

But Roberto wanted to discuss his archery. In the foyer of the mansion, he showed us two arrows. One needlepointed arrow had been shot clean into the feathered end of the other. Both still were coupled.

"You shoot at 100 feet," Roberto said. "The odds against doing it once are 1 million to 1. The odds against doing it again are 10 million to 1." He was speaking now with solid satisfaction. "This is my second."

But the elation didn't last. He soon was talking about the Baja budget coming up 20 percent short due to devaluation of the peso.

"I'm going to Europe this summer. It was a trip I had canceled because of inflation. Now I'll go looking for industrial investors."

He'll do business with them if he gets them into the Bum Bum, and they like tequila.●

OPPOSES SUGAR PROGRAM

HON. LYNN MARTIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. MARTIN of Illinois. Mr. Speaker, during the consideration of the 1981 farm bill, I, along with a majority of this body, voted against the establishment of a sugar price support program. When the sugar program was put back in the bill in conference, I supported the farm bill with the assurance that the cost of the program to Government and consumers would be minimal, if there was any cost at all.

Now, less than 1 year later, we are informed that import quotas are needed to protect the Federal budget from massive outlays in supporting sugar prices. Further, we are informed that the cost of these import restrictions to consumers will easily exceed $1 billion and may go as high as $3 billion.

Mr. Speaker, the auto industry in my district is suffering from the rigors of international competition and we are not barring auto imports. The farmers in my district are experiencing depression-level income and no measures to restrict meat imports are on the Legislative Calendar. But sugar consumers across the country are going to be pickpocketed to protect sugar prices. Such action can only confuse our trading partners and makes a farce of our commitment to free trade.

I realize that sugar is the world's most political crop and my objection to this program is not a result of the absence of sugar production in my district. In fact, my part of Illinois grows one heck of a lot of corn, and the market for corn sweeteners is greatly benefited by higher sugar prices. There is a principle of free trade involved, however, that should not be easily abandoned to support commodity prices. How can we conduct negotiations with Japan on quantity limits and criticize the European Economic Community for barring our exports when we engage in trade protectionism.

The cost to consumers of maintaining sugar prices and its inconsistency with free trade are not acceptable. I am announcing my cosponsorship and support of legislation to repeal the sugar price support program and I urge my colleagues to also consider such action.●

STATEMENT ON INTRODUCTION OF A BILL TO PREVENT RETROACTIVE TAX RECLASSIFICATION OF A BINDING CONTRACT FOR LEASE OF A MOTOR VEHICLE

HON. KEN HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. HOLLAND. Mr. Speaker, today I am introducing legislation to prevent a retroactive change in tax treatment of certain binding contracts for lease of motor vehicles before publication of a new rule either by statute or by prospective regulations.

NEED FOR LEGISLATIVE ACTION

The need for this legislation arises because the Internal Revenue Service has taken the position that the inclusion of a terminal rental adjustment clause in a motor vehicle lease causes the lease to be treated for tax purposes as a conditional sales contract, thereby reclassifying the transaction into something other than what the parties negotiated for their business purposes. The tax consequences of this reclassification policy, of course, is that depreciation deductions and investment tax credits otherwise available to an owner-lessor with respect to his leased property are disallowed.

Terminal rental adjustment clauses have been used by the motor vehicle fleet leasing industry for more than 30 years to insure that rental payments during the course of a lease reflect the true cost of using the vehicle during the period in question. These clauses provide a means of adjusting the total rental price of a leased vehicle, either upward or downward or both, at the end of the lease or actual use by the lessee to reflect the amount realizable by the lessor upon sale or other disposition of the vehicle. The presence of such clauses in the standard industry lease has for three decades protected the lessor's interest in the salvage value of his fleet against neglect or abuse by lessees. Similarly, a rental adjustment clause enables a lessee to reap the rewards of turning in a vehicle in such good condition that its resale value exceeds the parties' original salvage value estimate.

Notwithstanding the important business purposes served by rental adjustment clauses and its own longstanding audit position that recognized contracts with such clauses as true leases, the Service adopted its new position and stated in a technical advice memorandum published in May 1980 by the national office as LTR 8019120 that it would be applied retroactively. This action by the Service, applicable to existing as well as future contracts, was taken without benefit of any prior notice to Congress or to the public and without any public hearings allowing interested parties to express their views.

Moreover, despite a subsequent ruling by the U.S. Tax Court in the April 1981 *Swift Dodge* case that the new Service position is wrong, the IRS continues to apply the new position retroactively in auditing selected motor vehicle fleet lessors. This is a clear case where retroactive application of a change of position concerning the tax effects of a contract binding on the parties ought not be permitted. Prompt legislative action is, therefore, necessary to insure that no changes in the tax treatment of motor vehicle leases with terminal rental adjustment clauses occur absent a change in the law or a prospective change in Treasury Department regulations after adequate notice and hearings.

EFFECT OF THE BILL

The bill that I am introducing today is not the first legislation which has been proposed in response to the new IRS position concerning the tax effect of terminal rental adjustment clauses in motor vehicle fleet leases. Following publication of LTR 8019120, the then chairman of the Committee on Ways and Means, our former colleague, Mr. Ullman, introduced H.R. 8073 (96th Cong.) and held hearings on it and other legislation in September 1980. H.R. 8073 would have required the IRS to determine the tax treatment of automobiles and truck leases executed prior to January 1, 1981, without regard to the presence of rental adjustment clauses. I reintroduced his proposal in March 1981 as H.R. 2837 and, in May 1981, identical legislation was introduced in the Senate by Mr. ARMSTRONG, of Colorado, as S. 1111.

Shortly thereafter in June 1981, our colleague from Florida, Mr. GIBBONS, introduced legislation which took a different, and in my view improved, approach from that taken in the earlier bills. Under Mr. GIBBONS' bill, H.R. 3857, legislative action by Congress would have been required before the IRS could reclassify an automobile or truck lease either prospectively or retroactively because of the presence of a terminal rental adjustment clause.

In continuing the legislative effort on this subject, I have followed Mr. GIBBONS' bill closely. Because it is intended to achieve the same basic purposes as H.R. 3857, my bill differs from the Gibbons bill in only two respects. First, my bill covers leases of all types of motor vehicles, including trailers. Second, my bill would allow changes in the tax treatment of motor vehicle leases with terminal rental adjustment clauses to be effected either by congressional legislative action or by prospective Treasury Department regulations.

In proposing this response to the new IRS position, I do not mean to suggest that I believe a change in the historic tax treatment of motor vehicle fleet lessors is warranted, even on a prospective basis. To the contrary, I view my bill, in accordance with the theory and result of the Tax Court decision in *Swift Dodge*, as declaratory of existing law. Therefore, my bill is based on the premise that neither Congress nor the Treasury Department would consider any such changes until the Department has conducted a major policy level study of the economic and tax issues bearing on the question whether there is a sufficient reason to deny fleet lessors the depreciation deductions and investment tax credits otherwise allowed owner-lessors of depreciable business property. My bill does not require such a study. However, it certainly contemplates that no change would be made without a thorough analysis of these issues.

Moreover, if such a study indicated a need for change, my bill anticipates that any proposals for change to be effected at the administrative level would be in the form of a major legislative regulation which would be developed by all interested policymakers within the Service, the Treasury Department, and the Administration. Finally, my bill expressly provides that no such legislative regulation could be finally adopted until it had been considered in open, public proceedings in which, after due notice, opportunity was provided for comment and participation not only by affected business taxpayers but also by interested members and representatives of the public.

In conclusion, it is also important to note that the bill being introduced today is revenue neutral. It merely prevents the IRS from changing a position it has generally followed on audit for close to three decades until either Congress or the Treasury Department acts to effect such a change. Moreover, uniform application of the new IRS position to motor vehicle fleet lessors could be costly to the Government when the expenses connected with unproductive tax controversies and litigation on an industry-wide basis are considered.

This bill is thus an equitable and reasonable response to the question of how motor vehicle fleet leases with terminal rental adjustment clauses should be treated for Federal tax purposes. I urge its prompt enactment.●

THE RETIREMENT OF W. ERSKINE RUNCIE

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MINISH. Mr. Speaker, as a member of the House Committee on

Banking, Finance and Urban Affairs, I am used to dealing with the concerns of the American financial community as an institution. Today I would like to note an event which shows the human side of banking, the retirement last month of Mr. W. Erskine Runcie of Maplewood, N.J., after 55 years' exemplary service with the Maplewood Bank and Trust Co. I can certainly agree with the assessment of Dr. John Runcie, Mr. Runcie's son, that in this era of transient lifestyles, such loyalty and longevity are noteworthy.

Mr. Runcie's association with Maplewood Bank and Trust began in 1927, before the Great Depression, when he went to work as a transit clerk. Advancing as a teller, a general bookkeeper, and loan clerk, he was appointed assistant treasurer of the bank in 1942. After service in the Army Air Corps in North Africa and Europe, Mr. Runcie returned to assume the post of assistant trust officer, later becoming vice president and trust officer. In 1969, he became executive vice president and trust officer and a member of the board of directors, advancing to president in a few months. In 1973, he became chairman of the board of directors. Since stepping down from that position, Mr. Runcie has continued to serve as director and consultant to the trust department.

Born in Philadelphia, Mr. Runcie has been a lifelong citizen of Maplewood, which has benefited from his energies just as the bank has. Treasurer of the town civic association and of St. George's Episcopal Church, where he has been an active member of the congregation, vestryman, and member of the choir for many years, Mr. Runcie still found time to enhance his financial expertise by continuing to take courses in banking at Rutgers University and elsewhere.

Not the least of Mr. Runcie's contributions to society has been his raising a devoted family, including John, James, now an attorney in Burlington, Vt., and Sally R. Hayward of Grand Forks, British Columbia. He and his family now look forward to his retirement with his devoted wife, Carol. I would predict that Mr. Runcie's retirement from the banking profession will free him to contribute even more of himself to his family and to the people of Maplewood.

Mr. Speaker, I feel it appropriate to congratulate Mr. Runcie on his exemplary career and wish him the happiest of retirements.●

BUILDING AMERICA TOGETHER

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. RAILSBACK. Mr. Speaker, I would like to take this opportunity to share with my colleagues the recent achievement of one of my constituents, Andrew Burwell.

Andrew, a distinguished and active high school student at Galva High School, is the recent winner of the Illinois Voice of Democracy Scholarship Program. I wish to submit for the RECORD a copy of his winning essay.

The Voice of Democracy Scholarship Program is an annual national competition for secondary school students sponsored by the Veterans of Foreign Wars of the United States. This year more than 250,000 students participated in the contest competing for five national scholarships, including a first prize of a $14,000 scholarship. The contest theme this year was "Building America Together."

I wish to extend my congratulations and commendation to Andrew for his patriotic and exemplary essay. I hope my colleagues will find his work stimulating and enjoyable. The essay follows:

1981-82 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM—ILLINOIS WINNER, ANDREW BURWELL

The last beam of light peers through the paper thin crack of the heavy steel door, then no more. The heavy door is shut, and you are in the world's first time machine. It is through a small instinct that suddenly you feel a miracle. You are heading back in time. You then hear a sound, a voice far in the distance saying, "We the people, in order to form a more perfect union."

The voice becomes louder and louder, suddenly a jolt. Time has stopped. The voice is heard at its climax, as if it is coming from right outside your time machine. The voice once again bellows out,

"We the people in order to form a more perfect union," then continues on, "establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty to ourselves and our posterity do ordain and establish this constitution for the United States of America."

Chills run down your back. You recall from your history class that this was the reading of the Preamble, the introduction to the Constitution, and one of the first and most important steps in "Building America Together".

Your mind falls into a deep thought, and you realize that it was the Preamble that introduces the Constitution with a statement of aims. It is the Preamble that firmly bases the Constitution on we Americans. You then recall the line,

"We the people do ordain and establish this constitution for the United States of America," and notice the verb "do" is in present tense. Thus does the Preamble allow for future flexibility and is renewed each day by we the people.

The Constitution, our guidebook up through history for America has given to us our stability in government today. The amendments too have given us rules by which we Americans followed. Our new government was at work.

Your thoughts reverberate through a scan of America's past. You recall Washington and his great leadership as President and chief political figure during the first ten years of our new government. You recall purchases of land such as that of the Louisiana Territory to make room for our growing country. Then suddenly a rumble, the rumble of cannons, guns, and screaming men. You remember the moments of war by which our countrymen fought endlessly to keep our country prestigious and free. Some were killed and some survived. These men are the bodies which allowed our country to be the "land of the free and the home of the brave."

Our country was at a constant growth. Industry and agriculture began to grow and seemed never to halt. Inventions such as steam locomotives, cotton gins, telegraphs and steel plows came in great use. These inventions aided in our building of America because of the fact that they brought in more people, people who strived to be Americans. These were the people who wanted to help build up America's pride, a pride that would keep building.

Tears have formed in many eyes. Part of that tear was for happiness and part for sadness. You close your eyes and ponder on all the recollections of America's past. Upon opening your eyes, a beam of light enters your time machine once again. You have stopped. You open the door and step onto the vast land of freedom. It is the present time, nineteen eighty-one. You are not back at home but on the front steps of the Capitol Building in Washington, D.C. You think about what we, the people of America, are doing now to build our country together. Unity pops into mind. America has unified and begun to cope with many of today's possibilities of war and depression by settlements rather than disputes. We stand tall for our fellow Americans and support them in time of need. We are able to work together and build today's technology.

Computers aid us in achieving easier ways of organization and knowledge. New types of energy are being found so that America can continue prospering into the future.

Men are being trained to fight honorably for our country in case of war. Then there is you. You are helping in the building of America by going to school and obtaining the education you need. An education that could someday lead you to the place of importance like that of Jefferson, Washington, Lincoln and all the other people in America's history.

As you proceed to lead back to your time machine, you notice that it is gone. Then suddenly with a wonder of suspicion, a small instinct once again enters your mind. An instinct that tells you, we learned from the past and are forever grateful, but to maintain our freedom and prestigiousness, we must continue prospering and building America together into the future.●

WOOL PROMOTION PROGRAM

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WAMPLER. Mr. Speaker, today I am introducing legislation, at the request of the U.S. Department of Agriculture, that amends the National Wool Act of 1954 to allow the Department to recover its costs incurred in connection with the promotion program under the act.

The Department provides oversight on research, education, and promotion programs for a number of argicultural commodities. With the exception of the promotion program for wool, the Department is fully reimbursed for its costs.

This bill proposes to eliminate the Federal funding of costs incurred in the administration of the promotion program by authorizing the reimbursement of these costs from payments due to wool producers under the wool support program. Estimated costs will approximate $23,000 or 23 cents per wool producer per year. In addition, the proposed bill provides for the recovery of the Department's costs incurred in the conduct of the wool referendum. Reimbursement to the Department in 1982 is estimated at $128,000 or about $1.28 per producer. If enacted into law, this bill would place the promotion program for wool on a comparable basis with similar type programs which are administered by the Department.●

A TRIBUTE TO MR. J. WILMER CRONIN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DYSON. Mr. Speaker, today I would like to rise in tribute to a man who epitomized the virtues of Maryland and the United States. J. Wilmer Cronin died April 28, 1982, but his contributions to his community, State, and country will live on forever and be matched by few. His love of humanity and democracy made him a true leader in his community and profession. Never one to personally impress upon others the depth of his involvement and commitment to the lives of Marylanders and Americans, it must be left up to his friends and admirers, those who loved and respected this great man, to honor him with words today and with profound affection in our hearts forever.

For 62 years Senator Cronin worked as editor, publisher, and owner of Maryland's Hartford Democrat and Aberdeen Enterprise. He toiled in all aspects of the newspaper business, and was especially proud that his paper was an open forum for community debate and discussion. His dear friend, Eleanor Tydings Ditzen said of him:

He was a high minded man of great character, unflappable calm, and quiet effectiveness. He had time always for all good causes. He worked hard for his community, his country, his state, and of course, his nation. He was a great leader and a great friend. I think that the world was a better place because of Wilmer Cronin and I wish there were more people like him.

He was a faithful and true advocate of the democratic process, volunteering tireless hours in his community, working with a wide variety of people on a staggering array of projects and causes. He loved his fellowman and strove to help improve the lives of all citizens, black and white, rich and poor. His love and commitment to equality under the law, exemplified by his 63 years as an attorney, enhanced his ability to counsel and aid those who needed his help most. Long-time friend, William S. James, State Treasurer of Maryland, has said:

I had sincere affection and admiration for him. He had an interest in practicing law but at the same time he was ready to support all worthy causes and worthy organizations. He used his newspaper as an instrument of public trust. In a democracy like ours, the highest accolade you can pay is that a person was one of good citizenship—Wilmer Cronin was a good citizen in our community.

He was a Democrat, but was loved, indeed revered, by men and women of both parties. His service in the Maryland House of Delegates and Senate underscored his commitment to public service and is remembered fondly by his friends. Louis Goldstein, comptroller of the State of Maryland, stated:

For 44 years I knew this wonderful man and worked with Wilmer Cronin as a member of the Maryland General Assembly. He was a dedicated family man of many titles. He accumulated these titles just as he accumulated his many friends, through a long life of active, dedicated interest and service to his community, his county, his state and his nation. I will always remember the kindness that he and Mrs. Cronin extended to me in 1940 when I was the youngest member of the Maryland delegation going out to Chicago—who didn't know too much about the way of the world and they acted as advisor and chaperone and I came back home without getting into trouble. Wilmer Cronin's life was full of interest and was full of people. People knew him as an outstanding attorney, as an advisor, a legislator, a newspaper editor and publisher, as an elected and appointed official. In all of his careers and each of his endeavors, Wilmer Cronin was of service to his fellow citizens. His was a life of enthusiastic service in many fields and at many levels and countless numbers of us benefited from his advice, his help and his friendship. He truly dedicated a life of service to others. His very essence was giving. His presence will be missed, but his legacy of love, respect and service to his wonderful family and his fellow citizens will always remain.

Throughout his life, J. Wilmer Cronin believed in democracy and in making it work for all citizens. Because of this, he was the recipient of many awards for service to his community, State and country. Yet these awards were small tokens of our feelings for this wonderful, gentle man. No award or tribute can truly describe the depth of our feelings for him, and how sadly he will be missed by those who worked with him, were helped by him, and were touched by his love and his goodness.

J. Wilmer Cronin was ours and we loved him beyond the telling of it. He was such a part of Harford County and the State of Maryland that it is difficult to think of either without him. He was always totally ours and he always made us feel so completely his. In victories he taught us sharing. In defeats he taught us to be without hate, to learn, to rally, to accept the challenges of life, to move forward and to try again. Senator Cronin believed that good men and women together could accomplish anything—even the most impossible of dreams. Regardless of what opposed him in life, he constantly sought to find that touchstone within the soul which would release that impulse for fair and honest solutions.

We watched him season with the years, watched the gray come into his hair. Best of all, we watched him slowly become what he was. His life, I believe, was the fulfillment of the American dream. We will miss him, but we will never forget the legacy he left.●

PERSONAL EXPLANATION

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MARRIOTT. Mr. Speaker, I was unable to be present on the floor on the House of Representatives yesterday for rollcall Nos. 66, 67, and 68. Had I been present I would have voted "yea" on H.R. 6294, Emergency Housing Authorizations Act for 1982, "yea" on H.R. 3481 Pre-Trial Services Act, "yea" on H.R. 861 Trial Services Act.●

SAN DIEGO ESSAY CONTEST

HON. BILL LOWERY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LOWERY of California. Mr. Speaker, young people often display wisdom beyond their years as illustrated in the following essays concerning

the elderly, written by San Diego City schools, sixth grade students.

I applaud these students' efforts and call the attention of my colleagues to their fine work.

OLD AGE IS OUR NATION'S CONCERN

(By Armone Genaro, Del Mar Heights School)

All of us grow old. Therefore it is important to have something to look forward to in our old age. For instance, let's take housing. Our Nation should provide the elderly with good low-cost housing because most senior citizens are retired from active employment and live on limited income, which means they cannot afford high mortgage or high rental payments.

Also, the majority of our nation's senior citizens cannot afford expensive medical care. It becomes apparent then that in order for the elderly to enjoy good health and adequate medical treatment our nation must provide medical programs which are in keeping with the needs and financial abilities of the elderly.

Such things as hospitals, clinics, and educational programs about physical fitness and nutrition must be available to all citizens of our nation, namely the elderly.

The senior citizen has a lot to offer our nation. People should not be forced to retire at the age of sixty-five unless they want to voluntarily. Older citizens have accumulated many years of experience and have gathered much knowledge. The young citizen could profit from being in close contact with a senior citizen in work situations. They also offer our nation mature leadership.

Everyone needs a time to relax and have fun. This is especially true for the senior citizen. Our nation should provide the elderly with recreational programs which offer the older citizen an opportunity to take part in enjoyable activities, such as lawn bowling, shuffleboard, golfing, jogging, swimming, and dancing. These activities promote good physical and mental health.

If our nation can assist in fulfilling these needs, we shall have something to look forward to in our old age.

WHAT I THINK OUR COUNTRY SHOULD BE DOING FOR THE ELDERLY

(By Clarissa Mahon, Juarez School)

I am not against what our government is doing for the elderly now but I think our country should be doing a little more for them.

To be old should not be to be forgotten. To be old should not be to become a second-class citizen. To become old should not be a reason to suffer loss of dignity.

Too many times old people are forgotten by relatives, friends, and loved ones. Too many times they are put off into a home or a hospital and forgotten.

There should be provision for helping children and grandchildren care for their parents or grandparents.

Sons, daughters, and grandchildren should plan to take care of their mother and father. Remember one of the ten commandments was: "Thou Shalt Honor Thy Mother and Father."

Older people like to see younger people. They enjoy kids being around them. I think the community should become more involved in activities that expose the youth of the area to the elderly.

Public transportation should be easily available for the elderly and the handicapped. The federal government should assist local governments in providing this transportation.

I think older people should have easier access to voting. They should be able to vote by mail, so they do not have to get up and go to a voting post.

I think the elderly should have better protection. Senior citizens are victims to violent crime each year. And most of the elderly are handicapped.

The elderly need assurance that when they grow old, they will have enough to eat and a place to go when they are sick. They need to know we care.

WHAT I THINK OUR NATION SHOULD BE DOING FOR THE ELDERLY

(By Alexia Harris, Pacific View Elementary School)

Elderly people are very important in our community. They are sixty-five years or older, and appear to know very much. We can always use them. Unfortunately, many people don't feel this way.

Many problems confront the elderly. For instance, the elderly have many health problems. They are threatened with diseases, and some are handicapped. There aren't enough ramps for them. Employment is also quite a problem. Less employment means less money for them. Some elderly people are placed in retirement homes and are forgotten. Thus loneliness becomes a real threat to them. Because of all those problems, we all are scared to grow old.

The unemployment situation for the elderly could be changed if a company for only the elderly was created. The company would find jobs for the elderly, so they wouldn't have to.

The transportation situation could be helped by an organization set up for carpooling. People could volunteer their time and drive elderly persons where they want to go.

Since many elderly are often lonely in retirement homes or at their homes, a special group of concerned people could stop by their house or retirement home for an hour each day. Maybe a center could be created for senior citizens where they could call, day or night, and someone would come over right away.

The best solution for everything would be community centers where the elderly could get anything they needed or wanted.

In the year 2000 there is supposed to be an increase in the elderly population. So if we solve these issues now, maybe people won't be afraid to grow old.●

THE PALMETTO PARK ROAD BRIDGE

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MICA. Mr. Speaker, the Palmetto Park Road Bridge is located in the Southern portion of Palm Beach County in the city of Boca Raton, Fla. This bridge, which is a doubleleaf lift bridge, was constructed in 1928 and spans the Intracoastal Waterway, one of the busiest segments of waterway in the United States. This bridge carries between 13,000 and 14,000 vehicles per day, and is the central bridge connecting Boca Raton, Fla., with the residential and recreational area along the Atlantic Ocean.

This bridge has only a 7 ft. clearance above the Waterway for Intracoastal boat traffic, and must be opened for all but the smallest boats. During 1980, the bridge opened approximately 22,000 times to allow for the passage of boat traffic. During the worst month it averaged opening 70 times per day.

The bridge has deteriorated structurally to a point where it is now posted for a maximum load limit of 5 gross tons. The machinery operating the bridge is mechanically unreliable, antiquated and difficult to keep in repair. It was closed for repair a total of 57 days in 1981.

A recent inspection, accomplished by the Florida Department of Transportation (FDOT) in accordance with State and Federal guidelines resulted in the lowest sufficiency rating for a movable bridge in the entire forth district of the FDOT.

The lack of an adequate bridge has caused substantial delay and congestion to motorists using Palmetto Park Road. It has been estimated that the total cost to the public created by this inadequate bridge in 1980 was $4,600,000. This total includes time lost while the bridge was raised for boat traffic, time lost for adverse travel incurred by the public during the time when the bridge was closed for emergency repairs, and actual cost of making the emergency repairs to the bridge.

If a new, reliable, higher and wider bridge was constructed, it is estimated that the public would save in excess of $3,500,000 per year. With the higher bridge clearance, the number of bridge openings would be reduced by at least 75 percent.

In addition, the 5-ton load limit on the inadequate bridge causes substantial delays for emergency vehicles such as firefighting equipment. There is substantial adverse travel incurred by service vehicles such as sanitation trucks and commercial vehicles which exceed the 5-ton load limit.

The numerous bridge openings increase the response time incurred by emergency vehicles as police, fire and ambulance services in servicing the approximately 11,000 residents of Boca Raton who live east of the bridge between the Intracoastal Waterway and the Atlantic Ocean.

There are numerous businesses along Palmetto Park Road in this vicinity whose businesses are severely impacted by the numerous closings of this bridge for emergency repairs.

The existing bridge is continuing to deteriorate to the point where, at a date in the not too distant future, it will be necessary, in the interest of public health, welfare and safety, to

close it to vehicular traffic. When this happens, there will be a substantial hardship on the citizens of Palm Beach County and the city of Boca Raton, caused by adverse travel, delay, congestion and decreased level of emergency services which will be caused by this permanent closing.

Mr. Speaker, I ask that the Committee on Public Works and Transportation and the Appropriations Committee make every effort to authorize and appropriate the necessary funding to allow replacement of the Palmetto Park Road Bridge.●

IMPORTANT NEW DATA ON AGENT ORANGE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DASCHLE. Mr. Speaker, I wish to bring to the attention of my colleagues a letter which appeared in the New England Journal of Medicine from the two physicians at the Emory University School of Medicine. The letter documents three cases of thoracic soft tissue sarcoma in persons who served in Vietnam and were exposed to agent orange. The significance of this letter is that it corroborates the findings of case-control studies in Sweden and a National institute of Occupational Safety and Health (NIOSH) analysis of four U.S. cohorts exposed to phenoxy herbicides or trichlorophenols.

The Swedish studies reported a five- to six-fold increased risk of soft-tissue sarcoma in lumberjacks exposed to herbicides and the NIOSH analysis reported an increased mortality rate in workers exposed to similar chemicals. For the benefit of my colleagues, phenoxy herbicides and trichlorophenols both contain the same toxic chemical found in agent orange, dioxin. Considering the wealth of human data now available linking soft tissue sarcomas with exposure to dioxin, the Veterans' Administration should immediately compensate those Vietnam veterans suffering from this disease, as well as the families of those veterans who have died from soft tissue sarcomas.

Following is the text of the letter:

[From the New England Journal of Medicine, May 6, 1982]

THORACIC SOFT-TISSUE SARCOMA IN VIETNAM VETERANS EXPOSED TO AGENT ORANGE

TO THE EDITOR: Case-control studies from Sweden report a fivefold to sixfold increased risk of soft-tissue sarcoma in lumberjacks exposed to herbides containing phenoxyacetates. Long-term follow-up studies in cohorts of industrial workers employed in the manufacture of these chemicals have disclosed seven cases of soft-tissue sarcoma to date. On the basis of studies in laboratory animals, it is currently thought that dioxin (2,3,7,8-tetrachlorodibenzo-p-dioxin), an impurity present in these chemicals, may be the carcinogen. However, more follow-up and further studies are needed to define the true risk of malignant disease and the actual carcinogenic substance or substances involved.)

In Vietnam, where approximately 2 million troops were stationed for various periods between 1962 and 1971, nearly 45 million kg of Agent Orange and other defoliants were used. Follow-up of the veterans and their families to date has not revealed any serious untoward effects of such exposure, except for chloracne. So far there has been no excess incidence of cancer of any kind. We now report three cases of thoracic soft-tissue sarcoma in persons who served in Vietnam and were exposed to Agent Orange.

Patient 1 worked in Vietnam as a member of a helicopter-rescue unit of the United States Air Force in areas where defoliants were used during 1966 and 1967. In July 1979, at the age of 46, he underwent resection of a right upper-lobe lung lesion, which was diagnosed as inflammatory fibrous histiocytoma. He died in July 1981 with progressive lung and brain lesions.

Patient 2 was a United States Marine in Vietnam during 1966 and 1967, stationed in areas where defoliants were being used. Twice he was "completely soaked with Agent Orange." In December 1979, at the age of 32, he underwent a left pneumonectomy for a mediastinal fibrosarcoma. In June 1981, pulmonary metastases developed. He is currently receiving combination chemotherapy.

Patient 3 was in the United States Army in Vietnam in 1971, serving in areas where defoliants were used. In January 1981, at the age of 31, he was evaluated for a left pleural effusion. At exploratory thoracostomy in August 1981 a pleural/diaphragnatic leomyosarcoma was noted and resected.

Soft-tissue sarcomas are rare neoplasms. If there is a true risk of these neoplasms in veterans who served in Vietnam, follow-up studies should be able to define it. If there is an increased risk of malignant disease in these veterans, then a more critical question that has to be addressed is: Are the defoliants causative, or is some other unidentified environmental factor responsible, acting alone or in concert with the defoliants?

P. RAVI SARMA, M.D.,
JULIAN JACOBS, M.D.,
Emory University, School of Medicine.●

BANNING MEXICAN-AMERICAN SCHOLARSHIP ASSOCIATION

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LEWIS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

RESOLUTION

Whereas the Banning Mexican-American Scholarship Association is deserving of special recognition and highest praise for their 13 years in promoting and rewarding of high standards of academic achievement; and,

Whereas awards are given regardless of ethnic background to any worthy student with judging based entirely on scholastic record, need and individual potential; and,

Whereas, the purpose and results of the highly successful cooperative endeavor has received the recognition from many persons, both within and without the community, including the U.S. Senate, the U.S. Congress, Riverside County Board of Supervisors, and the city of Banning: Therefore, be it

Resolved, That on this day, the 27th of May 1982, the U.S. House of Representatives proclaims its appreciation and commends for its service to the community and to the county the Banning Mexican-American Scholarship Association.●

PERSONAL EXPLANATION

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. CORCORAN. Mr. Speaker, yesterday, due to a previous commitment, I was not present and voting on the House consideration of H.R. 861, National Trails System Act, and H.R. 3481, Pretrial Services Act. Had I been present, I would have voted for passage of both of these bills.●

HAPPINESS IS: NOT HAVING TO WORRY ABOUT RING AROUND THE COLLAR

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PERKINS. Mr. Speaker, for many years the area around Owingsville, Ky., in my congressional district has been fortunate to have as its resident sage Mr. Russ Metz, publisher of the Bath County News Outlook.

Mr. Metz is a distinguished Kentucky newspaperman, and aside from publishing a fine paper he writes a syndicated column which appears in numerous other publications.

Like many of the great humorists of our country, he has a way of employing wit to deliver an important message. That is what he has done in a recent column, and I would like to share it with Members of this body for inclusion in the RECORD:

[From the Bath County News Outlook, Owingsville, Ky.]

HAPPINESS IS: NOT HAVING TO WORRY ABOUT RING AROUND THE COLLAR

(By Russ Metz)

President Reagan has rightfully complained that television newsmen keep interviewing "some fella out of South Succotash someplace who has just been laid off," says Arthur Hoppe in the San Francisco Chronicle.

Consequently, Reagan said, "I'm Scrooge to a lot of people. And, if they only know it, I'm the softest touch they've had in a long time."

The problem, of course, is that the television newsmen have consistently and perhaps even deliberately (who knows?) picked unhappy fellas to interview. These grousers and whiners have naturally given the president a bad image and he has every reason to be sore.

In an effort to balance the picture in some small way, I had a talk with Robertson (Bob) Cratchit of Upper Succotash and his cheery little unemployed family.

Cratchit had worked for 19 years at the Great Succotash Succotash Factory as a lima bean sorter until the plant was forced to close down, its product unable to compete with cheaper and better made Japanese succotash.

"Best thing that's happened to me in my life," said Cratchit, chortling merrily as he ushered me into what the family calls "the living room," that being the room in which the family lives. "Woke up the other morning and for the first time in 19 years I said to Mrs. Cratchit, 'Thank God it's Monday.' "

Mrs. Cratchit put down the kazoo on which she had been playing "Happy Days Are Here Again" in a rousing fashion. "I'll admit I was a mite worried at first where our next meal was coming from," she said, "seeing that Mr. Cratchit wasn't bringing home any more factory-damaged succotash. But you'd be amazed how much money we lucky leisure-time folks save over those poor souls who have to work every day."

"You bet," agreed Cratchit enthusiastically. "The bus to the plant used to cost me 50 cents each way. That's $5 a week right there, plus union dues, wear and tear on my lima bean sorter and bleach for my teeshirts so I'd be safe from ring round the collar. But now, ha, ha! who cares about ring around the collar any more?"

Mrs. Cratchit smiled at her husband's exuberance. "He's been a new man since we sold the car," she confided. "Not only have we saved a fortune in gas, repairs, monthly payments and sawdust for the transmission, but Mr. Cratchit no longer wakes up at night screaming, 'The last parking place in the world has just been taken!' "

Cratchit grinned ruefully, "I guess I've saved another fortune on blood pressure pills and double martinis," he said. "But the main thing is that I've scads of time now to spend with my manly little son here. Aren't you glad Daddy lost his job, Tiny Tim?"

"Golly, yes!" cried Tiny Tim gaily as he cleaned his bowl. "This Alpa helper sure does beat that old succotash all hollow."

Cratchit touseled the lad's hair. "Not watching television has done him a world of good. And there was certainly no point watching if after the electricity was turned off. But we do plan to listen to the radio once summer comes and our neighbor opens his window."

Mrs. Cratchit beamed at her menfolk. "We women have it lots easier, too," she said. "I always did dread cleaning the oven, beating the rug and dusting all the furniture."

"Well, well," said Cratchit, attempting to contain the little family's bubbling spirits. "I don't really think it's seemly for us to crow over our blessings while there are still so many poor unfortunates out there toiling their lives away . . ."●

MORE ON ALL-SAVERS CERTIFICATES

—

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. STARK. Mr. Speaker, following is the latest information supplied to me concerning the purchase of all-saver certificates. As the letters from the Federal Reserve and Treasury note, purchases continue to remain way below many projections.

This is a program which has done little to spur savings, while it has contributed to the unfairness of the Tax Code by providing investment shelters to only those in the upper income brackets.

It is due to expire on December 31, 1982. Let us pray that it rests in peace—to be remembered only as an unwise experiment, unworthy of progeny.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., May 4, 1982.

Ms. JAYNE BOYLE,
Staff, House Ways and Means Committee, Washington, D.C.

DEAR MS. BOYLE: Enclosed is a table indicating the growth of All Savers Certificates at commercial banks and thrift institutions (other than credit unions). As you can see, the inflows to ASCs have continued very small, suggesting that the peak in outstanding balances—and the impacts on depository institution savings—will be well short of many projections.

I hope you will find these data useful. I shall send you another update in a few months.

Sincerely,

MICHAEL J. PRELL,
Associate Director.

MONTHLY INFLOWS INTO ALL-SAVER CERTIFICATES

[In billions of dollars]

	Total	Commercial banks	Mutual savings banks	Savings and loan associations
1981:				
October	32.6	12.8	3.3	16.5
November	7.4	4.1	.8	2.5
December	2.9	1.7	.4	.8
1982:				
January	2.5	1.1	.3	1.1
February	1.6	.7	.2	.7
March	2.1	1.0	.3	.8
Memo: Outstanding balances at the end of March	49.1	21.4	5.3	22.4

DEPARTMENT OF THE TREASURY,
Washington, D.C.

Hon. FORTNEY H. STARK, Jr.,
House of Representatives, Washington, D.C.

DEAR MR. STARK: In response to your letter concerning All Savers Certificates, I am enclosing a table which shows the estimated amount of All Savers Certificates purchased since October 1, 1981, by month. Sales in the first month were larger, but have tapered off dramatically since then. At the time the legislation was enacted, the Savings and Loan Industry predicted that some $240 billion of Certificates would be issued during the life of the program. The Treasury Department projected a figure of $120 billion, but it appears that even this may turn out to be an overestimate.

As you are aware, the key question in evaluating the impact of the All Savers Certificates concerns the source of the funds used to purchase them. To date, we have seen no evidence that they come from "new" saving, but merely represent money withdrawn from other financial investments, probably municipal bonds (because of their tax-exempt status) and passbook accounts in particular. Personal savings, both in dollars and as a percent of disposal personal income, did increase in the fourth quarter of last year according to the national income accounts, but that may have resulted from other provisions of the Economic Recovery Tax Act, or, indeed, from other aspects of the general economy.

As the table shows, issued Certificates have been fairly evenly divided, so far, between Savings and Loans and Commercial Banks. Continued high interest rates have had a very bad effect on the asset position of Savings and Loans. Many find themselves with large portfolios of home mortgages paying interest at rates well below what they must offer current depositors. The $20 billion they have received by issuing All Savers Certificates, to the extent that it was not offset by withdrawals from regular accounts, has improved their position.

While the Treasury Department is continuing to monitor the sale of these Certificates, we are not planning any on-going analyses which would generate quarterly reports which might be of help to you. When the program is a bit older, we will carry out the mandated study which is to be submitted to Congress by June 1, 1983. We had not planned to issue any preliminary versions of that study, but if any portions are completed early we will certainly share them with you. In the interim, if there are any further questions you have about All Savers Certificates, we would be glad to try to answer them for you.

Sincerely,

JOHN E. CHAPOTON,
Assistant Secretary (Tax Policy).

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ALL-SAVERS CERTIFICATE FLOWS

The Economic Recovery Tax Act of 1981 authorized depository institutions to issue tax-exempt All Savers Certificates (ASCs) to help the institutions reduce their cost of funds and to facilitate the flow of credit to the housing industry. The Certificates became available to the public on October 1, 1981, and the preliminary data on ASCs is as follows:

ASCs Deposit Flows

[In billions of dollars]

	October	November	December	January	Total
Savings and loans	16.5	2.5	0.8	1.1	20.9
Mutual savings banks	3.3	.8	.3	.4	4.8
Commercial banks	12.8	4.1	1.7	1.0	19.6
Credit unions	2.7	NA	NA	NA	3.5
Total	35.3	7.4	2.8	2.5	48.8

	Percent
ASC annual investment yields:	
Oct. 1	12.61
Oct. 4	12.14
Nov. 1	10.77
Nov. 29	8.34
Dec. 28	10.16
Jan. 24	10.76
Feb. 21	10.79

PERSONAL EXPLANATION

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. YOUNG of Missouri. Mr. Speaker, unfortunately I was absent yesterday and was unable to cast my vote in support of H.R. 6294, the Emergency Housing Assistance Act. If I would have been present, I would have voted "yes."●

"FARM CALL-IN" GREAT SUCCESS FOR FARMERS AND MEMBERS OF CONGRESS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. ROTH. Mr. Speaker, I participated in yesterday's "Farm Call-In," and was really impressed by the American farmers' grasp of the big picture in American agriculture.

I learned a lot from this program, and believe we owe the Agriculture Council of America a debt of thanks for making this exchange of views possible.

Talking to farmers from Georgia, Mississippi, Kansas, Missouri, and Wisconsin, I learned that the American farmer, no matter where he lives, or what he produces, has one overriding concern: interest rates. Our work here directly affects each and every American farmer. The farmer is depending on our good judgment to see him through this crisis in the farm economy. To this end, a balanced Federal budget and positive Federal agricultural policy should be top priorities of all Representatives of farming areas.

Declining numbers of farmers means a fainter voice on their behalf in the House of Representatives. But every congressional district, urban or rural, has a major stake in the success and productivity of the American farmer. If ever this farmer needs action to protect his income and markets, it is now. I think the 70 Members of Congress who gave of their time and energy to man the phones at the call-in displayed tremendous concern for and awareness of the difficulties facing farmers today.

Another primary concern voiced by the farmers I spoke with is unfair competition from imports and unreasonable barriers to export of domestic agricultural products. Casein imports were the No. 1 problem cited by dairy farmers. We have simply got to take the steps necessary to put American producers on an equal footing with their foreign competitors. For too long our producers have been at a woeful disadvantage in the international marketplace through the fault of those who determine American import/export policy. I think it is time the Congress stepped in and acted where other avenues have consistently failed.

Certainly, yesterday's "Farm Call-In" afforded both farmers and Members of Congress a unique opportunity to affirm common goals and gain new perspectives on the state of our farm economy. I hope that this event will provide the impetus for concrete action in the remaining months of the 97th Congress to insure a prosperous future for American agriculture, with special emphasis on the small family farm. If we can make our ideals a reality, the "Farm Call-In" would have surely accomplished its goal of fairness for the American farmer.●

IN OPPOSITION TO ANY ATTEMPTS TO REDUCE SOCIAL SECURITY BENEFITS

HON. STAN PARRIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PARRIS. Mr. Speaker, I would like to express my opposition to any attempts to reduce social security benefits in the budget process. While we all recognize that the social security system faces serious financing problems that will require action in the near future, I do not believe the budget is the appropriate place to take that action. If Congress mixes social security with the budget process, we will be jeopardizing both a budget compromise and a responsible, long-term solution to the dilemma facing social security.

In recent weeks, there has been much misinformation circulating about social security and its relationship to the budget. The fact is that social security is funded from three separate trust funds and is completely independent from the rest of the budget. Any savings from reductions in social security benefits cannot be transferred to the general fund so social security cuts will not reduce the true deficit. It would be inappropriate and unwise for Congress to make any changes in social security until the President's Commission on Social Security Reform has completed its work and issued its report. Even then, congressional action should be based on a well-planned, bipartisan effort to insure that we will be addressing the long-term needs of social security without reducing benefits paid to current beneficiaries.●

AIR TRAFFIC CONTROL BILL

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FORD of Michigan. Mr. Speaker, the Committee on Post Office and Civil Service today reported out H.R. 6310, the Air Traffic System Personnel Improvements Act.

This bill is designed to insure the rebuilding of the Nation's beleagured air traffic control system. Unless corrective steps are taken by this Congress the system will continue to limp along for some time.

I urge the House to move expeditiously to insure that this will not happen.

This bill is designed to address three problems now faced by the Federal Aviation Administration. First, it would insure sorely needed personnel management improvements at the agency. Second, it would improve sagging morale of FAA employees. And third, it would facilitate the prompt return of the air traffic control system to full capacity—a move that is essential to economic recovery of the Nation's airlines industry.

The administration's air traffic control bill (H.R. 5038) would do none of these things. It ignores serious management problems and does nothing to restore the system to full capacity.

There is now incontrovertible evidence of critical management shortcomings within the Federal Aviation Administration. If these are not corrected, there is every likelihood that, in the near future, the Nation will be confronted with another painful dispute involving air traffic controllers.

At the same time, the Nation's airlines are in an economic tailspin with losses in the millions and layoffs in the thousands. Related industries have been severely affected.

A return to profitability expected later this year as a result of improved economic conditions could be thwarted by a failure to remove the slot allocation system and return the air traffic control system to its prestrike level. In order to prevent the system from being overworked during the controller shortage, the FAA restricted flight slots at 22 major airports. This situation will continue until the system is rebuilt.

After many days of hearings by the full committee and the Subcommittee on Investigations on the administration's proposed Air Traffic Control Revitalization Act (H.R. 5038)—and having the benefit of a convincing independent study—there were strong

arguments for the committee to move ahead with legislation to encourage a speedy rebuilding of the air traffic control system and guarantee an improved labor-management atmosphere over the long term.

If Congress fails to act, there is every reason to believe the airline industry will suffer and we will be faced with future employee-management crises.

In March, a special task force commissioned by the Department of Transportation and the Federal Aviation Administration released a painstaking study of employee-management relationships within the FAA. It concluded that management deficiencies were rife and that they contributed significantly to last summer's strike. It warned that these conditions still exist.

"The air traffic control system has been an organization under siege," the report said. "It still is."

Ironically, a 1970 report reached similar conclusions and made a number of recommendations. Sadly, it was ignored. Had attention been paid to it, we probably could have avoided last year's costly strike and its painful aftermath.

The committee seeks to prevent, to the extent possible, a repetition of this unfortunate history.

For the most part, I am not persuaded that the administration's proposal would effectively speed or aid the rebuilding effort. And it fails to address management problems.

From our hearings, staff investigations, and independent studies of the current air traffic control situation, a number of problems are apparent.

First, the rebuilding effort is behind schedule. Although the FAA Administrator continues to hold to his original prediction that the system will be back to full capacity by the end of 1983, there is a lack of evidence to support his optimism. The Chairman of the National Transportation Safety Board testified before our committee that the schedule could not be met. The Board's own report found it will be at least percent mid to late 1984 before the work force will be restored to full personnel strength. The dismal record of the scandal-plagued FAA Training Academy (the graduation rate for center trainees is only 50 percent) indicates it is unlikely the FAA will be able to meet even the Safety Board's estimate. More importantly, however, if the Administrator's timetable is met, return to full capacity may come too late to save many ailing airlines.

Second, morale of those controllers who remained on the job, as well as the morale of flight service station and airways facilities personnel, is deteriorating. The task force report tells us that the spirit of cooperation that developed right after the strike is evaporating. For the working controllers this is not surprising. They can look forward only to continued excessive overtime, stringent leave restrictions, and the arduous chore of providing on-the-job training for a steady stream of inexperienced trainees. The flight service station and airways facilities personnel are understandably dismayed by the FAA's announced intention to furlough them without pay.

Third, the task force report also makes clear that the FAA's rigid, paramilitary, and insensitive management was as much to blame for deteriorating labor-management relations as union militancy. Both sides were equally to blame for the strike. But only the rank-and-file employees suffered the extreme penalty of dismissal. The problems of the rank-and-file employees which, during the 1970's led to dramatic increases in transfers, early retirements, resignations, and grievances, were and are real. Stress was and is real. Yet although these problems were documented as early as 1970, the FAA has done little to remedy them.

The bill under consideration deals with the personnel management problems at the FAA, and the failure of past FAA administrators to address them. It requires the Administrator to establish a personnel management improvement program sensitive to people problems and a productive work environment and to give serious consideration to the personnel management recommendations of the task force report. It establishes an advisory committee to oversee the establishment, implementation, and conduct of the program, and provide advice and recommendations to the Administrator. Finally, it requires the Administrator to report annually to the Secretary of Transportation, the National Transportation Safety Board, and the Congress on the progress of the program.

The bill would speed the rebuilding effort and permit the air traffic control system to be returned to prestrike capacity by removing the existing bar which precludes the rehiring of former controllers by the FAA. It would not entitle any former controller to reemployment, nor would it prohibit case-by-case determinations, made in accordance with existing civil service suitability regulations, that individual controllers are not suitable for reemployment. It would permit former controllers to apply for reinstatement, and if they are determined suitable for Federal employment, individuals could be rehired by various facility chiefs. Drawing on the existing talent pool which the former controllers constitute is the only way the system can be returned to prestrike capacity in a timely fashion. We must recognize that and then move to deal with any problems the rehiring of former controllers may create.

The bill deals with sagging employee morale in a number of ways. First, by setting a specific early target for returning the system to full capacity (January 1, 1983), the employees will know that indeed there is light at the end of the tunnel. They will know that by the end of the year their workweeks will have returned to normal and they will be able to take well-deserved vacations. They will also know that the rehiring of former controllers will substantially ease the burden of providing on-the-job training since fewer trainees will be needed and more experienced controllers will be available to provide the training. The legislation also provides 10-percent premium pay for providing on-the-job training.

Second, the bill forbids the FAA from furloughing or riffing these employees during the rebuilding period thereby assuring they will not suffer the pay cuts which have been threatened by the Administrator.

Third, the bill provides an incentive bonus if the system is rebuilt by the target date. The bonus will be equal to 10 percent of the pay received by the employee during the entire rebuilding period (August 3, 1981 to January 1, 1983). Any rehired controller who participated in the strike would not receive the bonus.

Finally, the bill revises the existing second career training program to address the problems which have been identified in the past, so it can again be funded and made available to controllers who no longer are able to control air traffic.

This approach seems far wiser than the provisions of the administration's bill, which recommend permanent pay increases above what other Federal employees would receive. That proposal would do nothing to return the system to full, safe operations or end costly delays to airlines. It would, instead, establish a controversial precedent in singling out one group of Federal workers for special pay treatment and would certainly have an adverse impact on the morale of other Federal workers.

A permanent pay increase of the magnitude recommended by the administration for some FAA employees cannot be justified in light of the present budget crisis and the administration's position on pay increases for all Federal workers. In terms of reaching the objective, the bonus approach has far more merit.

SUMMARY OF H.R. 6310

Sec. 1.—Short title.

Sec. 2.—Incentives bonus.

One-time 10 percent bonus to all eligible employees (about 25,000) if secretary certifies by January 1, 1983, that system can operate at full capacity and slot allocation program is terminated.

Fired controllers not eligible for bonus.

Bonus is 10 percent of basic pay received between August 3, 1981, and date of certification.

Sec. 3.—Suitability determinations.

Opens door for rehiring of fired controllers by providing that fired controllers shall not as a class be deemed unsuitable for employment in any position in FAA.

Individual suitability determinations shall be made by OPM.

Sec. 4.—Premium pay limit.

Repeals Government-wide limit on payment of premium pay in excess of maximum rate for GS-15 ($57,500).

Sec. 5.—Prohibition on RIFs and furloughs.

Prohibits riffing or furloughing any essential FAA employee during rebuilding period (from date of enactment to date of certification).

Sec. 6.—Pay for on-the-job training.

Authorizes 10 percent premium pay for time spent in providing on-the-job training to another controller.

Sec. 7.—Second career training.

Substantially revises second career training program for air traffic controllers to address several criticisms of the program.

Similar to provisions of H.R. 3700 (Mr. FORD) but several significant provisions added, such as requiring repayment of training expenses if controller fails to complete training program.

Sec. 8.—Personnel management improvements.

Requires FAA Administrator to establish a personnel management improvement program and implement certain specified recommendations drawn from the task force report. Administrator reports annually to Congress and Secretary of Transportation.

Establishes advisory committee to oversee Administrator's management improvement program and provide advice to Administrator.●

A TRIBUTE TO ELEANOR CROUCH

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the fact that there will be a testimonial dinner on Friday, May 21 in Santa Paula, Calif. to honor one of that city's outstanding citizens, Eleanor Crouch.

Eleanor began her career of service as a volunteer who unselfishly gave of her time and her energy to her community. Later she commenced 13 years of public service to her beloved Santa Paula by serving on both the recreation commission and the planning commission. She was then elected to the Santa Paula city council and also served two terms as that city's mayor.

It is always a pleasure for me to recognize the wonderful community service rendered by our local citizens. Without such conciencious public spirited individuals, our communities would certainly suffer. Therefore, it is particularly gratifying for me to bring to the attention of my colleagues the honor that the citizens of Santa Paula are bestowing on one of their favorite community leaders, Eleanor Crouch.●

EMERGENCY CB VOLUNTEERS SHOULD BE HONORED

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. PORTER. Mr. Speaker, today I am introducing a joint resolution authorizing the President to designate the month of November 1982 as "National REACT Month." REACT is an acronmy for Radio Emergency Associated Citizens Teams.

The purpose of this resolution is to honor and recognize the many citizens across this country who have chosen to volunteer their time to become members of a REACT team.

REACT volunteers monitor their own CB radios on emergency Channel 9 to assure highway safety and emergency communications. REACT volunteers have established a 24 hour monitor of the emergency channel, and in the case of an accident or disaster, local teams work to maintain essential communications links. Their work speeds the arrival of emergency help in a crisis situation. Countless lives have been saved as a result of the efforts of the many outstanding individuals participating in this fine organization.

Since its establishment in 1962, REACT has grown to 1,500 teams across the country. In addition, teams are active in nine Canadian Provinces, Puerto Rico, the Virgin Islands, Guam, Australia, the Philippines, South Africa, Trinidad and Tobago, West Germany and Venezuela.

Last year REACT International received the 1982 President's Volunteer Action award in recognition of the exceptional public service the orgainzation has provided all over the world. REACT is celebrating its 20th anniversary in 1982 and I believe it to be fitting that we designate the month of November as "National REACT Month" to honor these remarkable citizen volunteers.●

CLEAN AIR ACT

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mrs. FENWICK. Mr. Speaker, as you know, the American Lung Association declared last week to be Clean Air Week. I would like to speak for the millions of people in the United States who are over the age of 65 in urging the House to reauthorize a strong Clean Air Act.

I am not an expert in atmospheric pollution. What I do know, however, is that our aging population is growing and as it grows, more and more people will be especially susceptible to smog. Persons over the age of 65 are considered to be more sensitive than any other group to ambient air pollution.

We must look at the issue of clean air in human terms. Just what does it mean when a county exceeds the national ambient air quality standards. An American Lung Association study shows that in my own home county of Somerset, N.J., over 23,000 elderly people would be risking adverse health effects. For those of us who welcomed the expectation of progress toward healthful air quality advanced in the Clean Air Act, any weakening of the standards in nonattainment areas is most distressing. Moreover, for the many elderly residents in New Jersey, a change in the law that would allow higher auto emission standards is unacceptable. Carbon monoxide is a known toxin which is particularly harmful to people with respiratory illness and heart disease. No. This is no time to retreat from the Clean Air Act.●

NEW ROCHELLE, N.Y., CITY COUNCIL SPEAKS OUT FOR A NUCLEAR WEAPONS FREEZE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an excellent letter I recently received from the mayor and members of the City Council of New Rochelle, N.Y., which I represent, supporting a mutual and verifiable freeze on the testing, production, and deployment of nuclear weapons. I commend Mayor Leonard C. Paduano, and city council members Elly Doctorow, Don Zaccagnino, and Robert Schaefer for this very important endorsement of the nuclear weapons freeze.

As a cosponsor of the Kennedy-Hatfield resolution, which calls for a mutual and verifiable nuclear arms freeze, and as a sponsor of the grassroots call to halt the nuclear arms race, I am gratified to see so many Americans rise up to proclaim that they will not accept a continuation of the senseless, costly, and destabilizing arms race. I am particularly delighted that Mayor Paduano and members of the New Rochelle City Council have added their important voices to this effort.

As the city council's letter noted:

From every perspective—morally, socially, economically, and even militarily—the "arms race" has been obsolete. Current capabilities on both sides are ample to assure total devastation of all continents within hours.

I commend this important letter to the attention of my colleagues:

CITY OF NEW ROCHELLE,
New York, April 27, 1982.

Hon. RICHARD L. OTTINGER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN OTTINGER: Responding to public outcries within this municipal jurisdiction calling for the prompt and definitive freeze on testing, production and deployment of nuclear weapons through a mutual agreement between the United States and the Soviet Union, the New Rochelle City Council as individuals records herewith its formal subscription to such a freeze.

Additionally, and in further reflection of local popular opinion, the signatories to this document strongly urge the swift reduction of nuclear arsenals by both global powers following the freeze on escalation.

It is appropriate that this message be conveyed in the spirit of applying "common sense" to remedying the suicidal predicament in which mankind has catapulted itself during recent decades. Ours is the community where Thomas Paine composed the original "Common Sense" which helped to galvanize our forefathers into a resolute and stalwart band dedicated to the attainment of life, liberty and the pursuit of happiness.

Those basic values are threatened again today as nuclear proliferation relentlessly multiplies the very real danger of catastrophic destruction, obliterating our human population and much of the entire planet.

From every perspective—morally, socially, economically and even militarily—the "arms race" has been obsolete. Current capabilities on both sides are ample to assure total devastation of all continents within hours.

Accordingly, in the name of "common sense," the Council Members of the City of New Rochelle hereby endorse the concept of a "nuclear freeze" with attendant reduction of arsenals with the added hope that negotiations toward that end will be prompt and fully successful. On behalf of the people of this community, we respectfully solicit your "good offices" toward achievement of these vitally important objectives.

Very truly yours,

Leonard C. Paduano,
Mayor.

Elly Doctorow,
Member of Council.

Don Zaccagnino,
Member of Council.

Robert Schaefer,
Member of Council.●

THE MENTAL HEALTH ASSOCIATION IN ORANGE COUNTY, INC.

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GILMAN. Mr. Speaker, I know that many of my colleagues are aware that May is Mental Health Month. The mental health services that are provided by more than 850 chapters of the Mental Health Association throughout our Nation clearly indicate the value of Federal support for mental health programs. During this mental health month, I would like to give appropriate recognition to the Mental Health Association in my own 26th Congressional District in New York.

Members and volunteers of the Mental Health Association in Orange County, Inc., work toward the improvement of mental health through a wide range of activities in social action, education, advocacy, and information. The Mental Health Association aims to monitor and evaluate mental health services, to work for improved care and treatment of the mentally ill and emotionally handicapped; to improve methods and services in prevention, detection, diagnosis, and treatment of mental illness; and to promote public knowledge of, and interest in, mental health. The association operates the Orange County Help Line; social club rehabilitative programs; and a directory of human resources.

The social club rehabilitation program aids former hospital patients in their transition from hospital to community independence, and assists local residents who require help and support in order to remain in the community. During 1981, the Mental Health Association operated four social clubs, in four different locations, each week.

The Help Line is a countywide, toll-free information referral and crisis intervention service in operation 24 hours a day, 365 days a year. During 1981, 10,720 calls for help were answered by the Help Line, and 1,799 calls were made to people living alone and unable to get out.

The Directory of Human Resources, a 267 page reference, provides comprehensive data on over 200 human service agencies and organizations servicing Orange County residents. It is currently used by over 200 Orange County agencies, but was not updated in 1981 due to staff cutbacks.

Despite recent reductions in staff, the Mental Health Association in Orange County has substantially increased the overall level of services that it provides. This is due to emergency funding from the United Way, recruitment of additional volunteers, and a strong commitment from staff and board members.

The Mental Health Association is committed to move forward to meet the many mental health needs of Orange County residents. In like manner, we in Congress must join in the commitment to the improvement of mental health services for community residents throughout our Nation. In Orange County alone, thousands of residents have benefited from the services provided by the Mental Health Association. Mental illness is a serious problem, but mental health services are highly successful in rehabilitating those who suffer from mental difficulties, allowing them to live as active and contributing members of society. I urge my colleagues to offer their support of these vital programs, as we consider the fiscal year 1983 budget, by endorsing continued Federal funding for mental health funding at levels adequate for the continued work of the Mental Health Association, and other similar organizations.●

UNION BAPTIST CHURCH CELEBRATES ITS 130TH ANNIVERSARY

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MITCHELL of Maryland. Mr. Speaker, on Sunday, May 2, 1982, and Monday, May 10, 1982, Baltimore's historic Union Baptist Church celebrated its 130th anniversary. This institution, formerly known as the Old North Street Church, is marked by continuous outstanding work and is a pillar of strength in our community.

Union Baptist Church was organized on May 10, 1852, by the Rev. John Carey with 52 members. During her 130 years of existence, there have been three church edifices and eight ministers. The most distinguished of those was the Reverend Dr. Harvey Johnson, who pastored Union for 50 years. It was under his dynamic leadership that the church grew to 3,028 members and moved to its present location and built the present edifice. Further, Dr. Johnson was an early civil rights leader in both the city and the State. After organizing a group which was the prototype for what subsequently became the NAACP, he was invited to come to the Niagra movement for that group's national founding.

There has been an array of outstanding pastors who have led this congregation in its social-action oriented ministry to both its parishioners and the larger community. The Reverend Dr. Vernon, the present minister, is well known locally and nationally for this style of ministry.

The minister emeritus, the Reverend Dr. Baxter L. Matthews, erected the Harvey Johnson Community Center during his pastorate. A number of program ministries and activities are regularly held there: tutorial projects, recreation, children, youth and adult groups, administrative offices and community groups. Additional properties adjacent to the church, have been

purchased which house a day care center for 250 children.

To expand the church's community-outreach ministry, the Union Baptist Development Corp. was recently formed. This group has purchased property in the community to operate a laundromat. They have also renovated section 8 apartments for low-income renters as well as a coffee house.

Union's understanding of the mission of the church is demonstrated by its commitment to a number of local, State, national, and international projects. Further, special projects and emergencies are also responded to. A number of clergymen were ordained at Union and over 15 churches have grown out of Union, among which are: Macedonia, Perkins Square, Trinity, and Providence Baptist Churches.

On Sunday, May 2, 1982, at the 11 a.m. service, the guest speaker was Dr. William B. McClain, professor of preaching and worship at Wesley Theological Seminary in Washington, D.C. Dr. McClain is a native of Gadsen, Ala. and a graduate of Clark College in Atlanta. He received his master's and a doctorate degree from Boston University. A clergyman of the United Methodist Church, he formerly pastored in Boston. In addition, he taught at Boston College, Drew, Northeastern, and Harvard Universities. Also, he has lectured at an additional 10 major universities and seminaries.

Articles written by him have been published by a number of national periodicals as well as contributions of chapters to several books. He has written three books, the most recent being, "Traveling Light: Christian Perspectives on Pluralism and Pilgrimage, 1981." Also, he wrote the preface and coauthored the section on "Negro Spirituals" in the recently released "Songs of Zion," 1981.

Several special services were held to celebrate the church's founding and I am very pleased to point to Union Baptist with heartfelt pride.●

THE TIME TO SAIL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. UDALL. Mr. Speaker, I have had a chance to serve with more than 1,000 men and women in the House of Representatives. One of the very best is the gentleman from Georgia, JACK BRINKLEY, who is retiring from public service. In a recent letter to his friends and constituents, he reflected on his years here and said some incisive and interesting things. I am sure they will be of interest to all my colleagues. I was especially interested in the pledge he made when he first ran for Congress, to "remember who I am, where I am from, and who sent me." He has been a voice of independence and has vigorously represented the south Georgia region from whence he came. It is worth a few moments of the Members' time to read the fine statement of this good man.

The statement follows:

THE TIME TO SAIL

I've always remembered a Millard Grimes column when he was leaving the *Enquirer* years ago. Quoting Frost, he spoke of a fork in the road offering a choice of two paths and his decision to take the path less traveled.

I feel about the same way in announcing my withdrawal from public service. For a long time my family and I have considered the happy prospect of a return to private life where family things can come first again. Therefore, after completion of my term in 1982, I shall not be a candidate for public office again.

Let me answer in advance two questions which might naturally be wondered about.

First, my health is fine and I hope for quite a few more happy birthdays.

Also, my political health is fine, and I believe those who "Back Jack" could handle another election, or several other elections, reasonably well, because my relationship with the people back home has always been one of friendship and service. I understand that the opposition party has recently conducted polls across Georgia and I have no idea as to what the results are. But even though they were picking and asking the questions, it would be interesting for that poll to be made public.

ANOTHER TIME AND ANOTHER SEASON

In 1966 one of my most important campaign messages employed the familiar words, "There is a time for every season; a time to speak and a time to be silent." After eight elections to Congress, there is another time and another season for me.

I have been faithful to the Edmund Burke philosophy of putting constituent interest always, ever, before my own;

I have not sought or received improved financial status from public life, but in terms of good will, I have been doubly blessed;

I have built an attendance and voting record which I commend to our future Representatives as a high standard of service and the first line of responsibility.

In summary, after doing my best as a Representative of the people, I welcome the change of season and face it without regret. The time to sail is on the high tide.

This has been my most successful year ever in Congress. As Chairman of the Military Installations and Facilities Subcommittee, major achievements have been attained in both military construction and civil defense law. Also, as a member of the Veterans' Affairs Committee, I have seen the fruition of a long standing dream for a regional cemetery at Fort Mitchell.

The decision is a timely one. Reapportionment has been attended to in a fair and objective manner without the temptation to which our District might have been subjected had there been no incumbent. In my testimony to the Reapportionment Committee last May, I was careful to offer my best judgment "without regard to incumbency." That outcome provides continuity for an excellent, well-rounded, national defense-oriented Third District.

Another factor related to tenure. To delay too long would do myself and my family the disservice of being put unnecessarily in the 1982 political arena; to announce too early would limit effectiveness within the Congress. Halfway through the term, between the First and Second Session of Congress, seemed to be the best time.

PROUD TO BE A DEMOCRAT

The inspiration of public office is serving people and that's where the exhilaration is, too. There's more satisfaction in giving people a helping hand than having political power. Although I'm proud to be a Democrat, I couldn't be a very good party man because I couldn't vote simply on the party-line basis. To have made a pledge, and to have tried to keep it . . . "to remember who I am, where I'm from, and who sent me," has assured a Third District of Georgia uniqueness and independence, which is reflected in my voting record. I have not been a "yea sayer" for Presidents or groups, but have honestly tried to hear the voices of others and exercise my own independent judgment in casting my ballot. As a product of Georgia, naturally, my votes reflecting my own conviction are more often than not in consonance with those of the people who sent me.

Sometimes it gets lonesome when there is another promise to keep—to go with men of either party in pursuit of right, as you see it, or to go it alone if necessary in opposition to wrong. But not often. I can vouch for the fact that public officials by and large care about people, about fairness and about right.

This leads me to a word about candidates. They are offering to serve, and it seems to me that we should treat each and every one of them with respect and courtesy. To presume the best in others is good practice and reflects credit to ourselves. The candidate himself should stand for something.

MY WIFE

At this point a word about my wife, Lois, seems to be in order. She has been a good soldier in the finest of traditions. She is a veteran of the Washington scene during my early years in Congress. We have lived in Silver Spring, Sleepy Hollow, Vienna, Alexandria, the Methodist Building in D.C. and in McLean. She has displayed immense fortitude, along with our children, who, because of our sojourn, have attended all too many schools and have lived in all too many neighborhoods.

Lois has dealt with a tornado, break-ins, and being alone, but has still managed to treat the role of homemaker as a high calling. She is a high credit to me.

GOODBYE

In conclusion, I wish to sincerely thank all citizens of the 3rd District. Congressional service has been the highest of privileges. But because those "miles to go and promises to keep" have been arduous ones, through long skies and crowded terminals, homecoming looms as a great attraction. My fondest hope is for your welcome and continued goodwill.

It will be a time where I can be at the controls of an airplane again, as I was before; a time where I can experience the drama of a courtroom, or solitude of the Library of Congress, or excitement of the classroom—as I did before; it will be a time when I can put my family first again, as I did before.

There is a time for every season! And for every season one should be glad and give thanks. I am, and I do.●

JUNIOR WOMEN'S CLUB OF WATERBURY, CONN.

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. RATCHFORD. Mr. Speaker, I rise today to extend my congratulations to the Junior Women's Club of Waterbury, Conn., which today is celebrating its 50th anniversary. Since the founding of the organization by Mrs. Lewis G. Merrill, its members have provided many hours of volunteer time for worthwhile projects in the community. Some of the club's more noteworthy activities include compiling a guide for the handicapped about access to buildings in the area, assisting elderly residents in engraving their valuables as a deterrent to theft, and raising funds for local scholarships and charities.

It is appropriate and important that we commend the Waterbury Junior Women's Club's selfless efforts on behalf of the community at this milestone of achievement. Their 50 years of service is a testimony to the spirit of voluntarism which continues to be a vital and indispensable element in our efforts to maintain and improve the quality of life available to all Americans.●

TAX LAW CHANGES

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MICA. Mr. Speaker, with recent changes in our tax law which applies to Members of Congress, I feel it is appropriate to disclose not only the effect this new legislation had upon my taxable income but to also make available a full financial disclosure as well as the latest information regarding funds my reelection committee has raised on my behalf.

First, regarding the new tax legislation, deductions were provided for Washington living expenses for Members of Congress. I have personnally introduced legislation, H.R. 6316, to repeal this measure.

With regard to my personal finances, this legislation has reduced my taxable congressional salary from $60,662 to $50,562. I would also like to note that for the 3 years I have been a Member of Congress, I have paid over $25,000 in Federal income taxes on an annual salary of $60,662.

Also during calendar year 1981, I received $4,950 in honorariums for seven separate presentations. They were: the Brookings Institute, McDonald Corp., Cosmotology Association, National Realtors Association, American Security Council, and Railroad Progress Institute.

My assets under the catagories set forth by the rules of the House are between $170,000 to $665,000 and they are as follows:

1. My Florida Residence.
2. Interest in property in West Palm Beach.
3. Interest in property in Palm Beach County.
4. My Virginia Residence.
5. Interest in certificates of deposit.

My liabilities are between $90,000 and $300,000, again under requirements set forth by the rules of the House. They include:

1. A mortgage on my Florida Residence.
2. Notes on property in Palm Beach County.
3. A personal note with the Bank of Palm Beach and Trust Company.
4. A mortgage on my Virginia Residence.
5. A personal note with the National Bank of Washington.

According to a financial statement that was prepared for me in 1981, my net worth is $176,914. I had no other substantial income other than those listed here.

To date, the Committee to Reelect Congressman DAN MICA has raised $175,000, spent $60,000, and with all bills paid has approximately $115,000 cash.

Since a potential opponent has indicated he will have a $500,000 budget, the committee will of course continue their efforts to raise funds.

Of the total raised, over 94 percent of the contributions are under the Federal Election Commission's $200 reporting limit. Of the total contributions, 1395 have been individual contributors and 57 have come from political action committees.

I am pleased that my support has been broad in its range. It has come from senior citizens, businessmen and women, housewives, and blue collar workers as well as from business and labor political action committees. I have always been proud of this trend and I fully expect it to continue.●

THE CRUEL PLIGHT OF AMERASIAN CHILDREN

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. OTTINGER. Mr. Speaker, I am including in today's RECORD an important editorial which recently appeared in the New York Times concerning the plight of the children of American soldiers in Asia.

These Amerasian children generally live in great poverty and are considered to exist outside the mainstream of their society. They are often persecuted, and face widespread discrimination in their countries.

As a cosponsor of the Amerasian Immigration Act (H.R. 808), introduced by the gentleman from Connecticut (Mr. MCKINNEY) I strongly believe that the United States should share responsibility in securing a better future for these forgotten sons and daughters of U.S. citizens. H.R. 808 would allow Amerasians their right to immigration to the United States under the immigration preference for sons and daughters of U.S. citizens.

As the New York Times editorial states:

Everywhere, the Amerasians are marked, by their blond pigtails, or black skin, or blue eyes. With American fathers, they should be able to lay claim to American citizenship. Official obstruction or insufficient proof often makes this impossible. Unless they can soon lay claim to America's conscience, it will be too late.

I commend this excellent editorial to the attention of my colleagues:

[From the New York Times, May 9, 1982]

FATHERS, MOTHERS, AND CHILDREN

For Michael Harbert, Mother's Day came early this year, on a winter day in Saigon. Mr. Harbert and three other Vietnam veterans were there to discuss unresolved legacies of the war. They ran into some on the street. "You can see bomb craters and understand that people can fill them in," he says, "but when you see a 16-year-old child who looks like your brother. . . ."

Outside his hotel, a middle-aged mother pressed a thick envelop of photos into his hand and said, before ducking away in fright, "These are American children. Please help us."

There are many of them, fathered by Americans, mostly soldiers. Amerasians, they are called, and only some, like the boy and girl pictured on the left, are in Vietnam. Others, like the three on the right, are in Korea, or in other countries. In Vietnam, the youngest are now 8. In Korea, still with 38,000 American troops, Amerasian babies are born each month.

The children in Korea are often persecuted as half-breeds. Some of those in Vietnam, orphaned and homeless, run the streets with other *bui doi*, the dust of life. Everywhere, the Amerasians are marked, by their blond pigtails, or black skin or blue eyes. With American fathers, they should be able to lay claim to American citizenship. Official obstruction or insufficient proof often makes that impossible. Unless they can soon lay claim to America's conscience, it will be too late.

Why can't they come? The reasons differ by country. Children from Korea can be readily adopted here, as is illustrated by the untiring work of the Rev. Alfred Keane, a Maryknoll priest. But many are by now too old, or otherwise technically ineligible. Those in Vietnam cannot get out; the Vietnamese Government won't let them out while ours has been indifferent about letting them in.

One reason is fear of numbers. There are perhaps 80,000 Amerasians—though by no means all would come to the United States even if they could. Another is fear of fraud. These children would have such a hard time proving citizenship, officials have insisted, better not even tempt them.

To its warm credit, the Reagan Administration recently reversed that callous policy. It now supports a bill to admit Amerasian children, devised by Representative Stewart McKinney of Connecticut. The Senate sponsor is Admiral Jeremiah Denton of Alabama, a longtime prisoner of war. They would not increase the total number of people admitted to the United States. Instead, they would grant proper priority to those Amerasians with sponsors willing to support them.

This measure would help in Korea, where many mothers are determined, however painfully, that their children escape a bleak future. Enactment would also be the place to start trying to persuade Vietnam to relent, especially if America's interest is clearly children, not propaganda. It is, in short, a humane and sensible bill.

Still, for three years, if failed to move. This spring, at last, there have been signs of interest from Romano Mazzoli of Kentucky, Chairman of the House Immigration subcommittee. And last week Alan Simpson of Wyoming, his Senate counterpart, promised prompt hearings and action.

It's a promise worth remembering. If relief falters now, it will take another year to revive. That risks elicits from Father Keane an apt Mother's Day thought for Senator Simpson, for Representative Mazzoli, for Judiciary Committee Chairmen Thurmond and Rodino—and for all the rest of us:

"Think how long a year is," says Father Keane, "in the life of a child."●

FATHER ALBERT B. PALOMBO—40TH ANNIVERSARY OF PRIESTHOOD

HON. CHARLES F. DOUGHERTY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. DOUGHERTY. Mr. Speaker, on May 30, 1982, Father Albert B. Palombo will mark the 40th anniversary of his ordination to the Roman Catholic priesthood. Father Palombo has been pastor of Mater Dolorosa Church for 37 years, ministering to the spiritual and human needs of the people of the Frankford area of Philadelphia. I ask my colleagues to join with me in this joyful celebration in Father Palombo's life.

Father Palombo was ordained to the priesthood on May 30, 1942 by the late Denis Cardinal Dougherty of Philadelphia. In the early years of this priestly life, he served throughout southeastern Pennsylvania. First, as assistant pastor, then acting pastor, at St. Anthony's Parish, Easton, Pa., he began his long, faithful service to the Italian-American communities of our region. Among the good works for which Father is remembered during the years of World War II, were his efforts to procure and transport coal, then difficult to get, to the homes of those most needy of the Italian community. In addition, he is remembered for writing letters every month to all the boys of St. Anthony's serving our Nation in the Armed Forces.

In March 1945, Father Palombo was sent to Norristown, Pa. There he served the communities of Holy Saviour Church and Our Lady of Mount Carmel Chapel. After only 6 months he was sent to Mater Dolorosa Parish, the Italian-Catholic Church in northeast Philadelphia.

During his 37 years at Mater Dolorosa, Father Palombo has never ceased giving and serving the people of the parish. He worked hard to build the parish on firm, spiritual, and economic ground. He has labored on behalf of the needs of the children of Mater Dolorosa, always providing for educational and recreational needs. He has insured the beauty of the parish church by his constant care and interest in its physical condition. Finally, Father Palombo has shown his continual support for the work and presence of the Sister Servants of the Immaculate Heart and now, the Salesian Sisters of St. John Bosco, who conduct Mater Dolorosa School.

Father has continually reached out to newly arrived Italian immigrants and their families, aiding them through the difficulties of relocation and life in America. When it was necessary, he procured lodgings for many of these people and helped them to settle into homes and jobs. In many cases, he supplied, and still supplies, food and clothing. Father has worked tirelessly on behalf of these pilgrims as they seek to become contributing members of America.

Throughout these 40 years of priestly life, Father Palombo has been known for his compassion for the poor and the needy, not only caring for those placed under his care as pastor, but anyone in need. No one is turned from his door. Therefore, with the people of Mater Dolorosa, I join in the happiness and respect we have for Father Albert B. Palombo's long and faithful service to God, the church and the people he has been called to serve.●

DEDICATION OF THE AUDITORIUM OF THE LAW SCHOOL, UNIVERSITY OF SOUTH CAROLINA IN HONOR OF SENATOR STROM THURMOND

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SPENCE. Mr. Speaker, the esteem in which the senior Senator from my State is held by his fellow South Carolinians was further demonstrated recently when the auditorium of the University of South Carolina School of Law was named the Strom Thurmond Auditorium. A bust of the Senator was also unveiled in the lobby of the school.

Throughout his life, Senator THURMOND has had a strong interest in education and in young people. He has also assisted the university law school and its programs on numerous occasions. The Thurmond fund, established several years ago by friends who wished to honor him, now exceeds $500,000 and will be used to provide faculty endowments and student scholarships. This most recent and well deserved tribute was in recognition of these contributions and others that Senator THURMOND has made during a long and distinguished public career equaled by few men.

Mr. Speaker, I was among those privileged to attend the dedication of the Strom Thurmond Auditorium on April 2. I would like to share with my colleagues the remarks made on this occasion by the principal speaker, Dr. James B. Holderman, president of the University of South Carolina, and the Honorable William French Smith, Attorney General of the United States, and also remarks made by Senator THURMOND in response.

DR. JAMES B. HOLDERMAN, PRESIDENT OF THE UNIVERSITY OF SOUTH CAROLINA

Mr. Chairman, Mr. Attorney General, Distinguished Guests, Senator Thurmond, Mrs. Thurmond, the Thurmond Family, Ladies and Gentlemen:

It is a distinct pleasure and honor on behalf of the entire University family today for me to welcome you to these particular ceremonies.

It is a challenge for any university to find ways to thank those to whom we are continuously in debt. We must tax our most creative genius to find an opportunity to show gratitude for people whose contributions are endless and whose energies are seemingly tireless on our behalf.

Several years ago, a fund was started here at the University of South Carolina, particularly in the College of Law, by a group of South Carolina citizens who wanted to honor Senator Strom Thurmond for his many contributions to his state and his nation. More than $500,000 has been raised to endow scholarships and faculty chairs at this School of Law through that fund drive honoring this, our Senior Senator.

Senator Thurmond has long taken a substantial interest in our Law School and in the system of justice in South Carolina. He has helped us in so many ways, obtaining speakers of national importance to address the School of Law and the rest of the University, and recently he helped one of our most outstanding professors in obtaining the Directorship of the prestigious National Institute of Justice. He has often assisted our graduates in finding positions upon their leaving Carolina, and that is not bad for somebody who went to Clemson. We feel it is a part of his continuing penance, but we are grateful for it.

The University feels there is no better way to recognize his contributions to this institution and to the future of our laws, our youth and our nation, than to name the auditorium in the University of South Carolina School of Law the Strom Thurmond Auditorium.

Under the terms of the Thurmond Fund, about one-half of the money raised through the drive will be used to fund faculty endowments, with the other half going toward scholarships. Thirty University of South Carolina law students, eleven of them minority students, received scholarships for this spring through the Thurmond Fund. We expect to have about $50,000 available in the next year for scholarships for students, many of whom would not otherwise be able to come to law school at all. Most of the Thurmond scholarships are awarded on the basis of both financial need and academic performance. Without them, many students would not have a chance to further their education.

Along with these scholarships, the Thurmond Fund will provide money to endow two faculty chairs this fall at the Law School and provide the funds to provide outstanding legal scholars to the University as visiting professors. The importance of these endowments is even greater in these times of increasing financial exigency.

We are honored as an institution because Senator Strom Thurmond has allowed us to take this opportunity to thank him. This is a perfect setting to bring immortality to this man—an auditorium—a law school auditorium—the site of lectures, where thousands of students each year explore the intricacies of the law; a site where continuing legal education, particularly in this modern era, is ever under way; a site where the University chooses to hold countless outside programs; a site where graduations are held each January for mid-term legal graduates and hundreds of graduates will go into the profession from this very room; a site where the University holds its general faculty meetings, where the policy of this University is often set; a site for special convocations where, in the past year, the University has honored Madame Sadat and Australia's Prime Minister Fraser.

As the largest academic auditorium on this campus, it is most appropriate to name it for the most active, living South Carolinian, perhaps the most active South Carolinian ever, one of whom we are most proud. Today, he joins the ranks of other distinguished citizens for whom locations on this campus are named: Thomas Cooper, the LeContes, Rutledge, Russell, Gambrell, Osborne, Currell, and Leiber—very good company for them to be in.

We congratulate you, Senator, and we thank you for allowing us to do this with you.

HON. WILLIAM FRENCH SMITH, ATTORNEY GENERAL OF THE UNITED STATES

Thank you very much, Dean Lightsey.

I would like to add to that designation President Holderman just made. He said that Senator Thurmond was the most active South Carolinian. I would like to expand that by saying I think he is also the most active Washingtonian possibly ever, as well.

As then-Governor Strom Thurmond once told a captive audience at a state prison here in Columbia, "I am happy to be here, and I am glad to see you here."

In dedicating this facility to Senator Thurmond, you are continuing the proud traditions of this great University. South Carolina's William Johnson, the first great dissenter on the United States Supreme Court, helped to found the predecessor to this institution. Hugh Legare, the South Carolina lawyer who became Attorney General of the United States, attended this college. Now you have chosen to associate this institution with the latest in a long line of great South Carolina lawyers, Strom Thurmond, the Chairman of the Judiciary Committee of the United States Senate and President Pro Tempore of the Senate. Adding Chairman Thurmond to Johnson and Legare completes the representation of this University in all three branches of the Federal government.

The decision of this Law School to honor Strom Thurmond is especially appropriate. His career has been devoted to the improvement of both education and the law. He was a teacher and educator himself. At the age of twenty-two, he was a member of the Edgefield County Board of Education, and later he served as Superintendent of Education. As Governor and Senator, the improvement of education has been his continuing goal.

The Senator's legal career has also been illustrious in private practice and in public service. He served as city attorney and county attorney. Elected at the age of thirty-five, he was South Carolina's youngest Circuit Judge. Now, as Chairman of the Senate Judiciary Committee, Senator Thurmond has as much influence in the course of Federal law as anyone in the United States.

No one needs to tell the people of South Carolina why Chairman Thurmond is deserving of any honor they can bestow. Nevertheless, I have a personal debt to the Senator. His graciousness to me has been equaled only by his effective advocacy of legal reforms to which I am also devoted. As the leader in the effort to achieve passage of the Federal Criminal Code, Senator Thurmond is striving to bring law and order and reason to the entire corpus of the Federal Criminal Law.

As sponsor of a proposal to modify the Exclusionary Rule, the Senator is attempting to correct the anomaly in our Law that excludes probative evidence even when it was obtained in reasonable good faith conformity with the Fourth Amendment.

Senator Thurmond's sponsorship of habeas corpus reform evinces his balanced concern for the legitimate rights of defendants and his recognition of the need for finality in criminal process.

His leadership in the effort to pass criminal forfeiture legislation will help law enforcement get at the profits of crime.

And all of this is just a sampling of the many areas in which Senator Thurmond is actively working to promote a safer and more just America.

His leadership in the confirmation of Sandra Day O'Connor as the first woman on the United States Supreme Court allowed all Americans to gain a better appreciation of his skill and grace. I would also like to compliment Mrs. Thurmond in that respect. She was superb as a hostess during a period which was really quite trying in terms of the process that had to be gone through during that period.

Like another distinguished lawyer of an earlier age, Oliver Wendell Holmes, the Chairman is an inspiration to all of us who have reached a certain age. Justice Holmes, while a member of the Supreme Court, took a long walk every afternoon with his colleague, Justice Brandeis. According to a story that many of you have probably heard, Holmes, who was then ninety-two, paused during one such walk to gaze in frank admiration at a beautiful young woman who passed by the two Justices. Turning to Brandeis, Holmes said, "Oh, what I would not give to be seventy again." If Holmes had only known Strom Thurmond, and the tremendous energy he exudes, he might have said instead, "Oh, what I would not give to be eighty again."

Mr. Chairman, I look forward to many more years of working with you. Your continuing leadership in government will guarantee many more pleasant events like this one today—events honoring you for contributions to better government for South Carolina and the nation as a whole.

I, like so many of your colleagues, will always be proud to join in honoring you.

RESPONSE BY SENATOR THURMOND

Dr. Holderman, Dean Lightsey, Attorney General Smith, Judge Simons, Judge Wilkins, Governor McNair, Mr. Walter Brown, Judge Mason, Other Distinguished Guests, Members of the Board of Trustees, Members of the Faculty, Members of the Student Body, Members of my Family, and Friends:

Dr. Holderman and Attorney General Smith, I wish first to express my deep appreciation to you for those kind, generous, and flattering remarks.

The University of South Carolina has an outstanding President. He is known throughout the country as a great educational leader, and we are very proud that he determined to make South Carolina his home.

The Law School here has been very fortunate to have able Deans, and many of them have been very prominent as lawyers and have served our state well. I remember Robert Figg was Dean here a few years ago and did such a fine job, and there are many others. Today, we are very fortunate to have Dean Lightsey here, a man who has distinguished himself as one of the best deans in the United States. He succeeded a very able and dedicated dean, Richard Day.

As I thought about how I would respond to this magnificent honor, I realized that words seem almost inadequate for this task. When I consider the greatness of this institution—the University of South Carolina—and this law school, I am humbled by the knowledge that my name will be linked with the outstanding tradition which has been established here.

President Holderman and Dean Lightsey, you are to be commended for the exemplary jobs that you have done in establishing the Law School as a premier institution of legal education. I commend the Board of Trustees for the fine leadership they have provided over the years in making available the opportunities and amassing the talent and resources to achieve the excellence that distinguishes this University and this law school.

To the faculty and staff, I offer congratulations for the high standards of education that have been established and maintained here. To the students, I extend the challenge to take full advantage of the opportunity you have for education, for growth, and for achievement. To the alumni and friends of the University, I charge you to continue your support of this fine program, for I believe that even greater success awaits this law school in the future.

When Alexis de Tocqueville visited this Country in the early 1800's he observed that lawyers seemed to be involved in almost every transaction in the new democracy in America. More recently, it has been observed that hardly an issue is raised by government that is not ultimately resolved as a legal question.

Of course, not everyone shares my high regard for attorneys. You may recall Shakespeare's great play, "Henry IV," which tells the story of the conspiracy to overthrow the king and seize the throne. Early in the planning for the revolt, one of the conspirators says, "The first thing we do, let's kill all the lawyers." I trust no one here today would share that sentiment.

Law is the foundation of our free society, and education in the law—as well as an educated citizenry in general—keeps that foundation strong. Oliver Wendell Holmes once likened the law to a magic mirror, "wherein we see reflected not only our own lives, but the lives of all men that have been." He concluded by saying, "When I think on this majestic theme, my eyes dazzle." I would agree with his conclusion: the goal of justice under law is the crowning jewel of American democracy.

As a lawyer and a teacher myself, I have always had a special interest in education generally, and in legal education in particular. I shall always regard my years as a teacher, coach, and county school superintendent in Edgefield County as among the most satisfying of my life. The education I received in the law from my father, and my years as a country lawyer in Edgefield, could not have been more rewarding. My service on the bench could not have been more challenging with the awesome responsibilities it brought upon me.

As I stand before you today on this most special occasion for me, I stand committed to what you are doing here at the University of South Carolina Law Center, and I pledge to you my continued support for this outstanding program.

I shall always be indebted to this Law School because of my theft in 1968 of one of its brightest and most promising law students, my wife Nancy. She still questions whether the Law School was negligent in failing to press charges against the thief.

Each of us has an obligation to the continued well-being of higher education. The government, the business community, and graduates of our institutions of higher learning have a responsibility as partners to assure that the same and better opportunities are available in the future. The government takes from higher education good minds. While some think that government should take all the responsibility to support higher education, this is not and cannot be true. However, government should do its share. Private corporations and other members of the business community take from higher education its bright students to assure prosperity for their companies in future years. What they take out they should put back for the future. Those who have graduated from our institutions of higher learning owe, in large measure, their success to those colleges and universities from whence they came. To keep higher education strong, we must have a partnership of the takers—government, business, and our alumni—to support the source of their success.

My life has been devoted to the law, my energies have been given to serving our State and Nation and to perfecting our government and our laws. My hopes for the future of our Nation are strongly bound up in my faith in the wisdom of our people, and in the belief that this wisdom will guide us in the perfection of our laws and of justice. You, as lawyers and students, as teachers, as friends with an interest in this great University, can take pride, as I do, in the commitment that has been made here to excellence in the education of lawyers, judges, and leaders for our State and Nation.

I am very pleased that the campaign we waged to raise funds for the University of South Carolina Law School, to provide scholarships for needy, worthy students in law and the chairs for meritorious and distinguished visiting professors of law, was successful in raising over half a million dollars.

Many people within and without the State cooperated and assisted with this goal, but no one performed greater assistance in this worthy project than my good friend, General Emory Sneeden, Associate Dean of the Law School. Dean Sneeden was my former Chief Counsel on the Judiciary Committee of the United States Senate and rendered magnificent service there and I am grateful for the outstanding endeavors and strenuous effort he put forth in aiding to bring this project to fruition.

In closing, I wish to thank the Board of Trustees, President Holderman, Dean Lightsey, the students, the faculty, the staff, and the friends of this great law school. To have this auditorium at the Law School of South Carolina named in my honor is a humbling experience for me, because I owe so much to you and to all the people of South Carolina for the opportunities afforded me for public service. This is an honor I shall always cherish. No one could receive a greater honor than have his name forever inscribed as a part of a great facility dedicated to the high principles of education and justice. Again, I am grateful and thank you.●

FOOD SAFETY

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. MADIGAN. Mr. Speaker, last summer, the Food Safety Amendments of 1981, a comprehensive bill modifying the three laws which regulate our food supply, was introduced in the House and the Senate. Another bill revamping the food safety laws was introduced early this year. The bills reflect the growing concern that our food safety laws are antiquated and in need of reform.

The basic laws and concepts which regulate the safety of food are over 20 years old. Improvements in quantitative analytical methods now allow the detection of trace elements in part per billion rather than parts per million. Scientists can detect the presence of compounds we never knew were in a food product.

However, regulatory judgments are being made within a legislative framework established before development of this new technology. This has lead to inferences, sensationalism, and inaccuracies about the possible risks which may result from the use of foods, food additives, and food packaging materials.

The inflexibility of the Delaney clause, an amendment to the Federal Food, Drug and Cosmetic Act, has caused consumers to agonize through scares on cranberries, saccharin, bacon, peanuts, and beer. Dealing only in risk, the Delaney clause gives no consideration to potential benefit.

As a result, consumer confidence in the food system has eroded despite the fact that the United States has the most wholesome, affordable food supply in the world. We should be concerned that the possibility for additional scares and sensationalism will increase as consumption of processed food products increases.

The ability to detect trace elements in food has also caused scientists to debate the significance of allowing such small amounts of substances in food products. More scientific input is needed to insure that Government officials do not make decisions which, in the case of nitrite, unnecessarily threaten to remove a large amount of our food supply. Consumers must be allowed to continue to benefit from a safe, abundant food supply.

The Congress now has the opportunity to improve the existing laws which regulate this country's food safety. The flexibility necessary to use scientific advances without creating unnecessary anxiety for consumers should be the heart of the scrutiny.●

NIGHTMARE IN NICARAGUA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following Reader's Digest article, "Nightmare in Nicaragua." It is must reading; it reveals the truly desperate situation in Nicaragua.

NIGHTMARE IN NICARAGUA

(By Ralph Kinney Bennett)

For the people of Nicaragua, politics these days can be brutally simple: do what the Sandinista government says. Or die. When 18 farmers in one village refused to join Sandinista "mass" organizations, they were accused of being contras (counter-revolutionaries) and executed by security forces. In other towns, farmers and shop owners simply disappear. Sometimes their bodies are found in a public place, presumably as examples of the fate of contras.

The Sandinista National Liberation Front (FSLN) came to power in Nicaragua with the overthrow of dictator Anastasio Somoza in July 1979. It promised free elections, respect for human rights, "political pluralism," and a mixed economy combining "responsible" government control with free enterprise.

Now, after nearly three years of Sandinista rule, Nicaragua has assumed the trappings of a Marxist military dictatorship. The promise of free elections has been ignored. Human rights are being grossly violated by a government that terrorizes, imprisons and kills without compunction. Political pluralism has become a sick joke—nine Marxist commandantes, heavily influenced by Cuba, wield the only real power.

The government has seized key industries—banking, foreign exchange, fisheries and mining—and its daily threats to seize more are strangling the once-booming economy. By some estimates, more than 100,000 Nicaraguans have fled their country since the FSLN takeover.

The internal agony of Nicaragua is compounded by recent developments of international implication. For example, the Sandinista government has:

Welcomed the help of Cuban, Soviet and other communist-bloc allies to arm and train an army of close to 50,000 men and a militia of 200,000—in a country whose total population (around 2.5 million) is less than that of Los Angeles.

Turned Nicaragua into a training center, transfer point and sanctuary for guerrillas and terrorists from Libya, the Middle East and the rest of Latin America.

Taken an active role in prosecuting the war in El Salvador while funneling weapons and other materials to revolutionaries throughout Central America.

A walk through the marketplaces of Managua or outlying towns reveals a growing sense of hopelessness and fear. Thousands of prisoners languish in overcrowded jails, and the deeply rooted Catholic Church has come under increasing attack. "We overthrew Somoza, but now our revolution has been stolen from us," complains a restaurant worker.

Today more than 5000 Cubans work in Nicaragua, including 1500 military and security advisers. Cuban operatives hold key positions throughout the Sandinista government. Other Cubans are advisers and bodyguards of high FSLN officials, operate within the police, in the government-controlled television and radio, and in monitoring the telephone system.

A drab Marxist cosmopolitanism has settled over the country. In the lobby of the Inter-Continental Hotel, Russian technicians and engineers meander about in ill-fitting tropical shirts and sloppy sandals. In the streets one hears the conversation of East Germans, Czechs, Poles, Hungarians and North Koreans—all present in Managua presumably to put "scientific Marxist principles" to work. Leftist terrorists from Argentina, Chile and Colombia help with interrogation and torture, bringing refinements, which have included placing a prisoner in a cell with the decaying bodies of execution victims, or in a barrel filled with ants, or "Operation Sandwich," putting the victim between two thin mattresses on a concrete floor and then beating him with clubs.

"You can't see any bruises," says a man held by the Sandinistas for 11 months without being charged, and tortured repeatedly. "But you are reduced to jelly. You can't even crawl."

The government still boasts that it is "committed to a pluralistic society" and that opposition parties are permitted to organize. However, they may not name candidates—and, of course, there are not elections. "There are many political parties, it is true," says a Managua attorney. "But only one has its own mountain." He gestures toward a prominent peak overlooking the city. In mammoth block letters, FSLN is spelled across its slope. On the radio, the FSLN anthem (with the words "We fight against the Yankee enemy of humanity") is heard more often than the national anthem. And the blue-and-white Nicaraguan flag is a minor distraction in the panoply of red-and-black FSLN banners that wave all over Managua.

In a speech last August, Defense Minister Humberto Ortega declared: "Marxism-Leninism is the scientific doctrine that guides our revolution. We have not promised the elections that they [the Nicaraguan middle class] think we are going to promote, and we are never going to discuss power." He later made a chilling challenge to the Sandinista militia to draw up lists of "bourgeois" enemies of the government * * * and personal safety if the complaints go beyond such mundane matters as broken water mains or long lines at government offices.

One of the most effective weapons against dissent is the use of government-organized mobs (las turbas). These are generally recruited from the local Sandinista defense committees, groups urged by the government to spy on neighbors and look for "counter-revolutionary activities." Commandante Daniel Ortega was moved to elevate them to las turbas divinas (the divine mobs.)

Las turbas have attacked and demolished the tin-roofed homes of contras in the squalid barrios. In time of crisis, he said, "they will be the first to appear hanging along the roads and highways of the country."

This moved business leaders to compose an open letter to the government protesting "a new genocide in Nicaragua for exercising the right to dissent." Three of those who signed the letter were arrested by the Sandinista police and imprisoned for six months.

The Sandinistas take great pains to maintain a facade of dissent and free expression. The commandantes hold well-orchestrated "beef" sessions on television every Friday night, during which they answer planted questions and hear the people's complaints.* * * They have destroyed businesses, upset rallies of other political parties, threatened to disrupt Catholic masses and broken up Protestant services with clubs and rocks.

Although Nicaragua still has a handful of independent radio stations, they have been repeatedly harassed and censored. Two of them—Radio Amor and Radio Mi Preferida—were put off the air by las turbas last year.

Similarly, the only independent newspaper, La Prensa, has been attacked by mobs and shut down by the government six times for reporting news that the Sandinistas felt reflected badly on them. "Outsiders say we still have press freedom," says La Prensa's feisty editor, Pedro Joaquin Chamorro, Jr. "But press freedom is something on a scale of one to a hundred, and ours is just a little bit up on that scale."

As the FSLN tightens its grip, hopes of a democratic evolution in the Sandinista government have all but disappeared. "Our government is a dictatorship," declared Dr. Jaime Pasquier, the Sandinista U.N. ambassador to Geneva when he defected last June. "It always will be a dictatorship."

Many Nicaraguans plainly hope that the United States and neighboring nations will somehow aid in delivering them from the FSLN. Says a prominent citizen who has relatives in the government: "We suffered terribly in the war against Somoza, and we want peace. But now I am convinced that our only hope lies in forcing the Sandinistas out."

To accomplish this, thousands of Nicaraguans are prepared to fight. These include native Indians, hundreds of whom have been killed by the FSLN, as well as guerrillas of the Nicaraguan Democratic Union operating along the Honduras border under the legendary Fernando "Blackie" Chamorro. Though he helped overthrow Somoza, Chamorro now feels the revolution was "stolen" by the commandantes.

The United States and its partners in the Organization of American States must face the deadly facts of the Sandinista dictatorship and its threat to peace in Central America. To prevent a second Cuba in the Western Hemisphere, organization members must act in concert to support the liberation of Nicaragua by Nicaraguans.●

EXPLANATION OF VOTE ON H.R. 6294

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. SNYDER. Mr. Speaker, yesterday I was one of the small handful of Members of this body who voted to reject, H.R. 6294, the Emergency Housing Authorization Act of 1982. Several of my colleagues have questioned my vote on this measure and I would like to share my thoughts on the matter with you.

I had mixed feelings about the idea of a housing stimulus measure all along. On one hand, I have never been a big fan of the idea of the Federal Government bailing out private companies or industries. On the other hand, it is clear that if any industry needs and deserves being "bailed out," it is the housing industry since it is a victim of high interest rates created by Government policies of the past.

These mixed feelings carried me up to the final minutes of the vote undecided, and in fact I initially voted for H.R. 6294 but changed my vote to nay.

There were two primary reasons that swayed me at the end. First, this measure was considered under suspension of the rules—a procedure generally reserved for noncontroversial measures with relatively small price tags. A $1 billion authorization does not fit that category. I also would have preferred open and free debate and the opportunity to consider amendments to provide a transfer of existing funds to finance the program.

My second reason was a resolution I received from the Home Builders Association of Northern Kentucky, urging me to oppose housing stimulus subsidies because economic subsidies are part of the problem and will prolong the cure.

A copy of that resolution follows:

RESOLUTION

Whereas, economic subsidies to various and sundry industries by the U.S. Government has contributed to uncontrolled spending and excessive debt, and

Whereas, previous subsidized housing programs will require payments of enormous sums of money by the Government for years to come to a select few who profit from such ventures, and

Whereas, such programs have increased the public debt, overburdened the taxpayers

of this and future generations, and created public and personal obligations far in excess of the "real value" received.

Now, therefore be it resolved that the members of this Association petition the U.S. Congress and the Administration to oppose the adoption of the Lugar-Patterson Housing Stimulus Programs (S. 2226 and H.R. 5834) which call for housing subsidies at taxpayers expense.

Be it further resolved that members of this Association urge the U.S. Congress and Administration to take actions which will lower interest rates and provide a solid economic recovery for this nation.

Adopted this twelfth day of April, Nineteen Hundred Eighty Two.●

REVAMP THE JOINT CHIEFS OF STAFF

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BOLLING. Mr. Speaker, the following article, "Revamp the Joint Chiefs of Staff," by John G. Kester, who was special assistant for former Secretary of Defense Harold Brown, appeared in the May 5, 1982, Wall Street Journal. It makes sense about what may be the greatest single weakness in the Defense Establishment of the United States.

REVAMP THE JOINT CHIEFS OF STAFF

(By John G. Kester)

While what's left of Her Majesty's fleet closes on the Falklands, some salvos of more lasting significance for the U.S. will be muffled deep in the Rayburn House Office Building. A House subcommittee has opened hearings on Gen. David C. Jones's proposal to redesign the Joint Chiefs of Staff, which he chairs until June. Smoke and fulmination may confidently be predicted. Spending issues pale when there are bureaucratic interests at stake. Yet no defense initiative this year can so permanently affect the direction of the armed forces.

Unlike Mr. Weinberger's budget, General Jones's 40-year-overdue reform will cost nothing. It is not the child, however, of any of the President's budgeteers or wastecutters or defense intellectuals. Its father is an introspective lame-duck Air Force general who once was an aide to Gen. Curtis LeMay. For his trouble he has received spotty support and some backbiting from uniformed colleagues, most of whom are waiting to see which way the congressional wind is blowing. And there has been only a diffident pat on the head from a Defense administration that so far doesn't seem to care that the ships, tanks and missiles it is buying for the year 2000 are directed by a top military staff that has barely entered the era of indoor plumbing.

The uniformed head of our armed forces is not a person but a committee, the Joint Chiefs of Staff. And since it was set up in 1942 and put into law in 1947, the JCS each year has become more of a bad joke. The members, who are also respectively heads of the Army, Navy, Air Force and Marine Corps, are often talented. But they have a built-in conflict of interest. Even in the JCS conference room, the "tank," they inevitably work for the bureaucratic interests of their respective services, and not for the collective armed forces.

NOT ENTHUSIASTIC ABOUT SERVING

The staff that serves the JCS is answerable in fact not to the committee, but to the individual services. It keeps the chiefs cataleptic whenever a service's parochial interests are at stake—which is most of the time—on the issues that matter. Talented officers approach service on the staff of the JCS with the enthusiasm of sailors ordered to chip paint; most manage to find other things to do. That the JCS seldom actively causes harm is no excuse for endless sins of omission. It certainly is no reason to continue a misfit arrangement that effectively shuts out the U.S. military from helping shape national security policy.

The JCS never was anyone's ideal. It was a post-war compromise between the Army, which wanted a single general staff, and the Navy, which wanted to be left alone, aided by the Air Force, which would have traded bombers for balloons if necessary to obtain independence from the Army. Later a chairman was added, but with no power to direct the organization and with the proviso that the JCS staff works for the committee, and not for him.

The JCS does only one thing well: It makes sure that no ideas get very far that do not have the backing of each of the military services. It guarantees that no military planners ever take too seriously President Eisenhower's warning a quarter-century ago that "separate ground, sea and air warfare is gone forever." It is the embodiment of what he called "service systems of an era that is no more."

General Jones has rightly compared the JCS to a conglomerate in which the operating divisions have the only seats on the board, select and run the corporate staff, and can veto anything the parent wants to do. Consequently, it does not do much. The JCS committee can't agree on basic strategy, or even tactics, except that there must be a role for each service (remember the Iran raid?) It cannot agree on allocating dollars among competing defense programs, except that each service should get all it wants. It cannot agree on anything promptly, because staffing a proposal usually takes not weeks but months. Its officers learn to think small, and stick to protecting the interests of their own service, which controls their next assignment.

The attitude goes all the way to the top: General Westmoreland was not unique when once he revealingly described himself not as a JCS member, but as "the Army's representative on the Joint Chiefs of Staff." The current Navy member testified last month that, "I am a naval officer first."

Some consequences of the present organizational failure are obvious. Others are not. Dean Acheson groused that the JCS was capable only of "oracular utterances," which Henry Kissinger called "non-aggression treaties among the various services unrelated to a coherent strategy." Eisenhower complained that if he had organized his World War II staff like the JCS he would have been fired, and Gen. Maxwell Taylor called for abolishing the JCS and going to a single chief of staff. The same notion was proposed 20 years ago in a master's thesis by an obscure lieutenant colonel named Alexander Haig, who worried about excessive influence by the State Department.

The less apparent costs of JCS paralysis flow from the fact that defense decisions have to be made anyway. Someone has to figure out how to cut up the limited resources and how to fit them to strategy. The JCS begs off. As a result we continue to rely on civilian systems analysts planning for battlefields they have never seen and professors concocting strategies unimpeded by service prerogatives. Budgets and strategy also suffer. With the blessing of the JCS, the country continues to buy four independent tactical air forces, one for each service. Civilians still have to wrestle the Army and Air Force so that the tanks of one will fit inside the planes of the other.

What the country has long needed is a unified general staff not answerable to the Army, Navy and Air Force bureaucracies, and with a single uniformed individual in charge, under the Secretary of Defense. What General Jones has proposed does not go so far, but it at least moves in the right direction. He would add a four-star vice chairman of the JCS, to give the chairman an alter ego not tied to a single service, and would authorize the chairman to advise the President without JCS concurrence. He would have the staff work for the chairman and would do away with the current rule that any JCS paper can be vetoed by any of the four services at any of four levels of staffing. He could have done more—such as seeking for the chairman some of the power to promote officers that is now the exclusive province of the separate services.

Officers, intent on maintaining service prerogatives can be expected to castigate the Jones plan. A line of admirals already is firing broadsides. (The Navy never wanted to be part of the defense department, anyway.) Some will claim that reorganization could lead to an elite German style, general staff. They know even less about politics than they do about German history. The German army in World War I had power because the Kaiser wanted it to. In World War II the Germans had simply an army general staff. One of the reasons they lost the war was its inability to coordinate with the fleet and Goering's Luftwaffe, while military policy was devised by an erratic former corporal and his political admirers.

In the U.S., the uniformed military are not exactly on the verge of dominance. Since 1945 they have steadily lost ground as contributors to national security policy, while rival organizations have multiplied—the Secretary of Defense's civilian staff, the Office of Management and Budget, the National Security Council, congressional staffs, the Arms Control Ageny, the CIA, the State Department, even the Energy Department, all have staffers eager to play at military policy. The problem today is not a man on a white horse. It is that we have five men jostling each other on the back of a camel. The question is whether the professional—as contrasted with the four service bureaucracies—will be heard from at all.

EFFECTIVE ORGANIZATION NEEDED

The Soviets have a unified general staff. So do the Germans (at last), the French, the Canadians and the British, thanks partly to the efforts of the late Lord Mountbatten. Freedom is not inherently threatened by having defense forces organized to work. Civilian control matters—but surely there are more sensible ways than continuing a military organization less effectively organized at the top than the average university.

Panic and military disaster usually have been prerequisites for military reorganization in the U.S. General Jones is the first officer in a generation to try while in office,

and before the need becomes dramatized in ways no American would enjoy. The Army's chief of staff has said that he would go even further toward a unified staff; but General Jones's proposals are a first step, and will need all the public support that can be mustered.

The most tragic waste would be for Congress to play Goldilocks, fretting irresolutely about whether one solution is too hot, another too cold. We know the present JCS system is not just right. General Jones's idea is not perfect, either, nor need it be final. But it is a meaningful beginning. His message is that the country should expect more from its senior miltary staff than the porridge currently cooked by the JCS. Because there really are bears out there.●

GARCIA OP-ED ON POVERTY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WEISS. Mr. Speaker, I think eveyone understands how important definitions often are in our legalistic society, but few could directly alter as many lives as our definition of poverty. On May 4, my colleague from New York City, Representative GARCIA, published an insightful commentary in the New York Times that raises significant questions about a Census Bureau study that presents alternative definitions of poverty.

Normally, such an academic study with different interpretations of who is actually poor would not, by itself, provoke great concern. But as some Members might recall, and as Majority Leader WRIGHT firmly pointed out last summer, the unseen "mystery" reconciliation bill passed by this body last July included language which enabled the administration to redefine poverty for the purpose of scaling back social welfare programs. Because this is likely to become such an important issue—ethically as well as politically—I strongly encourage my colleagues to review Congressman GARCIA's article, which I request be reprinted here:

[From the New York Times]

ANOTHER NAME FOR POVERTY

(By Robert Garcia)

WASHINGTON.—If the Reagan Administration adopts a Census Bureau report that discusses the inclusion of noncash benefits in defining poverty, the poor may wind up in even greater trouble than they are in now.

The report, requested by Congress, proposes three different methods of measuring poverty. All of them include noncash benefits—for example, food stamps, Medicaid for the poor, Medicare for the elderly, rent supplements, and subsidized school lunches—in defining what the poverty level should be. None of the methods increases the material well-being of the nation's poor.

If it became policy, the report, instead, would move the poor above an imagined poverty level and further away from the lifeline of social-assistance programs.

The report is potentially dangerous for a number of reasons. It can be used as an excuse for increased cuts in welfare programs at a time when many of our country's underprivileged are barely hanging on at the edges of the economic abyss.

What makes it even more repugnant is the double standard it sets up for the rich and the poor.

Fairness requires that if noncash benefits, which are also known as "inkind benefits," are included in computing the total income level of the underprivileged, then they must also be included in computing the total income of those above the poverty line, which today is defined as $9,300 for a family of four.

If food stamps, Medicaid, and other noncash benefits are included in determining the total income of the poor, then health insurance and life insurance policies paid by employers, as well as tax-free interest and other noncash subsidies must be included in determining the total income for the middle class and wealthy.

All Americans enjoy noncash benefits. They are an integral part of the relationship between the Federal Government and the people. I agree, however, that social assistance programs may need re-evaluation if they are to be made more effective. But performing acts of statistical prestidigitation that do not actually make these programs work more effectively—but only appear to make them do so—will not aid the truly needy.

What is worrisome is that the only real "benefit" this report will have will be to justify the Administration's cutbacks of programs that help the poor. This is even more frightening now that the Office of Management and Budget can change the definition of poverty without the approval of Congress, a change introduced by the Reagan Administration. O.M.B. could include noncash benefits in a new definition of poverty. So far, it has not announced plans to do so, but the specter of this change stares coldly at the poor because of the report.

Another major difficulty with the report is that it does not account for the varying needs of those receiving noncash benefits. For instance, the more health care a person uses, the more noncash benefits that person receives; this would in turn raise the person's income level; therefore, the more ill a person is, technically, the wealthier that person is. Of course that's absurd, but it gives an indication of some of the potential pitfalls that may follow from the report.

President Reagan recently made a plea for tuition tax credits for families that send their children to private schools. This is an example of a noncash benefit that he advocates for Americans above the poverty line. The problem is that the President is not making enough of an effort to aid families who are truly desperate. We don't need an approach that will make it easier for him to neglect the poor.

The Census Bureau report proposes no solutions to the poverty and despair creeping through our urban centers and rural outbacks. We cannot wish away the economic anguish surrounding us. We must confront these difficulties with our imagination and a will to see that all Americans have real hope and that they do not merely face a re-evaluation of their present misery. It's a waste of time and money to simply tell the poor that they are no longer poor.

Congressional hearings are to be held next month to fully consider the report and its possible impact on the needy. Congress cannot stand aside and let the poor be forgotten. We must work to ensure that this report will not become another weapon to be used against America's underprivileged.●

A SURCHARGE: THE WORSE TAX?

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FIELDS. Mr. Speaker, I am submitting for the RECORD today an excellent article that recently appeared in the Wall Street Journal entitled "The Surtax: Republicans Head for the Cliff."

Since coming to Congress, I have consistently opposed all attempts to increase the level of taxation on working Americans because I believe very strongly that individual taxpayers have been overtaxed for far too long. I have often said that Americans should be able to spend or save a greater share of their hard-earned income the way they want and not as Washington dictates.

With the passage of the Economic Recovery Tax Act of 1981, we are finally beginning to reverse this overbearing level of taxation and I feel it would be most inappropriate to now eliminate these tax reductions by establishing a surtax on some of the most productive members of our society.

While I continue to be very concerned about the possibility of large Federal deficits, I do not believe increased taxes are the solution to our long-term economic recovery. In fact, the majority of historical evidence strongly indicates that higher taxes do not increase employment nor stimulate economic growth. Rather, tax increases exacerbate the problems of unemployment, low productivity, and economic stagnation.

I would urge my colleagues to read this article carefully to avoid repeating the economic errors of the past.

The text of the article follows:

[From the Wall Street Journal, April 22, 1982]

THE SURTAX: REPUBLICANS HEAD FOR THE CLIFF

(By George Gilder)

Howard Baker and other Republican leaders are contemplating the possibility of a temporary surtax of 4% on individual income taxes. The alleged purpose of this bold proposal in the middle of a recession year is to cut the deficit, control inflation and reduce interest rates. House Budget Committee Chairman James R. Jones, Democrat of Oklahoma, calls this surtax "a responsible recommendation that should be considered."

In their desire to offer early leadership to the tax-hike movement, however, these congressional leaders seem to have rejected a host of equally "effective" and "responsible" policies for achieving their goals. Nowhere, for example, do they mention, as an

antidote to the interest-rate problem, resorting either to rain dancing or levitation. They also have ignored far more promising and less taxing remedies, such as declaring a five-year congressional recess. The recess idea has the advantage of removing these Republican leaders from Washington without electoral catastophes in 1982 and 1984 that would replace them with more Democrats like Mr. Jones, who might well raise taxes even faster.

DID NOT ACHIEVE THEIR GOALS

This is not to deny at all that a tax hike this year might solve the interest-rate problem. It probably would bring interest rates radically down—by causing a depression. Even Sen. Baker might regard this policy as something of a riverboat gamble.

Before we accept the surtax idea, however, it is worth considering the results of a similar surtax in the relatively booming economy of 1968. As Michael Evans of Evans Economics has documented, the surtaxes of 1968 and 1969 achieved none of their goals. Inflation spurted higher, interest rates rose. a recession ensued, the stock market crashed and even the deficit increased.

The deficits projected by the Reagan administration are substantially smaller as a proportion of GNP than those of 1975 and 1976, which were followed by a brisk economic recovery and declining inflation. They are substantially smaller than deficits undergone in recent years by such low-inflation and high-growth economies as Japan, Switzerland, Germany and Austria.

Deficits are always a problem because they compete with the private sector for savings. But a large deficit accompanied by higher savings, as in Japan and Switzerland, will cause few problems, particularly in a recessionary year. The Carter administration, on the other hand, lowered the deficit from 3.9% of GNP to 1.1% of GNP between 1976 and 1979 by allowing taxes to rise through inflation. Rising income taxes, however, destroy savings three ways: by taxing most highly those very earnings most likely to be saved, by deterring acquisition of additional earnings and by taxing the returns to savings (interest payments) at the highest rates.

The Carter administration virtually eliminated the deficit by this means but also virtually eliminated U.S. personal savings, which dropped to 3.7% of GNP in December 1979, the lowest level in 30 years and the lowest level in the industrialized world. As a result of this splendid Carter victory over the deficit, interest rates nearly doubled, inflation soared, the economy collapsed and the deficit then leaped to over $60 billion.

In 1981, Congress followed this tax-hike policy once again. By deferring the tax cut to October and cutting it to 5% (1.25% over the entire year), Congress allowed Social Security tax hikes and bracket creep to inflict an approximate 10% tax hike on most incomes. This effective "surtax" in 1981 did not reduce interest rates. It merely deepened the recession and increased the deficit by triggering increases in a large number of recession-related or inflation-indexed government programs, such as welfare, unemployment compensation, Social Security, civil service pensions, trade adjustment assistance and various loan guarantees (that is, subsidies).

It is hard to believe that serious Republican politicians could consider the continuation of such suicidal policies. But Republicans in Congress have shown a deep lemming strain for much of this century. Although the unaccustomed heights and burdens of senatorial leadership positions may give some of our statesmen vertigo, thus arousing the old instinct to head for the cliffs, there is no reason for the administration to follow them over the edge.

The White House should stop paying attention to economists, media voices and oldline politicians who seem to have forgotten the past and are apparently determined to repeat it.

If Congressmen were really interested in dealing with the problem of high interest rates and huge deficits, they would stop taxing "unearned" income at effective rates over 100% adjusted for inflation—stop taxing inflationary capital gains and spurious inflationary yields on bonds. They would stop hacking away at picayune but useful government programs and face the tough decisions on entitlements, necessarily including Social Security and government pensions. They would halt the growth of guarantees and subsidies for loans to favored borrowers, which necessarily raise the rates for everyone else. They would stop playing games with the nation's businesses, granting them leasing benefits one moment and threatening to withdraw them the next.

GOVERNMENT SHOULD NOT PANIC

The economy is basically sound. While the auto and housing industries are failing, oil and gas entrepreneurs are overcoming the energy crisis. Meanwhile forms in high technology are launching a new age of productivity in services and creating a personal computer industry that will soon outsell the auto business. All that is needed is a stable government that does not panic at statistical shadows and palter about tax hikes while already taxing the real yield from our precious savings.

The administration's "huge" tax cuts are trivial when adjusted for inflation. Therefore their repeal means dramatic tax increases. Tax increases, in general, will produce less savings, more inflation, more unemployment and larger deficits. They are the cause of our problem, not its solution.●

IN MEMORIAM TO THE REVEREND HORACE B. McKENNA

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FAUNTROY. Mr. Speaker, I want to share with Members of the House the passing of the Reverend Horace B. McKenna, a Jesuit priest here in the District of Cclumbia, whose ministry to the poor made the church a reality. His service to the least of these through programs such as SOME (So Others May Eat), his demonstrations in support of peace, his belief in the need for provisions for the laborer as well as the landowner, his work in establishing Sursum Corda, a low income housing project, and his visitations to the sick and the imprisoned will be missed. Few people have given so much in the tireless advocacy for the poor, the homeless, and the sick as the late Reverend Horace B. McKenna.

As Members reflect on his work and on the work that others now must do, I would urge that they look at this man's life as a model for public service. While all of us cannot serve in quite the same way that Reverend McKenna did, all of us can help to ease the burdens for those who have so little. The story about Reverend McKenna appeared in the Post this morning. I commend it to each Member.

[From the Washington Post, May 12, 1982]

THE REV. HORACE B. MCKENNA, JESUIT PRIEST, DIES AT 83

(By Colman McCarthy)

The Rev. Horace B. McKenna, 83, a Jesuit priest for 53 years whose ministry to the poor made him a revered figure among Washington's hungry and homeless, died yesterday at Georgetown University Hospital after a heart attack.

As an assistant pastor at St. Aloysius Church, at North Capitol and I streets NW, Fr. McKenna was the cofounder in 1977 of SOME (So Other Might Eat). It was a program operated from a fumigated former dog shelter at 71 O St. NW and it grew out of a daily sandwich line established at St. Aloysius rectory in the late 1960s. Five years ago, 200 citizens were served two meals a day at SOME. Yesterday, a volunteer reported the number of guests now totals 600 a day, and growing.

Archbishop James Hickey of the Archdioses of Washington said yesterday that Fr. McKenna was "a strong advocate and devoted servant [of the poor]. From his days as a pastor in Southern Maryland to his long years in service in the District, Fr. McKenna has been a striking example of Jesus' call to serve 'the least of these.'"

A short physically fit man who lived in a sparsely decorated room next to the second-floor library in St. Aloysius rectory, Fr. McKenna's Irish friendliness often camouflaged his intensely burning drives for social justice and peace. Last month, he told an interviewer that the time had come for "some hunger marches. . . . We need something to make this man [President Reagan] realize that he's spending our food money on armaments."

Fr. McKenna's own willingness to march was on display as recently as August 1980 when he joined a large group of peace activists protesting an arms exhibit by the Air Force Association at a Washington hotel. Fr. McKenna said that "this intended war show" was turning the hotel "into a bargain basement for death, destruction and annihilation."

Among his fellow Jesuits of Washington, Fr. McKenna was a role model of a priest who combined service to the poor with a robust spiritual life. He embraced the modernized liturgies created after the Second Vatican Council, but the new trappings, he believed, were not meant to replace the enduring necessities of interior prayer and community worship.

As a young priest, Fr. McKenna went in 1931 to serve in St. Peter Claver parish in St. Mary's County, Md. He was to remain there, in service to the black poor, until 1953, when he came to Washington.

In his unpublished memoirs, a rich collection of stories about both his personal development as a priest and of friends as diverse as Dorothy Day and Cardinal Patrick O'Boyle, Fr. McKenna recalled a meeting in

1937 when southern Maryland landowners were told that the government would pay them for not growing wheat.

"I sat in the back with the black people, as I always liked to do . . . [They] were not landowners, they were laborers. They had to work the plows, and they had to work the thresher . . . So I stood up and I said to the speaker: 'You have made provision for the owner who doesn't plant. Now what provision are you making for the laborer?' Well, they turned around and looked at me as if I were Lenin or Trotsky! I thought it did them good to have some realization that the laborer was involved in these operations."

At St. Aloysius, Fr. McKenna relished the pastoral ministry: celebrating mass, hearing confessions, preaching the love of God, visiting the sick and the imprisoned, and raising money for the poor families of his parish. He helped establish Sursum Corda, a housing project for the poor. He also expanded SOME so that it offered medical care and counseling services.

Fr. McKenna, a cheerful man who delighted in sharing his wry comments with friends and strangers, spoke recently of his death: "When God lets me into heaven, I think I'll go off in a corner sometime for a half an hour, and sit down and cry, because the strain is off, the work is done, and I haven't been unfaithful or disloyal."

Fr. McKenna was born in New York City, one of 12 children of a chemist. He entered the Society of Jesus in 1916 at St. Andrew-on-the-Hudson in Poughkeepsie, N.Y., and was ordained in 1929. He received honorary degrees from four Jesuit colleges.●

HOUSE CONCURRENT RESOLUTION 330

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Ms. KENNELLY. Mr. Speaker, I have introduced along with my colleague Mr. FRANK a resolution calling on the Soviet Union to allow Ida Nudel to emigrate to Israel.

Ida Nudel is currently in the process of applying for an emigration visa and it is important we continue to demonstrate our support for her right to emigrate.

For the benefit of my colleagues I am inserting the text of this resolution in the RECORD at this point.

H. CON. RES. 330

Whereas the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights guarantee to all citizens the right to freedom of religion, the right to hold opinions without interference, the right to freedom of expression, and the right to emigrate;

Whereas the Final Act of the Conference on Security and Cooperation in Europe commits the signatory nations to respect individual rights and freedom, specifically the right to emigrate to the country of one's choice to rejoin relatives;

Whereas the Soviet Union has signed the Final Act of the Conference on Security and Cooperation in Europe, has subscribed to the general principles set forth in the Universal Declaration of Human Rights, and has ratified the International Covenant on Civil and Political Rights;

Whereas Ida Nudel first applied in 1971 to emigrate from the Soviet Union to Israel with her sister, whose exit visa was approved and who now resides in Israel and is Ida Nudel's only close relative;

Whereas Ida Nudel has devoted herself for more than a decade to the plight of Jewish Prisoners of Conscience and is known as the guardian angel for her activities on their behalf;

Whereas Ida Nudel endured years of harassment and surveillance after her application for an exit visa, including interrogation by the Soviet authorities;

Whereas Ida Nudel was charged by the Soviet courts of "malicious hooliganism" for hanging a banner on her balcony which read, "KGB, give me my visa", and was sentenced in 1978 to four years of internal exile after a trial in which no witnesses were allowed to testify on her behalf;

Whereas Ida Nudel was released from internal exile in March 1982; and

Whereas Ida Nudel is once again in the process of applying for an emigration visa, and the denial of her original application to emigrate, on the grounds that she allegedly had knowledge of state secrets, cannot possibly be a valid reason for such a denial 11 years later: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President, acting directly or through the Secretary of State, should—

(1) urge the Government of the Soviet Union to accept Ida Nudel's visa application and allow her to emigrate to Israel to join her sister, in accordance with the Final Act of the Conference on Security and Cooperation in Europe, the Universal Declaration of Human Rights, and the International Covenant on Civil and Political Rights; and

(2) inform the Government of the Soviet Union that the Government of the United States, in evaluating its relations with other countries, will take into account the extent to which such countries honor their commitments under international law, especially commitments with respect to the protection of human rights.

SEC. 2. The Clerk of the House of Representatives shall transmit a copy of this concurrent resolution to the President with the request that the President further transmit such copy to the Ambassador of the Union of Soviet Socialist Republics to the United States.●

HUMAN RIGHTS—GUATEMALA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BONKER. Mr. Speaker, the Subcommittee on Human Rights and International Organizations has followed the situation in Guatemala closely. Last July we had a comprehensive hearing with the Inter-American Affairs Subcommittee, and since then have carefully documented the "Violations of the Lucas Garcia regime."

A coup took place on March 23 by Gen. Rios Montt, which followed the non-Democratic elections. I welcome and support the new President's promises to reform the government and put an end to human rights violations.

The administration has proposed $250,000 in IMET for Guatemala in its supplemental fiscal year 1983 foreign aid request. It has also informally requested congressional permission to reprogram $50,000 in IMET now, as well as grant licenses for the sale of $3.7 million worth of helicopters to the Guatemala Army.

Today, at a meeting of the House Foreign Affairs Committee, we continued consideration of the administration's supplemental request. I put the administration on notice that I am concerned about their request for Guatemala, for a number of reasons. Time and time again, the Reagan administration has ignored the instructions of the Congress, both as articulated in the law, and in the committee report accompanying the foreign aid bill. Other subcommittee chairmen are familiar with this phenomenon.

It is my concern that if the Congress does not make its concerns about Guatemala explicit, the administration will ignore existing human rights laws, and steamroll ahead with plans for military assistance.

What assurances does this committee have that the Reagan administration will not provide military support to countries with poor human rights records? How can we be sure that their initial request will not be followed with larger and larger support even if the human rights conditions are still poor?

I believe that the Congress should make it clear to the Reagan administration that we will not support any military assistance to Guatemala until it is clear that the human rights situation has really changed. I would like to see these conditions met:

First. The government is complying with internationally recognized human rights standards.

Second. It is exercising complete control over the army, police, security forces, and militias.

Third. It is committed to holding free and fair elections with the participation of all democratic elements within a reasonable period.

Fourth. It has investigated and brought to justice those responsible for the murders of three U.S. church people last year: Fr. Stanley Rother, Brother Miller, and Mennonite Missionary John Troyer.

Fifth. No Army officers or civilians have been prosecuted for human rights violations: Gen. Rios Montt has yet to charge, try, or punish a single military officer for the thousands of assassinations committed during the Lucas Garcia presidency. Until there has been a thorough housecleaning of the army, police, and security forces,

we can only expect that the system of repression in Guatemala will continue.

Sixth. Gen. Rios Montt has included many senior military figures from the Lucas Garcia presidency in his administration: Lucas' deputy chief of staff of the army is now the army chief of staff. The former president of the Bank of the Army is now the Finance Minister. The new director of the police held that post during the repressive administration of President Arana (1970–74). Some of the military zone commanders from the previous regime continue to hold their posts.

If the Reagan administration could be depended upon to abide by section 502B of the Foreign Assistance Act, legislation prohibiting military assistance from human rights violators, we would not need to single out Guatemala. But human rights laws were circumvented last year when the administration approved the sale of $3.2 million in jeeps and trucks to the Lucas Garcia regime, and the administration repeatedly requested the authority to sell helicopter spare parts.

I am opposed to such military assistance to Guatemala at this time for the following reasons:

First. The new government has only been in power for 6 weeks. It has not established a record upon which we may judge it. There is no evidence that human rights violations in the countryside have ceased. We should proceed cautiously until the direction of the new government is clear.

Second. According to press reports and church sources in Guatemala, massacres and atrocities in the Indian areas continue: According to the London Economist of May 1, many old line army officers ignore the President's orders, and massacres still occur. One such massacre in the village of La Virgen La Estancia claimed the lives of 22 men, women, and children.

Third. The newly created civilian militias are a potential source of human rights violations: Gen. Rios Montt is carrying out a program to arm as many as 55,000 "civilians" to serve as civil defense forces in the countryside. According to his press adviser, some 30,000 retired army personnel have already been armed. Guatemala has been ravaged by right-wing death squads, cooperating with the army for years. Until we are assured that the newly created militias do not turn into a right-wing vigilante death squad, like El Salvador's Orden, we should not provide military assistance to Guatemala.●

HUMAN RIGHTS VIOLATION IN THE SOVIET UNION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GILMAN. Mr. Speaker, I rise to take this opportunity to join my colleague from Connecticut (Mr. MOFFETT) in introducing House Concurrent Resolution 336, expressing the sense of the Congress concerning the noncompliance by the Soviet Union of their international agreements on human rights.

There are currently 500,000 Jews in the Soviet Union who have applied for exit visas and are trapped in a country which they can neither leave nor live in freely. In 1981, only 9,447 Jews were permitted to emigrate from the Soviet Union, representing a decline in emigration of 82 percent since 1979, when 51,320 Jews were permitted to emigrate. Only 289 Soviet Jews were allowed to emigrate in March 1982. The total for the first 3 months of 1982 is 862, compared with 11,977 in 1979, 8,875 in 1980, and 3,506 in 1981. If emigration continues at its present pace, fewer than 3,500 of the 500,000 Jews who are waiting will be allowed to emigrate this year.

The quality of life for Soviet Jews, as well as for others who have sought unsuccessfully to emigrate from the Soviet Union, has declined substantially. Soviet authorities continue to persecute these citizens with verbal harassment, arrests, and imprisonment.

Mr. Speaker, when the Soviet Union agreed to participate in the conferences which led to the signing of the Helsinki accords, it gave both verbal and written acknowledgement of its promise to end religious persecution, and to allow its citizens to emigrate freely. Resolution 336 which we have now introduced calls upon the Soviet Union to honor this commitment, to fulfill its promise.

House Concurrent Resolution 336 calls upon the Soviet Union to comply with the Helsinki Final Act, the Universal Declaration of Human Rights, the International Declaration of Human Rights, the International Covenant on Civil and Political Rights, and other international agreements relating to human rights, by pursuing a more humane emigration policy and ceasing harassment of Jews and others seeking to emigrate. We believe that the Soviet Union's compliance with internationally recognized emigration rights would significantly promote improved relations between the United States and the Soviet Union. Accordingly, our resolution asks the President to convey our concerns to the Soviet officials at every opportunity, including those occasions when our nations are involved in negotiations relating to trade and commerce and to science and technology exchange.

I have joined my colleagues on many occasions in our joint efforts to improve the human rights situation in the Soviet Union. The Soviet Union must recognize that we will not let this issue be forgotten that we will continue to work to achieve this goal, and we will not be deterred nor discouraged.

Accordingly, I ask my colleagues to give their wholehearted support to this resolution and join in our efforts to end the violation of human rights by the Soviet Union.●

THE BEST OF THE BEST

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GEJDENSON. Mr. Speaker, I would like to bring to the attention of my colleagues the recent accomplishment of the East Lyme High School Band in winning the festival of States competition.

Many of the best high school bands in the country are invited annually to the festival of States competition in St. Petersburg, Fla. This year, East Lyme, Conn., Viking Band was so honored.

The East Lyme Band competed against 10 other prestigious high school banks in both field, marching and stage competition. I join my colleagues in extending congratulations to the 200 well deserving members of the delegation. Their hard work and dedication has earned them the title of "the best-of-the-best."●

REPUBLICAN ATTACK ON SOCIAL SECURITY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. WEISS. Mr. Speaker, Republicans and President Reagan made lofty campaign promises to older Americans while on the campaign trail in 1980.

At a senior rally, candidate Reagan told the elderly unequivocally:

> I will support and defend the integrity of the social security system, the foundation of the economic life of millions of Americans. That system will be strong and reliable and protected under a Reagan administration.

However, those promises have been shattered by the actions of the administration. In fact, President Reagan and his supporters have compiled the most antiaging record in the history of our Nation.

Nowhere is this more evident than in the area of social security. The 1981 administration-backed Omnibus Reconciliation Act wiped out the minimum monthly benefit for present and future retirees, terminated the $255 lump-sum death benefit for covered workers who die without a surviving spouse or entitled child, and phased out benefits to college students whose parents are deceased, retired, or disabled. Subsequently, the minimum was restored for persons eligible to receive social security before 1982.

In addition the administration tried unsuccessfully to impose the deepest cuts ever in social security's history amounting to $82 billion over 5 years. However, widespread public and congressional opposition forced the administration to abandon those proposals, at least temporarily.

But now, the administration and its supporters have launched a third offensive against social security. This package would slash social security benefits by $40 billion over the next 3 years by directing the National Commission on Social Security Reform to develop recommendations to implement this objective.

This Commission was supposedly created to come to its own independent conclusions and to propose sound and sensible recommendations to strengthen social security's financing. Instead, the Commission is being called upon to balance the budget on the backs of the elderly so the affluent in our society can receive the third full installment on a massive tax reduction. This is just another blatant example of the administration's preferential treatment for the well heeled at the expense of the elderly, the sick, and the disabled.

I am unalterably opposed to the administration's approach to mortgage the future security of the elderly to preserve a huge tax cut for the rich and a quantum jump in spending for the Pentagon. This will only add to the economic misery of our elderly citizens. It will force many older Americans into poverty and on to the public assistance rolls. It is simply a meat-ax approach that is unfair, unwise, and unworkable.

I urge my colleagues in the House to reject any proposal to cut benefits in the social security program. There are clearly more effective and equitable ways to reduce the budget deficit than to impose massive cuts on people who can least afford them.●

LEGISLATION INTRODUCED TO CHANGE CALCULATION OF THE INSURED UNEMPLOYMENT RATE

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BAILEY of Pennsylvania. Mr. Speaker, yesterday, Mr. FORD of Tennessee and I introduced H.R. 6340, which would restore fairness, equity, and realism to the way in which the insured unemployment rate is calculated.

As you know, Mr. Speaker, the Omnibus Budget Reconciliation Act, enacted last year, changed the way in which this rate was calculated. Under that act, claimants for extended benefits—the 13 weeks of unemployment benefits which individuals are eligible for following the regular 26-week program—are no longer included in the calculation of the insured unemployment rate. This has resulted in States triggering off the extended benefits program sooner than they otherwise would.

Under previous law, the insured unemployment rate was calculated by dividing the average weekly number of individuals filing claims for regular unemployment benefits or Federal/State extended benefits by the average monthly covered employment. Using this formulation, States will continue on the extended benefits program rather than trigger off, as did Michigan last fall, even though their unemployment levels are high. The triggering off was the consequence of the thresholds States had to reach in order to provide extended benefits. Those thresholds will change again in September as a result of reconciliation. As these thresholds increase, their combined effect with an underestimated insured unemployment rate is almost certain to result in more States triggering off the extended benefits program later this fall. Present estimates are that more than 10 States would trigger off if the new reconciliation State triggers were now in effect.

The legislation we have introduced will restore some realism and accuracy to the term "insured unemployment rate." In addition, it will bring fairness and equity to the extended benefits program by providing continuity of benefits in times of back-to-back recessions and high unemployment. We urge our colleagues to join us in supporting this bill and seeing it enacted before the State triggers change again in September and extended benefits stop because of the combined effects of the thresholds and the way in which the insured unemployment rate is currently calculated.

I have appended a copy of the bill for inclusion in the RECORD and ask that it be printed following my remarks.

H.R. 6340

A bill to amend Section 203(e)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended) with respect to the determination of the insured unemployment rate

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DETERMINATION OF INSURED UNEMPLOYMENT RATE

(a) Section 203(e)(1)(A) of the Federal-State Extended Unemployment Compensation Act of 1970 (as amended by section 2402 of the Omnibus Budget Reconciliation Act of 1981) is amended by striking out "individuals filing claims for regular compensation" and inserting in lieu thereof "individuals filing claims for compensation (including regular, extended, and sharable regular compensation)".

(b) The amendment made by subsection (a) shall apply for purposes of determining whether there are State "on" or "off" indicators for weeks beginning after August 13, 1981, and for purposes of determining whether there are suspension periods on or after the date of the enactment of this Act. For purposes of making such determinations for such weeks, such amendment shall be deemed to be in effect for all weeks, whether beginning before, on, or after August 13, 1981, or the date of the enactment of this Act.●

ISRAEL AND THE U.N.

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. FRANK. Mr. Speaker, I am sorry that I missed yester day's vote on House Concurrent Resolution 322 which expresses the House's support for Israel as a member of the United Nations. I am even more sorry that the House was compelled by the irresponsibility of many member nations to adopt this resolution. But given that irresponsibility, adoption of this resolution was a necessity. It would be inconceivable for the United States to continue to participate in a United Nations that would expel Isreal for exercising its right to exist. As important an international forum as the United Nations is, the United States should not remain a member and contribute generously to the U.N. if it were to destroy its credibility by expelling the only democratic nation in the Middle East. I strongly support this resolution.●

DO WE REALLY WANT TO ELIMINATE INFLATION?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. McDONALD. Mr. Speaker, it has been suggested that our current economic condition should not be referred to as a recession or a depression, but rather it should be called a hangover. After a 50-year binge of reckless Federal fiscal policies, we are suffering from the effects of uncontrolled spending and ever-increasing deficits. Those policies have lead us to a national debt in excess of $1 trillion and to a point of near economic collapse.

We have begun to take a sobering look at those policies and at the condition that they have inflicted upon us. Economic sobriety is necessary and absolutely essential. However, it must be recognized that the hangover that follows such binge is unavoidable. The symptoms of a hangover are not pleasant and the only proven cure for a hangover is time. The same is true of our economy.

There are those who advocate "quick fixes" and "sure cures." There are also those who find the hangover intolerable and yearn for another drink from the bottle of red ink and high inflation. Such solutions have not worked in the past and will not work now.

If we are serious about bringing Federal spending under control and balancing the budget, then we must allow the inevitable economic hangover to take its course and not revert to the proverbial "hair of the dog" logic.

For a more detailed discussion of this topic, I recommend the following editorial written by Lindley H. Clark as it appeared in the Wall Street Journal on May 11, 1982, to the attention of my colleagues:

DO WE REALLY WANT TO ELIMINATE INFLATION?

Disinflation has proceeded farther and faster than most of us considered likely. The consumer price index at last report in March actually fell at an annual rate of 3.3 percent the first time since August 1965 that the index has shown even a one-month decline.

Some special factors have contributed to this result. The strong dollar holds down import costs. The shakiness of the Organization of Petroleum Exporting Countries, together with reduced world demand, brought a sharp oil price decline. Bumper crops have cut into food prices.

The most important single factor in the decline, however, is the Federal Reserve System.

Someday someone may come up with a wonder cure for inflation, something that will restore price stability without any pain. For the moment, though, we're stuck with the old-fashioned remedy: Slow the growth rate of the nominal gross national product. Nominal GNP is made up of two parts—real (inflation-adjusted) growth in output of goods and services, and inflation.

The real aim, of course, is to slow the inflation. But no one has yet devised a way to deal directly with price upsweep; you have to slow the growth of the whole thing and hope that at least some of the slowdown comes in prices.

There are a couple of major ways to attack the whole thing. The government can tighten up its budget by reducing spending or raising taxes or both. If the government merely raises taxes, it must use the revenue either to reduce its deficit or to expand its surplus. If it merely spends the extra money it substitutes federal spending for private spending, which is of no help against inflation.

Fiscal restraint, moreover, can't go it alone. No matter how much money the Treasury pulls out of the economy by running a surplus, its anti-inflation effort can be overcome by a Federal Reserve that is strong-willed enough. The Fed can, if it chooses, pour enough fresh, new money into the private economy to offset the Treasury's best efforts.

It would be nice, if somewhat idealistic, to hope that at some time in the future the fiscal and monetary authorities could work in perfect harmony. There has been a harmony, of sorts, in the past year and a half, but it has consisted mainly of the administration encouraging the central bank to do its thing.

Fiscal policy has been expansionary, deliberately so. The idea was to cut taxes to stimulate savings and investment. The aims were several. By many calculations, U.S. investment had been lagging behind the pace of earlier years, retarding productivity and costing us markets at home and abroad. Higher investment, moreover, would help to keep the economy moving along while it got rid of inflation.

No one in authority actually said that we could accomplish all of this without a recession, but on the other hand no one talked about the pain to come.

Of course the administration's economists hoped that the Federal Reserve would be able to slow money-supply growth gradually over a period of three or four years. The central bank more or less delivered a monetary slowdown, but it was hardly a thing of beauty. The money supply yawed like a seasick sailor.

So the recession began last July, just as recessions have always begun when governments have finally mustered the will to try to get rid of inflation. A more gradual monetary slowdown might have mitigated the recession but it probably wouldn't have prevented it.

"There is," the Council of Economic Advisers said in this year's Economic Report, "a short-lived tradeoff between unemployment and the rate of inflation. This means that policies designed to reduce inflation significantly will temporarily increase unemployment and reduce output growth."

Well, the unemployment rate stood at 7.2 percent last July when the recession began, and it had risen to 9.4 percent last month; it could go even higher. The tradeoff? The consumer price index last July rose at an annual rate of about 13 percent. No one expects the index to continue declining, as it did in March, but the underlying rate is no more than half what it was last July.

So we have shown once again that we know perfectly well how to push inflation down. We've done it so many times in the postwar years that it's hard to forget the technique. But every time we've had inflation down we've decided the cost was too high and we've let it back up.

To be sure, no policy maker has actually said, "This has gone on long enough; let's have a little inflation." The approach is much more circumspect. As we have suffered amid a recession induced by financial restraint someone has noticed that the economy has a lot of "slack"—unemployed workers and plant. So he has announced that they were going to be very careful, adding just enough stimulus to put those idle plants and people back to work.

It has never worked. The unemployment statistics tell us precious little about how those idle workers will fit the jobs created by new monetary and fiscal stimulus. The capacity utilization figures tell us no more about the age, efficiency and usability of those idle plants. The carefully applied stimulus has always wound up generating a new upsurge of prices.

This background helps to explain why it's so hard now to convince markets that disinflation is for real; everyone is waiting for the Fed once again to reverse course. So interest rates stay high and the recovery prospects remain weak.●

THE NUCLEAR ARMS RACE DEMANDS OUR ATTENTION NOW

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. BARNES. Mr. Speaker, the issue of United States-Soviet arms control negotiations is now back on the front page where it belongs. One of the efforts which has helped focus national attention on the Reagan administration's failure to move forward on arms control is a resolution, House Concurrent Resolution 443, authorized by Congressman CLEMENT J. ZABLOCKI. As chairman of the House Foreign Affairs Committee, our colleague from Wisconsin is one of the House's top experts on the security needs of our Nation and on our foreign policy. Continuing in his leadership, Mr. ZABLOCKI today testified before the Senate Foreign Relations Committee on behalf of the urgent need for nuclear arms control. In that testimony, he argued in support of a congressional resolution preserving the SALT II agreement and building on it in upcoming United States-Soviet arms control negotiations.

He also summed up the current very dangerous nuclear weapons race by saying:

It is, I submit, perhaps the most important issue with which we have to deal in this session of Congress. Nor is it an exaggeration to say that the very survival of mankind may depend on what we do—or, God, forbid, do not do—on this question.

So that our colleagues can see the details of Mr. ZABLOCKI's analysis, I

am submitting for the RECORD his complete testimony.

The complete statement follows:

STATEMENT OF HON. CLEMENT J. ZABLOCKI

Mr. Chairman, I appreciate the opportunity to testify today before this distinguished Committee on the subject of nuclear arms control. Our two Committees have had a long, fruitful relationship in our joint effort to strengthen U.S. foreign policy. I am sure that the actions of the two Committees on the profoundly important issue of nuclear arms control will be no exception.

As you well know, Mr. Chairman, mounting concern in recent months over the effectiveness of the Reagan Administration's arms control policy has generated numerous proposals to reduce the growing stockpiles of nuclear weapons. In response to these proposals, both the House Foreign Affairs Committee and the Senate Foreign Relations Committee have been conducting far-reaching hearings on U.S. arms control policy and the best means of avoiding nuclear war and enhancing deterrence.

At the outset it must be stated that while Congress cannot be responsible for ongoing negotiations in strategic arms reduction, Congress can and should establish flexible guidelines to which U.S. negotiators can adhere in conducting future arms reduction talks. Much as the Jackson amendment to the SALT I executive agreement set the general guidelines for the subsequent negotiation of the SALT II Treaty, a joint resolution of the Congress can set the general guidelines for subsequent negotiations on strategic arms reduction. Furthermore, Congress has a responsibility to act decisively on agreements presented to them. For this reason, Mr. Chairman, I endorse efforts undertaken in both the House and the Senate to favorably dispose of SALT II, either by executive agreement or Treaty.

As you know, Mr. Chairman, the various arms reduction proposals introduced in the Congress have taken a number of forms. Two basic approaches have been most prevalent. The first calls for a mutual U.S.-Soviet freeze on nuclear wapons development. This approach has been sponsored by Senators Kennedy and Hatfield and Representatives Markey and Conte. The second approach is sponsored by Senators Jackson and Warner and is endorsed by the Reagan Administration. It essentially argues that an equitable arms control agreement at sharply reduced levels of forces is only possible after a U.S. nuclear weapons buildup which forces the Soviet Union to make concessions.

Two central elements are missing from both of these proposals that are crucial to a positive, definitive Congressional input on the U.S. negotiating posture for strategic arms reductions. The first element concerns how to address existing arms limitations and controls. The second concerns how U.S. arms control strategy and defense modernization efforts are to be coordinated in order to form a sound national security policy.

Because of these shortcomings, a third approach is needed. Mr. Chairman, such an approach is embodied in House Joint Resolution 443, which I introduced on March 17. I was delighted to learn you subsequently introduced Senate Joint Resolution 171, which is virtually identical. The two resolutions establish the fundamental guidelines for the conduct of the Strategic Arms Reduction Talks (START), to which President Reagan is committed. These guidelines are:

(1) Present limitations and controls on current nuclear weapons and their delivery systems should be preserved while pursuing equitable and verifiable reductions through various means;

(2) Every possible means should be employed to avoid the testing and deployment of new and destabilizing nuclear weapons; and

(3) Ongoing negotiations in Geneva on land-based intermediate-range nuclear missiles should eventually be merged into the START negotiations.

The final element of both H.J. Res. 443 and S.J. Res. 171 is that the START negotiations should begin immediately. I presume that this objective has the President's full support, as a result of his May 9 speech on strategic arms reductions. The President's speech was a most welcome, long overdue initiative in keeping with the sentiments of the American public. His call for major reductions should complement the Congress' efforts to produce effective arms control agreements and reinforce the objectives of H.J. Res. 443 and S.J. Res. 171.

Mr. Chairman, our resolutions provide the two central elements missing from other Congressional arms reduction resolutions. First, H.J. Res. 443 and S.J. Res. 171 argue for the preservation of existing limitations and controls on current nuclear weapons and their delivery systems.

I believe the prospects for reductions in nuclear weapons will be greatly enhanced by continued adherence to existing limitations provided in treaties already negotiated, including SALT II. These include:

Limits on the number of strategic submarines;

Limits on the number of strategic launchers;

Limits on the number of MIRVed ICBMs;

Limits on the number of MIRVed bombers (cruise missile carriers);

Limits on the number of cruise missiles deployable on each MIRVed bomber;

Limits on the size and throwweight of missiles; and

Limits on deployment and testing of ABM systems.

As is well known, SALT II is in hand with its limitations being adhered to by both sides even though formal instruments of ratification have not been exchanged. If it were ratified, it would lead to full implementation of its dismantling provisions, most notably, a reduction by over 10% in the Soviet strategic force levels, or some 250 delivery systems. Ratification would ensure that its terms would be observed by both sides throughout the conduct of the START negotiations.

SALT II thus provides a baseline for new talks on reductions. Because that baseline is one with which the Soviet Union is familiar they would be more willing to negotiate from it than from a totally new framework like START or a freeze alone.

By drawing on the existing controls from SALT II, whether ratified or simply reaffirmed by this Joint Resolution, and by also directing the incorporation of INF negotiations into START talks, our resolutions represent an improvement from other Congressional efforts because they do not disregard the contributions made to strategic stability by arms control agreements reached over the past decade. The important gains of "customary approaches" to arms control should not be dismissed. H.J. Res. 443 and S.J. Res. 171 reaffirm these gains.

The second missing element addressed in our resolutions concerns the inter-relationship of U.S. arms control and defense modernization efforts. Here both the Kennedy-Hatfield and Jackson-Warner approaches may unwittingly produce negative results.

The freeze proposal could destroy needed flexibility to bargain over new U.S. systems in exchange for reciprocal Soviet restraint. Under conditions of a freeze, strategic forces could not be replaced or modernized. Without the advantage of modernizations completed more recently on Soviet systems, U.S. forces could fall into a position of insufficient capability to maintain U.S. deterrence. In order to avoid that possibility, the United States would be put in the politically awkward if not untenable position of abrogating the terms of a freeze.

On the other hand, the Jackson-Warner proposal, supported by the Adminstration, seems to assume that a successful outcome from negotiations can be achieved only through a massive unilateral increase in the U.S. nuclear arsenal. That approach discounts the incentive shared by the United States and the Soviet Union for reducing the dangers of confrontation by limiting nuclear arms. Uninhibited modernization could derail negotiations.

H.J. Res. 443 and S.J. Res. 171 produce neither negative result. Our resolutions permit defense modernization within the limits of SALT to provide a practical basis for U.S. negotiators to bargain with the Soviets. At the same time, the resolutions recognize that any addition of new destabilizing weapons to either sides' nuclear arsenals will jeopardize arms control and thus should be avoided. New systems should be pursued only if they contribute to the preservation of essential equivalence and the ultimate objective of achieving significant reductions.

In addition to addressing these two missing elements in other arms reduction resolutions, H.J. Res. 443 and S.J. Res. 171 have several advantages over the other two approaches.

For example, while the freeze proposal is designed to be simple and straightforward—and admittedly draws much of its support from that fact—that approach does not offer a simple solution. The freeze is actually a "two-step" approach, calling for negotiations first on "when and how to implement" a freeze, and negotiations after that on reductions. I question whether in actual negotiations the issues involved in a "freeze" can be separated from those involved in reductions. Accordingly, I fear that the freeze proposal unnecessarily complicates the process.

By contrast, H.J. Res. 443 and S.J. Res. 171 offer a more direct, "one-step" approach to reductions, because they rely on SALT limits to provide the baseline for those reductions. If the Administration approaches the Soviet Union with an all-new proposal based on either a freeze or on new definitions and new units of account, the Soviet response could be similar to their rejection of the U.S. initiative in March 1977.

By taking this approach, H.J. Res. 443 and S.J. Res. 171 promise to lead the U.S. to an agreement with the Soviet Union more quickly than the other approaches. By providing a framework for incorporating INF talks as well, those negotiations may also have a greater prospect of success with timeliness related to NATO's plans for nuclear modernization.

In addition, in the crucial area of verification, freeze supporters argue that the monitoring to verify compliance with the terms of a freeze would be less demanding than what would be required to verify compliance with the terms of an agreement like SALT.

In the first place, either approach will eventually require monitoring capabilities for a reductions regime, since reductions are the common objective; and since the capabilities for monitoring activities with respect to SALT II compliance already exist, nothing is saved by reducing the requirement for those capabilities now. Monitoring Soviet activities pursuant to SALT II provisions for verification also provide valuable information about their forces and capabilities.

In the second place, verification of a freeze appears less demanding only in terms of monitoring system characteristics as revealed through test activities. Since tests would be banned under a freeze, any such activities would be prima facie evidence of a violation. On the other hand, a freeze would also prohibit production of launchers and warheads. No capability presently exists to monitor production of either, if efforts were taken to conceal them; accordingly, verification of compliance with such terms would impose greater requirements than now exist.

In addition to the improvements discussed above in comparison with the freeze, H.J. Res. 443 and S.J. Res. 171 also improve on the administration-backed proposal in several other ways as well. For example:

Preservation of SALT constraints called for in our resolutions will limit the possibilities for the Soviet Union's establishing a position of significant advantage over the United States before negotiations succeed;

No prospective actions in violation of SALT limitations could be used to extract concessions from the United States; and

Finally, preservation of the provisions of SALT guards against Soviet fractionation of MIRV warheads on ICBMs thereby reducing U.S. ICBM vulnerability.

While making essential improvements to both the Kennedy-Hatfield and Jackson-Warner proposals, H.J. Res. 443 and S.J. Res. 171 preserve many of the key assumptions of both.

Our resolutions embody the following principles of the freeze resolution:

A strategic relationship of rough parity or essential equivalence now exists between the United States and the Soviet Union;

Nuclear arms control negotiations should begin immediately;

Arms control talks should lead to an agreement on substantial and verifiable reductions in nuclear weapons.

Our resolutions also embody the following principles of the Administration-backed resolution:

Arms control negotiations should be directed toward an agreement on substantial and verifiable reductions in nuclear weapons;

U.S. negotiators should be given necessary bargaining room, thereby increasing the prospect of an agreement that will meet each side's requirements for a balanced deterrent;

Negotiations should address force reductions directly. Only then can the United States avoid the situation that a prior freeze could produce—namely, that prolonged negotiations under frozen conditions would weaken the U.S. deterrent by comparison with Soviet strategic forces, which have been modernized more recently.

On the basis of these commonalities, H.J. Res. 443 and S.J. Res. 171 serve as a "bridge" between the two other approaches to arms reductions. However, it goes beyond both approaches in several important respects. Now that the question of whether or not the Administration will undertake arms control talks has been answered, these resolutions address the substantive question of how.

Finally, in presenting my arms reduction proposal, I would like to emphasize the bipartisan support that arms control has enjoyed over several Administrations. That bipartisan support has led to several arms control milestones whose limits I want to preserve. These include the ABM Treaty, the SALT I Interim Agreement, the SALT II agreement, the Limited Test Ban Treaty, as well as the verification provisions of these agreements which have permitted knowledge of each other's activities so as to prevent the fear and insecurity that can give rise to another pointless arms race.

I intend to sustain that bipartisan support in seeking positive action on H.J. Res. 443. The resolution now has over 60 cosponsors, both Democratic and Republican, from all ideological perspectives.

Adoption of our resolutions would serve as a practical and meaningful Congressional statement that instructs the Administration to conduct Strategic Arms Reduction Talks (START) as part of a coherent national security policy, necessarily integrating arms control with the modernization efforts that may be needed to support our objectives in negotiations. Although we may not use the term "freeze," our resolutions embody many useful elements of the freeze proposal by mandating the preservation of strategic arms limitations now being observed by both superpowers.

By bridging the freeze resolutions and the Administration's view regarding nuclear arms reductions, our resolutions will allow Congress to present a strong and realistic position that should be accepted by this Administration as it pursues the arms reductions we all want. Most importantly, by reaffirming the positive contributions that past arms control efforts have made, and by insisting that those gains be preserved, our resolutions will help to assure that future negotiations will take place under conditions that can best prevent instability as reductions are made and best assure that mutual deterrence remains fully intact.

In conclusion, Mr. Chairman, I believe the resolutions we have introduced provide a significant, effective and practical outline of what U.S. objectives in START should be. They reflect a common-sense realization that we must preserve what has already been achieved in nuclear arms control and build on such achievements. Freeze proponents should have no doubt that our resolutions will spur genuine movement in arms control. The Reagan Administraiton should have no concern that our resolutions will arbitrarily cancel its nuclear modernization program. H.J. Res. 443 and S.J. Res. 171 will, however, enable Congress to do what it does best in foreign policy: provide a guiding hand in the conduct of crucial foreign policy matters like the START negotiations.

Mr. Chairman, progress in arms control has never been more important to the survival of mankind. It is my hope that H.J. Res. 443 and S.J. Res. 171 will form the basis for Congressional action to help encourage such progress.

Thank you very much.

COSPONSORS OF H.J. RES. 443

Frank Annunzio (D-IL).
Les Aspin (D-WI).
Michael Barnes (D-MD).
Tony Coehlo (D-CA).
Berkley Bedell (D-IA).
Charles E. Bennett (D-FL).
Lindy Boggs (D-LA).
David R. Bowen (D-MS).
Julian Dixon (D-CA).
Bernard J. Dwyer (D-NJ).
Larry DeNardis (R-CN).
Bob Edgar (D-PA).
John N. Erlenborn (R-IL).
John G. Fary (D-IL).
Vic Fazio (D-CA).
Millicent Fenwick (R-NJ).
Paul Findley (R-IL).
Harold E. Ford (D-TN).
L. H. Fountain (D-NC).
Edwin B. Forsythe (R-NJ).
Bill Frenzel (R-MN).
Benjamin A. Gilman (R-NY).
William F. Goodling (R-PA).
Lee H. Hamilton (D-Ind).
Cecil Heftel (D-HI).
Dennis Hertel (D-MI).
Frank Horton (R-NY).
Andrew Jacobs (D-IN).
Tom Lantos (D-CA).
John LeBoutillier (R-NY).
Norman F. Lent (R-NY).
Bill Lowery (R-CA).
Mike Lowry (D-WA).
Paul N. McCloskey, Jr. (R-CA).
George Miller (D-CA).
Norman Y. Mineta (D-CA).
Dan Mica (D-FL).
Austin J. Murphy (D-PA).
Henry J. Nowak (D-NY).
Mary Rose Oakar (D-OH).
Jerry M. Patterson (D-CA).
Claude Pepper (D-FL).
John Edward Porter (R-IL).
Melvin Price (D-IL).
Nick Joe Rahall, II (D-WV).
Robert A. Roe (D-NJ).
Marge Roukema (R-NJ).
Frederick W. Richmond (D-NY).
Martin Olav Sabo (D-MN).
John F. Seiberling (D-OH).
James F. Sensenbrenner (R-WI).
Philip R. Sharp (D-IN).
Olympia J. Snowe (R-ME).
Gerry E. Studds (D-MA).
Morris K. Udall (D-AZ).
Ted Weiss (D-NY).
Jim Wright (D-TX).
Gus Yatron (D-PA).
Leo C. Zeferetti (D-NY).
William H. Gray, III (D-PA).
Ike Andrews (D-NC).
Fortney H. Stark (D-CA).
Stephen L. Neal (D-NC).

Total: 63 (46 Democrats; 17 Republicans).●

IN MEMORY TO THE 6 MILLION

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1982

● Mr. GRAY. Mr. Speaker, several times during the past few years I have been priviledged to take part in an annual ceremony which pays tribute to the 6 million Jewish martyrs who perished in the Nazi Holocaust.

The memorial service takes place in Philadelphia at a magnificent public monument built to honor the memory of the Holocaust victims—the first such public monument built in the United States.

On Sunday, April 18, more than 4,000 Greater Philadelphians gathered at the monument for the annual tribute. For all of those who took part, Mr. Speaker, and for all of us who recognize the enormous inhumanity of the Holocaust, the program serves as a reminder that even today, nearly 40 years after the Holocaust, man's inhumanity to his fellow man remains evident.

The keynote speaker at this year's memorial service was Jerome J. Shestack, a leading Philadelphia attorney and internationally recognized fighter for human rights. Mr. Shestack, who has served as president of Amnesty International, addressed this issue in his comments to the assembled audience. I commend Mr. Shestack's remarks to the attention of all of my colleagues. He rightly points out that the meaning of the Holocaust is not simply that 6 million Jewish men, women, and children were slaughtered while the world largely ignored their plight—although that fact alone is enough to shock our consciousness.

Rather, as Mr. Shestack so eloquently states, the further meaning of the Holocaust is that as many as 6 million other persons were similarly slaughtered because of their racial or religious views. Its meaning is that this slaughter was possible because the world turned its head; that in the past 40 years, the civilized world has turned its head away from similar behavior; and that today, sadly, in spite of all we think we have learned from the past, we can point to ongoing violence, religious, and racial persecution, and political supression being carried out with the same righteousness that marked the Nazi reign of terror.

Mr. Speaker, I offer the text of Mr. Shestack's comments for the RECORD:

REMARKS OF JEROME J. SHESTACK

We meet today in a Memorial Service for the Six Million Martyrs murdered in the Holocaust.

How do we express ourselves about the Holocaust—so deep and pervasive in its evil that, try as we will, we cannot fathom or penetrate it.

Some are so overwhelmed with the horror of the Holocaust that they are moved to silence. And it is true that the tragic dimension is so huge that it makes literature and art, and even prayer, trivial or impertinent.

But we cannot be silent. For the world was silent when the Holocaust took place. Surely, now we know that evil grows in silence.

Many have tried to understand the Holocaust. We have read the history, the literature, the diaries. Yes, we should study and learn—not because it will lead to understanding, but, because it demonstrates that there can be no understanding of this cosmic horror.

Elie Wiesel said, "I who was there still do not understand." In the end, the monumental evidence of the Holocaust leaves us weak and trembling:

Trembling at the depravity that is possible by other human beings.

Trembling at our inability to comprehend God's irrational mystery.

In every generation we will have to wrestle with that mystery. Not as Jacob wrestled in the night with the angel of the Lord, for Jacob was triumphant. Rather, we must wrestle with the revelation that during the Holocaust humans became beasts and God's mercy was eclipsed.

Jacob emerged from his encounter limping. We emerge carrying a heavy stone on our faith, a burden to remain with us through the ages.

But, we must do more that wrestle with our faith. We must do more than remember. Rather, we must—if we are to give any meaning at all to the memory of the Six Million—resolve "Never Again." What does that mean? Is it merely a slogan? What is it we are resolving against?

The concentration camps of Europe came about because some men conceived and built them, but, also because other men and women let them exist.

The Holocaust was encouraged because all over the world there was silence, and complicity, and inaction.

What are we allowing to exist today? Allowing to exist by our silence, by our divisions, by our apathy, by our lack of exertion? Are we honoring the Six Million or failing them?

When we Jews and Gentile alike do not act against anti-Semitism, when we accept it passively, when we are not aggressive against it, we fail the memory of the Six Million.

When we stand by and do not protest the Soviet repression of Jews, Catholics and others, we fail the memory of the Six Million who also could not leave.

When we do not join those who fight against the terrorism that links the Red Brigades, the PLO, the Bader-Meinhof, and their supporters, we fail the memory of the Six Million.

When we stand by and see 15,000 people tortured and made to disappear by a brutal regime of State terror in Argentina, we fail the memory of the Six Million.

When we remain ignorant of the brutal mass murder of millions of innocent people in Cambodia in genocidal proportion, we fail the memory of the Six Million.

When we fail to speak out against the apartheid of millions of black people in South Africa, forced into a new mold of concentration camp, we fail the memory of the Six Million.

When we do nothing about the abused and restrained around the world; when we stand silent in the face of open or subtle discrimination that denies persons their equal human right to dignity and respect, we fail the memory of the Six Million.

At today's ceremonies we were to hear from Jacobo Timmerman. He cannot be here because he is ill, but he wishes he could have been at this ceremony to pay his respect. Jacobo Timmerman was abducted in Argentina and tortured because he heroically spoke out and warned against the brutal and anti-Semitic regime in his country. Warnings are not always welcome. In every generation there are those who say, "Don't rock the boat," "Don't make waves." Yet history has cruelly taught us that silence never helps Jewish causes. And as Timmerman has told us so dramatically, it is only a short step from silence to complicity.

Silence never helps Jewish causes. Nor does silence help other human causes. The Holocaust was not only an extermination of Jews. It was an obliteration of human worth, a debasement of all humanity.

We meet today to honor the Six Million. Nothing can ever give meaning to their tragedy. But, let us at least resolve to give meaning in our hearts to the words "Never Again."

Let us resolve that Never Again will horror intimidate us. Let us resolve that Never Again will inaction paralyze us. Never Again will theories of accommodation compromise us. Never Again will expediency postpone our public indignation. Never Again will we forget that we are all survivors through the generations of our faith.

We meet here to keep faith with the Six Million. May God grant us the courage to do so. May God grant us the will to do so.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, May 13, 1982, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 14

8:00 a.m.

Appropriations

Legislative Branch Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Library of Congress, Congressional Research Service, Office of Technology Assessment, and the Copyright Royalty Tribunal.

S-128, Capitol

10:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for the Government of the District of Columbia, focusing on the Department of Housing and Human Development, Rental Accommodations Office, Office of Business and Economic Development, Convention Center Board, Convention and Visitors Association, Retirement Board, and the Lottery and Charitable Games Control Board.

1223 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Finance
International Trade Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on S. 2058 and S. 2051, bills promoting fair international trade practices in the services sector.
2221 Dirksen Building

MAY 17

9:30 a.m.
Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings on S. 1910, modifying the tax treatment of certain retirement annuities for clergymen and lay employees; and to review certain ERISA statutes or regulations that inhibit mortgage investments by pension funds, and the Department of Labor's current class exemption efforts regarding pension fund investments in residential housing financing.
2221 Dirksen Building

MAY 18

9:30 a.m.
Governmental Affairs
Civil Service, Post Office, and General Services Subcommittee
To hold hearings on S. 46, providing that certain military service, which is covered by social security, be included in the aggregate period of service on which a civil service annuity is based.
3302 Dirksen Building
*Labor and Human Resources
To hold hearings on the nominations of William F. Harvey, of Indiana, and Annie L. Slaughter, of Missouri, both to be a member of the Board of Directors of the Legal Services Corporation.
4232 Dirksen Building
10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program and providing for increased State responsibility.
324 Russell Building
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development.
1224 Dirksen Building
Commerce, Science, and Transportation
To hold hearings on the nomination of Heather J. Gradison, of Ohio, to be a member of the Interstate Commerce Commission.
235 Russell Building
Energy and Natural Resources
To hold oversight hearings on Federal property management and disposal.
3110 Dirksen Building
Select on Indian Affairs
To hold oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building
2:00 p.m.
Appropriations
Foreign Operations Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1983 for the Agency for International Development, focusing on the trade and development program, international disaster assistance, and American schools and hospitals abroad program.
1223 Dirksen Building

MAY 19

9:30 a.m.
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on Senate Joint Resolution 93 and S. 2278, measures reaffirming the policy of relying on the private sector to meet public requirements for goods and services, and Office of Management and Budget Circular A-76, relating to Federal procurement policy.
3302 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To resume oversight hearings to review the Pension Benefit Guaranty Corporation premium rate increases.
4232 Dirksen Building
10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to continue markup of S. 2352, S. 2392, S. 2480, and S. 2493, bills authorizing funds for the food stamp program, and providing for increased State responsibility.
324 Russell Building
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1983 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1224 Dirksen Building
Armed Services
To hear and consider the nominations of Adm. James D. Watkins, U.S. Navy, to be Chief of Naval Operations, and Gen. Charles A. Gabriel, U.S. Air Force, to be Chief of Staff for the Air Force, and to consider other routine military nominations.
212 Russell Building
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building
Select on Indian Affairs
To continue oversight hearings on the implementation of Indian education programs.
6226 Dirksen Building

MAY 20

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 1770, authorizing funds to conduct a study to determine the adequacy of certain industry practices and Federal Aviation Administration rules and regulations.
235 Russell Building
*Environment and Public Works
To hold hearings on S. 1606, establishing a Federal supplemental property insurance fund for nuclear powerplants, and providing for the cleanup of the damaged Three Mile Island Unit No. 2 nuclear power reactor (TMI-2).
4200 Dirksen Building
Governmental Affairs
Federal Expenditures, Research and Rules Subcommittee
To hold hearings on S. 1782, eliminating percentage retention on Federal Government construction contracts, and S. 1882, improving the effectiveness and fairness of the Federal Government's contractor suspension and debarment programs.
3302 Dirksen Building
10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To hold oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building
Energy and Natural Resources
To resume hearings on S. 1844, to facilitate the development of interstate coal pipeline distribution systems by granting the Federal power of eminent domain to those interstate pipelines which are determined to be in the national interest.
3110 Dirksen Building

MAY 21

9:00 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on miscellaneous tax bills, S. 1485, S. 2075, S. 2424, and S. 2425.
2221 Dirksen Building
9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building
10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices Subcommittee
To continue oversight hearings on the implementation of the Federal crop insurance program of the Department of Agriculture.
324 Russell Building

MAY 24

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on proposed committee amendments to S. 508, Airport and Airway System Development Act of 1981 (pending on Senate Calendar), extending the funding level through fiscal year 1987 for airport improvement and development programs.
235 Russell Building

Finance
Energy and Agricultural Taxation Subcommittee
To hold hearings on S. 1713, providing an exemption for farmers from capital gains taxation on the income received from the sale of easement rights, provided the funds are rolled over into the purchase of new farmland or used for capital improvements in the existing farm, and S. 1485, clarifying the intent of the investment tax credit for poultry houses and greenhouses.
2221 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To receive testimony from public witnesses on proposed budget estimates for fiscal year 1983 for certain programs under the subcommittee's jurisdiction.
1224 Dirksen Building

2:00 p.m.
Finance
To hold hearings on the administration's New Federalism proposal.
2221 Dirksen Building

MAY 25

9:00 a.m.
Governmental Affairs
To hold hearings on the annual report of the Postmaster General.
3302 Dirksen Building

9:15 a.m.
Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for the Federal Trade Commission.
S-146, Capitol

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To hold oversight hearings to review the energy needs of rural communities.
324 Russell Building
Appropriations
*HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for certain programs which fall within the jurisdiction of the subcommittee.
1224 Dirksen Building
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 2414, extending Federal Maritime Commission jurisdiction to intermodal shipments of cargo to and from the United States transported through Canadian ports, and requiring the filing of tariffs for such shipments.
235 Russell Building
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 1626, removing the requirement for Federal regulation to allow the competitive market system to establish petroleum pipeline transportation rates while maintaining safeguards to protect the industry and consumers against unlawful discrimination.
3110 Dirksen Building
Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings on social security disability terminations, focusing on the Social Security Administration's decision to accelerate the required review of disability eligibility, the continuing deficiencies in the system, and the resulting impact on claimants.
1318 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building
Foreign Relations
Business meeting, to mark up certain nuclear arms reduction proposals.
4221 Dirksen Building

MAY 26

9:30 a.m.
Agriculture, Nutrition, and Forestry
Rural Development, Oversight, and Investigations Subcommittee
To continue oversight hearings on the energy needs of rural communities.
324 Russell Building

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To resume hearings on S. 1866, revising regulatory procedures relating to safe drinking water requirements, and S. 2131, authorizing funds through fiscal year 1986 for the safe drinking water program.
4200 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To hold hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

2:00 p.m.
Select Committee to Study Law Enforcement Undercover Activities of Components of the Department of Justice
To hold an organizational business meeting.
Room to be announced

MAY 27

9:30 a.m.
*Appropriations
State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1983 for contributions to international organizations of the Department of State, and the Securities and Exchange Commission.
S-146, Capitol

10:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1964 and S. 1965, bills designating certain wilderness areas in the Mark Twain National Forest in Missouri as components of the National Wilderness Preservation System, S. 2021, providing for the disposal and acquisition of certain Federal lands in New Mexico, and S. 2405, providing for certain lands in New Mexico to be included in the Cibola National Forest System and into the existing Sandia Wilderness.
3110 Dirksen Building
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
4200 Dirksen Building
Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on certain alleged mismanagement practices within the Department of Energy.
3302 Dirksen Building

JUNE 8

9:30 a.m.
Banking, Housing, and Urban Affairs
Securities Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 9

9:30 a.m.
Select on Indian Affairs
To hold hearings on law enforcement problems on Indian reservations including the authority and effectiveness of the Bureau of Indian Affairs police, tribal police, and the Federal Bureau of Investigation, and the quality of U.S. prosecution of criminal offenses.
6226 Dirksen Building

JUNE 10

9:30 a.m.
Banking, Housing, and Urban Affairs
Security Subcommittee
To resume hearings on S. 1869, S. 1870, S. 1871, and S. 1977, bills revising or repealing certain provisions of the Public Utility Holding Company Act of 1935.
5302 Dirksen Building

JUNE 14

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 15

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 2469, providing for improved international telecommunications.
235 Russell Building

JUNE 16

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold oversight hearings on Federal Government cargo preference.
235 Russell Building

10:00 a.m.
Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation

and Liability Act of 1980 (Super Fund).

4200 Dirksen Building

JUNE 17

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To resume hearings on S. 2469, providing for improved international telecommunications.

235 Russell Building

Select on Indian Affairs

To hold hearings on S. 1735, providing for the use and distribution of funds awarded the Pembina Chippewa Indians in specified dockets of the U.S. Court of Claims.

5110 Dirksen Building

JUNE 23

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on the implementation of the National Materials and Minerals Policy Act of 1980 (Public Law 96-479).

235 Russell Building

SEPTEMBER 21

10:30 a.m.

Veterans Affairs

To hold hearings to receive American Legion legislative recommendations for fiscal year 1983.

318 Russell Building

CANCELLATIONS

MAY 13

10:00 a.m.

Appropriations

Military Construction Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1983 for Air Force national programs.

1224 Dirksen Building

2:00 p.m.

Governmental Affairs

Federal Expenditures, Research and Rules Subcommittee

To resume hearings on proposed legislation improving the efficiency of the Federal procurement system.

3302 Dirksen Building

Labor and Human Resources

Business meeting, to markup S. 2036, providing for State and local employment and training assistance, and S. 1889, authorizing funds for the establishment of a national institution to promote international peace and resolution of international conflict.

4232 Dirksen Building

MAY 18

10:00 a.m.

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building